

AUSTRALIA: TOURISM INDUSTRY SHAKEN BY 25% VISA FEE INCREASE



The Australian tourism industry has been angered by the government's move of raising the backpacker's visa charge from \$280 to \$350. Tourism stakeholders argue that this latest move will negatively affect the industry that has already endured plenty of economic suffering as well as taxation increases in only one year.

John Lee, the Tourism and Transport Forum chief executive, said that the move by the government could make the backpackers seek other destinations to visit. Which he says **will be a huge blow to not only the tourism industry but also the economy**. According to Lee, tax increase and other charges added could make the tourist question the destination and seek alternative options such as New Zealand and Canada where visa fees are cheaper. He said that the move sends out a wrong message to the tourists out there.

The visa charge increase was part of the recent mid-year budget update. Lee further argues that the backpacker visa increase comes shortly after the government had increased the passage movement charge and introduced airport police tax earlier this year. He states that the tourism industry thought that the economic hardships were over earlier this year, only to be shocked by the new move to increase the backpacker visa charge. He notes that the tourism industry was not consulted over the matter nor did the government consider the weak state the tourism industry finds itself in regard to international tourists.

The tourism industry players believe that the move by the government is very unacceptable bearing in mind that the tourism market is under pressure against the dollar that has for a number of months remained above parity and the decreasing number of international tourists from countries such as the United States of America.

The backpackers according to Lee contribute over \$2 billion to the economy every year. He explains that backpackers spend over \$5,000 in Australia and that they can also be found working in the regional Australia. While working in the regional country he adds that these holiday makers play a significant role in supplementing the labor supply in hotel, resorts as well as in other hospitality jobs. Lee notes that the new move to increase the backpacker's visa charge will be disastrous for the tourism and hospitality sectors which are both struggling.

The Victorian Tourism Industry Council chief executive Dianne Smith has added that the move by the government is yet another obstacle to the tourism industry. According to the council the charge is disastrous to the regional centers that depend on backpackers and is opposite to the current government strategy to draw more labor especially to the regional and rural areas.

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