

# TOURISM FUTURES SURVEY 2010

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## 1. EXECUTIVE SUMMARY

### TOP FIVE CHALLENGES

The 2010 Tourism Futures Survey has revealed that the top five challenges facing the Australian tourism industry are:

Next Year	Next Ten Years
<ul style="list-style-type: none"> <li>World economy</li> <li>Australia's Exchange Rate</li> <li>Mortgage costs/increasing cost of living</li> <li>Competition by overseas destinations</li> <li>Less Australians taking domestic holidays</li> </ul>	<ul style="list-style-type: none"> <li>Impact of climate change on destinations (e.g. reef, alpine, wetlands)</li> <li>Competition by overseas destinations</li> <li>Price of Oil/ Fuel</li> <li>World economy</li> <li>Mortgage costs/increasing cost of living</li> </ul>

### TOP FIVE WAYS THE GOVERNMENT CAN ASSIST THE TOURISM INDUSTRY

The 2010 survey results indicated that the top five ways that the Government can assist the tourism sector are:

#### Most important way the Government can assist tourism sector

- Reform regulation that impedes tourism investment and operations
- Improve labour and skills outcomes
- Improve access to Australia's natural and cultural attractions
- Introduce a national accreditation framework that will drive product innovation and quality
- Accelerate the uptake of on-line opportunities and smarter use of digital distribution operators

## **TOP FIVE MARKETING INITIATIVES**

The survey results indicated that the top five marketing initiatives Australia should be undertaking to compete with overseas destinations are:

### **Marketing Initiatives**

- Promoting Australia's uniqueness
- Promoting Australia's natural environment
- Promoting authentic experiences/brands
- Promoting Australia's culture and people
- Forming closer links and marketing co-operatively with New Zealand

## **TOP FIVE WAYS TO IMPROVE THE AUSTRALIAN TOURISM INDUSTRY**

The 2010 survey results showed that the top five ways to improve the Australian tourism industry are:

### **The one thing that should be done to improve the Australian tourism industry**

- Improve the sustainability of the tourism industry (social, environmental, economic)
- Improve marketing in general
- Improve customer service/quality of standards
- Better branding of Australia
- Industry unification/ collaboration/ cohesion/communication

## **2. INTRODUCTION**

### **2.1 Background**

The Tourism Futures Conference is held annually to provide a forum to discuss the key issues shaping the Australian tourism industry. In the lead up to this conference, a questionnaire is distributed to provide a research based view on the issues facing this industry. More specifically, the survey investigates tourism delegates' perceptions of the Australian tourism industry and the issues they believe the industry is facing in the next year and over the next ten years.

### **2.2 Research Objectives**

The aim of this research is to gain an insight into the perceptions of the tourism industry and the key issues facing the Australian tourism industry in the lead up to the Tourism Futures Conference.

To address current topics of interest to the Australian tourism industry, the 2010 survey investigates:

- Challenges facing the industry;
- The ways in which the Government can assist the tourism sector;
- Views towards Government funding and marketing;
- The country (outside Australia) which has successfully marketed itself;
- Marketing initiatives that Australia should be undertaking to develop a competitive edge;
- Social networking sites and their usefulness
- Organisations/companies associated with green tourism and
- The industry thoughts on how to improve the Australian tourism sector

## **3. METHODOLOGY**

The Tourism Futures Survey is conducted in the lead up to the National Tourism Futures Conference.

The survey was distributed to a national database of tourism industry contacts and delegates of the Tourism Futures National Conference. Links to the online survey were first emailed to the database on 29 April 2010, with subsequent emails and reminders included in the Tourforce e-newsletter in the lead up to the conference. In total, 327 completed questionnaires were received from respondents.

To maximise participation in the survey all respondents had the option of entering a draw to win a two night holiday at Kingfisher Bay Resort on Fraser Island.

#### 4. TYPES/LOCATIONS OF ORGANISATIONS PARTICIPATED

The following table summarises the composition of the sample in terms of organisation type:

**Table 1: Participating Organisations**

Type of organisation	
Tourism Operator	26%
Consultant	10%
Industry Association	8%
University/ TAFE/ other academic	8%
Local Government	8%
Other State Government Department	7%
State or Commonwealth Tourism Office	6%
Regional or Local Tourism Organisation	4%
Other Commonwealth Government Department	2%
Other	19%
Can't say	2%

The following table highlights the composition of the sample in terms of place of residence:

**Table 2: State or Territory**

State or Territory	
Queensland	39%
New South Wales	20%
Victoria	14%
South Australia	11%
Tasmania	8%
Western Australia	4%
Australian Capital Territory	2%
New Zealand	1%
Northern Territory	1%
Other	1%

## 5. CHALLENGES

### 5.1 Short Term Challenges

**Table 3: Unprompted Responses**

Main Issues and Challenges Facing Australia in the Next Year	
Recession/ economic downturn	23%
Australian economy/dollar	22%
World economy	13%
Cheap outbound destinations	12%
Affordability/ high cost of travel	9%
Reduced disposable income/cost of living	9%
Declining visitor numbers	6%
Interest rates/ mortgage costs	5%
Marketing Australia internationally	3%
Competition by overseas destinations	3%
Increasing oil/fuel costs	3%
Marketing Issues (general)	3%
Marketing Australia domestically	3%
Quality of product/ differentiation of product/ new product	3%
Declining domestic tourism market	3%
Better/ cohesive/ exciting branding/ a new Australian brand	3%
Declining consumer confidence/ fear due economic downturn	3%
Need for Product Development and Infrastructure in Regional Areas	2%
Level of support from Government	2%
Climate change/ drought/global warming	2%
Attracting people/ graduates to work in the industry	2%
Distance/ isolation/ remoteness of Australia	2%
Terrorism	1%
Safety/security	1%
Developing and keeping up with technology for distribution	1%

Industry profitability	1%
Infrastructure Issues (general)	1%
Aviation Issues (general)	1%
Dispersion of visitation to regional areas	1%
Increasing compliance costs to meet regulatory standards	1%
Sustainability of tourism (social, environmental, economic)	1%
Improving customer service/ quality of standards	1%
Natural disasters	1%
Quality of experience	1%
Competition for discretionary spend from other industries	1%
Low cost carriers (LCC)	1%
People taking less holidays (due to workplace culture/ IR laws/ family)	1%
Understanding/ adapting to a changing consumer environment	1%
Food costs	1%
Accommodation availability/ standards	1%
Competition/ being competitive ( unspec)	1%
Unpredictable/ changing weather patterns	1%
Wages/ cost of employing people	1%
Credit/ loan issues	1%
Australian experience/ stale/ old/ unpopular	1%
Transport availability/ issues	1%
Taxation issues	1%
Domestic growth	1%
Carbon emissions from planes/ long haul flights	1%
Industry unification/ collaboration/ cohesion/communication	1%
Unemployment	1%
Encouraging people to take holidays/ use their leave	1%
Red tape/ Government regulation	1%
Support for small business	1%
Other	11%
Can't say	1%

**Table 4: Prompted Responses**

<b>Main Issues and Challenges Facing Australia in the Next Year</b>	
World economy	45%
Australia's Exchange Rate	36%
Mortgage costs/increasing cost of living	33%
Competition by overseas destinations	24%
Less Australians taking domestic holidays	23%
Australian economy	20%
Marketing Australia domestically	16%
Price of Oil/ Fuel	15%
Building a successful brand for Australia	13%
Lack of innovation or new product experiences in Australia	13%
Level of support and funding from Government	13%
Competition for discretionary spend from other industries	12%
Need for product development and infrastructure in regional areas	11%
Effect of world instability on Australia (e.g. terrorism and pandemics)	11%
Labour and skills shortage	11%
Unemployment	10%
Absence of Low Cost Carriers in key destinations	10%
Industry profitability/ level of investment in tourism	9%
Negative reports about tourism in media	8%
Marketing Australia internationally	8%
Developing and keeping up with technology for distribution and marketing	8%
Responding to the decline in traditional international markets (e.g. Japan)	8%
Sustainability of tourism (triple bottom line - social, environmental and economic sustainability)	8%
Red tape	8%
Timely, accurate and relevant research	8%
Dispersion of visitation to regional areas	7%
Partnerships between Government, industry and private sector	6%
Lack of tourism infrastructure (e.g. hotel developments and cruise ship terminals)	6%

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Need for faster broadband technology in Australia	6%
Air access within Australia	6%
Sustainability of tourism based on natural attractions	6%
Impact of climate change on destinations (e.g. reef, alpine, wetlands)	5%
International trade response to climate change (e.g. long haul fuel taxes, carbon emission trading scheme)	5%
Preparing for growth in emerging international markets (e.g. Asia Pacific, China, India)	4%
Lack of host community support for tourism	4%
Air access to Australia	4%
Negative rating/feedback posted on the internet by the general public/customers	4%
Lack of a national quality standard for the Australian tourism industry	4%
Maximising tourism opportunities from international students studying in Australia	3%
Joint partnerships with New Zealand and South Pacific Islands	3%
Aging Population	3%
Access to protected areas for nature-based tourism	3%
Lack of demand for indigenous products in the domestic market	2%
Establishing a common border to simplify travel across the Tasman (e.g. cut passenger movement charges between Australia and New Zealand)	2%
Can't say	1%
Other	8%

## 5.2 Long Term Challenges

**Table 5: Unprompted Responses**

<b>Main Issues and Challenges Facing Australia in the Next 10 Years</b>	
Competition by overseas destinations	10%
Australian economy/dollar	9%
Climate change/ global warming	9%
New product/refreshing existing product	7%
Marketing Australia internationally	6%
Pollution/ carbon emissions/ environmental damage/destruction of natural attraction	6%
Economic downturn/ GFC	6%
Infrastructure Issues (general)	4%
Marketing Issues (general)	4%
Increasing oil/fuel costs	4%
Transport costs/ travel costs	4%
Need to promote eco tourism/ need to be greener/ look more environment ally friendly/ nature based	4%
Competition from cheaper overseas markets	4%
Sustainability of tourism (social, environmental, economic)	3%
Terrorism	3%
Aging population/Baby Boomers	3%
Level of finance/investment	3%
Developing and keeping up with technology for distribution	3%
Level of support from Government	3%
Marketing Australia domestically	3%
Differentiation/ brand Australia/ character/identification	3%
Reduced disposable income	3%
Skilled labour shortage/ need to train more staff/ staff retention	3%
Industry profitability	2%
Natural disasters	2%
Quality/ standards/customer service	2%
Increase accommodation properties	2%
Distance	2%

Competition/ market share	2%
Diverse product/ options/ experiences	2%
No justification of long haul flights (due to environmental concerns)	2%
Interest rates/ mortgage costs	2%
Population density in cities/ tourist destinations	2%
Nature tourism is exploiting environment/ tourism is degrading environment	2%
Affordability for families/ the majority	2%
Aviation Issues (general)	1%
Hospitality training and staffing issues	1%
Safety/security	1%
World economy	1%
Need to increase visitor numbers	1%
New/emerging source markets	1%
Timely	1%
Dispersion of visitation to regional areas	1%
Identification and targeting of high yield business	1%
Increasing cost of a holiday	1%
Global Issues (general)	1%
Cost (general)	1%
Change with market demand	1%
Water shortages/drought	1%
Keep Australia as a top tourist destination	1%
Regulations	1%
Pandemics (unspec)	1%
People taking less holidays (due to workplace culture/ IR laws/family)	1%
Over development	1%
Increased energy prices	1%
Should be a nationally recognised industry/ professional industry/need s to streamline/ it's sending mixed messages	1%
Carbon emission trading schemes	1%
Staying competitive/ price competition/ value/ labour costs are too high	1%
Weather/ unpredictable weather/ rain	1%
Taxes/ Government charges	1%
Managing/ maintaining growth/ growing market	1%

Discounted airfares to overseas markets	1%
Can't say	2%

**Table 6: Prompted Responses**

<b>Main Issues and Challenges Facing Australia in the Next 10 Years</b>	
Impact of climate change on destinations (e.g. reef, alpine, wetlands)	34%
Competition by overseas destinations	30%
Price of Oil/ Fuel	24%
World economy	24%
Mortgage costs/increasing cost of living	20%
Effect of world instability on Australia (e.g. terrorism and pandemics)	20%
International trade response to climate change (e.g. long haul fuel taxes, carbon emission trading scheme)	20%
Aging Population	17%
Marketing Australia internationally	16%
Building a successful brand for Australia	16%
Lack of tourism infrastructure (e.g. hotel developments and cruise ship terminals)	15%
Lack of innovation or new product experiences in Australia	15%
Preparing for growth in emerging international markets (e.g. Asia Pacific, China, India)	15%
Labour and skills shortage	15%
Sustainability of tourism (triple bottom line - social, environmental and economic sustainability)	14%
Need for product development and infrastructure in regional areas	12%
Sustainability of tourism based on natural attractions	12%
Less Australians taking domestic holidays	12%
Level of support and funding from Government	11%
Competition for discretionary spend from other industries	10%
Developing and keeping up with technology for distribution and marketing	9%
Absence of Low Cost Carriers in key destinations	8%
Australia's Exchange Rate	8%

Industry profitability/ level of investment in tourism	8%
Australian economy	7%
Partnerships between Government, industry and private sector	7%
Red tape	7%
Lack of a national quality standard for the Australian tourism industry	7%
Air access to Australia	6%
Marketing Australia domestically	6%
Responding to the decline in traditional international markets (e.g. Japan)	5%
Access to protected areas for nature-based tourism	5%
Air access within Australia	5%
Unemployment	4%
Need for faster broadband technology in Australia	4%
Dispersion of visitation to regional areas	4%
Timely, accurate and relevant research	4%
Lack of host community support for tourism	4%
Lack of demand for indigenous products in the domestic market	3%
Negative reports about tourism in media	3%
Maximising tourism opportunities from international students studying in Australia	3%
Establishing a common border to simplify travel across the Tasman (e.g. cut passenger movement charges between Australia and New Zealand)	3%
Joint partnerships with New Zealand and South Pacific Islands	3%
Negative rating/feedback posted on the internet by the general public/customers	3%
Other	10%

## 6. GOVERNMENT ASSISTANCE TO THE TOURISM SECTOR

**Table 7: Prompted responses to the most important way the Government can assist the tourism sector**

In your opinion what is the <u>most</u> important way the Government can assist your sector?	
Reform regulation that impedes tourism investment and operations	22%
Improve labour and skills outcomes	14%
Improve access to Australia's natural and cultural attractions	14%
Introduce a national accreditation framework that will drive product innovation and quality	10%
Accelerate the uptake of on-line opportunities and smarter use of digital distribution operators	9%
Identify strategies to help industry adapt to a carbon constrained future	8%
Improve industry's access to research and business intelligence	7%
Improve Indigenous tourism development	5%
Promotion and funding for regional tourism	1%
Reduce Government interference/taxes/fees/charges/regulation	1%
Can't say	7%
Other	2%

**Table 8: Prompted responses to whether Government funded marketing should focus more on international than domestic visitors**

Do you agree that Government funded marketing should focus more on international than domestic visitors?	
Strongly agree	17%
Somewhat agree	31%
Neither agree or disagree	18%
Somewhat disagree	25%
Strongly disagree	6%
Can't say	2%

**Table 9: Prompted responses to whether the federal Government should take over all aspects of marketing Australia overseas**

<b>Do you agree that the federal Government should take over all aspects of marketing Australia overseas?</b>	
Strongly agree	13%
Somewhat agree	23%
Neither agree or disagree	15%
Somewhat disagree	26%
Strongly disagree	20%
Can't say	2%

## **7. SHORT TERM DISCOUNTING IN THE TOURISM INDUSTRY**

**Table 10: Prompted responses to whether short term discounting in the tourism industry will damage the industry in the long term**

<b>Do you agree that short term discounting in the tourism industry will damage the industry in the long term?</b>	
Strongly agree	16%
Somewhat agree	26%
Neither agree or disagree	16%
Somewhat disagree	26%
Strongly disagree	13%
Can't say	3%

## 8. COUNTRY THAT HAS SUCCESSFULLY PROMOTED ITSELF

**Table 11: Unprompted responses to which country (excluding Australia) most successfully promoted itself in the last year**

In your opinion which COUNTRY (excluding Australia) has most successfully promoted itself in the last year?	
New Zealand	55%
Canada	7%
India	5%
UK/England	3%
South Africa	3%
USA/America	3%
China	2%
Fiji	2%
Malaysia	2%
Thailand	2%
Asia	1%
Europe	1%
Singapore	1%
Vietnam	1%
France	1%
Hawaii	1%
Hong Kong	1%
Other	5%
Can't say	2%
None	2%

## 9. MARKETING INITIATIVES

**Table 12: Prompted response to the marketing initiatives Australia should be undertaking to compete with overseas destinations**

Which of the following marketing initiatives, if any, should Australia be undertaking to compete with overseas destinations?	
Promoting Australia's uniqueness	68%
Promoting Australia's natural environment	60%
Promoting authentic experiences/brands	48%
Promoting Australia's culture and people	45%
Forming closer links and marketing co-operatively with New Zealand	33%
Increasing co-ordination between Government and private enterprise	28%
Forming closer links and marketing co-operatively with the South Pacific	17%
Other	6%
Can't Say	2%

## 10. SOCIAL MEDIA

**Table 13: Prompted response to social networking sites used for internal business or internal marketing purposes**

Which of the following social networking sites does your business use for internal or marketing purposes?	
Facebook	45%
Twitter	24%
Linkedin	11%
MySpace	3%
YouTube	2%
Other	4%
Can't say	8%
None	39%

**Table 14: Rating of the usefulness of social networking sites**

<b>In your opinion, how would you rate the usefulness of social networking sites to your business?</b>	
Very useful	18%
Somewhat useful	52%
Neither	11%
Not very useful	11%
Not at all useful	3%
Can't say	4%

Note: The above table is based on a sample size of n = 174

It represents respondents whose business use a social networking site for internal or marketing purposes

## 11. GREEN TOURISM

**Table 15: Unprompted response to tourism organisations/companies associated with green tourism**

<b>Which tourism organisation would you most associate with green tourism?</b>	
Ecotourism Australia	16%
Intrepid	3%
Queensland/ Queensland Tourism	3%
AAA tourism	2%
Ecotours	2%
National parks	2%
Tasmania/ Tourism Tasmania	2%
Virgin Blue	2%
Great Barrier Reef	1%
Green Globe	1%
Kingfisher bay resort	1%
Lonely planet	1%
National parks and wildlife service	1%
Tourism Australia	1%
Tourism New Zealand	1%
Other	33%
None/ not sure	28%

## 12. IMPROVEMENTS TO THE TOURISM INDUSTRY

**Table 16: Unprompted response to the one thing that can be done to improve the Australian Tourism Industry**

If there is one thing that you think should be done to improve the Australian tourism industry, what would it be?	
Improve the sustainability of the tourism industry (social, environmental, economic)	10%
Improve marketing in general	7%
Improve customer service/quality of standards	6%
Better branding of Australia	6%
Industry unification/ collaboration/ cohesion/communication	6%
Address the affordability/ high cost of travel	4%
Improve the marketing of Australia internationally	3%
Better support/partnership from the Government	3%
Improve the marketing of Australia domestically	3%
Dispersion of visitation to regional areas	3%
Improve the quality of product/ differentiation of product/ new product	3%
Improve product development and infrastructure	3%
Obtain greater finance/investment	2%
Hospitality training to improve staffing issues	2%
Maintain the authenticity of our tourism experience	2%
Improve indigenous/ aboriginal tourism	2%
Improve the air access to Australia	1%
Improve the way we develop and keep up with technology	1%
Improve the air access within Australia	1%
Better enhance the domestic political policies	1%
Address the compliance costs needed to meet regulatory standards	1%
Obtain accurate and relevant research	1%
Improve access to protected areas for nature based tourism	1%
Correct promotion/ misrepresentation of our product	1%
Obtain assistance with low cost carriers (LCC)	1%
The Internet/ online bookings	1%
Accommodate self drive/ camping/ recreational vehicle tourists	1%
Increase the number of domestic regional flights	1%

Competition/ be more competitive	1%
Obtain assistance with wages/ cost of employing people	1%
Compete with cheap outbound destinations	1%
Taxation issues	1%
Diversity of business in tourist areas	1%
Improve our ecotourism sector	1%
Reduce the amount of red tape/ Government regulation	1%
Start educating and informing people about tourism/ the importance of the tourism industry	1%
Can't say	2%
Other	10%