Review of Tourism – The Cocos (Keeling) Islands and Christmas Island
Indian Ocean Territories Regional Development Organisation – Action Plan
July 2020
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Background
The Indian Ocean Territories (IOTs) are a unique part of Australia. Closer to Asia than mainland Australia, the Cocos (Keeling) Islands and Christmas Island are abundant with natural beauty and are a bucket-list destination for many travellers. The IOTs receive nearly 5,000 visitors each year and are serviced with flights from Perth, Jakarta and Kuala Lumpur. The Cocos (Keeling) Islands and Christmas Island have an opportunity to diversify their economies by developing a profitable and sustainable tourism industry that creates long-term employment and supports business.

The Cocos (Keeling) Islands and Christmas Island are world class natural environments providing visitors with unspoiled surrounds and respite from technology. Each year, visitors from around the world are attracted to Christmas Island’s incredible natural phenomenon, including the annual crab migration, the opportunity to swim with whale sharks and chance to view rare birds. The Cocos (Keeling) Islands are home to Australia’s best beaches including Cossies Beach on Direction Island, voted Australia’s best beach in 2017. The IOTs are also home to unique cultures, including the Cocos Malay, descendants of the original settlers of the Cocos (Keeling) Islands.

Approach
Deloitte was commissioned by the Regional Development Organisation (RDO) with funding from the Australian Government to undertake a review of tourism in the IOTs and develop an Action Plan. This project has been underpinned by four key phases:
• Review existing documentation, best practice tourism methods and global tourism trends
• Consult with identified stakeholders
• Analyse outcomes from consultations with Review Phase findings to identify new products, future strategies and directives for sector growth
• Deliver a Review and Action Plan to drive a sustainable tourism sector

This Review and Action Plan was developed prior to the outbreak of COVID-19. The consequences and impact to travel has not been considered as part of this Review or Action Plan. Although there will inevitably be short-term interruptions to domestic and international travel, the findings, recommendations and actions identified in this Action Plan remain critical to developing a sustainable tourism sector across the IOTs.

Opportunities
The opportunities identified to further develop a sustainable tourism industry in the IOTs that will support local businesses and provide employment opportunities are:

Short-term opportunities
• Conduct business upskilling workshops
• Develop a strategy to support SMEs seeking financial support
• Improve the hospitality culture by providing hospitality skills training
• Facilitate a Home Island tourism industry forum
• Streamline approval process for development
• Establish a regional IOTs Tourism Association responsible for managing and coordinating tourism
• Create an IOTs tourism website
• Develop a strategic investment prospectus
• Create a Destination Management Plan
• Schedule a calendar of events
• Develop a history and heritage product offering
• Develop an IOTs Food Trail to enhance food and cultural experiences and product packaging
• Promote the IOTs as a wedding destination
• Develop multi-day regional itineraries
• Develop a comprehensive marketing and communications strategy
• Use micro influencers for marketing campaigns
• Upgrade signage and erect signage for island navigation
• Develop a bird hide to further develop bird watching
• Develop infrastructure for semi-permanent campsites and glamping facilities
Executive Summary
Tourism in the Indian Ocean Territories

Medium-term opportunities

• Actively test target marketing and product development
• Develop health, relaxation and wellness retreats
• Develop a prospecting competition for promotion and increased visitation
• Encourage investment in five-star accommodation properties
• Promote Muslim Friendly tourism
• Build infrastructure to support sports tourism opportunities, including mountain biking and golf
• Improve pedestrian access around and between settlements on Christmas Island
• Provide an additional evening ferry service between Home and West Islands
• Analyse the viability of supporting direct flights from Asia
• Request the government remove cabotage restrictions for the IOTs
• Explore opportunities with VARA to offer a free layover extension on either island to encourage tourism on both islands
• Improve affordability and availability of insurance

Long-term opportunities

• Repair and improve Pondok infrastructure
• Develop a long-term succession planning strategy
• Expand retail precinct for locals to set up co-operative to sell locally made goods

Target markets

The IOT Tourism Review has identified several target markets based on the IOTs’ current tourism capacity, product offerings, potential to develop offerings and stakeholder consultations. The Actions identified in this Action Plan are based on attracting visitors from the following target markets:

• High-end visitor markets. The IOTs’ limited accommodation and product offerings, high cost of flights and exclusivity of the destination provide an opportunity to position the IOTs as a high-end tourism destination. The IOTs cannot support mass saturation of visitors and should model the market on successful high-end Australian locations such as Lord Howe Island.
• Asian middle class market. The growing Asian middle class has been driving the increase in air travel throughout the region. This cohort is seeking high quality experiences and unique and exotic destinations.
• Muslim friendly travel. Muslim friendly travel is the one of the fastest growing visitor segments in the global tourism industry. Research indicates the typical Muslim traveller is young and affluent. The IOTs have several characteristics that appeal to Muslim visitors including cultural synergies, prayer facilities, privacy and halal food.
• Adventure/recreation visitor markets. The IOTs have world-class natural attractions and product offerings/potential to develop products for adventure travellers, such as kite-surfers, divers, bird-watchers, hikers, mountain-bikers and golfers. Research identifies many of these segments are high-spending tourists seeking new and exotic locations.

Responsible Entities:

• RDO (Regional Development Organisation)
• Parks Australia
• Shires (The Shire of the Cocos (Keeling) Islands and the Shire of Christmas Island)
• Tourism Associations (The Cocos (Keeling) Islands Tourism Association and Christmas Island Tourism Association)
• The Department of Infrastructure, Transport, Regional Development and Communications (DITRDC)
How to read this Action Plan

This Action Plan has been developed following a review of the IOT tourism industry. The objective of the review was to critically assess the state of the tourism sector in IOTs, identify opportunities for sustainable growth, and develop a Tourism Action Plan to capitalise on these opportunities, drive economic activity and support long-term sustainability. This Action Plan has been informed by the following activities:

• A comprehensive consultation engagement process on the Cocos (Keeling) Islands and Christmas Island with stakeholders including tourism industry operators and providers, local organisations, Shire staff and Board members, Western Australia government agencies, Commonwealth government agencies and interested community members
• A literature review analysing key global tourism trends that identifies new and emerging markets (regions, countries, demographics) and customer profiles for these markets; and
• A jurisdiction review that compares the IOTs against similar jurisdictions and identifies best practice methods.

The Action Plan has been created with the strategic goal to build the IOTs tourism industry into a sustainable industry. Although these opportunities will increase the volume of visitors to the IOTs, they are not intended to increase visitation at unsustainable levels. The opportunities outlined in this Action Plan have been designed to meet the specific requirements of the IOTs, taking into consideration scale, budget, timing and suitability.

The Action Plan is an organic document that should be regularly monitored and updated. Each opportunity in the Action Plan has been documented as a ‘Theme’ with ‘Actions’ underpinning each Theme. An explanation why each Action has been identified and the benefits derived is outlined to provide context how an Action fits within the broader strategic context. Accompanying each Theme is an indicative timeframe for implementation. Themes have been separated into either ‘Short term’ opportunities: opportunities that can be rapidly implemented for minimal investment, ‘Medium Term’ opportunities to be implemented within 3 – 5 years and ‘Long Term’ opportunities to be implemented within 5 – 10 years to coincide with existing Strategic Plans.

Progress and monitoring

The ongoing monitoring of the Action Plan should be coordinated by a Leadership Committee. The role of the Leadership Committee is to monitor the progress of implementing the actions identified in the Action Plan and ensure the entity assigned responsibility has adequate support and resources to deliver assigned actions.

Recognising that developing tourism across the IOTs requires a collaborative approach, the Leadership Committee should comprise of members from the Shire of the Cocos (Keeling) Islands, the Shire of Christmas Island, the Commonwealth government, a tourism industry representative from each island and a member of the recommended regional tourism organisation. The Leadership Committee should meet bi-monthly and receive progress reports from organisations with assigned responsibilities. Where possible, data should be collected to track benefits and capture value from implemented actions.

Implementation

Actions have been prioritised according to the following timing classifications:

- **Short Term.** Action should be prioritised for immediate implementation within the next 3 years.
- **Medium Term.** Action should be implemented within 3 – 5 years
- **Long Term.** Action should be implemented within 5 – 10 years

Cost of implementation

The costs calculated in this Action Plan are:

1. Estimated based on consultant rates for similar projects
2. Estimated number of FTE hours
3. Estimated based on desktop research
4. Estimated based on current spending of IOTS organisations; and
5. Estimated based on similar projects in regional Australia.

The costs provided are estimations only and may not reflect the true cost. Costs are based on evidence obtained and are to be used as an indicative guide for budgeting purposes. There has been no external expert validation undertaken of costs.
Foundations of the Action Plan
Tourism in the IOTs
Building on the IOTs’ strengths

The current context
Tourism is a critical sector for the IOTs’ economy, driving activity and growth across the region. The IOTs are culturally rich with large populations of Cocos Malays, Malaysian, Chinese and Singaporean residents. The natural and undiscovered landscapes of the IOTs make it an appealing location for visitors. Tourism Research Australia’s Consumer Demand Project found that world class nature and wildlife are growing in importance as factors in travel decisions. The IOTs are home to rare species of flora, native wildlife and birds. These offerings along with the exclusivity of the IOTs make it an ideal destination for visitation.

During stakeholder consultations, stakeholders were asked what makes the IOTs special and an ideal tourism location. Common themes emerged that focused on the regions unique landscape, culture and disconnection. These themes are capture in the box below.

Consumer context
The rise in social media and online platforms are changing the way travellers consume and contribute to tourism. Visitors are using an increasing number of digital channels throughout their purchase journey, with various online and social media platforms creating new ways for travellers to plan their trips and share their experience. Among US travellers, 60 per cent are using platforms like Facebook and Instagram to plan their trips.

Tourism in the IOTs
Building on the IOTs’ strengths

Beautiful and pristine
Untouched natural surroundings
Unique culture
Disconnct
Birdlife and marine nature
Cultural synergies to Asia
Adventure
Settlement heritage
Relax
Proximity to Asia
Military history
Tropical weather

Tourism industry context
Competition for tourists is growing both nationally and globally. The United Nations World Tourism Organisation reported that 1.3 billion international arrivals travelled in 2017, with arrivals expected to reach 1.8 billion by 2030. The IOTs will need to continue to differentiate its product and target its marketing to reach a growing pool of tourists: a pool which is open to choosing more locations than ever before.
The aviation sector is changing, with airlines redesigning routes to optimise capacity and efficiency. Aviation access has been a key challenge for the IOTs. Despite the close proximity to Asia, flight routes and schedules to the IOTs have historically been unreliable. However, advances in aviation and bilateral government agreements provide an opportunity for the IOTs to capitalize on industry trends. In 2016, the Australian Government and the Chinese Government reached an agreement to establish an open aviation market between the two countries, with a number of routes established between Australian and Chinese cities in the subsequent years. As aircraft technology improves, more destinations become accessible using narrow-body aircraft, opening up the region to tourists from new Asian destinations. For example, Norwegian Air is introducing new single-aisle aircraft (such as the Airbus A320neo and Boeing 737MAX) on trans-Atlantic routes; similarly, these fuel-efficient, mid-range aircraft could connect the IOTs with smaller Asian markets and service routes more efficiently.

Digital technologies and data-driven insights are also changing how the tourism sector operates. Marketing to consumers can be undertaken in a more targeted and efficient manner, while digital platforms offer smaller tourism markets global access to consumers, providing the opportunity for them to expand.

The rise of the sharing economy and collaborative consumption is affecting components of the tourism industry and introducing new opportunities for consumers. Online travel platforms such as Airbnb are generating new ways for travellers to book trips and experiences in a peer-to-peer environment. In 2018, peer-to-peer accommodation comprised approximately 7% of accommodation globally. Sharing economy platforms can assist in meeting higher demand during peak periods, as well as aligning with consumer needs and preferences. Research in the US found that Airbnb limited the ability of the hotel industry to raise prices during peak periods, with Airbnb positioned to absorb additional demands.

**Global and national context**

Asia’s growth among global markets is set to continue, although the outlook at a global level is somewhat subdued with uncertainties around the US-China tariff dispute and the impact of Brexit. Growth in Australia’s economy is forecast to continue steadily at over 3% per annum over the next three years, with solid job gains and unemployment edging down.

The Australian dollar is expected to remain low, hovering around 70 US cents. The low dollar will make Australia an even more attractive destination for international tourists and Australians, who choose to take a domestic holiday, rather than travel overseas.

Crude oil prices have been rising in recent months as global economic activity strengthens, but are expected to remain flat in the future and unlikely to return to previous highs seen earlier in the decade. Should crude oil prices continue to rise above forecasted levels, the price of airfares could rise, affecting the tourism industry.

The availability of business finance became challenging during the global financial crisis, although it has improved in recent years. However, small businesses continue to face challenges in accessing finance, as the reduction in risk appetite of lenders appears to have had a ‘more significant and persistent’ effect on the cost of finance for small businesses. As many businesses require finance during the start up or expansionary phases, this may present challenges for the tourism industry, as the vast majority of IOT tourism businesses are small.

Climate change is likely to impact travel and economies in the long term. It will potentially result in a warmer climate, more extreme rainfall events and flooding, the flooding of freshwater wetlands with salty water, and fewer tropical cyclones overall, but an increase in the proportion of more powerful cyclones. All of these events can affect consumer travel behaviour, either acting as a deterrent, or affecting the customer experience while on holiday. It is important that future decision-making takes climate change into account, addressing its potential effects on the tourism industry.

**The IOT context**

The IOTs’ remoteness and small population means that there is a smaller base of travellers to support aviation services, creating a perception that it is difficult to access. Tourism Australia’s Consumer Demand Project found that international visitors considered long flights and expansive geography as a deterrent for travellers. There has been an increase in visitation to the IOTs in recent years, partially due to the increased popularity of kitesurfing, bird watching and a successful marketing campaign into regional Western Australia.
Tourism in the IOTs
Building on the IOTs’ strengths

**Action Plan framework**
The Action Plan framework is designed to unite efforts across the public and private sectors, with priorities and actions targeted towards shifting the current performance of the tourism sector in the IOTs to one of sustainable growth. The strategic framework reflects perspectives shared during consultations, and was confirmed in collaboration with both industry and government.

The Action Plan framework incorporates four key priorities that, if delivered, will make a material impact on the trajectory of tourism in the Northern Territory, and four pillars which underpin the framework. Within each priority and pillar are specific actions to achieve identified goals in the short, medium and long term. These priorities, actions and pillars are described over the subsequent sections in the strategy.

**Action Plan Framework**

<table>
<thead>
<tr>
<th>Key priorities that will make an impact on tourism in the IOTs</th>
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<tbody>
<tr>
<td>Build on the IOTs’ unique natural offerings and distinctive culture</td>
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<tr>
<td>Attract investment to grow industry offerings</td>
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<tr>
<td>Leverage and build events to drive visitation</td>
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<td>Improve access to the IOTs</td>
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**Pillars that underpin the strategic framework**

| Industry development and upskilling |
| Governance and leadership |
| Marketing and promotion |
| Collaboration |

Core considerations underpinning the Action Plan framework include a view towards building industry capability, establishing an overarching organisation responsible for managing tourism, and driving investment in tourism product and infrastructure. Reflecting the perspectives and insights of stakeholders and the ambition to move towards sustainable tourism, the Action Plan aims to shift from a seasonal mindset: actions are geared towards extending the IOTs peak tourism season, or mitigating seasonal impacts in their entirety.

Implementing the priorities and pillars will require action from both the tourism industry and levels of government. Collaboration across and within industry and government will be crucial to the Action Plan’s success. Specific actions outline responsibilities across industry and local, and Commonwealth governments.

The overarching responsibility for coordinating the implementation, reporting and regular review of the strategy will lie with the newly established organisation responsible for managing tourism. Industry will play a core role in these activities, with the RDO supporting industry in taking action to meet the Action Plan’s objectives.

- **Strong leadership and management from a regional tourism organisation representing the interests of tourism operators, providers and stakeholders across the IOTs**
- **Increased accessibility to the IOTs with travel routes into new markets and a reliable air service that supports the development of tourism**
- **A suitable skilled and competent workforce with sufficient business skills and hospitality training to meet the expectations of visitors**
- **Diversified products and offerings catering to the needs of target markets and demographics**
- **Increased value and expenditure in the tourism sector across the IOTs**
# IOTs Tourism Action Plan

## Developing a sustainable tourism industry

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Medium Term</th>
<th>Long Term</th>
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<tbody>
<tr>
<td><strong>Embrace the IOTs unique natural characteristics and develop supply-side capability</strong></td>
<td><strong>Build capacity and increase product offerings</strong></td>
<td><strong>Establish the IOTs as an exclusive destination with accessibility into Australia and Asia</strong></td>
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<td><strong>Industry services and support (business services, financial support)</strong></td>
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<td>Conduct business upskilling workshops</td>
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<td>Streamline approval process</td>
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<td><strong>Strategic oversight and coordination (governance, strategy)</strong></td>
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<td><strong>Product development (review and development of new offerings and maximisation of existing)</strong></td>
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<td>Schedule a calendar of events</td>
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<td><strong>Marketing and product distribution</strong></td>
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<td>Develop a comprehensive marketing strategy</td>
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<td>Explore opportunities with VARA to offer a free layover extension on either island to encourage tourism for both islands</td>
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## Indian Ocean Territories Tourism Action Plan

### 1. Industry services and support (business services, financial support)

<table>
<thead>
<tr>
<th>Action</th>
<th>Evidence</th>
<th>Why</th>
<th>How</th>
<th>Outcomes</th>
<th>Timing</th>
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</thead>
</table>
| 1.1 Conduct business upskilling workshops (IOT) | Consultation Findings sections 4.3 and 4.6 | A successful tourism industry generally demonstrates a mixture of large, moderate, small and micro businesses. The islands host small and micro businesses and potential entrepreneurs with ambitions to enter the tourism industry. Business support services will be crucial to facilitation of tourism business establishment on the island, as well as ongoing effective delivery of tourism products. In the past, business upskilling workshops have been favourably regarded by local businesses. | • Engage a consultant to design and provide upskilling workshops  
• Provide one-on-one meeting opportunities for businesses requiring upskilling and guidance  
• Establish a drop in centre for local businesses to seek specific support in upskilling from consultants | • Retain existing industry capability  
• Grow the total industry capability  
• Enhance total industry revenue  
• Improve workforce skills | Short Term |
| 1.2 Develop a strategy to support SMEs seeking financial support (IOT) | Stakeholders consulted frequently commented on the difficulties to access grant programs and understanding funding opportunities | The residential population is essential to the tourism supply chain for the IOTs, being both familiar with the local product, and uninhibited by a number of barriers faced by external investors. Without established capability in business development and delivery, and with unique need impacting business development in the IOTs, support in obtaining funding for investment, maintenance and operations is important in enabling this supply chain. | • Conduct a study or consultation to comprehensively assess available financial assistance and barriers to finance for SMEs on the IOTs.  
• Establish an investor network for local businesses to connect with potential investors  
• Reduce barriers to funding, consider subsidies and government funded incentive programs | • Support small businesses seeking funding  
• Foster a community of entrepreneurship | Short Term |
| 1.3 Improve the hospitality culture by providing hospitality skills training (IOT) | Consultation Findings sections 4.3 and 4.6 | The current level of hospitality service is inadequate to meet the needs and expectations of visitors. In order to attract high-spending visitors and cater for larger groups such as cruise passengers, there needs to be an increase in the level of hospitality service, including reliable opening hours and trained staff. | • Provide direct hospitality skills training for employees of local businesses in the hospitality industry through workshops or a consultant  
• Provide a best-practice guide to business owners in the hospitality industry using a consultant  
• Survey operators and visitors to understand operator needs as well as visitor expectations and develop content based on the results | • Improve the visitor experience  
• Prepare for the increase in day-visitors from cruise passengers scheduled to arrive  
• Diversify employment skills to meet the needs of future growth in the tourism sector | Short Term |
## Indian Ocean Territories Tourism Action Plan

### 1. Industry services and support (business services, financial support)

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<tr>
<td><strong>1.4</strong> Facilitate inter-island tourism industry forums (CI)</td>
<td>Stakeholders consulted noted there is an opportunity to foster greater collaboration between operators and providers.</td>
<td>Tourism stakeholders across the IOTs expressed a desire for greater collaboration. For example, Home Island residents stated an ambition to establish more tourism offerings however note success will be driven by the ability to collaborate with West Island operators. A forum would allow interested parties to collaborate and develop tourism on the island.</td>
<td>• Establish a forum where tourism operators and those interested in developing tourism may collaborate and network. • Designate forum members who are responsible for the governance of the inter-island forum. • Hold monthly or quarterly forums to keep stakeholders informed on latest developments and upcoming opportunities.</td>
<td>• Business synergies gained through collaboration across Home and West Island. • Considered planning and development as a result of forums and increased communication.</td>
<td>Short Term</td>
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</tbody>
</table>

| **1.5** Streamline approval process (CI) | Stakeholders consulted noted there has historically been confusion regarding approval processes. The perception of approval process difficulties is in part due to a lack of understanding of processes and the applicability of triangulated governance regulations. | Businesses and potential investors have expressed confusion over the current land development approval process caused by triangulated governance arrangements. This has stifled development opportunities which affects the ability to attract and grow tourism numbers. | • Audit current land and development approval processes in the IOTs. • Review the current process and seek feedback from community stakeholders on options to improve efficiencies. • Implement approval process recommendations to streamline development/application processes. • Develop an intuitive guide document to enable businesses to navigate triangulated governance arrangements. | • Encourage investment in the tourism industry. • Reduce time and costs. | Short Term |
## Indian Ocean Territories Tourism Action Plan

### 2. Strategic oversight and coordination (governance, strategy)

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<tr>
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<tr>
<td><strong>2.1 Establish a regional IOTs Tourism Association responsible for managing and coordinating tourism (IOT)</strong></td>
<td>An approach towards regional tourism management requires a centralised organisation providing leadership in driving the sector. A regional tourism organisation was supported by the majority of stakeholders consulted.</td>
<td>The RDO is committed to a regional approach to developing tourism. This regional approach needs to be coordinated, leveraging the strengths of each destination to develop the tourism industry. Tourism in the IOTs should be managed and coordinated by a regional organisation and not two separate associations. The regional organisation should operate for all tourism providers and operators rather than in the interests of members only, and should therefore not have a membership fee.</td>
<td>• Establish a single Tourism Association entity responsible for tourism governance and direction across the IOTs&lt;br&gt;• Consider abolishing membership fees and develop a new service agreement requiring the association to advocate for all tourism providers and operators on the islands</td>
<td>• A regional approach to developing the tourism industry&lt;br&gt;• A more efficient allocation of resources and expenditure&lt;br&gt;• Remove the perception of conflict from the member fees imposed by the current Tourism Associations&lt;br&gt;• Develop the IOTs as a product</td>
<td>Short Term</td>
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<tr>
<td><strong>2.2 Create an IOTs tourism website (IOT)</strong></td>
<td>Stakeholders consulted noted an IOTs tourism website that provides distribution at a regional level is required to market and promote the IOTs.</td>
<td>An IOT tourism website should be the centre point coordinating all marketing and promotional activities. The website will provide information to visitors, enable visitors to book inter-island packages and market the IOTs as a destination.</td>
<td>• Build a central IOT website, and linking each IOTs’ website&lt;br&gt;• Include all tourism information for both islands, including all operators/providers&lt;br&gt;• Grow social media presence for IOTs and develop a digital strategy for social media&lt;br&gt;• Increase SEO (Search engine optimisation) result by engaging digital marketing consultants</td>
<td>• Increase visitation to both destinations through a centralised online website&lt;br&gt;• Facilitate marketing and media campaigns&lt;br&gt;• Increased destination visitation through marketing reach from social media channels</td>
<td>Short Term</td>
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<tr>
<td><strong>2.3</strong> Develop a strategic investment prospectus (IOT)</td>
<td>Stakeholders consulted stated there is a need to identify strategic investment opportunities</td>
<td>A strategic investment prospectus can help attract investors by providing clear investment opportunities and simplifying the investment process. The prospectus should be designed to provide an overview of available investment opportunities to engage interested partners and form a basis from which discussions can be coordinated.</td>
<td>• Review the current investment landscape and seek feedback on the challenges of securing investment for operators&lt;br&gt;• Create a register for investment opportunities&lt;br&gt;• Engage a consultant to develop an investment prospectus which connects investors to opportunities</td>
<td>• Activate investment in the IOTs&lt;br&gt;• Provide a strategic roadmap for opportunities</td>
<td>Short Term</td>
</tr>
<tr>
<td><strong>2.4</strong> Create a Destination Management Plan (IOT)</td>
<td>Best practice contemporary tourism management includes Destination Management Plans that articulate the strategy and direction for tourism with significant input from tourism stakeholders</td>
<td>Destination Management Plans (DMP) are used to outline the plans and strategies to develop and sustain the tourism sector for a particular destination. DMPs for the Cocos (Keeling) Islands and Christmas Island allow the capture and presentation of information, informing the development of a viable strategy for sustainable growth in the tourism sector. The DMP will ensure that tourism is used as a vehicle to drive the economy and attract future investments.</td>
<td>• Engage either the RDO or an external consultant to develop a DMP for the IOTs&lt;br&gt;• Review current development and investment strategies and assess best-practice strategies to drive DMP for IOTs&lt;br&gt;• Assess infrastructure requirements to cope with projected increase in tourist numbers</td>
<td>• Overall management of the IOTs as a destination&lt;br&gt;• Targeted marketing strategies that are informed by stakeholders across each destination</td>
<td>Short Term</td>
</tr>
<tr>
<td><strong>2.5</strong> Develop a long-term succession planning strategy (IOT)</td>
<td>Stakeholders expressed hesitation to become involved in the IOTs tourism industry due to difficulty in securing housing and difficulty to sell business upon retirement/departure</td>
<td>Lack of housing and insurance availability are major issues in attracting tourism operators to the islands. One of the key considerations for operators is how to exit the industry upon departure from the islands. Many potential operators are temporary residents or seeking to move to the islands, but are deterred by these factors. Succession planning will provide more confidence to potential operators and encourage further investment in products.</td>
<td>• Assist tourism operators with succession planning strategies&lt;br&gt;• Develop additional housing investment strategy</td>
<td>• Increase the number of tourism operators on the islands&lt;br&gt;• Encourage investment in tourism operations and products&lt;br&gt;• Attract more permanent residents</td>
<td>Long Term</td>
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</table>
## Indian Ocean Territories Tourism Action Plan

### 3. Product development (review and development of new offerings and maximisation of existing)

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<tr>
<th>Action</th>
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</table>
| **3.1 Schedule a calendar of events (IOT)** | Literature Review section 1.6, Consultation Findings section 4.6 | Festivals and events are a leading driver of regional dispersal (see Review page 36). The number one most popular event type was food and wine events. An IOTs Food Festival could be developed to highlight the diverse cuisine on the islands. Other niche events could include a Christmas-themed festival on Christmas Island with the island decorated with Christmas decorations, local food stalls and light displays. Events can include a regional marathon where participants complete a marathon/half marathon at each destination. | • Create a calendar of events across the IOTs to increase visitation, particularly through the shoulder and low seasons  
• Hire or designate a Project Development Officer within the RDO who will be responsible for planning and bringing events to the IOTs | • Increase visitation through traditionally low periods  
• Highlight and promote the IOTs through festivals and events  
• Attract visitors who would not otherwise travel to the IOTs | Short Term |
| **3.2 Develop a history and heritage product offering (IOT)** | Literature Review section 1.8, Consultation Findings section 4.6 | The IOTs have a rich history through their settlement and involvement in World War II. This information can be leveraged to develop and expand the product offerings and experience on the islands. Signage, trails, and complimentary services will be an important consideration in this strategy. The strategy should align with the SOCKI, SOCI and Flying Fish Cove Master Plans. | • Collate the IOTs war and settlement history  
• Collaborate with the Shires to identify potential trails/products that require access, signage and infrastructure  
• Identify potential operators to operate history and heritage tours | • Improve the visitor experience  
• Market diversification  
• Foundation for the development of new complimentary products and services (e.g. guided tours) | Short Term |
| **3.3 Develop an IOTs Food Trail to enhance food and cultural experiences and product packaging (IOT)** | Literature Review section 1.6, Jurisdiction Review Kangaroo Island section 2.4, Customer Profiles section 3.2 | Food and wine is the number one demand driver of visitation to regional Australia, while cultural and heritage is number four (Literature Review section 1.7). The IOTs currently offer a variety of food, with Chinese, halal, and Australian cuisine. A food trail would combine food and culture, and would provide visitors a list of food and establishments to try, to enhance their food and cultural experience of the IOTs. | • Collaborate with existing food establishments and develop a food trail  
• Explore locally grown and sourced options for IOTs (e.g. fresh seafood, locally grown fruit and vegetables) for consideration  
• Feature food and drink offerings on the IOTs website | • Diversify tourism products  
• Enhance current visitor experience | Short Term |

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Deloitte Touche Tohmatsu  
7 Estimated based on wage rates of similar positions at [LHIB NSW](#)
### Indian Ocean Territories Tourism Action Plan

#### 3. Product development (review and development of new offerings and maximisation of existing)

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<tr>
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</table>
| **3.4** Promote the IOTs as a wedding destination (IOT) | Consultations Findings section 3.4 | The IOTs offer an exciting and unique wedding offering, with the IOTs Administrator able to act as a celebrant. Promoting this unique attraction would draw more weddings to the islands. Promoting this would create a sense of exclusivity and would attract people looking to have a unique wedding experience. | - Identify/develop wedding venues at IOTs that will be attractive and marketable for couples searching for something different  
- Develop a calendar of dates when weddings would be available with the Administrator as celebrant and limit the number that are offered each year | • Diversify tourism products  
• Attract new target markets | Short Term |
| **3.5** Actively test target marketing and product development (IOT) | This Action Plan has identified key target markets however prior to initiating new products and offerings, market testing is required to ensure products align with consumer trends | The IOTs have a number of unique attributes and comparative advantages which may prove to be successful for tourism development. Testing of such opportunities with suppliers and demand markets could be completed through staged trials, including consumer surveys, small scale product development and broader marketing. Opportunities important to local stakeholders, high demand experiences such as food provenance, and high value markets such as weddings, should be prioritised for testing. | - Consult with local stakeholders, and complete a tailored study of the demand markets for potential products prior to further development and testing of product potential  
- Develop an online or paper survey for local stakeholders assessing important opportunities and high demand experiences | • Diversification of market offering  
• Increase in total value the tourism market  
• Broadening of tourism markets | Medium Term |
| **3.6** Expand the retail precinct for locals to set up a co-operative to sell locally made products (IOT) | Literature Review section 1.6 | Stakeholders expressed an interest in selling homemade goods. This could be achieved through a weekly market or an expanded retail precinct with space for a co-operative. Stakeholders expressed an interest in selling locally made products, including salt, coconut oil, soap, baskets, model jukungs, small wooden fish and other small handmade items. | - Establish a platform for sale of homemade goods (e.g. a Facebook page or group for Buy/Swap/Sell)  
- Create website for local sellers with information about how to get involved | • Increase the visitor experience  
• Encourage small business  
• Increase engagement of local economy | Long Term |
### Indian Ocean Territories Tourism Action Plan

#### 3. Product development (review and development of new offerings and maximisation of existing)

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</table>
| 3.7    | **Develop health, relaxation and wellness retreats (IOT)** | Literature Review section 1.7 | Wellness tourism is a rapidly growing industry, with the Asia-Pacific region showing the most gains in the number of wellness trips and wellness tourism expenditure. The IOTs are ideal wellness tourism destinations as they are remote, relaxed, and full of natural beauty. Wellness tourism can include destination spas, yoga and meditation retreats, and nutrition courses. | • Assess available land and potential opportunities for health and wellness retreats in IOTs  
• Tender an expression of interest to develop land for the purpose of a health/wellness retreat  
• Identify a suitably qualified operator to provide ongoing management of retreat | • Diversify existing tourism products  
• Attract new target markets | Medium Term |

| 3.8    | **Develop a prospecting competition for promotion and increased visitation (IOT)** | Literature Review section 1.6 | Other regional destinations have developed successful tourism campaigns in the form of competitions, such as the Northern Territory’s Million Dollar Fish competition which was developed to attract visitors during the region’s low season. A similar style competition may support tourism in the IOTs by creating another reason for visitors to travel to the region. | • Develop a competition based on the islands’ existing offerings e.g. bird watching or diving  
• Review existing competitions in similar jurisdictions that can be implemented in the IOTs (e.g. swims, fishing, golf, culinary) | • Increase visitation to both islands  
• Increased tourist expenditure on activities  
• Flow on effects of increased volume in tourism numbers | Medium Term |

| 3.9    | **Develop multi-day regional itineraries (IOT)** | Consultation Findings section 4.3 | Regional itineraries which include activities on both islands would encourage visitors to spend time on both the Cocos (Keeling) Islands and Christmas Island. Different itineraries which provide ideas for visitors based on what they are interested in, such as “food and culture”, “soft adventure”, and “diving and snorkelling”, would provide visitors with ideas about activities on offer and would encourage visitation. Though the current Tourism Associations do provide scheduling services on an individual basis, a pre-existing itinerary which visitors could access online would make planning a trip to the IOTs simpler and more convenient. | • Develop different itineraries based on the different types of tourists (e.g. honeymooners, divers, swimmers, budget travellers, luxury travellers etc.)  
• Promote these itineraries on the IOTs website  
• Ensure the method of booking a full itinerary is simple and straightforward  
• Look into outsourcing this function to a tour provider | • Encourage visitors to visit both islands  
• Encourage visitation by making the planning phase simpler | Short Term |
## Indian Ocean Territories Tourism Action Plan

### 3. Product development (review and development of new offerings and maximisation of existing)

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<tr>
<th>Action</th>
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<tbody>
<tr>
<td><strong>3.10 Encourage investment in five-star accommodation properties (IOT)</strong></td>
<td>Jurisdiction Review section 2.1</td>
<td>Swell Lodge on Christmas Island is the only five-star accommodation property in the IOTs. To develop the IOTs as an exclusive destination e.g. similar to Lord Howe Island, the IOTs require five-star accommodation offerings to meet the needs of visitors.</td>
<td>• Tender an expressions of interest for a luxury development on the IOTs • Engage a consultant to develop a detailed business case for the establishment of luxury accommodation on both IOTs • Include five-star accommodation investment ideas in the strategic investment prospectus</td>
<td>• Diversify existing accommodation offerings • Provide a high-end offering that supports the exclusivity of the IOTs and attracts high-end travellers • Develop offerings that meet the requirements of market targets</td>
<td>Medium Term</td>
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## Indian Ocean Territories Tourism Action Plan

### 4. Marketing and product distribution

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<tr>
<th>Action</th>
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<th>Outcomes</th>
<th>Timing</th>
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<tbody>
<tr>
<td><strong>4.1 Develop a comprehensive marketing strategy (IOT)</strong></td>
<td>Marketing and promotion strategies section 5.1</td>
<td>Stakeholders reported concerns that tourists have limited awareness of local products and experiences, such as Home Island. A comprehensive strategy that maps experiences, considers target markets, and determines effective communications tools for both the demand and supply market is needed to both attract visitors, as well as maximise their tourism experience, and engagement with operators on the Islands.</td>
<td>• Engage consultants as required for the development of a comprehensive communications and marketing strategy for the islands</td>
<td>• Diversify existing tourism markets</td>
<td>Short Term</td>
</tr>
<tr>
<td><strong>4.2 Use micro influencers for marketing campaigns (IOT)</strong></td>
<td>Jurisdiction Review section 2.12, Marketing and promotion strategies section 5.1</td>
<td>Micro influencers have the ability to connect more meaningfully with followers and have greater credibility than traditional ‘celebrity’ influencers. Micro influencers should be used for targeted IOT tourism campaigns. Influencers should be chosen based on target market.</td>
<td>• Select micro influencers best suited to the target market and desired platform (e.g. Instagram, Facebook, etc.)</td>
<td>• Effectively market the IOTs to target markets</td>
<td>Short Term</td>
</tr>
<tr>
<td><strong>4.3 Promote Muslim Friendly tourism (IOT)</strong></td>
<td>Customer Profiles section 3.2</td>
<td>Muslim friendly tourism can be promoted to cater for one of highest growth segments in the industry. The market has great potential for industry operators with a wealth of business opportunities and revenue streams in the future. The marketing strategy could include destinations that are compatible with Muslim beliefs and have certain requirements and needs when traveling such as the availability of Halal food and prayer facilities.</td>
<td>• Develop a marketing campaign targeting affluent Muslim tourists in close and accessible jurisdictions (e.g. Indonesia, Malaysia)</td>
<td>• Increased revenue due to Muslim travellers being one of the highest spending demographics</td>
<td>Medium Term</td>
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9 Estimates derived from WERSM Deloitte Touche Tohmatsu
## Indian Ocean Territories Tourism Action Plan

### 5. Infrastructure

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<th>Action</th>
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<th>Why</th>
<th>How</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td><strong>5.1 Upgrade signage and erect signage for island navigation (IOT)</strong></td>
<td>Consultation findings sections 4.3 and 4.6</td>
<td>There is limited signage on the Cocos (Keeling) Islands and Christmas Island. This creates difficulties for visitors navigating the islands. Signage should direct visitors to places of interest, including directing visitors to business areas with restaurants and cafes. For example, signage should be erected on Home Island at the ferry terminal to help orientate visitors to the museum, café, Sandy Point and points of interest.</td>
<td>• Review existing signage to determine where signage needs to be upgraded or erected</td>
<td>• Improve the visitor experience&lt;br&gt;• Support small businesses by directing visitors to commercial precincts</td>
<td>Short Term</td>
</tr>
<tr>
<td><strong>5.2 Develop a bird hide to further develop bird watching (IOT)</strong></td>
<td>Jurisdiction Review section 2.6, Consultation findings sections 4.1 and 4.6</td>
<td>Bird watching is already a drawcard for both islands, however the bird watching infrastructure is underdeveloped. Small investments in infrastructure will enhance the birdwatching experience on both islands and will further promote them as a destination for birdwatching.</td>
<td>• Engage with a qualified ornithologist(s) for comment on best bird watching locations for installation of bird hides and lookouts&lt;br&gt;• Install bird hides and lookouts</td>
<td>• Enhance the visitor experience&lt;br&gt;• Further promote established tourism industry</td>
<td>Short Term</td>
</tr>
<tr>
<td><strong>5.3 Develop infrastructure for semi-permanent campsites and glamping facilities (IOT)</strong></td>
<td>Consultation findings sections 4.3</td>
<td>Several stakeholders suggested camping as a way to attract new markets and provide a different accommodation type. On the Cocos (Keeling) Islands, camping and glamping facilities would alleviate some of the accommodation pressure during peak periods such as kite-surfing season, and on both islands these facilities would offer a new type of accommodation, which could attract a different demographic and provide inexpensive accommodation options. This Action can be implemented with Action 5.5 by repairing Pondok infrastructure and enabling overnight stays in and around Pondoks.</td>
<td>• Identify available land for glamping sites</td>
<td>• Diversify existing accommodation offerings&lt;br&gt;• Attract new markets</td>
<td>Short Term</td>
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</tbody>
</table>
## 5. Infrastructure

<table>
<thead>
<tr>
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<th>Evidence</th>
<th>Why</th>
<th>How</th>
<th>Outcomes</th>
<th>Timing</th>
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<tbody>
<tr>
<td>5.4 Build infrastructure to support sports tourism opportunities, including mountain biking and golf (IOT)</td>
<td>Literature Review sections 1.4, 1.6, 1.10 and 1.11, Jurisdiction Review 2.3 and Consultation findings section 4.6</td>
<td>The environment and existing infrastructure provide an opportunity to diversify tourism products and develop the IOTs into a sporting destination. Mountain biking is a sport that has been identified on Christmas Island due to the terrain through the National Park. Mountain bike tracks can be dual-purpose to promote other activities including trail running, orienteering and bushwalking. Another opportunity is to invest in an upgrade of the golf courses at each destination. Two world class golf courses provide opportunities to host IOT championship events and can include resort facilities to market all inclusive golf packages to identified target markets.</td>
<td>• Meet with golf course operators to discuss the possible upgrade of the golf courses on each island • Engage a consultant to develop a detailed business case for the upgrade of both golf courses to world class standards • Undertake a native fauna and flora impact assessment and identify possible mountain biking trails through the National Park • Develop mountain biking trails</td>
<td>• Diversify existing tourism products • Target new markets • Promote the IOTs as a world class sporting destination</td>
<td>Medium Term</td>
</tr>
<tr>
<td>5.5 Repair and improve Pondok infrastructure, including developing a governance structure (CKI)</td>
<td>Stakeholders consulted on the Cocos (Keeling) Islands noted Pondoks are a unique part of Cocos Malay heritage and can be upgraded and offered as a product to support tourism on Home Island</td>
<td>Home Island stakeholders expressed an interest in hiring family Pondoks to visitors for day use. Pondoks provide an authentic Cocos (Keeling) Island experience; they are exclusive, traditional and showcase Home Island culture. Many Pondok structures have eroded with weather and tides. Repairing Pondoks to be made available for visitors provides an opportunity for Home Island businesses to enter the tourism industry. Additional services could be created, such as water taxis to Pondoks or food delivery.</td>
<td>• Conduct a review of existing Pondok infrastructure and invest in upgrading where appropriate • Develop a governance structure for Pondok maintenance</td>
<td>• Develop tourism on Home Island • Support local tourism operators on Home Island • Expand the list of activities and day trips for people visiting the Cocos (Keeling) Islands</td>
<td>Long Term</td>
</tr>
<tr>
<td>5.6 Improve pedestrian access around and between settlements in Christmas Island (CI)</td>
<td>Stakeholders consulted on Christmas Island note accessibility difficulties between settlements</td>
<td>Pedestrian access around and between settlements on Christmas Island is limited, forcing visitors to travel around the island by vehicle.</td>
<td>• Develop a business case to construct pedestrian pathways connecting the island and making it more pedestrian friendly • Develop a business case for a corso/pedestrian walkway between bars and restaurants.</td>
<td>• Encourage visitors to spend more time exploring by foot • Support local businesses by providing more foot traffic</td>
<td>Medium Term</td>
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## 6. Access (flights, transport, insurance and housing)

<table>
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<tr>
<th>Action</th>
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<th>Timing</th>
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</table>
| **6.1** Provide an additional evening ferry service between Home and West Islands (CKI) | Consultation findings section 4.6 | There is currently one evening ferry service. As a result, visitors arriving to the Cocos (Keeling) Islands on Friday and departing on Tuesday miss the Wednesday Home Island activities. Likewise, community members frequently have meetings and commitments on Wednesday evenings. Stakeholders expressed an interest in establishing a business within the tourism industry if an additional weekly evening ferry service was scheduled. | • Perform a cost benefit analysis of providing an additional evening ferry service  
• Tender an expressions of interest for ferry service providers  
• Subsidise all or part of an additional evening ferry service for passengers | • Activate tourism on Home Island  
• Build community cohesion | Medium Term |
| **6.2** Analyse the viability of supporting direct flights from Asia (IOT) | Literature Review section 1.2, Customer Profiles sections 3.1 and 3.2 | A strategic priority of tourism operators, providers and organisations is to promote IOT tourism into Asia. The Asian market is a significant growth opportunity with the potential to transform the tourism industry. In addition, the upgrade of the Cocos (Keeling) Islands runway will enable larger aircraft to land at the airport. Existing flights into Asia are not operated by commercial airlines and there is a risk current operators may exit the market. | • Investigate piloting the underwriting of subsidy of a direct flight into Asia through a cost modelling and cost-benefit analysis exercise.  
• Any pilot should be supported by a strong marketing campaign into the region and is an opportunity to test the viability of the Asian tourist market | • Increase visitation to the IOTs  
• Attract high-spending visitors to the IOTs  
• Improve the accessibility of the IOTs | Medium Term |
| **6.3** Request the government remove cabotage restrictions for the IOTs (IOT) | Literature Review section 1.2, Customer Profiles sections 3.1 and 3.2 | Cabotage inhibits tourism to the IOTs, particularly restricting passengers from arriving to the Cocos (Keeling) Islands. Cabotage restrictions are a disincentive for investment and do not support marketing the IOTs into Asia. Triangulated flights between the Cocos (Keeling) Islands, Christmas Island and Asian destinations will improve accessibility to the IOTs and support the growth of tourism and tourism investment. This decision will not affect current cabotage restrictions in mainland Australia. | • Request the government to remove cabotage restrictions in the IOTs by providing a business case | • Improve the accessibility of the IOTs  
• Reduce airfares costs by enabling passengers to arrive at either IOT destination | Medium Term |
## 6. Access (flights, transport, insurance and housing)

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<tr>
<td>6.4 Explore opportunities with VARA to offer a free layover extension on either island to encourage tourism for both islands (IOT)</td>
<td>Literature Review section 1.2, Customer Profiles sections 3.1 and 3.2</td>
<td>Currently, if a visitor wants to spend time on each Christmas Island and the Cocos (Keeling) Islands, they must purchase multiple flights which can add several hundred dollars to their trip. Certain airlines, such as Icelandair, offer free layover extensions where a visitor may extend their layover in a destination for up to seven days at no cost. In the IOTs, layover extensions would need to be in 7-day increments due to the flight schedule, however this would encourage visitors to spend time on both islands. For example, a visitor flying to Christmas Island from Perth on a Friday already has a layover in the Cocos (Keeling) Islands. If they were allowed to extend their layover for seven days at no cost, they could then fly to Christmas Island on the following Friday, spend three or seven days on Christmas Island, then fly back to Perth.</td>
<td>• Negotiate with VARA to begin offering this as a pilot program</td>
<td>• Encourages visitation to each destination • Increased visitor expenditure across the IOTs</td>
<td>Medium Term</td>
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| 6.5 Improve affordability and availability of insurance (IOT) | Stakeholders consulted noted the affordability of insurance is a significant barrier for new operators entering the sector. Providing affordable insurance will attract increased investment and enable new market entrants | Insurance should be made affordable for homes and business to stimulate investment and establish succession planning for ageing operators. The inability to receive affordable insurance is preventing potential operators entering the tourism industry and existing operators expanding their business. | • Request the Commonwealth implement the recommendation to improve insurance as stated in the Northern Horizons Report | • Encourage investment in housing and business • Support entrepreneurship • Provide succession planning for ageing operators | Medium Term |
Appendices

1: Literature review  
2: Jurisdiction review  
3: Customer profiles  
4: Consultation findings  
5: Marketing and promotion strategies

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Appendix 1: Literature Review

NOTE: The tourism trends discussed in this chapter are based on information and data obtained prior to COVID-19. Due to COVID-19, it is expected that the short to medium term trends in the Australian tourism industry will be impacted, creating disruption and changes in visitor demand and preferences.
1.1 The Opportunity of International Tourism

The tourism sector is a major global economic driver. Over the short and long-term, Australia will continue to have a high proportion of visitors from international markets. The five inbound markets expected to bring in the most visitors include China, NZ, US, UK and Japan. Collectively, these five countries are forecast to provide 46% of the additional 5.3M arrivals expected in 2028-29. Around 1.1M (46%) of expected arrivals will be from China. This highlights the importance of the Chinese market driving Australia’s tourism sector.

Key Industry Potential

The table below analyses key markets in Australia’s international tourism sector. It shows growth in expenditure for the year ending in 2020. The projection highlights China’s large market share of visitor spending. Growth is also expected from emerging Asian markets and traditional source markets, such as the UK, USA and NZ.

<table>
<thead>
<tr>
<th>Region</th>
<th>Lower</th>
<th>Upper</th>
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<tbody>
<tr>
<td>China</td>
<td>$11.9B</td>
<td>$14.2B</td>
</tr>
<tr>
<td>UK</td>
<td>$3.4B</td>
<td>$5.5B</td>
</tr>
<tr>
<td>USA</td>
<td>$4.0B</td>
<td>$5.5B</td>
</tr>
<tr>
<td>NZ</td>
<td>$2.6B</td>
<td>$4.2B</td>
</tr>
<tr>
<td>Japan</td>
<td>$2.0B</td>
<td>$3.3B</td>
</tr>
<tr>
<td>Singapore</td>
<td>$1.5B</td>
<td>$2.8B</td>
</tr>
<tr>
<td>India</td>
<td>$1.8B</td>
<td>$2.3B</td>
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International visitor spend in Australia reached a record high of $44.6B in 2019. The Japanese inbound market recorded the highest growth increasing spending by 15%. Chinese expenditure was the segment accounting for 27% of the market share for international visitor expenditure.

Chinese visitors will drive the international tourism market in Australia over the short and long-term.
1.2 The Northern Opportunity: Asian Markets

Tourism in the Indian Ocean Territories

The IOTs’ close proximity to Asia, product offerings and cultural synergies represent a significant opportunity to market the IOTs into Asia and target the Asian demographic. Christmas Island currently receives the following inbound flights from Asia:

- Jakarta (Garudu Indonesia) weekly departing Jakarta Saturday
- Kuala Lumpur (Malindo Air) fortnightly departing Kuala Lumpur Tuesday

The Cocos (Keeling) Islands’ current tourism marketing strategy has focused on the regional Western Australian market. Christmas Island has delivered some targeted campaigns into Asia. Stakeholders across the IOTs generally believe that moving forward, a greater emphasis marketing the IOTs into Asia is required to grow tourism and targeting the Asian markets. Globally, the rise of the Asia-Pacific middle class along with three significant megatrends are driving outbound travel from Asia.

The megatrends that underpin the increase in outbound travel from Asia

<table>
<thead>
<tr>
<th>Population Growth</th>
<th>Urbanisation</th>
<th>Growth of the Asian economy</th>
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<tbody>
<tr>
<td>• More people live in Asia than anywhere else in the world, with a population of nearly 4.5 billion people</td>
<td>• The United Nations World Tourism Organisation projects 64% of Asia’s population will live in urban areas by 2050</td>
<td>• The Asian economy has grown twice as fast as the rest of the world’s economy since 1970, doubling in size every 16 years</td>
</tr>
<tr>
<td>• The Asian population is rapidly increasing, tripling since 1950</td>
<td>• The greater urbanisation across Asia will result in people residing closer to airports improving air connectivity</td>
<td>• The surge in economic wealth over the long-term has underpinned a sharp increase in household incomes and the rise of the Asia-Pacific middle-class</td>
</tr>
<tr>
<td>• The United Nations World Tourism Organisation projects the population in Asia to increase to 4.9 billion people by 2030</td>
<td>• Improved air connectivity lowers the cost and hence increases the propensity for outbound travel</td>
<td>• Aviation has increased in alignment with the rise of Asian economies, responsible for over two-thirds of global growth in aviation volumes</td>
</tr>
</tbody>
</table>

Case Study: The rise of the Asia-Pacific Middle-Class

The Asia-Pacific middle-class is defined as households with yearly income between $20,000 and $150,000 at purchasing power parity in constant 2015 prices. The Asian middle-class is expected to represent 72% of Asia-Pacific population by 2038. This rise will see the Asia-Pacific middle-class population grow from 2 billion people today to 3.3 billion people by 2038.

The Asia-Pacific middle-class has driven the increase in air travel across the region. Over the last 20 years, air travel in Asia-Pacific has grown on average 6.5% per annum. In 2018, Asia-Pacific was the largest air traffic region, with a third of all global air travel.

Source: Airbus Global Market Forecast 2019-2038
1.2 The Northern Opportunity: Asian Markets

Asian mega-hub airports are forecast to rapidly expand over the next 15 years

By 2034, it is forecast that Asia will have 23 of the world’s mega-hub airports. As at 2014, Asia only had 12 mega-hub airports. The close proximity between the IOTs and Asia and the scheduled Cocos (Keeling) Islands runway upgrade present an opportunity to secure direct flights into Asia.

Significant Asian passenger airports as at 2014

Significant Asian passenger airports as at 2034

1.3 Niche Markets: Casino

While the global casino industry is profitable, the growing number of international casinos and online gambling options have placed pressure on Australian casinos.

There has been strong community support for the re-opening of the Casino and Resort on Christmas Island. The Christmas Island Casino and Resort operated between 1993 to 1998, employing 396 staff, one-third of which were local Christmas Island residents. The Casino was originally developed following changes to Indonesian gambling legislation which resulted in three Jakarta-based casinos cease operations. However since the closure of the Christmas Island Casino and Resort in 1998, several Australian-based and South-East Asian casinos have opened, including the casino boom in Macau. It is also noted that different visa restrictions applied for Indonesian visitors during the 1990s and it is now more cumbersome for Indonesians to enter Australia.

**Australian gambling and casinos**

Nine businesses operate 13 casinos in Australia, with at least one establishment in every state and territory. On average, 6.8 million Australians participate in gambling per month accounting for an estimated $8.6B. A report published in January 2019 expected the following growth¹:

- **Total revenue 2019**: increase $6.7B
- **Annual growth 2014-19**: increase 3.9%
- **Forecast annual growth 2019-24**: increase 3.1%
- **Profit margin 2019**: increase 17.4%
- **Wages as a share of revenue 2019**: increase 28%
- **Number of businesses 2014-2019**: increased 5.2%

In 2019, international visitors have continued to be a key source of revenue for the Australian gambling industry. Increasing tourism, demonstrated by high occupancy rates in hotels operated by casinos, has been the main driver of growth over the past five years. However the domestic industry is facing pressure from the rise of online gambling and international and online casinos. Over the next five years, the number of poker and gaming machines is expected to steadily fall as competition from Asia continues, resulting in an anticipated significant change to the industry over the next five years. There has also been a sharp decline in VIP gaming since 2016-17.

International casino patrons comprise 33.3% of total casino patrons. As tourists represent a significant source of demand for both gaming and accommodation, trends in tourism are vital for casino operators. This is particularly prevalent for trends in high-end tourism, as high net worth patrons account for a significant share of casino industry revenue. In 2019, Australian casino industry revenue totalled $6.7B.

**Casino product and services segmentation 2019**

- **Total gaming**: 40.7%
- **Electronic gaming**: 34.1%
- **Food and beverages**: 14.3%
- **Accommodation**: 6.5%
- **Other gaming services**: 4.4%

¹ Australia Industry (ANZSIC) Report R9201, January 2019

Deloitte Touche Tohmatsu
1.3 Niche Markets: Casino
Australian casinos face competition for international ‘high rollers’ from destinations such as Macau and Singapore

The rise of Asian casinos
Although the casino industry is forecast to continue growing over the next five years, this forecast is expected to be at a slower rate. The growth in the number of new casinos in Macau and Singapore is likely to reduce demand for local gambling services from wealthy VIP gamblers in Asia over the period. This ongoing competition from international casinos combined with competition from domestic wagering operators will place pressure on local casinos over the next five years. Macau is an internationally renowned and established gambling destination within close proximity to China that has 50 operating casinos. Macau is in direct competition with Australian and regional casinos for international high rollers and VIPs who contribute significantly to overall revenue.

International casino patrons contribute a significantly higher proportion of revenue compared to total casino patrons. International casino patrons spend more on food and beverage than domestic patrons and given they have typically travelled from an overseas destination, generally use accommodation at casinos. VIPs and high rollers are typically international patrons. They are generally more skilled, place large wagers and are not deterred by travelling expenses in seeking the best gaming destination. This market segment has significantly declined in Australian casinos since the 2016-17 Crown Casino scandal in which several Crown Casino employees were caught in China illegally promoting gambling. Crown Casino’s food and beverage outlets and accommodation offerings have helped reduce the impact of this decline in VIP gambling revenue. Changes in the volume of high roller and VIP patrons cause the greatest volatility to a casino’s profitability.

The Casino market has changed significantly in the past 20 years with the increase in online gambling and opening of casino facilities throughout South-East Asia

| Countries with gambling | 14 |
| Cities with gambling    | 127 |
| Total casinos           | 310 |
1.4 Niche Markets: Golf

Golf has become more popular through South East Asia, with nearly a third of new courses and development since 2014 occurring in Asia.

Since 2014, the Asian region has been home to **30% of all golf development**

**126 new golf courses** have opened in Asia since 2014

**28% of new golf projects** are located in Asia¹

Christmas Island and the Cocos (Keeling) Islands both have scenic golf courses overlooking the ocean. With the regional rise in golf through South East Asia along with its strong following in Australia and existing infrastructure and facilities, there is a unique opportunity to promote the IOTs as a world-class golfing location.

There are 52 golfing countries in Asia with 6,349 golf courses across the continent. In recent years there has been a surge in developments of resort-style golf courses with accommodation and ancillary services on premises. There are currently 149 golf-projects under development in 26 countries. The rise in popularity of golf in Asia has coincided with several courses listed among the top 100 in the world and exposure on elite circuits such as the Asia-Pacific Amateur Championship, the Masters Tournament and Asia-Pacific Golf Federation.

In 2018, Asia was host to eight professional LPGA events, eight on the European Tour, two on the PGA Tour and a co-sanctioned World Golf Championship.

![Regional South East Asian dispersion of golf courses](image-url)


Deloitte Touche Tohmatsu
1.4 Niche Markets: Golf

Resort-style golf courses attract tourists by offering exclusivity, isolation, luxury accommodation and world-class golf courses and facilities.

Recent golf course developments in Australia and New Zealand have focused on high-end developments, demonstrated by their entry into the prestigious World Top 100 Golf Courses. Many of these courses Greg Norman designed. Norman has designed 14 courses in Australia and over 100 across 34 countries, ranging from daily-fee style courses to courses aligned with luxury resorts and real estate developments. Tasmania has used golf as a vehicle to drive tourism through heavily discounted green fees and prices at world-class courses Bambougle Dunes (No. 11) and Bambougle Lost Farm (No. 26).

On Tasmania’s remote King Island, the Cape Wickham Links (No. 24) has charted flights from Melbourne for golfers to play at the course and multi-day packages are offered for golfers to play King Islands’ other renowned courses.

The key features of successful resort-style golf courses include their exclusivity, isolation, luxury accommodation, high-end food and beverage offerings, charter flight service and world-class golf course and facilities. The majority of these properties provide other high-end products, including day spas, tennis facilities with onsite professional available for lessons, fishing, diving and horse riding, enabling guests to extend their stay to participate in the various activities provided.

Cape Wickham Links Golf, King Island, Tasmania

Similar to the IOTs, King Island is a remote island off the mainland coast of Australia. King Island is home to Cape Wickham Links golf course, rated as the 24th best course in the world, best public golf course in Australia and 3rd best overall course in Australia. The course is open from the 1st of September to June 30th each year and encompasses the rugged Bass Strait coast, unique native wildlife and historical sites. The destination is promoted as a short 40 minute flight from Melbourne with convenient transfers, exclusive use of the golf course and world-class accommodation and dining facilities. King Island contains three other golf courses and is marketed as a bucket-list golfing destination with several golf tour agents offering packages and itineraries to King Island.

Cape Wickham has become a pilgrimage destination for golf enthusiasts due to its spectacular scenery, challenging holes and scenic fairways. King Island can be reached by commercial flights or by charter flights organised by Cape Wickham and promoted on the King Island tourism website.

To activate tourism and attract golfers during the low season (9th May – 30th June), a 2 day/1 night package departing from Melbourne including airfares, accommodation, car hire and green fees at Cape Wickham and the Ocean Dunes golf courses is offered for $750pp.
1.5 Niche Markets: Cruise
Cruise tourism is a growing industry in Australia

The Australian Cruise Industry¹

- **$5.2B direct and indirect** economic output
- **$1.6B total wages and salaries** (direct and indirect)
- **$35M spending** from crew members while in port
- **$2.5B spending** from passengers, crew and cruise lines
- **$387 spending** a day per passenger
- **18,135 full-time jobs**

Coral Expeditions have scheduled a cruise scheduling berths in the IOTs in 2021. The cruise will host up to 120 passengers over a 27 day voyage departing from Fremantle and arriving in Darwin. The voyage will include three days visiting Christmas Island. This is a luxury voyage with per person costs starting at $19,990. This will be one of the maiden voyages visiting both the Cocos (Keeling) Islands and Christmas Island and represents a significant opportunity to increase tourism across the IOTs.

In 2019, the Australian cruise industry continued to be a key source of revenue for the Australian tourism market. The Australian cruise industry recorded $1.4B worth of passenger spending while travelling on cruise ships in Australia and $1.1B from crew and cruise lines. In addition, the Australian accommodation industry has profited significantly from the Australian cruise industry receiving $450M from travellers on cruise ships in 2019.

Australia’s cruising sector continues to grow at a rapid rate, with the latest assessment putting the economic value of the industry at $5.2 billion.

¹Australian Cruise Association, The Value of Cruise Tourism 2017-18.
1.5 Niche Markets: Cruise

In addition to providing direct and indirect economic benefits to a region, cruise tourism can also drive future visitation.

**Western Australia cruise visitor experience**

The Western Australia cruise industry generated an economic impact of $228.9M for Western Australia’s economy, supporting 848 jobs in 2018. Cruise travel delivers an important objective of Tourism Western Australia of dispersing visitation and passenger expenditure into Regional WA.

| Western Australia Regional Economic Impact for Cruise Industry 2018-19¹ |
|----------------------------------|-----------------|-------|--------|
| Output  | Wages income | FTEs | Value added |
| Exmouth | $400K | $100K | 2 | $200K |
| Broome  | $14.5M | $3.9M | 44 | $7.8M |
| Wyndham | $900K | $200K | 3 | $500K |
| Kuri Bay | $300K | $100 | 0 | $200K |

**Cruise tourism as a driver of future visitation**

Cruise tourism provides value not only through both direct and indirect economic contributions, but also drives future visitation. In Tourism Research Australia’s publication, *Understanding Repeat Visitation to Western Australia*, three types of trips were listed as first-time trips that provide an opportunity to drive future visitation:

- Attending a conference
- Visiting on business
- Visiting via cruise ship

Visiting via cruise allows passengers to get a feel for the destination, but not spend enough time to feel that they’ve seen it all. Cruise passengers rely on the information they gain during their first visit, demonstrating the importance of ensuring cruise passengers have a positive first impression. Providing visitors with an understanding of the depth of experience can drive future visitation.

Tourism Research Australia recommends cruise vessels ‘provide cruise and business travellers with a great experience and, wherever possible, tactical campaigns that provide them with a specific reason to return.’²

**Key global trends in cruise tourism**

1. Instagram photos are driving interest in travel around the world. Cruise passengers are posting photos both on-board and from several destinations due to on-board connectivity.
2. Travelers are seeking ways to ‘check out’ from daily responsibilities and rejuvenate. Cruise lines are offering total wellness through restorative spa experiences, on-board oxygen bars, healthy menu choices and fitness innovations.
3. Experiential travel has evolved into an achievement as travellers are seeking experiences beyond sightseeing. Cruise lines are meeting the demands of travellers whose bucket lists have become goal-oriented.
4. Cruise lines have adopted technology for cruise travellers to provide a more personalised travel experience.
5. Travellers are more conscious and mindful, and want to see local destinations’ culture and landmarks with minimal environmental footprints.
6. Travellers are looking to travel to destinations previously out of reach.
7. ‘Generation Z’ is set to become the largest consumer generation in the year 2020. Generation Z prefers experiences over material items and is seeking out travel. The appeal of multiple destinations and unique experiences is attracting a new category of cruise passengers.
8. Off-peak travel is becoming more popular, including cold weather travel. Cruise travel offers ‘once in a lifetime’ experiences such as visiting European Christmas markets or seeing the Northern Lights.
9. Digital nomads are a growing market of workers. Many modern travellers are seeking trips where they can work remotely, with access to Wi-Fi, desks and work-friendly cafes.
10. The number of female travellers is growing, with companies creating female-centred itineraries based on interests and connecting women with other women.
11. Solo travel is also rising in popularity. Cruising allows for solo travel without the worry of arranging many details, allowing people to connect with other travellers and experience ‘once in a lifetime’ experiences.³

¹Tourism Western Australia, Western Australia Cruising Snapshot.
²Tourism Research Australia, Understanding Repeat Visitation to Western Australia.
1.6 Niche Markets: Festivals and events

Festival and event tourism has proven effective in attracting visitors to regional Australian destinations.

Festival and event tourism

Tourism Research Australia published *Events: Drivers of Regional Tourism* in August 2014 after surveying 2,401 respondents who had attended an event in a regional area. The survey found that the most popular events were food and wine, music related, garden and botanical, sport (as a spectator), and art exhibitions. For first-time visitors to the region, 57% said the event was the main reason for visiting. Likewise, 75% of attendees said they would not have gone to the destination if not for the event.

To increase regional visitation, investment in music, food and wine, spectator sport and cultural events had the greatest impact. Sporting events had the strongest niche appeal and ability to drive trips further from home. Other factors people considered besides the event were affordability, local attractions, the range of activities available, and to visit friends and family.

Preferences for events in regional areas also included:

- Provides a ‘once in a lifetime’ opportunity (89%)
- Supports the local community (86%)
- Has the support of the local community (83%)
- Held in a natural setting (82%)
- Raises funds for a charity or cause (79%)
- Range of activities for whole family (69%)
- I can get involved/participate (56%)

**Case Study: Festivals and events to activate low seasons**

Prospecting competitions can be an effective way to market a destination and drive visitation. The Northern Territory’s Million Dollar Fish competition was created to drive visitation to the Top End during the region’s traditional low season, October-March. In the competition, fish are tagged worth varying amounts and released in several locations throughout the Top End.

In Season 4 of the competition, which ran from 1 October 2018 – 31 March 2019, 121 fish were tagged: 1x $1 million, 100 x $10,000, and 20 x $2,500 for the angler and $2,500 to a NT-based charity. The competition attracted over 23,600 registrants, 82% of which actually went fishing in the Top End during the competition period. The competition generated $31 million in visitor expenditure and supported 32 full time equivalent jobs. Additionally, 98% of registrants indicated they would participate in the competition again.¹

¹ Tourism NT, Million Dollar Fish Season 4 Impact Study Highlights
1.6 Niche Markets: Festivals and events

A number of factors must be considered when planning a festival or event in a regional destination.

Events as a driver of visitation

Tourism Research Australia has offered a number of insights into events as a driver of tourism:

- Events are important drivers of regional tourism. Event goers are likely to attend more than one event, which provides opportunities for cross-promotion using database and direct marketing.
- Attendees become destination advocates and promote events through word of mouth, making positive experiences and impressions.
- Encouraging visitors to stay longer provides opportunities to showcase regional areas and their attractions and increase spend in regional destinations.
- Events should highlight local attractions and any unique tourism offerings in the region, while making it easy and affordable for attendees to access them.
- When promoting events, it is important to highlight the range of experiences available (both at the event and the destination), as well as the natural setting and how the event benefits the community.
- Value is a key driver of encouraging event attendance. These are opportunities to develop and cross-promote packages including attractions, accommodation and transport options to make longer trips more appealing to visitors.
- Event ticketing options should accommodate the different types of parties who attend (couple tickets, flexible multiple tickets or discounts for multiple tickets), and potentially make it easier for parties with multiple attendees to book and separately pay for group tickets.
- There is high demand for events in regional areas across different event types and these events have the potential to drive both intrastate and interstate trips.
- Investment in music, food and wine, spectator sport and cultural events has the greatest impact in increasing regional visitation. Sporting competitions have a strong niche appeal and ability to drive trips further from home, but are best promoted through special interest groups.
- There is strong evidence that demand for regional events is high and that these events can drive regional visitation.

Festivals and events have successfully attracted visitors to regional destinations in Australia that they would not have otherwise visited. Festivals and events can be scheduled in the IOTs during traditional low seasons to activate tourism.

Case Study: Festivals and events to activate low seasons

December is traditionally a low season for tourism in the IOTs. However, as Australian residents generally schedule leave from work and holidays during December, there is an opportunity to schedule a festival or event an opportunity to activate the tourism sector. This can include using Christmas Island’s name to host an annual Christmas festival. Christmas festivals are popular events in many Christian countries and are a significant driver of tourism.

Every Christmas season, German cities, towns and villages host over 150 Christmas markets that draw visitors from all around the world. The Dortmund Christmas markets attract over 3 million visitors annually and are worth over $150M to the local economy.

The US city of Portland hosts an annual Christmas Festival of Lights that attracts tourists from around the world. The Festival includes more than 150 Christmas concerts and performances, carolling, a petting zoo, food and beverage stalls, and light displays.

In Australia, the Adelaide Hills town of Lobethal hosts the annual Lights of Lobethal display, featuring houses lit up with Christmas lights and decorations, fireworks displays, family entertainment and food and beverage stalls. Over 300,000 visitors attend the Lights of Lobethal each year.
1.7 Niche Markets: Health and wellness
Wellness tourism is a profitable and growing industry, and the IOTs are an ideal location to focus on wellness

Health and wellness tourism

Wellness tourism is defined as, “travel associated with the pursuit of maintaining or enhancing one’s personal wellbeing.” Wellness tourism combines the lucrative industries of wellness and tourism, valued globally at USD 4.2 trillion and USD 3.6 trillion, respectively.¹ Primary wellness tourists are those whose trip or destination is primarily motivated by wellness, and can include those who are:

- Visiting a destination spa
- Vacationing at a hot springs resort for a long weekend
- Staying at an ashram for a meditation retreat
- Taking a weekend spa trip for rejuvenation and stress reduction
- Traveling to a wellness centre for a full-scale executive health check-up
- Taking a wellness cruise
- Staying at an eco-spa or jungle spa resort for a week
- Participating in a yoga retreat that includes healthy food and meditation in a natural setting.

Secondary wellness travellers are those who seek to maintain wellness while travelling, or participate in wellness experiences while taking any type of trip for leisure or business. These wellness experiences can include wellness retreats, spa treatments, mineral springs, fitness boot camps, and healthy eating workshops. The image to the right displays the various aspects that wellness tourism encompasses.

In 2017, Australia was the world’s 14th ranked wellness tourism destination, and was growing at an annual rate of 8.3%. Globally, the wellness tourism industry is expected to be worth USD 1,061 billion by 2025.² Additionally, international wellness tourists spend 53% more than most international travellers and domestic wellness tourists spend 178% more than typical domestic tourists.³

In addition to providing flow-on effects to the broader tourism industry in a destination, wellness tourism provides a way for a destination to reduce seasonality and ensure year-round tourism options.

¹Global Wellness Institute, Global Wellness Tourism Economy, Nov 2018
1.7 Niche Markets: Health and wellness

Natural beauty and a remote location make the IOTs an ideal location for wellness tourism

In Asia Pacific, wellness tourism is growing at a faster rate than in the rest of the world. As well as traditional wellness tourism offerings such as detox, weight loss, spa treatments, and yoga on the beach, wellness experiences demand in Asia has grown to include sound therapy, tai chi, meditation, spiritual guidance, and more. Chinese wellness tourists are a growing market, and typical seek Traditional Chinese Medicine and herbal medicine, qigong, meditation and martial arts.

Asian travellers are interested in what a place has to offer, such as local traditions, healing modalities, natural settings, and local ingredients. Some travellers through China, India, and other Asian countries are increasingly seeking healthier air, and have planned “lung-cleansing” and “smog escape” wellness trips.¹

Globally, interest in yoga and meditation has risen, and countries have begun to develop wellness tourism development initiatives. For example, India set up the National Medical and Wellness Tourism Promotion Board to provide policy advice to these sectors.

Additionally, wellness is listed as one of the top five demand drivers in regional Australia, with 9.6% growth per annum over the five years to 2019.² The chart to the right displays the top five demand drivers in Regional Australia. Destinations with natural amenity have experienced the most growth, and successful destinations are those that can converge health, wellness, and spiritual activities to attract a growing visitor market.

The IOTs are well placed to capitalise on the growing Asian wellness tourist market, offering pristine, untouched nature in a remote and peaceful setting.

¹Global Wellness Institute, Global Wellness Tourism Economy, Nov 2018
²Tourism Australia, Tourism Investment in Regional Australia, second half 2019
1.8 Niche Markets: Heritage and historical

The IOTs have a rich history which can be leveraged to attract a diverse market

Heritage and historical tourism

Heritage and historical tourism is travel with the primary purpose of exploring the history and heritage of a place, and can include sightseeing of historical architecture, visiting museums that document the past through artefacts, art and literary remains, or sampling historical recipes in their place of origin.¹

“For historic heritage, the significance of places is considered in the context of understanding local, regional and national history, how places relate to recognised themes, and how the places compare to other like places.”² Historic tourism is just one aspect of heritage tourism, which also includes natural places and values, and cultural places and values, which in Australia, mainly relates to Indigenous cultures (shown to the right).

Source: National Trust, National Heritage Tourism Summit Discussion Paper

The National Trust National Heritage Tourism Summit Discussion Paper lists the following guiding principles in heritage tourism:

• Significance of places can be conserved and protected by investing in people and place
• Heritage can drive and strengthen the tourism story
• Mutually beneficial partnerships can be fostered and grown
• Enjoyable and enriching visitor experiences can be delivered through story telling
• Customers are embraced at all levels as the greatest ambassadors
• Commercially robust products, services and sustainable business models are established.

Successful heritage tourism focuses on tourism businesses, the community and heritage managers. Heritage tourism has been increasingly successful in Australia.

In 2017, 33.9% of visitors to Australia participated in a heritage activity. In the four years leading up to 2018, heritage tourism grew 11.2%. Heritage tourism activities have been shown to drive regional visitation, as well as contribute to longer stays.³

The IOTs can leverage their natural, cultural and historic places to offer all aspects of heritage tourism.

¹https://www.etravel.com/explore/travel-industry/what-is-heritage-tourism/
²Australian Heritage Commission, A guide for tourism operators, heritage managers and communities
³National Trust, National Heritage Tourism Summit Discussion Paper

Source: Australian Heritage Commission, Successful Tourism at Heritage Places

Historic places and values
- Towns and historical landscapes
- Historic buildings
- Mines
- Museums

Indigenous places and values
- Indigenous sites
- Indigenous culture
- Aboriginal art
- Indigenous guided tours

Natural places and values
- Scenic landscapes, deserts, coasts, forests
- Flora and fauna
- Geological features

The IOTs can leverage their natural, cultural and historic places to offer all aspects of heritage tourism.
1.9 Niche Markets: Ecotourism
Tourists are becoming increasingly environmentally conscious and the unique environments of the IOTs offer world-class nature based experiences

Nature based tourism (NBT) and eco-tourism provide tourists with experiences that are directly related to the natural attractions around the area. Survey results have shown that travellers are more concerned with political, social and environmental issues with 58% of people electing not to visit a destination if it had a negative impact on the environment. Globally, NBT attracted 20.1 million domestic overnight visitors in 2016 and 23.6 million domestic day trip visitors.

International visitors in Australia
The NBT industry in Australia has been experiencing sustainable growth from its international visitors. In the year ending 2016, 68% of international visitors engaged in some form of nature based activity. Of this segment, 33% of nature-based visitors were aged between 15-29 years.

China is leading the way in nature-based markets as NBT becomes more and more important to the Chinese visitor. 77% of visitors from China now participate in nature-based activities, with strong preferences in botanical gardens (63%) and whale/dolphin watching (19%).

Top international nature-based markets 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>China</td>
<td>17%</td>
</tr>
<tr>
<td>UK</td>
<td>11%</td>
</tr>
<tr>
<td>Australia</td>
<td>10%</td>
</tr>
<tr>
<td>USA</td>
<td>9%</td>
</tr>
</tbody>
</table>

Case study: Tasmania’s Three Capes Track
The Three Capes Track is Tasmania’s iconic 48 kilometre multi-day bushwalk that is located along the Tasman Peninsula in the island’s southeast. Visitors get the chance to experience an array of natural landscapes with exhilarating cliff top outlooks in Cape Pillar, Cape Hauy and Cape Raoul. The duration of the course operates over four days and three nights.

The Three Capes Track offers a four day guided walk (twin share) packages, ranging from $2,895 to $3,095 (depending on time of year) per person.

The Package includes:
- Return transfers from Hobart
- Lodge accommodation
- All meals, non-alcoholic beverages and a selection of Tasmanian wines
- National Park Pass
- Boat Transfer from Port Arthur to Denman’s Cove
- Use of a backpack/weather-proof jacket
- Linen and comfortable beds
- Two qualified guides for the duration of the walk

Christmas Island is surrounded by national parks providing an ideal location for NBT

Eco Tourism Australia, Nature Based Tourism in Australia Manifesto.
Tourism Tasmania, Discover Tasmania.
Deloitte Touche Tohmatsu
1.10 Niche Markets: Mountain biking

Tourists are becoming increasingly environmentally conscious and the unique environments of the IOTs offer world-class nature based experiences.

Mountain biking (MTB) has become a major global sport and recreational pursuit. Similar to other adventure and outdoor sporting activities that are offered in the IOTs including surfing and scuba diving, MTB tourists will travel in pursuit of new trails and destinations. Many MTB regions have experienced significant economic stimulus from investing in MTB infrastructure, with estimated economic benefits ranging from $3.5M to $18M per annum in the Australian and New Zealand region. These regions include Blue Derby, Smithfield Mountain Bike Park, Rotorua and Nelson, NZ.

A 2016 nation-wide survey was undertaken to build a greater understanding of the demographics of MTB users in Australia revealed the following:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>84% Male</td>
<td>Largest MTB age groups are those aged 25-34, and 35-44</td>
<td>Largest income bracket was $60-79K (decreasing) followed by $80-99K (increasing)</td>
</tr>
<tr>
<td>16% Female</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(5% increase in female participation 2014-2016)

<table>
<thead>
<tr>
<th>Duration of trip</th>
<th>Group size</th>
<th>Trail preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 to 7 nights (31%) interstate MTB travel</td>
<td>Small group 2 to 4 (64%), ride solo (35%), large groups (10%)</td>
<td>Cross country (57%), downhill (34%)</td>
</tr>
<tr>
<td>7 nights for an international MTB Travel (51%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Christmas Island has a similar environment and terrain to Blue Derby and is an ideal destination to develop a MTB product.

Case Study: Blue Derby mountain biking

Derby is a small Australian town located in the northeast of Tasmania. During the late 19th century, Derby was an important mining town producing up to 120 tonnes of tin per month. When the mine ceased operations, the local economy declined as employment decreased and the population relocated to urban centres. Following feasibility studies into developing Derby as a mountain bike precinct, mountain bike trails were opened in 2015 and quickly transformed Blue Derby into a world-class mountain biking destination.

The Tasmanian government initially invested $3.1M towards the trail infrastructure. The trails generally attract visitors who spend up to five nights in Derby before visiting other regions of Tasmania. The return on investment at Derby is estimated to be $30M per annum.

Blue Derby is now Australia's highest profile mountain bike trail destination and hosted 30,000 riders in 2018 ranging from amateur to professionals. Blue Derby was profiled on ABC News stating 'visitors from around the world have flocked to Blue Derby's mountain bike trails, attracted by the beauty of the state forest, meticulously maintained trails and the magic ingredient, what riders call "hero dirt".'
1.11 Niche Markets: Aquatic and coastal
Tourists are becoming increasingly environmentally conscious and the unique environments of the IOTs offer world-class nature based experiences.

Aquatic and coastal tourism

- **$48.4M victors engaged in**
  Aquatic and coastal tourism in 2019
- **7% growth in**
  visitor per annum (over 5 years)
- **3.6% increase in**
  overnight stays per annum
- **66% of scuba diving participants**
  are male in the US
- **32% of scuba diving participants**
  are college graduates
- **19% of scuba diving participants**
  are between the ages of 45-54 in the US

Aquatic and coastal tourism in Australia has attracted high visitation from domestic and international tourists. Aquatic and coastal tourism relies on experiences directly related to beaches and water-based activities, such as diving, sailing, fishing, dolphin watching, and other water sports.

Recently, the industry has experienced an increase of domestic overnight visitation, accounting for 51% of all aquatic and coastal tourists in regional Australia, with an increase of 4.5% per annum over the last four years ending in 2019. In addition, Australia has experienced consistent growth from its international visitors, with overnight visitation increasing at rate of 1.7% per annum.

**Case Study: Sipadan Island, Malaysia**

Sipadan (Pulau Sipadan) Island is a globally renowned diving destination located in the Celebes Sea off the east coast of Sabah, Malaysia. It has one of the richest ecosystems in the world with more than 3,000 species of fish and hundreds of coral species. Sipadan is well known for its unusually large numbers of green and hawksbill turtles which gather there to mate and nest, and it is not unusual for divers to see more than 20 turtles on a dive.

Sipadan is limited to 120 visitors per day and permits are required in order to visit the island. Entry permits are charged at US$35 per person per day.

**Prices**

Sipadan dive trip prices normally include packed lunches, drinking water, dives, rental scuba equipment, weights and weight-belts, tanks, professionally qualified divemaster (for diving daytrips) or snorkelling guide, and taxes. Optional extras include Dive computer and diving insurance. Day trips including three dives costs approximately US$280 per diver.

Snorkelling day tours are approximately US$34 per person (US$17 for child below 12 years).

Aquatic and coastal tourism is becoming more popular amongst Australian domestic visitors, having increased by 4.5% per annum over the last four years.
Appendix 2: Jurisdiction Review
This Jurisdiction Review examines jurisdictions similar in geography, climate, tourism offerings, or locality where tourists are seeking unique experiences. From these jurisdictions, best practice tourism methods have been identified that can be leveraged in the IOTs. Information researched includes demographics and geography, tourism statistics (i.e. number of visitors per year, purpose of travel, average stay), accommodation options and cost, flight frequencies and cost, tourism offerings, and marketing information. Demographics, geography and tourism information has been sourced from government websites and surveys, and flight information from Skyscanner for consistency. Marketing information, accommodation and activity offerings were researched through official tourism websites and websites of providers found on these.

The analysis of jurisdictions reviewed is contained in Appendix C. The following destinations have been analysed as part of the jurisdiction review:

- Cook Islands
- Hamilton Island
- Kangaroo Island
- Kimberley Region
- Lord Howe Island
- Maldives
- Ningaloo & Exmouth
- Norfolk Island
- Solomon Islands
- Timor-Leste
- Tiwi Islands
- Torres Strait

### Key findings

Key findings from the jurisdiction review include:

- Successful tourism destinations have high-end five-star accommodation properties that attract high-spending tourists. The IOTs currently only have one five-star accommodation property; the Swell Lodge on Christmas Island
- To manage the fragile environment, Lord Howe Island has limited tourism to prohibiting 400 visitors on island per night. This has made Lord Howe Island an exclusive bucket-list destination
- Social media is the prevalent form of marketing and promotion. Successful tourism destinations upload and update content on social media platforms regularly and sometimes daily
- Remote Australian destinations have leveraged their isolation and incorporated the nostalgia of traditional family-oriented holidays disconnecting from technology
- Successful tourism destinations include resorts with wrap-around ancillary services, including dining options and spa facilities
- The IOTs have similar product offerings and natural environments as leading tourism destinations
### 2.1 Jurisdiction Review

Jurisdiction snapshot

A detailed analysis of each jurisdiction can be found in Appendix C.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Population</th>
<th>Size (km²)</th>
<th>Tourist numbers (p/year)</th>
<th>Purpose of travel</th>
<th>Camping (p/evening)</th>
<th>Accommodation offerings and cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christmas Island</td>
<td>1,843</td>
<td>135</td>
<td>2,050</td>
<td>N/A*</td>
<td>N/A*</td>
<td>$227</td>
</tr>
<tr>
<td>Cocos (Keeling) Island</td>
<td>544</td>
<td>14</td>
<td>2,400</td>
<td>N/A*</td>
<td>N/A*</td>
<td>$375</td>
</tr>
<tr>
<td>Cook Islands</td>
<td>17,379</td>
<td>237</td>
<td>168,760</td>
<td>Holiday (75%)</td>
<td>N/A*</td>
<td>$202</td>
</tr>
<tr>
<td>Hamilton Island</td>
<td>1,347</td>
<td>5</td>
<td>870,000</td>
<td>Holiday (70%)</td>
<td>N/A*</td>
<td>$440</td>
</tr>
<tr>
<td>Kangaroo Island</td>
<td>4,702</td>
<td>4,405</td>
<td>188,000</td>
<td>Holiday (63%)</td>
<td>$11</td>
<td>$121</td>
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<tr>
<td>Kimberley Region</td>
<td>36,014</td>
<td>423,517</td>
<td>556,999</td>
<td>Holiday (49%)</td>
<td>$26</td>
<td>$110</td>
</tr>
<tr>
<td>Lord Howe Island</td>
<td>382</td>
<td>15</td>
<td>15,000*</td>
<td>Holiday (81.4%)</td>
<td>N/A*</td>
<td>$360</td>
</tr>
<tr>
<td>Maldives</td>
<td>536,133</td>
<td>298</td>
<td>1,484,274</td>
<td>Holiday (94%)</td>
<td>$33</td>
<td>$128</td>
</tr>
<tr>
<td>Ningaloo &amp; Exmouth</td>
<td>2,730</td>
<td>6,281</td>
<td>139,700</td>
<td>Holiday (69%)</td>
<td>$8</td>
<td>$121</td>
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<td>Norfolk Island</td>
<td>1,769</td>
<td>34.6</td>
<td>35,000</td>
<td>N/A*</td>
<td>N/A*</td>
<td>$129</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>669,823</td>
<td>28,399</td>
<td>60,000</td>
<td>N/A*</td>
<td>N/A*</td>
<td>$171</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>1,321,929</td>
<td>14,874</td>
<td>62,000</td>
<td>Business (56%)</td>
<td>$9</td>
<td>$92</td>
</tr>
<tr>
<td>Tiwi Islands</td>
<td>2,763</td>
<td>7,483</td>
<td>N/A*</td>
<td>N/A*</td>
<td>$10</td>
<td>$310</td>
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<tr>
<td>Torres Strait</td>
<td>4,514</td>
<td>48,000</td>
<td>N/A*</td>
<td>N/A*</td>
<td>$30</td>
<td>$194</td>
</tr>
</tbody>
</table>

* Number of beds capped at 400 at any given time, # Data not available, = Estimated based on quarterly figures obtained, $ All amounts are converted to AUD using exchange rates as at 4 December 2019
Lord Howe Island
Case Study

Case Study: Lord Howe Island

Lord Howe Island, located 770 km northeast of Sydney, is considered one of Australia’s last unspoilt paradises. The island has a population of just 382 people, and at any one time, can have up to 400 tourists. There are 400 licensed tourist beds on the island, comprised of hotels, bed and breakfast accommodation, and cottages. The tourist cap was created to protect the island’s delicate ecosystem, which is home to over 500 species of fish (15 of which are endemic), 182 species of birds, 1600 terrestrial species (including 8 recognised as threatened), 241 species of native vascular plants (113 of which are endemic), and 83 coral species.

About 75% of the island is a protected park preserve, and in 2018, the Lord Howe Island Board, LHI Museum, Marine Parks and the Lord Howe Island Tourism Association partnered to launch the Lord Howe Island Conservation Volunteers program. The program allows volunteers to participate in conservation programs from May-September each year (the low tourism season), with a different focus each month, including bird, marine, plant, and invertebrate conservation and the final month’s program which is called ‘Protecting Paradise’.

A tourist levy is included in the price of an airline ticket that helps the Lord Howe Island Board maintain the island’s environment and certain visitor facilities, including walking tracks, picnic areas, BBQs, shelter sheds and toilets. Visitors have a choice between 20 different accommodation options, which range in size from two to eighty-five beds. Camping is not allowed on the island. High average costs for accommodation, along with high flight prices and the tourist cap ensure that Lord Howe Island remains an exclusive destination.

The Lord Howe Island Tourism Association has developed a Lord Howe Island user guide with information for tourists traveling to the island. The guide includes information about Lord Howe Island’s history, its World Heritage listing, quarantine procedures, walking and hiking trails around the island, the Marine Park, species found on the island, conservation and restoration efforts, what to do on the island, maps, and more.

Lord Howe Island visitors are mostly from New South Wales (59%), followed by Victoria (14%) and other states combined (15%). The two largest international source markets are the United States and the United Kingdom. Visitors are mostly over age 50, with the largest age group 60-69 (25%), followed by 50-59 (24%), 40-49 (16%), and 70-plus (15%). Visitors’ household income was mostly over $150,000 (28%) followed by $100,001-$150,000 (18%). Visitors typically travelled in couples (51%), family groups with children (19%), friends/relative with no children (14%) and alone (11%).

Lord Howe Island has a high repeat visitation rate, with 35% repeat visitors. Of repeat visitors, 33% had visited more than five times in the past, 47% had visited up to twice in the past, 10% visited three times and 9% had visited four times. For accommodation, 53% of visitors stayed in self-contained apartments, 36% stayed in retreats/lodges, and 8% stayed with family and friends.

The top five motivations to visit are, “escape and getaway to a remote location”, “wanted to visit a World Heritage site”, “great swimming beaches”, “wanted to visit a marine park”, and “wanted an island adventure.” “Great swimming beaches” was the top motivator for international travellers, while “escape and getaway to a remote location” was the top motivator for domestic travellers.

The top activities undertaken by visitors were bushwalking (81%), water activities (81%), visiting museum (72%), visiting shops/market (64%), active sports (64%), hiking (58%), boat tour (53%) and bird watching (40%).

Visitors were asked about their associations with Lord Howe Island before and after their trip. The chart displayed in Appendix C demonstrates that visitors had lower associations pre-trip than post-trip, indicating that visitor experience was better than the expectations prior to the trip. When asked about the travel experience to/from Lord Howe Island, visitors rated everything highly (above 65%) except the airport club/lounge, frequent flyer points earned, and value for money airfare. Visitors were also asked about their experience on-island. At least 90% of respondents were satisfied or very satisfied with seven of the thirteen aspects of service. The lowest scored aspects were: shopping (38%), accessibility services (31%), and Wi-Fi (22%). This chart is displayed in Appendix C.
2.2 Cook Islands

South Pacific Ocean

The Cook Islands are a remote archipelago in the South Pacific catering for visitors seeking adventure and respite. Tourism offerings are plentiful, diverse, and relatively inexpensive. Activities are well marketed by the Cook Islands Tourism, the governing body of tourism on the Cook Islands.

Demographics and Geography

Located in the South Pacific Ocean, the Cook Islands consist of 15 major islands split between the Southern Cook Islands and the Northern Cook Island coral atolls. Spanning over a total land area of 237 km$^2$, the 15 islands share a similar climate to the Cocos (Keeling) Islands and Christmas Island.

Tourism Statistics

Total visitors to the Cook Islands as recorded by the Ministry of Finance and Economic Management was 168,760 as of October 2019. The primary reason for visiting the Cook Islands is 'mostly holiday' (75%). A number of cruises visit the Cook Islands, with trips smaller vessels on 11 day voyages including docking in the Cook Islands on their itineraries. In 2016-17, 15 cruises arrived in the Cook Islands.

Accommodation and Activities

Water and land activities on the Cook Islands are relatively inexpensive compared to other jurisdictions, and there were many on offer.

Marketing and Social Media

A major component of Cook Islands Tourism 2017 five year strategy includes implementing a digital advertising strategy targeting internet and social media channels. Cook Islands Tourism are seeking to expand their reach across key markets Australia and New Zealand. Prior to the campaign, the Cook Islands customer segment were mainly 'fly and pop' visitors; visitors aged 30-plus who travel to use resort facilities with minimal expenditure outside their accommodation. The campaign aimed to determine customer profile segments in order to develop the digital marketing strategy. The campaign received 4,726,675 impressions in four weeks, reaching 2.5 million unique audiences and broadening the target customers to include 'soft explorers', aged 25-24 seeking adventurous destinations. The campaign increased brand awareness, brand recall and preparedness to visit.

The Cook Islands has a strong social media presence with high activity and engagement across three platforms; Facebook, Instagram and Twitter. Facebook is most frequently used to showcase travel information, locations, and activities on offer to target potential tourists. The official Cook Islands Facebook and Instagram pages post up to 15 and 6 times per week respectively, with a relatively high engagement from their followers.

Deloitte Touche Tohmatsu
Hamilton Island is located in the Whitsundays of tropical North Queensland. Hamilton Island has a well established tourism sector with high levels of development and investment. Visitors travel to Hamilton Island for adventure, sporting events, business and leisure. Hamilton Island is owned and operated by Hamilton Island Enterprises which has access to large amounts of funding.

Demographics and Geography

Hamilton Island is one of 74 islands in the Whitsundays. The Whitsundays region is dotted with secluded white sand beaches and reefs. Hamilton Island is 5km$^2$ in size, covered mostly by bushland on the eastern side and infrastructure development on the western side. Hamilton Island airport offers direct flights to the major tourist centres of Sydney, Melbourne and Brisbane. The island’s population in 2019 was 1,347 people, mainly consisting of staff living on the island. The total Hamilton Island workforce consists of 2,000 workers with the remaining working off-island primarily in the tourism sector.

Tourism Statistics

The Whitsundays receive 1,022,000 tourists per year, with many including Hamilton Island as an essential stop. Approximately 70% of Hamilton Island’s visitors travel for holiday, with an average length of stay of four days.

Accommodation and Activities

With a varied range of offerings, Hamilton Island is well placed to accommodate and entertain tourists regardless of the time of year and unexpected changes to weather. In addition to water activities such as diving, snorkelling and sunset sailing, Hamilton Island offers a number of land activities including tennis, fitness classes, cultural tours, bike tours and golf.

Marketing and Social Media

At the end of 2018, Hamilton Island launched the “Remember Why” campaign, which advertised across cinema, TV, print, and social media. Prior to this marketing campaign, Hamilton Island did not have specific marketing campaign since 2012. The campaign followed real families around the Island and aimed to appeal to both tourists who had previously visited the Island and potential new visitors to have a traditional family holiday. Hamilton Island is active on social media channels, posting 11 and 10 times per week on Facebook and Instagram respectively. Hamilton Island has 155,000 followers on Instagram and 160,164 page likes on Facebook as at December 2019, providing Hamilton Island a wide audience to market through its social channels. Presence on Twitter is also active with approximately 6 tweets per week and 19,300 page likes.
Rich in wildlife, pristine natural landscapes, and boasting a strong agricultural industry, Kangaroo Island can cater to the needs of domestic and international visitors. The Kangaroo Island Tourism Food, Wine and Beverage Association (KITFWBA) aims to attract visitors seeking a holiday away from mainland Australia and experience untouched beauty. The KITFWBA website advertises “Kangaroo Island... just across the water, but a world away! ... one of the world’s great nature-based destinations”

**Demographics and Geography**

Kangaroo Island is situated 112km southwest of Adelaide, South Australia. 4,405km$^2$ in size, the island comprises bushlands, grasslands and beautiful beaches. The island has a relatively small population of only 4,933 as of 2018. Kangaroo Island is well known for its quality produce, with agriculture, forestry and fishing the primary industries. The Ligurian bee population on the island is known as the last remaining genetically pure population in the world. Kangaroo Island is accessible by plane from Adelaide year-round and from Melbourne in December and January. The island is also accessible by ferry. The cost of the ferry was identified as a limiting factor for tourism, however in 2018 a second ferry option became available offering faster service and cheaper fares. Both ferries leave from Cape Jervis, a 2 hour drive south of Adelaide. The Sea Link ferry can carry vehicles, so tourists traveling by car may bring their own vehicle to Kangaroo Island. The newer ferry service, the Kangaroo Island Connect (KIC), offers car hire on Kangaroo Island and bus and car transfer from Adelaide to Cape Jervis. Kangaroo Island tourism operators have been vocal in advocating a ferry service from Glenelg to Kangaroo Island, which could bring as many as 15,000 more tourists per year to the island due to Glenelg's close proximity to the Adelaide airport and metropolitan suburbs.

**Tourism Statistics**

As at 2018, Kangaroo Island received 188,000 visitors per year, 149,000 of which were domestic day and night, and 39,000 international visitors. The average length of stay was 4.27 days.

**Accommodation and Activities**

Hotels and accommodation options on the island are relatively affordable with camping options for budget travelling, and three to five star hotels costing on average $121, $177 and $519 in shoulder season. Due to the cooler climate of the region, most activities on the island are land-based. Many offerings are accessible to different types of visitors due to the low pricing of activities.

**Marketing and Social Media**

The South Australian Tourism Commission commissioned Kangaroo Island advertisements in 2015 to be displayed in cinemas, television and more recently on billboards at airports. Kangaroo Island has 79,447 likes on Facebook, and 27,600 Instagram followers with the official pages for each platform posting 6 times per week.
The Kimberley Region is home to some of Australia’s most dramatic and stunning landscapes. The region has beautiful beaches situated on the edge of rugged outback and rock formations, offering unique natural wonders that are quintessentially Australian. The Kimberley is perfect for outdoor thrill seekers with plenty of places only accessible by 4WD or helicopter.

**Demographics and Geography**

Located in northwest Western Australia, the Kimberley region has fewer people per square kilometre than almost any place on earth, with a population of only 36,014 people over an area of 423,517km$^2$. Broome and Kununurra are each accessible by air, with flights from Darwin and Perth to both destinations and flights from Port Headland to Broome year-round. Flights from other Australia capital cities are offered during the dry season, and direct flights from Melbourne to Kununurra will commence in May 2020. Much of the area throughout the region is only accessible by 4WD.

**Tourism Statistics**

The Kimberley region received 556,999 visitors in 2018, 505,126 of which were domestic day and night and 51,873 which were international visitors. The most common purpose of travel was for holiday, and the average length of stay was 7.13 days.

**Accommodation and Activities**

Accommodation through the Kimberley region varies from camping and caravan facilities to 5-star accommodation. Camping facilities are available from as little as $8/night, while the average price per night of 3, 4, and 5-star accommodation is $110, $196, and $509, respectively.

Activities are mostly based around nature, with both land and water activities on offer. Water-based activities include jet ski tours, fishing, whale watching and waterfall tours, which range from $140 for whale watching to $925 for a 6-hour waterfall tour. Land-based activities include bike tours, the sunset camel tour, a scenic helicopter tour and 4WD tours, ranging from $69 for the bike tour to $299 for helicopter flight.

**Marketing and Social Media**

Tourism Western Australia recently held a domestic marketing campaign focusing on visiting the Kimberley in October and November of 2019. The campaign highlighted the new direct flights from Melbourne to Kununurra which will begin in May 2020 and spanned across radio, print, television and digital channels in Victoria. The region’s tourism page is active on social media, posting four times per week. The page has 44,254 likes on Facebook and 135,000 Instagram followers.
2.6 Lord Howe Island

Tasman Sea

Located 560 km off the coast of Port Macquarie, Lord Howe Island is a remote tropical paradise. Lord Howe Island is known for spectacular hiking, snorkelling, and scenery. The tourism industry is well established on Lord Howe Island, with a variety of tours and activities on offer. Approximately 75% of the island is managed as a Permanent Park Preserve, with endemic species that cannot be seen elsewhere. The Lord Howe Island Marine Park is home to the world’s southernmost coral reef, home to over 500 species of fish, and various shark, ray, dolphin and whale species. Lord Howe Island’s tourism brand phrase is ‘just paradise’.

Demographics and Geography

Lord Howe Island is the largest island of the Lord Howe Island Group, a volcanic remnant located in the Tasman Sea. It sits east of Port Macquarie, about 770 km northeast of Sydney and 740 km southeast of Brisbane. The island is a crescent shape two-three km wide and eleven km long, with a total area of just 14.55 square kilometres. Lord Howe Island is home to 382 residents and supports up to 400 tourists at any time. Lord Howe Island is accessible by regular plane from Sydney, from Brisbane on weekends and by twice-weekly charter flight from Port Macquarie.

Tourism Statistics

Lord Howe Island receives 15,000 tourists per year, 13,350 of which are domestic visitors and 1,650 international visitors. Tourist numbers are limited to 400 at any one time to protect the environment.

Accommodation and Activities

There are 20 different accommodation providers on the island. There are no camping or caravan facilities; only 3, 4, and 5-star accommodation options. The average price per night for three, four, and five-star accommodation is $360, $788, and $1,300, respectively.

Lord Howe Island offers many activities including world-class birdwatching. Other activities include nature tours, golf, hiking, diving, island cruises, kayaking and snorkelling. Other activities include a day spa, a museum, bike hire, and beach hire.

Marketing and Social Media

Lord Howe Island is active on social media, with Facebook, Instagram and Twitter accounts, with three, four and less than one posts per week respectively. They have 29,856 Facebook likes, 33,300 Instagram followers, and 1,496 Twitter followers.

References in Appendix Section

2.6 Lord Howe Island

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2.7 Maldives

Indian Ocean

The Maldives is an archipelagic nation located in the Indian Ocean. The Maldives comprises of 26 atolls made of 1,190 islands and sandbars. Best known for their pristine beaches, clear water and over-water bungalows, the Maldives are considered a bucket list destination with spectacular diving and water-based activities. The Maldives also have a rich culture, having been influenced by Indian, Sri Lankan, Arab and North African people who passed through on trade routes.

Demographics and Geography

The Maldives are located in the Indian Ocean approximately 1,000 km southwest of India and Sri Lanka. The 26 atolls have a total area of 298 square kilometre, and are spread over 90,000 square kilometres, making the Maldives one of the most geographically dispersed countries in the world. Around 200 of the islands are inhabited, with a total population of 536,133, including 60,000 expats. The capital city of Malé is home to 133,400 residents with over 400,000 residents live throughout the outer islands. Maldivian people are primarily Muslim, and the Islamic Centre in Malé is a popular tourist attraction.

Tourism Statistics

The Maldives have an established tourism industry receiving over 1.6 million visitors per year, with an average length of stay of 6.3 days. The biggest employment industry in the nation tourism employing over 40,000 employees in the industry.

Accommodation and Activities

The Maldives offer accommodation at various price points. Camping facilities are available for $33 per night, while 3, 4, and 5-star accommodation is available for an average nightly price of $128, $406, and $1,286 respectively. The Maldives are well-known for their over-water bungalow accommodation options with many tourists selecting this type of accommodation.

Since the Maldives is most well-known for its water and beaches, activities are primarily water-based and include kayaking, windsurfing, snorkelling, diving, fishing, and boating. Tourists can travel by boat to uninhabited islands, take a glass bottom boat to view marine life, or hire underwater scooters and explore in a unique way. Other activities include cultural activities such as heritage site tours, museum visits, cultural performances, and cooking classes.

Marketing and Social Media

The Maldives have a strong social media presence, with 655,815 Facebook likes, 242,000 Instagram followers, and 40,900 Twitter followers. Through these platforms they post 9, 5, and 9 times per week respectively.
2.8 Exmouth
Western Australia

First established to support operations of a Naval Communication Station, Exmouth’s main economic driver is now tourism. Exmouth is located on the World Heritage Listed Ningaloo Coast, home to Australia’s largest fringing coral reef and the Cape Range National Park. The Ningaloo Region is known as a spectacular diving location with beautiful coral reefs and abundant marine life including whale sharks.

Demographics and Geography
Exmouth is located 1,270 km north of Perth in Western Australia at the tip of the North West Cape. The distinctive Ningaloo Reef is 260 km long and in addition to being Australia’s largest fringing coral reef, is also the closest large reef to a landmass, less than half a kilometre offshore in some areas. Exmouth’s population of only 2,730 more than doubles during the tourist season (April - October) to over 7,000 people. Nearby Coral Bay is located approximately 120 km south of Exmouth and offers similar products to Exmouth. Qantas offers daily flights from Perth to Learmonth Airport, 36 km from Exmouth, and flights can cost as little as $421 return from Perth.

Tourism Statistics
Exmouth receives 139,700 visitors per year, 110,800 of which are domestic and 28,900 international visitors. The average length of stay is 7.30 days.

Accommodation and Activities
Accommodation ranges from camping and caravan parks, backpackers’ hostels and three and four-star resorts. Camping areas cost $8 and backpackers’ cost $32.50 per night. Three and four-star hotels and resorts average $121 and $213 per night respectively. Ningaloo’s tourism website provides 20 different accommodation options. Of domestic visitors, 25% stay in caravans or non-commercial camping; 24% stay in a caravan park or commercial camping ground; and 15% stay in a hotel/resort/motel or motor inn. For international travellers, these statistics are 41%, 20%, and 20% respectively. Activities are mainly nature-based with a focus on water, with whale sharks and the coral reef Exmouth’s most famous drawcards. Popular activities include snorkelling and whale shark tours, full day boat tours, fishing charters, swimming with whales, and scuba diving.

Marketing and Social Media
The Ningaloo Visitor Centre has an active social media presence, with 9,327 Facebook likes and 4,493 Instagram followers. Through these platforms they post eight times per week and less than one time per week respectively.

Deloitte Touche Tohmatsu
2.9 Norfolk Island
South Pacific Ocean

Norfolk Island is located in the South Pacific Ocean, 1,600 km east of Sydney and Brisbane. Norfolk Island is best known for its heritage convict buildings, beautiful scenery, stunning and secluded beaches and a unique history.

Demographics and Geography

Norfolk Island’s population in 2018 was 1,769, which has decreased from 2,601 in 2001. While English is the most common language spoken, 41% of Norfolk island residents speak the Norf’k language, which is a combination of English and Tahitian.

Norfolk island has an area of 34.6 km² with a total coastline of 32 km. Emily Bay Lagoon, which is protected from the Pacific Ocean by a small coral reef, is the only place suitable for swimming and snorkelling as the water is calm and crystal clear. The highest point of the island is Mount Bates which is 319 metres above sea level and is an ideal location for sightseeing activities. There is a national park surrounding Mount Bates, covering about 10% of the land on the island and is home to rich diversity of bird and plant life. Air New Zealand travel to Norfolk Island departing Sydney on Monday, Friday and Sunday or departing Brisbane on Tuesday and Saturday.

Tourism Statistics

Norfolk Island receives approximately 35,000 visitors per year, with an average length of stay of 7.6 days. The average expenditure per person per day is roughly $250. It is estimated that 71% of all businesses on Norfolk Island are strongly associated with servicing the tourism industry. The Norfolk Island Regional Council is focusing on building a strong tourism industry by establishing a 10 year Norfolk Island Tourism Strategic Plan 2013-2023.

Accommodation and Activities

There are a number of options for accommodation, including 3-star to 5-star hotels ranging from $129 to $325 per night. Accommodation costs are relatively inexpensive. The island offers both water and land activities such as boat cruises, kayaking, scuba diving, fishing tour, history tours and 4WD Island tours with prices between $56 to $160.

Marketing and Social Media

Norfolk Island is active on social media, with Facebook, Instagram and Twitter accounts. They have on average 7 posts on Facebook, 4 posts on Instagram and 5 tweets per week, with 27,931 likes on Facebook, 8,800 followers on Instagram and 1,660 followers on Twitter.

| Key Figures: |
| Population: 1,769 (2018) |
| Size (km²): 34.6 |
| Purpose of Travel: N/A |
| Tourist Numbers (p/year): 35,000 |
| Average length of stay (days): 7.60 |
| Camping (average p/night): N/A |
| 3-star hotel (average p/night): $129 |
| 4-star hotel (average p/night): $245 |
| 5-star hotel (average p/night): $325 |

Water Activities:

- Boat Cruise (2 hours): $110
- Kayaking and Cruise: $125
- Scuba Diving (1 dive): $160
- Fishing Tour (half day): $160

Land Activities:

- History Tour (1 hour) : $56
- 4WD Island Tour (1 hour): $70
- Phillip Island Trek (boat transfer and walk): $160
2.10 Solomon Islands

South Pacific Ocean

The Solomon Islands are located to the east of Papua New Guinea and northwest of Vanuatu and consist of six major islands and 992 small islands. The Islands are known for their natural beauty with coral reefs, sandy beaches, tropical jungle, rainforests, waterfalls and volcanoes.

Demographics and Geography

The population was reported at 680,806 in 2019. The Solomon Islands have a total land area of 28,896 km² and 5,310 km of coastline. There are about 84,520 residents living in Honiara, the capital of the Islands, however, there are less than 10,000 people on each of the other islands. 79% of the Solomon Islands are covered by forest, with dense tropical rainforest on most islands. The Solomon Islands are home to 4,500 plants species and 173 species of birds, which is ideal for nature tourism.

Tourism Statistics

The Solomon Islands welcome 60,000 tourists a year, with an average length of stay of 10.3 days and average spending of $350 per day. The majority of the tourists come from Australia, New Zealand, Japan, Europe and America. There are flights from Brisbane and Port Vila to Honiara, with an average cost of $766 and $577 respectively. The Solomon Islands Government understands the importance of tourism to the Islands’ economy and has initiated actions to improve the tourism industry. As a result, a comprehensive tourism report with detailed plans and recommendations was produced in 2019, with goals of stimulating growth in the tourism sector, developing tourism trails in areas that receive fewer visitors, and spreading tourists throughout the regions. This report was produced by Strongim Bisnis, an Australian Government initiative working with the private sector and the Solomon Islands Government. This report includes recommendations on infrastructure; communications; land, sea, and air transport; operational capacity building; sustainability; waste management; and equipment purchases.

Accommodation and Activities

The accommodation includes three-star to five-star hotels, with pricing between $171 to $400 per night, which is relatively inexpensive compared to other jurisdictions. The islands offer varied activities for tourists. Water activities include surfing, diving, and fishing, costing between $75 and $150. There are also land-based activities such as cultural tours, WW II historical tours, birding watching, cave walk and museum visits, costing $50 on average.

Marketing and Social Media

The Visit Solomon Islands Facebook, Instagram and Twitter accounts are somewhat active. The page posts less than twice per week on each of the media channels. The Facebook page has 32,635 likes and the Instagram page has 3,760 followers as of December 2019. There is even less activity on Twitter, with less than one post per week and only 343 followers.
2.11 Timor-Leste
Southeast Asia

Timor-Leste is a developing Southeast Asian nation on the eastern tip of the Indonesian Archipelago to the north of Australia. There are daily flights from Darwin (except Tuesdays), Denpasar and Singapore, but because Timor-Leste achieved independence from Indonesia only in 2002, its tourism industry is still in its infancy. Timor-Leste’s 2017 Tourism Strategy identified several areas for improvement, including road transport infrastructure, airport facilities, flight schedules, and reviewing the visa policy.

Demographics and Geography

Timor-Leste is located 400km north of Australia across the Timor Sea. The nation is 14,784 square kilometres in size with a coastline of 706 kilometres and a hot tropical climate with a dry and wet season. Timor-Leste’s population is 1,311,662 as of January 2020. Timor Leste is predominantly Catholic nation, with 97.6% of the population Roman Catholic, with religious attractions such as the Sanctuary of Nain Feto Ramelau, the Nossa Senhora de Aitara, the Cristo Rei, the Joao Paulo II, and the Santa Cruz Cemetery in Dili.

Tourism Statistics

In 2017, 74,000 international tourists visited Timor-Leste and the average length of stay was 9 days. It is estimated that only 17% of these visitors were holiday makers whereas more than half (56%) visited for work, including volunteering. Visitor numbers have increased significantly since 2006 when Timor-Leste received only 14,000 visitors. Timor-Leste is prioritising developing tourism by working on its National Tourism Policy. This has included investing in basic infrastructure such as airports, ports, roads, telecommunications and tourism infrastructure such as hotels, restaurants, and cultural facilities. The number of visitors is expected to reach 162,000 in 2020 however the ultimate goal of the country is to have 450,000 per year.

Accommodation and Activities

Timor-Leste is an inexpensive place for visitors with both accommodation and activities costing very little in comparison to regional destinations. A three-star hotel costs approximately $92 per night and a four-star costs approximately $145 per night. Timor-Leste has yet to have any five-star accommodation. Water activities include diving and snorkelling, ranging from $30 to $300. Diving is one of Timor-Leste’s top attractions, however dive tourism development is limited because Timor-Leste does not have a hyperbaric recompression chamber. With its mountainous terrain, visitors can enjoy mountain biking, 4WD hire, hiking activities, or a half day guided tour for $140. There is museum on Timor-Leste that has significant WWII history. Timor-Leste is also home to more then 240 bird species, at least 23 of which are found nowhere else in the world.

Marketing and Social Media

Timor-Leste Tourism’s Facebook page has 5,756 likes and posts two-three times per week. On Instagram, the Timor-Leste Tourism page has only 539 followers and also posts two-three times per week.
2.12 Tiwi Islands
Northern Territory

The Tiwi Islands include two large islands, Bathurst Island and Melville Island, and nine smaller uninhabited islands. They are a unique microcosm of culture accessible by a two-hour ferry or half-hour flight from Darwin. Largely unexplored by most visitors to the Northern Territory, the Tiwi island tourism industry is small with a lack of development, infrastructure and product offerings.

Demographics and Geography

The Tiwi Islands are located 80km north of Darwin. The islands have a rich Indigenous culture, with the most recent census indicating Aboriginal/Torres Strait Islanders make up 89% of the population. The population was recorded at 2,763 in 2017. The wetlands, and coastal environment of the islands make up a combined size of 7,483km².

Tourism Statistics

There is minimal data available on the tourism industry of the Tiwi Islands. For transportation, visitors can choose either ferry or domestic flight from Darwin to get to the Islands, with prices at $120 for ferry and $350 for flight. The ferry service operates on Thursday, Friday and Sunday on a regular basis. There are flights daily from Darwin to the Tiwi Islands, however flights are cancelled if passengers numbers do not meet minimum thresholds.

Accommodation and Activities

There is limited accommodation available on the Tiwi Islands. Accommodation offerings including camping for approximately $10 per night or a three-star lodge for approximately $100 per night. The Tiwi Islands offer both water and land activities, but nothing involving swimming due to unsafe swimming conditions. Water activities are mainly fishing and mud crabbing and depending on the package, prices range from $330 to $3000 on average and could go as high as $8000. Fishing and cultural tours are the two biggest drawcards, with land activities including cultural tours, scenic flights and visiting art and cultural centres with prices ranging from $295 to $495. Several different companies offer full-day cultural tours departing from Darwin and returning to Darwin on the same day.

Marketing and Social Media

The Tiwi Islands have minimal social media presence and are not as actively marketed as other Northern Territory destinations. The Tiwi Islands are on the Northern Territory’s official tourism website as well as featuring in a marketing campaign by Instagram influencers’ visit, including Elise Cook with 368,000 followers and Brodie Moss with 317,000 followers and 1,200,000 YouTube subscribers.

| Key Figures: |
| Population: 2,763 (2017) |
| Size (km²): 7,483.2 |
| Purpose of Travel: N/A |
| Tourist Numbers (p/year): N/A |
| Average length of stay (days): N/A |
| Camping (average p/night): $10 |
| 3-star hotel (average p/night): $100 |
| 4-star hotel (average p/night): N/A |
| 5-star hotel (average p/night): N/A |
| Water Activities: |
| Fishing Charter (full day): $330 |
| Mud Crabbing Boat Tour (3 hours): $330 |
| Fishing Charter (2 days): $2950 |
| Land Activities: |
| Indigenous Cultural Tour (full day, leaving from Darwin): $295 |
| Scenic Flight (45 mins): $495 |
| Transport: |
| Ferry (ex. Darwin): $120 |
| Flight (ex. Darwin): $350 |
2.13 Torres Strait
Tropical North Queensland

The Torres Strait is a culturally significant region between far North Queensland and Papua New Guinea largely unexplored by tourists due to its accessibility. There are over 200 small islands scattered throughout the Torres Strait but only 17 are permanently inhabited and of these inhabited islands, only a few allow visitors after obtaining a permit from the local council.

Demographics and Geography

The Torres Strait has a population of 4,514 in 2019, with Aboriginal/Torres Strait Islander people comprising 91.8% of the population. The islands in the Torres Strait are divided into four main groups: eastern group, central group, western group and northern group, each with different characteristics and terrains. The Torres Strait and their surrounding water and reefs consist of highly diverse set of land and marine ecosystems, which makes it ideal for nature tourism.

Tourism Statistics

There is minimal data available on the tourism industry in the Torres Strait. Torres Strait is accessible by ferry and plane. Ferries depart from Cairns ($600-$1200) and from Cape York ($120). Qantas operates daily flights from Cairns to Horn Island for $400 return.

Accommodation and Activities

Accommodation and activities in the Torres Straits are limited. Accommodation offerings include camping, three-star and four-star hotels with prices between $30 and $350. The Torres Strait offer both water and land activities. Fishing is the most popular activity and charterers are frequently booked as a package which includes accommodation, food, tour guide and fishing with the average price about $2250 for four days. Other activities include a Pearl Farm Tour and Scenic Flight, costing $90 and $460 respectively. Additional options are visiting Green Hill Fort and military museums providing information on the Torres Strait’s involvement in WWII and art centres for rich cultural experiences.

Marketing and Social Media

There is minimal marketing and social media updates for Torres Strait tourism. The Tropical North Queensland official tourism website provided links to Torres Straits Islands Tourism and activities, things to do and accommodation, however the website is mainly focused further south around the Cairns Region.

Official Facebook, Instagram, and Twitter accounts did not exist specifically for the Torres Strait. However, the ‘tropicalnorthqueensland’ Facebook and Instagram page often features the Torres Strait Islands through pictures and posts delivering tourism information and showcasing beautiful landscapes. The Facebook page has 188K likes, and their Instagram page has amassed 158K followers as of December 2019. A hashtag feed showcasing tourists posts using #exploreTNQ was also featured on the Tropical North Queensland website.
Appendix 3: Customer Profiles
3.1 Asian tourist customer profile
The Indian Ocean Territories have several characteristics that appeal to the new Asian traveller profile

Previous generations of Asian tourists relied primarily on group travel, with itineraries organised by wholesale travel agents, with a minimal level of customisation. While group travel is still used by a significant proportion of Asian tourists, the new Asian traveller increasingly wants to travel independently, opting to book and arrange their own travel, accommodation and experiences. Detailed customer profiles can be found in Appendix B.

Free independent Asian traveller arrivals to Australia grew from 1.63 million in 2005 to 2.6 million in 2015. Group travel increased from 377,000 to 515,000 over the same time. This increasing number of Asian visitors are placing greater importance on experiences and cultural immersion, preferring to be regarded as travellers, rather than tourists. These new travellers are allocating a larger share of their budgets toward activities and dining, and are seeing more unique and exotic destinations compared to typical tours and well-worn global tourist hubs. Experiences are judged on perceived quality and authenticity of interactions. This cohort are:

• Pursuing unique and exotic destinations
• Experienced travellers not tourists
• Spending more on activities and dining
• Seeing high quality experiences and cultural immersion

The other distinguishing trait of the new Asian traveller is their connectedness and proclivity to engage in social and digital media. Smartphone penetration for the region is currently estimated at 41% and is projected to increase to over 50% by the end of the decade. This growth in smartphone usage has dramatically increased access to the internet, and has changed the consumption habits of Asian consumers, increasing their propensity to purchase items digitally via mobile. Similarly, it has also increased their access and use of social media. For example, over 90% of Japan’s population has a presence on some form of social media.

The IOTs have several characteristics for the new Asian traveller including unique and exotic destinations, the opportunity to spend money on experiences and high quality experiences and cultural immersion. The designated WI-FI hotspot on Direction Island enables visitors on social media to immediately upload updates, pictures and blogs on to media platforms. Duplicating these WI-FI hotspots at other key points of interest across the IOTs will enable new Asian travellers to share their experiences of the IOTs in real time and provide indirect marketing to followers on social media.

The new Asian traveller is distinct from previous generations. They are highly affluent, educated, urbanised and connected. They prefer autonomy when travelling rather than a structured group tour. They are also not a homogenous group – today’s Asian travellers differ from country to country, city to city and generation to generation.

Tourism and Events Queensland, Queensland Asia Tourism Strategy 2016–2025.
## 3.2 Customer Profiles

China is now Australia’s largest inbound tourism market, with the rising number of Chinese millennials expected to continue to benefit the Australian tourism industry.

### China

<table>
<thead>
<tr>
<th>Amount of arrivals</th>
<th>$1.3M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average stay</td>
<td>43 nights</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>$11.98 per year</td>
</tr>
<tr>
<td>Average expenditure per trip</td>
<td>$9,007</td>
</tr>
<tr>
<td>Average expenditure per night</td>
<td>$209</td>
</tr>
</tbody>
</table>

### Aspirations
- Beauty and natural environment
- Local cuisine and product
- Interesting attractions
- Beaches and marine life

### Appeal
- Coastline
- Great Barrier Reef
- Wildlife
- Food and wine

### Travel essentials
- Safety and security

### Current top markets

<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>17.6%</td>
</tr>
<tr>
<td>Italy</td>
<td>10.2%</td>
</tr>
<tr>
<td>France</td>
<td>11.6%</td>
</tr>
<tr>
<td>Germany</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

### Case Study: Chinese millennials

The rapid rise of Chinese millennials represent a significant growth market. The new market of Chinese millennials are independent, free and wealthy travellers different from the traditional Chinese organised tour group market. There are currently over 1 billion Asian millennials.

Millennials gather as much information as possible from a range of sources in their travel planning. Key sources include online travel reviews and social networking sites. Millennials enjoy sharing their experiences in real time with social media and having others comment. Travel to Asian millennials signals social status so posting pictures allows them to increase their standing.

“Fun loving, young, independent, more sophisticated and craving fun, millennials are aspirational, leading to structural upside in fun related experience based spending”. – Goldman Sachs Chinese Tourist Boom Report Nov 2015

“Over the next decade, 74 million Chinese millennials at universities are set to graduate: we think they will look to travel overseas in large numbers as they are well informed”. – Goldman Sachs Chinese Tourist Boom Report Nov 2015

“Chinese millennials are experimental, actively seeking out unique, exciting and original experiences and destinations with a desire to live like locals against the ultimate selfie backdrop. For the Chinese millennial, travel has become a powerful lifestyle statement”. – COTRI Market Report Spring 2016

“Chinese millennials are digitally proficient engaged with the internet and social media and will gather and share travel information online. 61% of younger millennials used their mobiles to plan and book trips in 2015 vs 17% in 2014”. – Hotels.com

“Wealthier university educated and with strong earning potential, Chinese millennials are high spending travellers”. – TRA IVS
3.2 Customer Profiles

Japan and South Korea are key demographics, both spending large amounts of money per trip.

**Japan**
- **Aspirations**
  - Local cuisine and product
  - Interesting attractions
  - Rich history and heritage
  - Beauty and natural environment
- **Travel essentials**
  - Safety and security
- **Appeal**
  - Great Barrier Reef
  - Wildlife
  - Beaches
  - Food and wine
  - Natural beauty
- **Current top markets**
  - USA 42%
  - Italy 7.5%
  - France 9%
  - Germany 5.8%

Japan has the potential for large, stable volume visitor growth in Australia’s tourism industry. In 2019, Japan recorded the strongest growth in visitor spending (15%), above India (12%) and the US (10%). Japan’s travel expenditure included packaged tours (29%), food drink and accommodation (25%) and pre-paid international airfares (18%).

Japanese Millennials and retirees are key segments expected to influence the market. Japanese retirees rely on word of mouth, printed media and travel agents for information and final guidance on booking decisions.

**South Korea**
- **Aspirations**
  - Beauty and natural environment
  - Interesting attractions
  - Local cuisine and product
- **Travel essentials**
  - Safety and security
  - Value for money
- **Appeal**
  - Natural beauty
  - Wildlife
  - Food and wine
  - Unspoilt wilderness
  - Beaches
- **Current top markets**
  - USA 26.7%
  - Spain 8%
  - Turkey 6.6%
  - Italy 5.5%

South Korea was Australia’s 10th largest market for visitor arrivals, 6th largest for total spend, 9th largest for visitor nights, and 12th for regional dispersal in 2018. However, in 2019 Australia experienced a downward trend from its South Korean visitor arrivals. Visitor numbers declined from 279,000 to 256,000 (-9.2%). In addition, spending also declined from $1.66B to $1.46B (-12.3%).

Similar to Japan, South Korea is a high yielding market averaging $5,697 per trip. Key segments include those aged 35-49 years, millennials, friends and free independent travellers, (an individual, or small group with less than 10 members) travelling for leisure and education.
### 3.2 Customer Profiles

India and Indonesia both grew as visitation markets in 2019, with India having one of the highest expenditure per trip.

#### India

- **Aspirations**
  - Beauty and environment
  - Interesting attractions
  - Family friendly
  - Beaches and marine life

- **Travel essentials**
  - Safety and security

- **Current top markets**
  - USA 28.2%
  - Italy 7%
  - UK 11.4%
  - Switzerland 6.4%

- **Future top markets**
  - Melbourne

- **Amount of arrivals**
  - 350,000
- **Average stay**
  - 63 nights
- **Total expenditure**
  - $1.76B per year
- **Average expenditure per trip**
  - $5,032
- **Average expenditure per night**
  - $80

#### Indonesia

- **Aspirations**
  - Beauty and natural environment
  - Family friendly
  - Beaches
  - Visiting different destinations
  - Wildlife
  - Cities
  - Island experiences
  - Great Barrier Reef

- **Travel essentials**
  - Safety and security
  - Value for money
  - Friendliness and openness

- **Current top markets**
  - Australia 27.2%
  - USA 17.4%
  - Turkey 9.5%
  - Netherlands 7.4%

- **Amount of arrivals**
  - 191,000
- **Average stay**
  - 29 nights
- **Total expenditure**
  - $823,000 per year
- **Average expenditure per trip**
  - $4,300
- **Average expenditure per night**
  - $149

---

In 2019, India was Australia’s strongest tourism growth market for visitation, recording an annual growth of 11.7% in visitors to Australia. To complement this, total spending increased by 17.4% and is expected to grow again by 17.3% in 2020.

The Indian tourist is expected to spend less money than others and are expected to travel for the long haul. Compared to the overall average of 32 nights, the Indian tourist spent 63 nights on average in 2019.

India’s tourism market in Australia is driven by a surge of those visiting family and friends. Market segments showing great potential include those aged 35-49 years, millennials, families, honeymooners, travelling for leisure, incentives and education.

Australia experienced steady growth from its Indonesian visitor numbers during 2019, with an increase of 6.5% in visitation. Of those visitors, 27% identified as first time visitors and the remaining 73% had been on a return visit.

In 2019, Indonesian tourist expenditure increased by 4.6% compared. By 2020, the tourist market is projected to increase by 20% in expenditure.

Key segments of the Indonesian tourism market in Australia include those aged 35-49 years and millennials. There is projected growth for free independent travel and incentive travel (travel experiences to motivate or recognise superior performance). When it comes to booking, the majority are doing so via a travel agent, either via telephone, in person or online.
### 3.2 Customer Profiles

Singaporean and Malaysian markets both have Australia as their top destination market.

<table>
<thead>
<tr>
<th><strong>Malaysia</strong></th>
<th><strong>Singapore</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount of arrivals</strong></td>
<td>346,000</td>
</tr>
<tr>
<td><strong>Average stay</strong></td>
<td>21 nights</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>$1.288 per year</td>
</tr>
<tr>
<td><strong>Average expenditure per trip</strong></td>
<td>$3,703</td>
</tr>
<tr>
<td><strong>Average expenditure per night</strong></td>
<td>$175</td>
</tr>
</tbody>
</table>

Malaysia was Australia’s 7th largest inbound market for visitor arrivals, 10th largest for total visitor spending and 11th for visitor nights. But just like Australia’s South Korean visitation, the Malaysian tourism market in Australia experienced a downward trend in 2019. Evidently, visitation numbers decreased by 2% and spending decreased by 3.8%.

The length of trip for the Malaysian visitor is shorter than the average of international travellers. Under one-third of trips are expected to be with tour groups. However, recent trends show shifts towards semi-independent and fully-independent travel in recent years.

The Malaysian traveller uses a combination of online and offline sources to plan travel, including internet searching, talking to friends, and social media.

<table>
<thead>
<tr>
<th><strong>Aspirations</strong></th>
<th><strong>Travel essentials</strong></th>
<th><strong>Aspirations</strong></th>
<th><strong>Travel essentials</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interesting attractions</td>
<td>Safety and security</td>
<td>Local cuisine</td>
<td>Safety and security</td>
</tr>
<tr>
<td>Family friendly</td>
<td>Value for money</td>
<td>Interesting attractions</td>
<td>Value for money</td>
</tr>
<tr>
<td>Beauty and natural environment</td>
<td></td>
<td></td>
<td>Friendliness and openness</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Appeal</strong></th>
<th><strong>Current top markets</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches</td>
<td>Australia 39.3%</td>
</tr>
<tr>
<td>Wildlife</td>
<td>USA 9.9%</td>
</tr>
<tr>
<td>Island experiences</td>
<td>Turkey 8.2%</td>
</tr>
<tr>
<td>Visiting different destinations</td>
<td>UK 19.1%</td>
</tr>
</tbody>
</table>

In 2019, visitors from Singapore spent $1.54B while in Australia. A vast majority of spending was on leisure, as 53% of visitors travelled for holiday purpose.

At the end of 2019, the population of Singapore was 5.6M million people, meaning 7.27% of the population visited Australia.

The trip length for the Singaporean traveller is more than twice as short as the average length of stay of international visitors. Less than one quarter of trips are tour groups, with a shift towards semi-independent and fully-independent travel in recent years.

When it comes to booking, the majority are doing so online either directly via an airline’s website, or via an accommodation provider.
3.2 Customer Profiles

**Muslim travel**

Muslim travel is one of the fastest growing segments in the global travel industry. Since 2016, the number of Muslim-Friendly Travellers (MFT) grew by almost 30%. The current MFT industry is worth $180B with projected growth to be worth $300B over the next decade.

MFT’s are young, educated, upwardly mobile and can often be a sub-group of travellers that seek recreational activities providing privacy for males and females. These can include swimming pools, gyms and beaches that males and females can enjoy in their own privacy.

A key component MFT’s seek when selecting a destination is accessibility to a prayer facility. Based on survey results, 63% of Muslims perform five daily prayers. While travelling, some may combine and perform prayers three times a day.

**Aspirations**
- Integration, diversity and faith
- Heritage, culture and connection
- Well-being and sustainable tourism

**Travel essentials**
- Safety and security

**Appeal**
- Halal food
- Private beaches
- Quality living standards
- Resorts with separate swimming pools for men and women

**Current top markets**
- Malaysia
- Indonesia
- Turkey

**The rise of Muslim travel in Malaysia**

In 2018, Malaysia held first position for the ninth consecutive year in the MasterCard-CrescentRating Global Muslim Traveller Index. Malaysia experienced 5.2M Muslim tourist arrivals and received Muslim Friendly Accommodation Recognition for 12 of its hotels. Many of Malaysian hotels provide Qibla direction; …., and prayer mats in guest rooms.

Muslim travel in Malaysia draws on religious resources, local strengths, and experiences. Mosques are accessible in each district across Malaysia, and ample prayer facilities are available almost everywhere; including tourist attractions, malls, airports, parks and most public places.

In Malaysia, most restaurants serve halal food, including international fast-food franchises that are all certified by the Department of Islamic Development Malaysia’s (JAKIM), Malaysia’s certified body. Muslim tour packages are also offered to accommodate religious practices and needs such as prayer stops and halal meats.

With a stable political, economic and social climate, Malaysia has transformed into the ideal Muslim-friendly destination appealing to Muslims and non-Muslims.
Appendix 4: Consultation findings
4.1 The Cocos (Keeling) Islands consultation findings

Strengths

The strengths listed on this page are a summary of the key themes identified throughout the consultation period. They do not necessarily represent the findings and opportunities identified as part of the Indian Ocean Territories Tourism Review and Action Plan.

- The Cocos (Keeling) Islands have pristine beaches, untouched islands and a beautiful natural environment. The Cocos (Keeling) Islands are a great spot to see marine life and birds.
- In 2017, Cossies Beach on Direction Island was voted Australia's best beach.
- The Cocos (Keeling) Islands are remote and quiet, making it a spot where people can enjoy solitude and feel like they are experiencing an exclusive destination.
- The Cocos (Keeling) Islands are a Muslim-friendly tourist destination, with a large Muslim population and halal-friendly eating outlets.
- There is a strong sense of community and numerous social activities which welcome visitors, including Scroungers, Hash House Harriers and other events put on by the community.
- The Cocos (Keeling) Islands are considered a world-class destination for niche markets such as bird watchers and kite surfers.
- There is limited Wi-Fi and mobile connectivity, which appeals to visitors seeking to disconnect from technology.
- Tourism operators on the islands provide excellent products which tourists resoundingly enjoy.
- The Cocos (Keeling) Islands have significant history, both with its own settlement and with its involvement in the World Wars.
- The Cocos (Keeling) Islands Tourism Association (CKITA) has delivered a successful marketing campaign into regional WA. This resulted in the Cocos (Keeling) Islands being awarded a Gold Medal in the Emerging Tourism Town Category at the 2019 Top Tourism Town Awards. Operators and accommodation providers note an increase in visitor numbers which they attribute to this campaign.
- The Cocos (Keeling) Islands are a safe and crime-free destination.
4.2 The Cocos (Keeling) Islands consultation findings

Barriers

The barriers listed on this page are a summary of the key themes identified throughout the consultation period. They do not necessarily represent the findings and opportunities identified as part of the Indian Ocean Territories Tourism Review and Action Plan.

- There is limited accommodation on both islands, especially on Home Island which only has Oceania House and one homestay. The future of Oceania House as an accommodation option is uncertain. Existing accommodation on West Island sometimes reaches capacity, especially during kite-surfing season (July – October).

- Flights to the Cocos (Keeling) Islands are limited.

- Different organisations (CKITA, Shire of Cocos (Keeling) Islands, Cocos Islands Cooperative Society, RDO) have different tourism agendas and strategies. There is no coordination across the organisations, which can result in a lack of cohesion and direction, an inefficient use of resources and a lack of understanding of goals and targets.

- The West Island – Home Island ferry schedule limits the ability to grow the tourism industry. With only one night ferry operating between West Island and Home Island per week, Home Island operators are limited in when they can offer tours and other services, since most tourists stay in West Island accommodation. Most meetings take place on Wednesday nights, so locals are busy with commitments and cannot take advantage of offerings on another island.

- There is a limited hospitality culture, uncertainty around restaurant opening times and other hospitality services. This detracts from the visitor experience and may cause frustration for visitors who expect a higher level of service.

- It is difficult to establish or purchase a business on the Cocos (Keeling) Islands. There is a lack of housing for residents and people seeking to reside on the Cocos (Keeling) Islands, and high costs such as shipping and insurance. Insurance is seen as one of the most significant barriers, since it is often unattainable. Because of these barriers, existing operators have a hard time selling their businesses.

- The lack of volume of tourist numbers results in operators unable to sustain their tourism employment on a full time basis and are required to work multiple jobs. This leads to activities/tours occasionally being unavailable due to competing employment priorities.

- There is limited land available and the process to receive approval for land development is perceived to be challenging.
4.3 The Cocos (Keeling) Islands consultation findings

Opportunities

The opportunities listed below are a combination of common ideas from consultations that can be implemented rapidly to improve the existing visitor experience. The ideas below are a summary of ideas that were developed with input from the local community.

Quick wins:

- Semi-permanent camping facilities on South, Horsbrugh, and Direction Islands which could be used for either camping or glamping, adding a new and inexpensive accommodation option.
- Increased ferry times between Home and West Island, especially an extra night ferry to encourage new offerings on Home Island and help activate the tourism and hospitality market.
- Increased collaboration between Home Island operators and West Island operators, by facilitating an industry forum.
- Marked bike and walking trails around both islands to provide more areas for visitors to explore and to activate areas such as Trannies Beach and Sandy Point where the Shire has invested in facilities and amenities.

- More offerings for hire on Home Island, specifically at Turtle Beach and Sandy Point which could include umbrellas, kayaks, paddle boards, etc. and could be hired out on an honour system.
- Improved and updated signage on both islands to direct tourists to points of interest, shops, and cafes and improve overall navigation.
- Skills training for locals in tourism-related areas such as hospitality to improve the tourist experience and provide services that meet high expectations.
- Support for local entrepreneurs who may need help starting or running a business, including upskilling workshops, business mentoring and access to grant funding.
4.3 The Cocos (Keeling) Islands consultation findings

Opportunities

The opportunities listed below are a combination of common ideas from consultations that can be implemented rapidly to improve the existing visitor experience. The ideas below are a summary of ideas that were developed with input from the local community.

Quick wins:

- Increased cultural offerings on Home Island such as food tours and cooking classes where tourists can learn to cook in a Home Islander’s home.

- Diversify markets by promoting Cocos (Keeling) Islands as a destination for retreats, such as technology detox, wedding destination, corporate retreats.

- New offerings such as history tours, volunteerism, and eco tourism that will attract new markets.

- Multi-day itineraries that include activities on both islands, with different itineraries available for people based on their interests, such as: history, culture, or adventure, which would provide more tourist information and increase visitors to Home Island.

- Along with the existing pamphlet that is handed out at the airport, hand out a Home Island-specific pamphlet to encourage more visitors to spend time on Home Island.

Medium-long term:

- Increased accommodation offerings on both West and Home Island, including 5-star accommodation to provide additional options and a high-end option that will appeal to some visitors.

- An investment prospectus to collate available investment opportunities and attract investors.

- A Destination Management Plan to create strategic alignment and a clear plan for the future of tourism in the Indian Ocean Territories.

- Inclement weather offerings such as an indoor recreation centre with activities which tourists could participate in, to provide an alternative to the existing outdoor activities.

- With the scheduled $200M upgrade of the Cocos (Keeling) Islands airport runway, there are opportunity to secure new flight paths that accommodate larger aircrafts. This includes removing cabotage restrictions.
4.4 Christmas Island consultation findings

Strengths

The strengths listed on this page are a summary of the key themes identified throughout the consultation period.

- Christmas Island is largely a National Park with world-renowned natural beauty. There are species endemic to Christmas Island and unique natural wonders such as the red crab migration which attract tourists. Other natural drawcards include the marine life and the bird population.
- Christmas Island has cultural links to South East Asia, particularly the Chinese and Malay communities, with these cultural synergies representing an opportunity to target this market.
- The climate is warm year-round, making Christmas Island a water and outdoor-friendly destination all year.
- There is limited Wi-Fi and mobile connectivity, which appeals to those looking to disconnect from work and technology.
- Christmas Island has a fascinating history, both regarding its own settlement and its involvement in World War II.
- Christmas Island is a safe and family-friendly destination.
- Christmas Island benefits from strong tourism numbers visiting for niche markets, such as bird watchers, divers and tourists visiting to see the red crab migration.
- Christmas Island is considered a bucket list destination.
- The existing tourism operators on the island provide excellent services which tourists resoundingly enjoy.
- Christmas Island offers an annual marathon, which attracts visitors and has the potential to attract more who are interested in completing a marathon in a unique location.
4.5 Christmas Island consultation findings

Barriers

The barriers listed on this page are a summary of the key themes identified throughout the consultation period.

- Flights are expensive and unreliable for several reasons. Flights from Perth are sometimes cancelled or delayed due to weather, while the weekly Jakarta flight is often cancelled due to a low number of passengers. This has caused uncertainty amongst travel agents and an unwillingness to book tourists on Christmas Island holidays. The Kuala Lumpur flight, while seen as reliable, only runs fortnightly and is mainly used as a cargo flight.

- Western Australia regulations are applied on Christmas Island, which is sometimes seen as a barrier to entering business.

- Christmas Island businesses and organisations are often not eligible for grants or other government funding for a number of reasons, such as not being registered for GST or not meeting a minimum revenue requirement.

- It is difficult for investors to secure land to develop because land release is slow and the approval process is difficult to navigate.

- Negative press around the detention centre has caused reputational issues, with some people holding false views about the detention centre and how it would affect a Christmas Island holiday.

- There is limited hospitality culture on Christmas Island, with a lack of skills in hospitality. Many hospitality operators, particularly restaurants, do not see themselves as tourism businesses, and have passed up opportunities to develop hospitality skills through training.

- There is no alignment between tourism strategies, with different organisations developing different strategies. A lack in alignment can result in a lack of vision and direction, an inefficient use of resources and a lack of understanding of goals and targets.
4.6 Christmas Island consultation findings

Opportunities

The opportunities listed below are a combination of common ideas that can be implemented quickly to improve the existing visitor experience. The ideas below are a summary of ideas that were developed with input from the local community.

Quick wins:

- **Diversify markets by promoting Christmas Island as a destination for medical wellness retreats, including cancer recovery retreats.**
- **Self-guided history and temple tours of the island to provide additional tourist activities.**
- **Signage at sites of interest around the island with information about their history, improving the visitor experience and adding spots for visitors to explore on their own.**
- **A hand-out at the airport with information regarding restaurants and cafes, their opening hours, and information about the island to help orientate tourists.**
- **Skills training for locals in tourism-related areas such as hospitality to increase operators’ skills and improve the visitor experience.**
- **Support for local entrepreneurs who may need help starting or running a business, including upskilling workshops, business mentoring and access to grant funding.**
- **Fitness events that could attract new markets, such as running groups, hiking groups, or other outdoor activity groups.**
- **Develop Taijin House into a military and war precinct that showcases Christmas Island’s unique role in World War II.**
- **Adventure sports to attract new markets such as mountain biking, which could include guided tours and international events.**
- **Semi-permanent camping facilities throughout the National Park or on beaches, providing a new and inexpensive accommodation option.**
- **There are opportunities to activate the low and shoulder seasons by scheduling festivals and events to capture more visitors during low visitation periods. This can include a “Christmas on Christmas Island” concept, similar to the event in Portland, USA.**
- **Diversify markets by promoting Christmas Island as a destination for medical wellness retreats, including cancer recovery retreats.**
4.6 Christmas Island consultation findings

Opportunities

The opportunities listed below are a combination of common ideas that can be implemented quickly to improve the existing visitor experience. The ideas below are a summary of ideas that were developed with input from the local community.

**Medium-long term:**

- New accommodation offerings, including a 5-star resort-style accommodation to provide additional options that appeal to the high-end market.
- Celestial observatory away from the settlement which could include a restaurant, providing a spot for visitors to enjoy the stars in a remote area away from light pollution.
- An investment prospectus to collate available investment opportunities and attract investors.
- A Destination Management Plan to create alignment and a clear plan for the future of tourism in the Indian Ocean Territories.
- A Christmas Island Discovery Centre, a science and research centre providing opportunities for citizen science.
- Feasibility test for the re-opening of the Christmas Island Casino and Resort.
Appendix 5: Marketing and promotion strategies
Marketing in the IOTs has traditionally focused on advertising to the Western Australian market led by CKITA and CITA. Generally these marketing campaigns have not been coordinated between CKITA and CITA although there has been collaboration at trade shows and industry events. In September 2019 the Cocos (Keeling) Islands received a gold medal award at Western Australia’s 2019 Top Tourism Town Awards following a targeted marketing campaign into regional Western Australia. The Co-op has commenced preliminary marketing efforts into Malaysia and entered into MOUs with Malaysian organisations to market and promote the Cocos (Keeling) Islands as a Muslim friendly destination. CITA has initiated some targeted marketing campaigns into Asia however this has been scaled back due to the unreliability of the Jakarta flight. Marketing in the IOTs is somewhat restricted by the mandate requiring Associations to promote their members’ businesses. Operators at both destinations market their products and activities independently through social media.

There are several barriers inhibiting the effectiveness of marketing the IOTs as a destination including:

- The silo approach to tourism management through separate Association entities at each destination.
- The unreliability of flights into Asia is preventing targeted marketing campaigns into South East Asia. The Literature Review and Customer Profiles contained in Deloitte’s IOT Tourism Review and this Action Plan illustrate the potential of South East Asian markets with an expanding millennial middle class motivated to travel to unique destinations. The IOTs have many attributes that align with customer demographics and preferences of the Asian market.
- The Cocos (Keeling) Islands have a shortage of accommodation and no five-star luxury properties. It is difficult to heavily market the IOTs if accommodation capacity cannot match demand and the high costs of travelling to the Cocos (Keeling) Islands are not met with high-end accommodation and service levels.
- A lack of coordination between IOT tourism organisations and operators. Organisations and some operators have their own vision and target markets. For example, dive operators have been marketing into German markets while other organisations have been targeting Malaysia, Singapore and Australia.

5.1 Marketing and Promotion Strategies

Tourism in the Indian Ocean Territories

Ambassadors and Influencers

The use of marketing influencers and ambassadors is a growing trend in the tourism industry. Seaview on the Cocos (Keeling) Islands have commenced a trial marketing campaign using influencers to promote kitesurfing across the Cocos (Keeling) islands. Research indicates companies that invest in influencer marketing receive a $10.90 return on investment for every dollar invested. 82% of users of tourism services follow social media networks or the blog influencers of travel, fashion and/or lifestyle. Travellers frequently seek information from forums, blogs and social media prior to selecting their travel destination. In a recent survey conducted at a travel event, 75% of respondents stated their influencers have a significant influence on booking and/or purchasing in hotels and airlines, with 71% confirming the level of their influencer to influence their decision is high. Successful marketing campaigns using influencers and ambassadors invite influencers to attend travel fairs and events and engage with followers on their social media platform as travellers increasingly seek closer experience and interaction rather than reading publicity.

The selection of an ambassador or influencer is important to the success of any marketing campaign. Successful marketing campaigns engage with influencers who represent the values of their brand and destination. Many successful campaigns are based on ‘micro influencers’, influencers who have less than 100,000 followers. Though these influencers may have fewer followers than celebrities, they have greater credibility which leads to a high level of influence over followers.
5.1 Marketing and Promotion Strategies
Tourism in the Indian Ocean Territories

Marketing Strategies
Successful marketing campaigns identified in the jurisdiction review all use social media as a platform to engage with potential visitors. The Cook Islands have successfully implemented a marketing strategy using online platforms, recognising that traditional media and print advertising was only reaching an older demographic and Cook Islands Tourism sought to target a younger audience. Segmenting marketing and advertising on social media is critical for success. Online platforms should be updated regularly up to once daily. Best practice marketing campaigns are targeted and link the destination with brand values. For example, Hamilton Island recently launched a successful campaign based on the tagline “Remember Why”, using the island’s range of outdoor activities to elicit the nostalgia of traditional family holidays.

Social media campaigns should ensure the “social” element of the platform is prevalent in all promotional advertisement. In 2018, Tourism Ireland deliver their successful “Fill you heart...” campaign in which a heart rate monitor was strapped to tourists to stream real time heart rate data of visitors experiencing Ireland. Increasingly travellers are using their mobile phone to research and book travel. Campaigns should be mobile compatible, preferably on an app platform.

Marketing in the IOTs
Marketing strategies and campaigns in the IOTs need a coordinated approach between destinations to increase effectiveness and leverage from each island’s offerings. Marketing campaigns should be aligned to a regional Destination Management Plan that articulates the direction and vision for tourism across the IOTs and identifies key target markets accompanied by strategies for promotion. Prior to strategising and implementing a marketing campaign, the proposed regional organisation managing tourism in the IOTs should identify key target profiles and create customer profiles to enhance the effectiveness of promotional activities. Based on the customer profiles and global trends identified in the IOT Tourism Review and this Action Plan, this should include targeting South East Asian markets and Asian millennials. The opportunity to develop new products such as mountain biking, golf, military tourism, corporate/wellness retreats and wedding packages enables the IOT to diversify marketing campaigns to target specific audiences while ensuring traditional marketing for bird watchers, kite surfers and nature based tourists remains consistent.

Implementing many of the recommendations in this Action Plan is important prior to launching a marketing campaign or selecting an influencer to promote the IOTs. For example, marketing into South East Asia should be limited until regular and reliable flights are secured. In the current environment, there is a significant risk to the IOTs that the region’s reputation will be damaged if flights from Asia are cancelled, jeopardising future marketing efforts into South East Asia. Marketing in the IOTs should include a micro influencer with less than 100,000 followers but the ability to meaningfully engage with followers. The micro influencer should appeal to the particular customer profile and demographic of a targeted campaign, as the IOTs and in particular the Cocos (Keeling) Islands does not have the accommodation capacity to support a significant increase in visitation. Further, there is a lack of five-star accommodation in the IOTs. For these reasons, a celebrity or influencer with millions of followers is not advised. Any marketing activity must be destination-based and not in the interests of a particular business or provider.

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