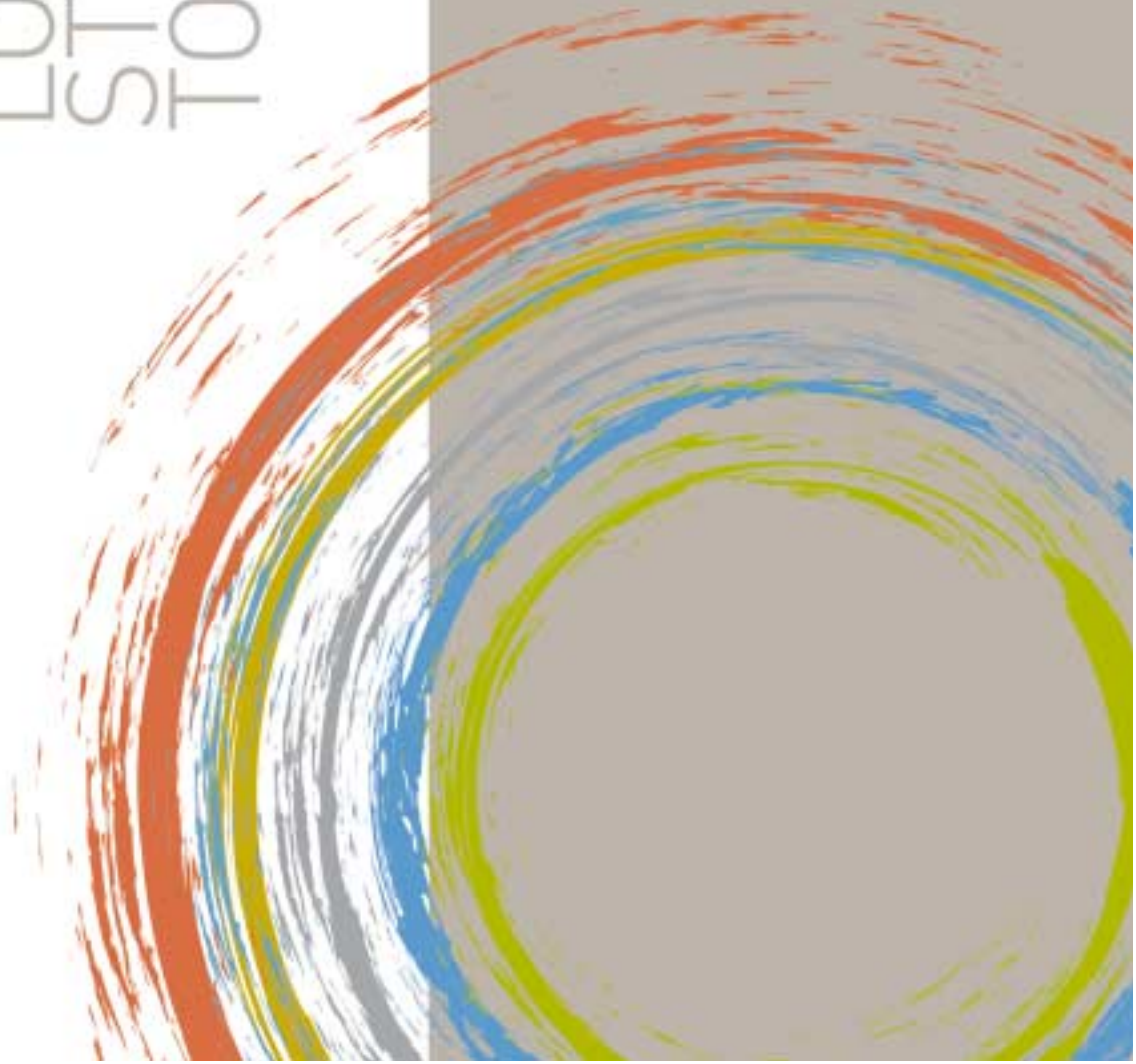




Australian Government

Tourism White Paper

A MEDIUM TO
LONG TERM
STRATEGY FOR
TOURISM



The background features a large, abstract graphic composed of concentric, hand-painted brushstrokes. The colors transition from a vibrant orange on the outer edge, through a bright yellow, to a light blue towards the center. The strokes are thick and textured, creating a sense of movement and depth. The overall composition is set against a light grey background.

THE **FUTURE** VIEW OF AUSTRALIAN TOURISM



PRIME MINISTER

CANBERRA



Foreword

The Australian Government's Tourism White Paper: *A Medium to Long Term Strategy for Tourism*, is a plan involving substantial new investment and restructuring, with the central aim of working closely with industry to further develop markets and extend our reputation as one of the world's great travel destinations.

Over the last quarter of a century the tourism industry has been remarkably successful in establishing and growing new markets, and in the process delivering a sophisticated and distinctive range of services that complement our magnificent natural attractions.

The vast majority of tourism businesses are small or medium in size, and together they make a tremendous contribution to our economy. The industry employs more than 550 000 Australians, and generates \$17 billion per year in export earnings. Importantly, tourism has brought significant benefits to regional Australia, with new economic opportunities and jobs that are vital to the future of hundreds of regional towns and districts across Australia.

The Government has been mindful that over recent years tourism businesses have endured the adverse impact of a series of international events, including terrorist attacks and more recently the occurrence of SARS, on their industry.

Despite the challenges, the industry remains one that is made up of self-reliant businessmen and women who are willing to work hard and have a go, very much reflecting the Australian way.

At the same time it is recognised that there is an important role for governments, and this document sets out the future priorities for the Australian Government. These include additional support for international marketing, contributing to domestic marketing, developing regional tourism and additional resources for research.

I wish to thank everyone from the tourism industry who contributed to the consultation process on the White Paper. The Government looks forward to working closely with the industry on the implementation of this plan. Working together to achieve future growth in the delivery of quality tourism services will provide very significant economic benefits for the nation.



Introduction from the Hon. Joe Hockey MP, Minister for Small Business and Tourism

This Tourism White Paper is the culmination of a process that has been characterised by an unprecedented level of industry and government partnership.

The Tourism White Paper represents input from our best tourism minds and outlines a series of key strategies to underpin the industry's drive to achieving its full potential.

The Australian Government decided from the outset to develop a Tourism White Paper that will serve as a workable blueprint for the future. Accordingly, the process has been rigorous and thorough.

In May 2002, I released a Discussion Paper canvassing industry and community views on issues facing the growth of tourism in Australia. It posed 202 questions encompassing all levels of the industry's operations, and was accessed by 42 000 people.

The Discussion Paper was accompanied by consultations at approximately 30 locations around the country with a diverse range of industry sectors and interest groups. It prompted a strong response, and the Australian Government received 270 written submissions.

This process fed into the Tourism Green Paper, which I released in June 2003. It was the first time a nationally-focused draft strategic plan had been informed by a coordinated whole-of-industry response, through the Tourism Industry Forum – a collaborative forum of key industry associations.

The Tourism Green Paper was accessed by over 90 000 people, and extensive consultation sessions – including a series of regional consultations – were held in 19 city and regional centres with industry members and interested stakeholders. It prompted an additional 155 written responses, which came from the widest possible range of governments, tourism operators and industry associations.

I wish to sincerely thank those members of the tourism industry, three levels of government and individuals who contributed to this Paper, and acknowledge their role in its development.

This Paper belongs to all of you and its future success depends largely upon your efforts.

I am sure that the industry will rise to the challenge.

A handwritten signature in black ink, appearing to read 'Joe Hockey'. The signature is fluid and cursive, with a long horizontal stroke at the end.

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EXECUTIVE SUMMARY

Tourism is growing in importance as an economic driver both globally and in Australia. It is of particular importance to regional development. The Australian tourism industry has enjoyed steady high growth rates over the 1990s. Several shocks since 2001 have put this growth at risk. The need for the right policy settings to maximise potential for sustained growth has never been more pressing.

This Tourism White Paper is a Coalition election commitment and an essential part of building a framework that will assist the tourism industry to prosper. The Australian, State and Territory Governments, regional and local tourism organisations and the tourism industry all have an important role to play in ensuring tourism optimises its potential.

NEW FOUNDATIONS

The environment for tourism is changing and, to grow and prosper, the tourism industry will need to be more flexible and responsive to challenges. These range from catering to a better informed, more discerning, culturally and linguistically diverse consumer, to effectively using the Internet in motivating long-haul travel in the face of fears of terrorism and events like the outbreak of SARS. For Australia to maintain and grow market share as an attractive long-haul destination in the years to come, it is crucial to revitalise our marketing and promotion strategy to ensure that we continue to grow both visitor numbers and yield. Existing arrangements for promoting and marketing Australia have served Australian tourism well for over a decade. However, in the face of an increasingly competitive market which has seen international visitor numbers contract over recent times, the Australian Government recognises that it is time for change.

This White Paper proposes a suite of measures, underpinned by structural reform, to position Australia as a world leader in the provision of tourism goods and services and as a 'Platinum Plus' destination that will bring in increased tourism revenue by providing a value-for-money experience second to none.

STRUCTURAL REFORM

The key plank of this structural reform agenda is the creation of a new body, *Tourism Australia*, which brings together the Australian Tourist Commission, *See Australia*, the Bureau of Tourism Research and the Tourism Forecasting Council, harnessing the skills and knowledge of these organisations under one umbrella.

Tourism Australia will vigorously market a revitalised *Brand Australia* in key global markets. It will leverage international and domestic promotion of Australia through strategic partnerships with State and Territory marketing bodies and industry. It will also assist in the attraction of major events to Australia and assist growth of business tourism. It will conduct an expanded range of research and analysis tailored to meet government and market needs. It will focus resources on analysing and disseminating trends in global and domestic tourism to help with strategic planning, including for regional tourism. It will develop strategies to promote growth in the domestic tourism industry and encourage regional dispersal of international tourists.

Two new business units within *Tourism Australia* will assist the new organisation to focus on industry and market needs. *Tourism Research Australia*, incorporating a merger of the Tourism Forecasting Council, the Bureau of Tourism Research and research elements of the Australian Tourist Commission, will focus on meeting industry research and data needs. It will work to improve the key International and National Visitor Surveys data collections, through increased sample sizes, which will enhance data reliability, particularly at the regional level. *Tourism Events Australia*, a new unit, will focus on working with industry and government partners to attract

major events and business tourism. It will focus on branding and promoting Australia as a Platinum Plus business and events destination and act as a coordinator to provide assistance to State and Territory event agencies in relation to potential events. It will also work with industry, regions, States and Territories to develop a National Events Calendar to ensure coordinated rather than competing effort.

The Australian tourism industry will also be strengthened by promoting growth in the important domestic tourism market. *See Australia*, currently funded by the Australian Government to promote domestic tourism to Australians, will become an integral part of *Tourism Australia*. It will have enhanced capacity to pursue its present generic tourism promotion work and build on what has already been achieved through the 'Go on. Get out there' campaign. Together with *Tourism Research Australia*, it will provide research to better identify new and high-yield markets and guide development of tourism product in regional areas. This increased regional tourism focus of *See Australia* will help regions make more effective use of their marketing budgets by identifying specific target demographic sectors or groups. Regional dispersal, that is, encouraging visitors into regions from our main gateways, will be a major aim.

LIFTING CAPABILITY

In concert with the Australian Government's efforts to maximise its return on investment in marketing and promotion of Australia as a Platinum Plus destination, the tourism industry should be in a position to follow through with the provision of quality product and service. The Australian Government will assist the tourism industry meet customer expectations in a number of key ways.

To attract visitors and keep them coming back, Australia's tourism industry must earn a reputation for quality, value and variety. The capability of tourism businesses to deliver what they promise and to satisfy customer expectations depends upon sound management practices. Accreditation is a means of identifying which businesses meet quality standards. The Australian Government will support industry efforts to establish a national, voluntary accreditation system that encourages quality.

Tourism has the potential to be a major contributor to regional economies. Increasing visitor numbers, particularly high-yielding visitors, will be a challenge over the next few years. A way to meet this challenge is in the provision of a diverse range of exciting tourism product. To increase the diversity of tourism product and services in our regions and in metropolitan areas, the Australian Government will expand and enhance the Regional Tourism Program by creating a new Australian Tourism Development Program. The new program will aim to increase Australia's international competitiveness as a tourism destination, increase visitation across Australia, particularly in regional areas, enhance visitor dispersal within regional Australia, and contribute to the long term economic growth of regional Australia.

Building successful niche markets is central to growing high-yield sectors, addressing seasonality and market downturns. The Australian Government will place a renewed emphasis on the development of niche tourism markets. For example, a new Indigenous Tourism Business Ready Program will be created to support further development and supply of Indigenous tourism product and experiences.

IMPROVING ACCESS

The Australian Government will continue to work with State and Territory Governments to identify barriers to private sector involvement and investment in national parks and will review tourism industry representation and input to protected area management with a view to identifying ways to strengthen involvement. It will implement goals identified in the recently released report, *Pursuing Common Goals: opportunities for tourism and conservation*, which sets an agenda to deliver partnerships that will grow tourism in protected areas in a sustainable way.

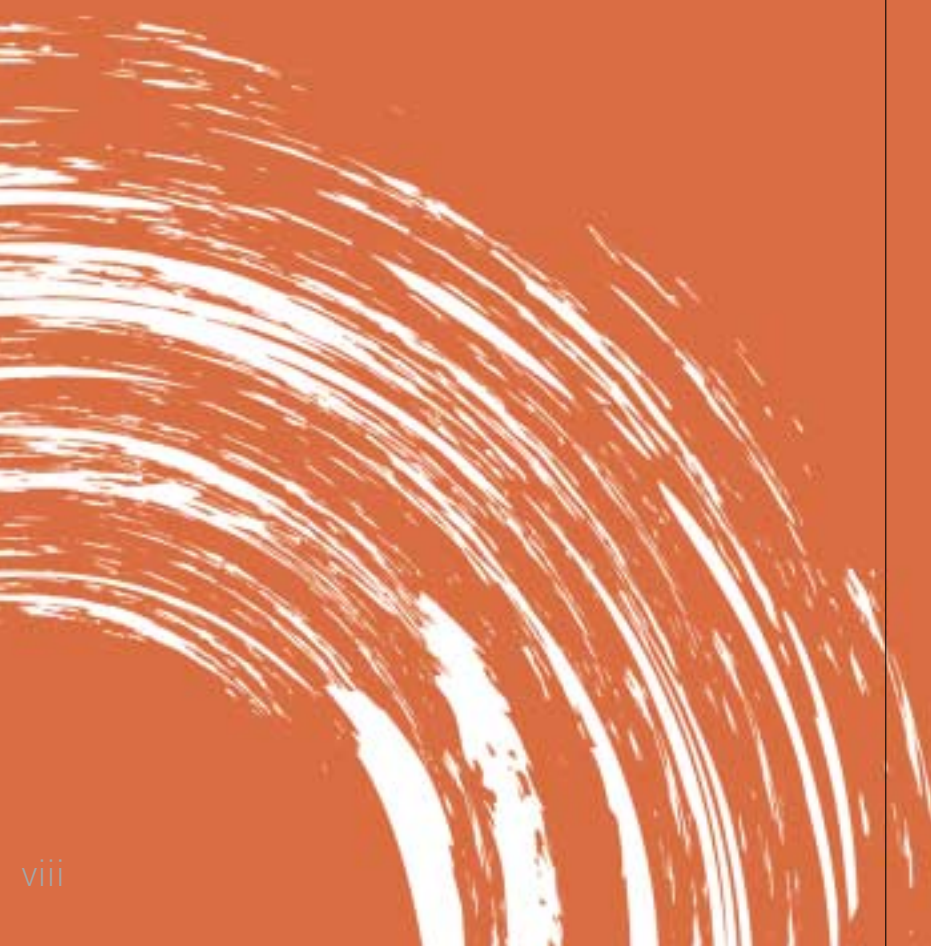
The Australian Government remains committed to maintaining a policy and regulatory framework that stimulates demand and growth, while ensuring competitive market access and a sustainable and safe aviation sector. This White Paper sets out a framework to guide aviation and tourism action over the next decade, a key element of which is developing a closer formal relationship between all major stakeholders. The Australian Government will also maintain investment in tourism transport infrastructure.

THE WAY FORWARD THROUGH PARTNERSHIPS

The tourism industry has unified to speak with a coordinated voice to assist the development of this White Paper. The Australian Government will continue to work in partnership with the industry and other stakeholders in implementing the initiatives in this White Paper, and will establish a consultative forum between government and industry.

Governments at all levels have an influence on the contribution tourism makes to the economy and society. In consultation with State and Territory Governments and industry, the Australian Government will seek to develop a new intergovernmental agreement which will set out the roles and responsibilities of the various levels of government and areas for collaboration and cooperation.

Introduction



WHY A TOURISM STRATEGY?

Australian tourism has experienced strong growth over the past 20 years, particularly from international visitors. Its growth and development has mirrored a growing strength and confidence by Australia as a nation with a distinct identity and place in the world. Tourism is an important contributor to economic prosperity, especially in regional Australia. It also contributes to our international relations and reputation. *Brand Australia*, marketed by the Australian Tourist Commission overseas, is inextricably linked with the spirit of our nation and our reputation as open, stable, tolerant and free-spirited.

At the beginning of the 21st century, it was predicted that the propensity for people to travel over the next 10 to 20 years would be stronger than at any other time in modern history. However a number of factors in the global environment are working against this trend.

The tourism industry worldwide is experiencing a difficult period, due to a general downturn in the global economy, increasing fears of terrorist activity and the impact of events such as the outbreak of severe acute respiratory syndrome (SARS) in early 2003. Widespread security and safety fears have changed the environment for travel and tourism and threaten the predicted growth of tourism both globally and locally. In Australia, the negative impact of global developments on the tourism sector was exacerbated by the collapse of Ansett in late 2001.

These events have exposed weaknesses in the capacity of the Australian tourism industry to maintain sustained growth and respond quickly and effectively to major incidents. After a decade of strong growth, international tourism arrivals to Australia fell from 4.9 million in 2000 to 4.8 million in 2001 and 2002, negating predictions of further strong growth.

Visitor arrivals for the first two quarters of 2003 have continued to decline in comparison to the same period in the previous year, with the Iraq War and the SARS outbreak deepening and prolonging the downturn. The Tourism Forecasting Council expects inbound visitor arrivals to decline by 5.3 per cent overall for 2003 and export earnings to be reduced by \$1.7 billion compared to the previous year.

As Australians exercise caution in international travel, the signs are marginally more encouraging for domestic tourism in the short term, with growth of 3.1 per cent in domestic visitor nights in 2002 and the Tourism Forecasting Council expecting domestic visitor nights to grow by 1.9 per cent in 2003. However the Tourism Forecasting Council is forecasting only 0.5 per cent average annual growth in domestic visitor nights over the next 10 years.

To boost the growth of the tourism industry, it is vital to encourage domestic and international tourists to choose Australia as their next holiday, business or major event destination. Australia must be competitive in tourism marketing and promotion.

Marketing and promotion of Australia as a Platinum Plus destination will be a key factor in maintaining and increasing our world share of tourism exports. A Platinum Plus destination is one that meets and exceeds customer expectations in terms of the quality and value it provides; it is the concept of providing an exceptional experience with superior standards, from the moment visitors get on the plane to the time they return home.

Tourism export earnings are expected to increase by an annual rate of just over 5 per cent from \$19 billion in 2005 to around \$27 billion by 2012. Australia will need to apply considerable effort and focus to achieve, and desirably surpass, these forecasts. As we approach 2012, consumers will be more affluent, but also more discerning in choosing tourism products.

A wealth of information on products and destinations will be available through the Internet and the media, and competition will come increasingly, not only from the range of other tourism products and destinations on offer, but also from other consumer options, such as expenditure on home entertainment products.

International competition in the tourism market will be vigorous. Countries presenting tourism products and experiences that provide quality and value stand to gain substantial market share. Equally, failure to respond to heightened competition and consumer sophistication is likely to result in significant loss of market position.

In recognition of the importance of tourism to the economy and society, and the need to ensure that tourism continues to provide a positive contribution to the Australian economy, the Australian Government has decided to develop a medium to long term strategy for the tourism industry. This White Paper has been developed following extensive consultations with industry.

AUSTRALIAN TOURISM: A LONG TERM VISION

This White Paper sets out a foundation for Australian tourism to capture, maintain and grow future market share. The strategy is based on expectations of a highly competitive international environment requiring flexibility, innovation and responsiveness at all levels of the Australian tourism industry.

It envisages a strong and vibrant Australian tourism industry which:

- offers tourists uniquely Australian experiences of such quality and value that they will want to re-experience them and encourage family and friends to do so
- welcomes more Australians undertaking travel in their own country
- supports a diversity of sustainable and profitable enterprises that share this vision and strive for high level achievement in satisfying customer needs
- develops and grows high-yielding products and markets through development of innovative business strategies and high-yield niche markets
- embraces innovation and ongoing improvement and adopts appropriate technology
- attracts appropriate investment to support growth and development of a Platinum Plus destination
- supports a highly skilled workforce motivated to provide tourists with the highest levels of quality and professional service, and
- is an integral part of our social and economic fabric, indicated by a widespread community desire to welcome visitors and share the Australian experience.

To achieve this vision, the Australian tourism industry must have its focus firmly on the changing patterns and trends in consumer demand. Australian businesses need to be world leaders in developing and marketing innovative tourism product. They must be adept at innovative business practices and readily adopt and use modern technologies and flexible work practices. Australian industry must comprise high quality small and large enterprises able to easily access relevant and timely tourism market intelligence and research. Such enterprises will be able to effectively use such information and data to underpin successful business strategies.

Australia must aspire to increasing its levels of domestic tourism. Australians should find Australian destinations as attractive as overseas destinations. A stronger domestic tourism sector will provide more jobs and opportunities for community growth through increased regional sustainability.

Australia must also aspire to set benchmarks for environmentally sustainable tourism and have a well-developed Indigenous tourism sector that can meet consumer demand. The tourism workforce must comprise skilled professionals who are able to contribute to enterprise innovation and are also able to enjoy attractive career opportunities within the industry.

Significantly, many Australian regions are developing cultures and capabilities that enable the presentation of tourism products and experiences with a distinctively regional appeal. Development of regional tourism must be encouraged and supported as part of a strategy to offer visitors a range of attractive options for a uniquely Australian experience.

Australia, in the years ahead, must strengthen relationships with key markets to facilitate increased arrivals, in particular from:

- Asia-Pacific countries including China, Japan, Singapore and South Korea
- the United Kingdom and other European countries including Germany, France and Italy, and
- North America.

This White Paper presents a framework for achieving this vision.

PROFILE OF THE TOURISM INDUSTRY

Tourism is a large, global industry which has enjoyed strong growth. There were almost 715 million international tourist arrivals worldwide in 2002. This is 22 million more than in 2001 and 690 million more than in 1950. The World Tourism Organization forecasts that the number of international arrivals worldwide will increase to nearly 1.6 billion by 2020. With only around 3.5 per cent of the world's population presently taking an international holiday or a trip, there is good growth potential, especially from the expanding middle classes of Asia. Australia currently attracts less than 1 per cent of the world's international tourism market.

Australia is about the same area as mainland USA and 50 per cent larger than Europe, but has the lowest population density in the world with only two people per square kilometre. Australia has a vast outback interior, an extensive coastline with over 7000 beaches and some of the world's most vibrant cities and regional areas. The great range of Australian climates and environments offers a wide diversity of tourism experiences. Australia is, for most of the world, a long-haul destination. It is almost totally reliant on air services to transport international tourists, of which Australia attracts around 4.8 million per year.

Domestically, Australians took over 75 million overnight trips and spent 302 million visitor nights away in 2002-03. Australians have a reputation for enjoying travel and recreation, yet only 39 per cent of full-time employees took all of their annual leave entitlements in 2002, suggesting potential for growth. Slow but steady growth has been a feature of the domestic tourism market, with average annual growth in visitor nights of 1 per cent over the past three years. There are, however, signs that growth is improving, with a stronger domestic tourism performance in 2002-03, perhaps aided by concerns about international travel. It is a critical market, accounting for around 75 per cent of visitor nights and 80 per cent of visitor expenditure in Australia.

Australians took over 3 million international trips in the year ending June 2003. The most popular destinations visited were New Zealand (19%), followed by Other Europe (11%), the USA and Canada (11%), the United Kingdom and Ireland (10%) and Indonesia (6%). However, despite the fact that Australians are enthusiastic overseas travellers, the balance of trade in travel services is in Australia's favour: 2002-03 showed a credit of \$4.4 billion.

THE SIGNIFICANCE OF TOURISM

Tourism touches on all aspects of Australian life. It contributes to urban and regional economies and provides infrastructure through investment. Tourism, whether domestic or international, provides the opportunity for cultural exchange and fosters understanding. Australia's natural environment is a major drawcard for tourists, which provides an incentive for the environment to be managed carefully.

Tourism directly contributed 4.5 per cent to Australia's gross domestic product in 2001-02. Tourism's input into the economy was greater than either agriculture, forestry and fishing, communication services or electricity, gas and water supply. In 2002, domestic tourism expenditure was more than \$51 billion – a 3.8 per cent rise on the previous year.

In 2001-02, tourism generated over \$17 billion in export earnings through the direct sales of goods and services to international visitors, representing 11.2 per cent of Australia's total export revenue, more than coal, and of iron, steel and non-ferrous metals.

The tourism industry is directly responsible for employing around 550 000 people and indirectly employs a further 397 000. Employment in tourism is characterised by a diverse range of skills. It employs substantial numbers of young people and people from non-English speaking backgrounds, with the majority of jobs in the tourism industry being in the retail trade and accommodation sectors.

The tourism sector consists of over 350 000 tourism related enterprises, spread across a wide range of activities and producing a diverse range of products. The industry mostly consists of small- to medium-size businesses, with more than 90 per cent of businesses employing fewer than 20 staff.

Tourism plays a key part in the development of regional and rural areas and can play an important role in nurturing and promoting Australia's culture and heritage. Regional tourism accounts for around 185 000 jobs or 7 per cent of rural and regional employment, compared to 6 per cent for tourism nationally. Over 70 per cent of domestic and 23 per cent of international tourist visitor nights are spent in regional and rural Australia.

1

Section

NEW FOUNDATIONS -
TOURISM AUSTRALIA



1. Structural Reform and Increased Support for Marketing

1.1. A NEW AUSTRALIAN TOURISM BODY

This White Paper announces the Australian Government's strategic policy over the medium to long term for the tourism industry. The Australian, State and Territory Governments, regional and local tourism organisations and the tourism industry all have an important role to play in ensuring tourism continues to be one of this country's vital industries.

Tourism is a global industry. Fast paced developments in information technologies, online technologies and telecommunications are enabling potential tourists to choose a flight, find a room and book a tour at any time of the day or night. Tourists are becoming increasingly sophisticated in destination selection with key drivers being value, awareness, geographic proximity, experience, security and safety. In response, nations are becoming increasingly competitive in chasing tourism revenue. The primary investment area for governments is international marketing, with billions of dollars spent each year promoting new experiences, destinations and events. As international competition intensifies, it is important that Australia maintains and cements its competitive market position.

It is vital that Australia is competitive in tourism marketing and promotion to ensure potential tourists, both domestic and international, increasingly consider and choose Australia as their next holiday destination or business event location. Marketing and promotion of Australia as a Platinum Plus destination, one that is a market leader in quality and value, will be a key factor in maintaining and increasing our world share of tourism exports. This level of strategic marketing needs a solid and creative research base to provide the necessary market insights.

The tourism industry is fast maturing. Government infrastructure needs to be as flexible and robust as the industry it supports. Government organisations which support tourism need to be responsive and strategic.

In order to maximise the value obtained from government investment in marketing and promotion and to help bolster the energy and focus of the tourism industry in attracting new markets, the Australian Government will create a new body, *Tourism Australia*, which will:

- grow international tourism to Australia through vigorously marketing *Brand Australia* in key global markets
- leverage promotion of Australia through strategic partnerships with State and Territory marketing bodies and industry
- help attract major events to Australia and assist growth of business tourism
- conduct an expanded range of research and analysis tailored to meet government and market needs
- analyse and disseminate trends in global and domestic tourism to help with strategic planning including regional tourism, and
- develop strategies to promote growth in the domestic tourism industry and encourage regional dispersal of international tourists.

Tourism Australia will encompass the functions of the Australian Tourist Commission, *See Australia*, the Bureau of Tourism Research and the Tourism Forecasting Council. It will be created through legislation and will have clear responsibilities including support for international tourism marketing and market development, domestic tourism development, events

and business tourism and key research functions. It will enjoy a significantly increased resource base. The Australian Government makes this commitment on the basis that there will be no diminution of current State and Territory Government effort in supporting tourism development with the creation of *Tourism Australia*. The Australian Government intends to seek strong partnerships with industry and with State and Territory Governments in delivering the White Paper strategy.

The intellectual capital of the new structure will be strengthened from the synergies created by bringing together people with a wealth of knowledge about tourism from different perspectives. The new structure will allow flexibility to shift resources in response to changes in the business environment which impact on tourism. Amalgamating existing entities to form a new structure will also help improve coordination and effectiveness in achieving the *Tourism Australia* vision.

The amalgamation to include a focus on domestic tourism development will not diminish the international marketing effort the Australian Tourist Commission is currently undertaking. A key priority of the new body will be to energetically and effectively take a revitalised *Brand Australia* to global markets. *Tourism Australia* will have a charter to engage more actively on a commercial basis with industry. It will have additional resources to better forecast emerging trends in the global tourism market to maximise returns on government investment and Australia's growth potential.

State and Territory Governments, with the Australian Tourist Commission, recently endorsed the *One Australia* model for international marketing in the United Kingdom and Europe. This signals the beginning of a new partnership through which Australia can present a united face to the world and which can maximise the value of Australia's substantial public investment in overseas tourism promotion. The process will explore ways of achieving one team, brand, set of strategies and distribution systems in international markets while providing scope for complementary initiatives by State and Territory tourism organisations. This cooperative approach will see all governments getting a better return on their investment from international marketing.

Tourism Australia will also contribute to policy advice in key areas, but primarily it will be a market-oriented body with an operational role covering tourism marketing and market development.

ROLE OF THE AUSTRALIAN GOVERNMENT

The Australian Government Department of Industry, Tourism and Resources will continue to be the primary source of tourism policy advice to the Australian Government. It provides advice on a wide range of areas including bilateral tourism relations with other countries (such as the Approved Destination Status arrangement with China), visas and passenger processing, transport and security, taxation and assistance, education and training, industry standards and regulation, and regional and niche tourism development.

As a result of the White Paper strategy, in addition to providing a range of policy advice, the Department of Industry, Tourism and Resources will focus on:

- negotiation of an intergovernmental agreement with the States and Territories to underpin a collaborative national approach to tourism development
- effective industry consultation and joint implementation and monitoring of the White Paper strategy
- implementation of structural change in Australian Government tourism arrangements

- developing tourism across Australia through the new Australian Tourism Development Program
- tourism quality initiatives
- encouraging sustainable tourism in national parks and protected areas
- Indigenous tourism development, and
- influencing policy settings on tourism transport and infrastructure, particularly a proactive approach to air services policy and agreements.

1.2. INTERNATIONAL MARKETING

In general, industry is best placed to decide how to promote its products or what direction it should take to respond to international or domestic consumer trends. It is not the role of government to intervene when a market solution can be found.

However, in the tourism sector, it is recognised that individual businesses, aggregations of businesses and alliances are unable to capture all the returns from their investment in generic promotion and marketing, and hence they under-invest. To ensure an effective and successful international campaign to market *Brand Australia*, governments have invested significantly in international marketing. International marketing has the capacity to drive demand in our key international markets and stimulate demand in new markets.

Starting with the establishment of the Australian Tourist Commission in 1967, the Australian Government has been committed to funding international marketing to ensure growth trends in international visitors to Australia are maintained and increased.

Funding for the Australian Tourist Commission has averaged around \$92 million per annum over the past 5 years. In addition, the Australian Government commits significant additional funds to tourism through the Department of Industry, Tourism and Resources regional development and business assistance programs. In 2002–03, the Australian Government provided \$100 million to the Australian Tourist Commission plus \$48 million for other direct tourism related expenses. Table 1.1 sets out the Australian Government’s direct spend on tourism and tourism related items for 2002–03.

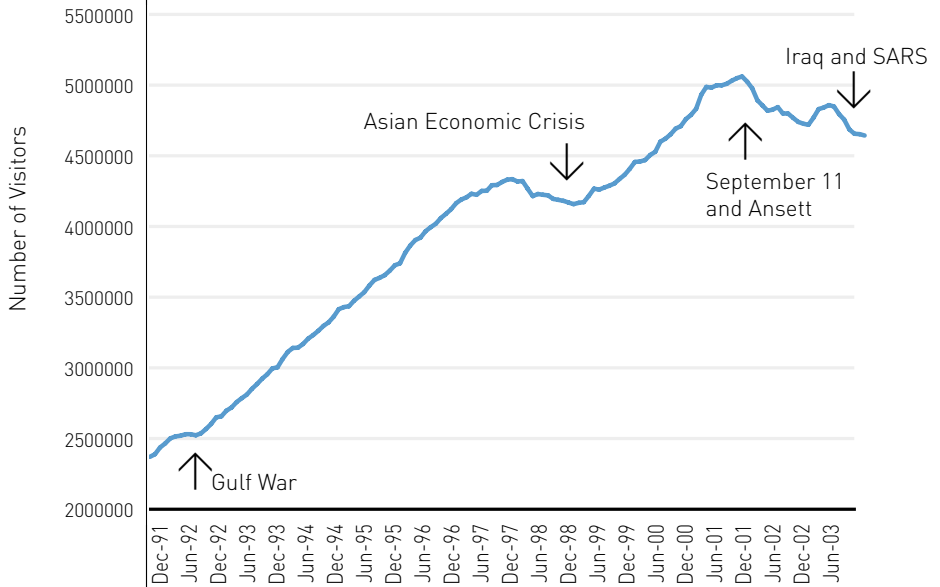
**TABLE 1.1
DIRECT TOURISM RELATED SPENDING (\$ MILLION) BY THE
AUSTRALIAN GOVERNMENT**

Activity	2002–03	Agency
Australian Tourist Commission	100	Industry, Tourism and Resources
Export Market Development Grants	17	Austrade
Regional tourism projects	9	Industry, Tourism and Resources
See Australia	2	Industry, Tourism and Resources
Bureau of Tourism Research	2	Industry, Tourism and Resources
Cooperative Research Centre for Sustainable Tourism	3	Education, Science and Training
Australian Bureau of Statistics	2	Australian Bureau of Statistics
Conservation of Rural and Historic Hotels	4	Environment and Heritage
Tourism Policy	9	Industry, Tourism and Resources

Total (direct assistance to tourism) 148

As shown in Figure 1.1, Australia’s inbound tourism has shown consistent growth, with the exception of periods characterised by external shocks impacting negatively on tourism.

FIGURE 1.1
INTERNATIONAL VISITOR ARRIVALS DECEMBER 1991–JULY 2003



Source: Australian Bureau of Statistics, Overseas Arrivals and Departures Catalogue No. 3401.0

A study of the tourism industry’s value to Australia, conducted by Access Economics in 2001, supports a number of previous studies which indicate that vigorous tourism marketing results in strong tourism export earnings. The study noted that each dollar spent on marketing Australia overseas can generate between \$11 and \$16 in export earnings for the economy.

The World Tourism Organization, in its *Vision on Tourism 2010*, expects tourists to take over one billion trips every year by 2010. Most of these trips are expected to be within the same region as the home country. Therefore, as a long-haul destination, Australia has a job to do to capture an appropriate share of this market growth. Australia should aim to increase its share of the long-haul market and increase its share of intraregional travel. There is also the opportunity to convert expected intraregional travel outside our region into trips to Australia. A critical element in achieving this goal is to use international marketing to best effect.

Recognising that Australia's tourism competitors are increasing the intensity of their international marketing efforts, the Australian Government will increase *Tourism Australia's* capacity to market internationally by substantially increasing its base level funding per annum.

Tourism Australia will:

- have an increased capacity to strategically market Australia internationally as a Platinum Plus destination
- work collaboratively with State and Territory marketing agencies to speak to international markets with one clear voice
- have an increased capacity to maintain global networks focusing on priority markets
- brand and promote Australia as a premium destination for events and business tourism, and niche markets
- assist the development of niche markets, including events and business tourism, and
- continue to nurture a strong relationship with the tourism industry and ensure industry's legitimate needs of government are being met.

1.3. BRAND AUSTRALIA

Through *Brand Australia*, the Australian Tourist Commission promotes the personality of Australia in all its communications and activities.

Brand Australia is the essence of all Australian Tourist Commission activities. It guides the tone, design and imagery used in all communications to consumers, the travel trade and tourism industry. It forms the basis of all television, cinema, print and online advertising as well as public relations, direct mail, travel guides, Internet and trade marketing activities.

Brand Australia is about strengthening the emotional bonds that people overseas have with this country and increasing the strong aspirational appeal of a holiday in Australia. *Brand Australia* is broader than tourism marketing; it covers all promotions of Australia across all sectors, including sport, cultural exchange and trade.

The *Brand Australia* image is based on a combination of Australia's spectacular natural environment, the distinctive personality of the Australian people and the free spirited nature of the country's lifestyle and culture.

1.4. WHY BRAND AUSTRALIA?

The continuing development and promotion of *Brand Australia* is acknowledged as extremely important. A strong *Brand Australia* is vital for the success of the Australian tourism industry because it:

- provides a unifying umbrella under which all Australian companies can promote their products
- ensures that Australia stands out from other destinations, thus pushing Australia further along the decision-making process (the traveller will need to spend less time comparing with other alternative destinations)
- will allow Australian companies to achieve better, more consistent pricing for their products and not have to rely on discounting to win business. Ultimately this will enhance yield and the value of Australian tourism businesses

- improves distribution because retailers and wholesalers want to distribute products with stronger brands – there is less work for them to do, and
- provides marketing leverage to small, and frequently regional, businesses which cannot afford major consumer marketing overseas.

THE CHALLENGE AHEAD

The Australian Tourist Commission has articulated an ambitious vision for significantly enhancing *Brand Australia's* presence and position on a global scale. Implicit in this accelerated global brand development initiative is the recognition that Australia's brand needs freshening. *Brand Australia* currently represents an under-leveraged brand in terms of competitive differentiation as well as creative presentation.

The immediate task of identifying a potential new global creative framework for *Brand Australia* involves more than developing a new advertising 'grab'. It is an opportunity to go beyond this to most effectively position and most creatively present itself within the context of an evolving and increasingly competitive travel and tourism marketplace.

The Australian Government will develop a revitalised *Brand Australia* with *Tourism Australia* maintaining its leadership role.

Brand Australia is more than an international promotional vehicle. It should inspire Australians to travel and discover more of their own country and will be an integral part of future *See Australia* promotions.

The presentation of *Brand Australia* will need to be monitored and its performance tracked to ensure it continues to achieve fresh and effective communication. Being flexible and adaptable to the needs of particular markets will be essential in promoting an effective *Brand Australia* in a highly dynamic world.

In tourism, other companies and organisations also play a significant role in marketing Australia overseas. These include State tourism organisations, airlines and hotels. As these companies contribute (both directly and indirectly through cooperative marketing) to the promotion of *Brand Australia*, the brand naturally must complement their own brand and communications messages.

International airlines and other industry partners also play a significant role in marketing *Brand Australia* through cooperative campaigns with the Australian Tourist Commission. The total in-kind effort by the airlines is estimated at \$40 million in 2002–03. Cooperative marketing with industry is an important way for the Australian Tourist Commission to leverage its funding base. Key partners are airlines with substantial and growing markets or airlines with developing markets to Australia.

It is recognised that as the highest profile promoter of *Brand Australia* internationally, *Tourism Australia* has a duty to ensure that *Brand Australia* is articulated and communicated in a manner that is of benefit to Australia beyond the bounds of tourism. The revitalised *Brand Australia* must also lend itself to other organisations promoting Australia overseas and must also add value to other Australian export industries.

Tourism Australia will work with industry and States and Territories to promote a revitalised *Brand Australia*. *Tourism Australia* will also work with other Australian Government agencies, including the Australian Trade Commission (Austrade) and Invest Australia to ensure a unified and coherent approach to marketing Australia overseas.

CASE STUDY – COOPERATIVE MARKETING WITH AIRLINE PARTNERS

Singapore Airlines and the Australian Tourist Commission have launched an Asia-wide campaign 'Enjoy Australia with Singapore Airlines' aimed at increasing tourist arrivals to Australia. The promotion offers special fares from Singapore Airlines. The campaign is part of the 'Australia – You're Welcome' activity developed in response to the SARS outbreak.

The campaign features promotional television spots on the Discovery Channel and Discovery Travel & Adventure, online publicity on the MSN network and print ads in local markets. The promotion is expected to reach 90 million consumers in the target markets.

The promotion is continually enhanced by programs found at www.australia.singaporeair.com, for example, an online quiz on Australia that ran in mid 2003, had participants winning Raffles (business class) tickets to any Singapore Airlines destination in Australia, including a five-night stay at a five-star hotel.

2. Lifting Australia's Profile

Australia has realised only a small part of its full potential as a tourism market. This long term strategy sets the stage for this full potential to be realised and for the Australian industry to be resilient in the face of difficulties and shocks that it will inevitably face.

Over the next decade tourism is set to become a more significant element in Australia's international trade, foreign and commercial relations. Australia is currently a member of the Asia-Pacific Economic Cooperation Tourism Working Group and the Organisation for Economic Cooperation and Development Tourism Committee. Australia shares with other Asia-Pacific Economic Cooperation countries a common vision for world tourism. It will be a world in which trading partners will:

- encourage liberalisation of services trade related to tourism
- facilitate seamless travel for visitors
- enhance visitor experiences
- promote inter and intra Asia-Pacific regional marketing opportunities and cooperation
- enhance safety and security of visitors
- protect the environment through ecologically sustainable development
- protect the social integrity of Indigenous and host communities, and
- enhance capability building in the management and development of tourism.

Tourism is not only an important trade and economic driver; it is also a positive force in developing and deepening Australia's relations with other nations. The Australian Government supports the establishment and maintenance of bilateral and multilateral relations to foster complementary development within our immediate Asia-Pacific region and other regions where mutual interests may be served.

Many Australian Government agencies also have complementary roles in supporting the tourism industry. Activities pursued under the Department of Foreign Affairs and Trade public diplomacy program, through its network of overseas missions, are aimed at the effective promotion of accurate and positive perceptions of Australia internationally. The Department of Foreign Affairs and Trade will work closely with *Tourism Australia*, as it presently does with the Australian Tourist Commission, to enhance international perceptions of Australia as a tourism destination.

Austrade actively assists businesses, one-on-one, to develop international markets and provides a range of tailored in-market services to tourism exporters, including those in the inbound sector, as well as to exporters of tourism expertise.

CASE STUDY – MEMORANDUM OF UNDERSTANDING BETWEEN THE AUSTRALIAN TOURIST COMMISSION AND AUSTRADE

A Memorandum of Understanding between the Australian Tourist Commission and Austrade was signed in late 2002 to enhance cooperation between the two agencies in recognition of the significance of tourism as an export industry and the export efforts of individual companies in the sector to develop their business in international markets.

Under the framework of the Memorandum of Understanding, the Australian Tourist Commission and Austrade work together to, amongst other initiatives, raise public awareness of the importance to Australia of tourism exports; share information, resources and market intelligence where there are gaps in representation; and undertake collaborative and complementary activities in key markets.

JOINING THE WORLD TOURISM ORGANIZATION

After 30 years of operation, the World Tourism Organization is expected to be endorsed as a United Nations specialised agency in the fourth quarter of 2003. This signals recognition within the community of nations that tourism is now a key contributor to global trade and economic development.

With the elevation of the World Tourism Organization as a specialised United Nations agency, member nations have a mechanism to exchange vital information and data, a forum for bilateral and multilateral relations in international development and a means for transferring practical know-how and experience. It will also provide a focal point for member nations to stand resolved against threats to international security and to the safety of international tourists.

A total of 141 nations are currently full members of the World Tourism Organization. Australia can make a positive contribution to furthering the development of world tourism and it is timely that it now do so. Accordingly, the Australian Government will fund Australia's candidature and subsequent membership of the World Tourism Organization.

World Tourism Organization membership will offer Australia the opportunity to become more involved in the sustainable development of tourism, which is a significant issue in the Asia-Pacific Region. Importantly, it also allows Australia to directly influence the policy direction of world tourism, expand Australia's network of contacts in specialised/expert areas, build knowledge of key international tourism developments and grow capacity in these areas, and has the potential to generate significant export revenue for the tourism services sector.

BILATERAL COLLABORATION

Bilateral cooperation through joint marketing and other initiatives can be mutually beneficial to Australia and partner nations. Australia has already undertaken a number of joint initiatives with New Zealand. Collaborative marketing can maximise opportunities through increased resources and incentives for tourists. Such marketing strategies can increase overall market share. Joint marketing also builds partnerships within the region which can be used during possible periods of downturn to stimulate the market. There are opportunities for leveraging through joint marketing in both the international and domestic markets.

The recent meeting of the Singapore–Australia Joint Ministerial Committee heralded the formation of a new joint tourism council to boost tourism between the two countries and to increase international arrivals. Closer ties and joint marketing activities between the two countries offer mutual benefits as they are complementary tourist destinations. For example, through working in partnership with the Singapore Tourism Board, the Australian Tourist Commission hopes to be able to increase tourist numbers from markets such as India.

The new Council will allow the tourism industries of Australia and Singapore to better respond to challenges and explore new opportunities by promoting mutual efforts and developing better partnerships to boost tourism. The Council will utilise tourism industry skills to initiate research projects, share statistical information and explore a range of promotional activities in the international market.

INTERNATIONAL TOURISM AMBASSADORS

It is not only at the government-to-government level that positive relations can be forged through tourism. The 'meet and greet' program, which was such a success at the Sydney 2000 Games, provides a prime example of what can be done to involve all Australians, including those who travel overseas and visitors to Australia, in promoting Australia. Positive impressions of Australia and positive reinforcements of marketing campaigns can stimulate inbound tourism demand from first-time trips to repeat visitation.

The Australian Government, through *Tourism Australia*, will support the expansion of this type of program into an International Tourism Ambassador Program.

An International Tourism Ambassador Program will harness the large and positive potential of word-of-mouth promotion by encouraging every Australian travelling overseas and every visitor to Australia to take on a role as an ambassador. By using high profile international stars, Australia can leverage off their fame and popularity to increase its appeal as a destination. Current ambassadors include Ian Thorpe, Megan Gale, Layne Beachley and Steve Waugh. Each ambassador was chosen to appeal to a specific market. For example, following her World Championship surfing win, Layne Beachley was appointed as an ambassador to help build Australia's image to the international surf and youth market.

EDUCATION AND TOURISM

Australia has world-class education facilities. It is well-placed to build on these facilities to attract a larger proportion of the growing international study tourism market (including group travel for education purposes), potentially lifting export earnings and bringing additional benefits to both Australian tourism and education nationally and regionally.

International visitors with education as their main reason for visiting Australia accounted for 6 per cent of all international visitors to Australia in 2002 and contributed almost 17 per cent of total visitor expenditure. Educational visitors spent, on average, \$13 448 per visitor and stayed an average of 126 nights.

Additionally, international students undertaking courses of study in Australia add significantly to the numbers of international visitors to Australia. International students receive visits from friends and relatives. Students themselves tend to travel within Australia while they are here. They create substantial business through their demand for both tourism and education products, and generate greater regional dispersal as many education and training providers are located in non-metropolitan areas such as on the Queensland coast and in northern New South Wales.

CASE STUDY – EDUCATION AND TOURISM

In recognition of the contribution education and training exports make to the Australian economy, in December 2002 the Australian Government launched a campaign for marketing Australian education and training overseas. In 2001, some 240 000 international students attended Australian learning institutions. This has a major impact on tourism, with each student studying in Australia having on average four visits from family and friends during their stay. In the 2003–04 Budget, the Australian Government reinforced its commitment to Australia's international education industry with a package of initiatives worth more than \$113 million to support and expand this important industry.

To further strengthen the Australian Government's whole-of-government approach to international education, seven Australian Government agencies have signed a Memorandum of Understanding on the Promotion of Australian Education Internationally.

3. Research

3.1. A COHERENT RESEARCH FRAMEWORK

Timely and accurate data and research is vital to the Australian tourism industry. It provides a foundation for informed decision making and underpins strategic business planning, including new product development, and also helps in public policy planning.

Australia is one of the forerunners in collection and analysis of tourism statistics. As the global tourism market becomes increasingly competitive, quality research and statistics will be crucial in maintaining Australia's competitive edge.

Over coming years, the tourism industry will need better information for investment decisions, developing niche markets and understanding consumer needs.

Through the Australian Bureau of Statistics, the Australian Government has produced the groundbreaking Australian Tourism Satellite Account, which provides the first real measure of the economic contribution of tourism to Australia. Because tourism is defined by the type of consumer of a good or service, rather than who produces the good or service, this means that the tourism sector encompasses many different businesses. For example, tourism related businesses can include retail stores, takeaway food shops and pubs, clubs and taverns as well as farmstay operators, cafes, travel

agents, and bus companies. Industry and government can now compare tourism to Australia's other key industries. The Australian Bureau of Statistics is also responsible for collection and publication of international and outbound visitor numbers and other key industry surveys, such as the Survey of Tourist Accommodation.

While a strong base exists, industry and government agencies have identified troublesome gaps in key data. Key information gaps industry has identified relate to data on:

- small accommodation
- tourism at the regional and local level
- how tourists travel throughout Australia
- destination-based tourist information
- trend and leading indicators
- activities of non-English speakers, and
- caravan accommodation.

The Australian Government will be considering these gaps in light of a review of tourism data needs being undertaken by the Australian Standing Committee on Tourism. In addition, the Australian Bureau of Statistics and other stakeholders are currently developing an Information Development Plan for tourism statistics. This will identify and assess national requirements for tourism statistics and develop strategies to meet the identified priorities.

The Bureau of Tourism Research is the other main source of tourism-related statistical and research information in Australia. Its key publications, the International and National Visitor Surveys and a number of analytical publications, provide information to guide industry decision making in areas such as investment in infrastructure provision, services and marketing.

The International Visitor Survey and the National Visitor Survey are key sources of industry intelligence. They provide information about the characteristics and travel behaviour of international visitors and Australian residents. Both the International Visitor Survey and the National Visitor Survey are sample based, with samples of 20 000 and 80 000 respectively. While these sample sizes are substantial, the information provided is subject to reliability constraints, particularly at the regional and local levels.

Along with these Australian Government organisations, a number of other bodies, particularly State and Territory tourism organisations and the private sector, also produce Australian tourism industry research and statistics. International tourism research is undertaken by a number of organisations including the World Tourism Organization.

The Australian Government also supports the research efforts of the Cooperative Research Centre for Sustainable Tourism. This specialist tourism research body is arguably the best funded national tourism research body in the world. It works with industry and governments to produce a wide range of research, analysis and data to underpin sustainable development of the tourism sector.

The Australian Tourist Commission is also active in research. In order to conduct effective international marketing campaigns, the Australian Tourist Commission produces detailed intelligence reports for Australia's key markets and disseminates these to industry. In particular, it is important for the Australian Tourist Commission in designing marketing campaigns to understand the motivations of overseas residents who travel to other destinations in preference to Australia.

The Australian Government has also established a Tourism Forecasting Council, which is the only source of quality consensus forecasts for Australian tourism activity. The Tourism Forecasting Council, which includes industry membership, works closely with the Bureau of Tourism Research.

While tourism research and statistics are important in strategic business planning within the industry, the number of sources has created confusion and in some cases, duplication.

To enhance Australia's tourism research base and better meet industry and government needs, the Australian Government will form a new structure: *Tourism Research Australia*.

To streamline and improve research performance, the Australian Government will incorporate the Tourism Forecasting Council and the Bureau of Tourism Research in *Tourism Research Australia*. The new body will become a business unit of *Tourism Australia* with an increased resource base and an enhanced capacity to meet the research needs of industry and government.

Tourism Research Australia will comprise the functions of the Bureau of Tourism Research and the Tourism Forecasting Council and will also expand its function to include other types of tourism research.

Tourism Research Australia will:

- be commercially focused, to ensure it meets the needs of research and data users and continues to produce relevant and up-to-date information
- address the key information requirements of industry and governments with timely, accurate and relevant data
- improve the key International and National Visitor Survey data collections, including through increased sample sizes, which will enhance data reliability, particularly at the regional level
- help industry develop yield maximisation strategies and niche markets through the provision of appropriate data and research
- develop and employ improved models and techniques to improve the accuracy of tourism forecasting
- proactively work to communicate and disseminate relevant information and products to industry, regional tourism organisations and local government, and
- proactively seek to educate investor markets on the tourism industry and related indicators and trends.

The Australian Government will increase the funding it currently provides for tourism research, with the majority of this increase going to *Tourism Research Australia*. The Australian Government will be seeking a commitment from States and Territories, which currently also fund and utilise Bureau of Tourism Research data collections, that there will be no diminution of this State and Territory Government funding for national research activities with the establishment of *Tourism Research Australia*.

Tourism Research Australia will also work closely with the Cooperative Research Centre for Sustainable Tourism to ensure a complementary and cost effective national research effort. Initially *Tourism Research Australia*, together with the Department of Industry, Tourism and Resources, will work with the Cooperative Research Centre for Sustainable Tourism to review its research priorities in the context of the tourism strategy set out in this White Paper.

The Australian Bureau of Statistics will continue to undertake tourism collections and publications. The Australian Government will monitor

opportunities to expand or better focus this work to more effectively meet the needs of the tourism industry, particularly in regional areas. In particular, improvements and expansion in the Survey of Tourism Accommodation will be a priority.

3.2. CONNECTING RESEARCH TO CUSTOMERS

Industry consultations on the Tourism Green Paper revealed that although significant tourism research is available, much of it was not easily accessible or even known about.

The Australian Government is determined to invest in more effective marketing and dissemination of the research it produces to ensure industry obtains the best value it can from this investment. This will be a clear priority for *Tourism Research Australia*.

There is currently a lack of awareness within the tourism industry of the data available to help business growth. An information dissemination strategy would be particularly useful for regional businesses. This strategy would include close communication between research providers and users. *Tourism Research Australia* will establish a Tourism Statistics Regional Advisory Service. Advisors from this service will liaise with tourism industry operators and government bodies in regional Australia and will also work with individual businesses requiring additional assistance.

As demonstrated by the events of the past two years, the tourism industry is particularly vulnerable to external shocks. Timely release of accurate and relevant information is vital to allow industry to respond to these incidents as quickly as possible and minimise their impact.

4. Attracting Major Events

4.1. CREATING GREATER MARKETING OPPORTUNITIES

Over the next few years, international competition for major events and business events will intensify. Such events have the potential to provide significant tourism, trade and investment opportunities for Australia. Australia needs to be in a strong position to capture and capitalise on events and business tourism to leverage benefit for the tourism industry and the wider economy.

The Australian Government and State and Territory Governments already recognise the importance to national economies of staging international events. In recent years, Australia's international reputation as a sporting nation has been heightened by staging the Sydney 2000 Olympics, which was deemed the 'best games ever', and, more recently, the 2003 Rugby World Cup, and hosting of the 2006 Commonwealth Games. Part of this contribution involves a whole-of-government commitment to ensuring the event runs smoothly, the safety and security of participants and support for key infrastructure in the States or Territories in which these events are held.

Governments invest in staging such events because they recognise they make both direct and indirect contributions to the economy. They attract visitors with a particular interest who are more likely to travel during difficult times and are less price sensitive. Flow-on benefits from attracting visitors to Australia for major events are:

- stimulation of pre- and post-event visitation
- contribution to the national economy

- employment creation
- stimulation of trade and investment interest
- increased product and service development
- revenue capture by regions, and
- showcasing Australia to the world and thereby stimulating future tourism by the exposure received.

Events can have a positive impact on regional and rural communities through job creation and infrastructure development. Events provide a boost to local communities during downturns and can overcome seasonal fluctuations in the market.

Business event tourists also tend to spend above the average while in Australia, thus contributing to higher yields for the tourism sector.

Australia is recognised as a world leader in staging major events. Many States and Territories have a commendable track record of success in attracting and creating major events, for example:

- the annual Australian Open Tennis in Melbourne attracted 518 200 spectators in 2002
- the Perth International Arts Festival attracts around 500 000 people annually
- the 2001 South Australian *Tasting Australia* food and wine festival attracted over 33 000 people, and
- the National Gallery of Australia's Monet and Japan exhibition attracted an audience of 402 000 (228 000 in Canberra and 174 000 in Perth).

Major events attract worldwide television audiences and provide positive global exposure of Australia. Australia must maintain a strong focus on encouraging the promotional opportunities arising from staging events.

Risk management is a key issue for all sectors of the tourism industry. September 11 and subsequent events have shown how vulnerable the industry is to external shocks. Staging major events is a mechanism for helping the tourism industry recover from downturns as well as to address seasonal fluctuations. For a sustainable tourism future, Australia must be in a position to respond quickly to minimise downturns in tourism. Major events can provide catalysts to kick start tourism activity which would otherwise take much longer to recover.

While there is a limited number of very large events like the Rugby World Cup, there is a number of significant conferences and business events staged each year.

Business tourism is currently the fastest growing high yield sector, with around 15 per cent of all trips to Australia being business-related in 2002. This view is supported by the fact that Australia secured 4.8 per cent of the global business tourism sector during 2001, putting it in fifth place according to the latest data release from the International Congress and Conventions Association. However, it is forecast that Australia will drop to equal seventh place with Italy in the 2002 ratings. Australia must do more to grow its share of this high-yielding market.

One way Australian businesses could achieve commercial outcomes through the attraction of major events is through programs such as Rugby Business Club Australia. Rugby Business Club Australia provides a unique business networking opportunity against the backdrop of Rugby World Cup 2003. Led by Austrade, Rugby Business Club Australia is a prime example of a whole-of-government approach to leveraging international trade, investment and business tourism from one of the world's major sporting events.

The average expenditure of international business visitors per night in 2002 was \$159, compared with average nightly expenditure of \$95 for all visitors. This sector also provides potentially significant flow-on effects to regions. Industry and government should be working together to attract business events to regional Australia.

In recognition of Australia's need to be a forceful international player in the global events market, the Australian Government will establish *Tourism Events Australia*.

Tourism Events Australia will be established as a business unit of *Tourism Australia* and will receive funding from the Australian Government. *Tourism Events Australia* will focus on:

- branding and promoting Australia as a Platinum Plus business and events destination
- acting as a coordinator to provide assistance to State and Territory event agencies in relation to potential events
- working with industry, regions and States to develop a National Events Calendar to ensure coordinated rather than competing effort
- based on this Calendar, establishing a national web-based register of events for communities and consumers
- coordinating between organisations and governments to maximise returns on investment associated with attracting and staging international events in Australia
- providing a strategic overview for sourcing events, taking into account timing, location, type and yield
- helping industry develop the business events market, and
- looking for opportunities for the creation and development of new events.

Tourism Events Australia will not be involved in bidding for major international events. States and Territories are best placed to continue these activities on a competitive basis. There will be occasions when the capacity to win a major event will be enhanced by the States and Territories working together. In these cases, *Tourism Events Australia* will work with the States and Territories to achieve the best possible outcome.

Tourism Events Australia will seek to develop partnerships with Asia-Pacific regional tourism agencies with the intention of leveraging benefits by creating links with events held across the Asia-Pacific.

Major events mean large numbers of visitors entering the major gateways over a short period of time and, increasingly, substantial security arrangements. This can place pressures on existing infrastructure. The Australian Government plays an important role in ensuring that these pressures are handled effectively through coordinating committees of major government departments. In addition, the Australian Government's International Event Coordinators Network, administered by the Department of Immigration and Multicultural and Indigenous Affairs, assists in the process of issuing visas for major events.

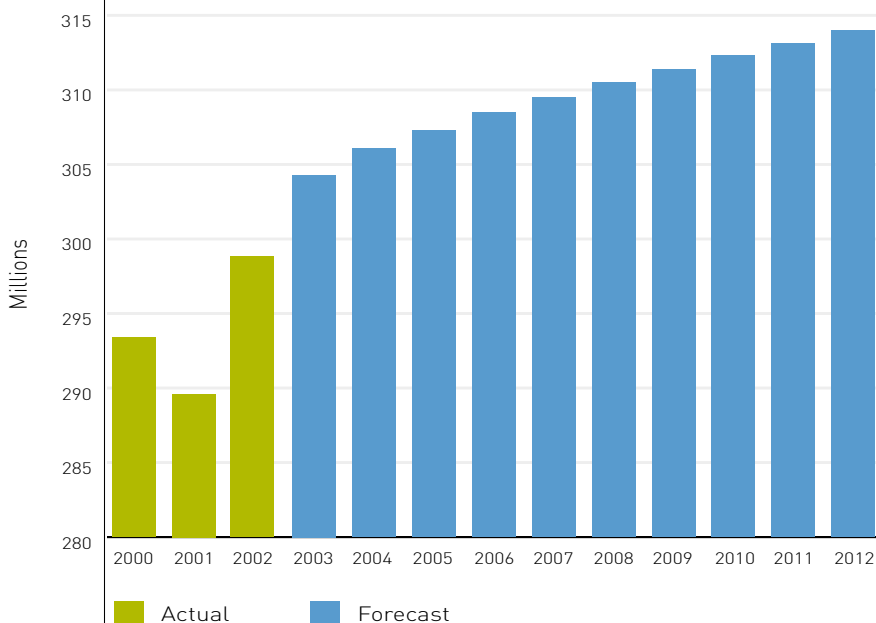
5. Lifting Domestic Tourism

Domestic tourism is the backbone of the Australian tourism industry and currently accounts for over three-quarters of tourism consumption in Australia. It is a significant contributor to rural and regional Australia and the platform upon which inbound tourism is built.

The Australian domestic tourism market has, in recent years, reached a plateau in terms of growth. The year ending March 1999 to December 2002 showed a downward trend in the average duration of domestic overnight trips with a decline from 4.06 nights to 3.96 nights, although there was an increase in the number of trips taken.

Domestic visitor nights are forecast to increase by 1.9 per cent in 2003. Over the forecast period, visitor nights are expected to grow by an average annual rate of 0.5 per cent, from 298.7 million in 2002 to 314 million in 2012, as indicated by Figure 5.1.

FIGURE 5.1
DOMESTIC VISITOR NIGHTS 2000–2012



Source: National Visitor Survey and Tourism Forecasting Council, May 2003

While expenditure on domestic tourism in Australia is comparable to many other countries with mature domestic markets, there is significant potential to increase the growth. Demographic trends will influence tourism demand in the medium to long term. Australia’s population is projected to grow to 23 million in 2020. This translates to a potential increase of 12.5 million domestic overnight trips. In addition, Australia’s ageing population will have a greater capacity to travel and this will have an impact on demand for domestic travel.

Currently, however, Australians are failing to take all their holidays and tourism consumption is not growing at the same rate as other consumer products. Domestic tourism expenditure has grown at just over half the rate of final household consumption expenditure in real terms from 1998 to 2003, representing a loss of market share for the domestic tourism sector when competing with other goods and services.

Promotion of domestic tourism, which the Australian Government currently supports through funding the *See Australia* campaign, is intended to increase the number and duration of domestic holidays.

Many regional areas of Australia have a growing reliance on tourism for generating business activity and jobs, especially in the small- and medium-sized business sector. Tourism provides a sustainable alternative economic base for many communities. A healthy, growing tourism industry can contribute to the economic wellbeing of these regions, particularly as tourism offers a wide range of employment opportunities.

CASE STUDY – REGIONAL TOURISM PROGRAM - WHYALLA MARITIME MUSEUM

A Regional Tourism Program grant of \$50 000 to the Corporation of the City of Whyalla helped complete the extensive renovations to the Whyalla Maritime Museum, which re-opened to the public on 5 July 2003. Visitor numbers this July are 30 per cent higher than last July.

These developments are encouraging, because the Corporation of the City of Whyalla estimates that for every 100 visitors to the region one additional job is created.

The Maritime Museum's redevelopment is viewed as a key strategy in Whyalla Council's, the Eyre Peninsula's and South Australian Tourism Commission's objectives to increase visitation and length of stay in the region. It also supports the South Australian Government's strategy for Spencer Gulf cities to become Tourism Gateways to regional areas.

For example, regions will benefit significantly if a greater number of conferences and business events can be attracted to regional areas.

Domestic tourism contributes to the long term sustainability of communities and improves quality of life through promoting improvements in facilities and public amenities. Domestic tourism is, therefore, of greater importance to regional Australia than inbound tourism. A long term strategic view that promotes the benefits and contribution of domestic tourism will benefit regional and rural communities.

Domestic tourists were almost three times more likely than inbound tourists to stay outside the capital cities or major destinations like the Gold Coast. In 2002, 23 per cent of inbound visitor nights were spent in regional areas of Australia. In contrast, 70 per cent of domestic visitor nights in Australia for the same period were spent in these regions.

The regional development benefits are a main driver for the Australian Government's support for domestic tourism. Support for domestic tourism also has import replacement benefits as more Australians holiday at home rather than overseas. There is strong potential for this effect in the current climate of international uncertainty.

The Australian Government established the *See Australia* initiative in 1999. It aims to encourage Australians to take a holiday and travel in Australia, and also to make it easier to find information and book Australian holidays. *See Australia* works with the Australian Government, State and Territory tourism organisations and industry to help grow the domestic tourism industry.

CASE STUDY – MARKETING REGIONAL TOURISM - EXPLORER COUNTRY

The Explorer Country region, in the Central West of New South Wales, consists of 21 local government areas with 10 local tourism organisations. The region has diverse product and the capacity to attract diverse markets. Explorer Country offers a variety of experiences, including superb food, wine and hospitality, particularly in the Cowra–Orange–Mudgee district; the Western Plains Zoo at Dubbo; 14 National Parks and nature reserves; and six space observatories.

See Australia has developed an innovative research model on consumer segmentation that has the potential to help local government and regional communities to research and identify the needs of their existing and potential visitors. The model has identified five segments of tourists in the Australian population. These segments provide a profile of Australian tourists based on a number of variables, including demographics, attitudes to holidays and breaks, work, money, planning, modes of travel and general travel and holidaying behaviour.

The research seeks to match the needs of consumers with tourism product and attractions a region employs, or should employ, to satisfy those needs. It includes better focused and more effective regional tourism marketing and planning. A greater understanding of consumer markets and matching this with the products the regions have to offer is the key to increasing the effectiveness of regional tourism marketing campaigns, improving yield and generating increased tourist dollars for regional Australia.

The Explorer Country region has trialled this approach, over the past 12 months, to help determine the most appropriate markets for the region and to assess product within the region. This project has resulted in identifying major elements – customers and products – of Explorer Country’s existing and potential markets. It has enabled them to match their products by region to existing and potential customers and allows for more informed tourism planning at a regional level.

The Australian Government recognises that strengthening and growing domestic tourism is an important endeavour, and to achieve this, supports *See Australia* becoming an integral element of *Tourism Australia* while retaining the *See Australia* brand. This will allow *See Australia* to continue to champion the need for holidays and advocate holidays in Australia through a brand that is now recognised and understood by 80 per cent of Australians.

In addition, *Tourism Australia* will expand and broaden *See Australia*’s work with regional and local tourism organisations to support regional tourism marketing and development. This will generate synergies and reinforce national, State and Territory domestic marketing efforts. It will also encourage greater regional dispersal of tourists coming in through the major urban gateways.

As part of the *Tourism Australia* structure, *See Australia* will be in a better position to use the new research capacity and to collaborate in providing effective domestic tourism information to both Australia and international markets via the Internet.

See Australia will:

- encourage Australians to take a holiday in Australia, particularly in regional Australia
- have enhanced capacity to pursue and expand its present generic tourism promotion work and build on what has already been achieved through the *Go on. Get out there* campaign
- provide research to better identify new and high-yield markets and guide development of tourism product in regional areas, and
- help regions to make most effective use of their marketing budget by identifying specific target demographic sectors or groups.

Enhanced *See Australia* resources will provide a greater capacity for domestic tourism to respond to external shocks with, for example, enhanced promotion based on research. Better market research and information will provide opportunities for better decision making in terms of overall regional marketing and promotion, product development, investment attraction and infrastructure provision.

See Australia will focus on generic domestic tourism marketing and will not compete with State marketing programs, which are largely around promotion of particular destinations. Rather, *See Australia* will focus on motivating consumers to take an Australian holiday and help support niche market building and tourism product diversification.

2

Section

LIFTING CAPABILITY

6. The Business of Tourism

If Australia is to optimise growth of the inbound tourism sector it must aspire to meet Platinum Plus standards. This means Australia must seek to lead the world in providing quality and value in tourism products and experiences.

As a long-haul destination for most of the world, Australia cannot rely on strategies of price or convenience to grow its market. Australia will never be the cheapest or easiest to get to destination for most of its markets. Therefore, Australia must attract visitors and ensure they become repeat visitors, by developing and delivering on a reputation for quality, value and varied, enriching experiences.

6.1. BUSINESS IMPROVEMENT AND QUALITY

In an increasingly global tourism market, it is essential for the Australian tourism industry to continually strive for improvement in its performance in order to maintain and increase its international competitiveness. Success in a people-orientated industry such as tourism is heavily dependent upon a good reputation which comes from friendly, efficient service and tourism products that offer quality and value and meet customer expectations.

An excellent reputation can be diminished by low quality. In the tourism export market, for example, the practices of a few unethical operators can sully the reputation of *Brand Australia* and harm the entire industry. In a recent study funded by the Australian Government, it is demonstrated that the conduct of unethical operators is expected to cost Australia's tourism industry tens of millions of dollars per year into the future. The quality of tourism product is also an issue for Australia's domestic tourism sector.

One way of raising industry standards is through accreditation, that is, by developing a quality mark or brand that can be displayed by businesses which meet the required standards. For example, New Zealand accredits its tourism businesses reaching satisfactory standards with 'Qualmark'.

Accreditation can provide an effective means of both improving industry standards and providing information to consumers. This is particularly important for inbound tourists who may have little local knowledge and who are becoming more reliant on booking travel over the Internet. Accreditation is also particularly important in circumstances where safety is an issue, such as in the adventure and ecotourism sectors.

The importance of developing an effective national, voluntary accreditation system has been accepted by industry, although progress has been slow. To date the market has failed to establish an effective and well recognised national accreditation system for tourism businesses. There is, however, a range of accreditation systems currently in the marketplace, some with significant coverage, which could provide the basis for an effective national system.

The existing accreditation systems are increasing their take-up rates. In 2002 the number of accredited operators in Australia increased by 30 per cent, although from a small base. However, the number of accredited businesses overall remains low. Major constraints to tourism accreditation's sustainable natural growth include:

- a failure of current arrangements to convince many businesses that the benefits of accreditation outweigh the compliance costs, particularly in relation to its ability to improve business efficiency
- concerns about the way in which some programs are designed or administered, for example, limited or infrequent auditing, and standards that do not set a high enough hurdle, and

- the number of different accreditation systems with varying logos in the Australian market place, which creates confusion and can undermine the value of becoming accredited.

The multitude of systems in existence can increase the burden on some tourism businesses. For example, national operators wishing to become accredited may need to seek accreditation in different jurisdictions under separate, but similar, accreditation systems. However, it is important that accreditation systems be able to meet the diverse needs of the tourism industry, and sector-specific systems can be an effective way of achieving this. Any national system must, therefore, be able to accommodate sector-specific schemes.

Accreditation systems must deliver tangible business benefits to operators which exceed the costs of compliance. Key benefits include required changes to business practices elicited by accreditation. Other benefits may arise in the form of better or cheaper access to insurance that can be linked to superior risk management practices of accredited businesses; preferential admission to national parks due to higher environment standards achieved through accreditation; or to preferential or exclusive access to government marketing motivated by a desire to promote only the highest quality businesses (subject to *Trade Practices Act 1974* considerations).

The Australian Government has strongly supported industry moving towards development of a national, voluntary tourism accreditation system, including provision of seed-funding for an accreditation framework in 1999. However, while providing a wide range of benefits, this framework has not yet achieved widespread support throughout the country. Following the National Tourism Accreditation Forum in July 2003, the Australian Government, together with State, Territory and industry representatives, established a National Tourism Accreditation Working Group to help address the constraints to tourism accreditation in Australia.

While the Australian Government believes that tourism accreditation is fundamentally an industry responsibility, it proposes to provide one-off assistance with the aim of speeding the establishment of an effective national, voluntary accreditation system. This funding would be provided to industry with the aim of establishing a national system that:

- better accommodates generic and sector-specific business accreditation programs as well as product-based programs (for example, provides more coordination and consistency in approach and branding)
- delivers value to tourism businesses through provision of an attractive benefits package for accredited businesses with a particular focus on helping all accredited businesses improve their back-office processes and achieve greater efficiency and professionalism
- develops and markets a strong brand which conveys clear and reliable information to stakeholders (for example, the system and brand has credibility), and
- is sustainable without further Australian Government assistance after two years.

The Australian Government will charge the recently established National Accreditation Working Group with the task of developing the above initiatives. Support for increasing quality and raising standards in Australian tourism is essential if Australia is to be able to deliver on its Platinum Plus reputation.

6.2. BETTER TOURISM BUSINESSES

The success of the tourism industry, as with any other industry, is dependent on the quality of business operations. Businesses need to be flexible, innovative and well run in order to maintain and enhance their competitiveness.

Risk management is a key element of any business operation. The tourism industry is as vulnerable as any other business to external shocks, such as natural disasters. In the past two years, a series of external shocks, from the events of September 11 to the SARS outbreak of mid 2003, have rocked the industry and have eroded the viability of many businesses. Insurance is an important part of any risk management plan and the availability of appropriate and affordable insurance has been a key focus of recent action by State and Territory Governments and the Australian Government.

As the tourism industry in Australia focuses on attracting and winning high yielding export markets, the international business climate will also impact on the viability of tourism in Australia. In addition, trends, availability of holiday leave, the competitiveness of other leisure products and seasons, all play a part in consumer choice. Tourism business managers need to carefully monitor external factors and trends in tourist consumer choice to ensure their businesses are well positioned to weather threats to viability.

The tourism sector should also seek to leverage opportunities presented by other industry sectors which indirectly promote the benefits of visiting or exploring Australia. Capitalising on the strengths of successful export industries, such as the film industry or the wine industry, can help tourism promotion and yield maximisation strategies. Australian film and television is the most readily accessible and effective medium for providing an insight into Australia's landscape, lifestyle and political, social and cultural environments. The international popularity of a film like *Priscilla: Queen of the Desert* or television series like *Neighbours* or *Home and Away* has a significant impact on the number of tourists visiting filming locations and can provide the initial motivation behind a decision to travel to Australia. In addition, a healthy and robust local film industry attracts foreign productions to Australia that in turn produce spin-offs in terms of business and cultural tourism.

In some jurisdictions there have been formal linkages established between the film and tourism sectors. For example, the British Government has supported the development of a film office in Bath which works with the local tourism organisation. It provides free advice to prospective location scouts for filming and issues information on suitable locations and regulatory issues that film studios would need to be aware of.

In Australia, links between tourism and film making are receiving growing attention. The Australian Tourist Commission is establishing a working relationship with the marketing body, AusFILM. AusFILM is a collaboration of over 60 corporate members, Australia's State film offices and the Australian Government through the Department of Communications, Information Technology and the Arts and Austrade. It has offices in Sydney and Los Angeles and is available around the clock to answer production enquiries. The exposure Australia gets through locally-produced films is an important mechanism in inspiring tourism activity.

Adopting and building on the use of enabling technologies is also crucial for most tourism businesses. The information technology revolution has already swept through the tourism industry delivering major productivity gains. The larger companies, including airlines, hotels and travel agencies make extensive use of information and online technologies to attract and do business with customers and to effectively run their businesses.

Smaller tourism businesses are starting to make better use of information and online technology to run and promote their businesses, but their use is not as sophisticated as the larger companies and they are often not as well connected to other businesses in the supply chain as they could be. The Australian Government will continue to support the optimal uptake of information and online technology in the tourism sector through the Information Technology Online Program.

Online databases offer potential benefits to operators, such as broad distribution and shared costs, with consistent and high quality information. They offer a way of providing what a growing number of consumers want and need: information to make bookings and purchases direct from suppliers. They also offer benefits to regional tourism businesses that need to have their information presented professionally and completely to a wider audience. One such initiative is the development of *Going Places*, a new online tool to profile Australia's natural and cultural heritage places, heritage trails and travel routes for domestic and international visitors.

The Australian Tourism Data Warehouse is a joint initiative of government tourism organisations from all Australian States and Territories and the Australian Tourist Commission. It aims to help businesses use online technologies to access the broader travel market through a central product database. The information is compiled in a nationally-agreed format and is electronically accessible by operators, wholesalers, retailers and distributors for inclusion in their websites. The Australian Tourism Data Warehouse offers a mechanism to reach new markets and to identify in a systematic way the range of tourism product available in Australia.

The Australian Tourist Commission's website **australia.com** is currently Australia's international tourism site designed for international consumers and media. This site could be an essential one-stop international and domestic portal for the Australian tourism industry. The site has been developed to incorporate content from a range of providers, including the Australian Tourism Data Warehouse, which is supplied by the State and Territory tourism organisations. A broad content base for **australia.com** is essential to providing an effective platform for the Australian Tourist Commission's marketing and for consumers to plan their Australian holiday.

In 2002–03, **australia.com** delivered over 42 million pages to consumers around the world. Many consumers were from America, accounting for 45 per cent of pages viewed, followed by Europe with 21 per cent, Japan and Korea with 13 per cent, 'rest of world' with 13 per cent, Other Asia 6 per cent and New Zealand and the Pacific with 2 per cent. Significant growth in distribution will be seen over the next 10 years in the use of the site and the uptake of technologies.

Another factor essential to effective business management is access to timely and accurate market data. Tourism research bodies, including the Cooperative Research Centre for Sustainable Tourism, will provide timely, quality data and analysis on activity in tourism markets. Tourism businesses which carefully monitor market information and use it in their business decisions enjoy higher profitability and success.

Better dissemination of tourism market data to increase this success will be a key priority of *Tourism Research Australia*. Industry associations can also play a crucial role in identifying any gaps in data collection, and work with the new research agency to fill those gaps. The Australian Government will also work with State and Territory Governments to ensure better access to research for tourism businesses, particularly in regional areas.

6.3. TRAINING AND SKILLS

Tourism is a people-oriented sector and friendly, efficient, professional service is a major ingredient in establishing Australia as a Platinum Plus destination. Development of a skilled workforce, capable of sustaining high levels of service, is critical to this labour intensive industry.

As the number of international visitors increases over the next 10 years and domestic visitors become increasingly discerning and demanding, the tourism sector will have to be appropriately skilled in order to meet, and exceed, the expectations of visitors beyond the 'rock or reef'.

Australia's university and vocational education and training sectors already provide a large range of trained tourism professionals. However, tourism industry and training institutions must also look to the future and aspire to produce staff who can deliver a Platinum Plus experience for students. There are national skill shortages in some tourism-oriented occupations, including chefs, cooks and pastrycooks, and these skill shortages could impede growth in the tourism industry.

With expected growth of visitors from North-East Asia over the next decade, the tourism industry anticipates a shortage of relevant language skills to deal with this growth. For Australia's inbound tourism industry to compete successfully on the world stage, and to grow, it must position itself strategically by planning and beginning to meet these new language needs and the different cultures they represent.

Around 43 per cent of the Australian population was born overseas or has at least one parent who was born overseas. Many Australians possess linguistic and cultural skills that should be recognised as a major asset and used for the economic benefit of the Australian tourism industry and economy. In putting these skills to work, Australia will be seen as a country where the tourism industry values language competency and awareness and sensitivity to different cultural practices. As a result the industry will have a greater chance of enriching the visitor experience which would lead to repeat visits.

To assist in addressing skill shortages, the Australian Government has negotiated a series of Labour Agreements which provide for temporary entry of various types of workers ranging from chefs to tour guides, tour coordinators and driver guides. These Labour Agreements are underpinned by enhanced employer commitments aimed at promoting employment and training opportunities particularly to young and Indigenous Australians.

Recent reforms in the higher education sector can deliver improved opportunities for tourism training and skills development. The *Our Universities: Backing Australia's Future* package of reforms includes increased Australian Government investment of \$1.5 billion in additional funding to the higher education sector over four years linked to progressively introduced reforms.

The Australian Government allocated funds in the 2003–04 Budget for the establishment of a National Centre for Language Training. This facility will teach intensive language skills and the business culture of a number of countries, particularly Asian countries. This Centre will address the need among Australian businesses and exporters for specialist immersion language and business culture training, and will significantly reduce the time required to attain language and business competence. The Centre will be of particular value to the tourism sector.

The Australian Government will also work with the Cooperative Research Centre for Sustainable Tourism to review its research program and maximise synergy and support for White Paper initiatives. The Cooperative Research Centre will also receive funding to better establish its reputation overseas as a world leader in research, education and training and better attract students to Australia's tourism education facilities as a result.

Regional areas often suffer from a lack of formally trained staff to work within the tourism industry, which can adversely affect quality and service. The training opportunities which do exist often have small take-up rates, as they may not meet the needs of the local industry at that particular time. Organisations may prefer to conduct in-house rather than formal training which can limit mobility opportunities and sometimes foster inconsistent standards within the industry. However, in-house training is important to encourage loyalty amongst staff and distinguish an organisation's level of service from the rest of the industry.

The formal education and training options available within the tourism industry are widely varied and often fragmented. There is a large number of agencies providing courses at many different levels. For example there are apprentice schemes, and technical and further education (TAFE) and university courses available in tourism and hospitality which provide a range of qualifications. It is important for the States and Territories and industry to work together to ensure that provision of coherent and effective tourism training courses meet industry needs.

The Ministerial Council on Education, Employment, Training and Youth Affairs is currently looking at ways to improve articulation and credit transfer between TAFE and higher education institutions with this issue currently being discussed by the Australian Government and the States and Territories through the Joint Committee on Higher Education.

Provision of online training can offer time savings and ease the burden of training on small businesses. As technology becomes increasingly advanced, it is important for tourism to expand the accessibility and prevalence of online tourism courses.

Tourism Training Australia is the national training and advisory board for the tourism and hospitality industry and is funded primarily by the Australian Government. State and Territory training bodies, together with the private sector, deliver training based on Tourism Training Australia defined competencies.

The Australian Government is also working towards consolidating the current 29 National Industry Tourism Advisory Boards into 10 National Skills Councils. This will involve creation of a new National Skill Council covering tourism which will focus on streamlining the present structure and addressing the existing gaps and overlaps.

The new structure will aim to ensure Australia has the training infrastructure to deliver Platinum Plus products and services. It will work to identify and address current and future skill needs in the tourism industry and increase the affordability of and access to appropriate training.

6.4. WORKPLACE RELATIONS

Tourism is a service-orientated industry with many jobs in the hospitality and recreation sectors. In 2001–02, tourism was directly responsible for employing around 550 000 people, or 6 per cent of all people employed in Australia.

Tourism employment in Australia is characterised by a high degree of diversity, both in terms of the skills and training needed and the hours worked. The occupational profile of jobs in the tourism industry consists of a higher proportion of part-time, casual and seasonal jobs, and a higher rate of female participation than in the overall labour force. The tourism industry is dominated by small business operators and characterised by a strong seasonal component to the market, especially in alpine or beach resorts.

The *Workplace Relations Act 1996* allows for more flexible workplace arrangements to facilitate Australia's growing international competitiveness. There is considerable potential for greater use and uptake of these flexible arrangements by the tourism industry.

The *Workplace Relations Act 1996* provides for collective agreements either between employers and registered unions or direct between employees and employers and for Australian Workplace Agreements (AWAs) to be made between employers and individual employees. AWAs give employers and employees considerable flexibility in setting wages and conditions that are appropriate to the needs and circumstances of particular industries, such as tourism. There is scope for the industry to more actively pursue and utilise the options and flexibilities currently available under the *Workplace Relations Act 1996*.

The Office of the Employment Advocate (OEA) has a series of Information Sheets, including template agreements, available from its website that can be useful for employers seeking to make AWAs. The OEA also has an established network of industry partners and ambassadors who promote and assist businesses in developing AWAs. Businesses with less than 100 employees, including in key sections of the tourism industry such as restaurant and catering, have shown an increase in the uptake of AWAs in the past 12 months.

Collective agreements are certified by the Australian Industrial Relations Commission. The Department of Employment and Workplace Relations provides information on agreement making through the Wagenet website and also works on an ongoing basis with industry to better promote the benefits and opportunities available through agreement making. It has also recently established a Workplace Advisory Service to provide advice to employers on federal agreement making options. As an example of the government's commitment to working with industry on the better promotion of the benefits and opportunities available through agreement making, the Department of Employment and Workplace Relations is engaged with members of the restaurant and catering industry through the Action Agenda process in exploring opportunities to ensure a greater take up by the industry of AWAs and certified agreements.

The Australian Working Holiday Maker Program is aimed at promoting international understanding between cultures. It can also provide Australian employers with access to a sizable pool of seasonal workers. Working holiday makers are permitted to supplement their funds by undertaking incidental employment. In 2002–03, almost 90 000 working holiday visas were issued and it is estimated that these visitors spend around \$1.3 billion in Australia annually.

The Australian Government currently has reciprocal working holiday visa arrangements with 16 countries and is currently working to establish further arrangements. Since 1 July 2002, working holiday makers have been able to lodge their Working Holiday Maker visa applications via the Internet. By July 2003, the take-up rate for Internet lodgement was 90 per cent of all working holiday applications lodged. Normal licensing and workplace relations legislation applies to working holiday makers' working conditions in Australia.

A Platinum Plus approach in Australian tourism will see the industry less vulnerable to the detrimental impacts of seasonality. Yield maximisation strategies which seek to provide quality and value experiences all year round and leverage from events and business tourism can address seasonal fluctuations. Greater business stability can provide a more positive environment for long term investment in labour force development.

7. Building Niche Markets

Building successful niche markets is central to growing high-yield sectors and addressing seasonality. International events over the past two years have constrained the growth of tourism and created an international market that is very competitive. Good availability of information, especially through the Internet and the media, has created a well-informed and discerning consumer.

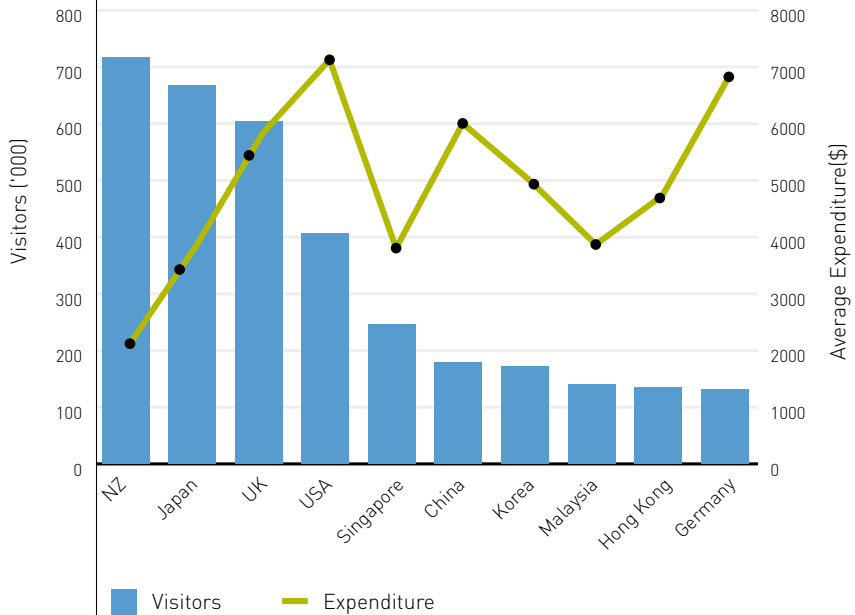
Building niche markets is a key element of the Platinum Plus strategy. In areas of professionalism and service, tourist accommodation and infrastructure, and tourism experiences and products, Australia must have a competitive advantage to succeed in international markets.

7.1. GROWING HIGH-YIELD TOURISM

Like other market sectors, tourism customers are attracted to the diverse range of new and innovative products and experiences provided by the market. Such innovation and improvement is the basis of growth and success. Australia needs to be at the forefront of such innovation, with a focus on developing high-yield market segments. The wide range of market segments can offer different types of yield gain, depending on the nature of the visitor.

In 2002, the average expenditure, per visit of inbound visitors, was \$4748, including package tours and prepaid international airfares. Characteristically, visitors from certain markets spend more: visitors from China, Germany, and the United States currently have an average spend of \$6006, \$6826, and \$7127 respectively; and backpackers, by a simple expenditure measure, are one of Australia’s highest yielding market segment, spending on average \$5319 per visit, however the length of stay that produces this expenditure is relatively longer than for other visitors (see Figure 7.1).

FIGURE 7.1
TOP 10 INTERNATIONAL MARKETS (BY VISITOR) AND EXPENDITURE 2002



Source: Bureau of Tourism Research 2002

Industry sustainability is derived from maintaining an appropriate balance between tourism numbers and yield. To date, the industry has tended to be more numbers focused to the detriment of maximising yield. Effective niche marketing targeted at high-yield markets will seek to ensure the industry gains optimal returns on tourism investment. By understanding the yield potential of different source markets and segments, the industry will know why and how to target them. The new *Tourism Research Australia* will be providing better access to market data to help industry in this task and *Tourism Australia* will be guiding and supporting industry efforts.

Industry is best placed to make decisions about which market segments it will seek to attract as it is at the operational level that innovation and entrepreneurship can be undertaken to seize niche market opportunities in a timely manner.

CASE STUDY – NICHE PRODUCT DEVELOPMENT

The Riverina Regional Tourism 'Naturally' tours are an example of an innovative niche product that builds on existing products and infrastructure. The region has drawn on its reputation for clean and green produce and agriculture, and is now promoting the region as 'the food bowl of Australia'. The tour attracts international visitors and builds upon the Wagga Wagga–Kunming sister city relationship.

Over the medium to long term, Australia can expect more interest from an expanded variety of source markets and market segments. For example, in markets as diverse as the United States and Japan there will be a growing cohort of older, wealthier and better educated travellers over the next 25 years, for whom the Australian tourism industry will need to cater. To optimise the benefits from evolving markets, Australian industry needs to examine the trends and diversify to capture the opportunities.

Better information about yield and market trends will produce better informed judgements and lead to development and improvement of tourism products and increased long term investment. A high-yielding tourism industry looking to the future needs long term investment.

The aim of this White Paper is not to present a prescriptive or complete set of medium to long term strategies for tourism, but instead to provide a robust structural base to support a tourism industry that is more innovative, flexible and adaptable and which is better equipped to meet the challenges of the future.

With this in mind, the Australian Government encourages the tourism industry to develop its own targets for growth and development, which would be supported by the range of initiatives included in this White Paper.

Development of strategic development plans for market segments and niches should be action-focused, address the issue of funding and set out a scheme for implementation. The Australian Government will work with industry to identify and develop strategic market development plans focused on high-yield niches and segments.

The Australian Government will also work with the tourism industry and State and Territory Governments by undertaking research to identify key opportunities and to underpin market development plans with excellent market intelligence. A forward-looking approach, based on good data, will help reduce the potential for any misalignments between product demand and product supply. An expanded *See Australia* will also help regions identify key market segments that provide tourism opportunities and develop appropriate tourism marketing and development plans at the regional level. This activity should not overlap with activities being undertaken at the State and Territory level.

A key to Australia's success in building its image as a world class destination will be the ability to ensure that the development of Australia's tourism product keeps up and exceeds that of tourism product offerings of competitor destinations. Greater focus on yield, including through the development of high-yield niche markets, and on raising the standard of tourism products and businesses, will help to ensure that the Australian tourism industry grows sustainably.

Some potential niche markets include seniors, defence, culture and the arts, sport, backpacker, health, people with disabilities, caravanning and motor homes, cycling, food and wine and agritourism. This list is not exhaustive. These and other areas will be further explored during implementation.

7.2. INDIGENOUS TOURISM

Australian Tourist Commission research shows the tourism industry is only meeting half the market demand for Indigenous tourism experiences. International visitors are clearly interested in experiencing these cultures but, at this stage, our tourism industry has not been able to develop sufficient Indigenous tourism product to meet that demand. Visitors are particularly interested in learning, experiencing and interacting with Aboriginal people, with authenticity an important aspect of the experience. Germany, the United Kingdom, other European countries and North America show the strongest potential demand for Indigenous tourism experiences in Australia.

Tourism offers particular opportunities for Indigenous Australians. In many areas of regional and remote Australia it offers the prospect of a pathway to economic independence. A significant proportion of the Indigenous population resides in regional and remote Australia. Developing Indigenous tourism can provide much needed opportunities for employment, social stability and preservation of culture and traditions.

The Australian Government established and funded Indigenous Business Australia to advance the commercial and economic interests of Indigenous Australians through the development of its substantial capital asset base. Indigenous Business Australia invests directly in business opportunities through, for example, joint venture arrangements between Indigenous people and expert industry partners. During 2001–02, Indigenous Business Australia acquired equity in a number of tourism ventures in remote localities, as well as investing in mining and property development.

Developing Indigenous product in response to demand needs capacity building in Indigenous communities and a number of initiatives have been undertaken which focus on building the business skills of Indigenous tourism operators and communities. The Australian Government has supported Aboriginal Tourism Australia in developing the *Financial Management Guide – the Business of Indigenous Tourism* for use by start-up businesses. Such initiatives need to be encouraged to ensure Indigenous communities contribute and share the benefits of Australia's tourism future.

CASE STUDY – GULUYAMBI ABORIGINAL CULTURAL CRUISE

Guluyambi boat cruises offer a unique Aboriginal cultural experience in contrast to the already established wetlands wildlife tours. The boat tours cruise the East Alligator River in Kakadu National Park and are operated exclusively by Aboriginal guides who share with visitors the history and customs of the area.

An established Kakadu operator, Bob McDonald, developed Guluyambi in association with the Djabulukgu Association. A primary motive for establishing the company was to provide an opportunity for Aboriginal involvement in tourism and to establish a quality operation involving Indigenous people. A profit sharing arrangement gives the Djabulukgu Association an interest in sustaining the business. An arrangement was reached between Parks Australia North and the Djabulukgu Association for a dispensation to operate a cruise tour on the East Alligator River.

Tours began in 1996 and, within three years, all guides were Aboriginal. The company is still working to develop a core of local Indigenous people with the business skills to run a sustainable, high-quality international tour company. The long term aim for the company is to be managed by Indigenous operators.

Guluyambi is an excellent example of a mutually beneficial business relationship. These types of relationships are likely to be the future of sustainable tourism growth in Kakadu and other areas of Indigenous ownership.

While there are some notable success stories in commercial Indigenous tourism, there are many concepts for Indigenous product that have either not been taken to market or have not proven to be financially sustainable. A key constraint to supply is the fact that Indigenous tourism ventures are not 'business ready'. The skills and capacity needed to set up a business, manage it soundly, research the market and establish relationships with potential investors and distributors of tourism product are absent or not well developed in many Indigenous communities or ventures. Where there is latent demand from tourism operators for developing Indigenous tourism experiences, they have difficulty finding Indigenous partners who are ready to engage in commercial arrangements.

To address this gap, the Australian Government will provide funds for an Indigenous Tourism Business Ready Program to develop business management capacity. The program will help individuals or early-stage growth firms to increase their potential for commercialising their Indigenous tourism product or service. The program will provide tailored intense support for a maximum of two years. Emphasis will be placed on development of management skills, business and strategic planning, market research and understanding tourism distribution networks and commercial practices in the tourism industry. At the end of the support period, successful firms will graduate as 'business ready' and will be mentored into venture capital markets, joint ventures or strategic alliances with the mainstream tourism industry.

The Australian Government will seek the support of the Indigenous Tourism Leadership Group, Aboriginal and Torres Strait Islander Services, the National Tourism and Heritage Taskforce, and other appropriate organisations in development and delivery of this initiative, and will continue to support the work of the Indigenous Tourism Leadership Group in furthering Indigenous tourism development.

8. Strengthening Regions

8.1. VALUE OF REGIONAL TOURISM

Regional Australia abounds with Platinum Plus tourism experiences. These experiences go beyond the icons of the 'reef and the rock' to the stories and culture of the Walhalla Goldfields or Aboriginal rock painting. The challenge is to capture these experiences and develop them into sustainable tourism products.

Tourism is an important driver for regional development. Ensuring the sustainability and viability of the regional tourism industry is vital to the economic diversification of regional Australia. Tourism also provides important connections and understanding between regional and metropolitan Australia.

The extent to which new opportunities and niche markets may be developed in Australian regions will, however, depend on the type and quality of a region's natural assets, the entrepreneurial capacities of regional tourism bodies and operators, and the degree of appropriate support from governments at all levels.

With the right mix of elements, enterprising Australian regions prepared to meet the challenge stand to gain substantial benefits by committing to the Platinum Plus ethos of this strategy, including:

- higher regional economic growth: tourism provides flow-on benefits to supporting industries including building and construction, financial services, food supply, preparation and distribution
- employment growth: regional tourism accounts for around 185 000 jobs or 6.8 per cent of rural and regional employment, compared to around 6 per cent of overall national employment
- enhancing opportunities for Indigenous economic development and sharing Indigenous cultural experiences, and
- improvements in infrastructure and standards that benefit visitors and locals alike and enhance the distinctive character of the region and its tourism product.

Tourism also provides an opportunity for regional communities to develop in a sustainable way. Enhancing awareness of the benefits of tourism could help communities optimise their tourism development opportunities. Many Australian regional centres have significant tourism development potential and are supporting the growth of tourism. However, tourism will not present the best vehicle to stimulate and maintain growth in all regional areas. Some areas have made the decision to limit tourism growth and in general this choice should be made at the local level. However, such a decision needs to be based on clear information about the costs and the benefits of tourism growth.

In 2002 Australians spent 210 million (70%) visitor nights in regions outside State and Territory capitals. Currently only 23 per cent of international visitor nights are spent in regional areas. The demand for regional experiences is expected to increase as tourists seek a 'unique tourism experience' not just a destination. A key factor driving overseas visitor demand is the desire to experience 'the real Australia' in all its natural diversity. Events like the Great Australian Cattle Drive during the Year of the Outback 2002, give international and domestic tourists the chance to go beyond the icons to experience Australia. The Year of the Outback has become a four-yearly event, recognising the depth of feeling Australians have for their country and the demand from international visitors for an outback experience.

8.2. INCENTIVES FOR COOPERATION AND DEVELOPMENT

Regional tourism represents around 60 per cent of all tourism activity in Australia. Rejuvenation of regional and rural Australia is a key objective for all levels of government. The Australian Government is determined to ensure a long term strategy for tourism includes and enhances regional Australia's capacity to contribute to economic growth and the sustainability of its communities. There is significant potential for regions in Australia to grasp tourism-related opportunities for economic growth. In addition, there is potential for areas closer to major city centres to capitalise on the opportunities that tourism has to offer.

Currently, the Australian Government contributes funds towards tourism initiatives through a range of programs, including the Regional Tourism Program and the Regional Partnerships Program, and State and Territory Governments work closely with regions supporting tourism marketing efforts and planning. There is potential for a better alignment of focus and effort between government programs in this area.

The States and Territories are primarily responsible for regional tourism structures. Regional and local tourism associations, local government and State and Territory tourism organisations provide most of the support and infrastructure for regional tourism development, including leadership and management. The large number of regional and local tourism organisations and local government associations can sometimes lead to fragmented planning and effort on tourism and serve to build rivalries between regions, rather than encourage synergies for creation of new growth opportunities. For example, Western Australia has already moved to rationalise the number of regional tourism bodies. This consolidation will help create synergies across regions, ensure better planning and cooperation and maximise value obtained from investing at the local level. Other States, such as Queensland, have focused particular attention on encouraging Regional Tourism Organisations to work closely together to achieve tourism objectives.

CASE STUDY – MATCHING REGIONS TO EXPECTATIONS IN WESTERN AUSTRALIA

The Western Australian Government has recently streamlined and consolidated the regions in Western Australia for tourism. The New Concept for State Tourism focuses on the needs and visitation patterns of tourists and will provide better support for the growth and development of tourism as a whole in Western Australia. As explained in the New Concepts for Regional Tourism Discussion Paper, the 10 regional areas were based on an historic eco-graphical distribution, not necessarily relating to development or marketing of Western Australia's tourism product. In a random study of East Coast residents, over 90 per cent of those surveyed had not heard of one of the established regions; only 0.7 per cent correctly positioned the area relative to Perth. As a result of the Strategy, 10 tourism regions will be reduced to five, to better reflect visitor travel patterns, access and experiences. This move will ensure critical mass and support effective development and marketing strategies.

There is scope for regional groups to work better together to build tourism products and experiences that focus on quality and value and are not constrained by regional borders.

'The Savannah Way' is an example of a tourism project which spans many regions and traverses State and Territory borders to achieve a unique product and experience. The Savannah Way is a Northern Australia tourism-themed route taking the traveller from Broome in Western Australia, through Katherine in the Northern Territory to Cairns on the east coast of Queensland.

Cross-border activity by tourism organisations needs better market information to identify opportunities and a planned response to tourism development and marketing on a regional level. Effective regional tourism planning and development will provide a good foundation for achieving Platinum Plus destination status. Better planning and marketing, focusing on partnerships and joint efforts where appropriate, are key to growing tourism in the regions.

As part of *Tourism Australia*, *See Australia* will be tasked to advise and help State, Territory and regional tourism bodies or groups of these tourism bodies, with market development planning and also research in conjunction with *Tourism Research Australia*.

Regional tourism needs to be better supported by appropriate research and this will be another priority task for *Tourism Research Australia*. The Centre for Regional Tourism Research, supported by the Cooperative Research Centre for Sustainable Tourism, the Australian Regional Tourism Network and Southern Cross University, is also working to build a knowledge base for regional tourism development. This Centre should work closely with *See Australia* and *Tourism Research Australia* to help industry access information upon which to build tourism in regional Australia.

Opportunities exist for greater metropolitan and outer-metropolitan tourism developments to link in with regional areas, and to encourage tourists to move more widely in Australia.

The Australian Government will provide incentives for collaboration to develop effective research-based strategies for tourism market development in regional and metropolitan Australia. It will expand and enhance the current Regional Tourism Program to create a new Australian Tourism Development Program. The Australian Tourism Development Program will be administered by AusIndustry in the Department of Industry, Tourism and Resources and will encourage the development of tourism across Australia by supporting projects that can demonstrate:

- effective, research-based tourism development planning
- spill-over benefits to other tourism and non-tourism businesses
- support for developing Platinum Plus products and experiences
- they fill a gap in existing products and services and/or add significantly to a region's suite of attractions and facilities
- contribution to long term employment and economic growth and regional development, and
- they facilitate collaboration and partnerships between tourism organisations and/or operators to more effectively capture market opportunities.

The program aims to:

- increase Australia's international competitiveness as a tourism destination
- increase visitation to regional Australia
- provide a continuous tourism experience between metropolitan and regional Australia
- enhance visitor dispersal within regional Australia, and
- contribute to the long term economic growth of regional and metropolitan Australia.

The Australian Government will consult with stakeholders, including relevant regional communities, in the development of regional and metropolitan tourism effort.

3

Section

IMPROVING ACCESS



9. Infrastructure

9.1. BUSINESS ENVIRONMENT

Over recent years Australia has enjoyed one of the strongest performing economies in the developed world. Efficiency gains flowing from microeconomic reform and competition policy, together with sound fiscal monetary policy, have provided a business environment conducive to investment and improved international competitiveness. Continued reform will secure further improvements in economic efficiency. The outlook for the Australian economy is:

- a healthy economic growth rate. Australian GDP grew by 2.7 per cent in 2002–03 and, despite uncertainty and a difficult international environment, growth in 2003–04 is forecast to be a solid 3 ¼ per cent
- low rates of inflation and unemployment. Inflation is expected to ease to 2.25 per cent in 2003–04 and the unemployment rate is expected to remain steady at around 6 per cent
- low interest rates, and
- a commitment to ongoing regulatory reform.

The Australian business environment demonstrates all the elements necessary for nurturing growth and investment. Moreover, forecast growth in both domestic, and, particularly, inbound tourism over the medium to long term provides impetus for tourism industry growth and investment.

ATTRACTING INVESTMENT FOR TOURISM INFRASTRUCTURE

Tourism is a large and diverse industry sector that is dominated by many small businesses and a smaller number of big players. The existence of a favourable business environment, together with efficient and well maintained infrastructure, is critical to the future development and long term sustainability of the industry.

For Australia to optimise its tourism opportunities and achieve Platinum Plus destination status, continued investment in infrastructure will be essential over coming years.

Attracting investment into tourism is impeded by a number of factors, including:

- a history of low rates of return amongst some segments of the tourism industry
- lack of basic information to help potential investors determine rates of return on investment
- the inherent cyclical and/or seasonal nature of tourism which makes it difficult to meet consistent yield expectations, and
- the complexities of dealing with multi-level government project approval processes.

State and Territory Governments have a significant influence on potential tourism development and investment through decisions concerning planning and infrastructure development, transport, business taxes and charges, business and consumer law, and environmental policies and regulations. Local governments also play an important part in setting the local investment climate through provision of infrastructure and public attractions, development and regulatory decisions, and support for local and regional tourism promotion.

The Australian Government facilitates investment primarily through provision of a favourable economic and regulatory environment. This was enhanced

recently with a significant reduction in the company taxation rate. The structural reforms outlined in this strategy, particularly with regard to increased marketing effort and developing yield maximisation strategies, will help industry become more attractive to investment. The Australian Government considers an enhanced role is needed in facilitating investment by providing better and more easily accessible information and research on market trends, demand and supply, visitor movements and visitor expenditure.

The Australian Government will task *Tourism Research Australia* with ensuring the data and information it produces enhances industry's ability to make investment decisions. *Tourism Research Australia* will work closely with industry to ensure investment-related information is relevant, timely and accurate. *Tourism Australia* will help industry reduce the risks associated with investment by supporting development of yield maximisation strategies and disseminating superior market intelligence.

In addition, the increased effort by *Tourism Australia* on international and domestic marketing will help increase demand for tourism and strengthen surety in investment.

LEVERAGING GOVERNMENT EXPENDITURE

There is significant scope to leverage Australian Government expenditure for the purposes of international and domestic tourism marketing. The Australian Government will investigate opportunities to tie tourism marketing to its spending programs on a whole-of-government basis. For example, where the government contributes to infrastructure, inclusion of signage and other tourism marketing vehicles will be pursued. The Australian Tourism Development Program, as described earlier in this paper, will include the opportunity to leverage marketing activities within its application criteria.

SIGNAGE

Signage is critical to the presentation of tourism product. It provides the vital link between the tourism operator and the consumer. Effective road signage can reinforce marketing and aid safe and efficient travel. Signage often means the difference between visitors stopping to explore a region or attraction, or driving through.

A lack of consistency, leading to poor driver comprehension of signage, has been identified as a key weakness in the current signage system in Australia. The continued development of a coordinated national approach to tourism signage, with government and industry involvement will create a more effective system. It will help the industry to better plan and market its product. The National Tourism Signing Reference Group was established in 1998 and includes Australian, State and Territory Government representatives and has been charged with developing a more effective national signage system. The Australian Government, in conjunction with the States and Territories, will continue to work towards nationally-consistent tourism signage through this forum.

9.2. WELCOMING TOURISTS

The manner in which travellers are processed at airports forms both the first and final impression of Australia and can leave a powerful imprint on a visitor's experience. There are increasing external pressures to upgrade security, quarantine and border control mechanisms that, when combined with increased passenger volumes, can impact on the total tourism experience. These pressures will influence the need for new technologies and increased infrastructure investment for passenger processing and border control. Tourism interests will be closely considered in these decision-making processes.

Continual improvement in border control procedures will be an important mechanism in ensuring the needs of passengers and airlines are met. For example, Advance Passenger Processing technologies has allowed immigration decisions to be made prior to boarding for a smoother processing of the vast majority of passengers entering Australia from major international airports.

Visa requirements are in place for all foreign, non-New Zealand, visitors to Australia. Use of the Australian Electronic Travel Authority and the Australian Government's continuing extension and improvement of such systems through greater online capability has helped streamline the process for passengers arriving at Australian gateways. The Electronic Travel Authority, in effect an invisible visa, is used by over 85 per cent of visitors arriving on either a tourist visa or a short and long term validity business visa. It is now possible in certain countries for people to apply for a Working Holiday Maker visa online.

The Australian Government will work towards more streamlined, efficient processing of international visitors, through efforts to continuously improve the border control process, while meeting safety and security requirements. Appropriate processes will need to be in place to meet the expected increase in demand resulting from this strategy. In the current international climate, there will be a move towards increased security for travellers, especially at airports.

No person or region can be immune to all threats. The Australian Government places a very high priority on ensuring traveller safety and will continue to be vigilant and will upgrade efforts in this area. The challenge is to achieve this in a way that minimises inconvenience and additional cost for both the consumer and tourism businesses.

There are benefits for the tourism industry in the strong commitment to the safety and security of travellers that the Australian Government has made. It instils confidence and encourages continued travel, particularly amongst international travellers.

9.3. TAXES AND CHARGES

All levels of government apply taxes and charges that impact on the tourism sector. At the Australian Government level, these range from general taxes, such as the goods and services tax (GST), to specific taxes or charges which impact specifically on elements of the tourism sector. Examples of the latter include Sydney's Aircraft Noise Levy, applied to airline traffic using Sydney airport, and the Passenger Movement Charge levied on airline passengers departing Australia. These specific taxes and charges are often levied to seek cost recovery for government-provided services.

States and Territories benefit significantly from revenue generated through the GST, a revenue which grows with increases in consumer expenditure. This provides them with a solid basis upon which to finance investment in public infrastructure and services, including for tourism.

Evidence on the level of taxes that apply to the tourism industry suggests the industry is not taxed disproportionately in comparison to other sectors. The evidence also suggests that the level of taxes and charges applied to air travel in Australia is not high by comparison with other developed countries, for example, the United Kingdom has significantly higher taxes on air travel. Australia's position in this respect has improved further since lifting the Ansett levy in mid 2003.

The Passenger Movement Charge is a significant Australian Government charge levied on tourism consumers. It was established to recover the costs to government of passenger processing arrangements at Australian

international airports, however, the ongoing link between the level of the charge and cost recovery has been questioned over recent years. As part of the review of the Australian Customs Service, the Government will undertake a review of the Passenger Movement Charge, including its rationale and implications for tourism.

Pressure for further cost recovery through specific charges is likely to come from the inescapable need for upgraded security at Australian airports. The Australian Government has taken the view that such costs should be borne by the sectors that are served by, or benefit from, the upgrades and to the extent that they fall on the public, should be borne by the travelling public rather than the general public. While this remains the view, the government will continue to monitor the impact of taxes and charges on the tourism sector to avoid unfairly burdening it. It will also examine the capacity of airports and related businesses in regional Australia to meet the cost of any required security improvements.

The Tourist Refund Scheme allows international travellers to claim back both the GST and the wine equalisation tax paid on goods bought in Australia. Proposals have been put forward by the private sector to outsource to industry the promotion and delivery of the Scheme, as happens in a number of other countries. The Australian Government will examine the implications of this proposal and assess its feasibility. In addition, the Australian Government has endorsed an increase in the duty free allowance to stimulate travel. The proposed changes, subject to agreement from State and Territory Governments, would increase the general concession from \$400 to \$900 for adult travellers and from \$200 to \$450 for minors. The alcohol concession would also be increased from 1.125 litres to 2.25 litres. The changes are the result of a comprehensive review and recognise industry concerns that the concession levels had barely changed since 1987 and were outdated. The increases in duty free will contribute to the revitalisation of the duty free industry and Australian airports. Passengers will benefit from not only the increased tax concessions, but also from faster processing times. The Australian Customs Service estimates that up to 500 000 more passengers per year could present at the faster 'nothing to declare' channel at airports.

Inconsistencies in taxes, charges and regulatory requirements between States, regions and industry sectors may result in operator and tourist confusion and may distort the market. The Australian Government will continue to investigate ways of reducing these burdens on small business through the work of the Office of Small Business.

SECURITY RESPONSE

The Australian Government has been actively involved in improving security protocols and has also developed the National Tourism Incident Response Plan. The National Tourism Incident Response Plan is a whole-of-government incident management initiative, providing an overarching framework for a coordinated response and complementing existing State, Territory and Australian Government plans. The Plan was activated on 21 March 2003 to manage the impact of the Second Gulf War in Iraq and was extended with the outbreak of SARS. A recent evaluation of the Plan suggested that it had improved response mechanisms and that management of these incidents was significantly improved from management of September 11, the collapse of Ansett or the Bali Bombings. The Plan was deactivated on 7 August 2003, but remains ready for activation if necessary.

10. Protected Area and Land Management

Australia's unique natural and cultural environment continues to be a major attraction to international and domestic tourists. Protection of these assets will be a cornerstone of sustainable tourism development over the next decade. The recently released Australian Government report, *Pursuing Common Goals: opportunities for tourism and conservation*, examines the relationship between tourism and protected area management and concludes that the projected growth of tourism makes it essential that these assets are managed carefully.

Around 77 million hectares or nearly 10 per cent of Australia's land area is designated as protected. In addition, a large portion of Australia's 16 million square kilometres of ocean are under the jurisdiction of the Australian Government and much of this is being managed as marine protected areas. National parks and world heritage areas are the heart of this system and are essential to Australia's tourism industry. There were 84 million visits to national parks in Australia in 2001-02, contributing an estimated \$54 million in direct revenue for park management agencies, including from the Great Barrier Reef Marine Park. Yet despite the obvious importance of such visitation to both the tourism industry and the national park sector, these players are often seen as having divergent interests rather than working together to pursue common goals.

10.1. SUSTAINABILITY OF TOURISM

Sustainable tourism is the development of an internationally competitive, ecologically sustainable and socially responsible tourism industry based on an integration of economic, social and environmental objectives and constraints. This is being addressed by industry and government in many ways.

Many tourism businesses are responding to consumer preferences by adopting 'environmental best practice' strategies to minimise their impacts. Australia has comprehensive environmental legislation which provides the impetus for the uptake of environmental best practices in Australian tourism. There is, however, significant scope for expansion of environmental best practice strategies, particularly within the small business segment of the industry. If environmental practices are high and meet the needs of park managers, there will be less need for restrictive regulatory systems.

The Environment Protection and Heritage Ministerial Council's *Going Places: Developing natural and cultural heritage tourism in Australia* sets out practical ways to improve protection and presentation of natural and cultural heritage places. These will be pursued in collaboration with the States and Territories.

The Australian Government also leads the development of a *National Cooperative Approach to Coastal Issues*. The initiative places particular emphasis on: improving water quality in coastal and estuarine waters; conserving and restoring important coastal and estuarine habitats and biodiversity; and protecting the economic base of coastal areas, particularly for fisheries and tourism.

The Australian Government has signed a Memorandum of Understanding with the Queensland Government in relation to addressing water quality along the catchments adjacent to the Great Barrier Reef World Heritage Area. The implementation of a *Reef Water Quality Protection Plan* will reduce the amount of nutrients and sediments from land-based sources that are impacting the inner reefs and seagrass areas. This will improve the sustainability of tourism business in these areas.

The Great Barrier Reef Marine Park Authority, in consultation with all industries, has proposed a new zoning plan that aims to provide greater protection of the biodiversity of the Reef while maintaining its range of activities and uses. This Representative Areas Program seeks to protect the reef environment and preserve the commercial value of the reef underpinning the long term sustainability of the reef tourism industry.

The role of privately owned tourism infrastructure in publicly owned protected areas has received only limited attention to date in the identification and planning of tourism product. Industry involvement is important in helping to address issues such as congestion and opening up new areas for visitation, which can both facilitate tourism dispersal from congested areas and expand the opportunities for 'presentation' of natural heritage and biodiversity.

The Australian Government will work with State and Territory Governments to identify barriers to private sector involvement and investment in parks and will also seek to review tourism industry representation and input to protected area management with a view to identifying ways to strengthen involvement.

The Tourism Ministers' Council and the Environment Protection and Heritage Ministerial Council will work together to encourage partnerships that improve sustainability of the industry and sustainable use of natural and cultural heritage.

10.2. GROWING SUSTAINABLE TOURISM IN PROTECTED AREAS

Practical tools are needed to integrate the needs of both tourism development and environmental management and to provide guidance to help stakeholders interact, identify issues and work on outcomes for mutual advantage.

Pursuing Common Goals sets an agenda to deliver partnerships that will grow tourism in protected areas. These include proactive tourism strategies in all park plans of management, nationwide consistency in processes and practices across jurisdictions, industry standards for environmental activities, and measuring and leveraging the economic value of tourism for the regions.

While the Australian Government has responsibility for a number of these protected areas, the overwhelming majority (around 95%) of Australia's terrestrial protected areas are managed by State and Territory Governments. The States and Territories have different legislative and regulatory systems making it difficult for operators working across jurisdictions. Establishing common guidelines and practices relating to access arrangements would deliver great benefits.

Most access to national parks is based on a regulatory framework that requires monitoring and penalties, even for minor breaches such as not carrying a permit. As commercial tourism expands, this control approach is becoming a burden on park managers as well as operators. New approaches based around building partnerships, rewarding sustainable practices and better targeting regulation are currently being trialled in different jurisdictions. The Great Barrier Reef Marine Park Authority, whose jurisdiction covers 345 400 square kilometres, is seeking effective but less administratively costly ways to manage multiple use. The Tourism in Australia's Protected Areas Forum has developed principles for public and private partnerships to guide operational matters. These initiatives lead the way to developing consistent principles and guidelines based on incentives, thereby simplifying administrative systems and bringing substantial savings to park agencies and tourism operators.

Pursuing Common Goals recommends the creation of structures that will facilitate collaboration, and the development of action plans to boost tourism and conservation outcomes. These can build on the range of current successful models and adapt innovative solutions from overseas. Planning for tourism in marine protected areas could also be addressed in a similar process.

10.3. TOURISM ON OTHER LANDS: LEASEHOLD, FORESTS, NATIVE TITLE, PRIVATE CONSERVATION

There are opportunities for nature-based tourism and ecotourism on lands other than national parks and world heritage areas. Around 60 per cent of Australia's land mass is managed by private landholders. Biodiversity cannot be adequately addressed without private participation. Tourism on privately-owned land should be encouraged as a means of extending conservation areas. The National Heritage Trust is a source of funds to support private conservation efforts, but market based mechanisms could also make ecotourism attractive as a means to support private conservation.

Much of Australia's landmass is subject to interests held by individuals, communities and companies (such as pastoral leases, native title rights and interests, mining tenements, etc.). Currently around 44 per cent (338 million hectares) of Australia's mainland is covered by pastoral leases. As land use changes and emphasis on sustainable industries increases, tourism may become a more valuable commodity. In these cases lease arrangements may need to be changed so that they do not impede investment in product and/or infrastructure.

The interface between tourism and land tenure conditions in circumstances of pastoral leases and Aboriginal land raises public interest considerations as well as those of the industry and land holders. The Australian Government will encourage the development of strategic partnerships and a greater role for Indigenous communities in the development of tourism products and experiences to ensure the protection of communities and culture in locations where Indigenous tourism activities occur. The Indigenous Tourism Development Program developed by Aboriginal Tourism Australia, *Respecting Our Culture*, is an example of an Indigenous accreditation scheme which provides a platform for striking an appropriate balance between protecting cultural integrity and tourism development.

CASE STUDY: TOURISM ON OTHER LANDS

The assets of the tourism business may be cultural or spiritual as well as land or infrastructure. BridgeClimb, operating on Sydney Harbour Bridge, is an example where tourism occurs on infrastructure not owned by the business.

The founder of BridgeClimb organised a climb over the arch of Sydney Harbour Bridge as part of an international business convention in 1989. The idea to open the bridge to tourist climbers meant that BridgeClimb had to work closely with State and local governments and community groups. BridgeClimb also consulted with experts on safety and logistics, media, heritage and conservation. BridgeClimb was officially launched in 1998 and has recently passed the one million climber mark.

11. Transport

11.1. AVIATION

Australia's geographic isolation, relatively small population base, and widely-dispersed population centres present major challenges to the promotion and development of domestic and international tourism. In particular our inbound tourism market is almost completely dependent on effective and efficient air services.

The Australian Government is committed to maintaining a policy and regulatory framework that stimulates demand and growth, while ensuring competitive market access and a sustainable and safe aviation sector.

To meet these challenges and ensure the benefits of tourism's contribution to the Australian economy can be maximised, the Australian Government must balance the diverse and sometimes competing interests of the tourism industry, airline operators and the Australian community. To achieve this, the government will seek a closer formal working relationship between all major stakeholders, focused on promoting and developing national interest outcomes. The scope and membership of this forum will be developed in consultation with all major stakeholders. The formal working relationship would be characterised by Ministerial collaboration and enhanced stakeholder consultative arrangements to assist Ministers develop bilateral air services negotiating strategies.

Over the past decade, the airline industry has experienced a succession of global and regional challenges that have impacted profoundly on the profitability of the aviation sector. Aviation is characterised by high fixed costs, intensive and expensive demand for capital and operational complexity. The industry is cyclical, highly competitive and exposed to externalities over which it has little control.

Pressure is mounting as airlines and governments strive to stabilise unprofitable airlines in an outmoded and inefficient global regulatory system. Inefficient and restrictive business and policy practices remain entrenched in the industry globally. Over the next decade we can expect ongoing adjustment to these pressures, with a consequential impact on the tourism sector.

To address these challenges, sections of the aviation industry are implementing fundamental changes to the conduct of their business. The growth of budget airlines based on new business models has been one response. Commitments to purchase much larger planes, carrying up to 600 passengers to cater more profitably for long-haul and high-demand routes, is another. Such developments have significant implications for the tourism sector as well as for regulatory and infrastructure requirements.

Because of the nature of the global regulatory system, Australia has limited influence over the external air services environment. This underlines the importance of ensuring our own internal air services strategies and priorities are well focused and represent consideration of the full spectrum of the national interest. Australia needs to be flexible and opportunistic in ensuring policy settings that maximise opportunities for sustainable development of services for tourism and transport.

Close collaboration between the tourism and aviation sectors is required. In business planning, tourism operators and regions must seek to ensure the tourism products they offer are capable of attracting the quantum and mix of customers needed to meet legitimate airline expectations of yield and profitability. This will be particularly true for core airlines that serve Australia and invest heavily in the promotion and development of Australian tourism product.

Against this background, ongoing consideration must be given to the adequacy of present international air services policy settings and the need to elaborate domestic aviation policy, particularly as it relates to development of services to regional communities, and consultative arrangements. Developing and fine tuning policy will be essential as structural change occurs, and must be undertaken in consultation with the tourism sector and in cognisance of its impact on tourism.

In general, the Australian Government's air services policy encourages increased access by international carriers and new entrants in the domestic market and has made a significant contribution to the Australian economy.

In part the current cautious approach to the management of international access to the Australian market reflects the extraordinary circumstances facing the aviation sector. However, key stakeholders are now pressing for more liberal access rights for foreign carriers looking to expand services to Australia.

The highly liberal Australian domestic aviation policy underlines the importance of allowing the market to operate freely. Australian governments have not intervened in the domestic market as major airlines have failed. While those failures have had some short-term and negative impacts, government decisions not to intervene have been instrumental in the emergence of a robust, dynamic and increasingly competitive market.

Two issues impacting negatively on the tourism sector which have emerged in respect of the domestic aviation market will need market-based solutions. The loss of the Star Alliance feed to the domestic market following Ansett's collapse has yet to be fully resolved, and concerns remain about the challenges faced in regional Australia in attracting and sustaining an adequate level of air services.

Issues arising from the adequacy of airline services to regional destinations are being dealt with as part of a broader suite of government policy initiatives designed to help regional economic development. In aviation these include a commitment to accelerating roll-out of its regional 'open skies' package, Australian and State Government support for structural adjustment assistance for certain airlines, subsidies for control tower services, and lifting of air services charges on smaller aircraft operations.

When circumstances warrant, particularly where regional Australia is concerned, positive consideration will be given to innovative proposals from the aviation sector involving charter and cabotage services, the carriage of 'own-stopover' traffic on domestic sectors and the selective provision of 'seventh freedom' traffic rights, on a case-by-case basis and subject to a 'national interest' test.

Operators and industry stakeholders continue to raise concerns about air services charges and airport charges, including those imposed at those regional airports to which these charges apply. It remains important that these processes be fully transparent and fully understood by industry stakeholders. The Australian Competition and Consumer Commission will be encouraged to remain engaged on these issues.

Infrastructure constraints, such as inadequate runway, terminal or slot capacity at Australia's major airports have the potential to negate the benefits of micro-economic reform achieved elsewhere in the aviation and tourism sectors. This situation will continue to be planned carefully and the Australian Government will give consideration to including a specific reference to it in its review of Sydney's airport needs in 2005.

With tourism volumes predicted to grow substantially over the next 10 years, there is a need to improve border control procedures to minimise inconvenience to passengers and airlines and to facilitate increased utilisation of terminals. The Australian Government will undertake the significant forward planning required and examine the adoption of new technologies to improve processing and detection.

11.2. LAND TRANSPORT

Strategic land transport development remains important for the tourism industry. A significant proportion of international tourists and the bulk of domestic tourists rely on land transport to travel, particularly private motor vehicles. The bus and rail industries are also important to the tourism industry as they provide an important, affordable means of mass urban

and intercity transport that specific tourism segments, such as backpackers and seniors, rely on. For many regional areas bus and/or rail provides the only alternative mode of transport to the private motor vehicle.

Strategic road infrastructure is vitally important for the tourism industry, particularly to encourage greater regional dispersal of tourism. Road-based tourism is also important for the booming caravan and motor home market which is increasingly using the road network. The rising trend towards shorter holiday breaks and the forecast long term growth in international visitors to Australia will amplify the need for effective regional road networks as well as major transport corridors out of the major capital cities. For domestic tourism the private motor vehicle is by far the predominant mode of transport used for more than 75 per cent of all domestic overnight trips.

The increased use and efficiency of the transport infrastructure needs greater integration across different modes and in particular development of efficient intermodal links between ports, roads, rail terminals and airports. Appropriate access to major airports, seaports, and rail and intermodal terminals is an important element of efficient tourism operations. This should allow for a more integrated, efficient transport network that provides for greater passenger movement capacity and more reliable services that link between transport modes.

Strong regional and inter-regional transport infrastructure and transport systems are critical in ensuring that tourism continues to play a significant role in the economic future of Australia. Many regional areas of Australia have a growing dependence on tourism to generate business activity and jobs, especially in the small- and medium-sized business sector. Tourism provides a sustainable alternative income source for many communities with declining traditional industries.

In partnership with the Northern Territory and South Australian Governments, the Australian Government assisted private industry in the development of the Alice Springs to Darwin railway line, linking Darwin to the national railway grid and providing another export gateway to Asia and surrounding regions. Initially a freight initiative, this major railway project has great potential for tourism, particularly in central and Northern Australia. It also has the capacity to allow tourists to enter a Melbourne or Darwin port and leave through the other port by air, sea or rail.

The Bass Strait Passenger Vehicle Equalisation Scheme is another way the government is improving land transport across Australia. In recognition of the higher transport costs imposed by the Bass Strait, the Australian Government assists interstate travel by providing funding to reduce the costs of transporting passenger vehicles between Tasmania and mainland Australia.

The Green Paper on transport, *AusLink, Towards the National Land Transport Plan*, identifies a possible approach the Australian Government could take in relation to planning and funding a new National Land Transport Network. The Green Paper also identifies a specific regional transport infrastructure initiative focused on regional economic development.

The proposed AusLink Network provides for a more strategic approach for Australian Government investment on land transport initiatives. The network could be based on a National Land Transport Plan that provides a blueprint and defines the corridors and links of the network. This plan could provide the vision for the national network, and could identify the Australian Government's investment priorities on a five-year rolling basis.

The national network moves away from separately planned and funded national rail and road networks and ad hoc intermodal developments, towards an integrated land transport network comprising transport linkages

of strategic national importance. The national network is based on:

- national and inter-regional transport corridors, and
- other links to ports, airports, production and distribution centres, that are of critical importance to national and regional economic growth.

The overall strategic approach of the *AusLink* framework will enhance the competitiveness of Australia’s tourism industry by improving the effectiveness and efficiency of vital transport links to major current and new tourist destinations. One of the key directions of *AusLink* is to improve freight logistics services by increasing rail’s market competitiveness along major transport corridors, thus reducing the amount of growth in freight on roads. This will provide benefits for tourism.

AusLink’s intention to improve the capacity of regions to pursue economic growth and enhance trade opportunities by supporting development of critical regional land transport infrastructure links, will provide direct benefits to the tourism industry, particularly in regional Australia. The Australian Government will ensure tourism interests are properly considered when national road systems are being developed.

11.3. AIRPORTS / SEA PORTS

Australia’s transport infrastructure is primarily a function of the geographic circumstances of being a large island nation with a relatively low population density. Airports and sea ports provide vital gateways for international visitors to Australia and play an equally important role for outbound tourists. As stated earlier, travel by air is the main source of transport for outbound and inbound tourists to Australia with over 99 per cent of visitors using this mode.

TABLE 11.1
TOTAL INTERNATIONAL PASSENGER TASK BY MODE OF TRANSPORT:
2001-2002

	Air (‘000s)	Sea (‘000s)	Total (‘000s)
Incoming passengers	8 254	75	8 329
Outgoing passengers	8 195	74	8 269
Total passengers carried	16 449	149	16 598

Source: Bureau of Transport and Regional Economics, Australian Transport Statistics. June 2003.

Airports and the services they provide are critical for inbound and outbound tourism in Australia and, as noted earlier, have a powerful influence on Australia’s image as a tourism destination. The effectiveness of the road and rail infrastructure links to these hubs is of equal importance, as these connections can help to create an efficient, convenient and sustainable transport network and also influence Australia’s image as a tourist destination.

The cruise shipping industry in Australia predominantly consists of foreign-owned vessels based in Australia for all or part of the year that offer around the world or regional cruises mainly for international customers. Port calls are an important focus of cruise activities. The quality and price competitiveness of berthing facilities and access to ancillary services are important factors in attracting cruise operators to Australian ports.

Development of a sustainable and efficient cruise shipping industry can have a considerable economic impact, particularly in regional Australia. For example, when ships are in port they take on supplies, such as food and beverages, fuel and other critical services. Passengers have the opportunity to take tours and visit the region where the ship is berthed.

In 1995, the Australian Government developed the *National Cruise Shipping Strategy*, and in 1997, the *Action Plan for the Development of the Australia–Pacific Cruise Industry*. To ensure cruise shipping remains a growing and viable sector of Australia’s tourism industry, the Australian Government will review and update the *Action Plan for the Development of the Australia–Pacific Cruise Industry*. This review will cover attraction and maintenance of cruise ship visitation, the facilitation of Australian owned and operated ships, and regulatory and taxation issues.

12. Travel Support

A large number of tourism-related businesses rely on Australians travelling both domestically and internationally. These include services such as taxis, hire cars and travel agencies. Travel agents are intermediary businesses with a core function of linking suppliers of tourism services with consumers through provision of reservation, ticketing and other services.

The industry estimates there are over 4500 travel agencies in Australia, employing over 25 000 people. Travel agents can be categorised in terms of the types of clients they serve and the products they sell. Many are generalist travel agents, but some are corporate or government agents or specialists in particular countries, regions or niche markets. Within the distribution system, tour operators are often registered agents who own their own plant, such as coaches, buses or hire cars, and operate tours for the visitor. Tour wholesalers, on the other hand, gather tourism product from the principals and tourist operators, assemble it into tour packages and sell it to the general public through their own retail outlets or other travel agencies.

Outbound travel is an important factor in sustaining a wide range of regular scheduled flights which also bring inbound tourists to Australia. It is also important in sustaining supportive infrastructure including transport services, such as rail, bus and taxi services and the retail sector.

Travel agents are facing a period of structural adjustment. Greater use of the Internet by travellers is negating many of the advantages travel agents formerly had. There is now a strong trend to sell directly to the consumer, with the airline industry being a good example of this. These changes bring about rationalisation in the travel agency sector and mean that travel agents need to re-invent themselves to provide specialist and personalised services and focus on domestic as well as international tourism.

Proposals outlined in this White Paper, such as initiatives to assist in the development of niche markets, provide the travel sector with potential opportunities in the domestic travel industry. Travel agencies should be able to identify niche markets more easily and work with them to provide tailored product. Many enterprising travel agents are already responding to the challenge of online technologies by focusing on specialised tours and having a greater role in the provision of product. These travel agencies often have established close relationships with specialist providers or interest groups to deliver product tailored to meet specific needs. Such structural changes are part of developing a strong and competitive tourism sector.

The Travel Compensation Fund is supported under State legislation to protect the travel consumer in the event that an Australian travel agent experiences business or financial difficulties. The Travel Compensation Fund compensates consumers who have suffered financial loss because an agent has failed to account for money paid for travel arrangements. The Travel Compensation Fund also seeks to ensure travel agents have sufficient financial resources to secure the right to trade.

The Australian Government provided financial support to the Travel Compensation Fund with a payment of \$5 million in July 2001, which was matched by State and Territory Governments (the Northern Territory Government is not a participant).

As outlined earlier, the Australian Government has introduced changes to the duty free regime to stimulate travel.

4

Section

THE WAY FORWARD
THROUGH PARTNERSHIPS



13. Coordination

13.1. A NEW INTERGOVERNMENTAL FRAMEWORK

In addition to the range of Australian Government policy areas that affect tourism set out in this paper, State, Territory and local governments influence the development of tourism through development planning and infrastructure provision, taxes and charges, workplace relations and environmental management and assessment processes. State, Territory and local governments also play a key role in tourism marketing and promotion, focusing on their regions. Industry itself also has responsibility for tourism planning and coordination, and product development.

Thus governments at all levels have an influence on tourism issues. One of the strongest themes to emerge in the extensive consultation process that fed into the development of this White Paper was the need for constructive cooperation between governments at all levels. This will be essential to maximise tourism's opportunities and growth. Achieving the goal of a Platinum Plus destination will require a collaborative approach between industry and government at all levels.

There is already a range of consultative mechanisms to facilitate collaboration between governments and address issues influencing tourism industry development. The Australian Government, State and Territory Tourism Ministers' Council is the peak national forum for tourism policy discussions between governments. The Tourism Ministers' Council is supported by the Australian Standing Committee on Tourism, comprising officials from the Australian Government, Australian Tourist Commission and State and Territory Governments. The Australian Tourist Commission and State and Territory marketing bodies also meet on a regular basis to coordinate marketing efforts.

In 1987, the Tourism Ministers' Council developed the first intergovernmental agreement on tourism. At that time, Ministers recognised the need for governments to focus primarily on marketing and promotion. Strong collaboration between the Australian Government and States and Territories was advocated, as was the need to build better links with industry. The Bureau of Tourism Research was formed, with joint funding, to deliver vital statistics on tourism activity for industry and policy makers and this strategy has enjoyed significant success.

A changed international and domestic environment has made it necessary to revisit the agreement struck in 1987 and to seek ways in which collaboration can be strengthened to increase the contribution tourism makes to the economy and society. In consultation with State and Territory Governments and industry, the Australian Government will seek to develop a new intergovernmental agreement which will set out the roles and responsibilities of the various levels of government and areas for collaboration and cooperation. This agreement will provide a formal mechanism to set out the principles for cooperation and assign responsibility for action in areas identified in this tourism strategy.

AUSTRALIAN GOVERNMENT COORDINATION

Tourism is also an issue that has relevance to a range of portfolios across the Australian Government. It impacts on policy making in areas including industry, immigration, transport, trade, the environment, customs and culture. It is important that processes to include tourism as a key issue in the development of policy in these areas are effective.

To enhance existing processes the government will hold an annual Ministerial Council on Tourism meeting involving key Australian Government Ministers. These will include the Ministers for Transport and Regional

Services; Environment and Heritage; Immigration and Multicultural and Indigenous Affairs; Industry, Tourism and Resources; Education, Science and Training, Customs; Trade; and Small Business and Tourism, with other Ministers coopted as necessary.

Sometimes, a tourism industry issue may be of such a significant nature that an immediate whole-of-government consideration is required. On these occasions the tourism industry may, through the Minister for Small Business and Tourism, request the Ministerial Committee meet to consider the issue. It is not envisaged that these requests will be frequent. These measures will provide additional assurance that the significance of tourism issues is recognised and properly considered in the development of broad government policy.

14. Communication

The Australian Government is committed to an effective communications strategy to ensure the tourism industry, governments, and public stakeholders are informed of the progress being made as this policy is implemented.

This effort will be focused on communicating the content of this White Paper to key stakeholders and informing them of the directions that government will take in seeking to implement it.

The Australian Government is committed to communicating progress on the White Paper's implementation and intends to use regular updates and formal annual reporting to keep stakeholders informed.

These reports will form part of a longer term communications strategy, beginning with the launch of this White Paper, to inform industry, government and the public of the significance of tourism to Australia.

15. Implementation

Many of the strategies outlined in the White Paper require immediate focus, others involve a long term focus. The first stage of implementation of this White Paper will be put in place over the next four years. The White Paper strategies and achievements will be reviewed at that point to guide a second stage implementation.

A detailed implementation plan will be developed in consultation with key industry and government stakeholders and will follow publication of the White Paper. The implementation plan will set out actions and strategies that will be pursued, timeframes and responsible organisations.

It is expected to be released early in 2004.

16. Ongoing Consultations

The Australian Government appreciates that coordination and cooperation with industry is essential to any successful tourism strategy and recognises that the tourism industry has come together to speak with a coordinated voice in response to the development of this White Paper. It sees this as a very positive move and will continue to rely on this mechanism for effective consultation.

The Australian Government will establish a consultative forum between government and industry focusing on the implementation of this strategy. The composition of the industry component of the forum will be determined by industry. This forum will play a key role in development of the White Paper implementation plan and will play an ongoing role in monitoring and reporting on the progress of the strategy. Key areas of immediate focus will include:

- the structure and operation of the new *Tourism Australia*, including *Tourism Events Australia*, *Tourism Research Australia* and *See Australia*
- the focus of an expanded research capacity through *Tourism Research Australia* to ensure research is aligned with industry needs
- policy issues of concern to the tourism industry that fall wholly or partly within Australian Government responsibilities, for example, air services, access to national parks and protected areas, and
- establishing and managing new programs resulting from the White Paper.

The Australian Government also proposes that the annual meeting of the Australian Government Ministerial Council on Tourism will include an industry forum to facilitate dialogue between key Australian Government Ministers and the tourism industry. This forum will include participation by relevant Australian Government Ministers, industry leaders and government officials. The outcomes of the annual tourism industry forum will be recorded and reported, with a view to influencing government policy making and industry approaches on policy issues.

ITR 2003/072
ISBN 0 642 7214 1

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