

## World Tourism Organization Statutes

- 3.1 The proposed treaty action is for Australia to rejoin the World Tourism Organization (WTO), which is a specialised agency of the United Nations, under the *World Tourism Organization (WTO) Statutes*.
- 3.2 The WTO is the leading international organisation in the area of tourism and travel with a key role in promoting the development and implementation of responsible and sustainable tourism practices around the world.<sup>1</sup>
- 3.3 The Committee understands that the fundamental aim of the WTO is to ensure tourism contributes to ‘economic development, international understanding, peace, prosperity and universal respect for, and observance of, human rights and fundamental freedoms’.<sup>2</sup>
- 3.4 The Committee was informed that the principal gathering of the WTO is the General Assembly which meets every two years.<sup>3</sup> The WTO is governed by an Executive Council of 27 members who are elected by the General Assembly and meet twice a year.<sup>4</sup> In addition, there are six Regional Commissions which meet once a year and comprise all WTO members from that region.<sup>5</sup>

---

1 National Interest Analysis (NIA), para. 9.

2 NIA, para. 9.

3 Department of Industry, Tourism and Resources (DITR), *Submission*, p. 2.

4 DITR, *Submission*, p. 1.

5 DITR, *Submission*, p. 2.

## Background

- 3.5 Australia first joined the WTO in 1979. However, the National Interest Analysis (NIA) states that ‘perceived shortcomings’ in the operations and programs of the WTO led to Australia’s later decision to withdraw. In accordance with article 35, Australia’s membership ceased in 1990.<sup>6</sup>
- 3.6 The Committee was interested in the nature of the shortcomings of the WTO. Mr Jeffrey Riethmuller from the Department of Industry, Tourism and Resources (DITR) advised that the WTO had been more focussed on Europe and the Northern Hemisphere, rather than the region of most significance to Australia, the Asia-Pacific region.<sup>7</sup>
- 3.7 The Committee understands that the situation has changed. The direction of the WTO is now consistent with Australia’s objectives for the region, especially concerning sustainable tourism development in the Asia-Pacific region.<sup>8</sup> As Mr Riethmuller explained:
- The World Tourism Organization has a very keen focus on sustainable development, particularly in developing economies, many of which are in the Asia-Pacific region and most of whom see tourism as an opportunity to expand their general national economic development.<sup>9</sup>
- 3.8 The WTO has also established an office in Japan which acts as a base for WTO activities in the region, and it has a special commission which handles issues within the Asia-Pacific region.<sup>10</sup>
- 3.9 The Committee understands that Australia’s membership of the WTO is an initiative of the 2003 Tourism White Paper, *A Medium to Long Term Strategy for Tourism*. The White Paper establishes the foundation for sustainable development and growth of Australia’s tourism industry.<sup>11</sup>

---

6 NIA, para. 3.

7 Mr Jeffrey Riethmuller, *Transcript of Evidence*, 8 March 2004, p. 7.

8 NIA, para. 4.

9 Mr Jeffrey Riethmuller, *Transcript of Evidence*, 8 March 2004, p. 7.

10 Mr Jeffrey Riethmuller, *Transcript of Evidence*, 8 March 2004, p. 7.

11 NIA, para. 10.

## Benefits of WTO membership

- 3.10 The benefits for Australia rejoining the WTO include:
- the ability to shape regional and global tourism policy
  - building Australia's knowledge of key international tourism developments
  - greater access to research and statistics
  - the expansion of Australia's network of contacts
  - increasing Australia's capacity to respond to global events which impact on tourism
  - the generation of export revenue for Australia's tourism services sector.<sup>12</sup>
- 3.11 Mr David Mazitelli from the Australian Tourism Export Council advised the Committee:
- From a business perspective, Australia has everything to gain from membership and we strongly support the rejoining for those reasons.<sup>13</sup>
- 3.12 At the public hearing, the Committee was interested to hear of some of the WTO programs and policies that would be of benefit to Australia. Mr Riethmuller advised that the WTO was addressing issues such as crisis recovery, following events such as September 11, the Bali bombings and the Severe Acute Respiratory Syndrome (SARS) epidemic.<sup>14</sup> In addition, Mr Riethmuller commented that the WTO's:
- work in developing crisis recovery policies and procedures, and undertaking research to underpin them, is very important. These very important areas we have done some work in and would like to be more involved with.<sup>15</sup>
- 3.13 Mr Mazitelli informed the Committee about the WTO's involvement in the development of the tourism satellite account which has recently

---

12 NIA, paras 5 and 11.

13 Mr David Mazitelli, *Transcript of Evidence*, 8 March 2004, p. 10.

14 Mr Jeffrey Riethmuller, *Transcript of Evidence*, 8 March 2004, p. 11.

15 Mr Jeffrey Riethmuller, *Transcript of Evidence*, 8 March 2004, p. 11.

been adopted by Australia.<sup>16</sup> Mr Mazitelli advised that:

For the first time, it [the tourism satellite account] enables the Australian tourism sector, which is a difficult sector to measure in a statistical sense, to be compared to other industry sectors within the Australian economy on an equal basis. It therefore provides very real benefits from an economic planning perspective and from the perspective of understanding the growth of the industry.<sup>17</sup>

## Obligations

- 3.14 The NIA states that, as a member, Australia would be obliged to provide the WTO with privileges and immunities required for the exercise of its function.<sup>18</sup>
- 3.15 According to the NIA, while there would be no direct obligation for Australia to comply with the aims of the WTO, Australia's membership may be suspended under article 34 of the Statutes, if Australia was found to 'persist in a policy that is contrary to the fundamental aim.'<sup>19</sup> However, the Department of Foreign Affairs and Trade advised the Committee that there have been no cases where a WTO member has been suspended pursuant to article 34.<sup>20</sup>
- 3.16 The Committee understands that the WTO has a set of recommendations, the Global Code of Ethics, which members are encouraged to follow, although there is no obligation to do so.<sup>21</sup>

## Implementation

- 3.17 According to the NIA, the only legislative change required for Australia to accede to the WTO is an amendment to the *Specialized Agencies (Privileges and Immunities) Regulations 1986*, to recognise the

---

16 Mr David Mazitelli, *Transcript of Evidence*, 8 March 2004, p. 11.

17 Mr David Mazitelli, *Transcript of Evidence*, 8 March 2004, p. 11.

18 NIA, para. 24.

19 NIA, para. 22.

20 Department of Foreign Affairs and Trade, *Submission 16.1*, p. 1.

21 NIA, para. 23.

WTO as a specialized agency and grant the WTO appropriate privileges and immunities.<sup>22</sup>

## Costs

- 3.18 The Committee understands that, as a member, Australia would be obliged to contribute financially to the WTO by payment of an annual membership fee of €160,911 (approximately A\$261,516).<sup>23</sup> The NIA states that this fee is based on Australia's GDP, population and tourism receipts.<sup>24</sup>
- 3.19 In addition, there is a one-off payment to the Working Capital Fund of around 5% of annual membership which can be refunded to a departing member.<sup>25</sup>
- 3.20 According to the NIA, funding for Australia's membership of the WTO is included in a \$235 million Government package to implement the 2003 Tourism White Paper.<sup>26</sup>

## Consultation

- 3.21 The Committee recognises that an extensive consultation process was undertaken with a range of government and industry bodies, as part of the development of the Tourism White Paper, which recommends Australia's membership of the WTO.<sup>27</sup> In addition, state and territory tourism organisations were advised of the implications, obligations and benefits of WTO membership.<sup>28</sup>
- 3.22 Mr Riethmuller advised the Committee that all State and Territories, as well as the key tourism industry associations, have supported the proposal for Australia to rejoin the WTO:

The Australian Tourism Export Council, together with the National Tourism Alliance, which represents something like

---

22 NIA, para. 25.

23 NIA, para. 26.

24 NIA, para. 26.

25 NIA, para. 26.

26 NIA, para. 6.

27 NIA, paras 28-29 and Annex 1 – Consultation.

28 NIA, para. 30.

23 individual business associations covering most sectors across the industry, were all very supportive.<sup>29</sup>

- 3.23 The NIA states that the Commonwealth Government will continue to liaise with industry and State and Territory Governments in relation to WTO activities.<sup>30</sup>

## Conclusion and recommendation

- 3.24 The Committee agrees with DITR that rejoining the WTO would be beneficial for Australia. Membership would provide opportunities such as influencing the policy direction of the WTO, allowing greater access to WTO research and statistics, and generating export revenue for Australia's tourism services sector.

---

### Recommendation 2

**The Committee supports the *World Tourism Organization (WTO) Statutes* and recommends that binding treaty action be taken.**

---

29 Mr Jeffrey Riethmuller, *Transcript of Evidence*, 8 March 2004, p. 13.

30 NIA, Annex 1 – Consultation.