



## National Tourism Alliance

22 July 2011

The Secretary  
House Standing Committee on Infrastructure and Communications  
Parliament House  
Canberra ACT 2600

Dear Secretary,

### **Inquiry into the role and potential of the National Broadband Network**

Thank you for allowing the National Tourism Alliance to provide comment for the House Standing Committee on Infrastructure and Communications' inquiry into the role and potential of the National Broadband Network (NBN).

The National Tourism Alliance (NTA) is the unified voice of the Australian tourism and hospitality sector, providing tourism's perspectives to the Federal Government on issues of common interest. Membership comprises key industry associations and all State Tourism Industry Councils, whose members collectively represent over 95% of tourism businesses in Australia. A list of members is attached.

In particular, we would like to address part *(f) impacting business efficiencies and revenues, particularly for small and medium business, and Australia's export market*. The tourism industry is an export-oriented sector, with a high proportion of small and medium enterprises and a high level of regional dispersal. Tourism plays an important role in the Australian economy and cultural and social life as our largest services export:

- Tourism contributes \$33 billion, or 2.6%, to Australia's GDP;
- Tourism generates over \$24 billion in export earnings – representing 9% of total exports;
- Tourism makes a valuable contribution to regional Australia, with 46 cents in every dollar of tourism expenditure being spent in regional Australia;
- Tourism directly employs 500,500 Australians—accounting for 4.5% of total employment.

The ability of both tourism operators and consumers to access high speed broadband internet will be critical to the future success of the tourism sector, as the growth of the internet and communications technologies are transforming the traditional distribution channels for tourism businesses. Consumers are increasingly using the internet to research travel options, make bookings and finalise payments for travel.

Parallel to these developments, Australian tourism is currently undergoing a period of transformation. Economic and social changes are driving an increase in the relative importance of overseas inbound markets, and are also forming the conditions for the increasing propensity of Australian residents to holiday overseas. These shifts have significant implications for tourism product development and distribution. The NBN provides opportunities for tourism businesses to

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distribute their products online more effectively, through high quality websites, and thereby compete and conduct business on a global scale in new markets, particularly from Australian regional and remote areas who may not have had a cost-effective online opportunity in the past.

In response to the challenges facing the tourism industry, Government and industry have worked together to develop and implement the National Long Term Tourism Strategy, which is the long-term policy framework for positioning the Australian tourism industry as a sustainable and economically vibrant industry. The Tourism Ministers' Council has established nine working groups, including representatives of government and industry, to assist in the implementation of key parts of the Strategy. One of these is the Digital Distribution Working Group which developed industry strategies to encourage the expansion of online distribution among small and medium enterprises in the tourism sector. At present, while 84 per cent of tourism businesses have an online presence, only 35 per cent have online booking and payment facilities.<sup>1</sup> These figures are expected to increase to 91 and 52 per cent respectively in 12 months. The NBN will assist businesses who are making this transition to the online environment for marketing, booking, information exchange and customer engagement. Industry will continue to work with governments at all levels to develop and implement the National Online Strategy for Tourism and the Digital Distribution Action Plan, recognising the importance of the online environment for the future viability of tourism businesses. Efficient and cost effective online access to new markets, both domestically and globally, will be a key factor in enabling tourism to increase customers and revenues, and ensure the economic sustainability of their businesses.

The global tourism and travel industry is being transformed by changing consumer preferences and the increasing availability and use of online search, bookings and social media systems to share information. The NBN will allow tourism operators to access cost-effective high speed broadband internet, connecting them to new and existing markets both domestically and internationally, and allowing for greater efficiencies in the marketing, distribution and development of tourism product.

Thank you again for the opportunity to contribute to this important inquiry.

Yours sincerely

 **Juliana Payne**  
**Chief Executive Officer**

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<sup>1</sup> <http://www.ret.gov.au/tourism/Documents/tmc/Digital%20Distribution%20Working%20Group%20-%20Benchmark%20Survey%202010.pdf>