

MEDIA RELEASE

TAA welcomes “sympathetic” Budget and applauds Government for switching from individual tourism grants to State demand-driver infrastructure grants

14 May 2014: Tourism Accommodation Australia (TAA) has welcomed the Federal Government’s handling of the tourism sector in the 2014 Budget, which was released last night.

Managing Director of Tourism Accommodation Australia (TAA), Rodger Powell, said:

“Following the release of the Commission of Audit report, TAA called on the Government to ignore the recommendations relating to tourism marketing, and to increase net spending on tourism because of its potential to boost export earnings and create sustainable jobs.

“We are pleased that the Government has maintained Tourism Australia’s resources, as they have demonstrated considerable success in growing the inbound market in recent years. We also welcome the allocation of additional funding for marketing efforts in Asian growth markets, with Chinese visitors expected to generate over \$13 billion in tourism revenue by 2020.

“The announcement of the new Tourism Demand Driver Infrastructure grants program with the States is particularly welcome.

“TAA did not believe that funding individual tourism and hospitality enterprises through the TQUAL and TIRF schemes was an equitable or efficient use of scarce funding. To provide funding for ‘new carpets in old motels’ was never going to drive demand, where as the **Tourism Demand Driver Infrastructure Grants** programme will benefit all operators through development of projects such as convention centres, port facilities, museums, galleries, theatres and other attractions.

“A positive example of this is the \$150 million allocated to the Gold Coast to invest in infrastructure to host the Commonwealth Games. This will have a long term impact on all accommodation and tourism operators in the region as it will significantly increase the Gold Coast’s ability to attract and create future major events.

“Scott Morrison is to be congratulated for saving over \$2 billion through the stopping of illegal arrivals, and the creation of the new Border Protection Force will drive further efficiencies. We believe that some of these savings should be invested in upgrading the visa processing system and the efficiency of the overall arrivals experience to enhance Australia’s global tourism competitiveness.

“The expenditure on road infrastructure will also benefit the tourism and hospitality sectors as some 70% of tourism is domestic and a large percentage of that is self-drive holidays.

“While overall, we are happy with the Budget and applaud Minister Robb for his efforts to support the sector, it is disappointing that the Australian Network TV service is being axed because that built awareness of Australia as a destination in our key growth markets in Asia. It will mean that greater direct funding will be required for tourism marketing in the future if we are to maintain our visibility in these highly competitive markets.”

Tourism Accommodation Australia's FEDERAL BUDGET SUMMARY 2014-15

Tourism-related measures

Tourism Australia

Tourism Australia's Budget for 2014-15 has been largely maintained from 2013-14. TA has been allocated \$129.8 million compared with \$130.3 million last financial year.

The Government has reaffirmed its support of TA by providing increased and direct allocation of the Asia Marketing Fund to TA to capitalise on emerging opportunities in Asia. Staffing for TA is forecast to rise from 198 to 204.

Minister for Trade and Investment Andrew Robb said the Government is committed to infrastructure development and brand promotion of TA especially in growing markets like China.

Mr Robb said the Government has identified tourism as one of five National Investment Priorities with particular emphasis on international demand and investment to grow the tourism and hospitality sector. "Australia is open for business, open for visitors and open for tourism," Mr Robb said in a statement.

Tourism and international marketing measures

The Government will provide \$10.1 million over four years to continue the Approved Destination Status (ADS) tourism arrangement between China and Australia. The ADS supports Chinese tourism in Australia and supports Tourism Australia to promote Australia as a tourism destination.

The Government has committed \$43.1 million over four years to implement a new Tourism Demand Driver Infrastructure grants program. The project offers funding to States and Territories for infrastructure projects that encourage international and domestic tourism.

This will be funded by redirecting revenue from the Tourism Industry Regional Development Fund and the T-QUAL accreditation scheme.

\$2 million has been allocated to support Australia Week in China and in 2015 and 2016.

\$600,000 will be spent "transitioning" responsibility for T-QUAL from Government to industry.

Streamlining passenger processing

The Government will implement enhancements to Australia's border protection services starting in 2014-15 within the existing Australian Customs and Border Protection Service including through improved trade and passenger facilitation by implementing more efficient processes.

This will occur from 1 July 2015, when the Australian Customs and Border Protection Service will be consolidated into the Department of Immigration and Border Protection to create a single agency.

The Government re-iterated its early tourism initiatives, highlighting the freezing of the Passenger Movement Charge which was increased under the previous Labor Government.

Tourism Accommodation Australia (TAA) represents the interests of the 24 Australian Accommodation Chains and some 1000 individual members in the Hotel, Serviced Apartment, Integrated Resort, Motel and Vacation Ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.

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