

Media Release

Tuesday, 23 February 2016

TOURISM SECTOR BACKS CALLS FOR CONSULTATION ON BACKPACKER TAX

The Tourism & Transport Forum Australia (TTF) has backed calls for the Federal Government to immediately consult the tourism and agricultural industries on the impact of the proposed backpacker tax.

From 1 July, the Federal Government intends to abolish the tax-free threshold for working holiday visa holders and tax them 32.5 cents in the dollar from the first dollar they earn.

“The Federal Government took everyone by surprise when it announced its intention to introduce a backpacker tax in the last budget without any consultation with the industries that would be significantly affected,” said Margy Osmond, TTF CEO.

“The Federal Government needs to talk to industry about the negative impact of the backpacker tax – the message from industry is going to be loud and clear that the best thing the Government can do is scrap the backpacker tax altogether.

“The Labor Opposition cannot afford to sit on the fence on this tax – it needs to be standing up for tourism businesses in regional communities across the country that depend on backpackers to keep their doors open.

“The backpacker tax is the definition of a false economy – if you start slugging a backpacker with 32.5 cents in tax for every dollar they earn during their holiday, they simply won’t come to your country and that means you don’t raise any revenue.

“There are thousands of destinations across the world that a backpacker can visit – if the Australian taxman is going to reach into their pockets and take the money they would use to travel and live while on holiday, they will simply go elsewhere.

“We should not be unfairly carving out working holiday makers for a new tax just because they are a soft target. If this bad decision is not reversed it will hurt regional communities and the tourism industry.”