

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

18 October 2012

Question: SR2

Topic: Modelling on increasing the PMC by the University of NSW

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Senator Ronaldson asked:

Senator RONALDSON: I am sure the industry is going to be very interested to hear your comment that increasing the passenger movement charge is unremarkable. On 15 March Tourism Research Australia, TRA, received a report they commissioned from the University of New South Wales which modelled the impact of a remarkably coincidental hypothetical 20 per cent increase in the PMC and apparently noted the positive impact the tax would have on tourism. Who commissioned this modelling and when?

Mr Clarke: We are happy to speak to you and elaborate on the modelling's findings but, to answer your specific question, I will ask Dr Jago, who is the director of TRA, if he is able to advise you on that process.

Dr Jago: That modelling was done as part of an arrangement the department had with a group of universities as a leftover from the national Cooperative Research Centre for Sustainable Tourism. The modelling was not actually commissioned by the department. It was an initiative of the universities. It was done long before that and I believe the report was completed around March 2011.

Senator RONALDSON: March 2011?

Dr Jago: I commenced in April so it was before my time, but that is my understanding.

Senator RONALDSON: All right. It was completed in March 2011, was it?

Dr Jago: I believe that was the timing.

Senator RONALDSON: Why would you have not received that until 15 March 2012?

Dr Jago: The work was done. I think drafts of the report were seen along the way but it was not complete. It was completed in 2011, and I think that it was certainly known about by TRA and others.

Senator RONALDSON: When was it completed?

Dr Jago: I believe it was in early 2011.

Senator RONALDSON: Had the minister's office seen this report from early 2011, when the report was finalised?

Dr Jago: I am sorry; I am not aware. I am not able to answer that.

Senator RONALDSON: Will you take that on notice.

Dr Jago: I will.

Answer:

The research on the impact of a 20 per cent increase to the Passenger Movement Charge (PMC) was undertaken by academic researchers belonging to the Centre for Economics and Policy (CEP), a partnership between Monash University and the Universities of NSW and Queensland. This project was included in a suite of projects that were included in a research contract between Tourism Research Australia (TRA) and CEP that took effect from July 2010.

The first full draft of this report that was seen by TRA was in November 2010. TRA provided feedback on subsequent drafts prior to the final draft being completed in April 2011.

The Minister was sent an information brief on the report on 19 April 2011 prior to the report's release on the TRA website on 19 May 2011. The brief contained a list of key findings plus a copy of the report.