

GOVERNMENT RESPONSE

TO

THE REPORT OF THE SENATE STANDING COMMITTEE ON  
ENVIRONMENT, RECREATION AND THE ARTS

ON

THE AUSTRALIAN ENVIRONMENT AND TOURISM



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RECOMMENDATIONS:

Recommendation 1:

That the Bureau of Tourism Research and the Australian Bureau of Statistics employ an agreed set of definitions for statistics related to the tourism industry, and particularly seek a correlation between the ABS accommodation data and the data in the BTR's International Visitor Survey and the Domestic Tourism Monitor.

Government Position: *Accept*

The ABS is developing a *Framework for Tourism Statistics for Australia* to apply common concepts and definitions to the collection and publication of tourism statistics. The ABS is also developing an Australian Standard Classification of Visitor Accommodation. The BTR is cooperating with the ABS in both these exercises. When finalised, greater compatibility will apply to ABS, International Visitor Survey (IVS) and Domestic Tourism Monitor (DTM) accommodation data.

Recommendation 2:

That the ABS urge all collectors of tourism statistics to collect all data under the guidelines of the ABS *Framework* so as to allow the ABS to produce a standardised and comprehensive *Directory of Tourism Statistics*.

Government Position: *Accept*

The ABS produced a draft of the *Framework* in 1991 and has subsequently widely promoted its use. Upon its finalisation the ABS will encourage all statistical collectors to adopt standard methodologies, which will be reflected in the entries in future editions of the *Directory of Tourism Statistics*.

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### Recommendation 3:

That until a comprehensive and consistent *Directory of Tourism Statistics* is published, the ABS include an opening chapter for each edition of the *Directory* explaining its limitations.

Government Position: *Accept*

### Recommendation 4:

That the BTR canvass with government authorities, practising economists and academics alternative economic models for net benefit analysis, and that the BTR be provided with additional resources to allow it to carry out additional research functions.

Government Position: *Under consideration*

A study of alternative economic models for net benefit analysis is consistent with both the BTR charter and its future priorities.

A formal evaluation of the BTR was conducted in 1991-92 and this identified a number of priority areas for further activity by the BTR and the appropriate resource requirements. Since that time there has been some augmentation of BTR resources.

The Government's review of the contribution of tourism to the economy, an initiative announced in the 1993-94 Budget, will assess net benefit aspects of inbound tourism. The review will be undertaken by the Department of Tourism in consultation with other relevant agencies.

Recommendation at paragraph 3.21, page 47 (not included in the list of recommendations beginning at page xiii)

That the Commonwealth Government request a BTR study into the costs and benefits of domestic tourism and outbound tourism and prepare a more comprehensive net benefit analysis of Australian tourism.

Government Position: *Accept*

The BTR conducted a Domestic Tourism Expenditure Survey during 1992. This will supply improved information for studying the economic impacts of domestic tourism.

As a first step in the analysis of the data, the BTR has commissioned an input-output study, which is due for completion by the end of January 1994.

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ORANI modelling work has been carried out and further work using the updated data is planned, but timing will depend on funding and competing priorities.

The Government's review of the contribution of tourism to the economy, an initiative announced in the 1993-94 Budget, will assess net benefit aspects of inbound tourism. The review will be undertaken by the Department of Tourism in consultation with other relevant agencies.

**Recommendation 5:**

(i) That the Commonwealth Government retain the responsibility for international marketing of Australia as a tourist destination.

Government Position: *Accept*

(ii) That the Australian Tourist Commission continue to perform that function on behalf of the Commonwealth.

Government Position: *Accept*

(iii) That sufficient funding be maintained to the Australian Tourist Commission to allow it to carry out its activities in order to achieve Government targets for inbound growth and the consequent economic yield from international tourism.

Government Position: *Under review, noting that this recommendation is in line with Government policy and that Australian Tourist Commission (ATC) funding is assessed against a range of factors, including: the achievement of visitor targets; alternative sources of funding; and competing Government priorities.*

The funding position for the ATC has changed significantly since 1986-87. Government funding of the ATC has increased by over 150% to \$77.817 million in 1993-94.

The Government encourages the ATC to supplement its appropriation by seeking tourism industry contributions to its international marketing programs. In 1993-94, \$25.117 million is expected to be raised from State/Territory and industry sources.

The Government's review of the contribution of tourism to the economy, announced in the 1993-94 Budget, will examine issues associated with both public and private sector funding of international tourism promotion.

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### Recommendation 6:

That section 7(e) of the *Australian Tourist Commission Act 1987* requiring the Commission to 'closely monitor and report the effects of international tourism on Australia's natural environment and society' be strengthened to require reports at least annually on those effects.

Government Position: *Under consideration*

The ATC has conducted a study of the environmental and social impacts of international tourism. The study was completed in November 1993.

### Recommendation 7:

That an investigation be carried out by the Tourism Ministers' Council into State and Federal overseas tourism representation to evaluate whether the most cost-effective arrangements are in place, or whether a rationalisation is required.

Government Position: *Reject*

In 1993-94 the Commonwealth Government provided \$2 million to the ATC to supplement funding for "Partnership Australia".

"Partnership Australia" aims to better coordinate and channel the combined resources of the Commonwealth and the States and Territories to exert a more concentrated and effective influence on overseas marketing. To achieve this, the ATC has invited the States and Territories to cooperatively undertake specific marketing activities overseas under the banner of "Partnership Australia".

### Recommendation 8:

That a review of the Australian Tourist Commission's promotion and marketing be carried out to identify a program which will encourage international tourism to all Australian States.

Government Position: *Under consideration*

The ATC's charter is to promote the image of Australia as a whole. The 1991 "Evaluation of the ATC's Marketing Impact" report confirmed that this objective was being met.

The ATC works with all the States and Territories and the industry in cooperative marketing campaigns to assist them to attract more overseas visitors. The "Partnership Australia" initiative reinforces this commitment.

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The Government's review of the contribution of tourism to the economy, announced in the 1993-94 Budget, will also examine issues related to this recommendation.

**Recommendation 9:**

That empirical studies of the likely effects of developments on environmentally sensitive sites be commissioned by developers at the concept stage of a development.

Government Position: *Under consideration*

The *National Strategy for Ecologically Sustainable Development* (NSES), endorsed at the December 1992 Council of Australian Governments, calls on all spheres of government to develop and manage the tourism industry in a way that conserves its natural resource and built heritage base and minimises any negative environmental, social and cultural impacts.

The Summary Report on the implementation of the NSES has been forwarded to First Ministers for their consideration.

The Australian and New Zealand Environment and Conservation Council (ANZECC) has established a working group to develop a national framework agreement on the administration of the environmental impact assessment (EIA) process which promotes early involvement of assessing agencies in project development. When finalised, the agreement will be submitted to the Council of Australian Governments for its endorsement. Draft guidelines and criteria, also prepared by the Working Group, were considered by ANZECC Ministers in May 1993 and subsequently referred to State and Territory Planning Ministers for comment.

**Recommendation 10:**

That projects likely to cause significant environmental scarring only receive development approval conditional upon an undertaking to renovate the area.

Government Position: *Accept*

Tourism projects that require Commonwealth approval and are expected to be environmentally significant fall within the scope of the *Environment Protection (Impact of Proposals) Act 1974*. Assessment under the Act requires proponents to detail the likely environmental effects of projects.

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The *National Strategy for Ecologically Sustainable Development* (NSESD), endorsed at the December 1992 Council of Australian Governments, calls on all spheres of government to develop and manage the tourism industry in a way that conserves its natural resource and built heritage base and minimises any negative environmental, social and cultural impacts.

The Summary Report on the implementation of the NSESD has been forwarded to First Ministers for their consideration.

#### **Recommendation 11:**

That there be environmental impact statements, including social and cultural impact statements, for all tourist developments unless there is a successful application to the relevant authority for exemption.

Government Position: *Under consideration*

Environmental impact assessments are carried out under Commonwealth procedures on proposals which require a Commonwealth decision and are environmentally significant. These assessments normally consider social issues.

The Intergovernmental Agreement on the Environment (IGAE) recognises the need for impact assessment to include social and cultural impacts.

ANZECC has established a working group to develop a national framework agreement on the administration of the environmental impact assessment (EIA) process which promotes early involvement of assessing agencies in project development. When finalised, the agreement will be submitted to the Council of Australian Governments for its endorsement. Draft guidelines and criteria, also prepared by the Working Group, were considered by ANZECC Ministers in May 1993 and subsequently referred to State and Territory Planning Ministers for comment.

Particular attention should be paid, where appropriate, to consultation with Aboriginal and Torres Strait Islander communities, consistent with the National Aboriginal and Torres Strait Island Tourism Strategy being developed by the Department of Tourism and ATSIC.



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Recommendation 12:

That before tourism developments are approved, provision be made for community consultation with the involvement of local government where appropriate.

Government Position: *Accept*

This is current practice for most development across all jurisdictions.

Tourism projects that require Commonwealth approval and are expected to be environmentally significant fall within the scope of the *Environment Protection (Impact of Proposals) Act 1974*. Assessment under the Act requires proponents to detail the likely environmental effects of projects.

The recommendation is consistent with the *National Strategy for Ecologically Sustainable Development* which encourages community consultation.

The Summary Report on the implementation of the NSESD has been forwarded to First Ministers for their consideration.

Particular attention should be paid, where appropriate, to consultation with Aboriginal and Torres Strait Islander communities, consistent with the National Aboriginal and Torres Strait Island Tourism Strategy being developed by the Department of Tourism and ATSIC.

Recommendation 13:.

That the EPA become operational as a matter of urgency.

Government Position: *Accept*

The Commonwealth Environment Protection Agency (CEPA) has been established and is operational as an agency within the Department of the Environment, Sport and Territories.

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**Recommendation 14:**

That draft environmental guidelines for tourism developments be finalised by the Environmental Protection Agency by the end of 1992 for ratification at the earliest possible date under the Intergovernmental Agreement on the Environment.

Government Position: *Under consideration*

The IGAE allows for national guidelines to be established through the proposed National Environment Protection Authority (NEPA). However the powers of NEPA are limited to those listed within the IGAE schedule and do not include any reference to guidelines for tourism projects. Several issues exist which require broad consideration across a number of Commonwealth bodies, and this process is currently under way.

**Recommendation 15:**

That joint ventures between Australian and foreign investors be encouraged.

Government Position: *Accept*

Foreign investment is vital to assist the timely development of high quality tourism facilities. In addition to capital, foreign investors provide operational experience and improved access to overseas source markets.

**Recommendation 16:**

That the FIRB develop clearer criteria to identify the impact of foreign investment and that foreign investment proposals be required to demonstrate the likely economic benefits they will provide.

Government Position: *Reject*

In July 1986, the Government announced that the criterion of 'not contrary to the national interest' replace the 'economic benefits' test as the policy norm. The re-introduction of an economic benefits test would be seen as a significant tightening of policy and would be inconsistent with Recommendation 20.

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#### Recommendation 17:

That the criteria for determining when an environmental impact statement is required be clarified.

Government Position: *Reject*

The *Environment Protection (Impact of Proposals) Act 1974* (the Act) requires that proposals requiring a Commonwealth decision be referred for assessment if they are likely to affect the environment to a significant extent. CEPA provides advice and guidelines on environmental significance. The Administrative Procedures under the Act set down criteria for determining the need for an Environmental Impact Statement or Public Environment Report.

The guidelines and criteria currently being developed by the ANZECC Working Group on National Environmental Impact Assessment, could also, when finalised, provide a basis for FIRB deliberations.

#### Recommendation 18:

That foreign investment proposals should be assessed against social impact criteria where appropriate.

Government Position: *Reject*

It is recognised that social impacts may be taken into account as part of existing environmental impact assessment requirements.

#### Recommendation 19:

That the criteria against which the social impact of developments are measured be extended to State and local government requirements for EIS unless there is a successful application to the relevant authority for exemption.

Government Position: *Under consideration*

The need for impact assessment to include social issues is recognised in the IGAE.

ANZECC has established a working group to develop a national framework agreement on the administration of the environmental impact assessment (EIA) process which promotes early involvement of assessing agencies in project development. When finalised, the agreement will be submitted to the Council of Australian Governments for its endorsement. Draft guidelines and criteria, also prepared by the Working Group, were considered by ANZECC Ministers in May 1993 and subsequently referred to State and Territory Planning Ministers for comment.

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**Recommendation 20:**

That, for foreign investment in the tourism industry, the liberalised policy on foreign investment since July 1986 be maintained.

Government Position: *Accept*

**Recommendation 21:**

That, for the purpose of advising the Treasurer on foreign investment proposals, the Foreign Investment Review Board (FIRB) continue.

Government Position: *Accept*

**Recommendation 22:**

That to become more independent, the FIRB be restructured as follows:

- that the Board be comprised of permanent part-time members none of whom are selected from the Commonwealth bureaucracy;
- that the Board be served by a Secretariat; and
- that the Board establish and maintain its own office.

Government Position: *Reject*

The FIRB already provides independent advice to the Government. The exclusion of the Executive Member (the only Commonwealth officer on the FIRB) would remove the only link between the FIRB and the bureaucracy, which provides its executive services. The creation of a separate Secretariat for the FIRB is not warranted as it would duplicate services which are currently provided by the Foreign Investment Branch of the Treasury.

**Recommendation 23:**

That, with regard to foreign investment proposals, the Treasury documents be copied to the FIRB for its independent comment and advice direct to the Treasurer.

Government Position: *Reject*

This would duplicate the current processes, add to examination costs and may result in delays to the process without providing any tangible benefit.

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**Recommendation 24:**

That FIRB approval for foreign investment in new developments for the tourist industry be conditional upon a requirement to report progress on the development each six months from the date of approval until completion of the development.

Government Position: *Reject*

This recommendation is inconsistent with Recommendation 20 and would impose additional regulatory costs on developers.

**Recommendation 25:**

That the FIRB maintain sufficient resources to monitor foreign investment proposals that have been approved and provide that information in its annual reports.

Government Position: *Accept, subject to preserving the confidentiality of individual proposals*

Conditional approvals are currently monitored. Aggregate information is currently provided in the FIRB annual report but, as proposals are examined in confidence, it is not appropriate to report on individual cases.

**Recommendation 26:**

That statistics concerning foreign investment proposals in tourism facilities from investors' reports be provided to the ABS for subsequent publication (conjointly with the BTR).

Government Position: *Reject*

ABS foreign investment data are based on different criteria from those used by the FIRB - the Board's figures are an aggregation of the proposals submitted for approval, along with expected associated expenditures, while those of the ABS are based on actual transactions that have occurred.

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**Recommendation 27:**

That in complying with the *Environment Protection (Impact of Proposals) Act 1974*, the FIRB request social impact statements which include employment projections, time for completion and long term employment, where appropriate, in addition to environmental impact statements.

Government Position: *Reject*

Social impacts are routinely taken into account when they are relevant to the assessment of proposals under the Administration Procedures of the *Environment Protection (Impact of Proposals) Act 1974*. Employment issues are taken into account to the extent that they are relevant.

**Recommendation 28:**

That the FIRB ensure potential developments are based on market research.

Government Position: *Reject*

Most developments are based on extensive market research. To apply mandatory conditions would add to development costs and be inconsistent with Recommendation 20.

**Recommendation 29:**

That the Australian Standing Committee on Tourism include relevant advice from the Australian Local Government Association on significant issues referred to the Tourism Ministers' Council.

Government Position: *Accept*

At the direction of the Tourism Ministers' Council (TMC), ASCOT initiates consultations or responds to submissions on issues of relevance to the Council.

**Recommendation 30:**

That implementation of the National Tourism Strategy be expedited to achieve the most beneficial outcome for the tourist industry economically, environmentally and socially.

Government Position: *Accept*

The Department of Tourism published a status report in December 1993 reviewing the implementation of the National Tourism Strategy.

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**Recommendation 31:**

That the Federal Minister for Transport and Communications establish a task force to report by the end of 1992 on national transport infrastructure needs given that international tourist numbers have been targeted to reach up to 6.5 million by the year 2000. That the Minister consult on this matter with the Australian Transport Advisory Council.

Government Position: *Under consideration*

Significant improvements to Australia's national transport infrastructure have been planned or are currently underway.

The One Nation Statement, for example, provided additional funding for road and rail infrastructure, and introduced a range of aviation reforms.

The Australian Transport Council (formerly ATAC) has established a National Transport Policy Framework Working Party which will, inter alia, examine the issues raised in this recommendation.

