Tourism Industry Supports Free Trade Agreement and Local Jobs

A united group representing tourism businesses across Australia have today condemned union campaigning against the China Australia Free Trade Agreement (ChAFTA), saying it threatens the future success our promising export industry.

Australia’s leading tourism and travel associations including the Australian Tourism Export Council (ATEC), the Tourism & Transport Forum (TTF), the Accommodation Association of Australia (AAoA), the Business Events Council of Australia (BECa), the Australian Federation of Travel Agents (AFTA) and Restaurant and Catering Australia (R&CA) have warned union campaigning risks severe damage to the future of our $32.5 billion tourism export industry.

Australia’s tourism industry has grown to become one of our strongest exports, with China now our highest spending visitor market," ATEC Managing Director, Peter Shelley said today.

“We are seeing double digit growth from the Chinese market with visitor spend up 25% in the past 12 months to reach $6.4 billion and an expected doubling of Chinese visitors in the next 5 years.

“This is the market which kept Australian tourism strong throughout the GFC and is a cornerstone to our future success.

“Our industry is very concerned about the short sighted focus of the union’s campaign which fails to recognise the importance of the ChAFTA to a broad range of export industries and the flow on benefits it will bring to the broader economy including jobs throughout the country.”

TTF Chief Executive Officer Margy Osmond said agreements like ChAFTA were key to maintain Australia’s global competitiveness.

“International competition for the China market is fierce, with countries like the United States leading the charge in enabling greater access for Chinese visitors,” she said. “We must remain competitive internationally. With Chinese international travel expected to grow by more than 5 per cent over the next 10 years, reaching nearly 97 million by 2023, we can’t afford to be left behind.”

Richard Munro, CEO of Accommodation Association of Australia (AAoA) said tourism was the key to Australia’s future export success, with employment in the sector growing at 2%, and an economic multiplier of 87 cents for every dollar earned.

“China is one of the fastest growing and most important markets for the accommodation industry which
Tourism Industry Supports

is why our industry supports the swift finalisation of the ChAFTA,” Mr Munro said. “With many existing employment vacancies, the risk to local jobs in our industry in Australia is nil. The accommodation industry strongly supports Australia having a closer relationship with China.”

Chairman of the Business Events Council of Australia (BECA), Matthew Hingerty said expanded trade with China would have a flow-on to the meetings, events, convention, exhibitions and incentive industry.

“China is already a significant contributor to Australia’s business events sector, earning us $262 million in export income last year. What is often forgotten in these disputes is that expanded trade in agriculture, mining, health and other services, just to name a few, gives a flow-on bonus of highly lucrative business travel between the two trading partners.

“The business events sector supports thousands of small businesses, on top of the large convention and exhibition centres and providers, and to vote the Free Trade agreement with China down would be a significant blow.”

Jayson Westbury, CEO of the Australian Federation of Travel Agents (AFTA) said:

“The ChAFTA represents a once in a generation opportunity for Australian travel agencies to expand into the world’s fastest growing and second largest travel market in the world which is forecast to be worth $1.8 trillion in 2030.*

“Australian owned travel agencies could be in the unique position to independently establish local operations in China and therefore able to assist the Australian tourism industry to grow its share of the Chinese outbound market. We must maximise the opportunity that exists right now and not embracing the ChAFTA would be very short sighted.”

Restaurant and Catering Australia CEO, John Hart, endorsed the comments.

“Hospitality services is the largest employer in tourism and it’s the job creation potential of the ChAFTA that we are looking to protect’.

* Boston Consulting Group report ‘Capturing the Full Opportunity Behind China’s Explosion in Travel and Tourism

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