



The
4th National Conference on
Tourism Futures

2005

Conference Communiqué

1. Introduction

The Fourth National Conference on Tourism Futures, held between 2-5 October 2005 on the Gold Coast, had a record attendance of over 375 delegates. This comprised CEO's, tourism operators, industry representatives, policy makers, academics and researchers from throughout Australia who identified a range of key issues, trends and challenges facing the Australian tourism industry.

The purpose of this communiqué is to provide a summary of the outcomes of the conference and key issues raised by industry.

The communiqué is forwarded to the following stakeholders:

- Key departments and agencies of the Commonwealth, State and Territory governments that are either directly or indirectly involved in the Australian tourism industry;
- Peak tourism industry organisations and associations
- Elected members of Commonwealth, State, Territory and local governments
- Academic and research institutions involved in tourism research and development
- Operators and individuals who champion the interests of the tourism industry
- All Tourism Futures delegates 2005

The conference communiqué can be accessed on Tourism Queensland website www.tq.com.au/tfconf or the conference convenor's website www.tonycharters.com.

2. Conference Themes

The National Tourism Futures Conference 2005 was themed "Investing for Growth". The program was supported by an outstanding field of high-profile keynote and concurrent speakers covering issues that reflect the diversity and depth of Australia's tourism industry. The conference consisted of specialised pre-conference forums on day one and the core Tourism Futures Conference on days two and three.

The pre conference themes were:

Day 1:

1. Tourism Technology Futures
2. Local Government Driving Regional Tourism
3. Aviation – Destination Growth Under New Paradigms
4. Growing Tourism – Key Drivers and Investors

The Tourism Futures Conference sub-themes were:

Days 2 and 3:

1. Sustainable Development
2. Competitive Advantage
3. Strategic Partnerships and Alliances
4. Marketing

In total 24 keynote speakers, 50 concurrent speakers and 50 pre-conference forum speakers addressed the delegates. Speakers and presentation titles may be viewed on the Tourism Queensland website. www.tq.com.au/tfconf

A CD of the conference proceedings can be purchased by emailing margie@tonycharters.com for further details.

Tourism Futures delegates will be able to access those speaker presentations made available for distribution at www.tonycharters.com with password access for delegates only.

3. Roy Morgan Research – Pre-Conference Survey

The Tourism Futures delegate survey was completed by over 200 people, as a combination of surveys received both pre and during the conference. The composition of the sample in terms of organisation type were: 32 per cent operators, 14 per cent consultants, 13 per cent Local government, 9 per cent for universities/TAFE/other academic, 9 per cent for State government departments, 7 per cent for State Tourism offices, and the remaining 19 per cent from industry associations, RTO's, Federal government and other organisations.

Top Six Key Issues and Challenges

Three issues were recorded as being the top challenges facing the Australian tourism industry both in the short term (next year) and in the next 10 years. These were:

1. the effect of world instability on Australia
2. increasing fuel/oil costs
3. the need for product development and infrastructure in regional areas

Other short term issues included the cost of public liability insurance, the training and skills shortage and the delivery of quality product and services.

Other long term issues included the sustainability of tourism (triple bottom line), global warming and the world economy. Twenty seven per cent of prompted

responses highlighted global warming as a long term issue facing Australia and seven per cent of unprompted responses. This was the seventh most important issue highlighted in unprompted responses and importantly the first year it has been recorded as one of the main issues being faced by the Australian tourism industry.

Top Six Competitive Advantages

Four issues were recorded as being the top competitive advantages for the Australian tourism industry both in the short term (next year) and in the next 10 years. These were:

1. Pristine beauty of Australia
2. Stable and safe country
3. Unique experience offered in Australia
4. Australia's culture and friendly people

Other short-term issues included Australia's status as a highly desirable destination and the diversity of product and experience.

Other long-term issues included the vastness of Australia/uncrowded and the diversity of product and experience.

Top Six Opportunities for Growth

Four issues were recorded as being the top growth markets for the Australian tourism industry both in the short term (next year) and in the next 10 years. These were:

1. Ecotourism
2. Grey nomads
3. Domestic tourism
4. Food and wine tourism

Other short-term issues included backpackers and the drive market.

Other long-term issues included Indigenous tourism and adventure tourism.

4. Findings from Keynote and Concurrent Presentations

In addition to the Roy Morgan Research survey results, notes were compiled across all keynote and concurrent sessions, covering the same three areas of: main issues and challenges facing the Australian tourism industry, Australia's competitive advantages and the main areas for growth in the Australian tourism industry.

Top Six Key Issues and Challenges (in no order of priority)

1. Partnerships between government, industry and private sector
2. Sustainability of tourism (social, environmental and economical)
3. Marketing Australia domestically
4. Timely, accurate and relevant research
5. Marketing Australia internationally
6. Level of support from government

Along with these issues the following **trends** were also raised as important for the Australian tourism industry:

1. Flat/or decreasing growth in domestic tourism due to factors such as: the share of the Australian wallet for domestic tourism declining: higher levels of personal debt, a shift to electronic consumer goods, a stockpile of annual leave and a drop in affordability of the Australian holiday;
2. Outbound travel is increasing due to factors such as: consumers becoming more resilient to the shocks of terrorism, young Australians having a global perspective, the strength of the Australian dollar and world events being factored into an overall risk assessment.

Top Six Competitive Advantages

1. Clean/green environment/natural/pristine beauty of Australia
2. Diversity of product
3. Australia's culture and friendly people
4. Unique experience offered in Australia
5. Indigenous culture and heritage
6. Australia's status as a highly desirable destination

Top Six Growth Markets

1. Domestic tourism
2. Ecotourism tourism
3. Long-haul inbound (in particular China and India as emerging markets)
4. Short-haul inbound (New Zealand)
5. Food and wine tourism
6. Indigenous tourism

5. Analysis

Across both the Roy Morgan Survey and the notes compiled from keynote and concurrent speaker presentations the issue of a sustainable tourism industry was raised whereby the combined factors of social, environmental and economical

outcomes were of most importance. Similarly under competitive advantage of most importance in both survey areas was our clean, green and pristine natural environment, diversity of product, Australia's culture and friendly people and Australia's status as a highly desirable destination. For growth markets, domestic tourism/grey nomads, ecotourism, food and wine tourism and indigenous rated.

There is an excellent **alignment** here between our perceived competitive advantages and certain growth markets, for example our clean, green, pristine environment and diversity of product and the growth markets stated for ecotourism and the domestic market including grey nomads.

Despite the weak growth in the **domestic market** the fundamentals for tourism investment are improving, in part reflecting the low levels of investment in past years. The Australian dollar is also predicted to drop over the next 18 months, as fundamental support erodes, making outbound travel less attractive. Along with these two factors, domestic tourism is predicted to pick up as the baby boomers move into retirement.

Australia is now experiencing the most profound changes in regional tourism than has been found in the last 15 years. The challenges for regional tourism include the impact of increasing fuel costs, the increase in outbound travel and the impact of low cost airline carriers. Differing trends are being seen where travellers are either making use of low-cost carriers to visit friends and relatives and/or travelling to new destinations where low-cost carriers operate. Research is now looking into add-on benefits for these regions such as increases in accommodation and car hire bookings where tourists are travelling to the destination based on price over VFR travel.

A shift is happening in the way we engage with our communities, people want to find 'meaning in place' and tourism has an important role and opportunity in community capacity building. Communities that have become successful in tourism have engaged with the people and the business community; have support from all levels of government and industry; and have a leader to inspire and drive the change.

Internationally, the growing economies of China and India are seen as Australia's two main emerging tourism prospects. One of the major issues listed for tourism in Australia was sustainability and one of the top competitive advantages for tourism in Australia is our clean, green, pristine environment and our natural beauty. The question was raised "could the number of tourists generated by China crowd out Australian tourism" and therefore erode one of our main competitive advantages. Issues such as the environment need to be considered and the call for high value, high yield tourists were proposed, rather than going for high volume.

Other long-term considerations for international markets nominated were the effect of global warming and land-use pressures on our natural environments putting some of the unique natural treasures of Australia under threat. The Great Barrier Reef is believed to be already affected by climate change and environmental and social responsibilities for tourism operators are even more important, alongside best practice standards in delivering tourism experiences.

Both the domestic and international markets will continue to be affected by the rising cost of oil and fuel. Globally, production levels of crude oil are believed to in decline. It is believed the world has passed its 'Peak Oil' production, i.e. where the deposits of fossil fuels are now less than half the original volume and the cost of extraction will increase with this ever declining and non-renewable resource. The impact of increased oil costs is more pronounced in transport reliant industries such as tourism.

The challenge for domestic and international tourism is defining what consumers want, through continuous research. This is seen as the key to success for **marketing** in the rapidly changing tourism environment. Other important factors include, consistency in marketing of a brand through predominantly one form of media for the greatest impact and the importance and value of gaining editorial content over the investment put into advertising.
