

WORKSHOP SESSION FOUR

RESEARCH AND DEVELOPMENT - PREPARING FOR THE 1980's
(Chairman: Nevin Ellis, Department of
Industry and Commerce)

The Role of the Commonwealth Government in
Relation to Tourism

by

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The Commonwealth Government's specific involvement in this industry is fairly recent and began with a small group of officials in the tourism branch in the old Department of Trade and Industry. This branch was part of an exports development division and that perhaps gives you the clue to why the tourism branch was set up. The tourist industry was looked upon as an export industry and this branch developed policies for the government to consider on a number of issues such as depreciation allowances, investment allowances, overseas marketing and promotion, and the development of a capital structure for the industry and the possibility of direct government assistance in that aspect. This branch formed the nucleus of the Department of Tourism and Recreation which was created by the Whitlam Government at the end of 1972 and three years were spent by that Department in fairly imaginative and what we believe to be helpful programs of encouragement and assistance to the tourist industry. This Department was abolished by the present Fraser Government in December 1975 and the tourism activity was transferred to a newly expanded Department of Industry and Commerce. A small group of experienced officials is continuing to provide advice to the government on a widening (I emphasise the word "widening") range of important issues and specific projects of importance to the tourist industry. The communication channels between the industry and the government have been multiplied and made more effective.

Specific research programs, particularly those of a qualitative nature are no longer carried out by the Department because of general cuts in government expenditure but the needs for facts both qualitative and quantitative continues to be recognised even more now than before. We've heard during this workshop a great deal about the need for more research and statistics. John Pigram made some helpful suggestions, and Eric Grimes in his address said that the industry is plagued by uncertainty. Steven Le Page emphasised the need for market

research and suggested that if this was the major message that came from this workshop it would be a useful recognition. Now the lack of basic data both quantitative and qualitative for the tourist industry presents difficulties both for you in the industry and for us in government. Figures directly relevant to the industry are provided by the Australian Bureau of Statistics on only a few things such as overseas arrivals and departures, and balance of payments and tourist accommodation.

In order to gain a better understanding of the economic significance of tourism, reliable data is also required on employment, capital investment and the industry's contribution to gross domestic product.

The Australian Tourist Commission has recently (because of increased funding provided to them in the 1978/79 Budget), undertaken an international visitor survey. This is the second such study that it has done. The study took place on 1st April this year and will provide a detailed analysis of visitor characteristics, for example, the purpose of visits, the planned lengths of stay and the places intended to visit. It's been mentioned several times already at this workshop that the Bureau of Industry Economics is undertaking a major study of the economic significance of tourism in Australia and we in our own Branch are working together with the Bureau in providing resources for this study. The Bureau recently issued a working paper that has been mentioned earlier, in which preliminary estimates were made of tourism's contribution to gross domestic product and employment. Using input-output analysis, the study group was able to trace the effects of tourism throughout the economy. It is intended that the Bureau will undertake a new tourism expenditure survey in the next financial year which together with the Australian Tourist Commission's qualitative international visitor survey currently under way will allow the Bureau to update and improve its estimates of tourism's contribution to the economy.

In addition the Bureau hopes to be able to examine the effects on the Australian economy of various possible outcomes from international airfare changes using the same methodology that was developed in the working paper.

I cannot stress sufficiently the importance of this economic study. The industry has complained as we officers have (perhaps not as vocally) but we are just as conscious in government service of failure by government, and failure by the community, to recognise the tourist industry. It is a manifestation of its fragmentation which we believe we can overcome, if we can quantify what that industry means in terms of employment and dollars in pockets of people who live and work in this country. That is the whole purpose of this economic study.

I would like also to mention that there is in Australia a considerable body of research available on the attitudes of people. Much of the research is locked away in the cupboards and the files of private institutions and private companies. Some is in government files as well, so we decided to try and unearth as much of this as possible and at least draw to the attention of the industry where it could be obtained, and we published a bibliography of tourism research in Australia last year.

We believe that while research should continue and be constantly updated, there's a very real need for the industry to make much greater use of the research already available.

Not only research which provides the facts but greater skills in interpretation are required. We have heard that interpretation of research results applied to the Great Barrier Reef is vitally important to good decision making and it reminds me of a story that perhaps you may have heard before. Interpretation is very much in the eye of the beholder and the story relates to a situation where two rival shoe manufacturing companies sent sales research teams to a newly opened market in Africa. After they spent some time there, one team sent a message back to head office saying that there were no prospects in the region as the locals just didn't wear shoes. Now the other team spent the same time there. Their message back to headquarters was "market wide open - nobody had any shoes", so the difference in interpretation makes a great deal of difference to the line of action that can be taken.

Those of you who accompanied us on the superb DC9 reef flight today had a tremendous opportunity to learn about the Reef and full credit must be given to the Marine Park Authority for the inclusion of this flight in our program and the concept of the inflight commentary by officers of the Authority and the Queensland National Parks and Wildlife Service.