



Speech by

**DESLEY BOYLE**

**MEMBER FOR CAIRNS**

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#### **TOURISM SERVICES BILL**

**Ms BOYLE** (Cairns—ALP) (6.10 p.m.): I would like to endorse the remarks made by the previous speaker, the member for Tablelands. We do not always agree in this House, but tonight we certainly do. This is important legislation for Cairns and far-north Queensland, as we are of course well known around the world as a tourism destination.

The Tourism Services Bill 2003 addresses concerns that the industry and others have had about the provision of tourism services by certain inbound tour operators and tour guides operating in Queensland. These issues go back a long way in far-north Queensland, and that is just to my knowledge. It may be that they go back further than my own involvement in tourism industry matters in Cairns.

From time to time in the 1980s and 1990s there were reports of vertical integration and of the risks that posed to the tourism industry in Australia and certainly in Cairns. There were concerns, mostly expressed by small Australian operators of tourism businesses, that bigger companies, often headquartered overseas and owned overseas, were buying up, as it were, all of the businesses that would service their tourists when they came to Australia. Allegations were directed particularly at Japanese owned companies. They were that Japanese tourists would buy their tickets in Japan, but not only for flights to Australia. They would also buy their accommodation and their transport around Cairns and make arrangements in advance with duty free stores and for all of their tours. The combination meant potentially, if this was true, that they would be likely to spend hardly a dollar. Once they actually landed in Australia everything would be prepaid in Japanese yen and the profits would go to Japanese companies.

Obviously, those who believed that this was happening—the indications were certainly there that this was true—were those Australian businesses who felt that in their own country they were not being given a fair share of opportunities at least to get their market, make their profit and establish in tourism.

One of the examples I recall related to Green Island, where the lease was held by a Japanese owned company. In fact, it produced on that resort lease its own money so that Australian money was required to be exchanged as the resort lease was entered in order to purchase anything—food or other things at that resort. Then the 'funny money', as we called it in Cairns, was changed back into Australian dollars at the end of the trip. Of course, this was not acceptable to the locals and the uproar meant that the company gave away that scheme very quickly, I am pleased to say.

Over the years, however, from time to time there have been headlines about these practices on the front page of the *Cairns Post* as well as complaints to offices like mine, mostly by Australian businesses who still believe that they are locked out by what we would be calling in this bill unconscionable conduct by operators—tour guides mostly, whether at the direction of their companies or by their own initiative—who collect passengers as they arrive at the airport, take them to the bus and take from them, with their permission, their passports, saying of course, 'Let me do the worrying. She'll be right, mate. I'll look after your passports. I'll make sure all the paperwork is cleared for you.' Then in the process of supposedly looking after these tourists they are taken to all of the 'right' hotels, all of the 'right' shops and all of the 'right' tour companies for their experiences.

I must say that I have not had at my office complaints about this practice from tourists. This might be, of course, because tourists, after it is all over, go straight home and it is too hard to make

complaints. Or it might be that, as I suspect, in most instances the tourists are relatively well pleased with their experience. The places they go, the shops they visit and the tourism trips they take are of high quality. There is no doubt of that. Whether or not they are paying more for them than they would otherwise they do not know, so how can they complain? They have been well looked after and they have not seen any commissions change hands, so the experience for them is not necessarily an unpleasant one. They do not know what they do not know.

Indeed, the complaints that have come to my office have come from those Aussies, often residents of Cairns, who have spotted what they think is an opening or a gap in the tourism market and who, with their own small funds, are prepared to stake their own small tour business or tourism shop. It is only when they get into the thick of it, after their investment has been made and I dare say they have extensive loans with the bank, that they discover that they are competing with companies who are sometimes ruthless in their methods of securing their customers, particularly international tourists.

This is where the Cairns tourism industry and all of the retailers, particularly those that are Australian owned, will cheer this minister loudly. The hard facts are that this issue has been placed in the too-hard basket by previous governments. Various people along the way, in the bureaucracy as well as in government, have considered the issue but not found the way to take action. We do therefore commend the minister, knowing that it is a complex and a difficult problem to address, that it is very hard to bring out into the open some of the practices that have been occurring and that this bill may not absolutely and 100 per cent solve the problem but that it is a first and very significant step in doing so. It sends to the tourism industry in this country, whether Australian owned or foreign owned, the clear message that these sorts of practices—these pay-offs, these commissions, vertical integration or looking after your friends in an improper and hidden fashion—are not part of the culture of tourism in Australia and are not acceptable. It does not matter whether it is okay in places overseas; it is not okay in Cairns or Brisbane or on the Gold Coast or elsewhere in our fair state of Queensland.

I note that the bill addresses its objectives through three key mechanisms. These mechanisms are so important in terms of their impact in Cairns that I will remind members of the House. The first mechanism is requiring ITOs to be registered, except those ITOs who also sell travel packages to the domestic market and whose overseas sales account for less than 20 per cent of the total number of travel packages sold during a 12-month period. The second mechanism is requiring all ITOs, regardless of whether they are registered, to comply with a code of conduct. The code will contain detailed requirements, including a prohibition against high pressure tactics or harassment, a prohibition against making false or misleading representations and a requirement to ensure tour guides behave appropriately. The third mechanism is prohibiting unconscionable conduct by ITOs, again regardless of registration, and tour guides.

Unconscionable conduct includes such things as, firstly, failure by an ITO or tour guide to disclose their relationship with the preferred retail outlet. If this is followed through with in Cairns, then it will solve half the problem. The second element of prohibiting unconscionable conduct is where a tourist could have obtained a better price for goods without an ITO's or tour guide's help. This is important. While at the moment the Australian dollar is such that many international tourists think they are getting a very good deal with our prices, even when they are at the higher end of the range, nonetheless it is important that there is not a rip-off of tourists by charging them an unreasonable price in the Australian market.

The third element of unconscionable conduct will be policed where an ITO or tour guide dissuaded a tourist from making a reasonable choice about where to eat, shop, stay or visit. This is what Cairns operators want. They want our tourists regaled with the opportunities you have when landing in Cairns to have a wonderful and amazing time. They want to have overseas owned businesses proudly displaying their experiences and their investment in our country. There is no sense at all in their being in any way limited or not competitive in the market, but they want the right, the ease, the responsibility as well as no interference to stand side by side offering their goods, their prices and their experiences fair and square without tourists being guided or herded for improper reasons past them.

I am pleased to inform honourable members of the House that this is already happening to some extent. In times past we believe the unconscionable conduct has occurred in relation to tourists particularly from Japan, China, Taiwan and, more recently, South Korea. That seems to be happening less than before—not thanks to voluntary changes within the industry but because, I am pleased to say, tourists from those Asian countries are coming in smaller groups. They are coming more as independent travellers, and when they land in Cairns they are more adventurous than they used to be so and go out more on their own and make their own decisions. Our tourism industry should encourage that. That is part of all destinations in Australia being friendly and safe destinations. We do not need tourists herded around on a bus with their conduct, spending and experiences controlled. The freedom and the profitability of the tourism industry in Cairns and across Queensland will benefit from this bill.