

# Bed tax dream for tourism funding

by Mike Bruce

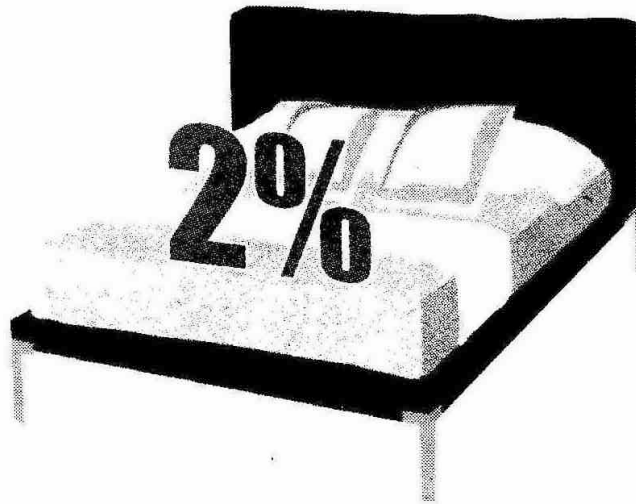
THE Gold Coast should introduce a 'bed tax' of at least 2 per cent to help solve a tourism funding crisis, says property analyst Bill Morris.

Mr Morris said funding of tourism locally, and nationwide, was woeful given its economic importance and when compared with other destinations and that a bed tax would help raise crucial promotional funds.

A bed tax of just 2 per cent would raise about \$10 million a year and potentially replace the council tourism levies on local businesses.

Bed taxes were common in tourist spots of the US and Europe. Vienna has had a 2.8 per cent tax since 1987. If the Gold Coast adopted California's 10 per cent example, it could raise \$50 million a year for promotions, he said.

But Coast tourism veteran Kerry Watson said no destination 'worth its salt in the business of tourism should be asking people for extra money' to visit that destination.



"Yes, the industry needs support but not from the very people who bring the money into town," said Mr Watson. "What you're doing as an industry is taxing the people who give us the benefit."

But Mr Morris said Gold Coast tourism had hit a wall and needed a major injection of marketing funds.

His research showed Coast tourism had not grown in 10 years, was being outpaced by the Sunshine Coast and that 2008 accommodation occupancy on the Coast fell by 5 per cent from 2007.

Mr Morris, author of the Midwood Report on

Queensland property, said tourism funding by local, state and federal governments was woeful compared with other nations and in light of tourism's contribution to jobs and the economy.

He said funding for tourism, which employed 480,000 people, was at odds with other sectors, citing the car industry, which employed 380,000 people.

"But the motor vehicle industry is heavily subsidised by both state and federal governments," said Mr Morris.

"The 2009/10 Federal Budget, for example, has doubled the grant to \$6.2 billion over the next 10 years to subsidise the

motor vehicle industry."

By comparison, Federal Government funding of tourism was just \$169 million (\$7.68 a head) a year – a 13 per cent fall on 2008/09.

Gold Coast City Council's \$10 million a year contribution was equally stingy, he said.

"We are the third-largest tourism destination in Australia behind Sydney and Melbourne – surely we (the city) can afford more than \$10 million out of a \$1.4 billion budget to promote our major industry and employer," he said.

Gold Coast Tourism boss Martin Winter said the bed tax model which is collected and allocated by the State Government could work against the Coast.

"This weakens the advantage of a destination like the Gold Coast which benefits from a levy spread over a larger number of the city's businesses contributing directly to the tourism services of their own destination," he said.

● Kennett savages Tourism Australia, Page 28