



BUDGET 2012

PROPOSALS BY THE

GOZO TOURISM ASSOCIATION

Introduction

The prime objectives upheld by the Gozo Tourism Association since its inception in February 1999 have been primarily based on promoting Gozo as an all year round tourist destination and protecting the interests of the 155 Gozitan members in the operation of their establishments. This also implies the protection of jobs generated by this important industry on the island of Gozo.

In this regard we hope that the following proposals would be favourably considered by the Ministry for Finance in its upcoming financial estimates for 2012.

Accessibility

Sealink

Gozo Channel should consider the introduction of Seasonal fares. The seasonality element of Gozo should also be reflected in the ferry crossing fares as indeed it is reflected on the accommodation rates. Therefore the Gozo Tourism Association is proposing the introduction of a seasonal ticketing system by Gozo Channel as detailed below:

Low season

January, February, November and December

Mid Season

March, April, May and October

High Season

June, July, August and September

GTA council is also proposing that during the low and mid seasons all crossings between 16.00 hrs and 04.00hrs are to be charged at rates relative to the Gozitan residents fare.

On their part Tourism stakeholders are willing to participate together with Gozo Channel in any schemes promoting special crossing offers in order to effectively encourage visitors from the domestic market.

Furthermore the Gozo Tourism Association is proposing the possibility of a checking-in desk and related facilities at the Mgarr Terminal, presently operated by Gozo Channel, for the use of foreign tourists and locals who will be boarding a flight from MIA.

Airlink

While appreciating the fact that your Government has commissioned a study with regards the viability of an under sea-bed tunnel between Malta and Gozo, the Gozo Tourism Association still believes that investing on an airlink will further improve and enhance accessibility to Gozo. In this regard the Gozo Tourism Association is insisting in its appeal to the Government to take this courageous decision in favour of an airstrip on Gozo. We leave it to more competent authorities to decide on the site where such an airstrip would be located.

In this regard the Gozo Tourism Association has the support of the Gozo Business Chamber, as well as the full backing of the Gozo Regional Committee within the MCESD.

Needless to say this air link would only be attainable if proper infrastructural facilities related with an airstrip that can handle a 20 seater fixed wing aircraft are provided on Gozo.

Cruise Liner Business

Slowly but surely the island of Gozo is being occasionally included in the itinerary of small cruise ships. This has been especially experienced throughout 2011, while booking for 2012 looks promising especially with regards to the number of booked cruises ships to berth at the mooring bouy off Xlendi, which stands at 22.

However, these bookings are subject to weather permitting. In this regard the Gozo Tourism Association is proposing infrastructural investment in other cruise berthing facilities off Mgarr and Marsalforn, in order to offer alternative berthing facilities due to Westerly prevailing winds.

Accommodation Licenses

During the past years members of the Gozo Tourism Association operating within the self-catering establishments section have been repeatedly reporting lack of business, year in year out. One of the main reasons being brought forward is the unfair competition existing in this sector. The competition encountered is mainly coming from the several hundreds of beds in farmhouses and self-catering apartments that are not licensed to operate by the Malta Tourism Authority.

This situation was never and still is not acceptable to the Gozo Tourism Association and to this effect GTA representatives have been regularly involved in discussions with officials at the Malta Tourism Authority related with this matter. The GTA notes with satisfaction the MTA's attention in this regard and is aware that the Authority already took a stand and is taking action in order to rope in the unlicensed properties operating on Gozo.

For the Gozo Tourism Association this issue should be tackled once and for all and a practical solution that does justice to all concerned should be sought. In this regard the Gozo Tourism Association has been continually proposing to the competent Authorities for the revision of license fees.

Consequently the Gozo Tourism Association is proposing the following reform in the fee structure with regards to self-catering establishments operating within the tourism sector in Gozo:

- One common license for single self-catering Apartments irrespective of the clientele category (domestic or foreign);
- One common license for a block of self-catering Apartments, owned by the same licensee irrespective of clientele category (foreign or domestic tourists);
- One common license for farmhouses or villas whether they are rented to foreign or domestic tourists;
- One common license for a cluster of farmhouses or villas owned by the same licensee irrespective whether they are rented to foreign or domestic tourists;
- Both the Licenses and MTA contributions for the Gozitan self-catering establishments should be completely abolished and replaced by an annual registration fee of €125.00 for a farmhouse and €50.00 for an apartment. This registration fee is to be tied up with the vat registration number;
- the licensed self-catering establishment is to report to NSO its occupancy levels, as is being done by the hotels and guest houses;

The aforementioned proposals reflect the high seasonality element that negatively affects the Gozitan self-catering sector throughout the year. It has to be kept in mind that the license fee covers twelve whole months, when these establishments are effectively working less than three whole months throughout the year. We believe that the VAT collected through the implementation of this proposed fee structure, would more than make up for the difference in the discounted fee tariffs.

Swimming Pool Licence

The Swimming pool licence was introduced way back in the 1980's, when there was fresh water shortage. It was meant to encourage more establishments to use sea water. Since today we are no longer facing this problem, the Gozo Tourism Association is requesting the abolishment of this licence presently payable by the licenced tourists' establishments.

Water & Electricity rates

Whilst understanding that the increase on water & electricity bills is coming primarily from the hefty oil price increases, the Gozo Tourism Association would like to air its concern that the present water & electricity charges are no longer sustainable. It is our opinion that if these charges persist there will be grave repercussions in the tourism sector on Gozo.

Therefore the GTA is suggesting that all tourist establishments in Gozo are to be charged the domestic rates and not the commercial rate. A similar system was being applied to the manufacturing industry on Gozo in recognition of its being a major employment provider.

Furthermore if the capping system is to be retained for Hotels, the capping for the Hotels on Gozo should be different from that of Hotels in Malta so that they would reflect the seasonality element.

Value Added Tax

During 2010, tourist arrivals in Malta was calculated at 1,330,000, which represents 12% increase in arrivals on the previous year. However this increase was not reflected to the same extent in Gozo. Infact according to NSO figures

the increase in foreign arrivals in 2010 was 2% when compared to 2009 statistics.

To this end the Gozo Tourism Association is proposing a different vat rate on Gozitan accommodation, in order to allow for the promotion of the destination through more competitive rates.

Marketing the Destination

The Gozo Tourism Association welcomes with appreciation the establishment of the Directorate for Tourism and Economic Development within the Ministry for Gozo. Furthermore the Gozo Tourism Association acknowledges and appreciates the sum of €500,000 allocated to this Directorate for the promotion of Gozo as a distinct destination. The above measures represented forward leaps with regards to the marketing of Gozo as a distinct destination.

In this regard the Gozo Tourism Association is proposing additional funds on top of the €500,000, in order to strengthen the island's marketing possibilities. One of the market segments that Gozo is missing year in year out is the conference business. Although the Gozo Tourism Association understands the limitations of conference facilities on Gozo, yet we have ample proof that this is not the main reason which is keeping Gozo back from attracting this type of niche. The additional funds being requested could be directed for developments in this regard.

Furthermore the GTA is proposing that incentives on transportation of delegates to conferences in Gozo should be introduced.

TOURIST ESTABLISHMENTS PRODUCT ENHANCEMENT

The Island of Gozo has a distinctive cultural, heritage and natural resource base with a quality range of products. These inherent strengths have to be guarded and enhanced to ensure that they retain their appeal.

There is evidence of slippage in the presentation and maintenance of the tourist infrastructure together with a lack of investment and organisation in many of the services that contribute to the tourist experience.

There is, however, much of which to be proud of, in terms of the quality of the accommodation base and the commitment to quality standards by the majority of the tourism operators.

It is now time for a change and time for action. In this regard we are proposing a scheme to be financed and piloted by the Ministry for Gozo and in collaboration

with the Ministry for Tourism, the environment and Culture together with the active participation of the Gozo Tourism Association. This scheme should cater for the introduction of waste management scheme to all tourist establishments licensed on Gozo and upgrading of existing establishments. These should include the accommodation providers of all categories, the restaurants, the tourist attractions and the Dive shops. This scheme should incorporate the following:

- The separation of glass, plastic, paper, metal and organic waste at source
- Equipping the tourist establishment with proper bins and or bags for recycled waste
- Equipping the tourist establishment with dispense containers for the use of soap and shampoo
- Purchasing of separation, extraction and compacting organic waste equipment
- Printed information leaflet at each accommodation establishment on waste disposal procedures and or collections
- An induction compulsory course to all tourist operators on waste management during the winter months
- Upgrading (including refurbishment and replacements in the existing tourist non collective accommodation tourist establishments) to offer an up to standard touristic offer.

Benefits from the above scheme are multi- layered. Tourist establishments will be reducing on the waste collection costs as well as being given the opportunity to upgrade the touristic offer . From the above measures tourist establishments will be producing less waste thus dovetailing with Government's vision of Eco Gozo. Furthermore such a scheme should be used as a taster to all the small and family run tourist establishments to refrain from making use of the domestic waste facilities across the island.

Through this scheme Government, will be concretely encouraging the tourism industry, to embrace one of the objectives of Eco-Gozo, that of maintaining an organised, cleaner and healthier island, and effectively prompting the establishments to act and keep abreast with the demands of the market.

Regional Statistics

Another issue which is perturbing the Gozo Tourism Association is the lack of information on the tourism sector in Gozo due to the absence of proper statistics for Gozo. Therefore the Gozo Tourism Association is proposing that a proper and professionally run office of statistics is opened on Gozo. This office should also maintain tourism related figures together with other relevant data from all the other aspects which constitute the whole Gozitan tourism product

The Gozo Tourism Association is putting forward these proposals as a result of its continuous contact with operators within this industry. In this regard we are strongly aware of the ailments of the tourism industry on Gozo. It is with extreme caution and full responsibility that we are asking your consideration for these special measures in order to safeguard not only the interest of the stakeholders involved but the well being of this important industry on the island.

It is with this in mind that we hope that due consideration is given to our suggestions.

Gozo Tourism Association

31st October, 2011