Strategic Plan to support events and activities around the Tully River

Cassowary Coast Regional Coast

3 August 2018

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Executive Summary

MacroPlan has been tasked to undertake an audit of the state of play of tourism at the international, national, state and regional level to contextualise the opportunities and challenges for the Cassowary Coast to progress a Cassowary Coast growth strategy for Ecotourism in their region and specifically to look at opportunities to develop the Cardstone Ecovillage site in the Tully Gorge.

Cassowary Coast is blessed with unique world class natural assets. The UNESCO World Heritage listed rainforests, beautiful clean fast flowing rivers with stunning waterfalls, white water rapids and great natural vistas and some of the best beaches in the world. The international jewel in the crown, the UNESCO World Heritage listed Great Barrier Reef is close and is complemented by a number of idyllic tropical islands all in close proximity to a popular international airport and seaport.

Cassowary Coast has all this advantage at the time there is an international upsurge in eco- and adventure tourism and the rise of Asia with its increasing wealth and propensity for travel at its doorstep. Ecotourism[1] forms a significant component of Australia's visitor economy, ranking among top travel motivators to come here. 69% (5.4 million) of international visitors in the year ending June 2017 engaged in some form of ecotourism activity.

This rise in adventure and ecotourism is highly relevant for Cassowary Coast due to the popularity within these tourism categories for World Heritage Listed Rainforests and the Great Barrier Reef as well as activities like white water rafting, mountain biking, hiking and generally experiencing nature. Interestingly, this unspoilt wonderland is increasingly important for the Chinese who wish to spend time away from the smog, pollution and noise of their bustling cities "to purge their lungs" with clean air, fresh water and sunny skies.

[11] Tourism Research Australia measures ecotourism but not adventure tourism. See definitions at back of report for more information.

International visitation has grown strongly over the recent years for Cairns, especially with Chinese visitors, but this has yet to translate into benefits for the Cassowary Coast. Tourism has declined in the Cassowary Coast from the heady days of the 1970s and 80s. Tourism business models have become dated and the move to the digital economy is seriously lagging. The new international paradigm of social media and online booking to promote and engage with the tourism economy are generally missing, but where they do exist, those businesses are growing successfully against the regional trend.

There has been a significant lack of tourism related investment in the Cassowary Coast for more than a decade. There is a shortage of high quality customer focussed staff and therefore businesses, and no 5-star and only a few 3 and 4-star tourism accommodation offerings providing any substantial accommodation.

In contrast, Port Douglas with many of the same natural assets as the Cassowary Coast, is successfully growing its tourism economy. It has had significant investment and as a consequence, has substantial 4 and 5-star accommodation tourist offerings. It has a strong online presence for both promoting itself and for directly engaging with potential tourists and displaying their feedback and ratings, critical to success in the new international tourism economy.

Cassowary Coast needs a catalyst to jump start a new tourism strategy. It also needs strong regional leadership to unite the community behind it. For this to work, it is encouraged that consideration be given to a regional economic development strategy that the whole community can support. This will help build community awareness of the importance of tourism to the whole economy. For every dollar spent by tourists in the Cassowary Coast, a very healthy 85 cents of additional activity is generated in the broader economy.

The hosting of the World Rafting Championships next year is a prime opportunity to showcase a new tourism strategy with all the international and national media attention it will bring. The Cassowary Coast Regional Council is demonstrating its commitment to improving tourism with the work on this strategy, but it will require regional leaders to step up to help lead this effort to engender the success that the region desires and deserves. Cassowary Coast needs to build a critical mass of high quality tourism offerings to be a tourism destination in its own right instead of a stopover on the way to somewhere else. It has the natural endowment to achieve this. It just needs the investment, the coordinated effort of its business owners and the support of its residents to leverage this internationally competitive advantage so that there is a strong viable economy for the next generation to live full and productive lives in this pristine region.

The Council owned Cardstone Village site represents a great opportunity for the region to turn its tourism fortunes around. The Council is exploring re-purposing the 18-hectare Kareeya Hydro Station's former worker's village at Cardstone deep in the World Heritage Rainforest adjacent to the beautiful Tully River and gorge. The site will be used to host the 2019 World Rafting Championships and this provides a timely and unique opportunity to kick start a new tourism paradigm for the Cassowary Coast in front of an international audience.

Based on MacroPlan's research and substantial economic expertise, it believes a new offering for Cardstone deliberately aimed beyond business-as-usual visitors to capture high value tourists is important to the re-imaging the Cassowary Coast as a high-quality international destination but is also important to bolster the local economy through the value chains that support the tourism industry.

The proposal contained within this report is to develop direct helicopter flights to Cardstone Ecovillage from Cairns Airport, a short 20-minute flight, with accompanying 4 and 5-star accommodation and food experience for high value tourists is the start of the tourism renaissance for Cassowary Coast. This would be accompanied by a visitor and interpretation centre with glamping and camping facilities. Strong early commercial interest has already been registered in developing the Cardstone Site along these lines, especially in light of the forthcoming world-wide exposure due to the World Rafting Championships being hosted there next year.

It is recommended that Council move quickly to capitalise and to complement this tourism project by undertaking an economic development strategy for the whole region so everybody can benefit and unite the community behind these important Council initiatives and opportunities with one voice.

Research Findings

Section 1: Findings for Cassowary Coast Regional Council from Audit of Trends in International Tourism

1. Changes in real household income in emerging economies has greatly increased levels of tourism world-wide but relativity of costs has made Australia less competitive in international tourism and reduced its relative share of tourists.

2. The rise of Asian tourists is important to Australian tourism and capital cities tourism in particular. Tourism Research Australia's meta-analysis for Australia shows that regional Australia is not benefiting because Asians tend not to visit regional areas unlike Australia's traditional tourist cohorts from Britain, New Zealand and USA. The strong exception to this trend is Cairns and Port Douglas.

3. The rise of adventure and ecotourism internationally are very important for Cassowary Coast due to the popularity within these tourism categories for World Heritage Listed Rainforests and the Great Barrier Reef and activities like white water rafting, mountain biking and hiking and generally experiencing nature.
4. Digital disruption is impacting tourism with recent data showing 60% of tourists gathered information about destinations from the internet before deciding where to travel and 50% were now booking part of their travel online.

5. Online reviews impacted 83% of tourist's decision-making about which accommodation to book, 68% of what attractions to visit and 64% of where to eat. Cassowary Coast has a low rate of businesses online and this will need to be improved to lift tourism visitation.

6. The sharing economy is impacting the structure of tourism accommodation through companies like Airbnb. It is acting at the edges of the market for now as most digital

disruptions do, but likely to become increasingly important as Airbnb international accommodation listings now exceeds 5 million. This is likely to impact Council's planning regulations and potentially undermine the viability of some parts of the formal personal traveller tourism accommodation market over the mid-term, but may open opportunities for growth of local small business operators targeted at backpacker and family visitor markets.

Section 2. Findings for Cassowary Coast Regional Council from Audit of Trends in National Tourism

1. Whilst international visitors to Australia have doubled over the last two decades, regions proportional share has dropped dramatically. Tropical North Queensland had a 20% decline in number of international tourists between 2006 and 2014 and a 40% drop in real tourism expenditure.

2. The value of the Australian dollar has a major impact on international tourism numbers. Tourism Research Australia found a 1% increase in relative prices due to exchange rate appreciation reduced tourism demand by 0.24% in the short run and 0.46% in the long run. This exacerbated tourism decline for Tropical North Queensland at the height of the mining construction boom.

3. Visitors from China are 'high-yielding' tourists, who on average, spend more per trip than the average for all international visitors so are a very important group to target.
4. Ecotourism forms a significant component of Australia's visitor economy ranking among top travel motivators to come here. 69% (5.4 million) of international visitors in the year ending June 2017 engaged in some form of ecotourism activity.

5. A Productivity Commission report (2015) into tourism identified poor quality and dated infrastructure in National Parks as a major impediment to growth in ecotourism in Australia. This means that any infrastructure installed at Tully Gorge needs to be of high quality to attract the additional tourists being sought including provision of Wi-fi access.

6. Cycle Tourism and as a subset, mountain bike tourism is growing strongly in Australia and this growth is focussed in regional Australia. In 2012-13, approximately 1.3 million domestic overnight visits and over 1 million-day visitors participated in cycling (including mountain biking) during their visit. Specific research on mountain biking estimates 300,000 visitors per annum that is, take trips over 50 kilometres from their place of residence.

7. Best practice tourism requires a focus on Destination Management as a holistic process that ensures tourism adds value to the economy, social fabric and ecology of the local community. Best Practice Destination Management integrates four key delivery areas:
   I. Research & Analysis
   II. Consultative Planning
   III. Experience & Product Development
   IV. Marketing & Promotions

8. CCRC appears to be developing their tourism strategy along these lines, but it may be worth referring to the Australian Regional Tourism Network resource documents to assure best practice models are being pursued. This particularly relates to engaging all local tourism stakeholders in the development, implementation and promotion of regional tourism, building a shared understanding and ownership of the strategy and having all parties being able to communicate this strategy at every step in the Cassowary Coast Tourism value chain so that there is an effective, coherent and authentic message delivered to all visitors. This can be a powerful process that aligns the various agendas of local actors, adds genuine value to the local economy, builds social cohesion and safeguards the ecology of the Cassowary Coast community for future generations.

9. Additionally, a strong focus on delivering quality tourism products and services is important to establish the region as a tourist destination.

Section 3. Findings for Cassowary Coast Regional Council from Audit of Trends in Queensland Tourism

1. Queensland is a nature rich state ideal for ecotourism with many of the attributes adventure and ecotourists are seeking. World Heritage rainforest, Great Barrier Reef and warm sunny weather to enjoy these great outdoor pursuits.

2. The Queensland Government is actively promoting the importance of ecotourism to the Queensland economy. It has published a Queensland Ecotourism Plan and a Best Practice Ecotourism Development Guide to support regions and the private sector to build a stronger ecotourism sector.

3. Recent funding announcements about investing in ecotourism infrastructure are congruent with government's commitment and augur well for CCRC to seek similar strategic investments to grow its ecotourism industry on the back of this report.

Section 4. Findings for Cassowary Coast Regional Council from Audit of Tropical North Queensland Tourism Market

1. Cassowary Coast is well endowed with adventure and ecotourism assets with world recognised white water rafting, world heritage rainforest, Jirrbal Rainforest Indigenous people already operating a tourism business (Ingan Tours) and many local champions trying to set up tourism events.

2. Some good relations exist across the Tropical North Queensland (TNQ) region aligned to improve tourism for the region but the Cassowary Coast is not currently attracting its share of regional adventure and ecotourists.

3. Need to look how the Cassowary Coast leverages already successful TNQ events that don't currently have a Cassowary Coast component to them. For example, Reef to Reef Mountain Bike Multi-day Stage Race, Triple R Adventure Race, Bicycling

Queensland Adventure Tour, the Internationally renowned Crocodile Trophy Mountain Bike Race, Adventure Sport NQ events, etc

Section 5. Findings for Cassowary Coast Regional Council from Audit of Cassowary Coast

1. Many genuinely well-meaning and capable local proponents ready to expand the Cassowary Coast ecotourism offer.
2. Proposed projects are mostly sensible, practical and achievable but would benefit from strategic leadership, integration and coordination of proposals and support to build viable business cases.
3. This will form the core of recommendations and the Action Plan coming out of this project.
4. There is great potential to increase the number of domestic tourists from 65% to closer to the Queensland average of 89% of overall tourist numbers.
5. Grow tourism industry employment given the decline of 15% compared to the decline of 7% of the rest of the local economy over the last 5 years.
6. Focus on building tourism precincts around Mission Beach as a reef, beach and rainforest playground, Mena Creek Village Precinct as a heritage built and rainforest experience with an authentic Australian food offering, Cardstone Village as an adventure tourism hub deep within the world heritage listed rainforest and Cardwell with a focus on mountain biking and Hinchinbrook Island rainforest and hiking paradise.
7. What is the Cassowary Coast branding strategy? Successful Cassowary Coast tourism businesses are tagging themselves as part of Cairns on web searches. Given most NQ tourists arrive through Cairns, Cairns has the brand name that they can leverage. Is it better to market Cassowary Coast as part of the Cairns hinterland or as a distinct destination-in-its-own-right.
8. Need to foster more high-quality tourism offerings. Considerations of meeting consistent high-quality standards across the region. For example, using the Australian Tourism Accreditation Program to support tourism operators to become accredited through satisfying specific criteria about meeting tourists' expectations with great customer service and high standards of business practice.

Accreditation of local tourism operators would mean that tourists get a consistent high-quality standard across the region.

This approach would need to include a training and retention strategy to ensure high quality staff including sufficient number that can speak the main visitor languages, e.g. Chinese, Japanese, Korean, etc

Brief

MacroPlan Dimasi has been tasked to undertake an audit of the state of play of tourism at the international, national, state and regional level to contextualise the opportunities and challenges for the Cassowary Coast to progress a Cassowary Coast growth strategy for ecotourism in their region and specifically to examine ecotourism development opportunities at Cardstone Village Site within the Tully Gorge.

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The project is to deliver a strategic plan to help grow the local economy by providing a guidance for the provision of infrastructure to support and develop events and activities around the Tully River and Tully Gorge area, specifically including the Cassowary Coast Regional Council's Cardstone Village site.

Working with key stakeholders, priority infrastructure is to be identified to support the growth of existing and future tourism activities and events. The plan will facilitate partnership development and identify and assess economic opportunities for activities in this iconic wet tropics area, providing a process for prioritising works to support current and emerging product opportunities.

The plan is to identify links with other regional projects and opportunities for complementary infrastructure as well as take a practicable approach to the consideration of current and likely economic and other factors affecting growth potential in the area. Consultants to explore potential investors for the Cardstone Village site.

Introduction

It is timely that the Cassowary Coast Regional Council is undertaking work on developing ecotourism projects within its region to promote economic activity. Both Federal and State governments have strong policies and initiatives supporting ecotourism along with funding to undertake and promote ecotourism projects.

The ecotourism is on the rise internationally and a principal reason for many tourists coming to Australia. This is of particular importance for the Cassowary Coast tourism market and specifically its Cardstone Village site in the Tully Gorge.

This research report will help position the Cassowary Coast Regional Council to be ready and aligned to the Federal and State government policy priorities to maximise ecotourism opportunities for the region. It will also help Council to access available funding to progress key actions emanating from this strategy.

The strategy frames its advice within the context of international and national trends in tourism markets, responds to how digital disruption has changed tourism and how increasing wealth in Asia has upended the traditional tourism visitor market in Australia and its specific implications for tourism in regional Australia.

The paper canvasses the rise of adventure tourism and ecotourism and its importance to Tropical North Queensland and the Cassowary Coast in particular. It sets out a new tourism economic development strategy for Cassowary Coast within the broader TNQ tourism market as we believe that these elements are co-dependent and there is a level of cooperation within TNQ that could yield greater benefits for Cassowary Coast then going it alone.

Finally, the strategy sets out a series of forward looking, low risk and modest actions over a two year timeframe that can be implemented as discreet elements over time but as a group provide a strong integrated tourism strategy. The strategy is practical, will resonate with local tourism and business owners as well as residents, is shaped within the best practice tourism paradigm of Destination Management, and can be staged over time as resources become available and the local tourism market responds to the Councils' initiatives.

Key infrastructure recommendations have preliminary costings and early business case analysis undertaken to help guide Council in its consideration of co-investment strategies with the private sector and submissions to State and Federal governments seeking co-funding.

Section 1: Trends in International Tourism

Tourism has changed. It will continue to evolve as changed patterns of prosperity, cultural attitudes and technology impact visitor markets across the world. A number of factors are important drivers of demand for tourism, including increasing real household incomes, changes in the relative price of tourism in substitute destinations, and declining travel costs (in real terms).

Changes in household income and relative prices are the most significant drivers of demand for Australian international tourism. Understanding the factors that drive current and future demand for international tourism helps Council and the Cassowary Coast tourist industry to be better informed and positioned to grow tourism and the complementary strategies to grow the local economy.

Adventure Tourism

Adventure tourism has grown in recent decades as tourists seek out-of-the-ordinary or "road-less-travelled" holidays. A lack of a clear operational definition has hampered measurement of the market size and growth. Adventure tourism is described as a tourist activity that includes a physical activity, a cultural exchange, or activities in nature. It is a type of niche tourism, involving exploration or travel with a certain degree of risk which may require specific skills and physical exertion. It can be a type of tourism, involving exploration or travel to remote and/or exotic areas.

It is a rapidly growing in popularity, as tourists seek a wider range of holiday typologies. This may include activities such as mountaineering, hiking, bungee jumping, mountain biking, cycling, canoeing, scuba diving, rafting, kayaking, zip-lining, paragliding, sandboarding, caving and rock climbing. Almost all of the things that are or could be on offer within the Cassowary Coast region.

Ecotourism

Ecotourism is a form of travel within adventure tourism whereby the adventurer explores undeveloped, natural and culturally sensitive areas with a desire to experience it while leaving it intact and unchanged.

The Queensland Ecotourism Plan (2016-2020) defines ecotourism as encompassing "nature-based experiences that increase visitor appreciation and understanding of natural and cultural values. These are experiences that are managed to ensure they are ecologically, economically and socially sustainable, contributing to the wellbeing of the natural areas and local communities where they operate.

Central to best practice ecotourism is excellence in interpretation and experience delivery. Quality interpretation can enhance a visitor's experience by providing information that creates meaning, stimulates curiosity, and provokes thought. This is a strong trend in repeat visitation by Chinese's tourists.

Ecotourism operators are both a partner and contributor to the conservation of special places. By delivering best practice in ecotourism and visitor experiences, operators help to build a relationship between the visitor and the natural and cultural features of the environment and encourage a life-long commitment to caring for them (Qld Ecotourism Plan 2016-2020). "

Ecotourism is often done with minimal equipment and accommodations, relying on an ecologically and culturally sensitive approach for procuring food and shelter, such as forgoing established resorts and restaurants in favour of locally owned and sourced alternatives. This approach is well suited to the Council's Cardstone site. Popular destinations in Australia for ecotourism include World Heritage listed Rainforests and the Great Barrier Reef.

Digital Disruption in Tourism

Between 2005-06 and 2013-14, the proportion of international visitors obtaining information on the internet increased from 50 to almost 60 per cent and the proportion of international visitors booking part of their travel online increased from 22 to almost 50 per cent. Items most commonly booked online in 2013-14 were international airfares (by about 40 per cent of international visitors), and accommodation (by about 20 per cent of international visitors) (TRA 2015d unpub.). The business models of low-cost carriers, which involve direct online bookings with the airline, have in part facilitated this.

People travelling for a holiday (rather than business) were most likely to use the internet for information prior to visiting Australia (TRA 2015d unpub.). Internet usage around the world is accelerating and at staggering levels in developing countries as shown in table below.

Region	**Percentage increase from 2000-2018**
Asia	1670
Europe	570
Oceania including Australia	273
North America	219

Source: Miniwatts 2018

The table below shows total internet users per key tourist countries for north Queensland and its penetration as a percentage of total population as at December 2017.

Country (ranked by no. of internet users)	**Total Internet Users** (millions)	**Internet Penetration** (percentage of total population)
China	772	55
India	462	34
United States	312	96
Japan	118	93
Germany	79	96
United Kingdom	63	95
France	60	93
Italy	54	93
South Korea	47	93
Australia	21	88
Netherlands	16	96
New Zealand	4	89

Source: Miniwatts 2018

A study by PhoCusWright (2013) revealed the impact that online reviews have on tourist decision-making:

83% of respondents indicated that reviews help them pick the right hotel

80% read at least 6 – 12 reviews prior to booking

53% won't commit to a booking until they read reviews

Similar trends apply with travellers and attractions and restaurants:

68% of respondents say reviews help them know about attractions

64% read reviews to find better restaurants

These results demonstrate how online reviews can impact sales for hospitality businesses. A key lesson from this data is if you are a business that is not collecting fresh feedback and sharing it with tourists, you may be losing business to competitors who do.

Nielsen conducted a global survey of trust in advertising in 2015, polling more than 30,000 consumers in 60 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The Nielsen survey demonstrated the importance of a strong web presence to promote a businesses' goods and services with branded websites being the most trusted source of advice except for recommendations from family and friends followed by consumer opinions posted online.

	GEN Z (AGES 15-20)	MILLENNIALS (AGES 21-34)	GEN X (AGES 35-49)	BOOMERS (AGES 50-64)	SILENT GEN (AGES 65+)
RECOMMENDATIONS FROM PEOPLE I KNOW	83%	85%	83%	80%	79%
BRANDED WEBSITES	72%	75%	70%	59%	50%
CONSUMER OPINIONS POSTED ONLINE	63%	70%	69%	58%	47%
EDITORIAL CONTENT, SUCH AS NEWSPAPER ARTICLES	68%	68%	66%	60%	55%
ADS ON TV	58%	67%	64%	55%	48%
BRAND SPONSORSHIPS	62%	66%	62%	52%	42%
ADS IN MAGAZINES	57%	62%	61%	50%	46%
ADS IN NEWSPAPERS	57%	62%	62%	55%	53%
ADS BEFORE MOVIES	54%	60%	55%	42%	31%
BILLBOARDS AND OTHER OUTDOOR ADVERTISING	59%	60%	57%	46%	38%
TV PROGRAM PRODUCT PLACEMENTS	51%	60%	56%	42%	39%
EMAILS I SIGNED UP FOR	54%	57%	56%	53%	54%
ADS ON RADIO	51%	55%	57%	49%	42%
ONLINE VIDEO ADS	45%	53%	50%	37%	27%
ADS SERVED IN SEARCH ENGINE RESULTS	43%	52%	50%	41%	33%
ADS ON SOCIAL NETWORKS	45%	51%	47%	35%	26%
ADS ON MOBILE DEVICES	42%	48%	45%	31%	20%
ONLINE BANNER ADS	36%	47%	43%	34%	25%
TEXT ADS ON MOBILE PHONES	32%	41%	38%	27%	18%

Source: Nielsen Global Trust in Advertising Survey, Q1 2015

The Sharing Economy

The 'sharing economy' and peer-to-peer sharing of accommodation have emerged through people's propensity to use online advice and has been enabled through websites such as Airbnb and Stayz. The Airbnb website hosts property owners willing to rent their spare rooms or apartments and establish their own rental price. Airbnb derives revenue from both guests and property owners for this service.

Airbnb has over 5 million accommodation listings worldwide, in 81,000 cities and 191 countries and has provided over 300 million guest nights since starting in 2008 (Airbnb Press Room 2018).

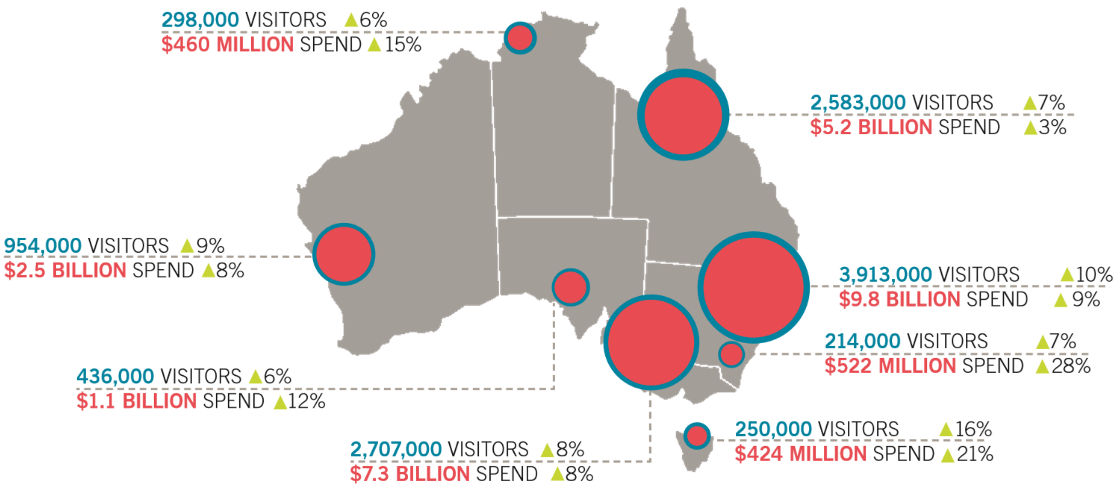
Most Airbnb stays are likely captured in Australia’s International Visitor Survey category of ‘private accommodation (not a friend or relative)’, which accounted for almost 0.8 per cent of visitor nights in 2013-14. However, it is possible that some Airbnb stays are not captured by the survey, or could also be captured in other categories, such as ‘rented house or apartment which accounted for about 38 per cent of visitor nights in 2013-14 (TRA 2015d unpub).

The effect of Airbnb on the accommodation industry is difficult to assess. In the United States it has been estimated that a 1 per cent increase in Airbnb listings in Texas resulted in a 0.05 per cent decrease in quarterly hotel revenues between 2008 and 2013. These effects were distributed unevenly across the industry, with cheaper hotels and hotels not catering to business travellers the most affected since most Airbnb listings are at the lower end of the market (Zervas and Proserpio 2014). Similar studies do not appear to have been conducted for Australia.

Section 2: Trends in Australian Tourism

Tourism is very important to Australia's economy. People are travelling further, and more frequently for a range of reasons including leisure, business and education. Total tourism spend contributes almost 3 per cent of Australia's GDP. About one-third of this was from international visitors. International tourism's share of total service exports was just over 60 per cent.

International Visitor Numbers and Spend by State [Year ending March 2017]



Source: Tourism Research Australia

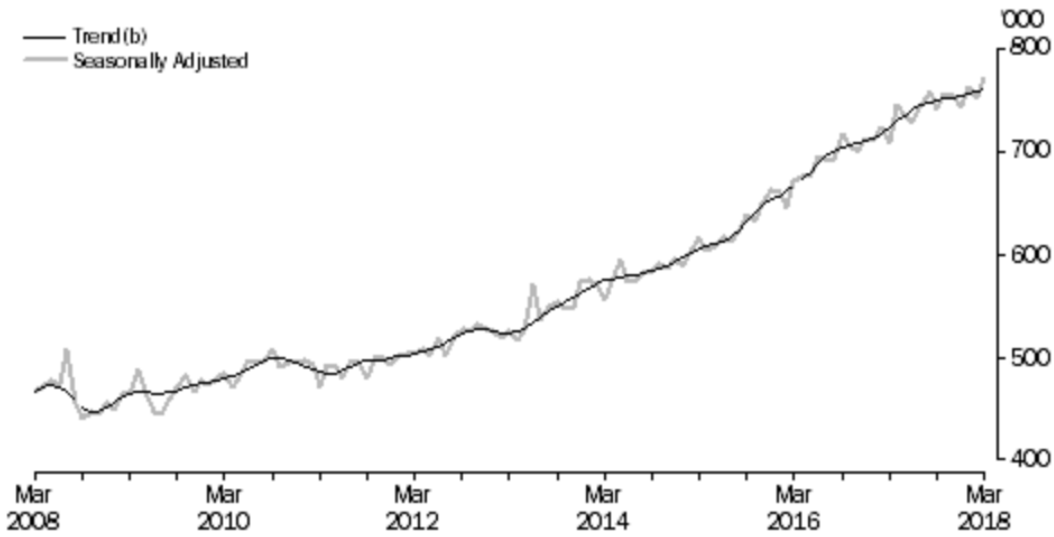
The number of international visitors to Australia has more than doubled over the past two decades. The number of international visitors has increased from 2.5 million in 1992 to almost 7.7 million, 262 million bed nights and expenditure of $39.8 billion in 2017 (TRA 2018). Tourism is expected to continue to be significant for the Australian economy, with strong growth projected in the number of international visitors travelling to Australia over the next decade.

Despite strong growth in the total number of visitors travelling to Australia, Australia's market share of global international visitors has declined, in line with most other developed countries. Australia's share of global international visitors declined from 0.7 per cent in the year ending

2000 to 0.6 per cent in the year ending 2013. The global market for international visitors is heavily contested (Productivity Commission 2015).

Tourism Australia is the Australian Government agency responsible for attracting international visitors to Australia, both for leisure and business events. Tourism Australia reported that there were 9 million visitor arrivals for year ending March 2018, an increase of 7.7% per cent relative to the previous year. Leisure arrivals (Holiday + Visiting friends and relatives) continued to drive international arrivals growth, with an increase of 9.6% per cent over the 12-month period. In terms of expenditure, international visitors to Australia spent a record $41.3 billion in the year to December 2017, up 6%.

Short Term Visitor Arrivals, Australia



Source, ABS Cat.no 401.0 – Overseas Arrivals and Departures, Australia, Mar 2018; MacroPlan

When trend estimates for short-term visitor arrivals for March 2017 and March 2018 were compared, the highest percentage increases were recorded for India (19.7%) followed by Hong Kong (10.7%) and China (6.8%). The highest percentage decreases were recorded for Malaysia (-1.9%) and Singapore (-0.6%).

The ABS figures showed that more Chinese visitors came to Australia than from any other nation with 1.41 million Chinese tourists visiting Australia in the year to March 2018. The next highest group is New Zealand, with 1.36 million tourists. Total short-term visitation was just under 9 million. The annual growth rate for Chinese visitation is 11.3% compared with the overall total visitation achieved by all nations of 6.3%.

Top 5 Countries – Holidays Visitors and Spend

	YE MARCH 2017		MARCH QTR 2017	
	VISITORS	SPEND	VISITORS	SPEND
CHINA	▲10%	▼3%	▼4%	▼14%
NZ	▲10%	▲15%	▲10%	▲11%
JAPAN	▲25%	▲31%	▲8%	▲5%
US	▲21%	▲7%	▲7%	▼6%
UK	▲3%	▼5%	▼2%	▼13%

Source: TRA 2018

The top five destinations for Chinese leisure visitors include Sydney, Melbourne, Gold Coast, Tropical North Queensland and Brisbane. In terms of activities, Chinese leisure visitors like to engage in activities such going to the beach, shopping, and experiencing authentic Australian nature but at this stage not adventure tourism (and especially not water related activites like rafting, canoeing or swimming).

Tourism Research Australia recently reported that as repeat visitation rises, Chinese tourists will venture further than the tourism meccas of Sydney, the Gold Coast and the Great Barrier Reef, with research showing a rise in interest in regional Australia (AFR 2017). Recent Chinese tourism trend analysis suggests that in 2018, the more experienced Chinese tourist wants to go beyond the "5 cities in 5 days" to spend more time understanding local culture, being more self-directed with their holiday itinerary and more adventurist.

This more adventurist approach is represented in the new Chinese tourism language of "in-depth travels" as a term used by travel websites in China to describe the type of trips that involve more unconventional journeys beyond the typical tourist experience. For the very first time, Africa moved up to first place as the top "in-depth travel" destination Chinese travellers hope to visit in 2018, dethroning the ever-popular Japan and Australia (Steinmetz 2018).

This means new opportunities for Cassowary Coast to host more authentic tourism experiences like the Tully Gorge tropical rainforest experience with opportunities for exploring and learning about this ancient forest and the Indigenous culture that lived there across the same time period.

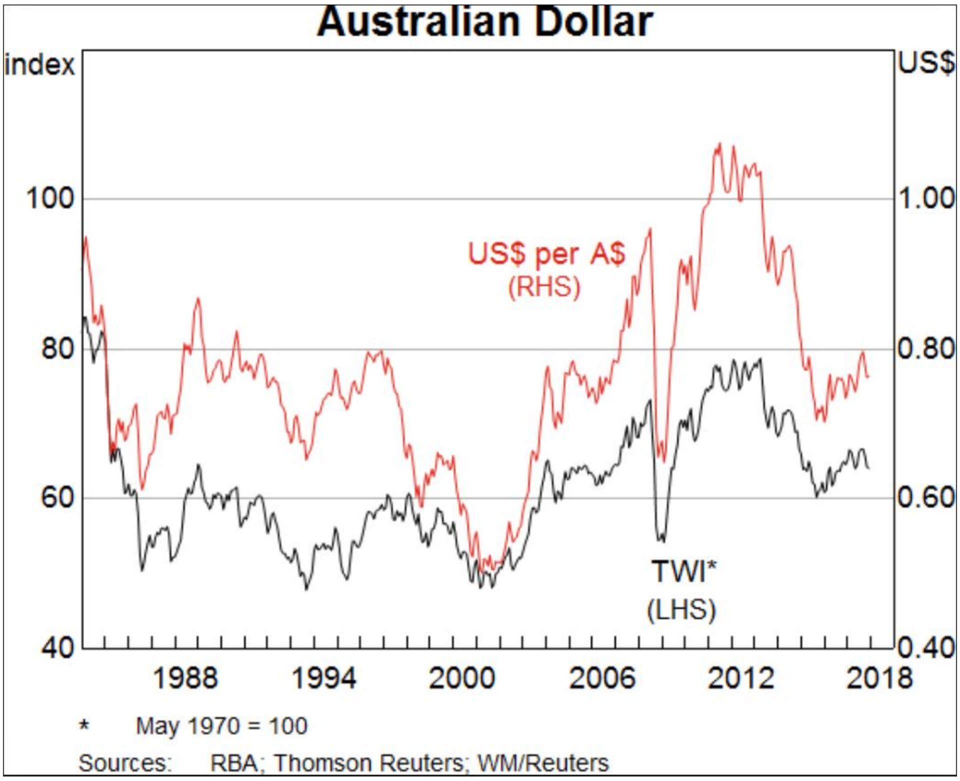
It might also be an opportunity to partner with other Tropical North Queensland regions to offer a range of experiences complementing Cassowary Coast's world class rainforest and reef tourism offerings with for example, a Gulf Savannah and Outback experience.

Relative Prices of Tourism in Substitute Destinations

When deciding to travel to a destination, visitors consider the price of the basket of goods they will consume at the destination relative to the price in their home country and the price in substitute destinations. Research shows that Australia is a relatively high cost destination for visitors, and tourism businesses, and that this adversely affects Australia's tourism industry (Allan Lowther Porter in TRA 2018).

The effect of the exchange rate is particularly significant when a country's exchange rate increases relative to substitute destinations. Tourism Research Australia (2011) found that a 1 per cent increase in relative prices through exchange rate appreciation reduced tourism demand by 0.24 per cent in the short run and 0.46 per cent in the long run.

The graph above demonstrates the correlation of a high Australian dollar and the substantial drop in tourism to North Queensland across the same period.



The Importance of Ecotourism in Australia

Ecotourism forms a significant component of Australia's visitor economy, ranking among top travel motivators for international visitors to the country. In the year ending June 2017, 69 per cent (or 5.4 million) of international visitors engaged in some form of ecotourism activity. The top international ecotourism markets were China (17 per cent), the United Kingdom (10 per cent), New Zealand (10 per cent) and the USA (9 per cent).

Australia's biggest strength is its world-class nature, well regarded from all markets and core to our global tourism offering. Tourism Australia's research across 11 key markets shows aquatic and coastal experiences are among the greatest drivers of international visitor demand, with two out of three international visitors enjoying Australia's aquatic or coastal environments in some way – from scuba diving to simply going to the beach.

National Parks

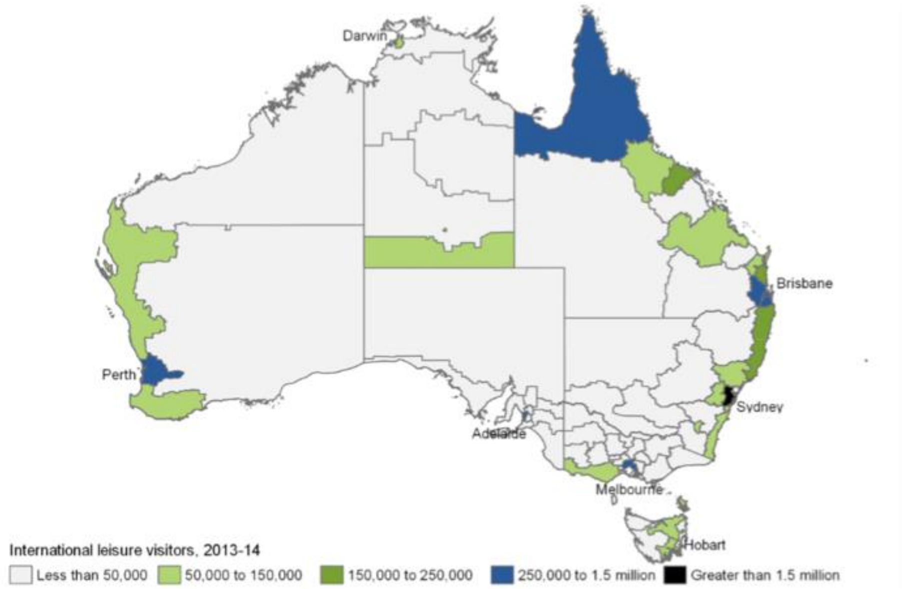
Whilst national parks are high on the agenda for people interested in ecotourism, many parks are hampered by tired infrastructure and persistent funding shortfalls. Greater user charging and more private investment would provide an additional source of funding and facilitate innovation in the provision of tourism-related infrastructure. The Productivity Commission argues that slow and complex approval processes for tourism-related infrastructure investments are not only costly to developers but rob local economies of potential increased visitors. There is a need for Federal and State governments to continually review and reform these processes so that they are flexible, and risk based and keep pace with innovations in the tourism industry (Productivity Commission 2015).

This will be a challenge for the development of the Cardstone Village site due the world heritage rainforest overlay on the site. The Queensland government has committed to working with local councils and developers in their Ecotourism strategy (State of Queensland 2016) to help bring more eco-tourism project to market. Many the recent mountain bike and eco-village tourist developments in Queensland have been within the boundaries of world heritage listed rainforest and the Queensland government has actively supported these developments through facilitating the range of planning approvals required, and in many cases, help funding the proposals and even promoting the projects on their government website.

The Productivity Commission in their report into Australian tourism, identified poor quality and dated infrastructure in National Parks as a major impediment to growth in ecotourism. As is the case in other parts of the world, funding for protected areas in Australia has not kept pace with growing use and activities that occur within these areas, thereby undermining the quality of facilities and leading to poor maintenance of infrastructure as well as reduced tourism appeal.

A good example where under-investment in infrastructure and amenity at National Parks has impacted visitor numbers is the Blue Mountains. Despite the Greater Sydney population growing from 4.0 to 4.6 million between 1999 and 2011, the Blue Mountains has failed to maintain historic levels of tourism. The number of domestic day nature visits declined by 56.2% during 1998-2006 and although showing some subsequent recovery, the numbers were 36.7% below 1998 figures in 2012. Domestic overnight nature visits also declined, by 60.5% during 1998-2004, and had only recovered to 64.4% of 1998 levels by 2012.

In contrast, the Hunter Valley (Central New South Wales) and the Cradle Mountain (Tasmania) where significant investments have been made over the recent decade, both captured a greater segment of the tourism market over the same period (Hardiman and Burgin 2014). The analysis in appendix 1 comparing the quality of Port Douglas tourism offerings to Cassowary Coast, point to the need for high quality infrastructure to attract and retain tourism numbers.



[a] By tourism region. Leisure denotes those who travel for a holiday or to visit friends and relatives. Visitors may travel to more than one region.

Source: TRA (2015d unpub.).

International Leisure Visitation to Australia

Influence of Digital Disruption on the Australian Tourism Industry

The internet has changed the way people travel. Visitors are increasingly preferring to research and book their own travel, rather than book a packaged tour through an agent. This type of visitor is sometimes referred to as a ‘free and independent’ traveller. About 25 per cent of international visitors to Australia travelled on package tours in 2005-06, but this fell to about 15 per cent by 2013-14 as the number of free and independent travellers increased from about 75 per cent to 85 per cent over this period (Tourism Research Australia 2015d unpub.).

Many different factors influence visitors’ propensity to travel independently, including their familiarity with the destination and language barriers. Simple things like having multi-lingual tourism information including maps available both online and at strategic locations like the Visitor Information Centres and eventually the Cardstone Eco-village site would be beneficial to the international non-language speaking tourists. This may explain the continued trend of Anglo tourists at the expense of the non-English speaking Asian tourists in Cassowary Coast. Some local tourism operators are using multiple languages on their website to be more welcoming and encouraging for non-English speakers to make direct bookings like Castaways Resort and Paronella Park.

Younger people are more likely than other tourists to use the internet to plan their trip, with almost 70 per cent of international visitors aged between 25 and 34 using the internet as an information source prior to their visit to Australia in 2013-14 (Tourism Australia 2013d; Tourism Research Australia 2015d unpub.). Youth travel is a significant market segment, accounting for approximately 25 per cent of Australia's international short-term visitors in 2013-14 (ABS 2014d; UNWTO and Wyse Travel Confederation no date; Wyse Travel Confederation 2013).

The majority of backpackers are young travellers, and backpackers accounted for approximately 10 per cent of Australia's international visitors in 2013-14 (Tourism Research Australia 2015d unpub.). Backpackers have different travel patterns to other visitors. Importantly for Cassowary Coast, they are more likely to visit regional areas (TRA 2015d unpub.). More backpackers are relying on the internet, social media and word of mouth rather than printed guidebooks to plan their trip (Clarke 2004; TRA 2015d unpub.). It is therefore critical to have businesses online and easy and efficient public internet access available across the Cassowary Coast region to build a more successful tourism market.

Most international tourism activity occurs in capital cities

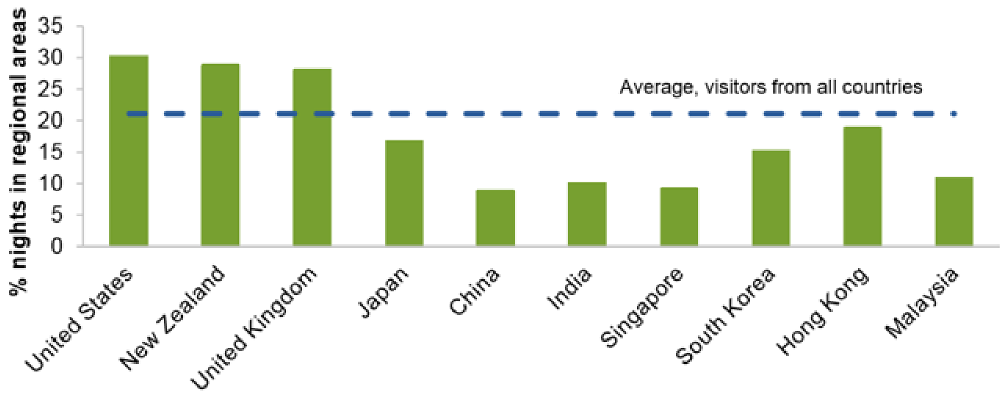
Most international tourism activity is concentrated in capital cities and along the east coast of Australia. The propensity of international visitors to travel to regional areas varies depending on, for example, their purpose of travel. Holiday visitors are the most likely to spend nights in regional areas, and employment related visitors the least likely. Backpackers are also more likely to travel to regional areas than other types of tourists but spend on average 21% less per night.

Visitors from Asia have a lower tendency to travel to regional areas than visitors from historically important source countries (such as the United States, New Zealand, the United Kingdom and Japan). Based on data collected from a sample of 140,000 visitors from Asia between 2005 and 2012, Tourism Research Australia (2013b) found that 62 per cent of visitors from Asia were unlikely to visit multiple destinations, destinations in regional Australia, or capital cities other than Sydney, Melbourne, Brisbane and Perth; and 84 per cent of visitors from Asia were unlikely to visit destinations in regional Australia or capital cities other than Sydney, Melbourne, Brisbane and Perth, although they might visit multiple destinations. Where visitors from Asia did visit regional destinations, these were primarily located on the east coast of Australia (TRA 2013b). Of Australia's top ten source countries, visitors from China, India and Singapore tend to be less likely to spend nights in regional areas than the historical important source countries noted above. These visitors also spend a lower proportion of their nights in regional areas than the average for all international visitors.

Between 2005-06 and 2013-14: the **number** of nights spent by international visitors in regional areas increased by about 40 per cent, but the **proportion** of nights spent by international visitors in regional areas declined by almost 2 percentage points (Tourism Research Australia 2015d unpub). Modelling by Tourism Research Australia (2015b unpub.) also suggests that: there was an increase in the number of international visitors travelling to regional areas (7 per cent), but a decline in real expenditure (of almost 4 per cent) in regional areas by international visitors. The proportion of international visitors travelling to regional areas and the proportion of expenditure in regional areas both declined by 5 percentage points.

No firm conclusions can be drawn from these figures as sufficient data are not available to accurately analyse regional tourism activity in Australia. Further, the decline in the proportion of regional tourism activity, such as nights spent in regional areas, has not been uniform across source countries. For example, the proportion of nights spent in regional areas by visitors from Hong Kong increased significantly between 2005-06 and 2013-14, but there was very little change in the proportion of nights spent in regional areas by visitors from China and Singapore.

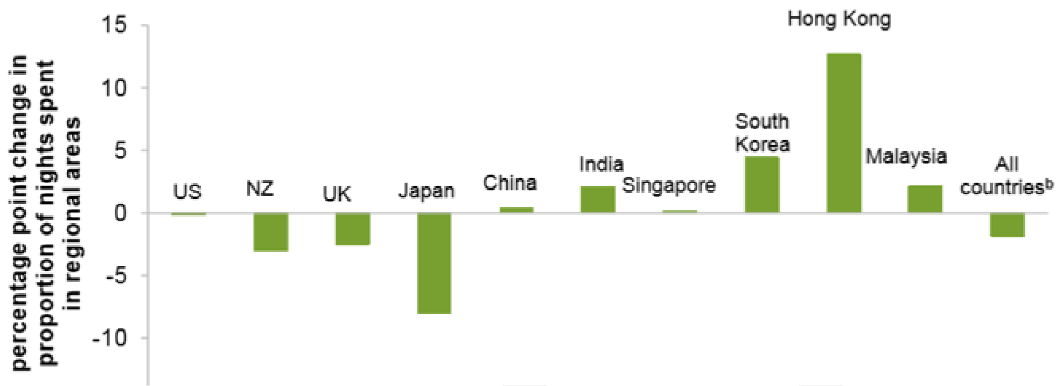
The proportion of nights spent in regional areas by visitors from Japan and New Zealand also declined over this period.



Nights Spent in Regional Areas by International Visitors

Top Ten Source Countries (Source: TRA 2015)

Within some regions of Australia, there has been an overall decline in international tourism activity. For Tropical North Queensland, where there was a 20 per cent decline in the number of international visitors travelling to the region between 2006 and 2014. There was also a 40 per cent decline in real expenditure in Tropical North Queensland by international visitors over this period. These declines can be largely attributed to a decline in the number of visitors from Japan, who have historically been an important source of tourism activity for this region (Productivity Commission 2015).



Change in the Proposition of International Visitor Nights in Regional Areas
Top Ten Source Countries in 2013-14 (Source TRA 2015)

The number of backpackers from Asia has increased over the past decade (by almost 60 per cent off a low base). The proportion of visitors from Asia travelling as backpackers increased from almost 5 per cent to 6 per cent (Tourism Research Australia 2015d unpub.). In 2013-14, 68 per cent of backpackers visited at least one regional area, compared with 36 per cent of all international visitors. Backpackers also spent an average of $58 per night in regional areas, 21% less than the $74 per night for all international visitors in regional areas (TRA 2014a).

By contrast, visitors from China are 'high-yielding' tourists, who on average, spend more per trip than the average for all international visitors. In 2013-14, visitors from China spent about $5,400 in Australia per trip, 40% more than the $3,300 for all international visitors (Tourism Research Australia 2015d unpub.). Thus, the type of visitor travelling to regional areas will have an effect on the amount of expenditure and the type of tourism products in that area that are consumed by visitors. This should be a key driver for Cassowary Coast due to the large number and strong growth of Chinese visitors to Cairns.

Cycle Tourism in Australia

Cycle tourism (combines both road and mountain biking categories) continues to demonstrate strong growth in Australia. For example, in 2012 - 2013, approximately 1.3 million domestic overnight visitors and over 1 million-day visitors participated in cycling during their trip, representing 21% and 33% growth respectively from 2005 - 2006, with Victoria, New South Wales and Queensland being the most popular destinations (Tourism Research Australia, 2013). Cycle tourism is also becoming a well-defined product, and key travel motivator.

In recognition of the increasing demand, many State and regional governments, including Queensland and Tropical North Queensland have followed suit to specifically support mountain biking tourism with strategic plans and investment in high quality mountain bike parks with complementary infrastructure.

Although mountain bike trails are fee-free to use in Australia, local businesses along with their regional community benefit from the associated tourist spend. Tasmania has experienced significant growth in cycle tourism in recent years and is actively pursuing this market. In 2012

- 2013, approximately 31,800 interstate visitors (mainly from Sydney and Melbourne) and 45,000 residents took overnight trips involving cycling (35.5% and 28.6% growth respectively on the previous year). Interstate cycle visitors provide a particularly high economic yield. They spent an average of $2,072 per trip. To capitalise on such demand, the Tasmanian State Government is actively investing in mountain bike parks (Tourism Resources Company, 2014).

The Rise of Mountain Biking Tourism in Australia

Mountain biking is emerging as a popular pastime in regional Australia as a subset of Cycling Tourism. Mountain biking, as a destination-based tourism experience, is an opportunity that could be further developed to enhance regional tourism, and Australia more generally, as a cycle tourism destination according to a research by Burgin and Hardiman (2014).

They estimate the Australian mountain bike tourism market to be around 300,000 visitors per annum (equivalent to 36% of all mountain bike riders also ride on their holidays and take trips over 40km from home to ride). The Australian resident mountain bike market is estimated to be around 831,500 people who undertake 14.6 million trips per annum.

Of all trips (over 50 km away from home) taken in Australia it is estimated that 1.1% involve cycling as an activity on that trip. Of these it is estimated that 10% are mountain bike riders on trails and 90% are other forms of cycling. That equates to 0.14% of all trips taken in Australia being mountain bike trips.

In 2013-14, the National Visitor Survey and International Visitor Survey (TRA 2014) estimated:

1.4 million domestic overnight visitors participated in cycling during their trip – about 2% of total overnight visitation.

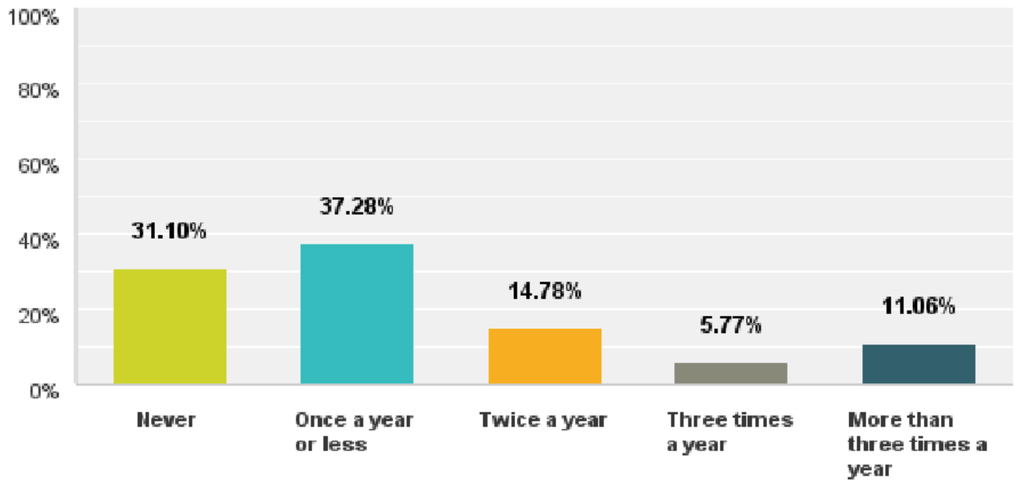
976,000 domestic day trips included cycling – 6% of all domestic day trips. Domestic day trip cycling increased by 33% in the period 2005-06 to 2012-13, but experienced a 10% decrease between 2012-13 and 2013-14

325,789 international visitors participated in cycling on their trip – 5% of all international visitors to Australia.

This represents a 13% average per annum growth in the domestic overnight cycle market and a 6% average per annum growth in the international cycle market.

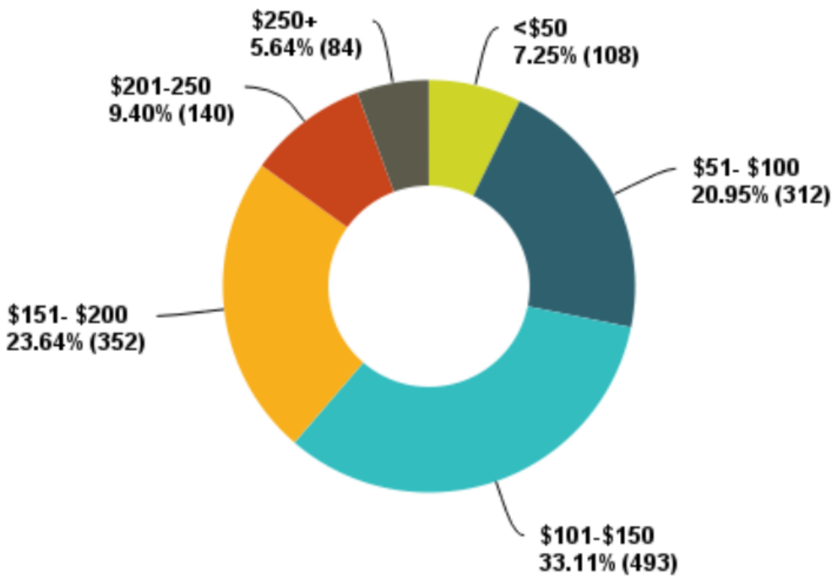
International studies such as on the one by Corporate Research Associates (2010) on behalf of Parks Canada to determine, inter alia, the size of the international market for mountain biking is hard to measure due to the inadequate date. Whilst it could recognise strong growth in mountain biking in the "anglo" countries of United States, Canada, United Kingdom, Australia and New Zealand and more recently in Europe through investment in mountain bike parks, mountain bikes sold and through government interest in developing mountain bike tourism, it has been much harder to quantify this growth accurately.

In 2016, a nation-wide survey of 4,019 participants was undertaken by Dirt Art focussed on mountain biking participation in Australia. The survey built on an earlier smaller and slightly narrower 2014 survey (Dirt Art 2016). The survey demonstrated the growing importance of mountain biking tourism in Australia and how quickly it is growing.



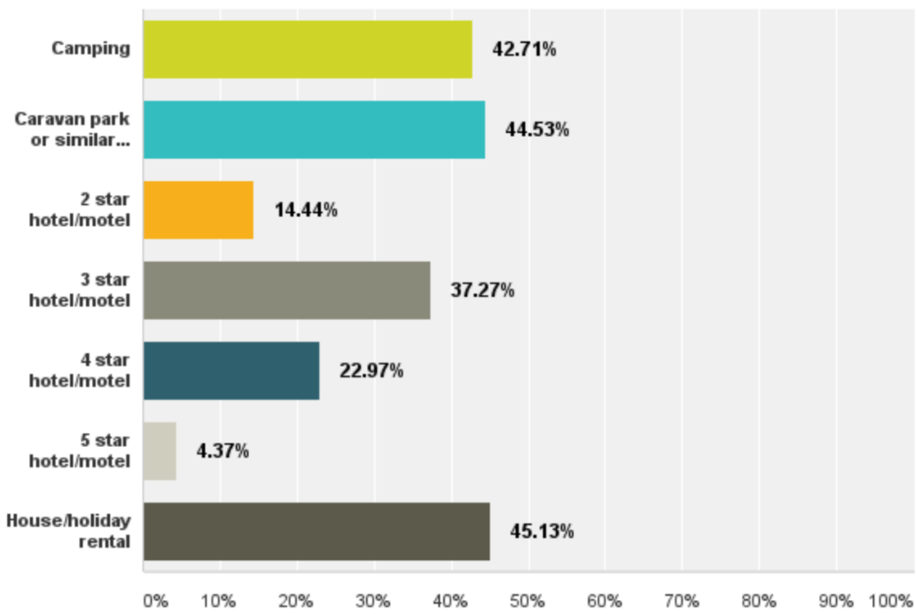
Source: Dirt Art 2016

Travel to another Australian state for the sole purpose of engaging in mountain biking



Source: Dirt Art 2016

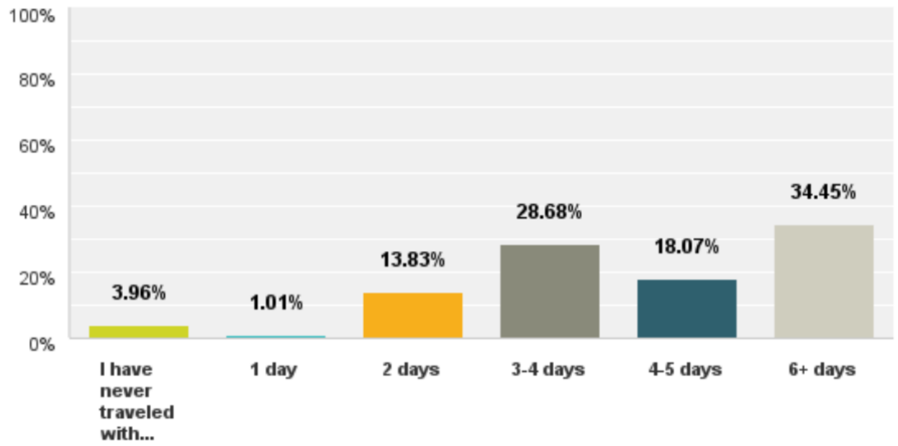
Average expenditure on overnight accommodation and an evening meal at Riding destinations



Source: Dirt Art 2016

Preferred Style of Accommodation

The most common style of accommodation was a house/holiday rental, with 45% of respondents stating that this was their typical overnight accommodation while away at a mountain bike destination. 45% of respondents stated that they typically stayed in a caravan park or similar, while 43% of respondents typically chose to camp.



Source: Dirt Art 2016

Average duration of mountain bike specific holidays

When mountain biking was the primary purpose of the trip, 34% of respondents stated that the average length of their trip was typically six days or more. 29% of respondents stated that their average holiday length was between 3-4 days.

While this analysis is somewhat rudimentary, it is the best available in Australia. This brief analysis could be augmented with local Cairns based expert mountain bike advisors, World Trails to explore opportunities in Cassowary Coast. A more detailed discussion of the local opportunities for mountain biking is set out in the later chapter on a Cardwell Mountain Bike Park.

What is good practice in tourism?

Best practice tourism requires a focus on Destination Management as a holistic process that ensures tourism adds value to the economy, social fabric and ecology of the local community.

Tourism can be an economic driver, generating jobs and contributing vibrant lifestyle benefits to communities, but it requires a multi-focus approach and be actively managed to ensure that it leaves a positive legacy for current and future generations.

Best Practice Destination Management integrates four key delivery areas:

- Research & Analysis
- Consultative Planning
- Experience & Product Development
- Marketing & Promotions

The Australian Regional Tourism Network (no date) argues that too many tourism organisations narrowly focus on just the marketing and promotions. To be effective, planning, development and marketing activity must be based on research and the needs of the consumer. The Destination Management Process integrates both demand (the visitor or consumer needs) and supply (the product or experience).

Importantly the tourism sector needs to ensure that it is considered in the broader context of regional development and that it is recognised for its overall contribution and economic value to the region. Adopting a holistic destination management approach to tourism will ensure that industry objectives are planned and managed to meet the needs and aspirations of the communities of interest unique to each destination (ARTN n.d.).

Importantly, one of the key outcomes of holistic destination management is a strong resilient tourism industry with dynamic and adaptive product and experience offerings that responds to the needs of the visitor and the community as the destination evolves and matures.

To maintain competitive advantage requires being alert to emerging market trends and responding appropriately, especially in terms of new products and services offered and communicating such changes clearly and with impact to target customer audiences (Burgin and Hardiman, 2014).

Building and maintaining a competitive advantage in tourism necessarily leads to a discussion about quality of products and services and quality assurance and standards. Cassowary Coast is not just competing with Port Douglas or Cairns, it is also competing with Thailand, Vietnam and New Zealand among others, and of course Tasmania and other Australian destinations. New Zealand and more recently Tasmania, have put serious effort and resources into staff training and quality assuring its ecotourism products and services to good effect with both places recording good growth in tourism numbers.

Quality was a major issue that came up in the stakeholder engagement undertaken by the consultant team. Many 4 and 5-star tourism organisations would like to partner with local providers but worry about the quality across this emergent value chain and how this might reflect poorly on them. Others have stated that too many tourism operators were stuck in a 1970's service delivery model that is just not acceptable to compete in the modern era and that all operators are impacted because tourists lose confidence in the region as a tourism destination. Issues like a shortage of quality candidates for tourism related jobs, the need for more multi-lingual staff and the encouragement of more industry training across the sector were raised.

There are a number of programs that address quality standards for the tourism sector mostly developed by the sector themselves. There are, for example:

- Best of Queensland Experiences program
- T-QUAL Accreditation, also known as the National Tourism Accreditation Framework (NTAF),
- Australian Tourism Accreditation Program (ATAP)

The objectives of the Best of Queensland Experiences program are to:

- Foster trust in the Queensland brand by ensuring the best Queensland experiences are used to promote the Queensland 'Best address on earth' promise
- Develop a robust and transparent framework for identifying the Best of Queensland Experiences
- Recognise those Queensland tourism operators who consistently deliver high quality visitor experiences and celebrate the Queensland brand story

- Work in partnership with RTOs and QTIC to support the Queensland tourism industry and community to consistently deliver quality visitor experiences through the adoption of modern business practices

Australian Tourism Accreditation Program (ATAP) is a national business development program based on Quality Assurance principals. Accreditation is seen as a vital industry asset designed to continually improve standards, market quality products and enhance the reputation of tourism destinations.

T-QUAL Accreditation, also known as the National Tourism Accreditation Framework (NTAF), is a nationally agreed approach by the tourism industry and government that aims to ensure a quality customer experience across the tourism industry. NTAF was developed by government and industry to promote quality experiences for tourism consumers. This framework provides the opportunity for existing quality and accreditation programs and large tourism organisations with an internal quality assurance system in place to come together under one umbrella and apply for T-QUAL Accreditation.

T-QUAL Accreditation promotes quality customer experiences by:

- Promoting and marketing the quality message to customers
- Licensing eligible Australian organisations that operate in a tourism or tourism related industry and either run an accreditation Program or apply a Quality Standard to their national operations
- Providing a framework for promoting and recognising quality Australian tourism services
- Demonstrating that Australia takes tourism seriously and is committed to continuous improvement
- Bringing together diverse stakeholder from across a wide range of industry sectors
- Providing a forum for discussion about what quality means and how it can be achieved.

Council and the tourism industry are encouraged to promote engagement with these types of programs to build a confident, quality and resilient tourism sector that can honour the promise of the great natural assets bestowed on the Cassowary Coast region.

Section 3: Trends in Queensland Tourism

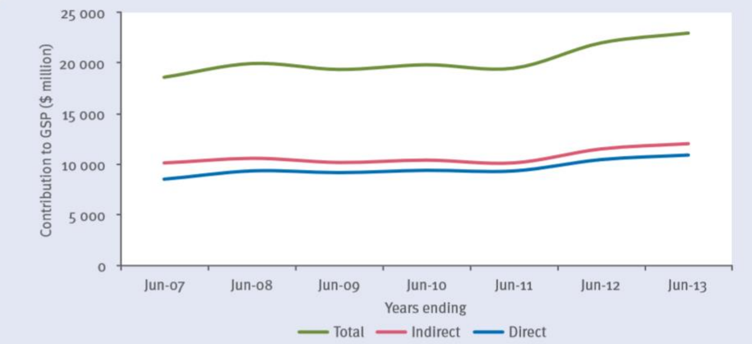
As Queensland's Ecotourism Plan (2016-2020) proudly boasts, Queensland has 9 million hectares of terrestrial protected areas and over 8 million hectares of marine park and fish habitat areas encompassing world-class national and conservation parks, marine reserves and five World Heritage areas.

Queensland is one of the most nature rich destinations in the world. Its landscapes include extensive reefs, sub-tropical and tropical rainforests and beautiful unspoilt beaches showcasing iconic wildlife and unique cultural heritage. These assets provide a valuable competitive advantage for the Queensland tourism industry, especially as experiencing nature is a primary motivator for domestic and international tourist visitation to Queensland.

Today, visitors want to explore and interact with wilderness places and connect with culture and nature to create lasting memories. They want a focus on the experience economy. As Pine and Gilmore (1998) argued in their seminal article on "Welcome to the Experience Economy", "…consumers unquestionably desire experiences, and more and more businesses are responding by explicitly designing and promoting them". A prescient statement that predicted the future of, inter alia, tourism in the new millennium.

With Queensland's natural environment as its strongest competitive advantage, ecotourism is an important driver towards increasing visitor expenditure in Queensland through an enhanced experience-based tourism economy. There is a strong flow-on effect of the tourism industry. In Queensland, for every dollar spent in the tourism industry, an additional 85 cents is spent elsewhere in the economy.

Through a series of key data graphics, it is easy to demonstrate the importance of tourism to the Queensland economy.



Source: State Tourism Satellite Accounts 2011–12, Tourism Research Australia (June 2013)

In 2012–13 tourism directly and indirectly contributed an estimated $23b to Queensland's Gross State Product (GSP) or 7.9% of the total, third only to construction and mining ($26.4b and $24.9b respectively).

This is made up of $10.9b direct (3.8%), and $12b indirect (4.2%) contributions to the Queensland Economy. Over the past 6 years, total tourism contributions to GSP have grown an average 3.7% per annum.

Indirect income from tourism is very important to Queensland economy

The following data demonstrate the importance of tourism to the Queensland economy. The Queensland tourism industry is made up predominately of small business in a wide range of industries with the vast majority of companies having less than 20 employees.

Why tourism matters in Queensland

Source: Tourism Research Australia, State Tourism Satellite Accounts 2012-2013. Australian Bureau of Statistics, Australian National Accounts: State Accounts 2012–2013.

$25.4b ▲3.9%

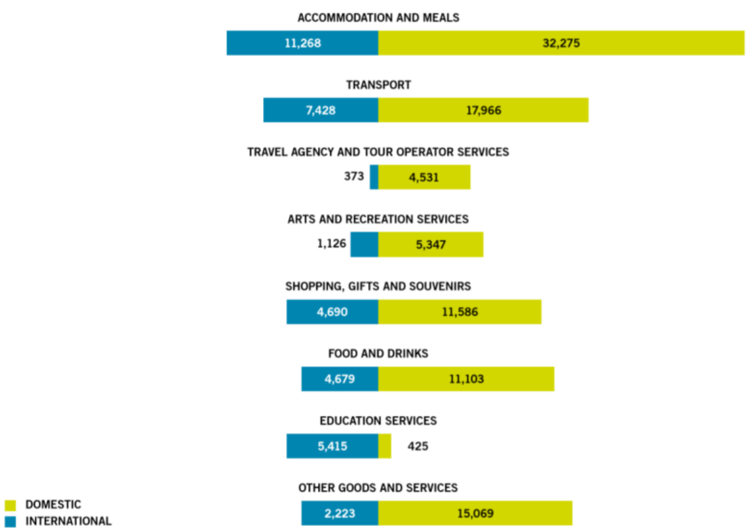
$22.8b ▲4.0%

	2016–17	CHANGE ON 2015–16 (%)
TOURISM GSP ($M)		
Direct	12,837	▲4.2%
Indirect	12,514	▲3.7%
Total tourism GSP	**25,351**	**▲3.9%**
Total state GSP	**326,995**	**▲7.8%**
Tourism's direct share of state GSP	3.9%	▼0.1 ppt
TOURISM GVA ($M)		
Direct	11,695	▲4.2%
Indirect	11,074	▲3.9%
Total tourism GVA	**22,769**	**▲4.0%**
Total state GVA	**302,804**	**▲7.1%**
Tourism's direct share of state GVA	3.9%	▼0.1 ppt
TOURISM EMPLOYMENT ('000 PERSONS)		
Direct	137.5	▲1.4%
Indirect	79.2	▲3.7%
Total tourism employment	**216.7**	**▲2.2%**
Total state employment	**2,379**	**▲0.6%**
Tourism's direct share of state employment	5.8%	–

Source: Tourism Australia's State Tourism Satellite Account for Queensland, 20116-17 Published April 2018

Queensland's tourism industry represented 3.9% of the State's Gross State Product for 2016-17 representing a $25.4 billion contribution.

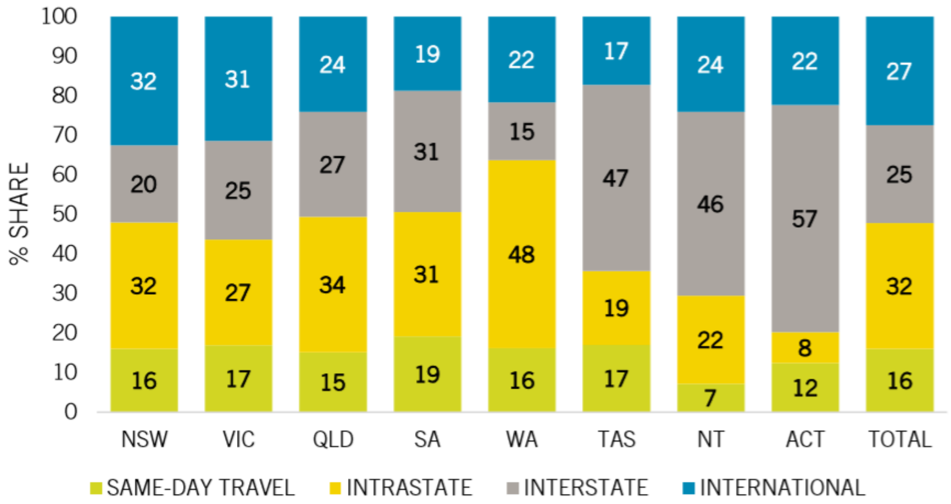
FIGURE 4 – VISITOR CONSUMPTION SPEND ON TOURISM PRODUCTS ($ MILLION), 2016–17



Source: ABS, 2017

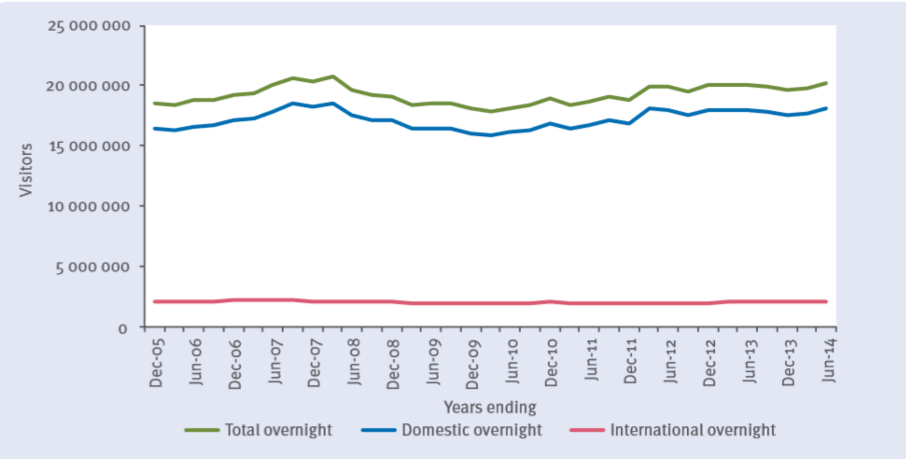
This tourism expenditure flows into the broader economy and therefore the benefits are spread widely.

FIGURE 6 – DOMESTIC CONSUMPTION VS INTERNATIONAL CONSUMPTION, 2016–17



Sources: TRA's estimates (for states/territories) and ABS (2017) (for Australia)

It is important to recognise that the lion share of this benefit in Queensland comes from domestic tourism, especially local and regional tourism making up about 50%.



Source: Tourism Research Australia (2014)

Domestic Tourists are very important in Queensland

Tourism contribution by industry sector

Industry sector contribution	Total GVA ($M)	Employment	Businesses
Accommodation	3 728	17 900	3 217
Holiday rentals	868	NP	NP
Cafes, restaurants and takeaway	3 054	36 600	10 793
Clubs, pubs, taverns and bars	1 214	8 200	1687
Rail transport	279	1 000	6
Taxi transport	233		3 410
Motor vehicle hire	352	Total 7 000	NP
Other road transport	472		NP
Air, water and other	4 321	10 400	1 280
Travel agency and tour operator	902	10 000	1 104
Cultural services	291	2 600	2 494
Casinos and other services	212	1 100	276
Sports and recreation services	510	6 600	2 514
Fuel	174	NP	776
Retail trade	2 256	24 900	27 819
Education and training	636	8 200	NP
All other industries	710	6 000	NP
TOTAL QUEENSLAND	$20m	140 000	55 688

NP = Not publishable. Source: Tourism Research Australia, State Tourism Satellite Accounts 2012–2013.

A wide range of businesses benefit from tourism direct and indirect spending

Section 4: Tropical North Queensland Tourism Market

There has been an overall decline in international tourism activity in a range of regions within Australia. In Tropical North Queensland, there was a 20 per cent decline in the number of international visitors travelling to the region, particularly from Japan, and a 40 per cent decline in real expenditure between 2006 and 2014 (Productivity Commission 2015).

Tropical North Queensland (TNQ) was estimated to be Australia's ninth most tourism-reliant region in 2007-08 (Deloitte Access Economics 2012a; TRA 2011c). The number of international visitors travelling to TNQ declined by 20 per cent between 2005-06 and 2013-14 (Tourism Research Australia 2015d unpub). Real expenditure in TNQ also declined by about 40 per cent over that period.

Visitors from Japan have historically been an important source of high-yielding international visitors to TNQ. They generally enter Australia on 'reef, rock, bridge' packages and travel through TNQ, Central Northern Territory and Sydney (TRA 2013b). However, the number of visitors travelling to Australia from Japan declined by about 50 per cent between 2005-06 and 2013-14, and the number of visitors from Japan travelling to TNQ declined by almost 65 per cent. In 2005-06, almost 30 per cent of international visitors to TNQ were from Japan, while in 2013-14, this figure was about 12 per cent (Tourism Research Australia 2015d unpub).

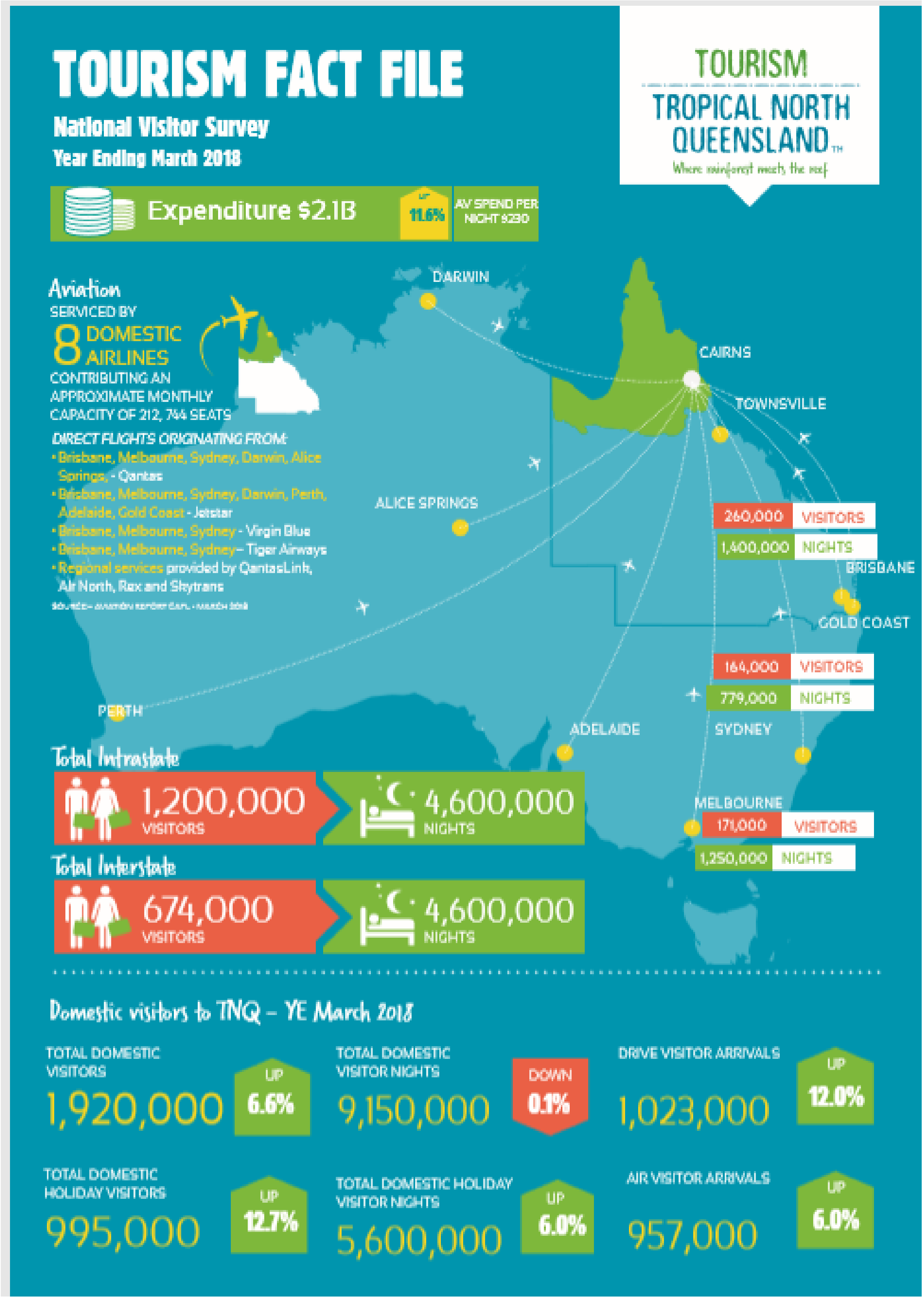
The decline in the number of visitors from Japan is not isolated to Australia - similar trends have occurred in other long-haul destinations such as Canada (Canadian Tourism Commission 2013). Although the number of visitors from Japan who travel overseas has remained largely unchanged over the past decade, they are increasingly travelling to short-haul destinations.
Between 2002 and 2013, the number of visitors from Japan who travelled within northeast Asia increased by 20 per cent, and the number of visitors from Japan travelling to long-haul destinations outside northeast Asia decreased by 11 per cent (Canadian Tourism Commission 2013; IPK International 2011). There are number of reasons for this change. Some studies have found that repeat visitors are less likely to travel to long-haul compared with short-haul

destinations (Okamura and Fukushige 2010; Taks et al. 2009; Tifenbacher, Day and Walton 2000).

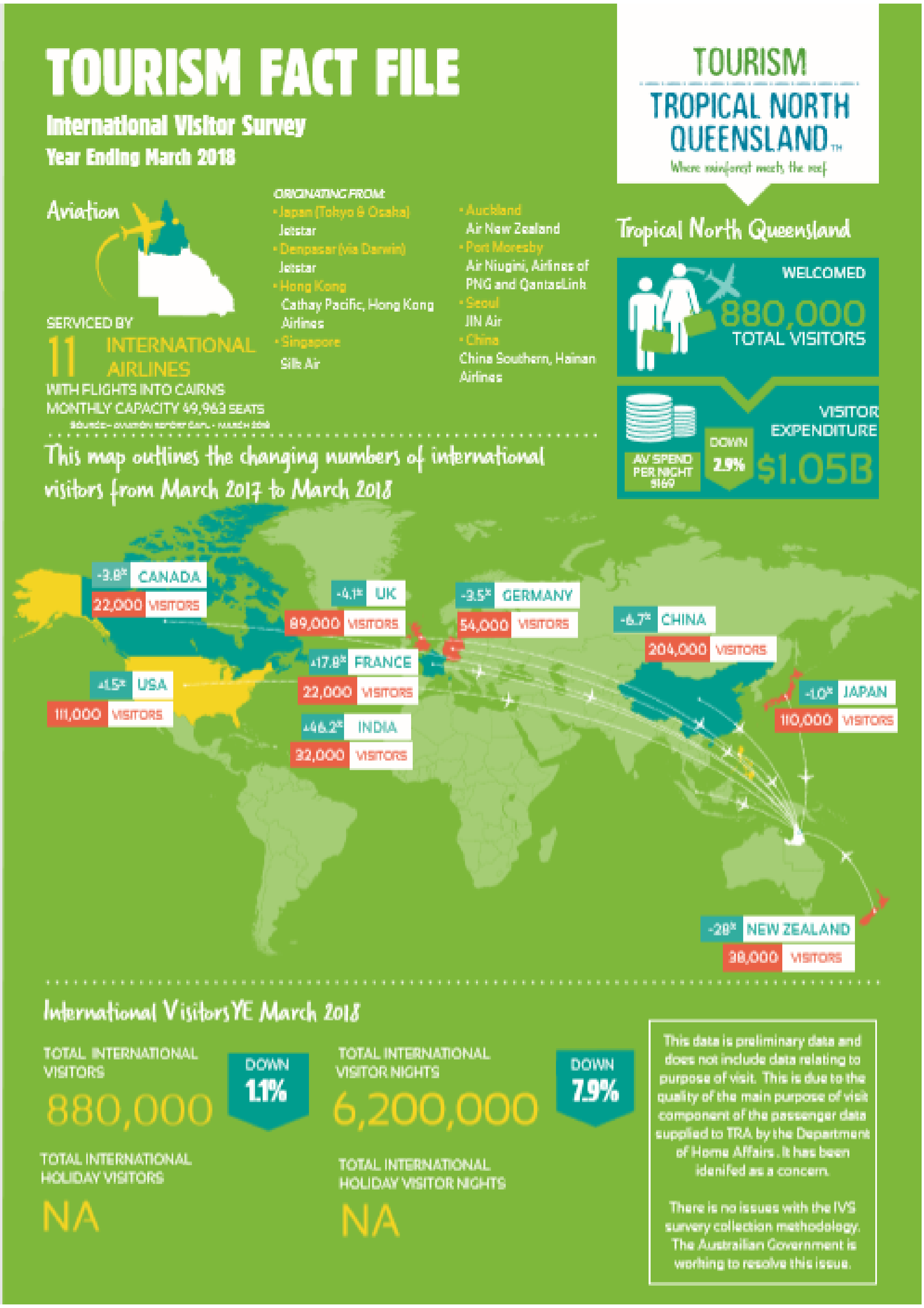
Broader trends in international tourism have also affected TNQ. Increases in the number of visitors travelling to Australia from other parts of Asia, such as China, has seen these visitors become proportionally more important to TNQ. Between 2005-06 and 2013-14, visitors from China increased from 4.5 per cent of all visitors to TNQ to about 21 per cent. However, visitors from China have a lower propensity than visitors from some other countries to visit regional areas, including TNQ (TRA 2013b). In 2013-14, about 20 per cent of total visitors to Australia from China travelled to TNQ, compared with about 29 per cent of total visitors to Australia from Japan and about 8 per cent of visitors from India (Tourism Research Australia 2015d unpub).

According to a study by consulting firm McKinsey & Company in 2000, just 4 percent of the China’s urban population was considered middle class but by 2022, 76 percent of the urban population will be considered middle class. That's defined as urban households that earn roughly comparable "middle class" incomes to other countries. This rapid growth will drive a rapid expansion in Chinese tourists and particularly those returning Chinese tourists more likely to want to come to regional areas like Cassowary Coast.

In Tropical North Queensland (TNQ), 68% of residents are extremely positive about tourists, and believe their local area should be trying to attract more visitors. Consultations undertaken for this project has shown that TNQ does seem to work as an integrated region and Cassowary Coast needs to leverage this opportunity. This has been demonstrated particularly amongst sporting clubs. They appreciate the importance of tourism to the regional economy and the importance of working together to achieve a better result.



TOURISM FACT FILE
National Visitor Survey
Year Ending March 2018
TOURISM
TROPICAL NORTH QUEENSLAND
Where rainforest meets the reef
Expenditure $2.1B
UP 11.6%
AV SPEND PER NIGHT $230
Aviation
SERVICED BY
8 DOMESTIC AIRLINES
CONTRIBUTING AN APPROXIMATE MONTHLY CAPACITY OF 212, 744 SEATS
DIRECT FLIGHTS ORIGINATING FROM:
• Brisbane, Melbourne, Sydney, Darwin, Alice Springs, - Qantas
• Brisbane, Melbourne, Sydney, Darwin, Perth, Adelaide, Gold Coast - Jetstar
• Brisbane, Melbourne, Sydney - Virgin Blue
• Brisbane, Melbourne, Sydney– Tiger Airways
• Regional services provided by QantasLink, Air North, Rex and Skytrans
DARWIN
CAIRNS
TOWNSVILLE
ALICE SPRINGS
260,000 VISITORS
1,400,000 NIGHTS
BRISBANE
GOLD COAST
164,000 VISITORS
779,000 NIGHTS
PERTH
ADELAIDE
SYDNEY
MELBOURNE
171,000 VISITORS
1,250,000 NIGHTS
Total Intrastate
1,200,000 VISITORS
4,600,000 NIGHTS
Total Interstate
674,000 VISITORS
4,600,000 NIGHTS
Domestic visitors to TNQ – YE March 2018
TOTAL DOMESTIC VISITORS
1,920,000
UP 6.6%
TOTAL DOMESTIC VISITOR NIGHTS
9,150,000
DOWN 0.1%
DRIVE VISITOR ARRIVALS
1,023,000
UP 12.0%
TOTAL DOMESTIC HOLIDAY VISITORS
995,000
UP 12.7%
TOTAL DOMESTIC HOLIDAY VISITOR NIGHTS
5,600,000
UP 6.0%
AIR VISITOR ARRIVALS
957,000
UP 6.0%


TOURISM FACT FILE
International Visitor Survey
Year Ending March 2018
TOURISM
TROPICAL NORTH QUEENSLAND
Where rainforest meets the reef
Aviation
ORIGINATING FROM:
• Japan (Tokyo & Osaka)
Jetstar
• Denpasar (via Darwin)
Jetstar
• Hong Kong
Cathay Pacific, Hong Kong Airlines
• Singapore
Silk Air
• Auckland
Air New Zealand
• Port Moresby
Air Niugini, Airlines of PNG and QantasLink
• Seoul
JIN Air
• China
China Southern, Hainan Airlines
SERVICED BY
11 INTERNATIONAL AIRLINES
WITH FLIGHTS INTO CAIRNS
MONTHLY CAPACITY 49,963 SEATS
Tropical North Queensland
WELCOMED
880,000
TOTAL VISITORS
VISITOR EXPENDITURE
AV SPEND PER NIGHT $169
DOWN 2.9%
$1.05B
This map outlines the changing numbers of international visitors from March 2017 to March 2018
-3.8% CANADA
22,000 VISITORS
-4.1% UK
89,000 VISITORS
-3.5% GERMANY
54,000 VISITORS
-6.7% CHINA
204,000 VISITORS
+1.5% USA
111,000 VISITORS
+17.8% FRANCE
22,000 VISITORS
+46.2% INDIA
32,000 VISITORS
-1.0% JAPAN
110,000 VISITORS
-28% NEW ZEALAND
38,000 VISITORS
International Visitors YE March 2018
TOTAL INTERNATIONAL VISITORS
880,000
DOWN 1.1%
TOTAL INTERNATIONAL VISITOR NIGHTS
6,200,000
DOWN 7.9%
TOTAL INTERNATIONAL HOLIDAY VISITORS
NA
TOTAL INTERNATIONAL HOLIDAY VISITOR NIGHTS
NA
This data is preliminary data and does not include data relating to purpose of visit. This is due to the quality of the main purpose of visit component of the passenger data supplied to TRA by the Department of Home Affairs. It has been idenifed as a concern.
There is no issues with the IVS survery collection methodology. The Australian Government is working to resolve this issue.

Tropical North Queensland Mountain Bike Tourism

Tropical North Queensland is developing as a genuine world class mountain bike destination building on two International Cycling Union (UCI) Mountain Bike World Cup events and the 2017 UCI World Mountain Bike Championships held at Smithfield Mountain Bike Park near Cairns. These are badged under the Ride Cairns website and whilst there is reference to the Cassowary Coast for a number of adventure tourism activites, the focus and centre of action is on the Cairns region. There are also premier mountain bike parks in and around Townville. Townville also hosts an annual nationally recognised Mountain Bike Festival.

This presents the opportunity for Cassowary Coast to build a high-quality mountain bike facility such as the proposed mountain bike park at Cardwell which has a serious opportunity to be a world class facility for core mountain bikers. There is also interest in the Misty Mountains Wilderness Track area to be a mountain bike adventure playground for non-core mountain bikers and trail runners. These proposals cater to different mountain bike markets which helps build the menu of options to cater to broader family and friendship groups to encourage longer stays in the Cassowary Coast region.

It is important to define these different markets for a common understanding. This definition is informed by TRC Tourism (2015) mountain bike master-planning work and provides guidance on what is required to encourage mountain bike tourism in the Cassowary Coast region.

Types of Mountain Biking

Mountain bike riders can be broadly divided into core and non-core riders:

- Core mountain bikers tend to be more experienced riders who may differentiate into a number of different genres. The main ones being cross-country [green-blue trails], trail [blue-black diamond trails] and downhill [black diamond – double black diamond trails]. They tend to have high levels of mountain bike participation, are high spenders on gear and equipment, are willing to travel to mountain biking destinations and have a high likelihood of participating in competitive events.

- Non-core mountain bikers who include novices, families seeking safe enjoyable places to ride away from cars, multi-sport clubs, school groups (often guided by tour operators), off-road bike tourers (e.g. rail trails or old forestry tracks) and people seeking a different outdoor experience or adventure. (Source: adapted from TRC Tourism 2015).

It is also important to appreciate that any mountain bike park trying to encourage mountain bike tourism needs to be built to international standards according to the International Mountain Bicycling Association (IMBA) guidelines (https://www.imba.com/) to be competitive. Purpose built mountain bike parks are focussed on core mountain bikers with challenging engineered single track to test their skills but often contain skill areas, pump tracks, and other amenities for non-core mountain bikers and novice single track riders.

What makes a successful Mountain Bike Destination?

A range of factors combine to make world class mountain biking destinations that attract both core and non-core mountain bikers and other visitors who might undertake a casual mountain biking experience as part of their holiday. While a destination may have world class trails within it, it is the combination of trails plus the overall visitor experience of the destination that combine to create a world class destination. The following characteristics have been drawn by TRC Tourism (2015) from successful international and Australian mountain bike destinations. They can be divided into:

- the trail infrastructure, design, support facilities and management
- the wider tourism/visitor experience offered, both on and off trail.

Trails and Support Facilities

The key attractor for core mountain bikers is the trail network. Its ability to attract visitors relies upon the quality and quantity of trails, its accessibility and the challenges and interest it poses. Critical factors are summarised below:

- High quality, sustainable single-track trail infrastructure

- Range of different difficulty levels [graded: Green, Blue, Black Diamond, Double Black Diamond – the same system as used in ski fields]
- Sufficient riding opportunities to fill 2 to 3 days
- IMBA recognition
- High quality pre-trip information
- High standard trailhead or nearby facilities
- Sustainable management of trails and infrastructure
- Hosting of Events (TRC Tourism 2015)

Mountain Bike Visitor Experience

The off-trail experience will also be important to mountain bikers who will spend a proportion of their time at a destination doing other activities. They will help to bring the destination to life. A strong overall destination experience is also needed to attract non-core mountain bikers and other visitors to undertake mountain biking and support commercial mountain biking products and services. Central aspects of a mountain biking tourism/visitor experience are summarised below:

- An attractive landscape, natural beauty and cultural attractions
- Range of bike-friendly accommodation options
- Cafes, food, beverage and retail businesses
- Supporting bike-related services (e.g. mountain bike sales, rentals, parts and service)
- Quality commercial tours (guided and self-guided)
- Strong positioning as a mountain bike destination
- Coordinated destination marketing and promotion (TRC Tourism 2015)

Section 5: Cassowary Coast

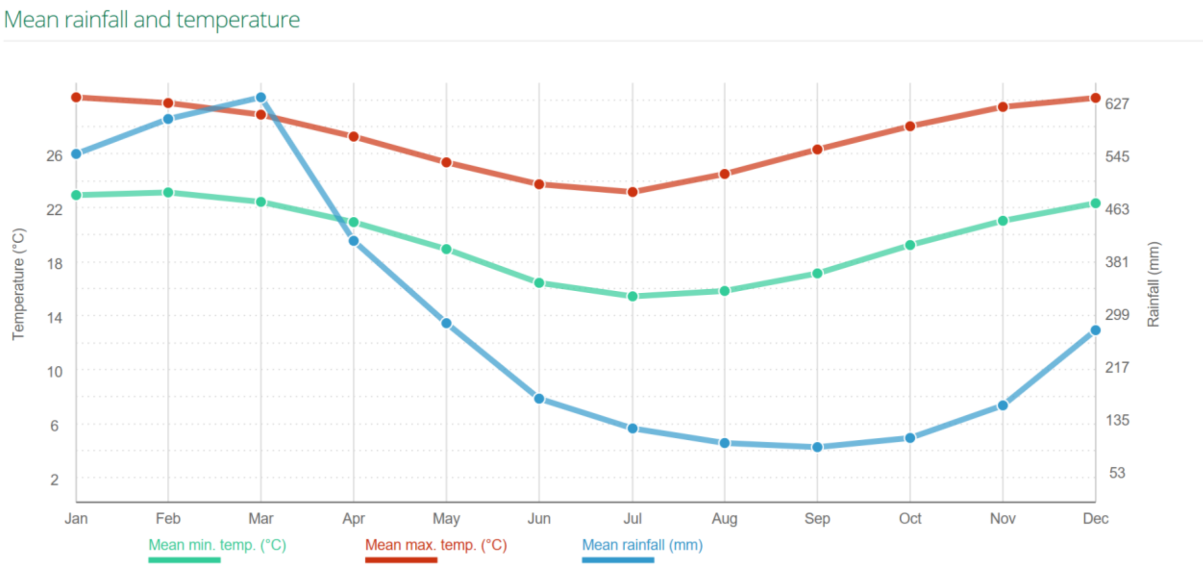
The Cassowary Coast region has a rich endowment of natural and cultural assets that are of high domestic and international tourism appeal as set out in the previous chapter. However, to be able to leverage these assets effectively, there are a number of issues that need to be addressed to begin the journey of reactivating Cassowary Coast's tourism economy.

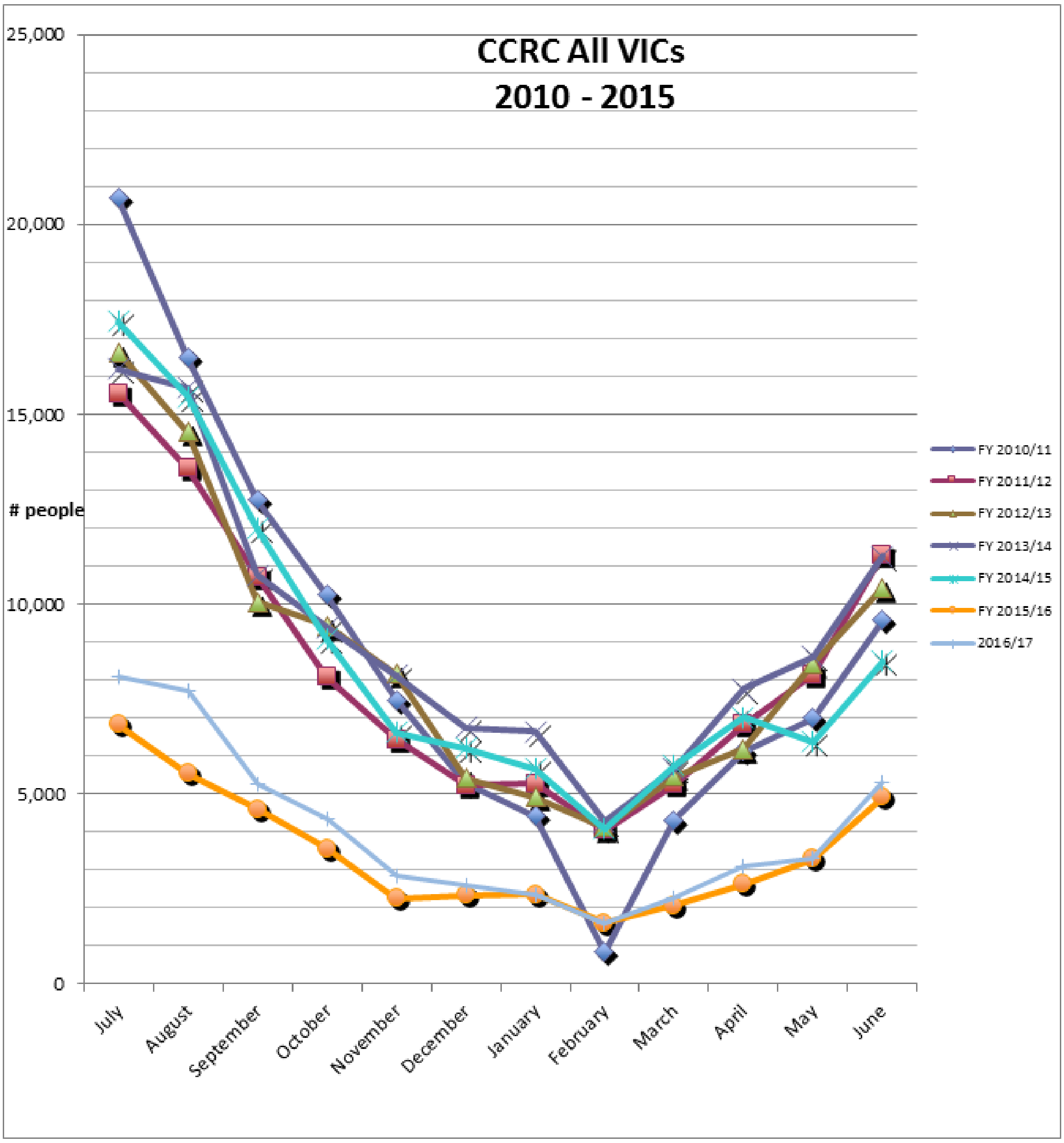
Locational Factors

The distance of Cassowary Coast from Cairns and Townsville was often stated as a barrier to tourism by stakeholders through the consultation for this project. Distances over 2 hours-drive do tend to generate visitor preferences for overnight accommodation that creates more economic activity. The data supports the increased economic benefits of intrastate visitors needing to stay overnight compared to day trippers.

Climate

As a starting point, it is important to look at both the climate and tourism data to inform the discussion about their relationship.




CCRC All VICs
2010 - 2015
25,000
20,000
15,000
10,000
5,000
0
people
July
August
September
October
November
December
January
February
March
April
May
June
FY 2010/11
FY 2011/12
FY 2012/13
FY 2013/14
FY 2014/15
FY 2015/16
2016/17

Tully's tourism market is dominated by intrastate tourists making up 106,000 last year while international tourists were 42,000 and interstate approximately 20,000 (TRA 2018). From Cassowary Coast Council's Visitor Information Centre data collected over the last 5 years, there is an evident tourist season. It would seem that the prime tourist season for the Cassowary Coast is the 6 months from 1 May to 1 November. This may vary for some tourism operators e.g. Raging Thunder White Water Rafting has its busiest month in February which happens to be also the wettest month but it is the Chinese New Year which generates extra visitors from Asia and points to the changing trend of Asian visitors to participate in water contact activities.

Rainfall data from the Tully Post Office Long-term Weather Data from the Bureau of Metrology is 1,058 mm and annual rainfall from this site is only 3,894 mm. It is why we picked it over the more commonly referred Tully Sugar Mill data from the Bureau of Metrology where the annual rainfall is a number starting with a 4 – 4,089 mm and certainly not the number we hear too many locals boasting about which is the 1950 figure of 7900 mm. We think it is time to throw the Golden Gumboot out! A new strategy is required for the presentation of Tully that underplays the weather to support the reactivation of tourism.

Statistic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Mean	602.1	730.3	758.9	527.3	329.2	199.2	151.7	125.3	112.4	110.1	172.2	262.2	4089.5
Lowest	11.0	126.8	88.6	40.1	13.0	6.0	0.0	0.0	0.0	0.0	4.2	16.3	2110.6
5th %ile	110.3	179.3	265.2	153.2	55.2	37.7	20.0	10.4	0.3	3.2	20.6	36.7	2614.6
10th %ile	161.5	249.7	310.2	203.0	106.3	47.4	34.8	17.0	9.7	6.4	28.1	62.1	2914.9
Median	518.5	657.0	687.2	480.6	322.9	175.8	136.6	87.4	73.2	72.1	124.6	191.0	3904.7
90th %ile	1142.6	1304.9	1360.2	856.0	540.6	409.4	295.6	259.7	246.3	270.0	409.8	506.2	5345.2
95th %ile	1358.2	1505.9	1556.7	1110.3	605.1	467.7	346.6	317.4	333.1	349.0	499.4	713.6	5639.5
Highest	2003.0	1818.7	1907.4	1586.4	806.2	584.2	535.7	484.4	610.2	652.8	702.8	1501.1	7898.0

Tully Sugar Mill Long Term Weather Data (BOM 2018)

Statistic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Mean	574.9	757.5	730.7	479.7	335.3	223.6	137.8	138.4	113.2	109.8	135.3	192.6	3894.4
Lowest	15.6	150.7	40.9	58.3	25.9	36.4	25.9	5.1	0.0	1.5	11.6	12.7	2191.5
5th %ile	136.1	201.2	196.0	142.6	91.5	54.6	27.7	5.7	8.0	3.1	20.9	17.6	2627.6
10th %ile	171.3	307.0	253.6	162.1	114.0	72.2	61.3	13.9	9.4	6.0	32.6	19.8	2911.9
Median	572.4	747.2	630.2	371.7	315.0	192.7	129.7	129.8	85.7	85.7	117.1	90.1	3818.6
90th %ile	1094.0	1272.5	1346.2	873.9	598.9	389.9	239.6	255.9	219.8	260.5	255.7	494.7	5039.0
95th %ile	1126.0	1294.7	1492.2	985.8	602.1	416.9	280.1	303.4	267.6	293.1	323.7	537.9	5271.8
Highest	1282.3	1384.5	1806.2	1312.3	616.7	470.9	295.8	436.1	291.8	446.1	386.4	640.2	5400.8

Tully Post Office Long Term Weather Data (BOM 2018)

Other international ecotourism hot spots have much higher rainfall than Tully, but they do not promote it. For example, the annual rainfall for Milford Sound is 6,412 mm nearby the world-famous Milford Track Ecotourism hike. The Milford track is officially open for the 5.5 months from 1 November to 18 April each year and the rainfall across this tourist season is 3,318mm, triple Tully's rainfall for its tourist season.

Cradle Mountain, Tasmania within the environs of the world-famous Tasmanian Overland Track has an annual rainfall of 2,266mm and its tourism season is for the 7 months from 1 October to 1 May. Rainfall for their tourist season is 998 mm.

Town	Annual Rainfall (mm)	Tourist Season Rainfall (mm)*
Tully	3894 (Post Office)	1058
Cairns	1987	277
Port Douglas	2025	257
Innisfail	3558	919
Cardwell	2110	297
Milford Sound	6412	3318
Cradle Mountain	2266	998

* Tourism seasons as defined in paragraph above

Rainfall Comparisons highlighting tourism season rainfall

Tourists are more interested in the quality of the experience and a comfortable temperature range which Tully has through its tourist season. In fact, the moderate temperature is a major bonus within the domestic tourism market for this time of year as well.

How have tourism trends impacted on Cassowary Coast?

A detailed Cassowary Coast gap analysis with recommendations was used to inform the workshop with the Council and is attached at Appendix One. Key graphs and gap analyses from this work are reproduced below to help distil the key issues impacting tourism in the Cassowary Coast region. This was used to inform the action plan to improve tourism in the region and advise what sort of tourism development maybe most successful at Cardstone Village site.

Employment by Industry, Cassowary Coast LGA

Industry (ANZSIC 1 Digit)	2011	2016	% of Total Employment as at 2016	2011-2016 Employment Growth (No. of Workers)	2011-2016 Employment Growth (%)
Agriculture, Forestry and Fishing	1,876	2,514	23.0%	638	34.0%
Health Care and Social Assistance	1,141	1,153	10.5%	12	1.1%
Retail Trade	1,270	1,072	9.8%	-198	-15.6%
Education and Training	813	938	8.6%	125	15.4%
Manufacturing	969	937	8.6%	-32	-3.3%
Accommodation and Food Services	780	781	7.1%	1	0.1%
Public Administration and Safety	600	622	5.7%	22	3.7%
Construction	981	553	5.1%	-428	-43.6%
Transport, Postal and Warehousing	458	531	4.9%	73	15.9%
Other Services	421	424	3.9%	3	0.7%
Professional, Scientific and Technical Services	303	307	2.8%	4	1.3%
Administrative and Support Services	202	294	2.7%	92	45.5%
Wholesale Trade	258	200	1.8%	-58	-22.5%
Financial and Insurance Services	150	129	1.2%	-21	-14.0%
Arts and Recreation Services	107	127	1.2%	20	18.7%
Electricity, Gas, Water and Waste Services	132	122	1.1%	-10	-7.6%
Rental, Hiring and Real Estate Services	161	117	1.1%	-44	-27.3%
Mining	39	57	0.5%	18	46.2%
Information Media and Telecommunications	63	51	0.5%	-12	-19.0%
TOTAL	**10,724**	**10,929**	**100.0%**	**205**	**1.9%**

Source: ABS (2016); MacroPlan (June 2018)

Employment by Occupations Classified as Tourism and Hospitality Related, Cassowary Coast LGA

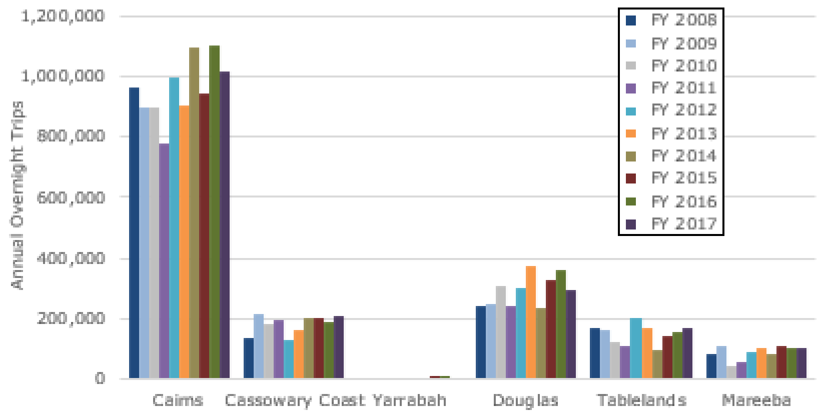
Tourism Occupations (as per 2009 ABS Classifications)	Full Time Employment			Part Time and Away from Work Employment			Total Employment (incl. Away from Work)		
Occupation (ANZSCO 4 Digit)	2011	2016	Growth (No. of Jobs)	2011	2016	Growth (No. of Jobs)	2011	2016	Growth (No. of Jobs)
Other Accommodation and Hospitality Managers	20	23	3	12	6	-6	32	29	-3
Other Mobile Plant Operators	9	5	-4	0	0	0	9	5	-4
Other Specialist Managers	21	19	-2	5	3	-2	26	22	-4
Automobile Drivers	17	12	-5	3	10	7	20	22	2
Bar Attendants and Baristas	31	24	-7	48	57	9	79	81	2
Cafe and Restaurant Managers	42	37	-5	14	14	0	56	51	-5
Cafe Workers	12	8	-4	24	15	-9	36	23	-13
Caravan Park and Camping Ground Managers	15	16	1	0	4	4	15	20	5
Bus and Coach Drivers	4	13	9	26	34	8	30	47	17
Chefs	29	40	11	8	11	3	37	51	14
Housekeepers	7	10	3	17	32	15	24	42	18
Conference and Event Organisers	3	6	3	0	0	0	3	6	3
Cooks	29	23	-6	32	39	7	61	62	1
Sports Coaches, Instructors and Officials	4	4	0	10	14	4	14	18	4
Other Hospitality Workers	0	0	0	0	0	0	0	0	0
Travel Attendants	0	0	0	0	0	0	0	0	0
Archivists, Curators and Records Managers	0	0	0	0	0	0	0	0	0
Gaming Workers	0	0	0	0	0	0	0	0	0
Air Transport Professionals	12	8	-4	0	10	10	12	18	6
Hotel and Motel Managers	43	42	-1	8	9	1	51	51	0
Receptionists	59	52	-7	58	66	8	117	118	1
Hotel Service Managers	7	4	-3	0	0	0	7	4	-3
Kitchenhands	26	17	-9	84	117	33	110	134	24
Licensed Club Managers	4	5	1	0	0	0	4	5	1
Other Personal Service Workers	3	3	0	7	0	-7	10	3	-7
Ticket Salespersons	3	0	-3	0	4	4	3	4	1
Gallery, Museum and Tour Guides	8	4	-4	11	12	1	19	16	-3
Tourism and Travel Advisers	12	0	-12	5	5	0	17	5	-12
Transport Services Managers	13	21	8	0	0	0	13	21	8
Retail Managers	207	180	-27	43	39	-4	250	219	-31
Waiters	11	15	4	49	43	-6	60	58	-2
Animal Attendants and Trainers	5	0	-5	3	6	3	8	6	-2
TOTAL	**656**	**591**	**-65**	**467**	**550**	**83**	**1,123**	**1,141**	**18**

Source: ABS (2016); MacroPlan (June 2018)

Growth in tourism jobs offset by lower value work (e.g. growth in kitchen hands). Growth in part time employment offset by a contraction in full time employment from 2011 to 2016.

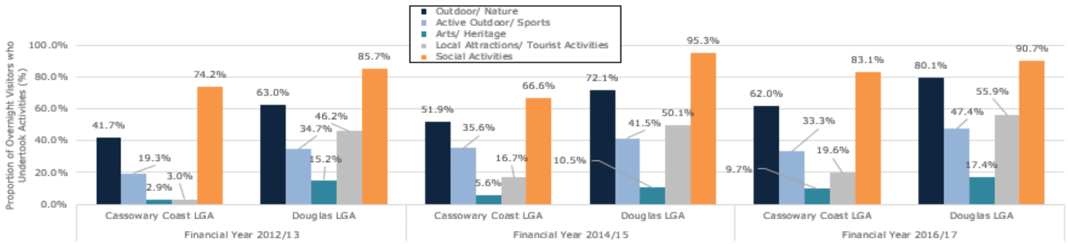
Interstate visitors generate more expenditure than international and day trippers because they stay overnight. The accommodation analysis explains why higher value tourists are going to Cairns and Port Douglas but not the Cassowary Coast. The accommodation analysis needs to inform the proposed quality and quantity of the tourist accommodation offering at the Cardstone Ecovillage site.

Cassowary Coast Tourism Catchment LGA Annual Overnight Visitor Trip as % of Total Catchment Overnight Visitor Trips



Source: Australian Government (June 2017); MacroPlan (June 2018)

Annual Overnight Visitor by Activities Undertaken as % of Total Visitor Trips, Cassowary Coast LGA vs Douglas LGA



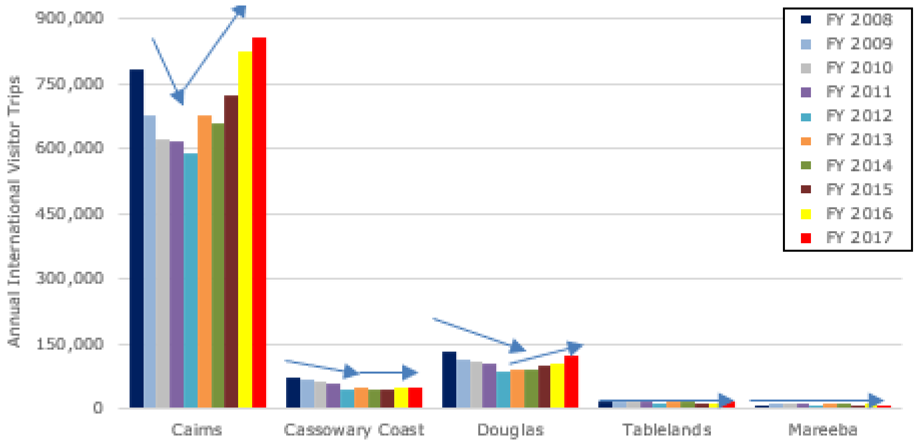
Source: Australian Government (June 2017); MacroPlan (June 2018)

P| 4

Gap Analysis

- Cyclone Yasi (February 2011) impacted overnight visitor tourism numbers across Cassowary Coast LGA and they have not recovered.
- Cairns has rebounded from GFC but only to long term average.
- Douglas LGA not impacted by GFC despite Cairns being affected and has continued to demonstrate trend growth over time.
- Douglas LGA showing trend increase in interstate tourists.
- Cassowary Coast is not benefiting from trend growth in Cairns tourism which is flowing onto Douglas.

Annual International Visitor Trips, Cassowary Coast Tourism Catchment



Source: Australian Government (June 2017); MacroPlan (June 2018)

Gap Analysis

- International visitation has grown strongly for Cairns LGA, moderately well for Douglas LGA, but declined for Cassowary Coast LGA.
- Cassowary Coast LGA has had 50% decrease in USA/ Canadian international visitation and has not picked up the substantial growth of Chinese/Taiwanese visitors.
- Cassowary Coast LGA has had substantial growth in New Zealand tourists.
- Decrease in single travellers goes against international trend in growth of lone travellers, especially strong growth in female lone traveller category.

Cassowary Coast LGA Tourism Accommodation Comparative Analysis

	5 Stars	4-4.5 Stars	3-3.5 Stars	2-2.5* Stars
Cairns	3	18	10	0
Port Douglas	2	11	3	0
Mission Beach	0	2	2	0
Innisfail	0	0	1	0
Cardwell	0	0	1	0
Tully	0	0	0	0

The table above shows the lack of quality tourism accommodation in the Cassowary Coast area. These 4 stars offerings are going against the broader tourism trends of the region and are growing tourist visitation. There a number of quality non-accommodation tourism offers also growing strongly with the region.

While Port Douglas is closer to Cairns than Cassowary Coast, it is growing strongly utilising its impressive stock of 4 and 5-star accommodation and high quality non-accommodation tourist offerings. The independently assessed Star Rating Australia scheme has been used here as customer focussed schemes like TripAdvisor are open to manipulation as the recent high-profile case against an Australian developer has demonstrated.

The recommended actions to solve some of the missing infrastructure was proposed as set out below and used to test market interest.

- Investment required in higher value tourism offerings.

- Exploration into whether there are local exceptions in Cassowary Coast region that are operating more effective tourism employment destinations such as Douglas LGA, for example the only two 4-star rated tourist offerings in Cassowary Coast.

- Proposal for Stage 1 Cardstone Ecovillage is for 4 x 5 Star rated 1 bedroom cabins to cater to initially 2 helicopter flights a day to Cardstone, 3 x 1 bedroom and 3 x 2 bedroom 4 star cabins [would cater to drive-in tourists] and 10 x 3 Star 1 bedroom safari tents [catering to the adventure sport market] plus 5 x 3 star 2 bedroom safari tents for families and groups. See appendix 1 for preliminary costings and explanatory notes.

What is the Cardstone Village's tourism offer and brand?

Place branding is not simply about marketing Cassowary Coast as a great place to visit. This is where the Australian Regional Tourism Network (ARTN) best practice guide on Destination Management becomes important. It's about tapping into the honest, authentic, central idea of the Cassowary Coast region so it becomes clear what differentiates this region, and specifically the Tully Gorge, from other destinations. It's about creating a genuine competitive advantage through working with local tourism operators, local businesses and local residents (ARTN n.d., Hoyne 2018). Then communicating to Australia and the world why they should visit, open a business here, or invest their money.

Place branding must apply across a number of layers for it to be successful and in this case, Cassowary Coast region, Tully as the gateway to the Tully Gorge, then the Cardstone Village Ecotourism Precinct. There's only so much a brand or logo can achieve on its own.

When trying to speak to truth and differentiation to create reasons for people to care about a destination, each layer requires a distinct flavour. There is a lot that needs to be communicated and that is where the upfront investment in the Destination Management approach of engaging your ecotourism community of interest begins to bear fruit as you should have many people in many different parts of the Cassowary Coast ecotourism value chain genuinely promoting the virtues of the tourism offer through multiple but consistent messages.

The genuine competitive advantages we see [but need to be developed through the Destination Management approach] for the Cardstone Ecovillage are:

- Nestled within an UNESCO World listed Rainforest, the largest area of natural rainforest in Australia.

- 100 metres from world class rafting on the stunning Tully River through a world class tropical rainforest

Unrivalled cultural experience with the Jirrbal Indigenous Rainforest people, the oldest civilisation on Earth who lived in this rainforest for over 40,000 years. The Jirrbal are one of only a few groups who are a true rainforest Australian Aboriginal culture and who have retained their knowledge passed down through the generations.

Set within the Kareeya hydro station's former worker's village with hydro-power and aiming to achieve the highest standard of Advanced Ecotourism Certification, Climate Action Leader Certification and the Respecting Our Culture Certification from Ecotourism Australia, the eco-tourism facilities should be designed specifically to protect and conserve the national park and its natural and Indigenous cultural assets. A key part of the development should be an Indigenous cultural and rainforest interpretation and learning centre to educate, raise awareness and promote cultural and environmentally sustainable research, practice and learnings.

Cardstone Eco-village will be tranquil, uncrowded and seemingly remote, but importantly easily accessible for such a world class facility [only a 20-minute helicopter flight from a popular tourist international airport at Cairns; 30 minutes-drive along a high-quality road through a beautiful valley from a full-service town, Tully and only a 15-minute helicopter flight from the UNESCO World Heritage Listed Great Barrier Reef and easily drivable by car or bus from Cairns (2.5 hours) and Townville (3 hours).

The Cardstone Eco-village Tourism offer

- Visitor and Interpretation Centre with internet access [hot showers, change rooms and facilities], World Heritage Rainforest, Indigenous and Outdoor adventure information]. Internet access important to tourist amenity and social media promotion of tourist facilities and activities. Built to be able to expand later into a conference facility. CCRC to seek joint State-Commonwealth funding. Consultant's Report to provide the basis for the business case for the submission]

- Café/restaurant [could consider as part of Visitor and Interpretation Centre]

- Stage a Glamping offer – a la Binna Burra air-conditioned cabins for the higher value tourist who are flying in that can grow over time. Commence with say 5-10 cabins.
- Over time grow the facility to host conferences, wedding receptions and executive retreats and corporate workshops.

Likely co-developers:

- Existing local opportunities - There are a number of locally established and developing tourism industry accommodation and adventure tourism providers who are likely to want to expand their businesses off expected growing regional tourist demand. As the potential for visits to the region increases through increased overseas and domestic demand, the scope for the integration of the Cardstone site with the Cassowary Coast's other dominant accommodation and activity tourist locations (e.g. Mission Beach and Mena Creek) also grows.
- External interest – there have been a number of unsuccessful tourist resort proposals along the Queensland coast over the last year mainly due to Council refusals so there may be pent up demand for investors to work with a supportive council in a prime tourist destination. This can be tested by going to market to determine commercial interest in the Cardstone site.

Likely Tenants/Eco-Village users:

- Rafting activity providers
- Ingan Aboriginal Tours
- Jirrbal Indigenous Rainforest People Cultural Experience
- Cassowary Coast Multi-Sport Club
- Misty Mountains Mountain bike events
- Adventure racing
- Day visitors
- Regional school excursions
- Executive workshops
- Conferences/event staging
- CCRC events and training

Capitalising on the equity Council has in the site

- Explore Public- Private Partnerships, leasing vs selling parts of site. Investor interest so far has focussed on a 30 year lease arrangement.
- Partitioning the Site for multiple Uses
- Likely returns on investment [compare to other similar development e.g. Bay of Fires, Tasmania, Kooralbyn and O'Reillys, Spicers Retreat, Scenic Rim, NightFall, Border Rangers South East Queensland]
- Analyse likely employment and economic activity due to proposed development at Cardstone over the next 5 years

Likely future tourist activites:

- White Water Rafting
- Wilderness hiking
- Indigenous Cultural Tours
- Jirrbal Rainforest Indigenous People experience
- Zip-lining
- Misty Mountains Mountain-bike Adventure Events
- Gravel Bike Gran Fondo
- Wilderness Experience
- Fly fishing
- Trail Running
- Rogaining

Re-activating Tully

What underutilised assets does Council own?

How can they be leveraged for re-imaging Tully?

Incentivising redevelopment, place-making, new enterprises building the Council's Façade Improvement Scheme

Leveraging other events to have a presence in the Cassowary Coast Region

- Reef to Reef Mountain Bike Multi-day Stage Race
- Bicycling Queensland Adventure Tour

- Crocodile Trophy Mountain Bike Race
- Adventure Sport NQ
- Tableland Off-road Association Events

Complementary Tourist Attractions

Building a palette of tourism options to cater for the diversity of large family and tourism groups

- Mission Beach – Family focussed beach and reef experience
- Thorsborne Trail Wilderness Hike - Hinchinbrook Island (3-7 day Trek)
- Art Deco Innisfail – funky festivals around the Art Deco period have flourished in other locations such Napier in New Zealand.

Cardwell Mountain Bike Park

Mountain bike parks are becoming an important tourist destination as demonstrated by the success of nearby Smithfield and Atherton Table Mountain Bike Parks. World Trails based in Cairns are world-wide experts on building mountain bike parks. They would be a good candidate to approach to understand costs of undertaking trail feasibility studies and constructing the park. Resumes don't come any better than this anywhere in the world: World Trails [http://www.world-trail.com/] has:

- Designed & constructed every World Cup, World Championship, Olympic and Enduro World Series course in Australia. Purpose built over 300 kms of recreational trails in Australia. Decades of experience within the core culture of mountain biking and is one of the largest and most experienced MTB trail companies in the world. Designed, planned and constructed hundreds of projects in 20 countries.

- Commonwealth (T-QUAL Strategic Tourism Investment Grants) and State government (Tourism Infrastructure Fund) funding has supported the development of many mountain bike parks in Australia including say Smithfield and the Tablelands Mountain Bike Parks.

- It is estimated that a full feasibility study and trail design for Cardwell could cost in the range of $200,000 ahead of constructions costs of about $1-2 million depending on track design, terrain and length of trails. Track maintenance is often undertaken by volunteers. The Kowen Forest Mountain Bike Park in the ACT rated third best in Australia by an international mountain bike magazine SingleTracks was designed, built and is maintained by volunteers but help fund their works through hosting a number of mountain bike races each year including the largest 24-hour mountain bike race in Australia.

Section 6: Action Plan

These Actions emanate from the workshop with the Cassowary Coast councillors held on 25 July 2018. It draws on the Cassowary Coast Cap Analysis, Recommendations and Preliminary Costings undertaken for the Workshop at Appendix 2.

Short term Actions (3-6 months)

- Adopt the best practice Destination Management methodology as recommended by the Australian Regional Tourism Network to progress the Action Plan.

- Promote the Best of Queensland Experience or T-Qual Accreditation to the tourist sector and related industries.

- Seek State Government funding from the $36 million Growing Tourism Infrastructure Fund to the establish an Ecotourism Information, Visitor's and Interpretation Centre at the Cardstone Eco-village site. Council could consider selling or the long-term lease (say a 30-year lease) of part of the Cardstone Ecovillage site to help build the matching funding required by the State. **Applications are due by 7 September 2018**.

- Agree a process to seek private sector partnerships to co-develop the Cardstone Eco-village.

- Consider developing a complementary Regional Economic Strategy to promote economic growth more broadly across the region building on the critical role of the tourism sector. An economic strategy would be able to use the tourism research and analysis along with the work on the Cardstone Ecovillage site as a central plank in delivering the strategy.

- Establish timeframes and lead roles for each action.

Medium Term Actions (6-12 months)

- Undertake amenity improvements in the Cardstone Eco-village Tourism Precinct environs to promote a better tourism experience including a walking path along the edge of the Tully River to promote bushwalking, viewing platforms for the White-Water Rafting and the beautiful river gorge and river access for rafting, canoeing and swimming and install a free internet access network.

- Support an Indigenous tourism offering to establish the Cardstone Eco-village as an international destination for cultural tourism.

- Establish the Misty Mountains Wilderness Area as an adventure sport playground with gravel bike racing, multi-sport events and adventure challenges.

- Use the World Rafting Championships next May as the critical date to launch the new Cardstone Ecovillage Tourism product to the world.

- Leverage the Cardstone Tourism product to secure participation in other existing North Queensland tourism offerings to better integrate with the Cassowary Coast region including Bicycling Queensland's Adventure Road Tours, Adventure Sport NQ events and Targa Great Barrier Reef.

- Undertake an audit of Cassowary Coast Regional Council assets in Tully and environs as part of a strategy to ensure the on-going commitment to re-activate Tully including local area improvements.

Longer Term Actions (12-24 months)

- With the Cardstone Eco-village as an anchor, link with the emerging Mena Creek Tourism precinct working with the owner of Paronella Park and operator of Mamu Tropical Skywalk as well as working with Atherton Tableland Mountain Bike Club to make this a truly regional adventure sport playground.

- Undertake an economic analysis and trail design feasibility of the Cardwell Forest Drive mountain area to become a high-quality Mountain Bike Park modelled on the successful Atherton Tableland's and Smithfield Mountain Bike Parks.

- Leverage Cassowary Coast participation through modest funding ($5,000 to $10,000) in the following highly successful mountain bike events: RRR Mountain Bike Challenge, Crocodile Trophy, Cairns Airport (the sponsor) Adventure Festival and off the back of this higher profile for the Cardwell Forest Mountain Bike Park, establish a standalone mountain bike event.

- Integrate these recommended tourism offerings with the broader Strategic Tourism Plan to promote the Cassowary Coast as a premier tourism destination.

Definitions

Adventure tourism is described as a tourist activity that includes a physical activity, a cultural exchange, or activities in nature. It is a type of niche tourism, involving exploration or travel with a certain degree of risk and may require specific skills and physical exertion. It can be a type of tourism, involving exploration or travel to remote and/or exotic areas.

Australian Mountain Bike tourist market is defined as domestic day, domestic overnight and international visitors.

Day visitors are those who travel for a round trip distance of at least 50 kilometres, are away from home for at least four hours and do not spend a night away from home.

Domestic travel by Australians covers both overnight travel and day trips within Australia.

Ecotourism encompasses nature-based experiences that increase visitor appreciation and understanding of natural and cultural values. These are experiences that are managed to ensure they are ecologically, economically and socially sustainable, contributing to the wellbeing of the natural areas and local communities where they operate (Qld Ecotourism Plan 2016-20)

Overnight travel involves a stay away from home of at least one night, at a place at least 40 kilometres from home.

Glossary

ATAP - Australian Tourism Accreditation Program

ARTN - Australian Regional Tourism Network

CCRC - Cassowary Coast Regional Council

NTAF - National Tourism Accreditation Framework

TNQ - Tropical North Queensland

TRA - Tourism Research Australia

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