



What some Chinese tourists hope to see from their hotel room window and (inset) what they get to see. Photos: AAP

# taken for A RIDE

ROGUE OPERATORS ARE THREATENING AUSTRALIA'S REPUTATION IN ONE OF OUR GROWING TOURIST MARKETS. STORY: ANDREW DAWSON

**I**magine this. You book a five star holiday to one of the world's premier tourist destinations. On arrival, you and your fellow travellers are herded onto a tour bus that takes you to a rather dismal three star motel out in the suburbs, nowhere near the famed landmarks that you came to see. Your tour guide then takes your passport and insists you shop at a dubious store in a stark suburban warehouse, where the inflated prices bear no relationship to the quality of the goods. And finally when you do get to see the landmarks, you are told you have to pay a fee to take photos.

That nightmare scenario is being played out right here in Australia, according to Australian Tourism Export Council managing director Matthew Hingerty, who told a tourism roundtable that scams affecting Chinese tourists are becoming more commonplace.

"Sadly what we have found is that there are a lot of rogue tour operators in a burgeoning Chinese tourism market who are prepared to rip these tourists off and send them back home to China after having had a poor experience," Mr Hingerty said.

One of the most pressing issues is forced shopping. According to the Australian Tourism Export Council, some inbound tourism operators in the Chinese market are selling travel packages to Australia at unrealistically low prices, but are then getting kickbacks from shops in order to reach their required profit margins.

"The tourists are taken into so-called duty free stores—not the ones you or I know. They are barns in the suburbs. The inbound tour operator—the wholesaler in China, Taiwan and, to a lesser degree, Korea—is these days acting as an agent of the shop. The problem we have now is that people are coming off a plane and being funnelled straight to the shop," Mr Hingerty said.

"They have their passports confiscated and are basically forced to shop. The doors are locked and they are forced to buy poor products at over-inflated prices, such as sheepskin rugs going for \$1,000 and also dubious medicinal products. They are told they shouldn't shop in Australian shops because Australians don't like Chinese and they'll be ripped off. They are also given poor accommodation. They are promised four or five star accommodation, but find themselves in three star motels out in the suburbs.

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"They are charged to take photographs of free iconic sites such as the Opera House or beaches in Sydney and on the Gold Coast."

Mr Hingerty indicated that stricter controls may be required on the Mandarin-speaking tour guides who accompany the tour groups.

"They have great power," he said. "These are the people who will not only show the people around the sites but also broker the deals between the shops and the group operators."

While a code of practice has been put in place for tour guides, it is not mandatory. "It is a good code but it is voluntary. As far as I know there is no real licensing mechanism around it," Mr Hingerty said.

He fears the antics of rogue tour operators and their guides will leave a lasting negative impression of Australia and threaten the Chinese tourism market.

According to many who attended the tourism roundtable held in Sydney by the House of Representatives Economics Committee, China could be the potential saviour for a stagnant Australian tourism industry.

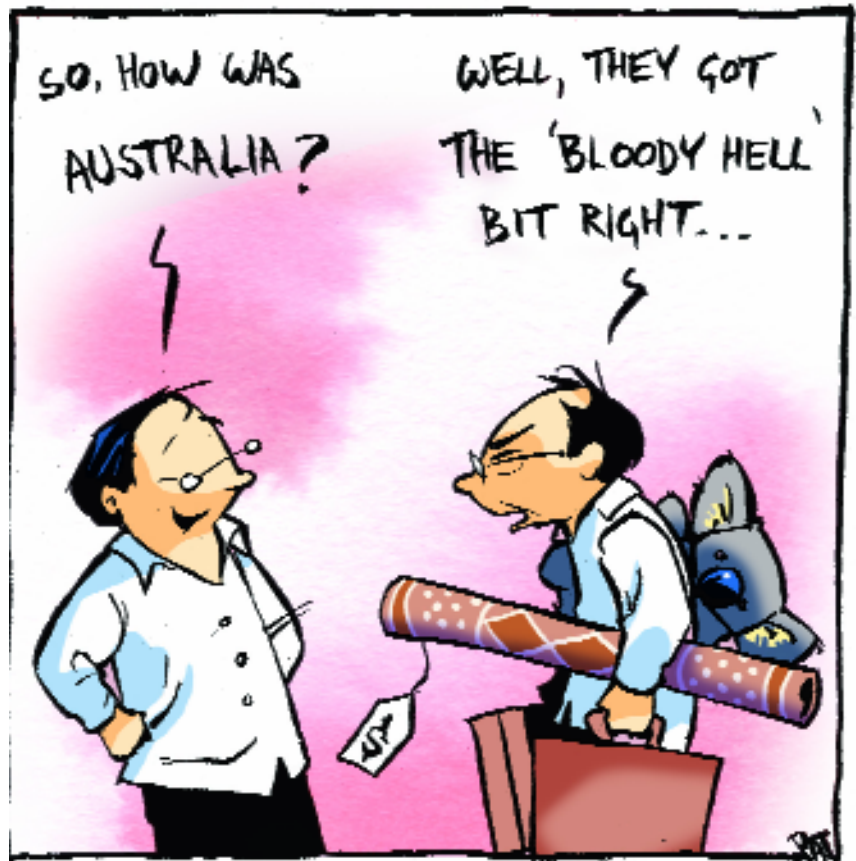
"Tourism Australia recently did an exit survey of Chinese visitors and about 40 per cent went back dissatisfied with their experience here in Australia," Mr Hingerty said.

"When we have a market in China today of roughly a quarter of a million that is going to grow by another million within 10 years, it is an issue we have to get on top of now."

Tourism Australia economist Karl Flowers said many of these Chinese tourists knew when they were being ripped off.

"The Chinese visitors who were surveyed were often quite sophisticated travellers. They were senior public servants et cetera who had also travelled widely in Europe and the US, so they were in a position to recognise that they were being abused," he said.

The Australian Tourism Export Council believes the rapid growth in Chinese tourism is making conditions favourable for rogue operators to act outside the law, particularly as many



of the tourists are non-English speaking. But it also said the problems are not insurmountable, as similar issues were encountered with the Japanese market when it first took off and were overcome.

Tourism from China has been growing steadily since 1999, when the Chinese government granted Australia approved destination status (ADS), which is a bilateral agreement between both governments for tourist visas.

According to the Australian Export Tourism Council the ADS scheme can help stamp out unscrupulous practices because it requires inbound tour operators to lodge itineraries, provide free time in tours and declare commissions. Anecdotally, ATEC noted, the scheme is having some success, and in the last budget the federal government committed \$4 million over four years to enforce the regime.

ATEC's Anna Rattray told the tourism roundtable it's tour operators working outside of the ADS scheme who cause the most problems.

State and territory governments need to follow Queensland's lead and begin enforcing consumer protection laws for tourists.

"Quite a stringent range of measures are in place to monitor the behaviour and allow or disallow operators to participate in that scheme," Mrs Rattray said.

"The reality is that it is not easy to become an ADS inbound tour operator and those measures have been ramped up quite significantly over the last 12 months. The challenge of course is that the operators that are causing the bulk of the problem sit outside the ADS arrangements."

Matthew Hingerty warned that these rogue operators, some with links to organised crime, know how to stay one step ahead of the authorities.

"It is a little hard because it is a bit like a hydra's head: you crack



*Australian Tourism Export Council managing director, Matthew Hingerty, at the tourism roundtable in Sydney.  
Photo: Andrew Dawson.*

down on one of these operators and a business closes, they return to Beijing, Taiwan or wherever and come back here later and set up shop elsewhere” he said.

Mr Hingerty believes state and territory governments need to follow Queensland’s lead and begin enforcing consumer protection laws for tourists. He praised the Queensland government for introducing tougher fair-trading legislation under the Queensland Tourism Services Act.

“There have not been a lot of cases come to court but merely the fact that they are stopping tour buses, reading tourists their rights and questioning tour guides has had a significant positive effect,” he said.

“They have put resources behind the enforcement. To a degree, if you look at it from one side of the coin, they have shot themselves in the foot because the rogue operators are saying, ‘Okay, we’ll take Queensland out of our itineraries and go elsewhere; we’ll find a more lax regime.’

“That more lax regime is just about everywhere else. We have evidence that some of these operators are now cutting Queensland out of their itineraries and moving them to Sydney. Sydney is brewing as an incredibly large problem in this.

“The attitude of the NSW government to enforcement of consumer laws for visiting foreign tourists is an absolute disgrace.”

The head of the federal government’s tourism division, Philip Noonan, said it’s still early days for the ADS scheme.

“The first thing is that we are only now in the second round of assessments of people, so it is not like the scheme has been running for years,” Mr Noonan said.

“It was funded for four years in the most recent budget, so it is still a scheme that is working through its operation. Certainly if there were criminal activity somebody would not be registered under the scheme.”

Economics Committee Chair Bruce Baird (Member for Cook, NSW) agrees weeding out more of

these rogue tour operators will be vital because Australia can’t afford to have such a high percentage of Chinese tourists returning to China dissatisfied.

“China is obviously going to be our number one market in a short space of time,” he said. “But if you’ve been locked up in a warehouse with sub-standard products to buy, then you are not going to have a great experience. We need to address that so people think Australia is a great place to visit.”

Mr Baird believes it is vital for Australia’s economy to stay competitive as an international destination by improving the quality of the tourism experience on offer. He hopes the Economics Committee’s inquiry into the future directions of Australia’s service export industries can provide some answers.

“Tourism is the largest employer in Australia with some 650,000 people directly employed in tourism and 350,000 indirectly,” he said. “It’s also the second largest earner of foreign exchange after the minerals sector. It’s an industry that we need to enhance, nurture and look at where the problems exist.”

Mr Baird said the federal government can take a leading role beyond marketing campaigns.

“There are a number of areas in terms of encouraging business tourism, promotion of medical tourism, conventions, sports tourism and also looking at some of the regulatory areas to do with rogue operators and what they can do to the market.” ■

*For more information on the inquiry by the House Economics Committee into the current and future directions of Australia’s service export industries, including transcripts from the tourism roundtables the committee held in Sydney and Brisbane, visit [www.aph.gov.au/house/committee/efpa/services](http://www.aph.gov.au/house/committee/efpa/services) or email [efpa.reps@aph.gov.au](mailto:efpa.reps@aph.gov.au) or phone (02) 6277 4587.*