



Senator the Hon Richard Colbeck

Minister for Tourism and International Education
Minister Assisting the Minister for Trade and Investment
Senator for Tasmania

MEDIA RELEASE

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Ensuring Australia remains a top destination for backpackers

Working Holiday Makers are vital for two of our key super growth sectors for the next decade – agriculture and tourism.

Concerns have been raised about the impact of the 2015 budget measure on tax arrangements for Working Holiday Makers, particularly our global competitiveness as a backpacker destination.

We have therefore decided that the proposed tax arrangements require further discussions to ensure Australia does not lose market share in backpacker visitation.

The key issue is to ensure we have a balanced and equitable approach to the tax status for workers in Australia on visas.

I will be guiding this work through a whole of government process in close consultation with the Agriculture, Employment, Immigration, Regional Development, Industry, Treasury and PM&C portfolios to prepare a revenue neutral proposal.

We have already commenced discussion on this issue with the tourism and agriculture sectors and these will continue with key industry groups.

I encourage stakeholders who wish to provide input to get in touch with their relevant industry organisations.

Once this process is complete the proposal will be presented to the Treasurer for consideration by Cabinet.

In the tourism industry alone, Australia is facing a shortage of 127,000 workers in the next five years. Over 90 per cent of workers in the tourism industry are Australian but the industry relies on workers from overseas for the remainder.

A further 40,000 Working Holiday Makers annually contribute to the prosperity of our broader agricultural sector, including the horticulture, abattoir and general agriculture sectors.

This review builds on the measures already taken by the Turnbull Government to support these sectors.

It is essential we continue to put in place the right policy settings that support the super growth sectors of tourism and agriculture as the economy transitions from the construction phase of the mining industry.

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