

Submission to: Department of Foreign Affairs and Trade

From: Australian Tourism Export Council

Subject: United Nations World Tourism Organisation

Date: 31st October 2014.

Summary: The Australian Tourism Export Council regrets the announced intention of the Australian Government to withdraw from membership of the United Nations World Tourism Organisation. It believes this decision reduces the ability to compete in one of the most competitive market sectors and is at odds with the Government's recently announced initiative to increase broad based economic diplomacy. It therefore, opposes such a decision for the following reasons.

ATEC: The Australian Tourism Export Council (ATEC) was established in 1972 (originally as the Inbound Tour Operators Association) to develop the inbound tourism industry sector and to raise its capacity and capability to compete in a global environment.

At that stage of its evolution, inbound tourism was in its infancy in Australia, the then Australian Tourist Commission had only been in existence for 5 years, and Australia's commercial links and business relationships were both tenuous and were mainly established through individual initiative and effort.

ATEC, representing around 800 member companies or bodies, is unique among all Australian tourism industry organisations in that it has always had a total focus on the export (i.e. inbound) tourism and on all the development of capabilities and relationships that directly or indirectly improve the prospects for export tourism growth and further development.

From the outset, therefore, ATEC has seen the importance of establishing and maintaining strong global business and multilateral links and relationships. Apart from the obvious importance of using such links as the basis for establishing ongoing business relationships for growing the market to Australia, ATEC understood the additional needs for such a focus:

- to understand and recognise 'best practice' as undertaken in more established markets.
- to understand and recognise industry and customer trends
- for benchmarking and monitoring performance and competitiveness
- to understand the direct impacts of circumstances and policy decisions beyond Australia
- to identify market and product development opportunities
- to provide a global and external focus, rather than an insular and inward looking focus in developing the industry
- as a means of obtaining meaningful, relevant and comparative performance data and intelligence.

In the lead up to the release of the White Paper on Tourism released by the Howard Government in 2003, ATEC lobbied for the resumption of Australia's membership of the UNWTO (it had lapsed for a number of years), as it was concerned that its exclusion had diminished the Australian tourism industry's external focus in such areas as listed above.

ATEC subsequently applauded the Government's decision to rejoin UNWTO as an integral part of a revitalised tourism strategy for Australia.

Since Australian membership has resumed, ATEC has had an ongoing and increasing relationship with UNWTO. Because of an acknowledgement of the special two way benefit from this relationship in 2012, Associate membership was based on an MoU which involved the exchange of agreed services.

This has included:

- tourism industry response to climate change policies
- aggregated response to regressive government policies and impositions (e.g. continually increasing taxes and impositions on the world tourism trade)
- ongoing input and exchange of research data and intelligence
- cooperative activity in the development of the youth travel sector
- cooperative activity in the recognition and development of Indigenous tourism
- Support by UNWTO for ATEC activities. (e.g. UNWTO Secretary General spoke to ATEC Leadership Forum February 2014).

However, whilst this direct relationship has developed, there has been no consultation with, input sought, or dissemination of information forthcoming with or to ATEC by the Australian government representation at UNWTO. It has to a large extent been Australian government representation devoid of any engagement with the industry.

Australian Tourism in the Global Context: Tourism is one of the world's largest industries and one of the largest components of world trade. It is also subject to a wide range of circumstances, events and government interventions mostly made beyond Australia and over which Australia, on its own, has little influence.

Australia's location makes it physically remote from its major markets, its competitors and from trend drivers and information exchange forums. In attracting people to visit, it is also a destination needs to work harder and smarter to overcome the 'tyranny of distance' which in turn impacts on cost of travel and impediments of access, available time, and limited market opportunity.

Similarly in seeking to being seen as a progressive, professional and leading edge tourism industry and destination, Australia needs to work harder than most to be 'noticed' and to be recognised as a tourism leader.

On the other hand, because of the remoteness of both its markets and competitors, Australia's tourism industry and the majority of its operators tend to be more insular and remote from both the trends and circumstances shaping and influencing tourism around the globe.

It is therefore essential that to be both 'in tune' with and to influence, where possible, the trends and circumstances that shape the global tourism industry and its development, that Australia needs to work harder than most other countries to engage with the wider global industry and key forums. It is also important that such engagement is undertaken at both a government and industry level and that these two levels work more in concert to maximise such influence and outcomes.

Australia's Current Trade and Investment Strategies:

ATEC strongly supports the policy and administrative arrangements undertaken by the Abbott government which place export tourism and tourism investment as integral parts of its broader trade and investment agenda.

It also supports its global vision expressed through its current Chairmanship of the G20 and its release on August 18th of its Economic Diplomacy initiative – both of which emphasise Australian leadership in economic development.

In announcing the Economic Diplomacy initiative, the Foreign Minister, The Hon. Julie Bishop stated: "The global economy is a highly competitive space and sustaining Australia's position as the 12th largest economy globally requires strong international engagement".

She went on to add: "Economic diplomacy is a collaborative process, beyond Government, Australia's business community, our think tanks, our NGOs and our communities are an integral part of our economic diplomacy efforts".

The Minister for Trade and Investment the Hon Andrew Robb AO also stated: "Our economic diplomacy drive is intrinsically linked to the Coalition's aggressive trade and investment agenda. Better outcomes from our economic engagement with the world result in stronger economic growth, more jobs and greater prosperity for Australians".

It therefore appears manifestly incongruous that at the same time as Australia is wishing to positively influence and engage with the wider push for greater economic development around the world; and in one area where Australia has a great leadership opportunity, it signals its intention to withdraw from a key opportunity.

At a time when the Government is advocating greater collaboration between government and commerce in economic diplomacy, it is timely to reflect that if there is a weakness in Australia's current relationship with UNWTO, it is as the result of almost no engagement with or involvement of the Australian tourism industry in the Government's representation role.

Tourism Research

For 14 years, until June 30 2010, Australia developed and hosted the World's largest tourism research network – the Cooperative Research Centre for Sustainable Tourism, involving 17

Australian Universities, National and state tourism bodies as well as some major companies. ATEC was both a shareholder and a Board member of the CRC. Through it Australia became known globally as a centre for tourism research excellence and considerable IP was exported world wide. With the decision of the previous Government to cease funding and the demise of the CRC, Australia has lost its enviable capacity and reputation as a global research leader. It has also eliminated any R& D capacity for one of Australia's most important industries and has considerably reduced the involvement of Australian Universities in either teaching or research to assist the development of Australian tourism.

In the absence of opportunities in Australia, in recent times however, a number of Australian Universities have now developed close working relationships with UNWTO and collaborating on the development of research programs. This is important both for the development of Australian tourism and in taking Australian expertise and IP to the world.

For the Australian Government to now withdraw from membership of UNWTO, would be a double blow to Australia's research standing and opportunities.

OECD

It has been suggested by the Minister for Trade and Investment that DFAT's role in support of the attainment of the national Tourism 2020 goals and its multilateral tourism engagement will be undertaken through the APEC Tourism Working Group and the OECD Tourism Committee.

As an industry body, ATEC rejects this proposal as being irrelevant and without substance. In both cases it appears that both bodies involve bureaucrats dealing with bureaucrats to the exclusion of any industry input or relevance.

From the point of view of a major industry body with the most globally focused remit, ATEC is completely unaware of:

- Any outcomes of relevance or value to the Australian tourism industry
- Any research programs or capabilities of any relevance to the Australian tourism industry
- Any engagement, involvement or input with or by the Australian tourism industry
- Any benchmarking, relevant policy development, efforts to eliminate trade impediments provided or successfully achieved for the Australian tourism industry.
- Any contribution or relevance to the achievement of the Tourism 2020 goals.

ATEC furthermore rejects the argument that either the achievement of the Tourism 2020 goals or the role of a collaborative forum involving government, industry and academia in support of the Economic Diplomacy agenda can be better served through APEC or OECD committees, compared to that offered by the UNWTO.

Summary

To summarise, ATEC opposes the stated intention of the Australian Government to withdraw from membership of the United Nations World Tourism Organisation for the following reasons:

- It is important for the Australian tourism industry to have access to international best practice, global impacts and opportunities, comparative and competitive benchmarking and the development of a global outlook and perspective.
- ATEC has developed important cooperative activities with UNWTO to the benefit of the Australian tourism industry.
- It is important for any Australian component of a globally significant industry to have collaborative Australian government and industry representation at the relevant peak world forum.
- Because of physical remoteness from the rest of the world the Australian tourism industry has a more insular and inward looking perspective than that of other comparative countries.
- Australia needs to engage with the wider global industry and relevant peak forums more than most other countries.
- The Government's decision is inconsistent with its recently announced Economic Diplomacy initiative and goals.
- Through increasing engagement with UNWTO, some Australian universities are re-establishing and a focus on tourism that was eroded following the closure of the only tourism CRC.
- ATEC believes APEC or OECD Committees have no capacity or engagement with the tourism industry through which to benefit the Australian tourism industry or to support the achievement of the Tourism 2020 goals.

John King OAM
Chairman
Australian Tourism Export Council