



OFFICIAL

Indigenous Tourism Fund: Discussion Paper

Context

On 24 April 2019, the Government announced \$40 million over four years for an Indigenous Tourism Fund (ITF) to support Indigenous tourism businesses start-up or expand. The full details of the election commitment are at *Appendix A*.

As part of the announcement, the Government committed to extensive consultation with Indigenous stakeholders before finalising details of the ITF. This will ensure the final design of the ITF program is appropriate, useful and best meets the needs of the sector so that it can strengthen and grow.

This discussion paper is a central element of the consultation process and designing the ITF. It sets out considerations and options in designing the ITF to support new and emerging Indigenous tourism businesses. The National Indigenous Australians Agency (NIAA) seeks your organisation's, business' or personal comments and feedback on options for the scope, delivery and funding eligibility of the ITF.

The NIAA has consulted with key stakeholders, including Indigenous tourism organisations, peak tourism bodies, Commonwealth Government agencies and state and territory tourism bodies, to inform this discussion paper. The full list of stakeholders the National Indigenous Australians Agency (NIAA) consulted with to inform this discussion paper is at *Appendix B*.

The NIAA will consider the outcomes of the consultation process, including feedback on the discussion paper before the Minister for Indigenous Australians makes a final decision on the details of the delivery of the ITF.

Tourism's contribution to the Australian economy

The tourism sector is one of the largest sectors and employers in the Australian economy. In 2017-18, tourism contributed \$57.3 billion in GDP to the Australian economy (3.1% of the national total), provided employment for 646,000 people (5.2% of the Australian workforce or 1 in 19 Australian workers) and generated exports of \$37.4 billion from international visitors¹.

¹ *Tourism Satellite Account 2017-18*, Tourism Research Australia (Austrade)

OFFICIAL

Australia's tourism sector is growing faster than the rest of the economy and the number of international tourists visiting Australia continues to grow. In real terms, GDP from tourism increased by 5% compared with 2.8% for the Australian economy as a whole in 2017-18². In 2018-19, there were 9.3 million short-term visitor arrivals in Australia from overseas, the highest year on record³. We want to make sure that the Indigenous tourism sector can capture its share of that growth and benefit from the subsequent economic development opportunities at national and local levels.

Tourism is particularly important in Australia's regional areas and one of the Government's objectives with the ITF is to support Indigenous tourism businesses in regional and remote areas. Tourism Research Australia reports that 43% of the nation's tourism expenditure occurs in regional Australia and regional tourism directly employs 286,300 people in tourism related industries⁴. We welcome feedback on the challenges and opportunities of Indigenous tourism in remote and regional areas and how the ITF could be designed and delivered in a way which best enables Indigenous tourism businesses to capture this share of the tourism spend.

The Indigenous Tourism Sector

Australia's Indigenous culture, country, art and history are points of differentiation in today's competitive international tourism market, and are equally attractive to our domestic audience. International tourists are more likely to engage with an Indigenous tourism experience and data shows that high-value travelers are particularly interested in having an authentic Indigenous experience while in Australia. Initiatives such as Tourism Australia's Discover Aboriginal Experiences, part of the Signature Experiences of Australia, are designed to meet this demand from international visitors to have an authentic, Indigenous cultural experience during their visit to Australia.

The Indigenous tourism sector is a relatively small component of the Australian tourism industry (we estimate approximately 500 businesses nationwide), but it also provides an important source of employment and economic opportunity, particularly in regional and remote Australia with employment in non-Indigenous businesses, including large tourism chains. Employment in the Indigenous tourism sector provides the opportunity for Aboriginal and Torres Strait Islander Australians to stay on country and earn an income by maintaining and sharing their culture and traditions. Indigenous tourism can provide an important source of income particularly in regional and remote locations, where other job opportunities are limited. Consequently, some traditional owner groups are interested in identifying opportunities for development of Indigenous tourism to drive economic development in communities. We welcome feedback on how the ITF can be designed and delivered to help communities realise the economic opportunities from Indigenous tourism.

² *Tourism Satellite Account 2017-18*, Tourism Research Australia (Austrade)

³ 'International travel – short-term visitor arrivals to Australia – 2018-19', Australian Bureau of Statistics

⁴ 'Economic benefits – Economic importance of tourism in regional areas', Australian Regional Tourism website

There is a growing number of International tourists taking part in Indigenous tourism activities during their trip to Australia but data suggests the number of tourists *wanting to* participate in an Indigenous activity or experience outweighs the number of tourists participating in one. The number of international tourists taking part in an Indigenous tourism activity has increased by over 40 per cent since 2013⁵. The number of Indigenous tourism visitors has grown by an average of 9 per cent per year since 2013⁶. In 2013, 679,000 visitors participated in an Indigenous tourism activity; by 2018, this had grown to 963,000⁷. Asian tourists are driving growth in the segment's popularity and expenditure by Indigenous tourism visitors is also on the rise, up by 8 per cent per year, on average, since 2013⁸. The latest data from Tourism Research Australia shows that more and more people are choosing Indigenous tourism activities. However, visitor participation in Indigenous tourism is relatively low.⁹ In our consultation to date, tourism operators have told us about the challenges of getting a tourism business to 'export ready' level. We welcome feedback from tourism operators who are export ready, or are working towards being export ready, on how the ITF can be designed and delivered to support Indigenous tourism businesses.

Challenges

The growth of Australia's tourism market (domestic and international) and the unmet demand for Indigenous tourism experiences presents an opportunity for the Indigenous tourism sector. Feedback from initial stakeholder consultation has shown tourism bodies are often looking for 'product', but there is a lack of supply and experiences. In initial stakeholder engagement, the following have been identified as some of the key barriers to Indigenous tourism businesses getting started or growing: lack of specialised business experience, lack of infrastructure, complex or lengthy application process for grants, difficulty of operating in a seasonal environment and difficulty finding trained staff.

⁵ 'Indigenous Tourism Surge', *Business Envoy (January 2019)*, Department of Foreign Affairs and Trade

⁶ 'Indigenous Tourism Surge', *Business Envoy (January 2019)*, Department of Foreign Affairs and Trade

⁷ 'Indigenous Tourism Surge', *Business Envoy (January 2019)*, Department of Foreign Affairs and Trade

⁸ 'Indigenous Tourism Surge', *Business Envoy (January 2019)*, Department of Foreign Affairs and Trade

⁹ 'Tourism on Aboriginal Land', <https://www.creativespirits.info/aboriginalculture/land/tourism-on-aboriginal-land>

Questions for consideration

The Government wants to ensure the ITF is designed in a way to ensure it meets the needs of the Indigenous tourism sector. The Indigenous Tourism Fund cannot address all of the challenges facing the sector, but can provide some supplementary funding to support new and emerging Indigenous tourism businesses and possibly for established businesses. We also welcome feedback and suggestions on how ITF funding could be leveraged for increased impact on the sector. This may include partnerships with state or territory governments and/or with the private sector.

The NIAA welcomes your views and feedback on the following questions about what the ITF should look like and deliver. Your feedback will help us to refine the options to the Minister for the scope, delivery and funding model of the ITF. In your response, we also encourage you to provide information on your business such as your role in tourism, size of your business (including number of staff), location, length of time in business and whether you are a member in any groups (such as state tourism bodies or chambers of commerce). This information will help us better understand the needs of different types of businesses.

Scope

The ITF is intended to encourage the development of new and expanding Indigenous owned and operated tourism enterprises and the Government announced the fund will help businesses purchase capital assets like a vehicle, boat or accommodation facility that are often a barrier for new Indigenous entrepreneurs. The Government also announced that the ITF will support tourism planning work with Indigenous communities and entrepreneurs interested in pursuing tourism opportunities. We welcome your views on what you see are the key barriers to starting or growing your Indigenous tourism business. This may include:

- Funding: Is funding support required for operational or for capital purchases? Is it difficult accessing finance or are you unsure where to start?
- Technical support: Are you looking to access advice on business generally or industry-specific? What support do you currently access?
- Networks/connections: Which networks or connections would help to grow your business (e.g. wholesalers/retailers/industry bodies)? Who do you currently sell or market through?

To help us shape the design of the ITF, we seek your views on what types of activity or items the ITF should fund and what the ITF should not fund.

- Should all ITF funding (totalling \$40 million) be available for capital grants for items such as vehicles, boats or accommodation? Should some funding be set aside for other forms of support for Indigenous tourism businesses, for example seed funding or business capability support?
- Are there other capital items which should be eligible for grant funding under the ITF?
- What type of tourism planning work should the ITF fund? For example, feasibility studies or regional strategies.

Initial stakeholder consultation has indicated there is a gap for business support and capability building for Indigenous tourism businesses. This includes business planning, capability development and mentoring both for start-up businesses and those looking to expand. We welcome your feedback on whether this is something the ITF should fund and how it could be delivered to best support the sector, and complement existing support programs.

- If the ITF is also used to fund business capability support, what should this cover to be useful to Indigenous tourism businesses?
- Are there activities which shouldn't be included as part of business support? For example, funding for marketing and promotion or participation in trade fairs (domestically and internationally).

The Government's announcement of the ITF indicated it will prioritise start-ups and new ventures in regional and remote areas. In initial stakeholder consultation, we have heard about the unique challenges of operating an Indigenous tourism business in a regional and remote areas (including seasonality, finding the right staff and internet connectivity). We have also heard about the growing number of Indigenous tourism businesses in urban areas and how there is a strong demand for Indigenous tourism experiences in urban areas for international tourists.

- Should the ITF focus on Indigenous tourism businesses in regional and remote or all Indigenous tourism businesses irrespective of location (i.e. including those in urban areas)?
- How can the ITF be delivered to best target Indigenous tourism businesses in regional and remote areas?

Delivery

The NIAA is also seeking ideas and feedback on options for the delivery of the ITF. The funding available under the ITF can be delivered by the Commonwealth Government (through the NIAA), for example through competitive grants. We also welcome your views on other options for the delivery of the ITF, including partnering with tourism peak bodies, state and territory governments or other bodies to channel funding to Indigenous tourism businesses. One advantage of this partnering approach is that Indigenous tourism peak bodies and state governments may have a better understanding of the pipeline of tourism businesses in the region and how best to direct or prioritise funding to maximise outcomes.

- What are your views on the Commonwealth delivering funding in partnership with tourism peak bodies, state governments or other organisations?
- Should a delivery partner be Indigenous?



Funding

The ITF is a funding commitment of \$40 million (\$10 million per year over four years) and one element of the NIAA's consultation is to seek feedback on how this funding should be distributed and leveraged to maximise benefits for the Indigenous tourism sector. The first issue is the size of grants and whether grants should be capped – while there may be demand for grants for large tourism infrastructure projects, this will limit the number of grants that can be delivered. We also seek your feedback on whether there should be a co-contribution, for example from businesses receiving the grant or from a jurisdiction or delivery partner.

- If grants are capped, what do you think the limit should be? Should there be limits for different categories, for example vehicles, accommodation and planning?
- Should there be a co-contribution? If so, should it be matched or partial? Should this be different for start-up versus established businesses?
- Should there be funding rounds? If so, how many per year?

Definitions

Indigenous businesses: includes any organisations that is at least 50% Indigenous owned, including not-for-profit organisations.

Tourism sector: includes accommodation, adventure tourism and recreations; events and conference; food and beverages; tourism services and enabling infrastructure.

How to provide feedback

Privacy Notice

The National Indigenous Australians Agency (NIAA) is collecting the personal information in this consultation process for the purpose of informing the design of the Indigenous Tourism Fund.

For the same purpose, we may provide this information to relevant Ministers and government agencies.

Your participation in the consultation responding to the discussion paper is voluntary. If you choose not to provide us with the requested information we may be unable to contact you about the consultation, however we will still consider your comments.

We will not provide any of the information collected from you to anybody else outside the NIAA unless you have given consent for us to do this, or the law requires us to. Our Privacy Policy on our website describes when this might occur.

Our Privacy Policy explains how we store, handle and protect your personal information. It also explains how you can request to access or correct the personal information we hold about you, and who to contact if you have a privacy enquiry or complaint. You can also contact our Privacy Officer at privacy@pmc.gov.au if you would like a copy of the Privacy Policy.

The NIAA welcomes comments and feedback on this discussion paper. [You can provide your views through a short survey on the NIAA website](#) or by making a submission. While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses via email in a Word or RTF format. An additional PDF version may be submitted.

Please indicate if you do not wish to have comments or feedback attributed to you. If you would like all or part of your submission to remain confidential, please provide this information clearly marked in a separate attachment.

Closing date for submissions is **Friday 22 November 2019**

Email submissions to: tourism@niaa.gov.au

Postal address: Business and Economic Policy Branch, National Indigenous Australians Agency, Charles Perkins House, GPO Box 2191 CANBERRA ACT 2601

Enquiries: tourism@niaa.gov.au

New Fund to Turbo-Charge Indigenous Tourism

24 April 2019

The Morrison Government will turbo-charge Australia's Indigenous tourism sector with the establishment of a new \$40 million fund to encourage the development of new and expanding Indigenous owned and operated tourism enterprises.

Minister for Trade, Tourism and Investment Simon Birmingham said the Fund would build on the huge potential of Indigenous tourism across Australia and drive opportunities to grow Indigenous businesses and employ more Indigenous Australians.

"We want to support Indigenous Australians to take full advantage of the increasing demand for Indigenous tourism experiences," Minister Birmingham said.

"International visitors are increasingly looking for personalised, unique and authentic holiday experiences and nothing could be more unique than Australia's natural wonders and the oldest continuous living culture in the world.

"Over the last five years we've seen the number of international tourists participating in Indigenous experiences increase by more than 40 per cent and there is huge potential to grow this further.

"When tourists visit Kakadu, Uluru or the Kimberley, it should be local Indigenous people who are operating local tourism businesses and sharing Australia's rich Indigenous history and culture.

"That's why this fund will help new or expanding Indigenous businesses purchase capital assets like a vehicle, boat or accommodation facility that we know are often the barrier for new Indigenous entrepreneurs."

"As part of our \$50 million tourism icons program, we're also supporting local Indigenous communities by funding initiatives to preserve and showcase the rich local Indigenous history and culture at places such as Rottnest Island and Tasmania's Freycinet National Park.

Minister for Indigenous Affairs Nigel Scullion said the Coalition Government has overseen an exponential growth in the number of new Indigenous businesses and has been the best friend Indigenous businesses and entrepreneurs had ever had.

"Indigenous tourism operators now have even more reasons to be confident about their future with the establishment of this new dedicated fund today," Minister Scullion said.

"Over the last five years of our government, we've seen the number of international tourists participating in an Indigenous experience increase by more than 40 per cent, but we want to see that number grow even further.



"Higher visitor numbers have also driven higher spending, with expenditure up by 8 per cent each year on average since 2013, delivering more income, more jobs and more prosperity to Indigenous tourism businesses and to remote communities around the nation.

The \$40 million fund will seize on this potential in the Indigenous tourism sector and drive the growth of new or expanding Indigenous tourism enterprises.

A re-elected Morrison Government would allocate \$10 million a year of the Indigenous Advancement Strategy (IAS) to the Fund and will build on the success of the Indigenous Entrepreneurs Fund and complements Tourism Australia's Discover Aboriginal Experiences Program.

It's expected the Fund will prioritise start-ups and new ventures in regional and remote areas, but will also be available for established businesses. It will also support tourism planning work with Indigenous communities and entrepreneurs interested in pursuing tourism opportunities.

The delivery of the Fund will include extensive consultation with Indigenous stakeholders, including the Prime Minister's Indigenous Advisory Council.

Organisations consulted to date

ACT Chief Minister, Treasury and Economic Development Directorate

AusIndustry

Austrade

Australian Regional Tourism (ART)

Destination NSW

Indigenous Business Australia (IBA)

Indigenous Land and Sea Corporation (ILSC)

Northern Territory Aboriginal Advisory Council

NSW Aboriginal Tourism Operators Council (NATOC)

Queensland Department of Innovation

Queensland Tourism Industry Council (QTIC)

South Australian Tourism Commission

Tasmania Department of State Growth

Tourism Australia

Tourism and Events Queensland

Tourism Industry Development and the Commonwealth Games (QLD)

Tourism Tasmania

Tourism NT

Tourism WA

Victorian Department of Economic Development, Jobs, Transport and Resources

Visit Victoria

Western Australia Indigenous Tourism Operators Council (WAITOC)