

## Beyond Tourism 2020 Strategy

### Response to the Steering Committee Report to Government

#### Introduction

The Canberra Region Tourism Leaders Forum is very happy to provide comments on the Steering Committee's Report to Government on the *Beyond Tourism 2020 Strategy*.

The Forum strongly supports the development of the *Beyond Tourism 2020 Strategy* to further the development and implementation of further coordinated initiatives to develop the Australian tourism industry and build on its strength and opportunities.

This submission begins with some background on the Forum, our role in the Canberra Region tourism industry, and then provides comment against the specific issues identified.

#### Background

The Canberra Region Tourism Leaders Forum (the Forum) is an Incorporated body advocating for the ACT tourism and associated industry sectors in the National Capital and wider region. The Forum's focus is on promoting the value of these sectors to the ACT visitor economy and acting as a think tank and policy generator.

The Forum comprises heads or representatives of the leading tourism, sports, arts, cultural, and educational sectors in the ACT, along with representation from the Destination Southern New South Wales tourism body.

#### Comment on specific issues

**Future trends:** *What do you see as the future trends which will shape and change the industry over the next ten years?*

- Note existing literature and reports on this point, including CSIRO reports on future trends impacting on the tourism industry (e.g., Hajkowicz et al., 2012, *Our Future World: Global megatrends that will change the way we live*. CSIRO publishers, Canberra)
- Increasing competitiveness – rise of new destinations in our region, or existing destinations offering similar products, will increase competition for Australian destinations

- But also, a growing demand for tourism product as prosperity grows in emerging nations emerge (such as the rise of Chinese middle class in recent years)
- Impact of foreign government policy initiatives, e.g., recent example of the Chinese Government and Australian coal
- Increasing recognition of the power of influencers and novelty, e.g., President Xi Jinping of China visiting Tasmania and starting a Chinese craze for lavender teddy bears
- Aviation capacity, long range aircraft development such as the Perth to London non-stop flights
- Increasing focus on 'green' tourism: destinations (and jurisdictions) able to demonstrate strong regulation, guidelines and performance in sustainability will have an additional selling point for future tourists. The ACT has an enviable position in establishing and maintaining strong policies, regulations and programs in environmental fields ranging from solid waste management to climate change
- Safety of the destination is a major consideration thus countries will be chosen that are considered low risk of crime and terrorist related incidents
- Capacity of destinations to cope with the demands of tourism and the current backlash of residents ('overtourism') in Venice, Croatia and Italy on the impact on the lifestyle and amenity of local residents
- Education tourism is a strong contributor to the tourism industry, but also to the wider Australian economy. Recent falls in international student numbers (particularly from China) are worrying and may presage long term issues with target markets. In response, we would suggest further reviews of this sector and its ability to compete effectively over the longer term
- Health and 'wellness' tourism are small but potentially significant growth sectors; further research on the potential for demand growth, and nature and quality of supply to meet this demand will assist development of the sectors
- Costs of security at international gateways and at major tourism drawcards are causing great concern. Destinations such as the Pyramids, Taj Mahal, Smithsonian Institutions, European cultural destinations having to provide a high level of security is a major cost factor and a growing issue
- Visas - the government current attitude to visas seems to be based on maximising revenue. Such an approach is not competitive internationally; countries such as Canada apply a cost recovery model, and NZ has adopted an approach (including waiving visa charges on occasion) to make targeting groups more competitive

**Regional dispersion:** *Given that growth in tourism beyond 2020 will mainly come from inbound visitors, particularly those from the Asian region, how can we achieve greater dispersal into our regions for longer periods of time? Should there be specific targets for international visitation to regional Australia?*

- Increasing regional dispersal may be the most important issue for the next Australian long-term tourism strategy. Good and growing inbound visitor numbers resulting from existing planning efforts now need to be channelled to regional and rural Australia to share the benefits

- States and territories are already planning and implementing plans to further develop tourist offerings. One approach is for greater leadership from the Federal Government to coordinate such plans, set target and measure progress
- Such efforts should be supported by increased strategic infrastructure spends (see below), including on improving capital city to regional city and beyond, transport links
- The Report (p 8) refers to 'collaborative tourism hot spots' and identifies a role for the Federal Government to 'ignite this collaboration'. This is an exciting new idea, capitalising on the ability of the Federal Government to provide leadership and coordination between states and territories, especially where destinations cross state / territory borders. The Canberra Region could provide the test-bed for a pilot project of such a new approach
- Additionally, greater focus on research to better understand inbound visitors, their interests and characteristics will assist planning
- The *2020 Tourism Industry Potential* document constituted a 'rallying call' to greater development of Australia's tourism potential. A new 'rallying call' to now share the benefits of the success in attracting inbound visitors through greater dispersal could provide the focus for a concerted effort.
- Again, taking a long-term perspective, as was done in *National Long-Term Tourism Strategy*, would provide the basis for setting out say 10 years goals, and developing means of achieving these
- To assist regional and rural areas realistically consider the potential for their areas, more research and sharing or this could assist cities, towns and councils assess and efficiently plan for possible future dispersal to them
- Airfares and airline capacity into regional areas is a major factor
- Airline code share and the ease of travel to regional areas needs to be encouraged
- Hire car industry needs reviewing to make it easier for visitors to drive to provincial destinations
- Road conditions and the dangers of outback travel for the unwary are major inhibitors at present to the industry

**Data:** *What role do you see data analytics and segmentation playing now and into the future?*

- Increased use of data analytics can assist the industry, government and other stakeholders better understand visitors and potential visitors, and lead to better informed decision-making
- Increasing awareness of what can be done and the limits of what can be done with data analytics could increase the value of data already collected
- There also needs to be qualifications on what and how such data is collected, as recent scandals around social media (especially Facebook) collecting and selling customers data show
- Segmentation can provide valuable insights into visitors, and could assist marketing, planning and providing facilities and services to promote regional dispersal

- Segmentation can also inform operators in greater detail about visitors and potential visitors. This can assist operators more closely meet visitors' expectations
- Inbound and outbound visitor data collection cut by Federal Governments budget needs to be reversed
- Tourism Research Australia's budget needs a boost to allow it to carry out essential data collection

**Technology:** *What technological advances do you think will shape the sector over the next ten years? What legislative and regulatory amendments are needed to better facilitate the adoption of new technology to meet the diverse needs of the future traveller?*

- Unforeseeable new technological developments may assist or disrupt the industry, so fostering resilience (see below) may assist the industry adapt to technological changes
- Unforeseen issues emerging with recently-implemented technology, e.g., Airbnb, Uber, especially those causing issues with existing tourism facility and service providers (such as hotels and taxis).
- But also, previously 'fun' technology, such as drones causing airport shut downs
- Changing community perceptions of some social media, e.g. Facebook
- Shifts in popularity of various social media platforms, e.g. shift from Facebook to Twitter / Instagram are unpredictable
- Challenging issues are arising around competing interest in using technology for safety and security (e.g., video cameras, body scanners) and privacy
- Development in aircraft capacity
- Innovations in airline travel such as Virgin's space craft and the speed of travel internationally
- Autonomous vehicles and its impact on internal travel
- Petrol prices, electric cars and innovation in the way visitors transport themselves in country
- Virtual Reality and Artificial Intelligence have unknown impacts at this stage on international travel

**Indigenous tourism:** *How can the industry and Australian and state governments better coordinate and support the development and continuation of Indigenous tourism businesses, experiences and offerings on a national basis?*

- Many attempts have been made in this area, with mixed results
- Learning and sharing the results on how successful operators have achieved could assist others plan for success
- Fostering organisations, such as WAITOC, that cooperatively work to encourage suitable development
- Are there opportunities to learn more from other First Peoples in say Canada?
- Federal Government oversight of investment in indigenous tourism needs a review. Reduce waste and improve monitoring of projects would be a start

**Infrastructure / seasonality:** *What kind of tourism infrastructure investment should be prioritised to encourage all-year-round visitation to Australian tourism icons affected by seasonality?*

- Infrastructure to provide comfortable access and ease of use is essential, and could include simple measures such as shade, water supplies, waste management, etc.
- Considering changing activities, or offering different experiences to match seasonal conditions will assist
- There also needs to be an acceptance of the limits to such initiatives, as structural changes including climate change will over time limit or eliminate some tourist activities at some locations
- Greater understanding of measures, such as the Tourist Climate Index, can assist operators better appreciate such situations
- Some visitors will also accept or even seek more extreme conditions for a 'unique' experience
- This may not be such a problem, in that visitors often accept seasonality, e.g., knowing Floriade in Canberra is a spring time event

**Employment:** *How can the tourism industry improve career perceptions and create career pathways to attract new workers into the industry?*

- This is a crucial issue for the industry at present, and of continuing importance as inbound numbers grow
- Past planning exercises (e.g., Tourism Employment Plans) have had limited success
- Greater awareness amongst industry workers of career pathways (and the creation and fostering of these) will assist
- One contentious issue in this area is the recent changes to penalty rates for workers in this (and other industries). We would recommend there be a cost / benefit review of the impacts on these changes, in the context of employment & training in the tourism & hospitality sectors
- Re-investing in VET will assist, as will fostering a sense of 'professionalism' in the industry and amongst the workforce
- Acceptance that many industry workers have different aspirations – short term/ make some money vs career, will also assist

**Australian expertise:** *Looking beyond tourism demand and supply, how can the next long-term strategy seek to leverage the export capability of Australian tourism businesses?*

- Many of the points made above are relevant here
- One sector able to increase national (and regional) leverage the export capability of Australian tourism businesses not so far receiving sufficient attention is business events. Not addressed in the existing strategy, business events are a significant element in current state and territory plans.
- Further, business events is identified by Austrade as a growth opportunity ([www.austrade.gov.au/international/invest/opportunities](http://www.austrade.gov.au/international/invest/opportunities)), creating a mismatch that should be addressed in the development of the new strategy

- Such a renewed focus on business events can also provide an opportunity for the Federal Government in the Strategy to provide leadership in championing this sector nationally, but also encouraging its development in state / territory and regional plans, e.g. ACT - [www.investcanberra.com/opportunities.aspx](http://www.investcanberra.com/opportunities.aspx).
- Additionally, further focus on industry / firm / staff resilience and adaptability (see below) will assist operators, sectors and the industry generally prepare more effectively to meet expected future challenges, such as climate change
- More investment is required by states and the federal government and the private sector in the promotion of the destination. Australia is often outspent by other more competitive destinations

**Aviation:** *What are the missing links in Australia's aviation network, including 'secondary' international hubs and domestic regional locations?*

- Stronger focus on fostering affordable regional flights
- More competition to stop the monopoly ownership of airports in Australia and the excessive costs to travellers and carriers of using these facilities

**Social licence:** *How do we better message the social and economic benefits of the tourism industry to the Australian community to ensure ongoing social licence to operate?*

- Need further work on means of linking tourism to community benefits, not simply profits for operators
- Need for Treasury in each state and federally to understand the benefits flowing from tourism
- One example of a sector bringing long term and ongoing benefits to communities is MICE sector. Conferences, exhibitions, meetings and incentive events provide important legacies delivering long-tail benefits to communities, both in terms of infrastructure and as a platform for our knowledge sectors and applications to our local communities. These demonstrate the value of business tourism beyond jobs, food and beverage sales and accommodation rooms associated with such events while underway
- Biggest threat to tourism budgets nationally is the cost of health and education in Australia. Tourism promotional budgets are continually squeezed due to competing priorities and political considerations

**Resilience:** *How can the Australian tourism industry ensure it is resilient to the impact of global shocks beyond 2020 (economic, political and environmental)?*

- Resilience - the ability to bounce back to a 'normal' operating condition after a 'shock' - is an essential element of any successful tourism industry operation
- Establishing this as a priority, and resourcing means to raise awareness, for planning and to implement such plans is essential
- Along with such efforts needs to be an awareness that there is a difference between crisis and structural change
- Australia, and the Australian tourism industry, has experienced and successfully recovered from many natural, social and economic shocks

- But such crises are (hopefully) only short-term events, and can be responded to with existing (or perhaps enhanced) versions of emergency services and arrangements to return to business-as-usual
- Structural changes, such as climate change, require a different response, in effect a change in the industry, or the way it operates in specific locations to adapt to such change
- This need not be very difficult, as the industry has adapted over time to such structural changes as cheap international airfares, growth of social media, disruptive innovations such as Uber and Airbnb (but see comments above about second-wave implications for existing operators such as hotels and the taxi industry)
- The investment of more substantial amounts of promotional dollars will see Australia compete more effectively with destinations across the globe outspending Australia's investment in this area
- Better coordination of state promotional budgets to avoid duplication, and combined efforts will assist maximize the marketing of the destination

**Title:** *What is the appropriate title for the strategy?*

- We believe it best to place a specific time horizon on the new strategy and suggest *Australia Tourism 2030*.

### **General comments**

- As noted above, the Forum strongly supports the development of the *Beyond Tourism 2020 Strategy* to further the development and implementation of further coordinated initiatives to develop the Australian tourism industry and build on its strength and opportunities
- We believe an effective consultation process with state / territory governments and tourism / events agencies, and industry, in the further development of the Strategy will result in stronger outcomes
- We also look forward to a strong focus on mechanisms to ensure the effective implementation of the final strategy, and performance indicators to measure progress in implementation

### **For further information**

The Forum would be happy to provide additional information, or to be involved in further industry consultation exercises in the development of the *Beyond Tourism 2020 Strategy*.

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