

2030

TOURISM STRATEGY

FOR THE ACT

DISCUSSION PAPER



ACT
Government



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Acknowledgement of Country

We acknowledge the Ngunnawal people, traditional custodians of this beautiful Country we have the privilege to call home. We pay our respects to their Elders, past and present, and the contribution they make to the life of this city and to its success.

We recognise the land known as the Australian Capital Territory has been occupied, used and enjoyed since time immemorial by Aboriginal peoples, and they continue to be interconnected with it today.

The ACT Government and community partners are committed to self-determination as the guiding principle in the delivery of programs and services and are working in partnership with Aboriginal and Torres Strait Islander communities to address matters that are important to them.

Chief Minister's message

While COVID-19 has had a crippling effect on our tourism industry and the broader business sector over the past two years, there are more positive signs on the horizon.

With that in mind, now is the time to define how we want Canberra to be positioned as a global destination in the years ahead — and to identify how we can collectively achieve our shared ambitions.

To enable this, the ACT Government is leading the development of the next long-term tourism strategy for the Canberra region that looks ahead to 2030.

Engaging with key stakeholders across our industry will ensure that the strategy reflects the views of all those that contribute to our visitor economy and help shape our wide range of visitor experiences.

In March this year, I launched *CBR Switched On* — a mission-led strategy outlining the ACT's economic development priorities. It sets out our ambitions to continue growing a highly productive, diversified and progressive economy for the future.

The three key missions outlined in *CBR Switched On* are bold, but realistic.

- The first mission is for Canberra to be a city that gives people back time — a city that prioritises wellbeing and liveability.
- The second is to move towards a net zero emission city and beyond — with environmental responsibility and concrete actions.
- The third mission is to prioritise further knowledge-based economic growth — positioning Canberra as a global destination.

The tourism sector is well-placed to actively contribute across all three areas.

Entering the COVID-19 crisis, Canberra's visitor economy was thriving, valued at just over \$2.5 billion (based on total overnight visitor expenditure) — which exceeded our 2020 target.

As we now look further ahead to the year 2030, the visitor economy will be a critical enabler of the ACT's broader economic recovery and growth and will contribute to our target of 250,000 local jobs by 2025.



The ACT Government is committed to investing in a range of initiatives that will continue to support the tourism sector. But the most successful cities collaborate. This is one of our greatest strengths and one of our greatest opportunities — because of our size and our smart, connected community.

So, we want to hear from you.

This discussion paper provides an open invitation to have your say on how we can collectively reinvigorate, rebuild and grow the ACT's visitor economy out to 2030 — a period that has the potential to be truly transformational for our city.

It helps shape the conversation and proposes questions to facilitate and guide focused engagement from all those that are part of the tourism industry in the ACT.

It is an exciting challenge that we should all embrace, and I very much look forward to being part of the journey with you.

Andrew Barr MLA
ACT Chief Minister

June 2022

Our pre-COVID results show what's possible

The size of our visitor economy was at its peak in late 2019, on the back of strong leisure sector performance. This not only reflected the quality of Canberra's tourism offering, but a commitment to increasing visitation, length of stay and yield.

In developing the ACT's 2030 Tourism Strategy, we must first work to restore the sector's status as a key economic driver for the Territory, and then propel the industry further forward with a focus on sustainable growth.

2019 ACT TOURISM SECTOR SNAPSHOT



**\$2.5
BILLION**

INTERNATIONAL &
DOMESTIC OVERNIGHT
EXPENDITURE

OVERNIGHT VISITORS:

Domestic: 3.2 million (92%)

International: 270,000 (8%)

VISITOR NIGHTS:

Domestic: 8.7 million (60%)

International: 5.9 million (40%) –
influenced by length of stay for VFR
and education market

DAYTRIP VISITORS:

Domestic: 2.7 million



**18,500
TOURISM
JOBS**

TOURISM BUSINESSES:

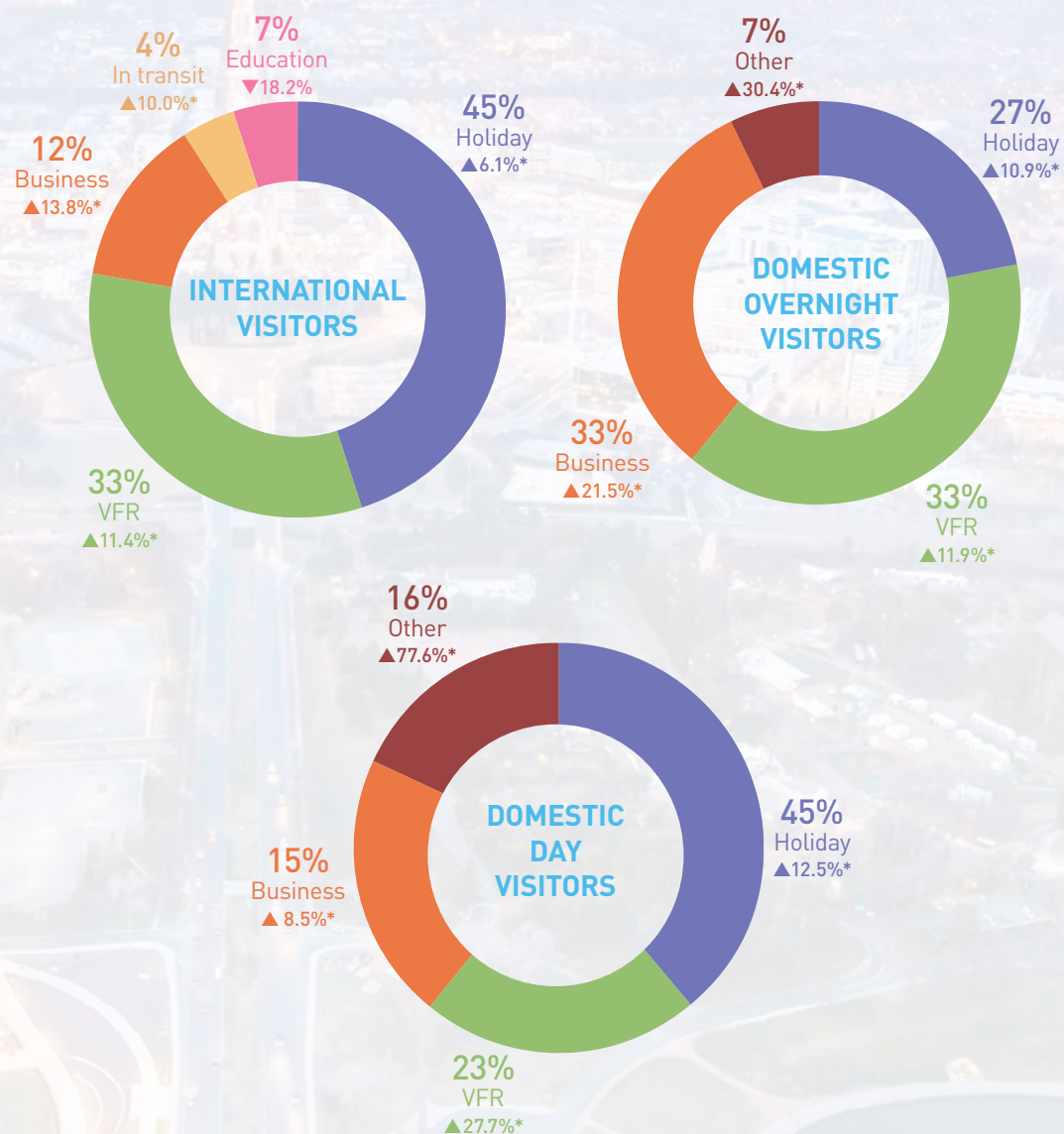
Employing: 2,300

Non-employing: 1,815

TOURISM EMPLOYMENT:

18,500 jobs

2019 ACT VISITOR MARKET MIX



* % change in 2019 compared to 2018 results.

TOP SOURCE MARKETS:

INTERNATIONAL VISITORS		
	CHINA	21%
	UNITED STATES OF AMERICA	9%
	UNITED KINGDOM	8%
	NEW ZEALAND	7%
	INDIA	6%
	GERMANY	4%
	HONG KONG	3%
	CANADA	3%
	MALAYSIA	3%
	SINGAPORE	2%

DOMESTIC OVERNIGHT VISITORS		
	NSW	66%
	VIC	18%
	QLD	10%
	SA	3%
	WA	1%*
	TAS	1%*
	NT	0%*
	ACT	0%*

* Low base size.

DOMESTIC DAY VISITORS		
	NSW	69%
	VIC	3%
	QLD	1%
	ACT	27%

Background image by Adam McGrath.

THRIVE 2030 — the national context

The recently-released national strategy for Australia's visitor economy — *THRIVE 2030* — will be used to inform the development of the ACT's 2030 Tourism Strategy, in consultation with industry and other key stakeholders.

This approach, which proved successful for the ACT's previous *Tourism 2020* strategy, ensures alignment to the national effort, draws on the significant consultation that took place to develop *THRIVE 2030*, and enables consistency with many of *THRIVE 2030*'s key themes.

THRIVE 2030 VISION

Australia's visitor economy provides world-leading services and visitor experiences to consumers while delivering significant and sustainable benefits to the Australian community.

THRIVE 2030 NATIONAL TARGETS

Long term target (by 2030):

Total visitor expenditure aspiration: \$230 billion*

Target band: \$195 billion to \$270 billion

Interim target (by 2024 – return to pre-COVID levels):

Total visitor expenditure: \$166 billion*

* Includes domestic daytrip expenditure and expenditure on international education services by visitors staying more than 12 months.

THRIVE 2030 TAKES A THREE-PHASED APPROACH TO IMPLEMENTATION:

Recovery phase: 2022–2024

Maintain efforts on recovery as the Australian economy continues to open up and international markets return. Focus on driving domestic and targeted international visitation, and addressing priority supply issues including workforce shortages, destination development, and improved data.

Consolidation phase: 2025–2027

Maintain a consistent growth trajectory by pursuing a diverse but targeted portfolio of markets based on data and market recovery, investing in new products and destinations, improving business practices and continuing to build workforce capability to improve the quality of service.

Acceleration phase: 2028–2030

Accelerate growth by leveraging investment from earlier phases, including new products and infrastructure, improvements in business processes and technology, increasing service quality and growing visitation from emerging markets.

THRIVE 2030 ALSO IDENTIFIES SEVEN PRIORITIES TO DELIVER ITS VISION:

1. Deliver success through comprehensive collaboration	COLLABORATE
2. Improve data and insights	
3. Grow a secure and resilient workforce	MODERNISE
4. Embrace leading-edge business practices	
5. Enhance visitor infrastructure	
6. Build markets and attract visitors	DIVERSIFY
7. Grow unique and high-quality products, including Aboriginal and Torres Strait Islander experiences	



The challenge ahead

The tourism landscape continues to change as new challenges and trends emerge — many of which have been magnified by the events of the past two years. These include:



Labour and skills –

Including capacity to manage COVID-related staff shortages/ absences, and difficulty attracting, retaining and upskilling workers.



Competition for travellers –

All Australian states and territories are competing hard for a share of the domestic market. Global competition for international source markets is also high.



Consumer confidence –

COVID-19 has affected consumer habits when it comes to planning and booking travel. Lead times for bookings have shortened.



Aviation access –

The absence of direct international flight services to Canberra currently limits our capacity to influence overseas visitors. Airlines are managing a gradual return to pre-COVID international capacity, affected by labour availability and supply side constraints.



Climate change and sustainability considerations –

Extreme weather events are impacting tourism activity, while consumers are also more conscious of making travel choices that include sustainable tourism products and experiences. Sustainability needs to be embedded into business practices in a way that is more than a gesture.



Technology uptake

– It has never been easier to plan, book and share travel experiences in a digital age. Consumers have heightened expectations for the delivery of simpler, more cost-effective, and higher quality tourism services and products.



Data and insights –

In a rapidly changing tourism environment, real-time information is required to assist business decisions and to help the sector respond to new opportunities, trends, or visitor expectations.



Product development and infrastructure investment –

There is a greater need for evaluating opportunities and barriers for new tourism investment that can support competitiveness and help meet the changing needs and expectations of visitors.



Cost of living/travel

– Key economic factors (e.g. interest rates, rising fuel prices) have the potential to deter or limit the frequency or length of leisure travel in the future. Short-trip business travel has also reduced as companies seek to cut travel costs or use technology to conduct business.



Potential for future shocks (e.g. health, weather, financial) –

These factors require further thought on how the tourism industry can better prepare to minimise their impact on the visitor economy.

Our key destination strengths

Entering the COVID-19 crisis, our visitor economy was resilient, strong and increasingly diverse. The ACT remains well-placed to support recovery and growth of the tourism sector, which provides cause for optimism as we look ahead to 2030.

Leveraging our key strengths will support a range of opportunities to work together and help re-shape the future that we want for our tourism industry.



The Canberra region tourism industry is compact, connected, committed and enthusiastic – which presents opportunities for cohesive communication and greater collaboration.



Domestic travellers account for over 90 per cent of Canberra's visitors – which positions us well to capitalise on the immediate buoyant domestic market, particularly as the international market rebuilds.



Our domestic aviation connectivity is stronger than ever. We are better connected, and it is cheaper and easier to fly to Canberra through the domestic aviation network. Our world-class airport facility is currently connected to 11 domestic destinations (including every state and territory) and is being serviced by six airlines.



We offer unrivalled proximity and diversity to our tourism offering – which provides a huge range of options for short-break travellers to see and experience while they're here. Our national capital status also delivers a unique standing as an Australian destination for leisure, business and educational tourism.



Public and private investment in tourism infrastructure, products and experiences over the last decade has elevated our market competitiveness – while also providing a platform for future investment to better meet visitor expectations and demand.



We offer a year-round calendar of high-quality major events – which not only provides compelling reasons for visitation, but also enhances city vibrancy, wellbeing, and our social fabric. Our events also help to positively reflect the essence and values of our local community.



Canberra is recognised as a safe destination.

We have managed the COVID-19 pandemic well (while achieving nation-leading vaccination rates), we offer clean air and plenty of open space, and we are renowned as a progressive, inclusive, and welcoming community.



Identifying priority areas for focus

To support recovery and growth of the tourism sector, focus should be placed on priority areas that best address emerging industry challenges and opportunities.

The following areas have been identified for consideration:

Labour and skills:

- Finding new ways to address workforce shortages and better equip staff with the skills they need.
- Making career opportunities in tourism a more attractive proposition.

Sustaining domestic and restoring international access routes:

- Growing domestic aviation connections to diversify our visitor base and help make it cheaper and easier for people to travel to Canberra.
- Re-establishing direct international aviation access to support tourism, business, trade, and investment opportunities.

Targeted destination marketing efforts:

- Identifying and supporting opportunities for cooperative marketing projects and partnerships to amplify our tourism message and drive visitation.
- Unlocking the potential of local community advocacy for the Canberra region as a tourism destination.
- Evolution of our whole of city brand to ensure clear messaging and consistency in how we promote Canberra as a place to visit, invest, study, and do business.

Technology and sustainability solutions:

- Encouraging wider adoption of technology and sustainable practices across the tourism industry that assist with business capability and service delivery.
- Utilising technology and sustainability initiatives to better support tourism promotion and enhance the visitor experience.
- Sharing ideas across our industry on future technology uptake, opportunities for innovation, and ways of improving environmental/ sustainability practices.



Better research data and insights:

- Identifying and sharing tourism data and consumer insights that are already being captured across our local tourism industry and that can be used for collective benefit.
- Better understanding the gaps in our tourism data knowledge that are impacting industry's capacity to make informed and evidence-led business decisions.

Coordinated and responsible investment in product development and infrastructure:

- Identifying tourism infrastructure priorities, experience gaps or opportunities that could further unlock the tourism potential of the Canberra region.
- Ensuring development of tourism experiences and infrastructure provides value to the Canberra community and enhances our city's brand reputation.
- Supporting development of products and experiences that make it easier to connect with priority international markets.
- Development of experience strengths to ensure global competitiveness — including arts and culture, access to nature, food and wine and niche interest experiences.

Maintaining a suite of quality event offerings:

- Developing, attracting and supporting new or existing events (including business events) that can drive strong visitation outcomes, leverage our competitive advantages and enhance our reputation as a tourism, events and knowledge destination.
- Ensuring event activity also provides opportunities to involve and engage the local community, while reflecting the essence and personality of the Canberra region.

A staged approach

In finalising a 2030 Tourism Strategy for the ACT, our intent will be to develop a staged approach to achieving our shared ambitions for Canberra as a global tourism destination.

This will include a first phase covering the period of 2023 to 2026, focused on short to medium term strategic actions that drive sector recovery and lead the Canberra region to a position where it can achieve consistent tourism growth (including growth in leisure, business and education visitation).

For the ACT, it is generally acknowledged that the best opportunities for tourism growth in the short-term sit in the domestic tourism market.

A second phase from 2027 to 2030 will be a period where longer-term strategic actions can be fully realised, and where the Canberra region can capitalise on a solid industry footing to accelerate tourism growth and meet 2030 targets (noting these targets are yet to be defined).

Examples of possible actions under each phase are outlined for consideration:

PHASE 1 — 2023 TO 2026:

- Expanding domestic aviation connections to the ACT.
- Working to restore international direct flight services.
- Development and roll-out of targeted marketing campaign activity to increase overnight visitation, length-of-stay and visitor yield (spend).
- Development of focused programs of activity for engaging with priority international markets.
- Leveraging existing (and establishing new) tourism conversion partnerships.
- Continuing to enhance Canberra's Brand and brand story to assist with destination messaging.
- Needs-based tourism sector support programs to encourage cooperative marketing initiatives, product and infrastructure development, event attraction, industry innovation and sustainability.
- Addressing priority supply side issues — including labour and skills shortages and identified regulatory barriers.
- Building systems for better sharing of tourism industry data and insights.
- Enhancing ACT Government collaboration/coordination to support the visitor economy (a whole-of-government approach) — including facilitation of investment opportunities.



PHASE 2 — 2027 TO 2030:

- Expanding international aviation connections to the ACT.
- Enhancing the city's global competitiveness through expanded international travel trade engagement.
- Product and experience development initiatives being fully realised to leverage the Canberra region's strengths and competitive advantages.
- Unlocking the potential of other identified tourism assets and experience opportunities (e.g. nature-based, indigenous, food/wine/specialty beverages/ local produce, accessible tourism).
- Industry initiatives being fully realised to support uptake of new technology and sustainability practices.
- Commencement and/or completion of transformational tourism infrastructure projects.
- Strategic approaches to tourism investment and major event attraction being fully operational.

Strategy development timeline

This discussion paper is the first in a series of steps towards finalising a 2030 Tourism Strategy for the ACT.

STEP
1

FRAME THE PRIORITIES

The discussion paper will help shape the conversation on key priority areas and potential opportunities for sector recovery and future growth out to 2030.

STEP
2

CONSULT

We will work with industry and other key stakeholders to identify additional areas of focus that can support our future path and develop a shared vision.

STEP
3

COLLABORATE

We will continue to engage with industry on innovative solutions that can address the key challenges facing the tourism sector.

STEP
4

SET SUPPORTING TARGETS

We will develop ambitious but achievable goals for a staged recovery and sustainable growth, including visitor expenditure targets for the ACT that align with national targets outlined under *THRIVE 2030*.

STEP
5

STRATEGISE

We will finalise our long-term plan for the visitor economy, with a commitment to launch the 2030 Tourism Strategy for the ACT by the end of the 2022 calendar year.



Next steps

The views of tourism businesses, industry bodies and associated stakeholders are important in developing a final 2030 Tourism Strategy for the ACT that will drive recovery and growth of the Canberra region's tourism sector.

WE INVITE YOU TO HAVE YOUR SAY.

This discussion paper is a first step designed to stimulate conversation about our path towards 2030, where we want to be as a tourism destination and how the collective efforts of industry and government can help us get there.

Share your feedback, comments and suggestions by providing a written submission that addresses one or more of the consultation questions or topics raised throughout this discussion paper, or on any other key issues or themes that you consider important to the future of Canberra's visitor economy.

We ask that you email your input to tourism.industry@act.gov.au by **Friday 2 September 2022**.

Other opportunities to provide input and feedback on the development of a 2030 Tourism Strategy for the ACT (outside of a written submission) will be communicated via local tourism industry networks.

All feedback received will assist with the development of a final 2030 Tourism Strategy for the ACT by the end of the 2022 calendar year.

Consultation questions and topics in summary

Do you have thoughts or comments on the following topics?

- Ways of enhancing tourism industry collaboration (e.g. industry to industry collaboration and/or industry to government collaboration).
- Priority workforce challenges for our industry, or ideas to support staff attraction/retention and training/upskilling.
- Sources of tourism data/insights that can be better shared across industry.
- Additional challenges or emerging trends that should also be considered to support industry resilience.
- Ways that industry is already innovating and/or adopting new technologies or sustainable practices.
- How the tourism industry can better engage with the local community to promote the benefits of the visitor economy.
- Emerging domestic or international markets that could be considered as part of our visitor portfolio, or ideas on how to reach them in a distinctive and authentic way.
- Priorities for tourism infrastructure investment and product development, or any associated barriers that you can identify.

What else is needed to better position the Canberra region to attract more domestic and international travellers into the future?

Which suggested action areas do you believe should be the priorities for focus in each proposed strategy phase (i.e. 2023 to 2026 and 2027 to 2030)?

To unlock the full potential of the Canberra region's tourism assets, what aspects of our tourism offering need to be better highlighted or developed?

How do you want the Canberra region tourism industry to be defined by the year 2030? What do you see as the enablers or obstacles to progress?

What should we be thinking about now to collectively re-set and transform the way that Canberra is positioned as a globally competitive tourism destination?





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