

Media Release

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RISING AUSSIE DOLLAR – THERE HAS NEVER BEEN A MORE EXCITING TIME TO CUT THE COST OF TRAVELLING TO AUSTRALIA

A surging Aussie dollar should be a strong incentive for the Federal Government to take action to reduce the cost of travelling to Australia – the holiday tax (PMC), the backpacker tax and the expensive visa fees – to maintain our growing visitor economy said the Tourism & Transport Forum Australia (TTF).

“There has never been a more exciting time for the Federal Government to take a good hard look at the cost of travelling to Australia and start slashing these unhelpful fees and charges,” said Margy Osmond, TTF CEO.

“If the Aussie dollar continues to climb and stays high for a sustained period like we saw three to five years ago that will have an impact on the decision of travellers to visit Australia.

“We had 7.5 million international visitors spending \$36.6 billion in our economy in the past 12 months – we should not jeopardise our visitor economy by pricing ourselves out of the market through short-sighted fees and charges.

“The Federal Government is charging a \$55 holiday tax (Passenger Movement Charge) on every Australian and international visitor that leaves the country – that will raise more than \$1 billion in the next financial year, far more than the estimated \$250 million it actually costs to provide passenger facilitation. This holiday tax needs to be reduced to reflect its real purpose.

“From 1 July, the Federal Government is planning to tax working holiday makers a 32.5 per cent backpacker tax on every single dollar they earn – no more tax-free threshold anymore. For a backpacker earning \$400 a week that’s \$130 out of their pocket in the backpacker tax. This tax should be scrapped immediately before it smashes the youth visitor market.

“China is a booming market for Australia – more than one million visitors in the past year, a growth rate of a whopping 30.1 per cent – and yet we are trying to actively discourage this market by charging Chinese visitors \$135 for a visa, when other visitors can pay as low as \$20 to come to Australia. Cutting the cost of visas for what will be our largest market is common sense.

“The holiday tax, the backpacker tax and high visa costs need the urgent action of an innovative Government to ensure that Australia remains an attractive destination in the face of a rising Aussie dollar.”