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Tourism & Transport Forum

Comment on the Tourism Western Australia Tourism 2020 Discussion Paper



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Contents

EXECUTIVE SUMMARY	2
1. ECONOMIC DEVELOPMENT IN WESTERN AUSTRALIA	3
2. THE FUTURE OF WA TOURISM	6
3. TOURISM INFRASTRUCTURE AND PRODUCT	8
3.1 Regional Destination Development	9
3.2 Product Development & Innovation	11
3.3 Perth Destination & Product Development	15
4. TOURISM MARKETING	18
5. SUMMARY OF TTF RECOMMENDATIONS	20
APPENDIX 2: SUBMISSION ON THE REVIEW OF NATURE BASED TOURISM - OCT 2007	24

Executive Summary

Tourism & Transport Forum (TTF) welcomes the opportunity to comment on Western Australia’s Tourism 2020 plan.

Tourism is a \$7.4 Billion industry in Western Australia (WA), employing approximately 43,300 people. The tourism industry offers Western Australia an economic hedge against reliance on the resources boom beyond 2020, and a viable source of employment and investment in the future.

Western Australia must focus on comparative advantages and address current constraints to growth. The WA industry will need to focus on developing consistent, experiential tourism offerings, ensuring the appropriate infrastructure exists to support these products, and ensure there is a clear commitment of funding to promote confidence with investors to engage in tourism development.

Western Australia has the key natural assets and unspoilt environment to make it a drawcard for visitors, in particular to the areas of nature-based and indigenous tourism. However, the geographical dispersal of tourism attractions throughout the State may make it difficult to ensure a focused and deliberate development of the tourism industry.

The WA Government must have the courage to pick winners, and develop the industry through hubs that can benefit from a focused marketing effort and concentration of tourism infrastructure to meet the needs of discerning international visitors.

None of these initiatives can take place in isolation – a coordinated approach to the development of the tourism industry will be vital for future success. Product delivery will be essential to future industry success; new and exciting product at the core of this development must be supported by sustained marketing and promotion, increased aviation access and transportation infrastructure.

Western Australia’s tourism industry is the final frontier for tourism development within Australia. Tourism development in WA has made significant progress to date, however Tourism 2020 can provide the blueprint to ensure future development is sustainable well into the future.

1. Economic Development in Western Australia

Global economic growth, particularly in Asia, is driving the current boom in the WA resources sector. This same global economic growth is also driving a global boom in tourism, particularly from the emerging middle class in Asia.

The United Nations World Tourism Organisation’s (UNWTO) Tourism 2020 Vision forecasts tourism in Asia and Pacific to grow at 6.5% p.a. and for our region’s market share of global tourism to increase from 14.4% to 25.4% of world tourism. TTF contends that this growth will create additional economic development in WA, especially in regional areas.

Over the next 12 years to 2020 the booming resources sector will continue to be a major driver of economic activity in Western Australia and will be a natural priority for the WA Government. However, tourism development also offers the State significant advantages and an economic hedge against reliance on the resources sector.

Tourism provides distinct advantages for Western Australia. Tourism not only generates economic activity, but is highly effective at delivering employment, export, regional, indigenous and sustainability policy outcomes.

Employment Outcomes

As a labour intensive industry, tourism is particularly effective at generating employment. In 2005-06 mining was the State’s leading industry, generating \$32.4 Billion in Gross Value Add (GVA) but only employing 54,600 Western Australians. Tourism by comparison is over nine times more effective in creating employment than mining. In 2005-6 tourism employed 43,300 people and generated \$3 Billion in GVA.

Employment by Industry - Western Australia 2005-06

Industry	GVA ¹ \$ Millions	Employment ²	Employment per \$Million of GVA
Tourism ³	3,005	43,300	14.4
Agriculture	4,107	54,600	13.3
Mining	32,416	50,100	1.6

¹ ABS 5220.0, Australian National Accounts: State Accounts 2006-07

² ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly (Avg for Aug, Nov, Feb, May 2005-06)

³ Access Economics, The Economic Contribution of Tourism to WA 2005-06 (Analysis of ABS 5249, Tourism satellite Account 2005-06)

Export Outcomes

In 2005-06 tourism generated \$20.5 Billion in international exports, which was 10.4% of total exports and second only to coal as an export earner⁴. International tourism exports to WA were \$2.2 Billion and interstate exports were \$1.5 Billion⁵. In WA, mining is a more significant export industry than the national average and tourism is less significant than the national average.

There is significant potential for WA to increase it’s market share of international and interstate visitors (and export earnings) through the current expansion of aviation capacity, low cost airlines and aviation demand.

Regional Economic and Employment Outcomes

Like mining and agriculture, tourism is a decentralised industry creating economic activity and employment in regional areas. Over 40% of tourism employment is outside Perth and surrounding areas.

Indigenous Enterprises and Employment Outcomes

Tourism is a proportionately high employer of indigenous people compared to other industries. This is due to the labour intensity of tourism, the high level of regional employment in the industry and importance of indigenous tourism enterprises that directly engage and present indigenous people.

Australia-wide TTF estimates tourism employs 6,610 indigenous people compared to the 2,490 indigenous people employed by mining and 3,620 by agriculture.⁶

Indigenous Employment by Industry - Australia 2006-07

Industry 2006-07	GVA ⁷ \$ Millions	Indigenous Employment ⁸	Per \$Million GVA
Tourism ⁹	32,306	6,610	0.2
Agriculture	22,346	3,620	0.16
Mining	74,808	2,490	0.03

⁴ ABS 5249, Tourism satellite Account 2005-06

⁵ Access Economics, The Economic Contribution of Tourism to WA 2005-06 (Analysis of ABS 5249, Tourism satellite Account 2005-06)

⁶ TTF Analysis of ABS4713 Population characteristics, Aboriginal and Torres Strait Islander Australians 2006 and Analysis of ABS 5249, Tourism Satellite Account 2006-07

⁷ ABS 5220.0, Australian National Accounts: State Accounts 2006-07

⁸ ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly (Avg for Aug, Nov, Feb, May 2005-06)

⁹ ABS 5249, Tourism Satellite Account 2006-07

Sustainability Outcomes

Unlike mining, tourism is largely a non-extractive industry with renewable factors of production. With effective planning and management, tourism can add value to the State’s urban and natural environment without depleting these resources. As such tourism is a highly sustainable industry.

Tourism can achieve positive social and environmental outcomes through education and cultural exchange. Tourism is also uniquely placed to generate and contribute economic activity from Western Australia’s environment and social assets such as National Parks and regional community facilities and culture. This is clearly demonstrated by the success of Tourism WA’s “The Real Thing” marketing campaign which leverages the State’s environmental and cultural values.

Role of Tourism in Western Australian Economic Development

While the resources boom will continue to provide significant tax receipts, the WA Government will clearly need to prioritise infrastructure and development expenditure to maximise policy outcomes.

Tourism is by no means more important to the State economy than mining, but does provide proportionately high employment, export, regional, social and environmental outcomes. This high return-on-investment should be considered in determining the WA Government’s economic development strategies, policies and expenditure.

The current global trend in tourism and aviation growth also provides the long-term opportunity to realise this economic development while providing a hedge against economic reliance on the resource sector.

Nor should the tourism and mining industries be seen as mutually exclusive. The tourism industry has benefited from the resources boom, as evidenced by high accommodation occupancy rates in Perth due to business travel. Equally, the tourism industry has facilitated the resources boom by providing the accommodation infrastructure and hospitality services needed to support business travel and labour mobility for the mining sector’s rapid expansion.

Economic development of the tourism industry facilitates and extracts value from the development of the resources sector. When prioritising the State’s infrastructure and development needs the additional return-on-investment provided by tourism should be evaluated - particularly in aviation, passenger transport and business infrastructure.

By facilitating tourism infrastructure and development, the WA Government can not only grow the leisure tourism market, but also accommodate the continued growth of business travel associated with the resources boom.

Tourism policy should focus on developing the infrastructure and product which allows continued leisure and business travel growth, such as extending the length of stay of business travellers by offering improved leisure tourism product. This development will improve rates of return on tourism property and facilitate private investment in new accommodation to meet the shortfall for business travellers.

Recommendation

TTF recommends that the WA Government continue to invest in tourism development to achieve economic, export, employment and sustainability outcomes, and to extract greater value from the resources sector, while providing an economic hedge against reliance on the resources sector.

2. The Future of WA Tourism

Changing demographics and preferences for travel will have a significant impact on the ability of Western Australia to increase tourism activity by 2020 and beyond.

Australians are travelling less and for shorter periods, spending less household income on tourism activities and preferring to travel overseas rather than within Australia¹⁰.

TTF recently initiated “Project X” – an examination of the challenges facing tourism development and innovation in Australia. Project X highlighted the fact that international arrivals for holiday purposes have remained stagnant over the past few years, despite world tourism growing considerably over the same period (see Appendix 1 for Project X Executive Summary).

Stagnant international arrivals have been accompanied by changing demographics and preferences amongst Australian travellers for greater diversification of tourism products within Australia.

¹⁰ Tourism Research Australia, Changing consumer Behaviour: Impact on the Australian domestic tourism market, p.1

The Australian population is ageing, and a quarter of the population expected to be over 65 years by 2050¹¹. This age group is expected to more than double in Western Australia by 2041 to 22% of the total population.

This demographic shift has resulted in tourism marketing and product development being predominantly targeted at Baby Boomers and couples with ‘double income and no kids’ (DINKS).

However, the economic value of the Baby Booms will decline. By 2020 it is predicted that ‘seniors’ will decrease to around 10% from 21% of all travellers, with Baby Boomers experiencing a similar decline from 24 to 20%. Total expenditure by Baby Boomers is expected to decline by 3.5% per year to \$8.1 Billion by 2020. This represents a decrease in their total share of tourism expenditure from 31% to 17%¹².

Additionally, the preferences of the Baby Boomers will change as they age; they are no longer simply attracted to the caravan and camping holidays that were popular in the 1970 and 1980s, tending now to opt for more indulgent rewards such as short weekends away and day spas, all made possible with the advent of low cost airline carriers¹³.

These travellers demand different holiday experiences, particularly holidays that allow them to immerse themselves in a destination and experience its shopping, restaurants, history, culture, parks and bushland¹⁴. Consequently, the preferences of WA’s visitors will markedly change and new products that appeal to visitors will be needed.

Generation X is one such market with a higher propensity to spend on tourism activities; apart from Baby Boomers they spend the most on tourism per capita, and stay a relatively high proportion of nights in hotels and resorts. A relatively high proportion of this demographic also undertake nature-based activities.

Yet the habit of travelling is not being created amongst younger consumers. The decline of the traditional family holiday has resulted in Generation Z (the generation born after 1991) being disinterested in Australian travel, with disposable income spent on consumer items instead.

¹¹ Tourism Research Australia, Through the looking glass: The future of domestic tourism in Australia, p8

¹² Tourism Research Australia, Through the looking glass: The future of domestic tourism in Australia, p20

¹³ Bernard Salt (2008) The Future of Tourism, presented at TTF Australia’s Outlook 08, 8 May 2008

¹⁴ 55th PATA Annual Conference, Baby Boomers – A Lucrative Market for the Pacific Asia Region accessed 22/05/2008 <http://www.roymorgan.com/resources/papers/babyboomers>

This is cause for concern given that by 2020, Generation Z is forecasted to account for a much larger share of the total travelling population, increasing to 23% compared to 2% in 2006¹⁵.

These demographic pressures, combined with the reduction in drive tourism, will reshape the tourism industry in Western Australia. According to recent figures, domestic overnight visitors increased their air transport usage by 3.5% on last year¹⁶, indicating that low cost carriers are continuing to change the nature of the domestic holiday.

The demand for new and exciting experiences will be critical in driving increased visitation to WA, particularly for younger Australians that have become disengaged with tourism and travel. Western Australia must actively engage in reinvigorating its tourism product, and investing in new products in order to achieve its growth targets by 2020.

3. Tourism Infrastructure and Product

Developing new tourism product relevant to a changing consumer market is both complex and expensive. To be successful transport infrastructure, accommodation infrastructure, product development and marketing must all be closely aligned. This alignment requires a long term strategy, cohesive planning and significant public and private investment.

Given the complexity and expense involved in delivering a cohesive approach to tourism development, it is critical that key destinations and product niches are identified and prioritised. The WA Government must ensure that tourism destinations with the most promise of delivering solid economic returns are given precedence and support through marketing and funding assistance, and that the effectiveness of this approach is not diluted to accommodate tourism development in the entire state.

The WA Government should not be afraid to pick winners – it will prove costly and ineffective to do otherwise. Not all communities wishing to further develop their tourism sector will be capable of meeting visitor expectations nor will this product compliment the core brand experiences Western Australia wishes to communicate to the market.

The WA Government will need to select experiences that will appeal to its core visitor markets, and build product and marketing hubs around these experiences to ensure

¹⁵ Tourism Research Australia, Through the looking glass: The future of domestic tourism in Australia, p21

¹⁶ Tourism Research Australia, National Visitors Survey, March Quarter, 2008

visitor needs are fully catered for. These hubs then have the potential to act as gateways for greater visitor dispersal throughout regional Western Australia.

This strategy will only be effective if access, product and marketing are aligned. Certainty of aviation access will be a key to ensuring the effectiveness of these hubs, as will accessible road and rail transport options linking the hubs to nearby visitor experiences.

3.1 Regional Destination Development

One of the greatest challenges to future tourism development in WA is that the State’s visitor destinations are geographically dispersed.

The case for centralising tourism infrastructure in regional geographic hubs is compelling. Domestic tourism will continue to play a less significant role in the growth of the industry as Australians take the opportunity to see the world. Visitor preferences for shorter, more experiential holidays, combined with increased transport cost pressures will have a negative impact on traditional drive tourism and increase the importance of accessible aviation solutions.

The geographic isolation of some of WA’s most renowned tourism attractions presents challenges which will require a continued focus on improving aviation entry not only to Perth, but also significant investment to maintain and improve regional aviation access.

The recently announced redevelopment of Perth Airport is a welcome step in the right direction for improving the visitor aviation experience.

WA’s thriving economy is driving significant demand for improved aviation access for business travellers. The announcement of new flights and routes by local and international carriers provides an opportunity to stabilize expectations and improve complimentary infrastructure for visitors.

To increase investor confidence in the market, ensure the delivery of new product, and build the capacity and success of international visitation, the WA Government must provide for the creation of regional tourism hubs.

The introduction of regional hubs will provide necessary focus for government for the development of destination plans, and provide direction for investment in tourism accommodation and attractions at these sites.

Vigorous selection criteria should be developed by Tourism Western Australia which recognises the comparative advantages of the State over its competitors. Site selection should be limited to no more than three areas of the State, in addition to Perth, for development as a tourism hub to ensure the proper provision of appropriate infrastructure, destination planning, marketing and access to cater for visitors.

Recommendation

TTF recommends Tourism Western Australia develop criteria and then select no more than four tourism hubs, including Perth, for tourism development. Further, TTF recommends 10 year review horizons of those hub areas to best ensure they provide destination advantages for visitors.

Clearly these three sites must be located in areas which will provide the greatest comparative advantage for WA – either through indigenous heritage significance or nature-based values. Consideration should also be given to the competitiveness of the WA wine tourism experience in this assessment also.

It is vital that the tourism hub concept is not diluted to the point it loses its effectiveness. There will naturally be winners and losers when the government selects only a few sites as designated tourism hubs, however, the overall health of the WA tourism industry will contribute to a strong State economy which can benefit all communities.

To give the selected hubs the best chance of success, the WA Government should introduce elevated planning mechanisms to promote tourism, including improved floor space ratios for accommodation development, streamlined state agency concurrences – like that employed in the Landbank programme – and precinct and spot zoning for tourism-only developments as needed. Significant tourism-related development in the hubs should be elevated above local planning mechanisms for direct consideration by the Planning Commission, in consultation with Tourism Western Australia.

Recommendation

TTF recommends that selected tourism hubs are prioritised for destination marketing, infrastructure, investment and development funding.

Recommendation

TTF recommends that Tourism Western Australia works with the Planning Commission to ensure planning and destination plans are implemented to support identified tourism hubs.

3.2 Product Development & Innovation

Product innovation will be critical to attract visitors to the State in the future. However, the State already has the foundations of quality tourism products that can deliver an exceptional visitor experience. Yet, tourism needs to maintain consistency and be reinvigorated with a mix of new and exciting product to entice visitors back to experience it again.

Research indicates that Australians generally feel there is a lack of activities and attractions available in Australia relative to overseas. Destinations overseas are perceived as offering a more diverse experience and better value for money than destinations in Australia¹⁷.

Nature-based and indigenous tourism offer Western Australia two key opportunities to revamp its product offering, bringing a differentiated experience to the market. Further, these comparative advantages will enable the WA tourism industry to tap into a low impact, high yield market segment.

In order to make these niche markets successful, there must be a greater focus on offering quality interactive experiences as opposed to simply activities at a destination. Infrastructure and consistent tourism marketing will be key support structures to make this possible.

Developing Nature-based tourism experiences

Western Australia is renowned for its natural environment and marine biodiversity, attracting 1.5 Million domestic nature-based tourism visitors in the year ending December 2007, an increase of 6% on last year’s figures¹⁸.

WA has the potential to make this niche a hallmark of its industry, particularly amongst the Generation X and Baby Boomer markets which have a greater propensity to participate in nature-based activities¹⁹.

Increased interstate competitiveness and changing consumer preferences mean significant innovation in nature-based tourism product is needed to maintain and grow this valuable tourism market segment. Western Australia can no longer simply promote

¹⁷ Tourism Research Australia, Through the looking glass: The future of domestic tourism in Australia, p20

¹⁸ Tourism Research Australia, National Visitors Survey, December 2007

¹⁹ Tourism Research Australia, Through the looking glass: The future of domestic tourism in Australia, p12

generic destination activities but rather must focus on key extraordinary experiences. Western Australia needs to pick winners in the form of destinations that promote the best of what its natural environment has to offer.

Such an example is Ningaloo Reef. Ningaloo Reef has the potential to offer a plethora of experiential tourism activities, yet this potential has not been harnessed to same affect as other hallmark reefs such as the Great Barrier Reef.

It is expected that by 2022-23, the cumulative tourism expenditure in the Great Barrier Reef Marine Park region will be valued at around \$62.2 Billion²⁰. There is nothing to suggest that Western Australia could not benefit from similar economic returns should the reef be developed in a sustainable manner.

However, the critical barriers to achieving such development are the lack of investment in visitor infrastructure, attractions, innovative accommodation and competitive experiences in, or adjacent to, the State’s Parks.

TTF commends the Western Australian Landbank initiative, which TTF considers to be best practise policy for nature-based tourism development. TTF encourages the continuation of this scheme past 2020, identifying new Crown land sites for ‘pre-approved’ tourism development.

Furthermore, TTF in its submission to WA Government’s the Review of Nature Based Tourism called for greater flexibility within existing ‘E’ class licences to provide equivalent rights as a lease, in return for major investment commitments in National Park tourism product and visitor experience development (See Appendix 2).

Recommendation

TTF recommends that nature-based tourism be the focus of future tourism development and strongly supports the continuation of the Landbank to facilitate this development.

²⁰ Great Barrier Reef Marine Park Authority, Assessment of tourism activity in the Great Barrier Reef Marine Park Region, November 2003, pV

Providing support for Indigenous Tourism

Indigenous tourism offers Western Australia a key tool in enhancing the depth of its product offering, and an alternative method for communicating the story of Western Australia and the history of its people.

The results of best practice can easily be seen through the incorporation of Maori cultural interpretation in New Zealand’s 100% Pure campaign. This campaign provides a foundation for incorporating the indigenous history of the country into modern-day tourism activities promoted to travellers.

Western Australia has the second highest rate of domestic travellers visiting aboriginal sites and communities, second only to the Northern Territory. For the year ending December 2007, Western Australia had 57,000 travellers visit an aboriginal site or community. Whilst the Northern Territory has almost triple the number of visitors who visit an aboriginal site or community (133,000 visitors), Western Australia has a higher yield generating 962,000 visitor nights compared to the Northern Territory’s 1.25 Million nights²¹.

Research suggests that indigenous culture does not motivate Australians to travel and does not provide a significant contrast their experiences of existing culture²². For this reason, it is vital that indigenous experiences are geared towards international visitors. However, managing the expectations of international visitors will prove crucial in sustaining the development of these experiences over the longer term.

Not all indigenous experiences - particularly in the early days of development - will mirror pre-conceived images and notions of the culture with international visitors. It will therefore be just as crucial to educate international visitors on what indigenous tourism experiences offer as it will be to develop the product itself.

Further to this point, a large majority of new indigenous and experiential entrepreneurs lack the ability to communicate and deliver the final product to visitors due to a lack of business know-how. Whilst these operators may have substantial knowledge of the significance of a site, they generally have no way of effectively bringing this to the market due to a lack of capital, promotional expertise or knowledge of target markets.

²¹ Tourism Research Australia, National Visitors Survey, December 2007

²² Tourism Research Australia, Changing consumer behaviour: Impact on the Australian domestic tourism market, p.23

Consequently often unsupported or incomplete products are taken to market prematurely.

More effective partnerships are required at a state level in order to ensure that interpretation experiences are market-ready. Mechanisms need to be developed to connect existing operators with indigenous entrepreneurs allowing the development of interpretation products to be fast-tracked to the market.

Greater support grants and programs including mentoring schemes, backed by the WA Government, must be available to provide these enterprises with the skills needed to ensure their businesses are viable in the future. Whilst the Indigenous Regional Development Program and the Indigenous Economic Support Scheme provide start-up business support, the application and grant process tends to be difficult for new businesses to navigate.

Simplification of the application process and greater access to business grants and training will improve the standards of indigenous experiences by providing mentoring with respect to promotion, visitor information, managing customer expectations, as well as management of sites in accordance with federal and local regulations.

Key outcomes for the greater development of interpretation experiences in WA by 2020 should include:

- Increasing the amount of indigenous and cultural interpretation activities in Western Australia by 2020;
- Increasing the grant approval rate of interpretation experiences as opposed to non-interpretation projects;
- Increasing the satisfaction of visitors participating in experiential products; and
- The increased participation of interpretational experiences in tourism trade missions and exhibitions that have global implications for the promotion of Western Australia.

Recommendation

TTF recommends greater support should be provided to indigenous tourism businesses through mentoring and partnerships with the private sector to ensure these tourism products are market ready.

3.3 Perth Destination & Product Development

As the major gateway to WA and its regional areas, the city of Perth has a critical role in introducing visitors to what the State has to offer.

In order for Perth to be considered an internationally competitive tourism destination, the city will need to provide the appropriate visitor infrastructure to support the tourism industry, and to supply suitable visitor attractions to offer an immersed visitor experience at the destination.

Visitor Infrastructure

Appropriate visitor infrastructure from accommodation to attractions, to amenities and park infrastructure all determine how successfully a destination is able to deliver tourism experiences.

The Perth accommodation market is exhibiting the strongest growth of any Australian city, with Perth ranked first in the recently released Hospitality Vision Global Performance Review table of global occupancy²³; above recognised destinations such as Dubai, Singapore and London.

Without new accommodation developments, capacity constraints will negatively impact upon future expected growth of business and leisure travellers.

Occupancy for the Perth region remains at historical highs of around 82.5% at year end December 2007. Revenue Per Available Room (RevPAR) grew 19.0% and the Average Room Rate (ARR) grew by around 14.5% over the same period²⁴. A number of accommodation projects are currently under construction which will increase supply by approximately 4.2%, with a further 4.3% increase in rooms proposed through additional developments to 2010²⁵.

Perth faces a shortage of tourism and business accommodation supply in the future without effective measures to encourage new hotel development. Tourism Western Australia itself forecasts a hotel room shortage of 1,000 rooms in Perth by 2011, without

²³ Deloitte, Hospitality Vision Global Performance Review, Spring 2008

²⁴ Australian Bureau of Statistics, Survey of Tourist Accommodation Small Area data, Released 15/01/2008

²⁵ Jones Lang LaSalle Hotels, Australian Hotel Development Register, April 2008

new hotel investment²⁶. Current record occupancy rates, and slowly rising room rates, will not necessarily trigger the investment needed to begin building proposed and new accommodation – reflecting the fact that without specific planning mechanisms to support hotel development, it is not considered the highest yielding or best use of CBD land compared with other uses.

TTF suggests that, if anticipated visitor figures for Perth occur, significant new accommodation supply will be required within the next decade. Without new supply, the city will simply not be able to support the projected business and leisure visitors.

A range of planning incentives are available to the WA Government to promote the construction of accommodation infrastructure – such as alterations of floor space ratio controls, and specific tourism precinct allocations within city zones – without oversupplying the market. TTF appreciates the need to maintain a strong city centre to enhance the visitor experience – and supports moves to proactively manage planning controls to encourage tourism precincts/clusters.

Recommendation

TTF recommends that Tourism Western Australia continue to monitor the Perth accommodation market and investigate measures to increase development of hotels in the CBD area.

Nationally, approximately \$86 Billion in tourism investment will be required over the period to 2016 for tourism accommodation and attractions - meaning it is essential that WA creates an environment to unlock the private investment needed to reach its share of this target²⁷.

The WA Government’s Landbank scheme offers a framework to provide a stable pipeline of tourism-only Crown land development sites within the Perth area. Consideration should be given to fast-tracking suitable Perth sites, such as The Old Treasury Building, for accommodation development through the Landbank scheme.

Recommendation

TTF recommends that immediate consideration be given to releasing CBD Crown land through the highly successful Landbank scheme.

²⁶ http://www.tourism.wa.gov.au/Investment_Opportunities/Landbank/Pages/Landbank_projects.aspx

²⁷ Australian Government, National Tourism Investment Strategy: Investing for Our Future, March 2006 p.

Hotel accommodation is also subject to a trifecta of State taxes which do not impact on other forms of development – land tax, payroll tax, and stamp duty. The impact of these taxes on investor appetite has a direct impact on new accommodation developments in the city. Additional consideration should be given to addressing tax matters which make accommodation development uncompetitive in comparison to other land uses.

Recommendation

TTF recommends that Tourism Western Australia investigate the impact of state taxation on private investment in tourism accommodation.

Visitor Experience

In addition to ensuring that adequate accommodation infrastructure is available to support the forecasted growth in visitor numbers to Perth, Tourism Western Australia must give consideration to developing the city as a destination of choice itself.

By ensuring that conditions exist to develop a vibrant and lively city, the energy of private entrepreneurs will drive this renaissance.

A reorientation of the city back to the waterfront provides the best opportunity to drive this shift. The urban redevelopment of the Perth waterfront provides an additional opportunity to provide space for tourism-only/accommodation development, and to breathe life back into the city for visitors. Serious consideration must be given to the provision of a tourism-only accommodation component in the development plans for this area.

Recommendation

TTF recommends that development plans for the Perth waterfront area include specific tourism accommodation allocations to promote hotel development in the area.

Additional measures can also be taken with respect to the visitor experience in the city, such as an examination of a full deregulation of retail trading hours and appropriate planning mechanisms to further promote tourism precincts in the city and Fremantle.

Specific tourism precinct trading hours for Perth and Fremantle are a compliance cost for small businesses and a confusing circumstance for visitors. In order for Perth to move towards becoming an international destination, its retail and night-life need to reflect this.

Perth will need to have similar trading hours to destinations such as Singapore and Dubai if it wishes to capture the greatest visitor spend.

Without a simplification of retail trading hours, TTF fears the city will not have the capacity to attract both local and international visitors to the city to make it the lively destination it wishes to be during the week and on the weekends.

Furthermore, the attraction of high-profile events, such as the Red Bull Air Show, illustrates the appeal of Perth to the international community and the ability of the city to host these major events. The over-regulation of business hours is not conducive to encouraging increased visitor spend in the city, nor does it offer the opportunity for an immersed tourism experience at the destination.

Recommendation

TTF recommends that the WA Government investigate the full deregulation of trading hours for the State; or alternatively implement full deregulation of trading hours in Perth, Fremantle and identified tourism hubs.

4. Tourism Marketing

A clear commitment of stable funding for Tourism Western Australia is important for encouraging future tourism development by 2020. Tourism funding is important for two key reasons; it ensures that Western Australia remains top of mind with travellers, as well as provides investors with an indication of the WA Government’s commitment to support their investment in tourism infrastructure and product development.

Stability of funding is needed for brand development to ensure that a consistent and compelling message is communicated to travellers. It will be important for tourism marketers to ensure that the brand message remains consistent with the product delivered, and at the same time anticipates and incorporates product innovation in order to increase interest in what the State has to offer.

A clear indication of the WA Government’s commitment to the industry will allow for greater forward thinking by investors, if they are assured that tourism marketing budgets will be sufficient to ensure their product will be promoted to visitors into the foreseeable future. This is particularly relevant for large-scale investment such as hotels and resorts, as well as National park infrastructure.

TTF commends the WA Government’s \$1 Million domestic tourism campaign aimed at increasing intrastate travel. This funding provides a clear indication that the WA Government recognises the importance of this type of travel to the State’s economy and is willing to invest in its future. Similar commitments to funding should be made for Western Australia’s international market, which inherently offers a different set of travel characteristics.

Western Australia has distinct key inbound markets, in particular the markets of the United Kingdom, Singapore, Malaysia and Germany. Western Australia’s share of these international markets is higher than the national average.

Stopover State / Region Country of residence	Visitors to WA	% Share of WA visitors	National Total	% Share of National visitors
United Kingdom	145,261	30.3%	558,551	15%
Singapore	46,648	9.7%	137,063	4%
New Zealand	32,988	6.9%	723,500	20%
Japan	31,991	6.7%	443,000	12%
Malaysia	27,312	5.7%	96,878	3%
Germany	23,177	4.8%	112,063	3%
USA	22,909	4.8%	258,443	7%
Indonesia	10,568	2.2%	42,991	1%
Canada	10,068	2.1%	80,273	2%
Thailand	8,903	1.9%	41,443	1%
Hong Kong	8,557	1.8%	88,181	2%
China	3,928	0.8%	200,631	5%
Korea	3,877	0.8%	175,180	5%
Taiwan	1,965	0.4%	68,287	2%
Total	478,791	100.0%	3,676,078	100%

Tourism Western Australia needs to be adequately funded to ensure that the State is able to maintain its share in these markets.

Furthermore, Western Australia’s proximity to Asian markets provides opportunities to capitalise on the expected growth of tourism in this region, in particular the growth markets of China and India.

In the past there has been an emphasis on increasing tourism funding simply for the sake of developing new tourism marketing campaigns. TTF suggests that whilst the marketing budget of Tourism Western Australia needs to be strengthened, it is more important that there is consistent funding, as opposed to unpredictable budget cuts when the industry has experienced either significant growth or is in a state of decline.

There needs to be a clear indication from the WA Government of a willingness to support the growth of the industry and this involves promoting the industry consistently to both domestic and international visitors.

Recommendation

TTF recommends that the WA Government provide certainty for private investors through consistent and predictable funding for tourism marketing.

5. Summary of TTF Recommendations

1. TTF recommends that the WA Government continue to invest in tourism development to achieve economic, export, employment and sustainability outcomes, and to extract greater value from the resources sector, while providing an economic hedge against reliance on the resources sector.
2. TTF recommends Tourism Western Australia develop criteria and then select no more than four tourism hubs, including Perth, for tourism development. Further, TTF recommends 10 year review horizons of those hub areas to best ensure they provide destination advantages for visitors.
3. TTF recommends that selected tourism hubs are prioritised for destination marketing, infrastructure, investment and development funding.
4. TTF recommends that Tourism Western Australia works with the Planning Commission to ensure planning and destination plans are implemented to support identified tourism hubs.
5. TTF recommends that nature-based tourism be the focus of future tourism development and strongly supports the continuation of the Landbank to facilitate this development.
6. TTF recommends greater support should be provided to indigenous tourism businesses through mentoring and partnerships with the private sector to ensure these tourism products are market ready.
7. TTF recommends that Tourism Western Australia continue to monitor the Perth accommodation market and investigate measures to increase development of hotels in the CBD area.
8. TTF recommends that immediate consideration be given to releasing CBD Crown land through the highly successful Landbank scheme.
9. TTF recommends that Tourism Western Australia investigate the impact of state taxation on private investment in tourism accommodation.

10. TTF recommends that development plans for the Perth waterfront area include specific tourism accommodation allocations to promote hotel development in the area.
11. TTF recommends that the WA Government investigate the full deregulation of trading hours for the State; or alternatively implement full deregulation of trading hours in Perth, Fremantle and identified tourism hubs.
12. TTF recommends that the WA Government provide certainty for private investors through consistent and predictable funding for tourism marketing.

APPENDIX 1: Project X

The initiative

Project X is a groundbreaking new initiative undertaken by the Tourism & Transport Forum (TTF) with the aim of establishing a strong competitive position for the Australian tourism industry over the next 10 years. The project frames TTF’s recent advocacy work around two major recommendations: a National Tourism Strategy – to help create an economically sustainable future for the industry – and a Brand Australia Council – to develop and market an Australian brand extending beyond just tourism.

The findings

Project X reveals tourism’s dirty little secret - that the state of the tourism industry isn’t as rosy as some of the ‘spin’ might lead us to believe. *Project X*’s analysis is based on research and facts, not emotions or opinions. It demonstrates that, while segments of the industry are performing strongly, in overall terms the industry is not. The report contains some sobering findings about the current state of the industry.

- While international arrivals in Australia have increased, they have not done so at the rate achieved by other destinations around the world - Australia has lost market share since 2000.
- Holiday visitors account for very little of the growth in international tourism in Australia. The number of first time holiday visitors (Australia’s main target for overseas marketing efforts) has remained relatively stable since 2000.
- In 2007, almost the same number of Australians went overseas as international visitors arrived in Australia.

	% growth p.a. 2000-2007
Global international tourism	4.01
Total Australian inbound visitors	1.90
International holiday visitors to Australia	0.35
First time holiday visitors to Australia	-0.39
Domestic overnight visitor trips	0.01
Australians holidaying overseas	6.60

The challenges

Project X identifies a number of challenges or impediments to growth that the industry must address:

Enabling

- **Leadership** – is required at all levels of the industry and must start at the top. The Government must set and dictate policy that enables the tourism industry to take on a leadership role. Meanwhile, the tourism industry must create and market products and services that give Australia a competitive advantage on the world stage – it must ‘pick winners’.
- **Integration** – Tourism policy must be fully integrated with other government programs and initiatives, in portfolios such as transport, planning, infrastructure, foreign affairs, employment, immigration, education and treasury.

- **Reliance on government** – The tourism industry is perceived as looking to government for ‘answers’ – often in the form of financial assistance. The industry must instead identify and prioritise why and where government should be involved.

Structural

- **Investment and infrastructure** – Investment in tourism is not an attractive proposition because tourism is rarely the best use of land. This inherent riskiness is an impediment to large scale, innovative investment.
- **Planning** – Planning regulations governing tourism projects are confusing and time consuming, particularly when the approvals process goes beyond the scope of more than one tier of government (federal, state or local).
- **Labour** – Labour and skills shortages are affecting the quality of service offered to visitors. The tourism industry must look at ways to improve staff retention and increase productivity.
- **Aviation** – International load factors on some routes into Australia have exceeded 80%, impacting on the availability and price of flights for international visitors.
- **Consumer engagement** – Australian tourism is not capturing the attention of international consumers. While repeat visitation to Australia is high, there has been no increase in first time holiday visitors since 2000.

Environmental

- **Environment and sustainability** – Consumers are increasingly aware of and responsive to the impact of climate change, a factor that may soon affect travel patterns. The tourism industry’s response to climate change must be integrated with wider environmental policy.
- **Demographics** – The Australian population, and therefore the domestic market tourism market, is ageing. Domestic tourism spend among the ‘55 and over’ age group has risen considerably - a trend that is mirrored internationally.

The way forward

It’s not all doom and gloom. These impediments to growth can be overcome. *Project X* proposes a number of initiatives that industry and government can jointly progress.

- **National Tourism Strategic Plan** – The tourism industry needs a national plan setting out a vision for the next 10 years and beyond, and including long and medium term objectives, measurements and targets. The plan must ‘pick winners’ by focusing on sectors and products that will give Australia a competitive advantage on the world stage.
- **A Brand Council** – Australia’s brand is bigger than just tourism – and it cannot be marketed by the tourism industry alone. A Brand Australia Council must be established to lead an integrated, whole-of-government approach to the global marketing of Australia.
- **Harnessing our natural advantages** – The tourism industry must play to its strengths by identifying and marketing Australia’s unique assets. The sustainable commercial development of nature-based and indigenous tourism experiences requires a close partnership between national and state parks, tourism agencies and operators and indigenous communities.

APPENDIX 2: Submission on the Review of Nature Based Tourism - Oct 2007

Introduction

TTF Australia strongly supports Tourism WA's *Keeping it Real – A Nature Based Tourism Strategy for Western Australia* and welcomes the *Review of Nature Based Tourism* as a major contribution to the policy development of nature based tourism (NBT) in Western Australia.

TTF Australia considers the Department of Environment and Conservation (DEC) as not only Western Australia's premier conservation agency, but as WA's largest tourism management operation and custodian of the State's most important tourism assets. Balancing tourism and conservation in protected areas is a complex task, but sound government policy can maximise the significant environmental, economic and social benefits of nature based tourism.

In July 2007, TTF Australia released the *Natural Tourism Partnerships Action Plan*. This *Action Plan* reviewed barriers to an improved partnership between protected area management, tourism agencies and private sector tourism investors and operators. TTF Australia's national *Action Plan* and the Western Australian *Review of Nature Based Tourism*, while undertaken independently, have developed complimentary recommendations.

A particular focus of the *Action Plan* is establishing policy settings to attract private sector and government investment in developing competitive, real and sustainable park visitor experiences and NBT product. Investment in NBT product can deliver significant economic returns to regional WA, increase funding for enhanced conservation and the profound and 'real' experiences that increase the communities understanding and passion for protected areas.

In common with park agencies in other states, DEC manages a significant number of small owner operators who are licenced to deliver park visitor experiences. These operators have a critical role to play in attracting international and domestic visitors to parks and the major economic contribution these visitors make to Western Australia. However, these operators typically lack the viability, resources and economies of scale to invest in NBT product development and marketing. This market failure is not unique to nature-based tourism, but poses a more complex policy task for government given the high levels of regulation properly needed to manage protected areas.

Different policy settings are needed to encourage larger investors who have greater start up capital, the ability to undertake long term investment in innovative tourism experiences, significant business expertise and with greater capacity to market and distribute new tourism product. These investors could be owner-operators or equity partners with a local operator (including indigenous or conservation NGO partners). Critical to attracting these investors is security of capital and certainty of risks and returns.

The *Review of Nature Based Tourism* recommendations go a long way to creating policy settings that promote sustainable investment, however TTF Australia proposes further recommendations to achieve this objective.

Part 1. Supported Recommendations

TTF Australia’s national *Natural Tourism Partnerships Action Plan* and the Western Australian *Review of Nature Based Tourism* propose complimentary policy principles and recommendations on many issues. With the exception of the issues identified in Part 2 below, TTF Australia strongly supports the following recommendations of the *Review of Nature Based Tourism*:

- Licence/Lease Tenure – ‘E’ Class Licences
- Licence/Lease Tenure – Leases
- Business Sustainability
- Licence/Lease Planning/Approval Process
- The Role of DEC as a Tourism Operator
- Accreditation
- DEC Communications – Tourism WA
- DEC Communications – Public
- Threshold Management
- New Sites - Landbank
- DEC Parks Pricing System
- Social Research
- Two Approaches within DEC

The *Review of Nature Based Tourism* is a considered package of supportive proposals and as such TTF Australia also supports the remaining recommendations.

TTF Recommends:

1. *That the recommendations of the Review of Nature Based Tourism be implemented in full and be enhanced with the additional recommendations by TTF Australia.*

Part 2. Additional Recommendations on Key Issues

Risk Management

Essentially the policy framework on licences and leases determines the attribution of risks between DEC and tourism operators and investors. These risks are primarily:

1. Impact on the environment.
2. Security and certainty of investment and return on investment.

Risk is essentially managed by DEC by balancing the rights of tourism operator/investor vis-à-vis government rights and control. The rights to be balanced are:

- Lawful authority to operate through a licence or lease.
- The nature of the operation defined by the terms of the licence or lease.
- Sharing of financial (and in-kind) returns through the terms of the licence or lease.
- Tenure certainty on right to operate and length of operation.
- Degree of exclusivity over a site or operational activity.
- Ability to on-sell with the transfer of the lease or licence.

TTF Australia advocates a ‘partnership’ approach, between protected area management agencies and tourism investors / operators, to share these risks and their financial, conservation and social returns.

Essentially, where environmental risk permits, DEC should provide greater rights to tourism investors/operators in return for greater investment in natural tourism product and visitor experiences. DEC should share a greater financial and/or in kind return for the sharing of these rights. These returns should in turn be used to manage the environmental risk. This approach focuses on using the agreed terms of a licence or lease to manage risk rather than the withholding of rights.

Fundamental to this partnership approach is the ability for DEC and tourism partners to determine licence or lease terms which share risk and returns on a case by case basis. This approach is only appropriate in the limited cases of major private sector investment that would need an ‘E’ class licence or lease.

Recommendations 7, 8, 12 and 14 and the various recommendations supporting accreditation in the *Review of Nature Based Tourism* give effect to this risk management partnership approach and are supported by TTF Australia.

However recommendations 10 and 18 in the *Review of Nature Based Tourism* prevent the operation of a risk sharing partnership by mandating an ‘across the board’ shift of risk from DEC to the tourism operator / investor by limiting licence rights vis-à-vis government in all ‘E’ class licences:

10) That all ‘E’ Class licences have a caveat applied that will allow DEC to rescind the licence in circumstances where it is deemed that the continued operation of that licence poses a threat, or threats, to the environment.

18) DEC maintains the right to not allow a transfer of an ‘E’ class licence

Without the right to continued operation or to on-sell the operation there is no certainty or security of investment. TTF Australia contends that a right for DEC to rescind a licence and the right to not allow a transfer (on-sell) of licence should not be mandatory terms of licences, but should only be applied as a licence term by DEC where warranted by environmental risk.

DEC should be able to provide tourism investors/operators with rights in a licence, in return for significant investment, where the environmental risks can be managed by the terms of the licence. This would be done on a case by case basis and the investment commitments by the applicant should form part of the terms of the licence.

This could be achieved through greater flexibility in ‘E’ Class licences or by establishing a new class of licence for this purpose. Such licences terms would be aimed at giving the same rights and certainty to a major investor as a lease. For the purpose of this submission, such a licence will be referred to as an ‘E+’ licence.

Naturally a lease is the appropriate vehicle to grant these rights where a tourism operation is investing in ‘hard’ structures and improvements on land. TTF Australia believes that DEC has developed an effective capability to manage environmental risk through creating and managing standards, auditing operations and performance managing operators against agreed KPIs.

This environmental risk management capability means that DEC does not need to be as dependent on using licences rather than leases as a risk management tool. DEC should now consider leases, rather than licences, in the first instance as the appropriate vehicle

to manage environmental risk while attracting major investment. A competitive tender for a lease should also provide a greater return to DEC than the granting of a licence which is subsequently converted to a lease under *Review Recommendation 11*. That said, Recommendation 11 provides another risk management tool for use by DEC where appropriate and is supported by TTF Australia.

The provision of leases with greater rights than licences creates a policy bias toward investment in accommodation, structures and improvements on land. Investment in staff training, equipment, health and safety, interpretation, product development, marketing and soft infrastructure also needs equivalent certainty and rights. If the nature of the tourism investment is not fixed to a land site, but is an investment in the visitor experience, then unfortunately a lease may not be appropriate and equivalent rights under an ‘E+’ class licence is essential.

TTF Recommends:

2. *Leases (rather than ‘E’ class licences) to be the primary vehicle used by DEC to provide lawful authority for tourism operations involving significant major investment.*
3. *Create a new class of ‘E+’ licence (or flexibility within existing ‘E’ class licences) which provide equivalent rights as a lease, in return for major investment commitments in park tourism product and visitor experience development. This form of ‘E+’ licence should be used where the granting of rights is a manageable environmental risk, but where a lease is not appropriate.*

Purpose of ‘E’ Class licences

Review Recommendations 6 to 11 do not address the purpose of ‘E’ class licences, although this is discussed within the body of the *Review of Nature Based Tourism* which states that:

“E” Class licences should:

- *Protect and enhance the visitor experience.*
- *Protect the environment.*
- *Drive product improvement.*
- *Protect government from exposure to compensation and liability (as happened in the taxi industry).*
- *Improve business security.*

TTF Australia supports these overall purposes but believes investment in visitor safety should be highlighted and a better balance between ‘government exposure’ and ‘business security’ stated.

For example ‘E’ class licences should be an appropriate vehicle for licencing ‘extreme’ adventure operations such as abseiling where a degree of exclusivity can be conferred on the operator in return for investment on staff training, medical and safety equipment, communications equipment and a significant marketing investment in international niche markets.

TTF Recommends:

4. *The purpose of an ‘E’ Class (or ‘E+’ class) licence should include: “Improve business security by providing greater certainty and rights for investment in visitor safety, environmentally sustainable operations and enhancing the visitor experience and tourism product improvement.”*

Tenure and Transferability

Longer tenure of operations is critical to security of investment and a competitive return on investment and hence *Review* Recommendations 6, 12 and 13 are strongly supported by TTF Australia.

An inability to change ownership by on-selling a tourism operation is a major barrier to investment in assets, equipment, staff, accreditation and marketing of park tourism experiences. Without the ability to on-sell there is no security for capital invested, nor any capacity to realise a capital gain. While a tourism operation and assets can be sold without the transfer of a license, they would lose considerable value in the sale process.

This fact either prevents the investment from occurring at all or means increased operating costs due to servicing a higher premium for unsecured finance. While for small owner operators a change in ownership results in a change of operational management, this is not true for NBT investment partners. Ownership in full or part should be distinguished from operational management.

To encourage investment, DEC should allow for owner certainty on the ability to transfer an ‘E’ Class licenses. Naturally the terms of the license should not change with ownership, as it is the operation which should be assessed, accredited and licensed.

TTF does not support *Review* Recommendation 18 as currently stated but alternatively recommends that investors be provided with greater certainty and security as to their

right to on-sell their investment with a transfer of ‘E’ class licences to a new owner. To enable DEC to manage risk any appropriate requirements as to the nature of the ‘operational management’ as opposed to investor/owner should be included in the terms of the licence as well as requirements as to the ‘operation’.

TTF Recommends

- 5. DEC may maintain the right to not allow a transfer of an ‘E’ class licence, provided that DEC will not ‘unreasonably refuse’ a transfer. Where a change of ownership (in part or in full) of the licence holder does not result in a change of operation or operational management, DEC should automatically transfer the licence.*

It should be remembered that should any licence holder (regardless of whether ownership changes at any time) fail to meet appropriate standards, DEC has the ability to manage this risk through *Review Recommendation 7*.

Matching Tourism Infrastructure Lease and License Terms

Major private sector investment in NBT tourism infrastructure (such as accommodation developments under the Landbank initiative) could occur outside protected area boundaries on leased sites in adjacent forests and other crown land.

While this ‘hard’ infrastructure may be outside the park, the tourism attraction which makes this major investment viable may require a license to operate within the park. To provide sufficient certainty and security for these major investments, a DEC license may be needed which matches the lease tenure granted on adjacent crown land. This may require the ability for DEC to grant an ‘E’ or ‘E+’ class licence with a term length which matches the amount of capital invested and the lease length.

For major tourism development on a leased site within a DEC park, TTF Australia’s understanding is that the terms of the lease would cover all relevant permissions needed for tourism activities within the park but outside the leased site. If this is not the case, then the ‘E’ or ‘E+’ class licence terms should also be used to match leases lengths within the park.

TTF Recommends

- 6. That DEC may grant licences exceeding 15 years, where appropriate to match the lease length granted by the crown.*

Accreditation

TTF Australia supports the requirement for licence holders to be accredited but is uncertain as to the standard of accreditation. For licences which are originally granted or renewed for a total period exceeding 5 years, TTF contends that DEC should require higher standards of accreditation to manage the environmental risk.

The acceptable accreditation schemes must have environmental sustainability criteria of a suitable standard, such as ECO Certification at the Ecotourism or Advanced Ecotourism level.

TTF Recommends:

7. *Only accreditation schemes with high standards of environmental criteria should be recognised for licences granted or renewed for a period exceeding 5 years.*

Funding Nature Based Tourism

It is critical that the development of NBT in Western Australia and the implementation of the *Review* is adequately resourced and TTF Australia strongly supports *Review* Recommendations 27 and 43.

The Landbank investment of \$380,000 p.a. for 3 years has already attracted significant new investment likely to be in excess of \$120 Million. To sustain these investment returns it is essential that Landbank funding continue and be increased as increasingly complex sites are assessed under the initiative.

TTF Australia’s *Natural Tourism Partnerships Action Plan* demonstrated the value and need of government funding to address major barriers to the development of nature based tourism. These barriers are:

- Inadequate park visitor infrastructure and maintenance of existing infrastructure, leading to capacity constraints on sustainable visitation and high start-up costs of power, water, sewerage and access for major investment.
- The need for investor certainty in the tourism marketing commitment by government.
- The need for funding product improvement by smaller licenced owner operators.

TTF Australia also believes Federal government funding contributions to nature based tourism are appropriate, particularly in: world heritage areas, destinations internationally marketed by Tourism Australia, regional development and the development of indigenous tourism experiences.

TTF Recommends:

8. *DEC and Tourism WA be adequately funded and resourced to implement all of the relevant recommendations of the Review of Nature Based Tourism.*
9. *That funding for the Landbank initiative be continued and increased to achieve the established targets.*
10. *Tourism WA receive program funding of \$2m over 3 years to provide grants for nature based tourism product development projects, including support for licenced park operators to achieve higher standards of accreditation.*
11. *Tourism WA receive additional funding of \$5.5 Million per annum for the next 4 years to continue the successful “The Real Thing” campaign, given the campaign’s strong alignment to nature-based tourism experiences.*
12. *DEC and Tourism WA establish a priority list of park visitor infrastructure projects. DEC to receive \$6 Million per annum for 4 years, in addition to the current capital works budget to deliver the priority infrastructure projects. DEC to seek funding contributions from the Federal Government and private investment through public-private natural tourism partnerships, to supplement the capital works budget.*
13. *DEC to receive additional annual budget funding, equal to 20% of their capital infrastructure value for maintenance and depreciation of the capital infrastructure.*

Part 3. Summary of TTF Australia Recommendations

1. *That the recommendations of the Review of Nature Based Tourism be implemented in full and be enhanced with the following additional recommendations by TTF Australia.*
2. *Leases (rather than ‘E’ class licences) to be the primary vehicle used by DEC to provide lawful authority for tourism operations involving significant major investment.*
3. *Create a new class of ‘E+’ licence (or flexibility within existing ‘E’ class licences) which provide equivalent rights as a lease, in return for major investment commitments in park tourism product and visitor experience development. This form of E+ licence should be used where the granting of rights is a manageable environmental risk, but where a lease is not appropriate.*
4. *The purpose of an ‘E’ Class (or ‘E+’ class) licence should include: “Improve business security by providing greater certainty and rights for investment in visitor safety, environmentally sustainable operations and enhancing the visitor experience and tourism product improvement.”*
5. *DEC may maintain the right to not allow a transfer of an ‘E’ class licence, provided that DEC will not ‘unreasonably refuse’ a transfer. Where a change of ownership (in part or in full) of the licence holder does not result in a change of operation or operational management, DEC policy should be to automatically transfer the licence.*
6. *That DEC may grant licences exceeding 15 years, where appropriate to match the lease length granted by the crown.*
7. *Only accreditation schemes with high standards of environmental criteria should be recognised for licences granted or renewed for a period exceeding 5 years.*
8. *DEC and Tourism WA be adequately funded and resourced to implement all of the relevant recommendations of the Review of Nature Based Tourism.*
9. *That funding for the Landbank initiative be continued and increased to achieve the established targets.*
10. *Tourism WA receive program funding of \$2m over 3 years to provide grants for nature based tourism product development projects, including support for licenced park operators to achieve higher standards of accreditation.*
11. *Tourism WA receive additional funding of \$5.5 Million per annum for the next 4 years to continue the successful “The Real Thing” campaign, given the campaign’s strong alignment to nature-based tourism experiences.*
12. *DEC and Tourism WA establish a priority list of park visitor infrastructure projects. DEC to receive \$6 Million per annum for 4 years, in addition to the current capital works budget to deliver the priority infrastructure projects. DEC to seek funding contributions from the Federal Government and private investment through public-private natural tourism partnerships, to supplement the capital works budget.*
13. *DEC to receive additional annual budget funding, equal to 20% of their capital infrastructure value for maintenance and depreciation of the capital infrastructure.*



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