

# THE PACIFIC TOURISM INSIGHTS CONFERENCE 2017

25 OCTOBER | PORT VILA, VANUATU



## TOURISM FUNDING UNDER PRESSURE

*Carolyn Childs*

*Director, MyTravelResearch.com*



# ACEs High: How to protect your investment in tourism funding

SPTO South Pacific Tourism Insights Conference

Carolyn Childs, MyTravelResearch.com

October 2017

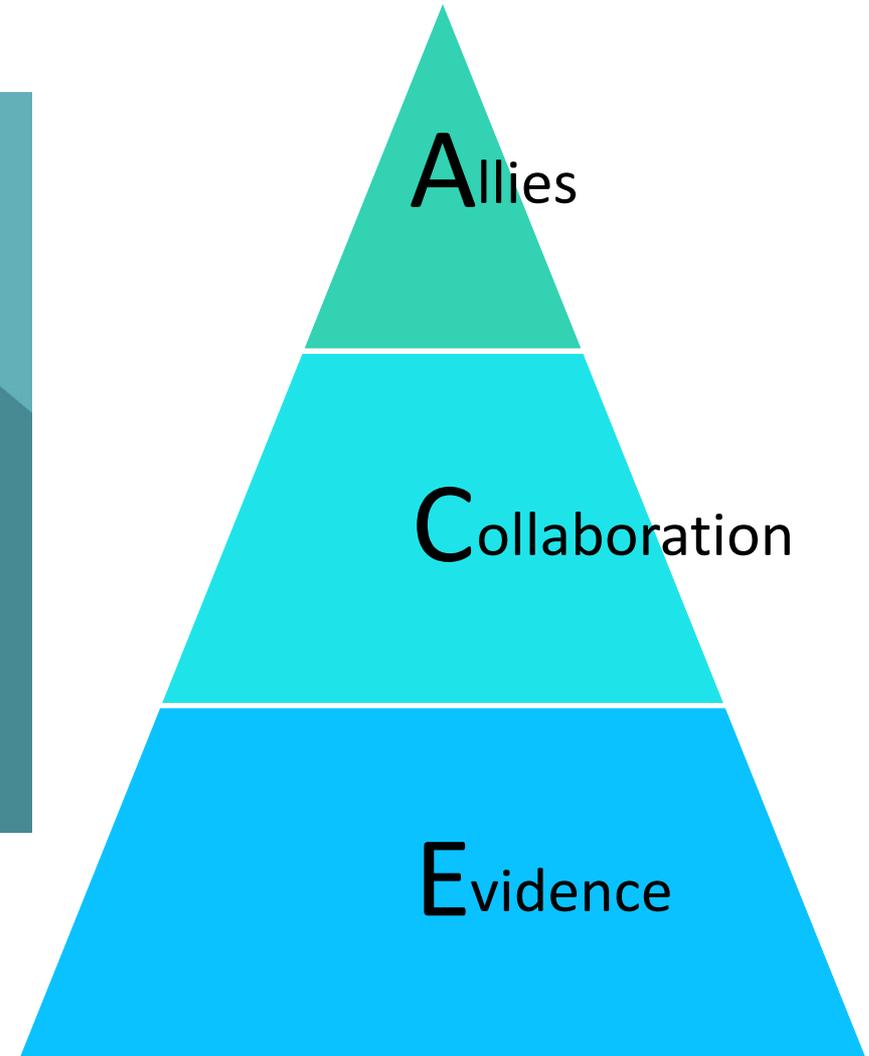






*So how do we  
maintain our  
funding?*

# We need to play our ACEs



# The Ace of Hearts - Allies



In Florida's case, the governor  
intervened to overturn the  
budget bill

- Don't wait till your budget is under pressure!
- Cultivate respected figures whose views will carry weight:
  - Treasury
  - Auditors General
  - Take a 'whole of government' approach
  - Respected external institutes
- Think the broader visitor economy
- Ensure the public is on side
- Know who your allies are

# The Ace of Diamonds - Collaboration



- Work with your allies to talk with one voice
- Not the moment for grandstanding
- The leader is the one who can best bring effects
- Like the diamond – many facets, one gem that can cut through anything

*“Why do the government do this to you? Because they can... This is a not a party political point, we did the same when we were in government. You don’t have a unified voice”*

*Statement by opposition tourism spokesman at a conference\**

# A case study (1): Aligned Advocacy

*a fair tax on flying*

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## AIR PASSENGER DUTY IS A TAX ON TRADE

We have the highest rates of Air Passenger Duty (APD) in the EU which puts UK business and trade at a massive disadvantage compared to other EU countries like Germany, France and Ireland. This makes no economic sense when we need to be expanding global trade links as Brexit gets ever closer. Please support our call for at least a 50% cut in this Tax on Trade to make Britain competitive.

[Get Involved](#) [Find out more](#)

### Email your UK Member of Parliament

[Email Your MP](#)

We need your support to help convince Members of the Westminster Parliament to reduce APD across the whole country. Send our pre-written campaign email to your representative by clicking the button.

### Why should APD be reduced across the UK?

- APD is bad for UK PLC**
  - APD is bad for business, increasing the costs of UK companies trading internationally, and of international companies doing business with the UK. It is also bad for businesses dependent on domestic air travel.
  - The British Chambers of Commerce calls APD 'a trade tax on global traders'. The CBI, IoD and many other leading business groups have also highlighted its damage.
- APD has a negative effect on tourism**
  - Travel and tourism is one of the UK economy's most vibrant, diverse and valuable industries, contributing a staggering £127 billion to GDP annually and sustaining over 3 million UK jobs.
  - With 72% of visits to the UK by air, APD has a direct negative impact on travel and tourism spending.
- APD burdens families going on holiday**
  - APD makes it more expensive for families to go on holiday or visit friends and family abroad.
  - APD is a burden on the family budget, putting UK families at a disadvantage compared to European families. Even with the recent changes exempting children from APD, a family holiday remains a significant purchase, in part because of APD paid on adult tickets.

[Email Your MP](#)

[Tweet your support](#)

- PATA was part of the 'aligned advocacy' that lobbied the UK Government on the APD
- But the industry spoke with a consistent voice
- Found benefits for all
- Made it easy for people to participate
- 20,000 Britons emailed their MPs in support of lowering the tax
- Although still high the UK did reduce the tax band

# Case study (2) – Reducing the backpacker tax

- More than 20 different associations from agriculture, tourism and the regional economy came together
- Included audiences who were policy priorities
- The equivalent of ‘charismatic megafauna’
- Reduced the backpacker tax to 15%

KEEP YOUR PEOPLE ON TOP OF THEIR GAME

THE AUSTRALIAN BUSINESS REVIEW

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BUSINESS

## Farmer, tourism outrage forces rethink on \$220m backpacker tax

The Australian | 9:07PM March 18, 2016

SUE NEALES  
Reporter - Rural/Regional Affairs @BushReporter

Matthew Pooley, grape grower and co-owner of award-winning Pooley Wines, proudly has a foot in both of Tasmania's hot growth sectors of tourism and agriculture.

As a business owner who sells 60 per cent of his wine from Pooley's cellar door in the historic village of Richmond, and as an employer of 15 mainly backpacker grape pickers every autumn, Pooley has no hesitation in calling the federal government's planned 32.5 per cent new tax on backpacker pay "an idiocy".

"It makes no sense. It's ridiculous; backpackers are not just our workers but our tourists too," says Pooley, who pays his seasonal workers at picking rates that ensure all earn above the minimum daily wage of \$130 a day.

"You can't have your cake and eat it; I can see our Labour force drying up as backpacker numbers drop (after the tax hike), and then the tourism spin-off would hit with fewer backpacker visitors to the state."

Pooley is clearly not alone in his views

New phone + 20GB  
+ free 12 mth  
subscription of  
Office 365 Business

On a \$99/mth My Business Mobile  
Lease Plan. Min cost \$2376 over  
24 mths.

Find out more >



# Don't know what messages to talk about – if all else fails

**CHANGE THE LANGUAGE:  
TALK JOBS, ESPECIALLY FOR  
YOUNG PEOPLE**

**TALK AMENITIES – AND  
BACK IT UP**

**TALK JOBS, ESPECIALLY FOR  
YOUNG PEOPLE**

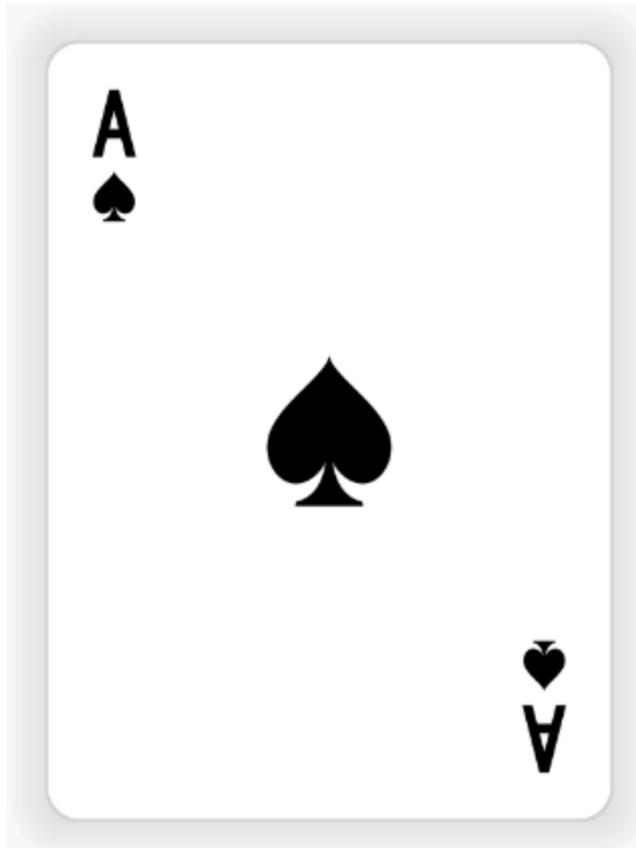
**TELL SUCCESS STORIES –  
AND GET OTHERS SHARE  
THEM**

**REWARD ALL:  
ADVOCATES, LEADERS AND  
LOYALISTS**

**DID I MENTION TALK  
JOBS?**



# The Ace of Clubs – Evidence



- We need to substantiate our claims with a sound evidence base
- Gives our allies the talking points
- Helps us identify the messages to build our collaboration around
- But needs to be the right sort of evidence:
  - Robust, but sound and sober evidence
  - ROI studies are great for comparing campaigns but treated with scepticism by politicians
  - Use Economic Measures – ideally consistent ones

# Some useful evidence

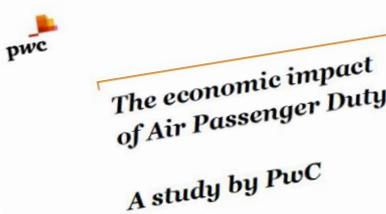
## Roger Dow, USTA

Less than a decade ago, Pennsylvania was investing \$30 million each year in tourism marketing and promotion. Unfortunately, since then, Pennsylvania has become the perfect case study of what happens when a state substantially cuts its tourism budget.

Over a six-year period, 37 million fewer tourists visited the state, and Pennsylvania's market share of overseas visitors declined 24 percent after lawmakers slashed the state's tourism budget, according to the PRLA study. Where did all those travelers go?

To New York, Connecticut, Maryland and a number of other states that had increased their spending on tourism marketing and promotion during the same period. The result for Pennsylvania was a \$7.7 billion loss in visitor spending, close to \$450 million in state tax revenues, and \$165 million in local tax revenues.

The bottom line: The state's effort to "save" a total of \$125 million by defunding tourism marketing from 2009 to 2014 resulted in a net loss of \$324 million.



Main report



agement tool developed spe...  
anisations (DMOs), enabling  
risk management and fund...



Australians recognise the importance and benefits of the tourism industry, however, industry's size and value. The Mood of the Nation study identifies opportunities for improve in the telling of our story. Specifically, getting better at sharing our successes have such pride in their country and are such willing advocates. Educating the public re Australia's economy is imperative to ensuring a successful and sustainable fo



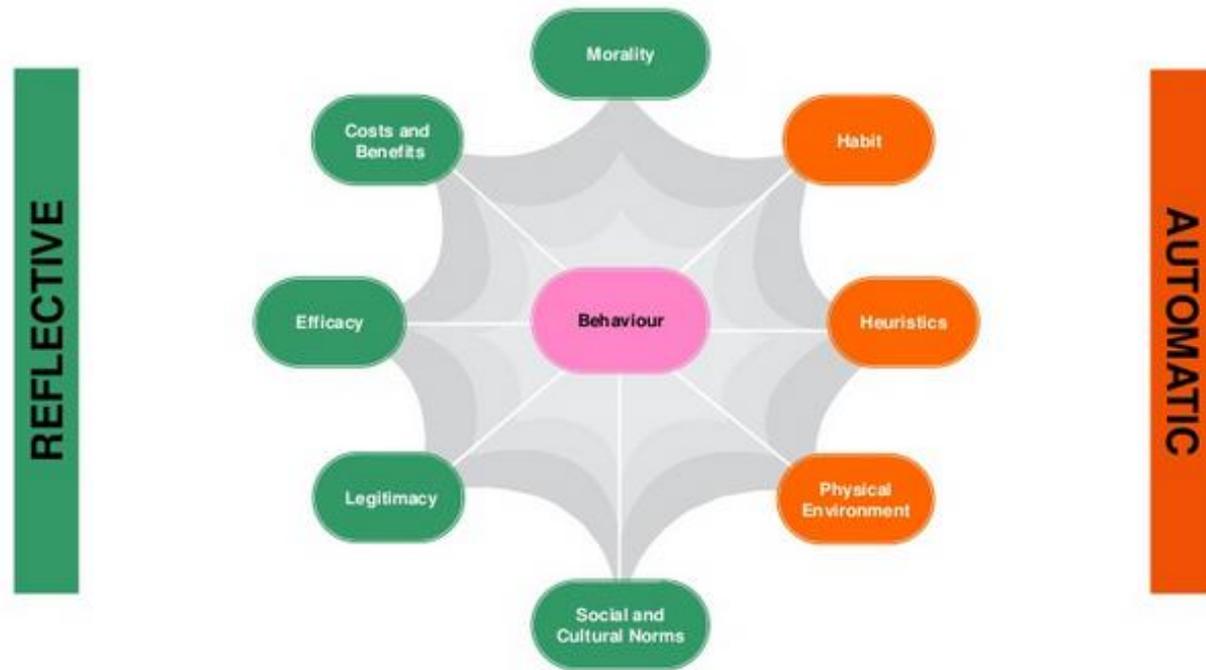
What Happens When You Stop Marketing?  
**The Rise and Fall Colorado Tourism**

Dr. Bill Siegel  
man & CEO, Longwoods International

**Beyond the support of the Governor, Florida could draw on the evidence from its budget office of its effectiveness**



# The Missing Link – especially in a post truth world



- Do we know what the beliefs framework of our key stakeholders is?
- If we don't know this how can we talk to them and hope to be heard?

Despite practicing many of the steps that we outline, Texas still had its budgets cut. Could this be the missing link?

Source: TNS



# The 5 key insights

1

Plan as though the budget cut is coming tomorrow

2

Seek to understand your audience – it's a form of marketing

3

Understand who has authority to support your case

4

Make your points solid, but sound

5

ACE it!

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**Disclaimer:** Please note that the information and data contained in this proposal has been prepared for the specific purpose of addressing the items for the proposed research between **MyTravelResearch.com Pty Ltd** and **Delegates at the SPTO Tourism Insights Conference**.

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