

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:

7. Tourism Strategy

In answering the following questions, please note:

- The comments made in relation to the 1 January 2013 visa fee increases on the Australian visa bureau website, which state:
“The booming mining and construction industry has started to slow in line with a drop in demand from China and in order to make sure the country’s economy does not suffer Treasurer Wayne Swan is looking for revenue from other sources”.
- The minutes of the Tourist Visa Advisory Group dated 16 November 2012, which also point to a 27% increase in visitation from China.

Can the department explain its strategy with respect to:

- a. dealing with Australia’s two-speed economy challenges;
- b. ensuring Australia’s share of outbound travel from China; and
- c. meeting the Tourism 2020 targets with ever increasing taxation instead of driving our price competitiveness?

Answer:

- a. As part of the implementation of Tourism 2020, the Department is working across the Australian Government and in collaboration with industry and state and territory governments to improve the industry’s productive capacity. Tourism 2020 focuses on creating a policy framework that will support industry growth and provide industry with the tools to compete more effectively in the global economy and to take advantage of the opportunities Asia presents. Through working on the implementation of Tourism 2020, the Department continues to address the challenges faced by the tourism industry in the areas of investment, labour and skills, product quality and industry productivity.
- b. As part of Tourism 2020, the Department is working to grow demand from Asia by building on the China Approved Destination Scheme and providing \$600,000 to Welcoming Chinese Visitors Project. This project, which has been funded through the Strategic Tourism Investment Grant component of the T-QUAL Grants program, aims to lift the quality of the products and services to the China market, increase industry

awareness and develop the capacity of industry to deliver to this market.

The Government has also provided \$48.5 million over four years from 2012-13 for the Asia Marketing Fund (AMF) which is administered by Tourism Australia. The AMF supports the promotion of Australia to growing markets in Asia, particularly China, to generate greater visitation and economic returns to Australia. Tourism Research Australia is undertaking research to support the AMF, including in relation to Chinese visitor satisfaction, industry engagement with Asia and the impact of the AMF. The outcomes of this research, key insights and strategies will be disseminated through a new TRA website, expected to be launched by the end of April 2013.

- c. Tourism Research Australia's State of the Industry 2012 Report found that in 2011-12, overnight visitor expenditure was in line to meet the 2020 Tourism Industry Potential of between \$115 billion and \$140 billion by 2020. The Department will continue to focus on Tourism 2020 implementation to continue to address supply-side barriers to growth.