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CORPORATE PLAN

2019 to 2023



CONTENTS

1	Managing Director's message	3
2	Vision, purpose, and goal	4
3	Operating context and strategic risks	6
4	Strategies	8
5	Implementation: Key deliverables by program component	17
6	Resourcing	18
7	Performance measurement	18
	Appendix: Risk appetite	19

Tourism Australia is an Australian Government Corporate Commonwealth entity formed under the *Tourism Australia Act 2004* (TA Act). It is governed by a Board of Directors that is appointed by the Minister responsible for tourism under the *Tourism Australia Act 2004* (Cth) (TA Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

This plan outlines Tourism Australia's strategic direction, our objectives and goals for the period 2019 – 2023. It has been prepared in accordance with the TA Act and PGPA Act.





1. MANAGING DIRECTOR'S MESSAGE

OUR STRATEGIC DIRECTION TO 2023

Welcome to our Corporate Plan for 2019 to 2023, whose theme is 'accelerating growth towards 2020'.

Our core strategy – which remains unashamedly about increasing yield – involves targeting high value travellers in the markets and tourism segments that we believe will deliver the greatest returns. It's also about using high-impact cultural moments to spread the destination Australia message.

Australian tourism remains a key driver of economic growth and employment, and we continue to make strong and steady progress towards our Tourism 2020 goals. We have already exceeded the industry's \$115 billion 2020 target and are on track to hit \$130 billion by decade's end.

However, while international visitor numbers continue to grow, we are starting to see some softening in the market. The stellar double-digit growth driven by China in recent times is moderating: the market is still growing, but maturing, and changing from groups to independent travellers.

As such, our growth rates over the medium term are expected to slow. In addition, the global trend of international visitors taking shorter trips and seeking more immersive and authentic experiences is something we are starting to see across key markets, including the UK, USA, China and India.

Against this backdrop, we are targeting customer markets and segments that present the best potential for growth and that will deliver on our Tourism 2020 goals and beyond. This includes an increased focus on our 'hero' markets of China, the UK and USA, as well as India.

In an increasingly competitive marketing and media environment, with changing consumer travel preferences and rapid advances in technology, we are deliberately moving towards an investment model that heightens the efficiency, focus and impact of our activities.

A big part of this is delivering fewer, but more impactful, campaigns. Constrained by limited budgets and ever-increasing media costs, we

recognise that we can't be everything to everyone. Our attention will be on priority markets, with large-scale projects that we know will give us cut-through. Our recent *Dundee* campaign is the model we use in adopting this bigger and bolder approach.

We are also putting increased focus upon repeat visitation and promoting travel out of peak periods. Additionally, we're encouraging visitors to disperse further and do more through campaigns such as *UnDiscover Australia*, which has now been rolled out in Singapore, Malaysia, India, Indonesia, Japan and the UK. We have done the same in China with *Too Australian for words*.

As we look to play at the top end of the purchase funnel, one significant change for 2019/20 and beyond will be an increased focus on marketing Australia's destination brand, by building awareness that sparks interest in booking that next trip to Australia.

In recent times, we've done a great job of promoting our key pillars – food and wine, aquatic and coastal, and nature and wildlife. These attributes all play an important role in how Australia is perceived internationally and are key drivers of international visitation. They will still feature heavily in our campaigns and marketing activities, but as part of a new brand campaign we are developing, we'll start to dial up Australia's culture, character and way of life. We want to bring the country and its rich and varied visitor experiences to life by focusing upon the Australian way of life and the personality of our people.

Once again, on behalf of the Board, and the Tourism Australia team, I applaud the industry for its continuing work in driving such strong and consistent performance.

JOHN O'SULLIVAN

Managing Director and Chief Executive Officer



2. VISION, PURPOSE AND GOAL

VISION

Our vision is for Australia to be the most desirable and memorable destination on Earth.

VALUES – OUR GUIDING PRINCIPLES

Our values support our vision. They are the essence of our identity and guide our behaviour and the relationships we have with our customers and partners.

They are:

- United | we are one team
- Positive | we are optimistic
- Genuine | we are authentic
- Commercial | we deliver results
- Innovative | we are creative thinkers

PURPOSE

Our purpose is to invite the world to experience the Australian way of life.

We work closely with the Australian tourism industry to deliver on this purpose. Through this partnership, we aim to not only increase visitors and spend in Australia, but to foster a competitive and sustainable tourism industry for generations to come.

LEGISLATIVE PURPOSES AND DELIVERABLES

Under the TA Act, our main functions are to:

- Increase potential travellers' awareness of Australia as a destination
- Increase potential domestic travellers' awareness of Australia as a place to travel
- Increase both international and domestic potential travellers' knowledge of Australia
- Increase both international and domestic potential travellers' desire to travel to and throughout Australia¹
- Conduct research into, and analysis of, international and domestic travel
- Communicate effectively with the Australian tourism industry on matters that may affect it
- Increase awareness among Australians of the contribution tourism makes to Australia's economy, society and environment
- Report on trends in international and domestic travel.

GOAL

Core to our success is the increased economic contribution of tourism to Australia's economy. The *Tourism 2020* goal – and Tourism Australia's major strategic goal – is to increase overnight tourism expenditure to more than \$115 billion by 2020. We share this goal with the Australian tourism

industry and federal, state and territory governments to maximise tourism's contribution to the Australian people. To focus our effort and endeavours, and in partnership with industry and government, for 2019/20 we have set an overnight expenditure goal of \$121.3 billion.

¹ While the TA Act outlines domestic functions, Tourism Australia is not currently engaged in domestic tourism marketing activity. This change in Tourism Australia's remit came into effect in 2013, and is outlined in the Minister for Trade, Tourism and Investment's Statement of Expectations for Tourism Australia.

TOURISM 2020

Tourism 2020 is a whole-of-government and industry strategy to build the resilience and competitiveness of Australia’s tourism industry and to increase its economic contribution to Australia’s economy.

When the *Tourism 2020* goal was introduced, it was set at between \$115 billion to \$140 billion in overnight visitor expenditure, reflecting a range of scenarios, from holding market share to its increase across key markets. As part of this strategy, supply-side targets for aviation capacity and accommodation investment were also set to ensure the industry could deliver on the needs of target consumers. Implementation has been via a three-phase approach. The 2019 to 2023 Corporate Plan plan has been developed for the ‘Looking beyond 2020’ phase as shown in Figure 1.

In 2019/20, we are continuing to champion *Tourism 2020’s* objectives, by working in partnership with Austrade, state and territory governments and the Australian tourism industry. We are also planning for the years beyond 2020, with Tourism Australia’s membership of the Beyond Tourism 2020 Steering Committee. This initiative of the Australian Government supports the development of a new long-term vision for tourism by encouraging innovation and new technologies and reducing red tape so that Australia offers a world-class experience for travellers.

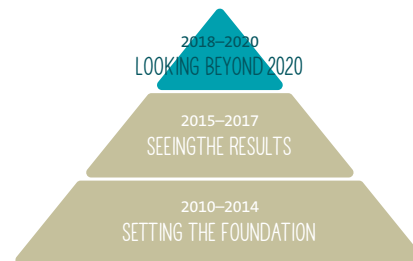


Figure 1: Tourism 2020 phases

Performance against *Tourism 2020* goals

Tourism continues to be a solid performer in the Australian economy, with significant growth since the launch of *Tourism 2020*. The industry is on track to achieve our goal, with recent forecasts estimating total spend will be \$131 billion by 2020.² At 31 December

2018, total overnight visitor expenditure reached \$116.6 billion, which was an increase of 11 per cent year on year.³ Major contributors to growth have been visitors from China and India, up 13 per cent and 21 per cent respectively.

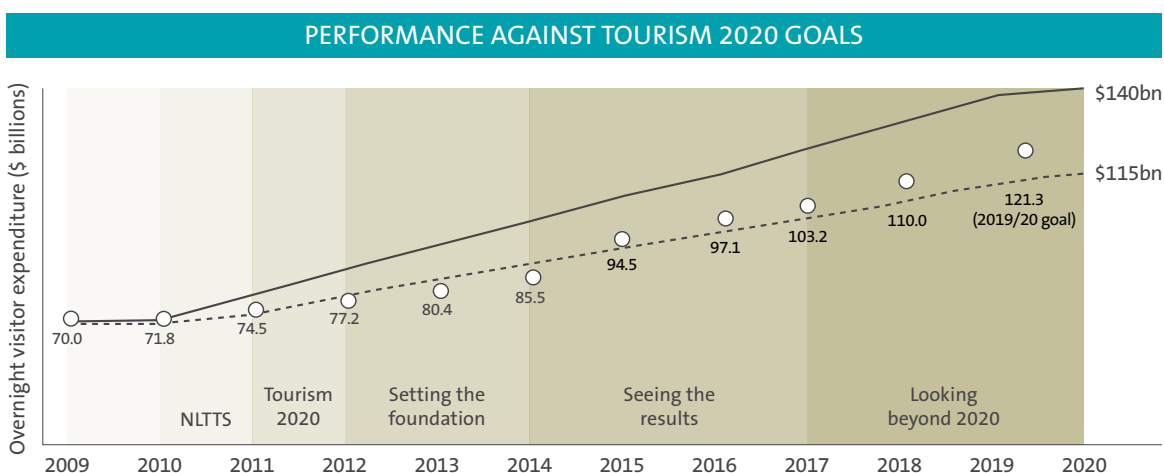


Figure 2: Progress against *Tourism 2020* goals and our 2019/20 goal

² Tourism Research Australia (2017), *Tourism Forecast*

³ Tourism Research Australia (2017), *International Visitors Survey*

4. OPERATING CONTEXT AND STRATEGIC RISKS

OPERATING ENVIRONMENT

We expect a number of trends to impact our operating model as we head towards 2023. These include global economic factors, consumer behaviour changes, shifts in the media landscape and the composition of the travel industry. We have taken these shifts into consideration when planning our budgeting and resourcing, marketing activities and operations.

EXTERNAL CHANGES IMPACTING AUSTRALIAN TOURISM		IMPLICATIONS FOR TOURISM AUSTRALIA
Economic	<ul style="list-style-type: none"> • Slowing global economic growth is predicted. (Gross Domestic Product (GDP) is relatively flat, up 3.5 per cent for 2019). • China's economic growth is projected to be 6-6.5 per cent with volatile consumer confidence. • GDP in Tourism Australia's Star markets is forecast to slow due to uncertainty around Brexit and trade disputes between the USA and China. Growth in our Solid deliverer and Distribution Focused markets is predicted to be flat, while robust growth is predicted in Rising Star markets (India, up 7.4 per cent, Indonesia, up 5.2 per cent).⁴ • The price of jet fuel is predicted to increase, impacting airfares. 	<ul style="list-style-type: none"> • An overall slowing economic environment, with mixed consumer confidence across our key markets. We expect a softening in visitor expenditure. • We are planning for increased effort in Star markets (China, the UK and USA) as well as India.
Marketing and communications channels	<ul style="list-style-type: none"> • Media costs will continue to rise (with an estimated increase of 8 per cent in 2019/20). • Digital disruption will continue, impacting the way we communicate with target consumers. • Programmatic advertising and media buying and personalisation will be fundamental to success as media costs continue to escalate. • Digital, video and content will continue to be important for reaching and influencing target consumers. • Messaging and creative across the tourism category lacks differentiation. 	<ul style="list-style-type: none"> • We will continue to develop as a connected, digitally focused marketing organisation. • As our current media spend does not always meet our media threshold, we need to increase focus and resources in the right channels with the right message and partners. • To maximise our return on investment we need to focus on high-impact platforms and campaigns in Star markets. • We will differentiate ourselves by promoting Australia's people and lifestyle.
Consumer	<ul style="list-style-type: none"> • Evolving consumer mix to include more independent and sophisticated travellers from Asia, who are seeking authentic, differentiated experiences and products. • A preference for mobile and digital channels, with increasing direct transactions between consumers and tourism experiences/products. • Visitor numbers from Asia will outperform other overseas markets, particularly from China, India and Japan. • There are fundamental consumer marketing challenges relating to a perceived lack of urgency, fashionability and complexity. 	<ul style="list-style-type: none"> • We will continue to target High Value Travellers (HVT). • We will increase our strategic focus on Asian markets. • We will continue to make the most of consumer and technology trends; and work with industry to connect travellers to experiences. • Our marketing efforts will be concentrated on tackling core marketing challenges. • We will work with industry to develop new experiences and products that meet visitors' needs
Travel industry	<ul style="list-style-type: none"> • The continuing importance of the sharing economy. • The increasing presence of online travel agencies as consumers manage their own travel plans. • Global aviation capacity is projected to grow 5.8 per cent in 2019; capacity in the Asia Pacific is forecast to grow 7.1 per cent.⁵ 	<ul style="list-style-type: none"> • We will continue to analyse and develop insights into industry developments impacting demand for Australia as a tourism destination and use these insights to inform marketing Australia as a tourism destination.

Table 1: Operating environment changes and implications for Tourism Australia

⁴ International Monetary Fund, *World Economic Outlook*, October 2018

⁵ IATA, *Industry Fact Sheet*, December 2018



STRATEGIC RISKS

Each year Tourism Australia undertakes a strategic risk assessment and uses the insights and results of this process to inform the development of our corporate plan, operational planning and internal audit planning.

Our strategic risk assessment is undertaken using our risk appetite, which covers eight areas that have the capacity to significantly impact Tourism Australia’s operations. Our risk appetite and risk profile are provided at Appendix 1, while our key strategic risks and planned mitigation activities are outlined in Table 2 below.

Strategic risks and mitigation strategies 2019/20	
HIGH RESIDUAL RISKS	
China outbound:	Decrease in outbound tourism from China reduces arrivals and spend to Australia, impacting 2020 goals. <i>Mitigation: Use diplomatic channels in market; shift marketing to support tactical opportunities; funding reallocation.</i>
Data accuracy:	Tourism Australia is unable to make informed investment decisions, accurately measure the effectiveness of campaigns or visitor expenditure due to poor-quality data sources. <i>Mitigation: Seek alternative data sources; develop new metrics using alternative source data and share updates with industry; continue to collect anecdotal industry and partner feedback.</i>
Dundee campaign:	Inability to drive results, convert interest and achieve strategic objectives, resulting in reputational damage. <i>Mitigation: Regular reporting to our Executive Leadership Team and Board; regular updates to project risk register.</i>
Relevance and funding:	Inability to demonstrate continued organisational relevance. <i>Mitigation: Government stakeholder management / broad external communications; new policy proposals.</i>
Digital environment:	a) Target customers are unable to access information via their preferred platform; b) Inability to continue to deliver relevant digital platforms in China. <i>Mitigation: Digital media agency appointed.</i>
Cyber security:	Tourism Australia’s consumer / trade / corporate platforms are compromised. <i>Mitigation: Undertake regular disaster recovery reviews; implement Protective Security Policy Framework protocols; attend government cyber security simulations; external penetration testing.</i>
Social license:	National loss of social licence for the tourism sector. <i>Mitigation: Learn from competitors – review how other destinations deal with this and consider applicability to Australia.</i>
Keeping pace with changing traveller preferences:	Inability to understand changing traveller preferences and adapt marketing campaigns accordingly. <i>Mitigation: New creative agency appointed.</i>
Beyond Tourism 2020:	Poorly developed and executed strategy leads to irrelevance and lack of industry and government support. <i>Mitigation: Tourism Australia is a member of the Beyond 2020 Steering Group.</i>

Strategic risks and mitigation strategies 2019/20

MEDIUM RESIDUAL RISKS

Projects:	Inability to deliver on key strategic projects and to maximise their commercial potential. <i>Mitigation: Include appropriate third-party advisors and experts on steering committees.</i>
Governance:	Current strong governance levels are not maintained. <i>Mitigation: Continue to streamline the governance framework; continue PGPA Act training; streamline processes.</i>
Capacity:	The Australian tourism industry does not have enough infrastructure and aviation capacity to meet the needs of travellers, particularly during peak holiday times. <i>Mitigation: Our marketing and partnerships will promote visits during shoulder / non-peak periods; 2020 and Beyond Strategic Plan to include aviation capacity development.</i>
Dispersal:	The diverse travel experiences Tourism Australia promotes do not resonate with target consumers, and they do not travel beyond major gateways. <i>Mitigation: Tourism-Austrade investment partnership will focus on regional Australia; Tourism Australia marketing and partnerships will promote independent travel, regional products, and signature experiences</i>
Government interdependencies:	Inability to influence policy settings and processes not conducive to increasing demand for travel to Australia. <i>Mitigation: Continue to regularly consult with government stakeholders; participate in quarterly state and territory tourism organisation CEO forums and Australian Standing Committee on Tourism.</i>
Talent:	Inability to retain, develop or direct the talent / capability required to support Tourism Australia's strategic direction and to nurture long-term talent. <i>Mitigation: Review our talent matrix annually; leadership and management to demonstrate values; focus on retaining and developing Asian talent.</i>
Workplace health and safety:	Failure to maintain a safe working environment for staff, contractors, visiting media, delegates and event volunteers. <i>Mitigation: Develop a call tree and escalation process to identify and manage safety-related incidents.</i>

Table 2: Tourism Australia's strategic risks and mitigation strategies

4. STRATEGIES

OUR STRATEGIC PILLARS 2019–23

The diagram below summarises our areas of focus in the period 2019 to 2023. The sections that follow explain how we will deliver on these.



Figure 3: Tourism Australia's key strategic pillars, 2019 to 2023



Narlijia Experiences Broome, WA

CUSTOMER STRATEGY

Target high-value leisure and business events travellers.

We will continue to target high value travellers in both the leisure and business events segments.

High value travellers travel long haul (out of region) on a regular basis and Australia is in their consideration set. They are more likely to stay longer and disperse further and their average trip spend is higher than average. Key drivers of their destination choice align with Australia's strengths – aquatic and coastal, food and wine, nature and wildlife – and are important considerations when they are selecting a holiday destination.

Premium target customers are a very high yielding segment of the high value traveller. We will continue to target premium travellers across our Star markets (China, UK and the USA).

Activity targeting youth/working holiday makers will continue, supported by the Australian Government's Working Holiday Maker Fund. Youth travellers are aged 18 to 30 years, while working holiday makers live, work and travel in Australia under an Australian Government Working Holiday Visa (subclasses 417 and 462).

Tourism Australia's business events customers are in two sectors – international associations and incentive trips. We undertake a differentiated marketing approach for each of these sectors.

MARKETS STRATEGY

Invest in markets with the best potential to deliver high-spending consumers to 2020 and beyond.

MARKETS

Tourism Australia's role in international markets is to work with the tourism industry, government agencies and partners to promote Australia as a compelling tourism destination and to encourage more people to visit, with the goal of growing spend and numbers of long-haul visitors.

We are active in 15 countries as shown in Figure 4. We will continue to target consumers in markets that present the best potential for growth, will deliver on our Tourism 2020 goals, and have potential to grow beyond 2020: likely visitor expenditure and growth from these source markets are key inputs to annual budgeting and market resource allocation.

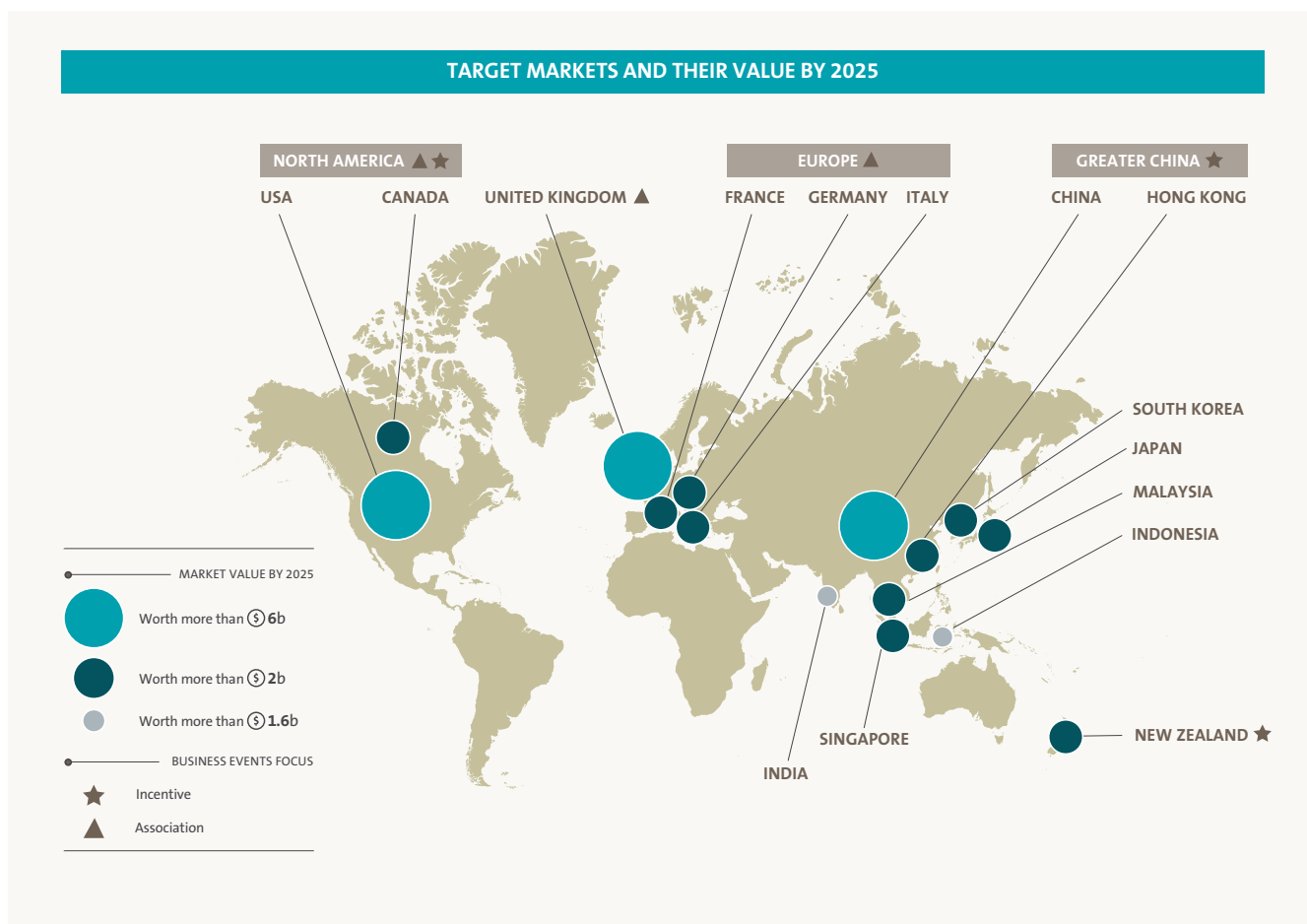


Figure 4: Source countries and their forecast spend value by 2025

MARKET CATEGORIES

Our leisure market approach reflects the growth potential, maturity and competitiveness of Australia’s tourism offering in each country. Our investment approach by category is as follows:

- Stars (China, UK, and USA): We will invest in a full suite of marketing activity. These markets are economic powerhouses with significant and increasing potential to deliver high value travellers.
- Solid deliverers (Germany, Hong Kong, Japan, Malaysia, and Singapore): We will invest in a moderate suite of marketing activity. These are strong, mature economies with established links to Australia and moderate potential for growth of high-value travellers.
- Distribution focused (Canada, France, Italy, South Korea): We will focus on distribution development, Aussie Specialist Program servicing and public relations. These markets are relatively smaller, have slower growing economies and limited potential for growth of high value travellers. However, they offer a dedicated group of distribution partners that focus on Australia.
- Rising stars (India, Indonesia): We will focus on developing the potential of these markets by supporting aviation development as well as a moderate suite of marketing activity. These markets are future economic powerhouses, with a growing middle class and a strong pool of potential high-value travellers, but they need further effort to improve access to Australia.

A summary of leisure and business events market categories and allocations to each category is provided in Table 3.

2019-23 Market categories				
LEISURE MARKETING				
Category	Stars	Solid deliverers	Distribution-focused	Rising stars
Value by 2025	>\$6 billion	>\$2 billion	>\$2 billion	>\$1.6 billion
Markets	China, UK, USA	Germany, Hong Kong, Japan, Malaysia, Singapore	Canada, France, Italy, South Korea	India, Indonesia
BUSINESS EVENTS MARKETING				
Category	Incentive		Association	
Markets	Greater China, USA, New Zealand		UK/Europe, USA	

Table 3: Target countries by category

REST OF THE WORLD

In addition to those listed above, we support other markets through our distribution development programs including the Aussie Specialist Program, the Australian Tourism Exchange,

Dreamtime and offshore trade initiatives; and through our consumer marketing platforms such as australia.com, social media, public relations and media hosting activities.

MARKETING STRATEGIES

Tourism is becoming increasingly competitive and our target customers harder to reach in the cluttered media environment. For Australia to compete, we need to cut through with high-impact campaigns that not only get the attention of our target customers, but also inspire them to book a trip to Australia. To achieve this, we will increase our focus on fewer, bigger, better marketing initiatives to drive maximum impact and results, undertaken with the support of distribution partners that are aligned to our strategy.

Leisure Marketing

Invite the world to experience the Australian way of life.

We will create global campaigns that position Australia as the most desirable and memorable destination on Earth, and work with partners to reinforce destination messaging and tackle our core consumer challenges of fashionability, urgency and complexity.

INSIGHTS

We will continue to track consumer insights across 13 markets through our Consumer Demand Project. Insights from this research will be used by in-region teams to inform their marketing strategy and execution.

CAMPAIGNS

Our messaging will emphasise the most important motivations for travelling to Australia, with a new brand campaign being developed and launched in 2019/20. This will focus on Australia's people and lifestyle, encourage prospective visitors to experience Australia by increasing their knowledge and build a positive impression of Australia's tourism offerings.

We will continue to promote Australia's aquatic and coastal, food and wine and nature and wildlife experiences. This will be supported by activity in specific segments including Indigenous, Premium, Special Interest and Youth as these are areas of competitive advantage for Australian tourism. Investment in australia.com, australia.cn and social media channels will heighten user experience and stimulate conversations about Australia. We will take advantage of developments in technology and data sharing to evolve our media buying and planning and improve the personalisation of our marketing activities.





Sydney Harbour, NSW

INDIGENOUS, SPECIAL INTEREST, PREMIUM AND YOUTH

Our competitive positioning will be strengthened by a range of activities that promote Indigenous tourism, premium and special interest experiences and youth travel.

Indigenous tourism experiences are a significant element of Australia's tourism offering, providing a point of differentiation, and adding value to Australia's core strengths in aquatic and coastal, food and wine, and nature and wildlife experiences. To ensure we continue to meet the needs and expectations of target customers and distribution partners, we have developed a new value proposition for Aboriginal tourism businesses that includes refreshed content and promotion through our Signature Experiences of Australia program.

Our Signature Experiences of Australia program focuses on areas of **special interest** that have the capacity to drive travel to Australia. It packages and promotes Australia's tourism experiences within a variety of categories including golfing holidays, premium guided walks, winery experiences, luxury lodges, fishing adventures, wildlife encounters, Aboriginal guided tours and innovative cultural experiences. These experiences target high-value travellers who travel to follow their passions and who seek a deep connection with our landscapes and unique experiences. The program now features eight collectives promoting more than 150 tourism businesses from around the country, many in regional locations.

Our marketing of **Premium** tourism experiences aims to increase visitation of very high yielding travellers,

concentrating on Star markets (China, the UK and USA). The strategy was launched last year and includes identification of premium distribution pillars (including how they differ from traditional distribution pillars); and the travel intermediaries we can educate to help us best sell Australia's premium offering. Activity will focus on training, education and familiarisation visits, while trade show participation at Virtuoso Travel Week, Pure and Luxperience will also continue.

Youth and working holiday makers are important to Australia's tourism industry, but their visitation has been in decline since 2012/13. This has been due to issues including exchange rate variations and changes in economic conditions in source countries. In recognition of youth visitors' contribution, particularly as they stay longer and disperse more widely than other travellers, Tourism Australia was allocated \$5 million over two years in November 2018, to continue to promote Australia to potential working holiday makers through a targeted global youth campaign. Our youth story aims to position Australia as a memorable and desirable destination for all youth travellers.

Major events – sport, cultural and culinary – will continue to be a key part of the Australian tourism story. In 2020, Australia will host the ICC 2020 Cricket World Cup for men and women. We will dedicate \$5 million to this event over the 2019/20 and 2021/21 financial years. In addition, we will continue to work with other key events that amplify and project the Australian way of life, including the AFL Grand Final, Opera on the Harbour and the Sydney Gay and Lesbian Mardi Gras, among others.



Paragliding, Rex Lookout, QLD

CHANNELS

Our campaigns will be delivered through social media, content, public relations and advocacy, our websites (australia.com and australia.cn), targeted global media buying and personalisation – a combination that reflects consumer media consumption and travel buying behaviours. While marketing activity will continue to include traditional channels, increasing resources will be dedicated to digital and content marketing initiatives.

Our campaigns aim to create a strong image of what Australia offers global travellers and increase their urgency to visit. Our marketing communications aim to inspire the customer to take the next step in planning their trip. Leisure marketing activity will connect the customer with a distributor of Australian tourism product. In short, Tourism Australia's marketing inspires the customer and a trade distribution partner 'closes the sale'.

DIGITAL AND SOCIAL

High-value travellers favour digital channels to research, book, share and rate holiday experiences. Using digital channels enables us to directly engage with our target customers, as well as gather data that informs and improves our marketing performance. As part of our digital marketing strategy, the role of australia.com and australia.cn will be more important than ever before, particularly enhancements required to meet the needs of high value travellers as they move through the decision-making process associated with visiting Australia for a holiday.

Our social media platforms play an important role in encouraging people to visit and take holidays in Australia. Our social media team curate images posted on these platforms, and provide a stage for Australian tourism businesses to showcase their product and experiences to a global audience. Digital and social media channels provide Australian

tourism with a significant competitive advantage as these platforms are key for consumers when researching, planning, booking and sharing holiday experiences.

We will continue to focus on stimulating conversations about Australia through Facebook, Instagram, Twitter, Weibo and WeChat and other emerging social platforms. Showcasing content produced by tourism businesses, international visitors and Australians via our social and digital channels forges a network of global ambassadors who share their authentic Australian stories with their own networks.

Business Events Marketing

Grow demand for business events experiences and destinations.

Business Events Australia (BEA) delivers marketing communications and distribution development in the international business events marketplace, targeting incentive and association events and potential association conference delegates.

In 2019/20 BEA will deliver differentiated marketing for the association and incentive sectors, focusing on the decision maker and the end user to increase awareness and consideration of Australia as a destination for business events. It will do this in partnership with the Australian business events industry.

This will drive activity in key markets that have the greatest potential for conversion and increased expenditure in Australia: Greater China (incentive sector), the UK and Europe (association sector), North America (incentive and association sectors) and New Zealand (incentive sector). BEA works in partnership with the Australian business events industry on specific activities for each sector, including on delegate acquisition for events held in Australia.

A dedicated Business Events Bid Fund was introduced in 2018/19, providing marketing support for large-scale incentive and association business events. The bid fund will continue to be managed by BEA through a dedicated application process.

MARKETING COMMUNICATIONS PROGRAM

BEA's marketing communications program focuses on raising awareness and consideration of Australia as a business events destination.

BEA communicates Australia's business events offering through a mix of channels and media, hosts brand experience events that drive engagement and preference for Australia, and conducts public relations activities to raise awareness of Australia's offering. Our differentiated content and brand strategy will continue to target key international media and business events customers through a mix of print, online and face-to-face engagement: Brand assets tailored to the business events audience are used to drive awareness, while bespoke content is designed to engage target customers. BEA's online customer communications channel (australia.com/businessesevents) and Twitter account (@meetinaustralia) will leverage Tourism Australia's new brand platform once it launches in 2019.

In 2019/20 BEA will continue to work with the Australian industry to develop and deliver marketing initiatives that increase awareness and consideration of Australia in key markets, including through content and activations.

DISTRIBUTION DEVELOPMENT PROGRAM

BEA's distribution development program targets qualified international business events trade, corporate and association decision-makers. The program provides information and enhances access to Australia's business events and experiences. BEA also works with the Australian business events industry to deliver training workshops, networking events, product updates, and educational visits that offer qualified business events buyers an opportunity to experience firsthand what Australia can offer.

In addition, BEA also supports and represents Australia's business events industry at international business events trade shows, such as IMEX Frankfurt and IMEX America, providing the Australian industry with a solid platform to engage with key international decision makers. BEA also delivers owned events including Dreamtime (hosted in Perth in 2019) and the Business Events Greater China Showcase. These events provide opportunities to engage, meet and do business with qualified incentive planners and corporate decision makers.





Partnerships

Select partners that extend our ability to target customers, enable conversion to booking and facilitate industry development.

We work with partners across the tourism industry, including airlines, key distribution partners and non-travel (affinity) partners. These partnerships allow us to extend the reach of campaigns through bought media and our partners' own marketing channels: commercial partners link consumers to booking channels, driving consumers with an intention to visit to take the next step to book their Australian

holiday or business event. This year, partnership selection will continue to focus on the partners' alignment with Tourism Australia's objectives and ability to improve target customer reach. We will also sponsor key events such as World Routes in Adelaide in 2019 that further enhance our partnership outcomes in key sectors.

STATE AND TERRITORY TOURISM ORGANISATION PARTNERSHIPS – 'ONE VOICE'

Our 'one voice' initiatives with state and territory tourism organisations (STOs) drive aligned investment in marketing campaigns in key markets. They also provide support for international media hosting and broadcast content opportunities and trade events, both in Australia and offshore. For example, Tourism Australia partners with STOs to host the Australian Tourism Exchange each year.

These partnerships have also supported the development of the Aussie Specialist Program, which helps build the capacity of the travel industry to

confidently sell Australia. A similar joint initiative is in place for conducting international consumer research. This alliance uses Tourism Australia's Consumer Demand Project to increase our shared understanding of the consumer and develop appropriate marketing activities to build the value of Australian tourism.

We also partner with Australian airports and STOs to proactively target aviation development and increased air capacity from key markets. Aviation route development will continue with a focus on China, India and the USA.



Kakadu Cultural Tours, NT

Distribution development

Drive conversion from intention to visitation.

Our distribution strategy focuses on ensuring that target customers have the information they need to easily access and book quality Australian tourism products and experiences. This includes increasing Australia's visibility in international distributors' programs; improving the knowledge of frontline travel sellers as well as educating them on how to sell Australia through the Aussie Specialist Program; and focusing on partnerships that deliver travel booking and yield increases. Continuing to work closely with STOs and the Australian tourism industry will be integral to success as it will make it easier for consumers to plan, book and buy quality Australian tourism products and services.

We engage with key inbound tour operators and destination management companies to improve their awareness and use of our platforms and campaigns, to gather insights to inform our strategy development.

Annual events such as the Australian Tourism Exchange (to be hosted in Melbourne in 2020) along with the Corroboree events in Australia (to be hosted in Perth in 2019) are a key part of our distribution development strategies. We also partner with the Australian industry to host around 13 events offshore in key international markets.

ENABLING STRATEGIES

Support, deliver, build capability.

Our activities are underpinned by a committed, high-performing workforce, and government and industry engagement and collaboration.

Government Collaboration

Committed to a whole-of-Government approach.

We collaborate across federal, state and local governments on tourism marketing, policy, research, distribution, international marketing activities and business events to ensure an efficient and effective tourism industry.

We will continue to support the objectives of the national strategy, Tourism 2020, as well as tourism elements of the Australian Government's economy and public diplomacy agendas. This includes working with Austrade and the Departments of Foreign Affairs and Trade, Home Affairs, and Infrastructure, Regional Development and Cities, in a whole-of-government approach to deliver the policy reforms needed to achieve Tourism 2020 goals as well as the Beyond 2020 strategy. Tourism Australia is also a key partner of Austrade's in developing Australia's Nation Brand.

We will continue to partner with Austrade on investment attraction activities through to 2023, however the focus will shift towards attracting investment for accommodation and experiences in regional Australia.

Industry engagement

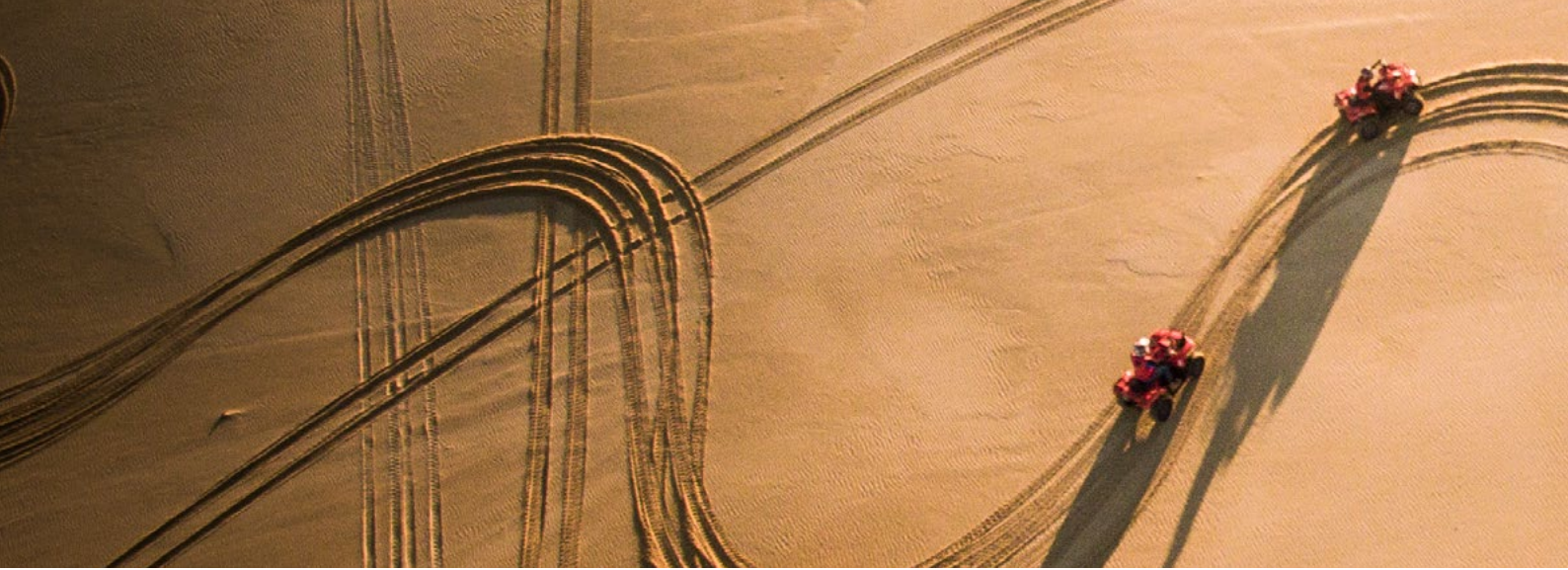
Connect industry to Tourism Australia's activities and consumer and trade platforms.

We engage directly with state, regional and local tourism organisations, industry operators and industry councils and associations through a range of communications platforms and tools to keep the industry informed about our activities as well as key issues impacting tourism.

We host and participate in briefings, roundtables, forums and workshops across the country to stay abreast of developments and ensure our work reflects the needs of industry. Industry partners are also invited to talk with our senior management team and staff, which provides valuable intelligence, updates and insights into their businesses and activities. These activities build awareness and understanding of Tourism Australia's strategic direction and marketing initiatives and highlight partnership opportunities.

We also produce an annual industry conference – Destination Australia – that focuses on the industry's future growth and strategies to attract more high-spending international visitors to the country. This event will be hosted in Adelaide in 2020.

Our platforms and tools allow us to share news, research, insights, industry developments and other useful tourism data. These include a corporate website, (tourism.australia.com), our *Essentials* e-newsletter, social media channels, Tourism Australia Open Day, regular videos, infographics and webinars, and a comprehensive guide, *Working with Tourism Australia*, that outlines ways industry can get involved with our activities.



Media and public affairs profiling

Building support and understanding.

We develop and implement corporate media plans that raise our profile; build support for, and foster understanding of, Tourism Australia and its strategic direction; and increase awareness of the value of tourism to the Australian economy. We also manage issues that impact the reputation of the organisation and Australia as a destination internationally.

This involves maintaining and developing relationships with major media organisations to enhance Tourism Australia's reputation and credibility; and continuing to build effective working relationships with media management professionals who represent our key stakeholders, including in all levels of government, industry and business. Through our public affairs program, we raise awareness of Tourism Australia's strategic direction and activities through a comprehensive public engagement and annual speaker program.

People and Workforce

The right people and strong workforce capability will build a high-performing culture.

Our people are our most important asset, and we are developing our organisational capabilities and structure to meet the changing demands of an increasingly competitive digital and content-driven tourism industry. Core to success will be continuing to embed a positive culture, guided by the TA Way's recommendations on staff behaviours and how we do business. Every staff member plays a part in what we are trying to achieve, and we conduct annual staff engagement surveys to monitor staff engagement and our employee net promoter score.

We are also committed to improving the future for Indigenous Australians through our Reconciliation Action Plan and are continuing to encourage diversity in our workforce.

We are continuing to recruit, develop, promote and reward employees who have the skills and values needed to support our strategy, processes and

culture. To achieve this and to be globally competitive, we will continue to grow our workforce capability by staying abreast of trends and developments in marketing and business. We will continue to implement training and development, strategic talent management, targeted recruitment and robust performance and development plans. These activities will create a diverse, capable, internationally-oriented workforce.

We will also focus on using our values to embed and enhance our culture. Internal taskforces will deliver initiatives to enhance our values of being positive, united, genuine, commercial and innovative. Through these initiatives, staff will be empowered to live Tourism Australia's values in day-to-day operations.



Sand Dune Adventures, Stockton Beach,
Port Stephens, NSW

Leverage Technology and Build Capability

Streamline, digitise, increase productivity, reduce red tape.

We will continue to improve business performance through digital innovation. Improvements through ‘test and learn’ incremental change will enhance the delivery of marketing and business activities globally, build capability and digital know-how, and improve productivity. This will be supported by data reporting that provides insights into, and real-time tracking of, consumer behaviour that can be used to refine our digital marketing activity.

Our systems and processes will be key enablers in maximising business performance, with a refresh of business systems and platforms to be delivered in 2019/20. We will use tools, technology and mobile capability to enable collaboration and innovation among teams.

Cyber security will continue to be a focus. We will use relevant Australian Government policies and guidelines to ensure our staff continue to innovate while being aware of, and protected from, potential risks.

We will continue to reduce ‘red tape’, increase productivity and fine-tune internal processes, and will achieve this by employing smarter digital work practices, improving business system efficiencies and continuing to consolidate digital assets. We will continue striving to minimise corporate costs as a percentage of total Tourism Australia costs, thereby increasing budget available for frontline marketing.

Financial management and reporting

Provide sound financial control and performance monitoring.

Solid financial control and adherence to Corporate Commonwealth Procurement Rules ensure the proper use of public resources, minimise risk and deliver value for money. Consistently measuring campaign performance using our performance evaluation framework will continue to aid management decision-making in 2019/20.

We will continue to focus on robust financial control and driving efficiency and productivity improvements. We will manage our financial resources to drive savings and efficiencies with the aim of maximising investment in the marketing activities that drive Tourism Australia’s outcomes. We will achieve this through dedicated annual budget planning, regular monitoring of operational finances and ongoing evaluation of our activities. These will provide insights and intelligence and help us to operate more commercially.

Measuring performance is important to our management practices, and helps us to understand our progress against goals and gain insights that aid management decision-making. We will measure our performance by reporting on activities against targets and against our corporate goals. Continuously improving performance measurement will ensure our marketing investment delivers value for money, in accordance with Commonwealth Procurement Rules and best practice.

Corporate governance

Effective systems and processes deliver robust corporate governance.

We will deliver on the Minister's Statement of Expectations and policies of the Australian Government, and adhere to the statutory and legislative requirements prescribed by the TA Act and the PGPA Act. To ensure our financial management, accountability, risk and audit obligations are met we will also continue to implement Australian Government Public Management Reform Agenda principles.

We are governed by a Board of Directors with oversight from our Audit and Finance Committee. The Board reports to the Australian Minister for Trade, Tourism and Investment. Under the PGPA Act, the Board must govern Tourism Australia in a way that promotes the proper use and management of public resources, promotes the achievement of our purposes and ensures our financial sustainability.

We deliver robust corporate governance across all business activities, and achieve this through:

- planning and monitoring the performance of major projects and contracts
- open communication with the Australian Government, the Minister for Trade, Tourism and Investment, the Australian tourism industry and regulatory bodies
- adherence to legislative, internal compliance, procurement and delegation procedures
- quarterly business evaluations by the Executive
- a strong internal audit program
- a sound legal and contract management framework
- regular review of key governance documents, strategies and policies
- annual compliance and conflicts of interest declarations and reporting, and
- staff training in governance matters.

Our risk management framework addresses strategic, operational, project and target risks. At a strategic level, this includes annual Strategic Risk Workshops undertaken by the Executive and discussed at Board and Audit Committee meetings, with regular follow-up by the Executive. From an operational and project perspective, risk assessments are performed as part of planning processes, for procurement and insurance purposes as required under Tourism Australia policies, and for health and safety purposes to identify and eliminate workplace hazards. The Executive also undertakes annual crisis management workshops.



5. IMPLEMENTATION

KEY DELIVERABLES BY PROGRAM COMPONENT

We deliver on our purpose through our Australian Government outcome and program components.

OUR PURPOSE	
To invite the world to experience the Australian way of life	
Government outcome: To grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.	
Program component 1: Grow demand	Program component 2: Industry development
<p>Objective: Identify and target best prospect consumers, inspire them to travel to Australia and to spend and travel more widely throughout the country.</p> <p>Target leisure customers</p> <ul style="list-style-type: none"> Identify high-value, out-of-region travellers who want to come to Australia and whose travel interests align with our destination strengths. Deliver international consumer research in partnership with STOs, building a common understanding of customer motivations for choosing a travel destination. Deliver marketing activities to stimulate target customers through channels and programs that make the most of Tourism Australia's resources, consumer media consumption and travel-buying behaviour. This includes brand advertising and promotions with an emphasis on digital and online channels, broadcasts, public relations and advocacy, international media hosting, content development and social media. Collaborate and work in partnership with government and industry to align efforts and activities that increase Australia's voice in the global marketplace, are efficient and effective. Evaluate campaign and project performance through a range of tracking and direct consumer response research. <p>Target business events customers</p> <ul style="list-style-type: none"> Continue to use research insights to inform marketing communications that target corporate and association decision makers. Deliver activities that promote Australia as a business events destination by targeting the associations and incentives sectors in key markets, including trade and experiential events, buyer and agent familiarisation visits, direct marketing, and public relations and marketing toolkits. Drive visitation through marketing support for large-scale incentive and association events through a dedicated Business Events Bid Fund. 	<p>Objective: An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer.</p> <p>Develop the distribution system</p> <ul style="list-style-type: none"> Build the capacity of the tourism and business events industry to confidently sell Australia through dedicated training initiatives. Provide Australian destination and product content to the tourism and business events distribution system providing a consistent approach for marketing destination Australia. Facilitate direct connections between tourism and business events sellers and Australian tourism products through familiarisation visits and trade events. Use market and consumer insights to identify special interest experiences that have high potential to drive travel to Australia. Work with these sectors through the Signature Experiences of Australia program to bundle and promote these experiences <p>Provide platforms to do business</p> <ul style="list-style-type: none"> Manage a range of trade events in Australia and overseas that promote Australia as a destination for leisure and business events travel, including the Australian Tourism Exchange, Dreamtime and Corroboree, and industry missions to key markets. <p>Support supply-side industry goals</p> <ul style="list-style-type: none"> Work with government stakeholders to resolve issues that are impediments to growth, including visitor visas. Support access to Australia by assisting new aviation route development. Work in partnership with Austrade to facilitate tourism investment and development of quality tourism infrastructure, focusing on regional Australia. Disseminate tourism research and insights and engage with industry stakeholders. Share market and consumer insights and trends through both owned and partner marketing channels. Deliver an annual conference, industry briefings and communications to build awareness and understanding of our strategies and initiatives.

Table 5: Implementation of activities by program component

6.RESOURCING

RESOURCING

Tourism Australia is funded predominantly through parliamentary appropriations. We operate on a financial year basis.

TOURISM AUSTRALIA BUDGET 2019 – 23 (\$M)					
Program component	2018/19 Estimated actual	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget
Grow demand	\$128.7	\$131.3	\$137.3	\$138.0	\$142.1
Industry development	\$22.7	\$22.8	\$23.7	\$24.4	\$25.1
TOTAL FUNDING	\$151.4	\$154.1	\$161.0	\$162.4	\$167.2

Table 6: Tourism Australia 2019 to 2023 budget by component



7.PERFORMANCE MEASUREMENT

PERFORMANCE MEASUREMENT

We track our organisational effectiveness under our two program components – ‘Grow demand’ and ‘Industry development’.

Key performance indicators and goals are provided in Table 7. We use additional metrics (project performance indicators) to provide insight and context to these organisational performance indicators.

TOURISM AUSTRALIA ORGANISATIONAL GOALS 2018-22									
Deliverables	Key performance indicators	2017/18 Actual (Jun 18)		2018/19 Forecast Actual (Jun 19)		2019/20 Goal (Jun 20)		2022/23 Goal (Jun 22)	
Tourism 2020	Overnight tourism expenditure	\$110b ⁶	7%	\$116.6b	6%	\$120.1b	3%	\$131.2b	3%
	International tourism expenditure	\$42.5b ⁶	5%	\$44.3b	4%	\$45.7b	3%	\$49.9b	3%
	International tourism visitors	9.1m ⁷	7%	9.35m	3%	9.63m	3%	10.5m	3%
Grow demand	Business Events spend from Tourism Australia target markets	\$2.4b ⁶	26%	\$2.5b	5%	\$2.6b	3%	\$2.9b	3%
	Destination Brand – Consumers considering Australia as a destination	35% ⁸		37%		39%		45%	
	Destination Net Promoter Score – visitors recommending Australia for a holiday	New ⁸		40		42		47	
Industry development	Stakeholders indicate Tourism Australia adds value to their business	98% ⁹		>90%		>90%		>90%	
	Stakeholder Net Promoter Score – Stakeholders recommend working with Tourism Australia	New ⁹		45		47		53	
Corporate	Employee Net Promoter Score – Staff recommend Tourism Australia as a good place to work	33 ¹⁰		30		23		22	
	Corporate costs as a percentage of total budget	9%		9%		9%		9%	

Table 7: Tourism Australia 2019 to 2023 KPIs and goals

6 Tourism Research Australia (2018), *International Visitor Survey*

7 Australian Bureau of Statistics (2018), *Overseas Arrivals and Departures*

8 Tracking results based on Tourism Australia's *Consumer Demand Project*

9 Tourism Australia, *Industry Satisfaction Survey 2018*

10 Tourism Australia, *Staff Engagement Survey 2018*

APPENDIX

Risk appetite

Our strategic risk assessment is undertaken using our Risk Appetite which covers eight perspectives that have the capacity to significantly impact Tourism Australia's operations. Our risk appetite for 2019/20 is outlined in Table 8.

Risk appetite 2019/20		
Perspective	Risk appetite statement	Rating
Strategic	Tourism Australia will ensure that Tourism 2020 is at the heart of all that we do by pursuing strategies that allow us to achieve our 2020 goals. This is key to supporting growth and competitiveness for Australian tourism. As we seek to adopt innovative strategies, our appetite for risks is moderate.	Moderate
Government	Tourism Australia will ensure that its relationship with Government is a priority and will act transparently. We place a high importance on Ministerial and departmental satisfaction and so have a low tolerance for political risk-taking.	Low
Brand and reputation	Tourism Australia is an innovative and adaptive agency. As our reputation is integral to supporting our purpose, we actively protect our brand through the activities we conduct as well as our stakeholder relationships. Our appetite for risks in this area is moderate. We will manage issues that could have a negative impact on our brand.	Moderate
Legal and regulatory	As a corporate Commonwealth entity with a global footprint we seek to meet all legal and regulatory expectations. We have a low appetite for legal and regulatory risks and zero tolerance for fraud, bribery, collusion or theft risks.	Low
Financial / Operational	Tourism Australia's appetite for financial and operational risk is low. We will ensure that value for money underpins our decisions, with financial and operational risks and rewards assessed against both short- and long-term strategic and operational priorities.	Low
Marketing projects	We are committed to ensuring our marketing projects are aligned with our strategy, that we exercise diligence in monitoring performance against these objectives, and that we foster an environment of continuous improvement. Our appetite for marketing project risk is high.	High
Work, health and safety	Tourism Australia will provide a safe environment for staff and foster a culture that values continuous learning, collaboration and innovation. Our appetite for work, health and safety risks is low.	Low
Information / Data	Tourism Australia will safeguard its information and be transparent, open and collaborative with stakeholders. We have a low appetite for system failures or information / data security breaches.	Low

Table 8: Tourism Australia Risk Appetite 2019/20

Risk profile

The following changes were identified in Tourism Australia's Strategic Risk Profile for 2019/20:

- The 'beyond Tourism 2020' risk was increased, as momentum is needed to ensure the effective development and delivery of the strategy.
- The 'capacity' and 'projects' risks were reduced, with solid initiatives in place to address these risks. Addressing the 'capacity' risk includes marketing that promotes visitation to Australia during non-peak periods, and to more destinations around Australia; for the 'projects' risk, we have included third-party advisors on the steering committee of key projects.
- New risks were introduced: 'Social licence' – recognising the importance of sustainability to the future of Australia's tourism industry; 'data accuracy' – as marketing effectiveness is increasingly dependent upon data insights from a range of data sources; and 'keeping pace with traveller preferences' – acknowledging consumers' changing travel preferences and the rapid advances in technology that are impacting how we communicate with them.

STRATEGIC RISK PROFILE 2019-20

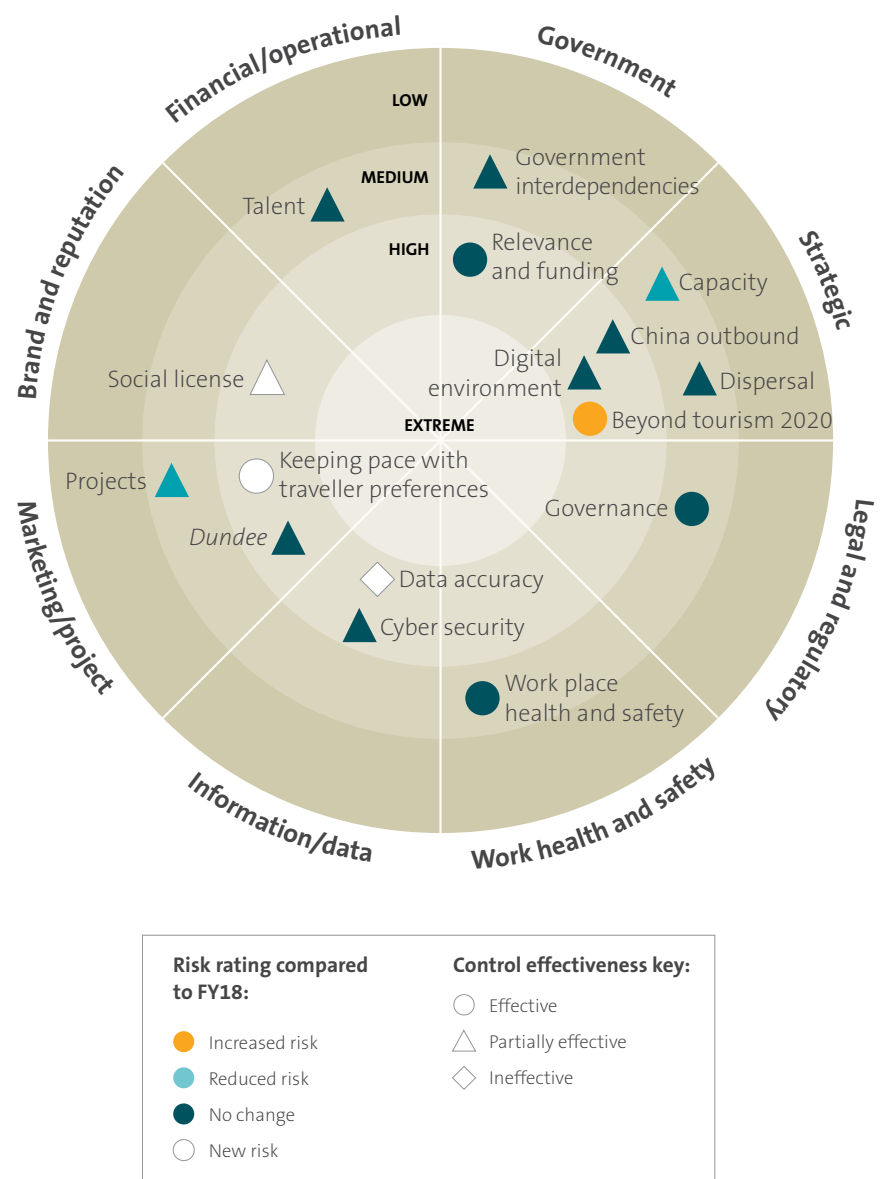


Figure 5: Tourism Australia's strategic risk profile 2019/20

