



Australian Government

Australian Government response to the
Joint Standing Committee on Northern Australia report:

Northern Horizons – Unleashing Our Tourism Potential Report on
the Inquiry into Opportunities and Methods for Stimulating the
Tourism Industry in Northern Australia

SEPTEMBER 2020

OFFICIAL Introduction

The Australian Government welcomes the opportunity to respond to the report of the Joint Standing Committee on Northern Australia titled *Northern Horizons: Unleashing Our Tourism Potential*, published in June 2018.

Northern Australia is known globally for its many iconic experiences and destinations, such as the coral reefs of the Great Barrier Reef, stunning desert landscapes of Uluru and natural beauty of the Kimberley. The Committee's Report highlights the critical role the tourism industry has in stimulating and sustaining Northern Australia's economy. The industry is of particular importance in regional and remote areas of the north, providing much needed jobs and opportunities.

The Australian Government supports further development of the tourism industry in Northern Australia. As the Report acknowledges, many of the programs and activities implemented through *Our North Our Future: White Paper on Developing Northern Australia* directly or indirectly support this goal. The Australian Government has established the Ministerial Forum on Northern Development to facilitate a coordinated intergovernmental approach to the development of Northern Australia. The Ministerial Forum provides a formal mechanism for northern jurisdictions to discuss policy issues and priorities for Northern Australia that deliver economic benefits to communities across the north of Australia and more broadly to the country. The standing membership includes ministers responsible for northern development from each of the four jurisdictions: the Hon Michael Gunner, Chief Minister of the Northern Territory; the Hon Glenn Butcher, Queensland Minister for Regional Development and Manufacturing; the Hon Alannah MacTiernan, Western Australian Minister for Regional Development, Agriculture and Food; Ports; and Minister Assisting the Minister for State Development, Jobs and Trade; and the Hon Keith Pitt MP, Federal Minister for Resources, Water and Northern Australia as the Chair. The Australian Government notes in particular the full discussion of the *Northern Australia Tourism Initiative* in Chapter 5 of the Report.

The tourism industry – consisting of leisure, education, business events, business travellers and those visiting friends and relatives – has a far-reaching impact and supports trade, investment and long-term bilateral engagement. Tourism generates \$152 billion in consumption, provides direct jobs to one in twenty Australians, involves one in eight Australian businesses and is Australia's number one services export. It plays an important role in the economic development of regional Australia with 44 cents in every visitor dollar spent in regions. Every dollar spent on tourism generates 82 cents in other parts of the economy, which is a higher multiplier than mining, agriculture and financial services.

The impacts of COVID-19 have been devastating to the tourism industry, including Northern Australia. The Australian Government's priority since the emergence of the pandemic has been to protect the health of all Australians. Measures to suppress the virus, such as travel restrictions, have resulted in a significant drop in both visitation and revenue from key markets. As restrictions are being eased, the Australian Government is resuming promoting measures to support Australia's domestic tourism-led recovery. This is on top of the support available for tourism operators and workers through the \$1 billion Relief and Recovery Fund package and JobKeeper.

The Australian Government has been guided by the national long-term strategy, *Tourism 2020*, which aimed to achieve overnight visitor spend of between \$115 billion and \$140 billion annually by 2020. *Tourism 2020* focuses on both demand factors, such as appropriate marketing, and supply factors, such as ensuring adequate aviation connectivity, investment in accommodation and labour and skills. Forecasts pre-COVID-19 suggested nominal overnight tourism spend would reach approximately \$131 billion by 2020.

Northern Australia has been sharing in the record growth of Australia's tourism industry. Over the past five years, overnight visitation to Northern Australia has increased by over 45 per cent. In the year ending December 2018, 9.8 million overnight travellers, and a further 8.1 million day travellers,

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visited Northern Australia, spending nearly \$11.8 billion in the region. Over the five years prior to December 2018, Northern Australia's yield in terms of average overnight spend per trip still remained higher than that of the rest of Australia (\$1072 per trip vs \$867 per trip).

Developing new tourism products and supporting infrastructure in Northern Australia is a priority to ensure the region can compete in the highly contested international tourism context, and supports diversifying industry development to enable long-term economic prosperity. Increasing connections and opportunities for domestic and international visitors to experience world class destinations is critical to ensuring the continued growth of this industry in the north, and unlocking its full economic potential.

The Government response highlights a number of activities that are underway to address several of the recommendations in the Report. Northern Australia is critical to Australia's tourism offering, and features heavily in Tourism Australia's international marketing activities. Austrade and Tourism Australia are partnering with state and territory governments on the Investment Attraction Partnership Group to attract investment into tourism infrastructure and reform regulatory barriers to investment and infrastructure development. The *Regional Tourism Infrastructure Investment Attraction Strategy* highlights two key regions in Northern Australia – Katherine and the Whitsundays – as pilot sites for a coordinated effort of investment attraction in tourism product. The Government is committed to supporting regions unlock their tourism potential and dedicated more than \$70 million in the most recent round of the Building Better Regions Fund (BBRF) for tourism-related infrastructure projects.

In the Indian Ocean Territories, the Australian Government is providing \$19.6 million over four years to continue underwriting flights to Christmas Island and the Cocos (Keeling) Islands, maintaining critical tourism and business links to the mainland. The Australian Government also supports the marketing and promotion of the Indian Ocean Territories, and is investing significantly in upgrades to key tourism infrastructure, including airports and ports.

The Australian Government is supporting development across Northern Australia through a series of significant road infrastructure investments, aimed at facilitating economic growth and delivering positive social outcomes. The Australian Government, in partnership with the Queensland, Northern Territory and Western Australian governments, is investing in critical road and transport infrastructure across Northern Australia. The Northern Australia Roads Program (NARP) and Northern Australia Beef Roads Program demonstrate the Government's commitment to developing world-class infrastructure through investment. Together, these programs commit \$700 million across 37 projects to improve safety and access to services, and to better connect communities and businesses to domestic and international markets. More than half of the projects are either completed or underway, with the majority of remaining projects commencing in the second half of 2019.

Case Study

The Australian Government provided \$5 billion over five years through the Northern Australia Infrastructure Facility (NAIF) to encourage and complement private sector investment in infrastructure that drives economic and population growth in the north. The NAIF has committed to the provision of a loan facility for up to \$150 million for major upgrades to airport infrastructure in Darwin, Tennant Creek and Alice Springs. The projects will create significant growth opportunities for the Northern Territory through increased capacity to support greater tourist numbers. The official signing of documents between the Northern Territory Government and Northern Territory Airports Ltd occurred in November 2019, paving the way for the construction phase to commence.

This response addresses the recommendations raised in the Report, and has been coordinated and prepared by the Australian Trade and Investment Commission (Austrade), incorporating input from other Australian Government agencies, including Tourism Australia; the Department of Infrastructure, Transport, Regional Development and Communications; the Department of Industry, Science, Energy and Resources (including the Office of Northern Australia); the Department of Prime Minister and Cabinet; the Treasury; the Department of Agriculture, Water and the Environment; and the Department

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of Home Affairs. The Australian Government emphasises that realisation of our tourism potential in Northern Australia will require input and collaboration with state and territory governments.

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Recommendations and responses

Recommendation 1

The Committee recommends that the Australian Government, in partnership with Northern Australian jurisdictions, develop new City Deals similar to Townsville (including in Cairns) and that the Darwin City Deal be further progressed as a matter of priority.

Noted

City Deals are the key mechanism for delivering the Australian Government's cities agenda, bringing together the three levels of government, the community and private enterprise to create place-based partnerships.

The Australian Government already has in place Memoranda of Understanding to establish and implement City Deals with each of the jurisdictions responsible for Northern Australia (Queensland, Northern Territory and Western Australia).

The Townsville City Deal is already delivering jobs and attracting investment to Townsville, with progress underway on the North Queensland Stadium and the revitalisation of the Central Business District and waterfront.

The Darwin City Deal, signed on 16 November 2018, is a ten-year plan to position Darwin as a vibrant and liveable tropical capital city. The City Deal will revitalise the city centre through a number of initiatives, including a new education and civic precinct, boosting the visitor economy and supporting the local workforce. It will also deliver an iconic art gallery in the city, which will be a premier tourist drawcard for Darwin.

Recommendation 2

The Committee recommends that Tourism Australia work in partnership with the Queensland, Northern Territory, Western Australia and the respective Indian Ocean Territories tourism organisations to:

- **Identify areas of tourism marketing and promotional overlap and streamline marketing policies and actions across Northern Australia;**
- **Identify opportunities to work in partnership, particularly for the marketing of tourist destinations that cross state and territory borders; and**
- **Develop a digital Northern Australia calendar of events with events scheduled consecutively (where possible) to encourage travel to and between multiple destinations and events.**

Agreed in-principle

Tourism Australia (TA) is the Australian Government agency responsible for marketing Australia as a tourism destination to international audiences. TA already heavily markets Northern Australia through its ‘all of country approach’ to marketing. TA works extensively with the states and territories in determining which locations to include in its marketing. Northern Australia is home to several icons that feature prominently in TA’s marketing, such as Kakadu, Uluru, the Daintree Rainforest, the Great Barrier Reef, the Kimberley, and Ningaloo Reef.

Indigenous tourism experiences are a key marketing pillar for TA and are promoted widely throughout international markets. Several Indigenous tourism experiences are located in Northern Australia. Refer to the response to Recommendation 11 for further information.

TA also works directly with Christmas and Cocos (Keeling) Islands to help them promote their destinations. TA encourages use of a variety of TA online resources, features the islands on the TA consumer website and social media platforms, and has facilitated attendance at the Australian Tourism Exchange – Australia’s premier tourism trade event that connects Australian sellers to international buyers.

TA ensures that marketing efforts are not duplicated by consulting with the state and territory tourism organisations through existing fora such as the Brand Australia Marketing Forum (BAMF) and Destination Australia Marketing Alliance (DAMA). These fora allow TA to work closely with the states and territories on how Australia will be marketed to international audiences, including what creative concepts will be used and what commercial partnerships will be sought.

Partnership marketing is also a key aspect of TA’s business as usual activities. TA will continue to explore further partnership opportunities through the BAMF and DAMA fora with Tourism and Events Queensland, Tourism Western Australia and Tourism NT.

TA and all the state and territory marketing organisations (STOs) already maintain a calendar of activities and events. Many of these events are in the north of Australia, such as the Hamilton Island Race week and the Staircase to the Moon in Broome.

Austrade and TA will raise the recommendations of this report with the Australian Standing Committee on Tourism to see if there are any further opportunities to enhance cooperation concerning Northern Australia.

It must be noted that TA would not explicitly market ‘Northern Australia’ because this geographical concept is not meaningful to international consumers who are not concerned with internal borders. Instead, TA is focused on marketing specific destinations and products within Northern Australia that meet international consumer preferences and demands.

OFFICIAL

The Australian Government has established the Nation Brand Advisory Council to develop a national brand that will help drive Australia's competitive edge in international markets. A Nation Brand, in conjunction with state and territory branding, may provide further opportunities to market Northern Australian tourism experiences once the branding work is completed.

Recommendation 3

The Committee recommends that Tourism Australia establish a new, specific and ongoing Northern Australia marketing policy and campaign to increase international awareness, including in Asian visitor markets, of Northern Australian tourism destinations and attractions.

Noted

Northern Australia is critical to Australia's tourism offering, and features heavily in TA's marketing activities, for example Northern Australia featured significantly in the highly successful Dundee ad with the following locations: Cable Beach (WA), Mission Beach (QLD), Opal Reef (QLD) and Lawn Hill Gorge (QLD/NT). TA's aquatic and coastal campaign showcased locations such as Whitehaven Beach and Vlasoff Cay (QLD), Ningaloo Reef (WA), and Katherine Gorge and Biddlecombe Cascade (NT). However, as noted in Recommendation 2, TA will not develop a Northern Australia marketing policy due to its whole-of-nation approach to its marketing based on detailed consumer research and consultation with the States and Territories Tourism Organisations (STOs).

TA's Aussie News Today youth campaign featured locations such as Broome, Exmouth and Karijini (WA); Cairns and the Daintree (QLD); and Darwin, Kakadu and Katherine (NT). Several other Northern Australian locations are included in TA's public relations and social media activities. TA will continue to feature Northern Australia in all its marketing activities.

TA's UnDiscover campaign running in India, Indonesia, Malaysia and Singapore showcases multiple Northern Australia locations and experiences, including:

- Swimming with Whale Sharks at Ningaloo Reef
- Reef-sleep in the Whitsundays
- Field of Light at Uluru
- Night-fire at Tjapukai Culture Park near Cairns
- Indigenous cultural festivals such as Garma near Arnhem Land
- Exploring Kakadu through Nature's Way Driving Route.

TA's recent working holiday maker campaign, Australia Inc., features locations such as Alice Springs (NT) and the Whitsundays (QLD). Several other Northern Australian locations are included in TA's public relations and social media activities. TA will continue to feature Northern Australia in all its marketing activities.

Recommendation 4

The Committee recommends that the Australian Government provide ongoing financial incentives for film and television productions to take place in Northern Australian locations.

Agreed

The Australian Government supports the production of Australian screen content in acknowledgement of its cultural and economic value to the nation, and to ensure Australian stories are available in our cinemas, on our televisions and online. This support is available for production in all states and territories. The value of screen production in attracting tourists to a particular destination is also widely acknowledged.

The Australian Government's primary mechanism for providing support to the screen industry is the Australian Screen Production Incentive (ASPI), which is made up of three streams:

- Producer Offset, which supports productions with significant Australian content
- Location Offset, which supports large-budget international productions to shoot in Australia
- Post, Digital and Visual Effects (PDV) Offset, which supports PDV work regardless of where a production is shot.

The ASPI forms part of a system of support mechanisms that includes content regulations, support for national broadcasters and direct funding support from screen organisations. Screen Australia, the Government's principal funding agency for providing support to Australian screen practitioners, delivers funding across Australia. Recent funding to Northern Australia includes funding for all formats and levels of production, as well as support for film festivals in the region. Notable projects that have recently been supported by Screen Australia to film in Northern Australia include the acclaimed feature film *Sweet Country*, the highly successful television series *Mystery Road* and the recently released feature film *Top End Wedding*.

The Australian Government announced in the 2018–19 Budget that it will provide \$140 million over four years from 2019–20 in order to attract international productions to Australia. Productions attracted to Australia via the Location Incentive may utilise filming locations in Northern Australia.

On 17 July 2020 the Government announced an additional \$400 million for the location incentive to attract film and television production to Australia over the next seven years (to 2026–2027). The expansion of the incentive and the increased funds will capitalise on a growing demand from the international screen sector to produce content in Australia. The incentive program is designed to attract back-to-back productions and establish a pipeline of works for Australia's screen sector, which will strengthen the local industry and provide certainty for businesses to invest in skills and development.

Recommendation 5

The Committee recommends that legislation regarding the Northern Australia Infrastructure Facility be amended to allow for participation of the Indian Ocean Territories.

Noted

The Australian Government will review the definition of Northern Australia as part of the Review of the operation of the *Northern Australia Infrastructure Facility Act 2016*.

Recommendation 6

The Committee recommends the Australian Government prioritise funding for roads which support the tourism industry, by sealing and/or upgrading the:

- **Tanami Road**
- **Outback Way**
- **Bloomfield Track**
- **Roads to and within national parks (including Karijini, Millstream Chichester, Murujuga and Mitchell River National Parks in Western Australia, and Kakadu National Park in the Northern Territory)**
- **Hann Highway and the Gulf Development Road**
- **Peninsula Development Road to Seisa**
- **Drive tourism routes in Queensland including the Overlanders Way, Matilda Way, Capricorn Way, Great Inland Way/Great Tropical Drive, the Western Queensland Inland Way, Peak Downs Highway, Dawson Highway, and the Savannah Way (which also extends through the Northern Territory)**
- **Drive tourism routes in northern WA including the Gibb River Road, the Canning Stock Route, the Warlu Way, Kalumburu Road, Cape Leveque Road, Marble Bar to Nullagine and Newman, and Mount Augustus to Paraburdoo**
- **Extension of the National Highway to the Smithfield Roundabout, which then connects onto the Kennedy and Cook Highways**
- **Bruce Highway**
- **Road infrastructure at Coral Bay.**

Noted

The Australian Government invests in roads to enhance economic productivity, increase access to employment and services, and improve road safety. As a funding partner, state governments have a role in prioritising roads for investment.

While tourism is important to the economy – especially in Northern Australia – the Australian Government applies robust project identification, selection and funding arrangements to ensure that it delivers value for money from its investments, rather than targeting funding to a particular sector.

The Australian Government is supporting development across Northern Australia through a series of significant road infrastructure investments that are aimed at facilitating economic growth and delivering positive social outcomes.

Key investments include:

- \$10 billion for the Bruce Highway Upgrade Program, which is delivering major upgrades to improve road safety and capacity that will support the movement of commuters and tourists, including travel into Northern Australia from the south.
- \$700 million for the Northern Australia roads programs, which includes upgrades to the tourism routes identified, such as the Hann and Peak Downs Highway in Queensland, and the Cape Leveque and Marble Bar roads in Western Australia.
- \$330 million for priority upgrades across the Outback Way.
- \$220.8 million towards the Cape York Region Package, including \$215.5 million to seal priority sections of the Peninsula Development Road (due for completion in the 2019–20 financial year).
- \$70 million for roads in Kakadu National Park.

The Government has also committed over \$1.7 billion to the Roads of Strategic Importance (ROSI) initiative – Northern Australia package – which will enable road upgrades across Northern Australia.

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This funding is part of the Government's \$4.5 billion commitment through the ROSI initiative, which will take a corridor approach to identify targeted upgrades that will assist in facilitating growth in key industries, including tourism, across Australia.

- Key initiatives under the ROSI Northern Australia package include:
- \$270 million for the Tennant Creek to Townsville corridor
- \$162.3 million for the Alice Springs to Darwin corridor
- \$110 million for the Newman to Katherine corridor
- \$235 million for the Alice Springs to Newman corridor
- \$60 million for the Adelaide River to Wadeye corridor
- \$254 million for the Mount Isa to Rockhampton corridor
- \$100 million for the Townsville to Roma corridor
- \$190 million for the Cooktown to Weipa corridor
- \$248 million for the Karratha to Tom Price corridor
- \$50 million for the Cairns to the Northern Territory Border corridor
- \$54.2 million for various other projects.

The identification of corridors and priority upgrades was informed by engagement with state and territory governments and other key stakeholders, as well as through CSIRO's Transport Network Strategic Investment Tool (TraNSIT) model. At the Ministerial Forum on Northern Development in Mount Isa in November 2018, funding of \$150,000 was announced to expand the TraNSIT model to include tourism, which will provide greater understanding of tourism movements across Australia's vast road network.

State and territory governments and councils throughout Northern Australia are also benefitting from funding for road projects provided through the:

- Roads to Recovery Program – \$2.5 billion to the Roads to Recovery Program from 2019–20 to 2023–24, for a total of \$6.1 billion from 2013–14 to 2023–24, for local road construction and/or maintenance works chosen by each council according to local priorities
- Black Spot Program – \$1 billion to the Black Spot Program nationally from 2013–14 to 2022–23, with an ongoing commitment of \$110 million each year following, to deliver improvements such as safety barriers and street lighting to sections of dangerous roads that have a crash history
- Bridges Renewal Program – \$640 million to the Bridges Renewal Program (BRP) from the commencement of the program in 2015–16 to 2022–23, with an ongoing commitment of \$85 million each year following, for upgrades and repairs to bridges that enhance access for local communities and facilitate higher productivity vehicle access
- Heavy Vehicle Safety and Productivity Program – \$508 million to the Heavy Vehicle Safety and Productivity Program (HVSPP) from 2013–14 to 2022–23, with an ongoing commitment of \$65 million each year following, for infrastructure projects that improve the productivity and safety outcomes of heavy vehicle operations across Australia.

Recommendation 7

The Committee recommends the Australian Government work with state and territory governments to implement measures to reduce security costs at regional airports.

Noted

The Australian Government works closely with airports and air operators to develop and maintain a risk-based and proportionate aviation security regulatory system. Security settings are applied in the aviation sector based on best judgements about the level of security risk to each airport and the aircraft it hosts. Generally, this means that increased security requirements apply to major airports and to larger aircraft with higher seating capacity. This approach provides smaller industry participants, such as some regional airports, with greater flexibility to deliver security outcomes.

The Australian Government recognises that security regulatory requirements involve cost to industry. While the Government determines overall requirements and standards for aviation security, it is the responsibility of airports and airlines to manage day-to-day security to meet applicable regulatory requirements, including security equipment, labour choices, and ongoing training of security staff. This recognises that airports are commercial enterprises and they have specialist capability and expertise to effectively manage critical infrastructure securely. It also provides them with the flexibility to determine how to best operate while meeting regulatory requirements.

The Government is supporting eligible regional airports (including those in Northern Australia) with \$50.1 million in funding to meet new security screening requirements announced as part of the previous 2018–19 Budget. Immediately following the announcement, all state and territory government departments responsible for aviation matters were informed about the new security requirements and funding package. Implementation of the new security requirements has commenced and the Government is working closely with industry to assist them in this process.

Recommendation 8

The Committee recommends the Australian Government as a matter of urgency, in partnership with the relevant state or territory government, provide funding to expeditiously upgrade the:

- **Jabiru and Cooina Airports in Kakadu**
- **Townsville Airport**
- **Connellan (Ayers Rock) Airport**
- **Cooktown Airport**
- **Rockhampton Regional Airport**
- **Christmas Island and the Cocos (Keeling) Islands Airports**
- **Monkey Mia Runway.**

Noted

While regional airports are generally the responsibility of state and local governments, the Australian Government funds a range of programs that can potentially support regional airport upgrades, including the Building Better Regions Fund and the Regional Growth Fund.

Regional programs have funded a range of upgrades at regional airports in Northern Australia, including at Mareeba, Derby and Rockhampton airports. The Government will carefully consider proposals to upgrade airports in Northern Australia submitted to any future rounds of these programs.

The Government also provides funding for upgrades to and maintenance of the Christmas Island and Cocos (Keeling) Islands Airports, as needed. For example,

- The roof of the Christmas Island Airport was upgraded in 2017–18 at a cost of \$958,350. Approximately \$1.65 million has been allocated for upgrades to security equipment at the Christmas Island and the Cocos (Keeling) Islands Airports in 2018–19 and 2019–20.
- The Department of Defence is upgrading the Cocos (Keeling) Islands Airport runway, commencing in 2020.

The Northern Australia Infrastructure Facility (NAIF) Board made an investment decision to provide up to \$27.5 million in financing to Voyages Indigenous Tourism Australia Ltd on 14 May 2018. The loan will support resurfacing of the 2,600 metre runway at Ayers Rock (Connellan) Airport, its taxi ways, apron and other areas, and the installation of a new runway lighting system.

The NAIF Board also made an investment decision to provide a loan of up to \$150 million to Northern Territory Airports Pty Ltd (NTA) on 7 January 2019. The loan will fund infrastructure projects as part of the \$300 million infrastructure expansion package across airport sites in Darwin, Tennant Creek and Alice Springs.

The Government has also allocated \$100 million for a new Regional Airports Program over four years from 2019–20 to 2022–23 to assist regional airports to improve aviation safety and access for communities.

Recommendation 9

The Committee recommends the Australian Government conduct a cost-benefit analysis of the impact of current cabotage arrangements on Northern Australian airfares, flight routes, and the tourism industry.

Noted

The Australian Government's response to the 2015 Competition Policy Review (Harper Review) stated the Government did not have immediate plans to ease aviation cabotage arrangements. The Government notes stakeholders provided limited evidence to the Inquiry outlining how positive impacts could be derived from a revised policy approach, providing little impetus for further investigation at this time.

The Government remains committed to growing the aviation market in Northern Australia with more flights that are less expensive. It will further consider this recommendation in the context of the findings from the inquiry into the operation, regulation and funding of air route service delivery to rural, regional and remote communities recently completed by the Rural and Regional Affairs and Transport References Committee.

Recommendation 10

The Committee recommends the Australian Government work with state and territory governments to upgrade ports in Cairns, Darwin, Broome, Exmouth, Dampier, Cooktown, Port Douglas, Christmas Island, and the Cocos (Keeling) Islands (including Home Island) to facilitate access (including for cruise ships where possible).

Noted

The Australian Government is providing \$27.3 million over three years from 2018–19 to replace the wharf crane and mooring systems on Christmas Island and a further \$1.3 million over two years to develop business cases for the replacement of other critical port assets on both Christmas Island and the Cocos (Keeling) Islands.

The relevant state and territory governments have primary responsibility for the establishment, operation and regulation of the ports in Cairns, Darwin, Broome, Exmouth, Dampier, Cooktown and Port Douglas. The Australian Government recognises the importance of ports to economic growth at local, regional, state and national levels and is committed to ongoing engagement with state and territory governments to foster strategic planning and investment in port infrastructure.

The Australian Government will also continue to engage with the states and territories in its border management role as well as ensure environmental obligations for ports are met.

While traditionally ports have not been the responsibility of the Commonwealth, one of the key objectives of the Australian Government's Infrastructure Investment Program is to improve connectivity and access to ports through targeted upgrades to the road network.

Recommendation 11

The Committee recommends that the Office of Northern Australia be funded (for no less than three years) to provide oversight of investment in, and development of, tourism in Northern Australia. As part of this role, the Office of Northern Australia should:

- **Conduct an audit of tourism attractions and destinations across Northern Australia, to identify opportunities for private investment and complementary public investment;**
- **Provide strategic oversight and assist in coordinating the development of tourism destinations across the north, particularly through identifying opportunities that cross state and territory lines;**
- **Support the development of Aboriginal and Torres Strait Islander tourism businesses and products; and**
- **Work with all levels of government to identify opportunities to streamline and simplify regulation and approvals relating to the tourism industry.**

Agreed in-part

The Australian Government agrees Northern Australia could benefit from greater coordination of existing efforts in investment attraction, destination development, support for Aboriginal and Torres Strait Islander businesses, and regulatory reform.

The Australia Government provides high-level leadership and support to the northern development agenda through the Northern Australia Strategic Partnership, which is chaired by the Prime Minister. This partnership informs discussion at the Ministerial Forum on Northern Development. The Ministerial Forum provides a formal mechanism for northern jurisdictions to discuss policy issues and priorities for Northern Australia, and is supported by the Northern Australia Senior Official Group and the Office of Northern Australia, who provide a key role in coordination, reporting, policy analysis and advice relating to the development of Northern Australia. The Australian Government is committed to continued collaboration with the governments of Queensland, Western Australia and the Northern Territory to strengthen the tourism sector and ensure the region will continue to play an important role in Australia's economic prosperity.

The existing national long-term tourism strategy, *Tourism 2020*, and its associated governance arrangements, including the Australian Standing Committee on Tourism and the Investment Attraction Partnership Group (IAPG), already address the key activities listed in the recommendation.

The *Regional Tourism Infrastructure Investment Attraction Strategy* (the Regional Strategy) is a five-year commitment between Austrade and TA to work with state, territory and local governments to create an environment conducive to attracting foreign direct investment into regional tourism infrastructure. Two of the pilot regions for the Regional Strategy are located in Northern Australia: Katherine, NT, and the Whitsundays, QLD. Austrade will work with the Office of Northern Australia to ensure a Northern Australia perspective is provided to the IAPG in its oversight of the Regional Strategy. The Australian Government, through Austrade and TA, currently works closely with the state and territory governments of Northern Australia in identifying and marketing tourism destinations and attractions (including investment opportunities).

Destination development is traditionally the role of the regional tourism organisations as well as the state and territory tourism organisations (STOs). These organisations are best placed to identify any gaps in tourism infrastructure and products in Northern Australia.

The Government supports the development of Aboriginal and Torres Strait Islander businesses across Australia, including the tourism sector, through Indigenous Business Australia. Indigenous tourism experiences are a point of differentiation for Australia within a competitive global landscape. As such, Indigenous tourism experiences are a core pillar in TA's marketing strategy and TA conducts

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consumer and trade marketing for Indigenous tourism businesses who wish to partner with TA.

TA's flagship Indigenous marketing program is the Discover Aboriginal Experiences (DAE) collective. This collective is part of TA's Signature Experiences of Australia program and includes exceptional Indigenous tourism products located in destinations with high international appeal that offer diversity, transformation and engagement. DAE features 38 export-ready tourism businesses with over 130 experiences from around Australia. Of the 38 businesses, 22 are in Northern Australia. These experiences are guided by Indigenous people who share personal stories to bring the landscape and their culture to life. TA promotes these businesses through tourism trade, education and training, representation at international trade events and trade marketing initiatives.

Additionally, state Indigenous bodies, such as the Western Australian Indigenous Tourism Operators Council (WAITOC), have played a role in supporting and developing Indigenous tourism products. The Indigenous Reference Group to the Ministerial Forum on Northern Development is currently working across governments to promote economic development, including for the Indigenous tourism sector. Any approach to developing Indigenous product should be undertaken at the state level by the relevant STO and Indigenous body or at the national level by IBA on a whole-of-nation basis.

The Australian Government does existing work on streamlining and simplifying regulation and approvals relating to the tourism industry. The Tourism Investment and Regulatory Reform Report Card outlines recommendations for Australian, state and territory governments aimed at fostering a supportive and streamlined regulatory environment for tourism accommodation investment. The Australian Government is working closely with all levels of government to implement these reform measures, particularly those relating to planning and environmental approvals. The Australian Government also supports business simplification for tourism businesses through the National Business Simplification Initiative, in collaboration with the state and territory governments.

Recommendation 12

The Committee recommends that Tourism Research Australia expand and improve its collection of data specifically related to tourism in Northern Australia and further develop and regularly publish a data set specific to Northern Australia.

Agreed in-principle

Tourism Research Australia administers world's best-practice visitor surveys. The International Visitor Survey and National Visitor Survey provide the basis for industry measurement and support policy formulation, business planning, investment and marketing.

Due to the survey-based nature of the data collection, any expansion of data specifically related to tourism in Northern Australia would require an increase in the total survey sample size to ensure visitors travelling from outside of Northern Australian locations are appropriately captured. Effecting such an increase in sample size and publication of a dataset specific to Northern Australia would require allocation of new resources.

Tourism Research Australia is working closely with state and territory governments in the investigation of complementary data sources, such as credit cards, online booking websites, and mobile phone data, to improve granularity and frequency of data insights. This work is being progressed through Tourism Ministers' Meetings and will be of particular use to Northern Australia given its regional nature and accompanying sample size considerations.

Recommendation 13

The Committee recommends that the Department of Industry, Science, Energy and Resources review, with the aim of amending, the eligibility criteria for the *Entrepreneurs' Programme* under the *Northern Australia Tourism Initiative* to enable access for:

- **A greater majority of small to medium sized tourism businesses operating in Northern Australia, including small tourism businesses that are working in partnership and have developed a tourism package of significant value;**
- **Aboriginal and Torres Strait Islander businesses, particularly those that are well established in other sectors and are looking to expand into the tourism industry, in addition to those that are registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*; and**
- **Organisations that contribute to the tourism industry but do not have an Australian Company Number (such as not-for-profits, incorporated associations and clubs).**

Noted

The Northern Australia Tourism Initiative (NATI) was launched in February 2016 following its announcement in the *Our North, Our Future*: White Paper on Developing Northern Australia. The NATI was established to provide tailored business advisory services to tourism businesses in Northern Australia through the Entrepreneurs' Programme (EP).

EP-NATI provides eligible Northern Australia tourism businesses with access to the Business Management element of the EP, including tailored advisory support from a dedicated team of experienced EP Business Advisers and Business Facilitators. The EP has engaged six specialist tourism industry Business Advisers, one tourism industry Business Facilitator and a Tourism Sector Director for delivery of these services. The Australian Government extended funding and services for an additional six months, enabling participating businesses to continue to work with their Business Adviser to 31 December 2019.

Recommendation 14

The Committee recommends that the Australian Government expand the scope of the *Northern Australia Tourism Initiative* to include the *Innovation Connections* program.

Noted

The Australian Government regards business innovation as critically important to Australia's current and future productivity. The Innovation Connections element of the Entrepreneurs' Programme (EP) encourages and assists small and medium businesses in identified growth sectors to access knowledge, engage with researchers and foster high-value innovation activity.

At present, eligibility for Innovation Connections facilitation and grants is provided to businesses within one of the priority industry sectors (Advanced Manufacturing; Food and Agribusiness; Medical Technologies and Pharmaceuticals; Mining Equipment; Technology and Services; and Oil, Gas and Energy Resources). Eligibility has also been expanded by reducing the turnover threshold for applicants from remote Australia or Northern Australia to businesses with an annual turnover between \$750,000 and \$100 million.

Recommendation 15

The Committee recommends that the Australian Government continue to fund the *Tourism Demand-Driver Infrastructure* programme beyond mid-2018.

Agreed in-principle

Following the 2018–19 Federal Budget decision, the Tourism Demand-Driver Infrastructure (TDDI) program closed. The Budget announced support for the tourism sector with a \$45 million allocation of grants through the Building Better Regions Fund (BBRF) to help move tourists beyond the major cities. These funds support projects in regional areas and encourage more visits and expenditure in regional locations. BBRF Round Three funding of \$45 million represents more funding than was previously available over the four-year TDDI program, which received funding of \$43 million. In total, Round Three of the BBRF approved \$74.4 million for tourism-related infrastructure projects.

Recommendation 16

The Committee recommends that the Australian Government, in partnership with the state and territories, analyse the impact of high insurance costs on tourism investment in Northern Australia (particularly since the privatisation of the Territory Insurance Office) and implement measures to reduce insurance premiums; and

- **that insurance be made available for homes and businesses in the Indian Ocean Territories to stimulate business investment.**

Not supported

The Australian Government asked the Northern Australia Insurance Premiums Taskforce (the Taskforce) to consider the feasibility of options to lower insurance premiums in Northern Australia in 2015 and the ACCC to conduct a wide-ranging inquiry into residential insurance in Northern Australia in 2017. The Taskforce concluded the only sustainable way of reducing premiums over the long term is through mitigation.

The ACCC published its first interim report on 18 December 2018. It found the price of home and strata insurance premiums are considerably higher in Northern Australia compared to rest of Australia. This is mainly because the cost of providing insurance in Northern Australia is higher, as claims are more frequent and higher. Some Northern Australian insurance markets also suffer from a lack of price competition, as insurers can regard price leadership in a market as exposing themselves to higher risk customers. Stamp duty levied on top of GST has further exacerbated affordability concerns for residents. The Government is currently considering its response to the interim report.

Tackling the problem of insurance affordability in Northern Australia is a complex issue and requires action by all stakeholders, including state and territory governments, insurance companies, businesses and residents. The Government remains committed to working with all stakeholders to develop solutions that will lead to sustainable reductions in premium levels, promote a competitive insurance market, and establish recognisable difference for consumers across Australia.

The Government notes that the provision of insurance in the Indian Ocean Territories is a matter for the insurance industry to consider.

Recommendation 17

The Committee recommends that the Australian Government conduct a review of its initiatives relating to land tenure and native title that were announced as part of the *White Paper on Developing Northern Australia*, to determine whether they are producing concrete outcomes for traditional owners, how they could better support cultural tourism, and what further reform may be needed.

Agreed in-principle

The Australian Government supports this recommendation in-principle and notes that a range of evaluation processes are already underway.

The Office of Northern Australia (ONA) has policy responsibility for the *White Paper on Developing Northern Australia*, and has directed all agencies to evaluate initiatives for which they are responsible. Future evaluations are also planned as the initiatives progress. The objective of the evaluations are to document key lessons from both successful and less successful measures in order to identify policy improvement/development opportunities in Northern Australia, beyond the White Paper agenda.

From 1 July 2019, the newly established National Indigenous Australians Agency (NIAA) has responsibility for delivering three Indigenous-land-related measures: Township Leasing, Land Tenure Reform Pilots, and PBC Capacity Building. These measures aim to support the entities holding land interests on behalf of Indigenous people and unlock the economic opportunities of that land. NIAA has commenced a process of evaluation into three measures by developing evaluation strategies to guide future evaluations. NIAA will procure independent suppliers to commence evaluations for the three measures in 2019–20. It is expected the initial evaluations will establish a baseline to underpin future evaluations.

While tourism is not a specific focus of the evaluation, some of the activities funded under these initiatives involve tourism ventures. For example, on Aboriginal land in the Northern Territory, township leasing can empower traditional owners by giving them direct control of their land. By providing clearer ways to secure tenure over land, township leasing has the potential to open up a range of economic development opportunities, including in tourism.

Indigenous Australians hold significant amounts of land in Australia. As of May 2019, 47 per cent of all land in Australia is covered by either a native title determination or by statutory land rights. When all outstanding claims have been resolved, up to 70 per cent of Australia's land will be covered.

Recommendation 18

The Committee recommends that the Australian Government work with the states and territories to remove restrictions on pastoral leases to allow for longer tenure periods and a wider range of economic activities on pastoral land, including tourism, consistent with the rights of native title holders.

Agreed in-principle

In general, states and territories are responsible for land management and administration of pastoral leases and related legislation.

The Australian Government supports the states and territories undertaking pastoral lease reform to encourage greater economic activity on this land, in accordance with the pastoral lease reform principles contained in the *Our North, Our Future* White Paper on Developing Northern Australia. These principles include that pastoral leasehold reform should involve close engagement with native title claimants and holders and should not diminish the importance of Indigenous interests in land and, where possible, create opportunities for partnership that benefit both Indigenous and non-Indigenous people.

Recommendation 19

The Committee recommends that the Great Barrier Reef Marine Park Authority:

- **Implement measures to ensure allocated permits are being used regularly and if not, can be reallocated;**
- **Implement an industry-led bonds scheme for smaller businesses and reduce the amount of capital required for bonds from larger businesses; and**
- **Consider further ways to reduce waiting times for permits.**

Agreed

The Great Barrier Reef Marine Park Authority (the Authority) has a policy responsibility for managing tourism permits that:

- requires tourism operators to commence operations within two years of the permit being granted or the permit can be revoked
- requires tourism operators to make reasonable use (50 days per year per vessel) of those permits that have been capped by regulation or plan of management
- enables the re-allocation of capped permits through an expression of interest process – an expression of interest was recently completed for some capped permits in the Whitsundays area.

The Authority has undertaken a review and explored an industry-led bond scheme, with input from the marine tourism industry. There has been limited interest in such a scheme from the marine tourism industry to date. The authority is currently seeking advice on better ways to manage bonds.

The Authority has reduced waiting times for permits through improvements to the permission system that took effect from 4 October 2017. On average, routine permit decisions are down to 3.6 weeks from 16 weeks. On average, tailored permit decisions are down to 7.75 weeks from 16 weeks.

The Authority regularly examines ways to improve its approach to permits to reduce waiting times and improve efficiency, and to take a more risk-based approach to decision-making.

Recommendation 20

The Committee recommends that the Australian Government improve mobile and data services across Northern Australia, particularly in areas with a high reliance on tourism.

Agreed in-principle

The Australian Government is already committed to improving mobile and data services across the country, including to those parts of Northern Australia that are heavily reliant upon tourism. The Government is enhancing digital connectivity through the roll out of the National Broadband Network, the Mobile Black Spot Program and the Regional Connectivity Program.

National Broadband Network

The Australian Government is committed to completing the National Broadband Network (NBN), to ensure all Australian homes and businesses have affordable access to very fast broadband. The initial regional rollout of the NBN is almost complete, with more than 99 per cent of premises in regional Australia able to access the network or with construction underway. The Northern Territory is one of the first jurisdictions that will be completed. The volume rollout of the NBN will be complete in 2020.

Once complete, the NBN will provide access for all premises to peak wholesale download (and proportionate upload) speeds of at least 25 megabits per second (Mbps).

For difficult-to-serve customers, including those in remote areas with low population densities, NBN Co Ltd's (NBN Co) Sky Muster satellite service provides an overall uplift in the speed and affordability of data services. NBN Co released a new Sky Muster Plus product in 2019 that further improved data allowances and download speeds for rural and regional Australians. This product had additional data allowances added in 2020. The company also launched Business Satellite Services aimed at medium to large enterprises in 2019.

NBN Co is investing in its fixed-wireless network on an ongoing basis, which will also improve outcomes for regional Australia.

Benefits are already flowing from the NBN rollout. Independent research commissioned by NBN Co shows that access to the NBN helped drive some \$1.2 billion in additional Gross Domestic Product (GDP) in Australia in 2017, some \$450 million of which was in regional Australia. Across Australia, this NBN impact is projected to be some \$10.4 billion in additional GDP from 2021, of which \$5.3 billion will be in regional Australia. Access to the NBN is also forecast to help create up to 20,000 new jobs and 5,400 new businesses in regional areas by 2021.

Regional Connectivity Program

With the initial NBN rollout almost complete in regional Australia, there is an opportunity for the network to be complemented in some areas with bespoke, place-based solutions.

The Government has committed to improving regional telecommunications through the new Regional Connectivity Program, as part of the \$220 million Stronger Regional Digital Connectivity Package. The Regional Connectivity Program is an important part of the Government's investment in regional telecommunications and will have up to \$53 million available in grants for communications infrastructure projects in regional, rural and remote Australia.

The Regional Connectivity Program will target investment to maximise economic opportunities and region-wide benefits for regional, rural and remote Australians. The program will enable a broad range of applications, using different technologies to improve telecommunications services in an area.

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Mobile Black Spot Program

The Australian Government has committed \$380 million to the Mobile Black Spot Program (MBSP) to extend and improve mobile coverage and competition across Australia. This includes \$160 million in new funding for rounds 5 and 6 of this highly successful program, announced on 20 March 2019, as part of the government's response to the 2018 Regional Telecommunications Review. This is the most significant one-time investment in improved mobile network coverage to regional and remote Australia delivered by a single public funding program.

Under the first five rounds of the Program, the Government's commitment has generated a total investment of more than \$836 million, including co-contributions from local, state and territory governments; mobile network operators; and community organisations, funding a total of 1,229 mobile base stations across Australia, including 177 base stations across Northern Australia.

The roll out of the first four rounds is 80 per cent complete with 834 of the 1047 base stations already activated (as at 15 June 2020) and delivering real benefits to the Australian community. The Round 5 outcomes were announced on 21 April 2020, with 182 base stations being awarded funding.

The Government intends that the next step in the Program will be to conduct a Round 5A, which will be used to test a range of different program designs. Funding for Round 5A will be drawn from the unused portion of the funding allocated to Round 5 to continue to expand and improve mobile coverage for regional and remote Australia. The government has also committed \$80 million for Round 6 of the Program. The process for Round 6, including the design of the round, is expected to commence after the Round 5A outcomes are announced.

The MBSP's investment in Northern Australia is also supporting the delivery of other projects in the region. For example, the Northern Territory Government has worked collaboratively with the MBSP to provide optical fibre connectivity to Mt Liebig as part of the construction of a MBSP-funded base station. This new optical fibre connection has provided additional transmission capacity to the area and is being utilised by the Northern Territory Government to deliver new and improved mobile and fixed-line services to the nearby community of Kintore.

Recommendation 21

The Committee recommends that the Australian Government work with the states and territories to improve tourist facilities and access in the following areas:

- **Cape York;**
- **Monkey Mia Reserve, Shark Bay and Coral Bay;**
- **East MacDonnell Ranges; and**
- **Remote areas of Northern Australia, particularly Aboriginal and Torres Strait Islander communities that are working to expand their tourism offerings.**

Agreed in-part

The Australian Government recognises that tourism is a vital sector for Australia's regional economies, creating jobs, stimulating new business and sustaining long term economic growth. The Government is committed to supporting regions unlock their tourism potential and has earmarked up to \$45 million for Round Three of the Building Better Regions Fund (BBRF) for tourism-related infrastructure projects.

Local governments and incorporated not-for-profit organisations are eligible to apply. Applications for Round Three of the BBRF opened on 27 September 2018 and closed on 15 November 2018. On 10 March 2019, it was announced that successful tourism projects under BBRF Round Three exceeded expectations and amounted to \$70 million.

The Australian Government has also committed \$220.8 million to the \$276.0 million Cape York Region Package (CYRP), which includes \$215.5 million to seal priority sections of the Peninsula Development Road, \$10 million for the Endeavour Valley Road and \$50.5 million for community infrastructure works such as jetty upgrades. The CYRP is delivering benefits to the tourism industry by improving key road links within the region, which in turn ensures more reliable access for visitors to the region and local communities. Work on the CYRP is due for completion in the 2019–20 financial year.

As noted in the Government's response to Recommendation 6, the \$1.7 billion Roads of Strategic Importance initiative – Northern Australia package, is targeting increased productivity on regional corridors, building on the benefits of the Government's existing Northern Australia agenda and confirming its long-term vision to develop the region. The ROSI initiative is being delivered over the next ten years to provide opportunities for local industries and boost employment for small and mid-tier companies, which will also benefit the tourism sector. In the 2019–20 Budget, the Australian Government committed \$190 million to the Cooktown to Weipa corridor located in the Cape York region.

Recommendation 22

The Committee recommends the Australian Government, in partnership with the Northern Territory, Queensland and Western Australia Governments facilitate and fund the establishment of a peak body for Northern Australia representing Aboriginal and Torres Strait Islander tourism operators. This body should work with Tourism Australia and state and territory tourism bodies to develop a strategy for the development of cultural tourism in Northern Australia.

Agreed in-principle

The Australian Government notes that traditional owners on both sides of the Tropic of Capricorn have strong prospects and ambitions for tourism projects. Any peak body for Aboriginal and Torres Strait Islander tourism operators should be national rather than focused only on the North.

Work currently undertaken through the Indigenous Reference Group to the Ministerial Forum on Northern Development is looking at a broad program of economic development across Northern Australia and may take the position that any new Indigenous peak body for economic development in the North should be broader than tourism.

Recommendation 23

The Committee recommends Tourism Australia work with Indigenous Business Australia to re-establish the Indigenous Tourism Champions Program.

Not supported

The Indigenous Tourism Champions Program (ITCP) was a collaborative national program established by Tourism Australia (TA) and Indigenous Business Australia (IBA) with support from the States and Territories Tourism Organisations (STOs). Under that program, IBA provided mentoring and business development support and TA provided marketing support. On 30 June 2016, IBA withdrew funding from the ITCP. IBA is now delivering capability development through greater engagement, targeted support and partnerships.

Tourism Australia has evolved the marketing dimension of ITCP into the Discover Aboriginal Experiences (DAE) collective, which came into effect 1 January 2018. As a result, TA has doubled its investment in Indigenous tourism marketing over the past year. DAE is part of TA's Signature Experiences of Australia program and is a collective of aspirational Aboriginal tourism products located in destinations with high international appeal that offer diversity, transformation and engagement. The experiences are guided by Aboriginal people who share personal stories about their own country to bring the landscape and their culture to life. Under DAE, TA promotes 43 outstanding international- ready Indigenous businesses, 26 of which are in Northern Australia.

The IBA continues to provide direct business support and capability development to tourism businesses around Australia, either directly to the entrepreneur or in partnership with TA, and state and territory tourism organisations.

Re-establishing the ITCP now would confuse the market as the new arrangements have overtaken that program.

See also response to Recommendation 25.

Recommendation 24

The Committee recommends the Department of the Prime Minister and Cabinet consider expanding the scope of its Indigenous Ranger projects to include opportunities to support the tourism industry in remote areas.

Noted

The Australian Government notes the recommendation and the current involvement of ranger groups in economic development opportunities, including the tourism industry. Indigenous ranger groups currently undertake a wide range of activities which, among others, include tourism activities (e.g., cultural tours). Rangers also maintain infrastructure and assets to support tourism activities (e.g., campgrounds).

Recommendation 25

The Committee recommends the Australian Government review business development programs to ensure they stimulate the creation and growth of Aboriginal and Torres Strait Islander tourism businesses in Northern Australia.

Noted

The Australian Government has a range of business development policies and programs to assist more Aboriginal and Torres Strait Islander people build sustainable businesses that will support them, their families and their communities. They include:

1. **The Indigenous Business Sector Strategy (IBSS)** – A 10-year plan to grow the Indigenous business sector. The following actions will be rolled out in the first three years of the IBSS to support Indigenous businesses:
 - **Indigenous Business and Employment Hubs** will be anchored in major cities. The Hubs will be a one-stop-shop to access better business advice, support and connections. The Government will begin with work in three locations, starting with Indigenous Business and Employment Hubs in Western Sydney and Perth. In addition, Project Support Hubs will be established to provide support to Indigenous businesses that want to take advantage of major infrastructure or service delivery projects.
 - **Indigenous Entrepreneurs Capital Scheme** – piloting this scheme to unlock a wider range of finance and capital products for Indigenous businesses looking to transition to mainstream banking.
 - **Expanding microenterprise and community economic development support** to Indigenous start-ups and Indigenous community organisations in regional and remote Australia.
 - **Increasing funding for networks** to allow them to strengthen their links with mainstream businesses, industry bodies and education providers, and to better link emerging businesses to link them to key support services.
2. **The Indigenous Tourism Fund (ITF)** – a \$40 million election commitment to encourage the development of new and expanding Indigenous-owned-and-operated tourism enterprises.
 - The ITF will build on the success of the Indigenous Entrepreneurs Fund and complements Tourism Australia’s Discover Aboriginal Experiences Program.
 - It is expected the Fund will prioritise start-ups and new ventures in regional and remote areas, but will also be available for established businesses. It will also support tourism planning work with Indigenous communities and entrepreneurs interested in pursuing tourism opportunities.
 - The delivery of the Fund will include extensive consultation with Indigenous stakeholders, including the Prime Minister’s Indigenous Advisory Council.

Funding through the IEF has been provided to a number of businesses in the tourism industry to help businesses to grow and/or improve economic viability. Examples include customised vehicles for tours, mobile vans, boats, high-end camping infrastructure, and catering equipment.

Recommendation 26

The Committee recommends that (in recognition of the closure of the climb up Uluru) the Australian and Northern Territory Governments consult and work with traditional owners to consider and implement options to increase tourist visitation to Uluru (e.g., through events and/or new tourism experiences).

Noted

Traditional owners may wish to access any of the programs and support outlined in Recommendation 25 to establish or grow their business.

Recommendation 27

The Committee recommends that Parks Australia be given increased funding to improve infrastructure within National Parks. Infrastructure in Kakadu National Park should be upgraded as a priority, to stimulate private investment and improve access for tourists.

Agreed

In January 2019, the Australian Government announced \$216 million in funding to upgrade Kakadu National Park through the new Kakadu Tourism Master Plan. The Government will provide a mix of up to \$70 million for roads to open up Kakadu and up to \$51 million for tourism infrastructure. An Indigenous-led World Heritage Kakadu Visitor Centre in Jabiru will be established with the Australian Government providing funding of between \$20 and \$60 million; alongside commercial partners.

In addition, Parks Australia has a process for prioritising capital investment in Commonwealth national parks. Over the next three years there is a priority to invest in a range of improvements to infrastructure in the south of Kakadu National Park, and Parks Australia is actively working with Boards of Management to consider future priorities for investment across Kakadu and Uluru-Kata Tjuta national parks.

Recommendation 28

The Committee recommends Parks Australia and its state and territory counterparts establish an agreed and consistent regulatory approach to the consideration of investment in national parks, including private-public partnerships.

Agreed in-principle

The Australian Government recognises that regulations for investment and developments within national parks differ between jurisdictions. Parks Australia adopts the development requirements and regulations of the respective state, where appropriate.

As a collective of parks and tourism agencies in Australia, the Tourism and Protected Areas Forum (TAPAF) commissioned work on *Best Practice Guidelines for Eco-Opportunities in Protected and Natural Areas* (2011). These guidelines have informed the policy development and requirements for Expression of Interest (EOI) processes for Parks Australia and other state/territory park agencies.

The Australian Government, through Parks Australia, has conducted a number of EOI processes to facilitate private investment, including public–private partnerships in Commonwealth national parks. The Commonwealth national parks in the Northern Territory are jointly managed, and have additional requirements in relation to consultation with traditional owners of the land.

Recommendation 29

The Committee recommends the Australian Government, in partnership with the Northern Territory, Queensland, and Western Australia Governments implement a trial of the harmonisation of regulatory arrangements regarding hire cars, to assist in stimulating the drive tourism market.

Noted

The Australian Government is not responsible for the regulation of hire cars. Any harmonisation of regulatory arrangements would need to be agreed between the relevant states and territory.

The Australian Government will seek to progress this through the Ministerial Forum on Northern Development for consideration by the northern jurisdictions. The Ministerial Forum provides a formal mechanism for northern jurisdictions to discuss policy issues and priorities for Northern Australia, and is supported by the Northern Australia Senior Officials Network Group.

Recommendation 30

The Committee recommends that cabotage restrictions be lifted for the Indian Ocean Territories.

Noted

Maritime

Exemptions from maritime cabotage restrictions have been in place for Christmas Island and the Cocos (Keeling) Islands since 1998 and 1956, respectively. Maritime cabotage is regulated in Australia under *The Coastal Trading (Revitalising Australian Shipping) Act 2012* (the Coastal Trading Act).

The *Coastal Trading Act* commenced on 1 July 2012 and regulates ships engaged in coastal trading through a licensing system.

Coastal Trading voyages to and from Christmas Island, the Cocos (Keeling) Islands and Australian states and territories have been exempt from the *Coastal Trading Act* since its commencement. The exemption for voyages between Christmas Island and Australian states and territories expires on 7 April 2023. The exemption for the Cocos (Keeling) Islands is an ongoing exemption.

Aviation

The Australian Government is not aware of any commercial plans by a foreign airline to operate services between the Indian Ocean Territories. The Australian Government would consider such proposals on a case-by-case basis.

Given the lack of commercially viable routes from mainland Australia, the Government has committed funding of \$19.6 million over four years from 2018–19 to continue underwriting air services to Christmas Island and the Cocos (Keeling) Islands.

Recommendation 31

The Committee strongly and urgently recommends the Australian Government reissue a licence to enable the Christmas Island Casino Resort to re-open.

Noted

The Australian Government has not yet taken a decision on re-issuing a casino licence on Christmas Island. The Department of Infrastructure, Transport, Regional Development and Communications is considering issues associated with a casino on Christmas Island and has consulted with the Christmas Island community to prepare its proposal for consideration by the Australian Government.

Recommendation 32

The Committee recommends the Australian Government develop and implement plans (in consultation with local residents) for the following assets on the Indian Ocean Territories (including consideration of their potential to support the tourism industry):

- **the Immigration Detention Centre on Christmas Island following its expected closure in mid-2018; and**
- **the Quarantine station on the Cocos (Keeling) Islands.**

Agreed

The Australian Government is developing a Crown Land Management Plan for all Crown land on the Cocos (Keeling) Islands, including the Quarantine Station. The plan will inform opportunities for further use, including by the tourism industry.

The Quarantine Station is currently used by:

- the Shire of Cocos (Keeling) Islands to store equipment
- the Department of Home Affairs for temporary accommodation as needed
- Murdoch University to support crop trials
- the Cocos Islands Cooperative Society Ltd for commercial aquaponics and aquaculture trials.

Three immigration detention facilities on Christmas Island were reactivated in February 2019.

The Quarantine station on the Cocos (Keeling) Islands continues to be required by the Department of Home Affairs, and will also be kept in a state of operational readiness.

Recommendation 33

The Committee recommends the Australian Government as a matter of urgency commit to removing asbestos from Commonwealth built, owned and privately sold infrastructure on the Indian Ocean Territories (including residential properties) and other dangerous and toxic materials (such as gas cylinders and fire retardant canisters) as soon as possible.

Noted

Managing waste, including asbestos, is the responsibility of local governments. The Australian Government supports the Shire of Christmas Island and the Shire of Cocos (Keeling) Islands to manage waste and provides annual Financial Assistance Grant-type payments for the delivery of services to communities.

The Government spent \$12.95 million to remove asbestos from its assets in the Indian Ocean Territories between 2008 and 2012.

Private property owners are responsible for managing asbestos in their property.