



Toowoomba and Golden West  
Regional Tourist Association Ltd.

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**Attachment to:** Registration of Interest  
Impact of Competition Policy Reforms  
on Rural and Regional Australia  
Productivity Commission

**Attention:** Ms Jill Irvine

**Refer:** Peter Rice  
Manager  
Toowoomba and Golden West Regional Tourist Association

**Date:** 6 November 1998

**Total Pages:**

**Summary:**

Toowoomba and Golden West Regional Tourist Association believes the current structure of travel allowances accepted and recognised by the Australian Taxation Office and subsequently, those levels paid by the Queensland Government and other spheres of government and industry, are no longer fully appropriate. The Association believes the existing structure significantly disadvantages tourism and accommodation service providers in regional and rural areas.

**Background:**

The Australian Taxation Office recognises allowances subject the section 900-150 and at rates based on the APS rates:

Sydney	\$176.60 per day
Brisbane	\$166.60 per day
Country Centres	\$108.45 per day

The Queensland Government travel allowance for accommodation and all meals while traveling are:

	Accomm Only	Full Allowance
Sydney	\$111.80 per day	\$166.80 per day
Brisbane	\$97.10 per day	\$152.10 per day
Regional Queensland	\$58.00 per day	\$113.00 per day

The levels of allowance for accommodation differ considerably and are considered unrealistic. The daily allowance for meals and incidental expenses in all three "zones" remains the same at \$55.00 per day. This is also considered unrealistic.

It is asserted that many business and corporate organisations set travel allowance levels for employees at the Australian taxation Office rates or less.

The Association believes the difference between Brisbane and regional travel allowance should not represent a discount of over 40% on metropolitan prices.

## Relevant Issues:

On behalf of its members, the Toowoomba and Golden West Regional Tourist Association would like to draw to the attention of the Productivity Commission the need to urgently review these rates .

Central to the Association's concerns are the following relevant issues.

1. The cost of establishing accommodation facilities in regional areas does not differ from the cost of establishing metropolitan facilities to the extent of a 40% variation. Metropolitan accommodation facilities may incur additional land and rates charges but it is believed these are offset by additional materials, transport and professional costs in regional and rural areas.
2. One of the most important aspects of local, regional and state tourism strategies throughout Australia is the need to address the poor yield being experienced by accommodation investors in regional areas. If the yield to operators in regional Australia cannot be improved in line with metropolitan areas and better developed tourism regions:
  - new investment will not occur at desirable levels,
  - existing properties will not be upgraded or maintained at levels deemed appropriate for the visitor services sector of the industry and
  - existing operators will not have the incentive to expand or improve upon their marketing efforts.
3. The business travel sector of the visitor market is a strong and important part of the visitor mix in regional Queensland. The efforts of Government and industry bodies to enhance and build upon the tourism and visitor services sector will be significantly retarded if the capacity of this group to pay basic market rates for accommodation remains low.
4. The flow on benefits of tourism and visitor services to the communities of regional Australia represent an important part of the financial well-being of those communities. Any impediment that contributes to disadvantaging these communities, and the business on which they rely, has a serious long term negative impact on the nation's ability to grow and compete in all business environments. All spheres of government have expressed a desire to enhance employment opportunities in regional Australia. The gulf between regional and metropolitan travel rates seriously undermines the capacity of regional Australia to assist in meeting the targets set.

## Conclusion

The Toowoomba and Golden West Regional Tourist Association believes the levels of allowances currently being extended to employees of Government agencies warrants urgent re-evaluation and seeks to see the gap between regional and capital city rates closed considerably.

The Association believes the current levels:

discourage sustainable and viable business practices,  
detract from the work being undertaken by a range of Government agencies and departments,  
unfairly disadvantage business people investing in regional areas,  
place an unfair burden on employees having to travel to regional areas and  
negatively impact upon the capacity building efforts in regional communities.

Further, the Association believes the current regional rates of travel allowance fail to encourage best practice and do not allow for any consideration with regard to purchasing services of reasonable standards and quality for the use of Government employees.

We look forward to working closely with the Productivity Commission to address these concerns and assure you of our best attentions at all times.



Peter Rice  
Manager