# Summary of Key Changes to the Exposure Draft of Code of Business Standards and Ethics for the Approved Destination Status (ADS) Scheme

| Key Change | Description | Rationale |
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| Clear statement of purpose | • Define objectives of the ADS scheme through the Memorandum of Understanding between Australia and China on Tourism Cooperation. See Clause 1.1 of the updated Code. | • Ensure Code remains outcome-focused.<br>• Supports effective administration of the ADS scheme, promote confidence in Australia's management of the scheme. |
| Improving risk-based approach to compliance | • Formally adopting the Interim Compliance Requirements which have been in effect since 2025.<br>• Adjusted penalty points to ensure they are risk-based and proportionate to level of breach.<br>• Increased six-months period of suspension. | • Provide clear guidelines for Inbound Tour Operators (ITOs) on compliance monitoring and the penalty schedule.<br>• Ensures sufficient flexibility to respond appropriately to serious breaches of the Code.<br>• Stronger consequences for serious or repeated non-compliance. |
| Care and treatment of ADS tourists | • New clause on the care and treatment of ADS tourists promotes a welcoming, respectful and positive visitor experience. See Clause 3.3 of the updated Code. | • Obligation for ITOs to act responsibly and take reasonable steps to prevent foreseeable harm. Including situations not explicitly covered by the Code.<br>• Obligation for ITOs to ensure Chinese citizens travelling to Australia are physically safe and protected from exploitation and return to China having had a positive experience. |

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| Active ITO participation in the ADS scheme | • Require ITOs to conduct at least one ADS tour in every two consecutive calendar years. See Clause 3.4(d) of the updated Code. | • To maintain integrity of ADS scheme, ITO participation is limited to active operators. |
| Amendments to itinerary requirements | • Formally adopting itinerary reporting requirements in the Interim Compliance Requirements which have been in effect since 2025. See Clause 3.11(h) and 3.13 of the updated Code.<br>• Removing on-time performance requirements for ADS itineraries.<br>• Align language in the Code with the current itinerary reporting processes in the AccessADS portal.<br>• Removed Attachment E: Itinerary Amendment Form in the previous version of the Code. | • Alignment with current administration processes and simplifies administration and reporting obligations for ITOs.<br>• Provides ITOs with more flexibility for delivery of ADS tours.<br>• ADS ITOs are responsible for maintaining accurate records of itinerary changes |
| Enhancing quality tourism experiences | • Raise minimum spend on pre-paid tour inclusions from $50 to $70 AUD.<br>• Clarify that the minimum spend threshold applies per tourist, not per group. See Clause 3.16 and 3.17 of the updated Code.<br>  ○ For example, if the ADS Tour Group spends seven days in total in Australia, they must be taken to at least three Pre-paid Tour Inclusions with a total retail value of at least $210 AUD per tourist. | • Increase monetary spend in-line with inflation.<br>• Improve the tourist experience and economic contribution of the ADS tours to Australia's visitor economy. |
| Strengthening restrictions on commission-linked shopping | • Reduction of commission-linked shopping allowance to one venue which must occur in a capital city. See Clause 3.23 of the updated Code.<br>• Remove requirement for ADS tourists to visit a Competitive Retail Area for the same duration as a commission-linked shopping outlet.<br>• Removed Clause 4.22 and Attachment F: Example List of Competitive Retail Areas in the previous version of the Code. | • Encourage economic contribution and shopping experiences in competitive retail areas.<br>• Increased flexibility in the design of itinerary and ability to meet consumer preferences on shopping experiences. |

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| Providing more flexible use of free time | • New free time allowance of 24 hours to be used flexibly across an itinerary (previously 2 x blocks of 12 hours). See Clause 3.20(b) of the updated Code. | • Balance maintaining the purpose of the scheme and ensuring ADS is an attractive offering that meets contemporary traveler expectations for free time. |
| Complaints mechanism | • Provides tourists with an escalation pathway when complaints cannot be resolved directly with the operator. See Clause 3.37, 3.38 and 3.39 of the updated Code. | • Strengthened complaints mechanisms.<br>• Increasing visibility of potential non-compliance with the Code. |
| Formalising transitional ITO/TG arrangements | • Remove accreditation of Tour Guides (TG) from ADS Scheme.<br>• Removed Section 5: Obligations of ADS TGs with regards to ADS itineraries, Attachment B: ADS TGs approval requirements and Attachment C: ADS TGs approval requirements from 1 July 2026 in the previous version of the Code.<br>• Included new clauses on ADS ITO obligations when employing or contracting TGs. See Clause 3.7(c), 3.8, 3.9 and 3.10 of the updated Code. | • Provides autonomy for ITOs to manage tours and use of tour guides, while maintaining oversight through making ITOs responsible for TG misconduct. |
| Tour Guide provisions | • Allow for use of driver guides on ADS tours. See Clauses 3.8 to and Section 6: Definitions of the updated Code.<br>• While bilingual tour guides remain strongly preferred, use of bilingual Mandarin-speaking tour guides is no longer mandatory. Removed Clause 4.8 in the previous version of the Code.<br>• TGs and driver guides supervising ADS tours are still required to register and maintain up to date contact details with Austrade. See Clause 3.10(a) of the updated Code. | • Creates flexibility for ITOs to source TGs or driver guides to support ADS tours.<br>• Removes potential barrier to regional dispersal and supports niche tourism offerings where Mandarin-speaking guides may be difficult to source. |
| Subcontracting Arrangements | • Allows ITOs to delegate parts of the ADS Tour Service to subcontractors (i.e. another ADS ITO, non-ADS approved ITOs or a tour guide/driver guide). See Clause 3.7 of the updated Code. | • Enable locally based subcontractors to secure more competitive accommodation and restaurant rates.<br>• Support collaboration between ADS ITOs and subcontracted tour operators in delivering tours. |

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| | • The ADS ITO retains primary accountability for compliance with the Code and the welfare of ADS Tourists, while requiring subcontractors to comply with all applicable Code obligations. | |
| Warning and Education Notice | • Formally adopting conditions of the Interim Compliance Requirements which have been in effect since 2025. See Clause 4.5 of the updated Code.<br>• ADSEO may issue a "warning and education notice" when a breach of the Code is determined to be isolated or minor and does not warrant further compliance action. | • Provides a proportionate and risk-based compliance response for minor or isolated breaches.<br>• Supports voluntary compliance through education, and reduces the administrative burden associated with formal enforcement action. |
| Increasing penalties for non-compliance | • Target identified areas of high-risk non-compliance through increasing penalties for those breaches. See Clause 3.4(a), 3.4(b), 3.4(c), 3.4(d), 3.4(h), 3.6(a), 3.6(b), 3.9(a), 3.9(b), 3.9(c), 3.9(d), 3.18, 3.22(a), 3.22(b), 3.22(c), 3.26, 3.27, 3.32(a), and 3.33(a) and 4.13 of the updated Code.<br>• Included a new Attachment C: Non-compliance Penalty Summary Table. | • Increase ADS team powers to remove or suspend ITOs where warranted, reducing ongoing burden of managing non-compliant operators. |
| Absconder Reporting | • Align wording in the Code with current terminology and recent AccessADS updates. See amended Clause 3.29 and new definition of Tourist Absence Report in Section 6: Definitions of the updated Code.<br>• Removed the references to Absconder Report, Absconder and Deviator from the Code.<br>• Removed Attachment G: ADS absconder report in the previous version of the Code. | • Ensure the Code is aligned with current digital scheme administration processes – allowing ITOs to upload absentee reports to the digital portal.<br>• Reduced administrative burden from separate reporting mechanisms. |