



# 2016 FEDERAL ELECTION MANIFESTO

Future Economy, Future Jobs

A seven-point plan for the next decade of Australian tourism and transport

[www.ttf.org.au](http://www.ttf.org.au)

# Message from the CEO



As Australia's economy continues its transition away from mining and manufacturing and towards services, we now have an opportunity to help grow the sectors that will continue to deliver jobs and prosperity for decades to come.

Tourism is a super growth engine driving innovation and job creation. Australia's visitor economy – the web of activities that encompasses travel and tourism – supports the jobs of almost one million people and contributes more than 5.5 per cent of Australia's GDP.<sup>1</sup>

Great outcomes for tourism are intrinsically linked to modern, efficient public transport that enhances the productivity and liveability of our cities and regions. Many of the world's great cities boast iconic public transport networks that help define their brand and appeal.

Australia possesses the natural, cultural and human assets to become a visitor powerhouse. However, while Australia has seen growth in visitor numbers and expenditure in key markets, our share of outbound travel from these markets is declining or stagnant. While growth from China has been the standout among Australia's key markets, our share of Chinese outbound travel is hovering at just above one per cent of all Chinese international travellers and has remained at that point since 2004. As other competitor nations will seek to erode that meagre share even further, we cannot afford to be complacent.

This Federal Election, we have a chance to secure bipartisan support to make a serious investment in the nation's future economic strengths – tourism and transport.

We need to alleviate the cost of travelling to Australia. The visitor economy provides \$11 billion in taxes to the Government bank account on the products it sells. Some of these taxes, such as visa application charges and the Passenger Movement Charge, are a direct hit on the visitor's hip pocket and are artificially constraining demand, especially as international competition for visitors keeps growing.

At the same time, Australia needs to invest in public transport, demand-driving tourism marketing and visitor infrastructure, and focus on improving access to appropriately skilled labour. While the efficient functioning of our capital cities is vital, ensuring that our regional destinations are accessible, attractive and promoted through destination marketing, major events and business events is just as paramount.

What's more, not only does Australia's tourism industry help to prop up other sectors of the Australian economy, but also as a share of its output, tourism receives a lower rate of Australian Government assistance than the average for the manufacturing and primary sectors.<sup>2</sup>

As a Federal Election looms, TTF is calling for all of Australia's political parties to embrace the drivers of the future economy and back the visitor economy as a true economic priority of the country.

A handwritten signature in black ink, appearing to read 'Margy Osmond'.

**Margy Osmond**

Chief Executive Officer

Tourism & Transport Forum Australia (TTF)

<sup>1</sup> Australian Bureau of Statistics (2014) *Tourism Satellite Account 2013-14 and Tourism Research Australia (2015) State Tourism Satellite Accounts 2013-14*

<sup>2</sup> Australian Productivity Commission (2005) *Commission Research Paper and Australian Productivity Commission (2014) Inquiry Report*

# Seven-point plan for the next decade of Australian tourism and transport

## 1 Freeze on the Passenger Movement Charge followed by phased reductions to return to a genuine cost recovery levy

## 2 Make visitor visa costs and application processes the most globally competitive

- Bring down the cost of visitor visas in key markets and for working holiday makers
- Extend pilots for online lodgement in China and India to the entire market by 2017
- Establish an annual Productivity Commission benchmarking report to monitor the international competitiveness of Australia's visitor visa system

## 3 Increase investment in tourism marketing and business events

- Increase investment in Tourism Australia by an additional 27 per cent and maintain this increase in real terms over the forward estimates to achieve the Tourism 2020 target
- Support the Business Events Council of Australia National Policy Platform, including a new National Business Events Bid Fund to support event bid acquisitions backed by a new investment of \$10 million per annum over four years

## 4 Address labour and skills challenges

- Provide more flexible workforce options for employers to recognise the 24/7 nature of the industry and particular challenges in recruiting and retaining staff, especially in regional areas
- Provide an immigration platform that supports the important role of the working holiday maker and skilled worker visa schemes
- Form a tripartite sub-committee of Cabinet to remove red tape barriers to employment in the visitor economy, including consideration of education and training

## 5 Invest in visitor economy infrastructure

- Remove regulatory barriers for key visitor economy assets, including increasing access for cruise ships east of the Sydney Harbour Bridge and reforming the operating restrictions at key international airports in Australia
- Develop an investment strategy for visitor economy infrastructure
- Support for private, sensitive investment in and around national parks

## 6 Promote investment in public transport

- Identify priorities for transport investment and opportunities for financing
- Support greater private sector involvement in public transport delivery
- Support further innovation in public transport, and transport more broadly

## 7 Improve the visitor experience at our border

- Introduction of transparent customer service performance tracking
- Investment in biometric technology and automation
- Work with industry to deliver premium processing products
- Reform of the Tourist Refund Scheme to allow private operators





# Tourism – generating jobs and growth



Tourism is one of our future economy industries that has the potential to collectively add hundreds of billions of dollars to the Australian economy over the next 20 years.<sup>3</sup> Tourism has the capacity to fill the jobs vacuum left by declining mining investment and the perennial slowdown in manufacturing and generate hundreds of millions of dollars in taxation revenue.

Like other future economy industries such as agribusiness, funds management, international education and technology-based services, tourism is well-positioned to take advantage of the incredible growth in demand from Asia's burgeoning middle-to-upper class.

## Capturing the global travel boom

Strong growth in emerging countries like China and a return to better economic fortunes in Europe and North America following the global financial crisis have all contributed to a greater number of international travellers and a corresponding increase in visitor expenditure.

The United Nations World Tourism Organisation (UNWTO) estimated that there were some 1.2 billion international tourists travelling globally in 2015.<sup>4</sup> This represented an increase of more than 50 million travellers – twice the size of the Australian population - compared to the same period in 2014.

Australia is well-positioned to take advantage of the enormous demand coming from the Asia Pacific region. With our relative proximity to key markets, favourable time zones and growing aviation and cruise ship access, Australia should be aiming to take a more competitive share of outbound travel occurring in our region and beyond.



<sup>3</sup> Deloitte (2013) *Positioning for prosperity? Catching the next wave*

<sup>4</sup> United Nations World Tourism Organisation (UNWTO) (2015) *UNWTO Tourism Barometer*, vol. 14

# Liveable and productive cities, accessible regions

Investing in public transport reduces the economic costs of congestion, increases social inclusion and delivers improved environmental outcomes.<sup>5</sup> Efficient public transport also delivers an economic dividend in jobs growth and labour mobility.

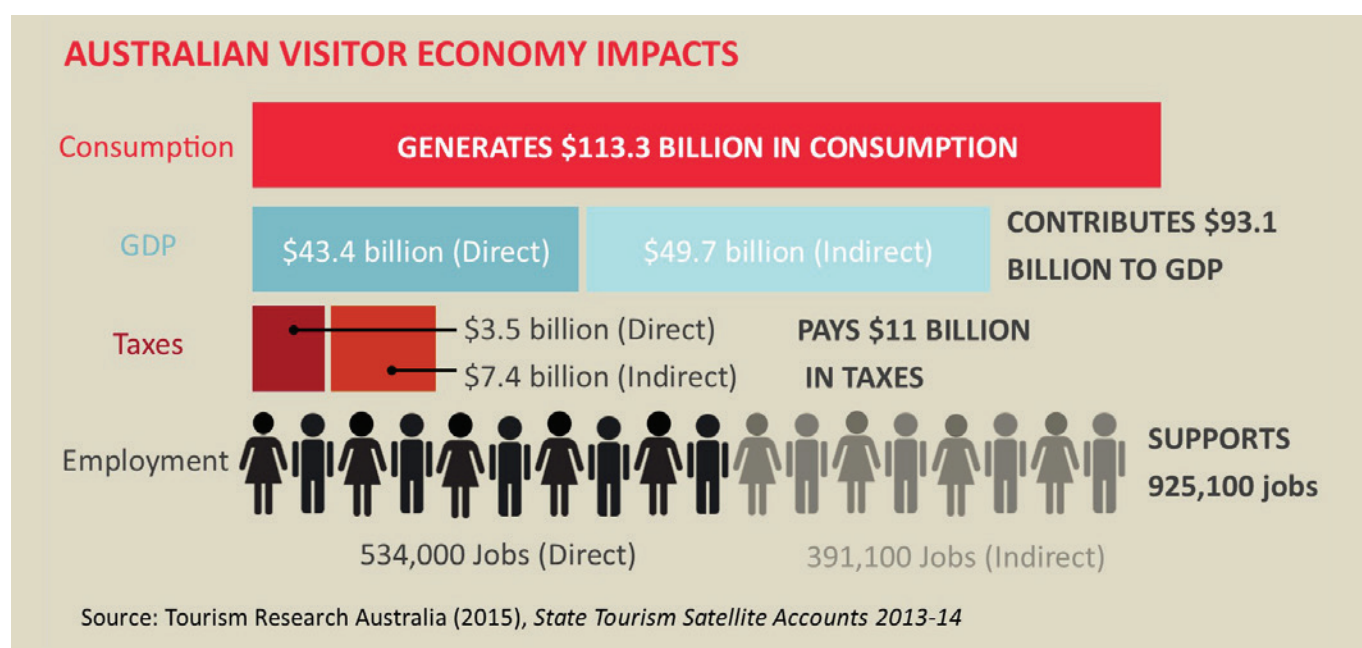
Public transport investment not only enhances the liveability of cities for its residents, it also makes cities more appealing to visitors. Efficient public transport systems with clear signage and simple fare structures are particularly important to attract visitors and to ensure they leave with a positive impression. Public transport services that can also connect with regions beyond urban centres can help disperse visitors more widely, spreading the benefits of the visitor economy.

## Towards 2020 and beyond

In 2009, Federal, State and Territory Governments signed up to ambitious Tourism 2020 targets to double overnight visitor expenditure by 2020.<sup>6</sup> The national target is to boost overnight visitor expenditure to between \$115 billion and \$140 billion by 2020.

Australia is currently on track to achieve the lower target of \$115 billion in total, but without substantial game-changing investments will likely fall well short of its international visitor spending targets of between \$51.8 billion and \$63 billion (or 45 per cent of total overnight visitor spending).

Looking at the expenditure targets for individual international markets<sup>7</sup>, China is the only market substantially progressed and likely to reach its target. Other markets were taken into negative territory in 2014/15, with expenditure falling behind the 2009 index point. Moving beyond 2020, Tourism Research Australia's latest forecasts show predictions of around 3 per cent average growth in total tourism spend (in real terms) over the decade to 2024/25, with international visitor spending growth at 3.8 per cent and domestic at 2.7 per cent.



<sup>5</sup> TTF and L.E.K. Consulting (2010) *Meeting the Funding Challenges of Public Transport*

<sup>6</sup> Tourism Australia (2010) *Tourism Industry Potential*: [http://www.tourism.australia.com/documents/corporate/2020\\_Tourism\\_Industry\\_Potential.pdf](http://www.tourism.australia.com/documents/corporate/2020_Tourism_Industry_Potential.pdf)

<sup>7</sup> Tourism Research Australia (2015) *State of the Industry*

# 1

## Reduction in the Passenger Movement Charge



### What does industry want?

- Freeze on the Passenger Movement Charge followed by phased reductions to return to a genuine cost recovery levy

### Why?

Australia's Passenger Movement Charge (PMC) is a \$1 billion tax hit on our visitor economy, imposed on both Australians and international visitors.

The PMC was introduced in 1995 to recover the costs associated with border processing and short-term visa issuance. However, numerous rises in the PMC and growing passenger volumes means that considerably more revenue is now collected than is needed to cover the costs of processing both Australians heading overseas and international visitors to Australia. PMC revenue is forecast to be \$985 million in 2016/17, rising to over \$1.1 billion by 2019/20. This dwarfs the just under \$250 million needed to facilitate passenger movements at international airports.<sup>8</sup>

Australia's PMC is one of the highest tourism taxes for short haul routes among advanced economies. At \$55 per passenger aged 12 years and over, it has a particularly large impact on visitors travelling relatively short distances, including the trans-Tasman market travelling to the east coast and south-east Asian markets travelling to Northern Australia.

Modelling by the International Air Transport Association (IATA) suggests that holiday visitors (as distinct from those travelling to visit friends or relatives) are most sensitive to departure taxes such as the PMC, with every price increase of 10 per cent estimated to generate a decline of five to seven per cent in the number of leisure passengers travelling globally.<sup>9</sup>

Recognising that departure taxes can damage a destination's price competitiveness, many countries are already moving to reduce or abolish their own charges, including Malta, the Netherlands and the United Kingdom.

<sup>8</sup> Based on TTF analysis of past Federal Government Budget papers where data is available

<sup>9</sup> International Air Transport Association (2013) IATA Economic Briefing: The Economic Benefits of Abolishing the Passenger Movement Charge in Australia

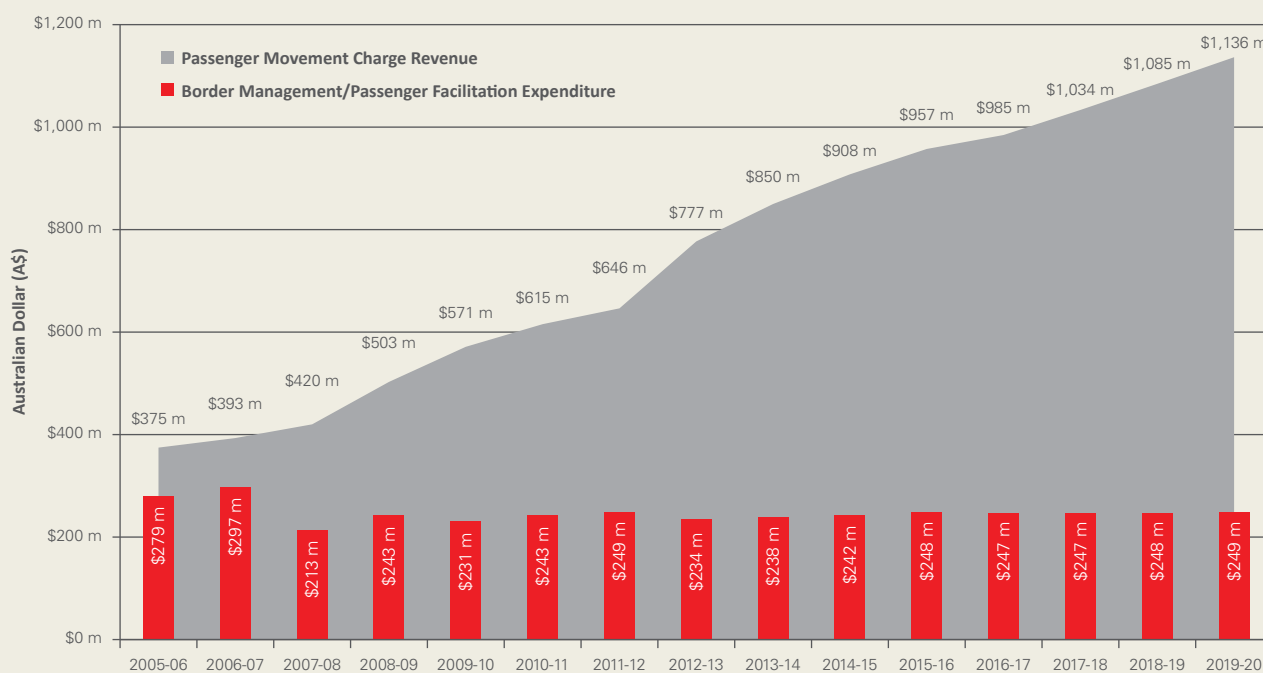


Industry welcomed the Federal Government's commitment to freezing the PMC at \$55 for the current term of Parliament.<sup>10</sup> Industry is now calling on political parties to commit to extending the freeze to the PMC in the next term of Government, followed by a phased reduction to better reflect cost recovery. Australians and visitors to Australia should not be used to prop up consolidated revenue. The PMC represents an unfair tax and industry wants it reformed so it reflects the actual costs of passenger processing.

There should also be greater transparency with respect to the costs of passenger facilitation and how accurately this is reflected in the PMC. To this end, an industry reference group should be established to oversee visitor processing costs to ensure the PMC does not depart from the principle of cost recovery.



## PASSENGER MOVEMENT CHARGE OVER-COLLECTION



<sup>10</sup> 'Minister for Trade and Investment Andrew Robb (2013) Win for tourism with freeze on passenger movement charges, media release, 11 October, Canberra

# 2

## Make visitor visa costs and application processes the most globally competitive



### What does industry want?

- Bring down the cost of visitor visas in key markets and for working holiday makers
- Extend pilots for online lodgement in China and India to the entire market by 2017
- Establish an annual Productivity Commission benchmarking report to monitor the international competitiveness of Australia's visitor visa system

### Why?

Visa policy can be a determining factor in visitors' travel decisions. Affordable, easy and timely visas can help to remove the red tape barriers to travel and drive visitation. Visa policies and charges must be driven by the goal of increasing visitation, not simply as a means to increase government revenue.

In joint research conducted by the United Nations World Tourist Organisation (UNWTO) and the World Travel and Tourism Council (WTTC) in 2012, case studies of 46 visa policies showed that facilitative visa policy changes increased tourist arrivals from the targeted market by between 5 - 25 per cent per year on average over a three year period.<sup>11</sup>

Visitor visa policy is now at its most globally competitive. Australia was a pioneer in the 1990s when it introduced the electronic travel authority (ETA), which made it simple and affordable for visitors from a range of countries to obtain a visa. However, as more countries scramble to grow their visitor economy and take market share of the burgeoning Asian middle-to-upper class, we have steadily lost that competitive advantage.

Australia should be aiming to regain its position as a world leader in visitor visa policy by continuing to reform and streamline its processes, including rolling out the ETA to more source markets.

There has been substantial progress in reforming visitor visa processing. Major reforms include a pilot for 10-year multiple entry visas for Chinese visitors and commitments to provide full online lodgement for China by December 2016 and India by the end of 2017. Most significantly, the roll out of online application forms in Mandarin will be world-leading. Industry urges Government to meet its announced timelines for these reforms or risk a loss of confidence.

<sup>11</sup> World Travel and Tourism Council (2014) *The Impact of Visa Facilitation in ASEAN Member States*



While these are significant steps forward, Australia is going backwards when it comes to the cost of visas. As other nations are moving to reduce their visa fees to attract more visitors, particularly from China, Australia has moved in the opposite direction by increasing fees for some of its largest and growing markets.

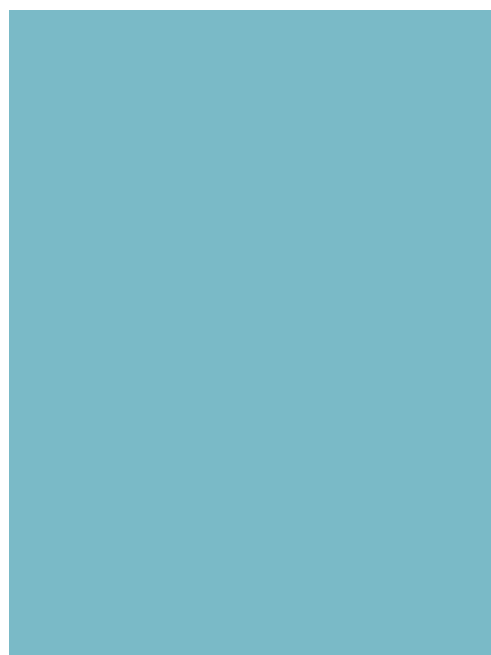
Australia has an opportunity to capture a greater market share of China and the emerging markets of India, Brazil and Indonesia by tackling the cost of visitor visas. Visas for visitors from these countries carry the highest cost for travellers at \$135, which includes a 4 per cent increase announced in the 2015/16 Federal Budget. The recently announced pilot for 10-year multiple entry visas for Chinese visitors also carries a \$1,000 application fee – significantly higher than similar visa products offered by the United States (AU\$215), Canada (AU\$105) and Singapore (AU\$28).

Likewise, working holiday maker visa costs have increased almost 60 per cent, from \$280 in 2011 to \$440 in 2016, including a \$20 increase in the 2015/16 Budget. The cumulative impact of these increases has been negative: following an increase in the fee in 2013, applications for the program fell by 8.7 per cent, or around 23,000 fewer visas. The proposed 'backpacker tax' will also have a similar negative impact on attracting working holiday makers.

Industry is calling for political parties to commit to lowering visitor visa charges to stimulate visitation and make Australia more competitive. The complexities and costs of Australia's visa processes are considered a genuine barrier to choosing Australia above other destinations. This is of particular concern for the business events and aviation sectors, which rely on policy settings that make Australia a clear frontrunner as a travel destination compared to other destinations. Simplifying, streamlining and reducing costs in our visa processes is critical.

While industry understands that in an age of increasing global insecurity, Governments need to review and heighten their security arrangements, it is important that these arrangements take place as part of the broader discussion about Australia's competitiveness in the global visitor economy. Providing high quality customer service and maintaining or enhancing security measures should not be considered mutually exclusive – security priorities can be achieved while offering a continually improving visitor experience at the border. The example of the United States of America demonstrates an understanding by their political leaders that high standards of service have to be balanced with the challenges posed by the increase in international travel.

Industry is therefore calling for an annual Productivity Commission benchmarking report that measures Australia's global position on visitor visa policy against our competitors. This would ensure that Australia can have an open discussion, based on the expert economic advice of the Productivity Commission, about the best ways to improve our visitor visa settings.



# 3

## Increase investment in tourism marketing and business events



### What does industry want?

- Increase investment in Tourism Australia by an additional 27 per cent and maintain this increase in real terms over the forward estimates to achieve the Tourism 2020 target
- Support the Business Events Council of Australia National Policy Platform, including a new National Business Events Bid Fund to support event bid acquisition backed by a new investment of \$10 million per annum over four years

### Why?

Government-funded international tourism marketing addresses a case of market failure. The fragmented nature of the industry and the wide dispersal of visitor expenditure across industry sectors make it necessary for Government to play a central funding and coordinating role.

The benefits of destination marketing in building a country's brand also extend well beyond the leisure tourism market, assisting Australia to bid for major events and secure international conferences, exhibitions, business events and incentives. All these combined efforts ensure Australia continues to be positioned as a premium destination to visit, work, study and invest in.

However, at a time when competing destinations are investing aggressively in tourism marketing, the Federal Government has not met this challenge with an equally substantial, game-changing investment.

Tourism Australia has been successful in attracting significant private sector investment in destination marketing. In 2014/15, the organisation was able to leverage an additional \$50 million in marketing spend through industry partnerships. A strategic and collaborative approach to destination and events marketing can increase Tourism Australia's reach and should be embraced to further leverage the contribution and influence of industry.

Tourism Australia has also embraced innovation through digital technologies. Its '@Australia' Instagram account currently has two million followers and uses the best photographs uploaded by visitors to Australia as a rolling social media billboard. Its Australia.com website is also one of the most visited destination websites. As digital innovation continues to evolve, Tourism Australia needs to remain at the forefront, in a competitive position where it is better able to leverage developments in Virtual Reality, mobile technology and artificial intelligence. Building industry partnerships with other organisations engaging in this space will also be essential.

Despite its forward-thinking innovation and ability to leverage private sector investment, Tourism Australia's budget has declined in real terms by around nine per cent since 2008. This has corresponded with an 18 per cent decline in Australia's share of Oceania and South-East Asia arrivals.

In the most recent Federal Budget, Tourism Australia's funding reached a record \$629.4 million over the forward estimates period to 2019/20, reflecting the decision to maintain more than \$8 million in additional funding over 2015/16 to compensate for adverse currency movements. Nominally Tourism Australia's funding will fall by 2.4 per cent to \$154.3 million in 2016/17, rising to \$161.5 million in 2019/20. This equates to a 2.8 per cent fall in real terms over the forward estimates period.<sup>12</sup>

Tourism Australia's funding needs to rise by a minimum 27 per cent over the forward estimates period if Australia has any hope of achieving its Tourism 2020 target for international visitor spending of at least \$51.8 billion in 2020. This should be delivered in an initial investment of an additional \$41.1 million in 2016/17 to establish a new baseline of funding, with maintenance in real terms thereafter.

Looking beyond the absolute bare minimum requirement, adding a one per cent buffer to the Tourism 2020 target equates to achieving international visitor spending of \$52.3 billion in 2020. This would require Tourism Australia's funding to rise by 45 per cent over the forward estimates period. This would need to be delivered in an initial investment of an additional \$68 million in 2016/17 to establish a new baseline of funding, with maintenance in real terms thereafter.

Business events are also major drivers of the Australian economy, supporting both the visitor and knowledge economies. Business events generated \$28 billion in direct expenditure in 2013/14 and supported 179,357 jobs.<sup>13</sup>

While Australia does well in attracting international conferences, its market share is declining in the face of both improved convention facilities and more aggressive bidding elsewhere in the world. Many of Australia's business events competitors are supported by Government-backed funds available to secure business. For example, New Zealand has made available NZ\$40 million (AUD\$31 million) over four years to attract business events to the country.

The industry is calling for the Government to provide a new funding commitment of \$10 million per annum over four years towards a National Business Events Bid Fund to support event bid acquisitions that have true national significance. The actual funding would only be expended when a bid is won and only apply to bids that meet the criteria of being deemed nationally significant for a city or region.

State and Territory Governments continue to make significant investments in expanded and renewed convention and event facilities. A National Business Events Bid Fund would also enable Australia to better leverage its world-class business events infrastructure. Australia is well-known for putting on some of the best events in the world, and we need our Federal Government to be backing our abilities to host major international business events with a dedicated bid fund.



<sup>12</sup> Assuming 2.5 per cent consumer price inflation over the forward estimates period

<sup>13</sup> EY (2015) *The Value of Business Events to Australia*



# 4

## Address labour and skills challenges



### What does industry want?

- Provide more flexible workforce options for employers to recognise the 24/7 nature of the industry and particular challenges in recruiting and retaining staff, especially in regional areas
- Provide an immigration platform that supports the important role of the working holiday maker and skilled worker visa schemes
- Form a tripartite sub-committee of Cabinet to remove red tape barriers to employment in the visitor economy, including consideration of education and training

### Why?

Australia is competing globally for skilled workers in travel, tourism, transport and hospitality.

With growth in demand for services there are some sectors that experience prolonged difficulties in attracting and retaining appropriately skilled staff, which can dramatically impact productivity and the service offering. By 2020 the industry will be experiencing a shortage of 123,000 workers with skilled workers accounting for almost half of this shortage.<sup>14</sup>

This problem is particularly pronounced in remote and regional areas of Australia where geographical isolation is often the strongest deterrent. Some of Australia's most luxurious resorts struggle with high staff turnover and persistent vacancies. Even operators in major capital cities report staff shortages and similarly high turnover among both skilled and unskilled workers.

Staff shortages place operators under enormous pressure to deliver on their service promise. As a predominantly long-haul, high-cost destination, Australia must prove its value for money proposition to international visitors. However, chronic shortages of staff, particularly in regional locations, make this increasingly difficult.

<sup>14</sup> Deloitte Access Economics (2015) Australian Tourism Labour Force Report: 2015-2020

There is no single solution to the complex problems thrown up by labour and skills shortages. Some of the necessary policy adjustments must be made within the industrial relations framework, others can be achieved with greater flexibility in working and visitor visas to ensure workers stay longer, while others could be achieved through targeted Government support and assistance for building and improving the domestic skills base.

Industry already makes an enormous contribution to the training of young Australians. Many tourism and transport providers invest heavily in providing on-the-job training as well as their own training programs, introducing pathways that can entice people into careers.

While Australian operators will always attempt to staff their operations with domestic labour, there remain vacancies that are often filled by working holiday makers, seasonal workers, international students and skilled visa holders. Industry is calling for the removal of barriers to the engagement of these workers by businesses.

Allowing working holiday makers to work with the same employer for 12 months instead of six would be an important first step. Industry acknowledges the progress made in this regard as part of the initiatives detailed in the Northern Australia White Paper, but there is a strong imperative for this reform to be rolled out nationally. Likewise, allowing working holiday makers (subclass 417) to apply for a second-year visa after having worked in a regional tourism or hospitality business as has been announced for work and holiday visa holders (subclass 462), would also encourage more workers into these areas.

The industry has welcomed the Coalition Government's announcement of the 'Review of 417 and 462 Visa Labour' and encourages the Review to take the opportunity to also address issues of labour supply more broadly for the tourism sector.

Industry calls for a tripartite sub-committee of Cabinet, comprised of the Ministers for Employment, Immigration and Tourism, empowered to systematically identify and remove the red tape barriers to visitor economy employment. This would recognise the need to address the specific pressures of the '24/7' nature of the industry, as well as identify opportunities for Government support of education and training of workers.



# 5

## Invest in visitor economy infrastructure



### What does industry want?

- Remove regulatory barriers for key visitor economy assets, including increasing access for cruise ships east of the Sydney Harbour Bridge and reforming the operating restrictions at key international airports in Australia
- Develop an investment strategy for visitor economy infrastructure
- Support for private, sensitive investment in and around national parks

### Why?

Visitor economy infrastructure is essential to supporting demand and improving the visitor experience.

Traditionally, much of this investment has occurred at a state and local level, often resulting in a fragmented dispersal of Government funds without a broader strategic approach. Recent exceptions have been Tasmania's targeted expressions of interest process for investments in sustainable tourism projects in and around national parks, with the explicit objective of developing a portfolio of experiences to boost visitation.

Nature-based tourism is a top motivator for overseas visitors to decide to come to Australia, and national parks are a top attraction. Conservation of these natural and cultural assets is supported by people learning about these places and experiencing the wonders contained in our protected areas, many of which are found nowhere else on earth. Many national parks are not able to fund the continuous maintenance, and improvements to visitor experiences and supporting facilities as expected by international and domestic visitors. Appropriate private investment could facilitate innovation and the provision of high quality tourism infrastructure while also improving conservation outcomes.

Industry is calling for a Commonwealth-led national visitor economy infrastructure investment strategy to map out the critical gaps and plan for funding and development, to ensure we have the necessary capacity to accommodate growing visitor numbers and are able to remain competitive against other destinations. These infrastructure projects should encapsulate all sectors and regions that make up the visitor economy, and be assessed and prioritised by independent experts for Commonwealth funding. A national visitor economy infrastructure investment strategy is particularly important to provide an ongoing commitment to supporting the development of tourism infrastructure after the completion of the Tourism Demand Driver Infrastructure funding program in 2017/18.



Given the national economic significance of tourism, a national visitor economy infrastructure strategy should be developed by Infrastructure Australia as a sector-specific extension to their Australian Infrastructure Plan. The key priorities identified for each State and Territory in the Australian Infrastructure Plan and National Visitor Economy Infrastructure Strategy should receive COAG commitment with associated funding investment and delivery schedules.

Key among these projects would be transport infrastructure, including new airport runways, public transport links to airports, improvement and expansion of cruise ship facilities, and demand-driving infrastructure like national parks, cultural institutions, convention centres and urban open spaces.

At the same time, we must be maximising the economic potential of existing visitor economy infrastructure assets by removing regulatory barriers that create an impost on their efficiency. Further, we need to be safeguarding the unencumbered operations of our other major airports as well as any future developments from these barriers. For instance, artificial operating restrictions such as movement caps and curfews at key international airports across Australia, for example those imposed on Sydney Airport, create congestion, cause delays across Australia's entire aviation network and stifle economic growth.

Outdated regulatory restrictions on operations at key international airports result in the inefficient use of Australia's major transport infrastructure assets and are not always effective at achieving the desired outcome for passengers, airlines and communities alike. The Federal Government should also review other regulatory burdens that hamper the efficiency of key transport infrastructure in Australia such as the security costs imposed on secondary regional airports, such as Darwin and Alice Springs.

The increasingly limited cruise ship berth capacity east of the Sydney Harbour Bridge is also threatening Australia's competitiveness as a destination for large cruise ships. The Government needs to work closely with the cruise industry to provide increased, long-term berthing for large cruise ships east of the Sydney Harbour Bridge. Solutions also need to accommodate managing Customs processing.

As well as hard infrastructure, the industry calls for continued funding of Tourism Research Australia and the Australian Bureau of Statistics to ensure there are no reductions in their tourism and transport data collection and research remits. The Government should also consider efforts to expand the capture and utilisation of metadata, or big data, for both tourism and transport use. Limited data currently exists to capture the movements and interests of visitors when they come to Australia and while they travel around the country. Streamlining the current data sources across Australia's States and Territories would enable significant return on investment from a tourism marketing perspective, enabling information and goods and services to be tailored to visitors.



# 6

## Promote investment in public transport



### What does industry want?

- Identify priorities for transport investment and opportunities for financing
- Support greater private sector involvement in public transport delivery
- Support further innovation in public transport, and transport more broadly

### Why?

Efficient, affordable and sustainable public transport networks underpin the productivity of Australia's cities and urban environments. They also provide vital connections to regional areas, complementing our road networks.

Public transport also plays an important role in minimising the cost of congestion. Urban congestion is widely regarded as one of the great productivity bottlenecks of developed economies. Improving the efficiency and quality of public transport systems is key to encouraging the required modal shift from private to public transport. Industry therefore supports investment in roads and public transport infrastructure to reduce congestion. Moreover, Government should be aware of the vital contribution the point to point transport sector makes in public transport networks, particularly in areas where access to public transport is limited, or at certain times of the day.

Industry has welcomed the change in the Government's approach to modal neutrality and announcing its intention to become more involved in the planning of cities and the funding of public transport services. This has manifested itself initially in a \$90 million funding commitment towards stage two of the Gold Coast Light Rail.

TTF strongly supports the continuation of a modally-neutral approach to assessing and funding transport infrastructure needs and proposals. The Government should support projects based on their contribution to the functioning of the national economy and enhancing national productivity; and the Federal Election is the prime time to do so. Such an approach would see support flow to both urban road and public transport projects, but it should be the place of Infrastructure Australia to prioritise those projects that promise to deliver the most benefit, recognising the difference between cities and regions. It is vital that Infrastructure Australia continues the important work of scrutinising all public transport projects before any stage of development.

TTF has identified a number of key urban rail infrastructure projects that will benefit both commuters and visitors, and are likely to require financial support from the Government in order to be completed within acceptable timeframes. These projects include (but are not limited to):

- Brisbane Cross River Rail
- Melbourne Airport rail link
- Extension of the Gold Coast light rail to the airport
- Perth light rail
- Rail link to Western Sydney Airport
- Melbourne Metro
- Sydney Metro City & South West
- Brisbane Metro

It is acknowledged that the Federal Government's asset-recycling fund can be utilised by the States and Territories for some of these public transport projects and this is a welcome development. However, TTF believes that funding from only this source will not be sufficient to ensure that the nation has the public transport infrastructure that it needs to support the Australian economy, our cities and our regions.

Many Governments and transport operators around the world have sought the expertise and involvement of the private sector in the provision of public transport in an attempt to improve their cost position, the level of services that they offer, their customer service offering or a combination of all three. The Federal Government should encourage innovation in public transport.

Government plays an essential central role in setting the desired outcomes from franchising through the incentives it incorporates into public transport contracts. These have an impact on the level of benefits that are delivered and the relative priorities between the beneficiaries.

The Government should encourage and support private sector involvement in public transport delivery. There are a number of different ways in which the private sector can be involved in the operation of public transport services, including outsourcing, franchising, privatisation and public private partnerships. In its broader tax reform agenda, the Government should also consider tax incentives to promote public transport use by employees.

The private sector tends to have greater incentive to innovate and exceed performance benchmarks than Government-owned operations due to competitive tendering processes. The private sector can also play an important role in financing infrastructure projects with appropriate arrangements and risk sharing in place.

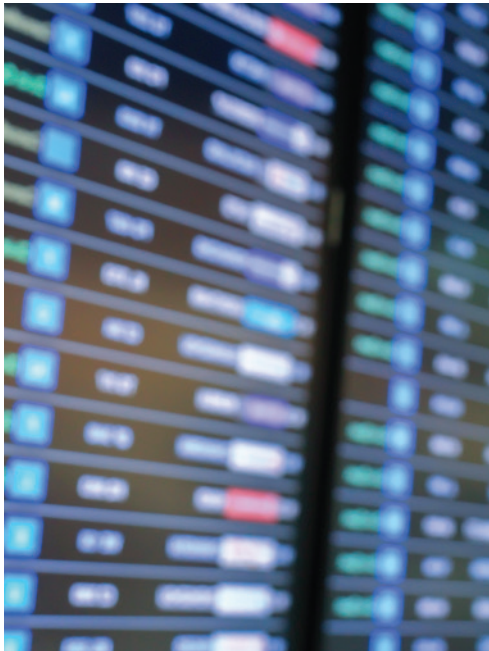
Industry encourages the Federal Government to support further innovation in public transport, and transport more generally. One example of doing this is by supporting a nationally consistent ticketing experience for public transport users. New and emerging technologies are bringing additional opportunities for fare payment options and contactless cards are becoming increasingly popular in Australia. The Government should encourage the development of a standard or compatible system across all States and Territories to enable travellers to use transport systems outside of their local jurisdictions. This would improve the visitor experience for both domestic and international visitors, promote regional dispersal and increase public transport patronage.





# 7

## Improve the visitor experience at the border



### What does industry want?

- Introduction of transparent customer service performance tracking
- Investment in biometric technology and automation
- Work with industry to deliver premium processing products
- Reform of the Tourist Refund Scheme to allow private operators

### Why?

Border processing, whether at air or sea ports, is an important part of the visitor experience – both for international travellers and Australians. It is often the first and last point at which international travellers interact with Australia – and first and last impressions count.

Airlines and airports invest heavily in programs to improve the experience for visitors. Beyond their control, however, are the operations of Government agencies, including the Australian Border Force, the Department of Agriculture and the Office of Transport Security, who are responsible for passenger facilitation at the border.



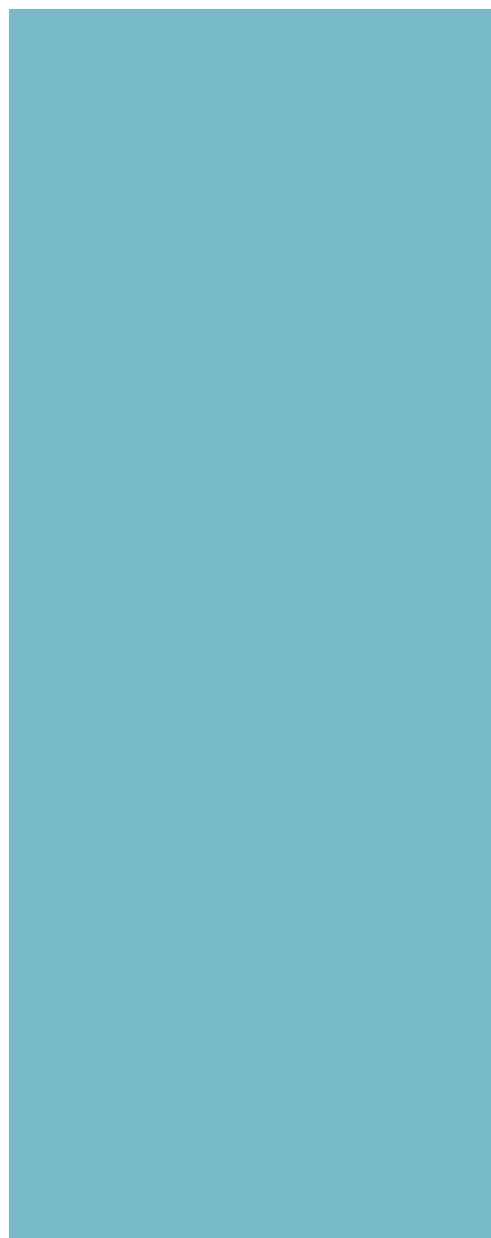
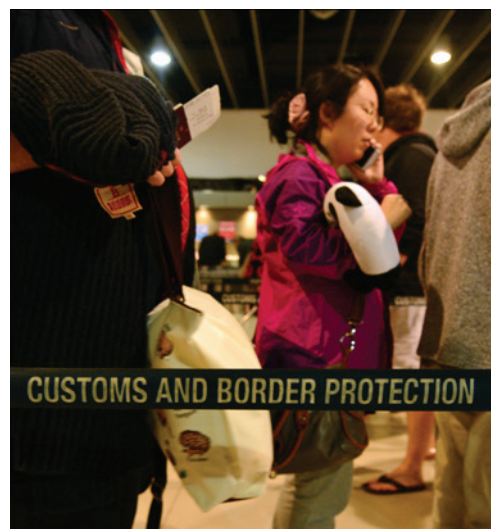
Passenger facilitation processes – both inbound and outbound – contain a number of significant pain points that require reform. Addressing these pain points presents a number of opportunities to improve the visitor experience and enhance Australia’s international reputation.

Industry is calling for political parties to commit to a comprehensive strategy to make Australia’s border processes more efficient and customer-focused. This should include investments in the roll out of biometric technology and automation, the development of premium passenger processing products that can help to attract high-yield visitors, and a customer feedback mechanism that can allow agencies to collect, analyse and publish data on the customer experience. It is important to note that adequate security can be achieved while also offering good customer service and facilitating tourism.

TTF is also calling for a commitment to reform the Tourist Refund Scheme (TRS), the program that allows visitors to claim a refund of GST paid on eligible purchases. The current system, administered by the Australian Border Force at international airports, is cumbersome and time consuming. This provides a negative impression of Australia to travellers as they depart, making them less likely to recommend Australia to their friends and also less likely for them to return. It has also emerged as a significant pressure point in passenger facilitation, with passengers stuck in queues at the TRS collection point made to run late for their flights.

There has been significant reform to the TRS process in recent years, notably with the introduction of online claim forms and through a revision of the rules for multiple purchases and the minimum claim amount.

However, further reform is required. TTF believes that opening up the TRS to private providers would deliver benefits to Australian tourism. This includes promotion of Australia as a shopping destination in key source markets and an improved visitor experience leading to increased visitor spending. This is the model adopted very successfully by other destinations in the Asia Pacific region, such as Singapore, and used in more than 40 countries worldwide.



Cover Image: Vic; Great Ocean Road; Twelve Apostles  
Tourism Australia Copyright  
Photographer: Richard Powers

TTF IS A NATIONAL MEMBER-FUNDED  
CEO FORUM, ADVOCATING THE PUBLIC  
POLICY INTERESTS OF THE MOST  
PRESTIGIOUS CORPORATIONS AND  
INSTITUTIONS IN THE AUSTRALIAN  
TRANSPORT, PROPERTY, TOURISM &  
INFRASTRUCTURE SECTORS

SUITE 6.02, LEVEL 6  
7 MACQUARIE PLACE  
SYDNEY NSW 2000  
T +61 2 9240 2000  
F +61 2 9240 2020

[www.ttf.org.au](http://www.ttf.org.au)