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TO WHOM IT MAY CONCERN

Re: The Backpacker Tax Review

The Griffith region is heavily reliant upon backpacker labour as there is a significant amount of seasonal work. Local employers including large wineries, frequently report issues accessing unskilled labour. Backpackers provide a significant proportion of the seasonal workforce in our region.

In my opinion the proposed 32.5% tax rate for backpackers will discourage backpackers from undertaking working holidays in Australia, and deprive our region of much needed unskilled seasonal labour. Projected industry and subsequent employment growth in the Griffith area over the next five years is significant and this will increase our region's workforce reliance on backpackers to fill gaps.

Backpackers are on working holidays and tend to spend what they earn in the local area. So whilst the government may be receiving less tax income under the current system, the rural communities where backpackers tend to work and travel are not being deprived of the backpackers' earnings.

As a farm business advisor I observe a number of my clients' issues finding staff to work on farms located between 0.5 and 1.5 hours' drive from Griffith. Skilled and semi-skilled staff such as machinery operators and mechanics are very difficult to attract and these roles are often filled by non-residents. Any change to the current tax arrangements for non-residents will exacerbate the current rural labour shortage.

The proposed changes to the backpacker tax should be discarded and the present system for non-residents should remain as is.

Yours sincerely

Michael Ryan
Principal Consultant