



The Manager
Indirect Taxes and Not-for-profit Unit
Commonwealth Treasury
Langton Crescent
PARKES ACT 2600

26 July 2018

Consultation on GST on Offshore Hotel Bookings

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to respond to the consultation on GST on Offshore Hotel Bookings.

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 more than 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 \$25.0 billion to Queensland’s Gross State Product (GSP), representing 7.8% of total GSP (Tourism Research Australia, 2016-17). Tourism generated \$7.4 billion in export earnings, year ending June 2017, making it one of the state’s largest export industries accounting for 11.1% of total Queensland exports. The tourism industry consists of over 54,000 businesses across Queensland; nine out of ten of these businesses are small to medium enterprises.

QTIC supports the proposition that offshore sellers of hotel accommodation in Australia should calculate their GST turnover in the same way as local sellers. The current uneven playing field means that in some cases, overseas booking sites are charging the same rate as Australian sites (inclusive of GST) and therefore adding extra profit to the commissions they receive from the bookings. Addressing this issue will assist in the goal of creating an even playing field for accommodation providers across the country. It is important that clear regulation is structured around any introduced changes to ensure that further price and commission gauging is not a direct result of this change.

Budget estimates indicate that this change will generate over \$15 million over the four years in GST revenue. QTIC strongly advocates that a proportion of this funding is directed back into the tourism industry to enhance the competitiveness of Australia as a tourism destination. This could be through capacity building or infrastructure projects to enhance destination experiences across the country.

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.

Kind regards

Daniel Gschwind
Chief Executive

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