

The tax rate of 32.5 per cent for non-resident 417 and 462 visa holders—known as the ‘backpacker tax’—has been discussed widely as a potential disincentive for backpackers to take on roles that are not being met by Australian workers. This is a complex issue that goes beyond the tax rate for individual visa holders.

Unemployed Australians are unwilling to move to work at seasonal harvesting.

They are often not physically able to carry out the work.

They have to report income, fill out forms and potentially miss out on centrelink payment

Backpackers are mobile and will travel to where there is work.

Food producers rely on this labor force to get their crops in quickly before produce spoils from being over-ripe.

The harm caused by the Backpacker tax could far exceed the tax collected.

Backpackers contribute to the economy where most of what they are paid is returned into the economy via accommodation, food, fuel ect...

Backpackers do not need to have Australian superannuation however an equivalent amount (so as not to disadvantage Australian workers) could be held as a tax.

A much lower tax rate 16% is likely to be tolerated by Working holiday-makers with some room to scale the rate higher for those that work longer hours (full time)

The implementation of the ‘backpacker tax’, will have a detrimental effect on employers, industries and the wider community. The regions rely heavily on foreign workers across agricultural and tourism industries and the proposed tax rate will act as a deterrent for backpackers seeking to work in the Australia, and on a local scale.

Thank you for this opportunity to comment.

Bill Rice