Tourism 2020

Whole of government working with industry to achieve Australia's tourism potential
December 2011

The National Long-Term Tourism Strategy was launched in December 2009, followed by the 2020 Tourism Industry Potential in November 2010. The National Long-Term Tourism Strategy is being updated and sharpened since its launch to more closely align the strategy with the 2020 Tourism Industry Potential.

Tourism 2020 marks a further milestone in Australian tourism policy. It represents an integration of the long term focus, research and collaboration commenced under the National Long-Term Tourism Strategy with the growth aspirations of the 2020 Tourism Industry Potential. Tourism 2020 builds on this foundation to support industry to maximise its economic potential.

Tourism 2020 represents an unprecedented level of cooperation between industry and the Australian and state and territory governments to address the barriers to industry growth. It is a whole of government approach to improve the industry's productive capacity. It focuses on creating a policy framework that will support industry growth and provide industry with the tools to compete more effectively in the global economy and to take advantage of the opportunities that Asia presents.

The importance of tourism

Tourism is a significant industry for Australia. It generates $94 billion in spending and contributes nearly $34 billion to Australia's GDP, directly employs over 500,000 people and earns nearly 10% of our total export earnings, making it Australia's largest service export industry. It helps to fund critical economic infrastructure like airports, roads and hotels, and provides the people-to-people linkages to Australia's international interests. It also plays an important role in the economic development of regional Australia, with 46 cents in every tourist dollar spent in regional Australia.

Diversity in the industry

The tourism industry consists of almost 280,000 enterprises that support the visitor economy from accommodation and cafes, casinos, tour companies, travel agents, transport companies, and parts of the retail and education sector. The industry is supported by a supply chain that generates significant economic multipliers. Every dollar spent on tourism generates an additional 91 cents in other parts of the economy – higher than multipliers in mining, agriculture and financial services.

Tourism is more than holiday travel, incorporating a broader "visitor economy" that includes domestic and international travel for business, study and work, and for visiting family and friends.

Australia's competitive advantage

Australia has a wealth of assets that differentiate it from other destinations around the world, including unique landscapes and nature-based tourism offerings; Indigenous culture and heritage; sophisticated cities and regions; and friendly, tolerant, culturally diverse population. However, a successful and growing tourism sector requires more.

Improved quality, product choice, skills and infrastructure will maximise and sustain economic value from Australia's natural advantages as a tourism destination.

The current environment – challenges and opportunities

Challenges: Increasing competition and the rise of the Australian dollar are two of the many significant challenges currently facing the Australian tourism industry. Australia's international market share has reduced in recent years and domestic tourism expenditure has fallen since 2000. Together with governments, the industry needs to work towards the 2020 Tourism Industry Potential. Priorities include investment in new product, boosting productivity, increasing uptake of digital technology, and addressing labour and skills shortages, all of which will ultimately impact on improved product and service quality.

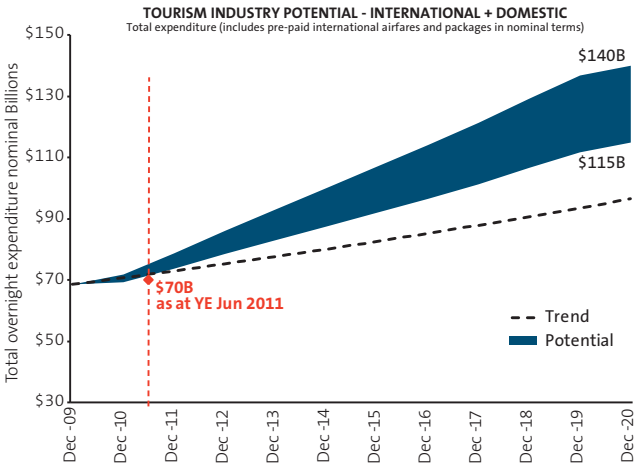
Opportunities: Australia's tourism offering of natural, cultural and man-made attractions remain highly regarded and sought after by visitors. Achieving the 2020 Tourism Industry Potential would increase tourism's contribution to GDP by as much as 50% to an estimated $51 billion. Economic powerhouses in Asia, particularly China and India, are driving new wealth and consumption that can translate into huge demand for visitor experiences. The digital revolution will be fast-tracked in Australia with the roll out of the National Broadband Network, allowing tourism operators to better engage with customers and create new business opportunities.

Government response – working with industry

Tourism Ministers have led and endorsed the work program under the National Long-Term Tourism Strategy, and committed to working towards achieving the 2020 Tourism Industry Potential. The work program continues to evolve over time as new issues of national significance require the attention of governments, with research highlighting areas in need of action.

Tourism 2020 marks the next phase in the evolution of the National Long-Term Tourism Strategy. Through Tourism 2020, governments at all levels will need to work with tourism industry operators to implement the strategy and monitor progress against the 2020 Tourism Industry Potential.

The potential for the industry in 2020



Industry findings:

- There are currently 36,000 unfilled jobs in the tourism industry, while an additional 56,000 - 152,000 jobs will need to be filled to meet potential
- 40,000 - 70,000 new rooms are required to meet potential
- Aviation capacity will need to grow by 40-50% for international and 23-30% for domestic to meet potential
- Only a third of Australia's tourism operators have online booking and payment facilities

By 2020:

- Achieve $115 billion-$140 billion overnight spend
- Hold or grow market share in key markets
- Grow labour force
- Increase accommodation capacity
- Increase international and domestic aviation capacity
- Improve industry quality and productivity

Following a review of the progress made by the National Long-Term Tourism Strategy Working Groups and the 2020 Tourism Industry Potential, the updated Tourism 2020 will have six strategic areas. The new strategic areas build on the day-to-day work undertaken by industry and across government in building the tourism brand, converting demand into visitation, developing tourism product, and contributing towards a more globally competitive tourism industry.

THE SIX STRATEGIC AREAS ARE:

1. Grow demand from Asia

While marketing investment across a balanced portfolio of markets is required, Australia has a unique opportunity to drive demand from Asia. Over the 2010-20 period, Asia is expected to contribute more than half of the projected growth in international visitation with 42 per cent of that growth expected to come from China. Most countries in Asia have growing economies with good consumer confidence, burgeoning growth in the middle class (especially China, India and Indonesia), and Australia is a near "western developed", English speaking country, with strong destination appeal. Industry and governments need to deepen consumer understanding, strengthen distribution, develop tailored marketing campaigns, and appropriate product, as well as relevant policy frameworks.

2. Build competitive digital capability

Strong digital capability is essential in both marketing Australia and in the distribution of product. Eighty percent of Australians are online and by 2020, 66% of the world is expected to be online. Developing strong and efficient digital marketing and transactional capabilities is essential to remain competitive. Currently only a third of Australia's tourism operators have online booking and payment facilities, limiting their ability to service customers both domestically and overseas. Governments will continue to work with industry to ensure more tourism enterprises are able to take advantage of online opportunities.

3. Encourage investment and implement the regulatory reform agenda

Tourism investment in Australia is lagging. From 2000-01 to 2009-10 investment in tourism grew at only half the pace of investment in the rest of the Australian economy. Tourism currently faces a disproportionate regulatory burden that impacts negatively on investment. Governments will work with industry to reduce the barriers to investment so that industry can invest in the products and infrastructure consumers are seeking.

4. Ensure tourism transport environment supports growth

Tourism transport capacity and infrastructure needs to allow increasing numbers of visitors to travel to, from and within Australia. Governments will work in partnership with industry to ensure the supply of transport capacity and infrastructure continues to move ahead of demand and facilitates, rather than hinders, tourism traffic.

5. Increase supply of labour, skills and Indigenous participation

The tourism industry has a labour shortage of 36,000 and an employee vacancy rate over four times the national average that is preventing parts of the industry from effectively servicing global customers. By 2015, an additional 56,000 people will be needed to fill vacancies (including 26,000 skilled positions). Government will work with industry to support industry recruitment, retention, labour mobility, education and training to fill these gaps, and explore ways to increase the supply of skilled tourism labour and Indigenous participation.

6. Build industry resilience, productivity and quality

Industry productivity is low compared to the rest of the Australian economy and to tourism firms in competitor countries. This is limiting Australian tourism operators' ability to provide consumers with value for money experiences. Building on Australia's competitive advantages, governments will work with industry to increase industry productivity, innovation and quality.

Tourism 2020

OVERVIEW OF ACTION PLANS, DELIVERABLES AND MEASUREMENT [TABLE PAGE 1 OF 2]

GROW DEMAND FROM ASIA*	BUILD COMPETITIVE DIGITAL CAPABILITY	ENCOURAGE INVESTMENT AND IMPLEMENT REGULATORY REFORM AGENDA	ENSURE TOURISM TRANSPORT ENVIRONMENT SUPPORTS GROWTH	INCREASE SUPPLY OF LABOUR, SKILLS AND INDIGENOUS PARTICIPATION	BUILD INDUSTRY RESILIENCE, PRODUCTIVITY & QUALITY
OBJECTIVE	**OBJECTIVE**	**OBJECTIVE**	**OBJECTIVE**	**OBJECTIVE**	**OBJECTIVE**
Tourism operators can attract visitors who spend more, particularly from growing Asian markets, by providing high quality products and services that these visitors are seeking	Tourism operators can take full advantage of information and communication technology to attract visitors and enable online transactions	Businesses can more easily invest in new visitor accommodation and tourism infrastructure by governments removing red tape barriers and facilitating major new projects	Tourism transport capacity and infrastructure is developed to allow increasing numbers of visitors to travel to and within Australia on a sustainable basis	Tourism operators can meet their labour and skills needs to deliver high quality customer service to all visitors, including those from Asia	Tourism operators can grow their profitability and marketability by delivering higher quality products and services using improved business planning, systems and standards
ACTIONS	**ACTIONS**	**ACTIONS**	**ACTIONS**	**ACTIONS**	**ACTIONS**
> Promote tourism interests in the development of the Asian Century White Paper (Australian Government – RET to lead in consultation with PM&C) > Implement 2020 China Strategy (TA, STOs) > Develop 2020 India Strategy (Australian Government – TA to lead) > Implement Operating Plans across Asian markets (TA/STOs) > Continue building on China Approved Destination Scheme (ADS) (Australian Government – RET to lead) > Implement Quality initiatives including T-QUAL accreditation (Australian Government – RET to lead) > Implement Improving Quality in the China Market T-QUAL Strategic Tourism Investment Grant (Australian Government – RET to lead) > Evaluate business events opportunities and further develop plans for Asia (TA/ STOs/Business events sector) > Lead training for tourism operators on China readiness (industry associations) > Address quality and product opportunities for Asia (STOs, industry associations, tourism operators)	> Implement National Online Strategy for Tourism (NOST) (responsibilities as per Action Plan) > Progress the 2020 Digital Marketing Strategy action plans such as develop a new social media strategy (TA) > Undertake continuous improvement and industry take up of the Tourism e-Kit (industry associations, STOs) > Roll out the National Broadband Network and support programs to assist businesses (Australian Government – DBCDE to lead) > Undertake benchmarking and tracking research (TRA, Digital Distribution Working Group) > Develop research agenda on digital trends (TA/TRA, Research Advisory Board) > Monitor progress (Digital Distribution Working Group)	> Finalise the tourism reform agenda and progress these matters to the point where they might be referred to COAG (Australian Government – RET to lead) > Implement plan to support tourism investment attraction and facilitation recognising different geographic needs (TA, Austrade,STOs) > Work with government to identify and promote tourism investment opportunities (tourism operators, Industry Associations, STOs) > Develop implementation plans to address key regulatory reform priorities, working across government (STOs working with other state/territory government agencies and RET) > Track tourism investment (Australian Government – TRA to lead) > Finalise and support national usage of Destination Management Plan tool (ARTN) > Monitor progress (Investment and Regulatory Reform Working Group)	> Negotiate air service agreements ahead of demand requirements (Australian Government – DIT to lead) > Build sustainable growth in capacity and new routes (airports, airlines, STOs and TA working together) > Complete and communicate "Regional Airports Strategy" (Tourism Access Working Group, STOs and airports) > Capitalise on aviation opportunities (tourism operators) > Continue current work on Cruise Shipping, Tourist Refund Scheme, and research on Trans Tasman passenger processing arrangements (Tourism Access Working Group) > Continue to ensure 2020 passenger movement scenarios are considered in planning/staffing for airports (Tourism Access Working Group, TRA, National Passenger Facilitation Committee and airports)	> Implement the 8 Hot Spots pilots (Labour and Skills Working Group) > Progress outcomes from Ministerial/ Industry roundtable discussions, including simplification of 457 visa processing guidelines, development of a template labour agreement for the tourism and hospitality industry and roll out of the Pacific Seasonal Worker Pilot Scheme to tourism in Broome (Australian Government RET, DIAC and DEEWR to lead) > Develop and implement a pilot program to facilitate skills transfer between Indigenous and non Indigenous businesses (Indigenous Tourism Working Group) > Communicate and encourage uptake of government and industry initiatives to address labour and skills shortages (STOs, industry associations, tourism operators) > Deliver 'Labour and Skills Connect' as an online solution for education, training, recruitment and retention for the tourism and hospitality industry (Labour and Skills Working Group) > Develop a T-QUAL Strategic Tourism Investment Grant to provide business skills training for Indigenous people at the National Indigenous Tourism Training Academy (Ayers Rock Resort) (Australian Government – RET to lead) > Facilitate partnerships between Indigenous and non-Indigenous businesses in the tourism sector to allow skills transfer and overall business development and growth consistent with the Indigenous Economic Development Strategy (Australian Government – RET and FAHCSIA to lead) > Participate in the Fair Work Act Review (industry)	> Deliver T-QUAL grants (Australian Government (RET) administers, industry associations/ tourism operators apply) > Encourage tourism operators' quality focus and uptake of T-QUAL accreditation (TQCA) working with industry associations and STOs; Australian Government to support administration (RET), and marketing (TA) > Roll out and promote Enterprise Connect and existing small business initiatives nationally to tourism operators as a way of growing entrepreneurial capability within businesses (Australian Government – DIISR to lead) > Develop an Industry Resilience tool kit (Resilience Working Group) > Engage tourism businesses in climate change adaptation through CSIRO Climate Change Adaptation project (Resilience Working Group) > Consider further research to support improved tourism industry productivity (TRA, Research Advisory Board) > Encourage high quality experience based product development through Australia's National Landscapes program (RET, TA, STOs, and Parks Australia) > Facilitate greater linkages between tourism and the arts through measures consistent with the Australian Government's National Cultural Policy (Australian Government - PM&C & RET to lead)

* Whilst maintaining investment in a balanced portfolio of markets to achieve the potential

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OVERVIEW OF ACTION PLANS, DELIVERABLES AND MEASUREMENT [TABLE PAGE 2 OF 2]

GROW DEMAND FROM ASIA*	BUILD COMPETITIVE DIGITAL CAPABILITY	ENCOURAGE INVESTMENT AND IMPLEMENT REGULATORY REFORM AGENDA	ENSURE TOURISM TRANSPORT ENVIRONMENT SUPPORTS GROWTH	INCREASE SUPPLY OF LABOUR, SKILLS AND INDIGENOUS PARTICIPATION	BUILD INDUSTRY RESILIENCE, PRODUCTIVITY & QUALITY
KEY DELIVERABLES	**KEY DELIVERABLES**	**KEY DELIVERABLES**	**KEY DELIVERABLES**	**KEY DELIVERABLES**	**KEY DELIVERABLES**
> Marketing to a larger number of cities in China > Updated consumer market research on China relevant to tourism operators > Higher level of tourism operator participation in China ADS > Programs for building industry capability in servicing a greater number of visitors from Asian markets	> Tools to enable tourism operators to enhance their online marketing and sales, including social media marketing > Up to date information on digital trends relevant to tourism operators > Higher visibility and leverage for T-QUAL accredited businesses through preferential listing on Australia.com and STO websites	> More 'business friendly' procedures for infrastructure development applications > Reduced red tape and compliance costs to increase attractiveness of investment in tourism assets > Streamlined procedures for development of tourism assets in high natural amenity locations > Greater levels of investment attraction by the Australian Government and state and territory governments > Greater levels of investment facilitation by state and territory governments > Tools for tourism regions to undertake effective destination management planning	> Facilitation of increased levels of international and domestic airline seats on a sustainable basis > Encouragement of airlines to utilise regional airports > Enhanced stakeholder understanding of cruise ship berthing and related infrastructure needs > Enhanced visitor understanding of Tourist Refund Scheme	> Strategies for tourism operators to fill labour vacancies in nominated tourism hotspots and other regions in each State and Territory > Improved training opportunities for staff through the Service Skills Australia revised Tourism, Hospitality and Events Training Package > An online tool for industry to consolidate information across tourism employment opportunities and assist transfer of labour and skills across Australia > Facilitation of greater level of participation of Indigenous Australians in tourism businesses > Improved information regarding visa rules to help tourism businesses engage overseas workers	> Marketing campaign for T-QUAL tick to raise consumer awareness and understanding of T-QUAL accredited operators > Assistance for tourism businesses to improve their productivity and profitability through Australian Government Enterprise Connect program and T-QUAL grants > Tools for tourism operators to undertake more effective business and risk planning
MEASUREMENT	**MEASUREMENT**	**MEASUREMENT**	**MEASUREMENT**	**MEASUREMENT**	**MEASUREMENT**
> Increase in visitor numbers and expenditure from key Asian markets as measured by TRA's International Visitor Survey > Hold or grow long haul market share in key Asian markets as measured by Tourism Economics	> Increase in the percentage of industry doing transactions on line – TRA to repeat benchmark tracking research > Increase in web and social media metrics that TA currently tracks (TA)	> Increase in visitor accommodation capacity - to be measured by ABS Survey of Tourist Accommodation (and reported in TRA Tourism Scorecard and State of the Industry reports) > Increase in levels of tourism investment - to be measured by new TRA 'Tourism Investment Monitor' report > Uptake of Destination Management Planning tool – ARTN to report	> Increase in international and domestic aviation capacity - as measured by the Bureau of Infrastructure, Transport and Regional Economics (and reported in TRA Tourism Scorecard and State of the Industry reports)	> Increase in the number of full time and part time jobs– as measured by ABS Tourism Satellite Account (and reported in TRA Tourism Scorecard and State of the Industry reports) > Change in number of Indigenous Australians employed in the tourism industry - indicator under development by TRA > Track tourism labour productivity growth (TRA)	> Increase in tourism sector productivity – as reported by TRA regularly > Increase in the number of businesses with T-QUAL accreditation – TQCA to report

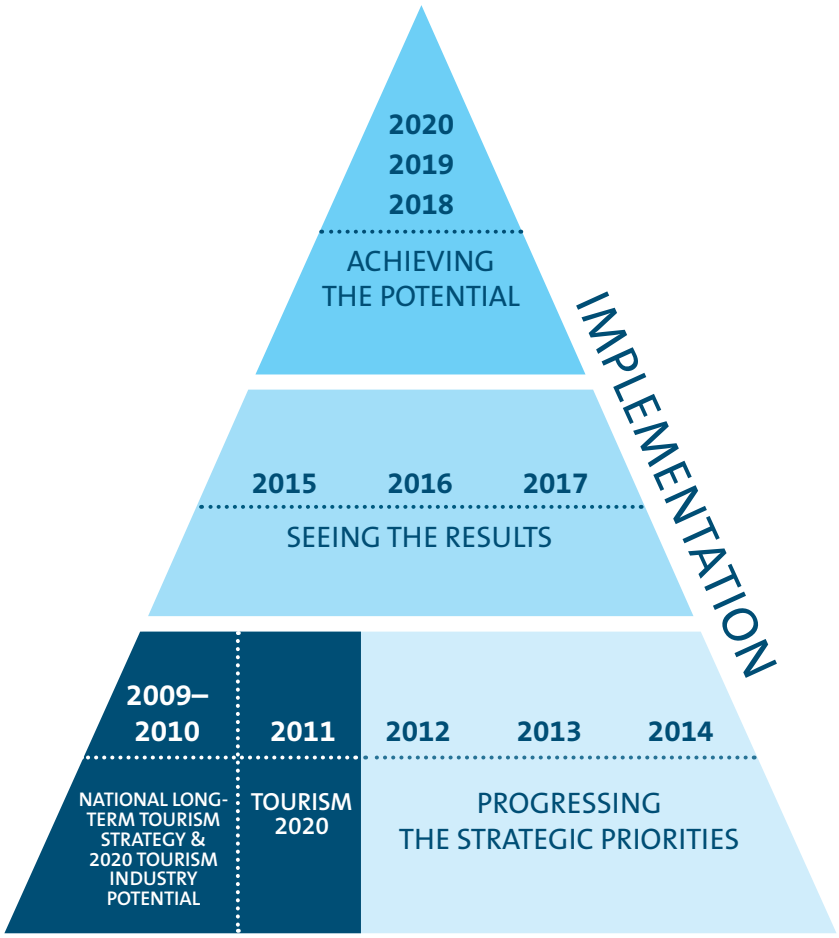
* Whilst maintaining investment in a balanced portfolio of markets to achieve the potential

Australian Government
Department of Resources, Energy and Tourism
Tourism Australia

Implementation of Tourism 2020

All stakeholders have important roles to implement Tourism 2020.

- Tourism operators and industry bodies will continue to participate in or support Working Groups, as well as use, refine and promote the deliverables of the strategy. This includes integrating the work into their own sectoral strategies and plans, and capitalising on market opportunities.
- Working Groups will continue to progress and oversee key actions under the Strategy, bringing together members from the Australian state and territory governments and industry. The Tourism Quality Council of Australia will continue to bring together governments and industry to drive the competitiveness and quality agenda across the Australian industry.
- State and territory governments will continue to work closely with industry and have key responsibilities (including lead roles) across all strategic areas. Other state and territory government agencies hold critical levers of tourism and so have important roles, as do regional and local tourism organisations.
- The Australian government has a lead role to play in several areas led by the Department of Resources, Energy and Tourism and Tourism Australia and other Australian government agencies which hold critical regulatory and policy levers affecting tourism.
- Leadership is provided by Tourism Ministers, both at a Federal level and across all states and territories, supported by the Australian Standing Committee of Tourism (comprising the CEOs of peak government tourism organisations).



Implementation will be phased.

A more detailed implementation plan will be developed supporting the Strategy, including timelines and details around measurement.

Communications Strategy

Ongoing communication is key to keep stakeholders and industry up to date with Tourism 2020. A summary of the communications plan is on the right:

Glossary:

ARTN	Australian Regional Tourism Network
DBCDE	Australian Government Department of Broadband, Communications and the Digital Economy
DEEWR	Australian Government Department of Education, Employment and Workplace Relations
DIAC	Australian Government Department of Immigration and Citizenship
DIISR	Australian Government Department of Innovation, Industry, Science and Research
DIT	Australian Government Department of Infrastructure and Transport
FAHCSIA	Australian Government Department of Families, Housing, Community Services & Indigenous Affairs
PM&C	Australian Government Department of the Prime Minister and Cabinet
RET	Australian Government Department of Resources, Energy and Tourism
STOs	State and territory tourism organisations
TA	Tourism Australia
TMM	Tourism Ministers' Meeting
TQCA	Tourism Quality Council of Australia
TRA	Tourism Research Australia (part of the Australian Government Department of Resources, Energy & Tourism)

Australian Government
Department of Resources, Energy and Tourism
Tourism Australia