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MEDIA RELEASE

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China-Australia FTA a boost for tourism

Today's historic entry into force of the China-Australia Free Trade Agreement (ChAFTA) is great news for Australia's tourism industry.

Not only will ChAFTA strengthen Australia's inbound tourism industry but it will also create new opportunities for Australian tourism providers in China.

China is one of Australia's most important tourism markets. In 2014-15, 927,700 Chinese nationals visited Australia and spent almost \$7 billion – more than any other country.

Tourism Research Australia forecasts that by 2022-23, 1.5 million Chinese will visit Australia annually and spend over \$10 billion.

Tourism spending reached a new high of \$34.8 billion this year, an increase of 13 per cent which is the strongest growth seen since 2001. International visitor arrivals increased 7 per cent to 6.7 million while nights were up 10 per cent, reaching 242 million during the year ending September 2015.

ChAFTA will undoubtedly help the industry capitalise on this growth as will the Government's efforts to boost flight capacity, our visa reforms and focused international marketing.

The Government has also made tourism infrastructure one of five National Investment Priorities and ChAFTA will encourage investment in this industry which supports around a million jobs.

ChAFTA will encourage Chinese investment in Australia's tourism sector by increasing screening thresholds for private Chinese investors, enabling Australia's tourism industry to grow.

ChAFTA will also boost jobs for Australian tourism businesses in China. Australian tourism services providers have guaranteed access to China's growing domestic tourism market. Australian companies will be able to design, build and operate hotels and restaurants in China on a wholly-owned basis. China has also guaranteed that Australian travel agencies and tour operators will be able to establish operations in China to provide travel services, tours and hotel accommodation.

Alongside ChAFTA, Australia and China have developed a Work and Holiday Arrangement, which will boost demand for tourism services with 5,000 Chinese work and holiday makers expected to travel to Australia each year.

The Chinese Ministry of Education will promote 77 Australian private higher education institutions for students who want to study in Australia. More Chinese students studying in Australia will have enormous flow-on effects for our local tourism industry.

ChAFTA will provide unprecedented opportunities for the Australian tourism sector and the Government encourages tourism businesses to take advantage of the benefits it has to offer.

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