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Dear Dr Mundy

PRODUCTIVITY COMMISSION RESEARCH PAPER – AUSTRALIA’S INTERNATIONAL TOURISM INDUSTRY: TRENDS, DRIVERS AND BARRIERS TO GROWTH

Thank you for the opportunity to provide a submission to the Productivity Commission’s research paper on Australia’s international tourism industry: trends, drivers and barriers to growth. International tourism makes a significant contribution to the Western Australian economy and for the year ending June 2014 there were 796,300 international visitors to the State who spent an estimated \$2.2 billion. Tourism Western Australia (Tourism WA) considers the research paper an important initiative in developing a greater understanding of the international tourism market that will support the ongoing enhancement of the tourism industry in Western Australia.

The following submission, which has been prepared in consultation with other relevant Western Australian Government Departments is provided to assist in this process and outlines information, data sources and examples of the matters identified by the Productivity Commission for consideration including:

- trends in international markets
- factors affecting demand
- the emergence of digital platforms
- the role of Government (marketing, events, infrastructure and research)
- the effect of aviation policy and regulation
- the effect of land management policy and regulation

Tourism WA supports the preparation of the research paper and trusts that the information provided is of assistance. Tourism WA welcomes the opportunity to discuss its submission and is available to do so at the Commission’s request.

Yours sincerely

STEPHANIE BUCKLAND
Chief Executive Officer

19 November 2014



SUBMISSION - AUSTRALIA'S INTERNATIONAL TOURISM INDUSTRY: TRENDS, DRIVERS AND BARRIERS TO GROWTH

1) *Trends in Western Australia's International Tourism Industry*

a) *Visitor numbers, purpose of visit and key markets*

A detailed analysis of international visitor statistics, key markets and purpose of visit to Western Australia (including comparison with Australia) is provided at **Attachment 1**. This demonstrates that in recent years, international visitor numbers, visitor nights, and visitor spend to Australia have been steadily increasing, with each showing a positive 5 year Average Annual Growth Rate (AAGR) between the years ending June 2010 and June 2014. In Western Australia, international visitation has grown by 3.9% from 683,000 to 796,300 visitors, visitor nights by 5.5%, spend by 5.9% and average length of stay by 1.6% over this period.

International tourists spend an estimated \$2.2 billion in Western Australia with holiday/leisure and visiting friends and relatives (VFR) the main reasons international visitors travel to the State. International VFR visitors to Western Australia have been increasing over recent years, and VFR has overtaken holiday/leisure as the most popular purpose for visiting Western Australia, with 348,200 international VFR visitors and 345,100 international holiday/leisure visitors in the YE June 2014. However, it is noted that the strongest area of average annual growth over the 5 year period from 2010 in both Western Australia (+8.2%) and Australia (+7%) has been visiting for employment purposes.

Attachment 1 also indicates that in 2014, Western Australia's top five international markets by number of visitors are the United Kingdom, New Zealand, Singapore, Malaysia and the USA. These markets (along with Japan) have traditionally been strong sources of visitation to WA and Australia. However, it needs to be acknowledged that international tourism only represents 13% of all visitors to Western Australia.

The attachment also demonstrates that there have been a number of changes in the nine year period from 2006 visitation to Western Australia. This includes significant growth for example from markets including Taiwan (+14.1%), India (+13.5%), China (+12.6%), France (+10.1%), Philippines (+9.3%), Ireland (+9.4%) and Malaysia (+8.1%), with decline from markets such as Japan (-8.9%).

b) *Factors affecting demand*

- *Consumer Preferences*

With the exception of Taiwan and Ireland these trends are broadly consistent across Australia. It is generally considered these relate to economic factors including rising incomes in Asian economies such as China and India or the impact of the global financial crisis in Ireland (employment opportunities) and Japan (decline in leisure visitation). However, other factors including changes in visa arrangements may also influence this. As an example, Australia has had a bilateral agreement with China under the Approved Destination Status Scheme since 2010, which permits Chinese tourists to undertake leisure travel in groups to this destination.

These changes have not impacted the destination of choice within Western Australia with the proportion of total international visitors to each of the State's five tourism regions having remained relatively consistent over the past five years. Almost all international visitors stay overnight in Experience Perth, while Australia's South West has consistently been the most popular of the four regional tourism areas.

Similarly, the most popular activities for international visitors to Australia to participate in while visiting have consistently been social (shopping/eating out) and outdoor/nature based activities over this period. However, as the strategic documents released, and programs run by Tourism WA and other Government agencies including the Department of Parks and Wildlife (DPAW) indicate, there have been changes in preferences and desired experiences within these activity areas.

Copies of these strategic documents are available from www.tourism.wa.gov.au and include:

- State Government Strategy for Tourism in Western Australia 2020
- Our Direction in China 2012 – 2015 Strategy
- Naturebank Program (development of eco-accommodation in National Parks)
- WA Cruise Shipping Strategic Plan 2012-2020
- The Future of Visitor Centres in WA
- Food and Wine Tourism Strategy (under development)

These highlight current trends and target areas for development and market growth of tourism in Western Australia and provide a valuable source of information for consideration by the Commission as part of its research. It is noted that recommendations regarding eco and nature based tourism, infrastructure provision in national parks, growth in culinary experiences and provision of information for visitors are an integral element of these strategies. These are informed by consumer based research that identify preferences but are also influenced by the quality, value add and uniqueness of experiences available that respond to the servicing requirements of the identified target markets.

- *The emergence of digital platforms*

Consumer preferences and behaviour have been influenced by the emergence of the digital landscape. This has changed consumer behaviour giving rise, for example, to the silent traveller who turns to their mobile device for travel information as well as to the age of a sharing economy as witnessed in organisations and applications such as Airbnb (accommodation) and Uber (transport). This interaction takes place across multiple platforms such as web, mobile and apps, with the multitude of social platforms now available and widely used meaning advertising is becoming far more targeted than it has ever been before and there is a range of options, opportunities and types of information (personal, corporate, interactive etc) that influence choice.

The online environment therefore provides diverse opportunities to organisations and allows the tourism industry and Government authorities to conduct promotions through dynamic and direct interaction with customers / consumers. Tourism WA, for example utilises a variety of innovative marketing approaches that include the following to influence consumer choice:

- developing a mobile responsive website to address the growth in the mobile web
- providing a visually rich website and continuing to build on this approach by integrating social media images
- creating a consumer eDM that is mobile friendly and built to optimise content based on user preferences and click behaviour making this channel more personalised
- upgrading site analytics and tagging capabilities to undertake more refined retargeting advertising activities
- reviewing its digital strategy to consider the growing social landscape, targeting and personalisation and developing a more robust multi-platform strategy

- *Conditions in aviation markets*

Conditions in aviation markets including the frequency of flights, capacity for direct flights and cabotage restrictions all influence level of demand and visitation. Further discussion regarding this matter is included in relation to bilateral agreements and the classification of Perth as a major gateway below.

- c) The sensitivity of demand for Australian inbound tourism to changes in these factors

Attachment 1 demonstrates that demand for Australian inbound tourism may fluctuate from year to year, or across a broader time span. This may be influenced by a number of factors but anecdotal evidence suggests economic and financial matters, which are largely outside the control of the tourism industry, create the greatest sensitivity, as shown by the example of Japanese visitation.

2) The Role of Government

a) The funding and value of tourism research

From a tourism perspective a critical issue is recognising these trends and developing strategies and initiatives (marketing, events and attractions) that respond. Tourism research, which occurs at a number of levels (academic, policy and market) is an important element in this process and provides a basis to determine global factors and develop initiatives.

This is reinforced through Attachment 1, which demonstrates that research plays a significant role in understanding sensitivities and trends. Tourism WA funds tourism research projects that offer multiple benefits to industry that respond to these and assist in making informed and effective decisions. This includes understanding motivating factors about WA, consumer preferences and visitor satisfaction, which underpins marketing messaging and future investment and development opportunities. Research is also important in understanding return on investment from events, marketing campaigns, media impact and the value of tourism, and informing the development of policy.

Where shared benefits are recognised for specific research projects, Tourism WA works in partnership with industry. As an example, the culinary tourism strategy identified above included several pieces of research to ensure a full understanding of the issues involved from both a Government and industry perspective.

Tourism WA also contributes funds to Australia's largest and most important data source on tourism visitation in international and domestic markets, the International and National Visitor Surveys. This enables trends to be determined and observed across Australia and is vital in understanding and providing a comprehensive picture of visitation patterns.

b) The Role of Tourism WA

As a statutory authority responsible for promoting Western Australia as an extraordinary holiday, event, convention and incentive travel destination, nationally and overseas, 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 promoting major sporting, arts, cultural and business events
- Supporting the development of significant tourism infrastructure and projects.

Implementation of these is facilitated through the *State Government Strategy for Tourism in Western Australia 2020* (the strategy). This provides a whole of Government and industry partnership approach that is working toward achieving the aspirational goal of doubling the value of tourism in Western Australia from \$6 billion in 2010 to \$12 billion in 2020.

The strategy identifies areas where Tourism WA, other government agencies and industry can work individually and together to achieve this. This enables government to target actions and activities where it has the most influence in driving outcomes that pertain to these three operational areas, which is underpinned by the research identified above.



Further information regarding the strategy and each of the elements (marketing, events and infrastructure) identified is available from the Tourism WA website ([www tourism.wa.gov.au](http://www.tourism.wa.gov.au))

c) Provision of public infrastructure

The provision and administration of public infrastructure at all levels (Federal, State and Local) of Government is important to the tourism industry. Public transport, roads and airports facilitate access and are critical to the dispersal of visitors, particularly to regional areas. While sporting, community and cultural facilities such as stadiums, galleries and museums provide attractions, support events and are a reason to visit and stay in a location. The new Perth Stadium and Sports Precinct, the ownership of which will be retained by the State Government of Western Australia is an example of this (www.perthstadium.com.au).

Public infrastructure that supports visitor amenity, attractions and activities including walk trails, bbq's, picnic areas and associated facilities is also significant. Programs including DPAW's Parks for People (<http://www.dpaw.wa.gov.au/parks/parks-for-people>) and capital works undertaken by local government authorities are examples of this.

Provision of public infrastructure is also important in overcoming barriers to investment in tourism and international visitation. As an example, port fees and the level of available infrastructure to enable access for cruise shipping has been identified as a barrier in independent reviews of Garden Island (2012) and an Economic Impact Assessment of the Cruise Shipping Industry undertaken on behalf of Cruise Down in 2014.

Cabotage restrictions also impact on international cruise shipping and are a barrier limiting the potential expansion of this industry. It is estimated that cabotage has a potential impact of approximately \$50,000 per cruise and that this may see the withdrawal of expedition cruise lines from Northern Australia and subsequent impact on small businesses, tour operators etc.

While cruise shipping to Australia has experienced growth over the past 10 years these issues are prevalent as competition from south-east Asia particularly for mega cruises has the potential to impact upon this. This example therefore demonstrates the importance of not only ensuring adequate infrastructure provision but also the role of Government in regulating access that supports use and growth of the tourism industry.

d) The benefits of Government involvement and consequences in regional areas

The above examples demonstrate the benefits of Government involvement in tourism from research and data collection, through to marketing, events and infrastructure development in Western Australia. This is important in an industry characterised by small businesses and in State with a diverse range of tourism products and attractions.

This is particularly significant in regional areas and to support tourism development, Tourism WA identifies regional tourism infrastructure priorities for each of the five tourism regions (Experience Perth, Australia's South West, Australia's Golden Outback, Australia's Coral Coast and Australia's North West). These inform broader regional development and investment initiatives undertaken by the Department of Regional Development to facilitate the provision of infrastructure throughout regional Western Australia and ensure that there is an understanding of the tourism infrastructure requirements as part of the overall development of each of these areas. Further information on this process is available from the following link:

http://www.drd.wa.gov.au/publications/Documents/Aligned_and_integrated_delivery_of_services_to_regional_Western_Australia.pdf

As these examples and the information on www.tourism.wa.gov.au indicate, the capability of Government to develop partnerships that deliver tourism outcomes provides for an overall



direction for tourism across the State that supports industry and informs decision making processes. This ensures a greater return on investment and has significant flow on benefits (social, economic and community) for regional areas through support for regional events, eco-tourism development and marketing initiatives.

This is significant as the value of tourism to regional Western Australia for the year ending June 2014 was \$3.5 billion of a total visitor spend in the State of \$8.3 billion. This supports the rationale for Government involvement in tourism as the provision of an overarching framework, resourcing and information enables this to occur.

3) The effect of aviation policy and regulation

a) Bilateral air capacity rights

Adequate bilateral air capacity rights between Australia and its priority international markets is critical to enable Western Australia, and Australia to reach their full potential in international tourism, business and investment. Traffic rights and capacity between Australia and its key markets needs to be negotiated to ensure that supply remains well ahead of demand. This gives confidence to international airlines who undertake route network planning 6-24 months in advance of commencing or increasing capacity on a particular route.

It is considered unlikely that Australia's national carrier groups, the Qantas Group and Virgin Australia will seek to considerably expand their international networks going forward, given recent financial results and forward fleet plans. Both carriers instead are likely to concentrate on virtual network expansion through their alliance partners.

This provides an opportunity to seek "open skies" agreements with key markets wherever possible where there are no longer any regulatory restrictions imposed on the ability of registered airlines to fly international services to any airport in two countries. This would also enable WA to be on the front foot in seeking negotiations or renegotiations of existing ASAs with priority international markets.

b) Perth as a Major Gateway

Bilateral Air Service Agreements (allowable seats and/or frequencies per week of flights operated by international airlines) are typically only constrained to Australia's four major gateways Sydney, Melbourne, Perth and Brisbane. Unrestricted access is available to other Australian ports such as Adelaide, Gold Coast, Darwin etc, which are considered regional gateways.

Reconsideration should be given to the need for Perth to be a major gateway as its market opportunity as well as geographic and economic position is very different compared to the east coast major gateways of Sydney, Melbourne and Brisbane. With a smaller total population and a smaller travel market overall, linking Perth as a major gateway restricted bilateral capacity as per Air Service Agreements places WA at a disadvantage in comparison to the east coast. Tourism WA and Perth Airport are regularly given feedback from airlines that they would only consider starting services to Perth once they have operations established on the east coast of Australia to at least Sydney and Melbourne.

Additionally, recent actions by both Australia's national airlines have clearly demonstrated that Perth will be dependent on foreign airlines to grow international air service capacity. Therefore it is important that this process be made easier for Perth, which is not competing on a level playing field against the major gateways of Sydney, Melbourne and Brisbane. Should the status of Perth as a major gateway be removed, with unrestricted access for international airlines to operate to/from, the opportunity to secure new and/or additional flights from international airlines would grow considerably, assisting with the State's overall economic growth and in turn a positive economic outcome for Australia.

c) Broome and Busselton Regional Airways

In addition, from a tourism perspective the identification, facilitation and development of additional gateways outside of Perth such as Broome and Busselton/Margaret River is important. This will support growth from key international markets with the potential for direct routes (eg Broome to Singapore) providing opportunities for increased visitor dispersal to regional areas. Further information regarding this matter is available in Draft Western Australian State Aviation Strategy at www.transport.wa.gov.au.

4) The effect of land management policy and regulation

Land management policy and regulation has a significant influence on tourism development and investment in Western Australia. The importance of tourism for the Western Australian economy is acknowledged and supported by the Western Australian planning system which provides a package of measures to facilitate its provision and protection through:

- a) Specific consideration of tourism in strategic land use planning at the State, regional and local level
- b) A consistent policy approach to planning for tourism developments
- c) Specific consideration of tourism in planning for developments impacting on tourism

To assist in understanding these matters, a number of planning documents have been prepared to aid the assessment of tourism-related proposals and guide policy development, and strategic planning for tourism in Western Australia. A list of these documents including the appropriate links is provided at **Attachment 2**.

These documents guide decision making regarding planning, zoning and development regulations and include principles associated with competing uses of land and non-tourism related activities. Where barriers have been identified the WA Government has also implemented land management policy and regulatory measures to facilitate investment. This includes the introduction of an incentives package (Government Incentivised Land and Plot Ration Bonus) to encourage hotel development in Perth and the aforementioned Naturebank program to facilitate eco-accommodation development in identified National Parks. Further details of these programs are available from www.tourism.wa.gov.au

The Naturebank program supports the existing management planning process administered by DPAW in accordance with the provisions of the *Conservation and Land Management Act 1984*. This requires management plans to be developed for each of the State's 100 national, and 13 marine parks.

While DPAW's primary function relates to the conservation and protection of the environmental and cultural values of these areas, the management objective for management plans include to allow for so much recreation (tourism) and is consistent with the proper protection of park values. The management planning process enables this to occur. There are a significant number of commercial tourism operations on lands managed by DPAW and a commitment to continue to explore these opportunities. Further information on this process is available on DPAW's website www.dpaw.wa.gov.au.

The other major piece of land management legislation and associated policy framework influencing tourism investment and planning in Western Australia is the *Land Administration Act 1997*. This regulates processes including access to crown land for events, diversification of

pastoral leases to enable tourism activities and land assets sales. Further information on these matters is available from <http://www.lands.wa.gov.au>.

It is also noted that the Western Australian Government conducted a Parliamentary Inquiry into Pastoral Leases in Western Australia during 2013/14. A copy of the Committee's deliberations and the submissions provided by Tourism WA and other parties is available from www.parliament.wa.gov.au.



Tourism Western Australia

International Tourism Statistics

Prepared by the Research Team

October 2014



Confidence Intervals and Sample Sizes

Note that estimates in this document are based on survey data and need to be considered within these Confidence Intervals (CI) for Western Australia Year Ending (YE) June 2014 estimates:

- CI of Western Australia estimates: Spend \pm 5.9%, Visitors \pm 5.5%, Nights \pm 8.1%
- CI of Australia estimates: Visitors \pm 0.7%, Nights \pm 1.2%

Sample Sizes for YE June 2014 estimates are outlined below:

- Sample Size for Western Australia estimates: Spend n= 4,975, Visitors/Nights n= 6,258
- Sample Size for Australia estimates: Spend n= 42,720, Visitors/Nights n= 40,215

International Market Overview

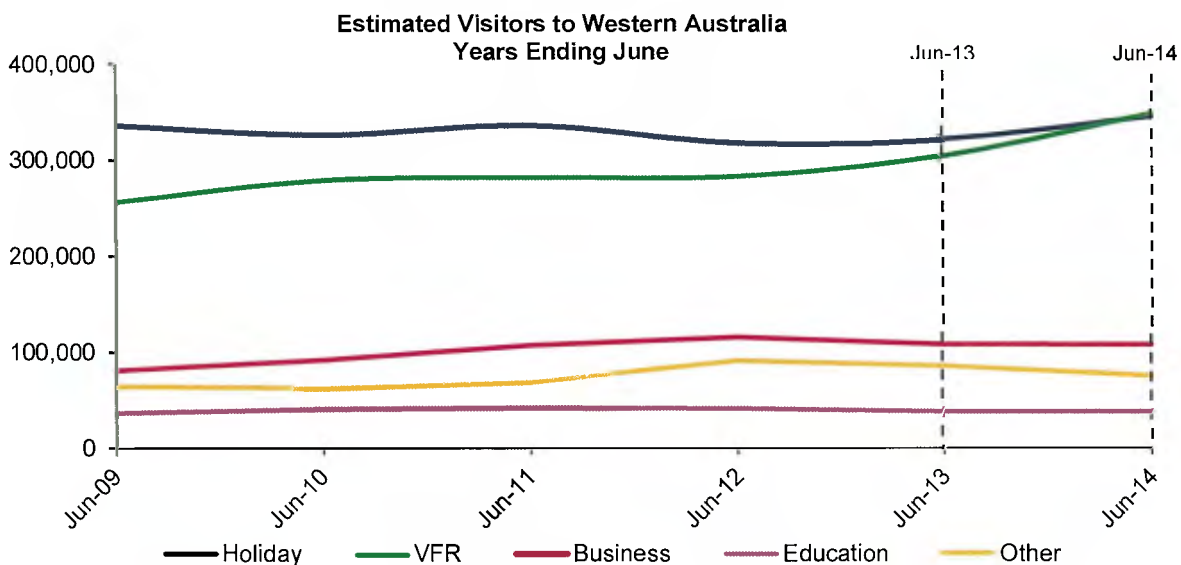
- International visitation continues to grow across the whole of Australia.
- For Western Australia, international visitation grew to 796,300 visitors for the YE June 2014, an increase of (+) 6.7% on YE June 2013 (behind the national growth rate of +7.6%). These visitors spent an estimated \$2.2 billion in the State.
- International visitation to Western Australia typically follows the same pattern as international visitation to Australia. Visitor numbers, visitor nights, and visitor spend have been steadily increasing over recent years, with each showing a positive 5 year Average Annual Growth Rate (AAGR).

	YE Jun-10	YE Jun-11	YE Jun-12	YE Jun-13	YE Jun-14	% Change YE Jun13 - YE Jun14	5 Year AAGR
Western Australia							
Spend (\$m)	\$1,772	\$1,868	\$2,082	\$2,206	\$2,232	1.2%	5.9%
Visitors	683,000	710,400	731,600	746,000	796,300	6.7%	3.9%
Nights	21,931,300	22,536,600	25,890,300	28,046,700	27,200,600	-3.0%	5.5%
Average length of stay (nights)	32.1	31.7	35.4	37.6	34.2	-9.1%	1.6%
Australia							
Spend (\$m)	\$15,844	\$16,604	\$17,094	\$18,094	\$18,727	3.5%	4.3%
Visitors	5,189,600	5,369,900	5,438,400	5,714,300	6,147,400	7.6%	4.3%
Nights	181,887,200	190,203,100	198,656,100	214,709,100	216,000,600	0.6%	4.4%
Average length of stay (nights)	35.0	35.4	36.5	37.6	35.1	-6.5%	0.1%

Purpose of Visit

- Holiday/leisure and Visiting Friends and Relatives (VFR) are the main reasons international visitors travel to Australia.
- International VFR visitors to Western Australia have been increasing over recent years, and VFR has now overtaken holiday/leisure as the most popular purpose for visiting Western Australia, with 348,200 international VFR visitors and 345,100 international holiday/leisure visitors in YE June 2014.

	YE Jun-10	YE Jun-11	YE Jun-12	YE Jun-13	YE Jun-14	% Change YE Jun13 - YE Jun14	5 Year AAGR
Western Australia							
Holiday/ leisure	326,400	335,600	318,500	321,800	345,100	7.2%	1.4%
Visiting friends and relatives	278,300	281,300	282,300	304,200	348,200	14.5%	5.8%
Business	91,200	106,700	115,100	107,700	107,400	-0.3%	4.2%
Education	40,100	41,500	40,700	37,600	37,500	-0.3%	-1.7%
Employment	38,200	40,900	59,300	55,000	52,300	-4.9%	8.2%
Australia							
Holiday/ leisure	2,800,900	2,832,800	2,802,600	2,959,500	3,227,500	9.1%	3.6%
Visiting friends and relatives	1,923,200	1,965,300	2,012,600	2,144,500	2,394,600	11.7%	5.6%
Business	781,600	846,300	866,500	856,400	851,100	-0.6%	2.2%
Education	397,700	418,500	408,500	409,000	391,100	-4.4%	-0.4%
Employment	186,900	210,400	241,000	246,300	245,100	-0.5%	7.0%



Top 20 international markets to Western Australia by number of visitors

- The number of visitors from Western Australia's and Australia's top international markets continues to grow.

Country of Residence	Western Australia					Australia				
	Rank	YE Jun-13	YE Jun-14	% Change	3 Year AAGR	Rank	YE Jun-13	YE Jun-14	% Change	3 Year AAGR
UK	1	140,400	153,100	9.0%	5.3%	3	589,600	623,800	5.8%	4.2%
NZ	2	80,900	75,700	-6.4%	-0.7%	1	1,069,700	1,115,000	4.2%	2.3%
Singapore	3	59,100	75,300	27.4%	13.3%	5	277,600	319,200	15.0%	15.3%
Malaysia	4	58,800	64,400	9.5%	7.5%	7	225,300	277,100	23.0%	15.9%
USA	5	50,500	54,900	8.7%	6.6%	4	458,100	499,500	9.0%	7.8%
China	6	31,500	35,600	13.0%	13.6%	2	641,000	708,500	10.5%	14.1%
Germany	7	25,900	31,800	22.8%	5.6%	11	157,800	172,000	9.0%	6.5%
Indonesia	8	27,600	29,400	6.5%	1.9%	12	122,200	132,700	8.6%	5.1%
Ireland	9	24,300	25,600	5.3%	6.2%	18	76,500	73,200	-4.3%	-3.9%
Japan	10	19,300	21,700	12.4%	-6.6%	6	305,100	297,700	-2.4%	-2.2%
France	11	19,800	19,000	-4.0%	1.3%	15	102,200	107,700	5.4%	5.9%
South Africa	12	17,900	19,000	6.1%	-12.6%	23	59,800	50,300	-15.9%	-18.6%
Canada	13	16,000	18,100	13.1%	1.1%	13	118,200	127,100	7.5%	3.0%
Hong Kong	14	17,300	17,100	-1.2%	9.4%	9	154,700	181,300	17.2%	13.4%
India	15	13,400	14,300	6.7%	3.3%	10	150,800	172,900	14.7%	11.5%
Scandinavia	16	15,700	12,900	-17.8%	-7.6%	16	88,700	93,000	4.8%	3.7%
Switzerland	17	9,300	11,900	28.0%	6.5%	24	45,300	46,600	2.9%	5.1%
Taiwan	18	12,200	11,500	-5.7%	7.2%	14	98,000	108,200	10.4%	11.7%
Korea	19	13,100	11,300	-13.7%	1.4%	8	184,300	184,100	-0.1%	-2.2%
Italy	20	9,700	10,800	11.3%	-3.1%	20	64,900	69,800	7.6%	10.4%

Top 20 international markets to Western Australia by visitor spend

- Estimated visitor spend by key international markets tends to fluctuate from year to year, typically aligning with the number of visitor nights spent in the country / State. However, the majority of top international markets show positive three year average annual growth rates in visitor spend.

Country of Residence	Western Australia					Australia				
	Rank	YE Jun-13 (\$m)	YE Jun-14 (\$m)	% Change	3 Year AAGR	Rank	YE Jun-13 (\$m)	YE Jun-14 (\$m)	% Change	3 Year AAGR
UK	1	337	331	-1.7%	5.6%	2	1,797	1,871	4.1%	7.2%
Singapore	2	138	200	45.1%	9.4%	6	750	785	4.7%	2.1%
China	3	151	178	18.1%	7.6%	1	3,135	3,507	11.9%	16.1%
Malaysia	4	164	165	0.6%	4.4%	5	728	787	8.2%	3.8%
NZ	5	188	149	-20.8%	0.3%	3	1,528	1,504	-1.6%	-0.7%
Ireland	6	139	121	-13.2%	3.2%	16	499	389	-22.1%	-10.4%
USA	7	107	111	4.4%	-4.6%	4	1,220	1,206	-1.2%	4.4%
Germany	8	66	83	25.8%	18.8%	10	530	586	10.8%	4.9%
Indonesia	9	83	75	-10.2%	-11.3%	11	465	506	8.8%	2.6%
Hong Kong	10	67	71	6.1%	15.0%	9	615	670	8.9%	11.4%
Korea	11	66	65	-1.3%	14.2%	7	869	741	-14.7%	-14.5%
France	12	68	65	-5.1%	11.1%	14	413	433	4.9%	9.0%
Japan	13	55	61	10.7%	-7.4%	8	759	715	-5.8%	0.9%
Taiwan	14	52	48	-9.4%	5.1%	13	463	451	-2.5%	3.3%
Philippines	15	49	46	-4.9%	4.2%	19	265	309	16.8%	6.6%
South Africa	16	61	45	-25.1%	-8.0%	22	190	158	-17.3%	-8.8%
Canada	17	35	42	21.6%	-9.5%	15	420	403	-4.0%	-3.4%
Scandinavia	18	48	40	-16.3%	7.3%	18	319	313	-2.1%	0.7%
Italy	19	32	40	25.1%	9.0%	17	257	319	24.2%	18.8%
India	20	38	32	-14.9%	-22.6%	12	499	486	-2.5%	-0.2%

Destinations Visited

- As a proportion of total international visitors to Western Australia, international visitation to each of the State's five tourism regions has remained relatively consistent over the past five years. Almost all international visitors stay overnight in Experience Perth, while Australia's South West has consistently been the most popular of the four regional tourism areas.
- New South Wales is the most popular State of Australia amongst international visitors, with around half of all international visitors to Australia staying overnight in New South Wales each year for the past five years. Queensland and Victoria are the second and third most popular States, attracting around a third of international visitors each, while Western Australia has consistently been the fourth most popular State for the last five years.

	YE June 2010	YE June 2011	YE June 2012	YE June 2013	YE June 2014
Western Australia - % of international visitors to the State who stayed overnight in the region					
Experience Perth	96%	95%	94%	94%	94%
Australia's South West	18%	18%	16%	15%	16%
Australia's North West	9%	8%	10%	9%	9%
Australia's Coral Coast	10%	10%	8%	8%	8%
Australia's Golden Outback	6%	6%	6%	6%	6%
Australia - % of international visitors who stayed overnight in the State/Territory					
New South Wales	53%	52%	51%	51%	51%
Queensland	38%	37%	36%	36%	34%
Victoria	29%	31%	32%	32%	33%
Western Australia	13%	13%	13%	13%	13%
South Australia	7%	7%	6%	6%	6%
Northern Territory	6%	6%	5%	5%	4%
Tasmania	3%	3%	3%	3%	3%
ACT	3%	3%	3%	3%	3%

Activity Participation

- Social and outdoor / nature based activities are the most popular types of activities international visitors to Australia participate in while visiting. This has been consistent over the past five years.

	Australia % of visitors who participated in activity				
	YE June 2010	YE June 2011	YE June 2012	YE June 2013	YE June 2014
Social (shopping, eating out etc.)	96%	95%	95%	95%	95%
Outdoor / Nature	74%	72%	72%	73%	74%
Local attractions / Tourist activities	70%	68%	68%	68%	68%
Arts / Heritage	49%	48%	47%	48%	47%
Active outdoor / sports	31%	29%	30%	30%	29%
Indigenous culture activities	13%	12%	14%	12%	11%

Note: International visitor activity participation data is collected for trip to Australia and is not destination specific, hence data is not available for Western Australia specifically.

Eco-tourism

- Around two in five international visitors to Australia visit a National or State Park. This proportion has remained consistent over recent years.

	YE June 2010	YE June 2011	YE June 2012	YE June 2013	YE June 2014
Australia – International Visitation to National / State Parks					
Visitors to National / State Parks	2,171,300	2,121,600	2,165,300	2,333,700	2,566,400
Visitors to National / State Parks as a proportion of total visitors	42%	40%	40%	41%	42%

Note: International visitor activity participation data is collected for trip to Australia and is not destination specific, hence data is not available for Western Australia specifically.

Top 5 Accommodation Types Used

- Rented houses/apartments are the most popular type of accommodation used by international visitors in Australia and in Western Australia, followed by staying at the home of a friend or relative. This has been consistent over recent years.

	YE June 2010	YE June 2011	YE June 2012	YE June 2013	YE June 2014
Western Australia - % of international visitor nights					
Rented house / apartment / unit / flat	33%	32%	38%	40%	35%
Home of friend or relative	31%	33%	31%	31%	34%
Hotel, resort, motel, motor Inn	8%	9%	8%	7%	7%
Other non-commercial property	5%	5%	5%	5%	6%
Backpacker / hostel	6%	7%	6%	6%	6%
Australia - % of international visitor nights					
Rented house / apartment / unit / flat	38%	39%	40%	40%	38%
Home of friend or relative	27%	29%	28%	29%	31%
Hotel, resort, motel, motor Inn	12%	12%	11%	10%	11%
Backpacker / hostel	8%	7%	7%	7%	7%
Homestay	5%	4%	4%	4%	4%

Note: Only top 5 accommodation types shown

Source and Definitions

Source:

Tourism Research Australia

- Tourism Research Australia is a business unit of Tourism Australia providing research information that supports improved decision making, marketing and tourism industry performance for the Australian community.
 - International Overnight Visitor Survey (IVS): The International Visitor Survey samples 40,000 departing, short-term international travellers over the age of 15 years who have been visiting Australia. The survey is conducted by Computer Assisted Personal Interviewing (CAPI) in the departure lounges of the eight major international airports; Sydney, Melbourne, Brisbane, Cairns, Perth, Adelaide, Darwin and the Gold Coast.
 - Regional Expenditure Estimates: Regional Expenditure uses a model based approach to allocate international and domestic visitor expenditure to Australian tourism regions.

Definitions:

- Average Annual Growth Rate (AAGR):
 - Calculation of the average annual percentage increase / decrease over a specified period of years.
- Market Share (Western Australia)
 - Western Australia's market share (percentage) of total visitors from the specified source market in Australia.
- Overnight International Visitors Definition:
 - International visitors aged 15 years and over who spent at least one night in the region.

ATTACHMENT 2 – WESTERN AUSTRALIAN PLANNING DOCUMENTS WITH RELEVANCE TO TOURISM

a) **Specific consideration of tourism in strategic land use planning at the State, regional and local level**

State Planning Strategy

http://www.planning.wa.gov.au/dop_pub_pdf/State_Planning_Strategy_2050.pdf

Directions 2031

<http://www.planning.wa.gov.au/publications/826.asp>

Regional Planning and Infrastructure Frameworks

<http://www.planning.wa.gov.au/6971.asp>

Capital City Planning Framework

<http://www.planning.wa.gov.au/publications/2632.asp>

Local Planning Strategies (eg, Albany, Broome, Shark Bay, etc)

<http://www.planning.wa.gov.au/1309.asp>

Aboriginal Settlements Community Layout Plans (eg, Barrell Well (Ajana), Bidyadanga (La Grange), Burringurrah (Mt Augustus), Jigalong, Kalumburu, Kunawarritji (Well 33), Yulga Jinna (Fraser Well) <http://www.planning.wa.gov.au/668.asp>

b) **A consistent policy approach to planning for tourism developments**

Tourism Planning Guidelines

<http://www.planning.wa.gov.au/publications/7113.asp>

Planning Bulletin 83-2013: Planning for Tourism

<http://www.planning.wa.gov.au/publications/5811.asp>

Planning Bulletin 49: Caravan Parks

<http://www.planning.wa.gov.au/publications/1085.asp>

Holiday Homes Guidelines - short stay use of residential dwellings

<http://www.planning.wa.gov.au/publications/886.asp>

Planning Bulletin 99: Holiday Homes

<http://www.planning.wa.gov.au/publications/887.asp>

c) **Specific consideration of tourism in planning for developments impacting on tourism**

State Planning Policy 2.5 Land Use Planning in Rural Areas

http://www.planning.wa.gov.au/dop_pub_pdf/SPP_2-5_Land_Use_Planning_in_Rural_Areas_2012.pdf

Rural Planning Guidelines

http://www.planning.wa.gov.au/dop_pub_pdf/rural_planning_guidelines.pdf

State Planning Policy 2 Environment and Natural Resources
<http://www.planning.wa.gov.au/publications/1161.asp>

State Planning Policy 2.6 State Coastal Planning
<http://www.planning.wa.gov.au/publications/1168.asp>

State Coastal Planning Policy Guidelines
[http://www.planning.wa.gov.au/dop_pub_pdf/State Planning Policy No 2 6 State Coastal Planning Policy Guidelines.pdf](http://www.planning.wa.gov.au/dop_pub_pdf/State_Planning_Policy_No_2_6_State_Coastal_Planning_Policy_Guidelines.pdf)

Coastal Planning and Management Manual
<http://www.planning.wa.gov.au/publications/768.asp>

State Planning Policy 2.10 Swan-Canning River System
<http://www.planning.wa.gov.au/publications/1163.asp>

State Planning Policy 6.1 Leeuwin-Naturaliste Ridge
<http://www.planning.wa.gov.au/publications/1183.asp>

State Planning Policy 6.3 Ningaloo Coast
<http://www.planning.wa.gov.au/publications/981.asp>

State Planning Policy 3.5 Historic Heritage Conservation
<http://www.planning.wa.gov.au/publications/1175.asp>

Planning Bulletin 88: Historic Heritage Conservation
<http://www.planning.wa.gov.au/publications/1118.asp>