

MEDIA RELEASE

4 July 2012

Energy costs to ‘zap’ tourist numbers

Almost three quarters of Australian hotels have either increased prices or are planning to do so as a result of the carbon tax, according to a new survey.

Tourism Accommodation Australia (TAA) Managing Director Rodger Powell said the survey found there was a strong feeling of uncertainty in the accommodation industry about how big an impact the introduction of the carbon tax will have.

“While many hotels are already working to reduce their carbon and energy footprints, there is significant uncertainty around the impact of the carbon tax. The majority of hotel operators are waiting to see the net effect of the tax on their input costs before finalising new pricing”, Mr Powell said.

“Some hotels have already raised prices in response to increases in their operating costs but the majority are mindful of the ACCC’s threats of price-gouging penalties. It will take some time to further assess the level of cost increases from suppliers.”

Mr Powell said the carbon tax is another cost blow that is driving up the price of travel to Australia.

“In addition to the introduction of a new and unfamiliar carbon tax, there are also concerns about the increase of the Passenger Movement Charge and continued high Australian dollar impacting on Australian tourism pricing competitiveness.

“This week hotels are also introducing across the board wage increases in line with the recent Fair Work Australia decision for a 2.9 per cent increase in Award pay rates.

“All of these factors are putting upward pressure on the cost of travel and accommodation in Australia and reducing our international competitiveness.

“It is critical that Government get the settings right to ensure our industry can compete with other destinations that are not facing a carbon tax.

“Our members are concerned that the impact of the carbon tax will see more Australians travel offshore and international travellers finding more attractive offers from our competitors – posing a risk to jobs in the tourism industry.”

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