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Katter blasts backpacker tax and super

David Anthony

HORTICULTURE growers and Liberal Party politicians have given the proposed backpacker tax the thumbs up.

They have expressed relief and gratitude that the Federal Government has reduced the proposed tax from 35.2 per cent to 19 per cent.

Not so thankful is the Federal Member for Kennedy, Bob Katter, who echoes the concerns of Voice of Horticulture chairperson and Victoria citrus grower Tania Chapman who says the government will take 95c in the dollar of backpackers' superannuation.

He said the "compromise" was no victory and called for the scrapping of backpackers' superannuation.

"A lot of backpackers don't bother taking it with them anyway," Mr Katter said.

"The super on top of the 19 per cent tax from the first dollar backpackers earn from January 1 totals almost 30 per cent," Mr Katter said.

"This will be frustrating for farmers who will have to deal with more paperwork and stress.

"This is of no benefit to farmers and it is no wonder that the National Party is losing seats it has traditionally held — three at the last elec-

tion."

Peak horticulture body

Growcom has expressed relief at the decision to set the backpacker tax at 19 per cent from the first dollar earned from January 1, rather than 32.5 per cent.

Chief advocate Rachel Mackenzie said that at this rate Australia would be competitive with other working holiday destinations and backpackers would no longer be discouraged from working here.

Growcom welcomed the government's decision to raise the age limit for working holiday makers to 35 which was designed to attract backpackers in greater numbers.

The Liberal Party's Townsville-based Senator Ian Macdonald and the Member for Leichhardt, Warren Entsch said they were pleased the government had listened to them.

Senator Macdonald said the decision to reduce the proposed tax rate from 32.5 per cent to 19 per cent would apply to all Working Holiday (417) and Work and Holiday (462) visa holders and would help to keep Australia "top-of-mind" as a destination for working holiday makers.

"I am pleased with the government's proposal to actively

promote Australia as a destination for working backpackers. The the reduced application fee and the extension of time for working holi-

day makers working if different regions will be of help," Senator Macdonald said.

"But I think the superannuation accrued by Working Holiday (417) and Work and Holiday (462) visa holders should be paid to them as wages rather than as super. It should be included in the tax mix.

"Backpackers will spend that money in local communities and it will circulate in local economies."

Mr Entsch said he was glad about the "compromise".

"The reduced tax rate of 19c in the dollar rather than 32.5c is a much fairer outcome, given that most backpackers wouldn't reach the threshold of \$37,000 a year," he said.

Mr Katter said the tax was a huge disincentive to backpackers to come to Australia.

"Overseas backpackers enrich our country," he said.

"They come here look for adventure and excitement.

"I don't know where the tourism industry would be without them."

Mr Katter thanked all those who helped to fight the tax.

"I'm sorry we didn't get a better outcome," he said.

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