

PART 6

**PLANNING, INFRASTRUCTURE AND THE
AUSTRALIAN TOURIST INDUSTRY**

CHAPTER 11

CO-ORDINATION OF THE TOURIST INDUSTRY: POLICIES AND STRATEGIES

Commonwealth Government Tourism Policy

11.1 While the delivery of tourism services is largely a private sector activity, government actions shape the economic and regulatory environment within which the tourism industry operates. The provision of transport infrastructure and community services in most cases is also a government responsibility.

11.2 In December 1990 the Department of the Arts, Sport, the Environment, Tourism and Territories (DASETT), stated that the role of the Commonwealth Government:

... is to facilitate the development of an environment in which the tourism industry can best prosper and, through the Australian Tourism Commission, play the prime role in promoting and marketing Australia as a tourist destination overseas.

... the long-term national goal is to achieve, in close collaboration with industry, the development of a dynamic and competitive industry contributing to economic well-being and an enhanced quality of life for all Australians, consistent with the protection of our natural and cultural heritage.

Specific Commonwealth goals can be stated as:

- *Economic* - to improve the competitiveness of the industry and minimise constraints on growth, so as to stimulate increased national income, employment growth and an improved balance of payments.

- *Social* - to encourage a range of opportunities for increased tourism participation and the appropriate operation of tourism activity in the public interest.
- *Environmental* - to develop the tourism potential of our natural and cultural heritage through environmentally sustainable, sensitive and responsible management.
- *Support* - to ensure that the necessary planning, co-ordination, research and statistical support for policy formulation is provided in accordance with the previous goals. (*Evidence*, pp. 14-15)

11.3 Over the past two decades, policy development concerning tourism at the national level has been undertaken within a variety of ministerial portfolios. Until recently it has been administered by DASETT. Following the Ministerial reorganisation in December 1991, the tourism portfolio has been recognised as a separate Department. It is responsible for co-ordination with other Commonwealth authorities, State Governments and industry bodies. The Commonwealth role in tourist promotion through the operations of the Australian Tourist Commission (ATC) and the co-ordination of ATC marketing with State promotional activities has been discussed in Chapter 4 of this report.

Policy Co-ordination within the Commonwealth Government

11.4 DASETT's 1988 discussion paper *Directions for Tourism* recognised that while the prime responsibility for policy advice and co-ordinating tourism matters rested with the Department, other Commonwealth agencies exercised direct responsibilities in many areas which have a significant bearing on tourism. It listed some of these Departments as:

- Treasury, Finance and Industrial Relations dealing with macro-economic issues which affect all industries;

- Department of Immigration, Local Government and Ethnic Affairs, Department of Transport and Communications, Department of Employment, Education and Training and the Australian Customs Service as providing or controlling services which have a direct relevance to tourism; and
- Australian Bureau of Statistics and the Bureau of Tourism Research as collecting statistical data and providing research support services.

11.5 In this 1988 publication DASETT suggested that there was a need for better co-ordination; in a statement that could have been drafted by Sir Humphrey Appleby from *Yes Minister*, DASETT advised:

Given the diverse range of tourism activities spread across a range of government portfolio interests, there is a need to establish appropriate inter-departmental consultative arrangements within the government framework to facilitate the effective co-ordination of the different areas of government activity which impinge on tourism. While the Department is actively involved in various inter-departmental committees, more extensive representation on a range of consultative bodies would ensure that tourism interests are taken into account in the development process.¹

11.6 In one major area, however, DASETT claimed in late 1990 that aspects of inter-departmental co-ordination were well-organised. DASETT stated that there were very good mechanisms in place for co-ordination of issues concerning passenger processing:

We now have in place a body called the National Passenger Processing Committee, which brings together the departments and agencies which deal with people arriving in Australia, from the visa issue process to handling at airports, Customs concerns, security concerns and immigration issues. It provides a forum for

¹ *Directions for Tourism*, p. 94

discussion of cross-departmental issues. I think this body, which has been functioning for slightly over two years, has brought about a major improvement in the co-ordination between departments of a lot of those handling questions.²

11.7 The establishment in December 1991 of the Department of Tourism provides the opportunity for tourism policies to be reviewed, and where necessary improved. However, the problems associated with more than one department providing services and policies which affect the tourist industry remain.

Co-ordination Mechanisms

11.8 Responsibility for the development of tourism is shared by all levels of government in Australia. Further, the co-ordination mechanisms to facilitate tourism development are wide-ranging; structures for consultation within the tourism industry cover a range of issues.

Tourism Ministers' Council (TMC)

11.9 The Tourist Ministers' Council was established in 1959. It comprises the Commonwealth, State and Territory Ministers responsible for tourism. The Council provides a forum for consultation and policy co-ordination between the Commonwealth and the States and Territories.³

Australian Standing Committee on Tourism (ASCOT)

11.10 The Australian Standing Committee on Tourism has comprised representatives from the Australian Tourist Commission, DASETT and the State and Territory Directors of Tourism or their equivalent.

² *Evidence*, pp. 82-3

³ *Directions for Tourism*, p. 92

11.11 The functions of ASCOT are to co-ordinate and develop policies on tourism and to provide advice and recommendations to the Tourism Ministers' Council. The Council also resolves non-contentious issues which would otherwise require the attention of the Tourism Ministers' Council.

Tourism Advisory Council (TAC)

11.12 The Tourism Advisory Council has been chaired by the Minister for the Arts, Tourism and Territories. It provides a consultative link between the Commonwealth Government and the industry as well as being a forum for the discussion of policy issues. The Council's membership includes representatives from a wide variety of industry-related groups and unions.⁴

Co-ordination Agreements

The 1976 Agreement

11.13 The wide range of government policies that affect the tourist industry and the consequent need for co-ordination has been a matter which has engaged the attention of the Commonwealth, State and Territory Governments. A statement, setting out a shared understanding of the division of responsibilities between the Commonwealth, State and Territory Governments for tourism promotion, development and regulation, was agreed by the then Tourist Ministers' Council on 1 October 1976.

11.14 In the 1976 agreement the objectives of tourism policy, at all levels of government, were described in the following terms:

1. The development of a viable and efficient tourist industry in Australia. An *economic* concept that includes governments' overall objectives and

⁴ *Directions for Tourism*, p. 92

optimises the use of available resources. It envisages a dynamic tourist industry component of the total economy, containing a balanced mix of enterprises, supported by government provided infrastructure, the whole existing at levels responding sensitively to growth and changes in demand.

2. The development of a range and quality of tourism opportunities appropriate to the needs of residents and visitors to Australia. A *social* concept that expresses governments [sic] desires to induce the development of a structure of tourist facilities and services, designed to meet people's needs for leisure, recreation, consistent with their desire for an improved quality of life.
3. Achievement of the above with due regard to the natural and social environment of Australia. This is a *public interest* concept providing for the control and regulation of tourist activity, so that the rights of individuals and groups are safeguarded, one against the other, and resources are preserved, as considered desirable, for the common good and future generations.⁵

11.15 This agreement on objectives was followed by a list of policy areas which have an impact on tourism. These policy areas were classified respectively under the headings of Commonwealth Prime Responsibilities, Commonwealth and State/Territory Shared Responsibilities, and Territory and State Responsibilities. The latter category included those matters which fell within the ambit of local government authorities in some States.⁶

11.16 In summary, according to the 1976 agreement, the Commonwealth Government's prime responsibilities included:

⁵ *Report of the Australian Government Inquiry into Tourism 1986*, Vol. 1, p. 172

⁶ *Report of the Australian Government Inquiry into Tourism 1986*, pp. 172-5

- International Relations;
- Transportation;
- Visitor Entry Formalities;
- Research and Statistics;
- Planning;
- Development Assistance;
- Destination Promotion; and
- Consumer Affairs.

11.17 Further, the agreement outlined the following responsibilities shared between the Commonwealth, State and Territory Governments:

- Workforce;
- Consumer Affairs;
- Transportation;
- Destination Marketing;
- Environment, including the National Estate;
- Infrastructure and Facilities;
- Regional Research and Statistics;
- National Standards - Tourism; and
- Destination Planning.

11.18 The category 'Territory and State Responsibilities' included matters which in some States fall within the ambit of local government. The list included the following matters:

- Infrastructure and Facilities;
- Research and Statistics;
- Planning;
- Industry Education;
- Road Transport Regulation;
- Land Use and Environment Protection;
- National Parks;
- Destination Marketing;
- Development Finance;
- Regulatory Services;
- Liquor Licensing; and
- Consumer Affairs.

11.19 Some areas of responsibility, such as road transport, appear in the agreed list under more than one category of government responsibility. In the case

of road transport, for example, the primary Commonwealth Government responsibility referred to national highways, while the shared responsibility related to roads other than national highways, and the Territory and State responsibilities related to road transport regulation.

The 1987 Agreement

11.20 The *Tourism Ministers' Agreement 1976* was ratified by the Tourist Ministers' Council in 1982. In 1987, however, the Australian Government Inquiry into Tourism recommended that the 1976 Agreement should be revised.⁷

11.21 The *Understanding on Governmental Objectives and Responsibilities in Tourism*, which was the outcome of the revision process, was endorsed by the Tourism Ministers' Council meeting held on 21 August 1987. As was the case with the previous agreement, the 1987 Agreement began with a broad statement of objectives, which was regarded as appropriate to all levels of government. This was followed by listings of the responsibilities of the Commonwealth Government, those responsibilities that were shared by the Commonwealth and State/Territory Governments, and those responsibilities that were the province of the States/Territories. The latter category included matters handled by local government. And the exact allocation of powers between State and local government, of course, varies from State to State.

11.22 The list of responsibilities and their division between levels of government attached to the 1987 agreement did not vary substantially from that agreed in 1976. The most significant change was the way in which the prime Commonwealth responsibilities were listed and described. The item in 1976 which was labelled 'Development Assistance', for example, was replaced by a section entitled 'National Economic Policies'.⁸ Changes to the list of responsibilities shared

⁷ *Evidence*, p. 16

⁸ *Evidence*, p. 54

by the Commonwealth, States and Territories included the addition of sections dealing with training, the development of a public awareness of the importance of tourism and industry liaison and consultation.⁹

11.23 The 1987 Agreement also resulted in a substantial rewriting of the objectives of government tourism policy. The agreed objectives of the 1987 Agreement relate to economic, environmental and social matters. They are:

- Economic.

To develop a dynamic and competitive tourism industry, supported by government and, to this end, to minimise constraints and provide an appropriate economic environment in which tourism can contribute to the economy to the maximum extent possible consistent with micro-economic requirements;

- Environmental.

To encourage the development of our natural environment and cultural heritage as integral elements of tourism, to recognise the need for their long-term conservation and to ensure that tourism developments are sensitive to environmental considerations; and

- Social.

To ensure that the public interest is safeguarded through the facilitation of appropriate tourism activity and that

⁹ *Evidence*, p. 55

participation in tourism is encouraged to enhance the quality of life of all Australians.¹⁰

The rewritten objectives pointed to a shift in the priorities of tourism policy at all levels of government: there is an emphasis on creating a competitive tourism industry. The environmental issues arising from tourist developments also receive significantly more attention in the 1987 statement of objectives.

11.24 The Committee sought DASETT's advice about the continuation of the agreement:

It has been reviewed on a number of occasions. It is grounded in the separation of powers under the Constitution. It has been looked at during the 1980s on a couple of occasions and was reaffirmed in 1987. ... Our role is in facilitating the Commonwealth-States Ministerial Council meetings and the standing committees. We provide the secretariat for that. Where either Commonwealth or State authorities identify in the progress of events that some of the areas and earlier agreements are perhaps not meeting current requirements, that is pursued in the context of the Council.¹¹

Co-ordination in Practice

Relations with the Commonwealth

11.25 The Tourism, Sport, Recreation and Information Division of DASETT has confirmed that the consultative mechanism between the Commonwealth, State and Territory Governments such as the Tourism Minister's Council and the Standing Committee on Tourism is working well, and that considerable progress is

¹⁰ *Evidence*, p. 53

¹¹ *Evidence*, p. 73

being made in tackling a lot of these larger issues in a co-operative framework through those particular bodies.¹²

11.26 None of the submissions to the Committee from State Governments commented on the operation of the co-ordination mechanisms. However, the Northern Territory Department of the Chief Minister told the Committee that:

There are a number of consultative mechanisms in the industry and within government which the Territory participates in wholeheartedly. The Northern Territory Tourist Commission with its overseas bureaux collaborates with the Australian Tourist Commission.¹³

The Role of Local Government

11.27 The role of local government is particularly important with regard to tourism development. This tier of government is responsible for a substantial proportion of infrastructure provision. The Commonwealth Department of Immigration, Local Government and Ethnic Affairs (DILGEA) suggested in its submission that local government should have an opportunity to contribute to Commonwealth and State tourist policy formulation where tourist projects have impacts on local government areas. In particular through membership of relevant inter-governmental co-ordinating bodies, membership of relevant government/industry committees, for example the Australian Standing Committee on Tourism, and through being consulted on a regular basis by State and Commonwealth departments responsible for tourism.¹⁴

¹² *Evidence*, p. 84

¹³ *Evidence*, p. 1246

¹⁴ *Submission No. 46*, p. 16

11.28 The Department suggested that:

In respect of membership of tourist bodies/committees it may be appropriate to establish a system of co-optation. In this way Local Government representation could be utilised when consideration is given to topics of particular interest to local councils, for example, tourist development in environmentally sensitive areas and foreign investment in tourist developments. The Australian Local Government Association would be an ideal Local Government peak body for national committees and the relevant State Local Government Associations for State committees.

Local Government can also provide a useful input to the normal work programs of State departments and the Commonwealth department responsible for tourism. This can take the form of regular liaison between departments and peak Local Government bodies as well as seeking advice and comment on specific matters. The Commonwealth department responsible for tourism could liaise with the Australian Local Government Association and State departments with the appropriate State Local Government Associations.¹⁵

11.29 The Committee is concerned to ensure that local government is involved effectively in tourist policy formulation. It notes the impressive co-ordination role that has already emerged between local government and other authorities at a Shire level. In far north Queensland the President of the Cairns Chamber of Commerce advised the Committee:

The Chamber last year, in fact, recognised that there were some smaller local authorities who were going to be inundated by developments because of the smaller scale. The Chamber put in place regional co-ordination meetings, called on an irregular basis when necessary, which involved all the local authorities in far north Queensland. Out of that came a working group whose prime function is to look at strategic planning from the regional point of view of far north Queensland, involving

¹⁵ *Submission No. 46*, p. 16

all those local authorities, to ensure that when any local authority, particularly a larger one such as Mulgrave Shire, makes a decision, it evaluates the impact of that decision on the region itself and the adjoining shires. That is what where [sic] we are working towards and that will continue. We have the full co-operation of virtually every shire in far north Queensland for the sort of forward planning to occur on a regional basis. It will also help educate and bring up to speed, as far as the learning curve is concerned, those smaller shires which really have not been subjected to large-scale development.

Local Government Ability to Plan

11.30 The Committee has been concerned about possible difficulties with intellectual resources and technical expertise in dealing with decisions required by local government on tourist developments. Mr Pyne, Chairman, Mulgrave Shire Council, advised the Committee that with respect to a large town development:

During this stage we have called on the expertise of the State Government to help us assess the project ... We are now having the expertise from the Department of Harbours and Marines, the Department of the Environment, the Institute of Marine Science and those sorts of agencies helping us to assess that because to be quite frank, we do not have the expertise to look at those areas. We require help and the Department of Environment is setting the guidelines for the environmental impact studies that are required and all those sorts of things. But you are right, it is a problem.

...

The Government offered the advice. We say to the applicants, 'You go to the Government and satisfy the Government that they are right in these areas', and the Government furnishes us with all the reports and everything to assure us that they are happy with it. A lot of times they deal directly with them but then there are other times when we say, 'Well, we have not got the expertise to handle that. You will have to go to the State Department of Environment and come back to us with

some resolution of that problem so that we know it is okay'.¹⁶

11.31 When asked to confirm whether he was saying that the Shire had the authority to make decisions, but not the resources to make a judgement about the exercise of that authority, Mr Pyne agreed.¹⁷ This situation was confirmed for Douglas Shire Council by Mr Berwick, Chairman.

11.32 The Committee also asked the Broome Shire Council whether it had the ability and expertise to assess development plans, or whether it utilised expertise from a central pool. Mr Haynes, Shire Clerk of Broome said:

We have the expertise to assess them in terms of professionalism in engineering and the building code of Australia. Obviously, the Environmental Protection Authority gets involved in environmental questions, conservation and land management in its particular field, etc. Obviously, we could not cover all that. In terms of what we are looking for, professionally we are quite capable of assessing those applications.¹⁸

11.33 DILGEA commented on this issue; Mr Lynch advised the Committee:

That is the kind of notion behind the environmental round table to facilitate the kind of cross-linkaging not only within States but across State boundaries and to improve information flows about environmental management questions generally. There is a strongly emerging understanding within local government about environmental questions.¹⁹

¹⁶ *Evidence*, p. 885

¹⁷ *Evidence*, p. 886

¹⁸ *Evidence*, p. 1316

¹⁹ *Evidence*, p. 211

11.34 The Committee notes the advice from DILGEA (March 1991) that the Local Government Minister's Conference was funding a study on the role of local government in environmental management. This study was to look at the relationship between the Commonwealth, States and Local Government in environmental policy development and responsibility.²⁰

Industry's Role

11.35 DASETT confirmed that in the interests of an equitable and non-discriminatory industry assistance policy, it preferred that assistance measures should not be industry-specific. This enables such measures to meet broad macro-economic, social and environmental objectives rather than the special requirements of one particular industry. In other words, there should not be special assistance measures targeted directly at the tourism industry.²¹

11.36 In discussing this issue at the conference *Frontiers in Australian Tourism* in July 1988, Mr T. Blunn, the Secretary of DASETT stated:

Promotion apart, Governments have been involved in the provision of public infrastructure and services. For tourism this has involved principally airport development, the facilitation of entry procedures, airline policy and staff training.

These are areas in which Governments have no options but to be involved. They have implications for international relations, security, environmental protection ... or are necessary to develop the public infrastructure without which the private sector cannot operate. Beyond that I believe that Governments should

²⁰ *Submission No. 46a*, p. 2

²¹ *Directions for Tourism*, p. 87, and J. Ferguson, *The Tourism Industry - A Government Perspective*, in J.M. Blackwell (Ed.), *The Tourism and Hospitality Industry International Series No. 3*, Australian & South East Asian Edition, pp. 24-5

get out of the way by seeking to remove impediments to industry growth wherever possible.²²

A National Tourism Strategy

11.37 The CEDA report *Tourism in Australia* argued that, at the national level, a comprehensive tourism strategy needs to be devised. The authors recognised that although the different states have their own plans, if Australian tourism is to achieve its potential, a national tourism strategy (NTS) is needed to determine realistic and desirable levels and types of tourism development. The tourism policy has to have a clear Australian identity rather than competing regional definitions. The authors state that there must be co-ordination between regional and State bodies to develop packages and policies to service domestic tourists. These must be developed through consultation and co-operation with the tourist industry.²³

11.38 The CEDA report proposed that the strategy should be a framework outlining appropriate strategies for future industry growth and directions which would address the various constraints to, and problems affecting, tourism development to enhance the roles which interested parties, from both the public and private sector, might play in industry development. CEDA suggests that a national tourism strategy should help to overcome the weaknesses in Australian tourism such as fragmented government policies, inter-government rivalry, duplication of effort and possible inconsistencies arising from multiple tourist development policies.²⁴

11.39 Later in the CEDA report the authors claimed that there is increasing support for the view that Australia needed a national tourism strategy and while there are different views about what such a strategy would entail, there was agreement that the document should provide a framework outlining appropriate

²² *Frontiers of Australian Tourism*, Canberra, 1988, p. 10

²³ *Tourism in Australia*, p. 49

²⁴ *Tourism in Australia*, p. 26

strategies for future growth and development of the tourist industry. The report suggested that a National Tourism Strategy would:

- be a co-ordinated, collaborative effort involving the federal, state and local governments, industry organisations and employee organisations;
- take account of common areas of concern and acknowledge conflicting interests where relevant;
- acknowledge the value of the tourism development plans of different states while recognising the benefits of consistency between these plans and a national strategy; and
- be formulated as a framework for guiding and monitoring tourism growth rather than rules or procedures imposed upon the industry.²⁵

The report concluded that:

unless various private and public decision makers identify with the objectives of tourism development and the nominated means of achieving these objectives, implementation of the strategy will break down through lack of consensus. The time for formulation of a NTS is long overdue. The federal government should take immediate steps to develop the strategy, assuming the role of facilitator of the various parties whose involvement is essential to its success.²⁶

11.40 The need for a national strategy was supported by a number of submissions to the Committee. For example in its submission, the Tourism Task Force advised that a successful tourism industry, where growth and profitability are

²⁵ *Tourism in Australia*, pp. 88-89

²⁶ *Tourism in Australia*, p. 90

maximised and sustained, and where any negative impacts - be they social or environmental - are minimised, will not just happen; it must be planned.²⁷ And the submission from the Australian Conservation Foundation (ACF) stated that the Foundation considers there is an urgent need for a national tourism strategy. The Foundation advised that planning, on a national level, is essential to ensure that the development of the industry is rational, sustainable and maintains the environmental, social and cultural values with which Australia is endowed.²⁸

11.41 This view was supported by other conservation groups. The Environment Centre NT Inc claimed that the Commonwealth has a major responsibility with regard to tourist developments and that this responsibility can only be properly enacted through a national strategy on tourist development involving the States, the Commonwealth, local government and community groups:

An ad hoc and unplanned approach to tourism is dangerous.²⁹

11.42 Further, the Economic Planning Advisory Council (EPAC) paper released in August 1991, entitled *A Joint Approach to Tourism - The Main Issues*, supported a national strategy and stated that while providing valuable assistance and co-ordination, Government policies needed to operate within a more systematic framework. The paper noted that both the industry and government have recognised that the time is ripe for the formation of a more coherent industry strategy:

The Department of Arts, Sport, the Environment, Tourism and Territories has already begun work on a draft strategy. This will require extensive input from those directly involved in the industry to be successful.³⁰

²⁷ *Submission No. 69*, p. 12

²⁸ *Submission No. 27*, p. 1

²⁹ *Submission No. 13*, p. 1

³⁰ *A Joint Approach to Tourism - The Main Issues*, 1991, p. 5

11.43 Nevertheless, not all evidence presented to the Committee supported a nationally co-ordinated tourism strategy. For example, Mr Clyde-Smith, Chairman, Cairns Regional Economic Task Force stated:

As a matter of policy, our group is much more in favour of increased regionalisation and increased authority to the region rather than increasing the role of the Commonwealth government, or the State government for that matter, in our own economic well-being, in our own economic growth. So the idea of establishing regional planning groups and so on, if it were largely co-ordinated on a regional basis and substantially without interference, other than a watchdog role by the Commonwealth government, we would be in support of that.³¹

Views of the State Governments

11.44 The NSW Government has expressed support for a national strategy:

In reference to the Commonwealth's role in co-ordinating foreign tourist development strategies between the states, it is important for Australia to develop long-term marketing strategies through the Australian Tourist Commission (ATC). These strategies assist in the marketing of Australia and Australian tourism product overseas and serve as a conduit for New South Wales tourism product to the international market.

...

The New South Wales Government recommends the continued financial support of the Australian Tourist Commission (ATC) to promote a marketing program overseas seeking to encourage tourism to Australia.³²

³¹ *Evidence*, pp. 964-5

³² *Submission No. 58*, p. 2

11.45 Nevertheless, NSW has expressed the conviction that planning matters concerning tourism are a State responsibility:

The New South Wales Government recommends that the Commonwealth, while recognising the dual needs of developing and conserving the natural environment, acknowledge that New South Wales has a constitutional responsibility regarding planning matters in the State, and in this regard has established planning mechanisms and procedures which assess tourism proposals and other developments concerning their environmental impact and consistent with the environmental capacity of the site.³³

11.46 And the Northern Territory Government submission stated:

The Northern Territory Government does not see a significant role or need for the co-ordination of foreign tourist development between the States, including the Northern Territory, by the Commonwealth Government.³⁴

11.47 By comparison, the South Australian Government advocated a role for the Commonwealth Government in planning tourism:

The Commonwealth needs to examine its overall policies and the thrust of its marketing. The current level of infrastructure provision and marketing direction have distorted foreign tourism and investment in tourism projects in Australia, concentrating it in the Eastern, [sic] states at the expense of South Australia and other potentially fruitful regions. It would not be unfair to say that many downstream decisions, such as foreign investment, depend on the initial infrastructure decisions.³⁵

³³ *Submission No. 58*, p. 10

³⁴ *Evidence*, p. 1174

³⁵ *Submission No. 41*, section 2

11.48 Later in the submission the South Australian Government stated:

In its role of developing a national tourism strategy the Commonwealth needs to promote a typical Australian holiday format which makes best use of available and distinctive assets.

By identifying, developing and marketing these assets as part of an overall strategy full regard can be given to their preservation as uniquely Australian.³⁶

11.49 The Victorian Government suggested to the Committee that the desirability of strategic initiatives aimed at the decentralisation of tourism in Australia should be considered by the Inquiry.³⁷ And the Tasmanian Government submission stated:

Any co-ordinating role to be undertaken by the Commonwealth, must be carried out with the full co-operation and agreement of the States and Territories. It is imperative that the Commonwealth recognise the regional differences and impediments to achieving tourism potential, together with the initiatives undertaken by the respective States and Territories in their attempts to increase the level of overseas visitors.

The major avenue for Commonwealth activity should be assistance in marketing the tourism development opportunities in the various States and Territories, control of any foreign investment in such developments through the Foreign Investment Board; and ensuring that potential developments are based on social market research. There needs to be a more pro-active role by both the BTR and ATC in relation to the latter.

...

If the Commonwealth is to adopt a more direct role in development of the tourism industry, it must become familiar with the important regional dimensions of

³⁶ *Submission No. 41, section 5*

³⁷ *Submission No. 60, p. 3*

tourism activity. In this regard, it would be appropriate for the Commonwealth, to adopt an approach where relevant input is obtained from the States and Territories which is then translated into an overall strategy. The Commonwealth's role should essentially be to complement in [sic] the development of initiatives of the States and Territories.³⁸

11.50 The Queensland Government submission did not address the issue of a national tourism strategy.

Development Mechanisms

11.51 The Committee for Economic Development of Australia stated that although states have their own plans, a national strategy was needed to determine realistic and desirable levels and types of tourism development if Australian tourism was to achieve its potential. CEDA has suggested that a tourism policy has to have a clear Australian identity rather than competing regional definitions. There must be co-operation between regional and state bodies to develop packages and policies to service domestic tourists which must be developed in consultation with, and co-operation from, the tourist industry.³⁹

11.52 The Committee was told during its inquiry that if a national tourism strategy is to be successful it must be developed through wide consultation. The ACF suggested that the development of a tourism strategy, if it is to be successful, must involve not only the Commonwealth and State and Territory Governments, but also Local Government, the industry, unions and conservation organisations.⁴⁰ And the Wilderness Society supported wide consultation and the concept of public participation; it recommended that a national tourism strategy be developed through

³⁸ *Submission No. 101*, pp. 4-6

³⁹ *Tourism in Australia*, p. 49

⁴⁰ *Submission No. 27*, p. 14

extensive public participation and consultation on a national, state, regional and local level.⁴¹

11.53 The Department of Immigration, Local Government and Ethnic Affairs stressed the importance of the role of the local government sector in the formulation of development strategies on a regional, state and national basis and noted that this is one example where there are benefits in the Commonwealth, States and Local Government working together on issues related to tourism. All three spheres of government could co-operate in examining issues such as the formulation of tourist development strategies, infrastructure provision, tourism promotion and co-ordination. The Department believes Local Government should have an opportunity to contribute to Commonwealth and State tourist policy formation, program implementation and administration both in a general sense and where tourist projects will have impacts on a particular local government area.⁴²

11.54 Mr W. Frick, an academic from Edith Cowan University WA, stressed the need for the most relevant expertise to be involved and suggested a system of State advisory panels:

It is absolutely essential that a Commonwealth board on 'foreign tourist development strategies' be set up on which all states are represented by tourism experts and not merely designated public servants. The task of such a board would be to define tourism priorities on a state and national basis and would guide the industry which should remain self-regulating.

This committee of tourism experts should incorporate persons from the transport industry (air, sea, rail, road) the hospitality industry (hotels, catering) the travel industry (travel agents, tour operators, multi-lingual tour guides), the state tourism authorities, the training institutions which run tourism and hospitality courses

⁴¹ *Submission No. 26*, p. 10

⁴² *Submission No. 46*, p. 16

(TAFE, universities), the media (advertising agencies, TV, radio, press) and others.⁴³

Content of a National Strategy

11.55 There is a wide range of issues that a national strategy could cover. The Environmental Institute of Australia suggested that the objectives of a national tourism strategy should include mechanisms to:

- increase Australia's international competitiveness;
- prevent interstate competition at the expense of the environment; and
- ensure well-planned growth for economic and environmental sustainability.⁴⁴

11.56 Further, the submission by Mr Fagence, Department of Geographical Sciences, University of Queensland canvassed an argument in favour of the development of a strategic framework so that tourist development is targeted to suitable areas and locations. Mr Fagence suggested that it is appropriate for the Commonwealth to devise a strategic framework in the national interest, in order to achieve, for example:

- balanced distributions of tourism facilities and amenities;
- harmonious functional relationships between the infrastructures of tourism and travel with those of other economic sectors;
- integration and co-ordination of tourism development and promotion;
- rational locational specialisation, rather than inefficient duplication, replication; and

⁴³ *Submission No. 85*, p. 2

⁴⁴ *Submission No. 48*, p. 10

- development within capacity thresholds of economic, social, cultural, environmental and infrastructural systems, and within assessed controlled impact assessment thresholds.

He suggested this type of national framework, as part of a national tourism strategy, would not severely circumscribe the opportunities of State/Territory and local governments to refine the strategy commensurate with local circumstances.⁴⁵

11.57 Some of the submissions received by the Committee perceived the role of the national tourism strategy in more specific terms. For example, the Queensland Conservation Council stated that a national strategy should concern itself with environmental consequences. Their submission recommended:

That if a National Tourism Strategy is proposed, then the brief for its development should incorporate consideration of the environmental consequences of decisions about tourism and ongoing monitoring of the environmental impacts of the industry.⁴⁶

11.58 For its part, the ACF considers that the development and implementation of a national strategy on tourism will support the development of an industry which is successful, sustainable and supportive of the maintenance of Australia's unique natural and cultural heritage. The ACF submission offered the following list as an indication of the major areas which require urgent attention:

- Land Use Studies: Research, including eco-system and computer modelling, to determine areas potentially suitable for tourist development;
- Design: the establishment of design guidelines for resorts and other tourist-related structures;

⁴⁵ *Submission No. 56*, pp. 1-2

⁴⁶ *Submission No. 6*, p. 10

- Development Guidelines - how many developments are appropriate, viable or sustainable in particular locations and regions, and of what type (resorts, motels, cabins, walking trails kiosks etc;
- Training - guidelines for the incorporation of environmental education, including both natural and cultural aspects, into industry training;
- EIS - regional impact studies of tourist development, utilising Land Use Research, and social research to establish the impact of tourism on particular regions, and the level of development appropriate to that region; and
- Funding for National Parks and other protected areas - to ensure that an appropriate separation between park management and park financing is maintained.⁴⁷

11.59 The EPAC paper *A Joint Approach to Tourism - The Main Issues* discussed five major issues that the Tourism Task Force considers vital to the future of the Australian Tourism industry. The discussion paper argues that these issues should be at the core of a strategy to improve performance which would build upon existing industry strengths. These five issues are: improved infrastructure, a higher quality labour force input, more sustained investment flows, better marketing and information, and integration of tourism and environment objectives. Specifically, the paper considers that:

- infrastructure is a crucial issue because it is the framework for the industry and it has the potential for large productivity gains;
- labour is an important issue because it strongly influences the quality of tourism and it needs to be significantly upgraded in terms of skills and rewards;

⁴⁷ *Submission No. 27*, p. 16

- investment is a major issue for tourism because it determines the future capacity of the industry but investment strategies are subject to cyclical dislocation and policy distortions;
- promotion and information are regarded by the industry as essential to its future and the efficient functioning of the tourism market; and
- the environment has always been an important issue for the tourism industry but has taken on added importance since environmental policies began to change rapidly and thus create new uncertainties for investors and operators.⁴⁸

A Draft Strategy

11.60 The Department of the Arts, Sport, the Environment, Tourism and Territories advised the Committee in August 1991 that it was drafting a National Tourism Strategy. The objectives of the Strategy were:

- to provide all levels of Government, the industry and other interested groups with a clear statement of the Government's approach to the future development of the industry;
- to provide a sound basis for the formulation of Government tourism policy and industry planning over the next decade; and
- to enhance community awareness of the economic, environmental and cultural significance of the tourism industry.⁴⁹

⁴⁸ *A Joint Approach to Tourism - The Main Issues*, pp. 8, 10, 12, 15, 18

⁴⁹ *Letter to Committee*, 8 August 1991

11.61 This draft strategy was to follow on the 1988 discussion paper *Directions for Tourism*. DASETT advised the Committee that:

It focuses on national issues and is not intended to impinge on the specific responsibilities of State/Territory or local government authorities.

The draft Strategy is expected to be released for State/Territory and industry comment by the end of September 1991 with a view to submitting the final Strategy to the Government for its endorsement by the end of the year. The Minister for the Arts, Tourism and Territories, the Hon David Simmons MP, is giving consideration to conducting a series of public consultation sessions during the period September to November 1991 to seek wider community views on issues covered by the Strategy.

Given the diverse nature of the industry and the range of issues impacting on its development, governments at all levels will need to accept a shared responsibility with industry in working towards its implementation.⁵⁰

11.62 On 13 September 1991, the Hon. David Simmons, Minister for the Arts, Tourism and Territories, held in Canberra the first of a series of public consultations on the development of a national strategy. A background paper *Towards a National Tourism Strategy* was released as a basis for discussion during these consultative meetings. The paper stated that following conclusion of the consultative meetings, a draft strategy would be completed and forwarded to key tourism authorities, industry bodies and other interest groups for comment. It was intended that the strategy would be finalised and submitted to the Government for consideration in late 1991 or early 1992.⁵¹

11.63 The discussion paper recognised that the strategy needs to strike a balance between being broad enough to cover all issues, and targeted enough to

⁵⁰ *Ibid.*

⁵¹ *Towards a National Tourism Strategy*, 1991, p. 2

provide clear direction on key issues. According to that paper a national strategy should focus on national issues and not impinge on the specific responsibilities of State/Territory or local government authorities. It noted that this should not preclude it, however, from addressing significant issues that affect all States and Territories.⁵²

The 1992 National Tourism Strategy

11.64 On 5 June 1992 the Minister for Tourism the Hon Alan Griffiths released the Federal Government's National Tourism Strategy. The Minister's accompanying news release described the Strategy as the Government's blueprint for achieving up to \$18 billion a year in tourism industry export earnings by the year 2000.

Goals

11.65 The Strategy released by the Minister advised in its Introduction that it had been formulated specifically to:

- provide all levels of government, the industry and other interest groups with a clear statement of the Commonwealth Government's objectives for the future development of the tourism industry;
- provide a sound basis for the formulation of Government tourism policy and industry planning over the next decade; and
- enhance community awareness of the economic, environmental and cultural significance of the tourism industry.

The Strategy sets out four goals necessary to guide the balanced development of the industry - economic, environmental, social and support (promotion, planning,

⁵² *Towards a National Tourism Strategy*, p.2

research etc.). According to the Strategy these goals lay the foundations on which the Strategy rests.

11.66 The Committee notes with approval that the first goal specified in the Government's Strategy is concerns the economy:

To optimise the tourism industry's contribution to national income, employment growth and the balance of payments by creating a favourable economic environment for industry development.

In similarity with the Government's Tourism Strategy, this Committee approached its inquiry on the Australian Tourist Industry from the perspective of ensuring that the nation's largest foreign income earner enjoys appropriate opportunity for expansion and development. The benefits of expansion are not limited to a favourable change in Australia's balance of payments (in the longer term) but include significant employment opportunities in a labour intensive industry.

11.67 The second goal for the National Tourism Strategy is also central to this Committee's concern for the future of the tourist industry - the protection of the environment:

To provide for sustainable tourism development by encouraging responsible planning and management practices consistent with the conservation of our natural and cultural heritage.

Similarly, this Committee has directed a major part of its inquiry to concern about the social impact of tourism developments; this is also shared by the third goal of the Tourism Strategy:

To enhance access to quality tourism experiences and ensure favourable social outcomes of tourism by diversifying the product base, raising industry standards and protecting the public interest.

11.68 Finally, one of the most significant outcomes of this Committee's inquiry concerns the inadequacy of the statistics that have been available about the tourist industry; this can adversely affect the ability of both government and the industry to plan the future of tourism in Australia. The National Strategy lists as its final goal:

To provide and encourage the necessary promotional, planning, coordination, research and statistical support to assist the industry's development.

It is interesting to note that the Strategy's four goals follow the four goals for the Commonwealth Government nominated by DASETT in September 1989 in its submission to the Committee's inquiry (see Evidence pp. 14-15). (The fourth goal relating to research and stratical support is additional to the three goals agreed at the Tourism Ministers' Council in 1987.)

Strategies

11.69 The Commonwealth Government has identified a range of strategies comprising the National Tourism Strategy. In pursuit of the nominated goals, the strategies are intended to complement industry and State/Territory strategic plans. The key strategies fall under the following headings:

- Marketing and Coordination
- Research and Statistics
- Economic and Business Issues
- Transport and Facilitation
- Training, Employment and Standards
- Environmental and Social Issues
- Accommodation and Market Segments.

11.70 In the same way in which the goals outlined in the National Tourism Strategy conform with this Committee's convictions about appropriate objectives for

the Australian tourist industry, so too do the strategies specified in the National Tourism Strategy. In particular, the Committee's inquiry has focused on the reconciliation of tourism and environmental interests, the social impact of tourism, the need for foreign investment to continue for tourism developments and the requirement for appropriate statistics to facilitate planning. On each of these issues, the National Tourism Strategy has specified the following strategies (among many others):

Environment and Development

- through the intergovernmental Agreement on the Environment and liaison with industry and conservation groups, seek a cooperative approach to the management of environmental issues in tourism contexts; and
- formulate and implement policies to ensure the ecologically sustainable development of the tourism industry.

Social Impact

- encourage tourism planners and developers to take account of the social costs and benefits of development proposals and support research into the social impacts of tourism development.

Foreign Investment

- encourage the availability of long-term equity finance for investment in the tourism industry and encourage increased investor confidence in the industry; and
- continue to permit foreign investment in the tourism industry that is consistent with the national interest.

Statistics

- ensure the provision of comprehensive, accurate and timely statistics to meet the information needs of the government and the industry; and
- establish a consultative forecasting framework to provide a more coordinated approach to long-term industry planning.

11.71 Having examined the National Tourism Strategy released in June 1992, and in particular having considered it against the outcomes of its own inquiry into tourism, this Committee endorses the Strategy. The Committee encourages the implementation of the strategy by governments, the industry and all other interests affected by or involved with tourism.

Conclusions

11.72 The Committee has examined evidence that the number of international tourists is expected to grow significantly over the next ten years. Estimates vary, but Hon. John Brown suggested that total tourist numbers can be expected to more than double by the year 2000 and could treble.⁵³

11.73 The central question, then, concerns planning for relevant developments and infrastructure suitable for this large number of international tourists. Recognising that the States and many regions have tourism and development plans, it is important that the three levels of government, the industry and the community co-ordinate their efforts to maximise the benefits from Australian tourism over the next ten years. An increase (whether doubling or trebling) of international tourists must not be permitted to degrade Australia's unique environment nor the experience that tourists are seeking. A degradation of experience could not only cause international tourists to holiday elsewhere but

⁵³ *Submission No. 69*, p. 13

potentially cause more domestic tourists to seek overseas destinations for their holidays.

11.74 Many of the requirements for a viable tourism industry over the next decade were identified in the 1987 agreement between the Commonwealth, State and Territory Governments. These include effective promotion, provision of infrastructure (including transport infrastructure), and training of the labour intensive tourism workforce. These requirements must be met in a way that is sustainable economically and environmentally. The National Tourism Strategy should now result in the setting of national tourism priorities and time-frames. It would not be a matter of government dictating to industry, nor one traditional tourism destination competing with another. Instead it should be a matter of the three levels of government and the industry developing plans to cater for, and benefit from, the expected tourism expansion. Mr Coulthard, General Manager, Cable Beach Club told the Committee that:

We talk about Western Australia, the Northern Territory and the Australian Capital Territory, whereas international tourists looking at Australia look at slices across Australia: Cairns, Alice Springs, Broome and Darwin for the warm holiday; and for the traditional holiday, Sydney, Ayers Rock and the Reef.⁵⁴

This concept of developing Australian tourism may be beneficial for the development of new tourism markets.

Recommendations

11.75 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.

⁵⁴ *Evidence*, p. 1378

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

