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Dear Senator Eggleston

INQUIRY INTO THE INDIAN OCEAN REGION AND AUSTRALIA'S FOREIGN, TRADE AND DEFENCE POLICY

Thank you for your letter dated 1 December 2011 regarding the above inquiry.

Tourism Western Australia (Tourism WA) is a statutory authority under the portfolio of the Minister for Tourism and is governed by a Board of Commissioners. Responsible for promoting Western Australia as an attractive holiday, event, convention and incentive travel destination, nationally and overseas, Tourism WA enhances the tourism industry, infrastructure and product base.

Tourism WA focuses on three key operational areas which aim to increase visitor numbers and the tourism industry's contribution to the State economy:

- Marketing the State as a competitive tourism destination
- Developing, attracting and marketing major events
- Supporting significant tourism infrastructure and development projects.

The development of trade and tourism opportunities for Australia from the Indian Ocean Rim potentially supports the achievement of these three objectives. To inform this process, Tourism WA would like to provide the following comments. These comments outline key state and national policy directions for tourism that should be considered as part of the review.

The importance of the Indian Ocean Rim for Australia regarding trade and tourism opportunities, including the role of free trade agreements (Terms of Reference A)

Tourism across Australia is at a critical tipping point, with varied forces of change acting across global markets as well as impacting on domestic trends. In response to this, Tourism Australia has developed a vision document for the Australian tourism industry: 2020 Tourism Industry Potential (<http://www.ret.gov.au/tourism/nlts/Pages/default.aspx>). This is a comprehensively researched and reconciled forecast for the future value of the industry to 2020, and identifies some of the growth drivers and barriers across international and domestic demand and supply. The stretch target is a challenging one, aiming to double the value of tourism in Australia from \$70 billion in 2010 to \$140 billion by 2020.

The stretch goal for Tourism WA is to double the value of tourism in Western Australia – from \$6 billion in 2010 to \$12 billion by 2020. To achieve this stretch goal, seven strategic focus areas



have been identified in the Draft State Government Strategy for Tourism. One of these seven strategic focus areas is high yield Asian markets. These markets (which include several Indian Ocean Rim countries) are expected to be the growth engines of the tourism industry over the next decade.

Visitors from Indian Ocean Rim countries currently make up four out of the top ten International source markets for Western Australia, with Singapore and Malaysia ranked second and fourth respectively (**Attachment 1**). Visitor numbers from Indian Ocean Pacific Rim countries in Australia are forecast to grow from anywhere between 2.5% to 8.0% each year from 2010 to 2020. Tourism export dollars to 2020 are also expected to grow with almost 20% of total growth to come from Indian Ocean Pacific Rim markets alone.

To take advantage of this expected growth, Western Australia will need to increase its share of international visitors to Australia. With its relative proximity to Indian Ocean Rim markets, Western Australia is in a unique position to do so. Provision of infrastructure, development of international air routes (eg Broome to Singapore) and ensuring that opportunities are available for investment in tourism are available to meet the anticipated growth in demand from the Indian Ocean Pacific Rim are critical to achieve this.

These matters are relevant to the role of the Senate and it is important that in looking at Australia's foreign, trade and defence policy that tourism is considered in making any decisions. This is particularly important in ensuring that any outcomes support the growth of the tourism industry in accordance with national and state policy directives and enhance the attraction of Western Australia as a tourist destination.

I trust this information is of assistance. If you have any queries in relation to this matter please contact Tourism WA's Policy Manager, Mr Campbell Fletcher on 08 9262 1714.

Yours sincerely

STEPHANIE BUCKLAND
Chief Executive Officer

27 March 2012

Attachment 1

Tourism WA International Source Markets - Ranked by Number of Visitors

Country of Residence	Western Australia					Australia				
	Rank	YE Dec-10	YE Dec-11	% Change	3 Year AAGR [▲]	Rank	YE Dec-10	YE Dec-11	% Change	3 Year AAGR [▲]
UK	1	151,600	140,400	-7.4%	-5.4%	2	608,900	573,600	-5.8%	-4.2%
Singapore	2	74,900	75,500	0.8%	0.3%	6	269,900	278,900	3.3%	5.7%
NZ	3	58,900	74,300	26.1%	7.7%	1	1,053,900	1,066,000	1.1%	3.0%
Malaysia	4	56,300	61,400	9.1%	2.1%	7	213,000	218,300	2.5%	6.5%
USA	5	40,800	45,400	11.3%	4.2%	4	440,200	429,000	-2.5%	-2.4%
Germany	6	26,000	32,300	24.2%	8.6%	10	155,300	149,100	-4.0%	-2.2%
Indonesia	7	26,500	30,400	14.7%	16.2%	12	111,900	126,000	12.6%	14.0%
S. Africa	8	22,700	28,100	23.8%	-1.2%	15	67,400	81,900	21.5%	3.5%
Japan	9	28,000	23,600	-15.7%	-1.7%	5	368,100	305,400	-17.0%	-4.1%
China	10	12,000	18,900	57.5%	44.1%	3	431,400	512,600	18.8%	20.9%
France	11	16,200	18,900	16.7%	18.8%	14	91,900	89,800	-2.3%	0.4%
Ireland	12	14,500	16,400	13.1%	-0.3%	20	67,900	64,600	-4.9%	-10.4%
Scandinavia	13	11,300	16,200	43.4%	18.2%	16	82,900	81,200	-2.1%	0.2%
Canada	14	16,300	15,100	-7.4%	-6.6%	13	115,300	112,100	-2.8%	-2.2%
Hong Kong	15	11,800	13,500	14.4%	5.2%	9	149,400	152,400	2.0%	3.3%
Thailand	16	15,200	12,400	-18.4%	4.3%	17	78,300	79,600	1.7%	2.1%
India	17	12,000	12,200	1.7%	-5.3%	11	130,400	139,700	7.1%	9.0%
Switzerland	18	9,800	11,700	19.4%	8.2%	26	42,200	40,400	-4.3%	-0.4%
Netherlands	19	8,700	10,600	21.8%	3.5%	24	47,600	45,600	-4.2%	-3.7%
Philippines	20	7,700	10,200	32.5%	19.0%	19	63,600	73,700	15.9%	13.9%
Korea	21	10,700	8,800	-17.8%	-7.1%	8	198,500	183,000	-7.8%	4.3%
Italy	22	7,200	8,100	12.5%	9.1%	21	54,500	53,000	-2.8%	0.1%

Note: Highlighted markets correspond to Indian Ocean Rim countries.

*AAGR = Average Annual Growth Rate

Source: Tourism Research Australia, International Visitor Survey (visitors aged 15+ years).

Forecast Visitor Growth Rates (Australia)

Source Market	Forecast Average Annual Growth Rate (2010 – 2020)
Singapore	2.5%
Malaysia	3.2%
Indonesia	7.5%
South Africa	4.7%
Thailand	4.4%
India	8.0%

Note: The above national forecasts are used as proxies for visitation growth to Western Australia.

Source: Tourism Forecasting Committee, Forecast 2011 Issue 2.