



MEDIA RELEASE

Thursday, 28 April 2016

INDUSTRY CALLS FOR FEDERAL GOVERNMENT TO CURTAIL BACKPACKER TAX IN BUDGET

The Tourism & Transport Forum Australia (TTF) and the National Farmers' Federation (NFF) are calling on the Federal Government to recognise the serious concerns about the negative impact of the proposed backpacker tax on industry by taking action to curtail it in next week's Federal Budget.

The proposed 32.5 per cent backpacker tax that was foisted on industry with no warning in the last Federal Budget is simply not acceptable to the industry and must be modified in the Budget on May 3.

The Federal Government undertook a round of industry consultation last month following the vocal advocacy of TTF, the NFF and other groups that the backpacker tax would see a significant drop in the number of overseas visitors applying for working holiday visas and would widen the labour shortage already being experienced by industry especially in regional and rural Australia.

More than 30,000 people have signed an online petition opposing the 32.5 per cent tax proposal.

"The backpacker tax is a bad policy – plain and simple. We are already seeing a marked decline in backpackers coming to Australia following repeated hikes in the cost of the visa – now \$440. Slapping a 32.5 per cent tax on backpackers on every single dollar they earn will only encourage them to go elsewhere," said Margy Osmond, TTF CEO.

"Let's make one thing very clear. Industry expects to see movement on the backpacker tax in next week's budget and that has to be a radical rethink.

"Maintaining the status quo for backpackers makes economic sense considering that backpackers spend more than they earn during their visit to our country which is great news for the regional and rural economies they travel through. They are also an invaluable labour source for tourism and agricultural operators in our regional communities.

"We appreciate the efforts of the group of Ministers including Tourism Minister Richard Colbeck and Trade and Investment Minister Steve Ciobo who have fought hard to review this, but what the Government put on the table in last year's Budget simply will not work and industry will be livid if strong action is not taken. We will make this an election issue."

Tony Mahar, CEO of the National Farmers' Federation said that industry was increasingly worried about the backpacker tax, with farmers already reporting significantly fewer applications for seasonal jobs this year as a result of the tax announcement.

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“Already we are starting to see the economic damage of the backpacker tax and it hasn’t even been passed into law yet. We have farmers asking us – should we plant our crops this year? Where will our workers come from?”

“This is going to be an economic disaster for the agriculture sector. We won’t be able to harvest our current crops let alone increase production to take advantage of new trade opportunities.

“This issue will not end on Budget night, we will continue to fight the backpacker tax as long as it takes for the Government – whichever party that might be after the election – to see sense on this issue.”

The petition can be located at: <https://www.change.org/p/australian-government-stop-the-backpacker-tax>

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