RESPONSE TO
REIMAGINING THE VISITOR ECONOMY DISCUSSION PAPER

JUNE 2021

CONTENTS

QTIC OVERVIEW

The [Queensland Tourism Industry Council](#) (QTIC)[1] is a not-for-profit, private sector, membership-based organisation representing the interests of Queensland's tourism and hospitality industry. QTIC works in partnership with government agencies and industry bodies at a local, state, and national level to strengthen the voice of tourism in all relevant policy forums. With membership comprising of more than 1,000 tourism businesses across the state, alongside 13 Regional Tourism Organisation (RTOs) representing more than 3,000 regional businesses and 18 industry sector associations.

Our efforts are aimed squarely at helping the tourism industry to drive sustainable business and product development, stimulate business attraction and investment, develop workforce skills, and support tourism jobs and business. In 2019, tourism in Queensland was a $27.3 billion industry that sustains 237,000 Queensland jobs across 55,000 entities. [2]

The challenges faced by the tourism sector over the past 18 months, ranging from natural disasters, COVID-19, and associated international and national border closures have been complex. They have overshadowed some of the longer-standing issues experienced by the tourism industry. As the world emerges from COVID-19 restrictions and Australia looks to re-build its economy, these challenges need to be addressed swiftly and effectively to enable growth in a sector that is the fourth largest exporting industry in Australia, accounting for 8.2% of Australia's export earnings in 2018/19.[3]

QTIC aims to provide an independent conduit to bring key stakeholders (consumers, the tourism industry, and government) together to clearly identify existing challenges and provide recommendations for consideration.

QTIC is a member of the Australian Tourism Industry Council (ATIC) and works collaboratively with its state and territory partner organisations.

SUBMISSION NOTE

As a member of ATIC, QTIC is in full support of the ATIC response to the *Reimagining the Visitor Economy* discussion paper. Where indicated, some items within the QTIC submission are taken verbatim from the ATIC response.

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[1] https://www.qtic.com.au/
[2] https://www.qtic.com.au/about/
[3] https://www.tourism.australia.com/en/markets-and-stats/tourism-statistics.html

RESPONSES TO DISCUSSION POINTS

INDUSTRY-LED, GOVERNMENT ENABLED RECOVERY

COVID19 has unleashed the most universal disruption ever on our industry and possibly the entire national and global economy. Just as other technological or economic disruptions have done before, the current scenario not only creates challenges, it also creates a significant opportunity to re-set, re-focus and re-energise tourism in Australia. The well-controlled health situation domestically has given us a relatively stable basis to plan and implement not only the recovery phase for tourism but also work towards the longer-term aspirations of the industry. To reiterate the ATIC submission to this discussion paper:

> *"To grow and be competitive as a destination in the COVID-world, Australia must invest in quality visitor infrastructure and experiences. Australia must also retain high tourism yields based on the higher costs of transport, accommodation, distances travelled, local wages and cost of doing business. Pre-pandemic, Tourism Research Australia (TRA) identified that Australia was the highest-yielding (per international pax) destination globally…*

> *…As TRA reported in late 2020, the "Australian tourism industry had (previously) reached a high point in 2019, with total spend by domestic tourists and international visitors of $152 billion. It marked a 10th successive year of expenditure growth".*

We also commend the report prepared for and endorsed by the 2021 *G20 Tourism Ministers Meeting: G20 Rome Guidelines for the Future of Tourism*[4] to the review panel for this discussion paper. The Rome Communique issued by the G20 Ministers, including current Minister for Trade, Tourism, and Investment Dan Tehan, states that "the crisis presents an opportunity to rethink tourism for the future". The statement goes on to say that the Report is consistent with the G20 priorities of 'People, Planet, Prosperity', with a commitment to actions in seven key policy areas:

1. **Safe mobility:** Developing confidence in safe international mobility, enabling us to support, complement and coordinate with safe international mobility initiatives.
2. **Crisis management:** Minimising the impact of future crises affecting tourism.
3. **Resilience:** Securing a robust and stable tourism sector in uncertain times.
4. **Inclusiveness:** Widening community engagement and benefits from tourism.
5. **Green transformation:** Managing tourism to sustain global and local environments.
6. **Digital transition:** Enabling all tourism stakeholders to benefit fully from digital opportunities.
7. **Investment and infrastructure:** Focusing resources on a sustainable future for tourism.

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[4] https://www.g20.org/wp-content/uploads/2021/05/Communique_final.pdf

The G20 Report provides a considered structure and extensive reference points that are relevant for our national priorities, both for governments and for industry. We recommend that, wherever appropriate, alignment of priorities would strengthen the recommendations of this plan.

We also recommend that state-based recovery plans and investments should be considered in relation to tourism. There may well be opportunities to align and leverage effort and investment for greater impact. The industry would be highly supportive of a collaborative and coordinated approach to the challenges ahead.

As per ATIC:

> "…some of our most important national destinations, particularly in regional parts of the country, remain under pressure, from past and existing visitor demand, but principally due to a lack of long-term investment by State and Federal Governments. Australia needs to continue to identify and invest in the next generation of demand driving visitor infrastructure across the country and encouraging further strategic investment in our industry. The Australian Government needs to continue to show leadership in supporting projects that have been identified by the tourism industry as critically important in developing key destinations across the country, along with direct investment in projects with far-reaching economic and tourism outcomes.

> This could be achieved through an ongoing Tourism Demand Driving Infrastructure Fund being directed to medium to large scale public visitor infrastructure projects with destination-wide benefit, rather than grants to individual proponents…

> …Supply side investment and industry support should become a key pillar of the next long-term tourism plan."

CAPTURING THE DOMESTIC TRAVEL OPPORTUNITY

The ATIC submission offers a valuable summary of ways to capture new domestic travel opportunities and encourage innovation in the tourism sector:

"Domestic visitation makes up the bulk of the Australian tourism market, especially in regional parts of the country. This will remain very-much the case in the future COVID-economy. The next long-term tourism strategy needs to ensure Australian visitor destinations remain competitive with our primary visitor market – Australians. The Australian Government can continue to play a more proactive role in leading and pursuing collaboration among State and Territory destination marketing organisations, and industry sector bodies, through national campaigns, reminding Australians of the value of holidaying at home…

Out of the bushfire crisis of late 2019/early 2020 and the COVID-19 pandemic, Tourism Australia (TA) was empowered to again work across the country on strategic marketing activities designed to better align the resources of the nation in domestic marketing activities and directly promote domestic travel. TA should retain its role in national domestic campaigns moving forward (currently 'Holiday Here This Year') and this needs to be captured by the next long-term strategy. Further to this, TA should include the promotion of specific domestic activities on a national basis in its corporate plan. Examples would include interstate self-drive touring, signature experiences for domestic audiences, Indigenous tourism initiatives and quality tourism…

… The minority of tourism businesses and regions experiencing 'recovery' are typically intrastate, self-drive destinations in close proximity to 'source' population centres. Or they are businesses able to adjust operations in this new market. This however has generally equated to a low-yield recovery. The patchwork of recovery needs to be recognised in the early phases of the next long-term national tourism plan…

…The relative strength of our capital cities in Australia's visitor economy can also not be dismissed in the next long-term strategy."

DIVERSIFYING OUR INTERNATIONAL CUSTOMER BASE

ATIC suggests that any strategic plan should:

> "…ensure our Airports in the COVID-economy remain competitive in attracting, supporting and sustaining new aviation services, including from international markets. This today includes both capital city and regional gateways. Australian Government assistance will be needed to incentivise this as our borders will only gradually re-open over time. Initiatives like the Regional Aviation Access Programme (RAAP) and Tourism Australia's previous Aviation Attraction Fund can help facilitate aviation market re-entry and new market opportunities over time when the time is right."

The aviation sector in Australia, including airlines and airports, represent *essential* infrastructure not just for tourism but for the entire community. An efficient, comprehensive, and competitive market for air services to both capital and regional destinations must be a high priority for both government and industry. A strategic and collaborative approach between service providers, the broader industry, regulators and other government agencies must be encouraged and appropriately supported. This is to support both international and domestic market growth.

LABOUR, SKILLS AND WORKFORCE

The lack of a sufficient workforce is causing numerous challenges and impacting the economic recovery of the sector in all destinations. Prior to the COVID-19 pandemic, temporary migrants were a major source of labour and greatly contributed to the economic stability of the sector. Without access to that labour pool, as well as skilled migration, the recovery, let alone the growth of the industry is under acute threat. ATIC indicates:

> "Despite COVID-business recovery across numerous parts of the Australian economy, the nation's economic rebound is still not reaching many tourism enterprises and has re-opened the serious legacy issues of labour resourcing and workforce skill shortages.

> …Outside of Australia's borders, our labour force resource and skills shortage, is the biggest pressure point on Australia's tourism and visitor economy. Australian tourism and hospitality continue to suffer from acute labour shortage (casual through to full-time employees). Whilst a key element of Tourism2020, the issue has not been resolved and today impacts capital city, adjacent regions and wider regional and rural visitation markets. The effective cessation of the Working Holiday Maker Program and few remaining international students in-country, has had an immediate impact on meeting seasonal labour force requirements. This traditional high flow of WHM visitors/workforce will not return in the immediate future, however WHMs are a priority longer-term visitor cohort when borders do re-open…

> …ATIC strongly backs key findings from the Federal Joint Standing Committee on Migration's Inquiry Final Report into the Working Holiday Maker Program (November 2020) as a benchmark for reform of this critical international visitor and seasonal workforce cohort. Its findings need to be considered by a future national tourism strategy and be implemented by the Federal Government. Future reform should also include a review of future WHM caps from key source markets, as well as reinvigoration of a domestic gap year concept/initiative for graduating Australian secondary and tertiary students, to be encouraged to work and travel around Australia. This proposal featured in the draft Standing Committee Report and current federal policy responses have not compensated."

QTIC has a long-standing engagement and lead role with workforce and skills program in Queensland. A number of currently state-based industry programs that have been supported by the Queensland government could easily be expanded nationally and scaled-up in a cost-effective way. The impetus for some of the program stems from a Queensland Workforce Plan[5] that was developed two years ago with 13 regional action plans. Some of the lessons and priorities have relevance for regions and destinations across Australia.

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[5] https://jobsqueensland.qld.gov.au/wp-content/uploads/2017/07/tourism_workforce_plan.pdf

The following recommendations are made:

1. The federal government continue to provide and subsidise labour market programs in those areas that face significant workforce challenges.

2. Activation of mature-aged workers and grey nomads via a sustained coordination and engagement program.

3. Government to work with industry (nationally but with a place-based focus) to identify innovative approaches to labour market needs. The *Queensland Tourism Workforce Plan*[6] and 13 regional plans were developed by Jobs Queensland in collaboration with QTIC and industry and provides a relevant framework.

4. Government-led pilots programs for migration, including skilled workers, working holidaymaker, and other temporary work visas – above the current cap.

5. Government-led pilots to support states in the return of international students – again, above the current cap.

6. Expanding the Pacific Islander labour market program to the tourism and hospitality industry[7].

7. Identified placement of Indigenous peoples into the tourism industry and support for the creation of new Indigenous-owned and operated businesses.

8. Adoption and promotion of the *QTIC Careers Guide*[8] and the QTIC Roadshow and Virtual Jobs Platform at a national level[9].

9. Funding short-skilling programs specifically for lower-level jobs, including housekeeping, cleaning, front-of-house; building programs to assist with business development (including yield management); building on QTIC's current micro-credentialling program with a capacity for upscaling to support national vocational recognition programs[10]. During the year-long pilot program in Queensland, more than 12,000 individual training lessons have been delivered to staff so far.

10. For the subsidies associated with Apprenticeships and Traineeships to continue into 2022[11].

We affirm ATIC's statement that "as an identified high-cost destination, for Australian tourism to future compete in both a global and domestic market, we must also be recognised as a destination renowned for the quality and professionalism of our visitor experiences, as well as our unique natural and built heritage. To do this, we need to support and assist Australia's tourism businesses to not only grow, but also develop their tourism skills, business capabilities, service quality and digital expertise". A *Tourism Business Capability Program* has been funded by the Queensland government and delivered by QTIC over the last three years. It has been very successful by responding in a timely and flexibly to the skill needs of hundreds of tourism operators. There are few future funding opportunities and consideration should be given to such a tried-and-proven skill delivery model for all states and territories.

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[6] Ibid, p. 7.

[7] https://pacificlabourmobility.com.au/

[8] https://qticazure.blob.core.windows.net/crmblobcontainer/QTIC_V8-3.pdf

[9] https://www.qtic.com.au/workforce-development/qtic-virtual-careers-fair-and-careers-roadshows/

[10] https://www.qtic.com.au/workforce-development/Micro-Credentialing/

[11] https://treasury.gov.au/coronavirus/businesses/apprentices-and-trainees

INDIGENOUS TOURISM

Australia's First Nations peoples are the oldest living cultures on earth, connecting with country for tens of thousands of years. The *QLD First Nations Tourism Plan*[12], developed by QTIC following extensive consultation with First Nations peoples, tourism industry stakeholders, and key government departments offers a considered guide for future action. The plan sets a framework to leverage our First Nations cultural heritage and stewardship of country, together with regions' distinctive mix of tourism product offerings, to inspire the development of a thriving First Nations' tourism sector that offers diverse, authentic and engaging, sustainable tourism experiences and promotes greater engagement of First Nations peoples in tourism[13].

A summary of recommendations from the plan are as follows:

1. **Recognition and respect:** Promote recognition and respect for First Nations culture, stories, and connection to country.
2. **Training, skills development, and jobs:** Ensure the First Nations sector is driven by a skilled workforce engaged in quality employment.
3. **Engagement and partnerships:** Encourage the creation of mutually beneficial and strategic partnerships to grow the First Nations tourism sector.
4. **Marketing and awareness:** Position and promote First Nations experiences as a must-do experience while visiting QLD.
5. **Strategic coordination and structure:** Create an entity that gives voice to the First Nations tourism sector and provides advocacy and support.
6. **Authentic product development:** Develop and deliver authentic, quality First Nations products which are export-ready and meet market demand.

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[12] https://qticazure.blob.core.windows.net/crmblobcontainer/Version%206%20-%20FNTP%20Final%20Version%20-%20High%20res%20Web.pdf
[13] https://www.qtic.com.au/industry-development/indigenous-programs/champions-network/

INNOVATION AND NEW PRODUCTS

Infrastructure development and access to affordable insurance cover are two of the primary concerns currently being expressed by tourism operators. As such, it would be prudent to review the infrastructure dynamics specifically for tourism and consider the necessity of reform to the insurance industry. We will also draw attention to some of the issues arising for tourism innovation in relation to digital and technology skills.

Infrastructure

Various states are in the process of planning or implementing a series of infrastructure projects that are funded or joint-funded. It is also critical to question what are the new tourism developments that will assist in building confidence within states and region to drive renewed visitation. What are the experiences that will support this infrastructure?

There are some instructive examples of government co-investments in tourism infrastructure, including in Queensland, that continue to demonstrate the catalytic benefits and returns from such investments. The returns manifest not just in increased tourism expenditure but also result in jobs growth, community revitalisation and additional investment and activity in other sectors of the economy. QTIC has provided, additional information to the Panel on specific successful government investments, including the Australian Stockman's Hall of Fame, the QANTAS Founders Museum, both in Longreach; and the Waltzing Matilda Centre and the Australian Age of Dinosaurs, both in Winton.

Further to this point, "investing in tourism infrastructure icons remains one of the quickest ways to build greater industry resilience, drive infrastructure development and new tourism experiences, being through greater public/private partnerships" is one of ATIC's policy reform pillars. ATIC continues on to suggest that:

> "Dedicated grants for private enterprise from specific tourism infrastructure funds is sound public policy. Tourism grant development fund programs can effectively target and deliver improved tourism infrastructure to appeal to high-yield visitors, increase overall visitor expenditure and grow jobs and across-sector collaboration.
>
> …ATIC points to examples such as the South Australia Tourism Industry Development Fund, as well as the successful fund established in New Zealand during the pandemic, the Strategic Tourism Asset Protection Program (STAPP). The STAPP directly targeted NZ's leading tourism product to support sustainable operations in anticipation of future post COVID visitation turnaround. The policy was well supported by local industry. These programs are far more effective than one-off Government grant schemes."

The need for new programs to support tourism indicates a major gap in the plan for Australian tourism recovery, namely, a "lack of a national commitment from the Australian Government to an industry-driven program to develop quality tourism for enterprises and within destinations. The next long-term national tourism strategy needs to better address the resilience gap that remains far too open following the pandemic" (ATIC).

Insurance

The tourism industry, associated stakeholders, and consultants agree that the evidence strongly indicates market failure in terms of the affordability and accessibility of insurance. No particular party is responsible for the current state of the market failure, which is complicated by global factors, state and federal regulation, natural disasters and increased litigation. International markets, federal and state government policies and legislation, the insurance industry and the business community as well as consumers, all have a part to play in change towards a more viable state-of-play for tourism-orientated insurance.

Some of the necessary steps can be taken locally, others are part of the global financial cycles and it is only through collaboration with all parties that a long-term solution will be identified and delivered. The ongoing market failure requires a combined, nation-wide, consumer, industry, and government solution, overseeing the following:

- Reform to insurance for tourism operators should build on the recommendations from the ACCC report[14] and ASBFEO report[15].
- QTIC, in collaboration with ATIC, has developed an *Insurance Cover for the Tourism Industry* report[16] on how to best respond to the difficulties faced by tourism operators in securing appropriate insurance, including three key recommendations.

Digital skills

Digital disruption and innovation has created both new challenges but also enormous opportunities for tourism. The relationship between consumers, service providers, the distribution system and marketing bodies has fundamentally changed. It is no longer just technology experts who need to be skilled. Instead most staff need to have some understanding and capacity to adopt digital tools across almost every aspect of business operations.

In 2019, QTIC collaborated with Griffith University, industry stakeholders and government to develop a *Queensland Tourism Digital Workforce Development and Training Plan[17]* that provides some insight on related issues that are applicable nationally.

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[14] https://www.accc.gov.au/publications/northern-australia-insurance-inquiry-final-report
[15] https://www.asbfeo.gov.au/sites/default/files/Final Insurance Report_0.pdf
[16] https://qticazure.blob.core.windows.net/crmblobcontainer/Insurance%20Cover%20for%20the%20Tourism%20Industry_ATIC%20FINAL.pdf
[17] https://gallery.mailchimp.com/d6ad1e58b5e26e87a88e0fc3a/files/bef5ec0d-bdeb-44b2-a628-a374e7e49794/16956_QTIC_WorkforceDevBooklet_prf4_1up.pdf

RESILIENCE, SUSTAINABILITY AND SOCIAL LICENSE

These related topics are likely to return to prominence and attract much greater attention post-COVID. International agreements that Australia has either endorsed or is a signatory to, including the *Global Sustainable Development Goals*[18] (SDGs) and the highly topical United Nations World Tourism Organisation (UNWTO) *Recommendations for the Transition to a Green Travel and Tourism Economy*[19] report should be considered as relevant reference points for Australia's strategic direction in relation to these aspirations. ATIC highlights that:

> "…*strengthening industry and individual tourism enterprise capability now becomes incredibly important in seeking sustainable recovery for many tourism enterprises and jobs in the COVID economy. Some of Australia's great visitor economies are within natural landscapes highly susceptible to the impact of climate change. This includes the Great Barrier Reef, the Australian Alps, Victoria's Great Ocean Road and Tasmanian Wilderness World Heritage Area, along with others. The tourism industry needs to be supported in the effort to understand the risks to specific destinations and businesses, while considering what adaptions may be necessary as climate change starts to affect their visitor experience and brand. This includes what current and future Australian Government's commitments towards a lower carbon future and effective zero carbon emissions.*

> *ATIC has assumed national leadership within the Australian tourism industry in confronting this profound challenge to our core brand and industry attributes. Industry-leading and defining programs such as ATIC's Quality Tourism Framework (QTF)*[20] *can become a benchmark for wider industry."*

QTIC strongly supports support and promotion of the existing QTF as cost-effective, tested tool to advance the aspiration to raise quality and resilience standards of the Australian industry. ATIC and its member organisations agree that "this next long-term national tourism plan needs to support and ensure tourism operators can have access to specialist advice, latest information and consider how they can effectively position their local destination and business in a period of climate change". ATIC's QTF, which has "combined disparate industry development, accreditation and awards programs into…a single program for tourism businesses" is a valuable resource for building capacity and resilience in the tourism industry:

- "*The QTF provides a tailored pathway for each business, from start-up through to niche products and international markets. The QTF is a single portal for online training, quality assurance, product development, digital distribution, reputation management and market development. The QTF*

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[18] https://sdgs.un.org/goals
[19] https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2021-05/210504-Recommendations-for-the-Transition-to-a-Green-Travel-and-Tourism-Economy.pdf?wiwmhlGgXT4zwXles_Q8ycdITGIQfaMt
[20] https://www.qualitytourismaustralia.com/

applies to businesses across all regions and in all tourism sectors including tours, attractions, retail, hospitality and accommodation.

- *Our QTF has been rolled out across almost 10,000 operators nationwide and has the potential to significantly expand Australia's range of internationally competitive high quality tourism businesses. Our 2020 innovation for a COVID-Clean Practicing Business module inside the QTF was adopted by thousands of Australian tourism businesses.*

- *Greater supply-side initiatives, including a role for TA to work more closely with industry through service agreements, such as a QTF, can improve the resilience and performance of more sustainable tourism enterprises."*

Further recommendations include:

1. National support and application of the *Building a resilient tourism industry: Queensland tourism climate change response* plan, developed by QTIC in collaboration with Griffith Institute for Tourism, which seeks to engage operators with the challenges emerging from climate change[21]. The plan could easily be used as a platform to develop a similar national plan.
2. Encouraging tourism businesses to engage in climate certification programs, such as those developed by EarthCheck[22] and Ecotourism Australia.[23]
3. The recommendations from the *UNWTO Recommendations for the Transition to a Green Travel and Tourism Economy* report, which Australia has endorsed, should form the basis for future policy and legislative reform.[24]
4. Consider making available existing crisis management tools for use by tourism operators including those developed by QTIC (*Industry Crisis Ready* Program[25]) over the last few years. There are digital/app resources that are well-tested, on-line kits and resources and workshop modules that have been rolled out to various regions and council areas.

It is also important that any kind of tourism is done with respect to local communities, providing opportunities for inclusive discussion and ongoing consultation to gauge receptiveness to local development and operations. The Tourism and Events Queensland *Social Indicators Survey*[26] is a valuable but underused resource that can offer assistance in regard to social licensing.

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[21] https://qticazure.blob.core.windows.net/crmblobcontainer/Building%20a%20Resilient%20Tourism%20Industry.pdf

[22] https://earthcheck.org/products-services/

[23] https://www.ecotourism.org.au/our-certification-programs/eco-certification-3/

[24] https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2021-05/210504-Recommendations-for-the-Transition-to-a-Green-Travel-and-Tourism-Economy.pdf?wiwmhlGgXT4zwXles_Q8ycdITGIQfaMt

[25] https://assets.entegy.com.au/documents/0f907953-cca4-4961-8368-582d428183ff.pdf

[26] https://teq.queensland.com/research-and-insights/domestic-research/domestic-summary/queensland-social-indicators-study