

MEDIA RELEASE

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INDUSTRY CLAIMS VICTORY FOR COMMON SENSE ON 15% BACKPACKER TAX

The Tourism & Transport Forum Australia (TTF) and the Australian Federation of Travel Agents (AFTA) has described the Federal Government's compromise for a 15 per cent backpacker tax as a victory for common sense and called on the Parliament to pass the legislation immediately.

TTF and AFTA have been vocal advocates of the need for common sense to prevail on both the backpacker tax and the proposed increase in the holiday tax – the Passenger Movement Charge – which the Government has agreed to freeze for five years at the new rate.

“We were the first to sound the alarm on the devastating impact a 32.5 per cent backpacker tax would have and we are very pleased that, at the end, we have reached a workable compromise that will provide certainty to the industry and keep backpackers coming to Australia,” said Margy Osmond, TTF CEO.

“A 15 per cent backpacker tax is a fair compromise that will allow the Federal Government to meet its budget objectives – confirmed by the KPMG economic analysis commissioned by TTF – and maintain a competitive tax rate for backpackers compared to other markets such as Canada and New Zealand.”

AFTA CEO Jayson Westbury said the Parliament needed to move with haste to end the stalemate over the backpacker tax so that tourism & travel operators can get back to running their businesses and support local economies.

“Industry will be greatly relieved that it appears we've reached an outcome that will receive the support of the Parliament,” Mr Westbury said.

“We greatly appreciate the support of politicians of all parties who have worked to achieve a very competitive tax rate for backpackers than was originally floated. Let's get it passed and into law now.

“The deal that has been worked out on the backpacker tax and the five year freeze on any future increases in the Passenger Movement Charge shows that compromise and a fair-minded approach to the challenges facing the tourism & travel industry can deliver a positive result for everyone.”