

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

19 October 2011

Question: SR36
Topic: Measurement of KPIs - Tourism
Proof Hansard Page: Written

Senator Bushby asked:

The Auditor General's report No.5 2011-12; Development and Implementation of Key Performance Indicators to Support the Outcomes and Programs Framework was published on 8 September. In the context of the framework, it highlights the importance of KPIs focus on effectiveness, not efficiency.

In light of:

- Australia's slide from 4th to 13th place in the World Economic Forums ranking of countries by tourism competitiveness since 2008;
- ABS data showing domestic overnight trips have fallen from 72 million to 64 million (7.8 percent); [update with figures since 2007 instead of these decade long stats]
- Tourism's share of capital expenditure has decreased from 3.5 percent to 3.0 percent; and
- Australia's share of global international arrivals has declined from 0.69 percent to 0.57 percent (17.3 percent).

Is this worsening situation reflected in staff effectiveness measurement?

If so;

- What remedial action has been taken?

If not,

- Why not?
- Are objectives not SMART objectives (Specific, Measurable, Achievable, Relevant, and Timed)?

Answer:

The Australian tourism industry is facing many challenges in a competitive global environment and is vulnerable to a range of external factors (such as the ongoing global financial uncertainty). Through the National Long-Term Tourism Strategy, the Department is working collaboratively across all jurisdictions and with industry to achieve policy outcomes that support the tourism industry. It is important to note that the Department does not have direct legislative or regulatory control in areas which impact the tourism sector - these are, in large measure, the responsibility of other Australian, state/territory and local government agencies.

The Department is aware of the findings of the ANAO report, and acknowledges the need to develop SMART key performance indicators (KPIs) which provide a better measure of program outcomes. Substantial changes have already been made to improve the KPIs for Program 4 (Tourism); refer 2011-12 RET Portfolio Budget Statements, pages 52-56. Further work is currently being undertaken to develop benchmarks for KPIs to measure the performance outcomes of the TQUAL Grants Program (for example, in relation to impacts on regional employment, visitor expenditure and length of trips). Work is also underway to develop KPIs to specifically measure the effectiveness of the National Long-Term Tourism Strategy; these will be included as part of the updated Strategy which is due to be released later this year.