



TOURISM AND TRANSPORT AUSTRALIA'S SUPER GROWTH INDUSTRIES

2018-19 Federal Pre-Budget Submission

ABOUT TTF

The Tourism & Transport Forum (TTF) is a national, member-funded CEO forum advocating the public policy interests of leading corporations and institutions in the Australian tourism, transport and aviation sectors.

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EXECUTIVE SUMMARY

The Tourism & Transport Forum Australia (TTF) is a member-funded, not for profit industry group that advocates for the public policy interests of leading corporations and institutions in the tourism, transport and aviation sectors. TTF welcomes the opportunity to provide a submission to the Federal Government highlighting the key priorities for the tourism, transport and aviation sectors for consideration and inclusion within the 2018-19 Federal Budget.

THE IMPORTANCE OF TOURISM TO THE AUSTRALIAN ECONOMY



580,200
JOBS



\$130 BILLION
IN SPENDING



3.2%
OF GSP



279,000
BUSINESSES



\$11 141 MILLION
IN TAXES

To help supercharge the Australian economy into the future, TTF calls on the Federal Government to commit to the following tourism, transport and aviation priorities in the 2018-19 Federal Budget:

TOURISM

- Establish a \$40 million National Convention Bid Fund
- Restore funding certainty for Tourism Australia and Tourism Research Australia
- Reform the skilled visa system
- Allow the private sector to operate the Tourist Refund Scheme
- Invest in skilling the tourism sector
- Support free public WiFi in major cities and tourism destinations

TRANSPORT

- Commit funding to progress the construction of a rail link to Melbourne Airport
- Commit funding to progress the construction of a rail link to Western Sydney Airport
- Deliver funding to support Brisbane's Cross River Rail project
- Extend the Gold Coast Light Rail to the NSW border via the Gold Coast Airport
- Invest in Australia's regional rail networks
- Undertake a feasibility study for a consistent payment system for public transport services

AVIATION

- Commit funding to undertake an immigration 'pre-clearance' trial with New Zealand
- Restructure Sydney Airport operating constraints to accommodate air transport growth
- Review fleet constraints impacting overnight air freight operations at Sydney Airport

TOURISM



Tourism is the future of the Australian economy, particularly in this post-resources boom period. Governments and commercial operators need to invest in tourism marketing, services and infrastructure to realise the potential jobs that could be created. The tourism industry is one of the largest direct employers in the country. Jobs are created as a direct result of increased tourist consumption, which is reflected in this year's total visitor spending reaching a record \$40.6 billion. However, despite the record spending level, spending growth has cooled to its slowest pace since 2013. This suggests that while spending may have hit record highs, we can't afford to be complacent and need to continue to have strong policies in place to drive the sector's growth.

ESTABLISH A \$40 MILLION NATIONAL CONVENTION BID FUND

TTF calls on the Federal Government to establish a \$40 million National Convention Bid Fund to secure additional events over the forward estimates and support the high yield business events and conferences industry. Through a co-investment of up to \$10 million per year, the Government can help make Australia more attractive than our competitors, many of which aren't long-haul destinations, and increase market share in this lucrative tourism area. This will allow Australia to once again be in the top ten most popular countries to host international conventions. International conference delegates spend up to almost six times more (on an expenditure per day basis) than the regular leisure visitor and a return on investment is guaranteed as funding is only granted to successful bids won for Australia.

RESTORE FUNDING CERTAINTY FOR TOURISM AUSTRALIA AND TOURISM RESEARCH AUSTRALIA

TTF urges the Federal Government to restore Tourism Australia's funding after the \$35 million over four years 2017-18 Budget cuts, and at least maintain this funding, in real terms, over the forward estimates. Additionally, TTF urges the Federal Government to ensure that funding for Tourism Research Australia to conduct the International Visitor Survey and the National Visitor Survey, is at least maintained in real terms to ensure evidence based decision-making remains possible for the tourism industry.

REFORM THE SKILLED VISA SYSTEM

Recent changes to the skilled visa system have had a negative impact on the Australian tourism sector. TTF believes changes need to be made to streamline the system and make it more attractive to highly skilled workers. The occupations of Hotel & Motel Manager and Restaurant & Café Manager must be placed on the Medium & Long-Term Strategic Skills List (MLTSSL). The pathway to permanent residency needs to be clear for those occupations in high demand in the tourism and hospitality industry that are on the MLTSSL. Finally, the training levy needs to focus on attracting and facilitating young Australians to a lifelong career in the tourism and hospitality industry.

ALLOW THE PRIVATE SECTOR TO OPERATE THE TOURIST REFUND SCHEME

The Tourist Refund Scheme is not being sufficiently resourced or developed to meet the demands of growing visitor numbers, particularly from China, Australia's highest-spending visitor group, for whom shopping is an integral part of the travel experience. As a budget saving and efficiency measure, TTF believes that the Tourist Refund Scheme should be automated and operated by the private sector at Australia's international airports. This will ensure that traveller expectations are met as well as reduce congestion in refund queues at airports. Further, it will enable the redeployment of Australian Border Force officers to help manage more pressing security issues. This recommendation only relates to a change in the collection method of GST, not the rates. Consequently, it can be implemented by the Commonwealth Government without needing formal approval by the States and Territories.

INVEST IN SKILLING THE TOURISM SECTOR

TTF urges the Federal Government to invest in skilling the sector to address the labour and skills shortages across the tourism and hospitality sectors. The funds collected by the Training Levy from tourism-related businesses must be directed towards attracting and retaining Australians in high-demand tourism roles only to help deal with the 123,000 job shortage in the tourism sector expected by 2020. Placing the Training Levy collected from tourism businesses into a single fund that all industries can use will not deliver skills development the tourism sector needs. In addition, the levies being applied to businesses are exorbitant, particularly for smaller tourism businesses, and need to be revisited.

SUPPORT FREE PUBLIC WIFI IN MAJOR CITIES AND TOURISM DESTINATIONS

TTF urges the Federal Government to provide funding to deliver free high-speed WiFi at Australia's iconic cities and tourist destination, to ensure visitors are able to remain 'connected'. In an increasingly 'connected' world, and with soaring global use of smart phones and tablet devices, travellers expect to have internet access and Australia does not currently provide the level of access tourists expect and receive in other competing destinations.

TRANSPORT



Melbourne Light Rail © Kaolis Downer

Targeted investment in transport infrastructure projects is critical to ensuring that Australian cities are able to meet the mobility challenges of the future such as an ageing population, increasing levels of congestion and continued urban sprawl. TTF commends the Federal Government for the public transport commitments announced in the 2017/18 Federal Budget. However, the Federal Government must take a more proactive and collaborative approach to working with State and Territory Governments to progress essential 'game-changing' public transport infrastructure projects.

COMMIT FUNDING TO PROGRESS THE CONSTRUCTION OF A RAIL LINK TO MELBOURNE AIRPORT

After decades of inaction, there is now a pressing need to ensure a rail link to Melbourne Airport is delivered. TTF notes the 2017/18 Budget commitment made by the Federal Government to provide \$30 million towards a business case for the development of a rail link to Melbourne Airport. With Melbourne Airport passenger numbers expected to exceed 60 million by 2033, a rail link to Melbourne Airport is essential in the longer term to complement existing SkyBus services. For international visitors, an airport is the first impression they have of a city. It is critical for Australia's visitor economy to ensure that travellers have access to a fast, frequent and reliable mass transit service to major international gateways such as Melbourne Airport. TTF urges the Federal Government to commit additional funding to fast-track the planning and eventual construction of a heavy rail link to Melbourne Airport.

COMMIT FUNDING TO PROGRESS THE CONSTRUCTION OF A HIGH SPEED RAIL LINK TO WESTERN SYDNEY AIRPORT

TTF supports the decision made by the Federal Government to build Western Sydney Airport. The development of the airport and surrounding precinct has the potential to turbo-charge economic growth in Western Sydney and provide an additional gateway for domestic and international tourists. TTF strongly urges the Federal Government to commit to funding to progress the planning and construction of a high speed rail connection linking Western Sydney Airport with Parramatta and the Sydney CBD, to ensure the new airport reaches its full potential. It is critical that sufficient mass transit connections are delivered prior to the commencement of operations at the Western Sydney Airport in 2026.

DELIVER FUNDING TO SUPPORT BRISBANE'S CROSS RIVER RAIL PROJECT

Cross River Rail is the number one transport priority for South East Queensland, and TTF acknowledges and supports the work undertaken by the Queensland Government to progress this vital project. TTF has long supported the Cross River Rail project on the basis that a second rail crossing of the Brisbane River will alleviate pressure on Brisbane's constrained rail network, address rapid population growth and reduce road congestion, in and around the CBD. TTF recommends that the Federal Government work with the Queensland Government to deliver a funding guarantee to progress this city-changing infrastructure project, to ensure that the Brisbane CBD rail network is able to meet future demand and reduce journey times for commuters.

EXTEND THE GOLD COAST LIGHT RAIL TO THE NSW BORDER VIA THE GOLD COAST AIRPORT

The Gold Coast Light Rail has transformed public transport on the Gold Coast for locals and tourists. To support the Gold Coast's booming population and to grow demand for travel, it is vital that the Federal Government commits funding to extend the existing light rail network to the NSW Border via the Gold Coast Airport. TTF recommends that the Federal Government work with the Queensland Government and the Gold Coast City Council to fund, plan and build this crucial extension. In the near-term, TTF also recommends that the Federal Government support the Gold Coast City Council's proposal to extend the existing light rail network from Broadbeach to Burleigh Heads.

INVEST IN AUSTRALIA'S REGIONAL RAIL NETWORKS

Improving connectivity between cities and regions is critical for the growth of the economy and tourism in regional Australia. TTF commends the Federal Government's \$10 billion National Rail Program announced in the 2017/18 Federal Budget to encourage the progression of critical urban and passenger rail programs that will reduce travel times and provide greater connectivity to the regions. TTF urges the Federal Government to work with State and Territory Governments to fast-track the development of business cases for faster rail connections between major cities and regional centres. TTF believes that the Federal Government should prioritise investment in improving inter-city rail services between Wollongong and Sydney, Newcastle and Sydney and Canberra and Sydney. Additionally, TTF urges the Federal Government to investigate the feasibility of a fast rail link connecting South East Queensland and regional Queensland.

UNDERTAKE A FEASIBILITY STUDY FOR A CONSISTENT PAYMENT SYSTEM FOR PUBLIC TRANSPORT SERVICES

Providing commuters with seamless public transport payment options is critical to ensuring greater use of public transport services. However, at present, each State and Territory has their own payment system for public transport services, i.e. Opal in NSW, Myki in Victoria and the GoCard in Queensland. This can be a frustrating experience for tourists who have to purchase multiple 'smartcards' over the duration of a visit. Advancements in contactless payment technology provides an opportunity for Australian jurisdictions to work together to provide a consistent payment system for public transport services, providing a more seamless customer experience. TTF encourages the Federal Government to fund a feasibility study that considers the possibility of developing a consistent payment system for public transport services across Australia.

AVIATION



The national aviation network is a critical element of Australia's economic infrastructure, supporting social and economic connectivity. To support the growth of the Australian aviation sector, TTF believes that the Federal Government should commit funding to help improve the travel experience between Australia and New Zealand. Additionally, TTF believes the Federal Government should consider structural changes to the sector that will improve economic efficiency without the need for additional government resources.

COMMIT FUNDING TO UNDERTAKE AN IMMIGRATION 'PRE-CLEARANCE' TRIAL WITH NEW ZEALAND

The Federal Government should work with the New Zealand Government to jointly-fund a trial of immigration pre-clearance on trans-Tasman air routes, in order to create a more 'domestic-like' experience for travellers. TTF also urges the Federal Government to commit funding for the acquisition of next-generation biometric screening technology, to enable passengers travelling between Australia and New Zealand to perform entry formalities at the airport of departure on both sides of the Tasman.

RESTRUCTURE SYDNEY AIRPORT OPERATING CONSTRAINTS TO ACCOMMODATE AIR TRANSPORT GROWTH

Constraints on aircraft operations at Sydney International Airport increasingly are disrupting not only air services to and from Sydney, but also through the national aviation network, at significant economic cost to Australia. TTF urges the Federal Government to progress, as a national economic priority, the replacement of the separate hourly caps on slot access and aircraft movements with a single hourly cap on scheduled aircraft movements. TTF also calls for the introduction of emergency provisions following major disruptions to the airport's operations, which would temporarily increase the single hourly cap from 80 to 85 in order to expedite movement of delayed passengers and freight.

REVIEW FLEET CONSTRAINTS IMPACTING ON OVERNIGHT AIR FREIGHT OPERATIONS AT SYDNEY AIRPORT

TTF urges the Federal Government to remove its designation of one specific type of freight jet during curfew periods in Sydney. This move would enable the use of larger, quieter and more efficient types of aircraft which would help meet the growing demand for overnight air freight movements on Australia's eastern seaboard. This measure would not require a funding from the Federal Government and it would add significant capacity and improve the efficiency of the air freight industry and freight customers around Australia.

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