



# MEDIA RELEASE

## SENATOR THE HON NICK SHERRY

Minister for Small Business  
Minister Assisting on Deregulation  
Minister Assisting on Tourism

---

---

10/205

### NEW REPORT DETAILS TOURISM INDUSTRY'S CHALLENGES

The Minister Assisting on Tourism, Senator Nick Sherry, today released the first ever *State of the Industry* report outlining how Australian tourism is currently performing, the challenges it will face and how the industry needs to respond.

Senator Sherry launched the publication developed by Tourism Research Australia at the Tourism Directions in Canberra today.

"It's important for Australia to reassess its current position in light of major shifts in the global tourism marketplace," Senator Sherry said.

"These are challenging times for our tourism industry, but, as the report shows, it can take encouragement from the resilience it has shown in recent tough times.

"In the face of the global recession, the total number of international visitors to Australia last year remained unchanged on 2008. This result was achieved despite global international tourism dropping by more than 4% in 2009.

"Australia's performance is even more impressive given many of our key markets, such as Europe, Japan and the United States, were hit hard by the global recession."

Latest statistics from the *State of the Industry* report show tourism:

- Contributes 2.6% (\$33 billion) to Australia's Gross Domestic Product (GDP)
- Directly employs almost half a million people or 4.5% of the labour force
- Represents Australia's largest services export industry (along with Education), representing 8% of Australia's exports
- Is vital to regional Australia, with 46 cents in every dollar of tourism expenditure being spent in regional Australia

"Current competition in tourism is fierce and it is only going to intensify, especially from Asia-Pacific countries with lower cost structures, allowing them to compete harder on price," Senator Sherry said.

"To thrive in the coming years, our tourism industry will need to position itself to capture a higher value consumer and focus its strategies on attracting quality as well as quantity.

"With global economies showing signs of recovery, there are exciting opportunities presented by the expected growth in international travel, particularly in Asia."

“The rise of the middle-classes in the nearby markets of China and India present unprecedented opportunities and with the baby boomers in developed nations reaching retirement age, we will have an influx of new consumers entering the global marketplace.”

The *State of the Industry* report emphasised the need to lift productivity throughout the tourism industry to ensure Australian tourism is better prepared to compete globally.

“Our investments in lifting productivity, including through the National Long-Term Tourism Strategy work plan and through TQUAL, will position our tourism businesses to attract the necessary skills and investment to ensure our industry is ready to seize these opportunities and reach its potential,” Senator Sherry said.

The *State of the Industry* report is available at [www.ret.gov.au/tra](http://www.ret.gov.au/tra)

CANBERRA

15 November 2010

**Media contact:** Joe Scavo – 0413 800 757