

**MEDIA RELEASE**

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# Help needed for hotels to deal with carbon tax

The accommodation sector is exposed to the proposed carbon tax and needs assistance to remain competitive, according to the leading industry body, Tourism Accommodation Australia (TAA).

TAA Managing Director Rodger Powell said accommodation hotels are vulnerable to the impact of the carbon tax and called for the Government to take steps to assist the industry in managing its introduction.

“Tourism is a major industry in the Australian economy. It employs more than half a million people and generates \$84 billion per year in economic activity, including \$25 billion in export earnings spread across capital cities and regional areas nation-wide. Australia needs a vibrant tourism industry and the Government must consider ways to ensure we remain competitive with other markets”, Mr Powell said.

“Access to the Green Building Fund and improvements to tax schedules on plant and equipment would be a good starting point. Other countries have moved to phase in taxes over longer periods to ease the burden reduce the immediate impact on pricing with our trading partners, most of which are not subject to similar taxes.”

Mr Powell also said the industry fears changes in consumer behaviour as a result of the carbon tax will impact on the industry.

“With Australians saving at unprecedented rates already, the uncertainty around the impact of the carbon tax will undoubtedly reduce discretionary spending even further. That always hits our industry quickly.

“With stagnant growth over the last five years of only 0.9%, the industry is already facing stiff competition from off-shore markets, suffering from the continued strength of the Australian Dollar and the availability of affordable international airfares.

“The domestic tourism market will be rendered even less competitive as a result of the carbon tax increasing business costs in several areas which will need to be passed on to consumers in the form of higher prices.

“With airlines announcing certain price increases on domestic fares and commercial businesses being carbon taxed on fuel, getting around Australia will become more expensive and less desirable in comparison with international destinations.

“The tourism industry recognises the need to cut pollution and protect Australia’s pristine natural attractions and the hotel sector has been a leader in reducing energy consumption and other environmental impacts.”

***Media Enquiries:***

***Rodger Powell – 0417 488 881***

***Steven Fanner – (02) 6273 4007 or 0402 913 603***