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REVIEW OF BACKPACKER TAX IS POSITIVE FOR REGIONAL AUSTRALIA

Australia's accommodation industry is supportive of the review of the proposed backpacker tax, which has been announced by the Federal Government.

Speaking on behalf of the industry, the Accommodation Association of Australia said it intends to work co-operatively with the Government with a view to finding a workable alternative policy.

"The proposed backpacker tax would have been a powerful deterrent for a significant number of potential overseas visitors considering visiting Australia," said the Association's Chief Executive Officer, Richard Munro.

"We are pleased the federal Minister for Tourism, Senator the Hon Richard Colbeck, has listened to the concerns of the accommodation and tourism industry by successfully pushing for a review of the policy.

"The accommodation industry looks forward to continuing to work constructively with the Minister and other key stakeholders as part of the review."

Mr Munro said the change of tack has the potential to benefit many regional and rural parts of Australia.

"Visitors on working holiday visas, including backpackers, are an important source of labour for accommodation businesses outside of Australia's major cities," he said.

"Backpackers who work in other industries, notably agriculture, also generate revenue for accommodation businesses in regional and rural areas.

"If some form of tax on backpackers proceeds, local economies in regional and rural areas will experience another hit at a time when they are already underperforming."

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