accommodation association

02 September 2022

Andrew McEvoy
Consultant to the Queensland Government
Tourism Industry Consultation on Towards 2032 - Reshaping Queensland's visitor economy to welcome the world
Delivered via email: amcevoy100@gmail.com

Dear Mr McEvoy,

The Australian accommodation industry is facing its greatest ever challenge as our members slowly recover from the pandemic. This is especially the case with Queensland's accommodation businesses who have been heavily impacted by the lack of available workforce which contains to drastically curtail operations. This is not a situation which is going to improve any time soon unfortunately.

As the peak tourism accommodation association in Queensland, we urgently flag with you that any additional domestic tourism taxes, levies or charges would not only immediately reverse any progress they have made in the past eight months to recover to pre-pandemic levels but also irreparably set back the state's Tourism sector given the critical role Accommodation plays in it.

The Accommodation Association is therefore vehemently opposed to recommendation 65 and 66 in Towards 2032 – Reshaping Queensland's visitor economy to welcome the world. A 'Visitor levy' or Bed Tax will only lead to a rise in costs of staying in Queensland and kneecap the competitiveness of Queensland as a destination for intrastate, interstate, and international visitors and investors. Given the current parlous state of accommodation providers across Australia and including in Queensland, any move which would increase the challenges our members have to navigate would also inevitably lead to business closures on top of those necessitated through COVID. Any reduction in available rooms is clearly counterproductive at all levels.

We appreciate that the panel is looking for alternative and new funding sources for the visitor economy but turning accommodation providers into tax collectors is not a sensible policy on any level for a range of reasons:

- It would immediately dampen critical intrastate visitor demand as well as interstate and international demand over the longer term at a time when Accommodation and Tourism are slowly but gradually rebuilding visitor numbers from the unprecedented lows of the past three years;
- It would act as a disincentive to local investment activity as investors look elsewhere to more favourable overall tax environments to plan and build tourism related investments and grow jobs.
- Australian tourists already pay a direct tourism tax in the form of the Passenger Movement Charge as well as a range of other taxes such as the Goods and Services Tax (GST) which clearly collects for the services of accommodation.

We would welcome the opportunity to meet with you at your earliest convenience to discuss in detail the significant ramifications on demand, room stock, business and Queensland's Visitor Economy should these two recommendations be implemented.

If you have any questions or if a meeting is amenable to you, please contact Bassel Tallal, National General Manager Advocacy and Public Policy via email bassel.tallal@aaoa.com.au or via phone 0421 464 347.

Kind Regards,

Richard Munro
Chief Executive Officer
Accommodation Association of Australia