

## **PART 2**

### **ECONOMIC SIGNIFICANCE**



## CHAPTER 2

### TOURISM AND THE AUSTRALIAN ECONOMY

#### *Tourism in Australia*

##### *Characteristics*

2.1 The economic impact and potential of tourism are determined in part by certain characteristics of the industry. In its submission to the Committee in 1989, the Department of the Arts, Sport, the Environment, Tourism and Territories listed the following as being of particular importance from a policy development viewpoint:

- it is a twenty-four hour-a-day, seven day-a-week industry despite seasonal fluctuations;
- it is a labour intensive industry with employment opportunities at all skill levels;
- there is a relative lack of barriers to entry into the industry;
- it consists of a predominance of small businesses, despite growing investment in tourism by large companies;
- it helps to diversify the economic base of regional economies;
- it is subject to minimal direct financial assistance or regulation by governments; and
- its impacts are broad ranging, involving economic, social and environmental considerations.<sup>1</sup>

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<sup>1</sup> *Evidence*, p. 12

## *Definitions*

2.2 Over the years various definitions of the tourist industry have been employed; both supply and demand-oriented approaches have been adopted. For example, in a 1979 study, *Economic Significance of Tourism in Australia*, the Bureau of Industry Economics took a supply approach in defining the tourist industry to include all activities which supply or produce directly or indirectly goods or services for tourism final demand.<sup>2</sup>The Bureau further argued that it would be undesirable to limit the definition to those sectors which are of obvious primary importance to tourism such as transport and accommodation. Not only do these industries include non-tourist activities, but in addition, many other industries sell a percentage of their output to tourists.<sup>3</sup>

2.3 The 1986 Australian Government Inquiry into the Tourist Industry which produced the Kennedy Report also adopted a supply-oriented definition. The tourist industry is, in the view of this Inquiry, not one discrete entity but a collection of inter-industry goods and services which constitute the travel experience.<sup>4</sup>And each of the following types of firms or facilities could be regarded as part of the tourist industry according to that Report:

- transport operators
- accommodation suppliers
- restaurants
- attraction operators
- souvenir manufacturers
- entertainment facility operators
- retailers
- national parks

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<sup>2</sup> *Economic Significance of Tourism in Australia, Research Report 4*, p. 2

<sup>3</sup> *Ibid.*

<sup>4</sup> *Report of the Australian Government Inquiry Into Tourism 1986*, p. 11

- information suppliers
- travel agents<sup>5</sup>

2.4 In contrast with these supply-oriented definitions of the industry, the Bureau of Tourism Research (BTR) has focused its definition on demand considerations; that is, the tourism industry is defined by what tourists are and the activities in which they engage. The following definitions are used:

- Inbound Tourism - a visit to Australia, for less than 12 months, by a person who resides overseas. Data from the Australian Bureau of Statistics (ABS) includes travellers of all ages, while data from the BTR International Visitor Survey (IVS) only includes travellers aged 15 years and over.
- Domestic Tourism - Overnight trip - travel by Australian residents aged 14 years and over, involving a stay away from home for one or more nights but less than 3 months, and requiring a journey of at least 40 kilometres from home. The travel must be undertaken for any reason other than to take up temporary employment.
- Domestic Tourism - Day trip - a trip away from home of at least four hours and involving no overnight stay, where the main purpose of the trip is pleasure.
- Outbound Tourism - an overseas visit, for less than 12 months, by an Australian resident of any age.<sup>6</sup>

2.5 In its submission the Department of the Arts, Sport, the Environment, Tourism and Territories (DASETT) drew attention to the range of industries supplying goods and services for firms which directly cater for tourists. DASETT

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<sup>5</sup> *Ibid.*

<sup>6</sup> *Australian Tourism Trends 1991*, pp. 2-3

also noted the services provided (often without direct charge) by governments to tourists. These services include information offices, the maintenance of roads, harbours, airports, railways, national parks, tourist promotion, visa and immigration services and local government amenities.<sup>7</sup> Accordingly, the Department informed the Committee that tourism encompassed all short-term travel away from the normal place of work and residence, including that undertaken for business, holiday and visiting friends and relatives. It includes both domestic and international travel and involves the consumption of a wide range of goods and services provided by, for example, transport and tour operators, accommodation establishments, theme parks and attractions, entertainment and arts venues, museums and historical sites, restaurants, travel agents and souvenir retailers.<sup>8</sup>

2.6 The Department, then, adopts a demand-oriented definition of the industry. This approach is consistent not only with the BTR but also with the ABS. The difficulties presented by the diverse nature of the tourism industry on the supply side have led the ABS to argue that the industry can only be defined in terms of consumer activity rather than in terms of supplier activity. This is contrary to the normal criterion used in defining an industry, in which the industry is defined in terms of those enterprises which are included in selected categories of an economic activity classification. According to the ABS the tourism industry cannot be defined in such supply side terms, as the industry comprises the supply of any product, not just specific products, to visitors.<sup>9</sup>

2.7 For the ABS, the collection of statistics focuses on the activities of visitors in purchasing products or participating in activities. (At a national level the only industry sectors where close to 100 per cent of supply, or output, is consumed by visitors are the accommodation and the long-distance travel sectors.) The

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<sup>7</sup> *Evidence*, p. 12

<sup>8</sup> *Evidence*, p. 12

<sup>9</sup> Australian Bureau of Statistics, *Framework for the Collection and Publication of Tourism Statistics*, June 1991, pp. 4-5

Committee accepts the demand-oriented approach to defining the tourism industry adopted by the ABS, the BTR and DASETT.

### *Research and Statistics*

2.8 The major producers of tourism statistics in Australia are the Australian Bureau of Statistics and the Bureau of Tourism Research.

#### *Australian Bureau of Statistics*

2.9 According to DASETT in its discussion paper, *Directions for Tourism*, issued in 1988, there was at that time still a relative dearth of accurate, comprehensive and timely statistics relating to the tourism industry.<sup>10</sup> DASETT had reviewed ABS tourism statistics in order to identify gaps and deficiencies in statistical collections relevant to the tourism industry, and indicated that the ABS had decided to expand the scope and content of its Survey of Tourist Accommodation and give priority status in its Industry Survey Program to items covering tourist accommodation, attractions, travel agents and car rental services.<sup>11</sup>

2.10 Important statistical collections now produced by ABS encompass:

- arrivals and departures of international visitors;
- activities and characteristics of international visitors; and
- the supply of, and demand for, tourist accommodation.

The ABS publishes *Tourist Accommodation Australia* (Cat. 8635.0) which includes data on establishments and capacity, guest arrivals and average length of stay, room nights sold, occupation rates, takings from accommodation and employment in establishments. It also publishes *Overseas Arrivals and Departures* (Cat. 3401.0,

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<sup>10</sup> *Directions for Tourism*, p. 90

<sup>11</sup> *Ibid.*

3402.0, 3404.0), which includes data on country of last residence/stay, country of birth, purpose of journey, duration of stay, State of stay, sex and age, country of embarkation and port of clearance.

2.11 In 1986/87, the ABS collected service industry data on the Motor Vehicle Hire Industry, Travel Agency Services, Cafes and Restaurants, Hotel and Bars, Licensed Clubs, and Tourist Attractions. In September 1990 the ABS published *Australian Travellers' Expenditure Overseas* which includes data on components of travel debts, percentage change in expenditure and trends in international fares and travel expenditure.

2.12 The Australian Bureau of Statistics has recently developed a *Framework* for the collection and publication of tourism statistics. The ABS *Framework* was designed to provide a conceptual base which will ensure consistency and comparability in the collection and publication of Australian tourism statistics by all collectors, not just the ABS:

The concept on which the Framework is based is that the primary interest for tourism statistics is to count, measure or in some way describe the activities of tourists. A tourist activity is referred to as an *event*, which contains three elements, identified as the CONSUMER, the PRODUCT and the SUPPLIER. Tourism statistics describe either a relationship between two of these elements, or some aspect of one of these elements.

The underlying principle of the Framework is that whether an *event* should be identified as "tourism" or not depends on the status of the final consumer of the product involved. Neither the type of product nor the activity of a supplier are relevant to defining the *event* as "tourism". In this respect there is no such thing as a "tourism industry" as such. Any type of product or any supplier can be part of the "tourism industry", if final consumption of the product results from the activity of a visitor. Consequently the concept of a product- or activity-based framework, which is a common basis for other statistical frameworks, is not appropriate in this



case.<sup>12</sup>

2.13 As part of this *Framework*, the ABS defines the consumer as international visitors (both overnight and day) and domestic visitors (both overnight and day). The product is classified into ten broad product/service groups which are then broken down into further subcategories. The broad groups are:

- accommodation;
- food and drink;
- transport;
- entertainment and leisure;
- sporting activities;
- business activities;
- education and training;
- health;
- other goods and services; and
- package tours.

The supplier is classified according to the Australian Standards Industrial Classification.<sup>13</sup>

2.14 In February 1992, the ABS published the *Directory of Tourism Statistics 1991* based on the *Framework*; it is planned to produce updated versions as the need arises. The ABS indicated that its *Framework* will be a reference for all major organisations involved in the collection and use of tourism statistics, and that

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<sup>12</sup> Australian Bureau of Statistics, *Framework for the Collection and Publication of Tourism Statistics*, June 1991, p. iv

<sup>13</sup> Australian Bureau of Statistics, *Directory of Tourism Statistics 1991*, February 1992, p. 3

it would be part of an ongoing process influenced by the comments and experience of collection and dissemination agencies and users of tourism statistics.<sup>14</sup>

2.15           The *Directory of Tourism Statistics 1991* provides information on:

- overseas visitor arrivals;
- the characteristics of international visitors, including a breakdown of ages for US and Japanese visitors;
- attitudes and expenditure of international visitors;
- details of international passenger arrivals and departures;
- an outline of international tourism in NSW including the proportion of international visitors to various tourist attractions, and the types of accommodation used;
- forecasts of international visitor arrivals;
- tourism trends;
- census counts of visitors and employees;
- overseas and domestic travel by Australians;
- a summary, of domestic tourism including the main purpose for travelling, the accommodation used, the regions and main tourist attractions visited for NSW, QLD, WA, Tas, NT;
- average weekly expenditure on holidays by Australians;
- bus and air travel usage;
- visitors to tourist attractions;
- Australian traveller's expenditure overseas;
- an overview of the hospitality and service industries including travel agencies and hire cars;
- employment associated with the tourist industry;
- a summary of the effects of tourism in the economy;
- details of hotel and motel building approvals;

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<sup>14</sup> *Ibid.* p. 2

- average earnings of employees in the recreational, personal and other services industry; and
- summary of Government expenditure on tourism promotion.

2.16 The development of the comprehensive *Framework*, and the publication of the *Directory of Tourism Statistics 1991*, should assist the future collection and analysis of tourism statistics. However, although the *Directory* provides data about the tourism industry in a single publication, and the subject matter surveyed is wide ranging, a number of deficiencies remain.

2.17 In particular, the *Directory* suffers from the fact that the ABS *Framework* does not yet appear to have been widely adopted even by government authorities which collect and disseminate tourism data and on which the *Directory* relies. This matter is noted by the *Directory*. It advised that in accessing and using the data from any of the included data sources, users are reminded that the bases for collection are different. Therefore users should exercise caution in any comparative use of data unless the basis of each collection is understood.<sup>15</sup>

2.18 A helpful list of public sector data sources is included in the *Directory*. However, the introduction to Chapter 3 - Data Sources notes that even within these government agencies, some problems remain unresolved. These include statistical validity, the ad hoc nature of some collections, and the confidential and commercial nature of some of the information provided.<sup>16</sup> As a consequence, it is not yet possible to acquire a valid and comprehensive picture of the tourism industry throughout Australia. An example of this problem occurs in relation to data about sites visited by international tourists. Although the New South Wales Tourism Commission collects data, which is provided on page 9 of the *Directory*, similar data from other States has not been included in the same format.<sup>17</sup>

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<sup>15</sup> *Ibid.*, p. 53

<sup>16</sup> *The Directory of Tourism Statistics 1991*, p. 53.

<sup>17</sup> *Ibid.*, p. 53

2.19 In relation to domestic tourism, the *Directory* is able to provide information about New South Wales,<sup>18</sup> Queensland,<sup>19</sup> Western Australia,<sup>20</sup> Tasmania,<sup>21</sup> and the Northern Territory.<sup>22</sup> Similar information has not been presented about Victoria or South Australia. Further, the data provided demonstrates the need for the Framework to be applied systematically. The information is not in similar formats, nor does it relate to identical subjects. Comparisons about the domestic tourism market between States therefore remain difficult if not impossible.

#### *Bureau of Tourism Research*

2.20 The BTR was established jointly by the Commonwealth and the States/Territories in 1987 as an independent agency to undertake the collection, analysis and dissemination of tourism data.<sup>23</sup> The establishment of the Bureau of Tourism Research has resulted in an expansion of the statistical base that is available for policy and market research relevant to the Australian tourist industry.

2.21 BTR publishes *International Visitor Survey* and *Domestic Visitor Monitor*. *International Visitor Survey* includes data on the characteristics of visitors including stopovers, city of arrival and departure, duration of stay and region of stay, type of accommodation and transport used, places of interest visited and expenditure. *Domestic Tourism Monitor* includes data on the main purpose of the trip, type of accommodation and transport used, length of trip, age and sex of visitor and day trips.

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<sup>18</sup> *Ibid.*, pp. 16-7

<sup>19</sup> *Ibid.*, pp. 18-9

<sup>20</sup> *Ibid.*, p. 20

<sup>21</sup> *Ibid.*, pp. 21-22

<sup>22</sup> *Ibid.*, pp. 23-4

<sup>23</sup> *Directions for Tourism*, p. 91

2.22 The Director, Dr W. Faulkner, has noted that early in the BTR's research program emphasis had been placed on the forecasting of demand, and the measurement of economic impacts of tourism.<sup>24</sup> The results of a number of the research projects commissioned by the BTR on these topics were of considerable assistance in the preparation of the Committee's report. The main areas of statistical analysis relating to tourism which the Bureau has yet to address deal with the social and environmental impact of tourism.

#### *Building Owners and Managers Association (BOMA)*

2.23 As well as the ABS and BTR, other organisations compile data about the tourism industry. The Building Owners and Managers Association (BOMA) is an industry body which produces a database to assist industry decision-makers with marketing, investment and strategic planning.

2.24 BOMA in co-operation with DASETT publishes *Australian Tourism Investment Database*. This publication includes details on individual accommodation establishments of three star level and above, such as room and bed numbers, project values, employment and foreign investment levels on both existing establishments and new projects.

#### *Domestic Tourism*

2.25 In its 1989 report, the Industries Assistance Commission (IAC) drew attention to BTR estimates suggesting that from 1984/85 to 1987/88 the number of visitor nights involving domestic tourists grew at an annual rate of 2.5 per cent compared with growth in real GDP over the same period of 3.9 per cent.<sup>25</sup> The IAC suggested that if real average expenditure per visitor per night has remained constant since 1984/85, then domestic tourism has grown at a lower rate than the

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<sup>24</sup> *Evidence*, pp. 150-1

<sup>25</sup> *Travel and Tourism*, p. 31

economy generally over this period. Notably, the 1990-91 figures show that the number of domestic visitor nights fell by 3.75 per cent from 1989/90 to 215 million nights.<sup>26</sup> Nevertheless, over the past decade, domestic tourism still accounted for 73 per cent of Australia's total tourism business. This amounted to \$17.3 billion. The ABS notes that almost one third of domestic trips taken in 1989/90 were by New South Wales residents, and that overall New South Wales was the most popular destination with 32 per cent of all trips ending there. Victoria and Queensland were the next most popular with 22 per cent of trips ending in each of those states.<sup>27</sup>

2.26 Table 2.1 provides an indication of the size of the overall domestic tourism market. It also provides a breakdown into the main purposes for undertaking travel within Australia. The information relating to domestic travel was obtained by interviews with a sample of Australians aged 14 years and over.

2.27 While there is a reasonable indication of domestic tourism *travel* in Australia, the exact nature of domestic tourism *expenditure* is less clear. The BTR has drawn attention to the limitations of the data on domestic tourism expenditure. According to the BTR, estimates of expenditure by domestic tourists remain relatively sketchy as they are based on data collected in the BIE [Bureau of Industry Economics] Tourist Expenditure Survey which was conducted in 1982. A new, more up-to-date Domestic Tourism Expenditure Survey is long overdue, according to the BTR, to provide a basis for more reliable estimates of the economic impacts of tourism. The BTR Submission advised:

So far it hasn't been possible to conduct such a survey because of resource constraints.<sup>28</sup>

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<sup>26</sup> *Australian Tourism Data Card*, BTR, Autumn 1992

<sup>27</sup> *Directory of Tourism Statistics 1991*, p. 15

<sup>28</sup> *Evidence*, p. 143

Table 2.1: Domestic Travel by Primary Purpose of Trip, 1984/85 to 1989/90

Total Trips by Primary Purpose of Trip		1985/86		1986/87		1987/88		1988/89		1989/90		
Primary Purpose of Trip	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)
Pleasure/Holiday	20,108	44.5	19,272	42.9	20,902	44.7	20,004	43.5	20,579	41.2		
Visiting Friends or Relatives	12,043	26.7	12,405	27.6	12,210	26.1	12,016	26.1	13,520	27.1		
Private Reasons	2,428	5.4	2,331	5.2	2,448	5.2	2,495	5.4	3,216	6.4		
Conference/Seminar	800	1.8	703	1.6	867	1.9	598	1.3	733	1.5		
Other Business	5,849	13.0	6,221	13.8	6,273	13.4	6,188	13.4	6,653	13.3		
Other Reasons	3,046	6.7	3,156	7.0	3,032	6.5	3,484	7.6	4,129	8.3		
<b>Total Trips</b>	<b>45,144</b>	<b>100.0</b>	<b>44,963</b>	<b>100.0</b>	<b>46,725</b>	<b>100.0</b>	<b>46,017</b>	<b>100.0</b>	<b>49,962</b>	<b>100.0</b>		

Source: BTR *Australian Tourism Trends 1991*, p. 77

2.28 Some spending by domestic tourists is on items such as food and entertainment which would still have been incurred if the tourists had stayed at home.<sup>29</sup> Such expenditure involves a transfer of expenditure from one region to another; this can be significant in the impact of tourism on particular regions. Estimates of the value of this expenditure, however, are not included in the statistics quoted.<sup>30</sup>

### *Growth in Domestic Tourism*

2.29 In commenting on its share of domestic tourism, the NSW Tourism Commission has indicated in its report, *New South Wales Tourism Development Strategy*, that the one-third share of the domestic tourist market held by NSW has remained steady in recent years, and continues to be well above the shares of other states. The Commission notes however, that the growth rate has been below the national average, due to the higher base and to rather sluggish intra-state tourism. The strategy states:

Recent promotions by the NSW Tourism Commission have been aimed at motivating local residents to see more of their state. Inter-state-origin tourism is the fastest-growing segment (especially from adjoining states). Holidays and visiting friends and relatives account for three quarters of visits to New South Wales, with holidays increasingly outpacing VFR as the primary motive for the visit. This will mean that average [sic] nights per visit will rise, because holiday-makers tend to spend the most time in New South Wales (eight nights vs five for VFR and four for business travellers). Expenditure per tourist will rise also, as those on holiday tend to spend more on accommodation, meals and activities.

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<sup>29</sup> *Travel and Tourism*, p. 30

<sup>30</sup> *Ibid.*



Over the next 10 years, the number of domestic visitor nights will rise by about 50% to 100 million per annum, while international visitor nights will double to more than 40 million. However, because at least 40% will continue to stay with friends and relatives, the net incremental impact on commercial accommodation will be around 30 million visitor nights per year. The net impact on transportation and other infrastructure will be much greater.<sup>31</sup>

2.30 In its submission the Northern Territory Government predicted a large increase of over 110 per cent in interstate tourists from 495,000 in 1990 to 1,069,000 in the year 2000. The predicted increase in intrastate tourism of about 10 per cent is smaller, from 222,000 in 1990 to 245,000 by the year 2000.<sup>32</sup>

2.31 The Queensland Government expects to increase its share of the domestic tourism visits and number of domestic nights over the next decade. In 1989/90, the State attracted 22% of all domestic visits within Australia and 28% of all domestic nights. By 1999/2000, it is expected that Queensland's share of domestic visits and nights will increase to 24% and 32% respectively.<sup>33</sup>

### *Outbound Tourism*

2.32 The average duration of overseas travel by Australians has shortened over the past decade. According to ABS the proportion of Australian residents returning after a stay of less than one month abroad has increased from 53.3 per cent in 1979 to 63.9 per cent in 1990<sup>34</sup>, and to 65.2 per cent in 1991.<sup>35</sup> The number of Australians departing on an overseas trip for a period of less than 12

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<sup>31</sup> *New South Wales Tourism Development Strategy*, May 1990, p. vi

<sup>32</sup> *Evidence*, p. 1163

<sup>33</sup> *Submission No. 100*, p. 3

<sup>34</sup> Australian Bureau of Statistics, *Overseas Arrivals and Departures*, Cat. 3402

<sup>35</sup> Australian Bureau of Statistics, *1991 Overseas Arrivals and Departures Australia*, Cat. 3404.0

months has increased from 1.176 million in 1979 to 2.170 million in 1990,<sup>36</sup> but decreased to 2.099 million in 1991.<sup>37</sup>

2.33 Expenditure on goods and services arising from overseas travel by Australian residents was calculated by the Industries Assistance Commission to total \$6.1 billion in 1988-89. Air fares paid to Qantas were excluded from this figure.<sup>38</sup> This represented approximately 10 per cent of Australia's total foreign expenditure for the year. While there are immediate foreign exchange implications of outbound tourism, it generates some benefits within Australia. For example, travel agents retain 8-10 per cent of the cost of pre-booked travel arrangements. This has been estimated by one industry consultant to generate around 10,000 full-time jobs.<sup>39</sup>

2.34 The key factors affecting the level of both domestic and outbound tourism by Australians are household disposable income and the value of the Australian dollar. The relatively high value of the Australian dollar has apparently fuelled growth in outbound travel despite a continuing squeeze on disposable incomes through wages policy and the effects of high interest rates which would otherwise discourage travel. The total departures in 1990 were 8.2 per cent above the figures for 1989, while total departures for 1991 were 2.7 per cent above 1990.<sup>40</sup> It is possible that an upturn in the economy accompanied by a relatively strong Australian dollar could lead to an increase in both domestic tourism and overseas travel by Australians. The influence of broader economic policy decisions on the size and composition of the tourist market particularly as it relates to the domestic and outbound sectors, may be more critical than specific industry-based initiatives.

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<sup>36</sup> Australian Bureau of Statistics, *Overseas Arrivals and Departures*, Cat. 3402

<sup>37</sup> Australian Bureau of Statistics, *1991 Overseas Arrivals and Departures Australia*, Cat. 3404.0

<sup>38</sup> *Travel and Tourism*, p. 31

<sup>39</sup> J. Blackwell and L. Stear (eds.), *Case Histories of Tourism & Hospitality*, 1989

<sup>40</sup> Australian Bureau of Statistics, *1991 Overseas Arrivals and Departures Australia*, Cat. 3404.0

2.35 Domestic and outbound tourism are competitive products for some groups of Australian residents. To the extent that the Australian domestic market becomes more price competitive with overseas tourist destinations, this could have the dual effect of being not only more attractive to overseas visitors, but also of reducing the number of Australians taking holidays overseas. Since 1980 there has been a decrease in the proportion of outbound Australians departing the country on holidays; the proportion has dropped from 58.7 to 55.0 per cent. There is potential for reducing the number of Australians travelling overseas by improved marketing of Australian tourism products, although that potential of course is limited.

### *Inbound Tourism*

#### *Recent Growth*

2.36 There has been a rapid growth in inbound tourism to Australia during the past decade. The dimensions of this increase have been reported by the Bureau of Tourism Research as follows:

- Short term arrivals doubled during the decade 1973 to 1984 and then doubled again between 1984 and 1988. In 1987, inbound foreign tourists exceeded Australian departures for the first time since 1971; and
- From 1975 to 1984 short-term visitor arrivals grew on average by 8 per cent per annum. Increases since then have been:
  - 1985 - 13 per cent;
  - 1986 - 25 per cent;
  - 1987 - 25 per cent;
  - 1988 - 26 per cent;
  - 1989 - minus 8 per cent; and
  - 1990 - 6 per cent.<sup>41</sup>

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<sup>41</sup> *Australian Tourism Trends 1991*, pp. 5-7

DASETT advised that between 1983 and 1989 there was a 120 per cent increase in short-term visitor arrivals to reach a total of 2.1 million.<sup>42</sup>

2.37 BTR analysis of the ABS *Overseas Arrival and Departures* statistical series points to a number of significant changes that have occurred in the composition of short-term visitor arrivals in Australia over the past decade. In terms of the purpose for travel the major shift in inbound tourism has been the decline in the proportion visiting relatives from 29.2 per cent in 1980 to 20.6 per cent in 1990 and the rise in holiday visitors from 39.8 per cent in 1980 to 55.7 per cent in 1990.<sup>43</sup>

2.38 The major changes in the composition of visitors to Australia, with reference to their country of origin, have been the decline of New Zealand visitors from 34.0 per cent in 1980 to 18.9 per cent in 1990 and the rise in visitors from Japan and other Asian countries. Japan has quadrupled its proportion of visitors from 5.4 per cent in 1980 to 21.7 per cent in 1990; visitors from other Asian countries increased from 9.9 per cent to 15.7 per cent over the same period.<sup>44</sup>

2.39 Drawing on ABS statistics, DASETT placed the inbound tourism industry in economic context as follows:

With the increased emphasis the Government is placing on the need to improve our export performance and balance of payments, export earnings from inbound tourism have been boosted from \$1.7 billion in 1982/83 to \$6.2 billion in 1989/90. This includes expenditure of \$4.23 billion by overseas visitors while in Australia, \$1.5 billion in passenger fares accruing to Qantas from inbound tourism and 0.42 billion in foreign airline expenditure in Australia attributable to international tourism. Export earnings from tourism now exceed those

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<sup>42</sup> *Evidence*, p. 59

<sup>43</sup> *Australian Tourism Trends 1991*, p. 66

<sup>44</sup> *Australian Tourism Trends 1991*, p. 64

from traditional exports such as coal, wool, wheat, meat or iron ore.<sup>45</sup>

### *Marketing Effectiveness*

2.40 Various factors determine the growth of inbound tourism including the impact of marketing and promotion relative to underlying economic fundamentals such as the growth in income in other countries, movements in the cost of airfares and changes in the exchange rate.

2.41 Hon. John Brown of the Tourism Task Force advised the Committee about the need for further resources for marketing Australia overseas:

The budget has grown from \$9m to \$63m but in a budget of \$100 billion it is still pretty well pennies. There needs to be a lot more spent, and spent more efficiently too I might add.<sup>46</sup>

2.42 The difficulty of assessing the contribution of marketing to increasing tourism earnings was acknowledged by the Industries Assistance Commission in its report *Travel and Tourism*. Many factors, such as exchange rate movements, increasing incomes, leisure time, education, and demographic changes as well as promotion, influence tourism decisions. While tourism promotion expenditure produces benefits for other activities, tourism also enjoys benefits from the promotional activities of other industries. For instance, successful Australian films such as *Crocodile Dundee* play a part in bringing tourists to Australia. Evaluation of the effects of promotion is further complicated by time lags between promotional expenditure and tourism sales.<sup>47</sup>

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<sup>45</sup> *Evidence*, p. 59

<sup>46</sup> *Evidence*, p. 369

<sup>47</sup> *Travel and Tourism*, p. 191

2.43 The Australian Tourist Commission (ATC) told the Committee that it uses proactive words such as targets, rather than projections and estimates, since it believes that marketing, properly funded, plays a vital role in stimulating demand and thus achieving the targets set for tourist arrivals from our major markets.<sup>48</sup>

2.44 The ATC has been conducting a targeted marketing campaign in South Korea. The Minister for the Arts, Tourism and Territories, Hon. David Simmons, announced on 22 November 1991, that Australia was becoming such a popular holiday destination because of the finely-tuned marketing campaign launched by the Australian Tourist Commission the previous April. The television advertisement spearheading the campaign was the first commercial by a national tourist office to be allowed on Korean television and appears to have had a remarkable success in stimulating awareness and bookings.<sup>49</sup>

2.45 The ATC has attempted to measure the effectiveness of marketing activities at a level below that of increased tourist demand. In its annual report for 1990 the ATC discussed the question of measuring effectiveness in the following terms:

One of the keys to an effective evaluation system is a meaningful set of performance indicators (PIs) and indicators of successful outcome (ISOs).

These provide a more concrete measure than the traditional method of assessing the success of destination marketing - bums on seats.

Performance indicators go to the heart of evaluating marketing effectiveness. They measure efficiencies combined with quantities.

An example of this would be to evaluate our public relations activity not only in terms of the dollar value of air time or press space achieved but on a yield-per-dollar

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<sup>48</sup> *Evidence*, p. 97

<sup>49</sup> *Media Release*, Hon. David Simmons, 22 November 1991

spent basis. Applied to the period in review, ATC achieved a 19:1 return on investment. That is, for every \$1 spent on public relations, ATC achieved \$19 in its editorial publicity.<sup>50</sup>

Performance indicators of the type discussed by the Commission are undoubtedly useful in assessing its efficiency in using the resources that have been allocated to it. To describe such indicators, however, as more 'concrete' than 'bums on seats' as a measure of marketing effectiveness is misleading if not erroneous.

2.46 A study of determinants of international travel was commissioned as part of an evaluation of ATC marketing and promotional activities. The results showed that income was the single most important factor in determining tourists' plans. Further evidence contained in this evaluation report which bears on the significance of marketing activities, took the form of a market share analysis commissioned as part of the evaluation process. This study of the impact of aggressive marketing by overseas countries in the United States over the period 1983/89 concluded that countries which had a more active marketing program were gaining market share at the expense of the less active countries. A group of seven of the aggressive marketing countries, including Australia, together gained a 14 per cent market share, while the less aggressive countries in the thirteen marketing countries that were examined gained only one per cent market share.<sup>51</sup>

#### Tourism Demand Studies

2.47 A number of studies of the determinants of inbound tourism are available. According to the Centre for International Economics in a study conducted in 1988, the recent increase in tourism demand appeared to be related to changes in the following important factors:

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<sup>50</sup> Australian Tourist Commission, *Annual Report 1990*, p. 11

<sup>51</sup> Australian Tourist Commission, *Evaluation of the Australian Tourist Commission's Marketing Impact*, March 1991, p. 4

- Australia's greatly enhanced price competitiveness as reflected in the large real exchange rate devaluation against countries such as Japan, the UK, West Germany and the USA;
- the rapidly rising per capita incomes in some of these countries and hence increased demands by citizens of those countries, such as Japan, for Australian tourism;
- the increased perception of stability and safety of Australia following higher levels of terrorism over the mid-80s, combined with the uniqueness of Australia aggressively promoted by the Australian government and major players in the tourist industry; and
- one-off factors such as the Bicentennial celebrations and the defence of the America's Cup.<sup>52</sup>

2.48 The Cairns Chamber of Commerce emphasised the importance of the exchange rate; Mr Cummings advised that part of the slowdown in tourism in the area is due to the fact that the exchange rate, in real terms, is back up to where it was before 1985:

From the work I have done in the past, our major growth periods in tourism in the region have been associated with the competitive exchange rate in the late 1970s and early 1980s and that 1986-88 period coinciding with strong world growth and domestic growth also.<sup>53</sup>

The importance of exchange rates in relation to tourist demand was also acknowledged by the Australian Tourist Commission:

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<sup>52</sup> *Tourism Report: Economic Effects of International Tourism*, 1988, pp. 13-14

<sup>53</sup> *Evidence*, p. 970



Exchange rates are very important. There is no denying that. We seek to work with these movements and enhance the opportunities that are provided by such things as exchange rates. We are at the moment involved in the evaluation of our activities in which we are doing some very detailed regression analysis. So we would probably be in a better position very shortly to know exactly what the impact of the exchange rate is over, say, a 20-year period and what the elasticities are. But there is no denying it is one of the major impacts. We also say that marketing has a major impact on stimulating demand.<sup>54</sup>

### *Forecasts of Growth in Inbound Tourism*

2.49 In its *National Tourism Strategy* released in June 1992, the Commonwealth Government has stated<sup>55</sup> that international tourist arrivals have increased four-fold over the past twenty-five years to an estimated 450 million in 1991. The Strategy also advises that the Asia-Pacific region increased its share of arrivals by 78 per cent between 1985 and 1991; and in 1991 overseas visitor arrivals in Australia increased by seven per cent compared with a growth in world arrivals of only 1.5 per cent.

2.50 While there has been a strong growth in inbound tourism to Australia in recent years, Australia's share of the world tourism market is very small at 0.5 per cent. Potential exists, then, for Australia to increase its percentage of international tourism. Even a small gain in this market would have significant economic consequences for Australia.

2.51 Forecasting the number of inbound tourists is a critical part of the planning process for both government and industry. Soundly based forecasting is needed by government to assist in planning marketing and promotion, industry development, infrastructure provision and service delivery. The tourist industry

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<sup>54</sup> *Evidence*, pp. 105-6

<sup>55</sup> *Tourism Australia's Passport to Growth*, p. 6

needs the information to assist it in long-term market development and making rational decisions about the level of investment that will be required.

#### Tourism Task Force Assessment

2.52 The Committee received evidence from witnesses involved in the tourist industry expressing considerable optimism about the growth potential of the inbound tourist industry. Hon. John Brown of the Tourism Task Force, for example, placed the issue of the growth in international tourism into an international and historical context. He pointed out to the Committee that it has taken from the birth of flight to 1990 to achieve two billion airline passengers. The forecast is five billion by the year 1995.<sup>56</sup>

2.53 Mr Brown went on to draw attention to the potential for expansion of the market for international travel as a result of the political and economic changes taking place:

The world is shrinking. People are becoming more interested in foreign places. Those figures are startling. Two billion to 1990 and five billion by 1995 is the forecast of people travelling. You now have all those areas of Eastern Europe that have been locked up for 40 or 50 years where people will start to travel. Then you have the increase in living standards in places like China and South America. So the market is just immense and, at this stage, untapped.<sup>57</sup>

2.54 As well as this assessment of the potential for increased international tourism, Mr Brown outlined to the Committee his views on the prospects for growth in the Australian inbound tourism industry. He considered that whilst we may not experience the 25% annual increases in total tourist numbers which we saw in the eighties, we will see fairly consistent annual increases of around 10%. This will mean

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<sup>56</sup> *Evidence*, p. 365

<sup>57</sup> *Evidence*, p. 366

that total tourist numbers can be expected to more than double between now and the year 2000. Mr Brown advised that the more optimistic forecasts would suggest a trebling of visitor numbers during this period.<sup>58</sup>

#### The ATIA Assessment

2.55 Sir Frank Moore, Chairman of the Australian Tourism Industry Association offered the Committee a similar optimistic scenario for the future of inbound tourism:

Over the course of the last decade we tripled the size of our export industry in real terms. During the 1990s we will triple it again, and are headed for somewhere in the region of six or seven million international visitors a year versus about 2.2 million at the end of the 1980s.<sup>59</sup>

Sir Frank stated that he expected that this rise in foreign tourist arrivals would generate foreign earnings of between \$18 billion and \$20 billion. Notably, this would be about three times the foreign earnings of tourism in 1990/91.

#### The BTR Assessment

2.56 In April 1990, the BTR released the second in a series of forecasts of short-term overseas visitor arrivals. In that report the Bureau discussed the factors driving inbound tourism and how they could best be included in a forecasting model. The BTR identified three fundamental factors that underpin the current growth in overseas tourist numbers: the attractiveness of Australia as a destination, the disposable income of people in other countries; and the cost of travel to Australia and within Australia.<sup>60</sup>

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<sup>58</sup> *Submission No. 69*, p. 13

<sup>59</sup> *Evidence*, pp. 233-4

<sup>60</sup> Bureau of Tourism Research, *Australian Tourism Forecasts International Visitor Arrivals*, April 1990, pp. 3-4

2.57 The Bureau's forecasts of international visitor numbers to the year 2000, together with the year-to-year percentage increase for total visitors and regional breakdowns are set out in Table 2.2. They are derived from the BTR's *Australian Tourism Forecasts International Visitor Arrivals*, April 1990. To provide some perspective the actual figures for the years 1988 to 1990 are given along with the forecasts for the years 1990 to 2000.

2.58 The 1990 figure illustrates the difficulties inherent in attempts at forecasting. While the aggregate projection was accurate, some of the regional growth rates varied substantially from those predicted. The greater the level of desegregation in the model the lower the degree of confidence that can be placed in the predictions.

2.59 The BTR has predicted annual percentage growth for the next decade will average 8 per cent, and international visitor inflow will be 4,850,000 in the year 2000.

#### Australian Tourist Commission (ATC)

2.60 The Australian Tourist Commission publishes target figures for inbound tourist numbers, globally and for major countries of origin each year. The figures are targets set by the Commission as achievable goals. In its *Annual Report 1991* the Australian Tourist Commission stated that despite the Gulf War and continuing economic problems, the Commission remains confident of achieving its target of 6.5 million visitors in the year 2000. Driving the 11 per cent annual growth needed to achieve this target will be Greater Asia, with Japan leading the charge and the new so-called 'mini-dragons' of Korea and Taiwan providing plenty of support.<sup>61</sup> There was no reference in the accompanying discussion as to the relationship between the ATC projections and the forecasts for the next decade

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<sup>61</sup> Australian Tourist Commission, *Annual Report 1991*, p. 47

**Table 2.2: Actual and Forecast Short Term Overseas Arrivals (in thousands) and Per cent Changes from Previous Years, 1988 to 2000** ( Note: Column totals include actual or forecast arrivals for all countries)

Country	Actual												
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
USA	322 4%	261 -19%	252 -3%	272 8%	309 12%	345 12%	378 10%	412 9%	449 9%	489 9%	553 9%	633 9%	692 9%
UK and Ireland	273 31%	285 4%	288 1%	273 -5%	304 6%	341 6%	361 6%	382 6%	405 6%	429 6%	454 6%	481 6%	509 6%
Europe	256 26%	246 -4%	261 6%	257 -1.5%	293 10%	322 10%	353 10%	387 10%	425 10%	466 10%	511 10%	616 10%	675 10%
Japan	352 63%	350 -1%	480 37%	529 10%	488 5%	495 13%	559 13%	626 12%	689 8%	744 8%	804 8%	937 8%	1,012 8%
Asia	308 21%	321 4%	348 8%	373 7%	378 10%	415 10%	457 10%	503 10%	553 10%	609 10%	669 10%	810 10%	891 10%
New Zealand	534 25%	449 -16%	418 -7%	481 15%	491 4%	498 1%	514 3%	529 3%	545 3%	578 3%	595 3%	613 3%	631 3%
<b>Total</b>	<b>2,249 26%</b>	<b>2,080 -8%</b>	<b>2,215 6%</b>	<b>2370 7%</b>	<b>2,413 9%</b>	<b>2,618 9%</b>	<b>3,083 8%</b>	<b>3,332 8%</b>	<b>3,588 8%</b>	<b>3,866 8%</b>	<b>4,165 8%</b>	<b>4,491 8%</b>	<b>4,847 8%</b>

Source: Actual - Australian Bureau of Statistics Cat. 3401.0, Overseas Arrivals and Departures Forecast - Bureau of Tourism Research, Australian Tourism Forecasts International Visitor Arrivals, April 1990, p. 26.

prepared by the Bureau of Tourism Research. The target figures set by the ATC for the next decade by regional market are set out in Table 2.3.

#### Federal Airports Corporation (FAC)

2.61 The Federal Airports Corporation commissioned a study of growth in international and domestic airline traffic from 1989. Completed in March 1990, the study was entitled *Forecasts of International and Domestic Airline Traffic 1989-2000*. While it is not directly comparable to the forecasts of the BTR and the ATC in that the international component deals with all movements through international terminals, it is relevant to the Committee's consideration of international tourism and its comparison with other international travellers to Australia:

The forecasts show that international passenger traffic in Australia is expected to increase at an average annual rate of 5.6% in the planning case, to about 16 million passengers in the year 2000 and 23 million passengers in 2008. The recent surges in Japanese and Asian travel are forecast to continue with the New Zealand share of the market expected to fall. The inbound leisure market share is also expected to increase more rapidly than the inbound and outbound business markets.

Sydney Airport is forecast to grow from its 1988 level of 4.1 million passengers to 7.5 million in the year 2000; Melbourne Airport is expected to increase from 1.6 million to 3 million over the same period and Brisbane from 1 million to 2.5 million.<sup>62</sup>

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<sup>62</sup> Federal Airports Corporation, *Forecasts of International and Domestic Airline Traffic, 1989-2008*, March 1990, p. 14

**Table 2.3: Australian Tourist Commission International Arrival Targets for Major Markets (in thousands) to 2000.**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average Growth 1991-2000
<b>USA</b>											
Total	260	280	305	335	370	415	465	520	580	650	10%
Growth	4%	8%	9%	10%	10%	12%	12%	12%	12%	12%	10%
<b>Canada</b>											
Total	56.5	60.5	66.5	73	80	88	97	107	118	130	9%
Growth	6%	7%	10%	10%	10%	10%	10%	10%	10%	10%	9%
<b>Europe</b>											
Total	290	320	365	415	475	540	610	690	780	880	13%
Growth	14%	10%	14%	14%	14%	14%	13%	13%	13%	13%	13%
<b>UK and Ireland</b>											
Total	315	340	370	405	443	483	526	575	627	685	9%
Growth	9%	8%	9%	9%	9%	9%	9%	9%	9%	9%	9%
<b>Japan</b>											
Total	555	615	695	785	890	1,010	1,145	1,295	1,465	1,660	13%
Growth	16%	11%	13%	13%	13%	13%	13%	13%	13%	13%	13%
<b>Asia</b>											
Total	424	485	560	650	755	875	1,005	1,156	1,340	1,550	16%
Growth	22%	14%	15%	16%	16%	16%	15%	15%	16%	16%	16%
<b>New Zealand</b>											
Total	455	465	490	515	540	569	600	630	664	700	5%
Growth	9%	2%	5%	5%	5%	5%	5%	5%	5%	5%	5%
<b>Total Inbound</b>											
Total	2,480	2,700	3,000	3,340	3,730	4,170	4,650	5,190	5,810	6,500	11%
Growth	12%	9%	11%	11%	12%	12%	12%	12%	12%	12%	11%

Source: Australian Tourist Commission, Statistical Report 1991-2000, Strategic Marketing Unit. (as at May 1991)

### *Advice to Government*

2.62 The Committee sought confirmation from DASETT about the kind of views being put to the Minister on international visitor estimates. The Committee was informed that DASETT accepts one of the more conservative estimates in providing advice to the Minister on this matter. In a letter to the Committee dated 28 August 1991, DASETT advised:

The Department is aware of forecasts of international visitors to Australia by the year 2000, which have been made by a number of organisations. These include:

Federal Airports Commission	4,500,000
Bureau of Tourism Research	4,847,000
Boeing Corporation	5,096,200
Qantas	5,700,000
Economist Intelligence Unit	5,900,000
Australian Tourist Commission (marketing target)	6,500,000

It is not possible to draw firm conclusions on which of the above provides the most likely outcome. In most cases the assumptions are available so that users can modify the figures if the assumptions employed do not match up with their own expectations.

Without drawing any conclusions on the reliability of other forecasts, this Department has chosen to rely principally on the work of the BTR in providing advice to the Minister on estimates of future inbound tourism numbers.<sup>63</sup>

2.63 As already noted, the BTR forecast was for an average growth rate of 8 per cent per annum. The difference between the BTR's 8 per cent and the ATC's 11 per cent is large; over a decade it leads to a substantial difference in absolute numbers - 4,850,000 visitors compared with 6,500,000 by the year 2000. This results in the ATC projection being 34 per cent higher than BTR forecasts by the end of the

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<sup>63</sup> *Letter to Committee, 28 August 1991*



decade. A difference of this magnitude has important implications for the level of infrastructure required for both the transport and accommodation industries. Notably, the Federal Government's National Tourism Strategy accepts the range of 4.8 to 6.5 million visitors by the year 2000 as a 'target'.<sup>64</sup>

### *Economic Effects of the Tourist Industry*

#### *GDP and Employment*

2.64 Although there has been disagreement about the way in which the tourism industry should be defined, and until recently there had been little uniformity in the collection and analysis of tourism data and statistics, the importance of the tourism industry for the Australian economy is beyond dispute.

2.65 Studies have claimed that the key factors in the growth in the size of the tourism industry appear to have been: increasing per capita income, more leisure time and technological change. Average annual growth in overseas visitors to Australia from 1979 to 1989 was 10.6 per cent. To place this improvement in the size of the industry in its international context, World Tourist Organisation data for 1989 when compared with 1980 figures show an average annual increase for international tourist arrivals of 3.9 per cent.<sup>65</sup>

2.66 The economic significance of the tourist industry for the Australian economy (including both overseas and domestic elements) can be indicated by its absolute size and growth over recent years. DASETT has advised that in 1989/90 tourism's share of Australia's Gross Domestic Product (GDP) had reached 5.1 per cent. This is almost double its 2.6 per cent share of GDP in 1973/74. In absolute terms total expenditure derived from tourism in 1989/90 was approximately \$23.4

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<sup>64</sup> *Tourism Australia's Passport to Growth*, 1992, p.14

<sup>65</sup> P. Grey, K. Edelman and L. Dwyer, *Tourism in Australia: Challenges and Opportunities*, 1991, pp. 7, 9

billion.<sup>66</sup> The growth of employment in the tourism industry also has been substantial over the past decade. Between 1981/82 and 1989/90 employment attributed to tourism has increased from an estimated 333,000 to 441,000.<sup>67</sup> Table 6.4 sets out estimates of tourist expenditure and the industry's contribution to employment and GDP. The ABS has reported that the 1986 census indicated over 394,000 people were employed in the recreational, personal and services industry, and that just over half (212,718 people) were working in restaurants, hotels and clubs.<sup>68</sup>

### *Expenditure - Regional Effects*

2.67 The economic benefits of the tourist industry differ throughout Australia. For example, while on a national basis the tourist industry in 1988/89 was estimated to provide 441,000 jobs or 5.9 per cent of the workforce, in Queensland the percentage has been estimated to be 9.2 per cent.<sup>69</sup> The ABS notes that for 1989, New South Wales received an estimated 1.4 million visits from the total of 2.1 million international visitors. While the majority of international tourists visited the Sydney region, other popular destinations were the Illawarra, Hunter and North Coast regions.<sup>70</sup>

2.68 Frequently tourism has been advocated as an appropriate means to assist in the process of regional economic development. This has been the case particularly in areas that are undergoing substantial restructuring. The Committee notes the considerable economic linkages and infrastructure that are required if the benefits of tourist expenditure are to be substantially secured by rural regions in

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<sup>66</sup> *Evidence*, pp. 13, 59

<sup>67</sup> *Evidence*, p. 59

<sup>68</sup> *Directory of Tourism Statistics 1991*, p. 12

<sup>69</sup> *Tourism in Australia: From Susceptible to Sustainable Development [unpublished]*, C.M. Hall, Table 6.7

<sup>70</sup> *Directory of Tourism Statistics 1991*, p. 9

particular. However, some evidence was received on the potential of farm tourism to have a favourable impact on rural areas with minimal infrastructure.<sup>71</sup>

**Table 2.4: Contribution of Tourism to the Economy**

	1988-89	1989-90
<b>Tourist Expenditure (\$million)</b>		
International	6 220	6 156
Domestic	15 897	17 272
Total	22 117	23 428
<b>Employment Generated</b>		
International	125 200	116 300
Domestic	318 200	324 500
Total	443 400	440 800
<b>Contribution to GDP (%)</b>		
International	1.5	1.4
Domestic	3.8	3.8
Total	5.3	5.1

The above analysis is an update by the BTR of the Bureau of Industry Economics' input-output analysis of tourism. (Bureau of Industry Economics, *Tourist Expenditure in Australia*, Research Report 16, AGPS, Canberra, 1984).<sup>72</sup>

2.69 A study of the contribution of tourism to the Tasmanian economy pointed out that the high degree of interdependency among the various sectors of the Tasmanian economy enabled a greater economic impact from tourism than would otherwise be the case. The indirect economic effects of tourism were calculated in the case of Tasmania to be equivalent to the first round direct effects of tourist expenditure.<sup>73</sup>

<sup>71</sup> *Evidence*, p. 664

<sup>72</sup> *Evidence*, p. 146

<sup>73</sup> Centre for Regional Economic Analysis, University of Tasmania, *The Contribution of Tourism to the Tasmanian Economy in 1988*, A report prepared for the Department of Tourism, April 1986, Executive Summary

### ***Recommendations***

2.70 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.

2.71 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*.

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