Northern Australia Tourism Infrastructure Fund

Boosting the tourism sector over the coming years will be a key driver of economic growth and well-paid jobs. Tourism ranks as one of our greatest exports in value terms, accounting for one in every twenty export dollars.

However the World Economic Forum’s 2017 Travel and Tourism Competitiveness Index ranked Australia 7th for overall competitiveness, but 14th for overall infrastructure. Ground and port infrastructure in Australia is ranked 53rd.

Tourism dollars, both international and domestic, are highly discretionary, very discerning, and will be attracted by new facilities, new experiences and high quality services. Growth in the tourism market is not assured – we need to be able to promote the best experiences to increase market share, and this needs investment.

Australia has some of the world’s most amazing natural environment and experiences, but we cannot afford to be dragged down by sub-substandard tourism infrastructure.

A Shorten Labor Government will establish the Northern Australia Tourism Infrastructure Fund to boost tourism infrastructure, support jobs and ensure that Australia remains a competitive tourism destination.

In tourism, Australia has a genuine comparative that we can capitalise on with targeted investment.

Australia is well placed to be the number one tourism destination for the burgeoning Asian middle class – taking advantage of our natural attractions, and our cultural offerings. However much of the tourism infrastructure in Northern Australia is ageing, and not fit for a world-class destination.

Labor’s plan for Northern Australia Tourism

Labor will establish the Northern Australia Tourism Infrastructure Fund, to boost partnerships with the tourism sector and to provide incentives to business for investment in new and upgraded tourism infrastructure across Northern Australia.

Categories of tourism eligible for the funding will include (but not be limited to):

- Projects targeting the expanding Asian tourism market
- Projects promoting Australia’s natural environment such as the Great Barrier Reef
- Eco-tourism
- Indigenous tourism ventures
- Event-based facilities including stadium and convention centres
- Transport and access upgrades, including for ports and airports that support tourism
Funding would be available through concessional loans and other forms of project finance, ensuring that projects will need to stack up and also potentially attract private financing.

Projects that are a result of the recent disasters in Far North Queensland will be prioritised to ensure that those communities cannot just get back up on their feet, but can improve and provide better offerings.

The Northern Australia Tourism Infrastructure Fund would make available $1 billion in concessional loans to boost investment.

Northern Australia will have the same definition as under the Northern Australia Infrastructure Fund – all NT and parts of WA and Queensland north of the Tropic of Capricorn, and including Gladstone, Carnarvon and Exmouth.

The criteria for the Fund will be developed by the Shadow Minister for Tourism and the Shadow Minister for Northern Australia through a series of consultation rounds over the second half of 2017. These will occur in all the key regional centres across Northern Australia, and ensure that the program guidelines are fit for purpose, will target investment in the areas with potential and need, and will boost jobs.

Funding will be allocated through a competitive process on the basis of this criteria.

Funding for this announcement would be offset from the $5.0 billion Northern Australia Infrastructure Facility that is already included in the Budget, and therefore have a nil budget impact. All funding will remain dedicated to Northern Australia.

Labor’s record

Labor has a strong record in investing in tourism, investing in our people and infrastructure to boost this vital sector, including:

- The former Labor Government provided matched capital investment in tourism through the T-QUAL program and the Tourism Industry Regional Fund (TIRF).
- T-QUAL provided 283 grants to projects between 2011 to 2013, grants worth $15,000 to $100,000 for smaller-scale projects to support tourism development.
• Strategic Tourism Investment Grants provided funding for eight projects supporting Indigenous tourism development as well as China market readiness projects.

• Round One of the TIRF provided grants of between $50,000 and $250,000 for 84 projects in March 2013. The Coalition cancelled Round Two.

• Previous Labor Governments have had a strong record of investment in tourism projects in the north, including Karratha Leisure Centre, Townsville V8 Supercar Event Precinct, Mackay Stadium and City Centre, Magnetic Island Walkway in Townsville and several tourist centre, village and waterfront revitalisations in northern Australia.

Abbott/Turnbull’s Record

The tourism sector has been abandoned by the Coalition Government. Under Tony Abbott they slashed investment, including data and research funding, cut regional tourism infrastructure grants and cancelled Australia’s membership of the United Nations World Tourism Organisation.

Worse still, for two out of its first three years there was no Minister for Tourism, which meant no one to represent the sector around the Cabinet table or at key international events.

Malcolm Turnbull has also left tourism in the dark, failing to release a policy at the last election and treating the sector as a cash cow. Under his watch, the Coalition Government has introduced an unproductive backpacker tax and increased the Passenger Movement Charge, breaking an election commitment.

In addition, in this year’s Budget Malcolm Turnbull increased visa application charges and cut $35 million in funding from Tourism Australia across the forwards, despite the fact that every dollar invested in international tourism marketing returns $16.

Financial Implications

This policy has no budget impact, with the costs fully offset from the Northern Australia Infrastructure Fund.