



Discussion paper – Reimagining Australia’s Approved Destination Status (ADS) Scheme

Introduction

The Australian Trade and Investment Commission (Austrade) recognises the importance of engaging with industry, governments and broader community stakeholders to shape the future of the Approved Destination Status (ADS) scheme. The purpose of this consultation process is to:

- understand industry’s objectives for the ADS scheme,
- identify opportunities for the ADS scheme, and
- improve the operation of the ADS scheme.

To guide feedback, this discussion paper provides an overview of the context in which the scheme operates and some of the key issues identified with regards to the scheme.

Have your say

Your feedback will inform the future direction of the ADS scheme. Feedback can be provided by:

- written feedback via a short survey; or
- participation in online consultations.

To provide written feedback on the ADS scheme, use the [Written Feedback Form](#) or email ADSconsultation@austrade.gov.au. Feedback may be written in either English or Chinese. When providing your feedback, you are invited to address the questions outlined throughout this discussion paper. You may choose to respond to all the consultation questions or only those of particular interest to you. There is no requirement to address every question. The written feedback period closes at **5pm AEDT on 27 March 2026**. Feedback received after the deadline may not be considered.

Alternatively, you may provide feedback on the ADS scheme via participation in online consultations. Please email ADSconsultation@austrade.gov.au by **5pm AEDT on 1 March 2026** if you would like to be part of a consultation session.

Please be aware that some written feedback may be quoted in future reports or used to inform the findings of such reports. By providing written feedback, you are consenting to the publication of your views unless you advise us you wish for your feedback to be treated as in confidence. If you have any questions about this consultation process, please email ADSconsultation@austrade.gov.au.

ADS Scheme Overview

The Approved Destination Status scheme (hereby ADS or the scheme) is a bilateral tourism arrangement between China and certain governments that enables Chinese group travel to those countries under specific visa and tour conditions. Australia was first approved for the scheme in 1999 and was one of the first western countries (along with New Zealand) to be granted approved destination status.

Under current administrative arrangements, Austrade manages the ADS scheme in Australia with support from the Department of Home Affairs (Home Affairs) and Tourism Australia (TA).

- Austrade's role is to undertake assessment and approval of Inbound Tour Operators (ITOs) and Tour Guides (TGs) operating in the ADS scheme in Australia and monitor compliance with the ADS Code of Business Standards and Ethics.
- Home Affairs manages the immigration requirements of the scheme and is responsible for approval and onboarding of Outbound Tour Operators (OTOs), including the legal framework that enables them to participate in the scheme. Home Affairs also manages the sanctions regime for OTOs.
- TA is responsible for marketing Australia to Chinese consumers and provides suggestions to Home Affairs on recruitment of ADS OTOs. TA works with preferred OTOs granted access to the ADS visa scheme to sell high quality tour packages to Australia, including provision of training opportunities.

The ADS scheme is supported under the Australia-China Memorandum of Understanding on Tourism Cooperation (the MoU), reflecting the close cooperation between governments in promoting sustainable tourism and enhancing people-to-people connections.

Australia and China first signed a tourism MoU in 2006 which primarily focused on the ADS scheme and its administrative arrangements. The bilateral MoUs from 2011 onwards brought in a broader tourism cooperation focus, reflective of the growing demand and diversification of Chinese outbound travel. The current MoU was signed as part of Prime Minister Albanese's visit to China in July 2025. It reaffirms the importance of the ADS scheme as a strategically important platform for engagement with China and for shaping Australia's tourism export in a key market.

Part 1: Objectives of, and opportunities for, the ADS scheme

At its core, the ADS scheme has been designed to facilitate safe and high-quality group leisure travel from China to Australia. Only approved tour operators in both countries can organise and manage these tours, adhering to a clear set of rules that seek to protect both countries' tourism industry through consumer protection and ethical practices. To maintain Australia's immigration and border integrity, ADS travellers must follow prescribed tour arrangements although some flexibility is allowed in the itinerary.

Many first-time Chinese visitors to Australia come on a group tour. Ensuring Chinese travellers have a positive experience while in Australia is demonstrated to lead to repeat visitation, building a pipeline of future independent travellers. A positive experience for Chinese visitors whilst in Australia also leads to broader economic activity and engagement such as education, trade, investment and

migration.¹ To this end, providing high-quality experiences under the ADS scheme has been a joint commitment by both Australia and China in successive MoUs.

China visitor market outlook

In the preceding 12 months to September 2025, China was Australia’s second largest inbound visitor market with just under one million trips to Australia. Total spend in Australia by Chinese visitors was \$9.3 billion in the calendar year to September 2025, representing almost one third of all short-term international visitor spend in Australia during that period.

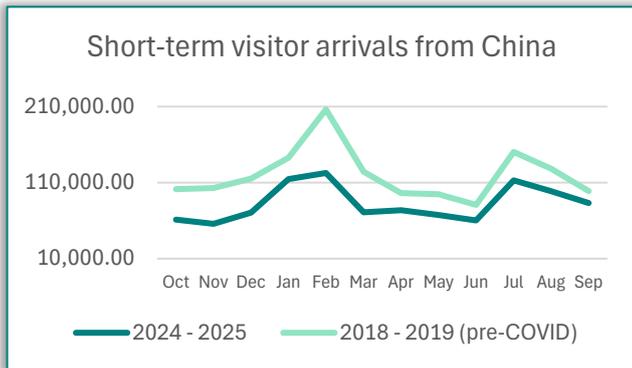


Figure 1 – Australian Bureau of Statistics, Overseas Arrivals and Departures Australia [website], <https://www.abs.gov.au/statistics/industry/tourism-and-transport/overseas-arrivals-and-departures-australia/latest-release>, (accessed October 2025).

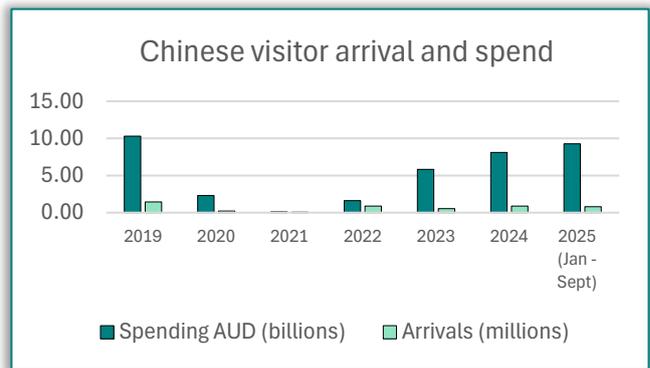


Figure 2 – Tourism Research Australia, International Visitor Survey Australia

Tourism forecasts for Australia (2025 to 2030) suggest that arrivals from China will outpace growth from other markets over the coming years. The forecasts point to growth in visitor arrivals from China by 42 percent over the next 5 years to reach 1.5 million in 2030.² From July 2024 to July 2025, Chinese visitation increased 19 percent³. Growth has been driven by several factors including China’s growing middle class with increased disposable income; increased aviation capacity; and Australia’s popularity as a medium to long-haul destination for special interest and small group travel. Repeat visitors are now making up a large portion of the inbound Chinese tourism market.

However, the same factors driving Chinese visitation are also leading to a steady decline of the ADS share of visitor visa grant since 2012. In 2012, the ADS visa made up 44.20 percent

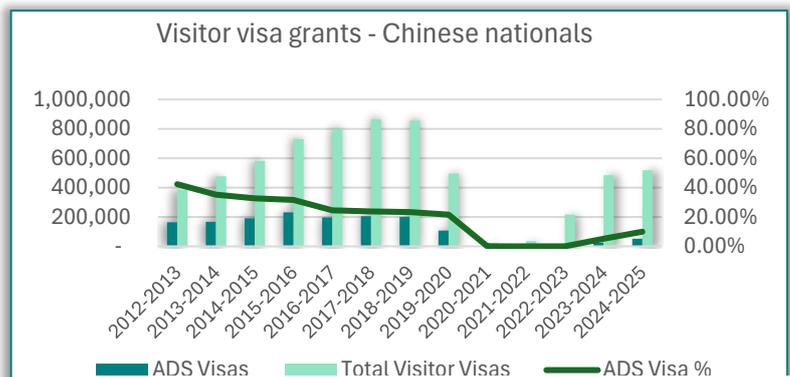


Figure 3 – Department of Home Affairs, BP0018 Visitor Visas Granted Pivot Table [website], <https://www.homeaffairs.gov.au/research-and-statistics/statistics/visa-statistics/visit>, accessed 24 October 2025

¹ L.E.K, *The China Tourism Economy: Reaching Australia’s Potential* [web document] (2017) [L.E.K.ChinaTourism2017_FINAL.pdf](#), pages 4-6, accessed October 2025

² Tourism Research Australia, *Tourism Forecasts for Australia*, <https://www.tra.gov.au/en/economic-analysis/tourism-forecasts>, accessed January 2026

³ Tourism Research Australia, *Market profiles: Asia, Australia* [website], <https://www.tra.gov.au/en/international/market-profiles/market-profiles-asiarelease>, accessed 16 October 2025.

of all Chinese visitor arrivals in Australia. In 2019 before the COVID-19 pandemic, that share had dropped to 21.6 percent. The share of ADS visa has been slowly recovering after the scheme's restart in late 2023 though it is still significantly below 2019 levels. As of 30 June 2025, the ADS share of overall visitor visa grant was 9.98 percent.

Evolving market demand

Research on Chinese outbound travellers shows diverse motivations and travel styles, ranging from fully organised group tours to independent or hybrid customised itineraries⁴. Post-pandemic, travellers are prioritising flexibility, higher-quality experiences, as well as digital tools for planning and navigation⁵. There is also an increasing shift towards personalisation and deeper engagement with destinations⁶. While group travel remains valued for its safety and convenience (particularly among first-time travellers), demand is growing for smaller, experience-rich and flexible travel modes.⁷

The 2025/26 China Travel Trends Report also highlighted strong traveller interest in a wider variety of experiences, including eco-travel (61 percent), gourmet tours (38 percent), city sightseeing and walking tours (60 percent), and cultural study tours (23 percent)⁸. Trip.com reported ticket sales spread across 120 more cities and 1,000 additional attractions in 2024 compared to 2019⁹. These developments point to a transition towards more authentic, diversified, and in-depth travel, with providers responding by expanding their offerings and embracing technology to meet demand.

The growth in special interest travel is reflected in recent research conducted by Tourism Research Australia. For example, in 2024, engagement with agritourism¹⁰ in Australia grew in trips, nights and spend, demonstrating the sector's strong contribution to visitor economy growth¹¹. China was the second largest market for agritourism, with over \$500 million in expenditure and 143, 444 visits.¹²

Top 5 markets of origin for agritourism	Visitors (000)	Expenditure (\$M)
United Kingdom	168,033	\$739
China	143,444	\$506
United States of America	138,078	\$512
New Zealand	122,552	\$290
Korea	116,116	\$491

Figure 4 – Tourism Research Australia, *Agritourism in Australia report 2025*, <https://www.tra.gov.au/en/economic-analysis/agritourism-report>, (accessed 24 October 2025).

⁴ Z. Wu, Motivations of Chinese Outbound travelers; FIT, Group and Customised travelers, *International Marketing Journal of Culture and Tourism*, vol. 1, no. 1, 2022, p. 14-15

⁵ CKGSB Knowledge, *Chinese International Travel: Post-pandemic recovery and preference changes*, <https://english.ckgsb.edu.cn/knowledge/article/china-international-travel-independent-tours-rise>, accessed October 2025

⁶ ITB China, 'ITB China Travel Trends Report 2025/2026', *ITB China (August 2025)*, pg. 7, <https://www.itb-china.com/itb-china-travel-trends-report-2025-26/>, accessed October 2025

⁷ Hardcastle, 'How to Design a Memorable Visitor Experience Strategy', *Arrival* [website], 8 July 2024, <https://arival.travel/article/how-to-create-memorable-tourism-experiences/>, accessed October 2025

⁸ ITB China Travel, *ITB China Travel Trends Report 2025/26 (2025)*, ITB China, Place, page 6, <https://www.itb-china.com/itb-china-travel-trends-report-2025-26/>, accessed October 2025

⁹ Ibid

¹⁰The following agritourism-related activities asked in the NVS and IVS are combined to provide insights about agritourism in Australia: farm visits, visits to farm gates, visits to wineries, breweries, or distilleries, Aboriginal food experiences and visits to food markets.

¹¹ Tourism Research Australia, *Agritourism in Australia*, <https://www.tra.gov.au/en/economic-analysis/agritourism-report>, accessed October 2025

¹² Ibid

Agritourism is also aiding in regional dispersal efforts, with 3 in 4 trips taken for this purpose being conducted in regional Australia.¹³

There has also been an increase in sport-centric travel, such as cycling, hiking, marathon and competition travel. Over the next decade, Australia will host some of the world’s largest sporting events culminating in the Brisbane 2032 Olympic and Paralympic Games, which are reported to represent a \$24 billion dollar tourism opportunity.¹⁴

Top 5 markets of origin for cycling tourism	Visitors (000)	Expenditure (\$M)
United Kingdom	44,300	\$274
New Zealand	38,200	\$107
China	37,000	\$876
India	22,700	\$243
United States of America	20,900	\$93

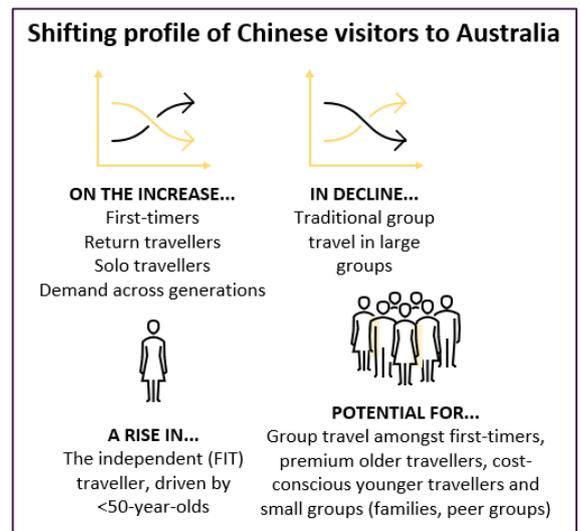
Figure 5 – Tourism Research Australia, *Cycling Tourism in Australia*, <https://www.tra.gov.au/en/economic-analysis/cycling-tourism>, (accessed 24 October 2025).

In 2024, \$6 billion dollars was spent on cycling tourism in Australia, with 4.6 million trips undertaken. Profiling of travellers on trips involving a cycling activity reveals a strong propensity to engage in multiple experiences, from eating out and bushwalking to sightseeing and shopping, further amplifying their economic impact.¹⁵

Generational differences of Chinese travellers

There are core differences in travel needs, preferences and behaviours across different generations of Chinese travellers. Gen Z travellers favour independent, budget-conscious, and authentic experiences shaped by social media. Millennials and middle-aged travellers prioritise quality and family-oriented trips through customised group tours. While older travellers (55+) are driving growth in high-end, small-group travel focused on comfort, safety, and cultural depth, as seen in platforms like Ctrip’s *Old Friends Hub*.¹⁶ Modern day Chinese group travel

Group travel is undergoing significant evolution, reflecting the increasing demand for personalisation and flexibility among Chinese travellers. A Fiftyfive5 research¹⁷ has identified four sub-categories of contemporary group travel:



¹³ Tourism Research Australia, *Agritourism in Australia*, <https://www.tra.gov.au/en/economic-analysis/agritourism-report>, accessed 15 October 2025

¹⁴ Deloitte Access Economics, *Going for gold: The economic opportunity for the taking* (Deloitte, July 2025), p. 17, <https://www.deloitte.com/au/en/services/economics/analysis/going-for-gold.html>, accessed 5 November 2025

¹⁵ Tourism Research Australia, *Cycle Tourism in Australia* [website], <https://www.tra.gov.au/en/economic-analysis/cycling-tourism>, accessed 30 October 2025

¹⁶ M. Densten, Fiftyfive5 (June 2025), *Chinese travel and the Approved Destination Status (ADS) Scheme research project*, page 29, accessed October 2025

¹⁷ Ibid

Traditional group travel: The target audience is people living in tier 2 and lower tier cities and those travelling outside China for the first-time or to a new destination for the first time. It is a growing cohort due to improved living standards and household incomes. However, there is still a focus on cost-effectiveness.

Premium group travel: The target audience is older outbound travellers living in tier 1 and tier 2 cities, who are usually more experienced or returning travellers. Groups will be smaller and are looking for a mix of new destinations, alongside new cultural, shopping or luxury travel experiences in destinations they have visited before.

Budget group travel: This sub-category is for younger Chinese travellers who see an advantage in tour groups as a low-cost travel option. These budget travellers take advantage of the low-cost tour prices. They prefer accommodation, transportation and activities be organised for them and do not want to worry about extra costs.

Small customised group travel: Private, customised groups are increasing in popularity, especially amongst middle-aged, middle-class Chinese outbound travellers. These groups are much smaller than traditional groups and include family/multigenerational groups, peer groups (e.g. young adults travelling together) or interest-based (e.g. like-minded people or those with a shared interest).

Consultation questions:

How do you envision the future of the ADS scheme? What strategic objectives should we seek to achieve? How can we achieve these in the short and long term?

How can the ADS scheme better cater for the diverse and evolving demands of the China market?

Part 2: Improving the operation of the ADS scheme

Inconsistent service provision

Service quality has previously been reported amongst the most important factors for Chinese tourists selecting outbound tourism packages.¹⁸ Service quality has become increasingly important due to the growing sophistication of tourist demand. Adaptation of quality management techniques has had positive impacts on business performance and helped achieve competitive advantages for tourism operators.¹⁹ A recent study conducted on transformative strategies for fostering tourist satisfaction found that the effectiveness of hotel, transport, and destination quality set a foundation for satisfaction, while staff quality and digital connectivity are both pivotal in elevating the overall experience.²⁰

¹⁸ Songshan (Sam) Huang, C H. C. Hsu, and A. Chan, Tour Guide Performance and Tourist Satisfaction: A Study of the Package Tours in Shanghai', *Journal of Hospitality and Tourism Research*, vol. 34, no. 1, 2009, p. 8.

¹⁹ M O'Neill, S Charters, Service quality at the cellar door: Implications for Western Australia's developing wine tourism industry, *Managing Service Quarterly*, vol. 10. no. 2, 2013, p. 112, cited in C. Liu, Are New Zealand Tourism SMEs Ready for the Chinese Market? A Focus on Quality Management, Ph.D., Auckland, Auckland University of Technology, 2009

²⁰ Islam, N., & Sadhukhan, S. (2025). Transformative strategies for fostering tourist satisfaction: empirical insights from creative tourism perspective: *Asia Pacific Journal of Tourism Research*: Vol 30, No 8, accessed October 2025

Case study: New Zealand

In 1993, New Zealand introduced Qualmark²¹, a joint venture between Tourism New Zealand and the Automobile Association, initially focusing on the accommodation sector and then later extending to include visitor experiences, transport and activities. In 2015 Tourism New Zealand took full ownership of Qualmark. Businesses that deliver a quality sustainable experience, undergo an independent evaluation and showcase true New Zealand hospitality, are recognised through a Bronze, Silver or Gold Qualmark accreditation.²² This accreditation has helped drive recognition of New Zealand as a destination for those seeking high quality tours.

Inbound Tour Operators are required under the New Zealand ADS Code of Conduct to provide a Qualmark endorsement before they may operate in the scheme. Inbound Operators in New Zealand are also required to engage suppliers with Qualmark, including accommodation and transport providers when developing itineraries.²³

Research from 2010 showed that ADS tourists increasingly had a lower tolerance for packages that may appear cheap, with two-thirds of customers choosing the products of reputed travel services.²⁴ The same study also found that low quality tours were impacting the perception of destinations for tourists.²⁵ However, there is currently no requirement for an ADS inbound operator or supplier to hold an industry accreditation, though many may choose to do so.

A wide range of accreditation programs exist in Australia, with some of the most popular including the Australian Tourism Industry Council (ATIC)'s Quality and Sustainable Tourism Accreditation²⁶, Australian Tourism Export Council (ATEC)'s Tourism Trade Checklist²⁷, Ecotourism Australia's ECO and Sustainable Certification²⁸ and Earthcheck's Certified²⁹ and Sustainable Destination³⁰. (Please refer to their respective websites for further details).

²¹ R. Carasuk, Responsible Tourism Qualmark Accreditation: A Comparative Evaluation of Tourism Business and Tourist Perceptions, *Land Environment and People Research Report*, vol. 19, page 11, Responsible tourism Qualmark accreditation: a comparative evaluation of tourism businesses and tourists' perceptions (Accessed 3 October 2025)

²² Qualmark, *How Qualmark Works* [website], <https://www.qualmark.co.nz/how-qualmark-works>, accessed October 2025

²³ *Code of Conduct: China ADS Approved Inbound Tour Operators and Tour Guides, 2025* (New Zealand), s. 4.12, 4.21

²⁴ Y. He, An Integrative Approach to The Approved Destination Status Tourism, *The International Business & Economics Research Journal*, vol. 9, no. 10, 2010, p. 94.

²⁵ Y. He, An Integrative Approach to The Approved Destination Status Tourism, *The International Business & Economics Research Journal*, vol. 9, no. 10, 2010, p. 94.

²⁶ Australian Tourism Industry Council, *Quality Tourism Accreditation* [website], Quality Tourism Accreditation - Australian Tourism Industry Council, accessed 24 October 2025

²⁷ Australian Tourism Export Council, *Trade Tourism Checklist Australia* [website], <https://www.atec.net.au/tools-and-resources/tourism-trade-checklist/>, (accessed 28 October 2025)

²⁸ Eco Tourism, *Getting started on your ECO Certification journey* [website], <https://ecotourism.org.au/sustainability/businesses/eco-certification/>, accessed 24 October 2025

²⁹ EarthCheck, *EarthCheck Certified* [website], <https://earthcheck.org/what-we-do/certification/earthcheck-certified/>, accessed 24 October 2025

³⁰ Earth Check, *EarthCheck Sustainable Destinations* [website], <https://earthcheck.org/what-we-do/certification/sustainable-destinations/>, accessed 24 October 2025

Case Study: The Key Distribution Partner model

The Key Distribution Partner (KDP) model was launched by Tourism Australia in 2014.³¹ The KDP selects and appoints travel agencies in priority markets, including in China, who represent a benchmark of quality in the travel industry. In China, these agencies are recognised as lead forces and act as a role model for others, with experienced and capable product development teams and diversified distribution channels to cater to various target markets. Recognised agencies receive increased exposure and recommendation from Tourism Australia, industry and other areas of government. They can also access online lodgement for a longer validity Australian tourist visa on behalf of their customers. In exchange they must demonstrate commitment to a sustainable business model for high quality tourism packages and must train staff to become Aussie Specialist.³²

The Aussie Specialist program is an online course facilitated by Tourism Australia to give frontline travel sellers the knowledge and skills needed to sell Australia effectively to their customers.³³ Agents with the accreditation have reported a 35 percent increase in high value bookings and that 62 percent of travellers will return within 5 years.³⁴

Consultation question:

What ITO or supplier accreditation programs, if any, would you support to standardise service provisions in the ADS scheme?

What application threshold should ITOs meet in order to participate in the ADS scheme?

Tour guiding

According to Jobs and Skills Australia (JSA), there are around 2,900 tour guides nationally, 59 percent of whom work part time.³⁵ Austrade's internal data indicates around 600 tour guides are currently registered to work in the ADS scheme. However, many of these guides may not be working actively or consistently in the scheme. Tour Guides are recognised by JSA as an occupation in shortage and have been listed on the skilled migration occupation lists for migration purposes for several years, reflecting its significance to the Australian economy and the lack of suitably skilled workers locally.

Half of the ADS ITOs interviewed for a Griffith University report found it difficult to identify a suitable ADS tour guide, due to the lack of a central database of active tour guides and shortage of approved guides in their regions. The research also found a reluctance in engaging ADS approved guides for cost considerations, with some ITOs questioned the value of ADS approved guides given their low

³¹ Tourism Australia, *Key Distribution Program* [website], <https://www.tourism.australia.com/en/resources/industry-resources/industry-programs/key-distribution-program.html>, accessed 17 October 2025

³² Ibid

³³ Ibid

³⁴ Tourism Australia, *Why become an Aussie Specialist* [website], <https://www.aussiespecialist.com/en-us>, accessed 16 October 2025

³⁵ Jobs and Skills Australia, *Tour Guides* [website], <https://www.jobsandskills.gov.au/data/occupation-and-industry-profiles/occupations/451412-tour-guides>, accessed October 2025

entry requirements. However, ITOs were also concerned that higher approval thresholds could further aggravate the tour guide shortage.³⁶

This dilemma is further compounded by the bilateral arrangements on tour management. Under the existing settings of the ADS scheme, a tour group must be accompanied by both a tour leader employed by an OTO (requirement mandated by China's Ministry of Culture and Tourism) and a tour guide employed by an ITO (requirement mandated by Austrade) for the duration of the tour. Industry outreach conducted by Austrade indicated mixed views on the current settings.

On the one hand, there is support from some tour operators (inbound and outbound) for Chinese tour leaders with relevant qualification and experience to conduct tour guiding activities. Some industry experts suggest the roles of tour guides and tour leaders could be tailored to different group types. For example, smaller or sophisticated groups fluent in English or with prior travel experience may rely primarily on tour leaders familiar with their preferences, while larger groups may benefit from a local tour guide to assist with broader needs, such as local interpretation, transportation, and general support.³⁷

On the other hand, the use of "through guides" - Chinese tour leaders who perform guiding duties bypassing ADS approved tour guides, has raised concerns regarding visitor experience and local guide employment.³⁸ Some argue that Chinese tour leaders may not have a deep understanding of Australian history, culture and context. Local tour guides may be better equipped to connect visitors to quality, authentic experiences which are becoming more prized in the tourism market. Additionally, tour leaders acting as 'through guides' are likely to be in breach of their visa conditions, posing a threat to immigration and border integrity.

Consultation question:

How can we enhance access to high quality ADS tour guides?

How can we improve the career pathway for ADS tour guides to encourage their retention in the sector?

What is the optimal use of tour leaders and tour guides in the ADS scheme to meet the needs of diverse tour groups and itineraries?

³⁶ Dr E. Yang, X Jin and Dr Y. Jiang, Griffith University, Griffith Institute for Tourism, *Approved Destination Status (ADS) Scheme Review - Stakeholder insights to inform the future of the Scheme*

³⁷ M. Densten, Fiftyfive5, June 2025, *Chinese travel and the Approved Destination Status (ADS) Scheme research project*, page 29.

³⁸ Dr E. Yang, X Jin and Dr Y. Jiang, Griffith University, Griffith Institute for Tourism, *Approved Destination Status (ADS) Scheme Review - Stakeholder insights to inform the future of the Scheme*