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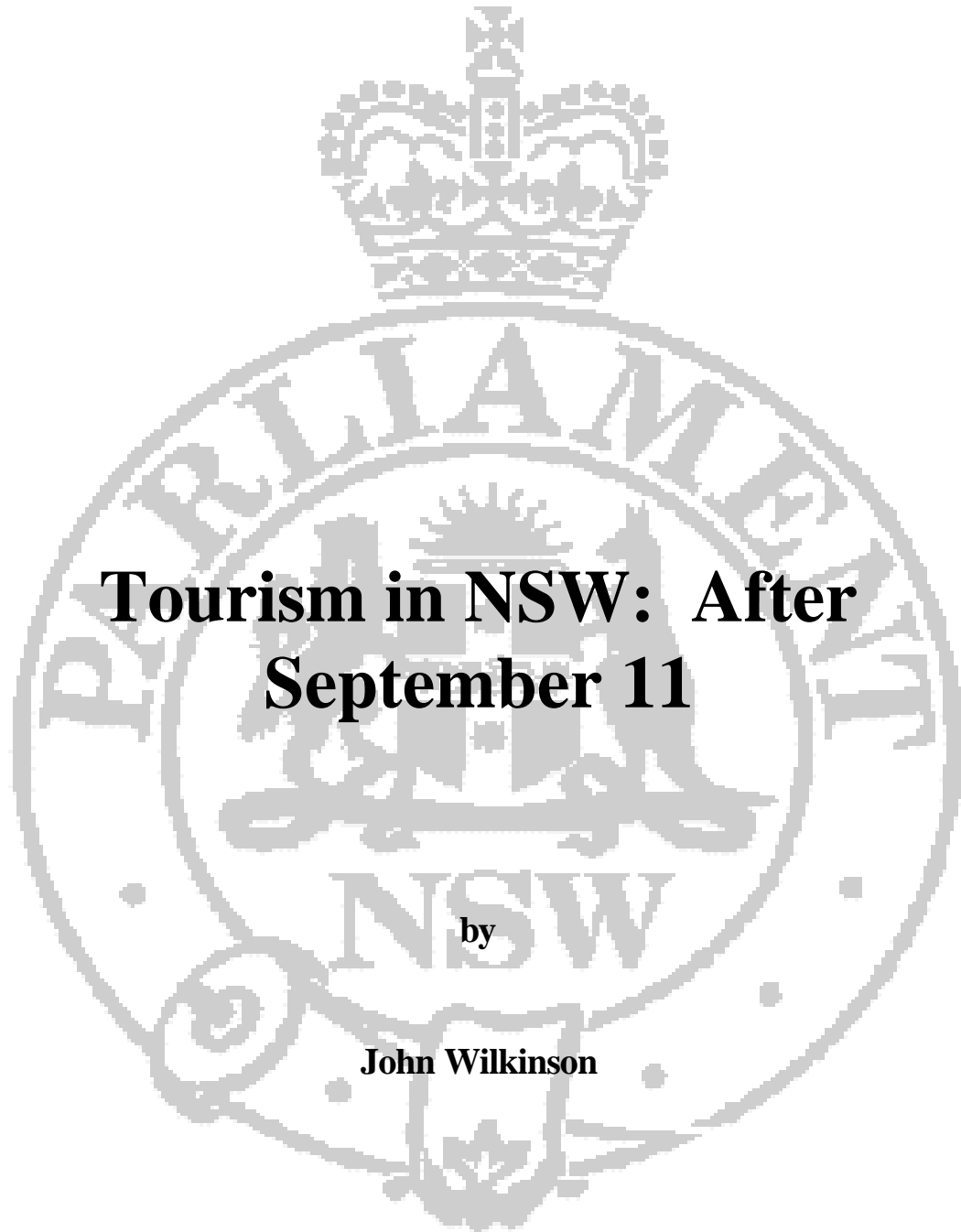
Tourism in NSW: After September 11

by

John Wilkinson

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EXECUTIVE SUMMARY

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The federal government has responded to the events of 2001-2003 by suggesting innovations in the federal government's relations with the tourist industry. These have come in the form of a white paper, issued in 2003 (pp.18-26)

Certain issues seem set to continue, however, as long term matters for resolution. These include the nature of the strategic directions for Australian tourism; the issue of the interstate rivalry amongst state tourist bodies; the dichotomy between incomes and prices as it effects people's decision to take a holiday; and the potential for increasing the number of Chinese visitors coming to Australia (pp.26-41)

1.   INTRODUCTION

Since the September 11 attack on the twin towers in New York, there has been a downturn in international tourism. Individual manifestations of this have been the closure of Sega World at Darling Harbour (in 2000) and the closure of the Fox Studios Backlot (2001).[1] Any adverse effects on the tourist industry have significant implications for Australia, because tourism makes an important contribution to the economy. This paper sets out to look at the contribution that tourism makes to production in Australia, the impact that the events of September 11 may have had on Australian tourism, and some of the issues that may have significance for Australian tourism in the future.

2.   DIMENSIONS OF TOURIST ACTIVITY IN AUSTRALIA

(a)   General Dimensions of Tourism

Tourist activity in Australia has two distinct manifestations. On the one hand, there is that section of tourist activity accounted for by overseas arrivals (inbound tourism). This (in terms of overall numbers of people travelling) is not as significant as domestic tourism but is important because of the amount of export income earned. On the other hand there is that section of tourist activity accounted for by domestic travellers. This does not produce export income, but is important because it sustains tourism in general. A breakdown of the two sectors can be outlined as follows:

(b)   Domestic Tourism

Domestic tourism accounts for 75% of tourist activity in Australia. Whereas there are about 5 million overseas visitors to Australia, each year, in 2002 there were about 75 million trips undertaken by Australians (of one-night or longer duration). The statistics for nights stayed away by Australians, while travelling within Australia, are as follows:

Australians' Nights Spent Away, While Travelling Within Australia: 1998-2002 [2]

1998	293.5 million
1999	294.2 million
2000	293.4 million
2001	289.6 million
2002	298.6 million

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[1] Scott Emerson, "Loony Plan or Not, All They Want is a Fair Go" in *The Australian*, 23 February 2004, p.29.

[2] Figures supplied by Bureau of Tourism Research.

Expenditure, by domestic tourists in Australia, can also be illustrated by a table showing details of consumption:

Tourism Consumption (by Category) by Domestic Households in Australia: 2001-2002[3]

Restaurant and Takeaway Meals	$8.8 billion
Shopping (including Gifts and Souvenirs)	$8.6 billion
Food Products	$4.3 billion
Long Distance Passenger Transportation	$4.1 billion
Fuel	$3.7 billion
Alcoholic and other Beverages	$2.7 billion
Accommodation Services	$2.6 billion
Recreational, Cultural and Sports Services	$2 billion
Actual and Imputed Rent on Holiday Houses	$1.7 billion
Travel Agency and Tour Operator Services	$1.3 billion
Motor Vehicles, Caravans, Boats etc	$1 billion
Gambling Services	$688 million
Motor Vehicle Hire and Lease	$331 million
Repair and Maintenance of Motor Vehicles	$329 million
Taxi Fares	$164 million
Local Area Passenger Transportation	$164 million
Education	$90 million
Other Tourism Connected Items	$2.5 billion
TOTAL	$45 billion

(c)   Inbound Tourism

On an overall basis, Australia ranks well below the major tourist destination nations of the world: in terms of arrivals. In 2000 Australia's ranking amongst such nations was as follows:

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[3] Australian Bureau of Statistics, *Australian National Accounts: Tourism Satellite Account 2001-2002*, ABS Catalogue 5249.0, p.16.

Top Tourist Destination Nations (by Arrivals), Contrasted with Australia: 2000[4]

Country	Number of Arrivals	Share of Arrivals Worldwide	Ranking
France	74,500,000	10.7%	1st
USA	52,700,000	7.5%	2nd
Spain	48,500,000	6.9%	3rd
Italy	41,200,000	5.9%	4th
China	31,200,000	4.5%	5th
Britain	24,900,000	3.6%	6th
Russia	22,800,000	3.3%	7th
Canada	20,400,000	2.9%	8th
Mexico	20,000,000	2.9%	9th
Germany	18,900,000	2.7%	10th
Australia	4,900,000	0.7%	30th

Despite the fact that Australia receives a smaller proportion of inbound tourists than other countries, the overseas travellers, that it does receive, make a significant contribution to Australia's export earnings. This is illustrated by figures from the International Monetary Fund for those countries which enjoy a surplus of export income in travel services:

Top Ten Nations in Travel Services Export Income Surplus: 1996[5]

Country	Travel Surplus	Ranking
USA	$30.3 billion	1st
Spain	$22.7 billion	2nd
Italy	$14.2 billion	3rd
France	$10.8 billion	4th
China	$5.7 billion	5th
Thailand	$4.8 billion	6th
Turkey	$4.4 billion	7th
Mexico	$3.5 billion	8th
Australia	$3.3 billion	9th
Poland	$2.6 billion	10th

There are approximately 5 million overseas tourists visiting Australia each year. This is demonstrated by the following figures, for short-term visitor arrivals, for 2001 and 2002:

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[4] Statistics New Zealand, *Tourism and Migration 2000* (Statistics New Zealand, Wellington, 2001), part 4 (World Tourism).

[5] Christine Lim, *An Econometric Analysis of International Tourism Demand* (PhD Thesis, University of Western Australia, 1999), p.2.

Overseas Visitor Arrivals (International Visitor Survey): 2001 - 2002[6]

2001	4,475,411
2002	4,462,796

Not all international visitors come to Australia for purposes of recreation. An analysis by the Bureau of Tourism Research shows the following breakdown for purposes of visits:

Overseas Visitors to Australia: By Purpose of Visit (2002)[7]

Purpose of Visit	Number of Visitors	%age of Total Overseas Visitors
Holiday	2,445,636	55%
Visit Friends/Relatives	852,667	19%
Business Activities	549,263	12%
Education	261,953	6%
Convention/Conference	110,229	2%
In Transit	105,350	2%
Employment	58,834	1%
Exhibition	8,785	0%
Immigration	4,271	0%
Passenger Card Not Completed	1,205	0%
Other Reason	64,603	1%

Expenditure, by international tourists in Australia, can be shown by the following table illustrating the details of consumption:

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[6] Bureau of Tourism Research, *International Visitor Survey 2001 and 2002* (Bureau of Tourism Research, Canberra, 2003). See also Australian Bureau of Statistics, *Overseas Arrivals and Departures*, ABS Catalogue 3401.0 (Australian Bureau of Statistics, Canberra, 2003), p.8.

[7] Bureau of Tourism Research, op.cit.

Tourism Consumption (by Category) by International Tourists in Australia: 2001-2002[8]

Long Distance Passenger Transportation	$4.9 billion
Shopping	$2.3 billion
Accommodation Services	$2.3 billion
Education	$1.5 billion
Restaurant and Takeaway Meals	$1.2 billion
Food Products	$1.1 billion
Alcoholic and other Beverages	$535 million
Recreational, Cultural and Sports Services	$348 million
Travel Agency and Tour Operator Services	$335 million
Actual and Imputed Rent on Holiday Houses	$299 million
Motor Vehicle Hire and Lease	$227 million
Fuel	$195 million
Passenger Transport (Local Area)	$191 million
Gambling Services	$169 million
Motor Vehicles, Caravans, Boats etc.	$157 million
Taxi Fares	$111 million
Repair and Maintenance of Motor Vehicles	$20 million
Other Tourism Connected Items	$1.1 billion
TOTAL	$17 billion

3.   CONTRIBUTION OF TOURISM TO THE AUSTRALIAN ECONOMY

(a)   Direct Contribution to Gross Domestic Product

Access Economics has recently attempted to assess tourism's direct contribution to Australia's GDP: the value directly financed by travellers (such as the staff wages and gross operating profits of a restaurant that directly serves the traveller). Access have assessed tourism's direct contribution to Australian GDP, by category, for 2000-2001 as follows:

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[8] Australian Bureau of Statistics, *Australian National Accounts: Tourism Satellite Account 2001-2002*, ABS Catalogue 5249.0 (Australian Bureau of Statistics, Canberra, 2003), p.17.

Tourism's Direct Contribution to Australian GDP (by Category): 2000-2001[9]

Transport and Storage	$6.6 billion
Accommodation, Restaurants and Cafes	$5.1 billion
Retail Trade, Takeaway Food and Repairs	$3.8 billion
Manufacturing	$3 billion
Ownership of Dwellings	$1.6 billion
Recreational and Cultural Services	$1.4 billion
Wholesale Trade	$1.3 billion
Education	$1 billion
Health and Community Services	$728 million
Agriculture, Fishing and Forestry	$618 million
Communication Services	$517 million
Property and Business Services	$318 million
Government Administration and Defence	$116 million
Personal and Other Services	$112 million
Mining	$20 million
Finance and Insurance	$12 million
Electricity, Gas and Water Supply	$9 million
TOTAL	$26.3 billion
TOURISM DIRECT SHARE OF GDP	4.3%

(b)   Indirect Contribution to Gross Domestic Product

As well as making a direct contribution to gross domestic product, tourism also makes an indirect contribution to GDP: such as when businesses, dealing directly with travellers, purchase supplies from other businesses. Access Economics has assessed this as follows:

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[9] Access Economics, *The Economic Value of Tourism for Australia: A Post-September 11 2001 Stock-Take and Update* (Access Economics, Canberra, 2002), P.7.

Tourism's Indirect Contribution to Australia's GDP (by Category): 2000-2001[10]

Property and Business Services	$6.4 billion
Manufacturing	$4.5 billion
Transport and Storage	$3.6 billion
Communication Services	$2 billion
Finance and Insurance	$2 billion
Agriculture, Fishing and Forestry	$1.6 billion
Wholesale Trade	$1.5 billion
Retail Trade, Takeaway Food and Repairs	$1.3 billion
Mining	$1.3 billion
Electricity, Gas and Water Supply	$1 billion
Accommodation, Restaurants and Cafes	$591 million
Recreational and Cultural Services	$403 million
Government Administration and Defence	$307 million
Building	$198 million
Personal and Other Services	$196 million
Education	$145 million
Health and Community Services	$77 million
TOTAL	$26.8 billion
TOURISM INDIRECT SHARE GDP	4.4%

4.   TOURISM'S CONTRIBUTION TO EMPLOYMENT

(a)   Direct Contribution to Employment

Tourist activity creates a substantial number of jobs. Access Economics has assessed employment directly related to tourism - such as employment in restaurants, hotels and airlines – by area of employment as follows:

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[10] Ibid, p.8.

Tourism's Direct Contribution to Employment in Australia (by area and number of people employed): 2000-2001[11]

Accommodation, Restaurants and Cafes	179,300
Retail Trade, Takeaway Food and Repairs	143,600
Transport and Storage	86,700
Recreational and Cultural Services	25,500
Education	18,800
Wholesale Trade	15,500
Health and Community Services	15,400
Agriculture, Fishing and Forestry	10,800
Property and Business Services	4,800
Communication Services	4,600
Personal and Other Services	2,600
Government Administration and Defence	1,500
Finance and Insurance	100
Mining	100
TOTAL DIRECT TOURISM EMPLOYMENT	551,000
PERCENTAGE OF TOTAL AUSTRALIAN EMPLOYMENT	6%

(b)   Indirect Contribution to Employment

Access Economics has also assessed employment indirectly related to tourist activity: jobs generated, indirectly, in industries that supply goods and services to the tourist industry. These are, by area and number of people employed, as follows:

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[11] ibid., p.11.

Tourism's Indirect Contribution to Employment in Australia (by area and number of people employed): 2000-2001[12]

Property and Business Services	89,000
Manufacturing	67,300
Transport and Storage	33,700
Agriculture, Fishing and Forestry	32,700
Wholesale Trade	26,600
Retail Trade, Takeaway Food and Repairs	21,900
Finance and Insurance	17,100
Accommodation, Restaurants and Cafes	16,500
Communication Services	12,300
Recreational and Cultural Services	7,800
Personal and Other Services	4,600
Electricity, Gas and Water Supply	4,200
Government Administration and Defence	3,900
Mining	3,800
Building	3,200
Education	2,900
Health and Community Services	1,700
TOTAL TOURISM INDIRECT EMPLOYMENT	349,100
PERCENTAGE OF TOTAL AUSTRALIAN EMPLOYMENT	4.1%

5.   FLUCTUATIONS IN TOURISM AND TOURISM PLANNING RESPONSES AT A FEDERAL LEVEL

(a)   Fluctuations in International and Domestic Travel

Tourism is an area of activity constantly experiencing fluctuations. Alan Nankervis, in his recent study of the tourist industry has written that,

> Tourism markets are notoriously fickle and sensitive to the vagaries of developments in particular destinations. . . tourists'. . . .constant search for newer and more exciting tourist destinations, together with social changes including shorter holiday breaks. . .and the seasonability of many tourist destinations, provides all tourism operators with dynamic challenges and threats to their viability or survival.[13]

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[12] ibid., p.11.

[13] Alan Nankervis, *Vulnerability and Sustainability in the Tourism Industry* (PhD Thesis, University of Western Sydney, 2000), pp.117-118.

(b)   Tourism Planning at Federal Level

Planning, particularly at a government level, has been a long established element of tourism. This planning has often been in response to downturns in the tourist industry: many of which have occurred well before the events of September 11. Some of the major initiatives in tourism planning have been as follows:

- 1929: the Australian National Travel Association (ANTA) is formed, with the objective of assisting with the attraction of visitors from overseas.

- 1967: the Holt government, at a federal level, on the request of the Australia National Travel Association, sets up the Australian Tourist Commission (ATC) as a body introduced by law. Section 15 of the *Australian Tourist Commission Act 1967* established that the ATC's main focus was that of attracting visitors from overseas.

- 1973: in a move indirectly aimed as assisting the domestic tourist industry, the Whitlam government obtains four weeks annual leave for federal government employees.

- 1985: the Hawke government launches the Tourism Overseas Promotional Scheme (TOPS) under which commercial operators would have their promotional spending subsidised.

- 1992: in response to the 1991 worldwide recession, the Keating government launches the National Tourism Strategy (NTS) to provide a favourable investment climate which would resuscitate domestic tourism.[14]

- 1999: the Howard government, in co-operation with the state and territory governments, establishes *See Australia* – a body to promote domestic tourism. The federal government pledges funding of $8 million over three years, and the states and territories pledge $4 million over the same period.

6.   TOURISM PLANNING INITIATIVES AT A REGIONAL LEVEL

(a)   The Inauguration of Regional Tourist Planning

As well as nationwide tourism planning occurring in Australia, through much of the twentieth century, planning has also been developed for the regions during much of the same period of time.

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[14] Christopher Gethin, *An Approach to Planning for Historic Places as Tourist Attractions* (MTCP Thesis, University of Sydney, 1969), pp.56-61; *Official Year Book of Australia*, 1975 and 1976, p.301; Peter Walsh, *Confessions of a Failed Finance Minister* (Random House, Sydney, 1995), pp.184-185; John Jenkins, "An Alternative Economic Base: Tourism and Recreation Development and Management" in Tony Sorensen and Roger Epps (eds.), *Prospects and Policies for Rural Australia* (Longman Cheshire, Melbourne, 1993), p.182.

It was at the beginning of the twentieth century for instance, in 1905, that the NSW government established the state's first tourist bureau.[15]

(b)   The Course of Tourism Planning for the Regions

There have been a number of developments, in tourism planning for the regions, the more significant of which, at a federal and NSW state level, have been as follows:

- 1960: Heffron state government, in New South Wales, obtains passage of amendments to the *Main Roads Act 1924* through which the department of main roads was given specific powers to proclaim tourist roads and to assist local councils in their construction and maintenance.

- mid-1960s: Heffron government, partly as a means of stimulating the domestic tourist industry, introduces four weeks annual leave for state government employees.

- mid-1980s: Wran government obtains passage of the *New South Wales Tourism Commission Act 1984* establishing the Tourism Commission of NSW as a corporation to promote travel to, and within, the state. For marketing purposes, the state is divided into nine tourism regions.

- 1987: With the Unsworth government in office, the Tourism Commission of NSW produces its first regional tourism development strategy (for the north coast region of the state).

- 1988: Incoming Greiner government, according to John Jenkins, instructs the Tourism Commission of NSW "to alter its tourist development and marketing strategy away from regional marketing campaigns to product marketing". NSW as a whole given the emphasis in promotion: with Sydney highlighted as the gateway to the state.

- 1990: Despite the change in focus, in tourism marketing strategy, two more regional tourism development strategies (for the Murray region and south coast regions) are produced: the plans being developed by consultants for delivery to the NSW Tourism Commission.

- 1993: Keating government, as a further response to the 1991 recession, launches a Regional Tourism Development Program (RTDP) under which $23 million is budgeted in order to provide grants to local government, regional tourism organisations and regional development organisations.

- 1993-1994: With the Fahey government in office, in New South Wales, the NSW Office of Public Management undertakes a review of the NSW Tourism Commission. Regional offices of the NSWTC are closed. However responsibility for tourism in country areas is transferred to regional tourism organisations (RTOs). Tourism investment grants are provided, to each

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[15] Gethin, op.cit., p.61.

regional tourism marketing area, for the purposes of marketing and facilitating local tourism.[16]

- 1994: The Fahey government launches a Regional Tourism Strategy: the main aims of which are to promote an increase in visits to regional NSW.[17]

- 1997: With the Carr government in office, a second NSW Regional Tourism Strategy is produced.

- 1998: Two years after taking office, the Howard government, at a federal level, introduces a regional tourism program: consisting of cash grants for projects that would enhance the ability of regional areas to attract more visitors.[18]

- 2000: Tourism NSW produces a third Regional Tourism Action Plan.[19]

7.   HIH COLLAPSE, SEPTEMBER 11, THE COLLAPSE OF ANSETT, THE SARS OUTBREAK: AND THE AFTERMATH

(a)   Downturn in the Aviation Industry before September 11

While the bombing of the Twin Towers in New York was the most significant contribution to the recent downturn in the global aviation industry, air travel was already in decline due to a substantial increase in the price of oil (after the Organisation of Petroleum Exporting Countries decided, in March 1999, to cut production supplies by 7%). The comparative figures for 1998 and 1999 are as follows:

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[16] John Jenkins, "A Comparative Analysis of Tourism Organisations in Australia and Canada" in *Australian-Canadian Studies*, vol.13, no.1, 1995, pp.87-89

[17] See Tourism NSW, *Regional Tourism Action Plan 2000-2003* (Tourism NSW, Sydney, 2000).

[18] John Brunt, *The Planning of Major Tourist Roads in Rural New South Wales* (MTCP Thesis, University of Sydney, 1969), pp.7-9; *Official Year Book of New South Wales 1966*, p.196; Jenkins, op.cit., p.182; Tourism Commission of New South Wales, *North Coast Region Tourism Development Strategy, Murray Region Tourism Development Strategy* and *South Coast Tourism Development Strategy* (Tourism Commission of NSW, Sydney, 1987 and 1990); Jenkins, op.cit.; John Jenkins and Tony Sorensen, "Tourism, Regional Development and the Commonwealth: A Critical Appraisal of the Regional Tourism Development Program" in *Australian Leisure*, vol.7, no.4, December 1996, p.29; Regional Tourism and Development Unit, *Regional Tourism Strategy 1997/8 – 1999/2000* (Tourism NSW, Sydney, 1997), p.6; Press Release, Minister for Regional Development (Canberra), 26 August 1998.

[19] See Tourism NSW, *Regional Tourism Action Plan 2000-2003*.

Crude Oil Prices: December 1998-November 1999 (approx.)[20]

December 1998	US$10
November 1999	US$27

As a result of the steep rise in oil prices, airlines were already beginning to record substantial losses: well before September 11. Alitalia, for instance, reported a loss of around $450 million in 2000. United Airlines reported a record loss of US$305 million during January–March 2001. Northwest Airlines reported a January - March 2001 loss of US$123 million. Six months later, American Airlines, reported a record loss, for the quarter July-September 2001, of US$414 million.[21]

(b)   Collapse of HIH

In March 2001 the insurance company HIH collapsed after accumulating losses amounting to $5.3 billion. One of HIH's strategies, which became a factor in its eventual demise, was one of using low premiums to secure a large share of the domestic market for public liability insurance. The collapse of HIH led to a substantial rise in insurance premiums throughout Australia. In New South Wales, in particular, there were several instances of this. The Big Banana, a tourist attraction in Coffs Harbour, was faced with an increase in its public liability insurance from $39,000 to $140,000. In Tumbarumba, the annual gymkhana was cancelled because the public liability insurance premium increased from $1,600 to $10,000.[22]

(c)   Decline in Inbound Tourism and Initial Alarm from Travel Executives and Newspaper Reporters: 2001-2003

On an immediate level the events of September 11 – plus the collapse of Ansett (likewise in September 2001) and the outbreak of SARS in China in late 2002 (followed by a World Health Organisation travel advisory in March 2003) – momentarily led to a decline in the number of people travelling generally, and in particular to the number of tourists travelling by air. Virgin International, during 2002, cut its staff by about 20%.[23] Between 2000 and 2003 the number of travellers coming to Australia also declined, as follows:

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[20] Robin Bromby, Ian Henderson and Glenda Price, "Cost Fear as Oil Barrels Back" in *The Australian*, 22 November 1999, p.37.

[21] "US Majors Hit Profit Trough" in *The Australian*, 20 April 2001, p.37; "Hard Landing Rocks US" in ibid., 2 November 2001, p.33.

[22] Bruce Prideaux, "The Need To Use Disaster Planning Frameworks to Respond to Major Tourism Disasters: An Analysis of Australia's Response to Tourism Disasters in 2001" in the *Journal of Travel And Tourism Marketing*, vol.15, no.4, 2003.

[23] Ben Webster, "Beefed-Up Virgin To Challenge BA" in *The Australian*, 25 March 2004, p.32.

Overseas Visitors to Australia: 2000-2003[24]

Year	International Visitors to Australia
2000 (Olympic Games)	4.93 million
2001	4.85 million
2002	4.84 million
2003	4.74 million

During the first two years, immediately after September 11, a number of executives in the travel industry, as well as a number of commentators in the press, voiced concern about the future of tourism in Australia. Typical of these were the following:

- 19 September 2001: Managing Director of the Australian Tourism Export Council (Peter Shelley) declared that the events of September 11 "could mean that up to $5 billion worth of export tourism income. . . won't be realised for the [next] twelve months." [25]

- November 2001: James Howell, president of the American company Howell Group, which in turn compiles an index for the Travel Business Roundtable/World Travel and Tourism Council, endorses the view that the "adverse impacts of September 11. . .[have] contributed to the decline in. . .the [tourist] industry."[26]

- 20 December 2001: Chief executive of the Tourism Taskforce (Christopher Brown) declares that "There's no word to use here other than crisis. The Australian tourism industry is looking at the double whammy".[27]

- 6 December 2001: Florence Chong writes an article in *The Australian* entitled "Tourism's Trip Into Chaos"[28]

- 30 November 2002: Brian Robins writes an article in the *Sydney Morning Herald* in which he cites Jones Lang LaSalle as forecasting that "By the end of 2004 more than 3,000 hotel rooms will have been closed in Sydney".[29]

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[24] ABS Catalogue 3401.0.

[25] Bloomberg Staff Reporters, "Tourist Industry Fears $5bn Loss" in *The Australian*, 19 September 2001, p.25.

[26] "Travel Tumbles to an All-Time Low" in *The Australian*, 15 November 2001, p.22.

[27] Linda Doherty, "Crisis, What Crisis? To Kelly, It's a Blip" in the *SMH*, 20 September 2001, p.7.

[28] Florence Chong, "Tourism's Trip into Chaos" in *The Australian*, 6 December 2001, p.28.

[29] Brian Robins, "Travel Wary" in the *Sydney Morning Herald*, 30 November 2002, p.31.

(d)   Signs of Recovery

Even at the time of the destruction of the twin towers, and the collapse of Ansett, some key figures in tourism attempted to counsel that the situation may not have been as it was portrayed in the press. Jackie Kelly, then federal minister for tourism, declared only a week after September 11 (in an interview on ABC Radio) that "I am convinced we will pull through this". While being derided in some newspapers, for expressing a view against the tide of opinion, her statement sounded an important note of wisdom in emphasising the need for the tourism industry to take a long term view of the situation.[30] Between 2001 and 2003, some of these signs of recovery began to appear. Some instances of these are as follows:

- 2001: BridgeClimb (Harbour Bridge adventure climb company) reports 302,000 visitors using the company's services (an increase of 100,000 visitors on the previous year).[31]

- July 2002: The head of Starwood Asia Pacific (proprietor of the Sheraton and Westin hotel brands) declares, on a visit to Sydney, that "We are expecting higher room rates from mid-2003 and beyond.[32]

- July 2002-June 2003: $1.7 billion worth of overseas investment, in tourism undertakings in Australia, approved by Foreign Investment Review Board.[33]

- 2003: All Nippon Airways (ANA) makes a profit of $166 million.[34]

- January-September 2003: Singapore Airlines makes a profit of Singapore$372 million[35]

- July 2002-June 2003: Hotel operator Thakral Holdings reports a profit of $29.6 million[36]

- August 2003: figures collected by the International Air Transport Association, for this particular month, indicate a recovery in passenger air transport. Four regions report percentage increases in travel, over August the previous year: the Middle East (18.7%); South America (8.2%); Europe (4.4%); and Africa (1.6%). Travel in North America and

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[30] Linda Doherty, "Crisis, What Crisis? To Kelly, It's a Blip" in the *SMH*, 20 September 2001, p.7.

[31] Michael McGuire, "Climbers Bridge The Tourism Gap" in *The Australian*, 13 February 2002, p.19.

[32] Tracey Grayson, "Hotel Chief Says Worst is Over as Tourism Picks Up" in *The Australian*, 12 July 2002, p.25.

[33] Foreign Investment Review Board, *Annual Report 2002-2003* (Commonwealth of Australia, Canberra, 2004), p.19.

[34] "Air Nippon in the Black" in *The Australian*, 6 February 2004, p.25.

[35] "Singapore Flying High Post-SARS" in *The Australian*, 6 February 2004, p.26.

[36] Emily Pettafor, "Thakral Survives SARS Disaster" in *The Australian*, 26 August 2003, p.19.

in the Asia-Pacific, however, still lagged behind.[37]

- October-December 2003: British Airways makes a net profit of $198.6 million.[38]

- December 2003: Qantas Airways makes a half-year profit of $357 million (an increase on its profit of $352 million for the second half-year of 2002).[39]

- December 2003: By the end of 2003, Jones Lang LaSalle reports that the level of Australia investment in hotels, during 2003, was the second-highest ever. In the same year, 18 Australian hotels are sold for a total of $752.8 million.[40]

- March 2004: Randy Baseler, head of marketing for Boeing Corporation, predicts (while visiting Sydney) that there will be a 5.1% growth, per annum, in world air travel during the next 20 years.[41]

- March 2004: Richard Branson declares that the number of passengers, flying on Virgin International, has returned to the peak level (around 4 million) reached in 2000-2001.[42]

8.   RESPONDING TO MAJOR TOURISM CRISES IN THEORY

(a)   A Framework For Tourism Disaster Management

In 2001 Bill Faulkner, a lecturer in tourism at Griffith University, published an article in the journal *Tourism Management* in which he outlined a framework for tourism disaster management. Faulkner's work was partly informed by his analysis of administrative responses to the 1999 floods in Katherine in the Northern Territory. His suggestions, for the elements of a tourism disaster planning process, were as follows:

Risk Assessment. An assessment of previous potential disaster situations and their relative probability of occurrence.

Prioritisation. Preparation of a cascaded strategic priority profile, with a rank ordering of tasks and activities.

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[37] "One-Way Traffic" in The Australian, 10 October 2003, p.25.

[38] "US Gives Wings to British Airways" in *The Australian*, 10 February 2004, p.23.

[39] Steve Creedy, "Clipped Wings Lift Qantas" in *The Australian*, 20 February 2004, p.28.

[40] Carolyn Cummins, "Investors Checking In On Hotels" in the *SMH*, 7 February 2004, p.74.

[41] Scott Rochfort, "Boeing Tips Boom in Asia" in the *SMH*, 2 March 2004, p.23.

[42] Ben Webster, "Beefed-Up Virgin To Challenge BA" in *The Australian*, 25 March 2004, p.32.

Protocols. Enunciation of a set of protocols, to ensure that the activities of emergencies agencies, tourism authorities and operators are properly co-ordinated.

Community Capability Audit. Carrying out of an assessment of the community's capacity to cope with specific types of disasters. This should involve an inventory of relevant community resources (physical, financial and organisational).

Disaster Management Command Centre. Establishment of a properly resourced disaster management command centre, as the focal point for the disaster management team's operations.

Media, and Media Monitoring, Activities. Introduction of a media communication strategy, involving the early establishment of a centralised source, to ensure that misleading and contradictory information is not disseminated and to support the co-ordination of media responses.

Administrative and Community Involvement. Inclusion of those required to implement effective disaster responses. Relevant organisations, and the community in general, need to be informed about the strategy concerned.[43]

(b)   Restoring Tourism Destinations in Crisis

In 2003 David Beirman, director of the Israeli Government Tourist Office in Australia, produced a book entitled *Restoring Tourism Destinations in Crisis*. Included in the book was a study of administrative responses to the Port Arthur massacre, of 1996, in which 35 people were killed. In his study of how the Tasmanian government, and Tourism Tasmania, responded to the crisis, David Beirman deduced the following factors as key elements in their eventually successful approach:

Development of a high level of co-operation between the public, and private, arms of the Tasmanian tourism sector. This included co-operation between state authorities, tour operators, resort owners and others.

Enlistment of the support of the major domestic airlines. At the time this meant ensuring the support of Qantas and Ansett.

Establishment of a high level of co-operation between Tourism Tasmania and the Australian Tourist Commission.

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[43] Bill Faulkner, "Towards a Framework for Tourism Disaster Management" in *Tourism Management*, vol.22, 2001, pp.145-146.

State government endorsement of tourism as a key element of the economy.

Clearly defined public relations strategy.[44]

9.   RESPONDING TO MAJOR TOURISM CRISES IN PRACTICE: THE EVENTS OF 2001-2002 AND THE 2003 HOCKEY WHITE PAPER

(a)   Initial Administrative Responses

Administrative responses, to the collapse of HIH and Ansett, and the events of September 11, were initially relatively restrained. Immediately after the bombing of the twin towers, the Howard government established a Tourism Industry Working Group (TIWG), chaired by the (then) minister for tourism (Jackie Kelly). The group, which held its first meeting on 19 September 2001, consisted of the following individuals :

Jackie Kelly MP	chair
Ken Boundy	managing director, Australian Tourism Commission
Bob Brett	general manager, Gold Coast Tourist Bureau
Christopher Brown	director, Tourism Task Force
Andrew Burnes	chair, Australian Tourism Export Council
Simon Currant	chief executive officer, Tourism Council of Tasmania
Jeff Floyd	chief executive officer, Tourism Victoria
Stephen Gregg	chief executive officer, Tourism Queensland
Daniel Gschwind	chief executive officer, Queensland Tourism Industry Council
Mike Hatton	chief executive officer, Australian Federation of Travel Agents
David Hawes	group general manager, QANTAS
Col Hughes	group general manager, QANTAS
David Huttner	head of commercial operations, Virgin Blue

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[44] David Beirman, *Restoring Tourism Destinations in Crisis: A Strategic Marketing Approach* (CABI Publishing, Cambridge, Massachusetts, 2003), p.217.

Jenny Lambert   chief executive officer, Meetings Industry Association of
                                 Australia

Richard Mulcahy   executive director, Australian Hotels Association

Graham Perry   chief executive officer, See Australia

Dennis Winchester   chief executive officer, Hotel, Motel and Accommodation
                                 Association[45]

In Bruce Prideaux's account of events, the TIWG undertook substantial research in an attempt to
gain an understanding of the situation. According to Prideaux:

> Research undertaken by the working group was extensive and included. . .A survey of
> tourism businesses throughout Australia. . .[A survey of the] economic impact on the
> Australian economy of the recent. . .events; and. . .Consultations with more than 1,000
> members of the industry in regional areas. . .[46]

In mid-October 2001 the TIWG delivered its findings, after which the group was disbanded. The
thrust of its recommendations centred on extra funding for tourism. Just under a month later, and
while campaigning for the November 2001 federal election was in earnest, the prime minister
announced that, if re-elected, his government would provide around $6 million a year (for five
years) in extra funding for the Australian Tourism Commission, and around $2 million a year (for
four years) in extra funding for See Australia.[47] In Prideaux's view, the federal government (at the
time) appeared to rank the needs of the aviation industry higher than those of the tourism industry:

> In dealing with the problems arising from the Ansett shock and to a lesser degree with
> HIH and September 11, the government. . .[decided to appoint] the department of
> transport. . .[as] the lead agency for many of the issues concerned with aviation. This was
> made easier because the transport minister was a member of federal cabinet.
> Responsibility for tourism. . .resided [at the time] with a junior minister who reported to
> cabinet through a senior minister, the minister for industry, science and resources. As a
> consequence, the concerns of the tourism industry were to some extent filtered through
> the bureaucracy compared to those of the aviation industry   . . .[48]

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[45] See the archived website of the TWIG at www.pandora.nla.gov.au.

[46] Prideaux, op.cit.

[47] Prime Minister of Australia (John Howard). Media Release. *Australia's Tourism Industry*. 2
     November 2001.

[48] Prideaux, op.cit.

(b)   Subsequent Administrative Responses: The Hockey White Paper and its Antecedents

After the federal election of November 2001, the federal government decided to intervene more decisively: placing tourism under a new minister (Joe Hockey). Several years before Hockey's appointment, however, the Victorian government (led, at the time, by Jeff Kennett) had made a particular choice, in terms of tourism strategy, in favour of events-based tourism. After his election, in 1992, Kennett established the Victorian Major Events Company (VMEC). A significant innovation, undertaken by the Kennett government, was to remove those people (in individual government departments) who had been involved in the staging of events, and place them in one administrative unit of Tourism Victoria. A major success of the VMEC was persuading the Formula One racing car organisation to move the Australian stage of its circuit from Adelaide to Melbourne (in 1996).

Events, in tourist terms, however, do not simply indicate sporting competitions. Business conferences can also be considered, in tourism terms, as events. By the mid-1990s, Melbourne had begun to host more events than Sydney. But Sydney's conferences, on the other hand, were (collectively) more remunerative than their Melbourne counterparts. This is highlighted by the following table:

Sydney v. Melbourne, Attendances at Conferences and Delegates' Expenditure: 1996-97[49]

	Sydney	Melbourne
Conferences	34	63
Delegates	71,100	54,573
Nights Stayed By Delegates	329,350	212,908
Revenue from Conferences	$205,000,000	$56,970,723

In late 2001, following the collapse of the Tourism Council of Australia earlier in the year, and to facilitate approaches to the new minister on behalf of all the tourist industry, the National Tourism Alliance (NTA) was formed. Some members of the TIWG re-appeared in leading roles in the NTA. Col Hughes, for instance, was appointed chair. The NTA was formed of the following national industry associations and state tourism councils:

- AAA Tourism

- Association of Australian Convention Bureaux

- Australian Duty Free Association

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[49] Marlyn Cunnington, Michel Couturier and Karen Smith, *1998 Market Brief Seminar* (Sydney Convention and Visitors Bureau, Sydney, 1998), p.12.

- Australian Association of Travel Agents

- Australasian Railway Association

- Australian Hotels Association

- Board of Airline Representatives

- Caravan Industry Australia

- Hotel, Motel and Accommodation Association

- Meetings Industry Association Australia

- Queensland Tourism Industry Corporation

- Restaurant Catering Australia

- South Australia Tourism Alliance

- Tourism Industry Council of NSW

- Tourism Council of the Northern Territory

- Tourism Council Tasmania

- Tourism Council Western Australia

- Tourism Industry Council (ACT)

- Tourism Task Force Australia

- Tourism Training Australia

- Victorian Tourism Industry Council

- Youth Hostels Association Australia

In May 2002 the minister launched a discussion paper, the *10 Year Plan for Tourism*, and invited contributions from the industry. By the middle of 2002, the minister had received 275 responses. At this stage, however, the National Tourism Alliance did not submit a unified response but, instead, allowed its member associations to make individual submissions.

Only two months after the launch of the discussion paper, a Major Events Co-ordination Unit was

established within the re-organised Department of Industry, Tourism and Resources. The new unit was set up, ostensibly, to provide a co-ordinated approach to developing the opportunities to be presented by the October-November 2003 Rugby World Cup.[50] Its establishment, however, presaged policy initiatives to come.

In June 2003, on the basis of the responses received, the minister released a green paper on tourism. Once the green paper was released, the NTA put forward a national and comprehensive submission.

A month after the release of his green paper on tourism, Hockey signalled a move to elevate Victoria's 1990s tourism strategy to a federal level. In a speech in Tokyo, in early July 2003, the minister declared that Melbourne had eclipsed Sydney, as a tourist destination, because of its emphasis on the staging of events. He described Sydney as "tired and complacent." The NSW Minister for Tourism, Sandra Nori, disputed Joe Hockey's claims. She declared, in an interview on ABC radio, that "To say that Sydney is tired or not going after events is clearly wrong. . .We're going for the major events that can give us some branding, like the Rugby World Cup. . .We are the leading city in this country for conventions." [51]

In November 2003, the minister finally released a white paper entitled *A Medium to Long Term Strategy for Tourism*. The paper foreshadowed the reorganisation of tourism administration, in Australia, and new funding for the next four financial years. A month after the release, Joe Hockey presided over the establishment of an Industry Implementation Advisory Group (IIAG) to formulate an action plan for the white paper. Membership of the IIAG included the following individuals:

Joe Hockey   chair

Ken Boundy   managing director, Australian Tourist Commission

Christopher Brown   director of the Tourism Taskforce Australia

Michael Cannon   executive director, Association of Australian Convention Bureaux

Daniel Gschwind   chief executive officer, Queensland Tourism Industry Council

Mike Hatton   chief executive officer, Australian Federation of Travel Agents

Col Hughes   chair National Tourism Alliance

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[50] Department of Industry, Tourism and Resources, *Annual Report 2002-2003* (DITR, Canberra, 2003), p.58.

[51] Shane Green and Anthony Dennis, "Sydney is Melbourne's Event-Poor Cousin" in the *SMH*, 9 July 2003, p.3; www.news24.com.

Patricia Kelly   acting deputy chief executive officer, Department of Industry, Tourism
                        and Resources

David Mazitelli   chair, Australian Tourism Export Council

Bill Spurr   chief executive officer, South Australian Tourism Commission

John Thorpe   national president, Australian Hotels Association (as an alternate
                        Representative)

Dennis Winchester   chief executive officer, Hotel, Motel and Accommodation
                        Association (as an alternate representative)[52]

The new funding, envisaged by the white paper, amounts to around $55 million a year over 4
financial years. This money funding will allocated towards the following areas of objectives:

***Projected New Federal Government Funding for Tourism: Financial Years 2004-2005
to 2007-2008[53]***

International Marketing	$108.6 million
Domestic and Regional Tourism Promotion	$43 million
Tourist Industry Initiatives	$68.4 million

In April this year, the minister introduced the *Tourism Australia Bill 2004*. The bill, in many
respects, is not only a platform for implementing changes envisaged in the white paper, but indeed
incorporates key suggestions advocated by the National Tourism Alliance. Three already existing
tourism promotion organisations – the Australian Tourist Commission (focused on overseas
promotion of Australia), See Australia (focused on domestic promotion of Australia) and the
Bureau of Tourism Research – will be merged into a new body, Tourism Australia, as follows:

Australian Tourist Commission

See Australia   TOURISM AUSTRALIA

Tourism Research Australia (a merger of the Bureau
of Tourism Research and the Tourism Forecasting Council)

There are essentially four major thrusts of the legislation:

- Tourism Australia, newly established, will assume the role of branding Australia, not only

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[52] See www.specialevents.com.au.

[53] See the website of the federal department of industry, tourism and resources: www.industry.gov.au.

as an events destination, but as a place to do business (with the states, nevertheless, still preserving their role in attracting events).[54]

- Tourism Australia will assume the role of promoting tourism both domestically as well as internationally.[55]

- Events, both sporting and professional, will be encouraged both as a means of encouraging overseas people to visit Australia, and as a means of encouraging Australians to undertake more recreation.[56]

- A special unit, Tourism Events Australia, will be established within Tourism Australia, for the particular purpose of providing a strategic overview for sourcing events, and for seeking new opportunities for the creation and development of events.[57]

- Tourism Australia will incorporate the Bureau of Tourism Research (BTR) into its organisation, with an industry-focused role for the BTR (such as helping the tourist industry to target markets and identify opportunities).[58]

Already mechanisms are being established to implement the intentions of the legislation. In March

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[54] Section 11, of the *Tourism Australia Bill 2004*, states that "Tourism Australia will strategically market Australia as a quality destination". Section 16(a), of the bill, states that, amongst other activities, "Tourism Australia's functions are. . .to increase the awareness of potential international travelers of Australia as a destination. Travelers include. . .people traveling for business". The National Tourism Alliance, in its August 2003 response to the green paper, declared that it "strongly" supported "business tourism. . .Business tourism is high yield." See National Tourism Alliance, *National Tourism Alliance Tourism Green Paper Response*, (National Tourism Alliance, Sydney, 2003), p.9.

[55] Section 12, of the *Tourism Australia Bill 2004*, states that, "Tourism Australia will encourage travel by international and domestic visitors". The National Tourism Alliance, in its response to the green paper, stated that it "strongly" supported "the structural merger of domestic and inbound" arms of tourism administration. See *National Tourism Alliance Tourism Green Paper Response,* p.7.

[56] Section 12, of the *Tourism Australia Bill 2004*, provides that "Tourism Australia will encourage travel by international and domestic visitors for events".

[57] Section 12, of the same bill, states that "Tourism Australia will provide a strategic overview for sourcing events. . .and" will "seek opportunities for the creation and development of new events. Tourism Australia will create a new unit, Tourism Events Australia, to undertake these activities." The National Tourism Alliance, in its response to the green paper, stated that it "strongly" supported the establishment of a "Tourism Events" body as a "dedicated meeting and events group". See *National Tourism Alliance Tourism Green Paper Response*, p.8.

[58] Section 16(f), of the *Tourism Australia Bill 2004*, states that "Tourism Australia. . .will develop research that aims to address the key information requirements of industry and governments". The National Tourism Alliance, in its green paper response, declared that it "strongly" supported moves to "replace the Bureau of Tourism Research" with a "new structure. . .able to cater for a broad spectrum of information needs." See *National Tourism Alliance Tourism Green Paper Response*, p.31.

2004 a Tourism Events Australia Steering Committee was established. This committee has been established to develop a discussion paper for the role of Tourism Events Australia within the newly established Tourism Australia. The final draft of the discussion paper will be released by the minister for tourism at the May 2004 conference of the Meetings Industry Association of Australia (in Melbourne). The Tourism Events Australia Steering Committee consists of the following individuals:

Michael Cannon	executive director of the Association of Australian Convention Bureaux
Ken Boundy	managing director of the Australian Tourist Commission
Richard Beere	executive general manager, eastern hemisphere, Australian Tourist Commission
Meg Yeates	business tourism manager, Australian Tourist Commission
Elizabeth Rich	executive director, Business Events Council of Australia
Kerry Watson	chairperson, Gold Coast Events
Jenny Lambert	chief executive officer, Meetings Industry Association of Australia
Leigh Harry	chief executive, Melbourne Exhibition and Convention Centre
Jon Hutchison	managing director, Sydney Convention and Visitor Bureau
Joyce di Mascio	national policy manager, Tourism Task Force
Peter Abraam	chief executive officer, Victorian Major Events Company[59]

(c)   Regional Tourism Initiatives

Just as the tourism white paper aims to transform the federal tourism bureaucracy, so it also aims to change federal government assistance to regional tourism. The paper envisages the transformation of the current Regional Tourism Program into an Australian Tourism Development Program (ATDP) to be administered by Ausindustry in the federal department of industry, tourism and resources. The ATDP is intended to support projects that demonstrate the following:

- effective, research-based tourism development planning

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[59] See *Tourism Events Australia: Discussion Paper*, a discussion paper from the Tourism Events Australia Steering Committee to the Minister, March 2004.

- spill-over benefits to other tourism and non-tourism businesses

- support for developing platinum-plus products and experiences

- capacity to fill a gap in existing products or services and/or to add significantly to a region's suite of attractions and facilities

- capacity to contribute to long-term employment, economic growth and regional development

- capacity to facilitate collaboration and partnerships between tourism organisations and/or operators[60]

10.   FUTURE ISSUES FOR AUSTRALIAN TOURISM

(a)   Strategic Directions for the Australian Tourist Industry

At present a profound debate is taking place, amongst those connected with the tourist industry, over strategic directions for Australian tourism. The two poles of this argument can be illustrated by quotations from two prominent practitioners in Australian tourism:

Culture-Based, and (Authentic) Experience-Based, Australian Tourism

In 1998 Don Morris, then chair of the Australian Tourist Commission, declared that the casinos, recently built in Australia, projected a "tinseltown" image that was completely opposed to the image of Australia marketed to overseas tourists. Morris declared that casinos gave tourists "synthetic, not authentic" experiences.[61] Just recently Justin Dignance, an academic in the School of Tourism and Leisure at Griffith University, stated that he believed theme parks, for instance, did not fit into the essence of Sydney's "tourist experience."[62] One instance (among many) of culture-based tourism has been promotion of an "art trail" along the Hunter Valley through which tourists are offered the opportunity to visit the Lake Macquarie City Art Gallery, the Newcastle Region Art Gallery, the University of Newcastle Fine Art Gallery and the Maitland Regional Gallery as showcases for Australian contemporary art.[63]

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[60] Australian Government, *Tourism White Paper: A Medium to Long-Term Strategy for Tourism* (Department of Industry, Tourism and Resources, Canberra, 2003), p.35.

[61] Leonie Wood, "Casinos Just 'Tinseltowns' That Don't Attract Tourists" in the *SMH*, 24 July 1998, p.29.

[62] Scott Emerson, "Loony Plan or Not, All They Want is a Fair Go" in *The Australian*, 23 February 2004, p.29.

[63] "Art Trail Among The Vines", in the *SMH*, 27 January 2004, p.27.

Events-Based, and Theme Park-Based, Tourism

On the other hand, there are many other practitioners in Australian tourism who believe that events-based tourism, and theme park-based tourism, offer benefits to the industry. The white paper *A Medium To Long Term Strategy For Tourism* lends particular support to events-based tourism. It states that,

> major events . . .have the potential to provide significant tourism, trade and investment opportunities for Australia. . .Flow-on benefits from attracting visitors to Australia for major events are. . .stimulation of pre- and post-event visitation. . . contribution to the national economy. . .employment creation. . .stimulation of trade and investment interest. . .increased product and service development. . . revenue capture by regions. . .[and] showcasing [of] Australia to the world. . .[64]

At the heart of the matter is a conflict over how Australia should be presented to the world. Whatever the considerations are, however, it is clear that this debate, on what the fundamental strategy should be for promoting Australian tourism, will have to be resolved before definitive action, on this issue, can take place.

(b)   Rivalry versus Co-operation Between State Tourist Bodies

Even if the conflict, over strategic directions for Australian tourism, can be resolved, another important issue which remains is that of the adverse effects of rivalry between state tourist organisations. Effectively, in a number of respects, state tourist bodies work against each other to lure tourists, from other states, to their own state. They can often, essentially, assist the state they represent to take tourists *off* other states. There have been attempts to move towards a co-operative approach. In 1987 the Hawke government established a Tourism Ministers Council. Nevertheless elements of the adversarial approach to tourism promotion, by state tourist bodies, remain. In 2002, Tourism Sydney (a joint initiative between Tourism NSW, the Sydney Harbour Foreshore Authority and the NSW Department of State and Regional Development) launched its *Sydney Beneath The Surface* campaign which, according to the industry website *B and T*, "urges Victorians and Queenslanders to escape for a weekend to inner city Newtown and Balmoral Beach".[65]

However the white paper notes that the present Howard government "will seek to develop a new intergovernmental agreement" on tourism.[66]The National Tourism Alliance, in its August 2003 response to the green paper, declared that it "strongly" supported "an 'intergovernmental framework', for the national co-ordination of tourism development, between the commonwealth

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[64] *A Medium To Long Term Strategy For Tourism*, pp.14-15.

[65] See www.bandt.com.au/news.

[66] *A Medium To Long Term Strategy For Tourism*, p.52.

and state, and territory, governments.'[67] Recently there has indeed been a tendency, on the part of at least some of the states, to work co-operatively. In March 2004 the South Australian Tourism Minister announced that South Australia, Western Australia and the Northern Territory will undertake a collaborative effort to attract backpackers to their states, on the basis of a campaign entitled *Real Trips for Real Travellers*.

(c)   The Prospects for Domestic Tourism

Domestic tourism, as noted above, is the mainstay of the Australian tourist industry. However, as the federal government's white paper observes, "Currently. . .Australians are failing to take all their holidays and tourism consumption is not growing at the same rate as other consumer products."[68] In its response to the green paper, the National Tourism Alliance stated that "There is a need to identify the barriers to. . .domestic tourism."[69] Recent research by Woolcott Research for *See Australia* supports this proposition. Woolcott Research interviewed 1,000 people during the last three to four years. The responses given during 2003, for decisions regarding annual leave, were as follows:

Annual Leave Decisions: Responses from 1,000 People Surveyed (2003)[70]

Taken Part Of Annual Leave	44%
Not Taken Any Annual Leave	36%
Taken All Annual Leave	20%

Some elements of this situation go back many years, to the 1980s. During this period, as a solution to a perceived crisis of investment in Australian industry, the Hawke government persuaded Australian trade unions to accept a long-run decrease in wages. As John Edwards (adviser to Paul Keating) later wrote, "During the 1980s the Hawke government pursued a. . .policy of reducing wages by an agreement with the peak trade union body. . .Under the agreement, increases for the vast bulk of the workforce were administered through the Industrial Relations Commission. . .Most employees received one or two increases a year, which were set by the commission."[71]

At the same time, during the 1980s and on into the 1990s, the price of significant items of expenditure increased considerably faster than workers' wages. This can be shown by contrasting

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[67] *National Tourism Alliance Tourism Green Paper Response*, p.72.

[68] Australian Government, *Tourism White Paper: A Medium To Long-Term Strategy For Tourism* (Department of Industry, Tourism and Resources, Canberra, 2003), p.17.

[69] *National Tourism Alliance Tourism Green Paper Response*, p.14.

[70] Woolcott Research, *Annual Leave Evaluation* (See Australia, Sydney, 2004).

[71] John Edwards, *Australia's Economic Revolution* (University of NSW Press, Sydney, 2000), p.29.

the after tax amount of the basic wage (for a male worker over 21) with the Australia-wide median house price, over the last twenty-three years:

Basic Wage v. Median Houses Prices: 1980-2003[72]

Year	Basic Wage After Tax per week (approx.)	Australia Median House Price
1980	$128	$53,300
1981	$155	$61,300
1982	$162	$61,000
1983	$173	$66,700
1984	$179	$73,200
1985	$196	$81,200
1986	$202	$88,200
1987	$217	$100,900
1988	$226	$143,800
1989	$238	$142,000
1990	$266	$135,500
1991	$281	$144,600
1993	$286	$149,900
1995	$291	$159,600
1996	$296	$172,100
1997	$298	$191,100
1998	$311	$203,200
1999	$319	$228,500
2000	$350	$243,000
2001	$359	$282,300
2002	$372	$319,400
2003	$383	$367,000

As can be seen, whereas the basic wage appears to have roughly increased three times, between 1980 and 2003, the Australia-wide median house price appears to have increased six times.

Recent studies by the Australian Council of Social Service (ACOSS) and the Smith Family seems to confirm a gap between incomes and affordability of goods and services. Both bodies have estimated that there are around 2.5 million people currently living in poverty in Australia.[73] Those

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[72] The basic wage is considered to be equivalent to the C14 classification of the Metal Trades Industry Award. Figures for Australian median house prices supplied by the domestic division of the Australian Treasury.

[73] See Community Affairs References Committee of the Australian Senate, *A Hand Up Not A Hand*

just above the poverty line (people currently earning award wages)   have to manage their incomes carefully. Stephanie Balogh, writing in *The Australian*, has described how "1.6 million workers [are] on award wages. . .About 80 per cent of award workers earn less than $35,000 a year."[74] All of this suggests that a number of people may continue, for some time, to avoid taking all their annual leave.

(d)   The Prospects for Regional Tourism: Federal and State Initiatives

Federal Initiatives

As mentioned in the section above, regional tourism has been specifically highlighted in *A Medium To Long Term Strategy For Tourism*. The white paper emphasises the federal government's view of the importance of regional tourism (particularly with regard to domestic tourism), and outlines the possibilities for co-operation with state bodies, as follows:

> Tourism is an important driver for regional development. . .In 2002 Australians spent 210 million. . .visitor nights in regions outside state and territory capitals. . . [by contrast] only 23% of international visitor nights are spent in regional areas. . . Regional tourism represents around 60% of all tourism activity in Australia. . .The states and territories [however] are [the jurisdictions] primarily responsible for regional tourism structures. . .As part of *Tourism Australia*, *See Australia* will be tasked to advise and help state, territory and regional tourism bodies. . .with market development planning and also research in conjunction with *Tourism Research* Australia.[75]

In April 2004 the federal government announced that, as part of its Australian Tourism Development Program (mentioned in section 9c above), it would allocate $24 million in grants to held develop tourist attractions and services, especially in regional areas. The types of projects for which assistance may be given, and the money-amounts of grants and who may apply for them, are as follows:

Out, Renewing The Fight Against Poverty: Report On Poverty and Financial Hardship (Parliament of Australia, Camberra, 2004), p.35.

[74] Stephanie Balogh, "Battlers' Wage Hike Faces The Pinch" in *The Australian*, 23 March 2004, p.4.

[75] *A Medium To Long Term Strategy For Tourism*, pp.33-35.

Federal Government Tourism Grants 2004: By Category of Application, Type of Project, Type of Applicant and Grant Available[76]

	Project Type	*Applicant Type*	*Amount Available*
Category 1	Development of Existing	Businesses/Non-Profit	$50,000-$100,000
	Regional Tourism	Organisations/Tourism	
	Businesses/Development	Development	
	Of Tourism Niche	Organisations	
	Markets/Development of		
	Complementary Tourism		
	Attractions and Facilities		
Category 2	Development of Cross-	Tourism Development	$100,000-$500,000
	Regional Partnership	Organisations/Economic	
	Approaches for Research,	Development	
	Planning, Marketing/	Organisations/Peak	
	Implementation Projects	National Industry	
	Such as Introduction of	Associations/Peak	
	A Regional Brand or	National Tourism	
	Attraction/Provision of	Associations/Local	
	Tourism Supporting	Government Bodies/	
	Public Works/Focused	Non-Profit Organisations	
	International and		
	Domestic Marketing/		
	Research to Generate		
	Niche Markets		

NSW Initiatives

At a state level, at least in New South Wales, tourism remains important for the regions of the state. This is illustrated by figures collated for visitation, and for the amount of money spent on goods and services by visitors in the regions, during the year 2001-2002, and 1998:

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[76] See link entitled " Australian Tourism Development Program" on the AusIndustry website: www.ausindustry.gov.au.

Nights Spent by Visitors in the Regions of NSW: 2001-2002[77]

Region	Nights Spent By Visitors in the Region
North Coast	10,208,000
South Coast	9,4230,000
Northern Rivers	8,541,000
Hunter	7,997,000
Explorer Country (Bathurst/Dubbo)	5,692,000
New England North-West	4,058,000
Central Coast	3,283,000
Murray	3,030,000
Riverina	2,676,000
Capital Country (Canberra-Goulburn)	2,008,000
Illawarra	1,993,000
Snowy Mountains	1,938,000
Blue Mountains	1,535,000
Outback New South Wales	1,175,000

Expenditure on Goods and Services by Domestic Day and Overnight Visitors: 1998[78]

Sydney	$5.3 billion
Regional NSW	$7.7 billion

Tourism NSW continues to plan to develop tourism, at a regional level, as it has always done so. Currently Tourism NSW is developing demand-based plans. These plans are intended to facilitate the development of tourist attractions, and public works, which will suit (and accompany) a particular tourist demand. Thus it is hoped that, via such plans, a hotel development may be constructed, or a road may be built, tailored to facilitate tourist access to a particular tourist attraction. The plans centre around the following foci:

Transport Development. This encompasses the enhancement of roads, airports, sea ports, railways, road signage and other allied concerns.

Access Information and Services. This encompasses the enhancement of visitor information centres and the wider visitor information network.

Product Development. This encompasses the development of new tourist attractions such as

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[77] Tourism NSW, *Regional Tourism Profiles 2002*.

[78] Graham Bonnet, Dick Braithwaite, Stephanie Hunt, Garry Prosser and Ingrid Rosemann, *The Significance of Regional Tourism: A Preliminary Report* (Centre for Regional Tourism Research, Southern Cross University, Lismore, 2000), p.9.

special events and natural (and constructed) tourist experiences.

Marketing strategies are also a task that Tourism NSW carries out to assist tourism in the regions. It is intended that the marketing effort, conducted by Tourism NSW, increases visitation in New South Wales in the following ways:

- Consolidating a region's brand or positioning within the overall context of Brand New South Wales.

- Identifying a region's competitive advantage (including its sub-regions, destinations and key touring routes.

- Identifying key attractions (such as packages and experiences) to be marketed.

- Stimulating market demand analysis and reviews of visitation trends and forecasts.

- Generating promotions (via the press or television).

(e)   Backpackers

Backpackers are an expanding segment amongst the number of tourists that come to Australia. This is indicated by figures for 1999, contrasting the number of backpackers with the total number of inbound tourists:

Backpackers As a Proportion of Overseas Visitors: 1999[79]

Total Overseas Visitors to Australia	4,459,500
Backpackers	404,300 (9.1 % of total)

Backpackers are significant because they spend much more than an average tourist. This is indicated by a contrast between the amount of money spent individually by backpackers with the amount of money spent, individually, by inbound tourists overall:

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[79] See Australian Bureau of Statistics, *Overseas Arrivals and Departures: January 2002*, ABS Catalogue 3401.0 (Australian Bureau of Statistics, Canberra, 2002), p.4. Backpacker figures supplied by the Bureau of Tourism.

Backpackers' Individual Spending (Average) v. All Inbound Tourists' Individual Spending (Average): 2001-2002[80]

	All Travellers	Backpackers
Food, Drink and Accommodation	$1,061	$2,456
Shopping	$483	$502
Entertainment	$90	$179
Education Fees	$345	$787
TOTAL	$2,549	$5,319

(f)   Tourist Safety

Another major issue is that of tourist safety. During recent years there have been a number of occasions in which tourists have died while holidaying in Australia. Some of these can be detailed as follows:

- June 2000: Six English tourists and two Dutch tourists are among fifteen backpackers killed in a hostel in Queensland.

- December 2000: Two British tourists killed, in Queensland, when their car is hit by a truck (the driver of which had fallen asleep).

- January 2001: German tourist drowns near Esperance in Western Australia.

- February 2001: Two Scottish tourists and one English tourist die in a minibus crash in Cradle Mountain National Park in Tasmania.

- March 2001: American tourist dies while diving near Cairns in Queensland.

- April 2001: English tourist dies when a yacht capsizes off the coast of northern NSW.

- January 2002: English tourist dies from jellyfish sting while swimming near Hamilton Island in Queensland.

- January 2002: English tourist dies while swimming near Warriewood in NSW.

- February 2002: German tourist drowns while swimming near Port Macquarie in NSW.

- February 2002: English tourist dies from jellyfish sting while swimming at Hamilton Island in Queensland.

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[80] See Australian Tourist Commission website: http://www.atc.australia.com.

- April 2002: English tourist killed by an attacker in Queensland

- April 2002: English tourist drowns while swimming at Gold Coast in Queensland.

- April 2002: American tourist dies from jellyfish sting while snorkelling near Port Douglas in Queensland.

- September 2002: American tourist dies in a light plane crash on Hamilton Island.

- September 2002: Japanese tourist killed while surfing off the NSW coast.

- October 2002: American tourist dies while diving off Queensland coast.

- October 2002: German tourist killed by a crocodile in the Northern Territory.

- November 2002: Scottish tourist drowns while swimming in Katherine Gorge in the Northern Territory.

- January 2003: Dutch tourist dies while snorkelling off Cairns in Queensland.

- January 2003: Dutch tourist killed after falling from the top of Murray Falls near Cairns.

- February 2003: Czech tourist drowns at the Sunshine Coast in Queensland.

- February 2003: Korean tourist drowns off Malabar in NSW.

- May 2003: American tourist drowns in a water hole at Mossman Gorge in north Queensland.

- May 2003: American tourist dies in a diving accident off the Queensland coast.

- June 2003: American woman dies while diving off Port Douglas in Queensland.

- October 2003: Two English tourists die while holidaying on a yacht off the NSW coast.

- December 2003: English tourist dies in the desert in Western Australia.

- January 2004: English tourist dies while hiking in the Blue Mountains.

- February 2004: Austrian tourist dies while standing on a boulder, taking photographs, at Bangalley Headland in Sydney's northern suburbs.[81]

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[81] Stephen Gibbs, "Hostel Fire: Twins' Death Core of Trial" in the *Sydney Morning Herald* (*SMH*), 19 August 2000, p.11; Kevin Meade, "Woolies Drivers 'Wobbly Legged'" in *The Australian*, 18 March 2004, p.5; "German Tourist Feared Drowned" in *The Australian*, 29 January 2001, p.2;

On an overall level, Jeffrey Wilks and his colleagues have already estimated that, in the fours years covering 1997-2000 there were 1,513 overseas visitor deaths in Australia: including a total of 307 accidental deaths. Mortalities, by type of death, have been tabulated by Wilks et.al. as follows:

Visitor Deaths in Australia by Type of Accident: 1997-2000[82]

Land Transport Accidents	157
Accidental Drowning	62
Falls	25
Poisoning	18
Water Transport Accidents	11
Air and Space Transport Accidents	10
All Other Accidents	24
TOTAL	307

Already articles have appeared in the press, in Britain, warning people of potential dangers for travellers in Australia. In July 2001, *The Times*, in London, ran an article entitled "Danger in Traveller's Paradise" in which it highlighted the deaths of six English tourists in a fire at a hostel in Queensland (the year before) and the drowning deaths of other English tourists.[83] While articles, such as that in *The Times*, have been relatively few to date, an increase in the numbers of tourists dying, while on holiday in Australia, has the potential to reduce the number of inbound tourists.

Bruce Montgomery, "Road May Have Crumbled in Mountain Bus Crash" in *The Australian*, 20 February 2001, p.7; "Tourist Dies on Diving Trip" in the *SMH*, 12 March 2001, p.6; Jenny Rogers, "Tourist Trip Turns Deadly As Yacht Keel Falls Off" in the SMH, 3 April 2001, p.1; "Tourist Dies in the Water" in the SMH, 22 January 2002, p.4; "German Tourist Drowns" in the *SMH*, 21 February 2002, p.6; "Backpacker Murdered" in the *SMH*, 12 April 2002, p.4; "Rip Victims Named" in *The Australian*, 29 April 2002, p.4; Greg Roberts, "Second Man Dies From Sting of Rare Jellyfish" in the *SMH*, 16 April 2002, p.5; Freya Petersen, "Plane Crash at Barrier Reef Resort Kills Six" in the *SMH*, 27 September 2002, p.3; "Tourist Dies in Surfing Accident" in the *SMH*, 24 September 2002, p.8; "Diving Trip Tragedy" in the *SMH*, 9 October 2002, p.2; "Crocodile Victim Had Survived Bali Blast" in the *SMH*, 26 October 2002, p.3; "Swimmer's Body Found" in the *SMH*, 6 November 2002, p.2; "Snorkel Death Mystery" in the *SMH*, 11 January 2003, p.9; "Tourist Killed" in *The Australian*, 21 January 2003, p.2; "Third Beach Drowning" in *The Australian*, 12 February 2003, p.4; Amanda Morgan, "Mother Swept to Her Death from Rocks" in the *SMH*, 24 February 2003, p.2; "Police Investigate US Tourist Deaths", ABC News Online, 31 May 2003; "Dive Death Probe Deepens", ABC News Online, 3 June 2003; Leonie Lamont, "Skipper Too 'Scared' to Rescue Women" in the *SMH*, 16 October 2003, p.5; Roger Martin and Drew Warne-Smith, "British Man Dies in Great Sandy Desert" in *The Australian*, 13 December 2003, p.3; "British Tourist Dies During Blue Mountains Trek", ABC News Online, 11 January 2004; Sarah Grant and Clare Masters, "Boulder Crushes Tourist at Beach" in the *Sunday Telegraph*, 22 February 2004, p.19.

[82] Donna Prendergast, Jeffrey Wilks and Maryann Wood, "Accidental Deaths of Overseas Visitors in Australia 1997-2000" in the *Journal of Hospitality and Tourism Management*, vol.10, no.1, January 2003, pp.82-83.

[83] Vanessa Wilson, "It's A Dangerous Place Down-Under, British Press Warns Readers" in the *SMH*, 18 July 2001, p.4.

In 1999, two years before the article in *The Times*, the World Trade Organisation (WTO) approved a *Global Code of Ethics for Tourism*. One particular article of the code deals with the safety of tourists. It states that,

> It is the task of the public authorities to provide protection for tourists and visitors. . .They must pay particular attention to the safety of foreign tourists. . .They should facilitate the introduction of specific means of information. . .consistent with their needs.[84]

In response to this, and in response to the issue of visitor safety in general, the national Tourism Ministers Council launched the National Visitor Safety Program. As Wilks and his colleagues have described it,

> The launch consisted of a *Safety Tips For Tourists* video and an accompanying multilingual booklet. . .The program specifically provides advice on the four areas of Beach, Road, Bush and Outback safety. . .The program also aims to inform tourism operators about their responsibilities to visitors regarding safety. . .This aspect of the program is particularly important, given that legal and insurance factors are now the driving force behind tourist health and safety worldwide.[85]

(g)   A Welcoming Environment: Host Communities and Their Reactions to Tourists

The federal government's white paper on tourism lays particular emphasis on the importance of a welcoming environment in Australia. The paper states that,

> This White Paper sets out a foundation for. . .[a] strategy based on expectations of. . .a widespread community desire to welcome visitors. . .[86]

Disharmony, on the other hand, can often exist between the populace of those nations, which receive tourists, and the tourists themselves. This is indeed dealt with in an area of study which goes under the heading of *Host Communities*. Over twenty years ago, Professor John Pearce, then director of the tourism business division of the South Carolina small business development centre, addressed this issue in a journal article entitled *Host Community Acceptance of Foreign Tourists*. He observed, in the introduction to his study that, in the case of the USA,

> The successful implementation of plans to market the United States as a highly desirable travel destination is crucially dependent on the receptiveness which residents of host communities display towards their visitors. . .incidents of negative reaction can sharply

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[84] Article 1 of the *Global Code of Ethics for Tourism* approved by the World Trade Organisation at Santiago in 1999.

[85] Prendergast, Wilks and Wood, op.cit., pp.86-87.

[86] *A Medium To Long Term Strategy For Tourism*, p.xix.

decrease traveller satisfaction and severely damage a community's hospitality image.[87]

To investigate the potential for such hostility or prejudice (against foreign tourists) to exist, Pearce organised a survey of 822 residents of a county in West Virginia, in 1977. The results of his survey were as follows:

Attitudes of 822 Residents, in West Virginia, towards Foreign Tourists: 1977

Accepting	55.1%
Indifferent	18.1%
Very Accepting	15.4%
Unaccepting	9.5%
Very Unaccepting	2%

While around 70% were either accepting or very accepting of foreign tourists, nearly 20% were indifferent and 11% were hostile. Pearce concluded, in his article, that "the superficially encouraging results of this. . .study must be tempered by the recognition of the potentially devastating impact which an 'unaccepting' 11% of the sample population could have upon the foreign visitors' sense of welcome."[88]

In the particular case of Australia, some of the issues raised in Pearce's article emerge from time to time amongst the Australian community. In December 2000 the *Sunday Telegraph* ran an item with the heading "Filthy Poms".[89] This led to a number of English people in Australia registering a complaint, with the Human Rights and Equal Opportunity Commission (HREOC), over the contents of the article: complaints which were accepted by HREOC and acknowledged by the paper in an apology.[90]

Nineteen years after the publication of Pearce's article, this issue was addressed in the World Trade Organisation's Global Code of Ethics for Tourism. Article 1 states that:

> an attitude of tolerance. . .[is] the foundation. . .of responsible tourism. . .[which] stakeholders in tourism. . .should observe. . .[91]

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[87] John Pearce, "Host Community Acceptance of Foreign Tourists: Strategic Considerations" in the *Annals of Tourism Research*, vol.7, no.2, 1980, p.225.

[88] ibid., pp.229-230. Alan Nankervis, in his more recent PhD study of vulnerability and sustainability in the tourist industry, has observed that "antagonistic communities. . .will inevitably lead to the decline of tourism in particular destinations." See Nankervis, op.cit., p.118.

[89] *Sunday Telegraph*, 31 December 2000, p.9.

[90] See the item entitled "The Racial Hatred Act" on the website of the Human Rights and Equal Opportunity Commission: www.humanrights.gov.au.

[91] See Article 1 of the WTO's Global Code of Ethics for Tourism.

It would seem that leading the community, towards a predominantly "accepting" attitude towards foreign tourists, is a prerequisite in developing a "widespread community desire to welcome visitors".

(h)   Increasing the Number of Asian Visitors to Australia

The number of Japanese visitors coming to Australia is well known. A further, potential, Asian market is China. At the moment there are only a very small number of visitors coming to Australia from China. This is indicated by contrasting the number of Chinese travelling abroad, with the number visiting Australia:

Chinese Travelling Worldwide Compared to Chinese Visiting Australia: 1997[92]

Chinese Travelling Worldwide	5,320,000
Chinese Visiting Australia	62,180 (approximately 1% of the total)

Although the number of Chinese tourists visiting Australia is small, compared with the number of Chinese travelling worldwide, the number of Chinese wanting to visit Australia appears to be growing by between 10,000 and 20,000 a year. This is shown by a comparison between the figures for 1998 and 2002:

Chinese Travellers Visiting Australia: 1998 and 2002[93]

1998	76,543
1999	92,585
2000	120,259
2001	157,955
2002	190,015

Chinese visitors have the potential to be important to Australian tourism because of the amount of money that those, coming to Australia, spend (per person). This is illustrated by figures for overseas visitor expenditure in 1998:

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[92] Wenbin Guo, *Strategies for Entering the Chinese Outbound Travel Market* (PhD Thesis, Victoria University, 2002), pp.1,3.

[93] Figures supplied by the Australian Tourist Commission.

Overseas Visitors' Expenditure in Australia (Average Per Person, by Nationality): 1998[94]

China	$6,290
United States of America	$5,889
Germany	$5,732
Other Europe	$5,617
Indonesia	$5,170
Canada	$5,098
Britain	$5,060

The fact, that only around 1% of Chinese tourist travellers visit this country, indicates that there is considerable potential to produce an increase in the number of Chinese tourists coming to Australia. In July 2001, Henry Tsang MLC, in an interview in *The Australian*, observed that, "China has a fast-growing middle class which is now travelling overseas. The biggest group are the 35-44 age group and these are the high spenders."[95] Two years later, on a visit to Beijing, Joe Hockey announced that Australia was hoping to attract "a million Chinese visitors" within the next ten years. The minister declared that "One million [Chinese] visitors to Australia every year. . .is sustainable. . .[in] the long-term future."[96]

The above table of comparison, indicating that visitors from China appear to spend (per head on average) more than any other nation's tourists that come to Australia, suggests that developing the Chinese inbound market appears to hold out substantial benefits. A substantial increase, in the numbers of Chinese tourists coming to Australia, might allow Australia greater access to holding events which are currently staged in other parts of the Asian region but not (so far) in Australia: such as the Asian Football Confederation's Asian Cup.[97]

(i)   Seniors Travel

Seniors are an important element of domestic tourism. In a recent report, the Bureau of Tourism Research provided the following statistics for nights spent away, travelling in Australia, by seniors:

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[94] Guo, op.cit., p.4.

[95] David Nason, "China's Own Julia Roberts Heads Tourist Invasion" in *The Australian*, 30 July 2001, p.5.

[96] Hamish McDonald, "China Set to Provide Tour Boom" in *The Age*, 28 October 2003.

[97] For details on the Asian Football Confederation Asian Cup see the AFC's website: www.footballasia.com.

Seniors' Nights Spent Away, While Travelling in Australia: 2000 and 2001[98]

Seniors' Nights Spent Away, While Travelling Domestically	2000	2001
All Australians' Nights Spent Away, on Domestic Travel	293,000,000	289,600,000
Seniors' Nights Spent Away as a %age of All Nights Away	30% approx.	30% approx.

In 2001, total expenditure by senior visitors, on either single day trips or on travel that included staying overnight, amounted to around $10 billion.[99] The main travel activities, undertaken by seniors in Australia, are in the realm of domestic tourism. When asked in 2001 about their reasons for travel, the sample of senior travellers, surveyed by the Bureau of Tourism Research, stated that they were travelling to take a holiday or to visit relatives or friends. The percentages of seniors (amongst the sample surveyed) undertaking travel for these purposes, were as follows:

Seniors' Reasons for Travel within Australia (BTR Sample): 2001[100]

Holiday	41%
Visiting Relatives or Friends	41%

Encouraging greater domestic tourism therefore, in light of the above research, suggests encouraging more travel by seniors. In late 2003, Tourism NSW launched a Discovery Seniors Pack (mailed to around 690,000 homes) which contains an extensive list of accommodation, attractions, events and tours, available at reduced rates to holders of seniors' cards.[101]

CONCLUSION

As observed earlier in this paper, tourism is a seasonal activity. Numbers of tourists, visiting a country, rise to a peak and then momentarily decrease. To a considerable extent, the events of 2001-2003 can be seen in this light. The number of overseas visitors, coming to Australia, reached an understandable peak in 2000 (the year that the Olympic Games were held in Sydney). The events of September 11, and other adversities, momentarily caused a decline but then, typical of the industry itself, numbers of people travelling have begun to increase again.[102]

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[98] Afzal Hossain, *Senior Travellers: Their Contribution to the Domestic Tourism Market in Australia* (Bureau of Tourism Research, Canberra, 2003), p.3.

[99] ibid., p.5.

[100] ibid., p.7.

[101] NSW Parliamentary Debates. Legislative Assembly. 30 March 2004.

[102] Tourism analysts acknowledged this as a potential outcome even before the events of September 11. The Tourism Forecasting Council, in its 1998 study of the possible effects of the 2000 Olympic Games on Australian tourism, stated (in the third of its likely scenarios) that "The Games. . .[could] have no longer term promotional impact, beyond the additional visitors generated by the event itself." See the Tourism Forecasting Council, *The Olympic Effect*

There are, however, some features of the industry which may remain, as issues, for some time. Firstly there is the fundamental issue of how to present Australia to the world. This is an important question because it connects to already established platforms on which at least one of the states has positioned itself (i.e. Queensland: the Smart State). Ultimately it may be possible to present Australia, in both fashions, to the world: as a sophisticated nation offering tourists attractions in the arts and cuisine *and* as a nation offering exhilarating events. This, nevertheless, remains to be resolved. Secondly there is the future of domestic tourism. With prices, in significant areas, increasing faster than wages, a number of people are reducing their expenditure on items not considered essential. How this affects domestic tourism, and how the industry responds to this, also remains to be seen. Thirdly there is the question of whether new markets can be developed, particularly in Asia, to restore the number of overseas visitors to pre-2001 figures. China appears to offer prospects in this regard, but it still could be some time before sufficient numbers of Chinese have the requisite amount of disposable income that would allow them to tour in Australia.

(Tourism Forecasting Council, Canberra, 1998), p.13.

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