



Australian Government
Australian Trade and Investment Commission

THRIVE
2030

Australia's tourism future

key insights, trends and
opportunities for tourism growth.

VisitCanberra Conference, 6 June 2022,

Sam Palmer

GM Visitor Economy & Client Programs & National Diversity and Inclusion Champion

Austrade



AUSTRALIA

Where are we now?

- How has Canberra transitioned to a post COVID-19 Visitor Economy?

Where do we want to be?

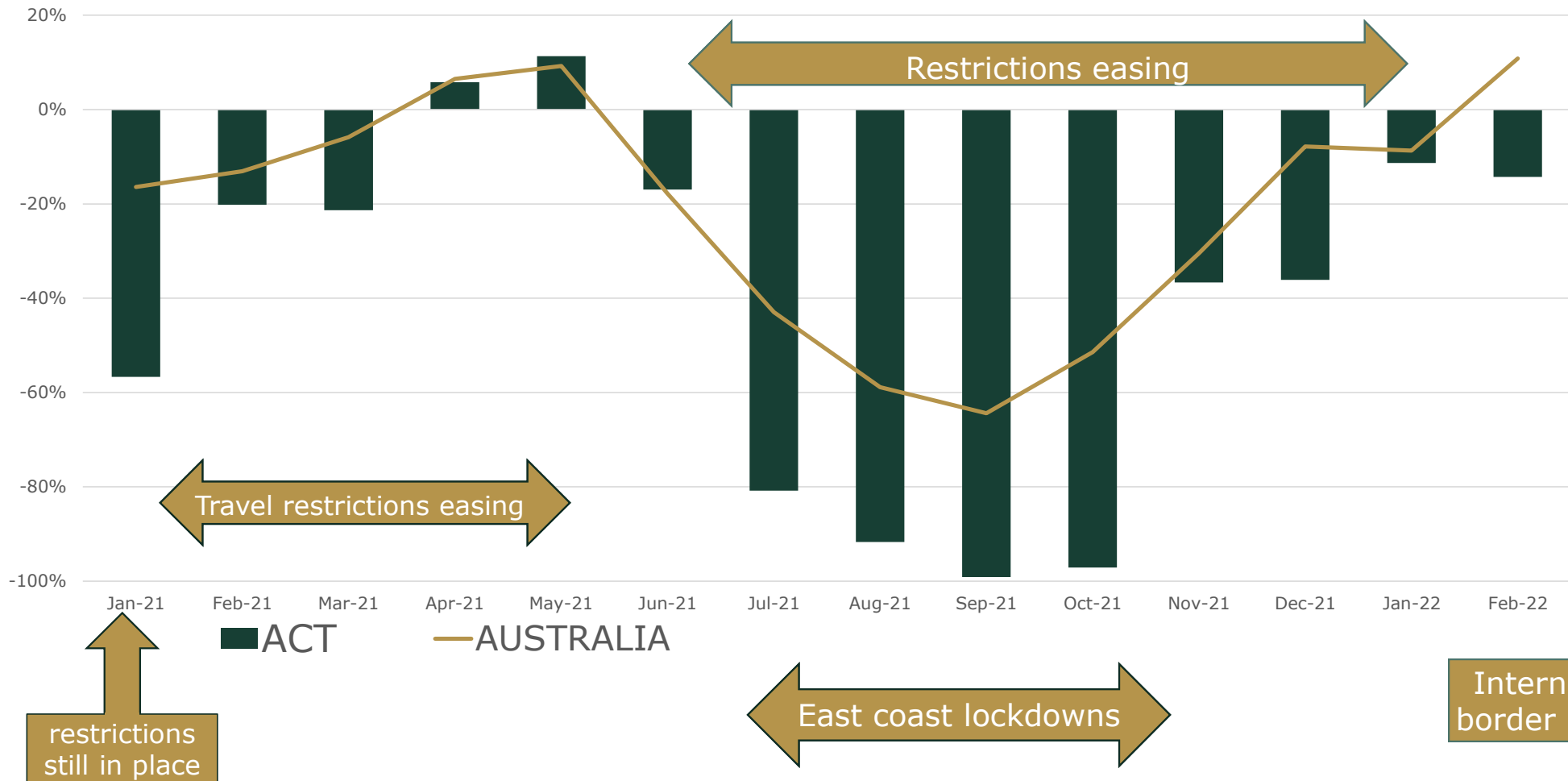
- **THRIVE 2030** and Australia's vision and targets for the next 10 years.

How do we get there?

- What megatrends can tourism operators leverage to increase profitability and grow?
- What is the Federal Government doing?
- What other support is available?

Where are we now?

2021-22 Domestic Overnight Visitor Spend in the ACT: A rocky road to recovery, with green shoots emerging



Source: Tourism Research Australia 2022

Post COVID-19 challenges for many ACT tourism operators:



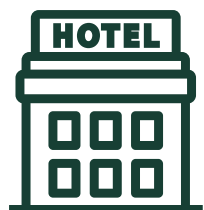
High business travel reliance

Pre-COVID-19, business travellers contributed a much higher share of domestic overnight visitors to the ACT than nationally



Lower than average length of stay

Domestic overnight visitors to the ACT stay around 1 day less than the national average



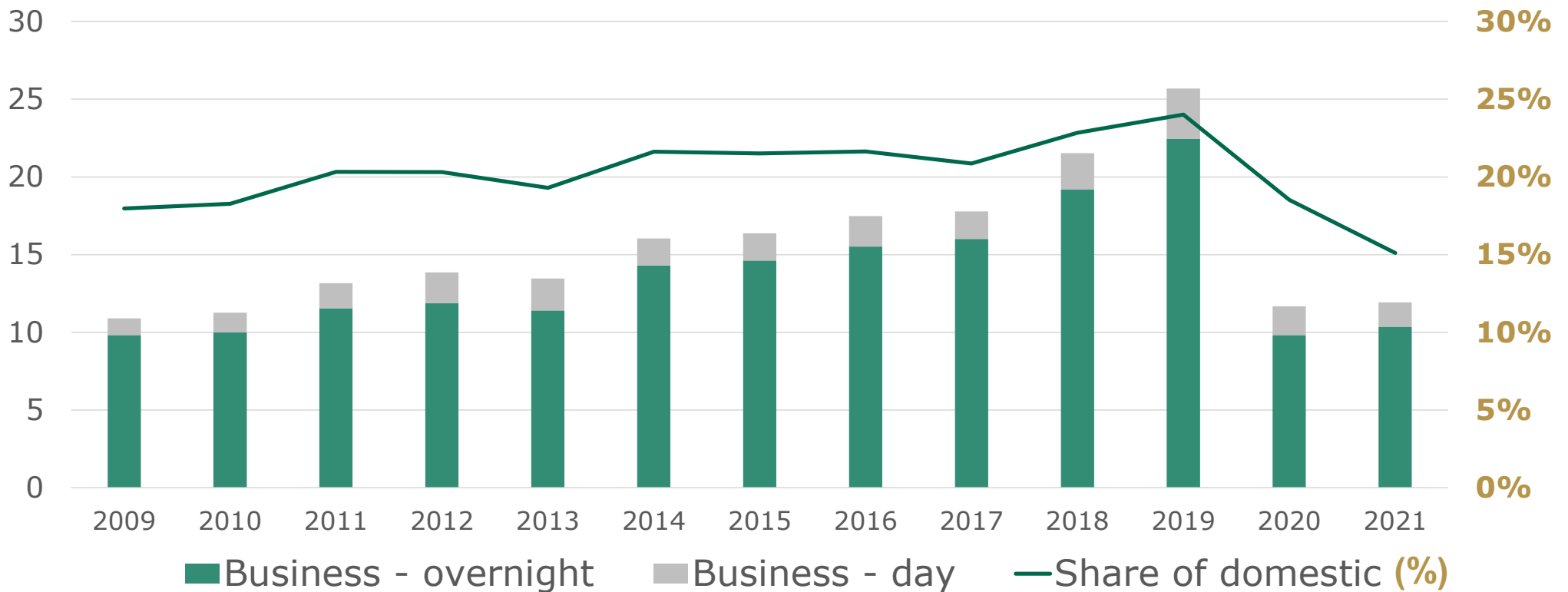
High hotel vacancy rates and 4 in 10 visitors opting to stay with friends and family

The average occupancy rate over 2021 was 43%, well down on the 76% reported pre-pandemic in 2019

40% of domestic visitors to the ACT stayed in the home of friends or family (versus 34% nationally)

Business travel being less than half 2019 levels is also contributing to ACT's recovery lag

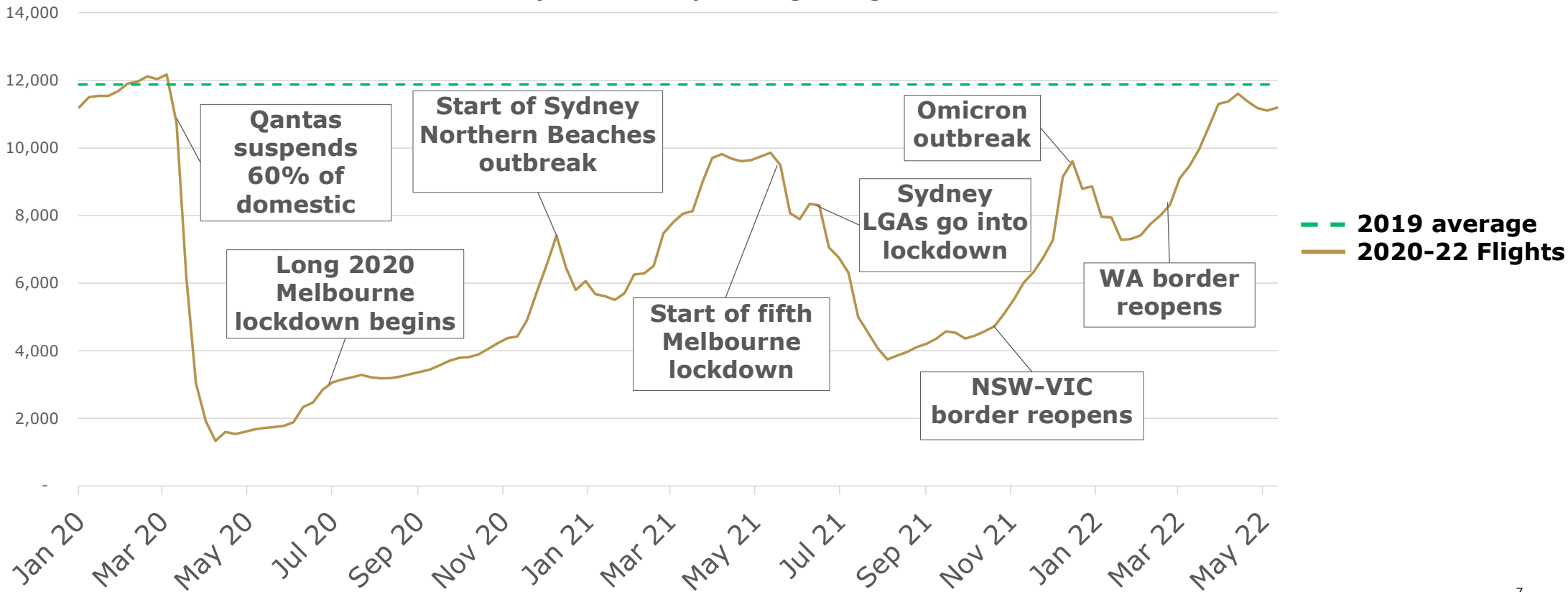
Value of Australian business travel 2009 – 2021 (spend in \$bn)



Regional flying still not back to pre-COVID-19 levels

Aircraft movements at Canberra Airport were 77% of March 2019 levels;
 Passenger movements were 64% of March 2019 levels (these include international in 2019)

Estimated weekly domestic passenger flights



Yet, the ACT has several key advantages



ACT is not impacted by seasonality

Visitor numbers are much the same across each quarter of the year. Protecting against the challenges of highly seasonal visitor flows



Older domestic market, interested in Arts and Culture

Some 35% of domestic overnight visitors to the ACT participated in arts and heritage activities in 2019, more than double the Australian average (16%)



Strong Education Accommodation Sector

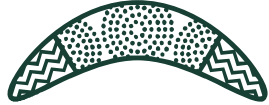
The ACT accounted for 2% of all visitor nights spent in Australia in 2019 but 10% of nights spent in educational institution accommodation

And opportunities for growth



Growing average length of stay

A one day increase in average length of stay would have the potential to add nearly 40% to domestic overnight spend in the ACT each year



Further targeting the mature-aged, cultural experience visitor

Growing Canberra's already strong cultural attraction offerings (e.g. supporting First Nations cultural experiences)

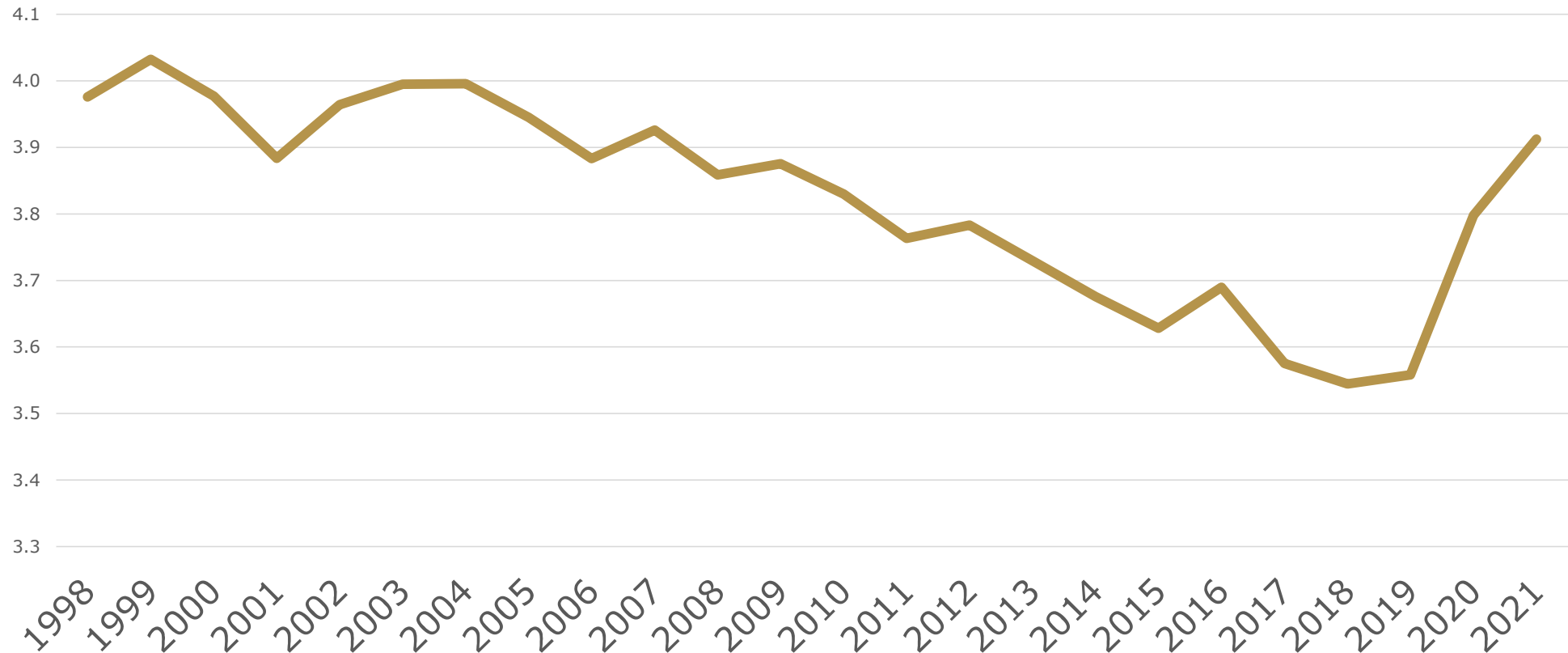


Recapturing the Visiting Friends and Relatives (VFR) and International Education markets.

There are more international VFR visitors in the ACT, or here for education/employment, than the Australian average

Good news! Trip length is increasing nationally (3.9 nights) for the first time in 20+ years

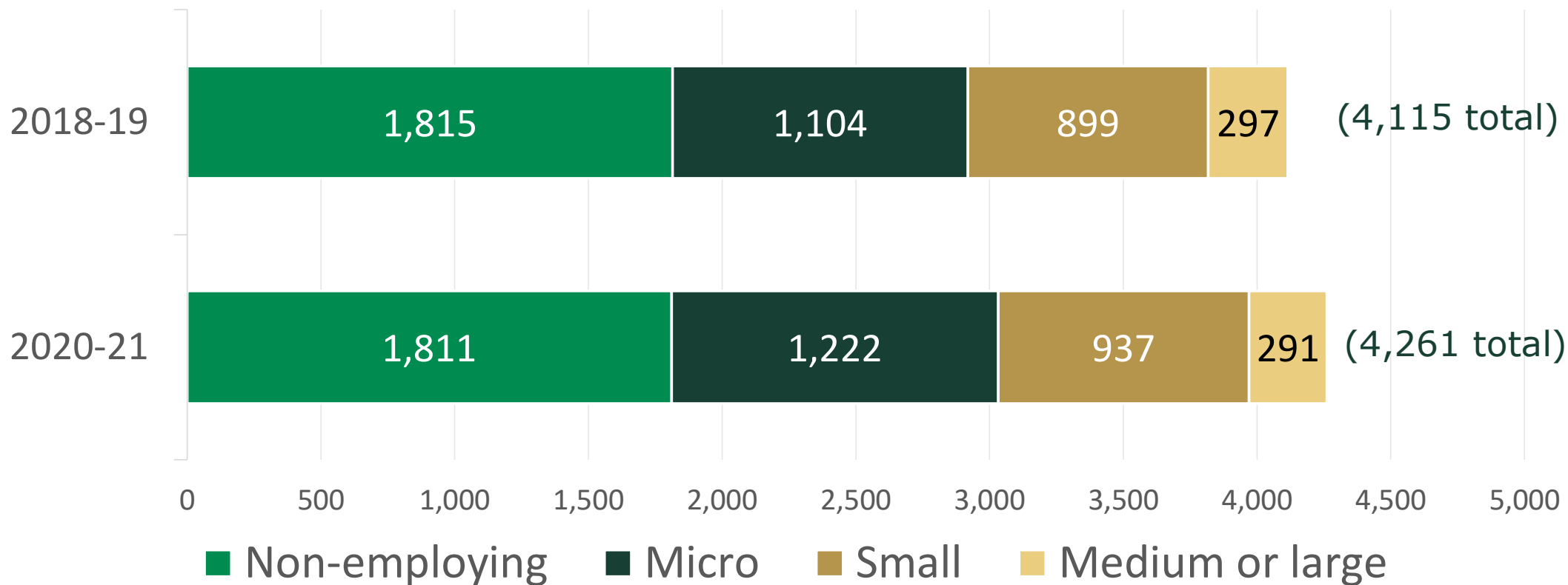
Average trip length (nights) all Australian travellers 1998 - 2021



And the number of tourism-related ACT businesses has surpassed 2019 levels (Driven by growth in small and micro business sector)



ACT tourism businesses by employment size, 2018-19 and 2020-21



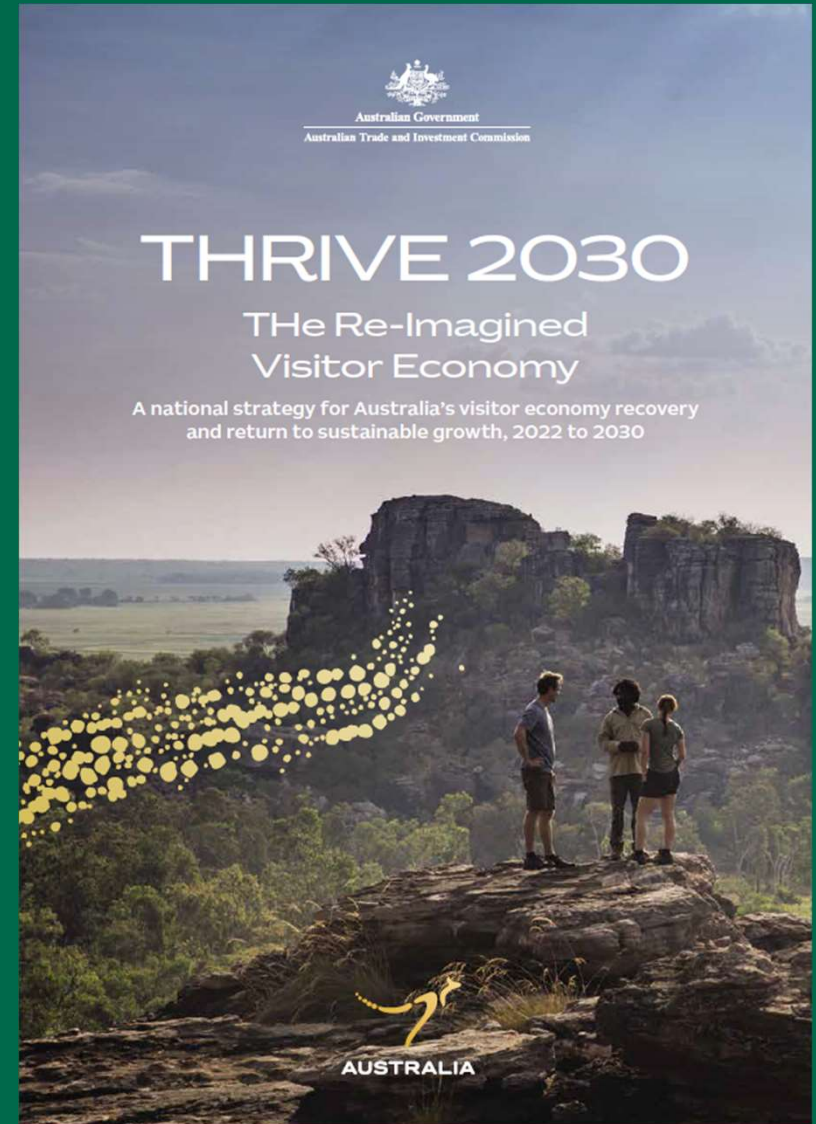
Source: Tourism Research Australia 2022

Where do we want to be?

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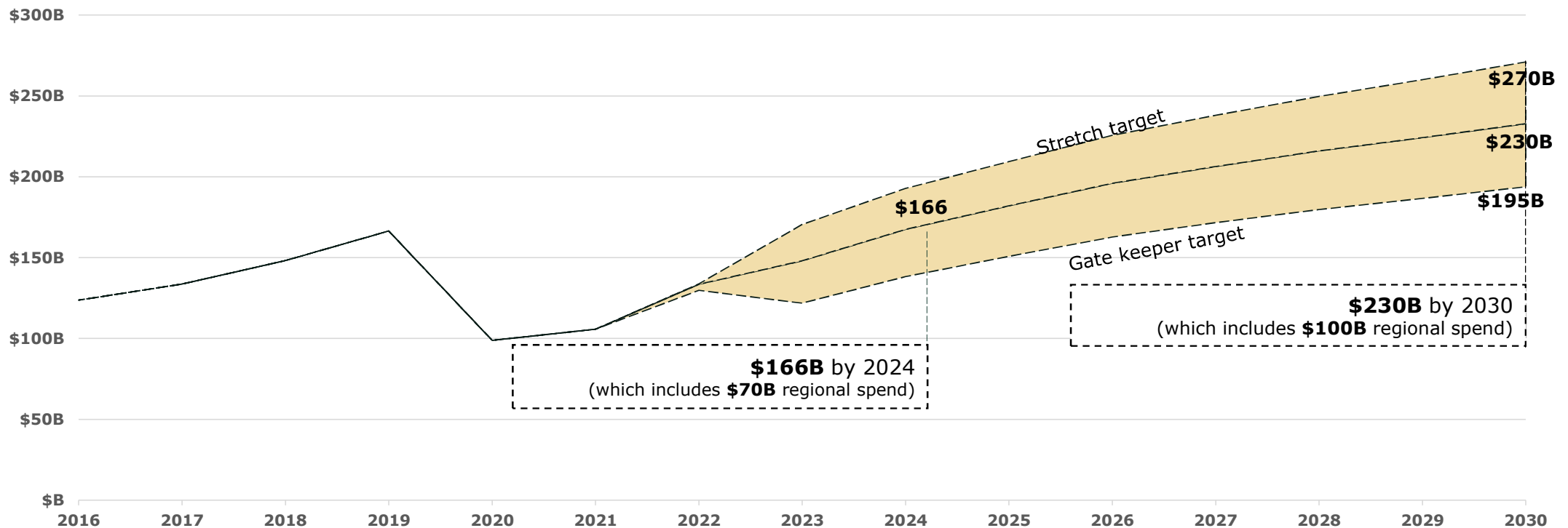
(The Re-Imagined Visitor Economy)

- National strategy for Australia's visitor economy recovery and return to sustainable growth from 2022 to 2030
- Returning industry pre-pandemic expenditure YE 2024 (\$166 billion)
- Visitor expenditure to reach \$230 billion by 2030



Strategy targets

- The Strategy sets ambitious yet achievable targets
- **\$166 billion in visitor expenditure by 2024**, growing to **\$230 billion by 2030**
- It is expected that approximately 40% of that target spend will be regional



Source: Based on Tourism Research Australia (TRA) analysis of TRA domestic forecasts.

Targets to include a holistic set of indicators

- Growing visitor expenditure **not enough**
- Immediate action to develop framework of Longitudinal Indicators for Visitor Economy (the **LIVE Framework**)
- Led by new **Industry Data and Expert Analysis (IDEA) Working Group** of Public and Private sector data leaders
- Will review strategy targets and recommend additional performance indicators (incl supply side)

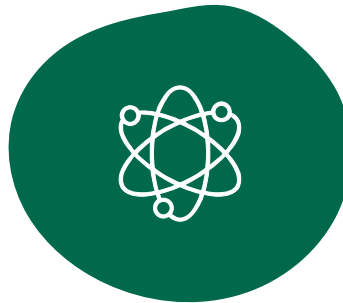


How do we get there?

At its core, THRIVE will be accomplished by



Collaborating
across all
stakeholder to
achieve success



Modernising
supply side enablers



Diversifying
markets,
experiences and
destinations

Specific actions include:

1. Changing traveler behavior so Australians spend money domestically as they do overseas

- Trigger the same 'tourism mindset' as international travel to stimulate the same spend
- Make Australians aware of the unique experiences they can have 'at home'
- Changing these domestic tourism perceptions may lead to changing traveller spending behaviours



2. Championing Aboriginal and Torres Strait Islander culture – uniquely Australian

- About 60% of Australian millennials want to experience **authentic culture** during their travels, but very few domestic trips include Indigenous tourism experiences
- Opportunity exist for better collaboration with Traditional Owners to build unique itineraries
- **Round two of NIAA's Tourism Grants for Indigenous Business Program is now open. Applications close 14 June 2022**



Visitor economy voices

Professor Deen Sanders OAM, Worimi man
Chair, National Indigenous Tourism Advisory Group

“Our culture is still alive, this land is still alive, and it is still loved as unceded Aboriginal and Torres Strait Islander land – and we want to share it with you.

A future strategy must centre Indigenous landscape, Indigenous voice and Indigenous leadership. Not because it will close a gap but because it is the best way to build a relationship to the landscape and generate a successful, authentically Australian, tourism economy.”



3. Accessible tourism

- Travellers with disability contribute more than **\$3 billion** a year to the visitor economy
- Improving the accessibility and inclusiveness of tourism products can help better engage this market

Visually impaired hikers at the top of Mt Kosciuszko
Image: Cocky Guides



Deliver success through comprehensive collaboration

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Case study: Accessible Tourism Pilot

An Australian Standing Committee on Tourism (ASCOT) project:

- Aim - demonstrate a practical approach which can be widely adopted
- Identify “champions” of accessible and inclusive tourism
- Mentoring to 110 tourism operators around Australia to improve access and inclusion
- Practical recommendations to operators; revisit after three months to measure effectiveness and impact



Image: Spinal Life Australia

4. Prioritising Visitor Economy Workforce development

Incoming Government Commitments:

- Fee Free TAFE to help rebuild industries hit hardest by the pandemic, like hospitality and tourism
- \$10m to expand “The Hub” portal which offers bespoke training and upskilling to support new/existing hospitality workers

For new Government consideration:

- Training incentive for small businesses – \$120 tax deduction for every \$100 spent on external training
- \$2m for a visitor economy employment platform
- Working Holiday Maker – visa fee waiver, 30% more visas



Deliver success through comprehensive collaboration

Establishment of a Workforce and Skills Technical Working Group

- Comprised of key policy agencies, industry experts and relevant representatives
- Will identify gaps and provide practical immediate solutions to address the current workforce challenges
- Support the development of the future needs of the visitor economy workforce.



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Image: Austrade

5. International students

New Government Commitments:

- \$10m for marketing strategies to attract workers to the tourism industry
- Education visitors **stay longer** and **spend more** than leisure and business tourists
- **122,000 international students** have returned since November 2021
- **1.1 million visitor visa holders offshore** who, if vaccinated, are now able to travel to Australia. Of these, **126,200 students**
- Austrade is the federal agency lead for growing and promoting Australia as a study destination



Image: Tourism Australia

6. Sustainable & nature-based tourism

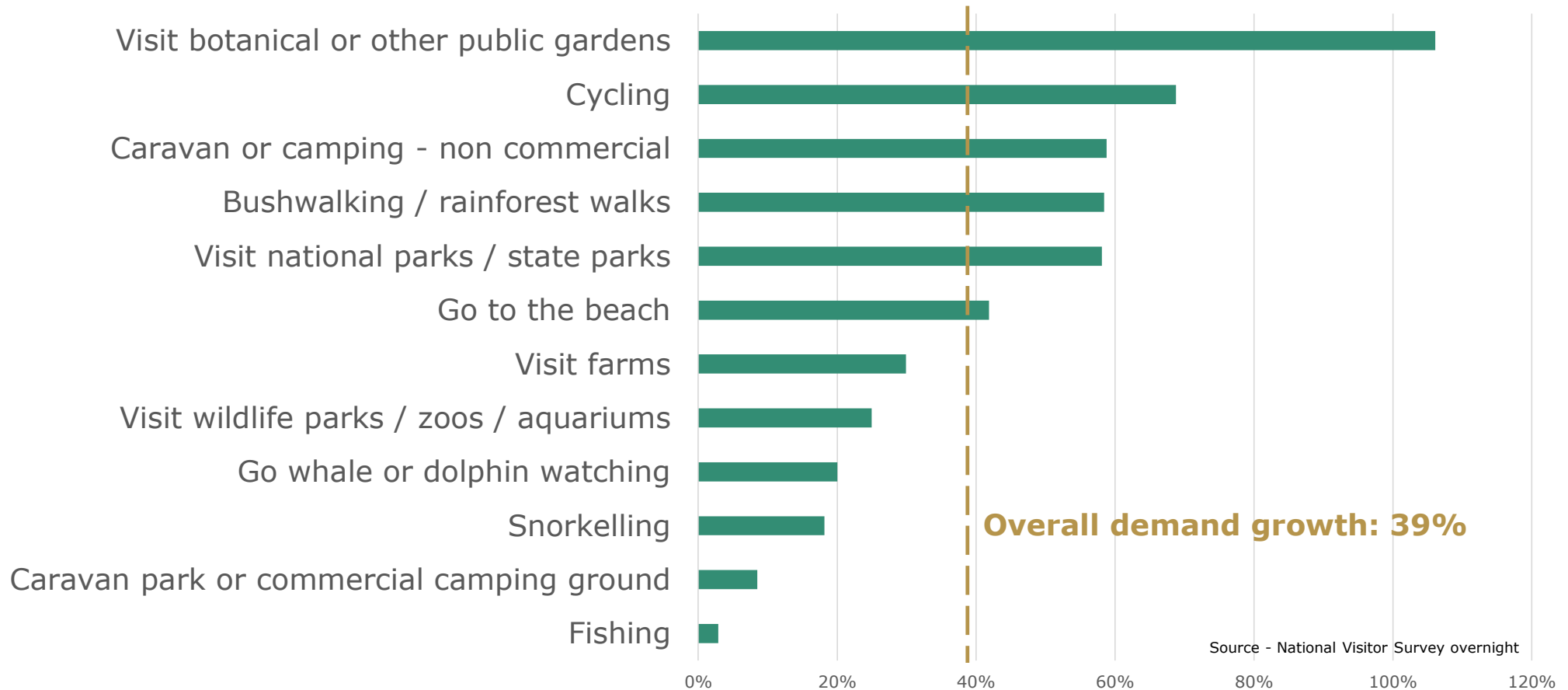
Early ALP Commitments:

- Grant funding to support upgrades to caravan parks (\$10m)
- Benefits: **efficiency, cost reduction** and **promotion**
- Research shows that travellers are becoming increasingly discerning and **conscious of their environmental footprint**
- **Other free resources:** Intrepid Travel - 10 step guide to decarbonise your travel business



Demand for nature-based activities is growing strongly

Growth in demand for activities, 2014-2019



Other opportunities identified for visitor economy growth:

- **Modernising** business practices
- Experience development
- Improving infrastructure
- Growing investment
- Increased marketing and **diversification**
- **Collaborating** on data, research and information sharing





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VisitorEconomy@austrade.gov.au

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Questions?



Sam Palmer
GM, Visitor Economy & Client Programs,
National Diversity and Inclusion Champion
Austrade