

## **Inquiry into Opportunities and Methods for Stimulating the Tourism Industry in Northern Australia**

*Department of Industry, Innovation and Science – response to Questions on Notice*

The Northern Australia Tourism Initiative (the Initiative) provides business advisory support to businesses. These services are delivered through the Business Management element of the Entrepreneurs' Programme to tourism businesses in northern Australia.

The Initiative has specific eligibility thresholds to ensure that participating businesses are of sufficient maturity and size, such that they have the capacity and capability to implement recommendations and benefit from the service. This helps to ensure maximum value of the service offering to the business and a good return on the government's investment.

The Initiative currently targets and limits services to tourism businesses in northern Australia. The main criteria are:

1. be an Eligible Corporation that is non tax-exempt and is registered for GST;
2. have an annual turnover or operating expenditure between \$750,000 and \$100 million;
3. have operated in Australia and filed business activity statements showing ongoing trading in at least three consecutive years; and
4. satisfy the criteria to be a Tourism Business.

If a goal of the senate inquiry is to stimulate and improve opportunities for the tourism industry in Northern Australia, in the absence of other constraints you could consider the following within the Entrepreneurs' Programme:

### **1. Eligibility of Indigenous owned businesses**

Currently an "Eligible Corporation" is a corporation incorporated under the Corporations Act 2001 (Cth). This requirement prevents a number of Indigenous corporations receiving services. Many Indigenous organisations are not registered under ASIC but are registered under the *Corporations (Aboriginal and Torres State Islander) Act 2006*, and instead have an Indigenous Corporation Number (ICN). To increase the number of Indigenous owned businesses eligible for the programme consideration could be given to the Initiative also accepting applicants with an ICN.

### **2. Eligibility of other organisations (not-for-profits, incorporated associations and clubs)**

As above, applicants must have an Australian Company Number (ACN) to be considered an "Eligible Corporation". This excludes many local organisations and associations in northern Australia that contribute to the larger tourism industry in northern Australia. This prevents the programme from reaching the communities and in many cases from assisting indigenous tourism. For example, currently the Royal Flying Doctor Service in the Northern Territory runs a leading tourist activity, but is excluded from Entrepreneurs' Programme services on the basis of not having an ACN.

To address this, consideration could be given to removing the requirement for applicants to have an ACN.

### **3. Access to Innovation Connections**

Given the inability of northern Australian tourism businesses to access the Innovation Connections program, there is limited ability to support innovation and the introduction of new technology to clients.

To address this, consideration could be given to the Initiative's scope being expanded to also include Innovation Connections.

**4. Eligibility of northern Australian businesses intending to operate in the tourism sector and/or businesses providing enabling technologies and services to tourism businesses**

Currently a tourism business must demonstrate that they derive a significant portion of their revenue from visitors; and operate in a tourism-related industry to be eligible for the programme. This prevents many northern Australian businesses which operate in sectors that support the tourism industry from accessing the programme. In northern Australia in particular there is a wide range of organisations who choose to get involved in the tourism industry directly as they can see the positive impact it can have for the town/region.

The Initiative could be expanded to include applicants that provide "enabling technologies and services to the tourism industry" and applicants that can "demonstrate they are committed to, and have the skills, capability, intellectual property or expertise to operate in the northern Australia tourism industry in the future".

Such changes to the eligibility requirements would be consistent with other sectors in the Entrepreneurs' Programme.

**5. Turnover Thresholds**

Currently the minimum turnover or operating expenditure threshold the Initiative is \$750, 000 per year, which excludes a number of northern Australian tourism businesses. Consideration could be given to lowering the threshold.