Mr TED O'BRIEN (Fairfax) (10:36): Labor is operating under the false apprehension that Australia's prosperity can be achieved through higher taxes. We are already familiar, under this government, with the new taxes and the changes they have made. We had the truckie tax. We had the carbon tax. They have removed the low- and middle-income tax offsets. But I rise today to talk about another tax imposed by this Albanese Labor government: what is basically a backpacker tax. From 1 July, the government has made changes so that the visa for backpackers, the working holiday-maker visa, increases by $130, that brings it up to $640. They've also made changes that will ensure that backpackers no longer have the option to extend their visa for a second or third year.

Now, these visas are vitally important. They're part of a suite of people-to-people links that we have with around 40 different countries in the world, allowing young people to come travel in Australia and also undertake part-time work and study. They are the ones who serve us in cafes, serve us at restaurants. They pick our fruit, our vegies etc. They make a contribution. In horticulture alone they represent about 80 per cent of the workforce. The contribution of backpackers constitutes around $3 billion to the Australian economy every single year.

This government has made a deliberate decision to tax them because it believes they are easy targets. The taxing hyenas of the Labor Party are more than happy to go after the easy prey of the backpacker. But this impacts regional economies. It also impacts metro economies. Sunshine Coast is highly reliant on tourism and also agribusiness. It impacts us, it impacts supply and demand. On the supply side, take Argo, a fantastic restaurant in Buderim. They are highly reliant on these backpackers. The fewer that come in because taxes rise, the harder their job is. It makes it harder for that fantastic restaurant to serve its own patrons, its own people within the Sunshine Coast. It impacts the ability of businesses because right now they're screaming out for more staff. It impacts supply. It also impacts demand.

Take another business in my electorate: Fraser Island Adventure Tours. They run tours in the Sunshine Coast and Fraser Island. They too are going to be impacted because they won't have the backpackers to spend money. They're reliant on them. (Time expired)