

To Whom It May Concern

“Backpacker” Tax – Short term and long term agricultural and tourism labour needs

The Shire of Perenjori Council would like to express concern for the proposed “backpacker” tax which is aiming to tax non-residents working in Australia at 32.5% from their first dollar of income. Our community is dominated by the Agriculture industry and is supported by small business in the hospitality and tourism industries. As a community with limited population numbers, in particular younger people who are willing and able to perform the work required by agricultural and hospitality industries, “backpackers” provide a valuable necessary source of labour. Our family farming businesses rely on additional labour to ensure the effective running of their business. The challenges are many when trying to attract young residents from Australia to take up this work and to move to rural communities, expecting people to give up a lifestyle they are used to and to move away from family and friend support networks is just two of the reasons why there is a labour shortage in this area. Furthermore the hospitality and tourism industries which are key small business in small rural towns also have difficulties in attracting and retaining labour to support the conduct of their operations.

Whilst there are obvious economic benefits the social benefits have also been noticeable with the addition of varying cultures in the community assisting to sustain the younger population across our community. Reducing any incentive to encourage the travellers to venture out to small regional towns like Perenjori will be severely detrimental to our and other like sized communities.

The following concerns summarise the implications for our community if this tax is implemented and the incentive to encourage workers to venture to small rural communities is removed:

- Vacant positions in hospitality and farming businesses which cannot be filled;
- Potential closure of businesses, and
- Decreased production in Agriculture and of general goods and services.

We urge the Commonwealth Government to re-consider this tax to ensure overseas travellers continue to be attracted to Australia to fill the gap in areas where labour is a real and experienced shortage. The detriments to our and many other small communities would be very harmful, and add to the many other challenges we face in sustaining populations.

Yours sincerely

Ali Mills

Chief Executive Officer