

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Additional Estimates

14 February 2013

**Question:** AR15

**Topic:** Tourism Industry

**Proof Hansard Page:** Written

**Senator Ronaldson asked:**

**18. Specific Tourism Australia Budget Reduction**

At a time when Australia's tourism trade deficit is increasing, why was Tourism Australia's budget reduced a number of times, through measures including:

- a. Requiring Tourism Australia to return funds not spent due to Australia's currency appreciating (instead of reinvesting surplus funds to market Australia);
- b. Applying an efficiency dividend; and
- c. Reducing the original \$61 million announced for the Asia Marketing Fund to \$48.5 million?

**Answer:**

- a. Tourism Australia has opted into the Department of Finance's foreign exchange management guidelines. Under the guidelines, all gains in excess of 1% of Tourism Australia's gross expenditure are returned to the government. Likewise all losses in excess of 1% of gross expenditure are subject to reimbursement from the Department of Finance.
- b. The efficiency dividend operates as an annual funding reduction for Commonwealth Government agencies in real terms. Agencies that receive government appropriations come within the ambit of the efficiency dividend, so Tourism Australia is subject to this reduction.
- c. On 20 June 2012, the Government announced that the Passenger Movement Charge Amendment Bill provided for both the \$48.5 million Asia Marketing Fund, and the \$48.5 million Tourism Industry Regional Development Fund. The Tourism Industry Regional Development Fund will support tourism industry development projects in regional Australia, through grants of up to \$250,000. The new Fund will support projects that align with Tourism 2020, help attract tourists to regional areas and encourage them to stay for longer. The Fund will target projects with community benefits which also stimulate private sector investment. Project funding will be matched by successful applicants on a dollar for dollar basis.

See:

<http://minister.ret.gov.au/MediaCentre/MediaReleases/Pages/PassengerMovementCharge.aspx> for further information.