

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio
Supplementary Budget Senate Estimates
20 October 2010

Question: SR11
Topic: Business Events Sector – Inbound Tourism
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Senator Birmingham asked:

Senator BIRMINGHAM—Is the business events sector feeding into the growth in inbound tourism that the industry has enjoyed?

Mr McEvoy—It has been a good story. They were most affected last year. There was more than a 20 per cent decline in business event visitors last year. As you would understand, with the global financial crisis, business events, corporate meetings and incentives were some of the first things cut by corporates. This year we are seeing a return to growth. The latest figures show—and I am not sure we have got them—14 to 16 per cent growth in business event visitors this year. Certainly, that industry is feeling more buoyant. The corporates globally are looking to reward both employees and contractors a lot more again in the incentives area and are holding their corporate meetings offshore again. We have seen a return in the business events sector.

Senator BIRMINGHAM—The dollar does not help you so much in terms of making up in program budget lines 1.1 and 1.2. Have you had to take cuts to programs in either of those areas?

Mr McEvoy—In the interests of time, I will take that on notice.

Answer:

Program 1.1 Industry Development

Revenue from industry sources remains unchanged. This incorporates share of direct revenue from Australian Tourism Exchange, which is part of trade development.

The overall reduction of \$1.7 million reflects the transfer of Tourism Research Australia, as Tourism Research Australia was partially accounted for in 2009-10 Tourism Australia budget.

All other programs have been maintained.

Program 1.2: Strengthen the travel distribution system

Revenue from industry sources remains unchanged. This incorporates a share of direct revenue from the Australian Tourism Exchange, which is part of trade development.

All major events and activities under Program 1.2 have been maintained. The reduction of \$2.1 million is partly attributable to the Dreamtime trade event being held on a bi-annual basis. As the Dreamtime was not held in 2010-11, there was no \$500,000 budget allocation for the event.

Due to market prioritisation, trade activities in non-core markets such as South Africa, Spain and Russia were reduced. The impact of foreign exchange gains is also factored into offshore trade related activities.