

## Tourism Futures National Conference 2008

### Communiqué

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## 1. Tourism Futures 2008 - Conference Overview

The issues, outcomes and recommendations of the conference are represented in the Conference Communiqué.

Tourism Futures brings together key players in the tourism industry to examine trends, threats and opportunities emerging of the coming decade. The deliberate involvement of business, government, industry associations, investment, IT, services and research professionals provides a holistic approach to an industry that relies on many sectors.

Delegates receive global updates on emerging issues and opportunities and participate in small group forums and workshops over three days to maximise information sharing, networking and multi-disciplinary analysis and interaction. With 14 forums and workshops over two days (Day 1 and Day 3) and a common plenary day on Day 2, delegates can effectively design their own conference program around their specific interests – whether this be in the field of marketing and distribution, tourism development, sustainability, soft infrastructure or policy.

The Sixth National Conference on Tourism Futures hosted by the Gold Coast 2-4 June 2008, had a record attendance of 450 delegates. The conference theme was “Global Market – Competitive Edge”. Delegates from throughout Australia, New Zealand and the broader Asia Pacific Region participated.

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:

- All 2008 Tourism Futures delegates
- Operators and individuals who champion the interests of the tourism industry
- 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

The conference communiqué can be accessed on Tourism Futures website [www.tourismfutures.com.au/conference2008.html](http://www.tourismfutures.com.au/conference2008.html) or the conference convenor’s website [www.tonycharters.com/conferences.htm](http://www.tonycharters.com/conferences.htm).

## 2. Tourism Futures 2008 Conference Themes

The overarching Tourism Futures Conference theme was “Global Market – Competitive Edge”. The theme picks up on the fact that tourism around the globe is becoming increasingly homogenised. The quality of airlines, hotels, tours and attractions is becoming more and more standardised. Under such a scenario price becomes the major differentiator of products rather than the attributes of the product. The online environment has reduced many of the barriers to accessing information about new and emerging destinations. In the face of this trend how does this region compete and how does it find a competitive edge that will be appealing to both inbound and domestic markets?

The program featured high-profile keynote and specialist topic speakers who presented and discussed the most salient topics facing the tourism industry today.

In exploring the region’s competitive edge it was necessary to examine a range of dimensions – across both the supply and demand side of the tourism industry equation.

Specialised forums on **Day One** focused on the following themes:

1. **Global challenges** – ‘Climate Change Futures for Tourism’
2. **Understanding current and emerging consumer trends** – ‘Consumer Research and Market Winning Insights’
3. **Understanding the competition** – ‘Analysing Leading Asia-Pacific Destinations’
4. **Reviewing trends within industry sectors** - ‘Sectors Defining their Future’
5. **Destination level strategies** - ‘Destinations Equipping for Positive Futures’
6. **Tourism gateways** – ‘Cities: Driving the Tourism Landscape’
7. **Business level strategies** – ‘Investment – Turning a Good Property into a Great Property’
8. **Policy supporting industry growth** – ‘Innovative Policy for a Competitive Edge’
9. **Transport underpinning access** – ‘Aviation Futures’
10. **Soft infrastructure to support growth** – ‘Winning a Competitive Edge through Skills’

**Day Two** of the conference, *Tourism Futures Topline* brings all delegates together (most of whom have attended forums on Day 1) to hear international and national leaders forecast the critical issues and opportunities for the tourism industry. Specifically keynote speakers were briefed to address ‘over the horizon’ trends, threats and opportunities as they relate to the overarching theme: *Global Market – Competitive Edge*. Importantly, delegates had the opportunity to discuss and debate these topics within the two interactive plenary workshops.

Speakers provided an analysis of:

1. Current performance of the economies and the industry in the region
2. Global trends
3. Forecasts of future threats and opportunities
4. Consumer trends and behaviour
5. Implications for tourism of Climate Change
6. Technology and tourism online
7. Product development needs, including Indigenous and environmental tourism.
8. The Asia-Pacific competitive environment

**Day Three** was dedicated to exploring Tourism Futures Best Practice through workshops on the following sub-themes:

1. Marketing and Distribution Futures
2. Destination Management Futures
3. Growing and Sustaining Tourism
4. Conservation Tourism

In total 15 keynote speakers and 113 specialist forum and workshop speakers addressed the delegates, as well as special guest speakers at various breakfast and luncheon functions. Speakers and presentation titles may be viewed on the Tourism Futures website [www.tourismfutures.com.au](http://www.tourismfutures.com.au).

A CD-ROM of the conference proceedings can be purchased, for further details email [info@tonycharters.com](mailto:info@tonycharters.com).

### **3. Roy Morgan Tourism Futures Industry Leaders' Survey**

Each year Roy Morgan, on behalf of the Tourism Futures National Conference undertakes the industry leaders' survey to track industry views on the challenges and opportunities emerging over the next 5 and 10 years. The survey is distributed to the Tourism Futures database and is conducted on-line as a self-completion questionnaire. Like the Tourism Futures delegation the database consists of direct and indirect players in the industry - tourism operators, government, university/TAFE, regional and local tourism organisations, state or Commonwealth tourism agencies, industry associations and consultants.

## Top Five Challenges Facing the Australian Tourism Industry – Next Year

Challenges	Percent
Increased mortgage costs/reduced disposable income	54%
Australia's exchange rate	32%
The price of oil/fuel and the effect on airfares	29%
Training and staffing issues (including skills shortage)	24%
The price of oil/fuel and the effect on drive tourism	23%

2008 was the first year that 'Increased mortgage costs/reduced disposable income' was offered as a potential challenge and was immediately identified as the number one challenge replacing 'The price of oil/fuel and the effect on airfares' from the 2006 survey (48%). The largest single change in points percentage was 'Effect of world instability on Australia e.g. terrorism' shifting from 33% in 2006 to 2% in 2008 (31% point change). This shift is most likely due to the reduced incidence of terrorism in western countries and the greater awareness by travellers of the low risk of terrorism events affecting them when viewed against other day to day activities.

## Top Five Challenges Facing the Australian Tourism Industry – Next 10 Years

Challenges	Percent
Climate change/global warming	42%
The price of oil/fuel and the effect on airfares	39%
Need for product development and infrastructure in regional areas	25%
Training and staffing issues (including skills shortage)	21%
Increased mortgage costs/reduced disposable income	20%

Respondents again placed the number one issue facing Australia in the next 10 years as being 'Climate change/global warming' (42% in 2008 and 35% in 2006). The long term challenge perception is more stable than the short term challenge perception with the average point change over 10 years being 3.2% compared with the average point change over the next year being 5.4%. The exception was 'Effect of world instability on Australia e.g. terrorism' again showing the largest shift in perception moving from 33% in 2006 to 6% in 2008 (27% point change).

## Australia's Top Five Competitive Advantages over the Next Year

Competitive Advantages	Percent
Stable and safe country	67%
Australia's culture and friendly people	52%
Clean/green environment / natural/pristine beauty of Australia	52%
Unique experience offered in Australia	47%
Australia's status as a highly desirable destination	41%

The perception of Australia's Top Five Competitive Advantages over the next year expressed in 2008 very closely reflected the 2006 results suggesting that respondents' views on Australia's uniqueness are relatively constant, uninfluenced by the changing perceptions of issues and challenges.

## Australia's Top Five Opportunities for Growth – Next Year

Opportunities for Growth	Percent
Grey Nomads/Senior Tourism	39%
Ecotourism	36%
Domestic Tourism	33%
Special Events and Festivals	31%
Food and Wine Tourism	31%

'Domestic Tourism' is increasingly seen as an Opportunity for Growth over the Next Year (5% point change), as is 'Outback Tourism' – being selected by 24 % of respondents (7% point change). In most other responses the 2008 results were consistent with 2006 results.

## Australia's Top Five Opportunities for Growth – Next 10 Years

Opportunities for Growth	Percent
Grey Nomads/Senior Tourism	52%
Ecotourism	50%
Domestic Tourism	29%
Adventure Tourism	29%
Outback Tourism	28%

'Ecotourism' experienced the strongest positive shift in perception (increasing with a 6% point change) but not moving from second position in Australia's Top Five Opportunities for Growth. Interestingly 'Domestic Tourism' is seen as having an increasing opportunity for growth over this period (4% point change) contrasting with both 'Long-haul inbound Tourism' at 20% and 'Short-haul inbound Tourism' at 19% which show a decrease (5% and 6% point change respectively).

## Steps Taken Towards Reducing Organisation's Carbon Footprint

Action	Percent
Commenced implementing measures to reduce carbon footprint	42%
Development of strategy to reduce carbon footprint	33%
Ongoing monitoring of carbon footprint size	19%
Audit to determine size of carbon footprint	21%
Have not undertaken any steps	20%
Other	11%

As this was the first year a question was framed around Carbon Footprint reduction there is no preceding data for comparison. The 'other' category included responses relating to recycling, reusing, energy efficiency, renewable energy sources and water conservation.

## Employment Issues Organisations Faced in the Last Year

Issue	Percent
Lack of suitable/skilled candidates when hiring	47%
Lack of candidates (i.e. quantity) when hiring	42%
Staff losses due to better jobs/higher wages offered elsewhere	38%
Required to pay higher salaries to secure new staff	31%
Other	5%
Have not experienced any difficulties hiring staff	12%
Have not needed to employ new staff	9%

Again this was the first year Employment Issues were addressed in the survey preventing comparative analysis however the results suggest that respondent perception supports an industry skills shortage, leading to an employee's market and increasing salaries as well as staff turnover.

## Marketing Initiatives Australia Should be Undertaking to Compete with Overseas Destinations

Initiative	Percent
Promoting Australia's uniqueness	76%
Promoting Australia's natural environment	74%
Increasing co-ordination between government and private enterprise	46%
Promoting Australia's culture	44%
Forming closer links and marketing co-operatively with New Zealand	36%
Promoting iconic Australian brands/personalities	34%
Forming closer links and marketing co-operatively with the South Pacific	24%
Other	4%

This was also the first time that Australia's international marketing in terms of competing with alternative international destinations was addressed. Interestingly 'Australia's uniqueness' was ranked 4<sup>th</sup> top Competitive Advantage over the next year and only 5<sup>th</sup> top Competitive Advantage over the next 10 years yet was perceived as the primary Marketing Initiative Australia should be undertaking to compete with Overseas Destinations. This suggests that Australia's top 3 perceived competitive advantages are seen as not able to be marketed, or not able to be marketed successfully.

#### **4. Topline Issues for Tourism**

Tourism Futures Topline put a spotlight on a range of vital issues affecting the region's competitive advantage. The key issues raised are presented below.

##### **Climate Change**

- While there remains uncertainty about the effects of climate change on the global atmosphere, it seems that the worst case scenarios (that involve more extreme changes to climatic conditions and changes to destination values) from earlier predictions are more likely to be the reality.
- The onus is on all governments, individuals and businesses to respond. There are opportunities to become a leading destination / business through integrating measures to reduce carbon emissions, embracing carbon trading, and incorporating rigorous reporting on carbon emission performance as a core business issue.
- It was forecast that the issue of climate change will underpin our reputation in the future. Future credibility as a destination will be judged on our response to climate change and the tourism industry is urged to implement measures ahead of regulatory requirements to establish a leadership role and to protect the natural assets upon which the industry is largely based.
- An Australian industry-led initiative, the Climate Action Certification Program was launched at the conference (see [www.ecotourism.org.au](http://www.ecotourism.org.au)). This initiative is a proactive means of equipping the Australian industry to respond to climate change.

##### **Social and Consumer Trends**

- Holiday makers are looking for status stories through their travel and experiences – they want to be able to achieve bragging rights and a 'wow factor' with their colleagues through stories of their travel.
- Increasingly travellers seek authenticity in all aspects of their travel (marketing, environmental and indigenous experiences). There is also a growing interest in knowing the 'life story' of products – through detailed labelling which is transparent about where the products have been made, the materials used in manufacture, the energy efficiency etc.

- There is an increasing recognition that it is often women who make decisions regarding travel. This can present opportunities for tailoring information and targeting marketing initiatives.
- Australians are taking less holidays but are looking for high quality experiences and products when they do. The industry was urged to start charging appropriately for their products (in many cases, higher prices) which would allow operators to re-invest in their properties and businesses, as well as attract and retain top quality staff through higher rates of pay rather than the traditional low pay of the tourism and hospitality sectors.
- International departures (from Australia) are continuing on a strong growth curve – contributing factors are the strong value of the Australian dollar making overseas travel cheaper; the fact that many south-east Asian destinations represent exotic and very low priced alternatives (based on very low wage structures in these countries); an increasing proportion of the population having been born overseas (now taking the opportunity to visit friends and relatives); and the belief that Australians are increasingly open to other cultures. This growth is likely to continue unabated unless travel costs increase significantly through a combination of issues such as oil price rises, reduction in consumer confidence, and the reduction in the value of the Australia dollar.
- Domestic and international baby boomers should be a key target market. In addition to having time available to travel to a long haul destination, they have money to spend, are interested in nature and ecotourism experiences, sightseeing and being active (2/3 of them are overweight and say they would like to lose weight).
- Industry must be alert and embrace changing social trends – other leisure activities create competition for travel. The industry needs to work new leisure preferences into its product range.
- The industry also needs to recognise those similarities between inbound and domestic markets (e.g. older market) – there are some product development areas that are important to the needs of both the inbound and domestic markets.
- New products and experiences are important in gaining repeat visitation. Destinations and businesses alike must focus on refreshing and expanding their product offerings.

### **Economic influences**

- Australian and New Zealand operators should resist trying to gain a competitive edge in tourism based on price alone (i.e. discounting, and under-charging for quality products). The industry is not able to compete with Asia on price; instead the Australian and New Zealand industry should offer quality experiences that appeal to tourists on the basis of their uniqueness and bragging rights.
- The strong Australian dollar is discouraging Australia's traditional inbound markets – New Zealand, UK, USA and Japan (who are also experiencing various degrees of economic downturn).
- Since the downturn of the Japanese market New Zealand has become Australia's largest inbound source market. This market will remain significant but there is limited growth potential from New Zealand given that Australia already derives about 1 million NZ

visitors a year (from a population of just over 4 million). The industry was urged to look towards the two billion people living to the north and north west – the middle class and wealthy classes of China, India and south east Asia.

- The emerging 'middle-class' of Asia is increasingly affluent and travel ready, and in close proximity to Australia – there is a great opportunity to capture some of this market.
- Australia's baby boomers now own 70% of the wealth in Australia, representing a large, travel-ready market. The situation is similar in many other countries and baby boomers are noted as the perfect demographic for Australian tourism product. This market alone has money to travel and, as with the backpacker market, the time available to explore a large and remote country like Australia.
- There is a great opportunity for Australia to use its unique combination of isolation, wildlife and natural assets to promote amazingly different experiences within the safety of a stable, clean, friendly environment. Rather than shying away from the long haul travel it takes to get to here, Australia could promote the vast open spaces and diverse natural heritage. This is quite different to a traditional focus on sun and surf holidays.
- Focusing on the baby boomer and backpacker markets that are not time poor and linking them to natural and cultural heritage experiences, for example through the National Landscapes program, Australia can create a sustainable competitive advantage.

### **Technology – opportunities and influence on tourism**

- The "Web 2.0" has seen a change from the internet being a source of booking discount travel, to consumers looking for their perfect trip – researching and shopping around to compare options – and purchasing their travel online.
- Technology now allows for complete transparency for consumers – through consumer reviews, peer collaboration, the immediacy of creating scrapbooks, blogging and uploading footage. Consumers are able to gather, collate and cross check information very quickly. Traditional marketing websites are becoming outdated as consumers rely strongly on user-generated content for recommendations. Product and destination websites should embrace this trend and give consumers the opportunity to speak to each other and contribute content to their websites.
- People are now spending more time on the internet than watching television, reflecting the enormous opportunity the internet offers tourism. In the USA over half of all travel is now booked online. In Australia and New Zealand this figure is much less, highlighting a great opportunity for the Australian and New Zealand tourism industries.
- The influence on consumers, and potential opportunities for the tourism industry, through 'social networking' (online social networks, blogging and websites such as Facebook and My Space) is immense. Experts in this area strongly recommended that the industry be proactive and take advantage of developments in this area.

## **Product Development**

- Ongoing investment in developing authentic and innovative products is required to deliver the experiences sought by consumers. Product development should seek to link interest in Australia's unique nature (especially wildlife and landscapes), traditional indigenous culture, and social trends such as an interest in wellness and ecological sustainability.
- Product and destination development is needed, particularly in regional areas. Efforts need to address not only existing gaps, but also improvements in how existing experiences and products are packaged and presented. Investment needs to address both supply and demand strategies.
- The tourism industry was urged to focus on coordination and collaboration at the local/regional level to be able to have some influence at the national and international level.
- Local government has an important role in developing the 'community' aspect of the visitor experience.

## **National Tourism Strategy input**

Delegates at the last Tourism Futures Conference (December 2006) called for the Commonwealth Government to work with industry to develop a National Tourism Strategy (NTS). The Rudd Government was elected with a policy to develop such a strategy.

In order to now provide input to the NTS at the 2008 Tourism Futures Conference Wayne Kayler-Thomson, as facilitator of the morning plenary workshop of Tourism Futures Topline asked delegates to nominate (on paper) the three key issues that they felt should be addressed by the NTS in order to deliver positive tourism futures.

Those who responded (114 delegates, representing 41% of those present at the session) were made up of; 25% State Tourism Commissions, 18% Operators and 17% Local Government. The remaining 40% were from a wide range of sectors including industry associations, research, conservation and aviation.

The most nominated issue requiring attention by the NTS was policy (58%). In particular the issue of partnerships, "whole-of-government" coverage and the structure of the NTS were nominated.

Marketing (45%) was the next most frequent issue raised. In particular the areas of promotion/communication; followed by product; and target markets were raised.

Workforce futures/education (31%) was also nominated as an important issue with a particular attention to education, new technology, marketing, research and training.

Investment (which is mostly related to aviation) – 18%; Climate Change (associated with policy) – 16% and transportation/aviation (associated

with air access improvement) -15% were all nominated as second order issues.

Sustainability was also nominated by a small number of delegates (4%) but the sustainability issue was fragmented across other topics such as Climate Change. The full report of this survey is available on <http://www.tonycharters.com/conferences.htm>.

## 5. Industry Leaders' Summit: Focus on Technology

The 2008 Inaugural Industry Leaders Summit was an opportunity to gather 40 influential Australian tourism professionals, keynote speakers and agency representatives. Eight of the attendees form drawn from the broader Tourism Futures delegation after a nomination process. The group were asked to deliberate, discuss and report back on the question *"What should a new national tourism strategy look like, as it pertains to online strategy and distribution"*.

The group highlighted the following priorities:

- Change of focus – there needs to be a change of traditional marketing effort and budget allocation, reflecting consumer use of online tourism information gathering and purchasing patterns.
- Skills – there is a role for government to increase industry's skills in online marketing and distribution. The industry also needs to recruit resources with expertise in this area. It was recommended that the industry integrate online technology skills into their broader operations, rather than viewing it as a separate function such as the "IT department".
- Focus on consumer needs, perceptions and origin. Ensure websites are designed to meet customer needs – meet them in their "space" (whether social networking sites or other more traditional sites, depending on the consumer market being targeted). All generations are now online. There is a great opportunity to optimise information being accessed by tourists. For example, work with Google Earth to ensure their information is relevant, accurate and appealing. When designing websites, create easy conversion to sales and "book now" opportunities.
- Australian and New Zealand operators need outstanding, state of the art websites. Great websites, with consumer credibility, interactive functions and easy booking options will result in business growth.
- Websites need to give customers the opportunity to talk to each other – user generated content has credibility in the marketplace *"reputation matters more than your marketing budget"*. Niche products and operators with quality websites can compete on equal terms with large well resourced operators on almost equal terms.
- Australian tourism (and other sectors– arts, science, agriculture, manufacturing) online should consistently reflect "brand Australia" in order to maximise the exposure of the values of Australia. New Zealand has been very effective in achieving a consistent national branding through such efforts.

- Immediate steps into attracting the Chinese market would include increasing Mandarin / Cantonese content on websites and working with Chinese Search Engines to increase the profile of Australia online in Chinese searches.

## **6. Key Issues Emerging from Forums and Workshops**

Days One and Three of the 2008 Tourism Futures Conference program offered delegates 14 specialist forums and Best Practice Workshops. The themes were diverse and encompassed a great range of speakers and topics. Details of specific presentations and forums / workshops are available in the conference proceedings. This section draws together and highlights a number of themes that ran across and were common to a number of forum and workshop sessions.

### ***Branding***

- Delegates made a clear call for strong investment in developing an iconic Australian 'brand' – relevant to tourism and promoted by other industries. The industry recognised that a Brand Australia program is a long-term exercise, which will take time to establish and grow in the market place. A national brand is not something that should be changed with each advertising campaign. There should be one clear message. The Australian brand should be relevant to all levels of tourism and other industries that are active internationally. The brand must be uniquely Australian, with authenticity the key to success. The Australian tourism industry must deliver products and experiences that are true to the brand values. The branding exercise should take advantage of Australia's number one position in 2006 and 2007 in the Country Brand Index, and seek to consolidate this position.

### ***Technology***

- Tourism online and distribution technology is fundamentally changing the traditional mechanics of tourism industry distribution.
- Consumers of all generations are looking 'online' for their tourism information and bookings. They are converted to the immediacy of information online, the authenticity of information available (through user reviews, footage from other travellers holiday logs) and the complete transparency afforded by user generated content as opposed to the traditional operator sourced destination information.
- Tourism businesses and organisations that embrace the new world of tourism online regardless of their traditional business models are reaping the rewards.
- The internet creates an even platform for all tourism businesses to sell their products at an international level. With a state of the art website, and comprehensive online marketing, even the smallest tourism operators can compete at the global level.

- Search Engine Optimisation is critical as well as the opportunities to be gained from embracing the phenomenon of online social networking through websites such as Facebook and Second Life as well as blogging.

### ***Skills***

- The tourism industry is facing many challenges in relation to skill shortages and workforce management. High employee turnover, a lack of applicants and skills available in the workforce is a major issue throughout the industry.
- An aging population and declining fertility rates will continue to contribute to skills shortages.
- Specific features of the industry contributing to the problem were identified as: generally low wages, irregular hours of work, lack of career path, the transitory / seasonal nature of many tourism jobs, and lack of investment in human resource management, skill development and retention strategies.
- The tourism industry is urged to support a multi-faceted approach to improving this situation, possibly through initiatives outlined by the June 2007 Report on Workforce challenges facing the Tourism Industry (House of Representatives). They included: develop seasonal workforce management plan, develop destination plan to assist workforce planning, address visa issues to assist labour shortages, address barriers for older and indigenous employees, develop a portable long service leave, training packages for tourism, hospitality and events, promote competency based vocational and technical education, fringe benefits exemptions for remote area employees.
- It was also suggested that the industry look to: increase immigrant workers to fill immediate shortages; offer better wages; develop and implement more sophisticated and comprehensive human resource management strategies in order to attract and retain staff; look at attracting older workers (including the possibility of Grey Nomads who could create a mobile workforce); and young mothers who may be able to participate in the workforce.
- It is vital that workforce development and skilling for the future be addressed in a future National Tourism Strategy.
- In order to attract and retain staff the industry needs to adopt innovative human resource management strategies, with initiatives such as a comprehensive approach to 'employer branding', and utilising resources such as Web 2.0 through social networks.
- The tourism industry could add "Tourism Employer of the Year" category to Local, State and National Tourism Awards.

### ***Climate Change***

- The tourism industry is no longer discussing the possibility of climate change affecting its future; it is now clearly focusing on its effects on destinations, products and the economy.
- Climate Change will affect the tourism industry more than many other industries, in particular through predicted changes in

seasonal weather patterns, effects on natural icons such as the Great Barrier Reef, Kakadu and the Australian Alps and potential increased costs associated with carbon related charges and taxes, and increased fuel prices.

- Climate Change also presents opportunities for the tourism industry to identify and develop new models for business and genuine product innovation.
- Consumer awareness and concern on the issue of Climate Change are growing and tourism businesses must develop risk management procedures and policies in relation to Climate Change mitigation and adaptation.

### ***Social Trends Affecting Tourism***

- There is an ongoing growth in interest in 'wellness', health and spa tourism. Possibly linked to this is the increasing proportion of the population who are overweight or obese. There is an opportunity to develop packages that appeal to travellers who are interested in experiences that will satisfy their travel desires and interest in health and wellbeing.
- Heritage and cultural tourism is a rapidly growing tourism sector and one that Australia and New Zealand can both develop significantly.
- Growth in the luxury sector – particularly products that can combine luxury products with 'guilt free' solid eco-credentials.
- Social networking influencing awareness and desirability of products, destinations as well as information sourcing and booking (see Technology).
- Opportunities to embrace niche markets in a more sophisticated manner than before such as the Gay and Lesbian market.
- Consumers are looking for holiday destinations that take social responsibility seriously (eg community involvement, fair trade, ecologically sustainable and non-exploitative holiday activities).

### ***Product Development***

- Case studies presented at Tourism Futures 2008 demonstrated that developers must be passionate and deliver products of the highest possible standards to ensure success.
- Speakers and delegates emphasised the importance of ongoing infrastructure investment – both in accommodation and attractions / activities in order to meet demand and ensure a progressive industry.
- The experiences of a number of investors / developers highlighted a need to streamline approvals for development between various levels of government and within levels of government in order to encourage new product development and not result in developers seeking alternative locations/countries for their investment.
- Linked to the issue of 'health and wellbeing' in social trends, and 'quality' in product development, is an increasing consumer awareness in hygiene and safety. The tourism industry was encouraged to take advantage of consumers' propensity to select clean accommodation.

## **Aviation**

- Aviation (air capacity into destinations) remains a major influencing factor on the success of Australian regional destinations. Presenters highlighted the ongoing importance of encouraging and consolidating air capacity, including approaches that offer airlines marketing incentives.
- With great increases in fuel prices and carbon emissions, airlines have renewed their focus on fuel efficiency, utilisation of alternative fuels and reducing carbon footprint.
- Airport infrastructure and policy on operating requirements such as curfews was highlighted as a vital issue for Australia if it is to achieve tourism growth.

## **7. Conclusion**

The Australian tourism industry is experiencing virtually no growth in inbound tourism, and strong growth in domestic outbound tourism. Domestic tourism within Australia is experiencing extremely slow growth.

With the combined impacts of global economic downturn, loss of consumer confidence, a rapid increase in fuel costs, increasing awareness over the impacts of climate change and limited new investment into major tourism product and infrastructure, the industry faces many challenges into the future. There has also been a lack of finesse in developing a strong and representative "Brand Australia". The industry is also characterised by a workforce largely plagued with problems that reflect a broad-based skills and labour shortage. Australia must look to innovative solutions to coax greater participation in the workforce, under flexible arrangements sought by many potential workers.

Tourism is the world's truly global industry, and also the most competitive.

While the industry in Australia is experiencing challenging times, the Tourism Futures National Conference 2008 highlighted many opportunities and areas of reassurance for the industry. Australia has a reputation as a highly desirable destination, and has unique and largely untapped natural assets and an opportunity to create a cohesive, sophisticated and inspiring destination and national 'brand'. The world of online marketing and distribution offers unique opportunities to reach potential visitors and assist them in booking their Australian travel.

Major challenges and industry downturns foster inspired innovation. As Australia develops a National Tourism Strategy for the next twenty years it is vital that the industry comes together with its key stakeholders to construct a cohesive and compelling vision for the future. Such a vision and strategy will require lateral thinking and innovation as well as timely investment. These attributes will be imperative for Australia to achieve a competitive edge and a leadership position in tourism at the global level.