



QUEENSLAND  
TOURISM INDUSTRY  
COUNCIL

*The Voice of Tourism*

**SUBMISSION TO THE AUSTRALIAN TRADE AND INVESTMENT  
COMMISSION  
ON  
BEYOND TOURISM 2020  
7 MARCH 2019**

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## OVERVIEW

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The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to respond to the Trade and Investment Commission regarding the *Beyond Tourism 2020* document. Overall, the paper presented by the TIC is incredibly underwhelming, fails to address critical issues and opportunities faced by industry and lacks the aspirational goals required to galvanise an industry for success over the next ten years.

For one of the most significant industries in Australia, and given the iconic natural and built assets that destinations around Australia welcome, the approach to *Beyond Tourism 2020* fails to offer the insight and environment to create a sustainable and competitive Australia.

Global issues raised from high visitation destinations should serve as a point of reference. A focus on increasing visitor numbers has a negative impact on social amenity and the natural environment. Priority should be given to sustainable growth, high yielding visitation and creating a positive environment that not only benefits the economy but also the environment and communities.

## QUEENSLAND TOURISM INDUSTRY COUNCIL

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QTIC is the state peak body for tourism in Queensland. QTIC is an independent private sector, membership-based tourism industry organisation.

All of Queensland's 13 Regional Tourism Organisations (RTOs) are members of QTIC, as are 20 industry sector associations and in excess of 3,000 regional members, operating in all sectors of the tourism industry.

QTIC works in partnership with government agencies and industry bodies at a local, state and national level and is a member of the Australian Tourism Industry Council (ATIC).

## RESPONSE TO CONSULTATION QUESTIONS

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### **Future trends: What do you see as the future trends which will shape and change the industry over the next 10 years?**

A number of the key trends influencing global tourism networks were not acknowledged nor addressed within the *Beyond Tourism 2020 Plan*. Given extensive consultations with industry and members over the past three years, QTIC identifies the following as additional key trends which are, and will continue to shape and change the tourism industry over the next ten years:

**Climate change** - For the second year, the World Economic Forum has identified Climate Change related risks as some of the most likely and most impactful risks to impact businesses. For the first time, extreme weather events, failure of climate-change mitigation and adaptation and natural disasters are all rated as major risks. Insurance companies are warning customers about the implications of not considering climate risk in their operations. Zurich Insurance's chief underwriting officer was quoted recently in the Australian Financial Review, "*Australian businesses should be building climate-change resilience and adaptation strategies into their broader business plans. These plans need to be real and tangible, not treated as some 'horizon three' or 'black swan' conceptual event*". As we see an increase in the severity of events such as extreme heat, intense rainfall, droughts, tropical cyclones and bushfires, we must consider how the tourism industry can adapt to changing conditions, reduce its impact on the environment and prepare for extreme events.

Queensland is leading the way in response to changing climatic conditions with sectoral plans launched in 2018. QTIC, in partnership with Griffith's Institute for Tourism launched the *Building a resilient tourism industry: Queensland tourism change response plan* in April 2018 and have been partnering with Government and industry to implement action items since this time.

The lack of mention of the biggest risk affecting our country and industry is regrettable. As Australia faces more frequent and intense weather events, fires, heat waves, floods and cyclones have all hit the country, a coordinated response is required. Supporting the industry to respond and prepare is an integral step and whilst industry is already engaged, acknowledgement and leadership from the top will assist in driving change and strengthen businesses and destinations to build readiness and resilience.

**Technology** - New business models, enabled by technology innovations, will continue to create new ways of doing business. The Australian Chamber of Commerce and Industry commissioned research into the "future of work" in Australia to uncover how Australians work now and in the future. They state: "*We are competing for business and work opportunities in a global marketplace. Australian businesses and those who work in and for them are already competing for opportunities in a global marketplace and in a global labour market. This competition is expected to broaden and intensify as the take up of technology and internet usage expands across the globe.*"

Micro-influences will continue to shape the technological advances of the tourism industry and the workforce that is needed to service future visitors. As we come into a new industrial age, "*Industry 4.0 will be of significant benefit to those companies that fully understand what it means for how they do business. Change of this nature will transcend a company's boundaries, as well as the national boundaries of the countries where an organisation does business.*"

The age of Industry 4.0 has now dawned, an era characterised as distinctly different from the previous three. Technology will have a profound influence on the way of life and will impact on jobs and how customers travel. Augmented and virtual reality, artificial intelligence, blockchain, robotics and big data will drive industry growth and development and these technologies will be powered by cyber-physical systems, the Internet of Things (IoT) and networks. For the eras

Industry 1.0 to 3.0, it took approximately 100 years for each shift to the next era. However, the time it took to move from Industry 3.0 to 4.0 is less than half that time. Thus, the pace of change is accelerating.

Technology will continue to play a major role in the tourism industry, through the way that products and experiences are designed, distributed and delivered, to the implementation of technology to address complex issues that industry is facing such as workforce shortages and climate change. With the consideration of the impact of technology on industry, strategies must be developed around managing the workforce, ensuring a balance of human interaction and also the technical skills that are associated with implementation and maintenance of technology. The ability to communicate effectively with software and hardware developers will become a critical skill that to date has not been considered. The supporting skills of the tourism workforce will also require a shift as Industry 4.0 reshapes the tourism landscape.

A lack of consideration to the evolution and application of digital technologies within the tourism industry (beyond the basics) may damage workforce models, training opportunities and the competitiveness of Australia. Whilst the plan acknowledges the need to educate and invest, we are already at this stage. Industry is advocating for "all-rounders" rather than tech gurus – employees that can effectively manage technology but who also fit seamlessly across other areas of employment. There is the opportunity through this strategy to create goals and actions that will position Australia as a global leader. The current consideration of technology fails to create an aspirational position, rather keeping business as usual as the focus.

**Evolving business models** – Business models are being disrupted by new challenges in the market and are shifting to meet changing consumer needs. The introduction of the share economy has created a new wave of consumers who are unwilling to wait and are seeking affordable solutions to their travel needs.

Businesses must remain agile and response to change. There is little within this plan supporting business development needs. A Quality Tourism Framework is required to ensure that businesses are able to embed resilience into their operations, remain agile to change and are open to new models as industry evolves.

Within this report there is no consideration to the fact that business as usual is changing and we no longer operate, or consume, in the way that we did ten years ago.

**Regional dispersal: Given that growth in tourism beyond 2020 will mainly come from inbound visitors, particularly those from the Asian region, how can we achieve greater dispersal into our regions for longer periods of time? Should there be specific targets set for international visitation to regional Australia?**

Until regional dispersion and connectivity is improved, targets for regional visitation have little relevance. Inadequate supporting infrastructure and lack of tourism attractions within regions could undermine the competitiveness of the country. There are still significant parts of the country that are not easily reached and are lacking adequate infrastructure to support the movement of tourists and the provision of experiences that meet consumer needs. Priorities under this heading should reflect the need to work to improve capacity at second tier airports, ensure supporting infrastructure that creates positive experiences (e.g. public amenities and roadways) and creating a connected experience from airport to region.

Regional capacity to manage diverse cultural expectations from various international visitors also needs to be addressed. Skill and knowledge development should be a priority to support high yielding international visitor growth.

### **Data: What role do you see data analytics and segmentation playing now and into the future?**

Current data provided, particularly regarding regional areas, fails to provide a reliable indication of the actual visitation. Integration of big data, from multiple sources, combined with opportunities for broadening the scope of the IVS and NVS collection methods would be of benefit to industry and investors. The lack of quality data currently available for regional needs creates difficulties for businesses, investors and marketing organisations.

Furthermore, it is not just access to data that is important. Skilled employees who are able to interpret data effectively and translate findings into business action are essential.

Collaboration with the world-leading, higher education institutions to drive a quality research agenda that has impact would also support the sustainable growth of industry.

### **Technology: What technological advances do you think will shape the sector over the next 10 years? What legislative and regulatory amendments are needed to better facilitate the adoption of new technology to meet the diverse needs of the future traveller?**

The inclusion of more advanced technology throughout the customer journey will become the norm over the next ten years. It is likely we will see the integration of virtual reality through the 'dreaming' and decision-making stage, augmented reality as part of the on-site experience, the use of big data to analyse reactions to experience and to establish satisfaction post experience.

In order to effectively utilise technology, significant investment will be required into the vocational education system to ensure the update of training packages to include more complex technological application, rather than rudimentary offerings. Training will need to be offered to operators and more complex skills taught through the school, vocational and higher education systems to facilitate the adoption of technology as business as usual.

The rapid evolution of technology requires on-going evolution of training to ensure that expectations of the consumer are met.

### **Indigenous tourism: How can industry and Australian and state and territory governments better coordinate and support the development and continuation of Indigenous tourism businesses, experiences and offerings on a national basis?**

A stronger, integrated approach to the coordinated development of Indigenous tourism where government agencies work with industry and marketing bodies is needed to provide insight and support businesses. Best practice examples of Indigenous tourism globally should also be drawn on to guide development in a manner that creates sustainable growth of the sector.

The focus of Indigenous tourism should not only be in the form of Indigenous businesses, but also the integration of Indigenous employees across tourism businesses and the empowerment of these employees to share their story. There is incredible value in integration across businesses both from a reconciliation perspective and also in creating opportunities to share knowledge with visitors.

## **Infrastructure/seasonality: What kind of tourism infrastructure investment should be prioritised to encourage all-year-round visitation to Australian tourism icons affected by seasonality?**

Priority infrastructure investment should be in supporting services and iconic attractions that will encourage high yielding visitation – demand driving infrastructure. All infrastructure investment should have measures for climate resilience embedded in development. New developments should also minimise impact on the natural environment.

Attractions that can diversify experiences, that champion local heritage and culture and that showcase the unique amenities of Australia should be considered as priorities.

Key stakeholders including regional tourism organisations, state and local governments should be consulted with to ensure that priorities identified reflect industry needs.

## **Employment: How can the tourism industry improve career perceptions and create career pathways to attract new workers into the industry?**

One of the issues associated with the promotion of tourism as a long-term career is the media portrayal of the industry regarding wage theft and the exploitation of workers. These negative associations with the industry can overshadow the promotion of positive images about the industry.

Awareness is a fundamental part of maximising economic activities and in ensuring that skills shortages are reduced. QTIC continues to advocate for tourism and hospitality to be marketed as an industry that offers significant career opportunities. Programs such as the Queensland Government's Department of Innovation and Tourism Industry Development's *Young Tourism Leaders*, the *QTIC Young Professional Mentors program* and the *Salute to Excellence Awards* come some way in highlighting the opportunities that tourism creates. However, more can be done at a national level to promote the opportunities of the industry and to reduce the gaps in the industry.

The ability to showcase the exciting and diverse career opportunities within the industry, remains a core focus for QTIC. The revised *Tourism and Hospitality Careers Guide* highlights opportunities not typically associated with the industry and provides insight into the diverse roles available across the industry. A unified approach is required nation wide to ensure that a consistent message is provided.

Industry notes that the current Australian labour supply is not going to fill the shortages. For some labour pools, particularly from the lower socioeconomic population, there are additional barriers for engagement. Other opportunities for school-based traineeships and mature aged worker programs should be prioritised. Consideration needs to be given to the training of potential employees entering the industry. Training programs must continue to evolve to meet the changing needs of industry, for example with a greater focus on problem solving and the application of technology to solve problems. Courses also need to remain practical and relevant to learners, providing them with the hard and power (soft) skills required to be effective when they join the workforce.

## **Aviation: What are the missing links in Australia's aviation network, including 'secondary' international hubs and domestic regional locations?**

Connectivity is a vital part of the tourism industry and impacts the competitiveness of a destination and propensity to travel. As regional economies diversify, offering safe ways of reaching regional destinations is imperative to the successful diversification of economies. Metropolitan transportation strategies are integral to ensure the unlocking infrastructure bottlenecks and to

modernise the nation's economic infrastructure. In the development of the metropolitan transportation strategies, prioritisation of needs is given to increases in the population and the implications of growth for productivity. Metropolitan strategies need to be integrated with broader regional plans to ensure seamless connectivity. This must include the integration of transportation including air, train, private transport and roads to provide accessibility across regional and rural Australia and encourage visitation to these regions.

### **Any other comments**

**Addressing capacity constraints** – As visitor number forecasts indicate growth of tourism at a rate faster than the broader economy, the issue of capacity constraints must be addressed. In order to support the increase of tourists visiting Australia, the strategy states that there needs to be further investment in hotels. However, a threat to the profitability of these investments is the increasing trend of alternative models. The peer-to-peer platform has become a key driver in the tourism industry, contributing \$1.6 billion to Australian GDP in 2015-2016 and supporting over 14 000 jobs<sup>1</sup>. Given the acceleration of the peer-to-peer economy, consideration needs to be given to its role in addressing capacity constraints. A clear policy framework also needs to be introduced to ensure parity across the industry.

**Tourism and the Sustainable Development Goals (SDGs)** - The United Nations World Tourism Organisation continues to emphasise the role that tourism has a vital industry for the contributor to jobs, wealth creation, environmental protection, cultural preservation and poverty alleviation, yet this short-sighted plan fails to create the aspirational platform required to promote tourism as an industry that addresses these pillars. Tourism's ability to achieve the 17 SDGs can be strengthened when sustainable development becomes a shared responsibility. By failing to address a number of the core social and environmental development issues within this document there are a number of missed opportunities. As a signatory to the SDGs, all plans, strategies and policies should be positioned to work towards the desired outcomes of these global goals. Consideration of the *Tourism and the Sustainable Development Goals – Journey to 2030* publication should be considered to align goals to support the international agenda.

**Over tourism** - With such a strong focus on visitor numbers over yield and quality this plan does not address the needs of an evolving industry. Commentary around over-tourism globally should stand as a warning. If Australia continues as is, chasing high visitor numbers, stressors will be identified across communities and the environment. To safeguard our natural environment and the sentiment of the community we need to ensure our commitment is to quality over quantity.

**Quality tourism** To support a quality focus a genuine national commitment is required to an industry-driven program. Australia's tourism businesses need support to not only grow, but also develop their tourism skills, business capabilities, service quality and digital expertise in order to meet evolving demand. The national Quality Tourism Framework (QTF) combines industry development, accreditation and awards programs to a single capacity building program for tourism businesses. The QTF provides a tailored pathway for each business, from start-up through to niche products and international markets. Support of the QTF is support to a system that strengthens tourism businesses, provides capacity building across their business development and management practices, and supports a focus on quality driving competitiveness across the country.

This document marks a defining point, Australia **must** take a leadership role in **forward-looking** tourism development.

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<sup>1</sup> Deloitte. Access Economics. Economic effects of Airbnb in Australia. 2017.