



PRIME MINISTER

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SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP

**TOURISM TASK FORCE LUNCH, PARK GRAND HOTEL SYDNEY
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When I first entered Parliament you would have been hard pressed to find a reference to the Australian tourism industry in any of our newspapers.

If people wanted to visit Australia and find themselves a spot on the beach, that was fine by us, but we didn't go out of our way to sell our country as a tourist destination.

And once the visitors arrived, well it was up to them to make their own way around Australia.

It was, at best, marketing by osmosis.

Back in 1973, the main reason international visitors made the trip to Australia was to visit friends and relatives.

Three in every four visitors made their way from either Europe, North America or New Zealand while only one in eight came from Asia.

It was a case of visiting the safe and familiar with just a twist of the exotic.

Of course, that's all changed now.

And, in so many ways, what's happened to our tourism industry reflects the wider internationalisation of Australia and its economy.

As Australia has opened up to embrace the world, and particularly Asia, so too has our tourism industry.

It's clearly one of our great success stories and it holds great hope for the future.

A decade ago we welcomed 1 million visitors, today it is 3 million and by the centenary of Federation it should be more than 7 million.

The image we now present to the world is of an extraordinary array of natural beauty and charm backed up by a sophisticated and diverse multicultural society.

It's a niche shopper's holiday paradise.

The World Travel and Tourism Council has forecast that between now and the year 2005 travel and tourism combined will create 112 million jobs in the Asia Pacific alone.

Obviously, Australia is very well placed to capture a slice of that action - we have one of the most competitive tourist industries in the world.

And as the focus of world economic activity has shifted to Asia, so too has our tourist promotion.

Today, one in every two visitors comes here from Asia.

Obviously, globalisation is driving the tourism boom.

As global communications and information highways increase our exposure to other cultures, languages, and landscapes, so grows our desire to experience these things first hand.

The more time we spend at home with our televisions and computers, the more we want to travel and experience the world.

That goes some way to explaining why tourism is, and will remain, one of the world's fastest growing industries.

But what is particularly exciting for us is the rate of growth in Australia - in 1993 our tourism market grew at three times the world average.

Tourism now accounts for 12 per cent of our total export earnings and is, without doubt, central to Australia's economic prosperity.

But I don't need to remind anyone here that many others are in the race, with a good number of them just as desperate to capture the global tourist dollar.

So what can the Government do to facilitate the continued expansion of the industry?

Well, let me touch today on just four areas where I think the Government can make a difference.

And they are training, regional tourism promotion, infrastructure development and the preservation of our heritage buildings.

Let's start with training because this decade tourism should create around a quarter of a million new jobs in Australia.

If our tourism workers display world class service standards, there's no doubt we'll secure a place in the front rank of tourist destinations.

As we demonstrated in the White Paper on Employment and Growth, *Working Nation*, training more highly skilled workers and delivering a more flexible and productive workplace is a Government priority.

Indeed, we have no higher priority.

In *Working Nation*, We suspended the training guarantee, introduced a training wage, increased funding for the Australian National Training Authority, doubled the number of labour market and vocational training places and increased the number of entry level training places by 50,000.

And let me take this opportunity to congratulate the tourism industry and the Tourism Task Force for their role in leading the way in workplace reform.

It was, after all, the Tourism Task Force that brought together some of Australia's leading hotels to draw up new workplace agreements that should come into place later this year.

These new agreements will benefit staff, management, and tourists.

I should also mention that in May this year, under a new Workplace Bargaining Program, we decided to provide an additional \$27 million to further promote productive and cooperative bargaining in Australian workplaces.

This should lead to a range of agreements across the tourism industry from high profile 5 star hotels to smaller properties in the hotel-motel sector, both unionised and non-unionised.

In *Working Nation* we also paid particular attention to the regions of Australia. We did that for the fundamental reason that forms the basic philosophy of *Working Nation*: that is, we want all Australians to share in the recovery.

And that means we make sure we bring the people of regional Australia along with us.

Clearly tourism provides regions with an excellent opportunity to create jobs and diversify their economic base.

And Australia offers a host of diverse and unique holiday experiences away from our capital cities and major tourist gateways.

Through responsible planning and management, regions can develop tourism opportunities that guarantee sustainable tourism enterprises and long term employment.

To this end, we included a \$42 million regional tourism package in the Federal Budget, eight million dollars of which has already made its way to some 89 projects right around Australia.

And the cornerstone of this package, the Regional Tourism Development Program will help regions develop integrated tourism plans.

Extension of the EMDG scheme to tourism operators, which we also announced in *Working Nation*, should also make a difference in the regions.

But if more regions of Australia are to benefit from the tourism explosion then we need to ensure we have a world class infrastructure.

That's why, in *Working Nation*, we allocated \$70 million dollars to a Regional Strategic Infrastructure Fund and freed up the arrangements governing infrastructure bonds.

It's also why we introduced greater competition to our aviation industry.

Several years ago now, this Government recognised the need to restructure our aviation industry.

We amalgamated Australian Airlines and Qantas and opened international services to competition from Ansett so as to increase the range of marketing opportunities for the tourism industry.

And I might mention that I'll be back here in Sydney on Monday to attend the acceptance ceremony for Ansett's first Boeing 747 aircraft.

These reforms to the aviation industry have already delivered major benefits to Australian consumers and our international visitors.

Since 1990, the number of domestic passengers has more than doubled, air fares have decreased by 25 per cent in real terms, and flights have increased on our 50 busiest routes.

But the reform must continue.

And that's why the Government has announced its intention to sell all the Federal airports and the airport at Badgerys Creek, subject to the outcome of a scoping study.

The in-principle decision to sell the Federal airports is directed primarily to improving the efficiency of airport investments and operations.

This should result in Australia's airport system developing into one of the most innovative private airport industries in the world.

But to those of you here who are concerned that the benefits from the sale of the 'big' airports may be outweighed by the impact on some of the so called 'loss makers', let me say I am confident that we can adequately address the issue of loss making airports without disadvantaging local communities.

The final area that I want to touch upon is the importance of heritage buildings to our tourism industry.

By preserving the best of our heritage buildings, by looking after those things that give our cities their special character, we give to future generations a sense of place, a sense of our urban heritage, and a sense of our unique national culture.

At the same time, we make Australia an even more attractive place to visit.

This was the thinking that lay behind the Historic Properties Restoration Program which we announced in *One Nation*.

Importantly, this was the first Federal initiative specifically directed to the preservation and restoration of significant heritage buildings.

This program has already brought about the splendid restoration of the Old Treasury Building in Melbourne, a great example of what we can achieve when we get co-operation from State Governments.

The Customs House here in Sydney, which is one of the city's oldest and best-loved buildings, is another heritage building receiving assistance.

Under the program, the Federal Government is providing \$24 million towards its restoration so that it can serve as an important tourist and cultural centre.

Through programs like this one, we're giving Australians, and international visitors, a better appreciation of our history and culture.

At the same time, we're providing jobs and investing further in our cultural and tourism industries.

The Government initiatives that I have touched upon today are all designed to build on the hard work of the industry to ensure that tourism continues to be a driving force in Australia's economic and cultural development.

And while the Government has played an important role in all this, it has been largely a facilitating role.

The credit for the current strength and the potential of tourism in Australia must go in the main, to you, the industry, who have worked so hard to establish Australian tourism as a dynamic, prosperous and internationally competitive industry.

I'm very excited by the prospects for our tourism industry and I have a very strong sense that if we can build on our many great competitive strengths, we can go a long way to passing on a much better Australia to those who come after us.

Thank you.