

Reimagining the Visitor Economy

EXPERT PANEL REPORT

Charting a course for the long-term
recovery and sustainable growth
of Australia's visitor economy



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Dear Minister

Please find enclosed the Reimagining the Visitor Economy Expert Panel report. Its objective is to assist industry and governments in charting a course for sustainable long-term growth of the visitor economy over the next ten years.

Australia's visitor economy is strong and resilient. It has survived the Global Financial Crisis, natural disasters (bushfires and cyclones) and other pandemics (SARS, MERS). However, we have never faced as long-lasting or deep a global challenge as COVID-19. Recovery will take time, and there has never been a more critical time for the visitor economy to reimagine itself.

My remit has focused on the long-term recovery of the visitor economy and the report's recommendations reflect this. Yet, to write a report and not recognise some critical immediate steps would represent a lost opportunity. Some initiatives should start immediately: addressing workforce and skills shortages, improving business and government's access to timely and granular data and analysis, and enhancing collaboration across the visitor economy and with governments. These short-term recommendations are necessary to build the long-term success of the visitor economy.

This report is about getting back to basics. We hope this report provides a practical guide that can help to rebuild that visitor economy once we emerge from COVID-19 lockdowns and lock outs.

Findings

Over the past six months, I have met more than 500 people from both industry and government and read nearly 100 submissions in response to the Expert Panel's discussion paper. These helped me to understand both the importance of the visitor economy, and the work required to rebuild and grow the visitor economy.

Many of the challenges I have heard about are not new. However, they have been brought into sharper focus by the current crisis for example, structural problems in the workforce, vulnerability of businesses with over-reliance on single markets, ageing infrastructure, and the need for businesses to modernise business practices.

The lasting impacts from COVID-19 require us to look at these challenges with a fresh perspective and a renewed sense of urgency about the need for change. There are three pillars of action required to build a strong and resilient visitor economy:

- Collaborate across the visitor economy and with governments of all levels to effect change;
- Modernise the workforce, our businesses and our product offerings; and
- Diversify markets and products.



To reimagine the visitor economy, efforts need to be industry-led, and supported by all levels of government. There is urgency to our actions. We find ourselves in a highly competitive international environment and if we don't act now to improve our offerings we will be left behind.

Thank you

This review would not have been possible without engagement across industry and governments.

First and foremost, to the individuals, businesses, peak bodies, associations, industry councils and other organisations who willingly shared their time and expertise to help me understand the nuances of the complex and often longstanding problems facing the visitor economy: your efforts to attend consultations (both virtually and in person), write submissions, undertake surveys and provide case studies has been greatly appreciated. Your passion for the industry, especially at this most challenging time, makes me confident that Australia's visitor economy will rebuild, grow and thrive into the future.

Thank you to the Australian Government, state and territory representatives, and local government representatives who provided invaluable insights into government processes and advice on government policies.

I must also thank the Expert Panel members, Leanne Coddington, Karyn Kent, Kate Lamont and Juan Walker for their time, expertise and counsel. This report is the product of your commitment to the visitor economy.

Finally, I would like to thank the Australian Trade and Investment Commission (Austrade) for supporting this work as Secretariat for the Expert Panel.

Yours sincerely

The Hon Martin Ferguson AM

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Executive Summary

Reimagining the visitor economy

COVID-19 has had a devastating effect on Australia's visitor economy. Its impact has been deeper, longer and more globally pervasive than previous crises. As a result, the landscape for the visitor economy has changed, and both immediate action and long-term strategic planning is needed for the visitor economy to reimagine, rebuild and grow.

What we heard

The visitor economy is a critical part of Australia's economy. In calendar year 2019, it earned \$166 billion in total visitor expenditure, with 65 per cent of this derived from domestic visitation. In 2018-19, it was our fourth largest export earner (after resources) and employed, directly and indirectly, a million Australians.¹ The visitor economy is resilient. It has confronted and survived many challenges, including economic downturns, extreme weather events and health crises.

Yet the effects of COVID-19 (through its waves and its variants) have been devastating and caused unprecedented shock. Long standing challenges facing the visitor economy have been compounded by the pandemic. Addressing them will require urgent action.

The opportunities arising from these challenges include:

- COVID-19 has been a catalyst for industry-led and government-enabled collaboration, which has never been stronger and more necessary. Harnessing this momentum is critical, to support holistic, sustainable, mutually beneficial recovery and growth across all states, territories, regions and industries.
- Industry and all levels of government need more granular, timely and forward-looking data and analysis to underpin decision-making at every level of the visitor economy. Data needs to be easy to access and complemented by education and training for businesses to allow them to effectively leverage this data to rebuild their businesses and attract visitors.
- The visitor economy needs the right workforce in the right place at the right time. In 2020, visitor economy jobs were lost at a greater rate than in the broader economy (11 per cent as compared to 2 per cent in the economy more broadly). While economy-wide job numbers recovered prior to the COVID-outbreaks in New South Wales, Victoria and the Australian Capital Territory in July to September 2021, many visitor economy workers have exited the sector completely. The lack of international visitors and workers

(including working holiday makers and international students) has also contributed to workforce shortages. Businesses are running below capacity even when demand is high because they don't have the staff.

- The visitor economy needs a supply of accommodation, assets and transport options that meets the demands of the visitor. Accommodation offerings, especially in regional areas, should be refreshed to meet unique and authentic visitor needs. Public infrastructure (for example in national parks) either does not exist or is not adequately maintained.
- Visitors want an integrated travel process that provides connectivity and minimal touch points along their journey. They expect easily accessible information that allows them to choose where and how they travel. Australia's visitor economy businesses, which are dominated by micro, small and medium-sized enterprises, do not always meet these expectations.
- The sudden and prolonged closures of state and international borders has shaken people's confidence to travel. Yet, visitors need to return for the visitor economy to recover and grow. Given that even once Australia's international borders reopen, international aviation is likely to take years to recover to pre-COVID-19-levels, the domestic visitor market is key. The challenge is changing domestic traveler behaviours.
- Visitors want to learn more about Aboriginal and Torres Strait Islander cultures. There is an opportunity to increase the inclusiveness of Aboriginal and Torres Strait Islander cultures in the visitor economy by assisting to develop and showcase Australia's Indigenous cultural tourism products. This will enable visitors to learn about the oldest continuous cultures in the world, through authentic, immersive and life-changing on country experiences, to get a deeper understanding of Australia.

Our vision for the visitor economy

We want Australia's visitor economy to offer world-leading visitor experiences, while delivering significant and sustainable benefits to the Australian community and economy by:

- diversifying its markets and destinations;
- modernising its assets and capabilities; and
- collaborating to achieve these outcomes.

1. Department of Foreign Affairs and Trade, 'Trade and Investment at a Glance 2020' and ABS, Australian System of National Accounts and Tourism Research Australia.

These efforts should be industry-led and government-enabled. Our aim is to return the visitor economy to being a top-five national export earner as soon as possible and an engine room for employment in Australia.

What should be done

To build this modern, resilient and sustainable visitor economy, we recommend that the Government and industry develop a ten-year strategy that all elements of the visitor economy can rally around to support recovery and long-term growth. The strategy should put the visitor experience and maximising economic and social benefits at the centre of decision making. It should be supported by action plans that set milestones at regular points to guide recovery and growth.

Given the uncertainties around COVID-19 recovery and reopening, we do not believe now is the time to set long-term targets. We think that the visitor economy should work towards initial goals such as:

- for Australians to spend domestically on the visitor economy as they would overseas;
- for the visitor economy to again be one of Australia’s top five export earner; and
- for it to be an engine room for employment in Australia once again.

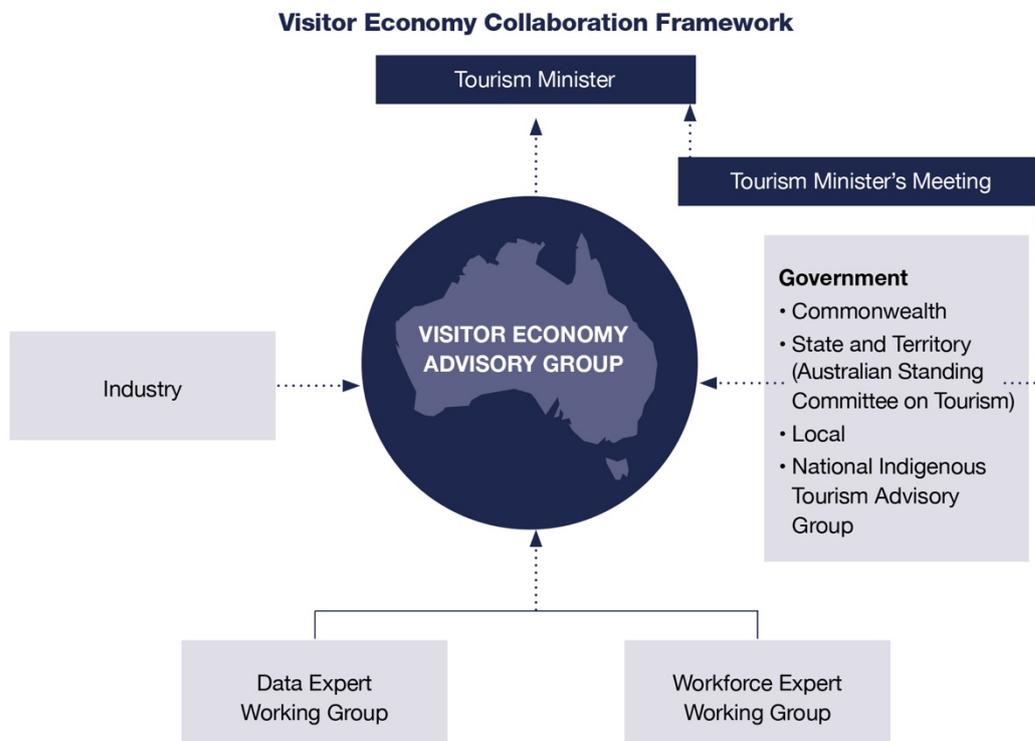
Once we have greater certainty over the reopening of domestic and international borders, we should regroup and set new, more concrete and ambitious targets.

Collaborate

Collaborate: The visitor economy should harness the increased collaboration brought about by the pandemic. Mechanisms that have grown or strengthened in the pandemic should be supported.

To effect innovative change through a visitor economy strategy, we recommend clear governance and a framework using new and existing structures. The Visitor Economy Advisory Group, reporting to the Australian Government Minister for Tourism and comprising a small group of industry and government officials, including Aboriginal and Torres Strait Islander representation, should oversee and guide strategy implementation. We recommend the group meet every four months to ensure strategy delivery remains on track including by helping to set targets when the time is right. The Advisory Group will be supported by Workforce and Data Expert Working Groups to tackle large and time-sensitive issues faced across the sector. A representation of the visitor economy collaboration framework is at Figure 1 below.

Figure 1: Visitor Economy Collaboration Framework



Data: Timely data and analysis is essential to the future of the visitor economy. Austrade’s Tourism Research Australia (TRA) should be a world leader in robust, granular, and timely data and analytics. This will require TRA to be well-resourced, review and update its communication and dissemination strategy, and develop a set of performance indicators that can be effectively used across government and industry (reflecting strategic priorities and incorporating financial, economic sustainability, social licence, workforce, access data and other measures). Austrade could map the complex structures that make up the visitor economy ecosystem to help visitor economy businesses and government policy makers to understand the depth and breadth of the sector.

Modernise

The visitor economy should continue to modernise in order to provide a world-class visitor experience at every stage of the traveler’s journey. This includes adopting modern business practices, as well as investing in new and refreshed assets. And all levels of government need to work with businesses to cut or streamline the regulatory red tape associated with investment.

Workforce: Modernising the visitor economy will only be possible with a well-skilled workforce that puts the right people in the right place at the right time. This includes striking a balance between an expanded domestic workforce and an international workforce. Immediate steps should be taken to increase the workforce through the improved participation of under-represented domestic cohorts (such as mature workers, women, Aboriginal and Torres Strait Islander peoples and people with disability). The promotion of a gap year for school leavers and those at other stages of their lives and careers could also promote participation.

For overseas workers, we support skilled migration to supplement and enhance our domestic workforce. Migration can provide skills that are in short supply. World-class overseas talent will strengthen our ability to offer quality visitor experiences of an international standard. We also encourage supplementation of the domestic workforce through the immediate return and updated conditions of working holiday makers as well as international students (noting work is not the primary purpose for their visit).

Improving workforce capabilities through the education and training of individuals and businesses is critical. This should include reforms to the Vocational Education Training (VET) system to ensure apprenticeships and traineeships are streamlined and meet industry needs (as per the Joyce Review into VET recommendations). The mutual recognition of micro-credentials across states and territories is also required in order to promote worker mobility.

This includes the Responsible Service of Alcohol qualification, the Responsible Service of Gambling qualification, and standardised COVID-safe training for hospitality and accommodation.

More needs to be done to elevate a career in the visitor economy both through promotion of a career of choice, career path development and through the visitor economy improving its reputation for workplace conditions (including payment of award wages, Superannuation Guarantee Scheme, and workplace health and safety).

Destination development: Governments and industry should collaborate to renew and refresh destinations (including assets and infrastructure) within Australia to drive increased domestic visitation and appeal to the international market when visitors return. We recommend that each state and territory identify at least one new or reimagined region and create destination development plan/s to fast-track product delivery by working with the local community (including local government and industry). Regular and sustained engagement with industry is crucial, as well as initial and ongoing engagement with Aboriginal and Torres Strait Islander local custodians. To promote success of the identified destinations, a partnership agreement could be developed as the basis for planning and process approval, red tape reduction and to prioritise investment.

Business modernisation: We need to ensure that businesses (including micro, small and medium-sized businesses) are putting the customer at the centre of their decision making and supporting them to do this. To achieve this, we recommend building business capability through programs that promote and support digitisation, and through leveraging data. We also recommend supporting programs that support asset modernisation, sustainability and resilience planning.

Diversify

To build people’s confidence to travel, swift vaccine rollout is required. Once vaccinations reach mandated levels, state and territory borders should reopen and remain open to build the confidence of Australians to travel domestically. A globally recognised vaccine certificate needs to be developed to enable vaccinated people to travel (domestically and internationally).

In the short term, diversification includes urgent action to change the mindset of how Australians holiday at home. Australians have demonstrated a desire for travel that can be met domestically. Australians should be encouraged to explore more of Australia, travel longer and/or more frequently and spend as they would if they were travelling overseas.²

2. Austrade, Opportunities for the Visitor Economy, 2021.

Bubble arrangements should be expanded and leveraged to target international markets as they are reopened to Australia. Pilots for the return of international students and working holiday makers should also be priorities. Once borders reopen, a coordinated marketing strategy will be required to help re-establish core markets and grow new/ emerging international markets.

Given international aviation may take years to recover once borders reopen, Australia should target the return of high-yield visitors and international students as the most effective contributors to the visitor economy spend. This includes expanding market offerings for these cohorts. Support for the return of events (business, regional and major events) should be prioritised, including through a coordinated calendar of events and the continuation of the Business Events Australia Bid Fund Program.

Underpinning these themes is our recognition that Australia must build on its natural strengths, including natural wonders and the recognition of Aboriginal and Torres Strait Islander cultures in order to build a resilient and sustainable visitor economy.

A call for action

Now is the time to act. This report contains a series of recommendations some requiring immediate action, and others that will take years to bring into effect. They are summarised in the Recommendations Overview with a list at the top of each chapter, and they are listed in full in Appendix 2. We encourage businesses and industry bodies, the Australian Government, state and territory governments, local governments and all interested parties to work together to take up this call for action to reimagine the visitor economy and help drive industry-led, government-enabled recovery.



Cape Range National Park, WA, Australia's Coral Coast, Tourism Australia

Recommendations overview

RECOMMENDATIONS FOR AUSTRALIA'S VISITOR ECONOMY ACROSS A TEN-YEAR HORIZON

To build a visitor economy that is modern, resilient and sustainable, we recommend the Government delivers a ten-year strategy for Australia's visitor economy that puts the visitor experience, and maximising economic and social benefits at the centre of relevant decision making. The strategy should be supported by action plans that set regular milestones to guide recovery and growth.

COLLABORATE		MODERNISE		DIVERSIFY	
OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE
Governments and industry collaborating to grow a stronger and more resilient visitor economy.	Better data and insights that underpin business and government decision making, and improve investor confidence.	A secure and resilient workforce that is well skilled, has a stable pipeline and can withstand changing market forces.	Visitor asset supply that meets demand, is accessible and high quality, and developed and managed sustainably.	Industry embracing modern business practices that meet the expectations of the modern traveller.	Australians spend more on the visitor economy compared to pre-COVID-19 spend. A less concentrated international visitor spend from a more diverse spread of source markets.

IMMEDIATE PRIORITIES

Encourage Australians to spend on the visitor economy like they would overseas, including through greater targeted offerings and innovative marketing. We support a swift vaccine rollout that allows state and territory borders to permanently open, improving traveller confidence and the development of a vaccine certificate that facilitates travel.

Establish an **industry-led, government-enabled collaboration framework** that includes:

- A Visitor Economy Advisory Group that provides a single voice on policy, representing a cross-section of industry, jurisdictions and tiers of government, to guide, oversee and monitor the implementation of the new visitor economy strategy.
- A Visitor Economy Data Expert Working Group (under the Advisory Group) to provide short-term national leadership on identifying and providing solutions to government and industry data needs.
- A Visitor Economy Workforce Expert Working Group (under the Advisory Group) to identify the gaps, barriers and future needs of visitor economy workforce, and to develop programs and promote careers in the visitor economy.

Each state and territory to identify at least one region to prioritise as a new or reimagined visitor destination.

Increase sources of workforce through underutilised domestic cohorts and the return of overseas workers.

Pilot the return of key international cohorts including international students and working holiday makers.

RECOMMENDATIONS	RECOMMENDATIONS	RECOMMENDATIONS	RECOMMENDATIONS	RECOMMENDATIONS	RECOMMENDATIONS
Establish a collaboration framework that supports the industry-led and government-enabled recovery of the visitor economy. Ensure that the visitor economy is considered and integrated into crisis management and recovery plans.	Collect and disseminate granular data and analysis that can be used by industry and governments to drive decision making for the visitor economy. Develop a holistic set of performance indicators for the visitor economy. Resource Tourism Research Australia (TRA) to ensure it is a world leader in robust, granular, and timely data, analytics and insights.	Improve workforce capabilities through education and training for individuals and businesses. This would include micro-credentialing to help fast-track skills acquisition. Expand sources of workforce by increasing participation. This includes removing barriers to participation and activating latent domestic cohorts, together with measures to strengthen the contribution of international workers. Raise standards in industry through promoting best practice workplaces to help attract a world-class workforce.	Encourage investment to create new or refresh existing: private development, public infrastructure, accessible offerings, and transport connections. Work with Aboriginal and Torres Strait Islander Custodians, local government areas, and state and territory governments to identify and deliver improved visitor assets and resources at culturally significant sites including trail assets.	Build a world-class visitor economy by increasing business capability through programs that drive product innovation, technology uptake, diversification and product quality.	Develop a coordinated strategy, mindful of bubble arrangements, to drive domestic and international visitation that is cognisant of new international market dynamics. Expand product, experience and event offerings in cities and regions including for high-yield visitors and fast-track the return of events. Respectfully embed Aboriginal and Torres Strait Islander cultures into the visitor economy through increased cultural awareness programs, product offerings, brand positioning, and land and sea management.

The Review

In April 2021, the Federal Minister for Trade, Tourism and Investment, the Hon Dan Tehan MP, announced a process to reimagine the visitor economy, including the establishment of an Expert Panel. The Expert Panel comprises:

- The Hon Martin Ferguson AM, former Federal Minister for Tourism (Chair);
- Ms. Leanne Coddington, Chief Executive Officer, Tourism and Events Queensland;
- Ms. Karyn Kent, Chief Executive, StudyAdelaide;
- Ms. Kate Lamont AM, owner, Lamont's Wine and Food; and
- Mr. Juan Walker, owner and operator, Walkabout Cultural Adventures.

Scope

We have been asked to prepare a report to advise governments and industry on the state of the visitor economy, and its potential transformation over the longer term by boosting productivity, increasing innovation and improving sustainability to meet future changes. Our appointment recognises that Australia's visitor economy will face structural reform post-COVID-19 as a consequence of lasting global change to tourism and travel. Yet, to think about the long term without recognising the immediate efforts needed as a steppingstone to long-term change would be a missed opportunity. You will see that our recommendations include issues requiring immediate action, that will then be built upon with work over the medium and longer term. Our Terms of Reference can be found at Appendix 1.

Evidence and research

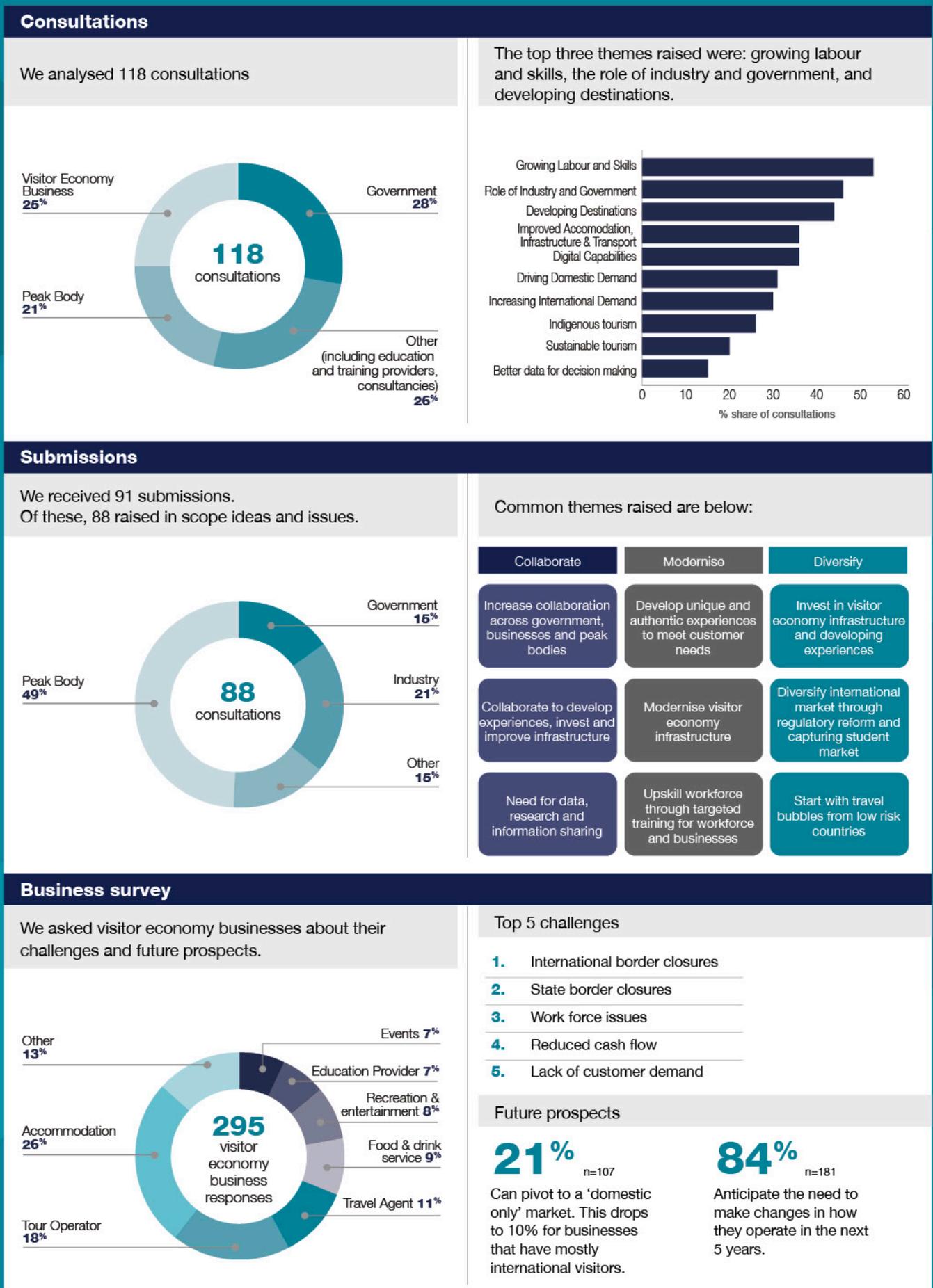
Our report has been compiled from a range of sources and framed by a Discussion Paper that we released (Appendix 3), including:

- Over 100 meetings conducted by the Chair and Expert Panel members with peak and industry bodies, businesses and individuals around the country. Our meetings provided insights both into the immediate effects of COVID-19 and solutions for the long-term recovery of the visitor economy. A summary of consultations can be found at Appendix 4.
- Nearly 100 written submissions most of which were made publicly available on Austrade's website. A summary of issues raised in submissions is found at Appendix 5.
- Over 400 survey responses. The survey was designed to gain insights into unique challenges and opportunities for small businesses and individuals. A summary of survey findings is at Appendix 6.
- An Austrade research report into Opportunities for the Visitor Economy. A modern, diversified and collaborative path to 2030 released in June 2021. The report can be found on the Austrade website.³

Our report builds on the extensive work undertaken across industry and governments during 2018-2020 in developing the next long-term strategy for the visitor economy, *Tourism 2030*, which was put on hold due to COVID-19. Appendix 7 lists previous tourism strategies and reviews.

3. Austrade, Opportunities for the Visitor Economy, 2021.

Figure 1: Summary of consultations, submissions and the business survey



The importance of the visitor economy

What is the visitor economy?

Australia's visitor economy is made up of people who consume services (the demand side) and businesses and individuals who provide or promote services (the supply side).

On the demand side, visitors are both domestic (Australians or residents who travel either for one or more nights at least 40km from home or a day trip longer than four hours and more than 50km from home) and international (non-residents who visit Australia for less than a year or any international student regardless of length of stay, reflecting their statistical likelihood to behave like visitors rather than like residents).

There are five visitor segments: holiday, visiting friends and relatives, business, work and education.

There are very few industries with such a diverse set of consumers. These could include: a family on a domestic holiday; a sports enthusiast taking in the AFL grand final; a retiree spending six-months caravanning around Australia; an art broker travelling to a regional art show; an

international student studying vocational education and training (VET); a business owner attending an international conference; an international visitor on a luxury escape; or a working holiday maker pulling beers in central Australia. This diversity is both the visitor economy's greatest strength and its greatest challenge.

The supply side of the visitor economy equation is no less complex. It includes any business or individual who provides or promotes services to create any part of the visitor's end-to-end experience. Providers range from multinational organisations (e.g. international airlines and global hotel chains) through to sole traders which make up almost half of tourism businesses.⁴ It includes parts of the transport, education, hospitality, retail, arts and culture, sports and recreation industries. Yet not every education facility, hospitality or retail business (by way of example) is part of the visitor economy. This makes contributions difficult to measure.

The visitor economy contributes to all parts of the visitor journey.⁵

Figure 2: The visitor journey⁶

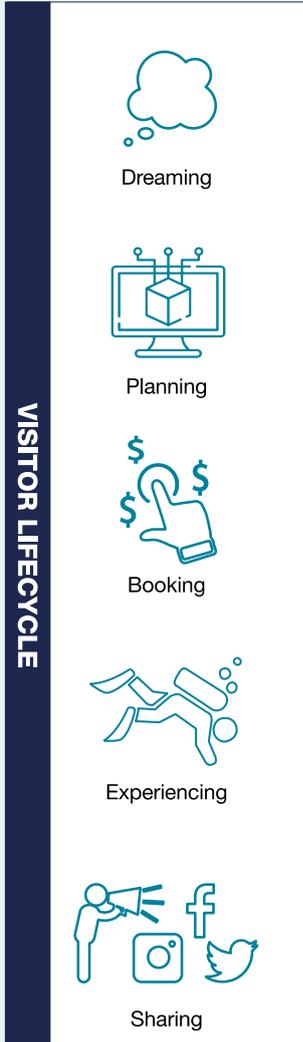


4. Austrade, Opportunities for the Visitor Economy, 2021.

5. Austrade, Opportunities for the Visitor Economy, 2021.

6. Austrade, Opportunities for the Visitor Economy, 2021.

Figure 3: The value of the visitor economy (*data from 2018-2019)



The value of the visitor economy economic and beyond

The visitor economy is a critical part of Australia's economy. In the calendar year 2019, it earned \$166 billion in total visitor expenditure with 65 per cent of this derived from domestic visitation. In 2018-19, it was our fourth largest export earner after iron ore, coal and natural gas. It employed, directly and indirectly, a million Australians (see Figure 5).⁷

In 2018-19, there were over 300,000 businesses in the visitor economy. This includes component parts of other industries such as retail, hospitality, transport, accommodation, cultural, education, and sports and recreation services.⁸

Visitor economy-related businesses are predominantly small operations, with the majority sole traders, and 95 per cent have fewer than 20 employees. The prevalence of small operators has important implications for recommendations in this report, including for capability development and innovation.

The visitor economy is emblematic of the Australian economy's growth and diversification through the twentieth century.

It has contributed significantly to the rise and economic importance of Australia's services sector and the jobs it provides. It drives activity in other parts of the economy every dollar spent in the visitor economy generates 81 cents for other parts of the economy.⁹

Businesses in the visitor economy are an important part of local economies and communities, especially in regional Australia. They generate jobs and regional growth, and provide important amenities to local residents. In 2019, there were over 95,000 tourism-related businesses in regional Australia (30 per cent of the national total), accounting for around 44 cents in every visitor dollar spent in Australia.

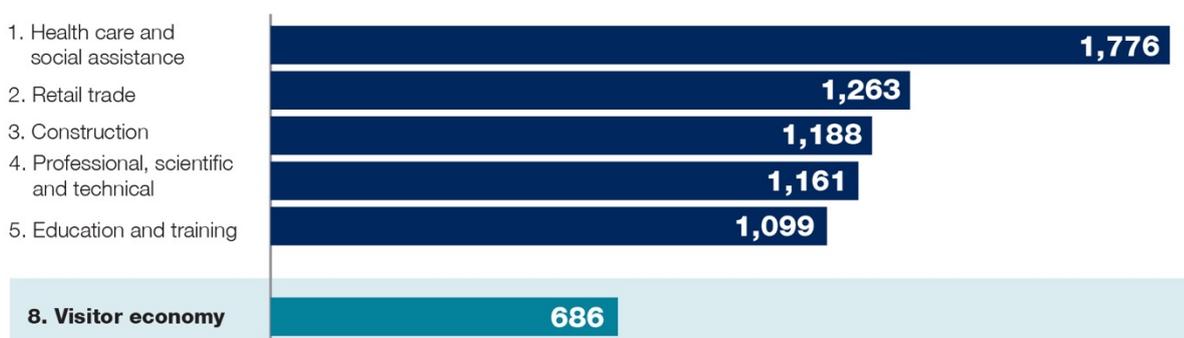
The visitor economy grew significantly in the 10 years to 2020.¹⁰ Overnight visitor expenditure increased 78 per cent to \$126.1 billion¹¹ over 10 years to December 2019, and international visitor arrivals increased to a record 9.5 million, up 70 per cent over 10 years. In addition to this, Australians spent approximately \$65 billion on outbound travel in 2019. There is now an opportunity to convert a portion of the money spent on outbound travel to domestic spend noting the challenges raised in the Diversify section later in this report.

Figure 4: The economic importance of the visitor economy to Australia in 2018-19

Export earnings – 2018-19, \$B¹



Number of jobs per industry – Nov 2019, 000s³



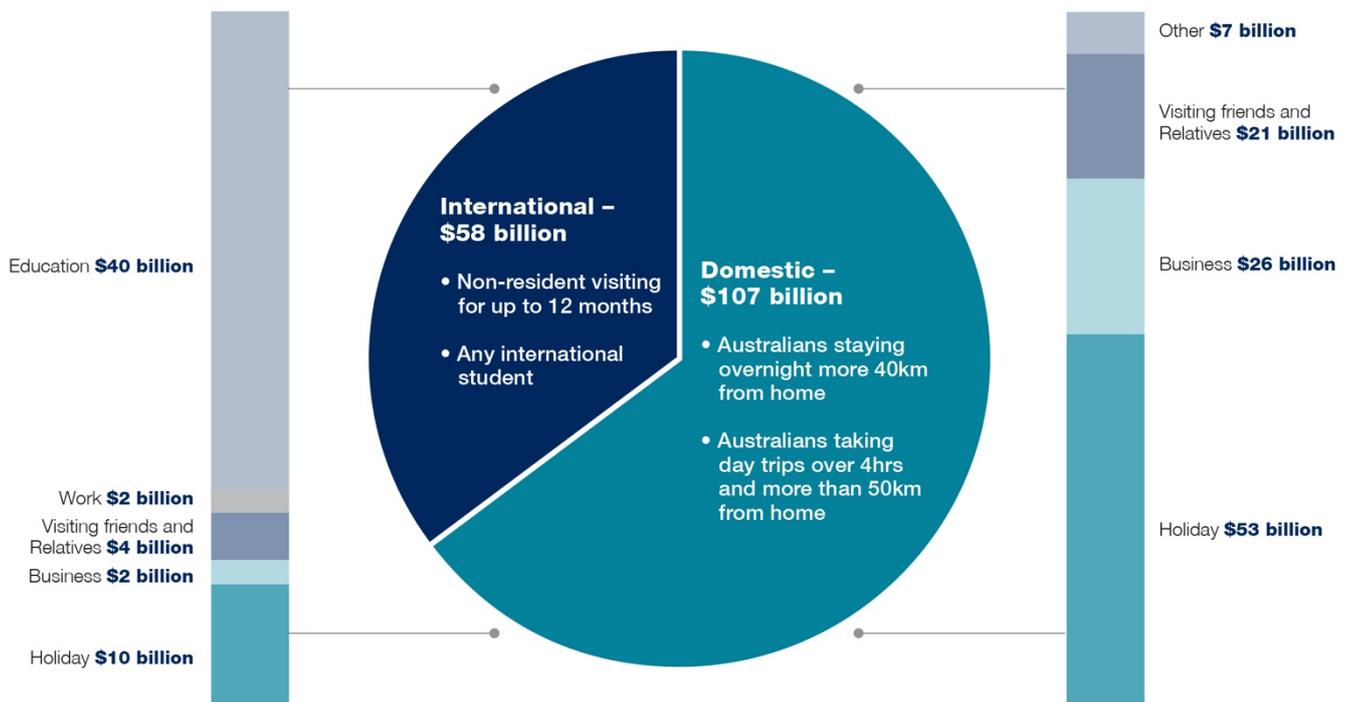
1. Department of Foreign Affairs and Trade, 'Trade and Investment at a Glance 2020'; 2. ABS, Australian System of National Accounts' and Tourism Research Australia; 3. ABS Satellite Accounts, December 2020; ABS Labour Force Survey, November 2020

7. Department of Foreign Affairs and Trade, 'Trade and Investment at a Glance 2020' and ABS, Australian System of National Accounts' and Tourism Research Australia.

8. We note not the entirety of these industries form the visitor economy but a proportion of each industry contributes to the visitor economy. For further analysis, see Opportunities for the Visitor Economy. A modern, diversified and collaborative path to 2030' June (2021)

9. Austrade, 'Opportunities for the Visitor Economy', 2021

Figure 5: Domestic and international visitor spend in 2019



Beyond its immediate and direct economic value, the visitor economy influences travelers’ impressions of Australia, which can underpin future spending and investment decisions. Many young international visitors have formative experiences in our country through education or extended holidays (including working holidays). These experiences give visitors lasting memories and create international networks that can lead to visitors later investigating migration to, or investment in, Australia. The visitor economy also facilitates cultural exchange and international engagement, fostering trade and regional cooperation. Positive visitor experiences create longstanding goodwill and relationships that are invaluable to Australia’s soft power overseas.

COVID-19 had a devastating impact on the visitor economy

Australia’s visitor economy is resilient. It has confronted and survived many challenges, including economic downturns (September 11 and the Global Financial Crisis), extreme weather events (cyclones, 2019-20 bushfires) and health crises (Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS)). However, the COVID-19 pandemic has been an unprecedented shock. It is deeper, longer lasting and more globally pervasive than previous crises.

The sudden and prolonged closure of domestic and international borders has shaken consumer confidence in travel. Businesses in the visitor economy have suffered; some have closed. Long standing challenges facing the visitor economy were compounded by the COVID-19 pandemic and now require urgent action to address.

In 2020, visitor economy jobs were lost at a greater rate than in the broader economy (11 per cent as compared to 2 per cent in the economy more broadly). While economy-wide job numbers have recovered, many visitor economy workers have exited the sector completely. The lack of international students and working holiday makers has also significantly contributed to shortages in the workforce.

Even once Australia’s international borders reopen, international aviation is likely to take years to recover to pre-COVID-19-levels. The COVID-19 Delta variant has demonstrated that recovery will not be linear. Resilience and agility are key.

9. Period covered by Tourism 2020 Strategy
 11. Not including day trips. Tourism Research Australia. International Visitor Survey Results. 2020



Vision for the future

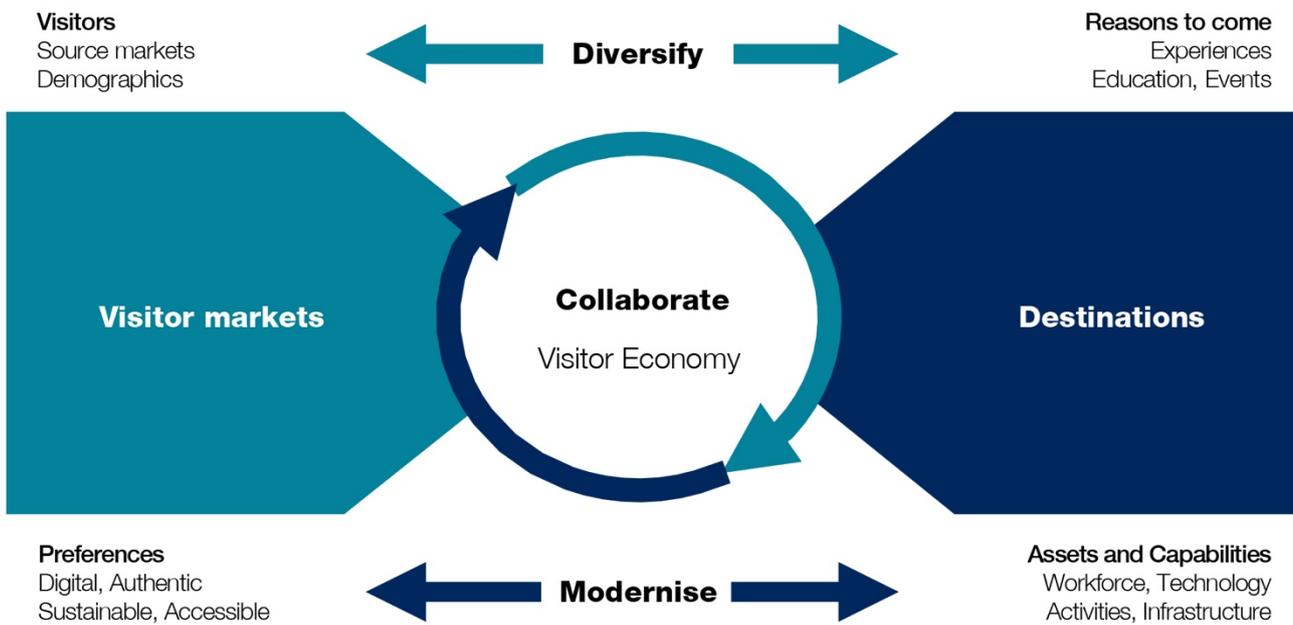
Australia’s visitor economy needs a contemporary vision and an action plan that all stakeholders can rally around as we rebuild and work collaboratively towards a new and sustainable future.

We should strive for Australia’s visitor economy to offer world-leading visitor experiences, while delivering significant and sustainable benefits to the Australian community and economy by:

- diversifying its markets and destinations;
- modernising its assets and capabilities; and
- collaborating to achieve these outcomes.

Australia is proud of its cultural heritage. Our Aboriginal and Torres Strait Islander peoples have the world’s oldest continuous cultures and they are a key part of Australia’s national identity. With significant diversity, these cultures are based on respect of the land, sea, sky, stories and elders, as well as generosity and sharing. When embedded firmly (through initial partnerships and ongoing inclusion) within our visitor experience offering, these cultures present a point of pride and of difference that is authentic and unable to be replicated.

Figure 6: Visitor economy objective



Developing world-leading visitor experiences requires modernisation of assets and capability, and collaboration across the visitor economy.

We need to strengthen the resilience of visitor economy businesses to counter ongoing challenges and disruptions both now and beyond COVID-19. To do this both businesses and their workforce need to modernise to meet the needs of the visitor and mitigate against the risk of workforce shortages impeding operations.

Objectives for the visitor economy a pathway for recovery and growth

For the visitor economy to deliver on the unifying vision, clear objectives must be set to guide recovery and growth over the next ten years. The below objectives are premised on the visitor economy being developed in a manner that benefits the visitor, the community and the economy.

Our recommendations in this report range from immediate to long-term, and from granular through to overarching and high-level. All aim to help guide industry and governments in achieving recovery and future growth for the visitor economy.

The visitor economy must remain agile: regular reviews on progress will be needed to ensure that industry and government efforts remain focused and relevant as the visitor economy rebuilds and grows. Our initial target is:

- for Australians to spend domestically on the visitor economy as they would overseas;
- for the visitor economy to again be one of Australia's top five export earners; and
- for the visitor economy to be an engine room for employment in Australia once again.

Once these goals are reached, and we have greater certainty over the reopening of domestic and international borders, we should regroup and set new, more concrete and ambitious targets that industry and government can rally around.

The visitor economy's objectives should include:

- All levels of governments and industry collaborating to grow a stronger and more resilient visitor economy.
- Better research, data and analytical tools to underpin decisions by business and governments regarding business improvement and investor confidence.
- A secure and resilient workforce that is well skilled, has a stable pipeline and can withstand changing market forces.
- Visitor asset supply that meets demand, is accessible and high quality, and is developed and managed sustainably.
- Industry embracing modern business practices that meet the expectations of the modern traveler.
- Australians spending more on the domestic visitor economy compared to pre-COVID-19 spend.
- A less concentrated international visitor spend from a more diverse spread of source markets.
- Aboriginal and Torres Strait Islander cultures universally respected by industry and government and included in offerings and decision making, and supported to contribute more to the visitor economy through sharing with visitors an understanding and respect for the natural beauty and cultures of our continent.



Dreamtime Perth 2019, WA Tourism Australia, created by Remco Jansen

COLLABORATE

Working together to achieve a more competitive and resilient visitor economy

OBJECTIVE	
Governments and industry collaborating to grow a stronger and more resilient visitor economy	
RECOMMENDATIONS	
FOR IMMEDIATE ACTION	
1.1	Appoint a Visitor Economy Advisory Group – representing a cross-section of industry and tiers of government to guide, oversee and monitor progress of the new visitor economy strategy. The Advisory Group should be supplemented by regular government officials’ meetings and oversee the work of Expert Working Groups (Workforce and Data Expert Working Groups, to be immediately established). <i>Lead: Austrade</i>
1.2	Government to deliver a ten-year strategy for Australia’s visitor economy that puts the visitor experience and maximising economic and social benefits at the centre of relevant decision making. The strategy should be supported by action plans that set milestones across the visitor economy to guide recovery and growth to meet and exceed pre-COVID-19 levels. Implementation of this strategy should be prioritised and appropriately resourced by governments. <i>Lead: Austrade</i>
1.3	Establish a cooperative mechanism to plan and implement interregional marketing and development activities to drive lasting improved outcomes. <i>Lead: Austrade, Tourism Australia, state and territory governments</i>
1.4	Ensure that the visitor economy is considered and integrated into national and regional crisis management and recovery plans. <i>Lead: Australian Government with state and territory governments, and industry</i>
1.5	Expand the role of the National Indigenous Tourism Advisory Group (NITAG) and include a formal partnership with Austrade to improve and encourage participation of Aboriginal and Torres Strait Islander cultures and businesses into the visitor economy. <i>Lead: National Indigenous Australians Agency (NIAA) and NITAG</i>

What we heard?

As a reaction to the devastating effect of COVID-19, collaboration across the visitor economy has never been stronger or more necessary. We have an opportunity to harness this goodwill and momentum, to create lasting structures and relationships that can support holistic, sustainable, mutually beneficial recovery and growth across all states, territories, regions and industries within the visitor economy.

‘Collaboration’ – which is more than coordination or cooperation – has been an oft-quoted imperative throughout our consultations; however, living that out in practice as Australia emerges from the COVID-19 crisis will require courage, commitment and leadership to achieve.

Both vertical and horizontal collaboration will be needed by industry and governments at all levels. This includes jurisdictions, industries, all businesses, local communities, traditional landowners, and researchers to achieve strategic alignment in coordinated policy, marketing, destination

development, sustainable tourism, business capacity building, and overall recovery and growth of the visitor economy.

It is clear from stakeholder feedback that state and territory leadership is required to facilitate hard and soft infrastructure, including new tourism icons.¹² These need to be identified early across every state and territory, and targeted for an ongoing coordinated approach to investment, planning, workforce attraction, development and marketing.

From this flows a concerted and collaborative approach to tourism investment involving industry and governments of all levels (Australian Government, state and territory and local) that addresses:

- investment attraction across the regions as well as cities;
- multi-jurisdiction regulatory harmonisation, and the removal of planning barriers and bottlenecks, including streamlined consideration and management of planning approvals for tourism assets in natural environments;
- innovative solutions to workforce shortages, including through provision of accommodation, incentives and tax reform;
- strong local council engagement in terms of community support and ongoing impact or management of new tourism assets; and
- a cooperative approach by destination marketing bodies, both vertically and horizontally, including through more engagement with Aboriginal and Torres Strait Islander people.

Collaboration is not only developing new tourism assets; it is also about cooperatively creating experience-based reasons for people to travel. For example, cultural and sporting events could be scheduled and marketed in a collaborative way that encourages regional dispersal and repeat visitation.

What should be done?

The visitor economy needs to harness the increased collaboration brought about by the pandemic to rebuild and grow. We recognise that collaboration does not suit every context and relies on an environment where there is no, or limited value derived from competition (for example research, training and investment). In other areas, competition may be healthy and should be encouraged.

We recommend that Austrade takes the lead in the development of a ten-year visitor economy strategy that puts the visitor experience and maximising economic and social benefits – at the centre of relevant decision-making. The strategy should be supported by action plans that are measured from current and pre-COVID benchmarks so that progress can be effectively mapped. This should be a national strategy, with industry and governments sharing ownership and responsibility for implementation. Stakeholders should prioritise implementation of the strategy, and ensure implementation is resourced appropriately.

Create a clear governance framework

As part of an industry-led, government-enabled collaboration effort, we recommend a governance framework utilising both new and existing structures. To institutionalise collaboration between industry and all levels of government, we recommend the establishment of a Visitor Economy Advisory Group. The group should be made up of representatives comprising senior levels of industry and government and include Aboriginal and Torres Strait Islander representation. Each representative should be appointed by the Minister for Tourism on a time-limited basis. While the specific make-up of the committee should be determined by the Minister, it is important that a diverse cross section of the visitor economy is represented. Each member of the committee should bring a unique experience and extensive networks to the table including knowledge and representation of both types of visitor and the sectors that service them.

The role of this committee is to guide, oversee and monitor implementation of a new visitor economy strategy, and to deliver information on the undertakings of the Expert Working Groups (see below) working on time-sensitive projects. The Advisory Group would provide a consolidated review of a strategic implementation plan to the Minister and would exist for the life of the strategy.

To support the work of the Advisory Group, we recommend that funding for the National Indigenous Tourism Advisory Group (NITAG) extends beyond its current term to 2024. NITAG's role would be to advise the Visitor Economy Advisory Group on Aboriginal and Torres Strait Islander visitor economy priorities and put this cohort at the forefront of decision making. This should be supported by regular dialogue between the Minister for Tourism and the Minister for Indigenous Affairs and by ongoing collaboration between Austrade and the National Indigenous Australians Agency (NIAA). Future membership of NITAG should include a member from each state and territory to represent a broad cross-section of Aboriginal and Torres Strait Islander interests.

Reporting to the Advisory Group we recommend two Expert Working Groups to undertake short-term and priority work. While for the purposes of this report we have identified two bodies of work that are immediately required, other Expert Working Groups could be established, as needed, throughout the life of the strategy.

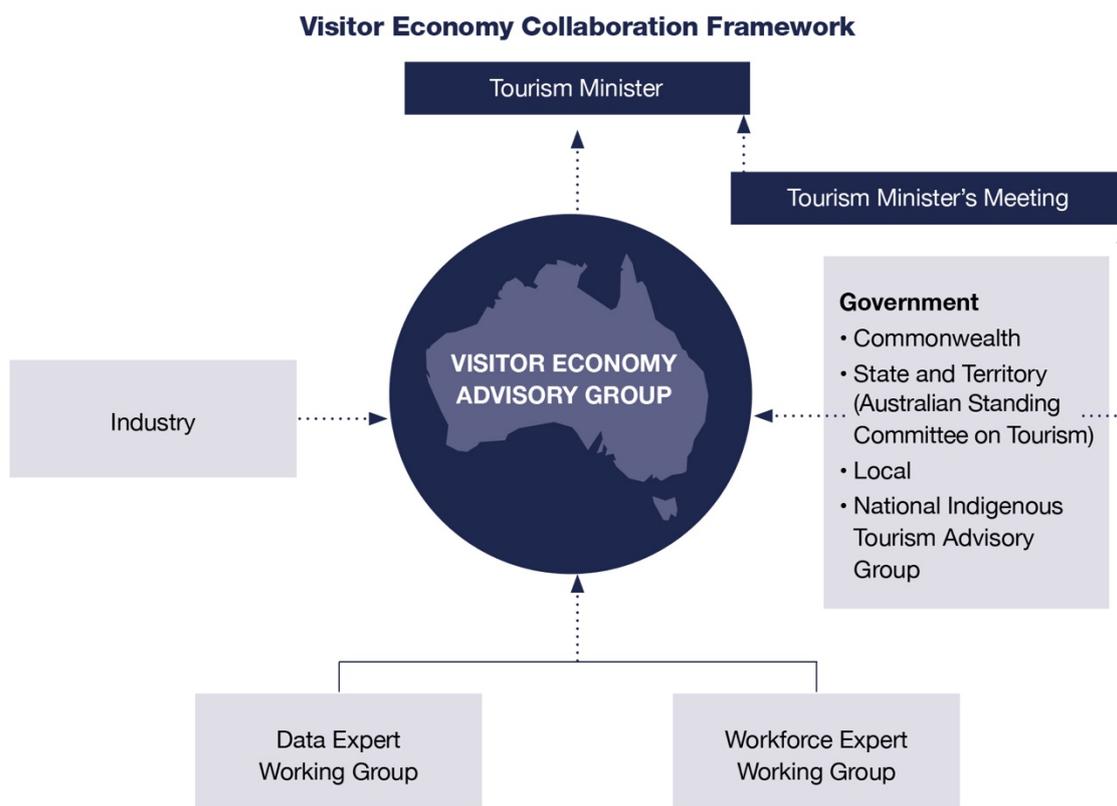
- **Visitor Economy Workforce Expert Working Group:** recognising the importance and complexity of a stable visitor economy workforce, this working group should focus on programs and initiatives to get the right people in the right place at the right time to service the domestic and international visitor demand. Initially, the group should focus on increasing workforce participation of a domestic and (when available) international workforce, and ensure that broader government workforce initiatives connect and drive specific visitor economy workforce needs.

12. Liberal Party of Australia, Our Plan to Back Australia's Tourism Industry and Create More Jobs, 2019

- Visitor Economy Data Expert Working Group:** recognising the importance of timely and granular data, and including both government and industry experts, this group would be stood up for a twelve-month period to provide national leadership on identifying and providing solutions to government and industry data needs and data sharing. The group should include industry expertise to offer a unique perspective to guide this work.

This governance framework is designed to complement the existing government and industry forums such as the Tourism Ministers Meeting and the Australian Standing Committee on Tourism (ASCOT).

Figure 1: Visitor Economy Collaboration Framework



Support increased resilience

Recent crises (both environmental and health) have had devastating effects across the visitor economy. At a national level, it is important that the visitor economy is integrated into any government or industry response. During times of economy-wide emergencies or crisis the visitor economy could help plan and disseminate advice. Timely access to information will help businesses respond quickly and prioritise visitor safety. It will also enable a coordinated industry response, helping to maintain a positive reputation for the industry long term. Further, crisis events such as the 2020 bushfires, present an opportunity to mobilise visitor economy businesses to quickly provide support. We recommend that the visitor economy is considered and integrated into national and regional crisis management and recovery plans through the Australian Government, and state and territory counterpart agencies.

Expand the role of NITAG

We recommend that the role of NITAG is expanded to improve and encourage Aboriginal and Torres Strait Islander participation in the visitor economy through the enhancement or expansion of existing products and experiences, as well as the delivery of new experiences. Aboriginal and Torres Strait Islander peoples should be encouraged to use tourism as a mechanism to start their own businesses and create employment. This would also provide an opportunity for people to stay on country and make a living. Through these businesses there could be a respectful sharing of cultures and stories, and a greater understanding fostered for visitors of the importance of Australia's natural wonders and knowledge systems.

Great Ocean Road Regional Tourism



Twelve Apostles Lodge Walk, Great Ocean Road, Vic, Tourism Australia, created by Adrian Brown

The Strategic Master Plan for collaboration

Great Ocean Road Regional Tourism Ltd (GORRT) was established in 2013 and developed The Strategic Master Plan for the Great Ocean Road Region Visitor Economy 2015-2025 (the Plan). The region attracts over five million visitors annually – more than Uluru and the Great Barrier Reef combined.

The Plan is a blueprint for a collaborative approach to development, management and marketing within the six Local Government Areas (LGAs) in the region.

The Plan is based on a Think Differently business model, which is customer centric and recognises that industry and the community provide visitor experiences whilst organisations like GORRT facilitate, support and grow the visitor economy. Collaboration with, and between, stakeholders is highly valued, and over 200 individuals and organisations were consulted and actively participated in the development of the Plan.

Future proofing the visitor economy

Destination development through collaboration is key to regional success. As a result of the Plan, tourism consumption for the region grew by 27 per cent for the period 2015-16 and 2018-19. This compares to a 13 per cent growth in tourism consumption for the whole of Australia over the same period. GORRT has also doubled the number of destinations covered in the Plan since it was first drafted, increasing to a total of 16 individual destination plans.

Timely data and forward-looking analysis to inform decision making

OBJECTIVE	
Better data and insights that underpin business and government decision making and improve investor confidence.	
RECOMMENDATIONS	
<p>FOR IMMEDIATE ACTION</p> <p>2.1 Establish a Visitor Economy Data Expert Working Group for a twelve-month period with both government and industry experts to provide national leadership on identifying and providing solutions to government and industry data needs and data sharing. The Expert Working Group will report to the Visitor Economy Advisory Group.</p> <p><i>Lead: Austrade (Tourism Research Australia)</i></p>	
<p>2.2 Conduct a study of the foundational architecture of the visitor economy to better understand its structures and systems (for example, its complex tiers of sales, distribution and supply chain relationships), and make recommendations for a resilient future.</p> <p><i>Lead: Austrade</i></p>	
<p>2.3 Resource Tourism Research Australia (TRA) to ensure it is a world leader in relevant, robust, granular, and timely data and analytics that capture the full suite of tourism-related activity across Australia and its broader impacts.</p> <p><i>Lead: Australian Government</i></p>	
<p>2.4 Ensure all stakeholders in the visitor economy have a holistic set of performance indicators, linked to priorities identified in the strategy, to support recovery of the visitor economy.</p> <p><i>Lead: Austrade (Tourism Research Australia) and industry</i></p>	

What we heard?

As the visitor economy looks to recover and grow over a ten-year period, industry and governments (Australian Government, state, local) need more granular, timely and forward-looking data and analysis to underpin sound decision-making at every level of the visitor economy.

While we look to initially strengthen the domestic market, there is an opportunity to use more modern and agile data sources to inform market development, workforce planning, investments and other supply-side needs. Once we begin to look to the return of international visitors, timely and predictive data – along with meaningful insights – will help us better understand demand for visitation to and within Australia. Better data will also ensure that supply-side factors including workforce, ageing assets, transport and telecommunications connectivity do not constrain the sustainable rebuilding and growth of the visitor economy.

Collaboration is key

We have heard from both industry and government entities that a national approach will serve us best and Austrade's Tourism Research Australia (TRA) is well-placed to provide this leadership. However, TRA must do so in new ways with more diverse and 'bigger' data sources, more modern indicators, greater accessibility, timely analysis and overall better resourcing. Such data and analysis will need to be prudently managed with strong integrity measures and within the constraints of the commercial agreements under which it is acquired.

State and territory governments and industry acknowledge the quality of the existing data and research that TRA produces, notably the world-leading quality of its survey methodologies. However, stakeholders widely report that the current TRA offering is not meeting the need for contemporary, rich, granular, predictive data and analysis



around both supply and demand factors that will assist governments and businesses to create good policy, target markets effectively, make financial decisions, and attract investment as we seek to rebuild a modern visitor economy. Consultations also suggested that part of TRA’s perceived shortcomings may, in part, be attributable to a lack of full awareness about the services that TRA already provides.

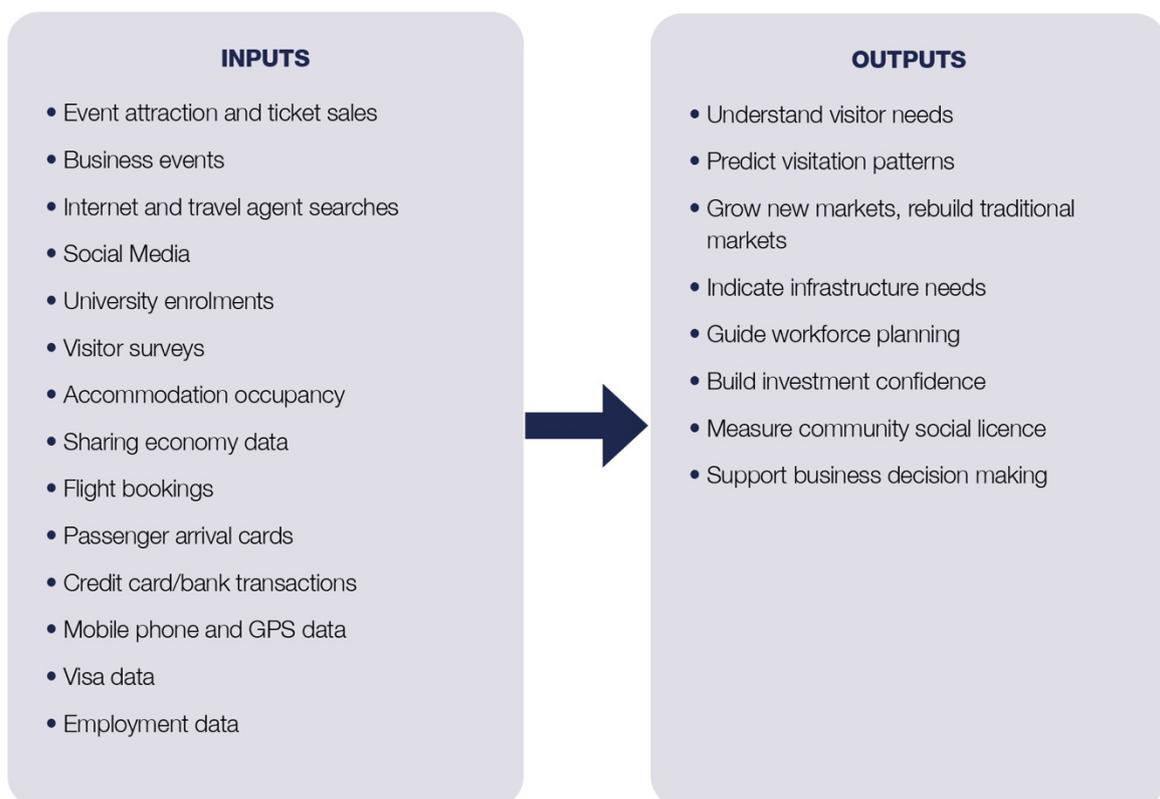
That said, numerous businesses and other research entities now offer a range of more sophisticated data that provide visitor economy insights beyond those that TRA is currently able to produce, highlighting where resourcing and capacity are not meeting stakeholder expectations.

This means the opportunity for government and industry to respond pro-actively to a rapidly changing external environment is limited. Full advantage is not being taken of the wealth of sophisticated indicators that go beyond visitor spend or even to visitor behaviour prediction, to more modern sophisticated insights on investment confidence, social licence, community wellbeing, environmental impact and asset needs.

Data available to all

We have also heard requests for data that can be drilled down to small regional units to help inform local councils and regional bodies meet traveler needs and attract visitors. There was also a call for data to help understand opportunities and constraints for growth in particular markets and products such as Indigenous tourism experiences. At the same time, it will be useful to build awareness of the services that TRA currently provides as some submissions indicated a lack of visibility and understanding of what data and insights TRA already provides. It is also important that TRA can ensure access to affordable data for small business and regional areas, and tailored products – for example for Indigenous visitor economy enterprises.

Figure 7: Recommended inputs and outputs for richer data sources



Establish a Visitor Economy Data Expert Working Group

The visitor economy needs leadership to urgently develop a nationally agreed approach to the types of data and research it requires on a regular basis to best inform business and government decision making. To this end we recommend the creation of a Visitor Economy Data Expert Working Group for a twelve-month period, stood up as a priority. The committee should include representation from Austrade (including TRA), Tourism Australia, Australian Tourism Data Warehouse, and state government as well as experts from industry. The working group may also benefit from the insights of data specialists from outside the visitor economy. It would report to the Visitor Economy Advisory Group.

The role of the Data Expert Working Group is to help the visitor economy articulate not only the information that they need but also how they are going to use it. This includes exploring opportunities for data sharing between government and industry, and setting performance indicators to benchmark performance.

Data should be granular, timely and affordable

Austrade's TRA should be a world leader in robust, granular and timely data and analytics that capture the full suite of tourism-related activity across Australia and its broader impacts. This should include a set of performance indicators for the visitor economy that reflect strategic priorities, and incorporate financial, economic, sustainability, social licence, workforce, access, data and other measures. We recommend TRA explore commercial partnership, for greater provision

of contemporary, rich, granular, predictive data that can provide a deep and rich evidence base on which to grow and future-proof the Australian visitor economy. We know that data required often sits within the commercial sphere, yet this should be made available (free of cost where practicable) to allow government and SMEs to increase the value of their offerings to the benefit of the visitor economy as a whole. Data should also be tailored to local government areas to help them develop strategies for investment.

We also recommend training be provided for micro, small and medium-sized enterprises. This should include the development of tailored services to assist small businesses, Aboriginal and Torres Strait Islander tourism enterprises, and businesses in regional areas to analyse data to support decision-making and investment attraction.

TRA should also review its communications and outreach strategy, and do more to ensure its products reach the audience for whom they are designed.

In relation to strategy monitoring and performance, we recommend that TRA develop a set of performance indicators for the visitor economy that reflect strategy priorities including financial, economic, sustainability, social licence, workforce, access, data and other measures.

Finally, while the visitor economy is well understood, the ecosystem that surrounds it is not as well defined. We recommend mapping the complex structures and systems that make up the key components of the visitor economy. This should form the evidence base for possible reforms that would make the system more resilient.



Dreamtime Perth 2019, WA Tourism Australia, created by Remco Jansen

Griffith University



Pinky Beach and The Bathurst Lighthouse, Rottnest Island, WA, Tourism Australia, created by Adrian Brown

Developing a New Indicator Framework

A *New Indicator Framework for Australia's Visitor Economy* has been proposed by the Griffith Institute for Tourism to better predict the future needs of Australia's visitor economy. The framework suggests broadening the current performance measures that are largely volumetric in nature and lagging, focusing on past performance. It proposes the inclusion of indicators that track performance across a broader spectrum of profit (economic), people (socio-cultural) and planet (environmental) factors, to provide more sustainable and inclusive data.

This would provide a comprehensive set of consistent indicators for understanding economic, socio-cultural and environmental outcomes – at both national and state/territory levels. The New Indicator Framework aligns with global bestpractice, and shines a light on the dynamic interplay between tourism and the wider context in which it operates. This also assists in identifying potential challenges for the sector in advance.

Future proofing the industry

The visitor economy needs to be data driven in order to effectively put the visitor at the forefront of decision making. Griffith Institute of Tourism research assists the sector by providing opportunities to rethink the way data can best be used to position the visitor economy in the context of wider environmental, cultural, geopolitical and social concerns. Building the appropriate tools to both capture and disseminate data will help industry and government to deliver the right product, to the right people at the right time.

MODERNISE

A modern workforce

OBJECTIVE	
A secure and resilient workforce that is well skilled and supplied through a stable pipeline that can withstand changing market forces.	
RECOMMENDATIONS	
FOR IMMEDIATE ACTION	
3.1	Appoint a Workforce Expert Advisory Group to develop workforce attraction and skilling programs for the visitor economy. <i>Lead: Industry, Austrade and Department of Education, Skills and Employment</i>
3.2	Implement measures to increase workforce participation for a broad range of under-participating cohorts including mature workers, people with disability, Aboriginal and Torres Strait Islander peoples and women, especially in regional areas. This could include the promotion of a gap year and apprenticeships and traineeships that attract entrants of all experience levels into the industry, and increasing scope for funded places in tourism and hospitality courses. <i>Lead: Department of Education, Skills and Employment, Department of Social Services, Austrade</i>
3.3	Reform the working holiday maker scheme to increase the pool of workers for the visitor economy. This should include: <ul style="list-style-type: none">○ Increasing age limits to 35 for all participating countries (on a non-reciprocal basis if need-be)○ Extending tourism and hospitality work to all regional areas, increasing the country caps for subclass 462○ Fast-tracking agreements with new countries (prioritising those with strong COVID-19 management and high vaccination rates). <i>Lead: Department of Home Affairs and Department of Foreign Affairs and Trade</i>
3.4	Pilot the return of working holiday makers to Australia. <i>Lead: Department of Home Affairs, state and territory governments and industry</i>
3.5	Commit ongoing funds to build on current research and better understand the gaps, barriers and future needs of the visitor economy workforce. <i>Lead: Austrade (Tourism Research Australia)</i>
3.6	Develop a workforce, skills and migration strategy for the visitor economy that includes regular points of review. <i>Lead: Austrade with industry and Department of Home Affairs</i>

Improve workforce capabilities through the upskilling of the current and potential workforce:

- 3.7** Support the Joyce Review into the vocational education and training (VET) system recommendations and encourage measures that: direct funding to address skills shortages; improve employer involvement in VET design; fast-track the work on shortening the time it takes for the revision of qualifications; fund and support the expansion of micro-credentialling and extend the Boosting Apprenticeship Commencement (BAC) scheme beyond March 2022. Support a Skills Commission pilot for the industry to test new ways for VET to be responsive to industry needs.

Lead: Department of Education, Skills and Employment, state and territory governments

RECOMMENDATIONS

Improve workforce capabilities through the upskilling of the current and potential workforce:

- 3.8** Ensure mutual recognition for foundational credentials such as the Responsible Service of Alcohol (RSA) and the Responsible Service of Gambling (RSG) accreditation, and COVID-safe practices accreditation across all states and territories to support portability of skills.

Lead: State and territory governments

- 3.9** Extend the duration of the Temporary Graduate Visa (subclass 485) from 18 months to two years to allow adequate time for graduates to gain sufficient experience in the career related to their studies and secondly, amend eligibility for the Post-Study Work Stream to provide work rights for graduates of 18-month, three-semester masters degrees.

Lead: Department of Home Affairs

- 3.10** Develop Aboriginal and Torres Strait Islander training programs that create opportunities for participants to fully understand the industry distribution channels to be able to advance their careers within the industry or to develop and/or create new products or experiences.

Lead: Industry with National Indigenous Australians Agency, and state and territory governments

- 3.11** Encourage larger operators within the visitor economy to have formalised training programs.

Lead: Industry

Expand the potential sources of workforce available in Australia both from domestic and international sources.

- 3.12** Improve visitor economy micro, small and medium-sized enterprises access to existing migration schemes such as the Seasonal Workers Program and the Pacific Labour Scheme.

Lead: Department of Foreign Affairs and Trade and Department of Education, Skills and Employment

Improve the attractiveness of the visitor economy

- 3.12** Promote the visitor economy as a career of choice.

Lead: Industry, Austrade and Department of Education, Skills and Employment

- 3.14** Industry to promote the standards expected of employers including compliance with awards, the Superannuation Guarantee obligation, and ensuring workplace health and safety.

Lead: Industry

What we heard?

Workforce and skills shortages are not new problems for the visitor economy yet have been exacerbated by the impacts of COVID-19 (including international and state border closures).¹³ Workforce shortages and skills deficits are now critical: they are a handbrake on recovery, resulting in businesses reducing hours of operation and services across both cities and regions, affecting the customer experience and threatening our reputation for quality.¹⁴ If this issue is not addressed prior to the reopening of international borders, workforce shortages could undermine the ability of Australia's visitor economy to meet increased demand and stymie the delivery of world-class experiences, tarnishing Australia's reputation and damaging our competitiveness. Therefore, more than ever,

addressing workforce and skills shortages in the visitor economy requires urgent and careful attention.

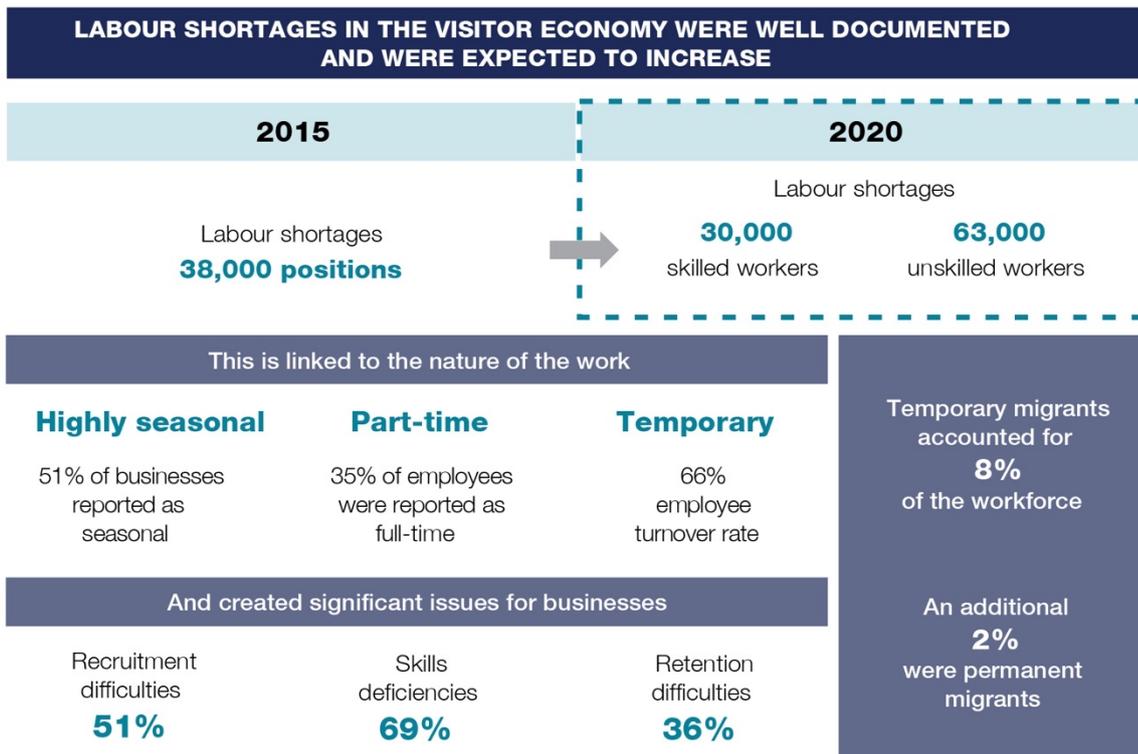
Workforce shortages are not new

The visitor economy has suffered because it has developed a poor reputation among some, potential employees. It can be seen as an unfavourable working environment because roles are often seasonal, filled by casual labour and low paid — with few career prospects. Australians have been reluctant to take visitor economy roles. Low-skilled jobs were often filled by temporary migrant workers such as working holiday makers and international students. Higher-skilled roles, such as chefs and hotel management positions, were also often sourced from overseas.

13. ABS, Australian Tourism Labour Force Report 2015-2020, 2015, Austrade, 'Opportunities for the Visitor Economy', 2021.

14. During consultations, the Panel heard of critical shortages of chefs, cooks, accommodation cleaners, restaurant and café floor staff, including managers.

Figure 8: Snapshot of visitor economy workforce¹⁵



COVID-19, border closures and movement restrictions have exacerbated pre-existing problems. International workers departed Australia in 2020. Experienced domestic workers moved to other industries, including those that offer better job security (less casualisation and less chance of lockdown impacts), and often for better wages and conditions.

The need for both Australian and international workforces

The visitor economy workforce is broadly comprised of two cohorts: Australian workers and workers sourced from overseas. Expanding the participation of Australians from under-represented cohorts (workers with disability and grey-nomads by way of example) is an immediate priority and would help to strengthen both sovereign capability and domestic economic outcomes, and reduce the impact of future global shocks on the supply of workers.

Workers from overseas will continue to be important. For Australia to have a world-class visitor economy, we will want to attract world-class talent to help elevate our reputation for excellence. There may also need to be an international workforce to supplement the local workforce out of necessity (acknowledging Australia’s relatively small population, relatively low unemployment rate, low population growth forecasts and predominantly ageing demographics).¹⁶

Lack of connectivity between training providers and workplace needs

COVID-19 has laid bare the inadequacies of some aspects of the training and education sectors, and the lack of relevance to workplace needs. This has included a mismatch between the skills being developed through vocational education and training (VET courses) and the needs of employers for their workforce. We heard employers decry the lack of job-readiness of some graduates.

There is a lack of local training and education providers in regional Australia. This is problematic, considering in 2019 over half of tourism workers (52 per cent) were in regional areas, making up 8 per cent of the total regional workforce (compared to 4 per cent in cities).¹⁷

We heard Australian secondary school-aged students are not considering tourism and hospitality jobs. This is because they were either not aware of the courses and training available, or did not regard it as offering a career path. Limited participation opportunities, such as work experience and pre-apprentice programs, are also a barrier.

However, the evidence does not reflect this perception. There were 241,200 VET in Schools students in 2020 and tourism, travel and hospitality continued to be the most popular of all training packages, accounting for 13.7 per cent of all VET in Schools in 2020.¹⁸ This achievement is encouraging.

15. Austrade, ‘Opportunities for the Visitor Economy’, 2021, p35
 16. The Australian Treasury, ‘Intergenerational Report’ (IGR), 2021
 17. Austrade, ‘Opportunities for the Visitor Economy’, 2021, p80

It represents an opportunity for the sector to strengthen connections with schools, particularly for school-based apprenticeships and traineeships which currently account for less than 18 per cent of all VET in School training packages.

Efforts to promote a broader understanding of the importance of the visitor economy to Australia's prosperity were also identified as needing to attract the right people into the industry. This includes recognising the role of parents and other influencers as advisers to young people considering their career options.

There is also a lack of portability of skills, which inhibits worker mobility. For example, the Responsible Service of Alcohol (RSA) and Responsible Service of Gambling (RSG) qualifications are different across states and territories.

Improving workplace conditions

We also heard that hand-in-hand with raising the profile of a visitor economy career is the need to improve conditions across the industry. Two-thirds of workers in the visitor economy are on wages 33 per cent lower than the average wage.¹⁹ For industry, the complexities of multiple awards and the pressure to pay above award rates at a time when consumers are unwilling to pay more is challenging.²⁰

Consultations with industry also highlighted the lack of a national visitor economy workforce plan and industry-specific workforce data.



Worlds Longest Lunch, Melbourne, VIC, Tourism Australia, created by Catherine Sutherland

What should be done?

The visitor economy needs a world-class workforce with the right skills, at the right time, and in the right place. There is no single solution to the visitor economy's workforce shortages. Collaboration is required to address workforce supply and recruitment, workforce development, participation, and retention. Having certainty of access to the right workforce and skills is also important for enabling investment decisions, particularly in regional Australia. The critical shortages being experienced today, combined with the risk to the sector's ability to meet the expected pent-up demand when international visitors return, gives urgency to the work ahead.

A Visitor Economy Workforce Expert Working Group

Given the urgency in addressing workforce shortages, we recommend establishing a Visitor Economy Workforce Expert Working Group with representatives from industry, the Australian Government (including Austrade and the Department of Education, Skills and Employment), and state and territory governments to develop workforce attraction and skilling programs for the visitor economy. Details are provided in the Collaboration Chapter).

A national visitor economy workforce, skills and migration strategy

Given the scale of change required, coordination across industry and governments is key. We recommend that Austrade be funded to coordinate the development of a national visitor economy workforce, skills and migration strategy. This should include:

- Reliable granular data, detailing the number and nature of the workforce and skills deficits, across cities and regions, and exploring and testing of possible solutions.
- Recognition of overseas workers as an important source for supplementing and enhancing the local workforce both out of necessity (acknowledging Australia's relatively small population²¹), and of opportunity; of bringing highly skilled talent (such as skilled chefs), to help expand and internationalise our offering, and further elevate our reputation for excellence.
- The particular challenges and needs of SMEs and regional employers. There are synergies with the experiences of the agricultural industry and the aged care sector with opportunities to collaborate on developing solutions to shared workforce challenges.

18. National Centre for Vocational Education Research (NCVER), 'Vet in Schools 2020', 2020

19. Austrade, 'Opportunities for the Visitor Economy', 2021, p19

20. This report notes the recent decision of the Fair Work Commission to award a 2.5% increase to the national minimum wage and modern award minimum wages. The increase is deferred from 1 November 2021 for aviation, tourism and hospitality. An increase in the superannuation guarantee also applies from 1 July 2021.

21. The Australian Treasury, Low population growth forecasts and predominantly ageing demographic, Intergenerational Report (IGR), 2021.

- Input and guidance from Aboriginal and Torres Strait Islander leaders and industry representatives to improve the participation of Aboriginal and Torres Strait Islander people in the visitor economy, and to help grow and diversify experiences and product offerings.

World-class standards to attract and retain a world-class workforce

Elevating the profile of a career in the visitor economy requires a concerted effort from industry to promote fairness for employees through promotion of the standards expected of employers. This includes compliance with awards and the Superannuation Guarantee obligation, and ensuring workplace health and safety.

Efforts to streamline the awards and to educate both employers and employees will be important for those employers who misapply the laws due to complexity. This work is underway and welcomed. The Fair Work Commissioner is reviewing four key awards, including those covering hospitality and restaurants. We acknowledge the importance of the newly established Employer Advisory Service within the Fair Work Ombudsman which is beginning to provide much needed free advice to small businesses in interpreting and applying the awards.²² VET in Schools should include educating young people about the awards system and Superannuation Guarantee, and the role and services of the Fair Work Ombudsman.

The majority of employers in the visitor economy do the right thing by their employees. Regrettably some do not. Exploitative practices are abhorrent, particularly when directed at vulnerable employees, including young people and those on temporary visas. We welcome the recent announcement by the Australian Government heralding the introduction of legislation which will apply, for the first time, penalties to those employers of temporary migrants here on non-employer-sponsored visas (which includes those employing working holiday makers and international students) who exploit these workers including by underpaying them.²³ Enhanced communications with visa holders should include the provision of information with their visa grant notice, and provided in multiple languages, so they know how to check the status of their employer.

Investing in training is critically important. It ensures employees are supported as they develop professional careers, so they can deliver world-class services and customer experience. Industry bodies need to play a greater role in encouraging and supporting this activity to draw on the experiences of industry leaders such as ACCOR, which has become a registered training organisation.

It is also crucial that the industry moves away from an over-reliance on casualization, which partly contributes to the perception that work in the industry is a job, rather than a career. The ability to attract and retain talent will be improved with more part-time and full-time employment contracts.

Improving workforce capabilities through education and training for individuals and businesses

We recommend that the Department of Education, Skills and Employment (DESE) implement the reforms recommended by the Joyce Review into the VET system to ensure that apprenticeships and traineeships address skills shortages and meet industry needs for faster industry-specific training, including a more streamlined accreditation system. This includes:

- More apprenticeships for secondary students in tourism and hospitality; and
- Flexible apprenticeships (portable and/or split apprenticeships), where a person can work in multiple businesses through the apprenticeship for different experiences and seasonal cycles.

We also recommend the rapid skilling and mutual recognition of micro-credentials by state and territory governments, covering key foundation skills like cleaning, waiting, barista, food hygiene, the Responsible Service of Alcohol (RSA) accreditation, the Responsible Service of Gambling (RSG) accreditation, and COVID-safe practices across states and territories. This should be offered both to the domestic workforce and working holiday makers.

Approximately 95 per cent of businesses in the visitor economy are micro, small and medium-sized enterprises.²⁴ JobTrainer, funded by the Australian Government and matched by the states and territories, is providing another option for SMEs in particular, creating an additional 300,000 no-fee or low-fee training places, including for micro-credentials in tourism and hospitality. Efforts to ensure this program can continue through these next few challenging years of rebuilding warrant support.

We support the Australian Government's Boosting Apprenticeship Commencements (BAC) wage subsidy, which reimburses 50 per cent of the wages employers pay to a new or recommencing apprentice or trainee for a 12-month period.²⁵ Promotion and support of this program should be provided to SMEs alongside available support under the Australian Apprenticeship Support Network (AASN).

22. Operational from 1 July 2021, Fair Work Ombudsman, 2021

23. Department of Home Affairs, Migration Amendment (Protecting Migrant Workers) Bill 2021, 2021.

24. Austrade, 'Opportunities for the Visitor Economy', 2021, p20.

25. National Centre for Vocational Education Research (NCVER) reports apprentice and trainee training commencements for the December quarter 2020 increased by 141.5% compared with the December quarter 2019.

We also recommend that larger operators within the visitor economy build employer-led formalised training programs. These should seek to increase employment opportunities and encourage retention and career progression. For example, the ACCOR Indigenous Careers Program works in collaboration with the community to create real career pathways for Aboriginal and Torres Strait Islander peoples, and genuine cultural experiences for guests.²⁶

Regional-based learning options should be available for any skilling and training opportunities given the proportion of visitor economy workers who are based in the regions.²⁷

Expanding the sources of workforce and increasing participation

We recommend that the visitor economy looks to both the domestic and international workforce to address shortages.

Expanding the domestic workforce

On the domestic front, we recommend increasing participation for under-represented cohorts in the visitor economy. We also recommend pursuing more targeted approaches that tailor the appeal for different cohorts and help to identify and attract candidates with the right skills, attitude and interests. Opportunities include, but are not confined to:

- Mature workers, particularly those who identify as grey nomads, who share similarities with working holiday makers (happy to work while seeking adventure, following the seasons). Grey nomads have the added advantage that many have their own means of transportable accommodation and potentially relevant experience.
- We recommend the Treasury with the Department of Social Services explore incentives that remove potential barriers (such as impacts on pension payments through consideration of increasing the Work Bonus i.e., the amount you can earn before your pension is affected).
- Governments (state and territory or Commonwealth) develop marketing to encourage a gap year for school leavers and at other points in life when people take a break such as during or at the end of higher education and those taking a break from their established career.²⁸

- While some participants would come with transferrable skills (particularly if they are exiting another services sector), the opportunity to undertake (Australian Government-supported) micro-credentialling and rapid skilling in key areas such as hospitality skills would assist their redeployment aspirations. The gap-year concept potentially also represents an opportunity to trial a proposal by industry for an electronic skills passport which is one element of a broader program facilitating employer-employee matching.²⁹ A gap-year program could also help to expand and formalise the informal practice of seasonal businesses collaborating to facilitate the movement of temporary staff between industries and businesses with different but complementary peak seasons.³⁰
- While women are already well represented in the visitor economy,³¹ professional development and career pathway opportunities, particularly important in the early stages, will help to ensure greater representation in management and leadership positions. During consultations, we heard of the value of the Launch into Work program (led by DESE) which helps fund long-term employment pathways, particularly for women.
- People with disability³² businesses within the visitor economy should draw on the experiences of industry leaders such as Crown Hotels and Resorts, and The Compass Group to ensure visitor economy workplaces are embracing employment opportunities for people living with disability. Australian membership-based organisations (such as the Australian Network on Disability) exist to support businesses to become more disability confident.³³ We know that employing people with disability helps to attract visitors with disability a global emerging visitor trend.³⁴ We need to ensure businesses are aware of the Australian Government's Job Access agency's Employment Assistance Fund, which funds practical work-related modifications, equipment and services.
- We also need to ensure Aboriginal and Torres Strait Islander peoples are involved in the development of Aboriginal and Torres Strait Islander tourism services and experiences. Mentoring and on-the-job training are key components to success and would help to attract and retain this group of workers, often on-country (for example Indigenous Ranger programs). Providing engaging cross-exposure opportunities across the sector will further develop both skills and also new product offerings.

26. <https://images.jobsataccor.com.au/icp-briefing-pack.pdf>

27. Austrade research reported over half of tourism workers (52 percent) were in regional areas, making up 8 percent of the total regional workforce (compared to 4 percent in cities) and up to 60 percent in some regions. Austrade, 'Opportunities for the Visitor Economy', 2021, p19.

28. 2020 Inquiry into working holiday makers by the Federal Parliament's Joint Standing Committee on Migration. Submission by the Australian Tourism Export Council and their description of the *Go With Proposal*, June 2021.

29. Kate Lamont AM, Panel Member, for example employs temporary staff for peak season in Margaret River and then helps facilitate the employment of these same staff by businesses in Broome, WA.

30. "Outside aviation and ground transport, women made up most of the Visitor Economy workforce in 2019."

31. Austrade, 'Opportunities for the Visitor Economy', 2021, p80.

32. The 2015 Australian Tourism Labour Force Report found that when questioned about which 'alternative sources' of labour businesses had explored, workers with disability ranked lowest.

33. [Australian Network on Disability](#), 2021

34. Austrade, 'Opportunities for the Visitor Economy', 2021, p13.

Accessing international talent

For overseas workers, we support skilled migration to supplement and enhance our domestic workforce, providing skills in short supply and attracting world-class overseas talent to strengthen our ability to offer quality visitor experiences of an international standard. The responsiveness of the migration program is important, and we recommend the following:

- **Updating the Priority Migration Skilled Occupation List (PMSOL)** to meet the needs of the visitor economy. The recent inclusion of chefs on the PMSOL was welcomed but other critical skill shortages are yet to be addressed, including for cooks and for hotel, restaurant and café managers. More pathways to permanency for migrants with skills in the industry are also needed to ensure Australia can be a destination of choice for talented and committed individuals in the visitor economy workforce. A modern visa system with improved processing times and competitive pricing is an important enabler for both visitor attraction and workforce attraction.
- **Reducing duplication for employers making an application under the Designated Area Migration Agreements (DAMAs) and Industry Labour Agreements (ILAs).** Employers that make an application to sponsor a migrant under these head agreements are currently required to repeat the labour market testing exercise conducted for the head agreement (which is refreshed annually). Home Affairs requires employers to seek the endorsement of the Designated Area Representative (DAR). Given the criticality of shortages and the pressures on employers, the employer's application, as endorsed by the DAR, should be taken as sufficient evidence that the occupation remains in shortage.
- **Removing the requirement for the sponsor to pay a levy into the Skilling Australia Fund (SAF).** The Panel recommends that the levy not be payable until such time as the application is approved, that it be refunded if the employee elects not to take up the visa offer and that it be payable only once. Given the stated purpose of the SAF levy is for employers to contribute to the broader skills development of Australians, if an employer can already demonstrate that they are making investments in training their staff who are Australian citizens, they ought to either receive a reduction in the SAF levy or a waiver.³⁵
- Further measures to **enhance the contribution of international students**, particularly those who have chosen Australia for their studies in tourism and hospitality by extending the time period for VET graduates and masters degrees by coursework visas to align with our key international competitors (for example Canada and the United Kingdom). This would allow students sufficient time to gain adequate experience and supports the career starts of students who have invested so much time and money in acquiring their qualification.

The Department of Home Affairs make further amendments to the working holiday maker scheme, including:

- In the short-term, those who are presently on a Pandemic Event Visa (subclass 408) have their tourism and hospitality work count towards their next working holiday maker visa, and in this way have a pathway back to this program. These amendments would build on the raft of changes the federal government have already made and which have been welcomed by the sector.³⁶
- Piloting the return of working holiday makers to Australia as a priority as international borders (including bubble arrangements) begin to open. The pilot should be open to those working holiday makers with records of full vaccination and the arrangements pertaining to quarantine or self-isolation should be the same as will be applied to returning Australians who are fully vaccinated.
- Extending the age limit to 35 years and expanding the locations where working holiday makers can have their work in the tourism and hospitality industries count towards their next working holiday maker application, to include all of regional Australia. This would further enhance this group's ability to power our visitor economy recovery, both as workers and as consumers. This, together with an increase in the country caps (for subclass 462) and fast-tracking agreements with new countries (including non-reciprocal (one-way) agreements) would help to further expand the workforce pipeline and provide further incentive for young people overseas to consider Australia for their international travels.³⁷
- Tourism Australia's international marketing to young people, and particularly to prospective working holiday makers, will be critical to the success of attracting this valuable visitor cohort when conditions allow. Their expertise in this space could also inform the development of marketing campaigns that encourage Australians to take a gap-year in our country.

Measures to expand sources of overseas workforce include modifications to the Pacific Labour Scheme and to the Seasonal Worker Programme. At present, these schemes are best suited to large employers who have the resources to meet the requirements of becoming approved employers. Therefore, we recommend an amendment to allow smaller businesses to form a collective, and between them, offer the equivalent of full-time work across participating businesses.

34. Department of Home Affairs, *Employing & Sponsoring someone*, 2021.

35. The most recent being the expansion of tourism and hospitality work to count as specified work for holders of subclass 417, together with an expanded list of regional and remote locations where this work can be done by both subclass 462 and 417.

36. The Department of Home Affairs listed 13 countries which are the subject of negotiations for new agreements. Refer to their July 2020 submission to the Joint Standing Committee on Migration inquiry into the Working Holiday Program.

The National Indigenous Training Academy



Kulata Academy Café, Town Square, Uluru, NT, courtesy of Voyages Indigenous Training Australia

Changing lives by empowering an Indigenous workforce

The National Indigenous Training Academy (NITA) is a division of Voyages Indigenous Tourism Australia (Voyages).

It provides Aboriginal and Torres Strait Islander young adults with the opportunity to complete a nationally-accredited qualification. On successful completion of the traineeship, trainees can explore future employment opportunities with Voyages or its partners in the hospitality, tourism, retail and landscape gardening sectors.

Voyages Indigenous Tourism Australia Pty Ltd (Voyages) is a subsidiary company of the Indigenous Land and Sea Corporation (ILSC) and operates the ILSC's tourism business portfolio at Ayers Rock Resort (NT) and Mossman Gorge Centre (Qld). Each location offers the chance to complete a nationally accredited qualification in partnership with NITA and William Angliss Institute or Charles Darwin University.

Voyages describe their mission as “offering visitors enriching experiences while supporting the Indigenous communities through employment, development and business opportunities in tourism”. The rich experiential tourist offerings provided by Voyages has resulted in record domestic visitor numbers with length of stays increasing from 1.7 to 3.1 nights on average. Voyages are also the largest employer of Indigenous hospitality staff in Australia with 22.4 per cent of management positions within Voyages held by Indigenous team members.

Future proofing the industry

The demand for Indigenous tourism has risen dramatically to unprecedented levels. According to Tourism Research Australia, in 2018-19 1.6 million Australian travelers enjoyed an Australian Indigenous Tourism experience, representing a 13 percent growth since 2013. Indigenous Business Australia has also noted that the tourism sector holds enormous untapped opportunity for small businesses run by Aboriginal and Torres Strait Islander people, particularly where native title and land claims have been confirmed.

With the potential growth of new Indigenous tourism destinations, more trained staff are needed to meet requirements. Providing an avenue for Aboriginal and Torres Strait Islander people to gain skills in the tourism and hospitality sector is an important growth area for the industry.

Career Pathways in Hospitality



Thomas Williams: Commissionaire, Sofitel Sydney Wentworth, by Jake Trindorfer



Kiesha Creamer-Tighe: Food and beverage all rounder, created Novotel Wollongong, created by Joshua Scott

Career pathways is the key to staff retention in this industry

Simon McGrath AM is the CEO of ACCOR Pacific. His distinguished career in the tourism and hospitality sector over the past three decades demonstrates the potential for a professional pathway in this industry.

From humble beginnings, he got his first full-time job after finishing school in the accommodation industry, housekeeping at the five-star Sydney Boulevard Hotel. Taking advantage of training opportunities on the job, Simon completed a management traineeship when he was with the Southern Pacific Hotel Group, learning all facets of the industry in an accelerated way.

He went on to hold senior executive positions in major hotel groups before joining Accor as General Manager at Sofitel Reef Casino Cairns in 2005. In 2007 he was promoted to Vice President Operations for the Group's Australian hotels and in 2012 was appointed Chief Operating Officer of hotels across the Pacific region. In 2020 he was appointed CEO of ACCOR Pacific, overseeing more than 250 hotels in every state and territory of Australia.

Given his own pathway, it is not surprising that under his leadership ACCOR is an industry leader in offering in-house training. ACCOR has recently taken on 100 paid interns at the ACCOR Academie, a registered training organisation.

Future proofing the industry

Simon now holds leadership roles on major tourism boards throughout the region. He has said the secret to retaining staff in this industry was to offer greater incentives for staff such as providing opportunities for career pathways within the workplace.

Destination development

OBJECTIVE	
Visitor assets supply that meets demand, is accessible, high quality, and developed and managed sustainably.	
RECOMMENDATIONS	
FOR IMMEDIATE ACTION	
4.1	Each state and territory identify at least one region to prioritise as a new or reimagined visitor destination. This should include collaboration at all levels of government, business, and community working together to fast-track approvals and overcome major obstacles to investment. As part of these developments, a partnership agreement could be established as the basis for planning and project approval, red tape reduction and to prioritise investment. This aims to maximise destination potential. <i>Lead: State and territory governments, with the Australian Government and industry</i>
4.2	Encourage investment to create new and refreshed offerings. <i>Lead: Industry, Austrade, state and territory governments, local government authorities</i>
4.3	Improve and maintain public infrastructure in Commonwealth national parks. <i>Lead: Director of National Parks (Department of Agriculture, Water and the Environment)</i>
4.4	Ensure visitor economy asset-development is inclusive and accessible for all travelers. <i>Lead: State and territory governments, and industry</i>
4.5	Ensure transport hubs are connected to regional destinations. <i>Lead: State and territory governments</i>
4.6	Work with Aboriginal and Torres Strait Islander Custodians, local government areas, and state and territory governments to identify and deliver improved visitor assets and resources at culturally significant sites — including trail assets. <i>Lead: State and territory governments, local government authorities, the National Indigenous Australians Agency, and Aboriginal and Torres Strait Islander Traditional Custodians.</i>

What have we heard?

Improving accommodation

We heard from both industry and government that accommodation offerings, especially in regional areas, need to be refreshed in order to meet demand for unique and authentic visitor experiences. Yet for many micro, small and medium-sized enterprises there are insufficient incentives for improving assets (including to design standards) or increasing their offerings – especially without the certainty of when and how visitors will return.

We heard that in the premium market there are domestic investors who have capacity to deliver new offerings.

However, regulatory burdens inhibit the timely delivery of asset projects, even in projects considered low-risk investments. We also heard that this had impacted on the visitor economy's ability to attract foreign investors. Red tape was considered particularly cumbersome when developing in areas of environmental sensitivity, such as national parks or adjacent areas.

Accommodation shortages are also problematic for those employed in the visitor economy, especially in regional areas with a proportionally high number of visitors. The lack of affordable housing (particularly affordable rental stock) in some regions is further constraining the ability of businesses to attract and retain staff. The recent growth in the informal short stay accommodation market has decreased available

long-term rental accommodation and increased prices. The previously mentioned lower-than-average wages in the visitor economy means that rental stock is even further out of reach. We heard that during the COVID-19 pandemic, there was additional backpacker accommodation available which could be used on a temporary basis for some employees. However, this is not a suitable long-term option. The risk is that when Australia's borders re-open to international visitors, the industry will not be able to accommodate the workforce required to deliver a quality experience.

Improving visas and arrival at Australia's international Gateways

Efficient and positive experiences prior to point of entry are essential to expand the pool of travelers. We heard that Australia's visa application process is perceived as expensive and inefficient. Australia ranks 130 out of 140 countries for visa competitiveness and the passenger movement charge (currently A\$60) is levied against any departure from Australia³⁸. This is a concerning potential barrier to entry for many visitors as Australia is already a medium-long haul destination for many countries.

Further, many international visitors do not have the opportunity to plan holidays long in advance which rules Australia out as a destination as their visa would arrive only after the window for them to travel has passed.

Enhancing transport

We heard the visitor perception that Australia's size and isolation presents challenges for a seamless and connected visitor experience. While no visitor can expect a shorter distance to travel to and in Australia, there are opportunities for improvement.

Internationally, direct flights were perceived to increase confidence for visitors and save hours on total travel-time, especially on long-haul journeys when compared to a traditional one-stop, hub and spoke itinerary. Direct long-haul routes target premium customer segments with lower price sensitivity — one of the main drivers of the profitability of international airlines.³⁹

In addition, direct/longer haul-flights benefit commercial operators by reducing both the number of airport slot negotiations required by carriers and fuel consumption when compared to one-stop journeys aboard a larger or four-engined widebody. A direct service on a 787 or A350 will also lead to lower aggregate emission costs and environmental impact.⁴⁰ We heard that the carbon footprint of travel is likely to influence decisions of the future traveler, as well as the health and safety implications of flights in the aftermath of COVID-19, increasing the appeal of direct flights.

Domestically, we heard it is difficult to attract visitors to regions more than three hours drive from a capital city. The current cost of regional travel (especially air travel) is high, and capacity (seats available) constrained. Further, assets at regional airports and other transport hubs are inconsistent. Initiatives such as the Regional Aviation Access Program⁴¹ and Tourism Aviation Network Support Program (TANS)⁴² have been helpful in maintaining regional flights and securing investment but there are further opportunities to improve connectivity via road, air and sea.

What should be done?

Developing destinations

We recommend that each state and territory identify at least one new or reimagined region, and creates a destination-development plan or plans to fast-track product delivery (see the Bass Coast case study). Collaboration is key. State and territory governments will need to work with the local community, including local government and industry. Regular and sustained engagement with industry is crucial, as well as initial and ongoing engagement with Aboriginal and Torres Strait Islander local custodians.

To promote success of the identified destinations, a partnership agreement could be developed as the basis for planning and process approval, red tape reduction and to prioritise investment. Learning from past experiences will also be key to understanding and learning from better practice examples. Recent developments should be reviewed and compared to provide examples of success. For example, the Three Capes Walk luxury accommodation (see case study).

Destination development should prioritise collaboration and include:

- **Best efforts to reduce red tape to support immediate action.** This is particularly important for developments near or in national parks. We recommend that particular effort is made to balance the protection of our natural assets with development including through Aboriginal and Torres Strait Islander engagement. Further, we recommend that funding is allocated not only to the establishment of visitor infrastructure within national parks but also to ongoing maintenance.
- **Intra- and inter-regional marketing to effectively drive demand.** We know that multiple attractions or events will not only encourage longer stays but also build repeat visitation. Extending sites across regions (including across state boundaries) will help connect regional destination development and build a calendar of events. This could include education for businesses on distribution options such as enhanced consolidated online marketing sites

38. World Economic Forum, 'The Travel & Tourism Competitiveness Report 2019: Travel & Tourism at a Tipping Point', 2021.

39. Linus Benjamin Bauer, 'The Commercial Viability of Ultra Long-Haul Operations. Evidence from Qantas' Perth-London Service, 2019

40. Bauer et al, 'Ultra Long-Haul: An emerging business model accelerated by COVID-19. Journal of Air Transport Management', 2020.

41. Department of Infrastructure, 'Regional Aviation Access Program', 2015.

42. Austrade. 'Tourism Aviation Network Support Program'. 2021.

- **Private investment to source, track and effectively deliver the required assets.** This will need to include the rebuilding of international investor confidence post-COVID-19. The pipeline should (where feasible) promote high-end luxury accommodation, experiential travel and associated assets as a priority to compete with our comparable and close competitive markets such as New Zealand. Promotion of universal design for inclusive travel is essential and promoting sustainability practices such as improving electricity and water usage, using sustainable materials, and phasing out single use materials, will drive cost benefits and a broader visitor appeal.

Getting workforce to the regions

Destination development relies on the attraction and retention of a workforce that is particularly difficult in regional areas. To ensure there is appropriate and affordable long-term accommodation for visitor economy workers, local government areas should favourably consider applications for low-cost housing and new developments that include accommodation for workers. A more innovative approach to planning law and building regulation could help attract and retain staff particularly in regions where accommodation is limited.

In the immediate term, regional businesses in the visitor economy should use the available Fringe Benefits Tax (FBT) concessions for both employer-provided accommodation and employer-subsidised accommodation where applicable.⁴³ We note that a full exemption from FBT is available to those employers who provide accommodation they own (if threshold criteria are met).



Queen Victoria Building Sydney, NSW, Tourism Australia, created by Camille Nuttall

A seamless domestic transport experience

Commercial investment and an increase in visitors will improve the business case for better commercial transport connections between cities and regions especially areas more than three hours drive from a capital city. Coordination between transport providers (for example airports, cruise ship terminals, mass transit services, on-demand services, and car and bike rentals) needs to be prioritised, especially during peak periods. This includes adequate transport between gateways and hubs for major events. There is also the opportunity for transport and local tourism bodies to collaborate in regional areas to provide better connectivity, especially for events.

Visitor driven international aviation

To capitalise on Australia's reputation as an international destination of choice, we recommend that the aviation industry prioritises more direct long-haul flights into Australia once international borders reopen. We understand that the true and desired travel patterns of visitors is often masked by what flights are available. Thus, knowing what visitors want and then delivering this for them will require coordination with Tourism Australia and Austrade (Tourism Research Australia) to promote data-driven campaigns for commercial carriers. Any such campaign should be regularly reviewed to ensure that travel patterns remain current.

Cruise opportunities

The opportunity to capitalise on the domestic market extends to opportunities for the cruise industry. We know Australians are keen cruisers. In 2018, 5.8 per cent of Australians took an ocean cruise the highest market-penetration rate in the world.⁴⁴ In the short term, we need to convert the international component of this number (66 per cent) into domestic cruising spend. This relies on the relaxing of state border restrictions and allowing cruising to safely resume with COVID-19 safety plans in place. Once international borders are reopened, the visitor economy will need to ensure that port infrastructure and gateway city offerings meet visitor demand and Australian Government border agencies regulatory requirements.

Visa changes

To prepare for international visitor return (firstly through travel bubbles, followed by the reopening of international borders), we recommend the Department of Home Affairs consider the visa charges of competitor countries when setting its own visa prices and streamline visa processing (including online accessibility and a review of countries that can apply for an Electronic Visa Authority (ETA)). We need to capture the (often short) window in which international travelers choose Australia and increase the likelihood of repeat visitation through a seamless visitor journey.

43. Australian Tax Office, Fringe benefits tax – remote areas, 2021

44. Austrade. 'Opportunities for the Visitor Economy'. 2021.

Kangaroo Island



Stokes Bay, Kangaroo Island, SA, Tourism Australia, created by Paul Torcello

As an established visitor region, Kangaroo Island looks to further sustainable development

Kangaroo Island, located off the South Australian coast near Adelaide, is an iconic high-yield Australian tourism destination for both domestic and international visitors. It was severely impacted after the 2019-20 bushfires; however, by fast tracking investment, key infrastructure has been rebuilt.

The South Australian Tourism Commission has projected tourism growth targets for Kangaroo Island increasing from \$141 million in 2019 to \$199 million by 2025. Together with the Kangaroo Island Tourism Alliance, they have created a regional tourism development plan to further increase development on the Island in order to maintain its reputation as a world leading destination.

The strategy includes promotion as an all-year destination, employment planning to increase workforce numbers, and skills and infrastructure investment to modernise facilities and services.

Future proofing the industry

Through collaboration with the local, state, and Australian government, as well as local businesses, Kangaroo Island is building the required infrastructure to build resilience, expand its reputation and increase the economic sustainability of the region, while effectively managing the risks associated with over-tourism.

The Bass Coast Shire Council Visitor Economy Strategy



Hippocampe wheelchair beach access, Cowes Beach, Phillip Island, Vic, Bass Coast Shire

Setting a long-term sustainable vision for Phillip Island and San Remo

The Bass Coast Shire Council partnered with Regional Development Victoria, Destination Phillip Island, and Phillip Island Nature Parks to develop a 20-year Visitor Economy Strategy for the region.

Through this strategy, Bass Coast Shire Council has had Cowes Beach recognised as a National Surfing Reserve, secured several major surfing and cultural events, and becoming globally certified by the Global Sustainable Tourism Council (GSTC).

In 2018-19, tourism was estimated to be worth \$529 million to the region's economy (up from \$330 million in 2014-15). This represents 43.9 per cent of the region's economy and supports the employment of approximately 5,900 people, or 46.8 per cent of the region's total (direct and indirect) jobs.

Future proofing the industry

Planning is key to successful collaboration. The strategy's vision is an ambitious, whole-of-destination approach to sustainable growth. It encourages private sector investment, developing new visitor experiences, and improving critical infrastructure. Central to the success has been a 'Sustainable Tourism Accord' signed on 4 October 2016 which commits organisations to work together to support the delivery of the strategy targets.

Three Capes Walk Tasmania



Leveraging visitor demand for a nature-based, sustainable and luxury National Park experience

Operated by the Tasmanian Walking Company, the *Three Capes Lodge Walk* leverages the existing Three Capes Track with two architecturally designed, environmentally sustainable high-end lodges, that cater for up to 14 guests. Visitors can now experience either a three or four day fully guided hike through Tasmania's unique natural environments and coastline, complete with exceptional accommodation and seasonal dishes made with locally sourced ingredients. The end-to-end visitor experience is all inclusive which adds to the appeal for a high-end market.

"Until recently, traversing through national parks was mainly an unguided experience carrying a 20kg pack and tent.," said co-owner of Tasmanian Walking Company, Brett Godfrey. Most of our market is middle to older age who are less likely to venture into the wilderness without support. We offer bucket list items for those seeking an immersive all-inclusive experience who more often than not leave as advocates for the protection of these precious legacy lands."

Targeting an emerging market, this business model also leverages the delivery of high-end, bespoke, and exclusive experiences as a means of driving an increased yield per visitor without having to increase daily visitor numbers. This creates the benefits of keeping the tourism experience both environmentally sustainable and profitable, as opposed to the traditional model that relies on increasing visitor numbers and lowering costs to drive profitability, which can lead to a reduction in authenticity and degradation of the experience.

Future proofing the industry

Tasmania's *Three Capes Lodge Walk* is a premier example of how the visitor economy can embrace opportunities such as investment in high-end nature-based tourism infrastructure in national parks and World Heritage Areas to provide authentic visitor experiences with a minimal environmental footprint.

The company has invested significantly ensuring that the relationship with Tasmanian Parks and Wildlife Service remains strong. This ensures that outcomes align with stakeholder expectations, adhere to regulation, and take a holistic view to destination development.

Business modernisation

OBJECTIVE	
Industry embraces modern business practices to create more resilient and sustainable businesses that put the visitor at the centre of the experience.	
RECOMMENDATIONS	
FOR IMMEDIATE ACTION	
5.1	Accelerate the rollout of fast and reliable internet access for areas experiencing poor internet coverage. <i>Lead: Department of Infrastructure, Transport, Regional Development and Communications, and NBN Co</i>
5.2	Build business capability programs that help drive product innovation, diversification and product quality to deliver world-class visitor experiences. <i>Lead: Industry, and state and territory governments</i>
5.3	Streamline and target information about government resources assisting businesses to modernise and diversify. <i>Lead: Department of Industry, Science, Energy and Resources, the Treasury, and state and territory governments</i>
5.4	Encourage businesses to develop resilience and crisis management plans. <i>Lead: Industry</i>
5.5	Develop an industry sustainability framework and education tools to assist businesses to implement sustainability practices. <i>Lead: Industry with Austrade</i>
5.6	Develop, promote and encourage businesses to improve quality through industry-led programs to identify and celebrate exceptional visitor economy businesses. <i>Lead: Industry</i>
5.7	Ensure the market provides accessible and affordable insurance for visitor economy suppliers. <i>Lead: Department of the Treasury and industry</i>
5.8	Ensure Australia has a safe and affordable, fast visitor visa system to maintain and grow international market share. <i>Lead: Department of Home Affairs</i>

What we heard?

Meeting the expectations of visitors

We heard that both domestic and international visitors want a streamlined and integrated travel process that provides connectivity and minimal touch points along their journey. They expect easily accessible information and platforms that allow them to choose where and how they travel, including payment options.

Consumers are also increasingly looking for sustainability options in their travel from minimising their carbon footprint through to assurances about the sustainable and environmental measures implemented by providers. Sustainable tourism growth has been identified as one of the four megatrends facing the tourism industry in the coming decade.⁴⁵ Operators in the Australian visitor economy must increasingly embrace sustainable practices if they are to remain relevant, competitive and viable.

45. OECD, 'Tourism Trends and Policies', 2018.

Businesses within the visitor economy recognise the benefits of adopting modern business practices; however, the playing field is not level. Large and well-established businesses in cities and large regional centres have the advantage of resources (physical, digital and personnel) to drive change, based on visitor preference. They are able to prioritise innovation and can quantify the benefits of investment in technologies to constantly evolve how and where they interact with (potential) visitors. By comparison, micro, small and medium-sized tourism businesses have been slow to develop digital practices and many are still reliant on manual and paper-based processes.⁴⁶

The majority of businesses (up to 95 per cent) in the visitor economy are micro, small and medium-sized enterprises, and over half of these (52 per cent) are located in regional areas.⁴⁷ Australia does not have reliable and fast internet coverage across some regional areas which is critical for both operators and visitors to embrace digital solutions. Remote and rural areas (often those which encompass some of our most unique natural beauty) do not have basic telecommunications infrastructure, which makes it difficult for businesses to connect and collaborate beyond their immediate region. This includes limiting their digital capability to reach new domestic and international customers, embracing productivity enhancing technologies, such as e-invoicing and e-commerce platforms, or adopting innovative technologies, such as augmented reality to open up new avenues for visitor experiences.

Current government programs such as the ATO's Single Touch Payroll (STP) have propelled some micro, small and medium-sized enterprises into the digital world. We know that 85 per cent of businesses in Australia are now reporting online through the STP system. Those remaining are mostly micro employers (96 per cent of remaining businesses) and the ATO is supporting and communicating with those businesses to help them online. Now that most businesses are online, we must support the development of digital capabilities.

Lack of centralised support

For digital adopters, there is no single, trusted, one-stop-shop for businesses to seek government support. Information sits across various portals and websites, and competes with resources provided by the private sector. Businesses can quickly be overwhelmed by the amount of information available and often find it difficult to know which information sources are trustworthy.

Further, due to the global pandemic, micro, small and medium-sized enterprises are experiencing either enormous growth as more Australians take a domestic holiday (especially in areas within three hours drive of capital cities) or alternatively low turnover due to their niche international customer base. While now is a critical time to transform businesses to position themselves for the future, micro, small and medium-sized enterprises find themselves lacking either the time or the funds to do so. These businesses have also expressed concerns and a lack of confidence about how to address privacy and cyber security concerns over digital adoption.

While many businesses remain in survival mode, there is a recognition of the importance of skills to support the digital transformation of visitor economy businesses in the future, and to elevate the customer experience.

Building resilience

Operators in the visitor economy remain susceptible to shocks. This includes large-scale shocks such as COVID-19 and the threat of natural disasters such as bushfires that can significantly impact visitor economy businesses. These events are occurring with increasing regularity, yet businesses do not appear to have increased their focus on crisis recovery planning.⁴⁸

Difficulties in accessing insurance and bank loans

The visitor economy wants to diversify its product offerings and create a modern experience that meets the desires of key market segments. Yet, experiential travel businesses including adventure operators are finding it increasingly difficult to access public liability insurance. Following natural and health disasters, insurance providers appear unwilling to underwrite companies whose activities may result in life-long payments through injury or seek high premiums that businesses cannot afford. Without insurance, businesses are unable to operate.

Businesses are also finding that accessing loans can be difficult despite the SME Small Loan Guarantee (Department of the Treasury). We heard that these factors are inhibiting growth and there is a fear that offerings will not meet the expectations of visitors especially when advertising campaigns are specifically targeted at adventure tourism travellers.⁴⁹

46. OECD, *Tourism and Trend Policies*, 2020.

47. Austrade, 'Opportunities for the Visitor Economy', 2021.

48. Victoria University and Victorian Tourism Industry Council, *Building the Resilience of tourism destinations to disasters: the 2020 Victorian bushfires and COVID-19 Pandemic*, 2019.

49. ABC News *Adventure tourism operators shutting down amid insurance refusals*, 2021.

What should be done?

Businesses need to put customers at the centre of their business models and modernisation is key to this objective. In an increasingly digitalised world, businesses need digital business practices and connectivity with consumers. Given the particular challenges faced by micro, small and medium-sized enterprises particularly in regional areas suggested solutions will be focused on, but not exclusive to, this cohort.

Building capability

Industry needs to build business capabilities that drive product innovation, diversification and product quality, in order to generate a world class service-delivery culture. To do this, businesses will need Australian Government, and state and territory government support. Capability-building programs need to be targeted at the businesses that need them most – micro, small and medium-sized enterprises, particularly in regional areas.

Support programs should focus on education and continuous improvement, and be available in bite-sized training products to accommodate small and sole-employee enterprises. Programs should be tailored specifically to individual regions and recognise the limitations of existing infrastructure such as access to reliable internet, and should include local business networks and mentorship programs.

Business capability uplift needs to go hand-in-hand with an education program about the benefits of modernisation. We know businesses are receptive to ideas that support them to grow and better serve their customers. They turn to trusted sources of information, such as peak bodies, professional associations, financial institutions and accountants for guidance. Research shows that at least 40 per cent of businesses that have embraced modern business practices, sought advice from a professional on digital adoption.⁵⁰ We therefore recommend that government should consider developing programs that support industry to educate micro, small and medium-sized enterprises on the benefits of digital adoption.

The role of quality, granular analysis and data about visitor trends and preferences cannot be underestimated. Micro, small and medium-sized enterprises need to have access to affordable, relevant and granular analysis and data that they can leverage to improve their business and attract visitors. This should be provided by TRA in concert with training to

To further support micro, small and medium-sized enterprises, training for small visitor economy businesses needs to be customised into bite-sized chunks. This should include both traditional and practical skills, as well as skills of the future. It should also including the importance of customer focus, digital/IT and data analytics. The August 2021 announcement of free skills development and training programs in hospitality and social media for micro, small and medium-sized enterprises in New South Wales is an example of the important role of partnerships between industry (Restaurant and Catering Association) and government (Destination NSW) to increase capability.⁵¹

Access to funding and grant opportunities for Aboriginal and Torres Strait Islander businesses (including start-up and mentoring) needs to be more accessible and flexible. This recognises that some Aboriginal and Torres Strait Islander businesses are not designed and delivered in the same way as many other tourism operations.

There needs to be better streamlining and promotion of existing support measures and resources to help businesses go digital. Governments of all levels, as well as the sector, have invested in a variety of resources to raise awareness and help businesses adopt digital technologies. However, many of these resources have low penetration and businesses are unaware they exist.

Therefore, we recommend all levels of government consolidate and coordinate a targeted approach to providing support and resources to visitor economy micro, small and medium-sized enterprises. This includes providing a single point of information that is a one-stop-shop for accessing support for business modernisation. New government programs should be appropriately tailored to the needs to micro, small and medium-sized enterprises.

Standardising quality

There is an opportunity to create nationally recognized programs that encourage and reward businesses for modernisation of their offerings. While formal accreditation systems have worked well in Australia previously, businesses need to be responsible for their own quality and continually upgrade and improve. The Best of Queensland Experiences Program is an example of using individual feedback and report cards to assess how consumers perceive their business and how they reflect industry better practice. The annual assessment provides a regular performance cycle that promotes continual improvement (case study refers).

50. Australia New Zealand (ANZ) The Digital Economy: Transforming Australian Business, 2018.

51. Media Release, Hospitality and Social Media Skills Boost for NSW Visitor Economy, 19 August 2021, Stuart Ayers, NSW Minister for Jobs, Investment, Tourism and Western Sydney.

Resilience planning

Businesses in the visitor economy need to strengthen their ability to respond to economic, climatic, and other shocks. They need to prepare, test, and regularly update resilience and crisis response plans to ensure they are prepared for the immediate aftermath of a shock and take pre-emptive actions to preserve longer term sustainability.

The response needs to be both bottom-up and top-down. Therefore, industry bodies, in consultation with the National Recovery and Resilience Agency, should be responsible for the preparation of resilience and crisis-management educational materials. They should also be responsible for the preparation of resources to help businesses develop and implement these plans. Further, peak industry bodies should lead planning for industry-wide resilience measures.

Ensuring sustainability

Businesses in the visitor economy need to incorporate sustainability practices into their operations to respond to the increasing demands of visitors and local communities that businesses operate in a socially, culturally appropriate and environmentally sustainable way. This includes the protection of Aboriginal and Torres Strait Islander sacred places and areas of importance. In doing so, they will increase their customer base by appealing to a broader range of consumers for whom sustainability practices are becoming increasingly important.

Sustainability practices can only practically be implemented at the individual business level. However, government and industry bodies can provide leadership in the area by developing and advocating sustainability frameworks and programs that guide business practice. Industry bodies, traditional landowners, and state and territory governments also have an important education role in spreading the word. They should provide practical guidance on the types of environmentally and socially responsible practices operators can adopt (e.g., energy and water usage, waste reduction, socially, culturally and environmentally friendly development plans), and how these can be measured, reported and marketed. Industry bodies should make this a priority for their education programs given the importance being placed on sustainability by consumers and the community. Further, Australia needs to be seen as a destination striving for superior sustainability credentials.

Ensuring accessible and affordable insurance

We recommend government consider their public liability insurance requirement and work with insurance industry and visitor economy peak bodies to identify strategies and programs that ensure accessible and affordable insurance is available to visitor economy businesses while also managing the reduction of risks for visitors.



Australian Tourism Expo, Sydney, NSW Tourism Australia, created by Remco Jansen

The Best of Queensland Experiences Program



Guides at Underra Volcano Lava Tubes, Qld, Best of Queensland

An innovative program to drive exceptional customer experiences

Each year, Tourism and Events Queensland's Best of Queensland Experiences Program assesses all operators with a live listing on the Australian Tourism Data Warehouse (ATDW) against a set of five weighted criteria. A detailed consumer insights report is provided to all operators in the program, which helps to improve the delivery of customer experiences and drive business performance.

The consumer insights report is unique to each business. It provides valuable insights on consumer perceptions of their experience and how to improve the delivery of customer experiences. The Best of Queensland Experiences Program provides guidance to the Queensland tourism industry, to help it deliver exceptional customer experiences, create positive word of mouth, attract more visitors, grow overnight visitor expenditure and increase market share.

Future proofing the industry

Consumers trust reviews and personal recommendations. It is important that businesses put customers at the centre of their business models, and actively seek customer feedback in order to respond to the changing demands of visitors. Furthermore, there is a growing consumer preference for businesses that operate in a socially and environmentally sustainable way. This means tourism operators need to continuously evolve their experience in order to exceed customer expectations and appeal to future customers.

DIVERSIFY

Opportunities to grow demand

OBJECTIVE	
Australians spend a greater proportion of their travel budget and time on the visitor economy compared with overseas travel	
A less concentrated international visitor spend from a more diverse spread of source markets.	
RECOMMENDATIONS	
FOR IMMEDIATE ACTION	
6.1	Swift vaccine rollout: once vaccinations reach the mandated level, state and territory borders to reopen and remain open, allowing Australians to become more confident to travel. <i>Lead: Australian Government Governments, state and territory governments</i>
6.2	Prioritise the development and rollout of an internationally recognised vaccine certificate to allow vaccinated people to travel (domestically and internationally). <i>Lead: Australian Government</i>
6.3	Encourage Australians to spend on the visitor economy like they would overseas, including through targeted offerings and marketing. <i>Lead: State and territory governments</i>
6.4	Cities to develop and offer a compelling differentiated offering for both the domestic and international markets to revitalise visitation. <i>Lead: State and territory governments with local governments</i>
6.5	Pilot the return of international students to Australia. <i>Lead: Australian Government, state and territory governments</i>
6.6	Develop and offer an abridged student visa-application process for instances where students seek an extension to their current visa as a direct result of COVID-19 disruptions to their studies, prioritised for processing. <i>Lead: Department of Home Affairs</i>

MARKET

- 6.7 Expand and leverage bubble arrangements to target international markets as they are opened to Australia including through the use of a vaccine certificate.

Lead: Department of Foreign Affairs and Trade, Tourism Australia

- 6.8 Develop a coordinated marketing strategy to help re-establish core markets and grow emerging international markets once Australia's borders have reopened.

Lead: Tourism Australia, state tourism organisations, Austrade

- 6.9 Develop a coordinated approach for more direct, affordable, long haul flights to Australia.

Lead: Industry and Tourism Australia

RECOMMENDATIONS

Product

- 6.10** Expand target market offerings including for high yield/luxury visitors, business travellers and returning International students.

Lead: Industry

- 6.11** Respectfully embed Aboriginal and Torres Strait Islander cultures into Australia's brand positioning, and support prioritised product development.

Lead: Industry with the National Indigenous Australians Agency/National Indigenous Tourism Advisory Group, and state and territory governments

- 6.12** Prioritise support for the return of events, including business, regional and major events, and develop an annual coordinated calendar of events to encourage new and return visitors. This should include the continuation of the Business Events Australia Bid Fund Program to support the conversion of new business when Australia is competing against international competitors for the right to host a business event.

Lead: Industry, state and territory governments, local governments and Tourism Australia

What we heard?

The erratic and unpredictable nature of the COVID-19 crisis is affecting the visitor economy's recovery not just within COVID-19 hotspots but also in destinations that receive visitors from hotspots and surrounding regions. COVID-19 outbreaks result in cancellations of travel at short notice. Pessimistic consumer sentiment drives reluctance to book holidays, arrange events and undertake business travel. Critical workforce shortages compound these challenges by limiting businesses operating capacity and affecting the quality of service delivery.

The domestic Australian market will be instrumental for the visitor economy's recovery. Work to pivot to the Australian market has commenced and needs to be elevated even when international visitors return. Once Australia's international borders reopen, international aviation is likely to take years to recover to pre-COVID-19-levels. For example, North American travel to Australia took around four years to recover following September 11. Southeast Asian travel to Australia took about five years to recover following SARS. Given the length and global reach of COVID-19, the recovery of international travel may take longer than previous shocks to international aviation.

When Australia's international borders reopen, there may be fewer planes in the air and fewer international routes being operated. The future cost of international airfares is also uncertain. Initially, it is possible cheap airfares could be offered to encourage travellers into the air. In the longer term, commercial carriers may be driven by the need to recover the profit lost during the long and isolating pandemic and this could drive prices up.⁵² Australia will need to work hard to get international travellers to come to a country that is a medium-long haul destination.

The anticipated high cost of international travel could result in wealthy travellers seeking high-end visitor experiences and international students being the first cohorts to return to Australia. Australians may elect to travel overseas once international borders reopen to visit family and friends based overseas.

Pre-pandemic market trends are well understood (see Figure 10 below). Prior to the pandemic, Australia's international source markets and service offerings were relatively concentrated. Both industry and government recognised during our consultations that there was a need for diversification. This need has not changed and includes diversification to the domestic market in the short term.

Emerging trends in demographics and expectations for visitor experiences also require the visitor economy to adapt. There is a growing visitor preference for cultural and heritage travel.⁵³ Australia's rich cultural history could be promoted through online virtual tours, which could be leveraged to encourage visitors to undertake the physical experience at a later date. Traveler cohorts (including Millennials and Gen Z) are increasingly factoring sustainability practices and methods of travel into their travel choices.⁵⁴

There will be long-term changes in visitor preferences. We anticipate less business travel as employers have demonstrated that operating remotely can achieve the same or similar outcomes with fewer risks and lower costs. Yet we still anticipate there will be demand for international events, including business events. And while the market will likely be subdued for several years, there is still an opportunity to grow Australia's market share of the global business events industry. This industry contributed over \$35 billion in direct economic activity to the Australian economy before COVID-19 struck.⁵⁵

52. International Air Transport Association, Airline industry financial outlook update April 2021, 2021.

53. Tourism Research Australia 2019 National Visitor Survey and International Visitor Survey found that cultural and heritage tourism were growing at 7.5 per cent and 11.2 per cent respectively.

54. Austrade, Opportunities for the Visitor Economy, 2021.

55. Business Events Council Australia, 'COVID-19 Recovery Strategy and rebound framework', 2021.

Figure 10: Future travel trends

FUTURE TRAVEL TRENDS	 Rising Asian middle class	 Increased millennial travel	 Ageing populations	 More travel for people living with a disability
THE EVIDENCE	\$36 trillion in spend by 2030 ▲75% to 3.5 billion persons by 2030	 45% of global visitors will be born after 1981 by 2025 by 2030	 1-in-8 will be take by people aged over 60 by 2025	1.3 million Australians with a disability are looking accessible overnight and/ or day trips
WHAT THEY WANT AND NEED	 Small-group and semi-self-guided travel  Digital payment and booking options	 Smart phone booking capability  Environmental sustainability  Low-cost travel	 Easy transport transitions  Comfort  Food, wine and history experiences	 Good access to infrastructure and attractions  Information on accessible destinations
WHAT WE CAN OFFER  Safety and security  Nature experiences  First nations and cultural experiences				

What should be done?

The health of the visitor economy relies on domestic and international visitors being able to travel. To this end, the Australian Government’s vaccine rollout and rapid deployment of a mutually recognised vaccine certificate for travel is crucial. Once state borders reopen, and remain open, Australians will have increasing confidence to travel domestically. Vaccine certificates will also be an essential part of reopening to international travellers.

Maximise the domestic market

The visitor economy needs to take urgent action to maximise the domestic market.

There are over 20 million potential domestic visitors in Australia who need ideas about travel opportunities within Australia. There are experiences that international visitors enjoy but domestic visitors aren’t aware of or think are beyond their budget.

In 2019, Australians spent \$3,610 per international trip, compared with \$293 per domestic trip. Australians spend more per capita on travel than most of our comparator countries.⁵⁶ Prior to COVID-19, a larger share of Australians’

travel spend was on international travel (30 per cent) compared to the global average (25 per cent). Yet Australians do not experience domestic holidays in the same way they would overseas only 44 per cent visit the outdoors, 16 per cent explore arts and heritage, and 18 per cent seek out local tourist attractions when holidaying domestically.⁵⁷

We challenge the visitor economy to encourage Australians to redirect their international travel spend to domestic trips to do so we need to deliver on the recommendations in this report. While we may not be able to convert the entirety of this spend, it provides opportunity for the visitor economy. We need to encourage a mindset shift for those who are capable of travelling to do so and convert some of the spend going towards household expenditure to the visitor economy.⁵⁸

Australians should be encouraged to travel to domestic destinations both in cities and regions including areas more than three hours from capital cities, experience a broader range of attractions and travel in quieter periods (shoulder periods and/or mid-week). This includes overcoming the access and cost considerations of travelling in regional and remote Australia, and broadening appeal beyond the fly-in, fly-out cohort. For those travelling overland, local infrastructure should be maintained or refreshed as required.

56. Austrade ‘Opportunities for the Visitor Economy’. June 2021.
 57. Austrade ‘Opportunities for the Visitor Economy’. June 2021.
 58. Commonwealth Bank of Australia CBA Annual Report, August 2019.

To encourage longer stays and return visits, high quality services, products and experiences that align with customer expectations, including on cost/value-for-money, should be available and marketed.

Repeat domestic visitation to cities and regions should be boosted with events (arts, culture, sporting and business) and be supported by marketing campaigns.

State and territory governments, Tourism Australia and industry should promote destinations, experiences and events to encourage Australians to change how they holiday at home. As international travel returns, the role of Tourism Australia should shift back to its core business of promoting Australia as a destination internationally, and the full responsibility of domestic travel marketing return to state and territory governments.

Diversify international source markets

Once international borders reopen, Australia's reputation as a safe and secure destination should be leveraged to instill traveler confidence and be embedded in strategies to bring back the international market.

- **Leisure travel:** The uncertainty of when and which international borders will reopen means the visitor economy will need to remain agile and adaptable to encourage international visitors as key markets are allowed to return. This includes both traditional and emerging markets.

In the short term, Australia's international border is likely to reopen through staged bubble arrangements with other countries. Bubble arrangements should be targeted with marketing and visitor attraction campaigns to generate visitation. In addition, pilot cohorts for working holiday makers and skilled migrants should be prioritised to support recovery of the visitor economy and to address critical workforce shortages.

Mid- to long-term, Australia will need a disruptive marketing approach to gain the attention of a global audience and capture visitor spend across all segments of the visitor economy. Traditional and non-traditional channels and partnerships should be leveraged. This will require significant and sustained resourcing and coordination across Australian state and territory governments, in partnership with industry, to enable the visitor economy to both maintain core markets and diversify its international market, and effectively target sectors most likely to travel.

Australia also needs to streamline the visitor experience, and put health and safety at the forefront of its campaign. This includes adopting vaccine certificates that are mutually recognised across Australia as part of the streamlined and integrated traveler experience.

- **International education:** International education is a critical segment in Australia's visitor economy: in 2019 international students represented 9 per cent of visitor economy spending, and their visiting friends and relatives contributed a further \$4 billion to the economy.⁵⁹ Australian education is globally recognised for its high-quality teaching, learning and research. As a result of the COVID-19 pandemic and global travel restrictions, new learner types, market segments and modes of engagement are emerging. Australia is well placed to meet changing market demand through excellence and innovation in education, as well as training delivery, research, schooling and curricula- development, and education technologies.

The sector's strong industry connections and trusted quality-assurance mechanisms will continue to support the student-protection and employability outcomes that underpin our system. Graduates of an Australian education will still receive internationally recognised qualifications, and develop the knowledge and competencies needed for future success. However, unless we can get our international students back to face-to-face learning, there is a risk they will go elsewhere. We therefore recommend that the Australian Government pilot the return of international students as a priority. Additionally, we recommend that the Department of Home Affairs develop and offer an abridged student visa application process for instances where students seek an extension to their current visa as a direct result of COVID disruptions to their studies, prioritised for processing.

In future it is important to reinforce Australia's brand strengths and highlight those factors that set an Australian education experience apart from our competitors. Clear, consistent branding and strategic messaging will be fundamental to clearly defining and differentiating the Australian experience and value proposition in an increasingly crowded and competitive global market.

In the longer term, Australia should be positioned as a world-leading destination to undertake study and work experience in the visitor economy. This is part of Australia's competitive advantage: the quality of our education and the diversity of our visitor experiences available are not replicated by some of Australia's key competitor destinations.

Diversify product offerings

Australia needs to expand and diversify its product offerings to meet the expectations of visitors.

- **Luxury offerings:** High-yield visitors have a strongly positive impact on the economy and should be prioritised. Prior to the pandemic, Australians made 25 per cent more luxury trips than citizens in comparable countries, and are the highest consumers of luxury travel nights. Developing the luxury market can provide an opportunity to increase

59. Tourism Research Australia. 'International Education', 2021

long-term benefits when the international market opens. High-end spending was forecast to grow at 6 per cent per year to 2025, compared to the overall market's 4.8 per cent growth.⁶⁰ Australia is well-positioned to cater to the luxury market, with offerings in unique natural settings, sun and beach, adventure, culture, and food and wine. This includes catering for exclusive, private and experiential offerings. When international borders reopen, we recommend targeting high-yield international travellers, particularly while international visitor numbers remain low.

- **Nature, cultural and sustainable experiences:** There is an intrinsic link between Indigenous tourism and sustainable, nature-based tourism experiences. For Aboriginal and Torres Strait Islander people, offering a tourism experience is a form of cultural expression — a way to fulfil the cultural obligation to educate and bring visitors into better relationship with the country they are on. With the demand for nature-based tourism activities showing strong growth (averaging 9 per cent per year over the last 5 years) there is an opportunity to develop this segment of the market.⁶¹ It is an incredibly valuable market differentiator and authenticity is key.

For cultural experiences to remain authentic, Aboriginal and Torres Strait Islander involvement in tourism experiences is essential. These cultures are the oldest continuously surviving cultures in the world, and we have the opportunity to share in their knowledge of Australia and connection to the land, sea and sky. The range of products is very diverse and involvement from different individuals and communities will vary but Aboriginal and Torres Strait Islander cultures must be universally respected by industry and government. This means being included in offerings and encouraged to contribute more to the visitor economy. It also means helping visitors understand and respect the cultures and natural beauty of our continent.

Aboriginal and Torres Strait Islander people have carefully maintained the Australian landscape and want to share its beauty and stories with visitors from home and abroad. Collaboration with Aboriginal and Torres Strait Islander owners must be prioritised to achieve authenticity without damaging the economic and reputational capital of Australia. Grass roots support is key to enabling current and future Aboriginal and Torres Strait Islander tourism entrepreneurs to thrive. This could be delivered by expanding the remit of Indigenous Business Australia (IBA), SupplyNation, or another business mentorship program for Aboriginal and Torres Strait Islander peoples. This is explored in the Camping with Custodians case study.

There is also the opportunity for partnerships between industry and not-for-profit organisations (e.g. Rainforest Rescue, Landcare).

- **Events (arts, cultural, sport, business):** Once state borders reopen and domestic traveler confidence returns, events will provide important opportunities to stimulate

visitor economy growth. Now is the time to plan and develop a coordinated program of events that encourages regional dispersal, promotes progression from one event to the next and encourages repeat visitation. Marketing should promote stay and spend beyond the event, and travel outside of peak periods.

The domestic market is essential in the short term to create and build events. When international borders reopen, there is an opportunity to broaden the customer base. This, however, is not essential and we should be designing events primarily for domestic appeal. Further, event design does not need to be elaborate or expensive. The Outback Queensland Masters Golf Tournament (see case study) is a demonstration of an interregional annual event that encourages repeat visitation and the ability to expand its regional footprint year on year.

Business events are also essential to the long-term health of the visitor economy yet are different from leisure travel. Business events not only drive visitation but encourage world-leading experts to Australia to promote trade, investment, research, innovation and policy-development opportunities. We recognise that these events benefit both the visitor economy and make broader economic impacts. Government and the industry should work together to maximise outcomes before, during and after an event. States and territories should identify their areas of strengths — for example, in the areas of medicine, research and sport that can be maximised through the attraction of business events and help to build Australia's global brand while growing the economy. To do this, the business events sector requires improved data collection and analysis to understand the true impact on the economy, and better coordination across government and industry.

While the business events industry will need to compete with the growth in online events, the business events community in Australia has demonstrated that it can successfully host COVID-safe and hybrid events. Traveler confidence will be a key enabler for long term recovery and growth. An available workforce and streamlined access to visas are important (considered in earlier chapters). We therefore recommend that the attraction of business events is prioritised by industry with government support when international borders are reopened. The aim is not only to attract business visitors but also to capitalise on known spending patterns of pre- and post-event travel.⁶² To this end we recommend the continuation of the Business Events Australia Bid Fund Program to support the conversion of new business when Australia is competing against international competitors for the right to host a business event.

Australia also needs to leverage one-off major events, notably the 2032 Olympic Games in Brisbane. We should drive visitation and attendance at other events held in the lead up to the games, as well as during and after the main drawcard events. The benefits of these events go beyond

60. Austrade, 'Opportunities for the Visitor Economy', June 2021.

61. National Trust, Australian Heritage Tourism Directions Paper, 2021, p14

62. Deloitte and Tourism Australia, The Value of Tourism White Paper, 2021.

economic benefits (initial modelling shows an estimated \$8.5 billion uplift to Australia's GDP) and includes social benefits (resident, health, volunteering, civic pride and social cohesion, elite sporting pathways, partnerships with industry and government, and diversity and inclusion).⁶³

- **Revitalise cities:** The impact of COVID-19 has been uneven and capital cities have been some of the hardest hit areas in part because of their reliance on international visitors. They are also geared towards business travel which has all but stopped during the pandemic. To recover, cities need to initially offer a compelling and differentiated offering for domestic visitors. This should include a calendar of events, a changing attitude towards opening hours and creative workarounds for capacity limits such as outdoor seating (if licensing and other restrictions permit). Each city should have a calendar of events that integrates events, festivals and activities throughout the year. We recommend that state and territory governments with the major city councils should lead this revival: we need to bring our cities back to life.

- **Inclusive travel offerings:** Given the number of people requiring accessible and inclusive travel options all visitor economy businesses should strive to be designed to meet the needs of all travellers.⁶⁴ This group includes families, older people, people with disability, culturally and linguistically diverse groups, and LGBTQIA+ travellers. This will promote social inclusion and increase the number of potential visitors. We were told inclusive travel is a growing industry that accounts for up to 25 per cent of visitors.⁶⁵ This cohort generally spends more, stays longer and is willing to travel mid-week especially the retired population. Industry should lead the way to cater for this large and growing market.



Family at Bondi Beach NSW, Tourism Australia, created by Camille Nuttall

63. KPMG, Brisbane 2032 Olympic and Paralympic Games: Preliminary Economic, Social and Environmental Analysis: Summary Report, 2021.

64. Inclusive travel encompasses the requirements of travellers with special accessibility needs. This may include people with disability, older travellers, travellers with young children.

65. Tourism Australia, 'Accessible Tourism', 2018.

The Outback Queensland Masters



Australia's most remote golfing event attracts the punters

The Outback Queensland Masters is Australia's most remote amateur golf tournament. Participants travel for up to two months, covering thousands of kilometres to compete in a total of six tournaments. All participants have the opportunity to compete for the million-dollar hole-in-one challenge.

The event encourages visitors to outback Queensland and spreads the economic tourism benefits regionally. The event is structured so that participants experience local towns and participate in additional activities during their stay. Importantly the event is designed to benefit all outback Queensland towns over its lifespan. The Outback Queensland Masters is presented by Golf Australia in collaboration with Tourism and Events Queensland, and Eagle Spirit Partner, the PGA of Australia, and the six participating local government authorities for that year.

Future proofing the industry

Events play a key role in fostering regional tourism and economic development. Tourism is an essential industry to many rural and regional centres, ensuring economic stability. It also helps to build a sense of local pride but can also foster confidence and strengthen the community as a whole. Events can be a cost-effective way of promoting a region and its attractions: as an event grows, it attracts tourists in its own right.

Camping with Custodians in Western Australia



Visitors stay on Aboriginal lands, meet Aboriginal people and experience Aboriginal Cultures in Western Australia

The Camping with Custodians program, an initiative by Tourism Western Australia, builds community-operated campgrounds on Aboriginal land where visitors have the chance to stay with traditional owners and experience local Aboriginal cultures.

Camping with Custodians also provides economic and job security for Aboriginal communities. Funding support is provided to develop these small-scale tourism enterprises, with Tourism Western Australia working with Aboriginal groups to build, manage and evolve their businesses.

The campgrounds are supported by Tourism Western Australia through the planning, approvals and construction stages. Tourism Western Australia, in close collaboration with the Western Australian Indigenous Tourism Operators Council (WAITOC), the peak body for Aboriginal tourism businesses, also provide the Indigenous host communities with ongoing training, capacity building, business development and marketing support to ensure the sustainability of the operation.

Future proofing the industry

This initiative offers new Aboriginal tourism experiences for visitors. Investment in these sites creates a sense of pride for the owner group and acts as an incubator for other Aboriginal-owned businesses. It also builds business capacity within Aboriginal communities in Western Australia.

Championing Australia's Aboriginal and Torres Strait Islander heritage presents an opportunity to capture growing visitor demand in this sector. This model could be adopted in other locations across Australia to showcase Australia's unique strengths, and to create stronger ties with Aboriginal and Torres Strait Islander groups.

National Zoo and Aquarium



Cheetah luxury suite, Jamala Wildlife Lodge National Zoo and Aquarium, ACT

Visit Canberra's Jamala Wildlife Lodge at the National Zoo and Aquarium for a chance to experience the unforgettable

Jamala Wildlife Lodge at Canberra's National Zoo and Aquarium combines five-star accommodation, animal encounters and gourmet cuisine to provide guests a unique overnight experience with some of the world's most amazing animals.

The Jamala Wildlife Lodge opened at the National Zoo and Aquarium in December 2014. Jamala also provides guests the opportunity to get up and close with some of the world's most endangered animals whilst learning about their plight and what can be done to save them. A portion of the Lodge's fee also supports critical breeding and education programs delivered via the National Zoo and Aquarium.

Future proofing the industry

As part of a recovery strategy for the visitor economy, Australians are being encouraged to prioritise domestic travel. By offering world class luxury experiences in its mix of offerings, Jamala Wildlife Lodge at the National Zoo and Aquarium has increased visitor numbers and length of stay. This has made Jamala Wildlife Lodge and the National Zoo and Aquarium more resilient and cultivated a reputation as a domestically desired and internationally recognised destination for visitors to the Canberra region.

APPENDICES



APPENDIX 1:

Terms of reference

Australia's visitor economy will face transformational and structural reform post-COVID-19 as a consequence of lasting global change to tourism and travel.

Context

COVID-19 had a devastating effect on Australia's \$152 billion visitor economy. International, state and territory borders closed, airlines were grounded, and hotels were in hibernation. The sector faces a great deal of uncertainty as it recovers. Some businesses have already ceased trading, some are under threat, and others are strongly recovering.

In May 2020, Tourism Research Australia estimated COVID-19 would reduce tourism spend by 38 per cent in 2020-21 – a loss of almost \$70 billion. With interstate borders continuing to close intermittently and ongoing uncertainty regarding a date for the return of international tourism these estimates could change.

As a sector that thrives on person-to-person interactions, the visitor economy is highly exposed to issues around health, personal safety and social distancing. Tourism and related visitor economy businesses are also highly vulnerable to economic shocks because the sector is dominated by small and micro businesses, while being highly dependent on discretionary spending.

Even with a vaccine, the visitor economy will be facing an uncertain environment, affected by the pace at which aviation can return to scale, changes in consumer preferences, and the capacity to return to profitability with the impediments of social distancing. There may also be a less lucrative visitor mix (lower per night spend), lower demand and other changes impacting key source markets. Given the scale of these challenges and the long-lasting impacts of coronavirus, it is likely the visitor economy will look very different in future.

Transformation will be the key to success

The visitor economy needs to be reimagined if it is to rebuild and flourish in these new circumstances. The sector must remain viable and competitive over this period to continue delivering a world-class visitor experience. Transformation will be the key to success. Businesses that can embrace new opportunities, reset their operating model, adopt new technologies or successfully scale back operations will be rewarded. However, not every business will successfully adapt.

The visitor economy of 2030 will be leaner and more efficient and positioned for resurgence and longer-term sustainability as demand gradually returns to a new normal.

Planning for the future

The Australian Trade and Investment Commission (Austrade) is commissioning an Expert Panel with strong industry representation and public policy expertise to identify the ingredients for an effective policy framework that enables tourism and other visitor economy businesses to adapt to the future.

The Expert Panel's purpose is to advise industry and the federal, state, territory, and local governments on the visitor economy and its transformation over the longer term by boosting productivity, increasing innovation and improving sustainability to meet future changes.

The Expert Panel will deliver its report to government and industry, and their report will be published. This process will also restart the work of the draft Tourism 2030 strategy with the goal of creating a globally competitive Australian visitor economy which provides a world-leading visitor experience, grows sustainably, benefits the environment, and enriches the lives of Australians.

Scope and consultation

Stakeholder and industry engagement is critical to success of this work. The Expert Panel will consult widely to provide advice to governments and industry on the future of our visitor economy over a long-term horizon. The focus will be on how the sector can innovate, boost productivity and yield, and build long term sustainable growth in the post- COVID-19 world. The report will consider, among other things, likely trends in the visitor economy in Australia over a ten-year timeframe, exploring demand and supply issues, and outlining opportunities for the sector to set a long-term growth pathway. Areas of investigation could include

- growing the domestic travel market including investing in our unique regional destinations
- diversifying the international visitor market

- supporting businesses to adapt and innovate
- harnessing digital technology and other disruptors
- building a stable, skilled workforce
- creating best practice in authentic visitor experiences including Indigenous tourism
- ensuring environmental sustainability and maintaining social licence in local communities, and
- adjusting government regulation.

Expert Panel governance

Reimagining the Visitor Economy will be headed by an Expert Panel Chair with deep knowledge of and a commitment to the future of the sector. The Chair will drive consultations and be supported by the Expert Panel members as independent advisers spanning relevant sectors.

Their role will be to provide additional guidance, insight and oversight as governments and industry work in partnership to embark on transition and structural reform. While individual advisers may have specific policy or industry expertise they will be expected to broadly act within the interest of the entire industry. The Expert Panel will convene consultations through multiple channels as required and make particular efforts to engage with relevant industry peaks and businesses to ensure the views of Australia's 300,000 plus tourism and other relevant businesses are fully considered. Timings for meetings will be determined by the Chair in consultation with the Expert Panel members.

Supporting the Expert Panel will be a Project Team responsible for project administration and oversight, conducting and commissioning research, drafting and reviewing reports, secretariat services and organising consultations.



Kayak, image courtesy Spinal Life Australia

APPENDIX 2:

Table of recommendations

COLLABORATE WORKING TOGETHER TO ACHIEVE A MORE COMPETITIVE AND RESILIENT VISITOR ECONOMY	
OBJECTIVE Governments and industry collaborating to grow a stronger and more resilient visitor economy	
RECOMMENDATIONS	
FOR IMMEDIATE ACTION	
1.1	Appoint a Visitor Economy Advisory Group, representing a cross-section of industry, and tiers of government, to guide, oversee and monitor progress of the new visitor economy strategy. The Advisory Group should be supplemented by regular government officials' meetings and oversee the work of Expert Working Groups (Workforce and Data, to be immediately established). <i>Lead: Austrade</i>
1.2	Government deliver a ten-year strategy for Australia's visitor economy that puts the visitor experience and maximising economic and social benefits at the centre of relevant decision making. The strategy should be supported by action plans that set milestones across the visitor economy to guide recovery and growth to meet and exceed pre-COVID-19 levels. Implementation of this strategy should be prioritised and appropriately resourced by governments. <i>Lead: Austrade</i>
1.3	Establish a cooperative mechanism to plan and implement interregional marketing and development activities to drive lasting improved outcomes. <i>Lead: Austrade, State and Territory Governments and Tourism Australia</i>
1.4	Ensure that the visitor economy is considered and integrated into national and regional crisis management and recovery plans. <i>Lead: Australian Government with state and territory governments and industry</i>
1.5	Expand the role of the National Indigenous Tourism Advisory Group (NITAG) and include a formal partnership with Austrade to improve and encourage participation of Aboriginal and Torres Strait Islander cultures and businesses into the visitor economy. <i>Lead: National Indigenous Australians Agency (NIAA) and NITAG</i>

TIMELY DATA AND FORWARD-LOOKING ANALYSIS TO INFORM DECISION-MAKING	
OBJECTIVE Better data and insights that underpin business and government decision making and improve investor confidence.	
RECOMMENDATIONS	
2.1	FOR IMMEDIATE ACTION: Establish a Visitor Economy Data Expert Working Group for a twelve-month period with both government and industry experts to provide national leadership on identifying and providing solutions to government and industry data needs and data sharing. The Expert Working Group will report to the Visitor Economy Advisory Group. <i>Lead: Austrade (Tourism Research Australia)</i>
2.2	Conduct a study of the foundational architecture of the visitor economy to better understand its structures and systems (for example, its complex tiers of sales, distribution and supply chain relationships) and make recommendations for a resilient future. <i>Lead: Austrade</i>

- 2.3** Resource Tourism Research Australia (TRA) to ensure it is a world leader in relevant, robust, granular, and timely data and analytics that capture the full suite of tourism related activity across Australia and its broader impacts.

Lead: Australian Government

- 2.4** Ensure all stakeholders in the visitor economy have a holistic set of performance indicators, linked to priorities identified in the strategy, to support recovery of the visitor economy.

Lead: Austrade (Tourism Research Australia) and Industry

MODERNISE A MODERN WORKFORCE

OBJECTIVE

A secure and resilient workforce that is well skilled and supplied through a stable pipeline that can withstand changing market forces

RECOMMENDATIONS

FOR IMMEDIATE ACTION:

- 3.1** Appoint a Workforce Expert Advisory Group to develop workforce attraction and skilling programs for the visitor economy.

Lead: Industry, Austrade and Department of Education, Skills and Employment

- 3.2** Implement measures to increase workforce participation for a broad range of under-participating cohorts including mature workers, people with disability, Aboriginal and Torres Strait Islander peoples and women, especially in regional areas. This could include the promotion of a gap year and apprenticeships and traineeships that attract entrants of all experience levels into the industry and increasing scope for funded places in tourism and hospitality courses.

Lead: Department of Education, Skills and Employment, Department of Social Services, Austrade

- 3.3** Reform the working holiday maker scheme to increase pool of workers for the visitor economy. This should include
- Increasing age limits to 35 for all participating countries (on a non-reciprocal basis if need-be)
 - Extending tourism and hospitality work to all regional areas, increasing the country caps for subclass 462
 - Fast-tracking agreements with new countries (prioritising those with strong COVID-19 management and high vaccination rates).

Lead: Department of Home Affairs and Department of Foreign Affairs and Trade

- 3.4** Pilot the return of working holiday makers to Australia.

Lead: Department of Home Affairs, State and Territory governments and Industry

- 3.5** Commit ongoing funds to build on current research and better understand the gaps, barriers and future needs of the visitor economy workforce.

Lead: Austrade (Tourism Research Australia)

- 3.6** Develop a workforce, skills and migration strategy for the visitor economy that includes regular points of review.

Lead: Austrade with Industry and Department of Home Affairs

IMPROVE WORKFORCE CAPABILITIES THROUGH THE UPSKILLING OF THE CURRENT AND POTENTIAL WORKFORCE.

- 3.7** Support the Joyce Review into the vocational education and training (VET) system recommendations and encourage measures that: direct funding to address skills shortages; improve employer involvement in VET design; fast-track the work on shortening the time it takes for the revision of qualifications; fund and support the expansion of micro-credentialling and extend the Boosting Apprenticeship Commencement (BAC) scheme beyond March 2022. Support a Skills Commission pilot for the industry to test new ways for the VET to be responsive to industry needs.

Lead: Department of Education, Skills and Employment, State and Territory governments

- 3.8** Ensure mutual recognition for foundational credentials such as the Responsible Service of Alcohol (RSA) and the Responsible Service of Gambling (RSG) and COVID-safe practices accreditation across all States and Territories to support portability of skills.

Lead: State and Territory Governments

- 3.9** Extend the duration of the Temporary Graduate Visa (subclass 485) from 18 months to two years to allow adequate time for graduates to gain sufficient experience in the career related to their studies and secondly, amend eligibility for the Post-Study Work Stream to provide work rights for graduates of 18-month, three semester Masters Degrees.
Lead: Department of Home Affairs

- 3.10** Develop Aboriginal and Torres Strait Islander training programs that create opportunities for participants to fully understand the industry distribution channels to be able to advance their career within the industry or to develop and/or create new products or experiences.
Lead: Industry with National Indigenous Australians Agency and State and Territory Governments

- 3.11** Encourage larger operators within the visitor economy to have formalised training programs.
Lead: Industry

EXPAND THE POTENTIAL SOURCES OF WORKFORCE AVAILABLE IN AUSTRALIA BOTH FROM DOMESTIC AND INTERNATIONAL SOURCES.

- 3.12** Improve visitor economy micro, small and medium-sized enterprises access to existing migration schemes such as the Seasonal Workers Program and the Pacific Labour Scheme.
Lead: Department of Foreign Affairs and Trade and Department of Education, Skills and Employment

IMPROVE THE ATTRACTIVENESS OF THE VISITOR ECONOMY

- 3.13** Promote the visitor economy as a career of choice.
Lead: Industry, Austrade and Department of Education, Skills and Employment

- 3.14** Industry to promote the standards expected of employers including compliance with the awards, the Superannuation Guarantee obligation and ensuring workplace health and safety.
Lead: Industry

DESTINATION DEVELOPMENT

OBJECTIVE

Visitor assets supply that meets demand, is accessible, high quality, and developed and managed sustainably

RECOMMENDATIONS

FOR IMMEDIATE ACTION

- 4.1** Each State and Territory identify at least one region to prioritise as a new or reimagined visitor destination. This should include collaboration at all levels of government, business, and community working together to fast-track approvals and overcome major obstacles to investment. As part of these developments, a partnership agreement could be established as the basis for planning and project approval, red tape reduction and to prioritise investment. This aims to maximise destination potential.

Lead: State and Territory Governments with Australian Government and Industry

- 4.2** Encourage investment to create new and refreshed offerings.

Lead: Industry, Austrade, State and Territory Governments, Local Government Authorities

- 4.3** Improve and maintain public infrastructure in Commonwealth national parks.

Lead: Director of National Parks (Department of Agriculture, Water and the Environment)

- 4.4** Ensure visitor economy asset development is inclusive and accessible for all travellers.

Lead: State and Territory Governments and Industry

- 4.5** Ensure transport hubs are connected to regional destinations.

Lead: State and Territory Governments

- 4.6** Work with Aboriginal and Torres Strait Islander Custodians, local government areas and state and territory governments to identify and deliver improved visitor assets and resources at culturally significant sites including trail assets.

Lead: State and Territory Governments, local government authorities, National Indigenous Australians Agency and Aboriginal and Torres Strait Islander Traditional Custodians

BUSINESS MODERNISATION

OBJECTIVE

Industry embraces modern business practices to create more resilient and sustainable businesses that put the visitor at the centre of the experience

RECOMMENDATIONS

- 5.1 Accelerate the rollout of fast and reliable internet access for areas experiencing poor internet coverage.
Lead: Department of Infrastructure, Transport, Regional Development and Communications and NBN Co
- 5.2 Build business capability programs that help drive product innovation, diversification and product quality to deliver world class visitor experiences.
Lead: Industry and State and Territory Governments
- 5.3 Streamline and target information about government resources assisting businesses to modernise and diversify.
Lead: Department of Industry, Science, Energy and Resources, the Treasury and State and Territory Governments
- 5.4 Encourage businesses to develop resilience and crisis management plans.
Lead: Industry
- 5.5 Develop an industry sustainability framework and education tools to assist businesses to implement sustainability practices.
Lead: Industry with Austrade
- 5.6 Develop, promote, and encourage businesses to improve quality through industry led programs to identify and celebrate exceptional visitor economy businesses.
Lead: Industry
- 5.7 Ensure the market provides accessible and affordable insurance for visitor economy suppliers.
Lead: Department of the Treasury and Industry
- 5.8 Ensure Australia has a safe and affordable, fast visitor visa system to maintain and grow international market share.
Lead: Department of Home Affairs

DIVERSIFY OPPORTUNITIES TO GROW DEMAND

OBJECTIVE

Australians spend a greater proportion of their travel budget and time on the visitor economy compared with overseas travel
A less concentrated international visitor spend from a more diverse spread of source markets.

RECOMMENDATIONS

FOR IMMEDIATE ACTION

- 6.1 Swift vaccine rollout: once vaccinations reach mandated level, state and territory borders to reopen and remain open, allowing Australians to become more confident to travel.
Lead: Australian Government Governments; State and Territory Governments
- 6.2 Prioritise the development of and rollout of internationally recognised vaccine certificate to allow vaccinated people to travel (domestically and internationally).
Lead: Australian Government
- 6.3 Encourage Australians to spend on the visitor economy like they would overseas, including through targeted offerings and marketing.
Lead: State and Territory Governments

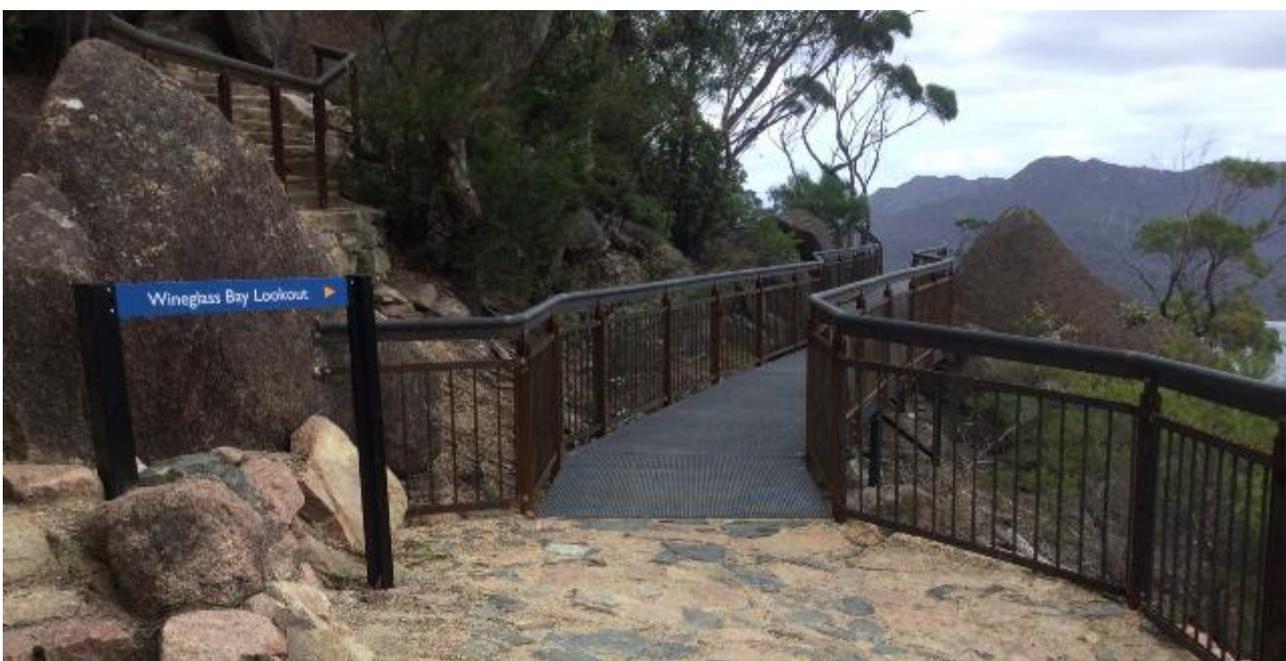
6.4	Cities to develop and offer a compelling differentiated offering for both the domestic and international markets to revitalise visitation. Lead: State and Territory Governments with Local Governments
6.5	Pilot the return of international students to Australia. Lead: Australian Government; State and Territory Governments
6.6	Develop and offer an abridged student visa application process for instances where students seek an extension to their current visa as a direct result of COVID disruptions to their studies, prioritised for processing. Lead: Department of Home Affairs

MARKET

- 6.7 Expand and leverage bubble arrangements to target international markets as they are opened to Australia including through use of a vaccine certificate.
Lead: Department of Foreign Affairs and Trade; Tourism Australia
- 6.8 Develop a coordinated marketing strategy to help re-establish core markets and grow emerging international markets once Australia's borders have reopened.
Lead: Tourism Australia, State Tourism Organisations
- 6.9 Develop a coordinated approach for more direct, affordable, long haul flights to Australia.
Lead: Industry and Tourism Australia

PRODUCT

- 6.10 Expand target market offerings including for high yield/luxury visitors, business travellers and returning international students.
Lead: Industry
- 6.11 Respectfully embed Aboriginal and Torres Strait Islander cultures into Australia's brand positioning and support prioritised product development.
Lead: Industry with National Indigenous Australians Agency/National Indigenous Tourism Advisory Group and state and territory governments
- 6.12 Prioritise support for the return of events, including business, regional and major events, and develop an annual coordinated calendar of events to encourage new and return visitors. This should include the continuation of the Business Events Australia Bid Fund Program to support the conversion of new business when Australia is competing against international competitors for the right to host a business event.
Lead: Industry, State and Territory Governments, Local Governments and Tourism Australia



Wineglass Bay look out, Parks and Wildlife Services Tasmania

APPENDIX 3:

Discussion paper

Questions asked of stakeholders, May 2021

Industry-led, government enabled recovery

- How can we better foster collaboration between businesses and governments to offer great experiences, create and sustain high-yield destinations and make the best system wide decisions?
- Where are the regulatory bottlenecks to the visitor economy?
- How can we increase collaboration between businesses within regions and destinations to improve the visitor experience?
- How can industry bodies enhance their offerings and engagement to drive business improvement and resilience?

Capturing the domestic travel opportunity

- What needs to be done to encourage domestic visitors to travel for longer, spend more and diversify the destinations they visit?
- What will domestic business travel look like in 2030 and what needs to be done to adapt?
- How will the sector need to transform to be successful into the next decade?
- What investment is required to ensure accommodation and experiences meets market expectations and drives high-value tourists?
- What are the barriers to building new, and refresh existing, tourism infrastructure?

Diversifying our international customer base

- How can Australia position itself for new international markets for holiday travel (including the luxury segment), business travel, events and international education?
- How should Australia sustain and support its existing core international markets?
- How best should Australia expand its share of the high-end holiday market (defined as spend over \$500/night)?
- What is needed to make Australia more competitive in the international education and major events markets?
- How competitive is Australia's visitor visa system compared to other markets and what can be done to improve it?

Labour, skills and workforce

- What does the visitor economy workforce of the future look like? How will the skills mix we need be different?
- How can the sector develop and promote career pathways to make the visitor economy a career of choice?

- How can we attract and retain workers in the sector, especially in the regions?
- How do we build the skills we need for the visitor economy in the future through training and business support services?
- How do we address labour shortages, including through skills/training programs and accreditation, and through changes to the migration program?

Indigenous Tourism

- What opportunities can be created to empower local Indigenous communities to get involved in the visitor economy, start-up businesses and provide in-demand authentic travel experiences?
- How can Indigenous experiences be enhanced, and given a greater profile – in both the regions and cities, and to domestic visitors?
- How can industry bodies and governments of all levels best enable an Indigenous tourism sector that is resilient, sustainable and profitable in the medium to long term? What are the barriers to achieving this goal?

Innovation: digital and new products

- How can technology and digital assets improve the visitor experience?
- What are the barriers to the adoption of digital technologies for visitor economy providers?
- How can small businesses, including those in regional and remote Australia, be supported to take advantage of technological advancements and become digitally capable?
- What digital skills and capabilities are required in the visitor economy to support growth and innovation?

Resilience, sustainability and social licence

- What is needed to build more resilient businesses given the likelihood of ongoing economic and environmental shocks?
- What practical measures can industry participants take to strengthen social sustainability for the visitor economy and attract social licence from their communities?
- How can Australia successfully position itself as an environmentally sustainable destination to domestic and international visitors?
- What is required to build an understanding of the different aspects of sustainability across all providers in the visitor economy?

APPENDIX 4: Consultations analysis

Further information about the Expert Panel process is available at:

<https://www.austrade.gov.au/australian/tourism/policy-and-strategy/reimagining-the-visitor-economy>

SUMMARY OF ISSUES FROM STAKEHOLDER CONSULTATIONS

Actions to Enable Growth

Industry & Govt Collaboration (54 responses)

- Foster more healthy competition
- Industry to provide more consistent messaging
- Expand avenues of government support

Building Digital Capabilities (42 responses)

- Deliver training locally & in small doses
- Potential in virtual events and Indigenous storytelling
- Improve internet coverage

Better Data (18 responses)

- Provide more detailed, real-time data
- Ability to predict demand
- Collaborate to reduce duplication & cost

Initiatives to Driving Demand

Domestic (36 responses)

- Adapt to new expectations
- Reset perceptions
- Better identify emerging segments
- Target yield
- Support regional dispersal

International (35 responses)

- Target emerging Asian markets to diversify
- Capture via nuanced marketing
- Act quickly, safely & strategically on borders

Who we spoke to

Visitor Economy Business
25%

Government
28%

118
consultations

Peak Body
21%

Other (including education and training providers, consultancies)
26%

Supporting Supply

Labour & Skills (63 responses)

- Promote via influencers, mentors & success stories
- Address job security, accommodation & seasonality
- Clearer pathways between education & employers
- Build digital, interpersonal and cultural awareness
- Expand workforce by targeting segments

Accommodation, Infrastructure, Transport (43 responses)

- Build more of the basics in Regional Australia
- Improve transport access by joined-up approach
- Accommodation must satisfy diverse visitor base

Cross Cutting Issues

Indigenous (31 responses)

- More training, support & succession planning
- Demand hampered by limited access
- Operators must tap into Indigenous offerings
- Avoid over-tourism in vulnerable communities

Developing Destinations (52 responses)

- Unique experiences & events will drive demand
- Greater collaboration will expand visitor touchpoints
- Be inclusive – niche delivers yield, affordability brings volume.

Sustainability (31 responses)

- Environmentally aware, younger travellers are growing
- Use technology & better practices to reduce footprint
- Engage more with communities on projects
- Ensure locals reap the economic benefits

APPENDIX 5: Submissions analysis

Further information about the Expert Panel process is available at:
<https://www.austrade.gov.au/australian/tourism/policy-and-strategy/reimagining-the-visitor-economy>

THEMES FROM SUBMISSIONS

We received 91 submissions. Of these, 88 raised in scope ideas and issues.

Increasing domestic market and international diversification



Modernising the visitor economy



APPENDIX 5: Submissions analysis

Further information about the Expert Panel process is available at:

<https://www.austrade.gov.au/australian/tourism/policy-and-strategy/reimagining-the-visitor-economy>

Opportunities for collaboration

- The need for increased collaboration was an overwhelmingly strong theme
- Increased collaboration was requested across governments, businesses, and peak bodies
- Popular opportunities include:
 - Experience development
 - Improving infrastructure
 - Investment
 - Marketing
 - Data, research, & info sharing
 - Indigenous experiences

Collaboration opportunities	Government	Business and peak bodies
Government	<ul style="list-style-type: none"> • Data • Research • Sharing insights • Recovery planning • Marketing • Resources • Sustainability 	Short term <ul style="list-style-type: none"> • Regional dispersal • Sharing insights • Experience development • Covid-19 response policies • Marketing • Labour force • Training • International education
Business and peak bodies	Long term <ul style="list-style-type: none"> • Sustainability • Planning and strategy • Resources • Investment • Infrastructure • Labour force 	<ul style="list-style-type: none"> • Digital infrastructure • Experience development • Events • Indigenous experiences • Marketing • Sharing insights • Infrastructure

Who submitted a response

- Almost half of all responses are from peak bodies
- Industry responses spanned across accommodation, hospitality, education, transport, events, travel agencies, and other
- Government responses were across federal, state, regional, and local governments

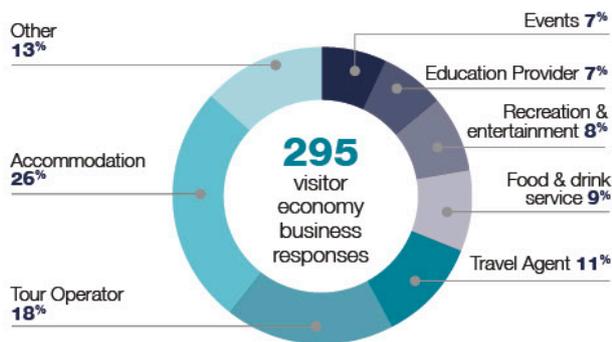


APPENDIX 6: Survey analysis

UNDERSTANDING THE IMPACT ON VISITOR ECONOMY BUSINESSES

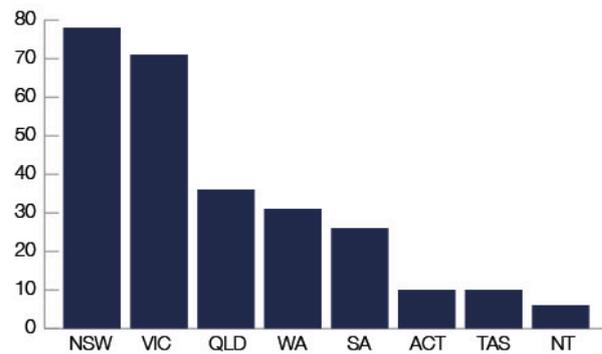
We received 413 responses to the survey. Of these, 295 respondents were visitor economy businesses.

Business type



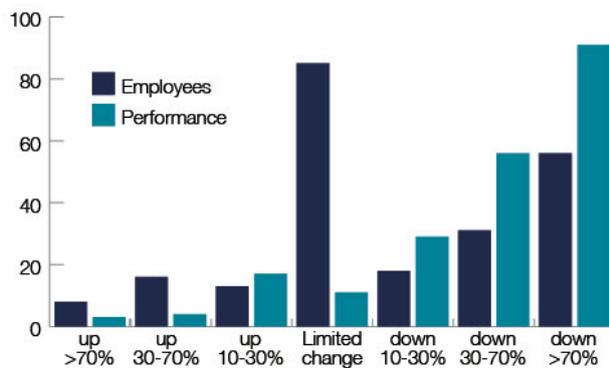
78 respondents identified as accommodation. 'Other' includes arts & culture, retail and transportation.

Location



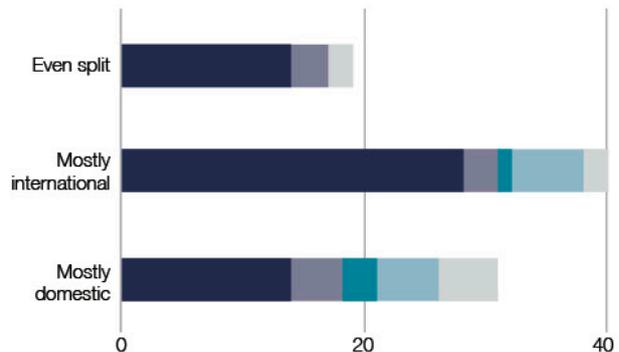
56% of businesses were located in NSW and VIC, with Sydney and Melbourne accounting for 15% and 11% respectively.

Business & employment impacts



The majority of respondents experienced more than a 30% decline in business performance. However, most respondents experienced only a limited change in employee numbers.

Visitor Mix



68% of businesses relying on international visitors were severely impacted (>70% decline). In contrast, just 40% of businesses relying on domestic visitors experienced severe declines.

Current business challenges

Top 5 challenges

1. International border closures
2. State border closures
3. Work force issues
4. Reduced cash flow
5. Lack of customer demand

Areas for government support

- Opening and maintaining stable borders
- Supporting access to a suitable workforce
 - Grants, investments and funding
 - Improving travel confidence

Future prospects

21% n=107

Can pivot to a 'domestic only' market. This drops to 10% for businesses that have mostly international visitors.

84%

Anticipate the need to make changes in how they operate in the next 5 years.

Top 3 anticipated changes

1. Diversify or change target market
2. Introduce or change a tourism product
3. Upgrade existing technology

APPENDIX 7:

Past reviews

This report has been informed by the work and content of previous reports and strategies.

The table below provides a summary (in reverse chronological order) of the Australian government tourism and visitor economy reports that have been considered by the Panel in the development of this report.

Date	Document/Author
June 2021	<i>Opportunities for the visitor economy</i> Austrade <u><i>Opportunities for the Visitor Economy report – Austrade</i></u>
January 2020	<i>Tourism 2030: A strategy for Australia’s visitor economy to 2030 (Unpublished draft)</i> Austrade
December 2018	<i>Beyond Tourism 2020 Steering Committee Report to Government</i> Beyond Tourism 2020 Steering Committee <u><i>Beyond Tourism 2020 Report</i></u>
December 2011	<i>Tourism 2020</i> Austrade <u><i>Tourism 2020 Report</i></u>
December, 2009	<i>National Long Term Tourism Strategy</i> Austrade National Long Term Tourism Strategy Report
May 2009	<i>The Jackson Report on behalf of the Steering Committee, Informing the National Long-Term Tourism Strategy</i> National Long Term Tourism Strategy Steering Committee

The Expert Panel also recognised long-term visitor economy strategies of State and Territory governments.

APPENDIX 7:

Reference lists

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APPENDIX 9:

Further reading on case studies

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