Chapter 10

Role of the Commonwealth Government

Role of Government Generally

232. The general role of government is to create a receptive environment, including infrastructure, within which private industry can create and operate a tourist industry to the advantage of the community as a whole.

233. The Tourist Ministers' Council (TMC) agreed in 1976 to the following three general government objectives in tourism: the development of a viable and efficient industry in Australia; the development of a range and quality of tourism opportunities appropriate to the needs of residents and visitors to Australia, and achievement of the above with due regard to the natural and social environment of Australia.

234. The degree of uncertainty as to the roles and responsibilities of the various levels of government led the TMC in 1976 to prepare and agree to a document setting out Commonwealth responsibilities, State responsibilities and those matters in which the Commonwealth and the States have a shared responsibility. A detailed break down of these responsibilities is at Appendix 4.

235. In 1929 the Australian National Travel Association was established to attract overseas visitors to Australia and was funded by both the Commonwealth and the industry. The Commonwealth became directly involved in tourism in 1967 with the establishment of the ATC. In that same year a Minister was made specifically responsible for tourism and departmental staff were provided.

Commonwealth Responsibility

236. Tourism is presently the responsibility of the Minister for Industry and Commerce. The Department of Industry and Commerce has a Tourist Industry Branch within its Tertiary Industry Division. The Tourist Industry Branch has a staff of some twenty officers and its functions are to:

- formulate policy proposals and programs relating to overseas and domestic tourism in Australia;
- act as the main point of contact between Government and the tourist and related industries;
- collect and analyse data related to the tourist industry and travel activity, develop policy proposals for the rational development of tourist resources;
- examine and advise on reports concerning assistance to specific sectors of the industry;

- service ministerial requirements in relation to overseas and domestic tourism including consultations with industry organisations, visits, representations and correspondence;
- co-operate with the States in the general co-ordination of policies affecting tourist and related industries;
- provide support and research services to the Tourist Ministers' Council;
- provide advice on and where appropriate consult with other departments and instrumentalities on policies and programs affecting tourist and related industries; and to
- provide representation on international tourism organisations.

237. Many witnesses suggested that there should be a separate Minister for tourism. According to ANTA the industry would then have the single voice which is lacking at the moment, while other witnesses said that the withdrawal of ministerial status illustrated an apathetic attitude towards tourism.

238. The Department of Industry and Commerce stated that the tertiary sector, particularly tourism, will tend to expand in a growing economy as income levels rise. Not only will the tertiary sector grow but the relative importance of items within the tertiary sector will change. In the last decade industry sectors including transport and storage and community services and entertainment have increased their share of Gross Domestic Product.

239. The Committee recognises the disadvantages experienced by service industries compared with primary and secondary industries, arising out of the conceptual problem of the goods produced. The ineligibility until now of the tourist industry for Export Market Development Grants was dealt with in Chapter 9. The ineligibility of many sectors of the tourist industry for the investment allowance and depreciation allowances is dealt with in Chapter 8.

240. Traditional thinking has given overriding emphasis to the primary and secondary sectors of industry. It is only in recent years that government and the community in general have become aware of the significance of tourism. This has been mainly due to the tendency to consider tourism merely as the appendage to, or servant of, the other sectors of industry. The industry itself is also at fault in that it too has seen itself as a servant to the sub-sectors within primary and secondary industry rather than as a sector of the economy in its own right. The Canadian Minister for Industry, Trade and Commerce has recently declared that the name of his Department would be changed to the Department of Industry, Trade and Tourism. This decision was welcomed by the tourist industry in Canada as it expressed a confidence in and recognition of tourism.

The Committee concludes that:

(a) it is not necessary for an industry to have a separate Minister for that industry to be given full and proper attention,

(b) it is only recently that some recognition has been accorded the tourist industry, and

(c) there is a requirement for this recognition to be accelerated by positive action by both industry and government.

THE COMMITTEE RECOMMENDS THAT:

(a) THE DEPARTMENT OF INDUSTRY AND COMMERCE BE RETITLED THE DEPARTMENT OF INDUSTRY, COMMERCE AND TOURISM, AND

(b) THE GOVERNMENT URGENTLY CONSIDER AN APPROPRIATE RESTRUCTURING OF THAT DEPARTMENT TO ENSURE THE INCREASING SIGNIFICANCE OF TOURISM IS RECOGNISED.

Specific Responsibilities

241. The Commonwealth responsibilities in the promotion of tourism have been considered in Chapter 9, and its role in the development of attractions and the support services has been referred to in Chapters 6 and 8. The overall role of the Commonwealth in the development of tourism encompasses a number of government departments. The responsibility of the Department of Industry and Commerce has been considered earlier in this chapter and it is now proposed to discuss the involvement of other departments.

242. The Department of Transport is responsible for developing and implementing national policies relating to air, marine, rail and road transport and international agreements on transport. The Commonwealth operates through statutory authorities, namely, Trans-Australia Airlines, the Australian National Railways Commission, the Australian National Line and Qantas. Aspects of transport affecting tourism including Commonwealth responsibilities are dealt with more fully in Chapter 7.

243. The Department of Environment, Housing and Community Development is responsible for the Federal overview of environmental matters. The tourist industry has an enormous stake in the retention of the natural environment in an attractive state. Commonwealth authorities such as the Australian Heritage Commission, the Great Barrier Reef Marine Park Authority and the Australian National Parks and Wildlife Service have been established to protect that stake. The importance of the natural environment to tourism is dealt with in more detail in Chapter 6.

244. The Department of National Development is responsible at a national level for regional development and decentralisation. It was stated by EHCD, which until December 1977 held this responsibility, that it had sought to provide a balance of population and development opportunities of national economic significance.

245. Since October 1974 developmental loans have been provided to the industry through the Commonwealth Development Bank (CDB). These loans are subject to the CDB's general criteria plus the requirement that the development be away from major population centres. In 1974–75 and 1975–76 total loans by the CDB to the tourist industry amounted to approximately $1.9 million. The charter of the CDB has recently been extended to allow it to lend to all kinds of businesses. The CDB is also being empowered to provide equity finance to small businesses.

246. As well as the research and analysis conducted by Industry and Commerce and the ATC, the Australian Bureau of Statistics conducts surveys. The statistics it publishes and the advice it gives on survey techniques assist research in the tourist industry, particularly the accommodation industry. The work carried out by ABS and the statistical needs of the industry are dealt with more fully in Chapter 14.

247. The Commonwealth is involved in the co-ordination of tourism at the national level. The Commonwealth has been a member of the Tourist Ministers' Council since 1967 and provides the TMC with research and support services. The Commonwealth also provides secretariats for the Australian Standing Committee on Tourism and the National Tourism and Hospitality Industry Training Committee (NTHITC).

Other Commonwealth Functions

248. Commonwealth functions affecting tourism but not of primary concern to the industry include immigration, passports, visas, health and quarantine, customs and foreign investment powers. The Trade Practices Commission, as part of its consumer protection function, has issued advertising guidelines to the industry and intervened with the airlines on the confirmation of seat reservations. The Industries Assistance Commission recently reported on assistance to the tourist accommodation industry. The Tertiary Education Commission develops and recommends policies for Commonwealth funding of post secondary institutions which provide management and trade courses relevant to the industry.

249. Several State Governments and ANTA claimed that where tourism projects are beyond the resources of the State Governments or are of national significance the Commonwealth has a role in provision of infrastructure, loans or guarantees. The Committee also sees the development of major attractions of national significance such as Ayers Rock and the Great Barrier Reef as part of the Commonwealth's role.

250. From 1972 to 1976 the Commonwealth provided schemes of grant assistance for the development of tourist attractions and low cost accommodation for young travellers, and sixty projects in all States received $3.9 million. An amount of $833 000 was provided in the 1976–77 Budget to meet the outstanding commitments under the scheme for the development of attractions. The Committee would not propose a separate fund for such attractions but rather would suggest that adequate funds be provided to those organisations responsible for attractions of national significance. The Committee has, in Chapter 6, made recommendations with respect to Ayers Rock and the Great Barrier Reef. Reference is also made to grants under the National Estate Program and the *States Grants (Nature Conservation) Act* 1974.

THE COMMITTEE RECOMMENDS THAT THE GOVERNMENT IN MAKING GRANTS UNDER BOTH THE NATIONAL ESTATE PROGRAM AND THE *STATES GRANTS (NATURE CONSERVATION) ACT* 1974 TAKE INTO FULL ACCOUNT THE IMPORTANCE OF TOURISM WHEN CONSIDERING THE PRESERVATION OF BOTH THE NATIONAL ESTATE AND THE NATURAL ENVIRONMENT.

Chapter 11

Role of State and Territory Governments

General Role

251. The Department of Industry and Commerce broadly described the role of the States and Territories as 'the attraction and servicing of visitors ensuring visitor satisfaction, development of attractions, plant and facilities, associated subsidiary schemes and accommodation loan funds, parks and caves administration, (and the) encouragement of local government and private enterprise involvement and efficiency'.[35] Industry and Commerce also envisaged the States and Territories contributing to 'national co-ordination and co-operation through the Tourist Ministers' Council, the Australian Tourist Commission and the Australian National Travel Association'.

252. State and Territory Governments have overall responsibility for the local and regional authorities which supply much of the infrastructure used by tourists and the tourist industry. There is some variation between States and between areas within States as to whether individual public facilities are supplied by State, regional or local government authorities. The infrastructure supplied by these three tiers include: sewerage, water supply, electricity, roads, railways, airports, national parks, fisheries, forestry, water catchment and storage, rivers, ports, harbours, crown lands, environmental protection, sport and recreation, art galleries and museums.

253. State Governments through National Parks preserve the natural environment with a main objective being to attract tourists and then to show them that environment.

254. The respective State and Territory Governments are able to foster the promotion and development of tourism directly through their own tourist bureaus, and also by the encouragement of regional organisations within the States. A further direct contribution to co-operation with the industry is in the role of industry training.

255. By promoting tourism to and within their State, individual States and Territories are competing against one another for custom, but the competition is not so fierce as to prevent a high degree of co-operation. As well as co-operation on bodies such as the TMC, ASCOT, NTHITC and ANTA, New South Wales and Victoria are co-operating in promoting the Murray River region while Western Australia, the Northern Territory and Queensland are co-operating to promote Northern Australia as a destination.

[35] Transcript of Evidence, p. 47.

Direct Promotion

256. Each State and Territory has its own government tourist bureau promoting tourism to and within its own State, as well as offering tourist information and providing booking facilities for accommodation, transport and tours.

257. While specifically promoting their own State or Territory the bureaus, as travel agents, will arrange interstate and overseas travel bookings. Objections from AFTA and some other sections of the industry to the bureaus' selling overseas travel have been countered by the bureaus' claim that they need to offer the full services of a travel agency to established customers, and the commission earned on the sale of such travel is revenue earned to assist the bureaus' own promotions.

258. Tourist bureaus produce a great deal of promotional literature. As well as providing this literature to their own offices the bureaus provide literature at a low cost to regional and local tourist organisations.

259. The tourist bureaus assist the ATC through the supply of promotional literature and up-to-date information. The bureaus have generally not undertaken direct overseas promotion themselves but rather through, or in co-operation with, the ATC. Some Eastern States in particular undertake direct promotions in New Zealand in co-operation with the ATC, as its proximity, culture and visitor numbers closely resemble those of the domestic market.

260. The industry is the beneficiary of direct financial outlays by the States and Territories for tourist promotional activity. In 1976–77 the expenditure on publicity and promotion was $3.4 million, which represented 13.8 per cent of the States' and Territories' total tourism budget. The following table shows the States' and Territories' budgets for tourism with their respective publicity and promotion components.

TABLE 8

STATE AND TERRITORY TOURISM BUDGETS 1976-77

State/Territory	*Total Budget*	*Publicity and Promotion*
	$'000	$'000
New South Wales	4 498	510
Victoria	7 097	592
Queensland	3 600	685
South Australia	1 878	397
Western Australia	2 586	460
Tasmania	4 030	580
Australian Capital Territory	562	87
Northern Territory	500	99
Total	24 751	3 410

Source: Transcript of Evidence, p. 3404.

261. The industry is a beneficiary of government assistance to regional tourist organisations. Direct assistance is given by State Governments in many areas to decentralised industry.

Indirect Promotion

262. State Governments have in recent years undertaken the formation and development of regional tourist organisations. Most States and the Northern Territory have been divided into a number of regions. Responsibility for these organisations is shared between State and local government and the industry, with State Governments devising the regions, sponsoring their establishment, and providing ongoing assistance and co-ordination after establishment. These regions represent an important tier of organisation for tourism between the State and local level, as well as directly involving the industry.

263. In Victoria, the Minister for Tourism has given considerable support to the establishment and development of regional tourism in the State. The State is divided into twelve regions. An annual $10 000 grant is available to each region, subject to certain criteria, namely that 75 per cent of the municipalities in the region participate, and that a regional tourist promotion officer is employed. An additional subsidy of up to $5000 is provided on the basis of $1 for each $2 raised by way of membership subscriptions from the private sector. In addition a special $2000 grant was made available to each region for promotional aids.

264. In New South Wales the Department of Tourism has a regional tourism unit responsible for the formation and development of regional tourist associations. The regional tourist associations operate information centres throughout the State. They receive financial assistance from the Department, part of which subsidy is paid for the operation of a tourist centre, part for the employment of a tourist promotion officer and part for promotional activities undertaken by these associations. The New South Wales Department subsidised twenty-nine tourist associations, paying a total of $122 300 in 1976. The associations' total income was $699 414, of which $361 799 came from local government.

265. In Queensland assistance to regional tourist associations in 1976 was $60 000. The Department pays up to $5000 per annum to any regional tourist association on fulfilment of certain prerequisites. One of these is the employment of a tourist promotion officer.

266. In Western Australia grants are made to country tourist bureaus and information centres from the Tourist Development Fund. These grants amounted to $350 000 in 1976–77. A bureau receives a base grant of $1000, a further grant of up to $3500 paid $1 for $1 on local authority donations, and a further grant of up to $2500 on a $1 for $2 basis on other income raised by the bureau. The bureau is required to have a suitable office and staff, plus appropriate brochures. Tourist committees receive an annual grant of $250 plus a further grant of up to $250 on a $1 for $2 basis in respect of municipal donations. These committees are required to provide for the distribution of tourist information. The committees are non-profit organisations and are required to expend their funds on activities calculated to foster the development of the tourist industry.

267. In South Australia, the Department provides assistance to local government operated or sponsored offices at country towns. The South Australian Department was prepared to assist the Murray Valley Regional Tourist Office with a grant of $10 000 on a $1 for $1 basis. The Local Government Association of South Australia stated that, in its opinion, the regional organisations exist but are not really functioning.

268. The Tasmanian Department of Tourism finds it difficult to give financial assistance to local tourist areas. The local and district tourist committees are left

to depend upon their own innovative sources for funds, or to secure finance from membership fees. The Tasmanian Tourist Council received $20 000 from the State Government in 1976–77. This was composed of a grant of $5000 and a matched $1 for $1 subsidy of $15 000.

269. In the Northern Territory, an initial grant of $1500 and a subsidy of up to $2500 is made on the basis of $1 for every $2 subscribed by the private sector and municipalities within a region. In addition a once only grant of $1000 is available for the purchase of office and promotional equipment. An association must be properly constituted to be eligible for the grants, which are made for the provision of information services, employment of a tourist information officer and the improvement or development of visitor facilities.

270. According to the Victorian Government the concept behind regional tourism, at least in Victoria, is that tourists rely mainly on private vehicles for transport. Considerable advantages can be gained by encouraging tourists to tour around a region instead of visiting a particular attraction and then returning home.

271. The Queensland Government saw as an ideal structure regional associations with, as members, a number of smaller community tourist associations. The regions should then in turn be members and contributors to the State Council of ANTA.

272. The Victorian Central Highlands Regional Tourist Authority listed its objectives as being: to encourage visitation to the area, with longer stays; co-ordinate tourism planning and activity; to liaise with and assist the industry, community groups and individuals; to inspire and create additional and varied tourist attractions; to encourage local residents to appreciate tourism, and to represent the region to government and other authorities.

273. An essential part of the activities of these regional organisations is the provision of tourist information offices and the employment of a regional tourism promotion officer. Funding of operations remains a problem. In several States the salary of the tourism promotion officer is paid from specific grants from the State Government. However, most organisations said that after paying for counter staff, brochures and other overheads, little money is left for promotion. They also indicated that much of the tourism promotion officer's time is spent in collecting contributions from local operators. The New South Wales Council of Tourist Associations stated that more than half the income of all the associations is derived from local government, while they receive from the New South Wales Department of Tourism a subsidy of $3000 to $5000 with comparatively small contributions from the local travel industry.

274. As the Western Australian State Government noted, all the States rely on a network of regional organisations to service tourists and, as a result, a degree of uniformity is necessary at State level in procedures for planning regional services.

275. The Far North Queensland Development Bureau (FNQDB) stated that regional organisations need regular expert surveys of industry in the region, knowledge of market trends, staff training and prepackaged programs for industry training and community awareness.

276. Several witnesses pointed to the need for assistance, to regional and community organisations and to individual operators, in the production of high quality promotional material. The level of expertise required suggests assistance at State Government level. The Committee is concerned about the quality of some material produced by State tourist bureaus for their own use. Much of the material is outmoded and unsuitable.

277. Local as well as regional tourism associations are much closer to the average Australian tourist than are most other tourism bodies. They service caravanners, campers and people in their own cars through their information offices, and they have a knowledge of the facilities in their region suitable for different types of travellers. This contact with a cross section of travellers in its region places an organisation in a much better position than individual operators to know what services are sought, whether they are available, and whether the standard of individual establishments matches the expectation of the visitor. The ATC expressed the hope that regional organisations will devote more attention to the creation and maintenance of standards of attractions and facilities, than to their promotion.

278. The ATC pointed to Launceston as an example of a location where local tourism authorities, with the State Government, have encouraged a number of professional attractions to be created in the area, thereby extending the average visitor stay. In addition, a community awareness of the importance of tourists and the length of their stay is causing a much better infrastructure to build up.

The Committee concludes that:

(a) there should be greater emphasis on the establishment of regional tourist organisations,

(b) these regional organisations require more financial support from the firms and organisations with a financial interest in tourism, and

(c) as each State employs a different method of funding regional associations, benefit could be gained by discussing the relative methods of such funding.

THE COMMITTEE RECOMMENDS THAT THE TOURIST MINISTERS' COUNCIL URGENTLY CONSIDER WAYS TO IMPROVE THE METHODS OF FUNDING REGIONAL TOURIST ASSOCIATIONS BY ALL INTERESTED PARTIES.

Industry Training

279. State and Territory Governments assist the industry greatly through the provision of training courses. In-house training is offered by only a few major operators. A survey[36] of the hotel, catering and accommodation sector of the industry in 1972 showed that only 15 per cent of respondents said they had any company off-job training and only 25 per cent said they made any use of external training facilities. The IAC in its report on the accommodation industry concluded that most individual owner/operators are self-trained.

280. Industry training, other than in-house, occurs almost entirely as Technical and Further Education (TAFE) and is as a consequence primarily a State responsibility. These courses include trade apprenticeship courses such as: cooks, pastry cooks and waiters; non-apprenticeship courses such as liquor service, commercial cookery, bar and cellar operations; and diploma and certificate courses such as hotel and catering management, foods and food service. These latter courses are aimed at training supervisors and middle management.

281. Management levels of training are offered by universities and colleges of advanced education but with few exceptions, such as the Queensland Agricultural College and the Footscray Institute of Technology, are not specifically directed

[36] Manpower and Training Needs Survey—Hotel, Catering and Accommodation Industry—Australia, May 1973.

towards tourism management. The Australian Institute of Travel is sponsored by the industry and runs courses for the training of travel agents. A national directory of courses available at all levels was published by the Department of Tourism and Recreation in 1975 but has not been updated since.

282. The IAC in its report on the accommodation sector noted that government involvement in industry training was warranted on the grounds of efficiency. Individual operators may be reluctant to train employees who may then opt to work elsewhere. While TAFE may provide for much of the industry's training needs it requires the co-operation of the industry. Not only does the industry know its own needs, but it quite often has the expertise in the skills required. It also provides appropriate work experience to trainees particularly those undertaking part-time courses.

283. As noted elsewhere in this Report, tourism is a decentralised industry and as a consequence industry training needs to be decentralised to some extent. The directory published in 1975 shows the majority of courses as being conducted in the capital cities.

284. The 1972 Training Survey found that 94 per cent of firms had, at least, someone responsible for initial on-the-job training. However, this is often quite informal with a new employee being shown around and then left to work under a supervisor or experienced employee. The high proportion of casual and part-time employees in the industry and a rather high staff turnover point to a need for special training of these employees if productivity is to be improved. The Department of Employment and Industrial Relations saw some kind of training package for supervisors as perhaps being useful in these situations, suggesting either self-instructional kits or audio-visual training aids. These questions need to be resolved between TAFE authorities and the industry.

285. The National Tourism and Hospitality Industry Training Committee was established in 1976 to promote, develop and improve systematic industry training for all levels of employment throughout the industry. This is dealt with more fully in Chapter 13.

Other

286. State and Territory Governments are responsible for liquor licensing. The provisions vary between States and in some cases the licensing laws impose some restrictions on the service that is available to tourists. The Australian Capital Territory has twenty-four hour a day, seven day a week licensing with no restrictions on food with liquor in restaurants.

287. State Governments are also responsible for consumer affairs which would cover the goods and services offered to tourists. The staggering of holidays has been a matter of concern to the tourist industry for some time. State Governments have a large role to play through the staggering of school holidays and the encouragement of industry to alter the present system of annual shutdown.

Chapter 12

The Role of Local Government

Background

288. Local government, through the implementation of local planning guidelines, can determine the type and location of new tourist plant and attractions. It can and should be involved in the promotion of tourism to its area, as well as having the responsibility for ensuring that the costs and benefits of tourism are spread throughout the community. Local government is also required to provide a wide range of services which are used not only by the resident population but also by the tourist. Such services include water, sewerage, streets, parks, toilets, picnic areas, car parks and playgrounds.

289. The Far North Queensland Development Bureau claimed that local government is probably the level of government most important to the development of tourism. According to ANTA the importance of local government in the establishment of destination areas cannot be overemphasised.

290. It has not been possible to calculate accurately the distribution of costs and benefits of tourism. This is a result of the lack of recorded data on tourist spending and on the component of local authority expenditure directly occasioned by tourism. There are general services which are provided for both the resident and the visitor, such as garbage collection and street cleaning, the cost of which is extremely difficult to allocate. There is a general benefit, in that tourism can render economic a number of community services and facilities which a local population alone may be unable to support. In addition, the spending by the tourist is of benefit not only to those organisations which cater for the tourist. The spending by these tourists flows through the regional economy and provides employment opportunities.

Development

291. The ATC stated that those features which attract overseas visitors to Australia include the uniqueness and openness, and the friendliness of the Australians. As the ATC put it, there would be no point in building another Miami in Australia because the visitor is looking for something unique.

292. The Queensland State Government referred to the tendency towards a sameness in Australia's cities and towns. There is a need for town planning schemes to provide means to enhance the appeal of an area to residents. It was suggested that tourist satisfaction would be greater if the tourist were able to appreciate a built environment which is developed in harmony with the local landscape rather than in conflict.

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293. The local authorities are responsible for the provision of services and amenities which are very important to the tourist. Many operate camping grounds and caravan parks to encourage tourists.

294. A number of local government organisations have made efforts to create an awareness of tourism in the community. For instance, the Council of the City of Ballaarat has been constructive in its own municipality, arranging for meetings with the operators of attractions in the area to discuss the development of tourism. It was not possible to agree to every request made by the operators, but it did establish a dialogue. A particular feature of the campaign was the conduct of half day seminars for the training of the front line staff, i.e. shop assistants and service station attendants. The staff who participated in the seminars were taken on a tour of the attractions of the area and briefed on how to deal politely with tourists.

Promotion

295. Many local governments are involved in the promotion of tourism either in their own right or as part of a regional association. In 1977, the Cooma Municipal Council which represents a town of some 10 000 residents, contributed approximately $38 000 to the operation of the Cooma Visitors Centre. The contribution from local industry in the area was $10 800. The Centre had a total expenditure in that year of $129 000. The Council acknowledged that the residents are aware of the value of tourism to the area and in recent council elections every candidate was a supporter of tourism.

296. During the course of the Inquiry the Committee was informed of many instances where a local government is a supporter of tourism and is prepared to provide financial support for the promotion of the area. However, the Committee was also informed of a number of councils in rural areas which are less than enthusiastic supporters of tourism.

Costs of Tourism

297. The quantification of the costs of tourism to the community has seldom been attempted, and the rating practice in most Australian States takes little or no cognisance of the profitability or otherwise of properties being rated. As a result of this, hotels, businesses and private dwellings in resort areas often pay similar rates. It has been argued that this type of rating is a hidden subsidy to the tourist industry. The Cairns City Council referred to the need to provide facilities for tourists and stated that the provision of these facilities had cost the Council approximately $460 000 per annum. The Council has endeavoured to recover the costs from the various tourist facilities but there have been very strong objections to these charges. The Council provided a comparison of the land valuations for a representative sample of single unit residential land and multi-unit (i.e. flats) residential land. The valuations for the multi-unit land were above those of adjacent single unit land, but when compared on a per unit basis, the valuation of the land for a single unit residential averaged $4700 as against $960 for a residential unit on multi-unit land.

298. Reference was made by EHCD to a number of inquiries which had recommended an accommodation tax to ensure that the costs generated by tourists should be recovered from them. This tax could take the form of a percentage of

the tariff, a specified sum for each nights occupancy or a tax on each bed available. To be equitable, the tax would need to be levied on all forms of accommodation including camping grounds and holiday homes. Such proposals would place on the accommodation owner responsibility for collecting the revenue. This method would not allow for costs incurred by the day tripper nor for the costs incurred by those tourists who stay with friends and relatives. As accommodation and meals are estimated to account for only 42 per cent of expenditure there are obviously other sectors of business which benefit indirectly, as well as directly from the tourist spending.

299. The FNQDB suggested that the cost disabilities due to tourism should be recognised in the grants system. The Commonwealth Grants Commission advised that the amount of assistance received by individual councils within a State is determined by the State Government on the advice of the State Grants Commission. At least two State Grants Commissions, namely Tasmania and New South Wales, recognise the disabilities due to tourism in their recommendations. The financial assistance to the individual councils is in the nature of general revenue assistance which is completely untied, and any decision on the allocation of funds is up to the council.

300. According to EHCD an alternative method of recovering costs is the application of differential rating to all forms of tourist accommodation. This would allow the local authorities to adjust the incidence of the rating to accord with market fluctuations. Differential rating would require considerably more information on the costs and benefits of tourism than is currently available.

301. The Swan Hill Development Association provided details of the current rates applied by the Swan Hill City Council. The rates varied, ranging from $114 for an older weatherboard home, to $840 for a shop, $615 for a small motel and $1650 for a large motel. That Association suggested that allowing councils to strike a rate for the promotion of tourism and provision and maintenance of tourist facilities would have the advantage of spreading the cost in a fair and equitable manner. Those who derive the greatest benefit bear the greatest cost, but all bear some cost. Such a procedure would ensure that those businesses which are not involved in the local tourist promotion association make a contribution through the rate revenue.

The Committee concludes that:

(a) the role of local government is crucial to the development of tourism since local government is expected to carry most of the burden of the provision of tourist amenities,

(b) tourism can render economic a number of community services and facilities which a local population alone could not support,

(c) since the community generally can benefit from tourism an accommodation tax is not an equitable method of spreading the costs of tourism across the community,

(d) the disabilities suffered by certain local governments by the influx of tourists to their areas should be recognised by the States Grants Commissions, and

(e) more consideration should be given by State and local governments to the adoption of differential rating in tourist destination areas.

Chapter 13

The Role of the Industry

Background

302. In submissions to the Committee very few witnesses addressed themselves in any detail to this part of the Terms of Reference, namely, 'to examine the roles and responsibilities of . . . the industry in relation to the development and promotion of tourism'. This may have been due to a reluctance to state the obvious as it is generally agreed that it is the responsibility of private industry to supply the saleable tourist product. It is private industry which operates most of the attractions and other tourist plant.

303. The Western Australian State Government envisaged the role of the private sector as being primarily the provision of physical facilities, but noted that the industry has recently shown a willingness to participate and assist in promotional activities. The Tasmanian State Government referred to the role of the industry as being promotion of travel, provision of travel service and co-operation with the State Government in industry education.

304. The South Australian State Government described the industry as comprising a diverse range of individual supplier categories displaying limited co-ordination and uniformity. To a substantial extent the pace of change of tourist development has outstripped the internal organisation of the industry and consequently the government has been left, by default, to provide the basic leadership and co-ordination for the public and private sectors alike.

305. The lack of co-ordination of the various sectors of the industry was commented on by ANTA. The absence of an accepted orderly relationship between all the sectors, both public and private, and recognition of the interlocking roles of all three levels of government and the industry is of paramount importance to the industry's future development.

306. This lack of recognition of tourism as an industry in its own right may be due in part to the inability of the existing industry associations to establish themselves as credible representatives of a truly national industry, rather than a number of sectors of other industries which service the requirements of the traveller. This may in turn be due to the lack of support accorded those industry bodies. The industry is now starting to be recognised as a 'hard, gutsy'[37] industry rather than lightweight, and the recent establishment of the Travel and Tourist Industry Advisory Council is tangible evidence of this.

Role of ANTA

307. In 1929 ANTA was formed as a private industry organisation with its prime purpose being to attract visitors to Australia from overseas. With the establish-

[37] *Transcript of Evidence, p. 4218.*

ment of the ATC in 1967, ANTA continued as the industry body. It is now the umbrella organisation made up of the sector associations and of the larger interests in the industry which do not have a sector association. The Australian National Travel Association has made a conscious move away from individual membership to membership for representative bodies. If particular issues arise which transgress the sector associations, ANTA becomes involved as the co-ordinator.

308. The membership of ANTA almost tripled in the years 1970 to 1973 when it was conducting a regional appraisal program and the 'Go See Australia' campaign. With the cessation of these programs the membership almost halved. Five years ago each of the mainland States had a full-time executive officer. At present only Queensland has a full-time executive officer and only the Queensland State Government provides direct financial assistance to the State association—a grant of $15 000 per annum. As noted in Chapter 9, ANTA was unable to raise the $100 000 to carry on with the co-operative advertising campaign started by the ATC, even though the ATC had already spent $800 000 on the program.

309. Mr B. Atkinson, a former general manager of both ANTA and the ATC, suggested that much confusion would have been avoided had ANTA changed its name when its role was changed in 1967. Mr Atkinson also expressed the opinion that both ANTA and the ATC are rather naive in their understanding of government, and that the industry does not pay the attention required to the cultivating, lobbying and explaining of the industry's position to the decision makers in Canberra. According to Mr Atkinson, ANTA has seen a role for itself in the promotion of domestic tourism at a national level, whereas its role should be that of an industry body working within the States, to lobby and to plan co-operative campaigns with the government.

310. The previous Chairman of ANTA acknowledged that the resources of the organisation fall far short of what he would have wished. He suggested that if it were not for the extraordinary depth of knowledge within the existing staff, the organisation would be in a deplorable situation. The Committee's own experience in seeking the views of ANTA would confirm this lack of resources within the organisation. On 15 December 1976 ANTA was invited to make a submission to the Committee. On 4 January 1977 ANTA provided the Committee with copies of submissions that it had previously made to other bodies on important matters affecting the industry and advised that it would, at a later time, present a comprehensive submission to the Committee. However, it was not until 20 October 1977, some ten months later, that ANTA appeared before the Committee, and the submission was received two hours prior to the commencement of the hearing.

Promotion

311. The issue of the promotion of tourism was considered in more detail in Chapter 8. The ATC, ANTA and the regional organisations have found that firms in the industry are more willing to contribute when there is a direct benefit from the contribution. Much of the contribution from industry is made up of contra arrangements which allow the promoting organisation to minimise the cost of travel, hospitality, accommodation and printing. Contributions in this form are not easily quantifiable.

312. Firms in the industry have been involved in promotions with the ATC. It was estimated that the contribution of the industry to the ATC was of the

order of $500 000 annually, but in the year 1976–77 it exceeded $750 000. The contribution was made up in kind as well as in cash. There were particular programs, such as the North American Task Force, to which the industry contributed $75 000. The industry and the States did not respond to a proposal in the 1976–77 Budget that the States and the industry match the Commonwealth contribution to the ATC.

313. The regional tourist organisations are very dependent on industry contributions. A number of regional tourist associations pointed to the reluctance of smaller members to contribute to general promotion and overheads as they felt the larger operators would receive the benefit.

The Committee concludes that:

(a) a majority of operators in the tourist industry are not aware of the necessity for a well-financed organisation to promote the industry to government, to other industries and to the public at large,

(b) there is a lack of recognition by the industry of the interdependence of its various sectors, and

(c) the industry should recognise the necessity to contribute financially to industry organisations at both the regional and national levels.

Development

314. There are a number of areas in which the industry can make a valuable contribution to the development of tourism. There is a need for greater support of the national association and for more involvement in promotion. Furthermore, there is a need for the industry to upgrade its own status both in respect of staff training and in creating an awareness within the community of the importance of the industry.

315. The Tasmanian Tourist Council informed the Committee that one of its aims is to convey to the general public the idea that everyone benefits from the tourist industry. Details of purchases by the hotels of Tasmanian foodstuffs are obtained and published, so that councils and farmers who may doubt the benefits of tourism may realise that they are beneficiaries. Sovereign Hill, too, informs the community of the value of local purchases. The Committee is also aware of a poster campaign by the Australian Capital Territory Tourist Bureau to create a greater awareness and understanding of the importance of tourism to the community.

316. It was suggested to the Committee that there is a great deal of information on the industry held by the large firms, but that this information is not available to the general public. Industry and Commerce advised that discussions have been held with some sectors of the industry and with some firms in the industry but as yet no positive proposals have been developed to gain access to or utilise information which the industry has at its disposal. There are problems in that the bases on and the purposes for which the information is collected vary from one firm to another and from one sector to another. This is a matter which could be taken up by the Australian Travel Research Conference which is referred to in Chapter 14.

317. In earlier chapters reference has been made to the lack of expertise in the industry. A National Tourism and Hospitality Industry Training Committee has been formed which is to undertake a survey of the training needs and educational

requirements of the industry. The NTHITC was first established in February 1977 but it has still not employed the training officer who is to undertake the survey of the industry.

318. The Department of Employment and Industrial Relations advised the Committee that there is no comprehensive list of courses generally available from the NTHITC. That Department also advised that industry representatives on the NTHITC are concerned with the number of courses available and that the main problem is that the courses need to be rationalised. The NTHITC is also proposing to investigate the problem of commercial courses which do not reflect industry need. The Committee suggests that the issue of training is one to which the industry should make a vital contribution.

Chapter 14

Statistical Needs

Availability

319. The Committee has recognised the need for a detailed study of the economic significance of the tourist industry. The reactions and comments on the Cooper–Pigram paper confirm this and have been discussed in Chapter 3 of this Report.

320. Most witnesses who appeared before this Committee and the previous Committees commented on the lack of availability of adequate statistics on the industry. The Treasury was one of the very few exceptions, stating that it was not aware of any particular deficiencies.

321. The Australian Bureau of Statistics compiles and publishes a number of statistical series relating to tourism.

322. The Overseas Arrivals and Departures series provides information about short term movements, i.e. overseas visitors arriving and departing and Australian residents departing and returning. The statistics are compiled from the passenger cards that all travellers are required to complete, and are published on a monthly, quarterly and annual basis. The Department of Industry and Commerce claimed in January 1977 that while these figures are comprehensive they lose considerable value by being published several months late. The ABS advised in April 1978 that this delay has been reduced.

323. The Balance of Payments series records systematically economic transactions between the residents of Australia and the residents of the rest of the world. The expenditure on travel is shown in the series as a component of both invisible credits and invisible debits in the current account.

324. The ABS has stated that the travel figures must be among the least reliable components of the published balance of payments statistics. Since the cessation of the Australian Tourist Commission Visitors' Survey in 1974–75 the quarterly estimates of expenditure by overseas visitors in Australia are obtained by projecting the 1974–75 figures with allowances for increased costs over time. The Committee understands that the amount required for the reintroduction of this survey is in the vicinity of $200 000 per annum. The Department of Industry and Commerce has stated that the travel figures, credits and debits, are subject to various limitations and should be treated cautiously. The reintroduction of the visitor survey would help to overcome these limitations.

THE COMMITTEE RECOMMENDS THAT THE GOVERNMENT MAKE AVAILABLE TO THE AUSTRALIAN TOURIST COMMISSION SUFFICIENT ADDITIONAL FUNDS TO ALLOW THE REINTRODUCTION OF THE SURVEY OF INTERNATIONAL VISITORS TO AUSTRALIA.

325. The Household Expenditure Survey provides details of the spending habits of private households. One of the items of expenditure specifically collected in the survey is 'holidays'. All trips of four or more nights away from home excluding business trips are defined as holidays and details are obtained of amounts spent on fares, petrol, accommodation and package tours.

326. The Census of Population and Housing is a total count of population and dwellings in Australia on a de facto basis. The ABS stated that during the lead up to the 1976 Census, consultations were held with a number of organisations associated with tourism including ANTA, the ATC, State tourist bureaus and EHCD. There were two questions related directly to tourism included in the Census, but results from the main body of the Census data have not yet been released. One question asked whether the respondent had taken a holiday in the previous year while the other sought details of the respondent's normal place of residence.

327. The General Social Survey is a large household sample survey conducted by the ABS in March, April and May 1975. The collection was designed to obtain data on a number of social topics, one of which was away-from-home leisure activities. The results of this survey are not yet available.

328. In 1973–74 the ABS conducted a Census of Tourist Accommodation Establishments which was designed to measure the amount, type and location of tourist accommodation available throughout Australia. Surveys of tourist accommodation establishments are now being undertaken as an ongoing project and results are published quarterly. This survey aims to identify the extent to which the available stock of accommodation is used and provides details of capacity, room/site and guest nights' takings from the accommodation, and employment. The Survey includes hotels and motels with facilities, and since September 1977 has included caravan parks.

329. Various organisations have made collections which are relevant to the tourist industry, including the Survey of Caravan Production and Registration by the ABS; the Digest of Air Transport Passenger Statistics by the Department of Transport; international tourist statistics and analyses produced on an irregular basis by the ATC; and a National Travel Survey which is currently being conducted by the Bureau of Transport Economics.

330. The ABS has also on occasions provided advice to both Federal and State Government organisations on such matters as sample design and selection, questionnaire design, definition and other aspects of methodology in the collection of tourism statistics.

331. There is a large range of continuous data produced which is only partially relevant, for example, building approvals and completion statistics, labour force statistics, wage rates and earnings statistics, registration of motor vehicles and other demographic data provided by the ABS, and traffic volume surveys. These statistics are readily available but because the data are not directly relevant, conclusions derived from these bases can seldom be held with any degree of confidence.

332. There are a number of one-off cross-sectional research studies which have been conducted at national, state, regional or local levels at various times, but these also suffer from inadequacies. Many of the studies are of doubtful validity and reliability through lack of expertise and proper controls. An example of this quoted in evidence is the Australian Travel Research Conference 1973–74 Survey of Australian Travel which, according to the New South Wales State

Government, seriously underestimated the volume and expenditure of tourists. Furthermore, the margin of error of the collection is not known so much of the data provided are inadequate. The Department of the Capital Territory commented that, despite the $60 000 spent on the Survey and the fact that the results were, and still are widely quoted, the Survey had shortcomings resulting from the sample size being too small.

333. The Department of the Capital Territory divided the statistical and informational requirements of the industry into two broad categories—servicing the policy formulation and planning needs of government and industry, and providing for the informational, advisory and associated needs of travellers.

334. Major items of data required by government on which to base and to measure the effect on industries of policy decisions, are employment and measures of production and efficiency such as contribution to gross domestic product. Official statistics do not provide these measures, basically because of a problem of definition. The question of definition has been considered in Chapter 2.

Research

335. There are numerous major works of research that are currently widely quoted and which the Committee, too, utilised extensively. Indeed, most have already been mentioned in this Report. Included among these are *Holiday Accommodation in Australia*, Peat, Marwick Mitchell and Co., 1977; *Survey of Australian Travel 1973–74*, Australian Travel Research Conference; Economic Research Unit Report *A Study of Man-made Tourist Attractions*, 1976; Report of the Committee of Inquiry on Museums and National Collections, 1975; the Industries Assistance Commission Report on the Tourist Accommodation Industry, and *The Economic and Social Impact of Visitors on the A.C.T.*, Pannell Kerr Forster and Company, 1977. Industry and Commerce has also produced a tourism research bibliography.

336. In December 1976 a Tourism Research Committee (TRC) was established comprised of the research officers from the States, Territories and the Commonwealth. To date the TRC has considered ways of monitoring tourism data, has established a sub-committee to recommend on standardisation of data, and has agreed upon the broad approach of a study to examine employment in the industry. The Study itself will be carried out by Industry and Commerce.

337. The Tourist Ministers' Council at its meeting on 30 September 1977 agreed to establish a national tourism research program. Since February 1977 the departments responsible for tourism in all six States, the Northern Territory and the Australian Capital Territory have joined together to fund a survey which will monitor the travel habits of Australians.

338. The Australian National Travel Association suggested the formation of a national tourist industry research council made up of users of statistical and research information relating to tourism. It was suggested that the council be composed of suitably qualified people from governments, industry and academic institutions. Its task, according to ANTA, should be to supervise the gathering and dissemination of accurate measures of all travel variables and information about travel-related activities.

339. The Industries Assistance Commission report on tourist accommodation also commented on the research needs of the industry. The IAC stated that

evidence submitted at the IAC draft report hearing indicated that while considerable research has been undertaken by both governments and the industry, greater co-ordination of these research efforts is required. This co-ordination would most appropriately be organised by consultation between the various Commonwealth, State and industry interests involved.

340. The IAC evidence also indicated a desire in the industry for more research. The IAC considers that there is a case for requiring accommodation operators to contribute, by way of a levy, to research funding, and to participate in project selection. The IAC suggested that the Government consult with existing agencies and the industry on the feasibility of supplementing existing research funds by an industry levy.

The Committee concludes that:

(a) there is a wide range of statistics and other information available on the tourist industry, but

(b) there is not a general awareness of the information that is available.

THE COMMITTEE RECOMMENDS THAT THE TOURIST INDUSTRY THROUGH THE AUSTRALIAN TRAVEL RESEARCH CONFERENCE ESTABLISH THE STATISTICAL AND RESEARCH NEEDS OF THE INDUSTRY AND INFORM EACH STATE TOURISM MINISTER AND THE MINISTER FOR INDUSTRY AND COMMERCE OF THESE NEEDS.

Chapter 15

Short Term and Long Term Issues

341. The Committee is required under part (b) of its Terms of Reference to 'identify the short and long term issues facing the industry in Australia'. The previous Committee identified twenty-one such issues and this Committee has identified a further five. The previous Committee made recommendations on a number of those issues it identified, and this Committee has reviewed those recommendations. Certain of the recommendations have been changed as a result of action being taken on the recommendation or as a result of additional information being provided to the Committee. The Committee has also distinguished between short and long term issues. The long term issues will require a continuing review or further investigation. The short term issues can be resolved by action by the Commonwealth Government or by the Commonwealth Government in co-operation with State and local governments and the tourist industry.

342. A number of the issues have been dealt with in earlier chapters while others are considered in this chapter. The issues identified and the chapters in which they are considered are set out below.

Long Term	*Chapter*
The Effect on the Environment	6
Road Conditions	7
Air Charter Flights	7
The Role of the ATC	9
Overseas Competition	9
Training	11 & 13
General Economic Conditions	15
Seasonality	15
Convention Facilities	15
Terms and Conditions of Employment	15
Airport Curfews	15
Tour Basing Fares	15
Proration of Air Fares	15
Commonwealth Cost Recovery Program for Airport Facilities	15
Regional Routes for Domestic Airlines	15

Short Term	*Chapter*
Investment Allowances	8
Depreciation Allowances	8
Export Incentives	9
Recognition of the Industry	15
Registration of Travel Agents	15
Access to Finance	15
Car Hire Costs	15
Taxation Treatment of Cost of Leasehold Improvements at Commonwealth Aerodromes	15
International Airports	15
Signposting	15
Intrastate Pick-up and Set-down Rights for Long-distance Coaches	15

Recognition of the Industry (Government Assistance)

343. Many requests have been made for specific types of assistance, while a number of other witnesses referred to the lack of government recognition of tourism as an industry. This matter has been commented on in Chapter 3 and reference was made to the need for a well-financed industry organisation to put forward an industry view. Tangible proof of recognition of the industry, however, is the establishment of the Travel and Tourist Industry Advisory Council. The previous Committee recommended that its membership be announced and its first meeting be held as soon as possible. The Committee has been advised that the Council has since met on at least two occasions. The change in name of the Department of Industry and Commerce as recommended in Chapter 10 should also assist in the recognition of the industry.

General Economic Conditions

344. The rapid increase of tourism in the post-war period was influenced particularly by the steady growth in real disposable incomes, by general stability in economic conditions and by changes in tastes and attitudes. As governments became aware of the growth prospects of the industry they moved into the field of promotion, and this has contributed to the considerable growth in tourism, worldwide, since the 1950s. Further factors contributing to this growth include growing urbanisation, more free time and improved transport facilities, particularly reduced airfares.

345. The tourist industry is particularly sensitive to changes in economic conditions and seasonal factors, perhaps more so than most alternative forms of investment. This arises from the high labour content, the fine profit margin and the fact that travel—for either business or leisure—is one of the first items to be cut in the event of adverse economic conditions. In recent years, the industry has been particularly affected by the high costs resulting from significant increases in labour and construction costs.

346. As the Treasury suggested, the tourist industry has been affected, as have other industries, by the problems of inflation, unemployment and reduced levels of activity which have influenced the economy as a whole. The Committee believes that the control of inflation is the most important economic priority and a major step by which the Government could assist the industry.

The Committee concludes that the maintenance of stable economic conditions is of paramount importance not only to the tourist industry but to all industries.

Registration of Travel Agents

347. The previous Committee recommended that legislation to register travel agents be introduced into the Parliament. The Australian Federation of Travel Agents, too, supports Commonwealth licensing rather than individual State licensing. The licensing of travel agents would afford some protection to travellers in the event of the collapse of any travel agencies.

348. The proposed Commonwealth legislation has been discussed with the States and the industry, and is to be introduced into the Parliament in the 1978

Budget session. The Committee can only express its concern at the delay in the introduction of the legislation.

THE COMMITTEE RECOMMENDS THAT THE GOVERNMENT EXPEDITE THE INTRODUCTION INTO THE PARLIAMENT OF LEGISLATION TO REGISTER TRAVEL AGENTS.

Seasonality

349. Travel in Australia shows quite strong seasonal variations. December and January account for a quarter of all trips taken and nearly half of all main holidays. The extreme seasonality of holiday taking in Australia has resulted in a situation where facilities are inadequate during short periods of the year, yet are underutilised for the balance of the year. This problem is not exclusive to Australia. Each State has expressed support for the idea of staggering school and industry holidays, which would have a levelling effect on the present peaks and troughs of demand and enable more efficient use of invested capital.

350. A meeting of the Tourist Ministers' Council in 1975 resolved that State, Territorial and Federal Committees be established to examine the introduction of staggered holidays. The previous Committee recommended that each State and Territory establish a committee to examine the introduction of staggered holidays. Industry and Commerce advised that it has written to the States and Territories seeking their comments on the recommendation.

351. Estimates of the effects of seasonal holiday patterns on Australian accommodation and manufacturing industries have been made by Mr John Ware.[38] It was estimated that the value of production foregone as a result of the shortfall in production during December and January was approximately $400 million. This estimate assumed that the industries could have continued at the same rate of production. The industries which were most affected were transport equipment, clothing and footwear and fabricated metal products.

352. The reasons given for the industry closedown varied, but the general feeling is that December–January is the traditional holiday time and most of the suppliers of raw materials are closed. Other factors are that the administration costs for a rostered holiday system and relieving workers generally have a low productivity.

353. The situation is such that the employee has little option other than to take his holidays at these times. This could be one of the reasons why so many Australians do not travel during their holidays.

354. It would appear that the main opposition to the staggering of school holidays within each State comes from the education authorities. There may be some gain, however, from the staggering of school holidays between States. The Tasmanian State Government pointed out that the Victorian schools finish their winter holidays just as the Tasmanian school holidays start, so that there is already some degree of staggering with Victoria which is the main Tasmanian market. Staggered holidays between States would mean catering for the local tourists at one time and interstate tourists at another. Such an arrangement has much to commend it as a compromise proposal.

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[38] John Ware, Lecturer in Political Economy, Griffith University, Queensland, 'The Socio-economic Effects of the Present Concentration of Holidays in Australia on the Accommodation and Manufacturing Industries'.

The Committee concludes that:

(a) there are problems caused by the extreme seasonality of holiday taking, and

(b) there are advantages in the staggering of school and industry holidays between States and Territories.

Convention Facilities

355. Qantas suggested that Australia is reaching the stage where it is no longer considered competitive with other overseas countries as a convention destination. Australia suffers by not having a convention centre of international standard. This claim was supported by AFTA which believes that the development of true convention centres in Australia would be considerably aided by substantial Government financial assistance.

356. It was pointed out by TAA that although the convention market is growing fast there is an unfortunate tendency for many Australian companies and organisations to hold their conventions in overseas resorts.

357. The Committee is convinced that the convention market is exceedingly important. Convention delegates spend substantial sums during their visit, according to TAA, not only on basic needs such as food and shelter, but on pre and post convention tours and on items such as souvenirs. The 1973–74 Survey of Australian Travel found that the average expenditure per person attending a conference or convention was almost double that of a person on a main holiday.

The Committee concludes that the present convention facilities are inadequate for major international conventions and that steps need to be taken to provide adequate facilities in appropriate locations.

THE COMMITTEE RECOMMENDS THAT THE MINISTER FOR INDUSTRY AND COMMERCE RECOMMEND TO THE TOURIST MINISTERS' COUNCIL THAT THE AUSTRALIAN STANDING COMMITTEE ON TOURISM:

(a) CONSIDER AND ASSESS THE ADEQUACY OF CONVENTION FACILITIES PRESENTLY AVAILABLE IN AUSTRALIA, AND

(b) DETERMINE WHAT ACTION SHOULD BE TAKEN TO IMPROVE CONVENTION FACILITIES.

Access to Finance

358. It was claimed by witnesses that it is difficult to finance the industry by the traditional means available to other industries. A number of witnesses referred to the need for the provision of loans and guarantees for development, expansion, upgrading, and structural adjustment. Concern has also been expressed about the restrictions on Commonwealth Development Bank finance. Particular causes for concern are the ceiling for loan assistance for any one borrower and the specific requirement that loans are only available for tourism development located away from the major population centres.

359. A Tourist Industry Development Bank was proposed by TAA as a way of making long term low interest money available to the industry. The Treasury did not consider that a case could be made for having a special bank for tourism.

The adoption of such a proposal would lead to a fragmented financial system which would not necessarily be in the interests of the economy as a whole.

360. On 13 October 1977 the then Minister for Industry and Commerce announced a number of decisions in regard to small business finance. The Committee recommended the introduction of those measures and has since been advised that certain of the measures have been introduced and other steps to improve the availability of finance to small business are under examination. In June 1976 the ceiling for loan assistance for any one borrower was increased from $200 000 to $300 000. The Committee considers that such a ceiling is not in the best interests of the tourist industry, since there are very few projects which would involve less than $300 000.

THE COMMITTEE RECOMMENDS THAT:

(a) THE CEILING FOR LOANS ASSISTANCE FROM THE COMMONWEALTH DEVELOPMENT BANK FOR ANY ONE BORROWER BE INCREASED TO $1 MILLION, AND

(b) ANY TOURISM PROJECT BE ELIGIBLE FOR COMMONWEALTH DEVELOPMENT BANK LOANS.

Terms and Conditions of Employment

361. Earlier in this chapter the Committee commented on the effect of the timing of school holidays on the tourist industry and the resultant overutilisation of facilities at certain times of the year and underutilisation at other times. This is especially evident over the Christmas holidays when a number of industries also close down.

362. One proposal put to the Committee involved a fairly radical change in terms and conditions of employment of the workforce, with a probable benefit in terms of easing the overutilisation of facilities on long weekends. The proposal called for the allocation to each person in the workforce of a set number of paid single holidays each year, in place of most of the existing public holidays. The employee would be able to choose when he takes his single day holidays.

363. One advantage of this scheme is that the large numbers of people who presently stay at home on long weekends, on the grounds that holiday accommodation is fully booked and transport systems are crowded, will be more likely to travel. It was also suggested that the scheme would partly ease peaks and troughs of demand, cause less absenteeism, lower the road toll and result in increased productivity. A benefit to business firms would be that their operating costs would be relatively lower, as public holiday penalty rates would not apply.

364. The Committee firmly believes that there is benefit in this proposal, and in similar proposals raised by the operators of remote resorts during informal discussions with the Committee. These proposals sought to allow the employees to work on weekends and to have weekdays off, allowing the employees to visit the nearby centres of population. There were also proposals to the Committee for a five-day flexi week. The Committee is of the opinion that these sorts of innovative approaches to the problems facing the industry are what the industry needs, and that they are long overdue.

365. Another topic which is related to this issue is penalty wage rates. Many submissions referred to the high labour costs which result from penalty rates. It was claimed that the nature of the industry necessitates staff working outside the

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normal hours of duty. The Australian Accommodation Council claimed that penalty rates account for about 15 per cent of total wages and the actual contribution can vary from 10 to 25 per cent depending on the particular operation. A consequence of penalty rates is that the level of service has been reduced and many restaurants have ceased operating on Sundays. The Committee has been advised that the employers have not sought a restructuring of the penalty rate provisions in current negotiations before the Conciliation and Arbitration Commission, in relation to the Federal Hotel and Retail Liquor Industry Award, and is at a loss to understand why this is so.

366. The IAC noted that wages and conditions are determined within the framework of an established industrial system which includes the Conciliation and Arbitration Commission. The current level of award payments has been agreed to by the employers. The Department of Employment and Industrial Relations suggested that the industry is not in a unique position and enjoys less severe penalty payments than other sectors of employment which operate on a twenty-four-hour basis, such as nurses, firefighters and police. Manufacturing industries, too, often operate on a twenty-four-hour basis and presumably face a similar problem regarding penalty rates.

367. The normal working week in Australia is a five-day week with normal working hours being 7.00 or 8.00 a.m. through to 5.00 or 6.00 p.m. For work outside these hours the employee is paid penalty rates as recompense for the unsocial hours.

368. In recent years there has been a trend to part-time work, and at November 1977 part-time employees accounted for almost 15 per cent of the workforce compared with just over 12 per cent at November 1973. The Committee believes that it is now appropriate to reconsider the whole question of penalty rates, working conditions, whether there are unsocial hours of work and if so whether unsocial hours deserve penalty payments.

369. The Committee, while acknowledging that neither it nor the Parliament has a role in the determination of wages, considers that the present arrangements regarding penalty payments are of crucial importance to the tourist industry. It was suggested to the Committee that labour costs in Australian accommodation resorts are 15 per cent higher than those in the USA and significantly higher than those in the Pacific region. It was claimed by TAA that accommodation charges could be reduced by 10 per cent if Australian resorts did not have to pay weekend penalty rates.

370. The resolution of this issue will require a consensus approach by both the employer and employees yet the Committee received little evidence of any attempt to achieve this consensus. The IAC also commented on the need for greater communication between employers and the workforce in the industry.[39]

The Committee, whilst recognising that wages and conditions are determined within the framework of an established industrial system which includes the Arbitration Commission, concludes that:

(a) the present wages conditions in the tourist industry provide a positive competitive disadvantage to the Australian tourist industry vis a vis other countries, and

(b) the present penalty rate structure prejudices employment opportunities in the industry.

[39] IAC Tourist Accommodation Industry—Short-term Assistance, November 1975.

THE COMMITTEE RECOMMENDS THAT:

(a) THE GOVERNMENT ESTABLISH A TRIPARTITE WORKING GROUP TO INQUIRE INTO AND REPORT ON THE 'NORMAL' HOURS OF WORK, PENALTY RATES AND RELATED WORKING CONDITIONS,

(b) THE REPORT OF THAT WORKING GROUP BE MADE A PUBLIC DOCUMENT AND TRANSMITTED TO THE CONCILIATION AND ARBITRATION COMMISSION, AND

(c) THE QUESTION OF PENALTY RATES, CASUAL AND PART-TIME WORK BE INCLUDED IN THE TERMS OF REFERENCE OF ANY COMMITTEE ESTABLISHED TO CONSIDER THE EFFECTS OF TECHNOLOGICAL CHANGE ON EMPLOYMENT IN AUSTRALIA.

Car Hire Costs

371. It was claimed by TAA that Australia is generally 'top of the league'[40] in car hire charges when compared with countries like New Zealand, the United Kingdom and the United States of America. According to TAA this high cost of car rental severely inhibits major marketing initiatives.

372. Avis Rent-A-Car System Pty Ltd suggested that it was impractical and misleading to try and compare car rental rates between countries, because there are many factors which go to make up the actual retail price. One of the main reasons for the difference in charges is the actual cost of the car, while another is the wages structure in different countries. When compared with Singapore, New Zealand, Hong Kong, the United Kingdom and the United States of America for weekly unlimited mileage charges, Australian costs are generally above those in the United Kingdom and the United States of America but below those in New Zealand, Singapore and Hong Kong.

373. It was suggested by Budget Rent A Car System Pty Ltd that tourism would best be encouraged by allowing the three national rental operators to compete equally from airports. Competition would then ensure that the tourist would get the best and cheapest car rental possible.

374. The present airport concession was granted as the result of public tenders for a ten year contract which is due to expire in July 1979. At present DoT receives in excess of $0.5 million a year for the concession. As a result of the concession Avis obtains from 50 to 60 per cent of the airport business. The remainder is shared between the off-airport operators. There is obviously value in having the sole right. If more operators are allowed at airports, Avis said that it would not be prepared to pay as much for the concession.

375. The fly/drive type of holiday is becoming increasingly important. This type of rental now accounts for approximately 25 per cent of Avis's rentals. If there are more companies able to offer such holidays then the industry should benefit.

376. One problem in allowing more operators into the terminals is the lack of space in many of the terminals. The DoT is looking at this aspect at present. The DoT felt that if any interested operator were allowed to operate from the airport the competitive element of the tender would be lost. Another consideration is the

[40] Transcript of Evidence, p. 697.

investment in facilities to service the operation. Avis estimated that the actual cost of maintaining a national airport operation, without taking into account the cost of the vehicles, is $1.15 million. It is generally acknowledged that there are three national operators who would be interested in the contract.

377. The competitive element of the tender would however be maintained if two operators were granted the concession. It could probably be assumed that the third major operator would continue to compete and utilise facilities near the airport.

378. On 31 August 1978 the Minister for Transport announced that tenders would be called soon for rights to operate car rental businesses at airports. Bids were to be sought for a national operator who would be required to service all fifty-nine listed airports and for a second operator at each airport on an airport by airport basis. The new contract would be for a five year term from July 1979. It was stated that the case for allowing more than two operators at some airports had been carefully examined but limitations on terminal and car parking accommodation made this proposition impracticable.

379. By allowing two operators at each airport the Department has acknowledged that there are facilities for two operators. In the interests of further increasing competition the Committee would suggest that where there are adequate terminal and car parking facilities for more than two operators a third operator should be allowed.

The Committee concludes that the tourist industry would benefit from increased competition in car rentals at airports.

THE COMMITTEE RECOMMENDS THAT:

(a) THE TENDER FOR CAR RENTAL CONCESSIONS AT EACH OF THE FIFTY-NINE LISTED AIRPORTS SHOULD BE LET TO TWO NATIONAL OPERATORS, AND

(b) AT THOSE AIRPORTS WHERE THERE ARE ADEQUATE TERMINAL FACILITIES ADDITIONAL TENDERS SHOULD BE LET TO A THIRD OPERATOR ON AN AIRPORT BY AIRPORT BASIS.

Airport Curfews

380. At present there are curfews at Sydney, Brisbane and Adelaide airports which preclude the use of the airport from 11.00 p.m. to 6.00 a.m. except in emergencies. It was claimed that the lifting of these curfews would permit the operation of special services at lower fares. According to TAA the curfews are only a problem during peak periods because the Australian traveller prefers to travel during reasonable hours. It is not possible, according to TAA, to attract traffic to 8 p.m. or 9 p.m. services between Sydney and Melbourne normally, but it would be useful to be able to fly until 2.00 a.m. at certain peak periods such as Easter.

381. The Domestic Aviation Review reported that there has not been a convincing demonstration that economic gains to the airlines would be sufficient to warrant the increase in public disturbance that would eventuate from the lifting of curfews. The Committee understands that the lifting of curfews would affect the scheduling of international flights into Sydney and would also allow more efficient utilisation of aircraft. This would undoubtedly assist the tourist industry.

THE COMMITTEE RECOMMENDS CONTINUING STUDY OF NOISE CERTIFICATION OF AIRCRAFT WITH A VIEW TO THE LIFTING OF CURFEWS AS AIRCRAFT NOISE DIMINISHES.

Tour Basing Fares

382. The ATC stated that the domestic airlines operate all-inclusive package tours using specially reduced fares which are not available to the travel trade generally. Ansett Airlines and TAA both prepare such packages which are then sold through their own offices and travel agents. Travel agents sell the higher percentage of the packages, about 60 per cent, and for this receive a 10 per cent commission. The packages allow for a discount on air fares of approximately 30 per cent, to which is added any rebates from hotels, coaching companies and other components of the package. The package then goes to the consumer at the cheapest possible rate. The airlines claim that they can present the consumer with the cheapest possible package.

383. A suggestion by AFTA is that the domestic airlines should be encouraged to make tour basing fares available to travel agents and tour wholesalers. A recent survey has indicated that 60 per cent of AFTA's membership would utilise the tour basing fare if it were available. It is economically impossible for a travel agent or tour wholesaler to provide competitive packages without access to tour basing fares from the major domestic airlines. East-West has made tour basing fares available to travel agents and a number of successful holiday packages have been developed.

384. The Domestic Aviation Review recommended that the airlines should be encouraged to explore a wider range of fare types and as an example suggested the bulk sale of blocks of seats for group and inclusive tour based fares. The Committee supports this view.

THE COMMITTEE RECOMMENDS THAT THE MAJOR DOMESTIC AIRLINES MAKE AVAILABLE TO LICENSED TRAVEL AGENTS AND THE GENERAL PUBLIC INNOVATIVE FARE STRUCTURES INCLUDING REDUCED FARES FOR USE IN THE CONSTRUCTION OF ALL-INCLUSIVE TOURS.

Taxation Treatment of Cost of Leasehold Improvements at Commonwealth aerodromes

385. At present the airlines and other airport users are not allowed to claim as a tax deduction the amortisation of leasehold improvements at Commonwealth aerodromes. It was claimed that because of the shortage of Commonwealth funds, increasing numbers of buildings at airports are being financed and built by the industry on land leased from the Commonwealth. These buildings must be erected at the aerodromes but cannot be sold or converted to alternative use. Furthermore, the leases are usually for only a short term of about ten years.

386. The Committee considers that the allowance of such a deduction would be in the interests of the industry since it should reduce the cost of travel.

THE COMMITTEE RECOMMENDS THAT THE GOVERNMENT AMEND THE *INCOME TAX ACT* 1972 TO ALLOW FOR THE COSTS OF LEASEHOLD IMPROVEMENTS AT COMMONWEALTH OWNED AERODROMES TO BE TAX DEDUCTIBLE.

Proration of Air Fares

387. Australian domestic airline operators are not parties to the international proration agreement. This means that the domestic airlines insist on collecting from the international carrier the full local fare regardless of whether or not the passenger is travelling on a reduced rate or special excursion fare. Qantas claimed that if the Australian domestic carriers were to accept remuneration for carriage within Australia at the same cents per kilometre rate as do the international airlines for international travel (i.e. prorate), international air fares could be reduced.

388. If the domestic airlines were to prorate over all their routes the cost of such an exercise is estimated at over $4 million. At present there are certain fares available to the international tourist at a rate less than normal sector fares, such as 'Discover Australia' fare which provides for a 15 per cent rebate on a number of circle-trip journeys and the group inclusive tour fares for passengers from North America. Under this system if the passenger travels more than 1000 miles the airfare is rebated by 30 per cent. These concessions in some way compensate for the absence of proration.

389. The Domestic Aviation Review recommended that proration of air fares not be introduced in Australia. It is expected that if more innovative fares could be developed, these fares could then be combined with international packages. The Committee would agree with this contention provided that the more innovative fare packages are introduced. Whether the new innovative fare packages have been introduced should be investigated as part of the monitoring and reviewing of the results referred to in Chapter 7.

Commonwealth Cost Recovery Program for Airport Facilities

390. A number of witnesses who appeared before the Committee referred to the effect on airfares of the policy of recovering all attributable costs associated with airports and airport facilities from the users of those facilities. The DoT considered that the policy of recovery from the aviation industry of a substantial portion of the cost of providing it with services, is undoubtedly taken into account by the industry in setting its fares. Air navigation charges amount to about 4.5 per cent of the domestic airlines' total costs.

391. It was suggested by TAA that a reduction in these charges would be a boost to the industry. The Government should also recognise that the major domestic airlines are recovering the major portion of their costs and that the shortfall in recovery lies with that part of the industry, namely general aviation and rural airlines, which cannot pay more.

392. The Domestic Aviation Review also considered this issue and concluded that further significant study into the relationship between investment pricing and cost recovery is required. Investigations into this aspect by the DoT are continuing. The effect on the various carrier levels is shown in the following table.

TABLE 9

COST RECOVERY RATE—AIR TRANSPORT

	1974–75	*1975–76*	*1976–77*
	Per cent	Per cent	Per cent
International	86.5	114.7	122.9
Domestic Trunk	75.2	80.4	75.9
Rural Airlines	24.2	29.7	27.4
Commuter	17.0	7.2	6.8
Other General Aviation	..	15.2	14.0

Source: Department of Transport.

393. The figures confirm TAA's claim that the main short fall is in the general aviation area. Estimates by DoT indicate that of a deficit of $85.5 million in 1976–77, other general aviation accounted for $49.7 million while commuter aviation accounted for $6.8 million. The DoT was not however able to provide the Committee with rates of recovery on the various routes, as it has been suggested that the difference in cost recovery is brought about by reason of the large number of non-metropolitan airports to be served.

394. Ansett Airlines suggested to the Committee that the Government should enunciate and enforce a general policy for cost recovery from all transport modes. It was also claimed that a number of items such as security measures should not be included in the cost recovery formula.

Regional Routes for Domestic Airlines

395. Several witnesses raised the question of domestic airlines servicing regional routes near Australia. It was suggested that visitors to Australia could visit several other countries in the Pacific, and Australians could visit North Queensland and Central Australia as part of a holiday which includes certain international destinations. The DoT could not see any impediment to an Australian tour wholesaler constructing a package which embraced both travel within Australia and overseas travel, apart from the cost. Either of the domestic airlines would be able to construct a package embracing domestic travel and international travel, but this would have to be in co-operation with an international airline since Australia has only one designated international airline (as discussed in Chapter 7).

396. Since the domestic airlines have aircraft that are more suitable for the short haul routes selected, existing airports could be used as international gateways with the provision of customs and immigration facilities but without expensive runway extensions. The South West Pacific Area could be promoted as a destination, particularly in North America. Geographical extremities such as North Queensland, Tasmania and Western Australia could be included in round trips rather than as side trips from Sydney or Melbourne with the traveller having to retrace his steps.

397. The Domestic Aviation Review considered the issue of access to regional international routes by domestic operators and concluded that no documented case has been advanced showing that tariffs on existing services would be reduced by such arrangements. It was recommended that Qantas should continue as the

sole operator of international services but that if it does not have suitable equipment to operate certain sectors, then the domestic operators should be given the opportunity to operate those sectors. Any decision on the recommendation in this regard should await a Government decision on international civil aviation policy, which is presently under consideration.

398. The Committee endorses the recommendation of the Domestic Aviation Review that any decision on the issue of regional routes for domestic airlines should await the Government decision on the international civil aviation review.

International Airports

399. Aircraft arriving in Australia from a place outside Australian Territory are required to land at a designated international airport. At present Brisbane, Darwin, Melbourne, Perth and Sydney are designated as international airports. The DoT considered that there is no immediate need to provide more international gateways and pointed out that the United States of America, with its vastly greater population, has less than twice as many gateways as Australia.

400. Qantas claimed that the opening up of any new international gateway would not increase the numbers of overseas visitors coming to Australia, but merely redistribute them. This claim was supported by the Pacific Area Travel Association which noted that it would not be economical for an airline to operate into too many international airports and that airlines are not attracted to an area merely because it has an international airport.

401. At present only 4 per cent of international visitors to Australia go to the Barrier Reef and 3 per cent visit Tasmania. In para. 396 the Committee referred to the requirement for the international visitor to retrace his steps should he decide to visit Tasmania or North Queensland.

402. An international visitor to Tasmania has to go via the mainland as the international airports are located on the mainland. The Tasmanian State Government suggested that the establishment of an international air link with New Zealand would encourage more visitors to the island. It was recommended that a trans Tasman service, which would include Tasmania as well as mainland ports be introduced on a trial basis. Such a trial would require the designation of a Tasmanian airport as an international airport. As an alternative it was suggested that a study be undertaken of the matter. The DoT considered that whether there should be an international airport at Hobart is a matter of an assessment of the potential traffic against the cost. The Committee considers there is a need for such an assessment.

THE COMMITTEE RECOMMENDS THAT A STUDY BE UNDERTAKEN OF THE DESIRABILITY OF THE DESIGNATION OF A TASMANIAN AIRPORT AS AN INTERNATIONAL AIRPORT.

403. A study by the BTE concluded that an international airport at Townsville could be justified by 1985. Such an international airport could be of particular significance with the development of direct flights to Alice Springs from North Queensland, and with the development of tourism in Papua New Guinea. It would also facilitate the development of a tour to Australia's major attractions, the Great Barrier Reef and Ayers Rock. The BTE Study noted that major developmental works would be involved but that a decision need not be taken on implementation until 1980.

THE COMMITTEE RECOMMENDS THAT:

(a) AN INTERNATIONAL AIRPORT BE DESIGNATED AT TOWNSVILLE, AND

(b) THE DEVELOPMENTAL WORK REQUIRED BE AUTHORISED AS SOON AS POSSIBLE.

404. The previous Committee recommended that the upgrading of the terminals and the realignment of the runway at Brisbane Airport be regarded as a high priority. The DoT advised that it was urgently preparing a development strategy for the Government's consideration to allow the detailed planning to be completed and construction works commenced. Land acquisitions have still to be finalised but there has been agreement, in principle, on this matter. At present there is no specific timetable for the completion of the project.

THE COMMITTEE RECOMMENDS THAT THE MINISTER FOR TRANSPORT ANNOUNCE AS SOON AS POSSIBLE A SPECIFIC TIMETABLE FOR THE UPGRADING OF BRISBANE AIRPORT.

Signposting

405. In para 126 reference was made to inadequate mileage and directional signposting as being one of the factors restricting the growth of motor tourism. It was suggested by ANTA that some signs are in such poor repair as to be unreadable and cause delays, annoyance and frustration to the motorists.

406. The Swan Hill Development Association referred disparagingly to the standard, placement and paucity of tourist signs. It was suggested that the Government should encourage the States to adopt standard signs for use throughout the country, as at present there is no appropriate set of sign standards. The standard signs would indicate places to rest, eat and refuel and would enable easy and quick recognition by travellers of all nationalities.

THE COMMITTEE RECOMMENDS THE INTRODUCTION OF A STANDARD SET OF ROAD INFORMATION SIGNS FOR USE WITHIN AUSTRALIA.

Intrastate Pick-up and Set-down Rights for Long-distance Coaches

407. In its Interim Report the previous Committee recommended that the Minister for Transport refer the question of intrastate pick-up and set-down rights for long-distance coaches to the Australian Transport Advisory Council (ATAC). A number of witnesses had claimed that the present restriction places bus operators at a disadvantage relative to railways, and it was suggested that the lifting of these restrictions would greatly assist tourism.

408. The DoT had advised the Committee that it could see no justification for the restriction. It was proposed that as the recommendation envisaged possible changes in the licensing procedures of the States, discussions would be held with State officials before advising the Minister for Transport regarding the raising of the matter at ATAC.

409. The matter has been taken up by a number of State Tourism Ministers but to date the Committee is unaware of any action that has been taken to remove this restriction.

The Committee concludes that the restriction on long-distance coaches inhibits the development of tourism.

THE COMMITTEE RECOMMENDS THAT THE PROBLEM OF INTRA-STATE PICK-UP AND SET-DOWN RIGHTS FOR LONG-DISTANCE COACHES BE RESOLVED BY THE AUSTRALIAN TRANSPORT ADVISORY COUNCIL.

Chapter 16

Conclusions

410. In the earlier chapters of this Report the Committee has considered the various parts of the Terms of Reference. In this chapter the major conclusions in the earlier chapters are noted and reference is again made to the more important recommendations.

411. The significance and potential of tourism in the Australian economy has been examined. The Committee has concluded that the tourist industry is of considerable economic significance and deserves greater recognition. It has not been possible, however, to make a definite statement of the economic significance and the Committee has recommended that this be a matter for further study. An estimate of the magnitude of tourism was made by the advisers to the previous Committee. The advisers estimated that the direct turnover from tourism in 1974–75 was $3300 million and the indirect turnover $840 million. Direct employment in the same year was estimated at 263 000 persons and indirect employment at 136 760. These figures are subject to some criticism (see Appendix 3) but at least give some indication of the scale of the industry.

412. The potential for tourism to become a significant sector of the economy is generally acknowledged. Whether it will achieve that potential will depend on the development of Australia's tourist attractions, the aggressive promotion of these attractions by both industry and government at home and overseas, by the introduction of more innovative air fares and the approval of more air charter flights from selected overseas destinations. With the general rise in community affluence a greater proportion of consumer spending is likely to be on discretionary items such as travel. Whether that travel is within Australia, or overseas, depends on the recognition accorded local tourism and on the allocation of resources to it.

413. The Committee considered whether tourism has special features in comparison with other industries. A special characteristic of tourism is that it does provide employment opportunities for unskilled and part-time workers. It is also an industry which can have a significant effect on the balance of payments. It can earn foreign exchange through overseas tourists coming to Australia, and can conserve foreign exchange by persuading more Australians to holiday at home. While tourism is unlikely to have a dramatic effect on community health and welfare it is in a unique position to foster and develop the community's knowledge of Australia and the Australian heritage.

414. Tourism can contribute to regional development and decentralisation. It has been and will continue to be a major stimulus to sustained growth in many non-metropolitan areas of Australia. It has an advantage over many other industries in that while it is labour intensive it has distinct growth prospects.

415. The long term trend in modal passenger shares of non-urban transport will be a maintenance of the dominance of the private car with an increase in air travel. The private motor vehicle is expected to account for approximately

86 per cent of all trips and aviation will probably increase its share from the existing level of 5 per cent. The bus services are expected to maintain their market share at around 2 per cent while the rail share is expected to decline.

416. Because of the dominance of private car travel the Committee is concerned about the present road conditions and has been informed that there is a need for a massive upgrading of the road network. The Committee has recommended the compilation of a priority list of tourist roads and that additional funds should be made available by Commonwealth, State and Territory Governments to upgrade those roads. Roads of particular concern to the Committee are the Stuart Highway, the Bruce Highway and the Alpine Way.

417. The Committee is also concerned with the need to ensure that the transport and tourism policy arms of government co-operate in the development of policies for air transport and has recommended the establishment of a standing inter-departmental committee on air transport. The Committee can see no reason why the recommendation of the previous Committee for a trial series of charter flights along the lines proposed by Laker has not been implemented.

418. As a tangible sign of recognition of the importance of tourism the Committee has recommended that the Department of Industry and Commerce be renamed the Department of Industry, Commerce and Tourism. The Committee envisages a greatly expanded role for the ATC. It recommends an increase in the funds for overseas promotion, as well as the involvement of the ATC in domestic promotion. However, overseas promotion should remain the primary activity of the ATC.

419. The Committee endorses the introduction of the departure tax announced in the recent Budget but has recommended that the funds raised should be used for the promotion and development of Australian tourism. It is also recommended that the responsibility for the collection of the tax rest with the carrier.

420. The Committee sees a role for the Commonwealth in the development of Australia's national tourist attractions. With respect to two such natural attractions, namely Ayers Rock and the Great Barrier Reef, specific recommendations have been made.

421. The States' major role in promotion should be in domestic promotion, both through the existing tourist bureaus and through the development of regional organisations. The Committee considers there should be greater emphasis on the establishment of regional organisations. The method of assisting the regional organisations varies from State to State and the Committee recommends that the States discuss these differences in the hope that each will learn from the others' experiences. Another major role for the States is in meeting the training needs of the industry.

422. The role of local government is crucial to the development of Australian tourism. It is local government which has to provide many of the basic services required by the tourist. The challenge confronting local government is to ensure the equitable distribution of the costs and benefits of tourism to the community. The Committee does not consider that an accommodation tax is an equitable method of spreading the costs of tourism across the community and more consideration should be given to differential rating. Local government also has a role in supporting the regional organisation.

423. The role of the industry in the development and promotion of tourism is a matter which deserves careful consideration by the industry. The Committee

concludes that the majority of operators in the tourist industry are not aware of the need for a well financed industry organisation to promote the industry to government, to other industries and to the public at large. The industry must recognise the interdependence of its various sectors and that the promotion of one sector will benefit the others, while general promotion will probably benefit all.

424. One particular issue which has been resolved is that of the general recognition of tourism as an industry. The Committee has set out a definition of a tourist which it hopes will be adopted and which should be used as the basis for the study proposed by the Minister for Industry and Commerce. In the chapter on statistics the Committee has set out the range of statistics at present available and concludes that there is a wide range of statistics available but there is not a general awareness of these statistics.

425. Some twenty-six issues have been identified as facing the industry. Certain of those issues have been resolved while others require action by the various levels of government either together or singly. The issues range from the introduction of a depreciation allowance through to the staggering of school holidays and the establishment of a working group to consider the questions of penalty rates and related working conditions. However, the main issue at present facing the industry is the uncertainty regarding the economy. The Committee has concluded that the maintenance of stable economic conditions is of paramount importance not only to the tourist industry but to all industries.

426. The Committee considers that one of the major achievements of its Inquiry has been to focus attention on the industry. It has also caused the various levels of government not only to reconsider their attitudes to the tourist industry but to state those attitudes publicly. It would also hope that it has caused the industry to recognise that its future development depends to a very large extent upon its own efforts.

D. F. JULL
Chairman

October 1978

Appendix 1

List of Witnesses

Adams, Mr I. K., Duncraig, Western Australia
Adams, Mr K. R., Consultant, Local Government Association of South Australia Inc.
Ahnfeldt, Mrs C. M., Tourist Promotion Officer, North West Tourist Promotion Development Association, Queensland
Anderson, Mr D. W.,* First Assistant Statistician, Economic Censuses and Surveys Division, Australian Bureau of Statistics
Ansett, Mr R. G.,* Managing Director, Budget Rent A Car System Pty Ltd
Aplin, Mr W. F., Zone President, North West Tourist Promotion Development Association, Queensland
Appleton, Mr K. W., Computer and Communications Services Director, Qantas Airways Limited
Armitage, Miss A., Head of Division, Travel and Tourism, School of Business and Administrative Studies, Sydney Technical College, Department of Technical and Further Education, New South Wales
Atkinson, Mr B. G., Mossman Park, Western Australia
Aussie-Stone, Mr M., Balmain, New South Wales
Bagley, Mr F. D.,* Assistant Statistician, Rural, Transport and Construction Branch, Australian Bureau of Statistics
Bagley, Mr L. S., Board Member, Whitsunday Wonderworld Travel Council, Queensland
Barclay, Mr K. M.,* Director, South Australian–Northern Territory Region, Department of Transport
Beresford, Mr D. C. de la P.,* Director, New South Wales Department of Tourism
Bond, Mr F.,* Past President, Caravan Parks Association, Victoria
Bonny, Mr H. V., Blackmans Bay, Tasmania
Bookless, Mr J. H., Chief Engineer, Main Roads Department, Queensland
Bourke, Mr M., Executive Director, Australian Heritage Commission
Boyle, Ald. N. A., Honorary Secretary, Darling Downs and District Tourist Association, Queensland
Branson, Mr C. W., General Manager, Chamber of Commerce and Industry South Australia Inc.
Brennan, Mr W. L., Acting Director, New South Wales Department of Tourism
Brigg, Mr J. S., Assistant Secretary, Recreation and Tourism Branch, Department of the Capital Territory
Broadbent, Mr D. H., Vice-President and Director, Australian Federation of Travel Agents
Brooker, Mr K. A., Deputy Director, Department of Tourism, Tasmania
Brunton, Mr D. T.,* Executive Director, Sunshine Valley Tourism

* Appeared before this Committee.

Buntain, Mr K. A., Councillor, Hobart Chamber of Commerce, Tasmania
Bunter, Mr V. C., Representative, Greenough Regional Administration, Western Australia
Catto, Mr R. H., State Vice-President, Caravan and Tourist Parks Association of Queensland
Chamberlain, Mr K., Director of Development, Pacific Area Travel Association, United States of America
Chinner, Mr D. W.,* Acting Assistant Director, Territory Parks and Wildlife Commission
Chisholm, Mr D. M., General Manager, Birdwood Mill Museum, South Australia
Chivers, Mrs D. J., Representative, Greenough Regional Administration, Western Australia
Claringbould, Mr R. L., Queensland Manager, Australian National Travel Association
Clegg, Mr W. R., Vice-President, Council of Tourist Association of New South Wales
Coleman, Mr D., Tourist Development Officer, Townsville Tourist Organisation, Queensland
Constance, Mr C. C., Travel Promotion Manager, MacRobertson Miller Airline Services, Western Australia
Cooke, Mr A. F., Assistant Commercial Manager (Sales Promotion), Australian National Line
Cooper, Mr B. N., Touring Officer, Royal Automobile Club of Victoria
Correll, Mr E. G., Acting Director, South Australian Division of Tourism
Cox, Mr K. F., Honorary Treasurer and Chairman, Melbourne Cup Carnival Committee, Victoria Racing Club
Craig, Mr N. McC., Member, Executive Committee, Capricorn Tourist Organisation, Queensland
Crawford, Mrs L. H.,* Research Officer, New South Wales Department of Decentralisation and Development
Crofts, Mr R. S.,† Acting Director of Tourism, Division of Tourism, Victorian Department of State Development
Cummings, Mr W. S., Manager, Far North Queensland Development Bureau
Curry, Mr J. I., Member, Far North Queensland Development Bureau
Davey, Mrs J.,* Secretary, Alice Springs Tourist Promotion Association
Donovan, Dr J., Medical Adviser, Epidemiology, Public Health Division, Department of Health
Douglas, Prof. I., Professor of Geography, University of New England, New South Wales
Downs, Mr J. G., Tourist Promotion Officer, Central Highlands Regional Tourist Authority, Victoria
Duthie, Mr L. G., Chairman, Capricorn Tourist Organisation, Queensland
Dutton, Mr W. J., Dutton Development Services, Consultant to the Gold Coast City Council, Queensland
Dyson, Mr T. J.,† Director, Tourist Industry Branch, Department of Industry and Commerce
Ellis, Mr N. N.,† First Assistant Secretary, Tertiary Industry Division, Department of Industry and Commerce

* Appeared before this Committee.
† Appeared before this Committee as well as previous Committees.

Elton-Montruin, Mr E. C. J., Manager, Market Analysis, Ansett Airlines of Australia
Entsch, Mr R. H., Member, Far North Queensland Development Bureau
Evans, Mr W., Investigating Accountant, New South Wales Department of Decentralisation and Development
Feeney, Mr B. J., Department of Local Government, Queensland
Filmer, Mr R. J., Assistant Secretary, Locational Analysis Branch, Department of Environment, Housing and Community Development
Firkins, Mr P. C., Director, Perth Chamber of Commerce, Western Australia
Fisher, Mr P. S., M.P.* Federal Member for Mallee.
Forrester, Mr A. I., Owner-Manager, Golden West Bus Services, Western Australia
Fox, Mr R. G., Representative, Greenough Regional Administration, Western Australia
Freeland, Mr C. W. M.,* Deputy Secretary (Policy and Planning), Department of Transport
Gale, Mr R. W., Senior Engineer, Beach Protection Authority, Department of Harbours and Marine, Queensland
Gare, Mr N. C.,* Assistant Director, Australian National Parks and Wildlife Service
Garratt, Mr G. S., Representative, Greenough Regional Administration, Western Australia
Gluyas, Mr B. A., General Marketing Manager, Ansett Airlines of Australia
Gothe, Mr J. M., President, Australian Accommodation Council, Appeared separately as: Board Member, Australian National Travel Association
Green, Mr K. J., Technical Administration Officer, Queensland National Parks and Wildlife Service
Greenway, Mr C. A., Chairman, Australian Tourist Commission
Haines, Mr G. A., Vice-President, Australian Accommodation Council
Hall, Mr G. J., Assistant Secretary, Trades Services Division, Department of Overseas Trade
Harris, Mr R. L.,* Chairman, Northern Territory Tourist Board
Harris, Mr A. C., Acting Chief Finance Officer, Manufacturing and Commerce Section, Transport and Communications Branch, Transport and Industry Division, Department of Finance
Harrison, Mr R. B., Accountant and Industrial Assistance Officer, Department of Commercial and Industrial Development, Queensland
Hayes, Mr T. P., Assistant Secretary, Transport and Communications Branch, Transport and Industry Division, Department of Finance
Hayles, Mr B. L., Member, Far North Queensland Development Bureau
Hennessy, Dr B. L., First Assistant Director-General, Health Services Division, Department of Health
Hewitt, Mr J. V.,* Acting Director, Department of Transport and Industry, Northern Territory
Hill, Mr J. L.,* Acting Director, Pacific Investments Pty Ltd, Seaton, South Australia
Holdcroft, Mr K. J., Member, Far North Queensland Development Bureau
Holden, Mrs A., Director, Market Development, Australian Tourist Commission
Holden, Mr N. J., Member, Executive Committee, Capricorn Tourist Organisation, Queensland

* Appeared before this Committee.

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Hopkinson, Mr T. R.,* Assistant Secretary, Commercial Bureau, Department of Transport

Hrbac, Mr J., President, Gold Coast Branch, Restaurant and Caterers Association of Queensland

Hullick, Mr J. M., Secretary, Local Government Association of South Australia Inc.

Hulton, Mr J. B. G., Director, Department of Tourism, Tasmania

Hyden, Mr N. F., Assistant Secretary, Resources Branch, General Financial and Economic Policy Division, Department of the Treasury

James, Mr A. T. I.,* Director, Balance of Payments Section, Australian Bureau of Statistics

Jennings, Mr B. A., Director, Hobart Chamber of Commerce, Tasmania

Jobe, Mr D. A. D., Manager, Research, Western Australian Department of Tourism

Johns, Prof. B. L.,* Director, Bureau of Industry Economics, Department of Industry and Commerce

Jones, Mr B. R., Acting Assistant Secretary, Decentralisation Policy Branch, Department of Environment, Housing and Community Development

Jongsma, Mr G.,* President, Caravan Parks Association—Victoria

Kaye, Mr S., Executive Member, Australian Accommodation Council

Kayes, Mr A. C., Member, Executive Committee, Capricorn Tourist Organisation, Queensland

Kennard, Mr D. N.,† Executive Director, Ballarat Historical Park Association, Victoria

Also appeared as President, Australian Historical and Tourist Parks Association

King, Mr P. T., Director-Administration, Queensland Government Tourist Bureau, Division of Tourist Activities

King, R. L., Managing Director, Greyhound Travel Centre, Victoria

King, Mr W. F. J., Managing Director, Bill King's Northern Safaris, Victoria

Krumbeck, Mr M. W., Executive Director, Australian Federation of Travel Agents

Laker, Mr F. A., Chairman and Managing Director, Laker Airways Limited, Gatwick, United Kingdom

Leaver, Mr B. H.,* Project Co-ordinator, Park Operations, Australian National Parks and Wildlife Service

Leaver, Mr D. C.,* Acting First Assistant Statistician, Statistical Applications and Services Division, Australian Bureau of Statistics

Leiper, Mr N. R.,* Roseville, New South Wales

Logue, Mr F. G., Deputy Director, Western Australian Department of Tourism

Luttrell, Mr B. J., Transport Planning Officer, Metropolitan Transit Authority, Queensland

McCabe, Mr R. J., Project Officer, Capricorn Conservation Council, Queensland

McConnell, Mrs K. J., Executive Committee Member, Murray Bridge Chamber of Commerce Inc., South Australia

McDonald, Mr K. A., General Manager, Australian Tourist Commission

McDowall, Mr K. I., Tourist Promotions Officer, Far North Queensland Development Bureau

McMahon, Mr G. J., Finance Manager and Controller, Ansett Airlines of Australia

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* Appeared before this Committee.

† Appeared before this Committee as well as previous Committees.

McRoberts, Mr N. J., Executive Member, Australian Accommodation Council
Madden, Mr K. M. J., National Secretary, Youth Hostels Association of Australia
Maher, Mr C. C., Development Officer, Cooma Municipal Council, New South Wales, Appeared separately as: President, Council of Tourist Associations of New South Wales
Maloney, Mr B. J.,† Director, Tourist Industry Branch, Department of Industry and Commerce
Maluish, Mr A. G., Administration Manager, Australian Underwater Federation
Marcusson, Mr P., Assistant Secretary, Overseas Markets Division, Department of Overseas Trade
Matthews, Mr M. R.,† Deputy Chairman, Australian National Travel Association
Mellor, Mr T. R.,* Principal, Ross Mellor and Associates
Middleton, Mr R. B., Secretary Manager, Tasmanian Tourist Council Inc.
Minge, Mrs R. S., Executive Committee Member, Murray Bridge Chamber of Commerce Inc., South Australia
Mitchell, Mr A. H.,* Committee Member, Swan Hill Development Association
Moffat, Mr R. I., Manager and Co-proprietor, Hainault Tourist Mine Pty Ltd, Western Australia
Monaghan, Mr J. V., First Assistant Secretary, Transport and Industry Division, Department of Finance
Monie, Mr P. M., Acting Assistant Secretary, Training Development Branch, Department of Employment and Industrial Relations
Moore, Mr D. R., Secretary, Campbell Miles Festival Organising Committee, Queensland
Moreman, Mr K. H., Executive Member, Australian Accommodation Council
Morris, Mr W. G., General Secretary, Federated Liquor and Allied Industries Employees Union of Australia
Mountney, Mr J. H., Vice-President, Whitsunday Wonderworld Travel Council, Queensland
Muldrew, Miss D. A., Co-Manager and Finance Director, Australasian Hotel Motel Training Centres, Queensland
Mungovern, Mr B. A., Acting Deputy Director, New South Wales Department of Tourism
Myott, Mr D. E., Secretary, Council of Tourist Associations of New South Wales
Newland, Mr J.,* Chief Executive Officer, Northern Territory Tourist Board
Nielsen, Mr B., Secretary, Queensland National Fitness Council for Sport and Physical Recreation, Department of Community and Welfare Services and Sport, Queensland
Nicholson, Mr B. J., Executive Officer, Whitsunday Wonderworld Travel Council, Queensland
O'Brien, Mr D. W., Assistant Secretary, Economic Policy and Licensing Branch, Air Transport Policy Division, Department of Transport
O'Keefe, Mr H. B.,* Senior Assistant Secretary, Planning Research and Development Branch, Department of Transport
Oldfield, Mr P. B., Secretary, Tourist Development Authority, Tasmania
Palmer, Mr B. R., General Marketing Manager, Trans-Australia Airlines
Patterson, Mr E. C., Acting Research Officer, Department of Tourism, Tasmania
Perrott, Mr L. M., Chairman, Australian National Travel Association
Phillips, Mr W. H., Manager, Banfield Caravan Park, Queensland

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* Appeared before this Committee.
† Appeared before this Committee as well as previous Committees.

Pitts, Mr O. F. W., Director, Australian Federation of Travel Agents
Porter, Mr B. W., Planning Superintendent, Trans-Australia Airlines
Porter, Mr D. N.,* Chief Research Officer, New South Wales Department of Decentralisation and Development
Potts, Mr J. D., Secretary, Murray Bridge Chamber of Commerce Inc., South Australia
Poulter, Mr D. G., Assistant Secretary, Industrial Relations, Department of Employment and Industrial Relations
Price, Mr C. W., Queensland National Parks and Wildlife Service
Pride, Mr G.,* Planning Officer, Territory Parks and Wildlife Commission
Pryor, Mr R. F., Assistant Secretary, Cities Branch, Department of Environment, Housing and Community Development
Reeve, Mr E. J.,† Director, Tourist Industry Branch, Department of Industry and Commerce
Reid, Mr G. K. R., Acting Director, Bureau of Transport Economics, Department of Transport
Reider, Mr L. G.,† Senior Officer, Research, New South Wales Department of Tourism
Richardson, Mr D. C., Executive Director, Motor Inn and Motel Association of Tasmania
Richardson, Mr J. I., Assistant General Manager, Australian Tourist Commission
Ritchie, Captain R. J. (C.B.E.), Deputy Chairman, Australian Tourist Commission
Roach, Mr R. G., Member, Board of Management, Tasmanian Tourist Council Inc.
Rose, Mr H., Executive Member, Australian Accommodation Council
Rossiter, Mr K. C., Project Officer, Research, South Australian Division of Tourism
Rowland, Mr J. H.,* First Assistant Secretary, International Policy Division, Department of Transport
Ryall, Mr K. R., Managing Director, Kryal Castle Pty Ltd, Victoria
Rye, Mr C. R., First Assistant Secretary, General Financial and Economic Policy Division, Department of the Treasury
Sayers, Mr I. L., Project Officer (Research), Tourism Section, Department of the Capital Territory
Semmens, Mr N. J., Director, Western Australian Department of Tourism
Smee, Mr B. A.,* Assistant to the Managing Director, Avis Rent-A-Car System Pty Ltd
Smith, Ms J. E.,* Senior Research Officer, Division of Tourism, Victorian Department of State Development
Smith, Mr P. S.,* First Assistant Secretary, Sea Transport Policy Division, Department of Transport
Stack, Dr E. M.,* Mayor, The Corporation of the City of Darwin
Stear, Mr L.,* Kogarah, New South Wales
Steley, Mr C. W., Managing Director, Stradbroke Managers Pty Ltd, Queensland
Stringfellow, Mr A. J., Manager, Tourist Resort Division, P & O Australia Ltd
Stroud, Mr L. G.,† Assistant Secretary, Tourist Industry Branch, Department of Industry and Commerce

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* Appeared before this Committee.
† Appeared before this Committee as well as previous Committees.

Sutton, Mr I., Marketing Manager, MacRobertson Miller Airline Services, Western Australia
Symes, Mr J. P., Greenough Regional Administrator, Western Australia
Taplin, Dr J. H. E., Deputy Secretary, Department of Transport
Taylor, Mr A. J., Representative, Gascoyne Regional Administration, Western Australia
Teague, Mr B. N.,* Manager, Planning and Development, East-West Airlines Limited
Thomas, Mr E. K., Superintendent of Transport, Queensland Railways
Thompson, Mr J. L. N.,* President, Swan Hill Development Association
Toakley, Mr K. H., Assistant Secretary, International Relations A Branch, International Policy Division, Department of Transport
Tucker, Mr G. W. L.,† Executive Director, Australian National Travel Association
Tucker, Dr K. A.,* Assistant Director, Bureau of Industry Economics, Department of Industry and Commerce
Turner, Mr W. A.,* Manager, Swan Hill Pioneer Settlement Authority. Also appeared as Committee Member, Swan Hill Development Association
Tuxworth, Mr I. L.,* Cabinet Member, Health and Resources, Northern Territory Legislative Assembly
Valentine, Mr R. S. J., Chairman, Tasmanian Tourist Council Inc.
Walder, Mr R., Executive Member, Gold Coast Visitors Bureau, Queensland
Wall, Mr L. R., Acting Assistant Secretary, Industrial Relations Industry C Branch, Department of Employment and Industrial Relations
Ward, Mr J. F., Market Development and Systems Director, Qantas Airways Limited
Warner, Mr R. F., Secretary, Capricorn Tourist Organisation, Queensland
Warren, Mr P. M., Manager, Rockhampton Regional Promotion Bureau, Queensland
Watson, Mr K. S.,* Assistant Statistician, Population Census Branch, Australian Bureau of Statistics
Watson, Mr L. R., Director of Tourism, Department of the Capital Territory
Watson, Mr W. R., First Assistant Secretary, Environment Division, Department of Environment, Housing and Community Development
Weeden, Mr B. C.,* First Assistant Secretary, Air Transport Policy Division, Department of Transport
Wells, Mr B. R., Executive, Australian Automobile Association
Whiley, Miss M., Adviser in Social Welfare, Department of Community and Welfare Services and Sport, Queensland
White, Mr N. E., Member, Board of Management, Tasmanian Tourist Council Inc.
White, Mr P. J.,* Supervisor, Mining and Wholesale Section, Australian Bureau of Statistics
Wierzbicki, Mr J., Marketing Services Manager, New South Wales Public Transport Commission
Williams, Mr K., Managing Director, Sea World Pty Ltd, Queensland
Williams, Mr R. T., Executive Officer, Great Barrier Reef Marine Park Authority
William, Mr T. M.,* Assistant Secretary—Rail, Department of Transport
Willis, Mr R. B., Secretary, Youth Hostels Association of New South Wales
Wilson, Mr J., Director General of Tourist Services, Division of Tourist Activities, Queensland
Wood, Mr A. J.,* Director, Demography and Social Section, Australian Bureau of Statistics

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* Appeared before this Committee.
† Appeared before this Committee as well as previous Committees.

Appendix 2

Persons and organisations who made submissions but did not appear at public hearings

Ansett Hotels Pty Ltd
Ansett Pioneer
Australian Adventure Tours
Australian Federation of Air Pilots–Overseas Branch
Australian Gallery Directors Council
Australian Hotels Association
Australian Industrial Research and Development Incentives Board
Australian Pacific Tours Pty Ltd
Australian Road Transport Federation
Australian War Memorial
Batho, Ms D.
Baxter, Dr R. J.
Brandon, Mr K.
Brisbane Chamber of Commerce
Captain Cook Cruises
City of Ballaarat
City of Warrnambool
Clough, Mr P.
Commissioner of Taxation
Durzo, Mr G.
Elwell, Mr R. P. A.
Five Major National Coach Operators
Forests Commission Victoria
Gippsland Regional Tourist Authority
Gleon, Mr B. M.
Gold Coast Protection League
Grants Commission
Haines, Mr L.
Hallam, Mr B. V.
Hellyer Regional Tourist Committee
Hertz Rent A Car
Heslehurst, Mr W. J. (Deceased)
Hutley, Mr C. K.
Hunter Regional Advisory Council
Illawarra Regional Organisation of Councils
International Flag Gallery
J & B Enterprises
Johnstone, Ms M.
Kempsey Macleay Tourist Association
Lee, Mr R.
Macdonald, Mr I. A.

Moe Tourism and Promotion Committee
Moss, Mr T. B.
Mt Isa Motor Cycle Club
Murray Bridge Field Naturalists Society
Murray Valley Development League
Nairn, Mr R. J.
Naringal
National Automatic Laundry and Cleaning Council
National Capital Development Commission
National Tourism and Hospitality Industry Training Committee
New South Wales Residential Division–Australian Hotels Association
Norman Elsom World Wide Travel Service
Northwest Regional Tourist Authority of Victoria
Parker, Mr P.
Pennys Rents A Car
O'Hanlon, Mrs M. V.
Pepperday, Mr M.
Perth Convention and Visitors Bureau
Prince Leonard Airlines
Railways of Australia Committee
Riverina Regional Advisory Council
Shire of Snowy River
Spina Bifida Association of Queensland
Stawells Mini World
Stone, Mr G.
Sydney Convention and Visitors Bureau
Szwidowski, Mr W. F.
The Australian Chamber of Commerce
The Motor Inn and Motel Association of Australia
The Sydney Cove Maritime Museum Limited
The United Commercial Travellers' Association of Australia Limited
Thompson, Mr C.
Victorian Eastern Development Association
Wade, Mr G. S.
Ward Harvey, Mr K.
Wood, Senator I. A. C.

Supplementary Submissions Received

Australian Bureau of Statistics
Australian National Travel Association
Avis Rent-A-Car System Pty Ltd
Department of Employment and Industrial Relations
Department of Environment, Housing and Community Development
Department of Industry and Commerce
Department of Transport
Department of the Treasury
Great Barrier Reef Marine Park Authority
Leiper, Mr N.
New South Wales State Government
Qantas Airways Limited
Victorian State Government

Appendix 3

The Cooper-Pigram Paper

Summary of the Paper

The advisers conclude that tourism and travel make a significant contribution to Australia's economy.

There were three general reasons for establishing the direct economic contribution of tourism to the Australian national and regional economic system. Firstly, it is necessary in order to understand tourism as an economic sector in its own right. Secondly, it allows a check to be made on the performance of tourism with other sectors of the economy, and finally with more precise knowledge there can be more precise planning for change.

The advisers considered the definition of a tourist and recommended conceptually that tourists be defined simply as 'all short-term visitors to an area for any purpose, or for purely local travel within the home community, or as travellers in transit'.

The major problem in providing an economic analysis is obtaining the data in an accessible and usable form. Obtaining statistics on tourism proved difficult because in official statistics components of the tourism sector are not disaggregated from the more general combinations. Reliable statistics exist for the accommodation sector, but information on the retail sector transport and communications, entertainment and other contributions to the industry had to be estimated. By using a previously published statistic, a pro-rata allocation was made to estimate the contribution of tourist activity to each of the sectors involved.

The derived statistics were used to prorate employment, turnover, fixed capital expenditure, wages and salaries and similar measures of economic impact.

The results of the analysis should be treated with caution. They are more in the nature of indications of magnitude rather than absolute distributions of economic activity.

The estimates, which are set out below are for 1974–75, the latest year for which comprehensive published statistics existed.

The contribution of tourism to GDP was $3300 million or approximately 5.5. per cent.

Tourism accounts for 9.5 per cent of final consumer expenditure.

1.6 per cent of fixed capital expenditure was devoted to tourism activities.

1.5 per cent of all trading bank advances were devoted to tourism.

The share of total taxation receipts derived from tourism was 4.9 per cent.

Government gained $172 million from indirect taxes, $355 million from direct income tax receipts and $165 million in federal company taxes.

Employment in the tourist industry was 263 000 people, of whom slightly more than half were female.

Employment in tourism made up 4.4 per cent of the labour force.
The wage and salary bill was $1013 million or 2.9 per cent of the Australian total.

Estimates of the indirect economic effect were made by using the multiplier concept. The results indicated that for every dollar generated by tourism activities, 25 cents would have been generated in the rest of the economy. Similarly for every two direct jobs in tourism, one indirect job in tourism would have been created. Finally, an increase in tourism turnover of $10 000 would create 1.21 extra jobs in the economy.

Comments on the Paper

Industry and Commerce noted that, given the time constraints imposed upon the authors, the paper was commendable and useful. There are however strong reasons to question the validity of the techniques used and of the estimates themselves. The estimates were based on scattered evidence which had not been independently verified. In addition much of the data used was drawn from secondary sources and used without any apparent investigation of its reliability. The techniques used were of limited value for policy purposes, and techniques more appropriate for the economic analysis of tourism had not been used. It was Industry and Commerce's firm belief that the Cooper–Pigram paper did not produce acceptable estimates of the relative size of the tourist industry as measured by its contribution to Gross Domestic Product and employment.

The Department of the Treasury concluded that because of some important misconceptions in the material presented and the lack of explanation of the basis of much of the empirical work, the conclusions arrived at in the paper should be treated with caution. It was suggested that while it was reasonable to ignore the motivational aspect of travel, the grouping together of different kinds of travel does have important consequences for economic analysis of the industry. The purpose of the visit is important as a basis for marketing strategies and for decision making in areas of private investment and government assistance.

The Australian National Travel Association stated that Cooper and Pigram had undertaken no new work, but that the paper performs a useful function in drawing together existing data from within the industry. The value of the Cooper–Pigram paper is that it points to evidence of the contribution of tourism to the national economy. The principal benefit of the paper is that it may result in a speedy response from government to take action to develop techniques for the measurement of travel and tourism which would be acceptable to government and consistent with the techniques it uses to measure other industries.

The N.S.W. State Government was particularly critical of the Cooper–Pigram paper. It considered the paper to be of limited usefulness to New South Wales. It saw the definitions adopted as providing problems of measurement and found difficulty in accepting the estimates for the State as being a reliable description of the significance of tourism to the State's economy. However, the representatives of the N.S.W. State Government were unable to provide the Committee with alternative estimates to those in the Cooper–Pigram paper.

By contrast, the Victorian State Government considered the Cooper–Pigram paper to be a valuable first step in the quantification of the economic significance of the tourism sector to the Australian economy. It noted that there are several weaknesses in the methodology used and that the estimates were of questionable reliability. The paper has provoked debate on the topic of the economic signific-

ance of tourism, it has stimulated the undertaking of further research and might act as an important catalyst. It has also increased the awareness of the need for more rigorous studies.

The Australian Bureau of Statistics suggested that the Cooper–Pigram paper provides a useful contribution to the discussion of a definition of tourism.

The Advisers' Response

The advisers maintained that the findings represent a valid assessment of the economic role of tourism in Australia. They acknowledged that more sophisticated analytical techniques were to be preferred. They conceded that there were inadequacies in the paper but that these inadequacies must be set against the fundamental inadequacy of reliable statistics.

Reference was made to the problem of translating a conceptual definition into a working technical classification. The requirement for a distance or time criterion was considered, but any measure applied would have been arbitrary and inappropriate in some cases. Therefore the general and subjective statement was made which excluded purely local travel within the home community.

It was regretted that the paper appeared to equate direct tourism turnover with the contribution of tourism to GDP. The estimate of $3300 million was the gross turnover figure deflated to take account of leakage to outside economies. This had been implied in the paper. The paper had also implied that there may have been some overstating of tourism employment but that this was a result of servicing local residents and not through the double counting of employment in tourist accommodation.

The assessment of the economic significance was in gross terms on a national level. Regional analysis by States was not attempted. Such analysis would have been difficult because regional breakdowns of statistics are not generally available.

In summary, the advisers noted that the paper had stimulated more searching consideration of the fundamental aspects of tourism. They noted that few of the authorities concerned with tourism seemed aware of the gross deficiencies in the industry data base or had addressed themselves to basic questions of definition and measurement.

Appendix 4

Commonwealth Prime Responsibilities

Where the Commonwealth has a specific constitutional responsibility and/or has legislated for the whole of Australia or where the Commonwealth with the agreement of the States and Territories accepts responsibility.

1. **International Relations**
   Tourism Organisation Representation
   International Agreements
2. **Transportation**
   Air
   Railways (National)
   Sea
   National highways
   Coach—Interstate operations
3. **Visitor Entry Formalities**
   Health Regulations—Quarantine
   Visas and Passports
   Customs and Excise
4. **Research and Statistics**
   Research
   Industry
   Overseas Travel
   Domestic Travel—National movements
   Statistics
   Overseas Visitor Travel Patterns
   Domestic Visitor Travel Patterns—Interstate
   Industry
5. **Planning**
   Major Tourist Attractions in Territories
   e.g. Ayers Rock
6. **Development Assistance**
   Foreign Investment and Ownership
   Taxation Concessions and Incentives
   Overseas Market Development Assistance
   Guarantees e.g. Housing Loans Insurance Corporation
   Loans e.g. Commonwealth Development Bank
   International Trade and Commerce
   Direct Grants

7. Destination Promotion

Marketing of Australia—Overseas
Encouragement of visitation from other countries

8. Consumer Affairs

Trade Practices

Commonwealth and State/ Territory Shared Responsibilities

1. **Workforce**
   Employment levels and conditions
   Training
2. **Consumer Affairs**
   Travel Agents Regulation
   Consumer Protection
3. **Transportation**
   Sea
   Air
   Rail
   Roads—other than National highways
4. **Destination Marketing**
   Encouragement of visitation from overseas to particular destinations
5. **The Environment including the National Estate**
6. **Infrastructure and Facilities**
   Special projects beyond the financial resources of an individual State/ Territory
7. **Regional Research and Statistics**
8. **National Standards—Tourism**
9. **Destination Planning**
   Where there is agreement

Territory and State Responsibilities

The following list of Territory/State responsibilities includes a number of items which could be the role of Local Government but which vary in different States and Territories.

1. **Infrastructure and Facilities**
   - Sewerage
   - Water
   - Health Services
   - Tourist Attractions
     - Commercial
     - Sporting/Recreational
     - Sightseeing
   - Sign Posting
   - Picnic and Rest Areas
   - Water Activities (harbour, river, estuarine)
   - Parking Areas
   - Beach Services
   - Local Parks, Lookouts
   - Accommodation, Caravanning and Camping Parks
   - Roads—Planning and Construction, Public Roads
2. **Research and Statistics**
   - Intrastate Data Collection
   - Intrastate Movement
   - Local Visitation
3. **Planning**
4. **Industry Education**
5. **Road Transport Regulation**
6. **Land Use and Environment Protection**
7. **National Parks**
8. **Destination Marketing**
   - Domestic
9. **Development Finance**
   - Subsidies/Assistance
   - Taxation and other concessions
10. **Regulatory Services**
    - Building Standards etc.
11. **Liquor Licensing**
12. **Consumer Affairs**

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