



Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
22 June 2016

18 October 2016

To the Senate Standing Committees on Economics,

I am writing on behalf of the tourism industry in Central Australia regarding the Working Holiday Maker Reform Package.

Tourism Central Australia is the official Regional Tourism Organisation for almost two thirds of the Northern Territory. The region encompasses the areas from the South Australian border, Western Australian border and Queensland border, north to Newcastle Waters. This area includes the Uluru Kata Tjuta National Park, Kings Canyon, Alice Springs, the MacDonnell Ranges and Tennant Creek. We have over 300 members across all areas of the services sector. Our members also include a number of outback businesses across borders, in South Australia, Western Australia and Queensland.

Our members rely on working holiday makers for both income and employment. Working holiday makers travel to this popular destination to experience indigenous culture, outback adventure and what they perceive as the 'real' Australia. They also work in our cafes, accommodation, are tour guides in particular for companies requiring languages other than English, work in retail shops and many other roles. With an unemployment rate as low as 4% in Alice Springs, the labour force provided by working holiday makers is crucial to our remote area's ongoing economic success.

We are therefore extremely concerned by the continued moves to disincentivise working holiday makers to come to Australia. By imposing an increased cost in the Passenger Movement Charge (already the second highest in the world) and creating a taxation package that will reduce the number of people travelling to Australia for a working holiday, we believe that the decline in the approval of working holiday maker visas (already at its lowest point since 2011) will continue.

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Tourism Central Australia, on behalf of its members, asks that:

- The Passenger Movement Charge be scrapped
- The taxation of working holiday makers be aligned with the rest of the workers in Australia, including a tax free threshold and the same taxation rates

The proposed taxation changes and continued increases in charges to tourists leaves the tourism industry with the feeling that they are not being taken seriously as a significant provider of economic growth to Australia. We are sure that we are being taken seriously as an industry, and so are confident that the proposed changes will be scrapped and a system that incentivises working holiday makers to come to Australia will be devised. In this regard, we note with appreciation the commitment of \$10 million in new money to the attraction of working holiday makers to Australia, and look forward to working with Tourism Australia to achieve this. The income and employment these people will provide to outback Australia will, I am sure, more than cover the \$10 million committed.

If you would like to discuss this matter with me, I am more than happy to be contacted on any of the details enclosed with this letter.

Warm regards,

Stephen Schwer
Chief Executive Officer
Tourism Central Australia

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