

2023-24 Federal Budget

Queensland Tourism Industry Council Overview



QUEENSLAND
TOURISM INDUSTRY
COUNCIL

Acknowledgement of Country

The Queensland Tourism Industry Council acknowledges the Traditional Custodians of the lands on which we work and live across Queensland, and recognises their continuing connection to the land, waters and culture. We also pay our respects to all First Nations people, past, present and emerging.

About the Queensland Tourism Industry Council

The Queensland Tourism Industry Council (QTIC) is Queensland's peak tourism industry body and the leading advocate for Queensland's tourism and hospitality sector. QTIC represents the interests of the state's more than 60,000 tourism businesses across Queensland working in all sectors of the tourism and hospitality industry.

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Introduction

The 2023-24 Federal Government Budget was handed down yesterday and includes several key funding commitments aimed at supporting the growth of the tourism and hospitality industry. We breakdown and share these major initiatives with you in our Queensland Tourism Industry Council (QTIC) overview.

Overall, given the significant challenges facing the global economy and a climate of uncertainty, the federal budget is solid. Included is a \$4.2 billion surplus in 2022-23, which provides much-needed confidence to markets and secures greater resilience. However, it should be noted that the surplus comes off the back of higher taxes and Australia will return to a deficit in 2023-24.

At its core, the budget seeks to provide much-needed cost of living relief, with several commitments aimed at delivering support for Australians and small businesses. The tourism industry welcomes any measures that boost consumer confidence and reduce operating costs.

Although the budget on a whole is solid, it is disappointing to note that price increases have been introduced for both the Passenger Movement Charge and visa applications. As we enter a highly competitive market, in which governments around the world are grappling for the international tourism dollar, any measures that bring about an increase in travel costs are unfortunate.

QTIC will continue to work with other industries and all levels of government to advocate for and secure a robust operating environment for Queensland tourism businesses.



Brett Fraser
Chief Executive Officer
Queensland Tourism Industry Council



Elsa D'Alessio
Chair
Queensland Tourism Industry Council

Income tax cuts

There have been no changes to the scheduled stage-three tax cuts. The measure will see an abolishment of the 37 per cent tax bracket and a lowering of the 32.5 per cent bracket to 30 per cent. The threshold for the top tax bracket will be raised from \$180,001 to \$200,001.

The tax cuts should also increase the discretionary income of higher income domestic travellers.

Tourism Australia funding

Tourism Australia funding will increase to \$169.1 million in 2023-24, with base appropriation remaining above pre-pandemic levels. Securing funding for destination marketing is key in driving international demand and an advocacy priority for QTIC. Given the present international competition to attract visitors, the Tourism Australia funding outcome is welcome.

Housing

Housing affordability and availability have spiralled over the last year, with operators and employees often struggling to gain access to housing within both major and regional destinations. Although the budget provides some support for investors and rent-to-build properties, it is debatable whether these measures will prove effective in bolstering supply.

Key housing support measures affecting industry include:

- A \$2 billion boost of the National Housing Finance and Investment Corporation cap to \$7.5 billion to support more social and affordable rental homes from July.

Small business

The budget contains a number of measures to support small businesses. Budget support for operators is predominately aimed at assisting operators in reducing energy bills through energy efficiency incentives.

Key measures for tourism and hospitality small businesses include:

- Energy bill relief of \$650 for small businesses. Eligibility varies depending on different electricity consumption.
- \$314 million for Small Business Energy Efficiency Incentives. Businesses with a turnover of up to \$50 million will be eligible claim an additional 20 per cent tax deduction on investments of up to \$100,000 in electrification and energy efficiency.
- An instant asset write-off threshold of \$20,000 will apply from July for 12 months. It will apply on a per-asset basis for small businesses with aggregated annual turnover of less than \$10 million.
- \$2.3 million in 2022-23 to extend the Regional Small Business Support Program Pilot until June to continue existing support to regional small businesses.

Passenger Movement Charge

The Federal Government plans to increase the passenger movement charge by \$10, taking the charge from \$60 to \$70 per passengers starting from 1 July 2024.

Although the increase is not as high as first anticipated, the raise is a disappointing outcome. Increased travel costs may have an impact on visitor attraction efforts and be a particular deterrent for budget travel markets such as backpackers.

QTIC will work closely with government and the aviation industry to monitor any potential negative impacts from the charge increase.

Visa charges and processing

The budget contains measures aimed at bolstering and simplifying Australia's migration and visa system.

\$125.8 million over four years has been committed to implementing outcomes from the 2022 Jobs and Skills Summit, aimed at strengthening the migration system. \$75.8 million has been allocated over two years to improve existing visa processing systems. \$50 million has been committed over four years for additional enforcement and compliance activities.

In a disappointing announcement, visa application charges will rise by 6 per cent from 1 July 2023. In addition to these increases, a further 15 per cent increase will be applied to visitor and temporary worker visas, including working holiday visas.

Workforce and training

The budget implements previously announced funding for the National Skills Agreement, which will begin in January 2024. The agreement will fund vocational education and training throughout Australia.

New funding will be available for more fee-free TAFE and vocational education places targeted at key priority areas, including tourism and hospitality. This additional funding completes the government's election commitment of 465,000 fee-free TAFE places.

Having the funding to support a skilled workforce is essential to the success of our industry and QTIC will continue to advocate on this vital issue.

Key announcements include:

- Reintroducing international student work caps to 48 hours per fortnight from 1 July 2023.
- The government will commit \$400 million to fund a further 300,000 TAFE and vocational education training fee-free places in key priority areas, including tourism and hospitality.
- \$370.8 million will be spent across four years expanding the Pacific Australia Mobility Scheme, which provides seasonal working visas for people from Pacific countries.
- \$54.3 million over five years from 2022-23 to introduce a new non-financial support model for Australian apprenticeships from July 2024.

Infrastructure

Overall, the budget does not allocate substantial funds for significant new infrastructure projects.

Key investment for tourism infrastructure in Queensland includes:

- \$3.4 billion over 10 years for investment in Brisbane 2032 Olympic and Paralympic Games venue infrastructure, which includes \$2.5 billion for Brisbane Arena.

Environment, heritage, and culture

In addition to the \$24.9 billion allocated in the October 2022-23 budget, the budget will also provide an additional \$4.6 billion for climate-related expenses, including investment in renewable energy measures.

To support the transition of workers and businesses in emissions-intensive industries towards cleaner industries, the National Net Zero Authority will be established using \$400 million from the \$1.9 billion Powering the Regions Fund.

Other industry-related funding initiatives include:

- \$121 million to establish Environment Protection Australia to provide independent approvals under the EPBC Act, such as sustainable tourism developments in world heritage areas.
- \$39 million to install 117 EV fast charging stations on national highways and a National Electric Vehicle Strategy to encourage greater use of cleaner vehicles.
- \$48 million over 5 years to continue management of Australia's state managed world heritage listed properties.
- \$262.3 million for Commonwealth National Park to protect their natural and cultural heritage value. Including \$130 million to sustain park assets and visitor infrastructure.

About QTIC

The Queensland Tourism Industry Council (QTIC) is the peak industry body and leading advocate for the tourism, hospitality, and events sectors in Queensland, committed to the growth and sustainability of the state visitor economy. Our efforts focus on powerful lobbying, policy development, and collaboration with key industry stakeholders to create a favourable business environment for operators.

As a not-for-profit, membership-based organisation, we take pride in ensuring that the concerns and needs of our members and the broader tourism industry inform all relevant policy debates and that businesses have strong representation in decision-making processes. By promoting the value and importance of tourism in government forums and to the wider community, we help to create a vibrant, diverse industry that benefits all.

Through delivery of workforce and skilling programs, advocating for attraction and infrastructure investment, and working with the private sector to develop innovative solutions to tourism priorities, QTIC continues to serve members and industry. We also provide expert advice and support, including workforce and business development opportunities and access to vital industry insights.

Working as a voice to government, we help to ensure Queensland remains a go-to destination and that operators have the resources to meet evolving consumer demands.



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