



Submission on the Proposed Backpacker Tax

The Whitsundays is a world renowned tourism destination attracting hundreds of thousands of international visitors annually. A large number of these visitors arrive as seasonal workers under the Working Holiday Visa (WHV) program. The Whitsunday region produces 50% of Australia's domestic fruit and vegetable produce between the months of May through October. Both the agricultural and tourism industries rely on the WHV program to ensure that the fruit and vegetables are able to be harvested and sent to market.

In the Whitsunday region, most of the money earned through the WHV program is reinvested in the tourism industry through accommodation, tours and food and beverage purchases. Backpacker numbers for the Whitsundays are down 10% for the year ending March 2016, yet International Visitor Stats released on 30 August 2016 for year ending June 2016 show an increase of 6.2% compared to last year.

The continued flow of backpackers to our region is critical to the success of our major economies in the Whitsundays and the implementation of the proposed backpacker tax would seriously undermine the success of these industries. Backpackers aren't opposed to paying a reasonable level of tax, this has been shown by the number of backpackers visiting our region over the past decade.

In an ever competitive and global market, backpackers will vote with their feet and visit destinations such as New Zealand and Canada, where they can get a balance of holiday experiences and work opportunities, whilst paying a reasonable level of tax.

The Whitsunday tourism industry strongly recommends that this tax proposal not be adopted.

Craig Turner
Chief Executive Officer
Tourism Whitsundays