

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
2006-07 Additional Budget Estimates Hearing
15 & 16 February 2007

AGENCY/DEPARTMENT: INDUSTRY, TOURISM AND RESOURCES

TOPIC: *Tourism Australia – Japan Action Plan*

REFERENCE: Hansard 16/2/07, Page E40-E41

QUESTION No. AI-39

(Hansard 16/2/07, Page E40-E41)

Senator STEPHENS asked: —Is the monitoring group being resourced?

Mr Noonan—Yes, a secretariat is provided by Tourism Australia and a senior Tourism Australia representative and I are observers to the monitoring group.

Senator STEPHENS—Is there a dollar allocation for resourcing the plan?

Mr Buckley—Project by project there are allocations. Obviously, a number of the actions recommended are for Tourism Australia to take forward, and we have dollars allocated to those individual programs. Our marketing campaign and other things have specific dollars.

Senator STEPHENS—Are you able to provide that detail to the committee?

Mr Buckley—Certainly we can pull out the broad numbers in terms of campaign allocations and those sorts of things. That could be provided.

ANSWER

The Action Plan for Japanese Tourism outlines a number of recommendations that should be implemented to address the situation currently facing the Japan market. It is noted that the implementation of some of these recommendations is the responsibility of the industry or other stakeholders.

The four key recommendations under the Plan made by the Committee were:

1. Restore the Australian brand and refresh the product representing it in order to make Australia a 'must see' destination for the target segment
2. Build a strong, aligned collaborative approach to marketing and distributing product to target markets.
3. Ensure airline pricing and products for the Australia-Japan route are competitive and promote market growth.
4. Adopt a new experience-based approach to product development to match the needs identified by new market segmentation for Japan and closely target appropriate products to key segments.

Tourism Australia undertakes a number of activities that support the implementation of the key recommendations of the Plan including:

- Screening of the Uniquely Australian Invitation Campaign and activities to leverage this campaign

- Cooperative marketing activities with industry including Japan Air Lines and Qantas and the State Tourism Offices
- Briefing in market State and Territory Organisations, industry and key stakeholders about Tourism Australia activity and strategy and research
- Australia Festival (in cooperation with the Department of Foreign Affairs and Trade)
- Trade events

It is difficult to provide the exact dollar allocation for these activities. However, the marketing budget allocation for Japan was approximately \$9m in 2006/07.

QUESTION

Senator STEPHENS—Is the action plan resourced totally out of Tourism Australia or are there partnership arrangements with or contributions from other agencies or organisations?

Mr Noonan—The private sector parties have given their time, and a state representative is also released to work on this project. There is not a specific allocation for the monitoring group to go and do work other than perhaps travel expenses. The monitoring group has been once to Japan and will go again next month.

Senator STEPHENS—Will you provide details of all that to the committee?

Mr Noonan—Yes, certainly. The process for reporting back has been from the monitoring group to the minister, and there have also been progress reports that the monitoring group has made available to industry stakeholders. Perhaps we could send you the latest of those documents when they are available.

Senator STEPHENS—Thank you.

ANSWER

The Japan Industry Monitoring Group (JIMG) comprises the following members:

Chair: Mr Kerry Watson, Marriott International Australia

Members: Mr Wayne Kirkpatrick, Tourism Australia Board Member

Ms Lyndel Gray, Tourism New South Wales

Mr Koji Shinmachi, Chairman, Japan Association of Travel Agents
Advisor role – based in Japan

The members of the JIMG are not remunerated for their work. The main cost in supporting the JIMG relates to travel expenses for its members. In this regard \$48,814.23 was spent in sending the three Australian-based members to Japan from 31 May to 2 June 2006 for industry consultation. In addition, \$1,607.50 has been spent on domestic travel within Australia for JIMG members to attend meetings and industry consultations.

On 6 December 2006, JIMG Chair, Mr Kerry Watson, provided a progress report to industry representatives and government officials from Australia and Japan at the Australia-Japan Tourism Talks, held in Sydney. A copy of his presentation is included at Attachment A.

ATTACHMENT A

Update on the Japan Industry Monitoring Group (JIMG) Activities

Presented by
Mr Kerry Watson
Chair, Japan Industry Monitoring Group



Action Plan Recommendations

The key issues facing Australia's inbound market from Japan can be summarised under the following four topics:

1. Customer Desire for Australia
2. Marketing and Distribution
3. Aviation
4. Product / Experience / Destination Development



Key Issues and Market Trends

- Whilst arrival numbers have remained in decline Australia has in fact increased its economic value from the Japan market, and is holding market share in the long haul sector
- Competition from China and Korea driven by business traffic, is very strong
- A number of business dynamics have and continue to affect inbound visitation to Australia



Action Plan Implementation

- The JIMG has been active since its formal establishment in engaging industry both in Japan and Australia to monitor the implementation of the Action Plan and also to identify new or emerging issues or trends that may affect Australia's ability to grow international business from Japan.



Recommendation 1: Customer Desire for Australia

“Restore the Australia brand and refresh the product representing it in order to make Australia a ‘must visit’ destination for our newly defined best prospect segments”



Progress to date

key activity and achievements:

- Major segmentation research completed identified the ideal visitor for Australia as the Experience Seeker
- The new destination campaign ["Where the Bloody Hell are You?"] was launched in Japan on the 27th March 2006
- Brand Co-operative activity undertaken in-line with the new Brand campaign, with the key airlines, State Tourism Organisations, and key agents in Japan

TA Global Destination Campaign

The new Tourism
Australia global
destination campaign
“*Where the Bloody Hell
are You*” was launched
in Japan on the 27
March 2006



SO WHERE
THE BLOODY HELL
ARE YOU?

Brand Cooperative with Qantas



Example – Print Ads



いまなら、オーストラリア1都市分の運賃で最大4都市まで周遊できる。カンタス航空の「オージー・エアバス」。お申し込み、お問い合わせは qantas.jp へ。

空の女王
QANTAS
Royal Air Force

カンタス航空
QANTAS
Royal Air Force

Brand Cooperative with JAL

Example – Print Ads



2006 Year of Exchange – Australia Festival

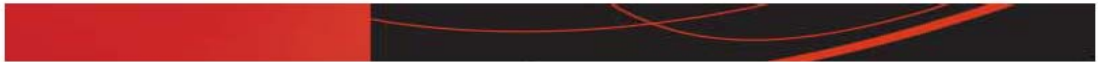


3,150 consumers visited to the NG exhibition.



Recommendation 2: Marketing and Distribution

“Build a strong, aligned collaborative approach to marketing and distributing Australian product to target markets, led by Tourism Australia in conjunction with the states and territories”

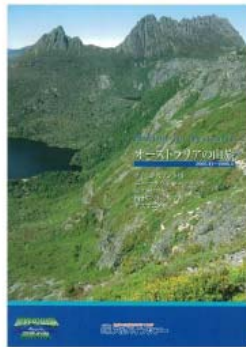


Progress to date

key activity and achievements:

- Briefings held on new segmentation research with State Tourism Organisations (in Australia and Japan) / Australian and Japanese industry and airlines.
- The More of Australia “Motto Australia” campaign TA has been working with the wholesalers to represent Australia in the “More of Australia” campaign and will continue to do so
- Experience focus brand co-operative activity with Qantas and Japan Airlines in-line

Experience Brochures



Alpine Tours
Hiking Brochure

Jaipak
Wine Brochure



More Visit of Australia - Shimoki

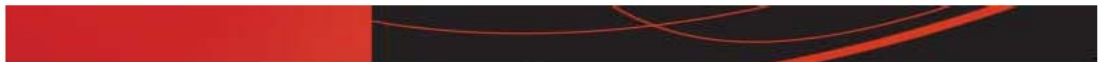


Kamiki Result - 8 major travel agents produced 1.5 million copies distributed to 3,000 retail shops and achieved 5,500 bookings



Recommendation 3: Aviation

“Ensure airline pricing and products for the Australia –Japan route are competitive and promote market growth”



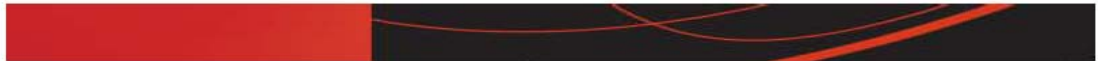
Progress to date

- Aviation remains one of the key areas of concern for the group in regards to realising the growth potential of this market.
- We have entered a period of significant change:
 - Australian Airlines will no longer operate
 - Jetstar has introduced new services (this has led to reduced capacity / impacts on the school excursion market from Western Japan)
 - QF have recently introduced their new business class product providing sleeper seats and successfully introduced the new airpass product
 - JAL will cease operation of its daily 747 service Osaka /Brisbane /Sydney / Osaka [JQ will operate this service to off set the loss with possible JAL code share]. Their strategy for the next year will focus on changing aircraft types on routes to gain efficiencies rather than reduce or cut more services.
- The JIMG will continue to engage with key airline partners
- QF Airpass offer introduced



Recommendation 4: Product / Experience Development

“Adopt a new, experience-based approach to product development to match the needs identified by the new market segmentation”

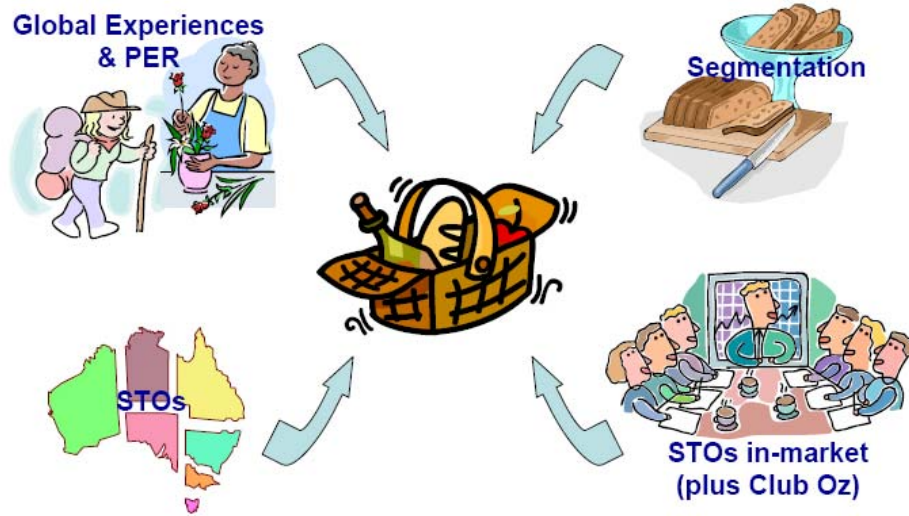


Progress to date

key activity and achievements:

- Product Experience development to determine Experience Seeker desired products and specific “driver” experiences for Australia
- Working with key travel agents to ensure improvement of their destination knowledge through agent seminars and famils
- Investigating and engaging with the incentive market
- New programs are in place for the working holiday maker

Delivering the right experiences





A copy of the *Action Plan for Japanese Tourism* can be found at

<http://www.industry.gov.au/JapaneseActionPlan>