



# MEDIA RELEASE

## SENATOR THE HON NICK SHERRY

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

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### TOURISM REPORT SHOWS NEED FOR PRODUCTIVITY BOOST

A new report, *Tourism Productivity in Australia*, released by the Australian Government today shows significant investment is needed to boost productivity in the tourism industry.

Gross domestic product (GDP) statistics released last week showed tourism outperformed the economy as a whole in the past year, but today's report reveals the productivity of the industry has lagged behind the economy-wide average over the long-term.

The report prepared by Tourism Research Australia uses the benchmark measure, multifactor productivity, to show tourism has grown by 0.2 per cent per year against the Australian economy's 0.4 per cent per year for the 12 years to 2008-09

Minister Assisting on Tourism, Senator Nick Sherry, said the Australian Government has put the spotlight on lifting productivity and capital investment in the industry through its microeconomic reform agenda and the National Long-Term Tourism Strategy.

"The report's findings send a strong message the industry needs to invest in capital and a skilled labour force to deliver all-important efficiencies," Senator Sherry said.

"Productivity gains and capital investment will be essential to renew Australia's many attractions, hotels and convention centres – and we look to the private sector on this count.

"The Australian Government has been instrumental in setting a clear agenda for higher productivity through the National Long-Term Tourism Strategy work program."

As part of the strategy, State and Territory tourism ministers are working with the Commonwealth to boost labour market participation, encourage investment and ensure the industry has access to transport infrastructure to raise the sector's productive capacity.

Senator Sherry said the Australian Government's broader reform push would reduce the administrative and tax burden on Australian business, freeing up funds for capital investment.

"The Government's Seamless National Economy reforms continue to address inconsistent and unnecessary regulation across 27 areas of business regulation," Senator Sherry said.

"On tax, we will provide direct assistance to the small business operators who make up 93 per cent of the tourism industry, through immediate asset write-off of up to \$5,000, as well as lowering the company tax rate, from 30 to 29 per cent.

“Any funds we can help free up for capital investment will help Australian tourism’s long-term competitive position,” Senator Sherry said.

“Tourism is showing encouraging signs of recovery after the pain of the global financial crisis and it remains Australia’s leading services export earner.

“However, this report shows there’s a lot of catching up to do in terms of investment and productivity gains to ensure the industry prospers into the future against intense and growing international competition.”

*Tourism Productivity in Australia* report can be downloaded at [www.ret.gov.au/tra](http://www.ret.gov.au/tra)

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**Media contact: Courtney Miller** 0458 088 227