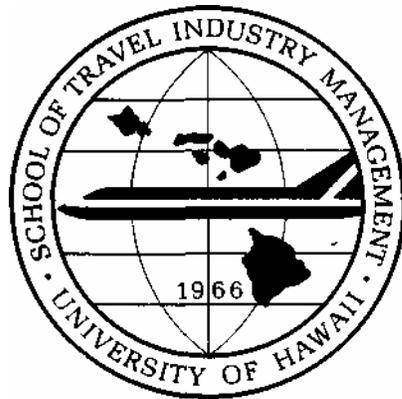


# TOURISM DEVELOPMENT IN PAPUA NEW GUINEA



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# EXECUTIVE SUMMARY

## 1.0 Introduction

In the Pacific region and elsewhere in the world, tourism represents a major alternative for small island nations searching for industries to increase their economic base, expand foreign exchange earnings, and enhance the standard of living for their people. While tourism is expected to grow moderately in the next decade for Pacific island destinations as a whole, the impact will vary among the islands according to the stage of development. In order to address outstanding current and future policy issues related to tourism development in the Pacific region, the Pacific Islands Development Program (PIDP) of the East-West Center initiated the "Multinational Corporations in the Pacific Islands Tourism Industry" research project in 1987. To conduct the study, PIDP contracted the School of Travel Industry Management (TIM) of the University of Hawaii-Manoa (UHM) to analyze ten Pacific island destinations grouped by geographical proximity and selected for criteria based on visitor arrivals and levels of development. This study covers Papua New Guinea (PNG).

## 2.0 General Overview

Papua New Guinea (PNG) was first settled about 50,000 years ago by people from the eastern Indonesian islands. First European contact occurred in 1526, and by the 19th century a number of European countries were involved in PNG, including the Dutch in western New Guinea island, the Germans in northeastern New Guinea, and Great Britain in the southeastern part of the island (Papua). After World War I, the League of Nations mandated the former German territory to Australia. Australia continued to administer both Papua and New Guinea after World War II, but self-government was initiated in 1973, and on September 16, 1975 PNG became fully independent.

Papua New Guinea is a parliamentary democracy and a member of the British Commonwealth. The National Government is made up of three branches: the National Parliament, the National Executive, and the National Judicial System. Executive powers are exercised by the National Executive Council, comprised of ministers who are appointed from among the members of Parliament. The Prime Minister, who is selected by Parliament and officially appointed by the Governor-General (the British monarch's personal representative), heads the National Executive Council. In 1977 Parliament passed an Organic Law which provided for provincial governments as a second level of government. Provincial governments have assumed responsibility for education, primary industry, business development, and provincial public works.

Papua New Guinea extends over 1,300 km. from north to south and 1,200 km. from east to west and encompasses a total land area of 465,000 square km. New Guinea is the second largest island in the world and includes 85 percent of PNG's total area, the remaining 15 percent being spread over some 600 islands. The western part of New Guinea island comprises the Indonesian province of Irian Jaya. The country is situated between longitudes 141 and 160 east and latitudes 1 and 12 south in the Pacific ocean. Papua New Guinea contains some of the world's most rugged terrain, but is endowed with good soils, abundant rainfall, and considerable mineral and other natural resources

In mid 1986, the population of PNG was estimated at 3.43 million, with over half of the population being under 16 years of age. Approximately 87 percent of the

population in 1987 lived in rural clan or village communities compared to 97 percent in 1962; thus migration to urban areas has been significant. Nearly all residents are Melanesian, but the country is comprised of many tribal groups which in earlier times lived largely in isolation from one another as a consequence of rugged terrain. The country has over 700 languages, but the two main languages are Melanesian Pidgin and Hiri Motu. The official language is English which is used in government, commerce, and education.

The PNG economy is primarily based on agriculture with a nonmarket subsistence sector which is still quite significant, encompassing a large proportion of the population. In 1986 gross domestic product (GDP) was estimated at K 2,472 million, or about K 720 per capita. Agriculture, including forestry and fisheries, accounted for about 34 percent of GDP, and mining and quarrying, the second largest sector, contributed about 12 percent of GDP in 1986. For a developing country, PNG has a large foreign trade; in 1986 the value of exports (K 1,099 million) amounted to 44 percent of GDP, while imports (K 1,336 million) amounted to 54 percent of GDP. Major exports are gold, copper, coffee, and forest products. In the 1982-1986 period the country experienced sizeable current account balance of payments deficits, but the deficit has been declining. National government accounts for a significant proportion of total national consumption and investment spending and depends heavily on foreign aid and other external funding. In 1984, external funding represented 34 percent of national government expenditures.

Given the large rural population still largely active in the subsistence sector, labor force data are fragmentary. In 1980 only 16 percent of all households had one or more wage earners, and in rural areas 91 percent of all households had no wage earner. The number of persons in formal employment is relatively small in comparison with population size; in 1983 total formal employment was 207,800. Growth in formal employment has not kept pace with growth in the PNG labor force, which has given rise to high unemployment and underemployment in urban areas. A high labor cost structure in PNG is another major concern, with PNG wage rates substantially higher than other developing countries. With respect to education, while most youth are enrolled in primary school (74 percent of relevant age group), relatively few are enrolled in secondary (13 percent) and postsecondary education. Actual school attendance is significantly lower than enrollments, and retention rates are low. Less than one-third of the population over 15 years of age can read or write.

### **3.0 Tourism Development Assessment**

During the 1979-1987 period, there has been no consistent pattern of growth. The number of international arrivals has fluctuated from a low of 30,400 in 1985 to a high of 38,800 in 1979. In 1986 and 1987 increases of 5.0 percent and 9.6 percent respectively were recorded as government initiated a marketing and promotion program to augment industry programs. Of the total number of visitors in 1987 (34,970), 42 percent were on business, official, and conference travel, 28 percent were on holiday, 20 percent were visiting friends and relatives, and the remaining 10 percent represented all other reasons for visiting.

By country of origin the principal markets in 1987 were Australia (49 percent), U.S. (12 percent), Japan (7 percent), and United Kingdom (5 percent). For all visitors, the average length of stay in PNG was about 10 days. In terms of potential markets, while Australia is currently the largest market, both the U.S. and Japanese markets probably

offer greater growth potential, since outbound travel in both of these markets has increased. While the PNG National Tourist Office (NTO) has projected 60,000 visitors by 1992, the projections of this study indicate a more moderate rate of growth with visitors numbering between 52,000 and 58,000 by 1995.

Major constraints to tourism growth are limited international air seat capacity and expensive fares. Fifteen flights per week with about 2,540 seats serve Port Moresby, the gateway to PNG for over 90 percent of all international flights. More than 60 percent of direct flights to Port Moresby are from the Australian cities of Sydney, Brisbane, and Cairns. Seat capacity from the U.S. and Japanese markets, in particular, is quite limited and except for two Continental flights per week which operate via Guam, the most direct access from the Japanese and U.S. markets is via Australia.

#### **4.0 Tourism Resources Assessment**

In 1987 there were about 2,450 rooms available in PNG, about 1,750 in hotels and about 700 in guest houses, lodges and resorts. According to the accommodations directory published in 1987, most facilities have less than 50 rooms. In general, room rates are expensive in PNG, and the quality of facilities and level of service are considered lacking compared to many other developing Pacific countries. In addition to the high labor cost structure in PNG, the fact that accommodation facilities cater largely to domestic business and government travelers, who are reimbursed for room expenses, contributes to high room costs. In the absence of room inventory trend data and average room occupancy figures, it is difficult to project the growth in accommodations, but based on projected growth in visitor arrivals of 7 percent, it is estimated that about 530 additional rooms will be needed by 1995. Additional rooms are likely to be needed for upgraded accommodations and to meet room needs in areas where tourism growth is particularly strong.

PNG has an abundance of scenic, cultural and historical attractions for visitors, but most attractions are inaccessible or underdeveloped for visitor use. Moreover, an inventory of existing and potential attractions in each region is not maintained, making it difficult to identify, plan and develop the best attractions in each region. Infrastructure related to transportation and utilities represents another constraint to growth. To construct additional accommodation facilities, water and sewerage systems, roads, and power would have to be newly provided, expanded or upgraded in many of PNG's tourist regions. Because malaria is endemic in coastal areas and seasonal in the highlands, the tourism industry and government must also ensure that visitors know of the requirement to take appropriate anti-malarial drugs.

Land for the construction of additional visitor accommodation facilities poses another constraint. In PNG some 97 percent of land is customarily owned. Developers must obtain land through the government which first must acquire it from customary owners through an alienation process. Since foreigners cannot acquire freehold land, it must be obtained from government through a long term lease. This process of alienation and government leasing of land to developers represents a critical element in tourism development but government's capacity to provide land to meet both public and private sector uses is currently limited.

#### **5.0 Economic Assessment**

Given the relatively small size of the tourism sector in PNG, extensive statistical data on a visitor expenditures and employment are not available. The National

Statistical Office (NSO) has estimated hotel and restaurant sales in 1985 at K 47.6 million. Assuming that visitors spend K150 per day and applying this rate to total visitor days (34,970 visitors x 10 days each), total expenditures can be informally estimated at about K 52.5 million in 1987. Visitor expenditures generate direct employment and income in establishments that cater to visitors and indirect employment and income in other sectors of the economy which supply the tourism sector and benefit from the spending of wages and other income of tourism sector workers. Other economic benefits of visitor spending include foreign exchange earnings, government revenue, and the diversification in the economy as service industries expand with growth in visitor spending. With respect to income, employment and government revenue, the impact of tourism spending in PNG has been quantified. For each Kina spent by the tourist, K3.08 in direct and indirect income is generated in the economy. In terms of employment, for each K 10,000 in tourist spending, 1.52 jobs are generated in the economy; and with respect to government revenue, each Kina of tourist expenditure generates 43 toea in taxes and other government revenue.

While economic benefits are fairly obvious, there also may be economic costs associated with tourism development. Potential costs include unproductive investment by government, loss of domestic control of tourism enterprises, increased vulnerability to external events, and demonstration effects which lead to increased imports as residents adopt consumption patterns of tourists.

Since part of visitor spending flows or "leaks" out of the economy to pay for the import of goods and services demanded by tourists, an important economic strategy for enhancing the benefits of visitor spending is to minimize leakages. Identifying sources of domestic goods and services to substitute for imports and strengthening linkages between domestic producers and the tourism sector minimize leakages and increase the multiplier effects of visitor spending.

## **6.0 Social and Cultural Assessment**

The visitor industry is a relatively small part of the current PNG economy. With its rich cultural and environmental diversity, PNG has the basis for an expanded tourism sector, but this growth will have several sociocultural consequences requiring government attention. Community awareness will play a crucial role in relationships between visitors and residents, as tourism increases the face-to-face encounters between people separated by ethnic and cultural differences. These encounters may themselves be the source of social disruption and change. Cultural arts and performances will become increasingly tied to the cash economy as they become souvenirs and experiences for tourist purchase. Resources will need to be directed towards support of the industry. To the extent that tourism increases economic opportunities and activities in urban areas, it will sustain the current trend of migration from the rural areas. Increased numbers of visitors may also raise the likelihood of their becoming victims of property-related crimes. In the long term, tourism will be one of several agents of economic growth and social change in PNG requiring appropriate government planning and policy implementation.

## **7.0 Government Tourism Policy Assessment**

Since 1986 when tourism was designated an economic sector, government has demonstrated a renewed interest in promoting tourism development. In the 1987-1988 period three policy documents were completed by the National Tourist Office (NTO), including a five year development plan, a medium term development strategy, and a

ministerial brief which addresses tourism development. While not officially adopted as of January 1989, these documents propose a substantially larger role of the national government in promoting growth in tourism. A principal concern in the 1989-1992 period is to obtain sustained growth in visitor arrivals and to achieve the NTO's projected number of visitors, 60,000 by 1992. Toward this aim, significantly expanded NTO programs are proposed in marketing and promotion, product development, training, and industry standards and monitoring. The NTO recognizes the need for increased domestic and foreign investment in tourism and has proposed a package of incentives. However, in terms of existing national policy, tourism development has not been designated a priority activity, and as a consequence, existing foreign investment incentives are not available for tourism investments. Likewise, programs and incentives to promote domestic investment have not specifically focused on tourism.

Since 1966, tourism administration has been shifted from one department to another, and consequently there has been a lack of continuity and sustained support for tourism within the national government. After being allotted its first significant budget allocation in many years in 1987, the NTO was placed under the newly established Department of Culture and Tourism in July 1988. In terms of specified national government tourism support functions, initial steps have been taken by NTO to strengthen education and training, research, data collection, and marketing and promotion. Human resource development, in particular, has been identified as a priority need in PNG. Given the low educational attainment and limited educational training resources in PNG and the over 6,000 workers already in tourism sector jobs, the need for education and training is very large at all levels within the public and private sectors. In planning, research, and data collection specific areas in need of strengthening have been identified along with recommended actions. With respect to marketing and promotion, the NTO is proposing a major program expansion. While increased marketing and promotion are needed, the magnitude of the proposed near term program seems too great in terms of personnel and budget. A shortage of qualified personnel, in particular, is likely to constrain the proposed expansion. There is also a concern that marketing and promotion functions might be more efficiently handled by private industry with financial support and oversight by the NTO.

## **8.0 Summary and Recommendations**

### **International Travel Access**

Expensive air fares and limited seat capacity represent significant constraints to tourism development. To increase the level of domestic and international air service thereby increasing competition, the government of PNG (GPNG) has indicated new policy initiatives with respect to negotiating bilateral/air service agreements and in adopting a more liberal policy on domestic service by international carriers. To increase competition in air service and encourage lower air fares and increased seat capacity, it is recommended that GPNG:

1. Encourage charter or scheduled carrier service to additional international gateways in other regions of PNG and assess the feasibility of granting "fifth freedom" rights to air carriers.
2. Assess feasibility of greater use of reduced price excursion fares by air carriers now serving Port Moresby.

### **Facility Requirements**

Although most accommodations are utilized by domestic business and government travelers, projected growth in visitor arrivals of from 5 to 7 percent per annum will generate demand for an additional 350 to 530 rooms by 1995. New accommodations should be encouraged in rural areas and in the form of smaller-scale guest houses and resort facilities to provide a wider distribution of economic benefits. Smaller-scale facilities also generate proportionately more jobs and income than larger facilities, and the provision of jobs in rural areas would be beneficial in reducing migration to urban areas. Small-scale accommodation operators will need assistance in marketing and communications to promote higher average occupancy rates. Accommodations are expensive in PNG and one of the reasons is that government travelers, who make up a large share of clientele, are reimbursed for their room expenses, thus providing no incentive for seeking lower cost accommodations. It is recommended that GPNG:

1. Maintain a current inventory of accommodations which indicates price ranges, amenities and services, and quality rating.
2. Provide a range of incentives designed to promote smaller-scale accommodations in selected rural areas. Incentives would include assistance in training, land acquisitions, and provisions of infrastructure, as discussed more fully in Sections 8.2.1, 8.3.1, and 8.3.3.
3. Establish a centralized reservations system to serve guest houses and smaller-scale establishments.
4. Adopt a system to reimburse government employees on a fixed-rate per diem basis for accommodation and meals.

### **Infrastructure**

Adequate water and sewerage systems, environmental health standards, and surface access from airports to accommodations and tourist attractions are important infrastructure elements for tourism development. Hotel/guest house facilities should be encouraged within areas which have been identified as being particularly suited for tourism development and, to the extent possible, already have appropriate infrastructure. PNG currently has extensive resources which potentially could be visitor attractions, but most of these resources are not developed, not accessible, or not made known to visitors. In many cases, potential visitor attractions could be developed in conjunction with small-scale indigenous enterprises such as guest houses or lodges. It is recommended that GPNG:

1. Consider utility and transportation requirements and costs in land use planning for hotel/guest house facilities. To the extent possible, locate accommodations facilities in areas already served by utility and transportation systems.
2. Specify utility standards to be applied to developments which cannot be served by centralized systems.
3. Develop a comprehensive inventory of existing and potential visitor attractions in each of the principal tourist regions.
4. Identify potential tourist attractions which could support smaller-scale tourism enterprises as part of an integrated development scheme.

### **Market Segments**

Principal tourist markets include Australia, U.S., Japan and West Germany. Although tourists only made up about 28 percent (about 10,000) of total visitors in 1987, they are the basis for sustained growth in visitor arrivals and expenditures. To develop

an effective marketing and promotion strategy, statistical data are needed on visitor characteristics, expenditure rates, and attitudes. While immigration arrival and departure forms collect most of the needed characteristics data, some revisions are needed. In the analysis of data on visitor characteristics, more emphasis is needed on data by country of origin, since this is a principal focus for marketing and promotion. Currently, the processing of data is slow, with tabulations not being available until well after the close of the period being analyzed. Expenditure and attitudinal surveys were undertaken in 1987-1988, but data processing and analysis have not been completed. It is recommended that GPNG:

1. Implement UNDP/WTO recommendations on the revision of arrival and departure forms and the expeditious and more comprehensive tabulation of characteristics data. Complete analysis of visitor expenditure and attitudinal survey data and undertake similar surveys every 2 or 3 years.
2. Undertake market research to identify and define specific segments within each major national market.
3. Promote PNG's potential to accommodate cruiseships by undertaking co-ordinated programs to provide efficient and affordable handling facilities.

#### **Appropriate Scale of Tourism**

The diverse geography and multitude of cultures in PNG attract tourists who want to travel to a number of sites, mostly in rural areas. For these tourists, smaller-scale guest facilities would be appropriate while larger-scale hotel/resort facilities are likely to be built in Port Moresby and other urban areas where a proportionately greater demand will be accounted for by business and government travelers. It is recommended that GPNG:

1. Define the scale and character of tourism development that is desired, formulating distinct criteria for smaller-scale accommodation facilities. Incorporate criteria in zoning and land use controls applicable to accommodation facilities.

#### **Land Use and Environmental Protection**

Obtaining land for commercial use represents a major constraint in PNG. The developer/investor must obtain land from the government which in turn must alienate land held in customary ownership. The alienation process entails lengthy negotiations with customary owners, and a given site may in the end not be obtainable. Environmental aspects of a proposed project must also be reviewed and approved by the government before it can proceed. Physical planning needs to address infrastructure, scale of development, and environmental aspects of projects. A tourism master plan would identify the areas within each region which would be given priority for development and those areas zoned for hotel/guest house use. The zoning code applicable to hotel/guest house land use would incorporate criteria on scale, building design and utility standards, and standards for other infrastructure elements such as roads and drainage. In terms of the character of tourism development appropriate to given communities, government policy on land leases should provide for community input which would be considered in negotiating long-term leases with operators of tourism facilities. It is recommended that GPNG:

1. Identify areas in each region for the development of accommodation facilities and incorporate these in the tourism development master plan.

- Give priority to a program for alienating sufficient land to meet tourism growth requirements.
2. Develop a hotel/guest house zoning code which incorporates land use controls and standards for a range of specified land use intensities.
  3. Provide for a mechanism whereby local community input is obtained in negotiating land leases for hotel/guests.

### **Investment**

To achieve and sustain growth in international visitor arrivals, new tourism accommodations and other facilities will need to be constructed and existing facilities upgraded. In view of the limited supply of capital in PNG, government support of both domestic and foreign investment is needed. However, existing programs and incentives do not give priority to tourism, and with respect to foreign investment, tourism is not eligible for available incentives. It is recommended that GPNG:

1. Make tourism a priority business activity under the National Investment and Development Authority (NIDA) and extend provisions for flexible depreciation and wage subsidies to tourism investment.
2. Simplify NIDA registration requirements for tourism enterprises.
3. Promote investment in endogenously owned smaller-scale tourism enterprises by according priority for tourism in the application of existing programs such as Agriculture Bank Loans and the Credit Guarantee Scheme.
4. Assess feasibility of government funding of rural onsite infrastructure costs for smaller-scale accommodation facilities.

### **Reducing Leakages**

A strategy for reducing leakages would include promoting tourism activities that are relatively labor intensive such as smaller-scale accommodations, handicrafts, local entertainment and cultural attractions, and concentrating on a range of commodities which potentially can be produced domestically to replace imported goods. It is recommended that GPNG:

1. Establish a task force to identify specific imported commodities and services which constitute the most significant leakages in the tourism sector.

### **Strengthening Intersectoral Linkages**

Based on the work of the task force in identifying specific commodity and services import leakages, tourism support industry working groups would need to be established to identify and assess the specific constraints related to given import substitute goods and services. Working groups would determine what private and public resources are available to mitigate or resolve supply constraints for given goods and services. It is recommended that GPNG:

1. Insure that findings and recommendations of task forces and associated support industry working groups are taken into account in preparation of national and regional tourism development master plans.

### **Protecting Traditional Cultures**

Adverse effects of tourism on traditional culture may occur when traditional communities come into contact with large numbers of tourists. Commercialization of arts and crafts, adoption of outside lifestyles and values, generation of ill feelings and animosity through disrespect or misunderstanding of another's cultural values, a rise in crime rates, and competition between tourists and residents for scarce resources are examples of potential adverse effects. The risk of these effects occurring may be significantly higher in rural areas where traditional cultures are still relatively strong. A tourism development strategy based on a moderate, controlled rate of growth of visitors, and emphasis on smaller-scale accommodation facilities in rural areas is likely to minimize the risk of adverse effects. Foreign investment and associated use of land for accommodation facilities represents a unique type of risk. Examples of adverse effects would be instances in which foreign owners promote tourism activities not compatible with the local community, or institute personnel policies discriminatory to PNG citizen employees. Encouraging joint ventures, rather than wholly foreign-controlled enterprises, is likely to minimize policies that would generate adverse effects. It is recommended that GPNG:

1. Consider establishing a national culture center to promote traditional arts, crafts, and culture and provide economic benefits to PNG citizens.
2. Develop incentives for local accommodations in rural tourist destinations.
3. Monitor the crime situation and develop better means of preparing tourists and providing prompt assistance when required.
4. Develop an information pamphlet for tourists on PNG's sociocultural context.
5. Insure that proposed tourism facility projects are reviewed for possible adverse sociocultural effects, and when necessary impose conditions, including land lease covenants, for granting land use approvals.
6. Consider the provision of specific incentives to encourage joint ventures between foreign and indigenous investors.

### **Public Awareness of Tourism Development**

The general public needs to be informed on tourism, including the government's development goals and objectives, expectations and interests of tourists, benefits of tourist spending, and the need for government funded projects to support tourism development. It is recommended that GPNG:

1. Develop and implement public education programs which inform the general public and industry employees of the goals and objectives, benefits, and costs of tourism, and of the interests and expectations of tourists.

### **Education and Training for Tourism**

Education and training are needed to enhance the benefits of tourism through: (a) assuring that PNG citizens are qualified to fill available positions and (b) increasing productivity, thus promoting industry profitability and continued growth of the industry. A shortage of trained manpower affects most sectors of the PNG economy and all levels of the tourism industry. Workers with entry level skills and those with vocational specializations are needed to meet replacement and expansion needs. With respect to management, in the private sector, there is a shortage of professional managers who are PNG citizens. In the public sector, the planning and development of tourism at national and provincial levels have especially been hampered by the limited number of experi-

enced or knowledgeable personnel. Policymakers within the Department of Culture and Tourism have identified human resource development as a priority issue and requested that this study address the subject in the special section (Appendix A). The recommendations of Appendix A have been structured in terms of three time periods: (1) Short-Term Strategies (1989-1990); (2) Medium-Term Strategies (1991-1995); and (3) Long-Term Strategies (1995-1997).

### **Short-Term Strategies:**

Short-term education and training strategies focus on the following areas of need:

- (a) Professional staff development for NTO and other government personnel.
- (b) Management level training for the private sector.
- (c) Mid-management level education and training programs.
- (d) Skills training for tourism occupations.
- (e) Coordination with regional training strategies.

In addressing these identified short-term needs, it is recommended that GPNG:

1. Encourage key officials in government with tourism related responsibilities to participate in executive development and management seminars and institutes offered by TCSP or external institutions of higher education.
2. Develop a system of scholarships to send students for training.
3. Develop a curriculum agreement with institutions of higher education abroad which would allow students to fulfill basic requirements in PNG so that only upper division courses would need to be taken externally.
4. Encourage enrollment in concentrated certificate courses of one year duration rather than degree courses requiring several years abroad.
5. Develop mid-management and supervisory programs based on the use of expatriate or external expertise in the short and medium term.
6. Reassess the priority of establishing comprehensive hotel and training institutes at Lae and Madang and consider the establishment of a National Hotel and Tourism Training Institution as a long-term strategy.
7. Seek external assistance in meeting the short-term training priorities identified by the NTO with respect to skills training for tourism occupations.
8. Request the Tourism Council of the South Pacific (TCSP) to consider more specialized training programs designed to meet specific PNG needs.

### **Medium-Term Strategies**

Medium-term education and training strategies focus on the following identified needs:

- (a) Development of self-employment skills to support tourism.
- (b) Implementation of a tourism awareness program for residents
- (c) Improvement of working relationships with the private sector.

In addressing these medium-term needs, it is recommended that GPNG:

1. Consider implementation of small operator workshops as a high priority to encourage self-employment possibilities.
2. Consider the design and implementation of self-employment training programs related to tourism.
3. Implement a tourism awareness program to educate the public on the industry's role in PNG's social, economic, and cultural future.

4. Establish a national employment and training committee to assist in the formation of human resource planning for tourism.

### **Long-Term Strategies**

Long-term education and training strategies focus on the following identified needs:

- (a) Development of needs assessment and other employment data.
- (b) Development of a National Tourism Training Plan.

In addressing these identified long-term needs, it is recommended that GPNG:

1. Conduct an ongoing survey on employment and training needs of PNG's hotel sector.
2. Initiate a schedule for a phased development of a National Tourism Training Plan.

### **Planning and Administration of Tourism Development**

The National Tourist Office (NTO), within the Department of Culture and Tourism is the lead agency for the administration of planning and tourism development. Private industry and provincial organizations also participate in tourism development, along with key national government departments such as NIDA, DLPP and DTI. Government support of tourism was increased significantly in 1987 when the NTO budget was increased. Marketing and promotion, product development and other functions which had been inactive for lack of budget were reactivated. In anticipation of a more supportive role of the new government, the NTO has proposed a nearly four-fold expansion of programs, staff, and budget. The magnitude of the proposed expansion is a concern, however, because of existing shortages of staff with requisite experience or training in tourism planning and development. In the 1989-1995 period, the NTO should consider a more gradual expansion of staff and programs, work to strengthen linkages with industry, provincial and other national government organizations which are involved in tourism, and consider having industry organizations and provincial governments take a more active role in such functions as marketing and promotion, product development and information dissemination. It is recommended that GPNG:

1. Gradually expand NTO staff programs and give priority to upgrading management and technical skills of staff.
2. Define linkages between NTO and industry, provincial and national government organizations which are involved in tourism development.
3. Consider a larger role of industry organizations and provincial governments in tourism marketing and promotion, product development, and other functions.

### **National Development Objectives**

A national tourism development master plan's goals and objectives should reflect the potential of the distinct regions to attract and accommodate international tourists and the level and quality of tourism activity desired in each region. In developing and implementing a master plan, provincial governments, other national government departments, and private industry organizations all will have important roles. It is recommended that GPNG:

1. Enact legislation and adopt corresponding regulations which define the respective roles of the tourism industry and provincial and national governments in the preparation and implementation of a national tourism development plan.