



Budget 2006-2007

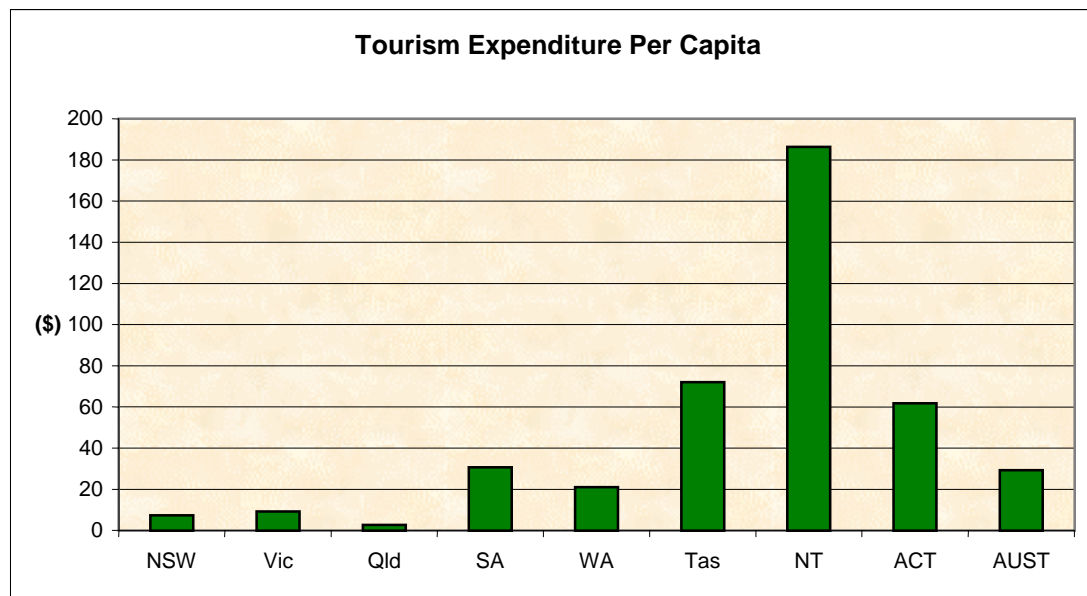
FACT SHEET #F16: TOURISM

What's in the Budget on tourism?

The 2006/07 Budget contains savings initiatives to be gained from changing tourism expenditure to better reflect our population and our capacity to support the current level of spending. The Australian Capital Tourism Corporation Board is to be disbanded effective 1 July 2006, with the Australian Capital Tourism Corporation to be integrated into the new Department of Territory and Municipal Services.

How does the ACT compare to other States and Territories?

In 2004, government expenditure per capita for tourism in the ACT was \$62. This was \$33 or 111% higher than the national average of \$29 per capita. The highest government expenditure per capita was in the Northern Territory at \$186 per capita, with the lowest at \$3 per capita in Queensland.



Why is the ACT Government making this change?

The Government values the role of tourism in boosting the economy, while also appreciating the need to ensure resources are well targeted and structures streamlined. Much of our current tourism expenditure duplicates efforts undertaken by the Commonwealth and practises mirror those undertaken by larger jurisdictions, despite the small size of the ACT and its limited budget.



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The National Capital Authority devotes significant effort and resources to developing strategies, projects and services that promote Canberra and raise awareness of its attractions both nationally and internationally. ACT tourism programs duplicate much of the effort undertaken by the NCA.

The current structure of Australian Capital Tourism is complex, resource intensive and not appropriate for a small city-state. The additional overheads in maintaining a corporation are evident in the costs of corporate services, which comprise more than 16% of tourism expenditure.

Future expenditure on tourism will focus more strongly on the many high quality local attractions, rather than replicating the efforts of the National Capital Authority in marketing national capital attractions.

What effect will this have on the ACT's bottom line?

Expenditure will be brought in line with national averages through reducing the overheads associated with maintaining a separate corporation, and through rationalising marketing services within the Department of Territory and Municipal Services. This will realise savings of \$3 million per annum rising to \$4 million by 2009-10.