

HELL TO PAY Model and star Lara Bingle with Tourism Minister Fran Bailey at the ad launch in London in March

the top could not have come at a worse time.

Of most concern is the Japanese collapse. The magnitude of the falls is alarming even hardened industry observers. Tourism trend estimates show that monthly visitors from Japan for July dipped to 49,500: 20,000 a month, or almost 30%, below 1990s peaks, and the lowest figure since 1991. Japan this year fell from being second to our third largest source of tourists: the UK now ranks above it.

Qantas figures indicate the Australian share of the Japanese outbound market has fallen from 6% in 2000 to 4.5% by 2005. So what is turning Japanese tourists off in such large numbers?

Australia is spending \$10.7m a year on the "bloody hell" campaign in Japan. It is Tourism Australia's biggest marketing spend. But is taxpayers' money being spent wisely?

A campaign source says: "[The ad] has been translated into Japanese as: 'So, why are you not coming to Australia?' Bloody does not translate into Japanese." There are apparently no plans to change the slogan, although the agency that devised it, M&C Saatchi, is believed to be planning to change some of the footage in the Japanese version.

Artist and tourism icon Ken Done says: "I don't believe 'Where the bloody hell are you?' worked in Japan", adding that the "koala and kangaroo" style product "misses the more stylish part of the Japanese market".

Some believe Tourism Australia needs to do more than move the proverbial deck chairs. Gerry Harvey, a former TA board member, says the crisis suggests the campaign is not



working. "I don't know where the Asian mind would be with: 'So, why are you not coming here?'," he says. "It's sort of a negative with a negative - it doesn't translate."

Bailey is a "tad frustrated" with the criticism. "You can't expect results yet in countries like Japan." She says fixing problems in Japan is about product as much as marketing. "Some of it is making sure we have a product that matches people's desires," she says.

Some travel agents think that by spending more on Japan than any other market, Australian tourism authorities are throwing good money after bad. Peter Lacaze, the head of one of Australia's largest wholesale agents, Transonic Travel, says: "We're investing into a declining market, and you've got to be careful not to chase the unreachable."

Like Slade, he suggests the decline in Japa-

nese travel here may be permanent. He charts falls back to the Japanese recession around 2003: "Japanese tourists stopped coming in large numbers to start with, and then started to travel to closer destinations in Asia and the Pacific." Cheaper holidays, in line with a more frugal approach, became the norm.

Lacaze believes more resources need to be redistributed elsewhere. "I'm not saying we should walk away from Japan, but we should be shifting to where the markets might have strong demand." He's putting his money where his mouth is: "We've progressively downsized our Japanese servicing departments in Australia, New Zealand and Fiji." Transonic, which wholesales package deals to travel agents around the world, is concentrating more of its energies on areas with "a strong interest in Australia", includ-

THE OUTBACK CLAIRE SCOBIE

Think local

Indigenous tourism operators are refining their wares to tap into a huge potential pool of visitors.

At last month's third Indigenous Tourism Conference in Alice Springs, I slipped out to check my emails at the Didjshop Cafe. Owned by Aboriginal art wholesaler Glenn Bird and based in Katherine, it's one example of Australia's 320 indigenous tourism ventures.

In 1999, despite not knowing how to work a coffee machine, Bird, 48, saw the opportunity to "value add two products" and set up an

internet cafe. The first three years were tough. "I made an appointment for one bank and they wouldn't let me in the door. That comes with the package of being black," he shrugs. "When you get past that, people come behind you, lift you up."

The government is now getting behind indigenous tourism, recognising its unique marketing potential. Between 2003-'04 and 2004-'05, the number of international visitors taking part in indigenous tourism

activities grew by 50%. In the March quarter this year, overseas visitors spent \$11m buying indigenous art or craft.

The potential is huge, with 363,375 international visitors to the Northern Territory last year, a jump of 9% over 2004-'05. They stayed for 2.8 million nights, an increase of 5%.

"Aboriginal tourism is a sought-after commodity," says Don Waite, manager of Way-out Back Desert Safaris, Alice Springs. "The stereotype of Aboriginal tourism is dancers. People don't want that now; they are savvy, they want substance."

Tourists can now learn traditional survival skills, eat fine food made from bush tucker and go on art tours in the Tiwi Islands. Accommodation ranges

from swags to five-star tents. But indigenous entrepreneurs still face scepticism from the international tour operators and, says Waite, who employs local Aboriginal guides, "the reliability factor is a big issue. You have to have consistency of product".

Indigenous Tourism Australia (ITA), under the umbrella of Tourism Australia, has launched a web portal to develop economically self-sufficient tourism businesses with a one-stop shop," says its executive chairman, Aden Ridgeway.

There are major challenges, including net access for remote operators, and the domestic market remains unconvinced, although more Australians are travelling to the NT, up by 16% at the end of March 2006.



CHOP AT THE TOP
Tim Fischer, top, as
Tourism Australia
chairman had to sack
GM Scott Morrison

THE RUMOUR IS THAT THE MINISTER, FRAN BAILEY, WAS JEALOUS OF SCOTT MORRISON'S MEDIA PROFILE //

MARTIN FERGUSON ALP TOURISM SPOKESMAN

ing the wealthy in Eastern Europe and parts of Russia. Tourism statistics suggest other bright spots. Trend estimates show Chinese tourism up 16% in July 2006 compared with July last year, while Indian tourism to Australia rose by a third during 2005-'06.

In China, Australia has a jump on other tourist destinations. Chinese tourists generally travel in groups because of restrictions on travel. In 1999, Australia and New Zealand were the first western countries to receive approval for China's Approved Destination Status (ADS) scheme, under which the government authorises travel by groups to overseas destinations. The move has reaped dividends: the number of Chinese travellers to Australia rose to more than 292,000 for the year to June 2006, up 115,000 from the figure just three years earlier.

Australia has been effectively marketed in China as a place for everything from shopping to eco-tourism. With estimates suggesting 100 million Chinese will be travelling overseas by 2025, many see China as our "new Japan". But Ferguson warns of the dangers of "killing the golden goose". "There is some evidence of unscrupulous operators fleecing Chinese tourists," he says. "We have to be careful we don't kill ourselves by ripping off Chinese tourists."

Already, Queensland Premier Peter Beattie has introducing legislation to ensure a quality product is offered to Chinese tourists. Other states will likely follow suit. As well, the ADS scheme was tightened earlier this year to tackle rogue operators, Bailey announcing all Australian operators were required to reapply to remain in the scheme.

India is another bright spot, with annual tourist numbers, in percentage terms, rising faster than any other country, off a low base, to almost 80,000 by June this year (up from 41,000 in 2003). Bailey sees almost unlimited potential: "It's about emerging middle classes; there's 200 million of them in India."

But given the rapid growth of tourists from these markets, is our marketing budget enough? It is understood that Tourism Australia spends \$3m and \$1.2m a year on China and India respectively. One senior tourism authority says it's not enough. "A \$3m budget in China seems like a lot, until you realise Nike's marketing budget for China is \$US110m a year."

The very mixed fortunes of tourism raises the obvious question: is the "Where the bloody hell are you?" campaign right for the times? Bailey and Morrison are in rare agreement, defending the campaign. Bailey says it is "far too soon to be making a judgment", despite falls in tourism figures. Criticisms of the campaign, she says, are wide of the mark: "We have tracked a 92% increase in hits on our web

site since it's been released," she says, adding that there has been particularly strong interest from the US.

Morrison comments: "I used to say: 'It's a bloody tourism ad, not a cultural campaign'. We were very clear about what we had to do. It's a great campaign."

The federal opposition's Ferguson says it is imperative "bloody hell" is maintained. "It would be wrong to have a stop/start situation, because at some point in the future, you would be trying to start from a lower base." He claims the controversy over the use of "bloody" had generated "millions of dollars in free advertising in England", but adds: "What works in one market is not always right for another market."

Those at the coalface say the "bloody hell" campaign must continue to be the image we send to the world. Says Transonic's Lacaze "The best thing the government could do is stick with the program and the funding. The fact it's getting coverage is the main thing."

According to our tourism leaders, it is not only the number of tourists coming through Australia, but the amount they are spending, that matters. On this score, the importance of the US market cannot be underestimated. It is only our fourth-largest tourism market, but its visitors spend more than any others. Tourists who come to Australia on American package tours average a total spend of \$7600 per visitor - more than double the Japanese average.

Some established operators marketing to the high-end American consumer are performing particularly well. Drew Kluska runs Outback Encounter, a specialised luxury tour operator offering accommodation at anything from \$700 to \$6000 per person, per night.

Kluska started out eight years ago offering purely outback adventures to the public. Since then, his range of tourist offerings has expanded significantly. He describes them as "anything you can't find on Google: from outback lodges to luxury Barrier Reef villas, private islands and private homes in Sydney and Melbourne".

Turnover grew "80% to 100%" this year, and by a further 70% last year. Kluska stresses, however, that it is not as easy as it sounds. "These people have the money, and don't mind paying it, but they're after value."

His experience shows that people, and Americans in particular, are willing to pay large amounts of money to come to Australia. Kluska points out that "the US is the big low-hanging fruit for us". Where the bloody hell others in the industry can find such lucrative "low-hanging fruit" is Tourism Australia's big question. ●

LINKS

- ITA web portal,
www.indigenoustourism.australia.com
- Tiwi Island Art Tours,
www.tiwiart.com
- Sacred Earth Safaris,
www.sacredearthsafaris.com.au
- Way Out Back,
<http://www.wayoutback.com.au/>

The Bulletin ONLINE
► What's wrong with
Australia? Your Say:
www.thebulletin.com.au