

# Australian Capital Territory Election Manifesto 2016

Future Economy | Future Jobs

# Tourism & Transport Forum Australia

The Tourism & Transport Forum Australia (TTF) is the peak national body for the tourism, transport and aviation sectors across Australia. TTF is a CEO forum representing some of the leading institutions and corporations in the Australian visitor economy.

Our membership spans accommodation and transport providers, airlines and airports, cruise lines, restaurants and retailers, business and major events organisers, property developers, investors and land managers, amusement and cultural attractions, and professional services.

TTF utilises its expertise and networks to develop and advocate public policy for the sustainable long-term growth of the visitor economy and transport across the nation.



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Australian National Museum, Tourism Australia  
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Floriade, Tourism Australia  
Old Parliament House, Tourism Australia  
Baker Restaurant, New Acton Precinct, Canberra, Tourism Australia

## Message from the CEO

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The Australian Capital Territory (ACT) is home to an energetic Territory Government and Australia's National Government, as well as major Australian cultural institutions, including the National Gallery of Australia, National Portrait Gallery, National Library, the Australian War Memorial, the National Museum of Australia and the National Arboretum, as well as being located at the centre of a growing food and wine region. With international flights now commenced, the ACT is well placed to build past success into a bountiful future.

Tourism is a key component of the ACT economy, supporting 16,400 jobs and contributing almost \$2 billion to Gross Territory Product (GTP)<sup>1</sup>. Consumption by international and domestic visitors drives economic activity, export earnings and employment in metropolitan and regional ACT. Appropriately supported and strengthened, the visitor economy is a significant economic driver for the Territory.

Tourism has been identified as one of five super-growth sectors that have the potential to collectively add \$250 billion to the Australian economy over the next 20 years. Positioned well to capture the demand of the emerging Asian middle class, tourism is an economic development strategy for Australia. Australian Governments have recognised this potential and are working to boost the capacity and competitiveness of the sector.

The ACT tourism industry, through the *2020 Tourism Strategy*, has set out an ambitious plan to grow the value of overnight visitor expenditure from the 2013 base of \$1.58 billion to \$2.5 billion in 2020<sup>2</sup>. Total overnight visitor expenditure as at June 2016 was \$1.7 billion<sup>3</sup>. Significant momentum has been gained through major events such as the annual Floriade Festival, the National Folk Festival, blockbuster exhibitions at the National Gallery of Australia such as 'Tom Roberts', and the growing popularity of *Enlighten*. These events have profiled the Territory as a vibrant, creative and diverse destination. To reach the \$2.5 billion stretch goal, a strong focus is needed on destination marketing, event acquisition and development, transport accessibility and infrastructure investment.

The ACT is home to some of Australia's best food and wine experiences, cultural and sporting events, and iconic national attractions. Through effective destination branding and development of major events, the Territory can leverage these assets to support growth in the visitor economy, particularly from international tourism markets.

In the year to June 2016, there were 2.4 million domestic visitors to the Territory, with their expenditure of \$1.3 billion making a significant positive contribution to the Territory's economy. The Territory was one of the three major beneficiaries of increased domestic visitors (along with the Northern Territory and Western Australia) for this period. However, the Territory has had limited success in the past in attracting international visitors, with 203,000 international visitors in the year ending June 2016 contributing \$420 million to the local economy. Although this was an increase of 13

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<sup>1</sup> Tourism Research Australia (2016), State Tourism Satellite Account (2014-15)

<sup>2</sup> 2020 Tourism Strategy – Growing the visitor economy 2014-2020 (2013)

<sup>3</sup> Tourism Research Australia (2016), International and National Visitor Surveys, year ending June 2016

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per cent, it remains a small percentage of the international visitors arriving in nearby Sydney (3.7 million visitors with \$9 billion spend).

Increasing high-yielding international visitors will be crucial to the ACT achieving its 2020 targets. International flights from Singapore direct to Canberra commenced in September 2016 and represent an extraordinary opportunity for the Territory to expand its international visitations, with further development potential surely available. Creating positive direct international visitor experiences will be crucial to building towards the Territory's stretch targets. As the gateway to central and southern regions of NSW and midway between Sydney and Melbourne, advancing the tourism focus of the ACT will have major spill-over benefits to a much broader region.

Infrastructure investment is critical to attracting these new visitors, improving the visitor experience and increasing visitor yield. Planning for projects such as the City to Lake Project, improved roads and public transport services and light rail network extensions should continue in recognition of the broader economic benefits their completion will bring to the ACT.

We have set out TTF's five point plan for backing the strengths of the ACT visitor economy. The next Government must invest to grow demand, boost investment in tourism and transport infrastructure, and enhance the visitor experience to ensure the Territory can remain competitive and drive further economic activity and create thousands of new jobs.



**Margy Osmond**

Chief Executive Officer

Tourism & Transport Forum Australia (TTF)

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## Five point plan for the next decade of tourism & transport in the Australian Capital Territory

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### 1. Destination marketing

- Increase funding for Visit Canberra by \$15 million per annum in real terms over the forward estimates
- Deliver funding over four years instead of the current year-on-year allocation
- Promote regional cooperation through the 'CBR' Canberra Brand initiative
- Promote the ACT as a major cultural and creative hub of Australia

### 2. Business events and major events

- Increase funding for Territory Venues and Events by 10 per cent in real terms over the forward estimates
- Deliver funding over four years instead of the current year-on-year allocation
- Support the Canberra Convention Bureau in attracting strategic international conferences and business events, creating consumer demand for direct international flights

### 3. Visitor infrastructure

- Progress delivery of key infrastructure as part of the City to the Lake project
- Maximise use of existing facilities to maintain ACT's reputation as a major sporting and business event destination
- Promote the nature-based precinct of the Australian National Botanic Gardens, Arboretum and Black Mountain Nature Reserve as a visitor experience

### 4. Transport

- Maintain funding for the ACT's international marketing campaign to support growth in visitation from key international markets and new direct international flights into Canberra
- Advocate for the pilot phase of a lightweight, integrated border agency clearance model at Canberra Airport
- Consider options for franchising ACTION buses to improve the customer experience and reduce costs
- Continue planning for light rail network extensions to connect key visitor economy assets

### 5. Visitor experience

- Support reform of Australia's Tourist Refund Scheme

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## Importance of the ACT visitor economy

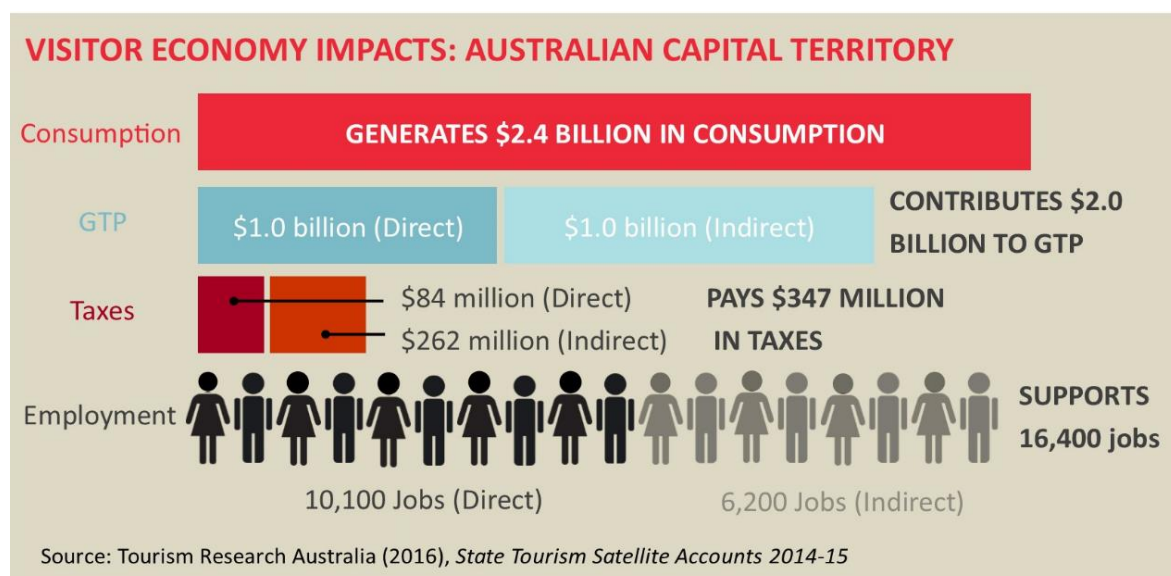
### Tourism - Generating jobs and growth

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. 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.

Tourism is already a vital component of the ACT economy, supporting more than 3,500 businesses, employing 16,400 people and contributing \$2 billion to Gross Territory Product. The tourism industry is a key driver of economic activity, export earnings and employment across the Territory, contributing up to a quarter of local economic output in some communities.

In partnership with the private sector, strategic investment in tourism and transport by all political parties will provide a stronger foundation for the growth of the ACT visitor economy. If supported and strengthened appropriately, the tourism and transport industries can broaden the Territory's economic base and deliver strong and sustainable growth. The Election is the prime time to make a commitment to support the industries of the ACT's future.





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## Liveable and productive cities, accessible regions

Investing in public transport reduces the economic costs of congestion, increases social inclusion and delivers improved environmental outcomes. 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

The significant potential of Australia's tourism industry was highlighted in the Deloitte Access Economics report, *Positioning for Prosperity? Catching the next wave*. The report identified tourism as one of Australia's five super growth industries, capable of collectively delivering an additional \$250 billion to the national economy over the next 20 years. The report notes that the intersection of global opportunity and national advantage is crucial to prosperity – and that Australian tourism is well positioned to be part of the next wave of wealth creation.

Already, tourism is one of Australia's largest service exports, employing almost twice as many people as the mining industry and generating more than \$100 billion in economic activity every year - more than all our primary industries combined. However, there is still significant room for improvement, driving the next generation of economic growth and better capturing the true potential of the industry.

*2020 Tourism Strategy: Growing the visitor economy 2014-20* sets the direction for the ACT's tourism sector; outlining a vision "To grow the visitor economy in the Territory to \$2.5 billion by 2020 as measured by overnight visitor expenditure".

With its proximity to Sydney, the major international tourist gateway, its national cultural institutions and location near the snowfields, the south coast and the hinterland, the ACT has a natural advantage to attract major tourist attention. The commencement of international flights in 2016 should build a strong base to enable the Territory to further expand its economic base by building upon the strength of burgeoning tourism. In addition, building upon the strength of the ACT to attract increased tourist visitation will also enhance, and be enhanced by, spill-over into the rich regional areas close to the ACT, including the Snowy Mountains, NSW South Coast and the Riverina.



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However, increased competition both domestically and abroad and high labour costs are all considerable challenges. As a result, to fully leverage the ACT's potential, adequate funding for destination marketing as well as visitor and transport infrastructure, combined with a more competitive regulatory framework, will be critical. Whomever is called upon to form the new government in the ACT will need to seriously invest in tourism marketing and adjust the investment and supply levers to ensure growth in visitation continues now and into the future.

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## 1. Destination marketing

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### What does industry want?

- Increase funding for Visit Canberra by \$15 million per annum in real terms over the forward estimates
- Deliver funding over four years instead of the current year-on-year allocation
- Promote regional cooperation through the 'CBR' Canberra Brand initiative
- Promote the ACT as a major cultural and creative hub of Australia

### Why?

Tourism marketing drives demand and supports visitation to the ACT. Investing in tourism marketing funding also makes economic sense, with research indicating a return on investment of up to \$15 for every \$1 allocated to destination marketing<sup>4</sup>. The longevity and effectiveness of campaigns, however, are contingent on the ability to add and refresh program content, creating new reasons for visitors to return to a destination. Thus, it is imperative increased funding is provided to Visit Canberra to ensure campaigns currently in market maximise awareness and intention to travel to the ACT, and allow for the creation of campaigns that leverage new and emerging opportunities domestically and internationally.

While TTF appreciates the additional \$7.3 million over four years included in the 2016-17 Budget to promote Canberra as a tourism destination in key domestic and international markets (including some cooperative marketing with Singapore Airlines), TTF considers that this marginal increase will have limited impact especially as it drops to only \$1 million per annum in the final two years (2018-19 and 2019-20). The imperative to provide an increased, long-term funding commitment for Visit Canberra is even greater when most jurisdictions are increasing their investment in destination marketing and as a result, experiencing double digit growth in overnight visitor expenditure.

While the Territory Government provided funding for tourism related expenditure in the 2016-17 Budget of around \$42 million, New South Wales allocated around \$2.5 billion across tourism and events expenditure in 2016-17, and jurisdictions such as South Australia and Tasmania allocated \$266 million and \$236 million respectively over four years for their tourism and event efforts. Without substantial, consistent and reliable funding, ACT's tourism industry will continue to operate well behind its competitors.

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<sup>4</sup> Tourism Australia (2014), Submission to the Productivity Commission Research Paper on Australia's International Tourism Industry



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Committing to increase funding to Visit Canberra by \$15 million per annum over the four year forward estimates will enable investment in longer term destination campaigns and events.

Increasing funding for Visit Canberra makes good economic sense for the ACT. Taking into account the ROI for destination marketing, an additional \$15 million allocated to Visit Canberra has the potential to result in an additional \$240 million in economic return for the Territory. Additional funding for Visit Canberra will also enable it to further leverage cooperative promotional opportunities through the 'CBR' Canberra Brand in partnership with other regional stakeholders. This will spread the footprint of the Territory's marketing efforts, helping to harness the potential of a larger visitor basin and generating a stronger return on investment.

The Territory also has the opportunity to further leverage the location of the National Cultural Institutions in its promotion of the ACT as Australia's major creative hub. The accessibility of key cultural attractions and their proximity to each other adds to Canberra's attractiveness for cultural visitors, who are known to stay longer and spend more in a destination. The location of attractions in Canberra also makes wayfinding easier, especially for international visitors, and allows for better coordinated marketing efforts.

Engagement with the National Cultural Institutions and Federal Government agencies responsible for arts will be essential in ensuring that the Territory continues to develop, grow, deliver and promote Canberra not only as Australia's political capital, but also as its cultural capital. TTF supports the Territory working closely with cultural institutions in cooperative marketing campaigns and events to drive increased visitation to Canberra.

Whoever is called upon to form the new government in the ACT should enhance the operation of the ACT tourism industry to expand the territory's economic base and strength and build upon its strategic location and major cultural attractions as tourism is recognised as a key growth industry into the future.

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## 2. Business events and major events

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### What does industry want?

- Increase funding for Territory Venues and Events by 10 per cent in real terms over the forward estimates
- Deliver funding over four years instead of the current year-on-year allocation
- Support the Canberra Convention Bureau in attracting strategic international markets and creating consumer demand for direct international flights

### Why?

Canberra's tourism industry, especially its accommodation sector, suffers from extreme seasonality of demand, contingent on the Federal Parliament sitting schedule. The Territory's calendar of annual events, such as Floriade, the National Folk Festival, Enlighten and the major exhibitions at the national institutions, has successfully encouraged travel outside these periods and provided more consistent visitation and yield for tourism operators across the year.

Major events therefore play a critical role in the visitor economy. Not only do they drive demand, but events also give consumers a timeframe in which they must travel or miss out on the opportunity. Major events are also significant economic drivers. For example, Enlighten 2015 delivered the largest overall attendance figure for the event since its inception in 2011<sup>5</sup>. The event's total gross attendance was 287,874, which included attendances at ticketed events and crowd numbers in the outdoor entertainment precincts. In addition, Enlighten 2015 generated \$3.35 million direct visitor expenditure, an increase of 45 per cent on Enlighten 2014, as well as a \$3.72 million increase in GTP.

Events add value to the brand and profile of Canberra as a destination, contributing to its appeal in the leisure, cultural, business and education markets. The ACT has historically been very good at leveraging the value of tourism marketing and events. However, there exists an opportunity to develop an integrated event funding framework that provides greater support for event acquisition and development to build on the legacy of recent blockbuster events such as the Asian Cup and Cricket World Cup, as well as continue to grow the Territory's existing major events like Floriade, Enlighten, the Australian Running Festival, Canberra Balloon Spectacular, Summernats and the Truffle Festival.

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<sup>5</sup> ACT Government (2015), Enlighten Event Report 2015

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Creating visitor demand from key international markets through tourism marketing and major events also has the added advantage of further supporting the business case to attract more international aviation access. Annual events help to generate predictability of visitation during specific periods throughout the year. This certainty can assist in strengthening the visitation base to provide greater appeal for the development and extension of air services.

As with destination marketing funding, it is also important to allocate funding over an extended term, ideally the four-year forward estimates, to provide certainty for Territory Venues and Events as well as the industry, and assist in building event longevity.

Building longevity into funding allocations will facilitate opportunities to further develop existing campaigns and events as well as acquire longer term initiatives and develop them into annual highlights on the Territory calendar. These have the potential to add to the vibrancy of Canberra and its visitor offering, in addition to contributing to the Territory's visitor economy. The industry supports the creation of Canberra's own versions of signature events similar to *the Melbourne Winter Masterpieces*, *VIVID Sydney*, *the Queensland Performing Arts Centre's International Series* as well as *sporting events*.

The impact of business events such as conferences, conventions, exhibitions and trade fairs mirror the impact of major events on the economy, providing consistent visitation to the Territory. Business events are also the nexus between the visitor economy and knowledge economy, providing broader benefits in terms of skills, innovation and ideas sharing. Business events attract high-yield domestic and international visitors who spend more and stay longer than the average traveller<sup>6</sup>, making the sector a lucrative economic development contributor. The Canberra Convention Bureau plays an important role in strategically targeting business events markets, especially internationally. Attracting business events from these markets will increase consumer demand for direct international flights into Canberra, and help support the business case for attracting more flights.

Whomever is called upon to form the new government in the ACT must ensure that Canberra has the resources and capacity to build upon its cultural reputation and further develop sustainable economic benefit from attracting and delivering major events.

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<sup>6</sup> TTF analysis of Tourism Research Australia (2015) – International and National Visitor Survey, June 2015

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## 3. Visitor infrastructure

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### What does industry want?

- Progress delivery of key infrastructure as part of the City to the Lake project
- Maximise use of existing facilities to maintain ACT's reputation as a major sporting and business event destination
- Promote the nature-based precinct of the Australian National Botanic Gardens, Arboretum and Black Mountain Nature Reserve as a visitor experience

### Why?

Private investment in tourism product, including accommodation, depends on public investment in soft and hard infrastructure to drive demand. Government assets and precincts that attract visitors to the Territory must be maintained, expanded and appropriately planned to further grow the visitor economy.

TTF commends the ACT Government on allocating \$10.1 million in funding to construct a waterfront precinct in West Basin – a central component of the City of the Lake project – which is scheduled to commence later this year. Linking the natural environment of Lake Burley Griffin, Commonwealth Park and Acton Park with the retail, sporting and cultural precincts of the city will make the experiences of these precincts easier to access and create a space where visitors will want to visit and linger. The City to the Lake project will help attract new visitors to Canberra, providing them with additional attractions, which will improve visitor spend and length of stay.

While the Territory currently has a good supply of visitor accommodation rooms, there is an imperative to ensure that an adequate supply pipeline is being developed and progressed to keep ahead of future increases in visitation. The work of Invest Canberra is important in facilitating this pipeline as well as working with Austrade to identify and promote a broader range of tourism investment opportunities in the Territory. As part of these efforts, it is vital to consider the types of investment that will meet visitor demand. For example, there is an opportunity to develop different classes of visitor accommodation in the Territory, including budget accommodation and nature-based accommodation, such as eco-lodges.

The ACT is a major destination for school groups visiting the national cultural institutions and accommodation for these groups is a significant on-going need. TTF notes the development of the Canberra Park Resort, which has been designed to specifically meet the needs of schools and groups travelling to Canberra. The complex will open in April 2017. This will significantly expand the capacity for Canberra to cater for schools and groups and this should be supported by a marketing campaign to build this segment of the tourism market for Canberra.

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Not only will such developments provide greater diversity in the visitor accommodation offering, they also have the potential to become a new visitor attraction in their own right, as in the case of the eco-lodges.

Australia is renowned for its natural beauty and nature-based attractions and experiences are a significant drawcard for both domestic and international visitors. A study by Tourism Australia found consumers from some of Australia's key inbound markets viewed Australia's world-class beauty and natural environment as the third most important factor in selecting a holiday destination, behind only safety and value for money<sup>7</sup>.

In 2014, Australia hosted 37.8 million visitors who participated in nature-based activities including visiting national parks, botanical gardens and wildlife parks<sup>8</sup>. This included one in five domestic overnight travellers, one in ten day trippers, and two-thirds of international visitors – making nature-based tourism particularly important for Australia's tourism exports.

These visitors tend to generate higher yield and stay longer – international nature-based visitors, for example, spend 15 per cent more and stay 20 per cent longer than the average international visitor<sup>9</sup>. Beyond this, tourism also contributes to broader environmental and social outcomes, providing funding sources and points of engagement for the region's natural and indigenous heritage. In particular it supports economic development and natural and cultural preservation opportunities.

The Territory is well positioned to take advantage of this through its own natural attractions including Mount Ainslie, Lake Burley Griffin, its many nature reserves and local vineyards, and its proximity to other natural regional attractions such as Lake George and the Southern Highlands. The Territory should proactively identify natural attractions that it is able to capitalise on for the benefit of the visitor economy. Capitalising on the potential of nature-based tourism requires a supportive legislative framework and strategic investment in protected areas through infrastructure development and marketing promotion.

The recently released Australian National Botanic Gardens Master Plan 2015 – 2035 includes a concept to develop a Bushland Precinct walking trail linking the Australian National Botanic Gardens with the National Arboretum via a walking track along Black Mountain Nature Reserve. There is also an opportunity for the Territory to undertake cooperative marketing funding with the Australian National Botanic Gardens to promote visitation of a nature-based precinct linking a number of natural attractions. The precinct would encompass the Australian National Botanic Gardens, Black

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<sup>7</sup> Tourism Australia (2013) – *Consumer Demand Project*

<sup>8</sup> TTF analysis of Tourism Research Australia (2015) – *International and National Visitor Surveys*.

<sup>9</sup> Ibid



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Mountain Nature Reserve, National Arboretum, parkland alongside Lake Burley Griffin and the National Zoo.

This nature-based visitor experience would enable the Territory to capitalise existing assets, while adding depth and vibrancy to Canberra's visitor offering and attracting more higher-yielding nature visitors and should be supported by all parties.

Whoever is called upon to form the new government in the ACT will need to support active visitor precincts and enhance nature-based tourism opportunities, as well as ensuring and promoting adequate accommodation supplies.

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## 4. Transport

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### What does industry want?

- Maintain funding for the ACT's international marketing campaign to support growth in visitation from key international markets and new direct international flights into Canberra
- Advocate for the pilot phase of a lightweight, integrated border agency clearance model at Canberra Airport
- Consider options for franchising ACTION buses to improve the customer experience and reduce costs
- Continue planning for light rail network extensions to connect key visitor economy assets

### Why?

The Australian Capital Territory continues to face increasing domestic and international competition for share of the visitor market. The visitor travel experience is of critical importance in ensuring visitor satisfaction and encouraging repeat visitation.

Canberra commenced receiving international flights from Singapore in September 2016. TTF believes direct services to shorter-haul international destinations offer the greatest potential to boost visitation to Canberra in the short-term.

There is an opportunity for the Federal Government to trial a lightweight border processing model at Canberra Airport for international services. The ACT Government should actively advocate for Federal Government commitment to this trial. This would leverage technological advances in risk assessment and passenger profiling to deliver a secure border with fewer personnel. Such a model would facilitate the reduction in costs and increase the viability of new services.

Canberra Airport, with close proximity to national headquarters of the agencies, could serve as an excellent pilot site for mobile cross-trained border agency teams. This initiative could be undertaken with a country that has a very low biosecurity and immigration risk, and already has a deep collaboration with Australia's border agencies. A very small team of cross-trained officers equipped with mobile devices could be deployed to process both outbound and inbound passengers from any new service at far lower cost than previous international flights.

Transport plays a crucial role in the visitor economy. A transport system that is legible, affordable and easy to use will contribute significantly to the overall experience of a visitor travelling to, and within, Canberra and the ACT.



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Conversely, a poor transport experience can negatively impact on a visitor's perception of a destination, their recollection of the destination to others as well as their likelihood of repeat visitation. The world's great transport networks are well known because of their positive impact on visitors and are all selling points in their own right.

Canberra is Australia's most car-dependent capital city. Until recent years, most residential growth has occurred at the fringe of the metropolitan area with the establishment of low density suburbs, thus increasing reliance on cars. While this model was viable previously, Canberra's road infrastructure is now showing its limits.

By 2030, about 200 kilometres of Canberra's road network will reach saturation levels, which will lead to greater congestion costs reaching \$200 million by 2020. As the city grows to over 600,000 by 2050, traffic congestion will worsen, inhibiting productivity and affecting the city's amenity and liveability.

As the ACT continues to look to attract visitors from the burgeoning Asian middle classes as well as encourage visitation from domestic hubs such as Sydney and Melbourne, the need to create and promote a transport system that is accessible, legible and intuitive for both visitors and locals will increase in importance.

As detailed in TTF's paper *Public Transport, Private Operators*, there is a strong weight of evidence, both domestically and internationally, to demonstrate that franchising public transport services can bring significant benefits to the customer and the taxpayer. ACTION Buses Canberra operates Canberra's public bus service, one of the last wholly Government-run bus networks in Australia.

Relative to Government-run public transport services, the private sector has stronger incentives to use infrastructure more efficiently, deliver better operational performance, and improve the customer experience. Private operators are able to deliver these benefits because they can leverage significant, often global, experience from involvement with multiple public transport networks, and they are better equipped to attract and retain high quality staff. This can be reinforced by financial incentives to realise efficiencies and deliver high levels of customer satisfaction. In contrast, public operators in monopoly markets tend to lack strong incentives to improve services for customers and increase efficiency.

The introduction of competitive tendering for Canberra's bus network is likely to improve the quality of service and lower the operational costs for Government and taxpayers. Consequently, TTF believes the ACT Government should explore opportunities to franchise the operation of ACTION Buses.

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Public transport has a prime role in reducing congestion costs and improving accessibility across the urban area. Capital Metro 1, the first stage of Canberra's light rail network, is set to become the backbone of the public transport network. The increased capacity of the transport network will enable greater urban densities along the selected corridor and reduce the car dependence of Canberra's fast growing northern suburbs. TTF also encourages the ACT Government to pursue the planning of the broader light rail network via the development of the Canberra Light Rail Master Plan. TTF supports the light rail project occurring in partnership with the private sector, which will bring potential national and international expertise to the delivery of the service.

Whomever is called upon to form the new government in the ACT will need to ensure development of integrated transport service infrastructure to support both the needs of local users and cater for an increasing and ambitious target of domestic and international visitors.

## 5. Visitor experience

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### What does industry want?

#### Reform of Australia's Tourist Refund Scheme

#### Why?

Australia's retail offering is a key attraction for international visitors, particularly those from the growing Asian visitor markets. It is also a key part of achieving the yield targets associated with growing overnight visitor expenditure. To increase competitiveness in this area, Australia needs to reform its Tourist Refund Scheme (TRS). The TRS is the program under which departing travellers can claim back either the Goods and Services Tax (GST) or the Wine Equalisation Tax (WET) on purchases.

The current system, administered by the Australian Customs and Border Protection Service, can be 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.

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 around multiple purchases and the minimum claim amount.

TTF believes that opening up the TRS to a private provider would deliver benefits to Australian tourism, including 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.

The administrative costs of Australia's TRS are currently funded by State and Territory taxpayers under the GST agreement. In other countries, the scheme operates on a user-pays basis.

With the introduction of international flights to Canberra, this issue will become significant for the ACT.

We encourage whomever is called upon to form the new government in the ACT to support and advocate for the privatisation of the TRS. This will deliver benefits to visitors, retailers, duty-free operators and the broader ACT visitor economy.