Shoalhaven City Council

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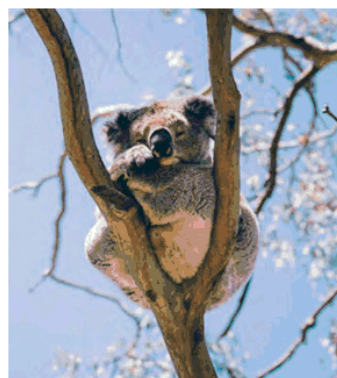
Shoalhaven Tourism Advisory Group

Meeting Date: Monday, 25 February, 2019
Location: Jervis Bay Rooms, City Administrative Centre, Bridge Road, Nowra

Attachments (Under Separate Cover)

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BEYOND TOURISM 2020 STEERING COMMITTEE
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BEYOND TOURISM 2020 STEERING COMMITTEE
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In February 2018, the Australian Government established the Beyond Tourism 2020 Steering Committee to report to Government on its vision for the future of the tourism industry. The Committee submitted its industry report to Government in December 2018.

STEERING COMMITTEE MEMBERS

KERRIE MATHER
Committee Chair,
Former CEO of Sydney Airport

TODD COATES
Former CEO,
BridgeClimb

KAREN BOLINGER
Melbourne
Convention Bureau

CINZIA BURNES
HelloWorld
Travel

HARVEY LISTER
AEG Ogden

ANDREW WILLIAMS
Dransfield Hotels
& Resorts

JOHN HART
Australian Chamber
– Tourism

CLARK KIRBY
Village Roadshow
Theme Parks

JOHN O'SULLIVAN
Tourism Australia

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The Committee calls for a strategy to increase visitor numbers, trip lengths and spend for all visitors, encourage regional dispersal and empower the tourism industry to thrive in our increasingly digital world. Industry and governments must collaborate to target emerging tourism markets, liberalise aviation supply, attract investment in infrastructure, promote tourism workforce pathways and maximise the capture and use of a range of data sources. Doing so will help the industry reach overnight visitor expenditure of between $181 – $250 billion by 2030.[1]

TOURISM: A MAJOR ECONOMIC DRIVER

The tourism industry and its ecosystem globally is a driver of economic growth contributing over 10 per cent to global GDP and accounting for 1 in 10 jobs on the planet. Tourism is a resilient industry despite geopolitical uncertainty and economic volatility. It is a highly contested market noting in particular the rise of destinations across the growing Asia-Pacific.

The visitor economy – consisting of leisure, education, business events, business travellers and those visiting friends and relatives – has a far reaching impact and supports trade, investment and long term bilateral engagement. Tourism alone generates $136 billion in consumption, provides jobs to one-in-twenty Australians, involves one-in-eight Australian businesses and is Australia's number one services export. It plays an important role in the economic development of regional Australia with 44 cents in every visitor dollar spent in regions. Every dollar spent on tourism generates 82 cents in other parts of the economy which is a higher multiplier than mining, agriculture and financial services.

TOURISM 2020: SUCCESS TO DATE

Tourism 2020 was the first time both supply and demand side issues were addressed in a coordinated approach to improve the tourism industry's competitiveness. The overarching goal of *Tourism 2020* was to achieve overnight visitor spend of between $115 billion and $140 billion annually, by 2020. *Tourism 2020* has contributed to unprecedented growth in visitation, increased yields, improved aviation connectivity and product quality, facilitated greater foreign direct investment in tourism assets, decreased market access barriers, and created more tourism jobs. In 2017-18, overnight visitor expenditure reached $110 billion. Current forecasts suggest nominal overnight tourism spend should reach approximately $131 billion by 2020.

SINCE THE BEGINNING OF THE STRATEGY IN 2009:

- Total overnight visitor spend[2] has increased 55 per cent (or $38.8 billion).
- 47,800 accommodation rooms[3] have been added to supply.
- International aviation capacity[4] has grown 60 per cent.
- Domestic aviation capacity[5] has grown 25 per cent.
- 58,400 additional employees have joined the tourism workforce.[6]

Global tourism arrivals of 1.3 billion generate US$1.6 trillion in export earnings.[7] While Australia is ranked 10th globally for tourism receipts, it captures 3 per cent of total global receipts and attracts under 1 per cent of international arrivals.[8] The changing expectations of visitors and heightened global competition for the visitor dollar mean Australia now needs to focus on what future elements are relevant in the context of its next long-term strategy.

[1]BDA Marketing, 2018, Demand side modelling to support the development of the 2030 tourism strategy
[2]Year ending June 2018
[3]As at June 2018
[4]Year ending June 2018
[5]Year ending June 2018
[6]As at June 2017
[7]UNWTO Tourism Highlights 2018
[8]UNWTO Barometer March/April 2018

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PROPELLING TOURISM BEYOND 2020

Moving towards 2030, governments and industry must take action to ensure Australia can maintain and grow its market share in an increasingly competitive global tourism market. The outlook for tourism remains encouraging, with low oil prices, new aircraft technology and more competitive air fares stimulating international travel. The Australian dollar has remained at decade low levels, which will continue to drive inbound tourism and also Australians to travel domestically.

In order to maximise the potential of the tourism industry to Australia's economy, the Committee recommends a stretching but achievable overnight expenditure target which will significantly grow the economy and jobs. Australia's tourism offering remains highly regarded and sought after but will need to leverage its strengths to retain its competitiveness in a sector growing worldwide. Australia's next strategy should be designed to be implemented in partnership between governments and industry. It needs to be a policy led from the front by industry. The strategy's success will be contingent on contributions from SMEs through to multinationals, and all sectors from accommodation and hospitality to experiences and business events. Importantly, a whole-of-government approach will be required for implementation given the importance of the tourism sector to jurisdictions and the economy.

CHALLENGES AND OPPORTUNITIES TO 2030

The tourism sector will face a variety of challenges – but also opportunities – in the next decade, some of which are outlined below:

Maintaining Australia's competitiveness
- As governments around the world recognise the importance of tourism's contribution to economic growth, poverty alleviation and job creation, maintaining Australia's market share will become increasingly challenging.

- In order for Australia to maintain and potentially grow its market share of international arrivals, it needs government and industry to collaborate and build capacity and capability.

- It is important to ensure international marketing activities are adequately funded to convert aspirational demand to actual visitation to Australia.

- We must continue with policy reform to streamline visa applications, expedite processing times, reduce cost and develop better visa products to make Australia an 'easier' place to visit.

- Tourism is a diverse sector consisting mainly of small and medium size businesses. It is important the tax system is simple, efficient and consistent across states and territories, and allows Australian tourism businesses to compete effectively in global markets.

- To remain competitive, it is imperative the cost burden on the travel sector from increases to tourism specific taxes, for example – new aviation security initiatives, the Passenger Movement Charge and visa application charges – are appropriate and not merely applied as a revenue source.

Sharing economy
- The global explosion of sharing economy platforms (such as Airbnb and Uber) cannot be ignored. Such business models are expected to further expand and innovate as they gain widespread acceptance. It is important for the tourism industry to plan for and participate in this evolution.

- The sharing economy will assist to supplement accommodation supply to meet some of the expected future growth in demand.

Technology
- Advances in technology will provide opportunities for tourism businesses to improve productivity and efficiency and enhance consumer experiences throughout the purchase journey by enabling greater customisation of marketing and service delivery. The tourism industry must be equipped with appropriately skilled ICT and social media marketing prodigies, while developing the systems required to deliver visa processing and passenger facilitation environments expected of the modern traveller.

- Real time access, the development of artificial intelligence and virtual/augmented reality, data personalisation and privacy are necessities today and will require continuous development to enhance the tourism experience. Online connectivity is crucial – destinations, wherever they are located across the country, will need to ensure their network is fast and easily accessible.

Ultra long haul travel
- Advances in technology have enabled lighter and more fuel efficient aircraft which enable greater flying ranges. As airlines take delivery of long range aircraft such as Airbus 350-900ULR and Boeing 787-900, more cities located in Europe, Latin and North America become viable non-stop routes to Australia. The passenger flying experience will be enhanced with less hassle, stress and reliance on transiting busy hubs in Asia or the Middle East.

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Emerging markets

- With China and India predicted to add an estimated 1.2 billion to their middle class populations by 2030, travel from China and India will continue to dominate global travel growth in the next decade. Given Australia is high on the aspirational 'destination to visit' list, it is well placed to benefit from this burgeoning consumer class.

- While Australia works to ensure the destination remains competitive to maximise the opportunity from China, attention and efforts need to be geared to other emerging markets such as India, South-East Asia and South America.

Popularity of online education

- This trend may mean there is a decline in international students (many of which are currently captured in tourism figures) visiting Australia. This will likely have flow on effects on the number of international visitors travelling to Australia to visit friends and families.

- There is an opportunity to enhance development of destination experiences to ensure Australia remains competitive as an education destination relative to online education.

Social licence

- With growing global tourism comes the potential for issues relating to local community acceptance of crowds and over-use of resources at popular tourist destinations around the world. A yield diversification strategy focussed on enticing visitors to stay longer may alleviate some of these social licence issues in addition to the development of a communication strategy to convey the benefits of tourism and the visitor economy.

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PROPOSED EXPENDITURE TARGETS AND SUPPLY REQUIREMENTS

The Committee believes an ambitious approach to forecast growth should be taken with the following overnight visitor expenditure target range. Modelling by BDA Marketing found that without intervention, international visitation is likely to increase from 8.8 million trips in 2017 to 13.7 million trips by 2030 and domestic visitation is likely to increase from 97.2 million in 2017 to 111.7 million trips by 2030.[9] If Australian tourism was to improve its performance and grow at a faster rate using targeted industry and government interventions, international visitation is forecast to increase to between 15.3 and 21.2 million trips by 2030. Over the same period, domestic visitation is forecast to increase to between 124.5 and 172.2 million trips by 2030.

- By 2025, achieve $152-$195 billion in overnight visitor expenditure[10]

- By 2030, achieve $181-250 billion in overnight visitor expenditure ($89.1-$123.3 in international expenditure and $91.6-$126.7 in domestic expenditure)[11]

- **Accommodation:** In achieving the 2030 expenditure goals, average annual growth of 3.7 – 6.3 per cent in traditional hotel stock will be required nationally by 2030 if the current occupancy rates are maintained. This represents an increase of 162,000 to 329,000 rooms over the period to 2030 (on top of 272,644 rooms existing in 2017). The sharing economy will meet some of the forecast demand, however a long term shortage of accommodation supply in Sydney must be addressed if growth targets are to be met.

- **Aviation:** To achieve the 2030 expenditure goals, an additional 19 to 27 million operated international seats (up from 28 million in 2017) and 23 to 55 million domestic seats (up from 62 million in 2017) will be required. There is a need to ensure bilateral aviation access rights have residual capacity for airlines to quickly respond to changing consumer demand, focusing urgently on Hong Kong, Qatar, the Philippines, Malaysia, Indonesia and Fiji.

- **Jobs:** To achieve the 2030 expenditure goals, the tourism industry will require an additional 123,000 – 400,000 workers, assuming zero productivity gains. The industry currently employs 598,100 people, representing 4.9 per cent of all Australian workers. The tourism industry records higher job vacancies compared to the average vacancy rate across all Australian industries. This is driven by the regional nature of the sector's employment, as well as existing skills mismatch.

Source: Deloitte, 2018, Supply side requirements to support the development of the 2030 tourism strategy

What does achieving the tourism 2030 goals mean for the Australian economy?
The economic impact of the lower demand scenario to the wider Australian economy is projected to be an additional $6.2 billion (in nominal GDP) in 2030 compared to the baseline demand scenario. Under the upper demand scenario, the economy is projected to be $29.6 billion larger in 2030 compared to the baseline.

Achievement of the targets requires a review of a number of areas of policy that facilitate growth, and investment in areas that will generate substantial incremental revenues to the economy and job creation.

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STRATEGIC PILLARS TO DRIVE GROWTH

Recognising the significance, value and wide-ranging reach of the tourism industry, and noting the levers impacting it sit across multiple government portfolios, the Committee recommends the Government prioritise coordination between departments and Cabinet Ministers to drive, report on and measure the actions in the next strategy. This coordination could be facilitated through a Standing Senior Executive Committee on Tourism, co-Chaired by Austrade and Tourism Australia and involving senior officials of relevant departments and agencies of the Australian Government. At a minimum, the Committee believes Australia should always have a Tourism Minister in Cabinet. With tourism one of Australia's major services export sectors, global competition fierce, and a strong international focus and understanding critical to grow visitor numbers, the Foreign Affairs and Trade portfolio is best placed to navigate and grow international markets and avoid domestic intra portfolio conflicts.

This report recognises the exciting opportunities which exist to grow tourism, trade and the visitor economy in all capital cities and regional centres. The current reality is that Sydney is Australia's primary gateway for international visitors and this is unlikely to change over the medium term. Many airlines and cruises require access to Sydney Airport and cruise infrastructure, as a vital pre-requisite to serving Australia. As such, this report acknowledges the ongoing significance of Sydney's international visitor gateway status and the flow on benefits it will continue to bring for tourism across Australia. If constraints are appropriately managed, the national gateway can facilitate growth of Australia's tourism industry at large. The development of Western Sydney Airport will be a game changer in the latter half of the term of the next strategy. This does not minimise the importance of direct connections to other capital and regional cities, including future hubs. Continuing to work toward increasing those direct connections will be central to enabling greater regional dispersal. The Committee calls for appropriate policy settings for the Kingsford Smith airport and hotel planning, zoning and associated development approval processes to be urgently reviewed. There are two basic product strategy positions for the tourism industry – that is, volume and yield. Both strategy positions are valid and should be applied appropriately based on the local context. The next tourism strategy should not discriminate by ensuring growing visitor movements in and around Australia are matched with appropriately tailored supply offerings to meet visitors' specific needs and expectations.

The Committee has identified the following six strategic pillars required to drive growth in tourism to 2030.

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1. Drive demand

This report's long-term tourism visitor expenditure forecast target of $181-250 billion represents very aspirational growth of over 130 per cent from 2017. The global economic outlook and environment facing Australia is much more positive compared to a decade ago when the global financial crisis shocked many parts of key advanced economies. World growth strengthened in 2017 to 3.8 per cent, driven by investment recovery in advanced economies, continued strong growth in Asia and a notable upswing in emerging Europe.[12] Asia and other emerging regions will continue to be the growth engines of the global economy, and many of these markets are at Australia's doorstep. Next generation aircraft now enable Australia to be served non-stop from long haul cities in Europe and North America, which opens new growth markets and traveller segments. Business events, major sporting events, and international education have important roles in generating whole-of-lifecycle visitor demand to enable Australia to fully capitalise on the economic potential of the visitor economy. Together, these sectors will elevate Australia's global profile to attract greater tourism demand and investment interest. Major events also leverage significant investment being made in convention venues and stadia across the country. Given the intense global competition for the tourism dollar, it is more important than ever for Australia to maintain and improve its competitiveness to ensure the destination remains front of mind for the international traveller. Targeted marketing to potential visitors will be enabled by improvements in the capture and analysis of big data. Indigenous tourism is one of Australia's unique features and should continue to be promoted. Driving sustainable tourist volumes and encouraging visitor dispersal to regional centres will be a fundamental focus to deliver growth and yield. Greater alignment between government and industry to build capabilities and invest towards a common goal will be central to position Australia for the future.

2. Invest in aggregated and segmented data analytics capability

Accurate and timely data and research are important tools for measuring the performance of tourism and its contribution to the Australian economy, monitoring tourism trends and informing decision-making by governments and industry. The National Visitor Survey (NVS) and International Visitor Survey (IVS) are two key national research sources that

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[9 10 11] BDA Marketing, 2018, Demand side modelling to support the development of the 2030 tourism strategy
[12] World Economic Outlook, April 2018, International Monetary Fund

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provide key insights to the sector including coverage of topics such as visitor expenditure (to measure tourism's value to the economy), regional tourism visitation data including expenditure and tourists' travel motivations and behaviours. Adequate investment in enhancement and innovation of the NVS and IVS is important to maintain the relevancy and high standards of data collection into the future. The big data landscape is growing rapidly and has significant potential to help both attract and service the visitor economy. This presents the ability to aggregate and segment a range of data sources such as financials; booking websites and mobile phone data. Analysing these vast data sources can assist tourism operators and marketing bodies to better target a specific segment of the market to convert aspiration to visitation. Improvements in granularity and timeliness can also help operators adapt their product offering to meet visitors' expectations. A rigorous set of measures from real time data can influence policy and targeting of appropriate source markets.

CASE STUDY: DATA INSIGHTS FROM MOBILE PHONES

Tourism Research Australia has formed a data partnership with Optus to use mobile phone tracking technology to both support traditional research and provide new insights for industry. The Optus data will allow for more granular level reporting, event measurement (such as the impact of the Commonwealth Games on the tourism sector) and analysis of travel paths. The Optus data will strengthen the accuracy of traditional research across Australia's vast tourism regions. The combination of these datasets will form a strong delivery tool for tourism ensuring the best possible results into the future.

CASE STUDY: QANTAS DIVERSIFIES PRODUCT OFFERING

In 2014-15 Qantas diversified its offering from being purely travel and transport to also offering data and analytics capability. This was done via the launch of its data marketing business, Red Planet, and acquisition of a controlling share in Taylor Fry, an analytics and actuarial consulting business. This has completely changed the way Qantas does its marketing, core business and route development. Qantas Loyalty CEO Lesley Grant said while "Qantas Frequent Flyer remains at our core, as part of our growth strategy we are pursuing opportunities to work in the emerging industry of 'big data' and data driven customer insights."[13] Qantas is harnessing over 30 years of knowledge and insights from its Qantas Frequent Flyer program.

3. Address capacity constraints

Beyond 2020, Australia's tourism sector requires further investment in hotels, supporting infrastructure and attractions and experiences to ensure the needs and expectations of visitors are met. Strong aviation connectivity, competitive visa products, and efficient passenger facilitation are also vital. To achieve the significant growth opportunity, investment by governments and the market will deliver substantial returns on investment and significant jobs growth.

Pre-departure

The cost of travel and ease of obtaining a visa are considered by potential travellers to be important factors when selecting a holiday destination. It is therefore important the visa system is improved and travellers to Australia do not face imposts that would result in the selection of a competitor destination due to price, complex visa processes and/or uncertainty around visa approval decisions. Ongoing improvements in the visa scheme and processes are essential.

Getting here

As a long-haul, end-of-line destination, Australia relies on aviation connectivity between Australia and key visitor markets and aviation hubs to facilitate international tourism. Bilateral aviation access rights should be opened up ahead of demand, allowing residual capacity for airlines to quickly respond to changing consumer demand. Enhancements to border facilitation processing on entry and exit should continue to be made, enabling Australia to strengthen security and improve the visitor experience. Given Australia's vast distances, competitive and reliable domestic aviation links are also essential to enable visitors to explore both regional and metropolitan destinations. Increased air travel will place a growing burden on existing aviation infrastructure both in major cities and regional Australia. While the development of the new Western Sydney Airport is expected to alleviate future capacity constraints in the Sydney region, it is towards the back-end of the forecast period and therefore timely to consider the impacts of growing capacity pressures at Sydney Airport. Population growth and

[13]Source: https://www.qantasnewsroom.com.au/media-releases/qantas-loyalty-builds-analytics-capability-through-taylor-fry-acquisition/

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rising urbanisation and associated commuter traffic puts pressure on transport nodes servicing airports and visitor gateways. Ensuring airports are supported by connecting surface transport is vital to supporting visitor growth. Airports largely reliant on road transport to connect to city centres may face significant congestion issues. Offering efficient and affordable public transport options at airports, including road and rail transport connections, enhance choice for travellers and ease pressure on existing modes of transport.

Staying overnight

By 2030, 47 per cent of the increase in total commercial accommodation needed across the eight capital cities, Cairns and the Gold Coast will be required in Sydney and Melbourne.[14] Given the significance of Sydney as a gateway and major international drawcard, this has wider implications for Australian tourism. The pipeline of hotel developments currently planned or underway in Sydney represents only one-third of the supply that will be required to absorb forecast demand growth out to 2030. This means the residual will need to be accommodated by future market response, that is, new lodging to be developed which is not currently planned. Given the historical failure of the market to achieve sufficient supply growth in Sydney to meet demand, some form of intervention in the planning process will be required to facilitate additional hotel development. Without this, it is likely that the supply shortage will persist or worsen and this will constrain demand growth in Sydney and across Australia more broadly. While there are opportunities to streamline the development approval process, current barriers to hotel development in Sydney are primarily economic – given the relative scarcity and high cost of sites in Sydney, hotel development is often not the highest and best use of a site and commercial or residential development can often achieve higher returns. Accordingly, planning concessions to encourage more hotel development should be considered across Australia, but particularly in Sydney and Melbourne. This may include spot zoning of sites for hotels, more favourable gross floor area (GFA) or height limits and streamlining the development approval process to fast-track hotel projects.

Being served

Developing the local workforce is a longer term proposition and priority for the sector (detailed in Pillar 5 below). Additional labour is needed in the short term which has to be supplemented by foreign workers. Australia has a range of visas, with complex conditions applying to those with work rights. Ready access to skilled workers through the visa system will be imperative to serving this forecast growth in visitation. There is a need for simplicity of administration and requirements; flexibility to meet identified workforce needs; ability to recruit across a range of skilled and less skilled roles; and conditions suited to small business dominated seasonal industries. Tourism businesses require certainty and access to the pool of resources they need to thrive. This could be enabled by guaranteeing key tourism occupations remain eligible for skilled migration and there are appropriate pathways to permanent residency for temporary skilled workers. The seasonality of the tourism industry means the working holiday maker visa will remain critical in helping businesses service demand during peak seasons.

Exploring the country

The cruise industry plays an important role in showcasing Australia's coastal and aquatic attractions to visitors, and delivers economic benefits to both major coastal cities and regional communities. Cruising is one of the fastest growing sectors in the tourism industry and cruise infrastructure must keep up with this growth and the modern vessels. Sydney is Australia's busiest and highest yielding cruise port, however, further growth is compromised by enduring infrastructure constraints, with limited berthing facilities capable of accommodating vessels too large to pass under the Harbour Bridge. As many cruise companies see serving Sydney as a commercial pre-requisite to scheduling a broader Australian itinerary, alternative berthing sites in Sydney to accommodate next generation mega cruise liners must be explored.

With visitation to regional Australia on an upward trajectory and Australia's proximity to Asia's thriving middle class seeking unique and authentic travel experiences, Australia is well placed to further capitalise on regional tourism opportunities beyond 2020. Despite significant increases in visitor numbers in regional Australia over the last decade, many visits are confined to day trips. Improving transport options, improving other supporting infrastructure and expanding the quantum of attractions and experiences (particularly Indigenous), refreshing tired product, utilising new digital technologies and more joined-up regional planning will have positive impacts on the overall resilience, performance and productivity of Australia's regions. Regional Australia requires partnerships across all levels of government and industry. There is scope for collaborative tourism hot spots to be identified to ignite this collaboration. The pilot regions nominated in each state and territory as part of the Regional Tourism Infrastructure Investment Attraction Strategy should be leveraged for not only investment attraction but product development, labour and skills and supporting infrastructure. This could also be a template for development elsewhere.

[14]Deloitte, 2018, Supply side requirements to support the development of the 2030 tourism strategy

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4. Harness technology to enhance visitor experience

Technology will continue to play an important role in building an accessible and productive tourism industry. Over the past decade, advances in technology have fundamentally changed the traveller experience, with tourism operators and government adopting innovative solutions to simplify and improve the travel experience and tourism product for visitors. As travellers increasingly seek customised travel information and real-time digital interactions, technology advances will continue to transform the visitor experience beyond 2020. In this environment, tourism operators will be expected to deliver uniquely tailored travel options for customers across multiple digital platforms and harness a range of new technology.

Applying for a visa and then efficient, safe and modern facilitation of passengers through Australia's border is paramount to shaping first impressions of Australia. The continued implementation of cutting edge technologies at international ports will ensure Australia's passenger facilitation processes balance efficiency with security and position Australia as a safe and welcoming destination.

Given the tourism industry is made up of a number of different sectors at the forefront of technology solutions (e.g. transport, travel and accommodation), Australia's tourism industry has an important early agitator/adopter role to play in ensuring governments provide the right environment for these technologies to be fully exploited. Beyond 2020, Australian tourism operators must ensure they are prepared for rapid change. Social media has provided a low-cost marketing platform for smaller operators and facilitated new market entrants. Further disruption from outside the sector is inevitable.

To remain internationally competitive, the tourism industry will need to optimise the use of new digital platforms and technologies as they emerge, ensuring tourism products and services are available in formats that meet the ever changing needs of the domestic and global consumer. This includes providing access to digital booking/purchasing platforms, flexible payment options, new forms of transportation and virtual experiences.

CASE STUDY: DIGITAL INNOVATION AND PERSONALISATION AT HEATHROW AIRPORT

To create personal experiences for 78 million travellers, Heathrow Airport engages customers with relevant, targeted offers that increase revenue. New digital initiatives bring more interactivity to apps, from "Blue Dot" wayfinding that guides passengers directly to their gates, to augmented reality (AR) that lets children enjoy interactive games and take pictures with cartoon characters while waiting for flights to board. With geolocation targeting, Heathrow can push relevant offers, such as duty-free or other promotions, to travellers as they pass the shops. Using iBeacons spread throughout the airport, contextual notifications based on location are sent to travellers' Bluetooth enabled smartphones.[15]

5. Establish a suitably skilled and available workforce that aligns with Australia's world-class positioning

The Australian labour market is highly competitive, with many tourism businesses facing challenges in attracting and retaining quality staff, particularly in regional and remote areas. Tourism occupations can be negatively associated with poor conditions, long hours and low remuneration. Employment in tourism is often viewed as a short term solution for the youth market and an activity undertaken during holidays ahead of commencing a longer term or "actual" career. These issues are compounded in regional areas and, in some cases, result in tourism businesses needing to fill labour shortages with temporary foreign labour.

On top of this, in part due to the relatively high cost of wages, Australia is a high cost destination for international visitors. Australia must ensure our service standards meet expectations

associated with this higher price positioning. Elevating the profile of tourism careers will help to increase service standards.

Industry and education and training institutions must collaborate in a regular and systematic manner to facilitate high quality outcomes for Australia's tourism service economy. Due to changes in financing, vocational education and training (VET) courses are now less competitive against higher education courses and there is an observable shift away from VET. This has reduced the number of students receiving practical, on the job training that is provided through vocational education. This may result in greater shortages in skilled occupations, such as chefs, as school leavers pursue a university degree rather than enrol in apprenticeships. Reflecting this shift, it is now critical for more of a direct link to be established at a local level between individual tourism businesses and industry associations and

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[15]Source: https://www.adobe.com/content/dam/acom/en/customer-success/pdfs/london-heathrow-airport-case-study.pdf

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tertiary education providers. This will help ensure programs are appropriately targeted to workforce needs and students graduating from tourism qualifications are job-ready.

Increasing automation may reduce the demand for low skilled workers and impact labour supply. As the uptake of technology increases, emphasising the opportunities of a tourism career and associated training pathways will be paramount.

Many tourism businesses do not have the capacity or resources required to access government programs and address labour challenges. Service providers (training and employment) have an important role to play in connecting tourism businesses with local schools and education and training providers. This facilitation could enable school career counsellors to learn about the benefits and opportunities for students in tourism and hospitality. Local ambassadors working in tourism and hospitality could be used to change perceptions about opportunities and career paths that exist in the sector.

Given the tourism industry's prominence in regional Australia, it can be a key driver of employment in these regions, including for Indigenous Australians. When regional tourism businesses are unable to source local labour, there must be better regional visas available for them to meet these needs. The forecast growth in the sector and range of positions available means young Australians have a range of possible pathways in the sector. State and territory governments have an important role to play in providing funding for training for priority occupations and should continue to prioritise tourism and hospitality qualifications.

6. Build a sustainable tourism industry

Travel and tourism are an overwhelmingly positive vehicle for job creation and economic activity. However, like many other industries, with success comes a responsibility for the sector to grow in a sustainable manner, ensuring tourism continues to be positively perceived by local communities and does not negatively impact the natural environment, social fabric, culture and supporting infrastructure around which it occurs. While this has been successfully balanced to date, as global visitor numbers increase, some of the most popular international tourist destinations are facing significant economic, social, and environmental challenges in managing conflicting community and visitor pressures.

Maintaining a 'social licence' (i.e. a community's permission for an industry to operate in the community in which it exists) to operate will be important to the long-term success of the

industry. Australia needs to ensure greater visitor volumes do not unduly create carrying capacity issues within regions. In regional Australia, collaboration between industry and government will be necessary to ensure local facilities, such as rest stops and parking bays, are readily available and do not become overburdened.

Tourism fosters much broader economic opportunities than visitor spend alone. There is a well established relationship between travel and trade. Research shows Chinese visitors are 40 per cent more likely to buy Australian products and services after returning home, and 50 per cent say they probably or will definitely pursue deeper economic engagement with Australia through business engagement and international education.[16] Business travel also helps support international relations between trading partners and within companies. Australian expertise in developing tourism destinations has been established over many decades with many Australian companies exporting services and products across the tourism supply chain. With a strong emphasis on nature based tourism, Australia excels in eco, sustainable, cultural and conservation oriented tourism with tourism planning and some of tourism product and training rated as the best in the world. Ten of the top 50 universities in the academic ranking for world universities for tourism and hospitality are Australian and our vocational qualifications and training systems in tourism and hospitality are also highly regarded with several providers operating offshore. This makes Australian expertise for tourism consultants, products, professional services and training highly valued.

The Committee encourages government and industry to consider how to export Australian tourism capability and internationalise Australian businesses. Stronger domestic firms that are global in outlook and more competitive can lead to a more sophisticated, high quality, innovative local product. Encouraging export ready businesses to actively seek opportunities in global markets has not been part of any previous tourism strategy. It is a practical evolution of Australia's tourism strategy to venture beyond traditional demand and supply factors and reflect an ambitious world-first approach to give Australian firms first mover status.

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[16] LEK Consulting, 2016, Enter the dragon: How the China tourism boom is transforming Australia.

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RISKS AND OPPORTUNITIES

In implementation of Australia's next tourism strategy, there will be a need to monitor emerging risks particularly in the following areas: financial, environmental and disease-related shocks and geopolitical shifts. The tourism industry is limited in the extent to which it can control or influence the majority of these issues, however it must be prepared to respond and adapt to changes in its operating environment that may arise from these emerging risks. Changes to the geopolitical environment will require ongoing additional collaboration among various government agencies, international organisations and travellers. This will inevitably impact ease of travel, during a period where consumers are expecting greater efficiency and have a lower tolerance for entry barriers and delays (e.g. visa wait time). On the other hand, new opportunities will also naturally emerge over the coming decade. While some of these are unforeseeable, it will be important to embrace them as they arise to facilitate continued growth of the tourism industry.

MEASURING SUCCESS

Australia is globally recognised for its world class national tourism surveys and analytical research programs, administered by Tourism Research Australia (TRA). These include the NVS and IVS as well as the annual State of the Industry report. In addition, from 2012, Tourism Australia, in conjunction with state and territory tourism organisations (STOs) has been undertaking the Consumer Demand Project (CDP), a major annual international tourism research project into how global consumers view Australia, and what most motivates them to visit. The CDP is a fundamental consumer research tool to provide key insights to inform marketing campaign activities, and drive more collaborative marketing opportunities.

Data collected from the surveys and research programs should continue to be used to generate insights to strengthen marketing and business decisions, measure the progress of the tourism strategy, and provide the evidence base underpinning tourism policy decisions. TRA is exploring the appropriateness of complementary data sources that could assist and supplement current survey methods to improve timeliness and provide greater visibility of tourism visitor characteristics, behaviour, activities, expenditure and perception. Such enhancements and innovation will ensure Australia's tourism data collection remains robust and valid to guide business thinking and development work beyond 2020.

IMPLEMENTATION TOWARDS 2030

The Committee recommends implementation take a stepped approach with key milestones at each stage

- Drive ongoing momentum (2021-2023)
- Transform and implement (2024-2027)
- Achieving the results (2028-2030)

The Committee has identified actions for implementation listed in the following table as suggestions to guide the next tourism strategy. These actions will require a combined effort from the tourism industry and governments. A number of the pillars require specific government intervention to ensure the goals can be achieved.

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BEYOND TOURISM 2020: PROPOSED STRATEGIC ACTIONS AND MEASURES OF SUCCESS

Goal	Action	Measure of success
1. DRIVE DEMAND		
Increase travellers' length of trip	• Target distribution strategies and marketing campaigns to encourage visitors to stay longer in Australia • Promote the opportunity to non-leisure visitors (e.g. education, business event or business traveller) to extend their stay and bring an accompanying traveller • Implement international marketing strategies to convert aspirational demand to visitation • Reflecting benefits to the budget of increasing international visitors, commit to no further increases or new tourism taxes being imposed on the sector • Review and reduce fixed price tourism charges between New Zealand and Australia given the relativity to fare level	• Increased share of international visitor spend outside Australian capital cities • Increased visitor spend per trip and per night • Growth in consumer association with Australia's key strengths in food and wine, aquatic and coastal and nature and wildlife • Increased length of international visitor trips
Continue to leverage growth from Asia and other high priority markets (both established and emerging)	• Continue to engage in robust consumer research (including any cultural requirements) to increase understanding of needs of the evolving consumer • Continue to develop programs to train industry to be, for instance, 'Asia ready' • Provide ongoing funding for programs that facilitate continued growth of the Chinese market such as the Approved Destination Status scheme • Conduct targeted marketing campaigns to grow market share • Maintain a balanced portfolio of markets that match Australia's competitive strengths and deliver the best results for the sector • Identify and build demand from emerging markets (e.g. India) to ensure opportunities are maximised and diversified across a range of geographic markets • Increase market engagement with priority markets	• Increased diversity in visitation growth • Increased visitor spend per trip and per night from priority markets • Increased global market share
Encourage dispersal outside capital cities	• Governments to work with airports to expand aviation growth into non capital airports • Greater coordination at all levels of government to better sell regional Australia to the world • Free up international airline access to key domestic destinations in Australia en-route to major ports • Provide opportunities to showcase regional products to international markets	• Increased share of visitor spend (per trip and per night) outside Australian capital cities
Improve coordination of one voice approach and to maximise the return on marketing investment	• Continue to enhance coordination of state and federal marketing programs and efforts to enhance Australia's brand and ensure coordinated messaging • Ensure product supply and development is aligned with coordinated marketing campaigns	• Increased global market share • IEnhanced brand positioning of Australia in the minds of international consumers
Encourage the growth of domestic travel	• Tourism Australia to work with the states and territories to encourage Australians to holiday at home where appropriate	• Increased share of domestic household consumption (real dollars per capita) spent on tourism • Increased domestic overnight trip length and spend

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BEYOND TOURISM 2020: PROPOSED STRATEGIC ACTIONS AND MEASURES OF SUCCESS

Goal	Action	Measure of success
Maximise visitation and expenditure from non-leisure visitors (e.g. business events and international education)	• Build Australia's profile as a leading business events and international education destination • Promote business events and education as part of the trade, investment and knowledge capabilities of Australia • Increase conversion of new international business events to Australia by providing financial support to destinations in the bidding process. • Incorporate business events into government policy settings with associated government investment and support • Boost delegate attendance at business events confirmed for Australia	• Increased global market share • Increased visitor spend per trip and per night
Leverage export sectors other than tourism	• Better leverage other export sectors, such as the wine industry, agricultural exports (agritourism) and international sports, etc. • Leverage opportunities from the international education sector in growing the VFR market to build a pool of future business 'alumni' to connect and revisit, set up business ventures and/or invest in Australia	• Increased repeat visitation and trade
Develop experiences and attractions (including indigenous, metropolitan and regional)	• Evaluate the scope and diversity of existing and potential tourism products and experiences to identify possible product gaps or lack of variation that could limit trip length • Create diversity amongst tourism product and experience offerings that reflect the needs of the visitor economy • Create tourism products that will extend the tourist season, including integrated resort projects	• Australia's net promotor score improved amongst international and domestic tourists • Increased number of experiences and attractions developed • Growth in satisfaction ratings of Australia's tourism offerings
Create unique Indigenous tourism for promotion	• Identify new Indigenous tourism products and assist them to become market ready and accessible in real time for the domestic and international consumer • Create a funding program that supports more creative approaches to delivering Indigenous tourism experiences, including contemporary dimensions to Aboriginal content • Continue to provide marketing and distribution opportunities for Indigenous products that are ready for the domestic and international markets	• Increased numbers of visitors participating in Indigenous experiences/culture

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BEYOND TOURISM 2020: PROPOSED STRATEGIC ACTIONS AND MEASURES OF SUCCESS

Goal	Action	Measure of success
2.INVEST IN AGGREGATED AND SEGMENTED DATA ANALYTICS CAPABILITY		
Enhance data capture methods by using big data op-portunities	• Supplement the IVS/NVS data set with big data and geospatial methods that can be linked and cross-tabulated (eg financial, accommodation, social and telecommunications intelligence)	• Improved range of data offerings
Expand visitor data sets and improve access to tourism data	• Enable the provision of responsive research insights to industry • Conduct regular research into the value of the business events sector and improve measurement of all aspects of the visitor economy • Develop a central repository of curated data sets for shared use by industry and government, including trend analysis opportunities with broader data sets	• Establish central, responsive data and research for shared use by industry and government
Better profile visitor interests to personalise Australian itineraries	• Establish a data mining platform and associated technology to provide meaningful insights to better understand consumers' travel decision making processes and behaviours during visits • Better understanding of consumer needs (individual or group) will inform specific itinerary, events and/or location marketing to first time and repeat visitors	• Increased visitor spend per trip and per night • Increased domestic and international visitation • More targeted visitor marketing, greater travel conversion and higher visitor satisfaction levels
3. ADDRESS CAPACITY CONSTRAINTS		
Entice investment in accommodation and food and beverage, tourist experiences and attractions	• Identify red tape and other regulatory barriers impacting foreign investment in tourism infrastructure • Acknowledge and seek to address accommodation capacity constraints in Sydney and Melbourne through interventions in planning and approvals processes. Possible solutions may include spot zoning of selected sites for hotel use, providing planning concessions which favour hotel developments over alternative uses and streamlining the development approval process for hotel projects • Conduct investor familiarisations in key regions/locations • Assess/audit tourism product (experience) in future growth destinations to support case for development of new, and re-investment in existing tourism products, particularly in regional Australia • Support Indigenous product development • Support agritourism product development	• Increased number and value of new investment in the tourism sector • Number of accommodation rooms grow to required number by 2030
Advocate for policy settings to support further aviation growth	• Continue to actively negotiate bilateral aviation access rights (and where appropriate multilateral arrangements) to ensure commercial services can facilitate forecast visitor demand and open up new growth markets • Prioritise negotiations with key inbound markets, such as Hong Kong, Philippines, Malaysia, Qatar, Indonesia and Fiji • Review air services agreements for long haul markets (e.g. those in Europe now capable of being served directly by long range aircraft) and improve air space efficiencies • Prioritise airport safeguarding by ensuring developments do not encroach on the airport precinct	• Increased international air capacity into Australia

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BEYOND TOURISM 2020: PROPOSED STRATEGIC ACTIONS AND MEASURES OF SUCCESS

Goal	Action	Measure of success
Improve capacity restrictions in Sydney Airport's operating environment	• Improve efficiencies by addressing airport operating restrictions, particularly the hourly movement restrictions at Sydney Airport and the flow on implications across the national network	• Increased international air capacity into Australia • Greater flexibility around hourly movement caps, particularly during the morning peak and after adverse weather events
Improve gateway and regional access for cruise ships	• Investigate the sector's infrastructure needs, with an initial focus on additional berthing options in Sydney • Upgrade constrained passenger cruise ports around Australia • Ensure appropriate legislation and policy settings are in place to enable the flow of passenger vessels into and around Australia	• Increased suitable berthing availability/ options in key ports • IImproved market access for passenger vessels
Manage transport links and supporting infrastructure	• Improve connections (road, rail etc) from major gateway ports (airports and cruise terminals) to the cities, prioritising the affordability of public transport options for visitors. • Develop and implement tourism congestion management plans and invest in infrastructure development to ease congestion in the long run • Support development of coach terminal infrastructure in regional areas to assist regional dispersal • Conduct an audit of business events infrastructure to map the future needs of the business events industry	• Enhanced visitor experience • Reduction in congestions levels at key tourism bottlenecks • Greater regional dispersal
Improve competitiveness of Australia's visa products	• Emphasise the economic importance of the tourism industry in the transformation of Australia's visa system • Consider impacts of visa complexity and costs on traveller decision-making • Invest to improve visa processing system to cope with growing demand (e.g. native language online visa completion, automated processing for repeat travellers and travellers from low risk markets) • Develop an international benchmarking tool for visitor visa policy to measure Australia's competitiveness in various areas such as cost, processing time, visa product types etc.	• Increased number of visas approved in target markets • Decreased processing times • Improved cost competitiveness of visitor visa products internationally
Build the pipeline of foreign workers by better utilising the permanent and temporary migration programs	• Continue to advocate for skilled and working holiday maker visas to help fill workforce gaps unfilled by local workers, especially in regional Australia • Facilitate greater access to the WHM visa and encourage WHMs to travel to regional Australia • Promote business certainty by facilitating greater pathways to permanent residency for skilled migrants	• Adequate supply of suitably qualified labour to cope with forecast increases in demand • Majority of WHMs are filling genuine skills shortages

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BEYOND TOURISM 2020: PROPOSED STRATEGIC ACTIONS AND MEASURES OF SUCCESS

Goal	Action	Measure of success
4. HARNESS TECHNOLOGY TO ENHANCE VISITOR EXPERIENCE		
Educate industry on technology opportunities	• Measure the adoption of digital technology across the tourism industry, compare to relevant global benchmarks, and develop initiatives to close gap • Actively inform tourism industry of digital development programs delivered by the Australian Government and tourism industry bodies to increase participation from tourism businesses	• Increased levels of industry's use of technology
Invest in technology solutions	• Improve availability of high-speed internet • Encourage Australia's tourism regions to keep pace with technological advance-ments	• Enhanced competitiveness and visitor experience • Improved mobile coverage
Expand capacity of entry/exit facilitation and enhance customer journey	• Work with Australian airports and border and quarantine agencies to improve the arrival and departure experience for international visitors, developing measures to track visitor entry/exit satisfaction by stage • Increase availability of SmartGates and use of biometric technology to accelerate entry and exit processes • Further develop fast-track lanes for premium customers • Use a technology solution to offer GST refunds consistent with international competitors	• Increased visitor satisfaction levels at airports • Reduction in passenger processing time at border control
5. ESTABLISH A SUITABLY SKILLED AND AVAILABLE WORKFORCE THAT ALIGNS WITH AUSTRALIA'S WORLD-CLASS POSITIONING		
Leverage the Tourism and Hospitality Labour and Skills Roundtable to achieve the strategy's goals	• Industry and governments to continue collaborating on techniques to address tourism workforce issues • Australian Government to provide leadership and coordinate state and territory labour and skills initiatives	• New labour and skills initiatives are shared and utilised accordingly
Promote tourism and hospitality industry career pathways	• Ensure there is a career pipeline to encourage Australian school leavers to train up in the industry • Increase funding and encourage uptake of training and employment programs such as the Youth Jobs PaTH program • Promote Australian Government initiatives such as the VET Information Strategy: real skills for real careers and the National Careers Education Strategy. • Provide pre-employment programs and training to help the tourism industry grow its Indigenous workforce • Establish employment conditions matching the needs of employees and employers in the industry	• Greater stability/longevity in the tourism workforce • Increased levels of Indigenous employment in tourism
Enhance higher education and vocational education and training outcomes	• Tourism industry to collaborate with training institutions to ensure graduates have the required skills • Encourage government-funded training programs to prioritise the tourism sector, such as the Skilling Australians Fund Support training to improve service standards to match Australia's premium positioning	• Increased visitor service satis-faction levels

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BEYOND TOURISM 2020: PROPOSED STRATEGIC ACTIONS AND MEASURES OF SUCCESS

Goal	Action	Measure of success
Build the tourism workforce in regional areas	• Develop tourism career marketing campaigns to raise the profile of working in regional areas • Develop incentives to encourage workers to move to regional areas • Assist workers no longer employed in other industries in regional areas transition to tourism • Support the development of employer cooperatives to attract, train and share a quality workforce program	• Increased retraining opportunities, jobs filled and lower unemployment in regional areas
6. BUILD A SUSTAINABLE TOURISM INDUSTRY		
Improve business sustainability and productivity	• Encourage business innovation (e.g. start-ups) in the tourism sector to drive operational efficiency, jobs growth and longevity • Provide access to finance for small tourism operators to grow international business • Promote successful tourism business stories (both Australian and global) within the sector and beyond • Benchmark Australia's tourism industry productivity with global benchmarks • Ensure a priority for tourism businesses in programs to enhance industry capacity and capability, particularly in online and digital	• Increased average GVA per international visitor in real terms • Increased average GVA per night for domestic visitors in real terms.
Maintain tourism's social licence in Australia	• Actively advocate the importance and benefits of a strong tourism sector to the future of Australia, particularly in the regions with a view to empowering local decision-makers and residents to embrace sustainable tourism development • Drive sustainable consumption of tourism products and services. • Track understanding and sentiment of tourism nationally and at impacted areas • Establish values for 'acceptable' satisfaction levels	• Increased satisfaction to 'acceptable' levels in impacted areas. • Maintained or increased social acceptance of tourism as an industry.
Uphold sustainability of our unique selling propositions (e.g. Great Barrier Reef, Indigenous, nature, aquatic and coastal)	• Regularly undertake impact assessment of Australia's key tourism attractions • Commit to growing Aboriginal owned and operated tourism businesses through the delivery of business development support and mentoring • Grow capacity for indigenous communities to further integrate indigenous stories into tourism activities generally, as well as to develop stronger signature indigenous experiences	• Maintain or grow visitor experience and satisfaction levels at key tourism locations • Increased number of Indigenous businesses operating in the tourism sector • Environmental impact of tourism is monitored
Collaborate across sectors to leverage Australian trade and investment expertise	• Promote business events and flow on commercial opportunities, innovation and education value • Conduct research into the opportunities related to 'Technical Tourism' to showcase Australian innovations • Leverage the film sector to promote Australia as a tourism, business events and international education destination • Recognise the agriculture sector (and others) as a tourism and export opportunity	• Increased Australia's global share of targeted business event segments • Increased number of tourism businesses exporting expertise

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