

XX February 2017

The Hon Warren Entsch MP
Chair, Joint Standing Committee on Northern Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mr Entsch

RE: Joint Standing Committee on Northern Australia inquiry into Opportunities and methods for stimulating the tourism industry in Northern Australia.

I write in response to your Committee's inquiry into opportunities and methods for stimulating the tourism industry in Northern Australia. Tourism Australia and the Australian Trade and Investment Commission (Austrade) have worked together to provide you with the following submission.

Background

The terms of reference for this inquiry state that the Committee will “inquire into and report on opportunities and methods for, and impediments and challenges to stimulating the tourism industry in Northern Australia including but not limited to:

1. Domestic and international tourism comprising: recreational, environmental, cultural, educational, and industrial tourism;
2. The role of peak bodies, local communities, and all levels of government in developing and promoting tourism opportunities nationally and internationally, including regulations and workforce issues that may inhibit tourism development; and
3. Communication and transport infrastructure (particularly air, sea, road and rail transport and port infrastructure) which may facilitate and grow tourism.”

Tourism Australia, as the Australian Government agency responsible for the international marketing of Australia as a destination for leisure tourism and business events, has responded to these terms of reference in areas relevant to its demand-side responsibilities, and Austrade has similarly responded in relation to its supply side responsibilities, on behalf of Australia's tourism industry.

Northern Australia Tourism

The Government's Northern Australia policy outlines an opportunity to double international visitation to more than 2 million visitors a year by 2035.

This trajectory is consistent with the National Long-Term Tourism Strategy, *Tourism 2020*, which seeks to double overnight visitor expenditure to between \$115 billion and \$140 billion by 2020.

Under *Tourism 2020*, governments and industry are implementing a number of supply side reforms to increase the industry's productive capacity, remove impediments to visitor growth and remain competitive in the global tourism market.

A number of initiatives under *Developing Northern Australia White Paper* have already contributed to this objective.

Northern Australia Tourism Initiative

The \$13.6 million Northern Australia Tourism Initiative is one of a suite of new programmes announced in the *White Paper*. The Initiative aims to provide help to tourism businesses in northern Australia so they can grow, operate smarter and be more internationally competitive.

The initiative extends both the Entrepreneurs' Programme and the Australian Small Business Advisory Services Programme to better target the needs of the north Australian tourism industry.

The Entrepreneurs' Programme

As announced in the White Paper, the Australian Government will:

- spend \$13.6 million to extend management advice and other business support services to businesses in the northern tourism industry.

Since the tourism sector was included, the Entrepreneurs' Programme has experienced significant growth and interest from tourism businesses operating in northern Australia, which is expected to continue in 2017.

As of 31 December 2016, 249 services have been provided to businesses in the tourism sector.

Australian Small Business Advisory Service - Northern Australia Tourism Initiative (ASBAS NATI)

ASBAS NATI has improved the capacity of established, not-for-profit small business advisory service providers.

Following the competitive selection process for the service providers, delivery of services to small businesses commenced on 1 June 2016. As expected, the first quarter was fairly quiet as projects were established within their communities.

Seven projects were approved in the September 2016 quarter, with a total funding commitment of \$4.2 million under ASBAS NATI.

Northern Australia White Paper visa initiatives

In 2016, the Australian Government implemented a number of the visitor visa trials announced in the *White Paper*. Eligible applicants from China can now access:

- a 10 year multiple entry visitor visa (making Australia one of only a handful of countries to offer this product);
- a fast track (48 hour) visa processing service (for a fee); and
- online visa application lodgement in simplified Chinese (the first time any country has afforded the Chinese traveller this service).

Initiatives under the *White Paper* also included:

- full online visitor visa application lodgement available in the China and India markets;
- expanding the Working Holiday Maker visa programme by increasing the amount of time visa holders can work in high demand areas in northern Australia, with a small number allowed a second year on their visa if they work in northern tourism and agriculture

- From 21 November 2015, an employment extension to work with one employer in Northern Australia beyond the usual limit of six months was initiated; and
- expanding and streamlining the Seasonal Worker Programme to support seasonal industries such as tourism and hospitality by reducing costs to business, increasing worker numbers and allowing more countries and industries to participate.

These visa initiatives have improved Australia's competitiveness. Collectively they have the potential to grow global visitation, building on the \$282 million Chinese visitors alone spent in northern Australia during the year ending September 2016.

Tourism Australia and northern Australia

Tourism Australia (TA) is the Australian Government agency responsible for the international marketing of Australia as a destination for leisure tourism and business events. TA does not have any responsibilities in relation to domestic destination marketing or tourism industry development beyond providing advice to the industry in relation to international marketing and support for export ready tourism businesses through trade events both here in Australia and overseas. Domestic marketing and the development of tourism product is the responsibility of state and territory governments.