

Corporate Plan

2011/14





Cover: Dampier Peninsula, Western Australia
This page: Uluru Kata Tjuṯa National Park, NT



A Message from the Minister

Tourism Australia is the Australian Government agency responsible for attracting international visitors to Australia and encouraging Australians to travel domestically, both for leisure and business events. Its aim is to increase demand for Australia as a destination and to help realise its potential to contribute to Australia's future economic growth. Tourism is a vital industry for Australia. It currently generates \$94 billion in spending, directly employs around half a million Australians and remains the country's number one services export.

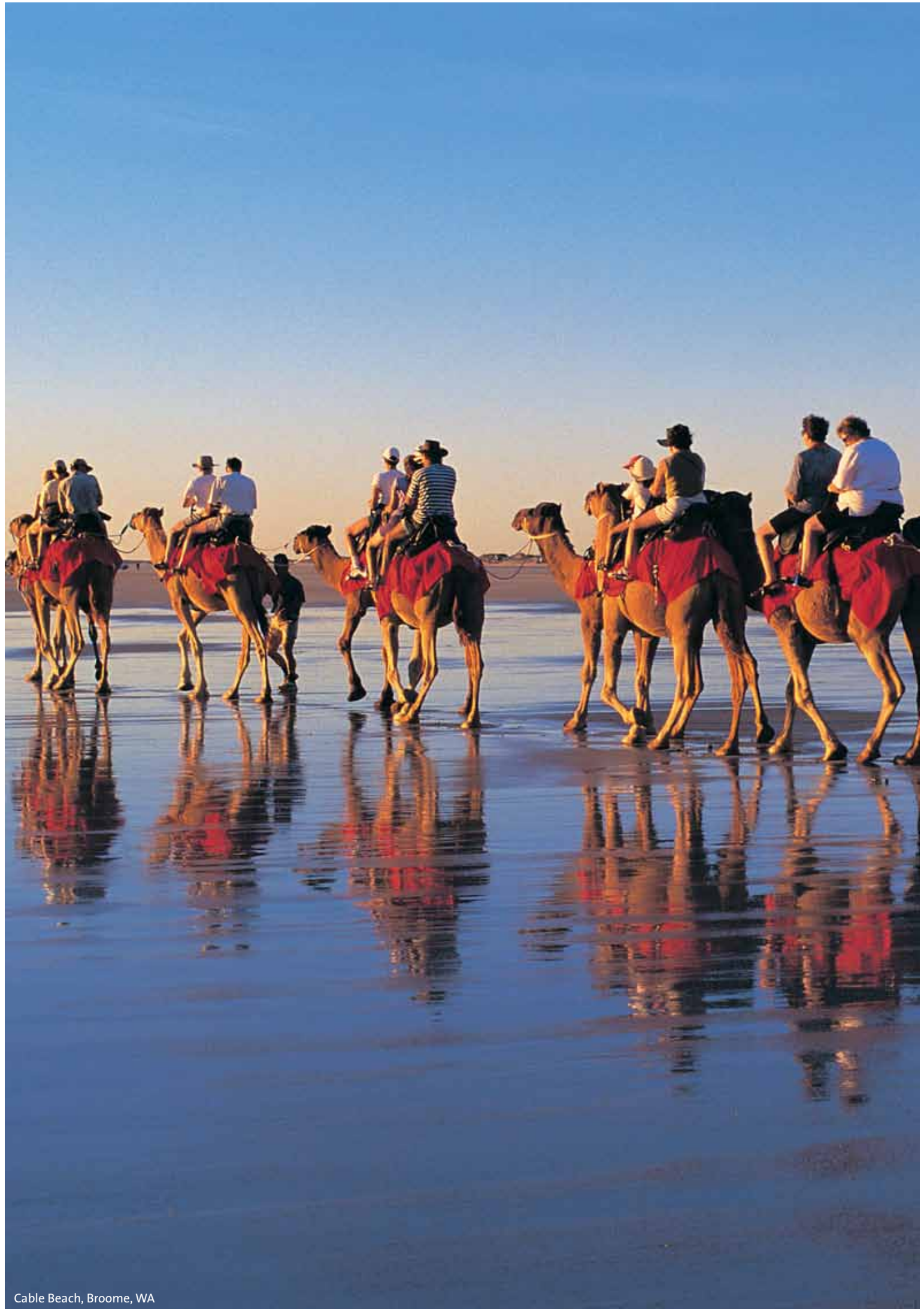
Using its marketing and research expertise, Tourism Australia targets the key markets where the greatest tourism growth opportunities exist and the consumers who will spend more and travel most widely in our country.

Recent months have seen our industry witness catastrophic events at home and abroad. Severe weather events in Queensland, the flooding in Victoria and northern NSW, and the devastating earthquakes in two of Australia's largest source markets, New Zealand and Japan, will make this year another challenging one for Australian tourism operators. The way the industry has responded once again demonstrates its incredible resilience. Despite all these challenges, Australia remains a highly desirable place to visit and people are still travelling here. On the back of a record 5.9 million visitors last year, we still expect to see further increases in international arrivals in 2011.

This Corporate Plan sets out how Tourism Australia will deliver on the Australian Government's priorities for Australia as a tourism destination and continue to add value in supporting the industry to build a more appealing Australia of tomorrow.

A handwritten signature in black ink, which appears to read 'Martin Ferguson'.

Martin Ferguson AM MP
Minister for Tourism



Cable Beach, Broome, WA

Contents

Introduction	5
Why Tourism Australia exists	6
Key Government and industry initiatives	8
Australian tourism industry outlook	10
Tourism Australia's objectives	14
How Tourism Australia will achieve its objectives	15
How Tourism Australia will measure its performance	18
Contacting Tourism Australia	20
Tourism Australia's Board of Directors	21



Flinders Ranges, South Australia



Introduction

A Message from the Managing Director

Tourism Australia's Corporate Plan 2011–14 outlines the short-term direction for our organisation, which will help to achieve the long-term vision of a sustainable tourism industry for Australia. Developed in consultation with the Australian tourism industry and State and Territory Tourism Organisations, the plan provides an overview of Tourism Australia's priorities and strategies which will drive the activity for our organisation for the next three years.

This plan is built from the Tourism Australia Act 2004 and the Minister for Tourism's Statement of Expectations for Tourism Australia (2010). Central to this plan is the 2020 Tourism Industry Potential – a new strategic approach looking at scenarios to increase overnight expenditure for Australia's tourism industry, from \$70 billion to between \$115 billion and \$140 billion by 2020. For Tourism Australia the 2020 Tourism Industry Potential means focusing our efforts in the areas that will help us achieve this long-term vision. Tourism Australia has set its own 2020 goal as the high growth scenario of the Tourism Industry Potential – \$140 billion.

The 2020 Tourism Industry Potential is an initiative of Tourism Australia with assistance from the Department of Resources, Energy and Tourism which is aimed at improving the industry's performance and competitiveness. It follows the launch of the National Long-Term Tourism Strategy, announced by the Minister for Tourism, the Hon Martin Ferguson AM MP, in December 2009.

The global outlook for tourism is positive as economies around the world return to growth following the Global Financial Crisis. Demand for Australia's tourism experiences remains strong with Australia regularly rated as one of the most desired tourism destinations in the world. The challenge is to ensure that we can continue to convert the desire for Australia into actual travel bookings, and that we have the aviation access and accommodation to enable people to travel to and through Australia. Ensuring that we can counter these challenges is where Tourism Australia will focus its effort over the next three years.

Fundamental to this plan is Tourism Australia's commitment to work closely with the tourism industry both in Australia and overseas, with government bodies and agencies at the Commonwealth, state, territory and local level. Through these partnerships Tourism Australia will be able to add value to ensure the Australian tourism industry realises its future potential growth.

A handwritten signature in black ink, appearing to read 'Andrew McEvoy', with a horizontal line underneath it.

Andrew McEvoy
Managing Director

Why Tourism Australia exists

Tourism is a vital industry for Australia. It currently generates \$94 billion in spending and directly employs around half a million Australians. As a sector, tourism contributes \$34 billion in Gross Domestic Product – that is 2.6% of Australia's total Gross Domestic Product. Tourism is Australia's number one services export.

Tourism Australia is the Federal Government Agency responsible for attracting international visitors to Australia and encouraging Australians to travel throughout Australia. Tourism Australia is governed by a Board of Directors that reports to the Australian Minister for Tourism, under the Tourism Australia Act 2004 and the Commonwealth Authorities and Companies Act 1997¹ and is directed by the Minister's Statement of Expectations.

Tourism Australia's Objects

Under the Tourism Australia Act 2004 Tourism Australia's objects are:

- To influence people to travel to Australia, including for events; and
- To influence people travelling to Australia to also travel throughout Australia; and
- To influence Australians to travel throughout Australia, including for events; and
- To help foster a sustainable tourism industry in Australia; and
- To help increase the economic benefits to Australia from tourism.

Tourism Australia's Outcomes

Tourism Australia's Outcome Statement as approved by the Government in 2008 is as follows:

Increase demand for Australia as a destination, strengthen the travel distribution system and contribute to the development of a sustainable tourism industry through consumer marketing, trade development and research activities.

Tourism Australia's government programs

Tourism Australia delivers on its Outcome Statement via three Australian Government Programs:

- Increase demand
- Strengthen the relationship with the travel distribution system
- Industry development.

Minister's Statement of Expectations

Tourism Australia's priorities for the period 2011-14 are as directed by the Minister for Tourism in the Minister's Statement of Expectations for Tourism Australia (2010).

A summary of the Minister's priorities are:

- Marketing Australia internationally by maintaining trade with traditional markets and focusing on emerging short to medium haul markets
- Focusing on high yielding business events such as meetings, conventions, incentives and exhibitions
- Developing and targeting a portfolio of travel segments which includes emerging segments where opportunities may exist to expand Australia's tourism offering beyond leisure, business and education tourism
- Promoting growth in the domestic tourism industry. An important priority

is the continued implementation of the No Leave No Life initiative to encourage Australians to take annual leave and to travel within Australia

- Working with Tourism Research Australia and other bodies to provide quality marketing research and insights to state, territory, regional and local tourism organisations and operators
- Engaging the support of industry partners in domestic and international cooperative marketing campaigns and ensuring maximum state and territory government and private sector investment
- Ensuring all marketing activity is conducted on the basis of rigorous research to maximise private sector, state and local government investment and demonstrates value for money
- Working to support the improvement of quality standards in the Australian tourism industry including through the promotion of the National Tourism Accreditation framework
- Working with Australian Government departments and agencies such as Austrade, the Department of Foreign Affairs and Trade and state and territory governments to extend Brand Australia
- Actively supporting and assisting with the implementation of the National Long-Term Tourism Strategy and associated work plans via participation in associated working groups
- Implementing and maintaining high standards of corporate governance across the organisation
- Rigorous performance measurement of outcomes of Tourism Australia's activities.

¹ The CAC Act details rules about reporting and accountability and other matters relating to Commonwealth authorities such as banking and investment and the conduct of officers



Sydney Harbour, New South Wales

Key Government and industry initiatives

THE NATIONAL LONG-TERM TOURISM STRATEGY

The National Long-Term Tourism Strategy was launched by the Minister for Tourism in December 2009. The Strategy outlines the importance of tourism as an economic driver of growth for Australia and establishes the framework and principles for ensuring that the tourism industry is a competitive and sustainable industry into the future. It focuses on the supply side of the industry, with key outcomes being the removal of obstacles to investment and building greater investor confidence.

The strategy has four key themes: leadership, strategic industry investment, quality and service delivery, and research.

The strategy reaffirms Tourism Australia's role and provides a foundation for driving greater alignment and linkages between supply and demand for the Australian tourism industry.

Implementation of the Strategy commenced in 2010 through working groups that address each area of the Strategy. Working Groups are as follows:

- Labour and Skills Working Group
- Investment and Regulatory Reform Working Group
- Destination Management Planning Working Group
- Tourism Access Working Group
- Industry Resilience Working Group
- Tourism Quality Council of Australia
- Digital Distribution Working Group
- Indigenous Tourism Working Group
- Research Advisory Board.

Tourism Australia has representatives on all working groups except Labour and Skills. Participation in the latter working group is currently being explored.

The Tourism Ministers' Council is responsible for the implementation of the strategy, supported by the Australian Standing Committee on Tourism.

Further information on the National Long-Term Tourism Strategy is available at www.ret.gov.au/tourism

2020 AUSTRALIAN TOURISM INDUSTRY POTENTIAL

The Tourism Ministers' Council committed to working towards achieving the 2020 Tourism Industry Potential in October 2010. Both supply and demand side strategies identified in the National Long-Term Tourism Strategy will be required to achieve the Potential.

The 2020 Australian Tourism Industry Potential is an estimate of the value of overnight expenditure the Australian tourism industry will achieve. By 2020 the Potential is estimated to be between \$115 billion and \$140 billion in overnight expenditure (the current value of overnight expenditure is \$70 billion).

The Potential provides a vision for the industry and all levels of government to rally behind, a unifying direction to improve performance and maximise opportunities. Key drivers to achievement of the Potential include:

- A healthy economy in source markets – rising economic wealth, high levels of employment and consumer confidence
- Strong competitive destination appeal
- Competitive airfare pricing and capacity

- Investment in exceptional tourism products and experiences that meet consumer needs

- Holding and gaining market share against competitor destinations.

Australia and the key overseas markets where this expenditure growth will come from have been identified and this is where Tourism Australia will focus its efforts.

To help achieve the Potential, Tourism Australia has refined its organisational structure and strategy to place greater focus upon the consumer, undertaking a continued global market strategy and focusing on marketing, distribution, aviation development and investment attraction. Tourism Australia has primary carriage of marketing and distribution, while other Australian Government agencies have primary carriage of aviation development and investment attraction. Tourism Australia will work in collaboration with these agencies.

Further information on the 2020 Industry Potential is available at www.tourism.australia.com



Australian tourism industry outlook

ECONOMIC OUTLOOK

World Economic Outlook

Tourism Australia anticipates an improved environment for inbound and domestic tourism in the period 2011–2014. Following the deepest recession since the 1930s, the global economy continues to recover although the pace of this recovery is uneven, with emerging economies, particularly in Asia, growing much more strongly than advanced economies. The International Monetary Fund estimates growth of 6.4% for emerging economies compared with growth of 2.2% for advanced economies in 2011 (IMF World Economic Outlook, October 2010).

The world economy is expected to grow 3.5% in 2011 and 3.6% in 2012 (Consensus Economics, February 2011), although there are risks to global growth including sluggish recovery in Western Europe, the USA and Japan. These economies are currently burdened with high public debt and high unemployment. Government responses to these issues have been varied with some European governments introducing austerity measures to reduce public debt (including new taxes on long haul aviation), while the USA government has announced a second round of initiatives to boost domestic consumption and employment (Tourism Forecasting Committee, Forecast 2010 Issue 2).

Outlook for Australia's key international tourism source markets

Low consumer confidence and reduced household incomes and wealth are holding consumption down in many advanced economies including key source markets for Australia – USA, Japan, UK. Recovery in these markets will remain fragile until investment

translates into higher employment growth. Although downside risks continue to threaten Europe's recovery, higher-than-expected activity in Germany could lift growth in Europe more generally.

New Zealand, Australia's highest volume source market, is forecast to maintain steady economic growth over the period 2011 to 2013 – 1.1% growth in 2011, 3.8% growth in 2012 and 2.6% growth in 2013 (Consensus Economic Forecasts March 2011). In February 2011, New Zealand experienced an earthquake in Christchurch. This event has had significant impact on consumer confidence in New Zealand. Latest economic forecasts are yet to reflect its full effect. Australian and New Zealand Government policy negotiations on cross border harmonisation is an area that could boost Trans-Tasman travel.

In contrast, economic growth and household spending is doing well in key Asian source markets for Australia - the industrialised Asian economies of Korea, Hong Kong, Singapore, the developing Asian economies of China and India, and emerging markets, including Indonesia, Malaysia and Vietnam. In many of these economies, investment is propelling job creation and increased consumer confidence (IMF World Economic Outlook, October 2010).

Australia's Economic Outlook

The Australian economy weathered the Global Financial Crisis better than most developed countries and continues to perform well with the economy forecast to grow by 3.75% in 2011–12, 3% in 2012–13 and 3% 2013–14. Employment is expected to grow strongly, with unemployment declining to 4.75% in 2011–12, which is around its full-employment level (Treasury, Pre-Election

Economic and Fiscal Outlook, July 2010). It is anticipated that the economic impact of Cyclone Yasi and the 2010 Queensland floods could have a short-term impact on Australia's economic growth, with initial estimates of a reduction of half a percentage point off Australia's growth in 2010–11 (Hon. Wayne Swan, Treasurer, 6 February 2011).

There has been a gradual upward movement in interest rates – the official rate was 4.75% as at February 2011. This gradual upward movement puts some pressure on discretionary consumer spending such as travel and tourism (Tourism Forecasting Committee, Forecast 2010 Issue 2).

Tourism demand

Demand for travel to and within Australia is forecast to increase moderately over the period 2011–14 with increased compound annual growth of 4.6% in international inbound visitors to Australia and 0.6% in domestic trips by Australians. These forecasts assume modest economic recovery. (Tourism Forecasting Committee, Forecast 2011 Issue 1).

In the period 2011–2020, Asian markets will increase their share of total inbound arrivals – growing from 38% to 42%, led by China (Tourism Forecasting Committee, Forecast 2010 Issue 2).

To meet the 2020 Tourism Industry Potential, Tourism Australia has set ambitious targets for each of our priority markets in order to exceed forecast levels.

The *There's Nothing Like Australia* campaign is having a positive impact on demand. This is particularly the case in China and the USA, with a higher proportion of those who have seen the campaign claiming that it has had an impact on their destination choice.



Melbourne, Yarra River, Victoria

Overall, across all markets where campaign activity is being undertaken and measured, indicators show that it is building recognition and increasing awareness of Australia's tourism offering which will drive future demand. The impact of Oprah Winfrey's visit to Australia in December 2010 could also be influencing this result in the USA. Research has shown that 86,000 articles have been generated with an equivalent advertising value of \$366 million (Media Monitors Australia and Tourism Australia internal media monitoring). Tourism Australia estimates that the impact of the show will resonate with audiences for the next 3-7 years.

The outlook for Australia's domestic tourism demand is less positive. While Australia's economic outlook remains more positive than for many other global inbound markets, domestic tourism demand is forecast by the Tourism Forecasting Committee to remain relatively flat – as it has been for the past ten years.

DESTINATION APPEAL

Australia is regularly rated as one of the most desired tourism destinations in the world – “the place the world dreams of visiting” (FutureBrand, 2010), but less than 1% of the world's international tourists actually visit.

In 2010, Australia was ranked 9th overall in the Anholt Nations Brand Index, a ranking it has held since 2007, and 2nd overall in the FutureBrand study of country brands, up from 4th position in

2009. Australia's major competitors for top listing are Canada and New Zealand.

Within Anholt's Tourism Index, Australia ranked number 1 for appeal of its natural beauty, and as a place people would like to visit if money was no object. On the whole, Australia's results in the Nations Brand Index are solid – Australia clearly is not going out of fashion (Nations Brand Index, 2010). Similar trends have been found in Tourism Australia's tracking through its Brand Health Monitor – with prospective customers in key markets rating high preference for visiting Australia. However, a continuing challenge for Tourism Australia is to convert this strong interest into a decision to actually visit as the barriers of distance, time and cost remain an issue for the majority of Australia's overseas visitors.

Domestically, it is anticipated that appeal for an Australian holiday will continue to be a challenge as Australians' perceive that holidays-at-home hold less status and value than overseas holidays. Increased competition from off-shore destinations and other consumer categories and a strong Australian dollar are key ingredients in this mix. Over the period 2011–14, the compound annual growth rate in outbound departures of Australians is forecast to increase 4.1% (Tourism Forecasting Committee, Forecast 2011 Issue 1).

AVIATION OUTLOOK

A healthy aviation environment is integral to the success of Australia's tourism industry and will be a key contributor to achieving the 2020 Tourism Industry Potential.

Australia's aviation sector is likely to continue to be a positive factor for both inbound and domestic tourism in the period 2011–14, with growth in capacity and continued improvements to load factors. In 2011, international aviation capacity is expected to grow by 7% and domestic aviation capacity is expected to grow by 3%. This follows increases in international and domestic aviation capacity during 2010.

In the short term, international aviation capacity to Australia is being driven by strong demand from Indonesia, Malaysia, United Arab Emirates and China. New airline entrants from China into the Australian market, approved alliances between foreign and Australian airlines as well as airline route expansions present opportunities for the Australian tourism industry. Domestically, capacity is largely being driven by Jetstar, although Qantas, and Virgin Australia increased capacity during 2010. Domestic capacity increases are focussed on Sydney, Melbourne and Brisbane with some growth for Perth, Cairns, Gold Coast, Darwin and Port Headland.

The Australian Government's 2009 Aviation White Paper further



National Gallery of Australia, Canberra, ACT

strengthens Australia's aviation environment through the facilitation of increased liberalisation of air services agreements with foreign countries and the expansion of commercial opportunities for airlines servicing Australia. The Australian Government's position is to negotiate capacity ahead of demand and air service negotiations during the 2011–14 period will support this initiative.

AUSTRALIA'S TOURISM PRODUCTS AND EXPERIENCES

Compelling tourism experiences are increasingly important to both international and domestic travellers and are key ingredients in what motivates people to travel. The longer term outlook to 2020 reveals that expenditure from international visitors is expected to increase from 38% to 45% of total overnight tourism expenditure. This has implications for the development of Australia's tourism products and experiences.

The focus of the National Long-Term Tourism Strategy is on supply-side issues, reflecting the anticipated challenges for the industry in ensuring there is capacity to meet the future demands of tourism consumers. Emphasis is focused on developing Australia's tourism products and services to keep pace with global competition, including investment in the sector.

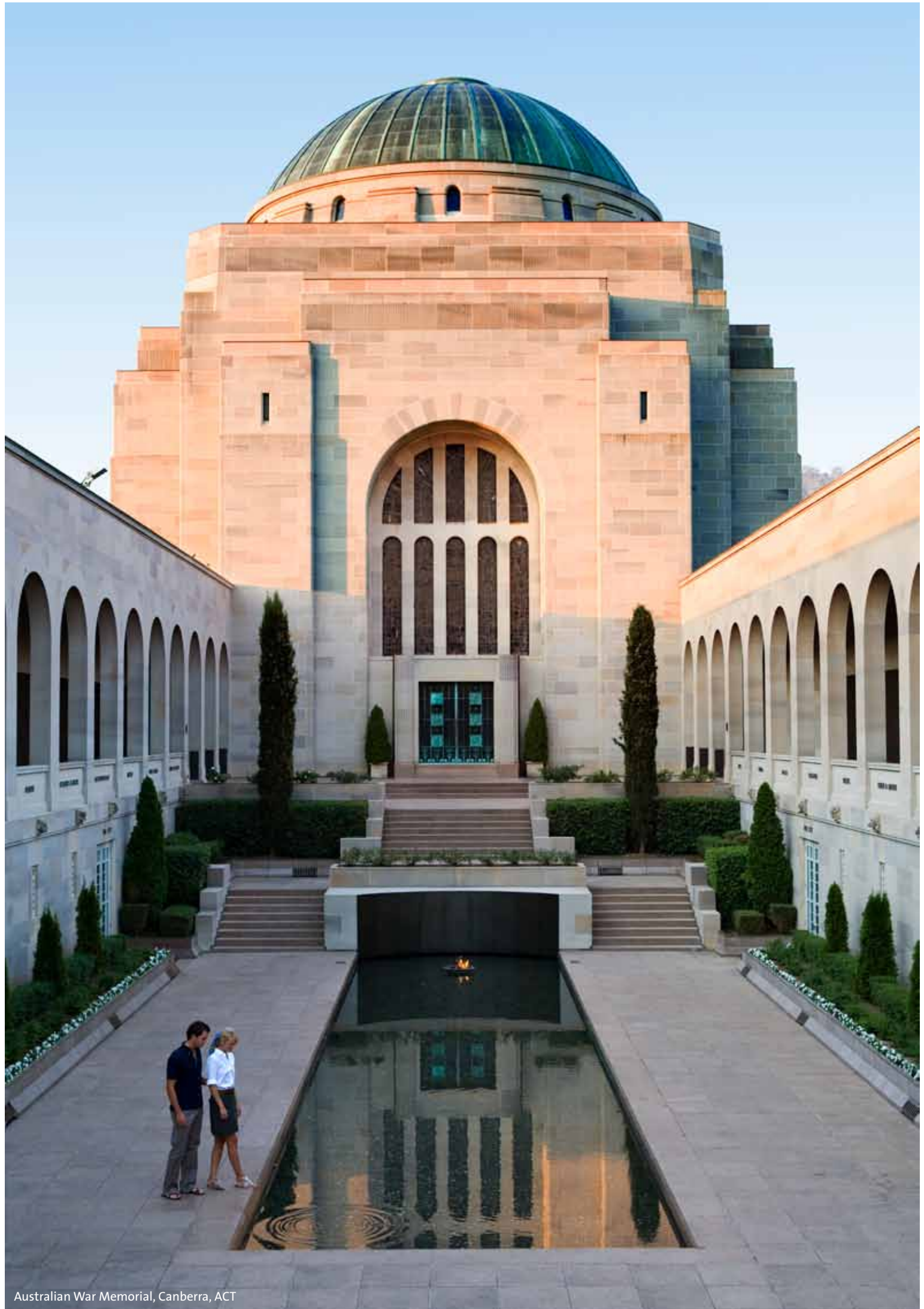
AUSTRALIA'S TOURISM MARKET SHARE

Australia's market share of international arrivals has declined progressively since 2000 while the rate of global tourism growth has increased (the exception being 2009 when visitor arrivals to Australia grew faster than global international arrivals – in 2009 global tourism arrivals declined worldwide by 4% while Australia's arrivals remained steady). The United Nations World Tourism Organisation estimates that in 2010, global arrivals will be up by almost 7% to 935 million. At year ending December 2010, international arrivals to Australia grew by 5.4%, with 5.9 million visitors (Tourism Research Australia, International Visitor Arrivals 2010).

Australia's strong economic performance has driven the strength of the Australian dollar. Since October 2010, the Australian dollar has been fluctuating near or above parity with the US dollar and has been performing strongly against currencies of most of Australia's key source markets. The influence of a strong Australian dollar on Australia's tourism market share is a key issue for the Australian tourism industry as a strong Australian dollar has an impact on attracting international visitors to Australia and reduces visitor spending power when they are here. The strong Australian dollar is also a key factor in the increased outbound travel by Australians. The impact and implications

of exchange rates on the Australian tourism industry is the subject of a joint research project by Tourism Australia and Tourism Research Australia that was released in June 2011.

Over the period 2011–14, Australian tourism faces a progressively more competitive marketing environment, with increased marketing by competitor destinations, changing distribution channels, and broadening media options such as online, blogs, multiple digital and cable TV channels. An example is in China where the USA and Canada now have approved destination status from the Chinese Government and plan to market aggressively.



Australian War Memorial, Canberra, ACT



Tourism Australia's objectives

Tourism Australia's objectives are to work with industry and governments across Australia to achieve the high growth scenario of the Tourism Industry Potential (\$140 billion in overnight expenditure by 2020). This will be achieved by meeting Tourism Australia's objects (outlined on page 6) with a focus on:

- Growth in leisure and business events visitors
- Continued improvements in visitor value (\$ per trip / \$ per night)
- Gaining market share
- Supporting supply-side issues by applying consumer insights and reinforcing competitiveness.

Detail on Tourism Australia's goals and targets associated with these objectives are available on page 18.

How Tourism Australia will achieve its objectives

KEY STRATEGIES

Customer focused – Tourism Australia's key driver

Know the customer

Tourism Australia will inspire increased international and domestic travel through leisure consumer and international business events marketing activity, targeting global consumers that are predisposed to Australia who will spend more and do more when they travel. The demographics and psychographics of this target may change in different markets. From a business events perspective, Tourism Australia will target international corporate conference and incentive agents, corporate decision makers and international associations.

Tourism Australia will continue to undertake research to understand the target customer and the products and experiences that they want. Insights from this research will be used to drive targeted marketing communications. These insights will be shared with government and industry.

The focus of Tourism Australia's global marketing resources will be on those markets that represent the greatest expenditure growth potential to 2020. In the period 2011–12 this will involve categorising markets as follows:

- Category 1 (worth over \$3 billion by 2020)
 - A: Worth over \$5 billion by 2020: China, USA, UK, Australia
 - B: Worth over \$3 billion by 2020: New Zealand, Japan, South Korea
- Category 2 (worth between \$1.5 billion and \$3 billion by 2020)
 - Singapore, Middle East, Malaysia, Germany, Indonesia, Hong Kong, India, Canada, France

- Category 3 – Rest of World
 - A: Fast Emerging: Brazil, Vietnam
 - B: High Priority: Italy
 - C: Other markets.

Tourism Australia will spend 75% of its global marketing budget on making an impact in its Category 1 markets in 2011–12.

Tourism Australia's role in international markets is to work with partners to promote a compelling tourism destination brand and encourage more people to visit Australia, growing market share, spend and numbers of long haul visitors. Tourism Australia's role in the domestic market is to add value to an already cluttered travel and tourism message. This includes raising awareness about the need for Australians to take their leave by taking a domestic holiday. This program is called *No Leave No Life*.

Deliver effective marketing communications

Insights on the global consumer will drive delivery of the right messages in the right channels with a focus on digital and social media networks.

Tourism Australia will build Australia's profile and reputation as an exciting and desirable leisure and business events destination by continuing marketing communications that raise the urgency to visit, increase knowledge and build a strong image of what Australia has to offer the potential traveller. Key marketing approaches and channels will include brand advertising, cooperative advertising with partners, content partnerships, affinity partnerships, australia.com, search engine optimisation, digital programs, public relations, famils, promotions, events, and programs that promote positive word of mouth.

A key channel for 2011–14 and beyond is digital. Tourism Australia will continue to strengthen digital content and channels. This will be achieved through the optimisation of Australia.com; content syndication and integration with trade partners, industry groups, media owners and social networks; user assisted and user generated content programs; and mobile and video based platforms and channels.

Build partnerships to engage customers

Tourism Australia will develop partnerships and relationships with industry and distribution that will enable the target customer to easily access quality Australian tourism products. The ability to reach the consumer most easily and with the greatest clarity of message will be a guiding principle.

This will involve working with traditional and non-traditional media partners that directly engage with the target customer. Tourism Australia will also continue to promote high impact events and festivals that target special interests and provide immediate reasons to visit Australia.

Development focused

Facilitate industry development

Tourism Australia will share insights with government and industry on the global consumer to help inform investment and development of quality Australian tourism products and experiences. It will also use its understanding of the consumer and global network to assist with investment attraction. Tourism Australia will support Austrade and the Australian states and territories to target the global tourism infrastructure investment community in a bid to develop a more appealing Australia of tomorrow.



Melbourne Laneways, Victoria

Other industry partnership initiatives include working in partnership with industry to promote quality through the National Tourism Accreditation Framework; continuing and improving demand for Indigenous tourism experiences; continuing work with Parks Australia to promote Australia's distinctive natural and cultural experiences through National Landscapes; continued delivery of an annual Tourism Directions Conference in partnership with the Department of Resources, Energy and Tourism; and ongoing trade event and Aussie Specialist programs. Tourism Australia will also explore its role in supporting the National Long-Term Tourism Strategy focus on Labour and Skills.

Activate access

To meet the 2020 Potential, Australia's international aviation capacity will need to grow by 40–50% and domestic aviation capacity will need to grow by 23–30%. To achieve these levels of growth, Tourism Australia will play a targeted strategic role in the aviation arena, using partnerships to help grow sustainable and competitive aviation capacity to and through Australia. This includes cooperative marketing

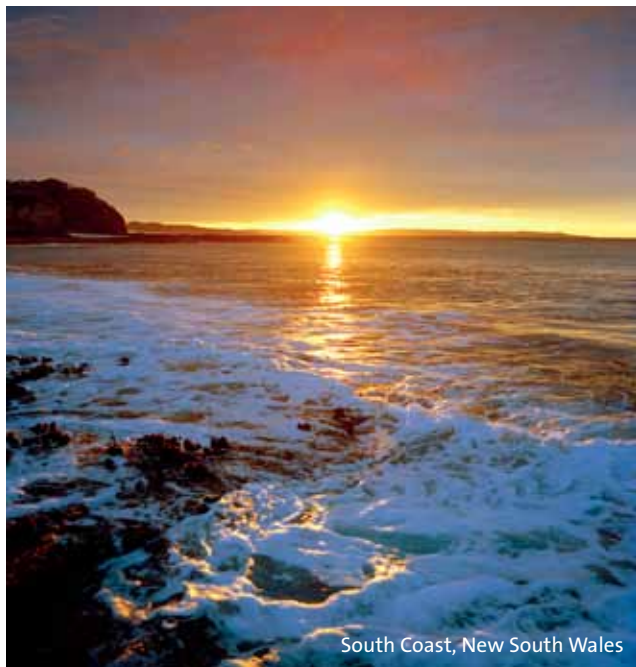
and marketing support for new airline routes. Tourism Australia will also ensure Australia remains competitive in visa issuance by developing relationships, partnerships and initiatives that enable Australia to keep pace with the growth and changes in consumer demand for Australia. This will involve continuing to work closely with the Department of Immigration and Citizenship and the Department of Resources, Energy and Tourism as part of the Tourism Visa Advisory Group.

Government focused

Supporting and collaborating with government will continue to be central to Tourism Australia's operations. A whole of government approach, through partnership with the Department of Resources, Energy and Tourism and complementary bodies and agencies such as the Department of Foreign Affairs and Trade, the Department of Infrastructure and Transport, Austrade and the Department of Immigration and Citizenship will help Tourism Australia deliver on the needs of the broader tourism industry. Tourism Australia recognises that other government agencies will lead aviation access, immigration policy and investment.

The Department of Resources, Energy and Tourism will take the lead on this whole of government approach and use the National Long-Term Tourism Strategy as its framework.

Tourism Australia will continue to work with Australian government agencies and state and territory governments to extend Australia's brand and support its promotion through the Brand Australia initiative that is being led by Austrade. Tourism Australia will also continue to work closely with State Tourism Organisations to facilitate alignment of activities and optimum efficiency and effectiveness of deliverables and has forged highly collaborative relationships in this area.



South Coast, New South Wales



South Coast, New South Wales

CORPORATE GOVERNANCE

Implementing and maintaining high standards of corporate governance across the organisation will remain a key priority.

Tourism Australia is committed to best practice corporate governance and accountability, transparency and probity across all business activities in meeting its organisational objectives. Tourism Australia demonstrates this accountability through:

- A focus on project planning and performance monitoring of key projects and contracts in line with best practice
- Open communication with the Australian Government, Minister for Tourism, and regulatory bodies
- Ensuring sound risk management, internal compliance and procurement procedures are in place.

The Tourism Australia Board of Directors meet regularly throughout the year to assess Tourism Australia's performance against its objectives, and will issue instruction wherever necessary to ensure the organisation's functions are performed properly and efficiently. This will involve the regular review and consideration of key strategies and policies to make certain they support

the achievement of Tourism Australia's objectives, and that they give effect to the presiding Ministerial Statement of Expectations and policies of the Australian Government.

Performance indicators used are those crucial to understanding the success of Tourism Australia and include both financial and non-financial measures.

Risk Management

The tourism industry is vulnerable to a variety of risks – natural and man made, isolated and widespread. Tourism Australia has developed risk management strategies to limit the impact of potential risks, including:

- Portfolio of Markets – Tourism Australia operates in 19 markets which helps to mitigate risks that may occur in any one market. This approach also helps deliver a range of outcomes, assisting in creating a diversity of product and maintaining a base level of demand for the Australian tourism industry
- A range of media channels – Tourism Australia uses a variety of media channels to deliver its marketing activity. Use of a range of channels ensures Tourism Australia is less vulnerable to shifts in consumer media

purchasing patterns and enables more consumers to be reached via channels that are most relevant for them

- Partnerships and new opportunities – Tourism Australia enters into a range of commercial cooperative arrangements with various industry providers. Ensuring partnership arrangements do not offer exclusive market coverage ensures that Tourism Australia and the tourism industry are better able to take advantage of new opportunities as they arise.

How Tourism Australia will measure its performance

The diagram below and table opposite shows how Tourism Australia will measure its performance against its strategic objectives – these are Tourism Australia’s Key Performance Indicators. Tourism Australia has additional performance metrics that will be used to provide specific understanding and context to these key performance indicators.



* \$140 billion in overnight visitor spend is Tourism Australia’s 2020 goal

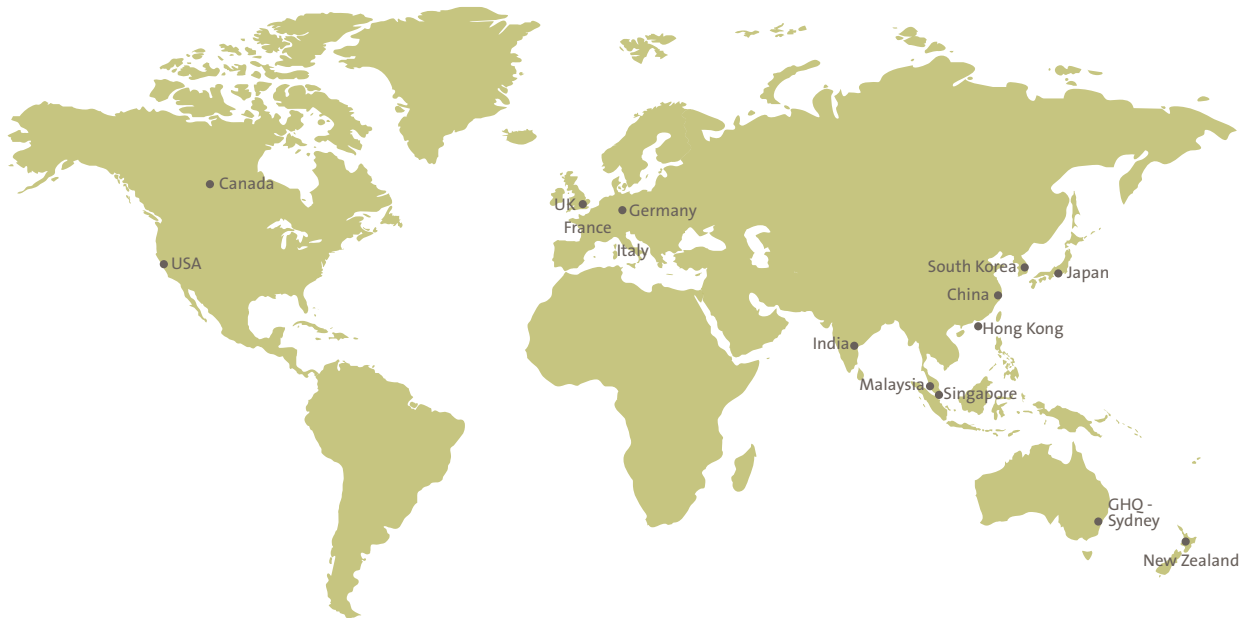
** 2011–12 Tourism Australia Strategic Annual Plan markets = Australia, USA, Canada, Brazil, UK, Germany, France, Italy, New Zealand, Japan, Singapore, Malaysia, Indonesia, India, Vietnam, Middle East/Gulf, China, Sth Korea, Hong Kong



Mt Borradaile; Arnhemland, Northern Territory

AUSTRALIAN GOVERNMENT PORTFOLIO BUDGET STATEMENT PROGRAM	KEY PERFORMANCE INDICATOR	BASE AT 2011	TARGET AT 2014
Increase Demand	Overnight visitor spend (all purposes) – all markets	\$69,220,275,000 (year ended Dec 2010)	\$87,592,766,000 (year ended Dec 2013)
	Overnight visitor spend (all purposes) – 2011–12 TA Strategic Annual Plan markets	\$64,496,608,000 (year ended Dec 2010)	\$80,753,493,000 (year ended Dec 2013)
	Visitor spend per trip (all purposes) – 2011–12 TA Strategic Annual Plan markets excluding Rest of World and Domestic	\$4,676 per trip (year ended Dec 2010)	\$5,222 per trip (year ended Dec 2013)
	Visitor spend per night (all purposes) – 2011–12 TA Strategic Annual Plan markets excluding Rest of World and Domestic	\$147 per night (year ended Dec 2010)	\$167 per night (year ended Dec 2013)
	Number of trips (all purposes) compared with competitive set – 2011–12 TA Strategic Annual Plan markets exc Rest of World and Domestic	3.57% (year ended Dec 2010)	3.91% (year ended Dec 2013)
	Overnight visitor spend by Australians on inter-state and intra-state travel versus outbound travel (all purposes)	55.3% (year ended Sep 2010)	53.1%*** (year ended Sep 2013)
Strengthen Travel Distribution System & Industry Development	Facilitate investment	Under development – no base or target available	
	Facilitate aviation access	Under development – no base or target available	
	Key stakeholder satisfaction – ‘TA programs add value’	Under development – no base or target available Current measure is whole of industry satisfaction – which was 81% at June 2010	

*** This target represents a slowing in the loss of share of domestic spending. 2020 Tourism Industry Potential trends for domestic overnight spend to 2014 show an average 1–4% per year growth, while trends for outbound spend to 2014 show an average 7% per year growth. This indicates a decline in share of domestic spending.



Contacting Tourism Australia

AUSTRALIA

Sydney
Level 18
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000 Australia
Telephone +61 2 9360 1111
Facsimile +61 2 9331 6469

CANADA

Suite 272, 1920 Yonge Street
Toronto Ontario M4S 3E2
Canada
Telephone +1 416 572 7708
Facsimile +1 310 695 3201

CHINA

Unit 1501, 15/F
Citigroup Tower
33 Hua Yuan Shi Qiao Road
Lujiazui PuDong
Shanghai 200120 China
Telephone +86 21 6887 8129
Facsimile +86 21 6887 8133

GERMANY

Neue Mainzer Strasse 22
D 60311 Frankfurt
Germany
Telephone +49 69 274 00622
Facsimile +49 69 2740 0640

HONG KONG

Suite 6706
67th Floor Central Plaza
18 Harbour Road
Wanchai Hong Kong
Telephone +852 2531 3800
Facsimile +852 2802 8211

INDIA

No. 52, 5th Floor
Nariman Bhavan
227 Backbay Reclamation
Nariman Point
Mumbai 400021 India
Telephone +91 22 6628 0200
Facsimile +91 22 6743 9765

JAPAN

12F Marunouchi Trust Tower-North
1-8-1, Marunouchi, Chiyoda-ku
Tokyo 100-0005 Japan
Telephone +81 3 5218 2560
Facsimile +81 3 5218 2577

SOUTH KOREA

20th Floor
Youngpoong Building
33 Seorin-dong
Chongru-ku, Seoul 110-752 Korea
Telephone +82 2 399 6500
Facsimile +82 2 399 6507

MALAYSIA

Suite 12-1, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Telephone +60 3 2611 1148
Facsimile +60 3 2070 4302

NEW ZEALAND

Level 3
125 The Strand
Parnell
Auckland, 1001, New Zealand
Telephone +64 9 915 2826
Facsimile +64 9 915 2881

SINGAPORE

101 Thomson Road
United Square #08-03
Singapore 307591
Telephone +65 6255 4555
Facsimile +65 6253 8431

UNITED KINGDOM

Australia Centre
Australia House
6th Floor
Melbourne Place/Strand
London UK WC2B 4LG
Telephone +44 20 7438 4601
Facsimile +44 20 7240 6690

UNITED STATES

6100 Center Drive
Suite 1150
Los Angeles California
United States 90045
Telephone +1 310 695 3200
Facsimile +1 310 695 3201

EMAIL:

ask.us@tourism.australia.com



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