

# SUBMISSION



**Australian Government**  
**Department of Resources,**  
**Energy and Tourism**

**Submission to the House of Representatives Standing Committee on  
Infrastructure and Communications - Inquiry into *the role and potential of the  
National Broadband Network***

**Tourism Division Supplementary Submission**

Tourism is Australia's largest services export industry and contributes \$34 billion to the Australian economy. The tourism industry is comprised of 93 per cent micro to small businesses, all of which have differing needs and levels of technical ability; employing more than 500,500 people. The industry plays an important role regionally, with 46 cents in every dollar of tourism expenditure being spent in regional Australia.

Historically, the tourism distribution network consisted of a number of participants with well defined roles, operating within a highly structured environment. Traditional commission based intermediaries in the industry included: 'Retail' travel agents, wholesalers/tour operators and aggregators of product, services and experiences.

While traditional channels remain a vital part of the opportunity for industry to distribute tourism product and services, the internet has made the 'chain' more open to consumers and tourism business operators alike.

The National Broadband Network (NBN) presents greater opportunity for the tourism industry to access high speed broadband internet to assist in the distribution of the Australian tourism product. The roll out will allow businesses to maintain and develop more viable, higher quality websites and conduct business transactions on a globally competitive scale, particularly in regional and remote areas.

Through the National Long Term Tourism Strategy (Strategy) research indicates the lack of information about Australian destinations and product offerings, combined with difficulties in purchasing those products online, are impediments to Australia's international competitiveness, especially for tourism offerings in regional and remote Australia.

The Strategy released December 2009, outlines the long-term policy framework to position the Australian tourism industry as a sustainable and economically vibrant industry. To facilitate the Strategy, the Tourism Ministers' Council established nine working groups to engage in the key issues outlined in the Strategy. In particular, the Digital Distribution Working Group (Working Group) is seeking to encourage more small and medium tourism enterprises to accelerate online distribution of their tourism product, improve online presence and capability.

### **Digital Distribution Working Group**

As part of the two year forward work plan 2010/2011 priorities, the Working Group facilitated the development of the National Online Strategy for Tourism (NOST), the Digital Distribution Action Plan (DDAP) and Online Capabilities of Tourism Operators' Survey.

#### ***National Online Strategy for Tourism (NOST)***

Government working closely with industry have developed a National Online Strategy for Tourism (NOST) which is the blueprint for digital enablement for the tourism industry. The NOST is a forward looking document for all Government Tourism Authorities aimed at ensuring that Australia excels in the promotion, visibility and distribution of its tourism product online.

The NOST highlights the role that Government must take to ensure that Australia's tourism industry remains competitive. In particular, that government at all levels work in collaboration and operate in a unified manner to avoid confusion and reduce duplication in assisting industry transition to the digital world. The NOST details the key stakeholders and the actions required to ensure an effective and efficient transition.

#### ***Digital Distribution Action Plan (DDAP) – 'Going Global Action Plan'***

A supporting document to the NOST, the 'Going Global Action Plan' (Action Plan); aims to directly assist businesses utilise existing information and resources to enhance product delivery and increase the global visibility of Australian tourism providers.

The Action Plan is a targeted industry focussed document for direct use by industry. It aims to assist tourism operators adapt to the changing environment of the tourism distribution network by providing advice on using digital distribution and new technologies to assist in running and growing their businesses. The document also provides advice on how to work in partnership with government, detailing available government resources (including the tourism e-kit, a free online training resource, [www.atdw.com.au](http://www.atdw.com.au)) and outlines the benefits of the NBN for businesses growth. The Action Plan and e-kit will increase the industry's preparedness and readiness to accept opportunities to grow their businesses assisted by the NBN.

The NOST and DDAP were presented to the Tourism Ministers' Council at its most recent meeting on 15 April 2011 and are being finalised for release shortly.

#### ***Online Capabilities of Tourism Operators***

The Working Group is also examining ways to enhance the industry's online capabilities, both through generic training and tourism-specific initiatives. A recent benchmark survey commissioned by the Working Group found that while the current level of online presence by tourism businesses was high (at 84 per cent), only one third (35 per cent) of operators have online booking and payment facilities.

The report indicates that the next 12 months will see an increase in the overall online capability of tourism businesses, with an increase to 91 per cent of tourism businesses with an online presence, and an increase to 52 per cent in online booking and payments.

The current online capabilities, as well as those expected in the next 12 months, differ by tourism industry sector. The attractions and tour sector have greater capabilities at present and this trend is expected to grow in the next 12 months, while the dining sector is presently the least capable in terms of transacting online. The report is available at [www.ret.gov.au/tourism/tmc/nlts](http://www.ret.gov.au/tourism/tmc/nlts).

### ***Tourism e-kit***

In order to facilitate improved online capability, the Working Group is collaborating with Service Skills Australia and Illawarra Institute of TAFE to review and incorporate the Tourism e-kit into the national training package. The Tourism e-kit provides comprehensive tools (PDF, online, video tutorials) to assist tourism operators (predominantly small businesses) in all stages of online development, including websites, digital marketing and real time booking systems

### **Opportunities for the tourism industry**

The transition of Australia's small to medium-sized tourism enterprises to the digital world will be a cost-effective way for them to reach their domestic and global markets. The Australian Government's decision to roll-out a national high-speed broadband network and the work of the DDWG through the Strategy will be an important factor in making this transition possible.

The NBN will enable businesses to develop data rich websites, showing video and high-resolution images of products and services as well as allowing access to increasingly sophisticated applications which require high-speed broadband services. The NBN will create opportunities for Australian tourism businesses to increase revenue through the expansion of markets allowing businesses to compete in a national or global marketplace.

The NBN will provide opportunities for Australian tourism businesses to access a growing market, as more Australians (particularly in regional areas) than ever before are able to access broadband internet increasing the number of potential tourism consumers. Tourism businesses must remain responsive and flexible to the needs of this market, which has the potential to increase productivity and competitiveness across the industry.