



Monday, 24 July 2023

“NOT TIME TO PULL UP THE WELCOME MAT” – ACCOMMODATION SECTOR WARNS

The proposed new tourism tax for Victoria would impact the state’s attractiveness as a tourism destination and is an unfair way to deal with Victoria’s housing crisis - the nation’s peak accommodation body warned today.

Accommodation Australia CEO Michael Johnson said, “This new tax would see many travellers simply head to states like NSW and Queensland, or avoid Australia to save on costs, especially tourists from countries like China where Tourism Australia is currently campaigning to “Come say G’day”.

“The return of overnight international tourists is critical to Victoria meeting projected visitor number and spending targets – spending by international visitors is still less than half what it was in 2019 - down \$4.6billion.

“Not only it is an unfair extra burden on hotel guests, it will have an impact on other tourism-related businesses in Victoria which have been doing it tough since COVID. It’s not time for Victoria to pull up the welcome mat to visitors.

“The Government should be targeting the unregulated accommodation sector to help deal with the rental housing crisis – not tax hotel guests who are visiting the state to support the local visitor economy.”

Accommodation Australia Victoria General Manager Dougal Hollis said the new tax would impact the state’s reputation as a great place to hold conferences and events in particular.

“A bed tax would create a significant barrier to Victoria’s attractiveness from a business meetings and events perspective, adding \$895,000 of direct cost to our pipeline of 179,000 room nights and could lead event organisers to consider alternative options outside our state,” he said.

“Hotel occupancy levels are still below pre-pandemic figures and in the mid-sixty per cent range. This new tax sends the wrong message – that Victoria doesn’t welcome tourists, all to fix a rental housing crisis we are not contributing to.

“Instead, we should be doing all we can to encourage first time tourists from interstate and overseas to come here, not discourage visitors by placing an extra tax burden on people who want to come and spend their hard-earned dollars.”

MEDIA CONTACTS: Jason Bartlett 0433 954 657 (for Michael Johnson) or Dougal Hollis 0400 805 470