

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio
Budget Senate Estimates
1 June 2010

Question: BR29
Topic: Tourism Australia budget
Proof Hansard Page: E56

Senator Bushby asked:

Senator BUSHBY—...From a look over the last decade or so, it seems that the current budget is the lowest since 2003 in real terms.

Mr Clarke—If you are looking for a profile of the budget I will ask my chief financial officer to take you through that.

Senator BUSHBY—Thank you. I am aware that we are running out of time so I do not want a lot of detail. I just want to know whether my cursory examination of the budget that TA has had is correct in pointing to the current budget being in real terms the lowest since 2003.

Ms Rose—I do not have a great deal of historical information. Between 2009-10 and 2010-11, once the transition of TRA from Tourism Australia to the department—

Senator BUSHBY—I was going to get to that in a minute; that is a separate issue. I am talking about what has happened over the last few years in terms of real increases in TA's budget. It appears to me it is having a real decrease and it is really only managing to cover its position in nominal terms.

Ms Rose—We will have to take it on notice.

Senator BUSHBY—That is fine.

Mr Clarke—We have to take out the effect of the \$9 million bring forward, the stimulus spending to bring forward the marketing that Mr McEvoy has talked about, and the transfer of Tourism Research Australia. Is your question: what does the budget profile look like after adjusting for those one-off events?

Senator BUSHBY—No. I understand about the shift of TRA back to the department and the impact that will have on the budget. I am more interested in whether over the last few years the Tourism Australia budget has been at least maintained in real terms or it has lost ground in real terms.

Mr Clarke—I have not done the calculation in terms of the proper Treasury real term discount in that, but the order of magnitude of around \$160 million per year has been maintained.

Senator BUSHBY—We have got \$142 million this year and 137.5 last year.

Mr Clarke—That is after—

Senator Wong—That is taking into account the issue that Mr Clarke just explained to you, Senator.

Senator BUSHBY—But TRA next year takes it down to 123, which is some 19 million below what it is this year. Is it 160 or 140?

Ms Rose—The 140 is the appropriation from government, and Tourism Australia has historically been supplemented by revenue from other sources.

Senator BUSHBY—I am really interested in the government's input and the degree to which that has been maintained in real terms after taking account of these extraneous factors.

Mr Clarke—Okay.

Answer:

Tourism Australia's appropriations are adjusted three times a year through wage cost adjustments.

The only changes in appropriation not including the inflation adjustments referred to above are:

- 2007-08: an efficiency dividend of \$627,000 was affixed to the appropriation
- 2008-09: additional special funding of \$2 million received for tourism in North Queensland
- 2009-10: \$9 million brought forward from 2010-11 appropriation and impact of transfer of Tourism Research Australia (TRA) to the Department of Resources, Energy and Tourism from November 2009.
- 2010-11: \$9 million reduction appropriated in 2009-10 and full year effect of TRA transfer to the Department of Resources, Energy and Tourism.