

Media Release

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TOURISM INDUSTRY BACKS CALL FOR SCRAPPING OF \$540M BACKPACKER TAX

The Tourism & Transport Forum Australia (TTF) is encouraging the Australian tourism industry to express its opposition to the Federal Government's \$540 million backpacker tax by supporting a petition launched by the National Farmers' Federation today.

The Federal Government announced in last year's budget that it will abolish the tax-free threshold for working holiday makers from 1 July 2016 – essentially slugging them with a \$540 million backpacker tax.

“Governments for many years have seen overseas backpackers as an easy mark for hiking visa fees and now we are seeing the result of this greedy cash grab with a significant decline in backpackers visiting Australia such as the number of Irish backpackers halving in the last three years,” said Margy Osmond, TTF CEO.

“The average eight month working holiday maker spends more than \$13,000 during their stay. This helps to support local economies and jobs as they travel around the country on their holiday.

“Backpackers are an important part of the workforce mix for the tourism and hospitality sectors just as much as they are to Australia's agriculture industry – these are industries in which seasonally-based operation and remoteness makes it hard to secure a locally-based workforce.

“Backpackers have the entire world to choose from for a working holiday and the Australian Government's policy to slug them with \$540 million in a new backpacker tax is encouraging them to go elsewhere.

“In simple terms a working holiday maker earning \$21 per hour and paying 1/3 in tax on the first dollar they earn has only \$14 left for accommodation, food and transport with no capacity to save to further their travels in Australia and no incentive to work.

“If we want a strong tourism sector contributing to our nation's economy we should be encouraging more overseas visitors to undertake working holidays through our beautiful country.

“We are encouraging the Federal Government to reject this false economy and work with the tourism and agriculture industries to make our country a welcoming and competitive place for backpackers to visit on a working holiday.”

The petition is available here: <https://www.change.org/p/australian-government-stop-the-backpacker-tax>