

Disclaimer

While all reasonable efforts have been made to gather the most current and appropriate information, the Sustainable Tourism Cooperative Research Centre (STCRC) does not give any warranty as to the correctness, completeness or suitability of the information, and shall in no event be liable for any loss or damage that might be suffered as a result of reliance on this information. Please direct all enquiries to the STCRC – contact details are on the back cover.

National Library of Australia Cataloguing-in-Publication

Title: Economic impacts of aviation stamp duties / authors, Larry Dwyer ... [et al].
Publisher: Sustainable Tourism CRC, 2007.
ISBN: 9781920965570 (pbk.)
Notes: Bibliography.
Subjects: Airlines--Taxation--Australia. Airlines--Economic aspects--Australia. Stamp duties--Australia. Insurance, Aviation--Australia. Tourism--Economic aspects--Australia.
Other Authors/Contributors: Forsyth, Peter. Spurr, Ray.
Dewey Number: 336.2783877094

Copyright © CRC for Sustainable Tourism Pty Ltd 2007

All rights reserved. Apart from fair dealing for the purposes of study, research, criticism or review as permitted under the Copyright Act, no part of this book may be reproduced by any process without written permission from the STCRC.

Acknowledgements

This document results from a research project undertaken by the STCRC, in conjunction with TTF Australia.

Qantas Airways Limited is a major supporter of the STCRC's Centre for Tourism Economics and Policy Research, through its sponsorship of the Qantas Chair in Travel and Tourism Economics at the University of New South Wales.

The STCRC was established and is supported under the Australian Government's Cooperative Research Centre's Program.



First published in Australia in 2007 by CRC for Sustainable Tourism Pty Ltd.
Printed in Australia (Gold Coast, Queensland).
Cover designed by Sin Design.

CONTENTS

ABOUT THE AUTHORS	iv
SUMMARY	v
CHAPTER 1 INTRODUCTION	1
CHAPTER 2 POSSIBLE RESPONSES BY AIRLINES TO THE TAX	2
CHAPTER 3 ASSESSING THE IMPACTS ON TOURISM AND REVENUES	4
State Estimates	6
Modelling Impacts on Economic Activity	7
CHAPTER 4 PERSPECTIVES	11
REFERENCES	12

LIST OF TABLES

Table 1: Fares and Trip Costs, Selected regions	5
Table 2: Impacts of Tax on Visitors and Expenditure, Selected Regions	5
Table 3: Tax Revenues by State	6
Table 4: Reductions in Visitor Numbers and Expenditure, by State	7
Table 5: Impacts on State and Australian GSP/GSP of Decreases in Tourism Expenditure, \$m	8
Table 6: Effects and Impacts of Taxes	9
Table 7: Net Impacts on Expenditure in States and Australia, \$m	10

ABOUT THE AUTHORS

The following members of the STCRC Centre for Tourism Economics and Policy Research (CTEPR) contributed to this research:

- | | |
|---------------|---|
| Larry Dwyer | Qantas Professor of Travel and Tourism Economics, University of New South Wales |
| Peter Forsyth | Professor of Economics and Deputy Director, Tourism Research Unit, Monash University |
| Ray Spurr | Director of CTEPR, Senior Research Fellow STCRC, School of Marketing, University of New South Wales |

SUMMARY

Several states in Australia are imposing stamp duties on airline insurance of foreign airlines flying to Australia. This is effectively a tax on air travel, which will reduce inbound and outbound tourism expenditure

The impacts of these taxes depend on the responses of the airlines. There will be no impact if the airlines absorb all of the tax. The impact will be greatest if airlines pass on the tax in full to passengers and if Australian airlines match the fare increases.

If all states levied the tax at about the same rate as at present, they would raise an additional \$11.8m in revenues across Australia. Tourism expenditure in Australia would also fall by about the same amount, \$11.8m. Outbound tourism expenditure would fall by about \$4.9m.

State-by-state estimates are not as robust due to data limitations, though the tax receipts/ tourism expenditure trade-off is less favourable than for Australia as a whole. This is due to the likelihood that many outbound passengers would still travel, switching to interstate travel – the state will gain little from reduced outbound tourism expenditure.

For Victoria, as an example, the tax would raise \$2.4m, of which \$1.0m would come from foreign visitors and \$1.4m would come from Victorian residents making outbound trips. Victoria would lose approximately \$1.9m in inbound tourism expenditure, though there would be a slight reduction in outbound tourism expenditure.

The net effect of additional tax receipts (and possibly airline profits) and reduced tourism expenditures would be a negative stimulus to the state economies, leading to lower Gross State Product (GSP) – this would be an offset to the gains from additional tax receipts from non-residents.

This would lead to some reduction in state tax receipts, though this would not be large since the states do not tax tourism heavily.

These estimates do not factor in the risk of retaliation by other countries whose airlines suffer as a result of the Australian states imposing these taxes.

Chapter 1

INTRODUCTION

A number of states, including Western Australia and Victoria, have been imposing taxes in the form of stamp duties on airline insurance of foreign airlines flying to those states. In effect, this becomes a tax on air travel. It will thus impact on inbound tourism flows and expenditures, and on outbound flows. Thus, while the states will gain revenues, levying these taxes will result in lower tourism expenditures with consequent negative impacts on economic activity within the states.

In this report, we examine the impacts of this type of air transport tax on tourism and economic activity within a state and Australia. A number of variables can be affected, including airfares, airline profits, spending by outbound tourists and by inbound tourists, and state revenues.

To understand how the tax will work through the economy, it is first necessary to analyse how airlines, foreign and home based, will respond to them. Several possible responses are considered in the next chapter. In the subsequent chapter, impacts on airfares, inbound and outbound tourism flows and expenditures are estimated along with changes in tax receipts. While no modelling of impacts on economic activity, such as GDP and employment, was performed for this report, the possible impacts and their likely size are discussed in the light of comparable modelling studies. The information on which these calculations are based is quite limited and thus, the estimates must be regarded as indicative rather than conclusive. The report concludes with some discussion to bring the results into perspective.

Chapter 2

POSSIBLE RESPONSES BY AIRLINES TO THE TAX

Airlines might respond in several different ways to the imposition of stamp duties. Some possibilities are as follows.

Increase fares by the full amount of the tax. The additional tax would apply to all foreign airlines, though not Australian airlines. The Australian airlines have a choice of response. They might also increase fares – since foreign airlines account for around 70% of the traffic and can often be regarded as pace setters in competition or they may act as price leaders and the Australian carriers may follow their lead. In this case, all airfares rise by the extent of the tax.

Alternatively, the foreign carriers may increase their fares by the full extent of the tax but the Australian carriers may not follow suit, preferring to take advantage of their competitors' higher fares to increase their market share. In this case, average fares across all carriers will rise by less than the full extent of the tax.

Another possibility is that the airlines respond by raising fares by less than the full extent of the tax. This outcome would not be unlikely in an oligopolistic setting since a significant carrier (the Australian carrier with about 30% of the market) has already factored any stamp duties on insurance that it pays into its costs and so does not experience any rise in cost. It is also possible that some foreign carriers are capacity constrained (i.e. they are using all the capacity they are permitted into Australia and would like more). This could be the case for Emirates, which would like to offer more flights than it is permitted to offer, though not for Singapore Airlines. In this situation, airfares are set by the relationship of demand to available capacity and the carriers would not be able to pass on the tax by means of a fare increase. Thus, some of the tax could be passed onto the traveller and part absorbed by the airlines.

A final possibility is that the foreign airlines fully absorb the tax and do not raise airfares. If the local carrier is the price leader or if the carriers are capacity constrained, they may consider that absorbing the tax is the best solution for them.

Without a good deal of knowledge about the market conditions facing the carriers into Australia, it is not possible to know which of these options will apply. Quite possibly, different responses will apply to different markets. For example, for the most part, foreign airlines can schedule as much capacity into Adelaide as they wish, though not to Sydney. Thus, the response in relation to flights to and from Adelaide could be different from that for Sydney.

As will be seen, the tax imposed on a per passenger basis is quite small. This does not mean that it will be ignored. An airline may not adjust its fares by a couple of dollars when the tax is levied. However, when airlines review their pricing, in the light of increases in the costs which they face, they will factor in all cost increases, including those due to the tax. The size of a price adjustment, when it is made, will be affected by the presence of the tax.

In this assessment, the impacts of an Australia-wide imposition of the stamp duty will be analysed. It is recognised that some states are imposing it and others are not. An Australia-wide analysis shows the types of effects that will take place and will give orders of magnitude. The impacts for individual states will be correspondingly smaller and the balance of effects will depend on the balance of inbound and outbound traffic. State-by-state results are also estimated, though these must be treated with more caution.

Chapter 3

ASSESSING IMPACTS ON TOURISM AND REVENUES

Of the various options identified previously, the simplest to analyse is the one where the carriers absorb the tax. There is no impact on airfares and thus no impact on tourism – flows of inbound and outbound tourism remain the same. It is possible that in rare cases, an airline will choose to withdraw from the market – an airline which was marginal before the imposition of the tax will become a loss-maker after its imposition and it may withdraw. In this situation, it is likely that other airlines will pick up the slack, at least in the longer term, and capacity and airfares will be unchanged.

If it is considered that the exit of a carrier, or a reduction in the capacity it offers, will not be made up for by other carriers, the reduction in capacity would lead to pressure on airfares, which would increase slightly. In this situation, the impacts on tourism would be similar to those of the other responses.

The other response, which is relatively straightforward, occurs where all carriers, foreign and home, increase airfares by the amount of the tax. This case of full pass-through can be regarded as an extreme case and the most likely case can be regarded as one of partial pass-through. Nevertheless, the impacts are estimated for the full pass-through case and it can be understood that the impacts in the partial pass-through cases will be smaller than this one.

The taxes as levied, at this time, are set at about \$120-150 per flight (BARA 2007). This estimate is consistent with the data provided by Singapore Airlines. Here a tax of \$135 per flight is assumed. Airlines, other than Qantas, flying into Australia carry about 174 passengers per flight (DOTARS 2006). Thus the tax is equivalent to about \$0.77 per passenger or around \$1.55 per round trip. If the taxes were levied across Australia it would raise about \$11.8m (on 15.2m passengers carried by foreign airlines in 2005/06; see DOTARS 2006). If Australian carriers also increase their fares by the same amount and if market shares are unaffected, they will gain an extra \$4.8m in revenue and passengers in total will pay an extra \$16.6m. Of this amount, 52.8% or \$8.8m would be paid by inbound visitors and \$7.8m would be paid by Australian outbound travellers.

To determine impacts on tourism expenditures into Australia, it is necessary to have information about the all-up costs of trips to Australia, the elasticities of demand with respect to the all-up costs, and the amount of expenditure in Australia. The latter is less than the all-up trip cost because a proportion of the trip cost is on foreign airline services. Information on trip costs for 2002/04 was obtained from Tourism Research Australia (TRA) and the Australian component of these costs was estimated with information about airline market shares. Five international market groupings were considered: New Zealand, South East Asia, North America, Europe, and Other Asia and other countries. Data for tourism flows from these regions were obtained from TRA (2007).

Estimates of demand elasticities were obtained from Divisekera (2003). These elasticity estimates are for own price elasticities under the assumption that competitor destinations' prices are constant. Since this exercise involves raising airfares to Australia but not competitor destinations, these are the correct elasticities to use. These may be regarded as

high but it should be borne in mind that travellers will shift away from Australia, if the cost of a trip to Australia increases. The appropriate elasticity for outbound travel should be rather lower. Since the effect of the tax will be to raise airfares and trip costs for all destinations ex Australia, there is no substitution of destinations and the response to an airfare increase will be smaller. The elasticities for South East Asia were assumed to be the same as for Japan. The elasticities used were as follows:

New Zealand	-1.5
South East Asia	-2.0
Other Asia	-2.0
Europe	-1.5
North America	-1.4
Outbound	-0.8

Table 1: Fares and Trip Costs, Selected regions

Country	Return Airfare	Expenditure in Australia \$	Total Trip Cost \$
New Zealand	503	1641	1903
South East Asia	756	3133	3612
Other Asia	1249	3943	4688
Europe	2251	4087	5383
North America	2049	4822	5795

Table 2: Impacts of Tax on Visitors and Expenditure, Selected Regions

Country	Number of Visitors (000)	Impact on Visits	Impact of Tax on Tourism Expenditure (\$m)
New Zealand	1100	-1344	-2.2
South East Asia	600	-515	-1.7
Other Asia	1800	-1152	-4.5
Europe	1400	-605	-2.5
North America	600	-217	-1.0
Total	5500	-3833	-11.8

Note: Figures do not add, due to rounding

These tables indicate that as a result of the imposition of the tax, it is estimated that inbound tourism will fall by 3833 and tourism expenditure in Australia will fall by \$11.8m. The tax will also apply to outbound travel. It assumed that the average expenditure on trips by outbound travellers is the same as for inbound travel (recent data on expenditures by outbound travellers are not available). With a lower price elasticity of -0.8, this will lead to a smaller fall in outbound tourism of 1388 persons and expenditure made overseas would fall by \$4.89m. The net turnaround in tourism expenditure will be a fall by \$6.9m. Total expenditure on tourism in Australia will fall by more than this since not all of the reduced expenditure on outbound tourism will be spent on domestic tourism – some may be spent on other goods and services.

Under this same scenario (price increases by foreign-owned carriers are equal to the full cost of the tax and are matched by price increases by Australian-owned carriers), imposing the tax would result in the states gaining an additional \$6.3m in tax receipts for the inbound visitors and an additional \$5.5m in tax receipts for outbound travel by residents. In addition, Australian carriers would gain an additional \$2.5m in profits from inbound visitors and \$2.3m from residents. The net gain to Australia is \$7.8m and this comes at a cost of a reduction in tourism expenditure of at least \$6.9m. This can be seen from the discussion below.

State Estimates

The balance between additional tax revenues and loss of tourism expenditures will differ from state to state, depending on their reliance on inbound tourism and on foreign carriers. Detailed state-by-state data for reliable estimates are not available, however, some provisional estimates are developed here.

Five states, which account for most of the international air traffic, are considered here. Data are available on international passengers from the airports of these states (DOTARS 2006). The mix of inbound and outbound is not published and had to be estimated. Inbound travel to each of the states was estimated from ABS Overseas Arrivals and Departures data (ABS 2007). These data do not specify which airport the travellers used, rather they indicate what state the visitors spent the most time in and many visitors and residents use flights from other states. No state-by-state data on outbound visitors are available and they were assumed to be proportional to the state's population. The proportion of inbound and outbound traffic for a state's airports was assumed to be the same as the total inbound and outbound traffic using all airports for that state.

The estimated revenues from the imposition of the tax in each of the states are shown in Table 3.

Table 3: Tax Revenues by State

State	% of Inbound Travellers	Total Additional Tax Revenue \$m	Revenue from Inbound Visitors \$m	Revenue from Outbound Residents \$m
New South Wales	56	5.4	3.0	2.4
Victoria	43	2.4	1.0	1.4
Queensland	63	2.6	1.6	1.0
South Australia	29	0.2	0.1	0.1
Western Australia	50	1.2	0.6	0.6
Total		11.8	6.3	5.5

Table 4: Reductions in Visitor Numbers and Expenditure, by State

State	Inbound Expenditure Reduction \$m	Inbound Numbers Reduction	Outbound Expenditure Reduction \$m	Outbound Numbers Reduction
New South Wales	5.7	1840	2.2	611
Victoria	1.9	613	1.2	347
Queensland	3.1	997	0.9	250
South Australia	0.1	38	0.1	42
Western Australia	1.1	345	0.5	139
Total	12.0	3833	4.9	1388

These two tables make it possible to set out the pluses and minuses, from the perspective of a state, in levying the tax.

Consider Victoria – by levying the tax, the state gains an additional \$1.0m in revenue relating to inbound visitors and \$1.4m for outbound travel by its residents. It loses \$1.9m in tourism expenditure. While its residents reduce their expenditure overseas by \$1.2m, it is likely that much of this expenditure will not be transferred to Victoria – rather it will be spent in other states. A Victorian resident may decide to switch from a trip to Bali to a trip to Cairns, rather than a trip to Bright. Levying the tax will increase the profits to Australian carriers and, while these carriers may have some Victorian shareholders, they are based in other states – thus, most of the benefit accrues in other states and overseas, since these have foreign shareholders. For Western Australia, there is likely to be a similar balance, though in the Western Australian case, there is likely to be a slightly higher degree of switching from overseas to domestic intrastate expenditure by residents.

The estimates of changes in tourism expenditure will be sensitive to the demand elasticities assumed. As noted, the elasticities used herein can be regarded as central estimates. If demand is more elastic, the impact on tourism flows and expenditure will be proportionately higher. Likewise, if elasticities are lower than assumed, the impact on tourism expenditure will be correspondingly lower.

The estimates as presented are for the case where the full amount of the tax is passed on to airfares and Australian carriers also match the increase. This would be a plausible scenario where the foreign carriers are the price leaders. This scenario will give rise to the largest reduction of net tourism expenditure. If the tax is only partly passed on in airfares or the Australian carriers do not match the increase, the overall increase in airfares will be smaller and the impact on tourism expenditure correspondingly less.

Modelling Impacts on Economic Activity

Imposition of the tax leads to lower inbound and outbound tourism and higher tax revenues, which can be spent by the state governments. In addition, Australian travellers will spend more on overseas trips (paying the tax) and will have less to spend on other goods and services. Each of these will have an impact on economic activity within the state and in Australia as a whole. Increased tax receipts when spent will stimulate the economy, increasing regional Gross State Product (GSP) and employment. A reduction in tourism

expenditure will have the reverse effect. The overall impact on the economy will depend in part on the balance of these effects – if the reduction in tourism expenditure is large relative to the gain in tax revenues from non-Australian sources (if taxes are levied on Australian travellers, there is no net increase in expenditure within the economy). Thus, if the increase in tax results in a substantial reduction in tourism numbers and expenditure, there will be an overall negative impact on the economy.

It is important to distinguish the impact on the Australian economy from the impacts on the individual state economies from taxes, which are levied either in some states or in all states across Australia. Impacts of the tax on GDP and employment are likely to be very small in today’s Australia. Australia has very low unemployment and the availability of labour is a major constraint on expansion. Some states, such as Western Australia, are booming. A decrease in inbound tourism expenditure will not reduce GDP in Australia as a whole, since while tourism output will decrease, other outputs will increase. However, at the state level, output and employment are not fixed, since employees can be attracted from other states if demand for labour increases. Thus, a decrease in tourism to Western Australia will lead to a reduction in demand in that state and Western Australian GSP will decrease with economic activity increasing in other states. In a buoyant economy, the negative impact on output in each of the states imposing the tax will be much bigger than the impact on Australia as a whole because of the positive impact the tax has on other states.

The pattern of changes coming about as a result of a state imposing a tax on international air travel, with other states not imposing such a tax, can be determined from modelling simulations of changes in tourism expenditure undertaken for other studies (Forsyth 2007). Two cases are considered in this hypothetical scenario – one is where there is a decrease in tourism expenditure in the state levying the tax and this does not result in any change in tourism to other states. The other is where all of the decrease in tourism leads to an increase in tourism expenditure in other states (inbound visitors still come to Australia but shift away from the state levying the tax). A decrease in tourism expenditure of \$1m to the home state levying the tax is considered. The pattern of changes is summarised in Table 5.

Table 5: Impacts on State and Australian GSP/GSP of Decreases in Tourism Expenditure, \$m

Impacts	Home State	Rest of Australia	Australia Total
With Diversion of Tourism Expenditure to Other States	-0.85	+0.85	-0.0
With No Diversion of Tourism Expenditure to Other States	-0.56	+0.49	-0.08

Source: Calculated from Forsyth 2007

Table 5 indicates that a decrease in tourism expenditure in the home state will lead to a decrease in GSP in that state of almost the full amount of the tourism expenditure reduction. The impact on the home state is larger if tourism is shifted to other states – while this may seem unexpected, it is because in this scenario there will be no decrease in inbound tourism to Australia and the exchange rate will not be affected. When there is a decrease in tourism to Australia – the no diversion case – the exchange rate will fall, stimulating other exports and activity and this will have a positive impact on the home state economy, thus limiting the overall impact on GSP. In this case, where the state tax leads to an overall reduction in

tourism to Australia as a whole, there is a negative impact on Australian GDP. While the percentage reduction in GDP may seem small, it must be recalled that this is based on a simulation, which assumes that there is full employment in Australia and any losses in tourism are made up by more employment in other industries.

The overall economic impact of a state imposing a tax on foreign carriers will be the net outcome of several factors, which can be modelled. These are summarised in Table 6.

Table 6: Effects and Impacts of Taxes

Effect	Impact
Change in inbound tourism expenditure in state	Negative
Change in outbound tourism expenditure from state	Zero or Positive
Spending of tax receipts in state	Positive
Less spending in state from higher fares being paid by outbound residents	Negative
Spending from home share of additional profits to home country carriers	Zero or positive

The last three items in this table could be divided up differently into two categories – spending from additional taxes raised on non-residents (positive) and spending from the home country share of additional profits received by home country airlines (zero or positive). Some effects will not be confined to a state but will be Australia-wide. Thus a reduction in outbound international tourism from a state may benefit other states more than the state itself. Additional profits to Australian airlines will be spread through the Australian economy and will not just accrue in the state imposing the tax. In addition, it should be noted that Australian airlines are part foreign-owned and thus, while profit taxes accrue to Australia, only a proportion of their after tax profits accrue to Australia. Here it is assumed that 70% of profits remain in Australia.

In Table 7 the impacts on total expenditure in each state and Australia are estimated. Additional taxes gained from foreign travellers stimulate the economy, as do additional profits to Australian airlines and reduced outbound tourism expenditure. As noted above, the latter two of these are Australia-wide in their effects, rather than state specific.

Table 7: Net Impacts on Expenditure in States and Australia, \$m

State	Change in Tax receipts from Foreign Visitors	Change in Inbound Tourism Expenditure	Change in Outbound Tourism Expenditure	Change in Australian Share of Australian Airline Profits	Net Outcome
New South Wales	3.0	-5.7	-	-	-2.7
Victoria	1.0	-1.9	-	-	-0.9
Queensland	1.6	-3.1	-	-	-1.5
South Australia	0.1	-0.1	-	-	0.0
Western Australia	0.6	-1.2	-	-	-0.06
Australia Wide	-	-	4.9	1.1	6.0
Total	6.3	-12.0	4.9	1.1	0.3

As can be seen from Table 7, the overall Australia-wide change in expenditure as a result of all states imposing the tax will be just about zero. While inbound tourism expenditure will fall, the reduction in outbound tourism expenditure, together with higher tax receipts from foreign visitors and additional airline profits, will net these out. For each of the states, imposing the tax will reduce economic activity. While the states gain additional tax revenue, some of it from their own residents, net inbound expenditures will fall, lessening economic activity.

This reduction in economic activity will lead to a reduction in state and federal revenues. Inbound tourism is taxed and these taxes add to government revenues. Thus the revenues gained from imposing the tax on air travel will be less than the direct tax receipts from the tax because of the reduction in tax receipts elsewhere.

Chapter 4

PERSPECTIVES

Taxes on international aviation pose a number of issues (for some discussion of these, see Keen & Strand 2007). Countries, in their international aviation negotiations, have sought to avoid them and agreements typically rule them out. Nevertheless, a number of Australian states, through their stamp duties on airline insurance, are levying or planning to levy taxes on international air travel.

From a country or a state's perspective, it may make sense to put a tax on international aviation or tourism. By doing so, it makes non-residents contribute to tax revenues. As against this, such taxes will reduce inbound and outbound tourism, though the impact will be significantly greater on inbound tourism. Overall, tourism expenditure in the country will fall and the country will lose as a consequence of this. From a state perspective, the negatives are greater than from the national perspective. A state will not gain much from reduced outbound tourism (other states will) and the impact of reduced tourism expenditure at the state level will be more negative than at the federal level (because it induces a shift of economic activity from the state to other states). A state must choose whether the gain in tax revenue is worth the decline in economic activity.

The issue of retaliation by other countries has not been considered here, though it should be recognised as a real possibility. If a country's airlines are suffering as a result of taxes being levied by Australian states, that country can impose similar taxes to target Australian airlines. Clearly, as the Australian states have shown, it is feasible to levy a backdoor international aviation tax – there appears to be a way around the international agreements. Another state might impose a similar tax, though waive it in the case of other countries, which do not levy such taxes. The tax then would be effectively targeted against Australian airlines. Australia would lose as a consequence of this. In this case the gains it achieved from imposing the tax would most likely be more than wiped out by the additional taxes it has to pay elsewhere, and the economy as a whole will be a net loser. While states may gain more tax revenues, Australian travellers would be paying more and inbound tourism will be reduced.

REFERENCES

- Australian Bureau of Statistics (ABS) (2007). Overseas Arrivals and Departures, Cat No. 3401.0, monthly.
- Board of Airline Representatives of Australia Inc (BARA) (2007). 'States levy \$120-\$150 per international flight', Airline Views, August.
- Department of Transport and Regional Services (DOTARS) (2006). Aviation Statistics, International Scheduled Air Transport, 2005-06.
- Divisekera, S. (2003). 'A Model of Demand for International Tourism', Annals of Tourism Research, 30(1): 31-49.
- Forsyth, P. (2007). 'Estimating the Costs and Benefits of Regional Airport Subsidies: A Computable General Equilibrium Approach, Paper at Australian Conference of Economists, Hobart, September.
- Keen, M. and J. Strand (2007). Indirect Taxes on International Airlines', Fiscal Studies, 28(1): 1-41.
- Tourism Research Australia (TRA) (2007). Tourism Forecasting Committee, Forecast 2007 Issue 1.

SUSTAINABLE
TOURISM



CRC

*Leading the world in sustainable tourism research,
commercialisation, extension and education.*

CRC for Sustainable Tourism Pty Ltd ABN 53 077 407 286
Gold Coast Campus Griffith University QLD 4222 Australia
Telephone: +61 7 5552 8172 Facsimile: +61 7 5552 8171

Website: www.crctourism.com.au
Bookshop: www.crctourism.com.au/bookshop
Email: info@crctourism.com.au

