



The Changing Face of Australia's Tourism Industry: The Role of Research

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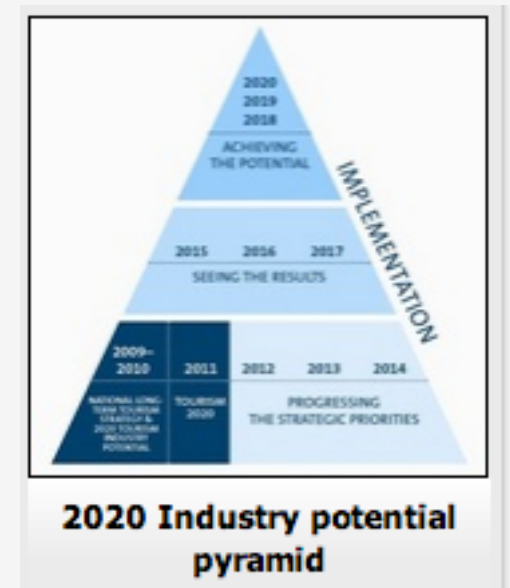
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Caveat

The views expressed in this presentation are my own and do not necessarily reflect the views of the Agency I represent.

Thesis

- For Australia's tourism industry to be truly sustainable, it should be underpinned by a continuously updated national research agenda.
- Although Australia is a leader in the tourism sector, its research agenda has followed rather than led development of the industry.



Presentation Overview

- Drivers of Australia's international tourism industry
- Evolution of tourism research
- Changing role of sustainability
- Performance of the industry

Early Drivers of Australia's Tourism Industry

- Australia had a long established domestic tourism industry
 - A wealthy country since 1900 in GDP per capita
 - Strong local industry
 - Solid infrastructure
 - Gold Coast
 - Strong network of motels
- Provided a base for international tourism



Drivers of International Tourism in the 1980s



- Initial recognition of tourism's potential as an economic industry
- Weak AUD post float in 1983
- Strong American and Japanese economies
- Substantial outbound tourist flow from Japan from 1984

International Drivers (cont.)

- National inquiry into infrastructure in mid 1980s
- Strength of ATIA
- John Brown appointed as Cabinet Minister for Tourism
- Brown convinces Cabinet to spend on the Hogan campaign in USA
 - Huge success in terms of industry & community engagement
- Very much a mass market approach



International Drivers (cont)

- Significant injection into infrastructure
 - Especially ‘white shoe brigade’ in Qld property
 - Focused on GC, Cairns & Port Douglas

- Massive growth in Japanese outbound tourism
 - Australia a major beneficiary (30% for a few years)
 - Safe Western environment
 - Exotic locations especially in Qld
 - Essentially the same time zone

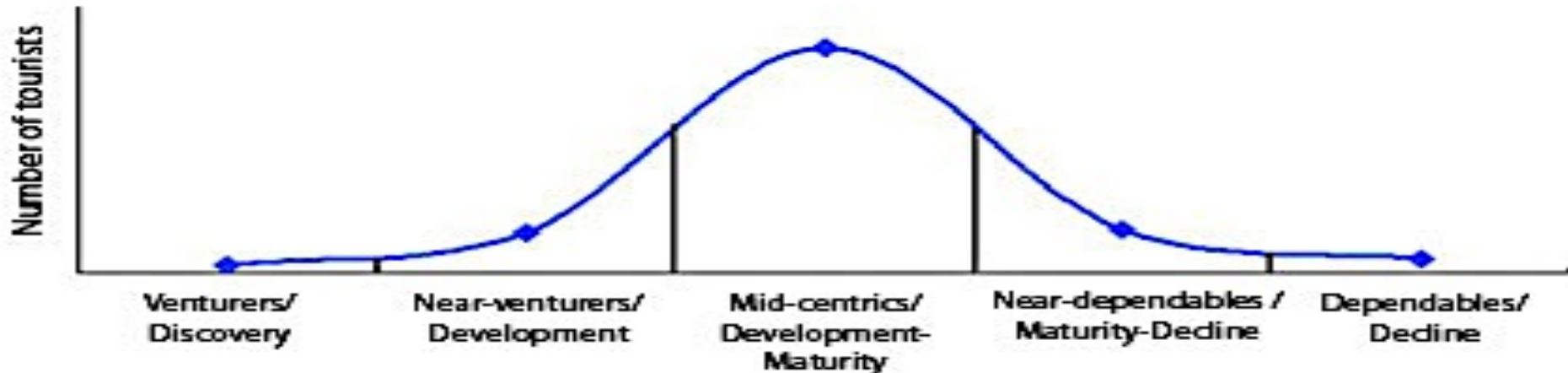
- Major property bubble in Japan that led to offshore investment
 - Money followed tourists
 - Major inflow of Japanese funds to Australia’s tourism industry



Early Research

- Dearth of academic research in the field
 - Some international work (Butler et al)
- Bureau of Tourism Research (BTR) established in 1987
 - Focus on the main data collections
 - Some limited work on economic contribution

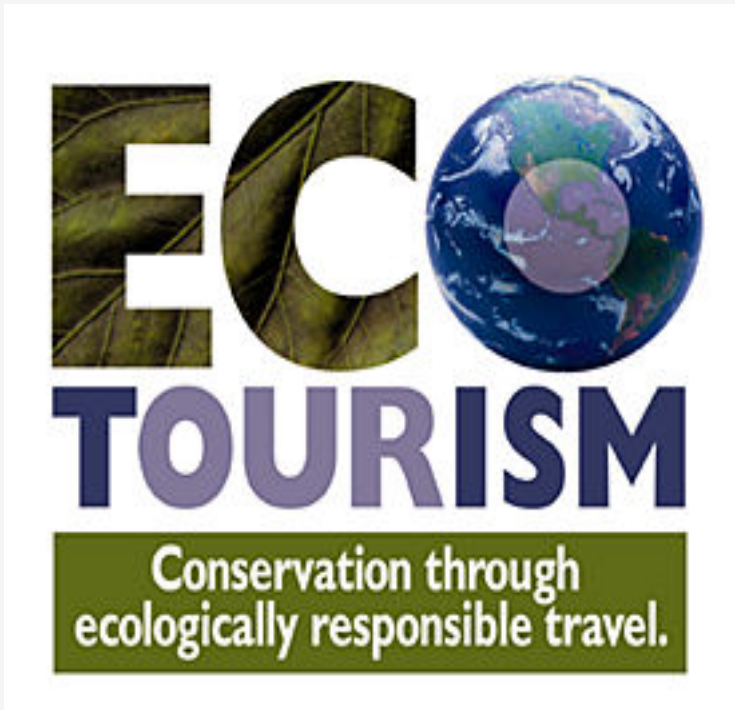
**Evolution of destination life cycle,
according to traveller type
Plog's Model**



Early Research (cont)

- From late 1980s quite a lot of industry research
 - Funded largely by ATIA
 - Very strong economic focus
 - Undertaken by Access Economics
- Key objectives of this research:
 - Influence government's aviation policy
 - Support increased government funding for ATC

Sustainability



- Industry Assistance Commission (IAC) report on tourism in 1988
- Background paper suggesting that tourism posed problems for the environment
- Included as a chapter in the draft report
- Removed from final report because of huge industry backlash led by ATIA

1990s

- Domestic tourism continued to 'flat line'
- Keating establishes first Dept of Tourism in 1992
 - Symbolic gesture
 - Main role was to influence other Departments
 - Transport re aviation reform as highly protected
 - Treasury re funding for ATC
 - Immigration re visas



1990s (cont)

- Property boom in Japan collapses
 - Funds recalled from Australia to repay loans
 - Japanese investments sold less than half value
- Little investment in new infrastructure
- Infrastructure ages



Sustainability

- ATIA was lobbied about the political need to include 'sustainability'
- Term used was 'eco-tourism'
 - 'Tourism in natural areas that left only footprints'
- In 1990, Hawke appointed 8 Ecological Sustainable Development Working Groups
- Aim was to examine sustainable development strategies in key sectors
- One was in tourism involving 12 members from govt, industry, unions & academe

Sustainability Cont

- Reported in 1991
- Set agenda for thinking on ESD in 1990s
- Focus moved from nature tourism to environmental sustainability
- Government developed sustainable tourism strategies but still focused on eco-tourism
- Recognition that may be better to focus tourism in built areas than in the natural environment

Research

- Growing number of universities teaching tourism
- Increasing number of academics researching in tourism
- CAUTHE established in early 1990s
- Many tourism academics completing PhDs
- Research outputs had little impact on industry development or government policy



Research (cont)

- ATIA lobbied for a CRC in tourism
 - CRCs all science based
- CRC for Sustainable Tourism approved in 1997
 - Strong environmental science underpinning
 - Initially involved just 4 universities, ATIA, TQ & AFTA
 - Early research focused on Nature / Wildlife tourism



Research (cont)

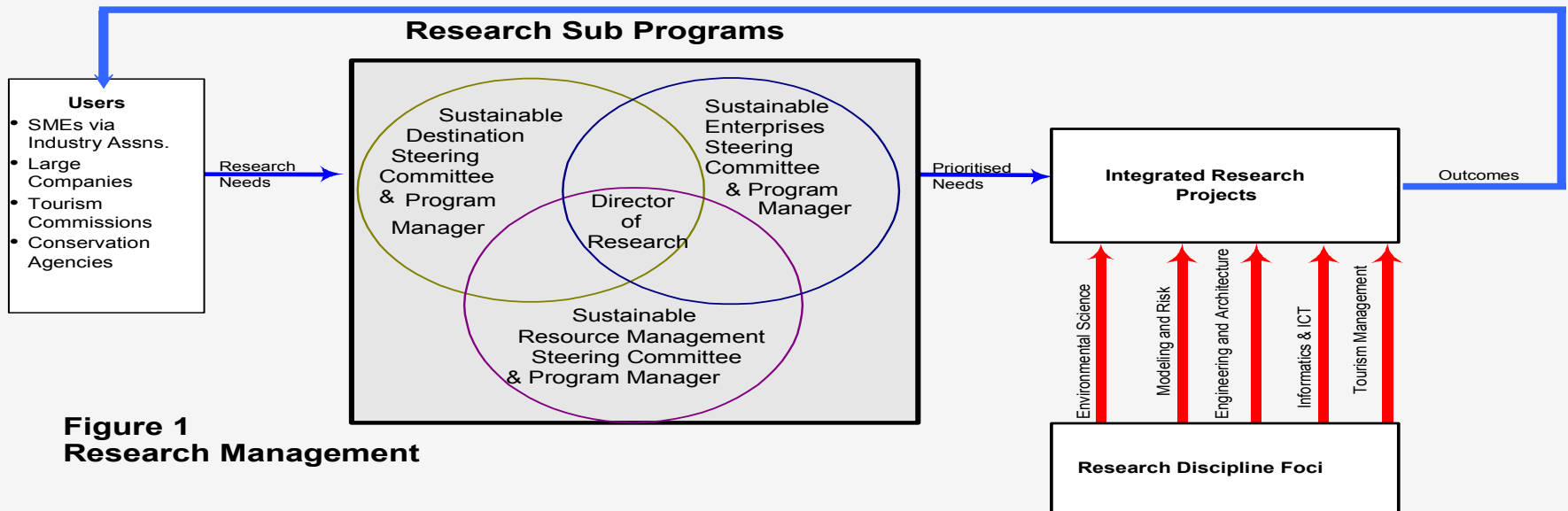
- STCRC expanded to all states & territories
 - 16 universities
 - 1 TAFE
 - 8 STOs
 - TA
 - 4 Park Agencies
 - 4 Industry Associations
 - 2 Local Government Authorities



Research (cont)

- Research agenda morphed to meet the needs of industry partners
 - Short term focus
 - Often consulting rather than research
 - Eclectic outputs moving away from the original environmental research agenda
- Little influence on government policy or the long term direction of the industry

Research (cont)



**Figure 1
Research Management**

- Second life of the STCRC approved in 2002
- Research program called 'Destination Australia'
 - Focused on providing the knowledge needed for a sustainable tourism industry
 - Sustainability was a broad based term
 - Strong dissemination dimension

Research (cont)

- Benefits of STCRC
 - Forged research partnerships
 - Between universities
 - With industry and government
 - Academics bring a strong sustainability focus
 - Provided Knowledge Products to underpin sustainability
 - Prompted industry to think about research
 - Built research expertise (PhDs)

SUSTAINABLE
TOURISM



CRC

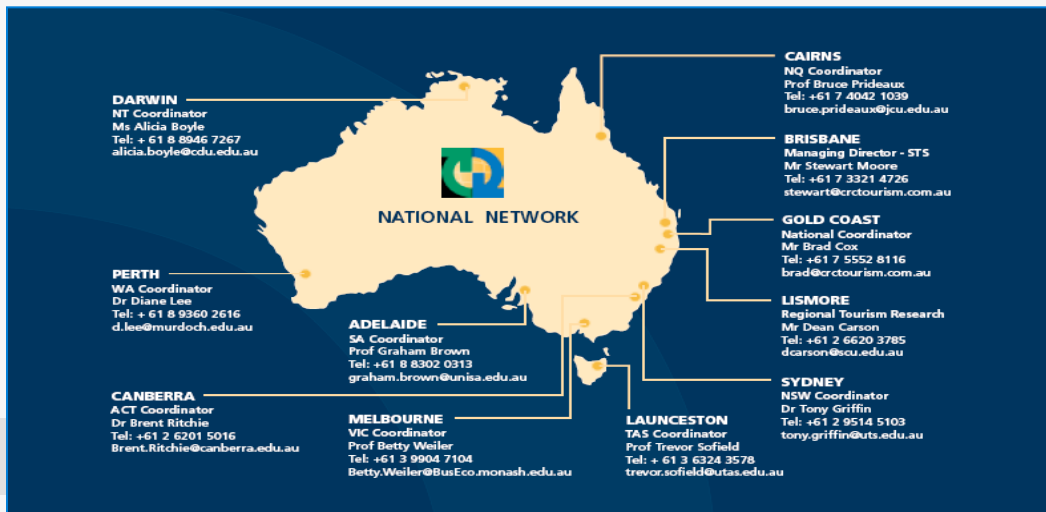
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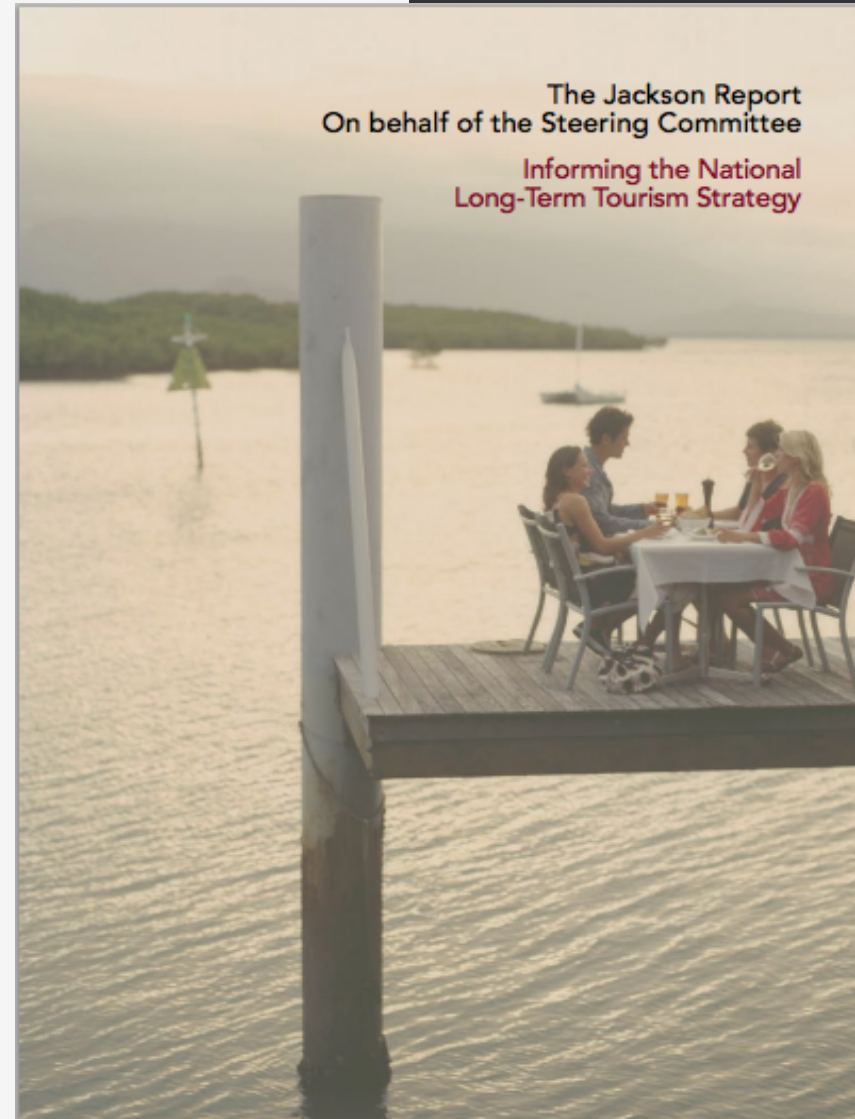
Research (cont)

- Problems with STCRC
 - Far too many partners
 - Problems holding to an endorsed research agenda
 - Too much short term research
 - Economic projects dominated
 - Insufficient number of large issue multi year projects



The Jackson Report

- Need to move from a 'demand' focus to a 'supply side' focus
- Decisions based on deliberations not research
- Underpinned the development of:
 - Tourism 2020
 - Move of TRA from TA to RET
 - National Tourism Research Agenda (NTRA)

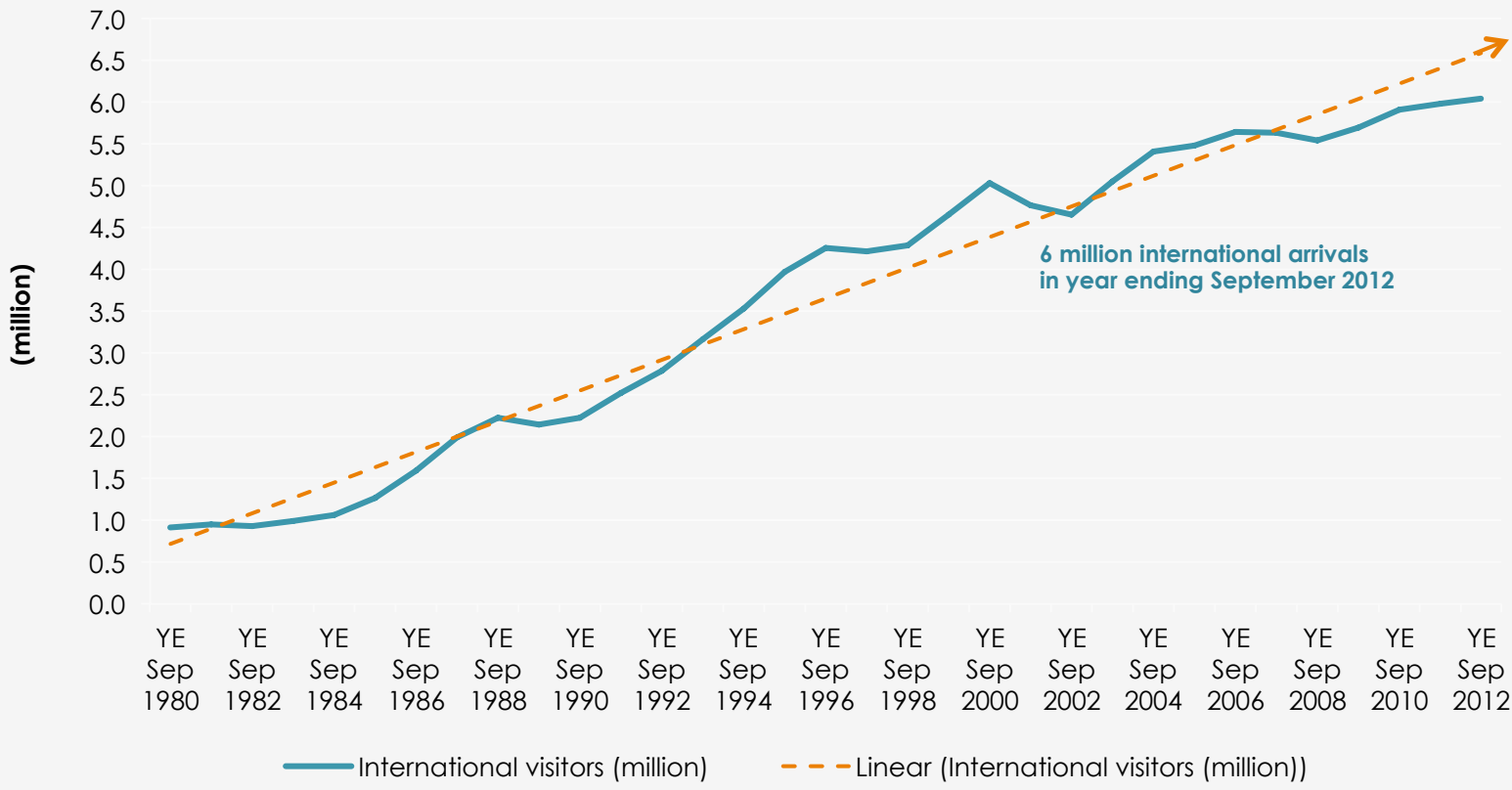


Tourism 2020

- Grow demand from Asia
- Build competitive digital capability
- Encourage investment & regulatory reform
- Ensure tourism transport environment supports growth
- Increase supply of labour, skills & indigenous participation
- Build industry resilience, productivity & quality

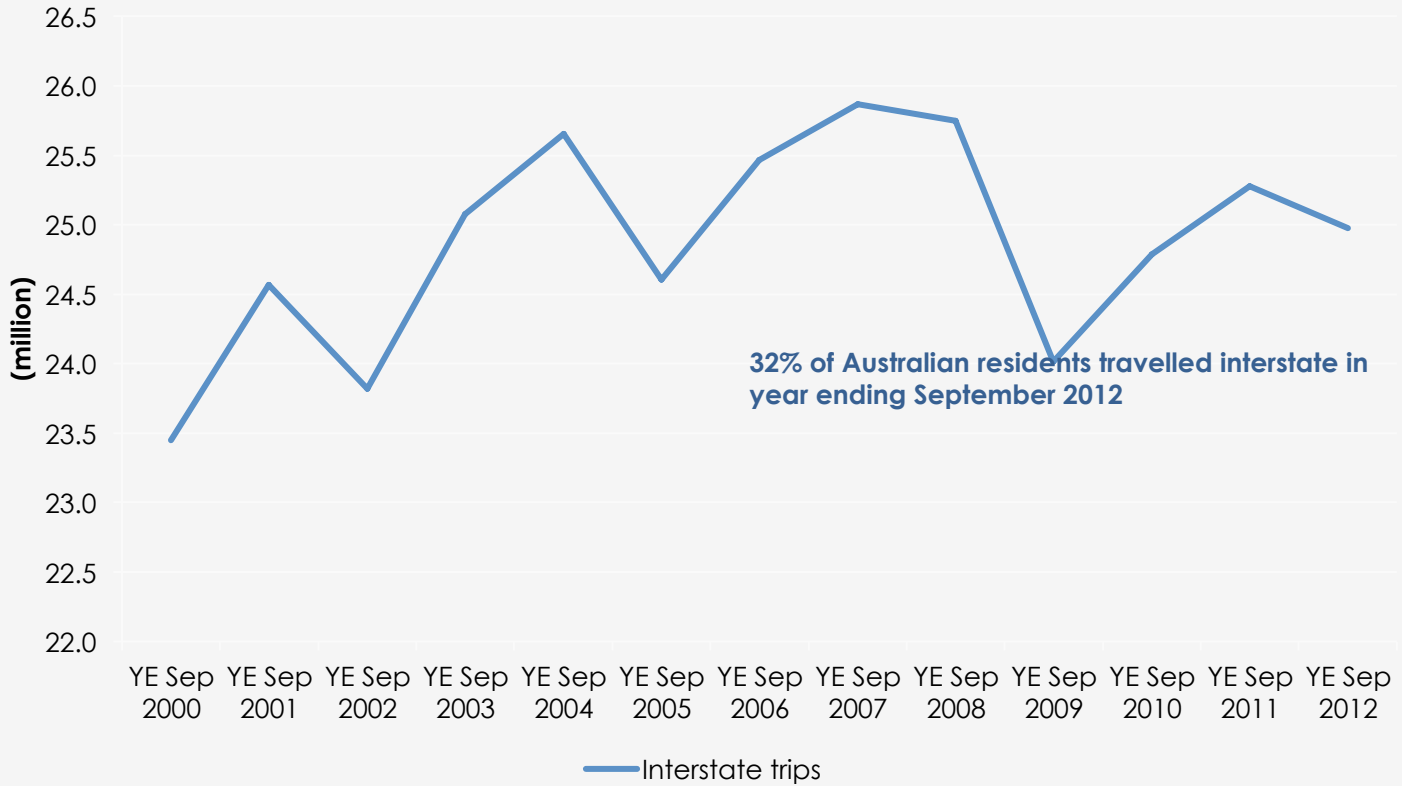
Inbound Tourists to Australia

Inbound tourists to Australia



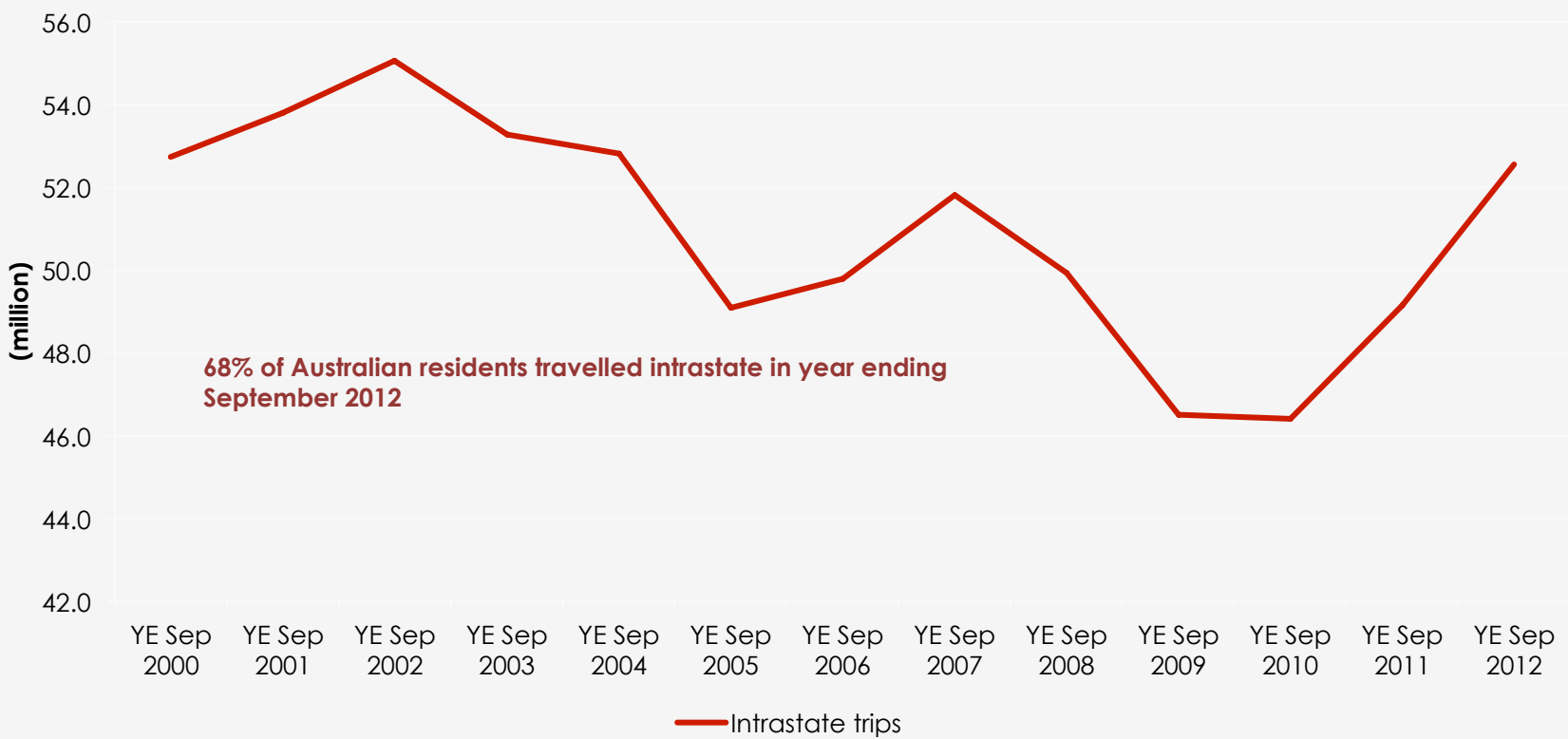
Interstate Trips

Interstate trips in Australia



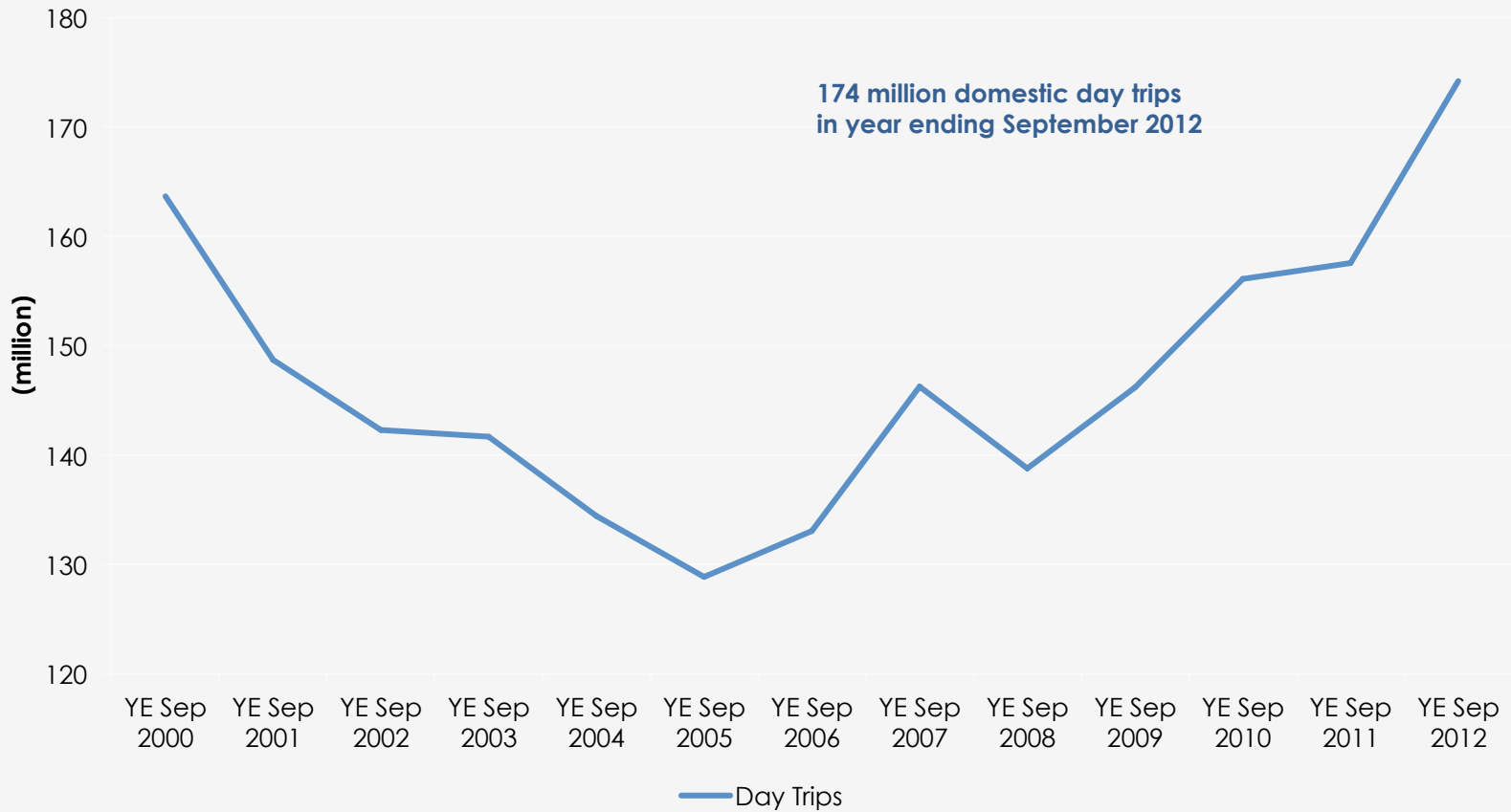
Intrastate Trips

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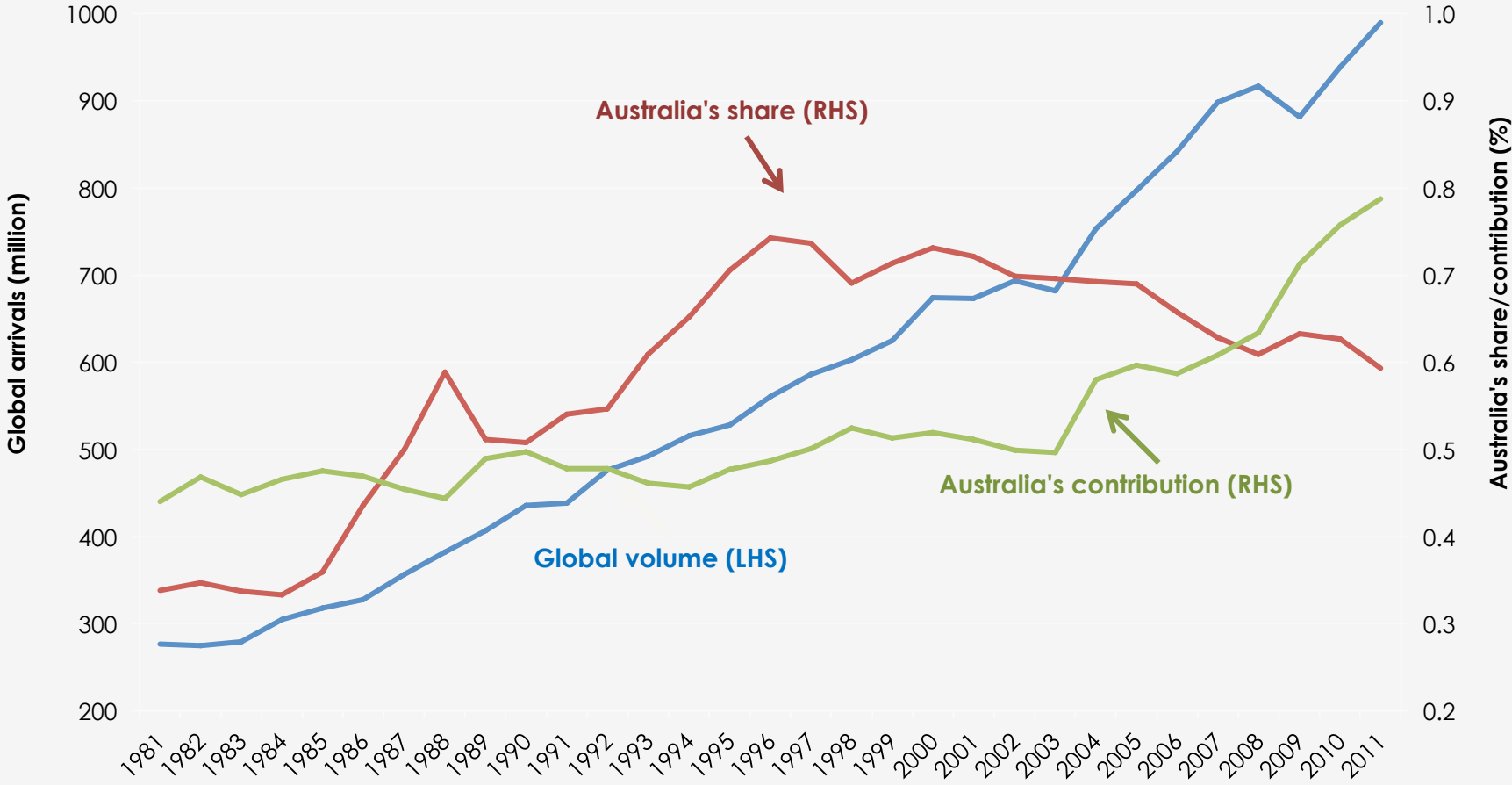
Day Trips in Australia

Day Trips in Australia



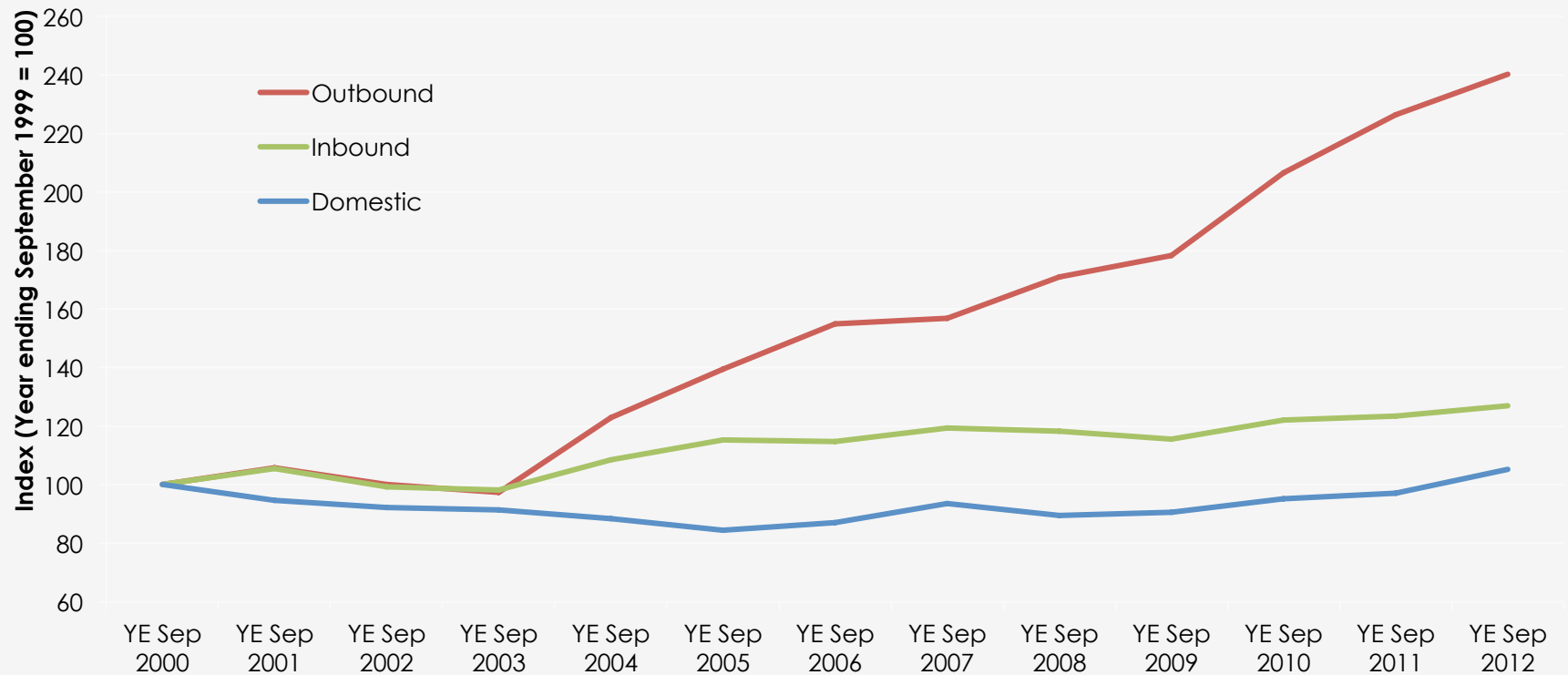
Australia's Market Share

Australia's market share, 1981 to 2011



Inbound, Outbound and Domestic Tourism Sectors

Inbound, outbound, and domestic tourism sectors, Year ending September 2000 - 2012



Industry Gross Value Added and Employment

Industry Gross Value Added and Employment by Sector 2012



Research and Development

Table 4: Industry Contribution to GDP and Government R&D Investment

<i>Industry sector</i>	<i>Contribution to GDP (%)</i>	<i>R&D Investment (%)</i>
Agriculture	3%	11.1%
Construction	8%	1.4%
Manufacturing	10%	7.4%
Mining	8%	4.5%
Tourism	4.4%	0.25%

Source: ABS (2009; 2009a; 2008)

Research and Development

Table 3: Australian Research Council Funding, 2002-08

<i>Industry sector</i>	<i>\$</i>	<i>% of total funding</i>
Agriculture	151,703,000	4.5%
Construction	106,714,000	3.2%
Manufacturing	434,737,000	12.9%
Mining	106,080,000	3.1%
Commercial Services	42,613,000	1.3%
Tourism	2,677,000	0.08%
Total ARC Funding	3,369,509,000	25.1%

Source: ARC (2010)

Issues

- How does sustainability fit into this strategy?
- Whilst the NTRA underpins T2020, is it identifying the constraints to sustainable development?
 - Move from catch-up to leading
- How engage academics in the agenda?
 - Academic measures don't align with industry/gov
- How fund the NTRA?

Go to

www.ret.gov.au/tourism/tra

*for accessible research for industry
and government.*