



Global Domes LTD

“We shelter the world”

The Affordable Housing & Accommodation Alternative

A Member of the Global NRG Ltd Group

Australia New Zealand USA Canada UK China

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BACK PACKER TAX

Global Domes Ltd a division of Global NRG Ltd had planned an extensive farm accommodation program whereby clusters of its domes would be placed on farms and vineyards to provide low cost accommodation for backpackers working on farms.

The domes in turn would have been sold to investors for a period of 5 years over which time the cost of the dome would have been amortized.

These domes were then to be made available as affordable accommodation for victims of domestic violence and established in small village as affordable rental accommodation for elderly persons forced out of the ever rising market.

The rentals were designed so that the backpacker would on a twin share basis, pay no more than \$7/night and where the domes then became available for use by the less fortunate the rents would absorb no more than 20% of the social security or pension payments.

Global Domes conducts similar programs in USA, Canada, Brazil and Ireland.

When the Federal Government announced the budget move to tax backpackers at the rate of 32.5% it was instantly obvious that a large percentage of backpackers would no longer consider Australia for a working holiday. This is now the case.

As renting on-farm domes to backpackers was an essential part of the financial model, we had no option but to cancel the program, meaning that some 22,500 dome homes have been lost to the domestic violence associations, who desperately need emergency accommodation for when victims need to be removed instantly from the home where the violence is occurring. It has also left a vacuum in affordable housing for the elderly.

Taxing backpackers at a higher rate than a normal worker would be taxed is a massive deterrent because many would not earn sufficient to qualify for the 32.5% tax rate and as a result less backpackers are going to participate in farm labor, meaning that farms are going to be left with unharvested crops. It will also result in less expenditure within the tourism industry as the number of backpackers drops and the ability to spend decreases by the taxed amount.

We have now moved the dome allocation to New Zealand and Canada.

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