

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

19 October 2011

Question: SR30

Topic: Tourism matters arising from the 2011 Budget

Proof Hansard Page: Written

Senator Bushby asked:

1. In this years budget the government has provided \$8 million over two years for Community Heritage Grants to assist the conservation of local heritage sites. Was any of this funding earmarked to promote travel to experience these locations? Has the Department considered extracting value for the sector in this way?
2. Of the \$11.8 million that was allocated to Wine Australia Corporation in this years budget, will the total amount be spent on marketing Australian wine to consumers, or will some money be earmarked for marketing the Upper Hunter, Margaret River, Barossa and other wine tourism destinations? If not, does this not represent a significant missed opportunity for the tourism sector?

Also linked to program 4 objective of working collaboratively with stakeholders to support the development of sustainable Indigenous tourism businesses:-

3. With respect to Indigenous Business Australia:
 - (a) Does RET or Tourism Australia engage with IBA?
 - (b) What focus does Australia bring to market holiday destinations, activities or businesses which would have a unique selling proposition in terms of Indigenous involvement?
 - (c) \$200.3 million was allocated in this years budget to Indigenous Business Australia, up from \$167.2 million in 2010-11. While its goal was to become non-dependent on federal budgetary outlays, IBA is now in receipt of hundreds of millions of dollars in taxpayer funds. Yet, no break-down has been provided in the budget papers as to how IBA would spend this money across its portfolio of transport, mining, laundry, fishing, tourism and other projects under management. Is the Department aware of IBA-funded tourism and hospitality projects being funded, and if so, how are you supporting these?
4. In this years budget, there was a general decline in funding allocated to national cultural Institutions resulting in:
 - \$30.0 million for the Australian National Maritime Museum;
 - \$51.8 million for the National Gallery of Australia; and
 - \$47.0 million for the National Museum of Australia.
 - (a) Does Tourism Australia obtain the forward exhibition programs for these institutions and promote these on the Tourism Australia website?
 - (b) If not, why not? Surely we should extract value for money for the taxpayer in this way?

- (c) In terms of regional arts events even large events like the Dungog Film Festival are not promoted on Tourism Australias website. What does Tourism Australia do to promote regional arts to the travelling public?
5. As announced in the budget, the government will cut \$34.0 million over four years from the Australian Customs and Border Protection Service by reducing passenger facilitation staff at Australia's international airports. Furthermore, the government will cut the operating budget of the Australian Customs and Border Protection Service by \$36 million during 2011-12.
- (a) Has the Department considered how this might impact on slower processing of inbound tourists, creating a poor first impression of Australia for international visitors?
- (b) Has the Department sought information from either Customs and Border Protection, Department of Immigration, or from the airports on this?
- (c) Has the Department considered the combined effect of cuts to passenger processing combined with the Passenger Movement Charge, and what impact has had on inbound tourist numbers?

Working with other Government agencies to ensure infrastructure development contributes to the competitiveness of the tourism sector

6. In this years budget, \$28.0 million over two years was invested in extending the Regional Aviation Access Program for safety upgrades to remote and isolated airstrips across Australia. This might offer some Tourism opportunities if it makes new locations available to holidaymakers.
- (a) Does the Department know where this money is being spent?
- (b) Will the Department be putting in a bid for some of this money to be spent to open up new experiences for travellers (if it isnt already allocated to projects)
- (c) Is the Department aware that several of Australias smaller airports are keen to receive this sort of assistance to benefit Tourism?
7. The government has deferred the start date of the Tax Break for Green Buildings scheme to July 2012. This deferral is estimated to save \$295 million however the overall support for this measure will be maintained at \$1 billion.
- (a) The Green Buildings scheme could have been geared to construction or refurbishment of tourism accommodation to capitalise on global trend towards eco-tourism. Are these discussions happening internally?
8. In the budget the Government announced the regional Sponsored Migration Scheme will support 16,000 places under the Employer Sponsored Program.
- (a) Is the Department aware of criticism from the Restaurant Catering Association of Australia that chefs and cooks have been excluded from the occupations list that would allow restaurateurs to sponsor such staff?
- (b) Is the department also aware of the views of groups like Tourism Training Australia, since the list is the same one that forms the basis for government assistance for training?
- (c) Does the Department agree that reform in this area is urgently required a view expressed in the Tourism Investment and Regulatory Review report, published on Friday last week?

9. The Government announced \$5.9 million was allocated to implement a new Skilled Migration Selection Model. The model is to take effect on 1 July 2012 subject to legislation.
- (a) has the Department considered impacts on the tourism and hospitality sector (for trades other than food preparation)?
 - (b) Has the Department considered impacts on the tourism and hospitality sector (for trades other than food preparation)?
 - (c) Given many people in the sector stress the need for Tourism and Hospitality to be considered desirable lifelong professions rather than jobs that are done by university students as a stepping stone to better paid work what's being done by DRET to improve the standing of the sectors professions?

Answer:

1. The Community Heritage Grants (CHG) program is administered by the National Library of Australia and aims to preserve and provide access to locally held, nationally significant cultural heritage collections across Australia. Queries relating to how funding was allocated should be directed to the National Library of Australia.
2. The Department does not have access to Wine Australia Corporation's plans regarding the expenditure of the allocated \$11.8million. This information and the question of allocation of marketing funds is more appropriately directed to the Wine Australia Corporation.

Tourism Australia (TA) and Wine Australia are in regular contact and have had discussions about common marketing goals. Topics include linking world-quality codes on exported Australian wine to online tourism destination information. TA and Wine Australia also work together in most international markets around the world – including Japan, the UK, China, Europe and the USA.

- 3(a) Tourism Australia partners with IBA on the delivery of the Indigenous Tourism Champions Program (ITCP) and meets regularly with IBA to collaborate in supporting Indigenous tourism. TA and IBA also both actively participate in a number of working groups set up to further the Indigenous tourism industry including; Indigenous Tourism Working Group (ITWG), Indigenous Tourism Industry Advisory Panel (ITIAP), Indigenous Tourism Government Forum (ITGF) and the National Indigenous Tourism Task Force (NITTF).

The Department participates in the Indigenous Tourism Working Group under the National Long Term Tourism Strategy. IBA is also a member of the Working Group.

- (b) Tourism Australia (TA) is working to improve trade and consumer awareness and perceptions of the quality and diversity of Indigenous tourism experiences. The initiatives undertaken are focussed on stimulating greater demand for distinctive Indigenous tourism experiences. This is primarily done through the Indigenous Tourism Champions Program, which is a joint initiative with Indigenous Business Australia (IBA). TA is responsible for marketing the 46 selected Champions, whilst IBA focuses on product development. Marketing is done through existing TA channels including trade engagement, online, and media as well as developing a new trade focussed Indigenous tourism website. Indigenous culture is marketed as an enhancement to the Australian experience. Visitors have the opportunity to learn about one of the world's oldest continuous cultures, access exclusive locations, learn new skills and share in unique lifestyles.

- (c) The Department is aware of several tourism initiatives in which IBA is involved but the Department does not become involved in either funding or commercial financing decisions relating to IBA enterprise support.
- 4(a) Tourism Australia promotes events and exhibitions, including those of national cultural institutions, on the events section of Australia.com and also on Nothinglikeaustralia.com. Content is developed in collaboration with State Tourism Organisations. In addition to featured content, Australia.com and NothinglikeAustralia.com also promote events as part of the Australian Tourism Data Warehouse listings, which can capture and display exhibition details from the above cultural institutions. Tourism Australia's Public Relations exchange, the Global News Bureau, receives media releases from a number of Australian institutions including the National Maritime Museum, the National Gallery of Australia and the National Museum of Australia. If the media releases are relevant to Tourism Australia's audiences, Tourism Australia redistributes the information via media newsletters and on media.australia.com.
- (b) Not applicable.
- (c) Tourism Australia promotes regional events on Australia.com and NothinglikeAustralia.com that are included by State Tourism Organisations in the events section within Australian Tourism Data Warehouse listings for their states. These events typically include a web address which is included in the listing on both sites to ensure consumers interested in regional arts events can source planning and booking information if they require it.
- 5(a) The Department understands the Australian Customs and Border Protection Service is implementing a range of initiatives to minimise any impacts which may occur as a result of the measure. These initiatives include additional SmartGate capability in Sydney, Brisbane, Perth and Adelaide, revised queue marshalling arrangements, and further work to refine workforce planning and deployment. Customs and Border Protection Service will work with airport operators and airlines to minimise any impacts at the border.
- (b) The Department is a member of the National Passenger Facilitation Committee, chaired by Customs and Border Protection Service. At regular meetings, Customs provides updates on passenger facilitation times at major airports and provides a status update on resourcing levels at airports. Airport representatives attend the meetings and (where appropriate) provide additional updates.
- (c) The Department has not undertaken specific analysis of the existing Passenger Movement Charge.
- 6(a) The Regional Aviation Access Program (RAAP) was allocated \$28 million in administered and Departmental funding over two years in the 2011-12 Budget for upgrading remote airstrips across Australia. The three elements of this funding cover:
- \$22 million in administered funding to Remote Airstrip Upgrades. Funding under this component is grants based, with applicants generally expected to contribute on a matching co-funding basis with the Australian Government. The first funding round was opened for applications on 19 October 2011 and will close on 1 December 2011.
 - \$4 million in administered funding to the RAAP – Remote Aviation Infrastructure Fund. The funds are specifically for further upgrades of aerodromes in remote Indigenous communities that currently receive a weekly passenger and freight air service subsidised under the Government's Remote Air Services Subsidy Scheme. The

Australian Government is providing 100 per cent of the funding for works under this allocation, with priorities for funding identified following an extensive inspection program of eligible Indigenous aerodromes. A total of 31 aerodromes are currently being upgraded under this funding allocation. Below is a list of the aerodromes by State:

South Australia – Amata, Nyapari, Yunyarinyi, Watarru

Northern Territory – Baikal (Bonya), Hodgson Downs, Kildurk Station, Nelson Springs, Urapanga, Yuelamu, Willowra, Docker River

Western Australia – Balgo Hill, Bohemia Downs, Cotton Creek, Jigalong, Millajiddee, Mulan Aboriginal Station, Myroodah Station, Punmu, Ringer Soak, Tirralintjii, Well 33 (Kunawarritji), Yakanarra, Blackstone, Giles, Jameson, Patjarr, Wanam, Warburton, Wingellina.

- \$2 million over the two years to the Department of Infrastructure and Transport in Departmental funds for administering and overseeing the various parts of the program.
- (b) No. Applications are restricted to owners and/or operators of existing aerodromes in remote and isolated areas with an Australian Business Number.
- (c) Funding under RAAP is available for aerodromes that are classified as Remote or Very Remote using the Accessibility/Remoteness Index of Australia. This index is incorporated in the remoteness structure component of the Australian Standard Geographical Classification as used by the Australian Bureau of Statistics. Aerodromes in locations classified as regional are not eligible for assistance under the program.

The key objective of the program is to improve the safety and accessibility of aerodromes in remote communities to enable the delivery of essential goods and services, including medical care. Remote aerodromes, and the air services they support, play a vital role in connecting remote communities with each other and in providing residents with access to services in larger regional towns.

The program does not support aerodrome works to enable the introduction of commercial air services to remote aerodromes or projects that are focused on tourism or economic development related outcomes.

- 7(a) The Tax Breaks for Green Buildings program is administered by the Department of Climate Change and Energy Efficiency (DCCEE). Its objective is to support businesses that invest in eligible capital assets or works to improve the energy efficiency of an existing building. The Department of Resources, Energy and Tourism (RET) participated in consultations regarding the eligibility criteria for the program to ensure the criteria are accessible for the tourism industry and that hotels could use the program to undertake capital works that would make hotels more appealing to environmentally conscious consumers.
- 8(a) Chefs and cooks have not been excluded from the Regional Sponsored Migration Scheme (RSMS) and also continue to be available under the Employer Nomination Scheme (ENS). In program year 2011-12 to date (31 August 2011 data), cooks were the number one occupation under the ENS and chefs were number five. Under RSMS cooks were the number one occupation and chefs were the number three occupation. Restaurant and Catering Australia has not made representations to the department on the Regional Sponsored Migration Scheme.

- (b) Tourism Training Australia has not made representations to the department on matters pertaining to the basis of government assistance for training. However, the tourism and hospitality industry will be able to access funding through the National Workforce Development Fund to support training in occupations that are in demand.
- (c) The Tourism Investment and Regulation Review Report recommended that an extension of the working holiday visa programs and a review of the 457 visa process be considered by the Labour and Skills Working Group (LSWG).

Both of these actions are being progressed by the LSWG. The Department of Immigration and Citizenship (DIAC) is consulting with industry on the development of a 457 visa (temporary skilled migration) guide to assist tourism and hospitality employers in sponsoring overseas workers. DIAC is also holding information sessions in every Australian capital city and Cairns in 2011 on how the tourism and hospitality sector could better use the 457 visa to address skills shortages.

As an action from the Tourism Industry Employment Roundtable of 30 August 2011, the LSWG was tasked to lead an analysis on the merits of proposed changes to the WHM program.

- 9(a) and (b) Processing of Employer Nomination Scheme (ENS) and Regional Sponsored Migration Scheme (RSMS) will be incorporated into the new Skilled Migration Selection Model (SkillSelect) and these visa categories will continue to provide for the processing of occupations in the tourism and hospitality sector, such as cooks and chefs. Non-food preparation occupations such as cafe, restaurant and hotel managers will continue to be available for filling under RSMS using SkillSelect.
- (c) The two year forward work plan of the Labour and Skills Working Group (LSWG) seeks to improve the tourism and hospitality industry's ability to attract and retain labour through better workforce planning, innovative recruitment initiatives and improved training and career opportunities. One key initiative announced at the October 2011 Tourism Minister's Meeting, was the selection of eight regional hotspots to develop regional tourism employment plans. The plans will include strategies to improve staff retention and career paths.