



Are we there yet?

The NRMA roadmap for the visitor economy



Discovery series



About the NRMA

Better transport infrastructure has been a core focus of the NRMA since 1920 when our founders lobbied for improvements to the condition of Parramatta Road in Sydney. Independent advocacy was the foundation activity of the organisation and remains critical to who we are as we approach our first centenary.

The NRMA has grown to one of the largest tourism and transport companies in Australia, representing over 2.6 million Australians principally from NSW and the ACT. The NRMA provides motoring, transport and tourism services to our Members and the community.

Today, the NRMA works with policy makers and industry leaders to advocate for transport solutions that help solve key pain points such as congestion, access and affordability and connect people and communities. The NRMA is passionate about facilitating travel across Australia, recognising the vital role tourism plays in supporting regional communities.

By working together with all levels of government to deliver integrated transport and tourism options we can provide for the future growth of our communities and continue to keep people moving for generations to come.

Discovery series

The NRMA is passionate about travel. We aim to inspire people to connect, explore and discover this great country through cost effective and seamless tourism and transport services. As the backbone of many regional communities and an employer of over half a million Australians, we need to ensure the tourism industry continues to grow. Through our Discovery Series, the NRMA will champion investment in transport and visitor infrastructure, partnerships that profile our regions, and technology that links visitors with the most iconic and best kept secrets this country has to offer.

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Introduction

The great Aussie road trip is synonymous with tourism and holidaying in Australia. The domestic holiday is the way we connect, explore and recharge with family and friends. Whether it's piling into the family car and heading to the coast, visiting a caravan park over the school holidays, or heading to the mountains over a long weekend, a domestic holiday is an Aussie tradition.

And for almost a century, domestic travel and tourism has been a tradition at the NRMA.

The NRMA has a long and proud history assisting our Members when travelling around the country; whether it be providing the first touring maps to navigate the growing network of unmarked roads, to servicing the family car or assisting with a breakdown, we have kept our Members moving on their holiday journey.

But the NRMA involvement in the tourism industry has grown to become much richer than this. The NRMA owns and operates Travelodge properties across regional and metropolitan Australia as well as Hotel Kurrajong in Canberra. Our Thrifty car rental business provides visitors with access to hire cars in 170 locations to explore the country or travel for business.

Our expanded holiday parks portfolio means the NRMA now has over 40 owned and managed family-friendly caravan and camping sites providing value for money experiences in the best regional locations.

Our investment in My Fast Ferries will see us transport up to 3.7 million passengers across another iconic thoroughfare, Sydney Harbour, each year.

Whether it's keeping you moving and safe in your own car, providing alternative transportation, or providing a range of accommodation options to rest your weary head at night, the NRMA has supported travellers on their journey and at their destination.

The NRMA is committed to the tourism industry and the communities it supports. Tourists spent \$110 billion in local towns, cities and regional communities in 2016-17. Of this expenditure, nearly 75 per cent was generated by domestic visitors. Domestic tourism is the backbone of many regional communities, with 86 per cent of domestic travel being done by car.

That's why the NRMA is lending its voice to industry

discussions about the future of this great industry in Australia. The NRMA is calling on industry and government to come together to discuss the next frontier of tourism development and targets, investment in infrastructure and how technology will change the way we plan, travel, connect and experience our holiday journey and destinations.

We want to see more Australians enjoying more of this country by making it easier to travel, and giving them a compelling reason to venture beyond capital cities. We want to see a future where tourism continues to grow, offering Australians employment opportunities, a chance to reconnect and explore local communities, and greater amenity in both regional and metropolitan areas.

There is great potential in this industry. Based on the current trajectory of tourism growth in the country, the NRMA believes overnight visitation could grow to 1 billion nights by 2029-30, with overnight visitors spending \$150 billion in the Australian economy; \$62 billion of which could be spent in regional communities. With the right level of investment, planning and industry partnerships, this number could be achievable.

With the industry approaching the cusp of the 2020 Tourism Industry Potential target, now is the time to review our performance and plan for the future.

Our *Are We There Yet?* report outlines the economic importance of tourism – including drive tourism and caravanning and camping – to many destinations in which the NRMA operates, and the areas of focus that could make a difference now and in to the future for the sector.

The *Discovery Series* by the NRMA will see the organisation work with industry and local communities to realise its potential by identifying initiatives, programs and infrastructure required to grow the sector in the future.

The NRMA has set some ambitious targets in growing its own interests in the tourism industry and believes the sector should do the same. The industry should be bold, tackle the hard issues and work with the community to lift the quality of experiences that Aussies and international visitors enjoy when travelling in Australia.



Recommendations

What gets measured gets done

- Establish a Tourism 2030 Industry Potential Target with specific targets for both domestic and international spend to guide the development and performance of the sector beyond 2020
- Set regional growth targets in line with the Tourism 2030 Industry Potential to grow overnight visitation and spend in the regions
- Re-establish visitor economy taskforces to guide the development of tourism strategies in each state, and monitor and evaluate the performance of the sector against its targets

Inspire Journeys

- Support, facilitate and develop new innovative ways to bring nature-based tourism projects to market in partnership with the private sector and community, including alternative funding models for delivery
- Reform regional tourism development grant programs to provide greater consistency in funding and support to businesses in meeting selection criteria. Priority should be given to projects that have been identified in destination management plans as addressing product and infrastructure gaps

- Develop state-based cruise and marine-tourism strategies that identify opportunities for local cruising in regional communities, including infrastructure upgrades required to support the growth of the sector
- Establish a target to grow regional events in priority destinations, with funding support specifically for running costs and event management in the initial years of establishment.

Aid discovery

- Develop tourism and transport strategies in each state, addressing intermodal and connectivity issues between road, rail, aviation and cruising infrastructure.
- Establish a timetable for transitioning all visitor signage to one consistent colour
- Develop an investment strategy for digital wayfinding signage with the capacity to communicate with in-car technology and smart infrastructure by 2030
- Develop a national program to improve rest stop amenity across the country with the aim of providing showers, toilets, power, and wifi at priority regional and remote rest areas for travellers and long-haul drivers

- Establish an inter-government working group with representatives from the Department of Planning, Environment and Heritage, Industry (Tourism), Labour and Skills, and Regional Development to actively address barriers to tourism investment including planning and building controls, regulation and skills shortages

This group should develop an Action Plan to reduce red tape associated with tourism investment including zoning, development application processes, tax arrangements and adaptive re-use of heritage assets, with timelines for delivering reform.

Create meaningful engagement

- Reform vocational pathways to include greater industry-led traineeships, apprenticeships and mentor programs, as well as greater career advice for school leavers on the value of a career in hospitality and tourism.

- Conduct a review of recent changes to skilled migration visas and monitor the impact of the changes on the sector. Major reform must occur if the changes are proven to widen workforce gaps.
- Reform and expand employment programs that support regional tourism businesses including the Seasonal Worker program, Refugee Employment Support Program and Working Holiday Maker program.

Live like a local – curated experiences

- Establish programs that support technology-based solutions that link domestic and international travellers with local communities and authentic visitor experiences.
- Support indigenous employment and business mentoring programs that create jobs, empower indigenous enterprise, and create authentic experiences curated by Aboriginal and Torres Strait Islander peoples.

The NRMA and the tourism industry

A trip down memory lane....

The NRMA has a long and proud history in the travel industry. The NRMA produced its first touring guide for motorists in 1925. As most major roads were not signposted during these times, motorists relied on the descriptions provided by the NRMA to guide them on their journey.

With the popularity of the motor car and touring came an interest in camping and NRMA made its first property acquisition in 1926, with a further expansion into skiing, golfing and caravanning clubs and pamphlets in the 1930s. As automobile technology improved, so too did the length of trips taken, with the NRMA extending its touring maps to include Brisbane and Melbourne.

For those involved in flying, the NRMA aviation bureau provided information on all the landing grounds in Australia. The NRMA even offered an inspection service for aspiring purchasers of second-hand aircraft!

As accommodation offerings expanded, the NRMA in conjunction with the other motoring clubs established the star ratings system for accommodation in the 1950s. This was one of the first programs that set a standard for accommodation in Australia and provided quality assurance to travellers when on their journey.

The Australian community is probably unaware of these long-standing roots in travel and the extent to which the NRMA is still embedded in tourism industry today.

The NRMA today....

NRMA is one of Australia's major tourism and transport operators, with a gross asset value of more than \$800 million in hotels, holiday parks, travel and car hire services.

The NRMA diversified portfolio of tourism and travel assets means we have real skin in game when it comes to tourism.

Did you know the NRMA

- Owns Travelodge properties operated by TFE Hotels as well as Hotel Kurrajong.
- Over 40 owned and managed holiday parks, based in regional destinations across six states, making the NRMA the second largest operator of holiday park sites in Australia.
- Owns Thrifty car rentals in 170 locations nation-wide, supporting 465,000 trips by international and domestic tourists yearly.
- Invested in Manly Fast Ferry (My Fast Ferry) that transports more than 3.7 million passengers a year across Sydney's iconic harbour.
- Provides roadside assistance to 270,100 travellers during the holiday period.
- Committed \$10 million to an electric vehicle fast-charging network to help the next generation of travellers explore regional Australia.
- NRMA Travel assists domestic and international visitors book their holidays at home and abroad.

Our commitment to the industry

The NRMA has the goal of becoming Australia's largest tourism and transport operator and advocate over the next decade. We will deliver real value to our Members and local communities by facilitating the movement of Australians across the country and around the states, creating meaningful journeys and allowing our members to discover the country.

We will continue to promote the best travel experiences across the country, already spending \$7 million annually promoting domestic road trips and travel stories in our Open Road magazine and social media platforms annually.

To this end, the NRMA has set the following objectives to 2030:

- Strengthen our voice as an advocate for tourism, based on our first-hand experience operating in the sector.
- Grow the NRMA's network of value-for-money accommodation in the best regional locations.
- Deliver the largest network of electric vehicle fast charging stations across NSW, the ACT and beyond to prepare for Australia's future fleet of vehicles and facilitate greater visitation to regional destinations.
- Develop meaningful partnerships with the community, government and local councils to deliver visitor infrastructure in the regions.

Like every business, the NRMA is setting targets and goals to guide its development and measure its performance. The sector needs to do the same.

Are we there yet? Achieving our 2020 targets

The value of the tourism industry

Tourism has been identified as one of five super growth industries, growing faster than global GDP and outstripping the value of traditional resources sectors¹.

In 2016-17, direct tourism expenditure in local communities totalled \$110 billion, 75 per cent of which is generated by Australians travelling in Australia, whether it be interstate, within their own state or completing day trips².

The sector employs more than half a million people, more people than agriculture, mining and the finance sector. Of this employment, 1 in 20 jobs in regional areas are directly tourism related³.

Tourism is rarely given the kudos it deserves as an economic powerhouse. This is perhaps because the sector is essentially a supply chain of multiple fragmented and disjointed industries coming together to offer an experience, rather than a tangible output such as coal, grain or gas.

Ministerial responsibility for tourism rarely encompasses responsibility for the major pieces of infrastructure and regulation that affects the sector's day-to-day operation including planning, roads,

airports, national parks, cultural institutions and visitor attractions. This can often mean parts of the sector operate at cross-purposes.

The sector is also susceptible to external shocks outside the control of any government or operator including exchange rate movements, changing traveller preferences, global economic downturns, increased competition from overseas destinations, as well as immigration policy both here and abroad.

In the early 2000s, the sector realised Australia's international competitiveness had not kept pace with global trends, resulting in a decline in international market share. Domestic visitation also slowed as Australians chose to travel abroad rather than at home. The Tourism 2020 targets were established to monitor our performance and lift our game in these areas.

There is an economic imperative to ensure tourism as Australia's major services export sector continues to grow. We cannot become complacent or ride on the coat tails of strong visitor growth from Asia. Setting targets, monitoring performance, forming partnerships and investing in product and infrastructure are critical in ensuring the sustainability of the sector.

Setting targets

In 2009, an aspirational growth target was set to guide the performance and competitiveness of the tourism sector to 2020.

The establishment of the 2020 Tourism Industry Potential was the first time in history federal and state governments had come together with industry to set a target to measure performance. The partnership and transparency around tourism

performance was wholeheartedly welcomed and supported by the sector.

In 2009, overnight tourism spend totalled \$71.2 billion. The Tourism 2020 target was set to grow overnight visitor expenditure from \$71.2 billion to between \$115 billion (lower limit) and \$140 billion (upper limit) by 2020.

From this target, the states set their own targets, aligned with the national industry potential target.

Table 1: State Tourism 2020 targets

Tourism 2020 growth targets		
State	Expenditure Target	Overnight Visitor Target
NSW	\$36.6 billion	
ACT	\$2.5 billion	
VIC	\$24.7 billion	(320,700 jobs by 2025)
	(\$36.5 billion by 2025)	
QLD	\$30 billion	
SA	\$8 billion	
WA	\$12 billion	
TAS	\$2.5 billion	1.5 million visitors by 2020
NT	\$2.2 billion	

¹ Deloitte Access Economics (2013) Positioning for Prosperity, Catching the Next Wave
² Tourism Research Australia -source data
³ <https://www.mytravelresearch.com/five-challenges-facing-regional-tourism-in-australia/>
⁴ Tourism Research Australia (2018) State tourism satellite accounts 2016-17
⁵ Department of Employment (2018) Industry projections

Employment

Tourism

598,200⁴

Mining

231,800

Agriculture

296,900

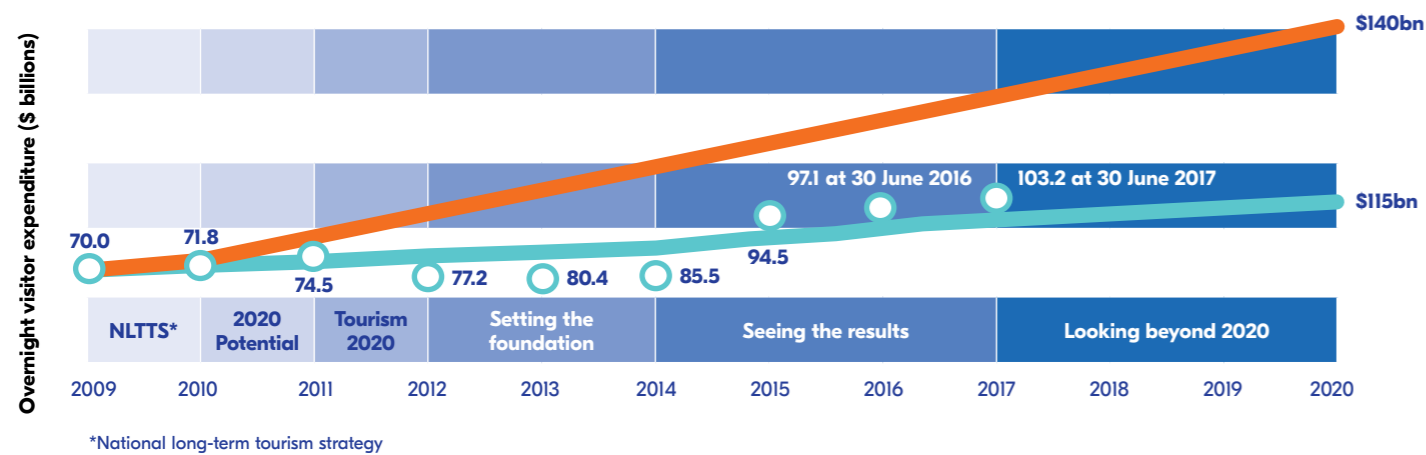
Banking

440,200⁵

Are we achieving our targets?

With a little over three years left until we reach 2020, it is important to consider whether the sector has done enough to meet our aspirational target. As Figure 1 depicts, we are only just tracking above the lower threshold of the stretch goal that was set⁶.

Figure 1: Progress of total overnight visitor spend against Tourism 2020 target



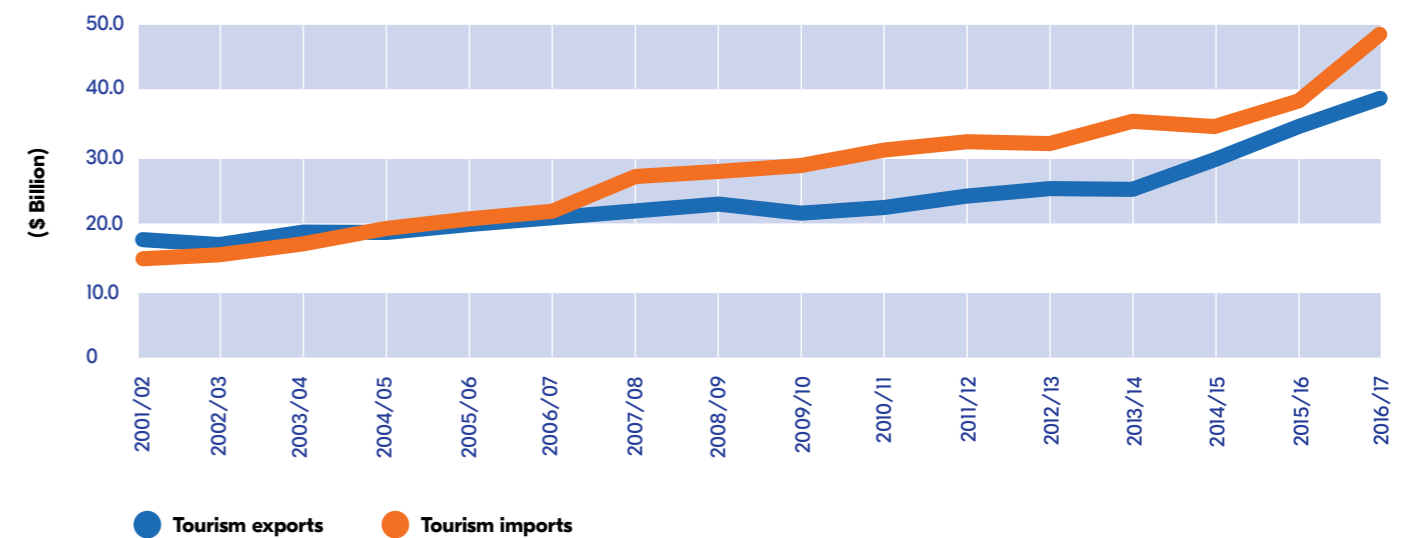
National long-term tourism strategy © Tourism Australia

While tourism remains one of the country's largest services export, Australia is a net importer of tourism. In 2016-17, tourism exports totalled \$37.2 billion. By comparison, tourism imports totalled \$48.6 billion⁷. This means more Australians travel abroad than visitors travel to our shores. This has implications for

our balance of trade, meaning more money is spent overseas than is spent here in the local economy.

Since 2004-05, Australia has been a net importer of tourism, with this trend continuing over the past decade (Figure 2).

Figure 2: Tourism Consumption Imports vs Exports \$billion 2001/2 to 2016/17



It's time to consider whether we've done enough as a sector to grow the industry to its full potential, and provide a compelling reason for people to travel at home. In addition, we need to consider whether our current performance has been a result of organic growth and the buoyancy of the certain visitor markets, namely China.

The Chinese visitor market, for example, is the only market that has already exceeded its stretch target. Table 2 outlines our current performance against targets set for each of the respective markets.

⁶ Tourism Australia (2018) Tourism 2020 <http://www.tourism.australia.com/en/about/our-organisation/our-performance-and-reporting/tourism-2020.html>

⁷ Australian Bureau of Statistics (2017) 5249.0 Australian National Accounts – Tourism Satellite Account 2016-17

Table 2: Tourism industry performance against Tourism 2020 targets by market, 2016-17

Market	2020 Target	2009 Starting point	June 2017 Current position	Increase since 2009	Current progress	
					% Achieved	% Remaining
2020 Target	140	71.2	103.2	32	47	53
Domestic Overnight	76.6	45.6	62.6	17	55	45
International	63.4	25.5	40.6	15.1	40	60
China	9.0	2.6	9.8	7.2	112	
India	2.3	0.7	1.4	0.7	48	52
US	5.5	2.3	3.8	1.5	46	54
NZ	4.2	1.9	2.7	0.8	34	66
Singapore	2.8	0.8	1.5	0.8	32	68
Malaysia	2.5	0.9	1.3	0.4	27	73
Other International	20.0	8.3	11.5	3.2	27	73
Japan	3.3	1.5	1.8	0.3	16	84
France	1.4	0.7	0.7	0.1	9	91
South Korea	3.4	1.4	1.5	0.1	9	91
Germany	2.3	1.1	1.2	0.1	8	92
UK	6.7	3.5	3.5	0	1	99

Source: Tourism Research Australia

What's been happening?

Since the Tourism 2020 targets were established, there have been considerable developments which have impacted the sector's performance.

The composition of our major source markets has changed, and while China has risen to be our second largest source market growing at an annual rate of around 20 per cent, mature markets such as the United Kingdom, Germany and Japan have diminished in size.

State and federal government resourcing around tourism marketing and supply-side infrastructure has also changed, with responsibility for domestic tourism marketing now falling to the states.

Increases in departure taxes (Passenger Movement Charge) and changed visa and tax arrangements for skilled and working holiday makers also affects the cost of holidaying, working and traveling in Australia.

The industry is heavily taxed, raising \$11 billion in revenue each year. Taxes on tourism businesses including company tax, land tax, stamp duty and payroll tax can all affect the ability of businesses to invest in product refurbishment and employment.

When evaluating the performance of the industry, we need to consider what impact the above mentioned factors have had on our performance in order to determine the best way forward.

Now is the time to review and set targets to guide the next decade of tourism growth. The NRMA believes regional targets must be set, including visitor nights and expenditure targets for international and domestic visitors to monitor and develop strategies that grow visitor dispersal to the regions.

There is a need to support grassroots initiatives and infrastructure investment that drives visitation, makes a real difference to the community, and can be measured.

NSW Visitor Economy Taskforce

In 2011, the NSW Visitor Economy Taskforce was established to develop an action plan to achieve the Tourism 2020 target of doubling overnight visitor expenditure. The Taskforce brought together government, regional tourism networks and the private sector to look at the areas critical to the sectors ongoing success, including labour and skills, nature-based tourism, business events and tourism marketing.

Chaired by industry leaders, the working groups presented a range of recommendations for

inclusion in the Visitor Economy Industry Action Plan (VEIAP). The industry whole-heartedly supported this process and the Government's approach to developing the Action Plan.

As we approach 2020, it's time for NSW and the other states to review and set the next set of targets and action items that will support the sectors future growth. The 2018 mid-term review of the NSW VEIAP is a proactive step in evaluating performance and the effectiveness of strategies implemented to grow the visitor economy.



The value of domestic tourism

Why focus on domestic tourism?

International and domestic visitors are critical to Australia's visitor economy. Although domestic tourism consumption outweighs international consumption by almost three-to-one, the average international visitor spends \$4,350 while in Australia, 12 times more than the average Australian⁸.

This has meant in many instances luring international visitors to our shores has taken precedence over encouraging domestic travel by Australians.

Yet domestic tourism is still the country's major breadwinner. During 2016-17 travellers spent \$110 billion in Australia, 75 per cent of which is generated by Australians travelling in Australia. Further, 89 per cent of expenditure in regional Australia is generated by domestic visitors.

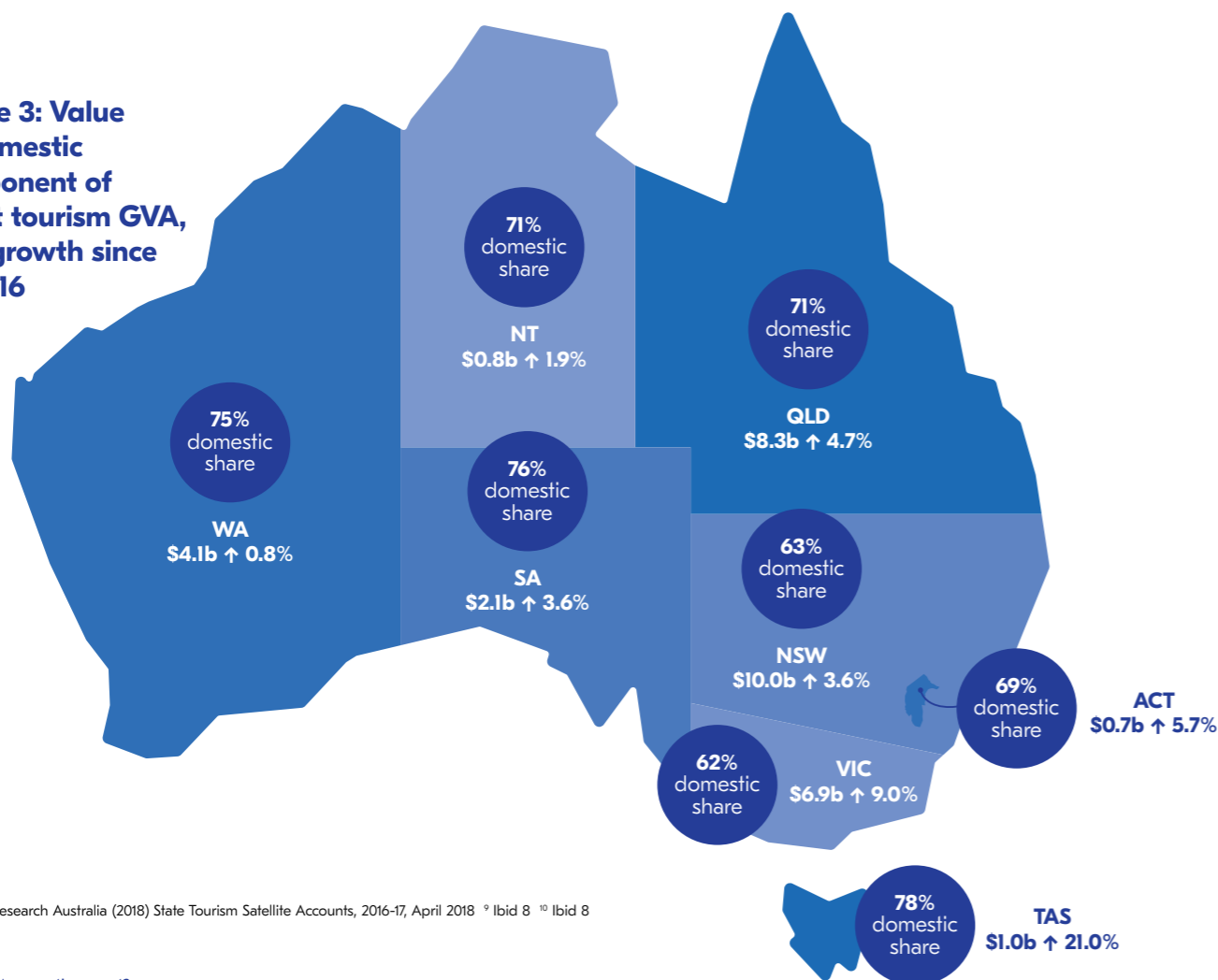
Domestic tourism makes a larger contribution to Gross Value Added (GVA) of state and territory economies

than international tourism. The dominance of this contribution ranges from a 62 per cent and 63 per cent in Victoria and New South Wales, through to 76 per cent and 78 per cent in South Australia and Tasmania⁹.

Tourism Research Australia reveals that the share of GVA created by domestic travel varies from state to state¹⁰, but still represents the lion's share of visitor expenditure:

- interstate travel is highest for the Australian Capital Territory (72 per cent), the Northern Territory (61 per cent) and Tasmania (58 per cent);
- intrastate travel is highest for Western Australia (63 per cent), Queensland (47 per cent), and New South Wales (50 per cent)
- same-day travel is highest for New South Wales (18 per cent), and Victoria (18 per cent).

Figure 3: Value of domestic component of direct tourism GVA, and growth since 2015-16



⁸ Tourism Research Australia (2018) State Tourism Satellite Accounts, 2016-17, April 2018 ⁹ Ibid 8 ¹⁰ Ibid 8

Why is drive tourism important?

Drive tourism has been at the heart of Australian travel for almost a decade, and at the heart of the NRMA as a motoring organisation.

Drive tourism is the largest facilitator of regional dispersal across the country, making it critical for the economic prosperity of many regional towns. Approximately 246 million self-drive trips occur each year, of which 98 per cent are generated by domestic day trip and overnight visitors.

Drive tourism generates \$60 billion in the Australian economy of which \$37 billion or 63 per cent occurs in regional Australia. Self-drive domestic overnight visitors generate almost double what is spent by domestic day trip visitors, and almost three times what is spent by international overnight visitors.

As new emerging markets particularly from Asia become more comfortable travelling around Australia, their propensity to explore our country via car increases. While a much smaller market, international self-drive visitation has experienced an average annual growth rate of 9 per cent to 3.8 million visitors. By comparison, domestic overnight self-drive visitation has only grown at an average of 5 per cent each year since 2011-12.

As free and independent travel (FIT) among our key source markets increases and technology improves, there is an exciting opportunity to encourage greater visitation to our regions.

With fully automated vehicles predicted to be on our roads as soon as 2025, there is a need to consider how connected car technology and automated vehicles will change drive tourism and what infrastructure needs to be in place to support its ongoing development.

What the NRMA wants

- The development of inspirational self-drive journeys aided by technology that encourage greater length of stay in regional communities
- Infrastructure that supports new types of vehicles including electric vehicles to explore the country.
- Investment in visitor facilities, attractions and events that make the regions interesting places to visit.
- A plan to address congestion in cities and major corridors that connect visitors to tourism destinations and the regions.



Why is caravanning and camping important?

Along with drive tourism, caravan and camping is going through a resurgence, led by a trend of people wanting to reconnect with nature and each other rather than 'things'¹¹. Caravanning and camping has become the fastest growing domestic accommodation type in Australia, with a 5 per cent annual growth rate year-on-year since 2011¹².

Contrary to popular belief, caravanning and camping is not just popular with grey nomads. Nearly half of international holiday park visitors in Australia are millennials. 'Experiences' trump 'things' and these visitors will seek out experiences that help shape their identity and create long term memories¹³.

In 2016-17, caravan and camping visitors spent \$4.4 billion, of which 90 per cent was injected into regional Australia.

Holiday parks also make a significant contribution to the local communities in which they operate. For every dollar of caravan park income, \$1.38 of economic activity is generated in the local economy¹⁴.

What the NRMA wants

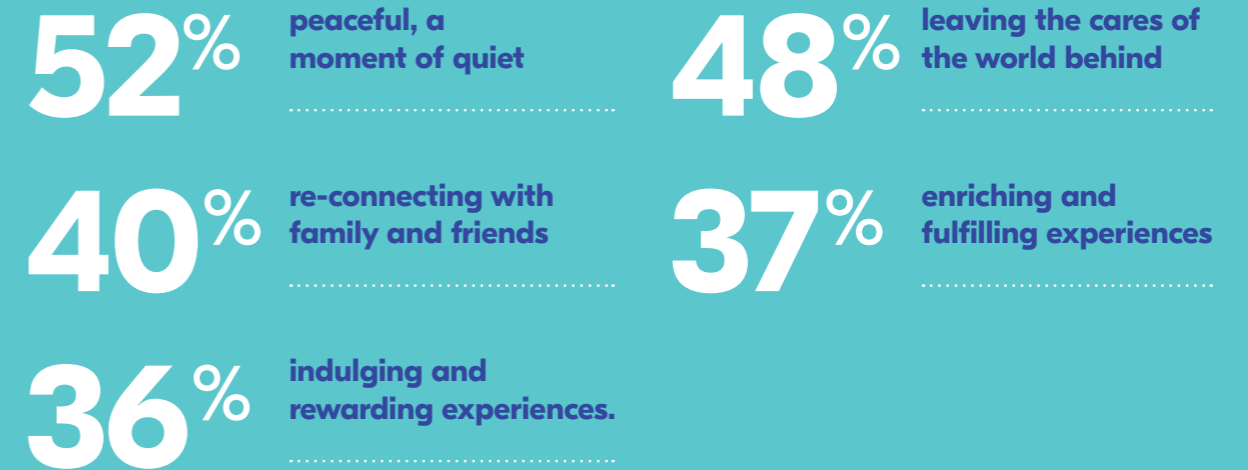
- A strategy to grow caravan and camping visitation among domestic and international visitors
- Identification of new and exciting locations for caravan parks, providing international and domestic visitors with access to value-for-money experiences in the best regional destinations.

Why focus on the regions?

Regional holidays have an important role in fostering the wellbeing of Australians. Research indicates Australians' domestic holiday needs are best met through regional experiences, with 1 in 4

people associating regional Australia with peaceful moments of quiet and reconnecting with family and friends¹⁵.

Top five experiences Australians want from their holidays delivered by regional Australia¹⁶



But tourism isn't only about the traveller, it's about the communities they visit. Tourism provides opportunities to diversify the economies of local communities and create jobs, leading to a higher standard of living.

In order for the sector to be successful, the local community must be at the heart of the experience. Locals must be willing to engage in the industry and with the visitors it attracts. In return, visitors should acknowledge and respect the character of these destinations and its people.

Forty eight per cent of all visitor expenditure occurs in regional Australia. Not surprisingly, 89 per cent of expenditure in regional Australia is attributed to domestic visitors. In most of the states, expenditure by domestic visitors can account for at least 78 per cent of expenditure in regional destinations (See Figure 4).

International visitors are generally less likely to travel to regional destinations or spend as long once there, due to time, distance and Australia being a relatively high-cost destination.

¹¹ Caravan Industry Association of Australia (2017) Towards 2030: A Connected Future. ¹² Ibid 11 ¹³ Ibid 11 ¹⁴ BDO (2012) Caravan, RV & Accommodation Industry of Australia, Economic Benefit Report – Commercial Caravan Park to a Local Community, October 2012.

¹⁵ KANTAR TNS (2017) Domesticate 2017

¹⁶ Ibid 15

Why focus on the regions?

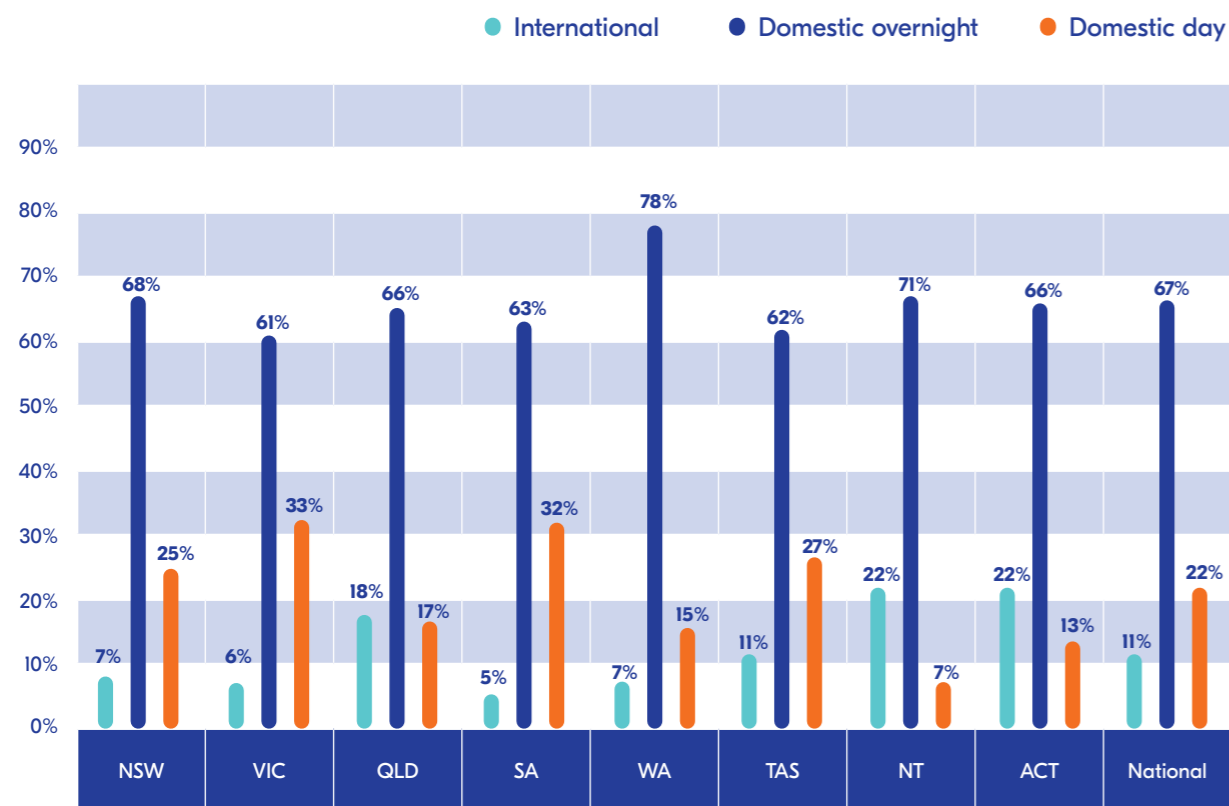
During 2016-17, only 42 per cent of international visitors to capital cities went beyond the city gateway, compared to 67 per cent of domestic overnight trips that included a regional destination. International visitation to Australia's capital cities continues to grow faster than that to regional Australia (up 8.9 per cent compared to 6.2 per cent)¹⁷.

However, those international visitors travelling to regional areas are now more likely to take in more

of Australia, with 69 per cent of those travelling in regional areas having three or more stopovers while in Australia¹⁸.

There is a need to continually improve and facilitate the movement of people to our regions, provide authentic value-for-money experiences, and support the economic development of these areas.

Figure 4: Proportion of regional tourism expenditure within each state



¹⁷ Tourism Research Australia (2018) State of the Industry 2016-17 Summary – February 2018. Note: TRA figure includes the Gold Coast

¹⁸ Ibid 17

Looking through the rearview

The NRMA is committed to growing visitation to the regions to 2020 and beyond. This means focusing on those parts of the visitor economy that generate stable and consistent visitation year on year, including drive tourism and caravanning and camping.

The following tables summarise the key trends in visitation, nights, and expenditure in each of the states, including regional Australia. The NRMA has detailed the contribution of tourism to each regional tourism destination in state-based appendices accompanying this document.

Based on current regional performance, the Tourism 2020 targets and projected visitation, the NRMA has projected visitor nights and spend for both capital cities and regional Australia overnight.

The forecasts highlight the potential of the sector beyond 2020, and should be used to start a conversation about the next set of industry growth targets to 2030.

Summary of key results: visitation to Australia

188 million day visitors representing 65 per cent of total visitors, yet only 18 per cent of spend

Northern Territory has experienced the largest average annual growth rate in domestic overnight visitation at 12 per cent since 2011-12 to

1.6 million visitors

Domestic overnight visitors spend more than double international visitors and 3 times more than day trip visitors.

\$62 billion spent by domestic overnight visitors – 57 per cent to total spend

\$110 billion in spend – 75 per cent by domestic visitors

Total spend has increased **29%** since 2011-12

Average annual growth in international expenditure is 2.2 times domestic overnight expenditure - growing on average 11 per cent each year to **\$28** billion

48% of total visitor expenditure occurs in regional Australia



Tasmania has had the largest average annual growth rate in international visits – 16 per cent since 2011-12 to

253,000 international visitors

Summary of key results: drive tourism

Drive tourism generates

\$60

billion in visitor expenditure

63%

of expenditure generated by road trips occurs in regional Australia

246

million visitors took a road trip in 2016-17 – 98 per cent of these trips completed by Aussies

The Northern Territory



experienced the largest average annual growth rate in domestic overnight drive visitation at 14% - 781,000 visitors



85%

of all trips involve travel by car

54 per cent of drive tourism expenditure contributed by domestic overnight visitors

\$32 billion

Tasmania experienced the largest average annual growth rate in international drive visitors at **19%** since 2011-12 to 91,000 international visitors

338 million

nights spent by self-drive visitors in Australia in 2016-17

Self-drive trips represent

86%

of all domestic trips.

Tasmania has seen 25 per cent average annual growth in international drive expenditure to

\$118 million

Summary of key results: caravan and camping

6.7 million

caravan and camping visitors

93%

of visitor spend attributed to domestic overnight visitors

\$4.4

billion in caravan and camping spend

For every \$1 spent in a caravan and camping ground, a further

\$1.38

delivered to the economy



International caravan and camping

visitation has grown three times faster than domestic overnight visitation to 263,000 visitors.

Summary of key results: the road ahead

\$62 billion

could be generated in regional Australia



545 million visitor nights generated by

road trips

by 2029-30

Overnight visitor expenditure could grow to **\$150 billion** by 2029-30

The country could attract 1 billion visitor nights nationally by

2029-30

389

million overnight trips in regional Australia by 2029-30

Economic contribution of tourism

Total tourism visitation						Total visitor nights		
Stopover region	Financial year	Visitors (000)				Nights (000)		
		Int'l	Dom. overnight	Dom. daytrips	Total	Int'l	Dom. overnight	Total
Regional NSW	2011/12	570	17,178	34,397	52,145	10,931	60,655	71,585
	2016/17	812	21,179	37,022	59,013	14,806	70,081	84,887
	Av. Annual change	9%	5%	2%	3%	7%	3%	4%
NSW	2011/12	2,753	24,251	53,828	80,832	66,743	82,698	149,441
	2016/17	4,008	29,981	56,707	90,696	92,512	96,296	188,808
	Av. Annual change	9%	5%	1%	2%	8%	3%	5%
Regional Victoria	2011/12	326	11,570	28,668	40,564	5,319	34,932	40,251
	2016/17	526	15,110	32,715	48,351	8,161	42,544	50,705
	Av. Annual change	12%	6%	3%	4%	11%	4%	5%
Victoria	2011/12	1,739	17,909	44,119	63,767	43,600	54,009	97,609
	2016/17	2,761	23,150	48,942	74,853	67,377	66,347	133,724
	Av. Annual change	12%	6%	2%	3%	11%	5%	7%
Regional Queensland	2011/12	1,461	13,597	24,633	39,691	23,280	59,691	82,971
	2016/17	1,971	15,636	26,564	44,171	27,750	63,776	91,526
	Av. Annual change	7%	3%	2%	2%	4%	1%	2%
Queensland	2011/12	1,935	17,951	37,293	57,179	42,118	74,966	117,084
	2016/17	2,618	21,342	39,918	63,878	53,910	82,753	136,663
	Av. Annual change	7%	4%	1%	2%	6%	2%	3%
Regional SA	2011/12	122	3,210	7,694	11,026	1,701	11,756	13,457
	2016/17	154	3,743	8,418	12,315	1,962	13,156	15,118
	Av. Annual change	5%	3%	2%	2%	3%	2%	2%
SA	2011/12	328	5,081	11,705	17,114	9,223	18,667	27,890
	2016/17	435	6,143	13,188	19,766	10,934	21,458	32,393
	Av. Annual change	7%	4%	3%	3%	4%	3%	3%
Regional WA	2011/12	228	3,528	4,529	8,285	5,718	16,569	22,286
	2016/17	289	6,039	6,346	12,674	5,540	28,553	34,093
	Av. Annual change	5%	14%	8%	11%	-1%	14%	11%
WA	2011/12	731	6,082	14,154	20,967	25,740	26,960	52,700
	2016/17	965	9,425	19,607	29,997	28,066	41,184	69,249
	Av. Annual change	6%	11%	8%	9%	2%	11%	6%
Regional Tasmania	2011/12	75	1,166	2,880	4,121	1,119	4,279	5,398
	2016/17	140	1,550	3,668	5,358	1,752	5,609	7,361
	Av. Annual change	17%	7%	5%	6%	11%	6%	7%
Tasmania	2011/12	139	1,976	4,887	7,002	2,811	8,646	11,458
	2016/17	253	2,658	5,646	8,557	3,940	10,917	14,858
	Av. Annual change	16%	7%	3%	4%	8%	5%	6%
Regional NT	2011/12	211	611	597	1,419	1,806	3,136	4,942
	2016/17	231	1,044	956	2,231	1,499	4,951	6,449
	Av. Annual change	2%	14%	12%	11%	-3%	12%	6%
NT	2011/12	264	1,017	1,112	2,393	3,547	6,288	9,835
	2016/17	302	1,607	1,599	3,508	3,909	9,273	13,183
	Av. Annual change	3%	12%	9%	9%	2%	9%	7%
ACT	2011/12	162	1,879	1,715	3,757	4,180	5,041	9,221
	2016/17	221	2,649	2,093	4,964	4,584	6,703	11,287
	Av. Annual change	7%	8%	4%	6%	2%	7%	4%
Regional Australia	2011/12	2,323	49,281	103,398	155,002	49,873	191,017	240,891
	2016/17	3,275	62,333	115,688	181,296	61,469	228,670	290,138
	Av. Annual change	8%	5%	2%	3%	5%	4%	4%
Australia	2011/12	5,387	73,302	168,813	247,502	197,962	277,276	475,238
	2016/17	7,769	93,420	187,702	288,891	265,232	334,932	600,164
	Av. Annual change	9%	5%	2%	3%	7%	4%	5%

Total tourism expenditure						Employment
Stopover region	Financial year	Regional expenditure (\$M)				Total
		Int'l	Dom. overnight	Dom. daytrips	Total	
Regional NSW	2011/12	665	8,272	3,415	12,351	90,400
	2016/17	1,065	10,474	3,766	15,304	
	Av. Annual change	12%	5%	2%	5%	
NSW	2011/12	6,123	13,760	5,587	25,469	171,100
	2016/17	10,099	17,158	5,922	33,178	
	Av. Annual change	13%	5%	1%	6%	
Regional Victoria	2011/12	367	4,326	2,590	7,285	64,700
	2016/17	541	5,467	2,968	8,976	
	Av. Annual change	9%	5%	3%	5%	
Victoria	2011/12	4,221	10,021	4,415	18,659	143,800
	2016/17	7,496	12,916	4,780	25,191	
	Av. Annual change	16%	6%	2%	7%	
Regional Queensland	2011/12	2,301	10,516	2,734	15,550	98,100
	2016/17	3,068	11,313	2,887	17,265	
	Av. Annual change	7%	2%	1%	2%	
Queensland	2011/12	3,812	13,596	4,060	21,466	137,500
	2016/17	5,232	15,167	4,249	24,645	
	Av. Annual change	7%	2%	1%	3%	
Regional SA	2011/12	85	1,417	619	2,122	15,700
	2016/17	134	1,644	825	2,605	
	Av. Annual change	12%	3%	7%	5%	
SA	2011/12	647	3,312	1,085	5,045	36,000
	2016/17	1,061	3,812	1,367	6,242	
	Av. Annual change	13%	3%	5%	5%	
Regional WA	2011/12	313	2,597	548	3,459	32,000
	2016/17	370	3,930	756	5,054	
	Av. Annual change	4%	10%	8%	9%	
WA	2011/12	2,106	5,011	1,452	8,570	71,100
	2016/17	2,505	7,101	2,245	11,849	
	Av. Annual change	4%	8%	11%	8%	
Regional Tasmania	2011/12	102	796	283	1,179	9,700
	2016/17	189	1,017	441	1,645	
	Av. Annual change	17%	6%	11%	8%	
Tasmania	2011/12	238	1,584	470	2,289	18,900
	2016/17	456	2,290	645	3,389	
	Av. Annual change	18%	9%	7%	10%	
Regional NT	2011/12	234	576	73	883	4,600
	2016/17	324	1,060	112	1,494	
	Av. Annual change	8%	17%	11%	14%	
NT	2011/12	352	1,307	182	1,841	9,000
	2016/17	486	1,987	216	2,687	
	Av. Annual change	8%	10%	4%	9%	
ACT	2011/12	338	1,048	291	1,677	10,600
	2016/17	535	1,621	309	2,466	
	Av. Annual change	12%	11%	1%	9%	
Regional Australia	2011/12	4,067	28,500	10,262	42,829	315,200
	2016/17	5,691	34,905	11,755	52,343	
	Av. Annual change	8%	4%	3%	4%	
Australia	2011/12	17,837	49,639	17,542	85,016	598,200
	2016/17	27,870	62,052	19,733	109,647	
	Av. Annual change	11%	5%	2%	6%	

Source: Tourism Research Australia
Notes: Based on financial year figures

Drive tourism

Drive tourism visitation						Total visitor nights		
Stopover region	Financial year	Visitors (000)				Nights (000)		
		Int'l	Dom. overnight	Dom. daytrips	Total	Int'l	Dom. overnight	Total
Regional NSW	2011/12	345	15,359	32,854	48,558	4,795	51,903	56,698
	2016/17	498	18,826	35,343	54,667	7,304	60,101	67,405
	Av. Annual change	9%	5%	2%	3%	10%	3%	4%
NSW	2011/12	984	18,943	48,231	68,158	26,241	61,871	88,112
	2016/17	1,340	23,213	50,900	75,453	36,725	72,681	109,406
	Av. Annual change	7%	5%	1%	2%	8%	3%	5%
Regional Victoria	2011/12	252	10,412	27,292	37,956	2,743	29,699	32,442
	2016/17	409	13,894	31,646	45,949	4,730	38,237	42,967
	Av. Annual change	12%	7%	3%	4%	14%	6%	6%
Victoria	2011/12	687	13,226	39,856	53,769	19,668	37,084	56,752
	2016/17	1,095	17,242	44,764	63,101	29,862	47,108	76,970
	Av. Annual change	12%	6%	2%	3%	10%	5%	7%
Regional Queensland	2011/12	488	9,911	23,682	34,081	7,908	36,382	44,290
	2016/17	647	11,538	25,819	38,004	11,109	40,511	51,620
	Av. Annual change	7%	3%	2%	2%	8%	2%	3%
Queensland	2011/12	715	12,391	34,561	47,667	16,462	44,097	60,559
	2016/17	1,006	14,921	37,741	53,668	24,696	50,849	75,545
	Av. Annual change	8%	4%	2%	3%	10%	3%	5%
Regional SA	2011/12	79	2,800	7,455	10,334	813	9,496	10,309
	2016/17	98	3,340	8,158	11,596	1,056	10,914	11,969
	Av. Annual change	5%	4%	2%	2%	6%	3%	3%
SA	2011/12	145	3,740	11,208	15,093	3,637	12,513	16,150
	2016/17	201	4,550	12,484	17,235	4,746	14,637	19,383
	Av. Annual change	8%	4%	2%	3%	6%	3%	4%
Regional WA	2011/12	141	2,798	4,300	7,239	2,380	10,745	13,125
	2016/17	216	4,587	6,173	10,976	2,986	16,672	19,659
	Av. Annual change	11%	13%	9%	10%	5%	11%	10%
WA	2011/12	384	4,386	13,109	17,879	13,815	15,200	29,015
	2016/17	574	6,946	18,510	26,030	17,165	23,199	40,364
	Av. Annual change	10%	12%	8%	9%	5%	11%	8%
Regional Tasmania	2011/12	39	903	2,786	3,728	284	2,653	2,938
	2016/17	78	1,153	3,544	4,775	498	3,295	3,793
	Av. Annual change	20%	6%	5%	6%	15%	5%	6%
Tasmania	2011/12	46	1,355	4,681	6,082	529	4,384	4,913
	2016/17	91	1,751	5,435	7,277	853	5,452	6,305
	Av. Annual change	19%	6%	3%	4%	12%	5%	6%
Regional NT	2011/12	56	381	552	989	421	1,652	2,072
	2016/17	67	668	914	1,649	621	2,703	3,324
	Av. Annual change	4%	15%	13%	13%	10%	13%	12%
NT	2011/12	67	460	1,011	1,538	778	2,292	3,070
	2016/17	87	781	1,529	2,397	1,658	3,374	5,032
	Av. Annual change	6%	14%	10%	11%	23%	9%	13%
ACT	2011/12	70	1,312	1,553	2,936	1,086	3,112	4,198
	2016/17	99	1,814	1,885	3,798	1,019	4,429	5,448
	Av. Annual change	8%	8%	4%	6%	-1%	8%	6%
Regional Australia	2011/12	1,105	41,330	98,920	141,355	19,344	142,531	161,875
	2016/17	1,609	52,340	111,597	165,546	28,304	172,433	200,737
	Av. Annual change	9%	5%	3%	3%	9%	4%	5%
Australia	2011/12	2,596	54,097	154,211	210,904	82,215	180,553	262,768
	2016/17	3,759	68,853	173,250	245,862	116,724	221,729	338,453
	Av. Annual change	9%	5%	2%	3%	8%	5%	6%

Drive tourism expenditure					
Stopover region	Financial year	Regional expenditure (\$M)			
		Int'l	Dom. overnight	Dom. daytrips	Total
Regional NSW	2011/12	307	6,521	3,278	10,108
	2016/17	496	8,494	3,636	12,624
	Av. Annual change	12%	6%	2%	5%
NSW	2011/12	1,874	8,132	4,870	14,878
	2016/17	2,880	10,535	5,193	18,607
	Av. Annual change	11%	6%	1%	5%
Regional Victoria	2011/12	197	3,441	2,484	6,131
	2016/17	326	4,791	2,896	8,009
	Av. Annual change	13%	8%	3%	6%
Victoria	2011/12	1,516	4,753	3,886	10,164
	2016/17	2,707	6,543	4,224	13,469
	Av. Annual change	16%	8%	2%	7%
Regional Queensland	2011/12	684	5,260	2,608	8,553
	2016/17	933	5,843	2,782	9,558
	Av. Annual change	7%	2%	1%	2%
Queensland	2011/12	1,275	6,314	3,700	11,290
	2016/17	1,861	7,134	3,931	12,925
	Av. Annual change	9%	3%	1%	3%
Regional SA	2011/12	43	1,009	600	1,653
	2016/17	76	1,260	794	2,127
	Av. Annual change	15%	5%	6%	6%
SA	2011/12	217	1,511	999	2,728
	2016/17	413	1,979	1,255	3,644
	Av. Annual change	18%	6%	5%	7%
Regional WA	2011/12	149	1,512	498	2,158
	2016/17	241	2,400	706	3,346
	Av. Annual change	12%	12%	8%	11%
WA	2011/12	1,075	2,116	1,301	4,491
	2016/17	1,470	3,636	2,046	7,151
	Av. Annual change	7%	14%	11%	12%
Regional Tasmania	2011/12	36	419	265	719
	2016/17	71	479	429	979
	Av. Annual change	19%	3%	12%	7%
Tasmania	2011/12	53	645	440	1,137
	2016/17	118	908	625	1,650
	Av. Annual change	25%	8%	8%	9%
Regional NT	2011/12	67	249	59	385
	2016/17	92	504	103	701
	Av. Annual change	7%	20%	15%	16%
NT	2011/12	88	357	159	614
	2016/17	151	650	204	1,008
	Av. Annual change	14%	16%	6%	13%
ACT	2011/12	68	520	248	837
	2016/17	90	872	260	1,223
	Av. Annual change	6%	14%	1%	9%
Regional Australia	2011/12	1,483	18,411	9,733	29,707
	2016/17	2,235	23,771	11,243	37,344
	Av. Annual change	10%	6%	3%	5%
Australia	2011/12	6,166	24,348	15,544	46,139
	2016/17	9,690	32,257	17,635	59,677
	Av. Annual change	11%	6%	3%	6%

Source: Tourism Research Australia
Notes: Based on financial year figures

Caravan and camping

Caravan and camping					Total visitor nights		
Stopover region	Financial year	Visitors (000)			Nights (000)		
		Int'l	Dom. overnight	Total	Int'l	Dom. overnight	Total
Regional NSW	2011/12	62	1,974	2,036	384	10,154	10,538
	2016/17	90	2,259	2,349	580	9,972	10,552
	Av. Annual change	9%	3%	3%	10%	0%	0%
NSW	2011/12	65	2,050	2,115	504	10,497	11,001
	2016/17	96	2,359	2,455	675	10,554	11,230
	Av. Annual change	9%	3%	3%	7%	0%	0%
Regional Victoria	2011/12	44	1,422	1,466	323	5,637	5,960
	2016/17	55	1,604	1,659	327	5,735	6,062
	Av. Annual change	5%	3%	3%	0%	0%	0%
Victoria	2011/12	49	1,458	1,507	395	5,804	6,199
	2016/17	62	1,639	1,701	408	5,916	6,324
	Av. Annual change	5%	2%	3%	1%	0%	0%
Regional Queensland	2011/12	78	913	991	1,108	5,213	6,321
	2016/17	87	969	1,056	919	5,669	6,589
	Av. Annual change	2%	1%	1%	-3%	2%	1%
Queensland	2011/12	82	1,034	1,116	1,233	5,745	6,978
	2016/17	95	1,073	1,168	1,082	6,147	7,229
	Av. Annual change	3%	1%	1%	-2%	1%	1%
Regional SA	2011/12	22	584	606	112	2,368	2,480
	2016/17	28	609	637	134	2,511	2,644
	Av. Annual change	5%	1%	1%	4%	1%	1%
SA	2011/12	27	643	670	162	2,672	2,834
	2016/17	35	684	719	211	2,980	3,191
	Av. Annual change	6%	1%	1%	6%	2%	3%
Regional WA	2011/12	38	526	564	520	2,948	3,468
	2016/17	50	679	729	552	4,194	4,746
	Av. Annual change	6%	6%	6%	1%	8%	7%
WA	2011/12	41	575	616	583	3,171	3,754
	2016/17	55	774	829	629	4,535	5,163
	Av. Annual change	7%	7%	7%	2%	9%	8%
Regional Tasmania	2011/12	7	87	94	55	338	394
	2016/17	16	148	164	61	585	646
	Av. Annual change	24%	14%	15%	2%	15%	13%
Tasmania	2011/12	9	116	125	90	481	572
	2016/17	18	187	205	113	851	964
	Av. Annual change	21%	12%	13%	5%	15%	14%
Regional NT	2011/12	41	126	167	215	763	979
	2016/17	42	166	208	197	920	1,118
	Av. Annual change	0%	6%	5%	-2%	4%	3%
NT	2011/12	44	135	179	298	950	1,248
	2016/17	45	171	216	259	1,151	1,410
	Av. Annual change	1%	5%	4%	-3%	4%	3%
ACT	2011/12	7	50	57	14	137	151
	2016/17	6	42	49	17	185	202
	Av. Annual change	-2%	-3%	-3%	4%	7%	7%
Regional Australia	2011/12	191	5,322	5,513	2,717	27,422	30,139
	2016/17	242	5,965	6,207	2,770	29,587	32,357
	Av. Annual change	5%	2%	3%	0%	2%	1%
Australia	2011/12	204	5,731	5,935	3,278	29,459	32,737
	2016/17	263	6,438	6,701	3,394	32,320	35,714
	Av. Annual change	6%	2%	3%	1%	2%	2%

Caravan and camping expenditure				
Stopover region	Financial year	Regional Expenditure (\$m)		
		Int'l	Dom. overnight	Total
Regional NSW	2011/12	28	1,016	1,044
	2016/17	39	1,267	1,306
	Av. Annual change	8%	5%	5%
NSW	2011/12	38	1,075	1,113
	2016/17	50	1,369	1,419
	Av. Annual change	6%	5%	5%
Regional Victoria	2011/12	25	640	665
	2016/17	20	752	772
	Av. Annual change	-4%	4%	3%
Victoria	2011/12	33	669	702
	2016/17	30	789	819
	Av. Annual change	-2%	4%	3%
Regional Queensland	2011/12	87	663	750
	2016/17	81	712	793
	Av. Annual change	-1%	1%	1%
Queensland	2011/12	98	731	829
	2016/17	93	756	849
	Av. Annual change	-1%	1%	0%
Regional SA	2011/12	7	252	259
	2016/17	11	283	294
	Av. Annual change	11%	2%	3%
SA	2011/12	12	329	341
	2016/17	18	338	356
	Av. Annual change	10%	1%	1%
Regional WA	2011/12	37	306	343
	2016/17	51	483	534
	Av. Annual change	8%	12%	11%
WA	2011/12	45	334	379
	2016/17	60	533	593
	Av. Annual change	7%	12%	11%
Regional Tasmania	2011/12	5	37	42
	2016/17	8	74	82
	Av. Annual change	12%	20%	19%
Tasmania	2011/12	8	48	56
	2016/17	13	133	146
	Av. Annual change	13%	35%	32%
Regional NT	2011/12	41	96	137
	2016/17	45	141	186
	Av. Annual change	2%	9%	7%
NT	2011/12	45	130	175
	2016/17	50	162	212
	Av. Annual change	2%	5%	4%
ACT	2011/12	2	16	18
	2016/17	3	21	24
	Av. Annual change	10%	6%	7%
Regional Australia	2011/12	231	3,009	3,240
	2016/17	255	3,713	3,968
	Av. Annual change	2%	5%	4%
Australia	2011/12	281	3,333	3,614
	2016/17	318	4,101	4,419
	Av. Annual change	3%	5%	4%

2029 -30 Industry potential:

Projections

Australia	All Tourism Nights (000)				
	Capital City		Regional Australia		Total
	International	Domestic Overnight	International	Domestic Overnight	
2017-18	232,098	122,993	55,585	220,176	630,851
2018-19	247,403	126,578	58,795	226,406	659,183
2019-20	262,634	129,788	61,867	231,979	686,269
2020-21	277,773	132,943	64,919	237,465	713,100
2021-22	293,592	136,076	68,158	242,863	740,689
2022-23	309,946	139,183	71,550	248,167	768,846
2023-24	327,166	142,311	75,047	253,495	798,019
2024-25	345,161	145,460	78,711	258,846	828,177
2025-26	364,177	148,628	82,552	264,217	859,574
2026-27	384,279	151,815	86,563	269,609	892,266
2027-28	407,336	155,327	91,238	275,547	929,448
2028-29	431,776	158,920	96,165	281,617	968,477
2029-30	457,683	162,596	101,358	287,819	1,009,457

Australia	Self Drive Tourism Nights (000)				
	Capital City		Regional Australia		Total
	International	Domestic Overnight	International	Domestic Overnight	
2017-18	100,455	56,399	26,716	160,941	344,511
2018-19	102,512	58,019	27,776	183,782	370,124
2019-20	108,796	59,469	29,234	188,235	383,729
2020-21	115,047	60,893	30,685	192,613	397,194
2021-22	121,572	62,307	32,222	196,916	410,936
2022-23	128,318	63,709	33,833	201,140	424,881
2023-24	135,417	65,120	35,495	205,381	439,256
2024-25	142,833	66,541	37,236	209,637	454,052
2025-26	150,669	67,970	39,063	213,907	469,377
2026-27	158,951	69,408	40,971	218,191	485,250
2027-28	156,348	71,923	41,906	235,692	505,869
2028-29	166,007	73,587	44,764	240,883	525,241
2029-30	176,262	75,289	47,181	246,189	544,922

Source: Tourism Research Australia

Notes: Calculated based on TRA visitor figures and projections and five year average of Self Drive as a percentage of All Tourism Based on calendar year (some variation against Financial year figures)

Australia	Overnight Visitor Expenditure (\$m)		
	Capital City	Regional Australia	Total
2017-18	50,829	42,331	93,160
2018-19	53,551	43,786	97,337
2019-20	56,220	45,124	101,344
2020-21	58,869	46,448	105,318
2021-22	61,613	47,791	109,404
2022-23	64,429	49,145	113,574
2023-24	67,374	50,520	117,893
2024-25	70,432	51,924	122,357
2025-26	73,641	53,361	127,003
2026-27	77,012	54,828	131,840
2027-28	80,531	57,022	137,552
2028-29	84,211	59,302	143,514
2029-30	88,060	61,674	149,734

Data notes:

Source

- Tourism Research Australia (TRA)

Employment

- Estimates for each tourism region have been sourced from TRA's 2016-17 Regional Tourism Satellite Accounts.

Visitor Estimates

- Components may not add to totals as visitors may visit more than one tourism region on a trip.

Expenditure Estimates

- Expenditure excludes all motor vehicle, capital and major equipment purchases and for international visitors any pre-purchased international airfares and 70 per cent of pre-purchased packages assumed to be spent outside Australia.
- For self-drive, expenditure for each tourism region refers to total expenditure in that region by visitors who arrived by self-drive vehicle.
- For caravan and camping, expenditure for each tourism region refers to total expenditure in that region by visitors who stayed in a commercial caravan park or camping ground during their visit.

Tourism Region Estimates

- Tourism regions estimates for nearly all metrics are based on the region boundaries which applied in 2017. The caravan and camping expenditure estimates are based on 2018 region boundaries. The differences between 2017 and 2018 region boundaries are negligible.
- Where a tourism region is asterisked (*) one or more of the estimates is subject to high sampling variability. In these instances, the estimates and growth rates reported should be treated with caution.
- The Gold Coast tourism region is included in Regional Queensland estimates.

Inclusions and Exclusions

- Regional, State and National totals include relevant estimates from tourism regions where data has been confidentialised and not published (i.e. np cells).
- Regional, State and National totals exclude stopovers by visitors to unspecified, offshore and/or transit locations.

Projections

- Visitor overnight forecasts derived from TRA data
- Self-drive visits and visitor nights have been calculated using a five-year average of the percentage self-drive represents of all tourism
- Expenditure forecasts have been calculated using visitor nights as a pro rata proxy
- Care should be used when using forecasted numbers. Domestic and international geopolitical and economic events outside the scope of this report can impact both domestic and international visitor numbers, travel patterns and expenditure.

The road ahead

The visitor economy is now at a cross-roads.

The sector has the potential to grow visitor nights to 1 billion by 2029-30, contributing \$150 billion in overnight expenditure to the economy, \$62 billion of which could be generated in the regions.

The industry must come together to determine the best possible strategy to realise this potential.

Many of the challenges facing the sector 10-15 years ago still affect the sector today. Encouraging visitors to travel to the regions, increasing the level of product investment and refurbishment, and addressing transport connectivity and skills shortages are all issues the sector has struggled with for decades.

These issues will not be fixed overnight, but the NRMA believes there is enough goodwill within the sector to make real change. We want Australia to remain an aspirational destination, with regional attractions featuring on every travellers bucket list, international and domestic.

The following section outlines five priority areas the NRMA will champion on behalf of its Members and regional communities including setting targets, inspiring journeys, aiding discovery and creating meaningful experiences. The NRMA believes these areas have the potential to make a real difference to the future growth of the visitor economy.

What gets measured gets done

A plan for the future

As we approach the Tourism 2020 target, the industry needs to decide where it wants to head beyond 2020.

Having an industry stretch target allows the sector to monitor performance, decide the best strategy to achieve our potential, and have an honest conversation about whether or not we are reaching our goal.

How do we attract the next generation of travellers to Australia? How do we remain competitive? How do we encourage more Australians to experience their island continent? These questions, and the investment required to make our targets a reality, need to be decided by the sector.

Federal, state and local governments must come together with industry to discuss the industry's next set of stretch targets. This should start at a federal level, with targets set by Austrade and Tourism Australia, and be complimented by state and territory targets for both international and domestic overnight expenditure.

The targets should have a particular focus on growing overnight visitation and expenditure in the regions, recognising the contribution tourism makes to these communities.

Industry working groups have already been re-established to inform the next reiteration of Tourism 2020 and state-based targets. These groups should ensure the next set of targets:

- include overnight expenditure stretch targets for the regions, recognising the growth of the sector could contribute \$62 billion to the regions by 2029-30;
- identify ways to grow the length of stay and regional dispersal of both domestic and international visitors;
- identify the investment in infrastructure and tourism marketing required to achieve the industry's potential; and
- seek a commitment to grow the number of home-grown regional events.

The development of tourism action plans to achieve these targets should be overseen by an independent Visitor Economy Taskforce chaired by an eminent industry leader. The taskforce(s) would monitor and evaluate the performance of the sector against the action plan — holding the industry and the government accountable.

Ahead of the game

Some states have already begun the task of evaluating their performance and setting targets beyond 2020. Visit Victoria has set the stretch target of growing overnight expenditure (consumption) to \$36.5 billion by 2025, generating 320,700 jobs in the sector.

By encouraging international and interstate visitors to stay one night longer, and converting 10 per cent of Victorian outbound trips to a holiday within the state, an additional \$2 billion per annum could be generated to Victoria's economy¹⁹.

The mid-term review of the NSW Visitor Economy Industry Action Plan (VEIAP) is also a welcome initiative in determining whether the strategies put in place have been effective in achieving the state's tourism 2020 growth targets.

What the NRMA wants

- Establish a Tourism 2030 Industry Potential Target with specific targets for both domestic and international spend to guide the development and performance of the sector beyond 2020
- Set regional growth targets in line with the Tourism 2030 Industry Potential to grow overnight visitation and spend in the regions
- Re-establish visitor economy taskforces to guide the development of tourism strategies in each state, and monitor and evaluate the performance of the sector against its targets.



¹⁹ Victorian Government Department of Economic Development, Jobs, Transport and Resources (2016) Victorian Visitor Economy Strategy, p.8.



Inspire journeys

Unique, one-of-a-kind, brag-worthy experiences are what inspire us to travel.

Lucky for us, Australia is rich in these experiences. Our natural environment is vast and varied, providing a range of experiences that attract people to our shores. Our culture is diverse and engaging, providing opportunities for visitors to learn and share these experiences with others.

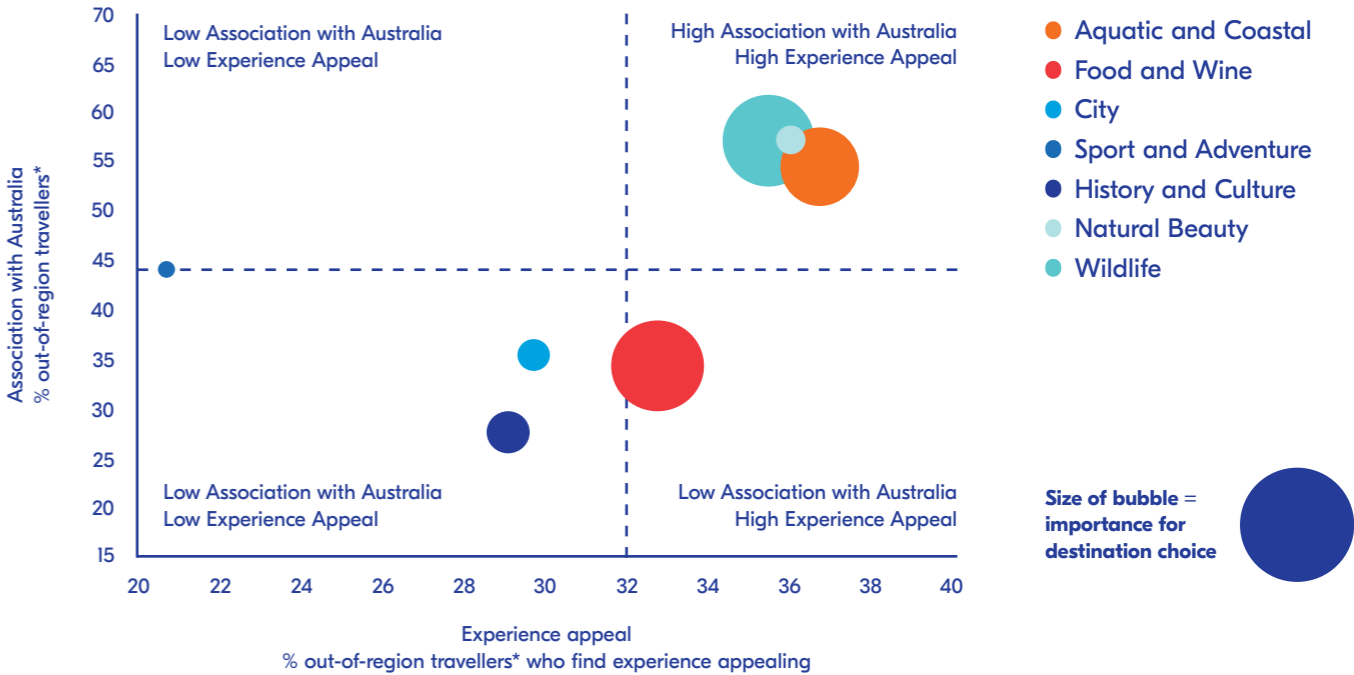
We need to harness the best of what this country has to offer, and encourage new ways for local

communities to engage with visitors so they are inspired to travel outside our major gateways.

When tourism comes naturally

Australia's natural environment is a major drawcard for international and domestic travellers. World-class nature and wildlife experiences, food and wine, and aquatic and coastal experiences are the top three cited motivators among international visitors to Australia, with the best of these experiences found in regional Australia²⁰.

Figure 5: Experience appeal of Australian tourism attributes



The nature-based tourism sector contributes in excess of \$23 billion to the Australian economy each year²¹. Iconic national parks such as Kakadu and Uluru-Kata Tjuta alone are estimated to contribute \$320 million to regional communities in the NT, with 740 jobs associated directly and indirectly with visitation to these parks²².

In 2012, Tourism Australia in partnership with Parks Australia formed Australia's National Landscapes, a program recognising the country's most unique natural icons based on their ecological, cultural and tourism features. The program led to cooperation at a federal, state and local level on positioning, branding and infrastructure investment to support nature-based tourism in these landscapes, a majority of which were based in regional areas.

²⁰ Australian Trade and Investment Commission (2017) *Tourism Investment in Regional Australia*, October 2017
²¹ Parks Australia (2016) *Sustainable tourism overview*, 2011-2016
²² Gillespie Economics and BDA Group 2008 as quoted in Parks Australia (2016) *Sustainable tourism overview*, 2011-2016, p.2

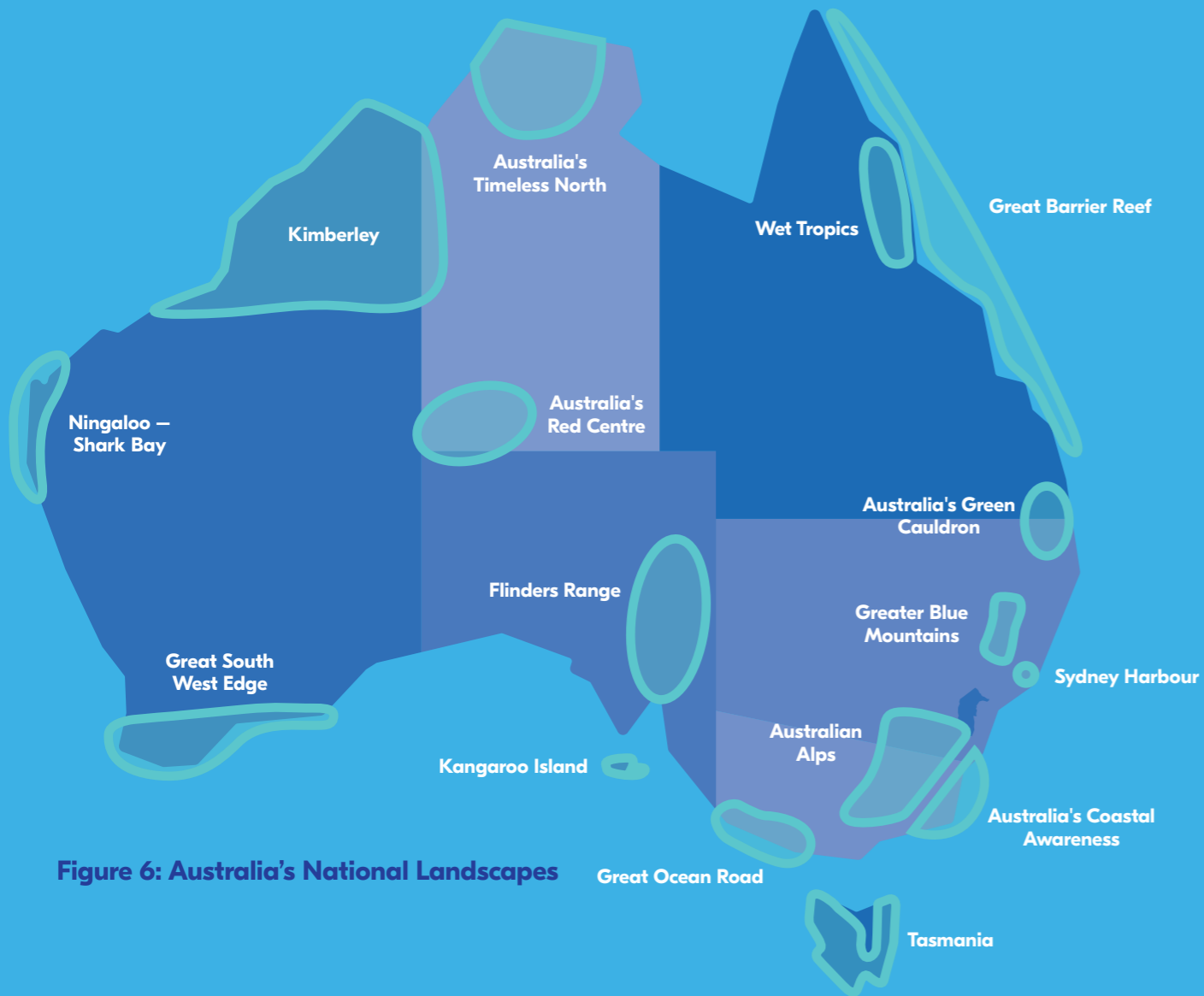


Figure 6: Australia's National Landscapes

Tourism Australia continues to market our iconic national landscapes under its Signature Experiences of Australia program and reiterations of the 'There's Nothing Like Australia' campaign where coastal and aquatic and food and wine feature prominently.

Yet disappointingly, funding for conservation, maintenance and visitor infrastructure has not kept pace with the demands of the natural estate. Many of the infrastructure projects identified in destination management plans of these National Landscapes remain unrealised.

Underinvestment leads to greater stress on our natural environment, which in turn impacts the sustainability and beauty of the places that fundamentally attract people to Australia in the first place.

We are missing a golden opportunity for tourism to play a greater role in protecting our natural estate.

Visitor infrastructure including our walking trails, lookouts, interpretative signage and experiences, wharfs, and jetties, are all necessary to facilitate dispersal and meaningful engagement in our national parks.

There is a role for the private sector in facilitating renewed investment in visitor infrastructure, contributing to conservation while at the same time offering experiences that educate and inspire. Revisiting the destination management plans of priority destinations and coming up with the strategy to actively target investment should be a priority.

Partnerships to achieve outcomes

The NRMA believes innovative solutions should be considered to deliver the next wave of tourism infrastructure investment including public private partnerships and social impact bonds. The Local Partnership Initiative in the UK and Conservation

International are two examples where government and the private sector have come together with the community to deliver local infrastructure projects.

Austrade has undertaken substantial work to identify projects that could be brought to market, yet these projects are usually in the order of \$20 million and above. More could be done to bring projects, both big and small, forward for investment.

This includes consistency in government funding for regional tourism development grant programs

that prioritise projects identified in destination management plans. Most tourism infrastructure programs are subject to political funding cycles with onerous selection criteria often deferring small tourism operators from applying. Funding needs to be consistent to allow greater time to plan and consult with businesses on appropriate projects. Priority should also be given to visitor infrastructure and attractions that have been identified in destination management plans prepared by regional destination networks as being of greatest value to the sector.

The Gibbon Project

The Vuen Sai-Siem Pang Conservation Area (VSSPCA) in northeast Cambodia was established in 2010 to protect a new species of gibbon discovered in 2009. A community-based ecotourism (CBET) initiative was established to protect the area from poachers, conduct research and support the local community through ecotourism development. The initiative was supported by strong scientific and conservation partners including Conservation International, the Cambodian Government and the Australian National University.

A community savings group was established that provided community members with interest-free loans to invest in human capital (capacity building and local tour guide training), natural capital (environmental conservation), physical capital (roads, bridges and schools), as well as entrepreneurship and small business support.

As a result of initiative, the communities of the VSSPCA saw an increase in tourism of 40 per cent in 2014, generating increased incomes for small businesses and available funds for the community to allocate towards infrastructure development and tourism management²³.

Cruising along...

Australia has one of the most picturesque coastlines in the world. Whether it be the Great Barrier Reef, the Ningaloo Coast or our inlets and coves, it's not surprising Aussies have a love affair with cruising and marine tourism, and that the sector has become one of the fastest growing segments in the visitor economy.

Cruising contributed \$5.3 billion to the Australian economy, with over 1.3 million Australians take an ocean cruise in 2016-17²⁴. Globally, Australia has

one of the highest penetrations of cruising growth than any other country at 5.7 per cent. Since 2008, passenger numbers have risen by an average of 18.5 per cent a year, with the market more than quadrupling in the past ten years and more than tripling since 2010²⁵.

Further, marine tourism including whale watching, sailing, scuba diving, snorkelling and fishing generate \$31.1 million in direct economic activity. The sector has seen steady year on year growth, with an average increase of 5 per cent since 2001-02²⁶.

²³ Conservation International CSR Asia (2015) Creating shared value through integrated conservation and development projects, p.10-11

²⁴ Cruise Lines International Association Australasia (2017) Cruise Tourism's Contribution to the Australian Economy, 2016-17

²⁵ Cruise Lines International Association Australasia (2017) Cruise Industry Ocean Source Market Report, Australia 2017

²⁶ Australian Institute of Marine Science (2016) The AIMS Index of Marine Industry, December 2016, p. 10

In 2016-17 it is estimated that cruise ships generated almost 3.4 million passenger visit days in Australia, 1.9 million which were onshore visit days. Yet only 35 per cent of these days were outside the main ports of Sydney, Brisbane and Melbourne. Further, cruise visits are estimated to have resulted in \$1.2 billion in tourism spend in Australia, with only 15 per cent generated outside home ports.

Local cruises call in at 41 regional ports and anchorages around the Australian coastline, with local communities benefiting from increased visitor expenditure. An expanding range of domestic and regional cruise options has led to 77 per cent of Australian cruise passengers choosing to cruise in local waters including Australia, NZ and the South Pacific²⁷.

More could be done to facilitate both local and international cruising in the regions.

Australia has seen a massive proliferation of ports around the coastline to take advantage of this growth including Wollongong, Eden, Cairns and Brisbane. Regional and coastal communities would benefit from better utilisation of their waterways and these pieces of infrastructure for tourism purposes.

Upgrading community wharfs and jetties for both commuter and leisure travel and recreational activities offers further development opportunities in the regions.

Get festive

Regional festivals and events create reasons to travel outside major gateways, showcasing the local character and personality of a destination. They also encourage greater length of stay in regional communities.

Margaret River Gourmet Escape, Byron Bay Bluesfest, and the Barossa Vintage Festival are all examples of regional events that started from humble beginnings but have grown to generate significant economic activity in local communities by extending travel outside the traditional peak holiday season.

Currently, a majority of major event funding is concentrated on major event calendars in our capital cities. While capital cities generally have the

infrastructure required to support large numbers of visitors associated with these events, it comes at the expense of regional communities that would benefit from additional visitation.

A concerted effort must be made to increase the number of, and access to, major events in the regions. This includes seed funding to assist the establishment and management of these events particularly in the beginning years where running costs are likely to be high.

Regional events must also be developed in partnership with the community and showcase the personality of the region if they are to be truly successful.

The role of the share economy should not be ignored in supporting the development of regional events, particularly in managing excess demand or where current accommodation and visitor amenities may be limited. However, ensuring a level playing field and that these share platforms do not distort future investment decisions in these locations is key.

What the NRMA wants

- Support, facilitate and develop new innovative ways to bring nature-based tourism projects to market in partnership with the private sector, government and the community, including alternative funding models for delivery.
- Reform regional tourism development grant programs to provide greater consistency in funding and support to businesses in meeting selection criteria. Priority should be given to projects that have been identified in destination management plans as addressing product and infrastructure gaps.
- Develop state-based cruise and marine-tourism strategies that identify opportunities for local cruising in regional communities, including infrastructure upgrades required to support the growth of the sector.
- Establish a target to grow regional events in priority destinations, with funding support specifically for running costs and event management in the initial years of establishment.

²⁷ Ibid 24





Aid discovery

Build it and they will come – well, only if they can get there first.

With a large majority of Australia's iconic tourism attractions located in regional Australia, there is a need to strengthen our transport systems and wayfinding information to facilitate journeys beyond our cities.

Our road, rail and airport infrastructure play critical roles in dispersing visitors to our regions and connecting them with the attractions they want to visit. Transport connectivity, wayfinding, and service amenity all aid the discovery of our regions.

If we look back at the history of transport in the country, major developments in the transport sector were often the catalysts for growth in tourism. The introduction of railway laid the foundation for travel, followed by the revolution of the automobile, which changed the style of regional and inter-regional travel. Air transportation revolutionised long-haul travel making previously unreachable destinations viable holiday options²⁸.

The next generation of mobility options will have similar effects on the industry, including electric, connected and autonomous technology. We must consider how these will change the way we discover destinations, and aid their introduction in Australia.

Road, rail and air

The nation's road, rail, aviation, cruise and even ride share network connects visitors to regions and facilitates their dispersal outside capital cities.

There are a range of factors that determine the effectiveness of a destination's transport system. These include the modes of transport available; the quality of these services including speed, comfort, safety, and the directness of travel; the cost of travel and affordability; the integration of different modes with one another; and the availability of user information²⁹.

If the ability of visitors to travel to preferred destinations is inhibited by inefficiencies in the transport system, it is likely they will seek alternative destinations.

Unfortunately, transport planning in Australia rarely considers the needs of the traveller as the primary user. Instead, the focus has been on commuter journeys and the movement of cargo and freight for efficiency and productivity. This has in some instances meant the sector has failed to provide the tourism industry with a transport system that is of a world standard³⁰.

Transportation links remain suboptimal in many regional communities. Currently only 78 per cent of regional NSW train services are required to arrive at their destination within ten minutes of the scheduled time, compared to a target of at least 92 per cent for Sydney trains suburban services, and six minutes for intercity trains. Many of these train services are used by domestic and international visitors seeking to explore the regions.

Once visitors arrive, there is often limited and infrequent public transport or taxi services to transport visitors to their final destination.

Australia's regional airport network also suffers from underinvestment, with a \$170 million shortfall in infrastructure and maintenance funding expected over the next 10 years³¹.

Each state and territory government should develop a tourism and transport strategy to better integrate tourism and transport services in their respective jurisdictions. Some states have already begun this important work, namely NSW and QLD.

Tourism and transport strategies should consider addressing multi-modal connections between road, rail and aviation infrastructure, and information required to facilitate effortless travel between destinations, including cross-border travel. The role of on-demand transport and ride share services in regions with limited ground transport needs to be considered.

²⁸ B. Prideaux (1999) *The role of the transport system in the growth of coastal resorts – an examination of resort development in South Queensland*

²⁹ N. Van Truong, T. Shimizu (2017) *The effect of transportation on tourism promotion: Literature review on application of the Computable General Equilibrium (CGE) Model* Transportation Research Procedia 25 (2017) 3096–3115

³⁰ Bruce Richard Prideaux (1999) *The role of the transport system in the growth of coastal resorts – an examination of resort development in South Queensland*, p.41

³¹ Acil Allen Consulting (2016) *Regional Airport Infrastructure Structure*, report to the Australian Airports Association

The future is electric

Automobile technology is changing. As it changes, so too will the journeys our Members and visitors take.

Research has shown that the continual introduction of new transport technologies has enabled travel between origin and destination points to become faster, safer, more comfortable and at a lower cost³².

That's why the NRMA is investing \$10 million in the country's largest electric vehicle charging network to prepare travellers for the next wave of automobiles - and visitor journeys - they will take with these cars.

The investment will address the 'range anxiety' identified by our Members as being one of the biggest inhibitors to visiting the regions using electric vehicles. These chargers will be based in local communities, near visitor centres, attractions, cafes and restaurants, providing a reason for people to stop, discover and spend in local communities.

Electric vehicles will pave the way for the next generation of mobility being connected and fully autonomous vehicles.

As we head towards an autonomous future, travellers will be able to connect with attractions of interest quicker than ever before. They will be able to plan their journey, plot key stops, all while sitting back and letting their vehicle do the driving.

But in order to prepare for this future, we need to take steps to become future-ready, including improving current wayfinding and signage and investing in smart infrastructure.

Finding your way

Just as the NRMA helped motorists find their way in the 1920s with the first Motor Tour guides, so too will we be there for the next evolution of transport and travel in Australia.

NRMA has been a strong advocate for improved motorways and road infrastructure to facilitate better

visitor and commuter journeys. Better roads means greater dispersal, quicker travel times, safer journeys and better travel experiences.

This also includes better wayfinding signage to support visitors along their journey.

The lack of consistency in the colour of visitor signage often makes it difficult to identify key points of interest. Brown signs indicating key tourist attractions are often difficult to identify in bushland, which are distinct from blue signage used to indicate rest stops and amenities.

Visitor signage has become even more critical as infrastructure upgrades including larger freeways can sometimes mean regional town centres are bypassed, resulting in a loss of potential tourism spend in local communities.

Addressing the consistency of signage across all jurisdictions and agencies is the first step in improving the current visitor experience and wayfinding for visitors.

But we shouldn't stop there.

The NRMA's Future of Car Ownership report identified fully autonomous vehicles could be on our roads as soon as 2025.

The humble car will become a highly intelligent personalised tour guide that provides itineraries, sites of interest and pit stops based on a traveller's interests and time schedule.

Digital technology and smart motorways must be the cornerstone of the solution to improve visitor wayfinding, signage and engagement with local attractions and points of interest.

Using digital signage initially would allow flexibility in messaging, but also provide a secondary alert system to keep travellers safe, particularly during road work, natural disasters or major incidences on the network.



³² B. Prideaux (2000) *The role of the transport system in destination development*. Tourism Management. 21(1)

Let's get connected

In the future, road based travel won't simply be about getting from A to B but providing people with real-time information and an ability to connect person-to-person and person-to-machine³³.

There are a multitude of apps that already provide this service. Roadtrippers, for example, is a mobile-based app that allows travellers to plot their travel route then once synced provides suggested local attractions including food, accommodation, nature and cultural icons along the journey. Uber Trip Experiences connects riders with their favourite apps, providing insights and offers available at the rider's destination.

In a connected car future, there's an opportunity for digital signage to communicate with in-car GPS systems — providing curated and suggested stops for travellers based on their interests. Think Lonely Planet, the road trip edition.

As the traveller approaches GPS coordinates of items of interest it provides information to the traveller about what to see and do at that destination, all in the comfort of your own vehicle.

Some cars already provide alerts to drivers when their car has been in motion for more than two hours — we should encourage technology development that provides suggested rest stops, points of interest and attractions as a means of getting travellers to explore and discover local areas.

Revive and stay alive

Tiredness is one of the three biggest killers on NSW roads, contributing to 17 per cent of crashes³⁴. The NRMA has always championed the importance of frequent breaks so drivers can manage fatigue.

Recognising that 85 per cent of all visitors undertake a self-drive trip, the NRMA will continue to advocate for improved rest stop amenities for visitors and long-distance drivers.

The limited number of rest stops in regional and remote destinations can often lead to competition between caravans, RVs and heavy vehicles at stops designated for long-haul freight.

Many remote rest areas and truck stops lack basic amenity including showers, male and female toilets, power, lighting, CCTV and Wi-Fi, making them uninviting places to stop.

The location of these stops, the amenities offered and even the ability to book spaces for short breaks through app-based technology could offer a solution to manage capacity and the experience of both tourists and long-distance travellers.

The NRMA wants the Aussie tradition of the road trip to continue, and for visitors to enjoy them safely. That's why improving the amenity of rest stops for tourism and long-distance travel should feature prominently in the transport strategies of each state and territory.

Reduce red tape

Our visitor infrastructure including accommodation, visitor attractions, walking trails, wharfs and jetties are all necessary to facilitate dispersal and aid discovery of our regions.

But Australia's visitor infrastructure is tired. This is particularly true in many regional communities, where seasonal travel demand and a complex regulatory environment often make investment unviable, leading to tired and dated product.

Deferred investment by the private sector, along with limited government resourcing to maintain its natural and cultural attractions, impacts the perception of Australia as a holiday destination and acts as a major inhibitor to the growth of the visitor economy.

The regulatory environment surrounding the tourism industry is complex and expensive. Zoning, development application processes, and heritage listings can often make tourism investment unviable. Payroll tax, stamp duty and land tax add additional cost, further impacting employment and business investment.

The ability of the sector to address these barriers is limited by the fact Ministerial responsibility for tourism does not encompass the regulation that affects the sectors operation including planning, tax, immigration, infrastructure and transport. So while there is a large amount of goodwill for regulatory reform, rarely is there impetus for change.

Local environment planning laws, for example, remain a major issue in facilitating greater agritourism in regional communities. This form of tourism could be a major catalyst for local rejuvenation in areas that have experienced a decline in farming and agriculture.

Opening crown land and appropriate national park sites to low-impact accommodation and visitor facilities can provide economic opportunities for local communities while providing visitors with truly unique experiences.

Restrictions on the adaptive re-use of heritage buildings inhibits these buildings from becoming living and breathing parts of our culture that visitors and locals can engage with.

It is somewhat ironic that regulation put in place to protect our natural estate and heritage can often contribute to its dilapidation by restricting investment in its ongoing use and appreciation by the public.

We need to turn our attention to why this underinvestment occurs, and reduce the barriers for businesses to invest in new and existing product.

What the NRMA wants

- Develop tourism and transport strategies in each state, addressing intermodal and connectivity issues between road, rail, aviation and cruising infrastructure.
- Establish a timetable for transitioning all visitor signage to one consistent colour
- Develop an investment strategy for digital wayfinding signage with the capacity to communicate with in-car technology and smart infrastructure by 2030
- Develop a national program to improve rest stop amenity across the country with the aim of providing showers, toilets, power, and wifi at priority regional and remote rest areas for travellers and long-haul drivers
- Establish an inter-government working group with representatives from the Department of Planning, Environment and Heritage, Industry (Tourism), Labour and Skills, and Regional Development to actively address barriers to tourism investment including planning and building controls, regulation and skills shortages.

This group should develop an Action Plan to reduce red tape associated with tourism investment including zoning, development application processes, tax arrangements and adaptive re-use of heritage assets, with timelines for delivering reform.

³³ Caravan Industry Association of Australia (2017) Towards 2030: A Connected Future, p16

³⁴ NRMA (2017) Dead Tired, Road Safety Series, December 2017, p. 4

Creating meaningful experiences

Travellers are increasingly seeking personalised and authentic experiences.

More than three quarters (76 per cent) of Aussies prefer spending their money on experiences rather than things³⁴. Forty four per cent of travellers will opt for activities that offer a local experience when on holiday, choosing to bypass mainstream activities and eateries to try authentic local experiences hidden away from the tourist district³⁵.

To create those brag-worthy moments, our people and local communities must be at the core. Behind those picturesque snaps of landscapes have to be stories of how you got there, the people you met along the way, and what you learnt from a local.

Develop and support our local workforce

Our people have a huge role in shaping the experiences visitors have while in the country. Australians are seen as friendly, free-spirited people. It is this perception we want to harness when providing hospitality and tourism services to travellers.

Most of Australia's growth industries are experiencing labour shortages, and the tourism industry is no exception.

By 2020, the sector will require an additional 123,000 staff, a majority of these concentrated in the hospitality sector³⁶. This is on top of the 56,000 job shortfall the sector is currently experiencing. Regional destinations are expected to experience the largest shortfalls in staff due to their isolation and inability to draw from the local workforce to fill vacancies³⁷.

A lack of supply and appropriately skilled staff affects the productivity of the sector and quality of the experience offered to guests. Visitors want to engage with locals when experiencing the country, which is hindered by chronic labour shortages and an apathy

to work in the sector.

The solution to our labour shortages must be home-grown, supported by temporary migration.

We need to engage early with school leavers and change the mindset that tourism does not offer a meaningful career. Greater industry involvement in the design of qualifications and mentor programs will mean the right people with the right skills are retained by the sector.

We must also address current restrictions to the employment of overseas workers particularly in regional areas while the sector reforms and builds its local workforce.

Apprenticeships and mentoring

Employment in tourism and hospitality is often seen as a stepping stone on the way to future employment. We need to change this mentality and make the tourism industry an exciting and fulfilling prospect for the next generation of workers.

There is a need to engage school leavers early to promote the multitude of career paths available in the sector through information sharing, internships and apprenticeships.

Vocational pathways must be reformed and industry-led to better reflect the nature of work required, to give trainees and apprentices the best chance of excelling at their profession, improving their confidence and future employment prospects.

There is a role for hospitality businesses in mentoring young Australians through their first job as well as a future career in hospitality. With an attrition rate of almost 45 per cent across core tourism occupations, mentoring support during apprenticeships can reduce attrition rates and create meaningful work-based learning.

³⁴ ETB Travel News (2018) Travel tops tax return wish list for Australians, new G Adventures survey accessed December 2017 <http://australia.etbtravelnews.global/323616/travel-tops-tax-return-wish-list-for-australians-new-g-adventures-survey/>

³⁵ Skyscanner (2016) Travel Planning in Australia accessed December 2017 <http://content.skyscnr.com/9773ca8ab35fd7e92523068ab5d0c241/skyscanner-au-travel-content-survey-infographic.png?resize=99999px:99999px&quality=100>

³⁷ Deloitte Access Economics paper (2015) Australian Tourism Labour Force Report, 2015-2020, October 2015. Austrade

³⁸ Ibid 36





Significant work has already commenced in this area. The Industry Reference Committee under Service Skills Australia are reviewing training packages and standards to better align them with the needs of the sector, particularly in the areas of Certificate III and IV in Hospitality.

TAFE NSW has worked with industry groups such as the Australian Tourism Export Council (ATEC) to develop Inbound Tourism Traineeships, a program that provides new entrants with the knowledge and skills to contribute practically and effectively to their workplace, while offering incentives and support to businesses who seek to be involved.

Further, industry programs such as the Skills Pathway Project developed by Restaurant & Catering Australia (R&CA) and funded by the Australian Government provided mentoring support to apprentices completing their Certificate IV in Hospitality, reducing attrition rates of apprentices participating in the program by 45 per cent³⁸.

These are all prime examples of industry-led reforms that need to occur in the sector to make training meaningful and match the right people with the right jobs in the sector.

Embracing others

Australia's labour shortages will not be addressed through local solutions alone. Growing the local workforce and changing the perception of the sector will take time, at which point the sectors productivity would have been substantially diminished as chronic labour shortages become larger.

Considerable changes have occurred to skilled migration programs in Australia, particularly for temporary skilled migration and working holiday makers. Changes to these programs affect the ability of many small tourism and hospitality businesses in regional areas to run their businesses effectively.

An evaluation of the changes, including the impact on current shortages needs to occur in the next one to two years to ensure they have not had a detrimental impact on the productivity of the sector.

Seasonal Worker Program

Programs such as the Seasonal Worker Program not only solve a labour supply issue, but also create a

meaningful contribution to the skill development of workers from developing countries, namely the Pacific Islands and Timor-Leste. The NRMA believes this program should be further extended to other nations as well as other sectors of the visitor economy including restaurants, agritourism and visitor attractions.

Refugee support programs

The NRMA has seen first-hand the benefits of supporting new members of the community through our Learner Driver Mentor Program, Drive Time. The program provides refugees with mentoring support to obtain their drivers licence, providing greater opportunities for employment and social inclusion.

Employment provides stability and routine that often assists with adapting to a new culture. The NRMA believes a pilot Refugee Employment Support Program specific to the tourism industry in regional Australia may provide mutually exclusive benefits to new migrants as well as the sector.

Working Holiday Maker program

The sector has long advocated for changes to the Working Holiday Maker Program including a second year visa for those workers who spend three months or more working in hospitality in regional communities, and removing the qualifying age cap to provide greater flexibility in regional employment. These simple changes would make a huge difference to tourism businesses that struggle with the supply and retention of staff.

What the NRMA wants:

- Reform vocational pathways to include greater industry-led traineeships, apprenticeships and mentor programs, as well as greater career advice for school leavers on the value of a career in hospitality and tourism.
- Conduct a review of recent changes to skilled migration visas and monitor the impact of the changes on the sector. Major reform must occur if the changes are proven to widen workforce gaps.
- Reform and expand employment programs that support regional tourism businesses including the Seasonal Worker program, Refugee Employment Support Program and Working Holiday Maker program.

³⁸ Restaurant & Catering Australia (2015) anecdotal evidence from program outcomes

Live like a local – curated experiences

Travellers want to experience a destination as people who live there would experience it: 'eat like a local' and 'live like a local'. This is particularly true for the millennial market that are gearing up for more travel than ever, with authentic experiences at the top of their bucket list. Unlike their elders, today's youth want individualised experiences that explore local culture — a need largely unmet by traditional tour operators⁴⁰.

It is these experiences, where the visitor discovers and becomes immersed in the local culture that travellers derive the most value. There are bragging rights associated with experiences that are one-of-a-kind and unique, keeping in mind around 70 per cent of people update their Facebook status while on holiday⁴¹.

What can we learn from our overseas counterparts?

Australia can learn a few insights from our South East Asian counterparts on how best to curate authentic experiences.

Take Thailand, for example. In order to avoid the local tourism traps and staged visitor experiences, many travellers will seek out a local tuk tuk driver and organise a fee-for-service arrangement where the driver escorts the traveller to various local attractions throughout their stay. It offers travellers an opportunity to engage with a local guide and draw on their knowledge to find the best places to eat and visit — although the experience can be mixed depending on the guide!

This experience is now supported by websites and apps such as Withlocals, Local Alike and Be My Guest that link travellers with local guides and authentic tourism experiences from small-to-medium sized operators.

This phenomena is not new and is already here in Australia, although probably not as mainstream as our international counterparts. Peer-to-peer platforms such as FoodieTrip, Tours By Locals, and

Urban Adventures link travellers with locals that have the best knowledge of dining hot-spots, local attractions and things to see and do, all facilitated via smartphone technology. Airbnb and Uber are expanding their presence in visitor experiences through apps such as Airbnb Guidebook, Airbnb Experiences and Uber Trip Experiences.

The NRMA believes the share economy will continue to play an expanded role in facilitating the visitor experience into the future. There is definitely a place for share platforms in regional communities, particularly in curating authentic local experiences and managing excess demand during peak periods.

The trick will remain integrating share platforms with existing product already in market, so that it compliments and enhances, rather than detracts from the visitor experience.

Engaging with First Australians

Travel provides visitors with an opportunity to engage with other cultures. Just as people want to connect in our natural environment, they also want to engage in meaningful conversations with locals and the Traditional Owners of the places they visit to understand their history, culture and experiences.

Tourism gives First Australians a chance to tell their story their way, to share cultural insights, traditional practices and contemporary concerns with all Australians and international visitors⁴². Tourism can act as a means of both educating others about Indigenous culture, while empowering Indigenous communities and businesses by creating employment and training opportunities.

The NRMA has a vision where Aboriginal and Torres Strait Islander peoples have equal access to mobility and employment, and the opportunities that this brings. In 2016, the NRMA launched its Reconciliation Action Plan and helps to deliver an Indigenous learner driver mentor program, recognising the opportunity and autonomy that is provided by having a driver's licence in these communities.

But there is more that could be done. The NRMA seeks to empower Aboriginal and Torres Strait Islander peoples through employment and training in the tourism industry.

That's why the NRMA through its My Fast Ferry business is exploring maritime training and employment opportunities for indigenous Australians, building on the success of partnerships between Tribal Warrior, Babana Aboriginal and PeoplePlus Australia.

The East Coast Passage and Maritime Program developed by these partners provided 10 Indigenous Australians with maritime qualifications, in addition to on-the-job training as they sailed from Sydney to Cairns.

TFE Hotels in partnership with the Indigenous Land Corporation (ILC) and funding from the Australian Government's Real Jobs Program launched its Indigenous Engagement Strategy in June 2017. The strategy aims to increase Indigenous employment and procurement opportunities from 16 per cent in 2016 to 32 per cent in 2018; increasing the number of Indigenous employees from six to twelve and Indigenous suppliers from two to four.

Under the program, all Indigenous team members are provided with a mentor, enabling them to seek understanding and clarification on hotel systems, while non-Indigenous people gain an enhanced understanding of culture.

These are just two examples of Indigenous training and development programs that exist in the tourism industry. Qantas, AAT Kings and Accor also have programs that aim to empower, employ and mentor Indigenous Australians in the tourism industry.

Funding programs that mentor Indigenous businesses and provide employment opportunities are essential to facilitating greater Indigenous participation in the sector and ultimately enhancing the visitor experience through sharing culture and history.

What the NRMA wants:

- Establish programs that support technology-based solutions that link domestic and international travellers with local communities and authentic visitor experiences.
- Support Indigenous employment and business mentoring programs that create jobs, empower Indigenous enterprise, and create authentic experiences curated by Aboriginal and Torres Strait Islander peoples.

⁴⁰ YouGov Reports (2017) Millennial Travellers: Re-writing the Tourism Landscape

⁴¹ Rezdy (2016) Travel Statistics for Tourism Operators

⁴² Australian Bureau of Statistics (2004) 1301.0 - Year Book Australia, 2004 Aboriginal Tourism





The journey of a thousand miles begins with one step

The NRMA has a long and proud history within the tourism industry.

What essentially started as journey mapping and assistance to keep our Members safe along their holiday has turned into a major commitment and desire for Aussies to discover their country through value-for-money experiences, improved connectivity and engagement with regional communities.

The industry is now at a crossroads and needs to decide where it wants to head.

The NRMA believes there is the potential to grow overnight visitation to 1 billion nights by 2029-30. Overnight visitor expenditure could increase to \$150 billion during this period, with \$62 billion contributed to regional communities.

But how are we going to realise this potential?

The industry must come together with government to determine the next set of industry targets to guide our future growth and performance. This involves looking beyond 2020 to what we aspire the sector to look like in 2030 and beyond.

Regional dispersal must be a priority, recognising many of our iconic attractions are based in regional Australia and the contribution tourism makes to these communities is significant.

We need to make it easier for people to travel to the regions and identify points of interest.

We need to build our local workforce, retaining champions for the sector that deliver the best visitor experience. Domestic and international visitors want authentic, curated experiences with locals including Aboriginal and Torres Strait Islander people.

As we build capacity in our workforce through vocational reform, training and mentoring, there is an opportunity to support the economic development of neighbouring countries through skilled migration and refugee employment programs that address short-term labour shortages in regional Australia.

And finally, we need to invest in our local infrastructure including wharfs, jetties, walking trails and visitor lookouts so that visitors can enjoy the best of what Australia has to offer, creating a compelling reason to visit, time and time again.

Australians love to holiday and the NRMA wants to see this love affair continue. We want Australia to be an aspirational destination, featuring on the bucket list of every traveller - both from home and abroad.

Our commitment to our 2.6 million Members and 5 million customers through this Discovery Series is to provide and promote the best regional visitor experiences, improve the visitor journey and work with industry, government and the community to invest in the future prosperity of the sector.

NRMA

PO Box 1026

Strathfield NSW 2135

Public.Policy@mynrma.com.au

mynrma.com.au