Australian
Chamber of Commerce
and Industry

2024-25 Pre-Budget Submission

Australian Chamber – Tourism

January 2024

Working for business.
Working for Australia.

Telephone 02 6270 8000 | Email info@acci.com.au | Website www.acci.com.au

Media Enquiries
Telephone 02 6270 8020 | Email media@acci.com.au

Canberra Office
Commerce House
Level 3, 24 Brisbane Avenue
Barton ACT 2600
Kingston ACT 2604

Melbourne Office
Level 3, 150 Collins Street
Melbourne VIC 3000

Perth Office
Bishops See
Level 5, 235 St Georges Terrace
Perth WA 6000

Table of contents

Summary

Tourism is an essential driver of the Australian economy. Before the pandemic restrictions in Australia, domestic and international tourism and travel spending totalled $166 billion and was the fourth largest export sector.[1] In the regions, there was a direct benefit too, with 44 cents of every tourism dollar spent in regional destinations,[2] and the industry supported over one million jobs, directly or indirectly.[3]

Australian travel and tourism has rebounded well from the pandemic restrictions. The outlook for international arrivals growth has been revised higher this year relative to that presented last year. However, it is still expected to take until 2025 for international arrivals to surpass the pre-pandemic level.[4] There are some areas where further support will be necessary to continue its recovery and support further growth in line with the *THRIVE 2030* commitments. Appropriate supports must be put into place to ensure that the recovery continues in a sustainable manner.

Throughout this submission, Australian Chamber – Tourism (the Chamber) makes the following recommendations for funding which, if implemented, will support the recovery of travel and tourism to exceed 2019 levels more quickly, and to build back stronger than it has been previously:

Tourism Australia

- Funding for Tourism Australia should be increased to $200 million per annum over the forward estimates, in line with inflation and CPI increases.

Business Events Bid Fund

- Extend the Business Events Bid Fund beyond 30 June 2024 with an additional $5 million for each year of the Fund's extension.

- Enable smaller events to be eligible under the Fund with a cap of 200 attendees.

Passenger Movement Charge

- The revenue derived from the PMC should be reinvested into improving the passenger experience and funding agencies that support passenger facilitation.

- There should be increased transparency as to how PMC revenue is allocated throughout the Budget.

Passenger facilitation

Materials for visa applications

- Develop guidance in various languages for future travellers to assist with visa applications. This guidance must be updated as reforms to the visa system continue.

---

[1] Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2023), *Aviation Green Paper: Towards 2050*, September 2023, pg.30.
[2] Tourism Australia (n.d.), The Economic Importance of Tourism.
[3] Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2023), *Aviation Green Paper: Towards 2050*, September 2023, pg.30.
[4] Tourism Research Australia (2023), *Tourism forecasts for Australia: 2023 to 2028*, November 2023, Australian Trade and Investment Commission.

- Ensure ETAs are available in a wide range of languages other than English.

Visa processing systems and passports

- Simplify and streamline visa processing systems, particularly in India, China and Indonesia, including longer term multi-entry visas in markets where they don't exist.

- Applications for Australian passports should be available from more providers. There should be a tender process which enables additional providers to obtain permission to receive and process Australian passport applications on top of Australia Post and the Australian Passport Office.

Passport application process

- Provide the necessary appropriation to the APO to further enhance the digital pathway for the passport application and renewal process.

- Expand the application and renewal process to enable additional providers to receive and process Australian passport applications.

Airport security screenings

- Additional funding should be allocated to provide for full implementation of additional security screening systems currently being piloted for Australian airports.

Border agencies at Australian seaports

- Resourcing for border agencies at Australian seaports must be increased.

'Passenger on the move' immigration clearance

- Fund the trial and upgrades of improved SmartGates in Australian airports.

Incoming Passenger Card

- Establish and fund a concept case to integrate the physical IPC to a digital model.

Tourist Refund Scheme

- The TRS should be digitised and outsourced. The government should evaluate the option to transition to a user-pay system where a commission is deducted from the traveller refund amount to self-fund the digital enhancements.

Workforce shortages

- Upskilling for workers in the hospitality sector must be appropriately funded to meet worker and skills shortages.

- Micro-credentials must be appropriately funded to allow for easier skills development and recognition.

Working Holiday Makers

- Financial incentives should be provided to prospective WHMs to support their return to regional Australia.

Agritourism

- Support the development of agritourism through additional support for the sector.

Natural disasters

- Establish a funding program for travel and tourism businesses affected by extreme weather events to enable financial support to be delivered as soon as practicable.

Aviation

- Fully fund reforms set out in the Aviation White Paper immediately upon its release.

The Chamber also endorses the recommendations made by made in the broader ACCI pre-budget submission.

Tourism Australia funding

Tourism Australia is a world leader when it comes to international destination marketing, and it is critical that it remains so given the highly competitive international tourism market. Tourism Australia is tasked with promoting Australian tourism amidst the fierce competition within the global market to capture tourist spend. As such, it must have adequate funding and resourcing to deliver the marketing effort required so that Australia can successfully compete with other destinations.

Particularly with regard to international inbound travel, a key objective is to rebuild travel and tourism above and beyond 2019 levels. While the recovery is underway, the high-spending holiday market has been slow to return, with only 59 per cent of the number of international holiday visitors in the year ending October 2023 arriving in Australia compared to the same period in 2019.

While a focus on Australia's core international visitor markets will continue to be essential to exceeding 2019 levels, Australia will also need to diversify the markets it targets in order to attract a broader range of travellers from more places of origin. Key to this will be to encourage travellers to stay for longer – in 2022-23, median duration of stay in the country was 14 days, down from 25 days in 2021-22.[5] To achieve this, the expertise of Tourism Australia will be imperative in encouraging more international inbound travellers from more destinations to stay in Australia for longer.

Tourism Australia's ability to generate demand for the products and services across the various sectors of travel and tourism cannot be understated. For example, for agritourism and aquatic tourism, Tourism Australia's support for and ability to market these sectors internationally is vital to their success domestically, and assists their contributions to the visitor economy. Accordingly, sectors of travel and tourism are strongly supportive of continued financial support for Tourism Australia.

The Chamber welcomed sustained funding for Tourism Australia in the 2023-24 Budget. However, this funding has not kept pace with inflation. While government appropriation has increased year on year, the effects of domestic inflation mean that Tourism Australia's budget is worth approximately $10 million less today, in real terms, than it was in 2018-19.[6] Combined with inflationary cost pressures incurred where Tourism Australia operates overseas as well as media costs – estimated to have increased by up to 30 per cent – the recovery of Australia's tourism industry is at risk without additional funding for Tourism Australia.

These funding pressures have meant that Australia's tourism promotion footprint has been reduced. For example, in 2010, Tourism Australia operated in 35 markets, whereas they now have a presence in only 15. In addition, the Chamber understands that Tourism Australia has reduced onshore staffing numbers by more than 10 per cent.

Noting the continued need for budget repair but also the need to support Tourism Australia to facilitate the recovery of Australian travel and tourism, we urge the government to increase funding to $200 million per annum each year over the forward estimates, in line with inflation and CPI increases.

Recommendation:

Funding for Tourism Australia should be increased to $200 million per annum over the forward estimates, in line with inflation and CPI increases.

---

[5] Australian Bureau of Statistics (2024), Overseas Arrivals and Departures, Australia, 16 January 2024.
[6] Tourism Australia estimates.

Business Events Bid Fund

The Business Events Bid Fund (the Fund) is a highly successful program which seeks to increase the conversion of bids for new international business events for Australia through the offer of financial support at the critical bidding stage.[7] The Fund is managed by and funded through Tourism Australia.

As Australia prepares to host the 2032 Brisbane Summer Olympics and other significant drawcard events, there is a tremendous opportunity to showcase Australia to the world as a worthwhile travel destination.

Currently, the Fund is only available to support bids where a decision is made by 30 June 2024, and where the event is being held by 31 December 2029. While this has already led to a strong pipeline of events out to 2029, the program should be extended.

The Fund should also be extended for smaller events in regional destinations such as, for example, Canberra, Cairns, and Hobart. Regional events in priority industry areas that have a minimum of 200 international attendees should be eligible to apply, as opposed to the current requirement of 500. A smaller contribution to the bid could be made for regional events, for example, a portion of the $50,000 cap which is currently in place, commensurate with the number of attendees.

The Fund is oversubscribed, to the extent that Tourism Australia has reallocated some funding from their marketing functions to be available for the Fund. It will be important to allow Tourism Australia to continue to administer the Fund whilst not putting undue pressure on their other core functions. If the Fund is to continue to be successful, additional funding will be required. The Chamber understands that an additional appropriation of $5 million per annum for each year of the Fund's extension would enable Tourism Australia to continue supporting international business events bids in Australia.

> **Recommendations:**
>
> Extend the Business Events Bid Fund beyond 30 June 2024 with an additional $5 million for each year of the Fund's extension.
>
> Enable smaller events to be eligible under the Fund with a cap of 200 attendees.

Passenger Movement Charge

The 2023-24 Federal Budget included an increase to the Passenger Movement Charge (PMC) by $10 from 1 July 2024, which is forecast to raise an additional $520 million revenue over five years.[8] Unfortunately, this measure is another increase to potential passenger costs, and another reason to travel elsewhere.

The Chamber does not support additional revenue raising through increased taxes on tourists, the income should be directed at improving passenger facilitation or bettering the travel experience.

Funds collected through the PMC are currently directed into consolidated revenue.

The Chamber urges the government to direct funds received through the PMC to modernising passenger facilitation in order to improve the passenger experience and fund agencies who support this process. At

---

[7] Tourism Australia (n.d.), Business Events Australia Bid Fund Program.

[8] ATIA (2023), *Passenger Movement Change increase will see an extra $520M lost out of Travel Sector*, 10 May 2023.

the very least, there should be some transparency as to how the funds are allocated throughout the Budget.

> **Recommendations:**
>
> The revenue derived from the PMC should be reinvested into improving the passenger experience and funding agencies that support passenger facilitation.
>
> There should be increased transparency as to how PMC revenue is allocated throughout the Budget.

Improve passenger facilitation

As an expensive destination to travel to, it is imperative that Australia provides the best possible experience to all travellers, including access to and through our ports, which is often a traveller's first entry point.

When Australia originally invested in SmartGate infrastructure, it was ahead of many countries in modernising this aspect of the passenger journey. Unfortunately, as other countries have improved their incoming passenger technology and processes, we remain largely reliant on manual processes.

Australia is losing competitiveness in the area of passenger facilitation in ports, which will affect our attractiveness as a destination and impact our ability to generate visitor spend. In 2021, Australia was ranked 7th out of 117 countries on the Travel & Tourism Development Index 2021,[9] demonstrating the positive attributes Australia has with regard to our travel and tourism offering. While this is a promising result, the report also looked at more individual characteristics of the traveller experience, such as price competitiveness and port infrastructure. When compared with 116 other countries on the basis of price competitiveness, Australia ranked poorly, coming 112th out of 117.[10] Our ranking for ground and port infrastructure was at 47th place, representing a decline from the 2019 report and is significantly lower than our overall ranking.[11]

Now is a crucial time to fund and implement meaningful reforms to the passenger facilitation process. As Australia looks to open another international airport, Western Sydney International (Nancy Bird-Walton) Airport in 2026, and in the lead up to the Brisbane 2032 Summer Olympics, it is important that we adequately invest in the passenger journey now to avoid difficulties down the track.

In the Mid-Year Economic and Fiscal Outlook, the government announced that it would increase the cost of passports by 15 per cent.[12] While this measure should not impact the recovery of inbound Australian travel and tourism, the government has indicated that the additional revenue from the measure – an estimated $349 million over three years – will be allocated to support priorities in the Foreign Affairs and Trade portfolio.[13] The Chamber urges the government to put these funds towards improving aspects of the passenger journey. Combined with the funds derived from the PMC, we believe that improvements to passenger facilitation can be funded and implemented without additional funding sources.

---

[9] World Economic Forum (2022), _Travel & Tourism Development Index 2021: Rebuilding for a Sustainable and Resilient Future_, 24 May 2022, pg.13.
[10] World Economic Forum (2022), _Interactive Data and Economy Profiles_, 24 May 2022.
[11] Ibid.
[12] The Treasury (2023), _Mid-Year Economic and Fiscal Outlook 2023-24_, 13 December 2023, pg.186
[13] Ibid.

The Chamber notes the $93.7 million 'Seamless Traveller' initiative introduced in the 2015-16 Budget over five years.[14] This initiative sought to partner with industry to allow streamlined, self-processing of air travellers' clearance, reduce airport congestion and improve the passenger experience. A similar initiative, with adjusted funding to account for inflation, will be necessary to support improvements to the passenger journey.

While we note that some aspects of passenger facilitation are being addressed through the Aviation White Paper process, some of our budgetary suggestions could be implemented prior.

Materials for visa applications

One of the key steps any future traveller to Australia must undertake is organising a visa. This requires research, applications and the payment of fees, which continue to rise.

Often, visas for Australian travel take a significant amount of time to be approved. If travellers do not allow ample time to apply and receive an approved visa, the result is not receiving the visa ahead of their scheduled travel, and not being allowed to enter the country. Often, travellers who have not received their visa before they leave their initial destination will cancel their trip – this can be the case even where travelling in a group where just one person has not received their visa in time.

Australia's visa system is also undergoing significant change. Comprehensive reforms to Australia's migration system, while necessary and welcomed, will complicate an already complex system for travellers in the short and medium-term. As Australia's visa system undergoes reform, it will be important to ensure that prospective travellers are aware of what they need to do before they arrive in Australia as the requirements change.

In addition to these changes, Australia must also diversify the markets to which it targets international inbound travellers. As such, it will be important to produce the appropriate materials in the reflective range of languages to ensure all prospective travellers can navigate our system correctly. Making this information easily available will help improve our competitiveness and attractiveness in these regions, which will continue to be important in light of increased costs incurred by international travellers to Australia.

Regardless of changes to the broader visa system, similar materials should be made available for Electronic Travel Authorities (ETAs). There are accessibility issues relating to ETAs as they are only available in English. To reflect the broader and diversifying markets Australia is targeting for travellers, related materials should be available in a wide range of languages other than English.

Recommendations:

Develop guidance in various languages for future travellers to assist with visa applications. This guidance must be updated as reforms to the visa system continue.

Ensure ETAs are available in a wide range of languages other than English.

---

[14] Department of Immigration and Border Protection (2015), *Industry Engagement Strategy 2020: Trade, Customs and Traveller*, pg.5.

Visa processing systems

As Australia's visa system undergoes reforms, regard should be had to improving the efficiency of our visa processing systems, particularly for short-term travellers. As outlined above, delays in visa approvals can lead to trip cancellations which have a flow-on effect for travel and tourism.

The focus of such efficiency targets should be on key international markets, such as India, China and Indonesia, and should be determined with input from Tourism Australia's core markets,[15] as well as any advice and insights they provide on key future markets. This advice should also extend to the development of multiple entry visas for key markets.

While the government has indicated that visa processing times will be significantly reduced, it is not clear that sufficient resources have been allocated to deliver on this commitment. The Chamber endorses ACCI's recommendation with regard to this aspect of visa reform and urges the government to allocate the necessary resources to deliver on this welcomed commitment.

> **Recommendation:**
>
> Simplify and streamline visa processing systems, particularly in India, China and Indonesia, including longer term multi-entry visas in markets where they don't exist.

Passport application process

Australia now has the second highest fee in the world to apply for a passport, and it is essential that the Australian Passport Office (APO) is provided sufficient appropriation to innovate the existing system to make it world-leading.

Greater investment is required to further enhance the digital pathway for the renewal of a passport. Australia is currently lagging other developed countries on digital renewal processes. It is essential that the APO is provided the necessary appropriation to remove the need for paper applications for renewing passports. We recommend allocating additional investment to further the digitisation of the application process, which has largely remained unchanged since the 2017 procurement process.

In addition, Australian passports should be available from additional providers. This should enable them to conduct interviews for new passports and allow travellers to collect their passports from businesses other than Australian Post outlets.

> **Recommendations:**
>
> Provide the necessary appropriation to the APO to further enhance the digital pathway for the passport application and renewal process.
>
> Expand the application and renewal process to enable additional providers to receive and process Australian passport applications.

---

[15] Tourism Australia (n.d.), Market Regions.

Airport security screenings – domestic and international

There is an immediate need to alleviate pressures on security processes. This is a sore spot for many travellers, both domestically and internationally, and while it is a necessary part of the process to ensure the safety of all travellers and relevant workers, it is regrettable that this step in the traveller journey tends to be a bottleneck at every airport.

Additional resources should be allocated as soon as practicable to increase staffing at these points and to facilitate passengers more expediently. Additional screening points should be installed where possible following engagement with airports, noting that airports are currently required to shoulder the costs of this aspect of the passenger journey. Financial support should be made available to airports to achieve this as required, with a particular focus on rural and regional airports.

The Chamber understands that a trial is currently being undertaken to allow passengers transiting through a port from an international service to a domestic service to be processed without re-undertaking security screening procedures. While some security measures would be necessary for those who seek to board another aircraft or vessel, the need to double up on the same processes and procedures should be eliminated where possible. Not only does this allow travellers to advance through these stages more quickly but also reduces the pressure on border officials and systems.

Funding should be allocated for this trial. It will be important to ensure that any changes take into account any biosecurity requirements and risks, to maintain Australia's stringent and necessary protections where warranted.

> **Recommendation:**
>
> Additional funding should be allocated to provide for full implementation of additional security screening systems currently being piloted for Australian airports.

Resources for border agencies at Australian seaports

While the majority of international inbound travellers enter Australia through airports, many arrive via Australia's 60-plus seaports. As they are not the primary entry method for most travellers, seaports seldom receive the resourcing required to facilitate the smooth entry of travellers into Australia and have a comparative lack of infrastructure investment and processing presence than airports.

In the 2022-23 financial year, immediately off the back of restrictive and prolonged COVID-19 restrictions which effectively shut down the Australian cruising industry, cruising delivered a record economic impact worth $5.6 billion to the national economy.[16] It is anticipated that in 2024, total cruise passenger capacity in Australia will build on 2023 by 42 per cent, reflecting the strong interest shared by international tourists and Australians alike in cruising, as well as the range of new ships entering service.[17]

To reflect the increasing prominence of cruising around, to and from Australia, it is imperative that appropriate services are in place to facilitate passengers without undue delays, so as to maintain a

---

[16] Cruise Lines International Association Australasia (2024), *Cruise lines boost Australian presence in a big year for cruising*, 4 January 2024.
[17] Ibid.

positive passenger experience. For this reason, the Chamber suggests that additional resourcing should be allocated to allow travellers to enter Australia via seaports more expediently.

> **Recommendation:**
>
> Resourcing for border agencies at Australian seaports must be increased.

Immigration clearance

The Chamber understands that upgrades to some aspects of the traveller journey are currently being trialled in select airports. The trial includes a newer, contactless, one-step version of the SmartGate, which would allow travellers to pass through without requiring their passport to verify their identity. If successful and deployed, such technology would decrease the time taken for travellers to advance through Australian ports.

Additional funding should be allocated to the Australian Border Force (ABF), through the Department of Home Affairs, to continue with this and similar trials to improve immigration clearance, should alternative technologies be developed and made readily available. The funding should account for the success of the trial and allow for the rollout of such upgrades.

> **Recommendation:**
>
> Fund the trial and upgrades of improved SmartGates in Australian airports.

Incoming Passenger Card

Currently, travellers to Australia – whether returning citizens, migrants or tourists – must fill out a paper slip noting their name and passport number, which country they have travelled from, where they have spent time, and declaring any goods that may be harmful to Australia's biosecurity. While the details sought through the Incoming Passenger Card (IPC) are necessary to protect Australia, requiring passengers to fill out the IPC manually can be tedious and, for those unable to comprehend English well, can be difficult to complete.

In addition, upon arrival into Australia, passengers with ePassports are required to provide similar information again once they come to the SmartGate, doubling up unnecessarily. These stations produce a ticket for passengers, which must be scanned and shown to ABF officers during the customs and quarantine process. These two steps are redundant and should be combined to avoid needing a physical IPC.

A concept case between some popular destinations and Australia should be established and funded to ensure the system works effectively before broadening to more arrival countries. Should the test case be successful, further funding should be considered to support the implementation of the process across Australian airports.

> **Recommendation:**
>
> Establish and fund a concept case to integrate the physical IPC to a digital model.

Reform the Tourist Refund Scheme

Unlike other countries, Australia is not a 'stopover' destination and does not wholly rely on state-of-the-art shopping services to attract travellers. However, while shopping may not be a key driver for travellers selecting Australia as a destination, it is one of the key activities and of expenditure while they are here.

Research conducted by Tourism Australia found that shopping ranks as the 3rd most popular experience for travellers globally,[18] with more than a quarter of out of region travellers interested in outlet or duty-free shopping while in Australia.[19]

Despite the importance of this element of the traveller experience, Australia's Tourist Refund Scheme (TRS) currently has a 2.3 star rating on Google from 131 reviews with many one star reviews commenting on their experience as negative.

As a way to improve this experience, the Chamber has previously called for the government to evaluate the option to transition to an outsourced system where a commission is deducted from the traveller refund amount to self-fund the digital enhancements. This is world's best practice for other countries that operate similar schemes.

Any costs incurred through modernising the TRS through new technology, processing, and operation costs would be covered by the commission paid by travellers from their TRS refund, not the government. The commission would not need to be a significant amount and, for many travellers, would likely be considered a worthy contribution towards a more efficient refund scheme. Outsourcing this process would also reduce the administrative burden on ABF officers and those resources to be redeployed to higher duties.

A reformed TRS system, in line with many others around the world, would also significantly improve the traveller experience. It would enable travellers to purchase items and claim eligible refunds without manually filling in documentation or lining up in person ahead of their flight. It would allow travellers to take control of their shopping experience instead of depending on the resourcing of the ABF on any given day when they may need help to receive their eligible refund.

This digital system would also facilitate shopping insights back to retailers and tourism authorities and associations. Currently, there is limited communication regarding shopping trends; allowing better flow of this information to retailers would enable them to better cater to customers.

Reform of the TRS also offers significant benefits for the visitor economy more broadly. Economic modelling commissioned by the Tourism Shopping Reform Group (TSRG) indicates that an outsourced, digital TRS would enhance Australia's competitiveness as a tourism shopping destination and could result in additional Australia-wide visitor economy expenditure of $226 million per annum – $175.6 million tourist shopping and $50.7 million on other services – and an extra 18,000 international visitor arrivals to Australia per year.

We again call on the government to adopt this world's best practice.

---

[18] Tourism Australia (2022), *The Future of Tourism Demand*, November 2022, pg.153.
[19] Ibid, pg.156

Additional measures to address workforce shortages

Travel, tourism, hospitality, accommodation and events sectors depend highly on skilled migrants and international workers. When international borders closed during the pandemic and international visa holders were invited to return to their country of origin, a huge flow on effect commenced, the effects of which we are still seeing today.

In addition to the lack of access to workers, many of the products, services and techniques employed across travel, tourism, hospitality, accommodation and events have changed since COVID-19 restrictions were implemented. The application of technology has changed immensely with contactless technology for travel, service and payments at the forefront of this change.

For example, in the hospitality sector, food delivery technology has greatly increased restaurant takeaway. This is part of the 36 per cent growth above pre-COVID-19 restriction levels that the restaurant, café and takeaway food service sector has experienced.

These factors, and significant changes in the distribution methods for travel and tourism, have meant that staff need to gain extra skills to deal with workplace operations. New entrants into the industry over the past 12-18 months have not had the benefit of pretraining through entry-level programs and have come into the workforce with significant skills gaps.

Current workforce shortages also mean that the pressure in workplaces to deal with increased levels of trade limits their capacity for formal off-site upskilling programs. Employers are looking for just-in-time very short training solutions to deal with workplace problems.

A number of projects across the sector have been developed to deal with this specific demand, mostly through micro-credentials. These short courses, many of which lead to recognition in the formal training system, need to be funded by governments to meet skills needs.

The Chamber urges the government to fund and recognise micro-credentials which will lead to recognition in the formal training system through units of competency, particularly in travel, tourism, and hospitality. In reforms to Australia's skills sector, it will be crucial for these micro-credentials to be recognised and attributed to workers.

Supports for Working Holiday Makers

Another important lever, particularly in regional and remote Australia, is with regards to Working Holiday Makers (WHMs). WHMs are essential for Australian tourism due to their spending as visitors and contribution to the labour market. The WHM program delivers enthusiastic and mobile workers to regions where labour is most needed, which enables regions and businesses to meet seasonal labour needs.

WHMs contributed $3.2 billion to the Australian economy in the year immediately before COVID-19 restrictions,[20] much of which was spent in the regions. Before the COVID-19 restriction period, 22 per cent of WHMs extended their visa past the first year, accounting for around $577 million of spending in the visitor economy. This is a significant contribution, especially when spent in regional tourism areas struggling to recover after years of disruption.

In the medium term, it is likely to be more challenging to encourage WHMs to return to Australia. This is due to several factors, including the increase in visa costs, travel taxes incurred when travelling to Australia and higher airfares.

Financial incentives through reduced airfares and visa fees should be made available to WHMs to support their return to Australia and the regions in the medium term, recognising the contribution they make to the Australian economy.

Recommendation:

Financial incentives should be provided to prospective WHMs to support their return to regional Australia.

Development of agritourism

Agritourism is a key opportunity for developing product in regional Australia. Agritourism is a key sector of the travel and tourism industry which includes wineries, breweries and distilleries, food and wine events and tours, produce, and farm stays. This sector is particularly important for regional travel and tourism operators, who were disproportionately affected by the COVID-19 pandemic and associated restrictions.

Regional experiences are vital to Australia becoming a more internationally competitive destination, in driving visitation, and to meeting the regional targets set in the *THRIVE 2030* Strategy. While investment is required for product development in agritourism, equally of importance is the need to consider red-tape reduction that enables innovation and growth.

Support to continue to develop Australia's agritourism industry will be essential, especially as natural disasters and climate-related events continue to have a severe impact on these operators.

Recommendation:

Support the development of agritourism through additional support for the sector.

---

[20] Tehan, Hon D. and Hawke, Hon A. (2022), *Attracting more Working Holiday Makers*, 31 January 2022.

Support for tourism operators affected by natural disasters

The impact of ex-tropical cyclone Jasper has been estimated to cost tourism operators in Far North Queensland $125 million on account of forced closures and cancellations.[21] This figure does not take into consideration the storms which ravaged the broader east coast of Australia throughout the December 2023-Janaury 2024 period.

As extreme weather events continue to present a danger to travel and tourism, there should be a ready-made funding program available to provide immediate support with similar eligibility criteria which can be opened and available quickly to deliver necessary supports as soon as practicable.

Such a program should be amenable to the level of support required in terms of financial value, but essentially be the same across each state and territory to ensure that tourism operators are aware of what would be available and to whom should the worst occur.

> **Recommendation:**
>
> Establish a funding program for travel and tourism businesses affected by extreme weather events to enable financial support to be delivered as soon as practicable.

Aviation

The Aviation White Paper process presents an opportunity to recalibrate Australia's aviation industry to support Australian travel and tourism into the future, which is desperately needed as we continue to build the sector beyond where it was in 2019. The Chamber made a contribution to the Aviation Green Paper consultation, highlighting the importance of a strong and competitive aviation industry to travel and tourism. In its submission, the Chamber made a number of recommendations which affect travel and tourism specifically, namely with regards to competition, the rural and regional industry, and international aviation.

It will be important to ensure that adequate funding is allocated once the White Paper is released. Such funding should be made available immediately and upon release of the Paper, not separately. This will provide some additional certainty to the aviation industry as well as adjacent industries, namely travel and tourism.

> **Recommendation:**
>
> Fully fund reforms set out in the Aviation White Paper immediately upon its release.

---

[21] Bennett, T. and Mitchell, S. (2023), *Cancelled holidays hit Queensland tourism operators*, 19 December 2023, Australian Financial Review.

About Australian Chamber – Tourism

Australian Chamber – Tourism is a peak body representing Australian businesses engaged in the visitor economy. It brings together key participants in the tourism and travel sector to advocate better policies, including tax, regulation, tourism marketing, research, labour supply, visas and infrastructure. The Chamber is part of the Australian Chamber of Commerce and Industry, Australia's largest and most representative business network.

The Australian Chamber of Commerce and Industry (ACCI) represents hundreds of thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people.

ACCI strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth, and jobs.

We focus on issues that impact on business, including economics, trade, workplace relations, work health and safety, and employment, education, and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. We represent Australian business in international forums.

We represent the broad interests of the private sector rather than individual clients or a narrow sectional interest.

Australian Chamber - Tourism Members

Accommodation Australia — A DIVISION OF THE AHA

Australian Business Events Association

AHA

AHA | ACT BRANCH

Australian Hotels Association WESTERN AUSTRALIA

Australian REGIONAL TOURISM LTD

ARA Australian Retailers Association

ATEC Australian Tourism Export Council

ATIA Australian Travel Industry Association

BIA Boating Industry Association

BIC Bus Industry Confederation moving people

NSW TOURISM INDUSTRY COUNCIL | Powered by BUSINESS NSW

Canberra Business Chamber

Caravan Industry Association of Australia

Clubs Australia

CLIA CRUISE LINES INTERNATIONAL ASSOCIATION

NRA National Retail Association

NRMA MYNRMA.COM.AU

QUEENSLAND TOURISM INDUSTRY COUNCIL The Voice of Tourism

Restaurant & Catering

TCCI

TOURISM TRAINING AUSTRALIA

Victorian Chamber of Commerce and Industry

CROWN RESORTS

Global Blue

THE STAR ENTERTAINMENT GROUP

Australian Chamber of Commerce and Industry