



SENATOR THE HON MATTHEW CANAVAN
MINISTER FOR NORTHERN AUSTRALIA

Ms Rhondda Chappell
President
Broome Chamber of Commerce and Industry
president@broomechamber.com.au

MC16-001751

Dear Ms Chappell

Thank you for your letter of 12 February 2016 to the Hon Josh Frydenberg MP, Minister for Resources, Energy and Northern Australia, concerning foreign workers and proposed taxation changes. The Minister has referred your letter to me for reply.

I was recently appointed as Minister for Northern Australia. It is a great privilege to serve in this capacity and I am delighted to work with Minister Frydenberg on the development of northern Australia.

I am excited by the enormous opportunities to capitalise on our strengths and natural advantages by developing the north. The development of northern Australia is a key priority for the Australian Government. The White Paper on Developing Northern Australia (White Paper) sets out the Government's long term plan for harnessing the north's advantages, while also addressing the challenges of living and working in the north. The White Paper clearly positions business at the centre of northern development, and has established a range of measures aimed at attracting both new investment and new people to the north.

I note your concerns about the impact of the 2015 Budget measure on tax arrangements for Working Holiday Makers. Working Holiday Makers are vital to two of Australia's super growth industries: tourism and agriculture. The Government has listened to the concerns raised regarding the proposed tax changes. On the basis of these concerns, the Government has decided further discussion and exploration of options for Working Holiday Makers taxation is appropriate.

Working Holiday Makers use services and amenities funded by Australian tax payers and should therefore be expected to pay tax. It is also important to have consistent tax treatment across Australia's different visa classes.

Senator the Hon Richard Colbeck, Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment, has agreement from the Prime Minister, the Hon Malcolm Turnbull MP, to lead a whole of government process to look at alternative, revenue neutral, arrangements that ensure Australia remains globally competitive in attracting Working Holiday Makers. Minister Colbeck will also be seeking the views of industry and stakeholders. Once a position has been agreed this will be presented to the Treasurer, the Hon Scott Morrison MP, for consideration by Cabinet.



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Thank you for providing your views on this issue to the Government. For your information, I have forwarded your letter to Senator the Hon Richard Colbeck and the Treasurer, the Hon Scott Morrison MP, for their consideration.

I look forward to working with my colleagues to create a robust and vibrant economic future for northern Australia, which will provide prosperity for all Australians.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'M Canavan', with a long horizontal stroke extending to the right.

MATTHEW CANAVAN

CC: The Treasurer, the Hon Scott Morrison MP

Senator the Hon Richard Colbeck, Minister for Tourism and International Education and
Minister Assisting the Minister for Trade and Investment

14 APRIL 2016