

## **MEDIA RELEASE**

### **“Government advocacy Pays” for hotel industry – new TAA report shows that \$1m spent on international marketing produces \$16m ROI Report reveals that \$1m in tourism marketing = \$4.5m revenue and 55 new jobs in hotels**

23 July 14: A new report has highlighted the value of the hotel industry’s advocacy to government, with the research estimating that for every incremental \$1m spent on international tourism marketing that up to \$16m in spend is generated by foreign tourists and 89 additional jobs created.

For the hotel property sector, the \$1m increase in marketing and promotional effort is estimated to increase spending on accommodation by \$4.5m and create up to 55 additional jobs in the accommodation sector.

The report – **“Estimates of the Return on Marketing Investment for Australian Inbound Tourism”** – was produced by leading industry researchers, Webber Quantitative Consulting, for Tourism Accommodation Australia (TAA).

The report went on to estimate that a \$10m increase in the inbound marketing and promotional budget would increase visitor numbers by up to 72,500, increase tourist expenditure by between \$130m to \$160m, and increase the number of tourism and hospitality jobs by over 1,800. Webber estimated that between A\$36m and \$45m of the increase in tourism spend would go to the accommodation sector.

In releasing the report, Tourism Accommodation Australia (TAA) Managing Director, Rodger Powell, said that the report clearly highlighted the benefits that Governments can play in driving demand.

“The report shows that ‘advocacy pays’,” said Mr Powell. “There has been considerable debate over the impact of tourism marketing and its ability to drive greater visitor numbers and foreign income, and these figures make it clear that the investment in tourism marketing has a significant direct impact on the hotel sector and an even larger benefit for the wider economy through the multiplier effect,” said Mr Powell.

“We were thankful to Minister Robb for largely preserving Tourism Australia’s funding in the recent Budget, because the research shows clearly that by increasing marketing and promotion of Australia that there is a substantial return on investment in terms of foreign revenue, Australian jobs and Government Tax receipts.

“There are indications that the hotel property sector is on the verge of its largest expansionary phase for over twenty years, and this will create thousands of jobs in the construction and operation phases, but for the projects to come to fruition the growth in visitor numbers generated in the past four years needs to continue, and aggressive tactical inbound marketing and promotion is required.

“The US Government’s funding of Brand USA through contributions from visa charges raises \$180 million annually, which is then matched dollar for dollar by the industry, with the resulting \$360 million in tourism marketing having a very tangible effect on American tourism. Inbound arrivals to the US grew by over three million in the year from 2012 to 2013, and Australian arrivals into the US have recorded double digit percentage growth annually since Brand USA was established.

“Unfortunately, factors such as a stubbornly high dollar continue to provide constraints to the Australian tourism sector and we need to be able to curtail the high cost base of our hospitality and tourism sector through greater flexibility in the Labour market. We are not calling for lower wages, just greater flexibility of penalty rate conditions to enhance employment opportunities.

“This report highlights the importance of advocacy to Government by the hotel and tourism sector. TAA has enjoyed a strong voice in Canberra over the past year, but if we are to fully realise the value of the industry and its foreign income and employment potential we will need to make an even clearer and louder argument for additional marketing funds and more flexible employment work conditions.”

*Tourism Accommodation Australia (TAA) represents the interests of the 24 Australian Accommodation Chains and some 1000 individual members in the Hotel, Serviced Apartment, Integrated Resort, Motel and Vacation Ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.*

For further information:

Rodger Powell,  
Managing Director, TAA  
Tel: +61 417 488 881  
Email: [Rodger@tourismaccommodation.com.au](mailto:Rodger@tourismaccommodation.com.au)

Peter Hook  
Communications Manager, TAA  
Tel: +61 407 462213  
Email: [peter@tourismaccommodation.com.au](mailto:peter@tourismaccommodation.com.au)