



# China Approved Destination Status Advisory Panel (ADSAP) 23rd Meeting – 29 October 2024 - Communique

## ADSAP Restart

On 29 October 2024, Austrade held the 23rd ADSAP meeting in the margins of ATEC's Meeting Place. The ADSAP meeting was the first one held since the restart of the Approved Destination Status (ADS) scheme.

ADSAP brings together representatives from the Australian Government and the Australian tourism industry to provide advice to Austrade on the continued administration, operation and improvement of the ADS scheme.

## Austrade Update

### **ADS visitor numbers**

Australia was re-included on the list of countries for China's Approved Destination Status (ADS) scheme in August 2023. Applications for ADS visitor visas (subclass 600) (ADS stream) could be lodged from 25 September 2023. As of 30 September 2024, 35,460 ADS visas have been granted under the restarted ADS scheme

International Visitor Survey (IVS) data indicates in 2023-24 42,800 travellers from China reported being on a group tour and spent \$102 million. These figures remain lower than pre-COVID figures. In 2018-19, there were 304,900 travellers from China that reported being on a group tour with a spend of \$658 million in Australia.

### **Inbound Tour Operators**

As of 15 October 2024, 70 ADS Inbound Tourism Operators (ITOs) have been approved to participate in the ADS scheme. Fifty-five ITOs have been reactivated, and 15 new ITOs have been approved.

### **Tour Guides**

Tour Guides (TGs) have been included on the Jobs and Skills Australia latest Occupation Shortage List.

## **Budget**

The Australian Government, under the 2024-25 budget, committed to ongoing funding for the administration of the ADS Scheme. This funding will support the following activities:

- Updating the ADS code to improve outcomes and reduce compliance costs;
- Undertaking research and data analysis regarding Chinese group travel to better support policy and business decisions;
- Assessing the scope to improve the ADS scheme into the future; and
- Improving the supply and quality of tour guides.

## **ADS Survey Activity**

Austrade recently engaged a service provider to conduct sixty-nine online interviews to gather the perspectives of ITOs, TGs and industry associations. A total of 32 ADS-approved ITOs, 34 TGs servicing ADS tours, and three industry associations – Tour Guides Australia (TGA), Institute of Australian Tour Guides (IATG), and Australian Tourism Export Council (ATEC) participated in the study. The research identified a range of key insights for consideration by Austrade, regarding the contemporary Chinese visitor, ITOs and TGs.

## **Tourism Research Australia ADS research**

TRA is developing a research framework which will focus on 'Understanding the ADS traveller and experience'. The multi-stage research plan aims to better understand this key market, providing insightful and actionable research for Government and industry. The key objective of this research plan is to understand the preferences, experience and decision-making journey of China ADS travellers and improve ITO education programs focused on Australian tourism offerings.

ADSAP members encouraged a modern traveller focus and customer-centric approach to this research.

## **TRA China Profile**

In 2019 China was Australia's largest inbound market for spend and arrivals, with 1.4 million visitors. This was the first time China had surpassed New Zealand for arrivals. However, following the COVID-19 pandemic, China's recovery has been slower than other markets globally, due to the China border reopening later, in early 2023, but it is now rebounding solidly.

In FY 2023-24 (the latest data available) there were 800,400 visitor arrivals to Australia from China, up 231 per cent compared to 2022-23 (241,700 visitors), but down 44 per cent compared to pre-pandemic levels (1.4 million visitors in 2018-19).

Despite this slower recovery rate, China is the second largest international market for visitor arrivals to Australia. Tourism Research Australia's tourism forecasts predict visitor arrivals from China to fully

recover by 2025 and for China to once again be Australia's biggest inbound arrivals market a year later in 2026.

In FY 2023-24, 39% of visitors from China were here for a holiday, 26% for VFR, 22% for Education. The remaining 13% were a mix of business, employment and other purposes. Aviation capacity for China remains below pre-pandemic levels, at 79% for FY 2023-24.

## Tourism Australia Update

Tourism Australia's (TA) business functions include marketing, distribution and partnerships, business events, corporate services and Hong Kong SAR & Taiwan. TA's China office network spans across Shanghai, Beijing, Hong Kong, Guangzhou, and Chengdu.

TA's financial year 2025 plan aim is to have a sustainable recovery to and beyond FY19 KPI visitation level, aiming for visitation of 1.399 million. Aviation is the backbone enabling this goal.

## Department of Home Affairs Update

The Department of Home Affairs (DHA) provided an overview of the five visas available to Chinese nationals and noted the standard refusal rate for the 600 visas (601, 651 and 600) is 17%. The ADS visa subclass 600 refusal rate has consistently been hovering at 0.62%. ADS is seen as a very low risk product. Half of ADS visas are processed in less than one day while other visa streams have processing times of several days.

## Attendees

- Austrade
- Australian Tourism Export Council
- Tourism Australia
- Department of Home Affairs
- Tour Guides Australia
- Destination NSW
- NSW Tourism Association
- Visit Victoria
- Tourism and Events Queensland
- Australia China Business Council
- PTC Express Travel
- Grandview Travel Pty Ltd
- Aus Highway Travel Services Pty Ltd

## Apologies

- Ocean Blue Travel