

Domestic Commercial Vessel Levy Consultation  
Maritime and Shipping Branch  
Department of Infrastructure, Regional Development and Cities  
GPO Box 594  
CANBERRA CITY ACT 2601

30 April 2018

**Re: Cost recovery for services under the National System for Domestic Commercial Vessel Safety**

The Queensland Tourism Industry Council (QTIC) is the state’s peak body for tourism in Queensland and represents the interests of the tourism industry. QTIC is an independent membership-based organisation with in excess of 3,000 members, operating in all sectors of the tourism industry, including business operators, Regional Tourism Organisations (RTOs), sector associations and education providers.

The tourism industry in Queensland contributed \$25.4 billion to Queensland’s Gross State Product (GSP), representing 7.8% of total GSP<sup>1</sup> and generated \$7.1 billion in exports in the year ending June 2017<sup>2</sup>, making it one of the state’s largest export industries accounting for 11.1% of total Queensland exports. The tourism industry consists of over 53,000 businesses across Queensland; no industry has more small businesses than tourism with nine out of ten of tourism businesses considered Small or Medium Enterprises (SMEs) employing less than 20 staff.

Tourism is a key economic driver in regional Queensland, supporting employment and community growth, employing more than 216,000 people directly and indirectly<sup>1</sup>. This is substantially more than mining or agriculture, forestry and fishing combined. International visitors’ main emotional attractors to Australia are firstly, world class nature and, secondly aquatic and coastal experiences. As such, aquatic and coastal experiences and world class nature remain two of the key pillars of marketing for Tourism Australia – the national marketing body for the tourism industry. For Queensland, over 1.8 million domestic overnight tourists participated in an aquatic experience (whale watching, reef visits, snorkelling and scuba diving, ferry/boat trip) during their stay<sup>3</sup> (year ending December 2017). Over the same period, 1.5million domestic day trippers participated in an aquatic experience and 1.5million

<sup>1</sup> Tourism Research Australia, *State Tourism Satellite Accounts 2016-17*

<sup>2</sup> Tourism Research Australia - *State Tourism Satellite Accounts 2015-16*, Queensland Government Office of Economic and Statistical Research - Overseas exports of goods by industry.

<sup>3</sup> Tourism Research Australia. National Visitor Survey. Year Ending December 2017.

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international visitors also participated. It is clear from these statistics that aquatic experiences play a significant role in Queensland's tourism experience, destination competitiveness and visitor experience.

QTIC supports the decision to ensure exemption for the unpowered hire-and-drive sector (such as canoes and kayaks) and hopes that this exemption is guaranteed moving forward. However, given the importance of the marine sector within the tourism industry, QTIC vigorously opposes the proposed levy on commercial vessels used for tourism purposes. This levy will have a significant negative impact on the marine sector and the tourism industry across Queensland.

In consultation with industry members, many issues have been raised surrounding the proposed levy. QTIC members are disappointed with the lack of consultation surrounding the proposed changes. It is understood that the levy is for safety, however industry members state, "the imposition of the new fee does not appear to provide any commensurate improvement in services of safety to either us as operators, or our customers".

This proposed levy imposes a significant financial impost on operators who already face a significant burden through licensing and other levy/taxation requirements. Additional costs will negatively impact business' profitability and/or the affordability of experiences for domestic and international visitors to our state. The World Economic Forum's Travel and Tourism Competitiveness Index ranks Australia as 128<sup>th</sup> (out of 136 countries) in terms of price competitiveness. As a destination already negatively perceived in terms of price, additional levies and costs will only add to this negative perception, further damaging the reputation of the industry.

The marine sector has raised significant concerns with QTIC regarding the approach to, and introduction of this levy. The negative impact that it will have across industry reaches far beyond the immediate business impact, into consumer experience and business confidence. Any increases should factor-in the flow-on effects on our destinations' competitiveness.

For all enquiries regarding the points raised in this letter, please contact me or the QTIC Policy Team on (07) 3236 1445 or email [policy@qtic.com.au](mailto:policy@qtic.com.au).

Kind regards

A handwritten signature in blue ink, appearing to read 'Daniel Gschwind', with a stylized flourish at the end.

**Daniel Gschwind**  
Chief Executive