

**Senate Standing Committee on Economics**

## ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Additional Budget Senate Estimates

10 February 2010

**Question:** AR23  
**Topic:** South Australian Visitation  
**Proof Hansard Page:** E14

**Senator Hurley asked:**

CHAIR—While we are being parochial I will ask this of Mr McEvoy, who understands South Australia very well. There is a perception in South Australia that the state misses out on a lot of the international visitations. I just want to check if that is so and if there is anything being done to address that.

Mr McEvoy—South Australia gets just under eight per cent of total inbound visitations. It does very well out of the UK and Europe. Almost one in four Germans visit South Australia. The French are a big market, so are the Italians. There are places like Kangaroo Island and the Flinders Ranges. This was all set up to do a sell job on South Australia! No, it is a terrific place. Probably the issue for South Australia is really the number of nights in the yield. It could do better. It is getting about eight per cent of the business but probably under five per cent of the actual nights and dollars. That is really the thing, and that is probably a longer term infrastructure thing for the state. But they are really investing in a lot of new infrastructure—places like Southern Ocean Lodge on Kangaroo Island, the new Port Lincoln Hotel. Yes, I do know South Australia well. It is a terrific part of the great Australian journey.

CHAIR—In terms of improving infrastructure, are there any state or federal government programs to specifically address that?

Mr Pierce—Firstly, the infrastructure part of the stimulus package included an infrastructure component that I think is seen as supporting the tourism sector. The specifics of that in relation to South Australia I do not have here, I am afraid. We could look at that.

CHAIR—I am happy for you to take that on notice, if you would like.

**Answer:**

There are a number of Australian Government programs, funded under the stimulus package that are specifically designed to improve infrastructure. This response covers programs administered by the Australian Government only (the question also asks for information state government programs).

Infrastructure programs are the responsibility of the Department of Infrastructure, Transport, Regional Development and Local Government. Due to the nature of the tourism industry, it is only possible to outline in general terms of how the tourism industry benefits from infrastructure programs. This will change between regions, depending on the region's tourism characteristics. For instance, programs that deliver funds to upgrade road infrastructure may have a relationship to tourism but the road constructed may not be for the exclusive use of tourists and as such could not be attributed the title of "tourism infrastructure".

**Programs/Initiatives that have benefited the tourism sector through economic stimulus**

<b>Program Name</b>	<b>Purpose</b>	<b>Relationship to Tourism</b>
Jobs Fund	Support and create jobs and skills development through projects that build community and social infrastructure. Streams of funding include: <ul style="list-style-type: none"> <li>• Local Jobs</li> <li>• Get Communities Working</li> <li>• Infrastructure Employment Projects.</li> </ul>	Many of the projects that have been announced are likely to have benefits for tourism as the improved infrastructure will positively impact on the tourism experience.  Two streams in particular; bike paths (\$40 million) and heritage (\$60 million) provided funding to improve community assets that are important for tourism.
Stimulus Payments	To stimulate spending in the economy and support Australian jobs.	These payments may have boosted the tourism sector through increased spending in the travel, hospitality and retail sectors.
Regional and Local Community Infrastructure Program	Part of the Nation Building Economic Stimulus Plan available to local government authorities to build and modernize community infrastructure.	Community infrastructure, especially in regional areas, is important for tourism.
Financial Assistance Grants to Local Government	Assist councils deal with the effects of the economic downturn.	The grants are untied in the hands of local government, allowing councils to spend the grants according to local priorities. It is likely that some of this council expenditure will benefit tourism through the improvement of community infrastructure.