



MEDIA STATEMENT

Monday, 21 March 2016

INDUSTRY CONSULTATION ON BACKPACKER TAX

CEOs of Australia's leading visitor economy organisations met with Federal Tourism Minister Richard Colbeck today as part of the Federal Government's industry consultation on the proposed backpacker tax.

Also in attendance were the Assistant Minister to the Deputy Prime Minister, Keith Pitt, and the Assistant Minister for Agriculture and Water Resources, Anne Ruston.

Industry applauds Minister Colbeck on securing this commitment from the Federal Government to undertake this consultation process following concerns raised by the sector about the negative impact of the backpacker tax.

Representatives of the industry continue to express strong concerns that applying a 32.5 per cent tax to working holiday makers from the first dollar they earn will cause a further reduction in the number of international visitors applying for these working visas.

Working holiday makers are a crucial source of labour for the industry especially in regional Australia. The strong growth in the visitor economy that has been confirmed in the latest visitor survey figures is placing additional pressure on an industry that is already facing a significant labour shortage projected to increase to 123,000 people by 2020.

Working holiday makers also contribute to cultural exchange, earn approximately \$15,000 per annum and spend the majority of this when they travel and work in Australia making a significant contribution to regional and remote economies across the country.

We look forward to continuing this dialogue with the Minister and the Federal Government on the need to take action on this issue in the lead up to the Federal Budget.