



PRIME MINISTER

STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING MP
HEWSON AND REITH AND THE TOURISM TRAVESTY

On the 25th of February, the Shadow Treasurer, Mr Reith, released a statement in which he said that the Coalition envisaged employment growth in the tourism industry "of more than 6 per cent per annum, generating around 400,000 extra jobs based on quite reasonable estimates of 10 million tourists by the end of the decade."

At best, this is fanciful arithmetic.

6 per cent growth in the tourism industry will create 275,000 new jobs, not 400,000.

Dr Hewson repeated the fallacy in the debate last night. Dr Hewson repeated the Coalition's forecast of 400,000 extra tourism jobs and 10 million tourists by the year 2000.

More fanciful arithmetic.

10 million tourists would represent a growth rate of 17 to 18 per cent - 50 per cent more than the peak in the 1980s, and that was without a GST.

No one in the tourism industry is predicting growth as high as 12 per cent. The forecasts are for up to 6.8 million.

A GST would lead to these forecasts being revised down. The introduction of a 7 per cent GST caused Canada to drop from the fourth favourite international destination of tourists to the twelfth. In New Zealand, the number of international tourists also declined, and what is more, the number of New Zealanders taking their holidays outside New Zealand increased by well over 100 per cent, as they took advantage of "GST-Free" packages.

Tourism is a classic example of the deception the Coalition is practising in an effort to sell its so-called "plan".

The GST will tax tourism and restrict its growth. It will reduce the number of jobs not increase them.

Dr Hewson and Mr Reith have plucked their figures out of the air: the 400,000 tourism jobs, the 10 million new tourists, the 2 million jobs by the year 2000. Their arithmetic is wrong - too wrong to escape the inference that it is also deliberately deceitful.

SYDNEY
8 March 1993