2010/2011 STRATEGIC PLAN

1. EXECUTIVE SUMMARY

The outgoing tourism tide has finally turned, bringing with it a significant review of how we and our trade and consumer clients will see the business of tourism in Tropical North Queensland. While the past 18 months internationally saw a loss of 100,000 holiday visitors, mainly due to the temporary loss of air service capacity out of Japan and the fallout of the global financial crisis, domestically TNQ was a shining star in Australia 1% growth. However, although we are now in a better position than envisaged a year ago - it is time for changes that will ensure a more sustainable and profitable industry.

While TTNQ, it partners and members have been working diligently on market maintenance, growth where possible and survival during the crisis, the region has also been the subject of a substantial evaluation that will help reposition Australia's premier destination for both international and domestic visitors. As a consequence of the TNQ Repositioning Study, significant changes, squarely aimed at growing the market back to and beyond previous highs, are in the air.

Changes to aviation access, the impacts of the financial crisis, evolving demographics and consumer travel patterns all demand attention and a proactive response. The recommended strategies within this Strategic Plan are the result of detailed analysis of market trends, key consumer segments and identifying partnerships required to deliver the necessary outcomes.

Primary findings highlight that aviation remains the most significant influence to growth with particular emphasis now on domestic, Japan and New Zealand markets, and that the region must re-establish its strong association to the Great Barrier Reef by clearly marketing Cairns as the gateway to the many diverse precincts of theTropical North.

The study also shows that we must position the region as Australia's principle regional events destination as it has been clearly demonstrated that the region is under performing and lacks focus in this important tourism segment. A number of other emerging and established product clusters/niches have been identified which will provide additional opportunities to match consumers with product experiences which best fit personal motivation to travel. Consumer research shows that people's needs and desires are critical triggers in the decision making process of where they will holiday. To go forward we must recognise that one size does not fit all and that to grow we must adapt to evolving and different markets.

Change is required and TTNQ will lead an agenda on a new way of engaging with our trade partners and consumers. With a dedicated trade strategy to work directly with the industry in our most productive markets, and a more structured relationship with the inbound tour operators (ITOs), TTNQ will deliver a refreshed and revitalised trade engagement strategy.

The online environment also provides an exceptional opportunity to communicate directly to our potential visitors and provide the trade with a timely tool to help service our consumers with a range of product and experiences that better position our destination.

We will also embrace cutting-edge consumer direct strategies to inform and motivate potential visitors to make our destination one of choice. One important approach will be to specifically target the emotional and personal needs of potential visitors. This can be achieved through the introduction of psychological research that allows a more focused approach than traditional demographics alone.

The Tropical North has led the way in tourism marketing for many years now and again needs to take the lead in implementing the changes requried to remain a successful destination. We believe TTNQ is the relevant organisation to drive these changes in the way we communicate our attractive attributes. To achieve this we will clearly identify with the Great Barrier Reef and our natural world heritage icons, and most importantly, continue to work intimately with all stakeholders in an industry that is by far the regions largset direct and indirect employer.

Our success will hinge on how we respond to the challenges envisaged in the TNQ Repositioning Study and the many other industry stategic regional review projects undertaken in the past year. But we must set out to achieve this now - not later.

This Strategic Plan for 2010/2011 makes a start to our future journey of change.

2. INTRODUCTION

WHO ARE WE?

TTNQ is the peak regional tourism destination marketing and development organisation for Tropical North Queensland (TNQ). The business, which commenced operations in the 1960's, is owned by its members and is a not-for-profit company.

TTNQ's ROLE

TTNQ's key objective is to build (tourism) destination awareness in Australia and international markets through a targeted program of activities designed to deliver maximum visitor numbers and expenditure.

- Provide leadership to the industry
- Market the region to build awareness, desire and conversion
- Provide advocacy
- Secure and leverage funds
- Provide a range of tools for industry to maximise conversion
- Provide insights, mentoring and strategic direction
- Boost positive perception of industry with all stakeholders
- Maximise collective economic benefit for the region
- Stimulate sector development and diversification

The above is delivered by professional and experienced staff with more than 300 years collective experience in the tourism industry.

The purpose of this Strategic Plan is to review TTNQ's activities in the context of the current tourism environment at regional, national and international levels, and to ensure the business remains responsive to the needs of our members.

OUR MISSION *To grow sustainable tourism*

OUR VISION

To be the world's best TROPICAL holiday destination

Nature's Theme Park - where the rainforest meets the reef

3. TNQ TOURISM VALUE

Our industry is proud of the contribution tourism makes to the regional community in terms of facilities and infrastructure, lifestyle, global awareness and reputation, employment and wealth. Below are some key indicators.

$2.6B total visitor expenditure	Visitor Expenditure For the year ending December 2009, domestic overnight visitors spent $220/night, international $153/night, a total of $2.6bn (*Tourism Research Australia; IVS and NVS YE Dec09).* Every $230,000 spent by visitors in TNQ, creates one direct job in tourism *(Tourism Research Australia).*
22%	Employment Tourism directly accounts for about 15,000 jobs (22% of employment in the Cairns Regional Council area) (*Cummings Economics, 2009).* One in five workers in TNQ depends on tourism. One in ten businesses relies directly on tourism. (*Access Economics, 2009).* If full flow-on effects are taken into account, tourism accounts for about 32,000 jobs and about 25% of employment in TNQ (*Cummings Economics, 2009*). Accommodation, cafes and restaurants industry was the largest generator of tourism employment (33%) in 2008-09 (*Tourism Research Australia).*
$2.350B	Gross Regional Product The tourism contribution to our regional economy equates to over $11,000 for every man, woman and child. Full impact of tourism, including flow-on benefits on Gross Regional Product for Far North Queensland (based on Queensland Office of Economic & Statistical Research multipliers and definitions), is estimated at about $2.350bn and about 24% of GRP (*Cummings Economics, 2009*).
Over 40%	Regional Exports The industry is estimated to generate over 40% of the region's export earnings from overseas and elsewhere in Australia (*Cummings Economics, 2008/09*).

4. ECONOMIC OVERVIEW

Considering the extent and variety of the markets that TTNQ will focus attention on, our goal must be to maintain and grow our markets. Adverse impacts of the global financial crisis, foreign exchange rate movements, fuel charges, and the disruption caused by elections held in our key markets, is taken into consideration as part of the dedicated forecasting analysts undertake in the development of this plan.

4.1 EXCHANGE RATES

The Global Financial Crisis (GFC) caused short-term strong currency movement. Although the GFC started in the USA, there was an immediate flight to the US dollar from fringe currencies (like Australia). This held the US dollar up. A trend to more normal conditions has seen that reverse, resulting in downward pressure on the US dollar. The US Federal Reserve policy of keeping interest rates low is reinforcing this trend.

The current high Australian dollar is a major negative factor for the Cairns region's tourism industry. Relief seems unlikely while the Reserve Bank of Australia is intent on putting up Australian interest rates well above the rest of the world.

The only possible relief would be if a serious double dip occurs in Europe/US, the Chinese economy falters and this affects commodity prices, or the recovery in the USA is such that the Federal Reserve starts raising interest rates again.

Although there is still a lot of uncertainty around, at this point in time none of the above seems likely and the Australian dollar seems likely to remain high into the future.

4.2 OIL PRICES

The prices have been hovering in the range $US 70 – 80 per barrel for about a year now. There seems little likelihood of a large escalation occurring given the state of the global economy. If a double dip occurred, oil prices would go down but at this point in time, this does not seem likely to happen.

4.3 ECONOMIC CONDITIONS & OTHER FACTORS IN MAIN MARKET AREAS

Nearby Regional (Country Queensland, Across North & PNG)

The gathering mining boom will lead to expanding opportunities for growing visitor/R&R traffic especially from major hot spots, central Queensland, PNG, and Western Australia's North West.

Nearby Southern Australia/New Zealand

Southern Australia: The economy is recovering with subdued growth. Households are saving more and not spending after the GFC scare. The high Australian dollar is a strong negative. Extra flights ex Perth and Adelaide and the south will be positive.

Business workforce traffic (Perth/Adelaide to PNG) will come through Cairns.

Safety aspects: The Bali and tsunami negatives for Asia have been wearing off but recent events in Bangkok would be negative for them. Fiji continues to have safety issues.

New Zealand: The New Zealand dollar has been largely tracking with the Australian dollar but a bit lower. As for Australia, higher levels for the NZ currency vis-a-vis other major overseas currencies is a negative for Australian destinations.

Like Australia, the New Zealand economy seems to be steadily coming out of the GFC. Cairns region's penetration of the New Zealand market has been low. New air services are a strong positive.

4.4 OVERSEAS MARKETS

Japan: Economy steadily recovering and Japanese yen very strong against a currently weak US dollar. However, the high Australian dollar against the yen is a negative.

Japanese visitors are comfortable in Cairns and should return with extra flights direct from Japan and via Guam. Website Japan Tourism Marketing indicates Japanese outbound travel has been growing again over past five months or so.

UK/Europe: The high Australian dollar is a negative. Economic recovery is slow and still tenuous. The threat of a double dip is probably highest in this market.

For backpackers, there will be more optimism about finding employment in Australia. There is a need to stress continuing rural jobs in this area.

Australia, out of all long-haul outbound German travel markets in 2009 fared well with a zero percent change over 2008 (New Zealand -1%, Canada -3.5%, Thailand -9.2%, USA -5%).

USA: High Australian dollar is a problem.

The US seems to be recovering steadily but there are still uncertainties.

China: Strong continuing growth is expected but there is a real nervousness about the way the Chinese Government's pump priming has caused sharp asset/property price increases that may prove to be a bubble if government tightens credit.

For Cairns' tourism, a great deal depends on whether the current pressure on China to allow its currency to appreciate (at present the Chinese Government has it pegged against the US dollar) occurs. This could happen within a two-year time frame. This would greatly enhance the current low overseas purchasing power of Chinese households and stimulate outbound travel.

4.5 ACCOMMODATION OVERVIEW

Apart from the International Visitor Survey and the National Visitors Survey, we also use the ABS Survey of Tourism Accommodation, Small Area Data on a quarterly basis to understand the performance of the accommodation sector.

With 12,000 rooms available each night in the region up to 40,000 people can be catered for. However, due to a downturn in some key international markets along with the evolving domestic market dominance of intrastate visitation there have been a significant number of changes to length of stay and occupancies in various types of accommodation.

Further exacerbating this issue is the later booking pattern for Free Independent Travellers that is in turn creating a range of management issues for accommodation operators. Although domestic visitation is slightly up, due to the lower length of stay the total number of room nights occupied is still in decline. The decline in visitors and shift of accommodation usage by different visitors has led to significant discounting, which in turn has diminished yield.

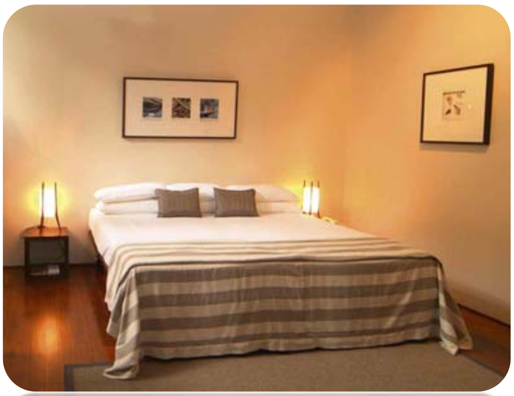
Targeting visitors from key source markets that have the propensity to stay longer is a key objective.

Table 1 - Comparison of Accommodation (ABS), QtrDEC09
This table compares TNQ region and other Australian holiday destinations and their accommodation statistics.

Source: ABS Tourist Acc, Small Area Data	Hotels – 5 rooms or more		Holiday flats, units, houses		Caravan Parks	
	Rooms	Room Occ	Total units etc	Unit Occ	Total cap	Site Occ
Cairns	7,765	na	na	na	2,398	42.3%
Douglas	2,734	46.8%	416	47.8	567	26.5%
Cass Coast	647	54.8%	na	na	1,115	34.7%
Tablelands	331	48.4%	na	na	949	38.0%
TNQ	11,926	57.4%	1,229	45.4%	5,046	37.0%
GC	13,501	70.9%	5,887	63.3%	3,225	74.3%
Brisbane	13,113	71.2%	931	46.5%	5,915	76.6%
Sydney	33,127	80.1%	337	47.8%	3,447	74.1%
Melbourne	24,688	73.6%	na	na	2,507	73.4%

na: not available for publication but included in totals where applicable, unless otherwise indicated

Review our market evaluation and segmentation table on page 35



5. AVIATION

With four million passenger movements per year, Cairns Airport is a critical part of the tourism infrastructure of the region. The percentage of interstate visitors flying into Cairns is 87%, and 65% of international visitors. This clearly highlights why aviation is such a critical focus of TTNQ in this Plan.

SITUATION ANALYSIS

Aviation is critically important to the development of a sustainable tourism industry in our region. The airport is under private ownership and undergoing a $300M redevelopment to be completed late 2010.

International:

- For the period of Nov 09-Mar 10 against the same period in 2008 there was a 14% decrease of 2,736 seats/week
- For the period of Apr 10-Oct 10 against the same period in 2009 we will have a 24% increase of 4,102 seats/week
- Jetstar has introduced four services per week, a reintroduction of the Osaka services, representing 63,000 inbound seats per year
- Pacific Blue have introduced two services per week from Auckland, representing 18,870 inbound seats per year
- Introduction of QantasLink services to PNG
- Seasonal charters are increasingly important, particularly from China and Japan
- Growth through Continental Airlines – Japan via Guam
- Growth into Australia from V-Australia, Delta and Qantas from the Americas
- Growth into Australia from Middle East carriers
- Implementation of the Federal White Paper has delivered regional aviation opportunities
- More capacity to competitive destinations such as Pacific and Asian tropical islands

Domestic:

- For the YE Dec 09 vs Dec 08 we experienced a 3% increase and gain of 9,500 seats
- Seat capacity into Cairns for December 2010 vs December 2009, shows 13% increase and gain of 21,668 seats
- 256,000 domestic seats from key markets of Sydney, Melbourne, Brisbane, Adelaide and Perth
- Stronger intrastate regional connection with QantasLink and Virgin Blue
- Tiger will be flying daily Cairns/Melbourne commencing September 2010

IMPLICATION	International: • Growth in aviation is critical to our success • Increased capacity from Japan and New Zealand provides excellent opportunities for growth • Increased domestic capacity provides opportunities for more international passengers via indirect services from volume markets such as UK, Europe and USA and seasonal pressures on growth markets such as China • Charters are vitally important to our long term growth strategy and could be the impetus for regular services • Ineffective implementation of regional aviation initiatives of the White Paper will hold back growth • Limited growth from legacy airline carriers into TNQ • Low cost carriers best option for growth • Small local population base and limited corporate market Domestic: • More competitive pricing on domestic routes due to increased capacity • Growth in interline options with growth in international airline activity to Australia • More direct airline marketing activity to sell into new capacity • Strong offshore competition due to growing outbound capacity • Greater domestic capacity means better international passenger connection with Cairns

RESPONSE	• Develop LCC aviation strategy with Cairns Airport • Protect and maintain existing international and domestic air services • Ensure our marketing is aligned with the growth in aviation capacity • Jetstar engagement strategy (Jetstar to develop its wide-bodied northern hub in Cairns) • Grow charters into existing markets for different seasons • Continue to push for growth in domestic capacity • Air services – Synchronize our aviation access strategy with Cairns Airport to maintain the region's existing air services and target new opportunities, maximising TNQ's outcomes from the Queensland Tourism and Aviation Strategy

AVIATION STRATEGY	• In partnership with Cairns Airport:
	  o Identify and engage with potential airlines to grow capacity into Cairns
	  o Increase existing services
	  o Expanding charter services
	  o Develop business cases to encourage existing airlines servicing major aviation hubs to consider a Cairns extension / inclusion
	  o Develop an engagement strategy with existing airport hubs of Hong Kong / Guam / Japan / Port Moresby / Auckland
	  o Target Singapore for improved direct service
	• Focus on new capacity markets of NZ / Japan / Domestic
	• Monitor existing seat capacity to better apply tactical marketing engagement
	• Actively participate in Cairns Aviation Strategy Team (CAST) to achieve synchronisation of aviation strategy for the region, state and nation.

Aviation Overview

- For the period of Nov09-Mar10 against the same period in 2008 there was a 14% decrease of 2,736 seats/week.
- For the YEDec09 vs YE Dec08 we experienced a 3% increase and gain of 9,500 seats/week.

Table 1 - Airport Passenger Arrivals

	Mar-09	YEMar09	Mar-10	YEMar10
Domestic :	115,113	1,505,685	113,689	1,495,765
International:	21,282	378,160	22,158	263,004

Table 2 - Seats capacity into CNS (seats per week)

Domestic	YE Mar09	YE Mar10
Adelaide	762	714
Alice Springs	808	813
Ayers Rock	1,702	1,558
Brisbane	13,516	12,931
Darwin	845	713
Melbourne	5,715	4,218
Perth	362	591
Sydney	10,094	9,271
Townsville	1,861	2,732
Total	**40,079**	**38,278**

International	YE Mar09	YE Mar10
New Zealand	687	545
Singapore	1,227	1,426
Guam	326	634
Hong Kong	1,762	1,616
Japan	4,481	2,199
POM	1,256	1,293
Total	**12,900**	**8,471**

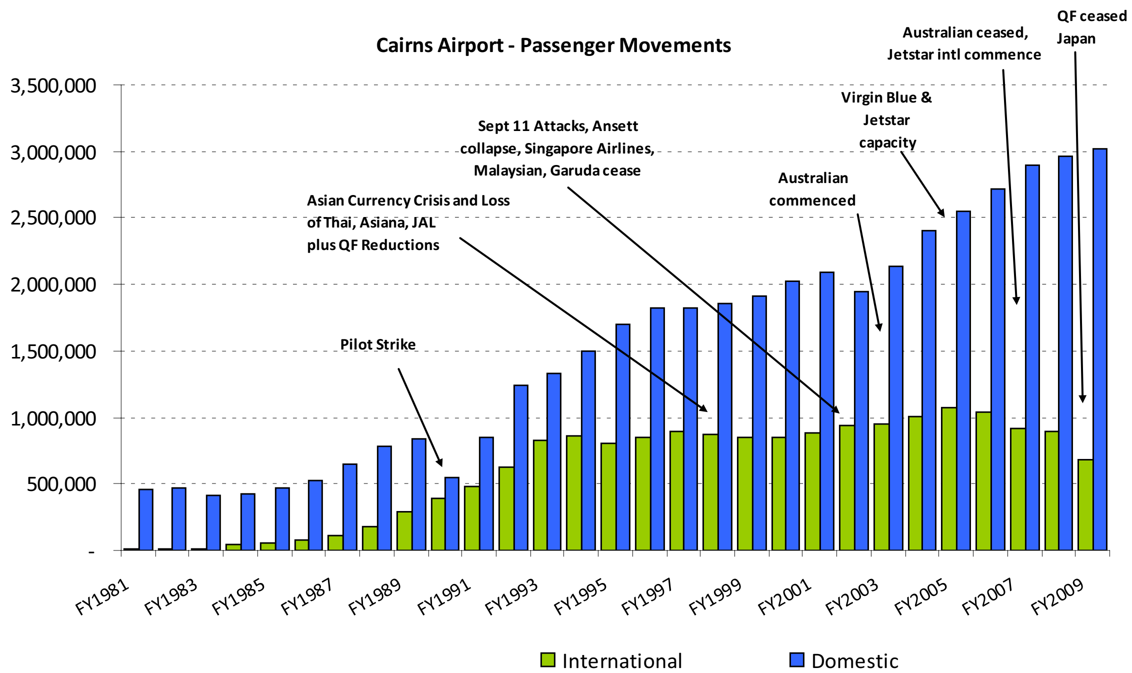
5.1 CAIRNS AIRPORT PTY LTD

TTNQ and Cairns Airport have a very productive partnership and work collaboratively through Cairns Aviation Strategy Team (CAST) to drive consumer demand to increase both domestic and international seat capacity through joint activity such as the World and Asia Pacific Routes Conference, and the preparation of business cases to retain existing airline services and attract new carriers to Cairns.

The graphics below illustrate that growth has been constant on the domestic routes but static for the international routes since 1993 and in decline from 2007.

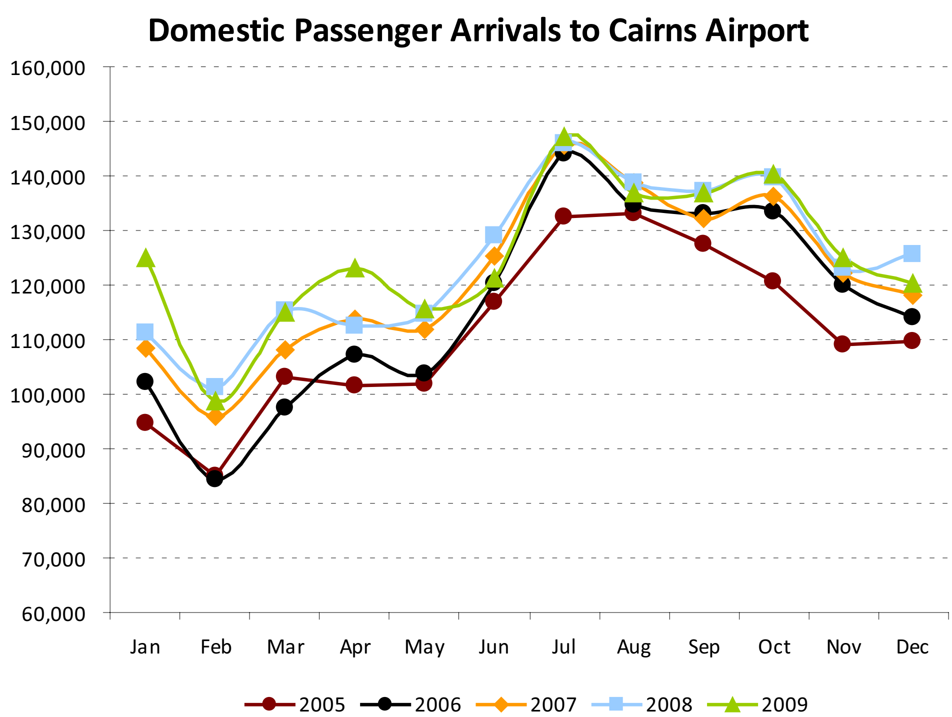
Graph 1

Domestic and international passenger movements from 1981, highlighting critical events affecting aviation



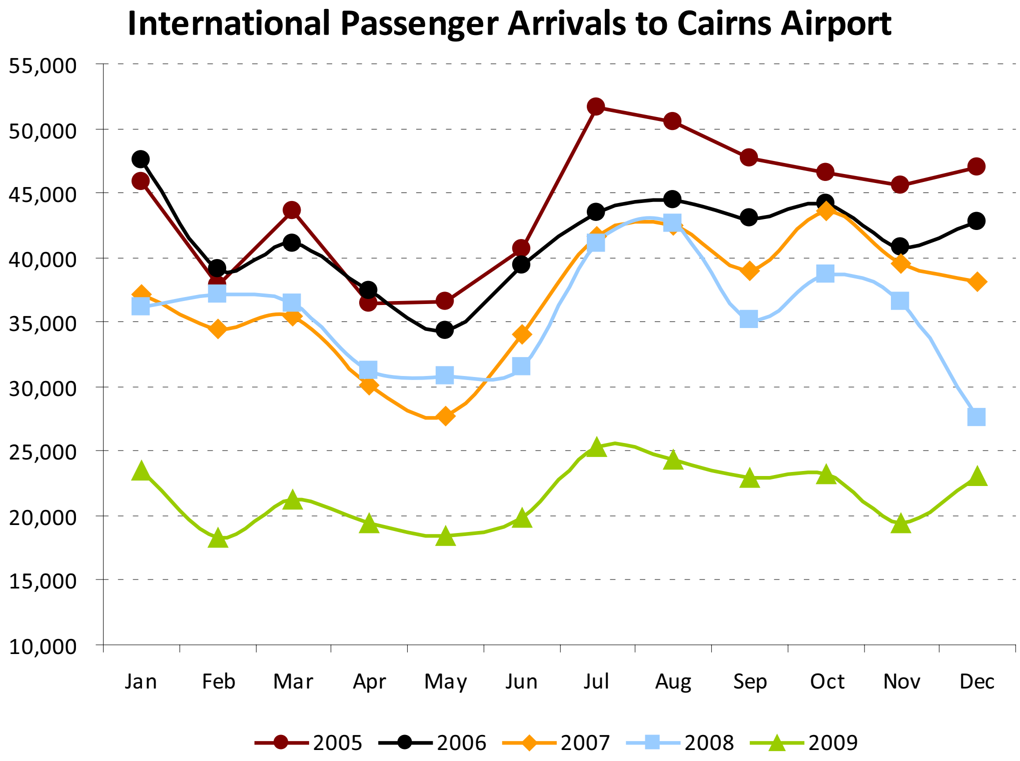
Graph 2

- Domestic passenger arrivals over the past seven years month by month comparisons
- Consistent seasonal patterns



Graph 3

- International passenger arrivals for the past seven years highlights dramatic decline in late 2008 and ongoing decline since 2005.
- 2009 reflects the downturn in Japanese airline activity



Source: Cairns Airport

Domestic and International Aviation Hubs servicing Cairns with direct international capacity

(March 2010 - supplied by Cairns Airport)

For further information on aviation statistics:

Tourism Queensland: http://www.tq.com.au/research/aviation/aviation_home.cfm
Cairns Airport: http://www.cairnsairport.com

6. THE CONSUMER

What is clear is that the consumer of the future will be better informed and adventurous with regards to the way they may engage with destinations. Booking patterns are changing with air travel in particular, motivated by discounted airfares being booked directly. Coupled with the growth of online research, this is resulting in a more informed and empowered consumer. Additionally, this encourages the repeat visitor, particularly in the domestic market, to be more adventurous and self sufficient with regards to making holiday and recreational choices.

SITUATION ANALYSIS	• The internet is fast becoming the preferred tool for consumers to inform themselves of destinations and familiarise themselves with attractions and experiences • Recent research findings highlight that 85% of all visitors refer to the internet for detailed visitor and service information • Bookings are heavily skewed to flights and accommodation, the visitor nonetheless is empowered through the information provided to make a decision on which destination they will choose • Visitor behaviour suggests that armed with this additional information and knowledge of the destination, the visitor booking patterns for attractions and tours is undertaken as a post arrival activity • For a destination such as ours, this adds another level of complexity with over 650 tours per day to reef and rainforest and other sites availabl. • Growth of local tour desk operations faciltitate post arrival bookings • TTNQ operates the Cairns & Tropical North Visitor Information Centre (VIC), a self funded business, located in the heart of the city, as well as an Airport Ambassador welcoming program at the Cairns Airport • The VIC currently assists 80,000 walk-in visitors per year. It operates seven days a week with extended trading hours • Our Airport Ambassador program, supported by Cairns Airport, operates within the Cairns Domestic Airport • The VIC team also provides a Cruise Ship welcoming service

IMPLICATION	• Digital application is critical to information delivery • The internet, although a primary tool for bookings, particularly for flights and growing accommodation demand, is less popular for tours and attractions at this time • Our geographic location from large centres of population makes it difficult for us to achieve share of voice – we must use media more effectively to communicate our product offering and regional diversity • The media continues to play a vital part in communicating the appeal of our destination and variety of experiences available in shaping the style of the destination • The TNQ region must promote its many exciting product experiences to deliver a consistent and motivational story to potential consumers • The VIC is an important asset to deliver pre and post arrival visitors quality information • Visitors arriving with decreasing pre-bookings of visitor experiences

RESPONSE	- Maintain our current highest search ranking for 'Cairns' and 'Great Barrier Reef' - Maintain motivational content to inspire and motivate visitation - Introduce pre-arrival and post arrival strategies - Implement an interactive and targeted media strategy - Market to our targetted audience through TV, print and radio projecting the themes via placement of positive and motivational stories that brings our region to life in print, online and broadband media - Develop inspiring and motivational collateral to support promotion and brand positioning - Monitor consumer trends

CONSUMER STRATEGY	PRE-ARRIVAL STRATEGY Digital – Maximise effectiveness of Digital Strategy - Create a web presence that will inspire dreams to motivate visitation. - Implement motivational content management and rich media development creating Travel-tainment, aspirational converation inspiring potential visitors utilsing webcams and video galleries - Add listings (news and stories) and constantly review content links to be placed in other global web spaces where our key markets feature - Introduce a social media program inviting visitors to upload their visitor experiences to provide rich, contenporary content - Manage niche and segment site development (Youth, Birdwatching, Planetsafe and Great Tropical Drive). - Invite LTO's (precincts) to manage precincts sites promoting the diversity of regional experiences - Continue regional member web training to increase region's overall web quality - iPhone applications for reef, bird watching and rainforest - Create dialogue opportunities with visitors which will lead to a highly qualified consumer database - Develop appropriate social media stategies to generate and maintain dialogue with consumers using email, SMS, twitter and facebook,QR coding - Provide a user friendly site for all major markets via multiple language sites e.g. Japan and China, and utilisating language applications - Distribution of C & GBR content on major third party trade and partner sites, ie Flight Centre - Search engine maximisation via organic, paid and tagging content strategies to grow traffic, link strategy to increase page ranking Commercialisation rollout to provide specifi high volume sites ie cairnstours.org.au - Introduce mobile based platforms to provide post arrival visitors a secure information source. - Maintain and update Business Events site

CONSUMER STRATEGY (cont)

Media

- Implement a domestic and international strategy to maximise awareness of the destination to attract targeted segments
  - Host media visits
  - Maintain a media database
  - PR, collateral, media and video library – delivery of storytelling of our region
  - Develop inspiring and motivational collateral to support promotion and brand positioning and the regional diversity of experiences
- Market to our targetted audience through all channels projecting the regions themes via placement of positive and motivational stories that bring our region to life.
  - Actively bid for media stories on the key themes of:
    - Great Barrier Reef - Wet Tropics Rainforest / Daintree
    - Tropical Lifestyle - Art/Music/Culture
    - Business Events - Redevelopment of Cairns CBD
    - Food and Dining - Events (Sports, Cultural)
    - Indigenous - Nature, flora and fauna
- Visit market place to provide media breifings – build network of key influencers
- Develop marketing relationships with consumer brands that best associate with the values of TNQ
- Maximise TNQ Events Strategy as a means of extending market reach to consumers with special interests that match brand and product offerings

POST ARRIVAL STRATEGY

- Provision of unbiased visitor information by the operation of a self funded accredited visitor information centre open seven days per week
- Work closely within the network of 19 intra-region Visitor Information Centres and the remaining Queensland VICs to disseminate accurate information to visitors
- Continue to service Airport Ambassador program and with support from Cairns Regional Council, introduce a CBD Ambassador Program

7. BRAND POSITIONING

It has been identified that it is essential to gain back our position as the gateway to the Great Barrier Reef - being the key attribute of our region. From here, our World Heritage listings and "where rainforest meets reef" messages will underpin the brand. The TNQ brand essence is based on the desires of the consumer and the product and experience offerings of our region. It is critical we consistently communicate the Brand and its dominant association with the Great Barrier Reef then adding the exciting regional product experiences offered by our portfolio of precincts (sub regions and niche/specialty activities). It is essential that the TNQ brand works well within the Queensland and Australia tourism brands and adds defined value differences.

SITUATION ANALYSIS	• TA have introduced a new Global Brand idea • TQ are near completion of a Global Strategy development • Consumers search the internet using place names or experiences - Cairns, on any global search, is the dominant destination name • Consumers search the internet using place names or experiences • In 1998 TTNQ introduced the new brand of "Tropical North Queensland" • Since this time, TNQ has been used in the domestic market and Cairns & Great Barrier Reef in the international market • In 2006, the destination introduced the "Change Your Latitude" campaign • In 2009, after extensive research with domestic consumers, the TNQ Repositioning Study identified that TNQ was not clearly understood and the region had lost the association with the Great Barrier Reef • During the past 18 months, TQ and TTNQ have actively researched and workshopped the most aligned consumer segments to match the TNQ style personality and experiences. TQ moved from demographic segmentation to physiographic segmentation to focus more on the emotional needs and desires connection of consumers to products, as against age and spending power. It is designed to add energy to our Brand in images used along with descriptive writing. • Late 2009, TQ and TTNQ commissioned a study into the naming of the destination. Following consecutive focus group discussions, it was clear that the only conclusion reached was confusion itself, with Cairns & Great Barrier Reef more readily understood but not representative of all TNQ regional experiences • TQ is now near completing its Global Brand Strategy to be released late 2010 • TNQ plus four other State Regional Brands will be incorporated in the new Brand development and supporting tag line adoption • New photography and creative executions expected by October 2010 • Tourism Queensland's Domestic Segmentation research project identified six distinct segments within the domestic holiday market based on over 6000 responses collected and analysed in 2007 • TNQ is blessed with a variety of regional areas that are rich in tourism experiences. These areas are referred to as "precincts" and they offer TNQ's 'point of difference' with regards to attracting longer stay and repeat visitation • The precincts will assist in reinvigorating the brand with the blue of the GBR, the green of the rainforests, the red/brown of the outback and savannah. The precincts are home to special people who occupy this space, with emphasis on our indigenous population offering a rich variety of experiences

SITUATION ANALYSIS (CONT)

- A short list of three key target segments were identified for the destination:
  - Social Fun Seekers (interstate) (25%) - The essence of their holiday is having a fun time. While they do a lot of different activities, it's sharing the experience with friends and other holidaymakers that makes the difference
  - Active Explorers (interstate) (11%) - Holidays are about pushing boundaries through challenging themselves via physical activity. They enjoy the company of others, but their focus is on exploring the extremes of their physical environment and themselves. It's about feeling alive
  - Connectors (intrastate) (32%) - They see holidays as a chance to connect with the people they care most about (families/friends). They will often compromise their own preferences in terms of activities to ensure everyone has a good time. It's about what is real and what's important
- With secondary interstate segmentation being
  - Unwinders (15%)
  - Self Discoverers (12%)
- With the secondary intrastate being
  - Social Fun-seekers (25%)
  - Self Discoverers (12%)

IMPLICATION

- An outcome of the segmentation study and consequent new brand positioning identified the desired perceptions of those who look to have a holiday in TNQ
- The goal of the new TNQ/CNS & GBR brand message will be to deliver on these perceptions
- We must endeavour to at all times match Social Fun Seekers, Connectors and Active Explorers perceptions with deliverable experiences
- Clarity of Brand sign off is critical
- Integration of TNQ Brand to Australia and Queensland Brands needs to be the primary focus
- TNQ regional (precinct) brands are vital to the delivery of rich experiences to tell the total story
- Inclusion of Great Barrier Reef is essential in Brand and message development
- Consideration of visitor use of place names and experiences using the internet and search behaviour requires critical analysis
- Member, community and regional engagement of the Brand are essential
- Key domestic target markets with the greatest potential for growth must be the primary focus for domestic marketing activities during 2010/11
- All media buy-in must align with the targeted segments for each of the domestic markets
- This will also guide and direct our work with visiting journalists and our PR media strategy in general
- Nature and adventure key elements of TNQ brand
- Great Barrier Reef and Wet Tropics Rainforest are essential World Heritage assets and we need to re-establish the link
- Precincts provide great opportunities to promote product diversity

RESPONSE

- Develop joint Brand Integration Strategy with TA and TQ
- Clearly define TNQ Brand
- Develop a brand message matrix to identify hero experiences, core messages and key imagery to be used across all TTNQ activity
- Activate the Brand via an integrated tool kit featuring collateral and content material
- Implement new domestic segmentation marketing developed in association with Tourism Queensland in the 10/11 year
- Identify the full potential of each precinct

BRAND POSITIONING STRATEGY

- Integrate the association of "Gateway to the Great Barrier Reef" in brand implementation
- Develop the brand strategy to promote the portfolio of precinct brand names within the TNQ strategic umbrella to reinforce competitive advantage in the region's nature and adventure product diversity
- Ensure consistent branding identity via targeted segments for the region (tool kit including collateral and content) in all media and marketing channels with intrastate, interstate and international segments
- Domestic
  - Integrate TQ's new Queensland brand positioning within the domestic market
  - TNQ new brand positioning to be available second half 2010
- International
  - Integrate brand positioning with Tourism Australia's "There's Nothing Like Australia"
  - Focus on Cairns & Great Barrier Reef via two World Heritage and National Landscapes listings and iconic Australian experiences
- Precincts
  - Promote the personality and diversity of product experiences within each precinct
    - Address perception of declining fashionability of the destination within some markets by highlighting the diversity of experiences to inspire repeat visitation
    - Address the lack of brand definition work for Daintree, Great Barrier Reef, Mission Beach, Tropical Tablelands, Torres Strait, Cape York, Gulf Savannah and source funding for a precinct branding project and encourage greater LTO financial investment

AUSTRALIA
CAIRNS + GREAT BARRIER REEF
17°52'18"
TROPICAL NORTH QUEENSLAND

TROPICAL NORTH
17°52'18"
QUEENSLAND

7.1 BRAND POSITIONING OVERVIEW

Diagram 1 – Brand Summary for TNQ

Re-branding Tropical North Queensland involves the final analysis of the pyramid to determine how to best position Tropical North Queensland domestically in the eyes of the psycho-segmentation (psychological needs and desires as opposed to purely traditional age demographics) indications of Connectors (intrastate) and Social Fun-seekers and Active Explorers (interstate). This involves adding energy to our brand message through images, words and affinity advertisements

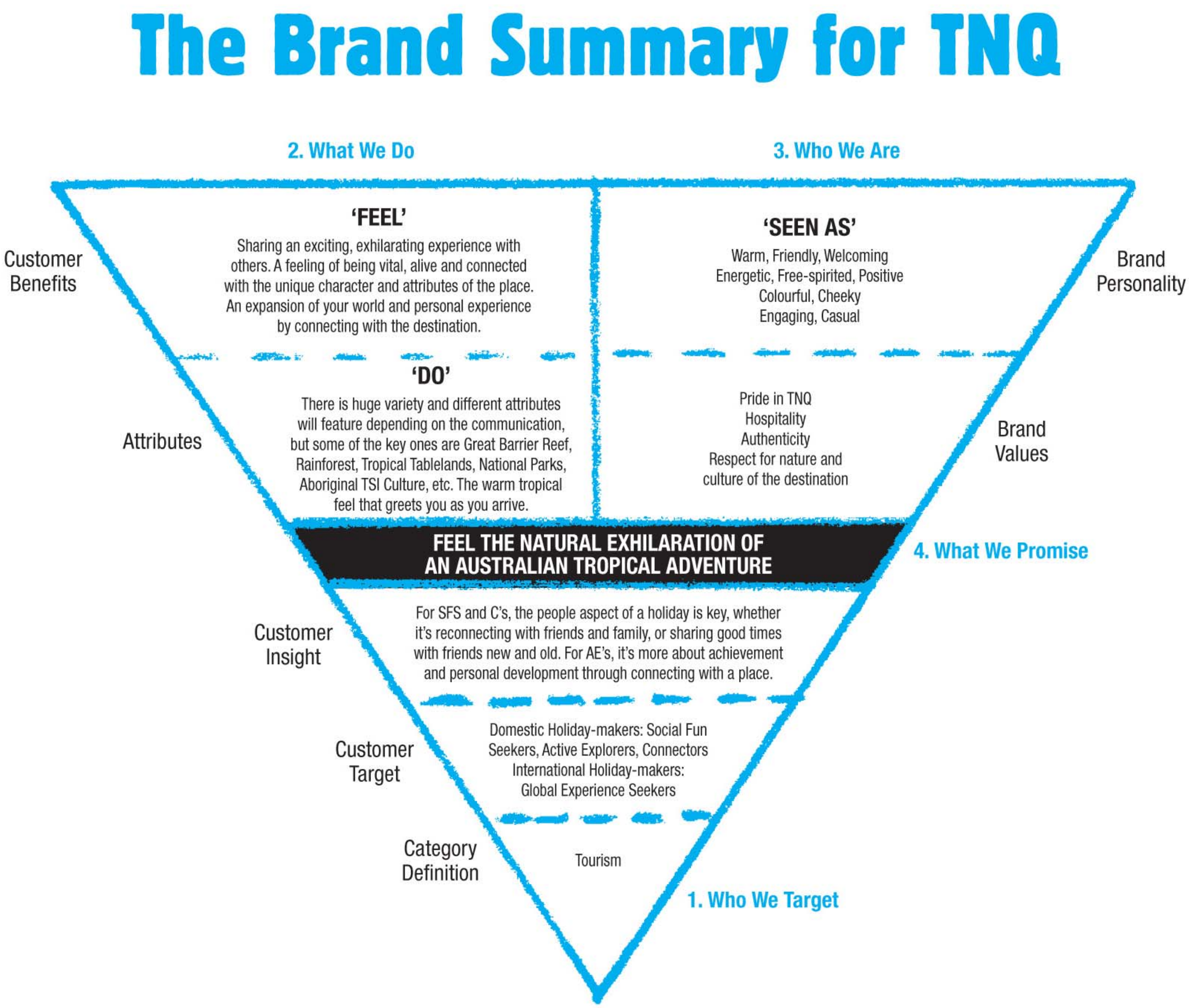


Diagram 2 – TNQ Holiday – Desired Perceptions

An outcome of the segmentation study and consequent new brand positioning has identified the desired perceptions of those who look to have a holiday in TNQ. The goal of the new TNQ/CNS & GBR brand message will be to deliver on these perceptions. This will be done through our imagery, tactical and consumer direct media and content in collateral. We must endeavour to at all times match Social Fun Seekers, Connectors and Active Explorers perceptions with deliverable experiences.

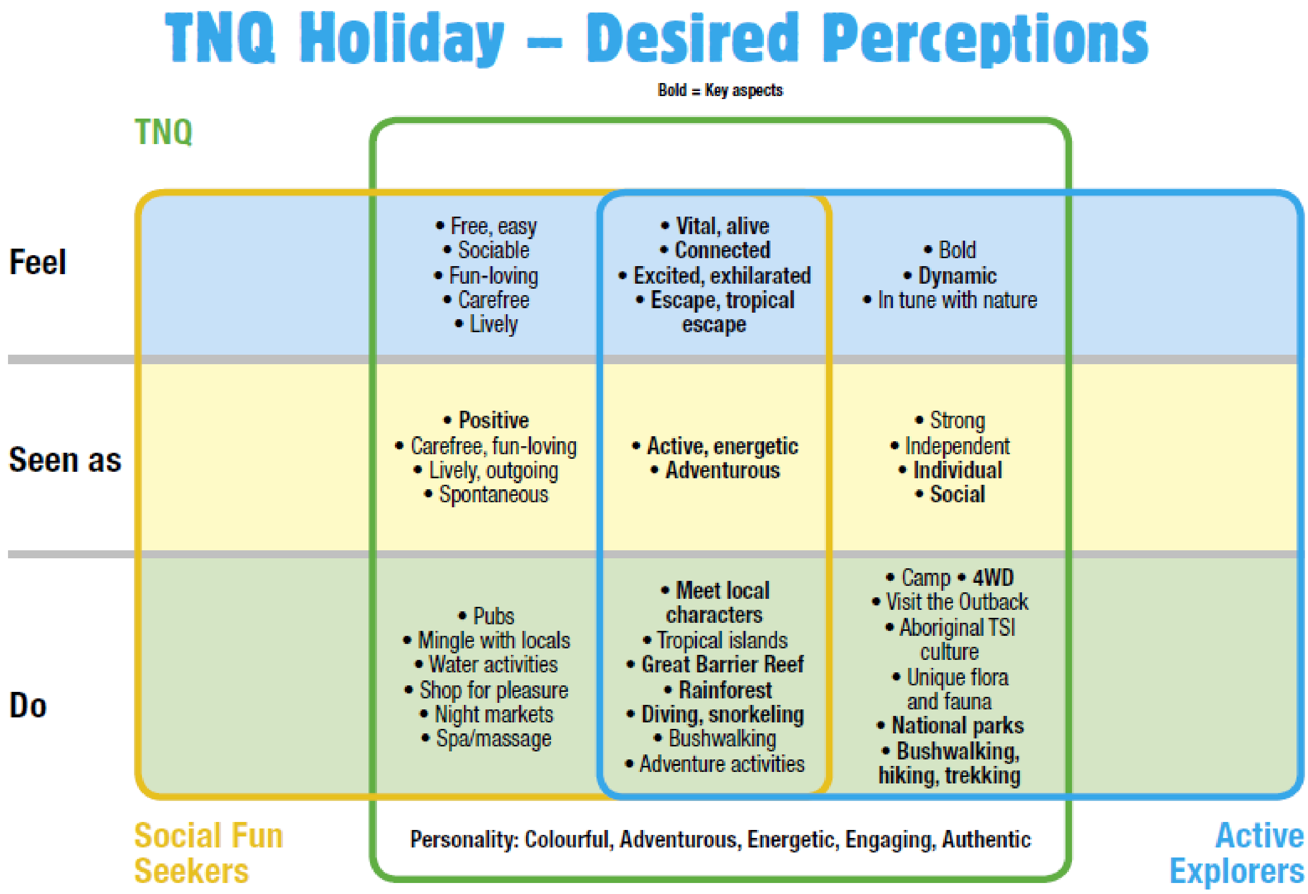


Diagram 3 – Domestic Segmentation

This diagram shows the split for TNQ under the new domestic segmentation.

7.2 PROJECT BRAND DOMESTIC AND INTERNATIONAL MARKETS CORE MESSAGING:
TNQ 'CAIRNS & THE GREAT BARRIER REEF'

SOURCE MARKET	HERO EXPERIENCES	IMAGE CONSIDERATIONS AND KEY IMAGERY	CORE MESSAGES
Domestic Interstate	• Great Barrier Reef • Daintree Rainforest • Tropical experience/getaway • Enjoy nightlife • Tropical foods & beer • Variety of restaurants • Laid back lifestyle; pampering • Adventure activities • Slower pace – no traffic	• Iconic landscapes • Snorkeling and diving the Great Barrier Reef, lots of colourful fish & coral • Pampering shots in day spa • Driving through spectacular scenery • Lush tropical gardens • Blue skies and reef (crystal blue waters) • Alfresco dining	• Spectacular natural environment • Beach side dining • Close mountain ranges • Smart casual shopping/dining precincts
Domestic Intrastate	• Shopping • Getaway holiday • Great Barrier Reef • Daintree Rainforest • Tropical experience/getaway • Enjoy nightlife • Adventure activities • Laid back lifestyle; pampering	• Night shot of Esplanade/Night Markets/Casino • Busy streets & restaurants • Shopping opportunities • Snorkeling and diving the Great Barrier Reef, lots of colourful fish & coral • Pampering shots in day spa • Driving through spectacular scenery • Lush tropical gardens • Blue skies and reef (crystal blue waters) • Alfresco dining	• Spectacular natural environment • Beach side dining • Close mountain ranges • Smart casual shopping/dining precincts
USA/Canada	• Diving & snorkelling the Great Barrier Reef • Up close & personal with Australian wildlife - cuddling a Koala, patting a kangaroo • Indigenous culture/interaction • Crocodile viewing • Iconic Aussie characters • Aussie pubs & Aussie food • Tropical climate • Fishing experience	• Feeding kangaroo • Cuddling a koala • Snorkeling the Great Barrier Reef, lots of colourful fish & coral • Full of people in restaurants / pubs (high energy, having a beer, interaction) • Beach shot, palm trees, blue / flat water • Image of Marlin / game fishing • Throwing a boomerang/spear; dancing; face painting	• Friendly people • Aussie slang • Safe • Natural & authentic • Great weather
Germany	• Driving the open road • Experience Daintree rainforest and GBR • Relax at beaches, getting a tan • Experience the outback • Indigenous culture (in depth history e.g. Willie Gordon) • Experience eco-products • Meeting locals • Learning about historic tours & locations (E.g. Cooktown) • Local fruit produce	• Under a curtain fig tree with guide • Campfire, stars in Mt Mulligan / Undara with hire vehicle • Small group tours • Shopping / eating at Rusty's Markets • Beach shot, palm trees, blue / flat water • Feeding kangaroo • Cuddling a koala • Do walking tours through Bama Way, spearing a fish • Platypus spotting / watching a platypus • Soaking up the sun • Australians in shots, middle aged, couples • Sitting on a train (KSR)	• Environment • Wildlife • Discovering adventures • Empty spaces

SOURCE MARKET	HERO EXPERIENCES	IMAGE CONSIDERATIONS AND KEY IMAGERY	CORE MESSAGES
Italy & France	• Island getaway • Romantic dinners • Welcoming holiday visitors • Beaches, sun tanning & Spa treatments • Wellbeing • Fly & flop • Snorkelling & diving GBR • Walking through Daintree Rainforest • Indigenous culture (in depth history e.g. Willie Gordon)	• Palm Trees, nice beaches • Dinner on the beach • Laying by the pool • Yoga on the beach • Island shot / romantic walks • Cocktails / laying by the pool • Pampering shots in day spa • Feeding kangaroo • Cuddling a koala	• Relax / pamper / rejuvenate • Great place to bring couple • Hidden / exotic / authentic destination • Space & unique destination • Colourful destination
UK	• Tropical weather – tanning • Friendly people / meeting locals • Great Barrier Reef • Aussie Pubs • Daintree Rainforest • Cuddling animals • Beach lifestyle • Enjoy nightlife • Tropical foods & beer • Variety of restaurants • Laid back lifestyle	• Food shots / eating at restaurants, big seafood platter, alfresco dining • Swimming & diving on GBR (group driven) • Tours in the rainforest (Skyrail) • Cuddling a koala / kangaroo • City shots (not so crowded, esplanade, lagoon, proximity) • Sitting in Aussie pub with locals & eating pie! • Healthy looking's Australians in shots	• Laid back lifestyle • Friendly people • Western democracy in a tropical setting
New Zealand	• Vibrant social interaction with locals • Warm climate • Beaches • Full active days • GBR • Tropical islands and lifestyle • Adventure activities • Vibrant Tropical Fruits	• Sunshine and big blue skies, outdoor activities • Various talent requirements including families and couples • TNQ lifestyle – visiting markets, shopping, dining, sampling local produce, tropical fruit wineries, drives and touring • Activities (diving, snorkeling, water sports, hiking, adventure in nature) • Adventure: rafting; skydiving; hot air ballooning; ATV • People on the beach (beach volleyball, para sailing, swimming) – in the WARM tropical waters • Watching sports & beer – at restaurants/bars along the waters edge (eg: Pier Boardwalk, Yorkeys Knob Yacht Club)	• Self drive market • Watching sports & beer • Active holidays • New experiences
Japan	• Open spaces / uncrowded • Two World Heritage listings in ONE PLACE (Rainforest & GBR) • Services and infrastructure catering to Japanese • Australian wildlife (cuddling a koala, feeding the kangaroo's, holding a freshwater crocodile or snake) • Shopping • Surf life saving/beach culture • Islands and beaches • Warm weather (big blue skies, golden beaches)	• Cape Tribulation – "Where the Rainforest Meets the Reef" • Natural environment particularly World Heritage listed areas • Open space, modern non-crowded cities, Sunshine and big blue skies • Green Island, Lizard Island, Dunk Island (island & beaches) • People doing activities i.e. semi submersible ride at reef, snorkeling, casino, shopping) • Aussie beach culture images – surf clubs, surfers • Cuddling koalas, feeding kangaroos • Interacting with locals/indigenous/rangers • Home stays – local interaction • Skyrail and Kuranda Scenic Rail	• Unique and pristine nature that doesn't exist anywhere else in the world

SOURCE MARKET	HERO EXPERIENCES	IMAGE CONSIDERATIONS AND KEY IMAGERY	CORE MESSAGES
India	• GBR (non swimming) • Open space and uncrowded clean and fresh environment • Australian wildlife (cuddling a koala, feeding a kangaroo) • Beach culture • Islands and beaches • Warm weather (big blue skies, golden beaches) • Rainforest (Daintree) • Restaurants/tropical foods – fruit & vegetables; coffee plantations • Romance – honeymoon – resort style	• Reef activities on and above the water – semi-submersible; underwater observatory; glass bottom boat; heli or seaplane trip • Cuddling a koala, feeding a kangaroo • Soft adventure activities • Images showing talent enjoying luxury experiences i.e. islands, day spas, dining are appealing • Resort infrastructure with human element • Dinner on the beach – waterfront (romance/honeymoon) • Sunshine and big blue skies, cleanliness • Conservative wardrobe, avoid showing skimpy swimwear • Colour and excitement • Cuddling a koala, feeding a kangaroo • Soft adventure activities • Images showing talent enjoying luxury experiences i.e. islands, day spas, dining are appealing	• Unique and pristine nature that doesn't exist anywhere else in the world • Colourful fresh and expansive • Friendly, welcoming • SAFE
Korea	• Great Barrier Reef & World Heritage Rainforest – Nature's Theme Park • Open space and uncrowded clean and fresh and colourful environment • Wildlife (feeding the dolphins, cuddle a koala, feed kangaroo) • Cloudless skies and sunshine • Pristine beaches – romance/honeymoon	• Sunshine and big blue skies, cleanliness, fresh air • GBR (people engaging in activities, partaking in the activities – snorkeling, para sailing, Scuba Doo or helmet diving with SeaWalker) • Pristine nature (green rainforests, blue waters, golden beaches) • Images showing talent enjoying luxury experiences i.e. islands, day spas, dining are appealing • Resort infrastructure with human element • Dinner on the beach – waterfront (romance/honeymoon) • Jungle Surfing – Cape Tribulation	• Unique and pristine nature that doesn't exist anywhere else in the world • Exotic, colourful, fresh and expansive • Friendly, welcoming, safe
China, Hong Kong, Taiwan	• GBR & Rainforest (must do) • Australian wildlife interaction (cuddle a koala, hand feeding kangaroos) • Western (Australian) culture • Tourism services and infrastructure with close proximity to nature • Blue skies, clean fresh air and natural environment • Open space • Indigenous culture • Shopping (exclusive shopping opportunities for luxury brands or Australian products that wouldn't be possible in home country) • Interaction with the locals – restaurants; homestay, schools – education groups • Fishing opportunities	• Multiple talent in images not just couples or single person • Cuddling koala, hand feeding a kangaroo, holding a snake • Natural landscapes particularly World Heritage listed environments (Daintree and GBR) – Cape Tribulation/Daintree area • Alternate underwater experiences at the Great Barrier Reef i.e. scuba doo, sea walker, semi submersible, heli and/or seaplane • Activities (hot air ballooning, white water rafting, ATV) • Sunshine and big blue skies, cleanliness • Shopping – aboriginal arts, Cairns Regional Gallery • Indigenous culture - Throwing a boomerang, dancing "Shake A Leg" • Homestay/Schools – multi culture interaction • Marlin/Game Fishing, Daintree River – Barramundi; Coral Trout – Reef Fishing; catch a crab etc	• Unique and pristine nature that doesn't exist anywhere else in the world • Exotic (western culture), fresh/clean, uncrowded/expansive • Friendly, welcoming, safe
	See next page for SE Asia and Middle East		

SOURCE MARKET	HERO EXPERIENCES	IMAGE CONSIDERATIONS AND KEY IMAGERY	CORE MESSAGES
SE Asia	• Natural wonders (GBR, National Parks, Beaches) • Fresh produce and seafood (purchasing and sampling local produce often via a self drive to markets, fruit orchards) • Regional cities (night entertainment, shopping, local produce, dining) • Scenic drives (Great Tropical Drive, drive between Cairns & Port Douglas)	• Various interactive shots required including families, couples and singles. • Photo of car/driver along the road to Port Douglas – look out over the Coral Sea • Romance/dining on the beaches – Palm Cove (in front of Angsana) • Hot Air Ballooning – over Mareeba • Rusty's Market - local produce • Wildlife – holding a koala, snake or freshwater crocodile • Restaurants – "Market Square" - Shield Street, all the restaurants along there; restaurants along the Pier Boardwalk with the Marina in the background	• Vitality – Freedom, family fun, full active days
Middle East	• Great Barrier Reef – natural wonders • Shopping • High quality products (tours/accommodation) • Family activities • Pristine environment (cleanliness, blue sky)	• Long Beaches – Palm Cove and Four Mile Beach • Sunshine and big blue skies, cleanliness, fresh air • Family activities • Resort infrastructure with human element • Shopping – DFS/Louis Vuitton; The Marina Port Douglas, Macrossan Street • Villas (Sea Temple & Bali Hai) & private holidays homes	• Connections with family and friends • Active fun filled days • Something special different to home (brag factor)

8. DOMESTIC MARKET

Domestic tourism represents 1.4M visitors and is spread between intrastate (Qld), intra-regional (TNQ) and interstate (all other States and Territories). The domestic market is our most important, but growth in the sector is only forecast to be around 2% percent over the next four years. Nonetheless, our strategy is all around capturing growth market share from other Australian and Queensland destinations. While aviation is critical to our strategy of success, the drive market via the Great Tropical Drive also provides opportunities for visitation and themed experience development.

SITUATION ANALYSIS	
SITUATION ANALYSIS	• The domestic holiday market performed better for TNQ than Australia and Queensland overall • Intrastate visitation declined in 2009 and visitors from within a four-hour radius (intra-regional) and beyond (intrastate - excluding SEQ) were the largest component of our visitor profile during the year • Intrastate visitors' length of stay remains stable at four nights • Interstate visitors spend more time within the region with ALOS at eight nights resulting in greater total visitor expenditure • New flights introduced increasing domestic capacity for 2010 • Intrastate visitors predominantly use a private vehicle while touring and if they book, undertake this independently with short lead time • Melbourne has outperformed other interstate markets and with increased airline capacity will be a specific target for TNQ • Sydney and Brisbane provide scope for growth but both performed poorly in 2009 • More detailed analysis on the Sydney market suggests that Sydneysiders took less holidays to any destination in 2009 • Regional NSW source market has grown strongly and will be a profitable target for us into the future • Forecast for next few years for domestic tourism is weak and the strong Australian dollar will place increased pressure on domestic travel • Self drive still very popular and importantly, the fly/drive market is growing

IMPLICATION	
IMPLICATION	• We must tailor our product offerings match consumers' needs – requiring specialist campaigns for each market • We are underperforming in the SEQ and Sydney markets and will require targeted activity • Any decline from Melbourne will impact greatly on the region • Intrastate market book directly more often and are resistant to offerings available through traditional travel trade distribution networks • Greater air capacity will require campaigns to ensure demand equals supply and protect increased current capacity levels • Airlines are more aggressive with marketing price and destination/location • Airline campaigns are critical to success and will need to coordinate with seat availability • Joint campaign activity will need to be implemented to capture direct and indirect holiday bookings for the region • We need to maximise TA and TQ's marketing funding • Continue and strengthen self drive campaign incorporating "Great Tropical Drive"

RESPONSE	
RESPONSE	• Work with members to aggressively target the intrastate market through the drive and fly / drive strategy with cooperative advertising targeting the Connectors segment • Improve our performance against our key Queensland and short haul international competitors from our priority source markets of Sydney/Melbourne/Brisbane (SEQ) • Target the SEQ market to address decline and under performance • Constant activity required to target Sydney market to recapture market share • Develop a three year Drive Marketing Campaign • Initiate marketing activity in Adelaide and Perth markets to protect new air services • Capitalise on popularity within Melbourne market • Work with airlines direct to deliver timely and effective destination campaigns • Implement trade cooperative campaigns with TQ funding to generate business at times of greatest need to TNQ industry • Introduce specific product experiences in marketing campaigns targeting our segments ie nature based events, adventure and weddings to stimulate market activity and revive interest

DOMESTIC MARKET STRATEGY	

DOMESTIC MARKET STRATEGY	• Develop a dedicated market by market communications strategy offering unique TNQ experiences to best match consumer desire using trade and consumer direct channels
	  o Develop a three year marketing campaign with TQ to address our under performance in the Brisbane and SEQ market
	  o Maximise growth from Melbourne targeting increased capacity – focus on Social Fun Seekers and Active Explorer segments
	  o Support growth in Adelaide and Perth targeting the Social Fun Seekers and Active Explorers segments
	  o Arrest the decline of the Sydney market focussing on new capacity, and the Social Fun Seekers and Active Explorer segments
	• Develop effective cooperative advertising partnerships with airlines and trade to drive brand and tactical campaigns
	  o Identify and engage with potential airlines –Qantas, Jetstar, Virgin Blue Group and Tiger Airways to grow the market cooperatively building a business partnership
	  o Work with TQ and other trade partners to implement tactical campaigns around seasonal demand
	  o Maximise TA's "No Leave No Life" and "there's *nothing* like Australia" campaigns
	• Intrastate Strategy focussing on the Connectors segment
	  o Work with members to aggressively target the intrastate market via drive and fly/drive campaigns with motoring organisations and regional airlines
	  o Disseminate information via Visitor Information Centre network
	  o Initiate consumer direct, media and cooperative advertising campaigns with a focus on precinct and experiences
	• Mining Community Strategy
	  o Target mining communities in Australia and Papua New Guinea cooperatively with airline and member partners
	  o Develop specialist packages to meet this market's needs
	• Develop a three year Drive Marketing Strategy (self drive / fly drive) with TQ, Townsville Enterprise and Queensland Outback Tourism Association to grow the market
	  o Secure relevant funding from State or Federal grants to action Drive Market Strategy
	  o Enhance the Great Tropical Drive experiences
	    – Communicate ongoing themes
	    – Experiencial development within the region as the base for product development
	    – Local coordination and focus of tourism marketing
	    – Cooperative marketing campaigns with national motoring associations

8.1 DOMESTIC MARKET OVERVIEW

Table 1 – TNQ Key Source Markets

This table shows our key source markets visitation based on YEDec09, and highlights the percentage difference from YEDec08.

DOMESTIC Holiday Visitors and Nights - YEDEC09	Holiday Visitors (% change on previous year)	Holiday Visitor Nights (% change on previous year)
Intrastate (Qld)	424,000 (-11%)	1,624,000 (-2%)
Melbourne	130,000 (+24%)	877,000 (+14%)
VIC	197,000 (+32%)	1,393,000 (+21%)
Sydney	88,000 (-22%)	560,000 (-9%)
NSW	136,000 (-9%)	1,254,000 (+42%)
Total Hol (not of above)	829,000 (0%)	4,910,000 (+18%)

Table 2 – TNQ's Competitive Positing

Table 2 demonstrates TNQ's competitive position against other Queensland destinations for TNQ's priority markets –YEDec08 to YEDec09 by holiday visitors.

	Source Market	Decline >-5%	Average -4% to + 4%	Strong >5%
Holiday Market Share by visitor	Sydney	GC, TNQ, WSY	SC	
	Melbourne	GC	SC, WSY	TNQ
	Brisbane	GC,	WSY, TNQ	SC

Source: NVS YEDEC09; TNQ = Tropical North Qld; GC = Gold Coast; WSY = Whitsundays; SC = Sunshine Coast

Table 3 – Holiday Market Size

Table 3 demonstrates TNQ's position relating to source markets when considering total visitor holiday nights spent within region over the past two years.

	Volume of holiday visitor nights	Decline >-5% of source market	Average -4% to + 4% of source market	Strong >5% of source market
Holiday Market Size	Large (400K +)	Sydney Other QLD		Other VIC Other NSW Melbourne
	Medium (200K – 400K)	Brisbane		
	Small (50K – 200K)	Adelaide		Perth

Source: NVS YEDEC08and YEDEC09

- The above table identifies the poor performing markets of Sydney and other QLD
- The markets for visitor nights is strong in regional VIC, regional NSW and Melbourne
- Adelaide has shown a small decrease in visitor nights and Perth, whilst strong in percentage terms, is from a small base
    - From 1 April 2010, capacity increased with one additional daily flight from Sydney and Melbourne, increased capacity from Brisbane utilising wide-bodied aircraft, an increase from Adelaide from four to six services weekly and an increase from Perth from three to five services a week
- These extra services provide an excellent opportunity for the region to more aggresively market the destination in these key locations using media and online activities . This has the potential to arrest the decline in Sydney.
- In SEQ's case, the increased capacity has the potential to move SEQ from a medium to large market over the next two years

Table 4 – TNQ's Ranking

Table 1 shows that TNQ ranks 3rd or 4th in ***total*** visitors' choice of destination. It demonstrates the strong appeal of the destination.

Destination	Sydney	Melbourne	Brisbane
Gold Coast	1	1	1
South East Asia	2	2	3
TNQ	***3***	***3***	***4***
New Zealand	4	5	2
Pacific Islands	5	6	5
USA	6	7	7
Other Europe	7	4	8
Whitsundays	8	=8	6
United Kingdom	9	=8	9
Hong Kong	10	11	11

Table provided by Tourism Queensland

Table 5 – Domestic Forecast

The forecast below highlights four years of continual growth following a solid year's performance which is encouraging for the region. It will provide opportunities to leverage off this growth which matches new airline capacity. We will focus on our tradititonal markets of Sydney, Melbourne and Brisbane and will work to encourage dispersal throughout the region. Sydney visitation is suggested to increase as the economy improves. Brisbane/SEQ will only prove to be a powerhouse if we seperate our activities and adress the specific drivers of this market.

Domestic Overnight Trips (Visitors)	(000s)	Forecast	Domestic Visitor Nights	(000s)	Forecast
2010	1,574	4.8%	2010	8,331	4.0%
2011	1,599	1.6%	2011	8,443	1.3%
2012	1,618	1.2%	2012	8,519	0.9%
2013	1,628	0.6%	2013	8,542	0.3%
CAGR 2005-09	4.7%		CAGR 2005-09	3.0%	
CAGR 2009-13	2.0%		CAGR 2009-13	1.6%	

CAGR – Compound Annual Growth Rate
Source: Tourism Research Australia

Table 6 – Method of Travel

- Travellers by car are predominantly from regional Queensland, Victoria, NSW, SA (grey nomads)
- Interstate air travel is significantly higher than Australian average and intrastate potentially represents the Brisbane/SEQ market.
- We can't identify what 'other' truly represents however it would be fair to assume that coach and cruise are represented

	Interstate		Intrastate		Total	
	Visitors	Proportion (%)*	Visitors	Proportion (%)*	Visitors	Proportion (%)*
Air	480,000	87%	244,000	25%	724,000	48%
Drive	100,000	18%	684,000	71%	785,000	52%
Railway	n/p	1%	n/p	2%	n/p	2%
Other	45,000	8%	56,000	6%	101,000	7%
Total	551,000	100%	970,000	100%	1,521,000	100%

Source: National Visitor Survey, Tourism Research Australia. YEDec09

Note: Drive includes private or company car; rented or hire car; combination of air and long road; combination of sea and long road or a campervan or motor home.

* Domestic Overnight Visitors can have more than one mode of transport.

n/p – not published due to low sample size.

8.2 DOMESTIC MARKET SNAPSHOTS

TTNQ also believes it is important to maintain awareness in additional markets, including those that possess major aviation hubs, providing actual and potential access to the destination. The lists of segments below are categorised by level of focus and are applied across all domestic markets.

CORE DOMESTIC MARKETS	Sydney	Other NSW	Melbourne	Other VIC	Brisbane	Other Qld
Holiday Visitor numbers *(Total Visitors)* % Change from Dec08	88,000 *(122,000)* -32%	48,000 *(66,000)* 29%	130,000 *(152,000)* 24%	67,000 *(94,000)* *51%*	57,000 *(125,000)* 0%	144,000 *(357,000)* -15% 224,000} *Within TNQ* *(474,000} to TNQ* -10% }
Holiday Visitor nights *(Total Visitor Nights)* Holiday Nights Ranking	560,000 *(814,000)* *5*	694,000 *(914,000)* *3*	877,000 *(1,048,000)* *2*	515,000 *(646,000)* *6*	308,000 *(816,000)* *4*	762,000 *(1,621,000)* *1*
Holiday ALOS - nights	6 nights	14 nights	7 nights	8 nights	5 nights	5 nights
Domestic mix of holiday visitors to TNQ - 2009	11%	6%	16%	8%	7%	17%
TNQ Domestic Growth Forecast 2009-2013 (compound annual growth)	2%					
Domestic services *	• Direct on DJ, QF & JQ • Approx. 8,841 seats per week	• See Sydney • DJ – selected regional centres via SYD • QantasLink – extensive network • Rex – feeds into DJ	• Direct on DJ, QF & JQ • Approx 4,515 seats per week • Tiger Airways (TT) daily – 1,239 seats per week (commence Sept 2010)	• See Melbourne	• Direct on DJ, QF & JQ • Approx. 14,049 seats per week.	• See Brisbane • Also services from Gold Coast, Townsville, Weipa, Mt Isa, Cloncurry, Horn Island and local intra-regional services within TNQ
Total market value to TNQ** Expenditure Ranking	$176,638,000 5	$198,338,000 3	$227,416,000 2	$140,182,000 6	$177,072,000 4	$351,757,000 1
Value to Industry (per$1 of TTNQ funds)	08/09: $3,809 per visitor for Domestic market					
Net Economic Benefit (to the region per $1 TTNQ spend)	08/09: $1,752					
Intrastate	Primary targets for the TNQ domestic *intrastate* market have been identified as Connectors (32%), with the secondary being Social Fun-seekers (25%) and Self Discoverers (12%).					
Interstate	Primary targets for the TNQ domestic *interstate* market have been identified as Social Fun-seekers (25%) and Active Explorers (11%), with secondary segmentation being Unwinders (15%) and Self Discoverers (12%)					

Data Source: Tourism Research Australia (TRA) - National Visitors Survey to YE DEC 2009 – Holiday/Leisure visitors and TRA forecasting for TNQ
(100,000) – figures in brackets denote TOTAL visitors to TNQ
**Approximate value derived by multiplying expenditure in the region per night ($217) (TRA International and National Visitors Surveys YE DEC 2009) by number of nights spent in the region
Derived from dividing approximate market value by direct marketing spent on missions/campaigns (i.e. no collateral or cooperative marketing) June09

CORE DOMESTIC MARKETS	Adelaide	Perth	Other Interstate
Visitor numbers *(Total Visitors)* % Change from Dec08	18,000 *(25,000)* -23%	18,000 *(25,000)* 17%	26,000 combined *(49,000)* 129%
Holiday Visitor nights *(Total Visitor Nights)* *Nights Ranking*	209,000 *(266,000)* *8*	144,000 *(188,000)* *9*	199,000 combined *(335,000)* *7*
Holiday ALOS - nights	12 nights	8 nights	8 nights
Domestic Mix of visitors to TNQ - 2008	2%	2%	3%
TNQ Domestic Growth Forecast 2009-2013 (compound annual growth)	2%		
Domestic services *	• Direct on JQ approx 750 seats per week (6 services per week)	• Direct on JQ - approx 600 seats (5 services / week)	• Combined 3,500 seats per week. (Ayers Rock, Darwin, Alice Springs) • Services via MEL, SYD, BNE, AYQ
Total market value to TNQ** Expenditure Ranking	$57,722,000 8	$40,796,000 9	$72,695,000 7
Value to Industry (to the region per $1 TTNQ spend)	08/09: $3,809 per visitor for Domestic market		
Net Economic Benefit (to the region per $1 TTNQ spend)	08/09: $1,752		
Interstate	Primary targets for the TNQ domestic interstate market have been identified as Social Fun-seekers (25%) and Active Explorers (11%), with secondary segmentation being Unwinders (15%) and Self Discoverers (12%)		

Data Source: Tourism Research Australia - National Visitors Survey to YE DEC 2009 – Holiday/Leisure visitors.
(*100,000*) – figures in brackets denote TOTAL visitors
** Approximate value derived by multiplying expenditure in the region per night (TRA International and National Visitors Surveys YE DEC 2009) by number of nights spent in the region
^ Derived from dividing approximate market value by direct marketing spent on missions/campaigns (i.e. no collateral or cooperative marketing) June09

For the latest NVS Figures for Tropical North Queensland visit: www.tq.com.au/research
http://www.tq.com.au/research/destination-visitor-data/tropics-and-great-barrier-reef/tropical-north-queensland/tropical-north-queensland_home.cfm

9. INTERNATIONAL MARKET

The international market provides us the best prospect for growth over the next five years. Japan and New Zealand with additional 80,000 airline seats provides an immediate opportunity to recapture growth.

China is high in potential with the success of recent Chinese New Year charters and the potential extension of charters into other prominent holiday periods.

UK/Europe and USA are still volume markets and we must recapture our position in these markets over time. About 53% of these markets are represented by backpackers.

SITUATION ANALYSIS

- During 2009, we experienced a 15% drop in holiday visitation
- Biggest volume decreases were seen in Japan, US and UK
- Growth experienced from China and France
- The decrease from Japan of 47%, due to the reduction of airline services during 2009 and the impacts of swine flu, contributed to the overall decline
- The continuing GFC during 2009 was a contributing factor in all of our major volume markets
- Strong Australian dollar is driving up prices from all source markets
- Backpacker market showed resilience and accounts for 34% of our international visitors and 51% of all international visitor nights
- TQ Developing Global Brand Strategy
- TA launched new Global Campaign "There's nothing like Australia"
- Increased capacity provided by new direct airline services from Japan and New Zealand ensure maximum potential growth
- UK – Although we anticipate the UK to grow and air capacity has increased through the Middle East, we need to consider that economic recovery in the UK will be slow. The potential impact of the 2012 Olympics and the Soccer World Cup in 2010 will also reduce outbound travel to our region. However, on the positive side, the Ashes series and the Rugby World Cup and the British Lions Tour will provide some outbound stimulus.
- China – growth hampered by lack of direct air services and the continued routing through southern ports (eg: Sydney)

IMPLICATION

- Lost market share against QLD and AUS – TNQ has dropped from 2nd to 4th most visited Australian international holiday destination
- Growth through the successful reintroduction of the western Japan service and the new services from New Zealand has the potential to deliver up to additional 60,000 passengers per year
- UK and USA will be volume markets that need protection from any further erosion
- Markets that are still small in volume will not command an increase in resources
- Japan - expected to improve due to restored access and a strong desire for Cairns as mono destination with direct access by JQ & CO
- USA - concerns about economy over the next five years and the high value placed on the group market that is diminishing. Increased access from V Australia, Delta, United, QF A380's
- NZ – growth in this market is largely dependent on direct air access to our region. Pacific Blue's additional capacity will strengthen this market, however, we must ensure that the market understands the full range of product available
- Canada – although forecasts are modest, Canada's link to Australia is strong and this link provides more opportunity
- Scandinavia – will still be driven by the resilient youth adventure segment

IMPLICATION (cont)

- German speaking Europe will be steady but will subject to competitor activity. Our nature based valued product will remain a strong attraction for this market
- France will experience good growth from the youth adventure segment, other segments to remain steady
- Italy will remain steady and continue to be driven by the honeymoon market - engagement with ITO's and TA/TQ
- Korea offers opportunity in study tourism, and the youth adventure market, however, significant growth will require direct air access. Potential access via Osaka and Guam and charters may provide more growth for this market. Engagment with ITO's and TA/TQ
- India is a good seasonal market with potential to grow slowly, better aviation access via Singapore, Bangkok or Kuala Lumpur would enhance visitor flow. Study tourism is still a contributing factor. Recent negative perception of Australia due to violence is not helpful. Engagment with ITO's and TA/TQ

RESPONSE

- Prioritise resources towards growth opportunity with new airline access from Japan and NZ by developing a three year plan for growth with TQ
- Develop cooperative three year strategy with TQ for each of the markets of NZ, China and Japan
- Maintain activity in the US, UK, Germany and France to maximise our brand positioning and industry relationships and focus on youth / adventure travellers via tactical marketing activities
- Maintain trade focus on Team Cairns activity by partnering with QF and TQ
- Maximise potential growth out of China via charters
- Engage with Middle East airlines with growth in air services to Australia
- Russia, India/South Korea, Middle East/Gulf and South America – engagement with ITO's and TA/TQ
- Engage with TA to maximise new brand development
- Grow long stay visitation *(refer to Market Evaluation on page 35 and Long Stay Visitation on page 42)*

INTERNATIONAL MARKET STRATEGY

- Increase visitation from growth markets of Japan, New Zealand and China
    - Invest in key segments of growth in each market
    - Direct trade engagement with retail and selected wholesalers and digital distribution channels
    - Heighten brand and consumer awareness in NZ
    - Develop cooperative marketing programs in business partnership with
        - Air NZ and Pacific Blue for New Zealand
        - Jetstar and Continental Airlines for Japan
        - Qantas, China Southern and selected wholesalers for China
        - TQ to develop cooperative three year strategy for each of the markets
- Build on the potential of the Chinese market
    - In partnership with TA, TQ and Cairns Airport, actively target Chinese airlines and Qantas to secure charter flights especially for peak holiday periods outside of Chinese New Year
    - Partner with Tourism New South Wales and Gold Coast Tourism to promote dual destination programs
- Maximse marketing partnerships with TA and TQ through structured cooperative marketing plans for all markets

INTERNATIONAL MARKET STRATEGY (CONT)

- Neutralise the decline in volume markets of UK, USA and Europe (Germany/France) by upweighting airline and trade activity
  - Invest in key youth/backpacker markets of UK, Europe and USA
  - Market Cairns as the destination point in all tactical activity from international source markets ie Team Cairns (Qantas/TQ/TTNQ partnership)
  - Use online consumer direct campaigns to capture FIT visitors
  - Target carriers to capitalise on growth in air services from major source markets of Europe and the UK eg. Etihad, Emirates and Singapore Airlines
  - Maximise connectivity of domestic services to promote interline arrangements with OneWorld and Star Alliance partners
- Refocus on developing markets strategy via ITO engagement by focussing on key segments for the following markets
  - India – honeymoon, groups, family, business events
  - Korea – honeymoon & weddings, study, youth, groups, business events
  - Russia – family, groups
  - Guam (military R&R market)
- Aviation engagement
  - Develop LCC model to better understand LCC operations and marketing needs
  - Charter opportunities from Japan and Korea, with potential for seasonal charters – education/study and incentive opportunities
- Build long stay options for all markets and continue to work with key markets and trade to activate greater length of stay

9.1 INTERNATIONAL MARKET STATISTICS

Table 1 – TNQ Key Source Markets

This table shows our key source markets visitation based on YEDec09, and highlights the percentage difference from YEDec08.

International Holiday Visitors and Nights	Visitors	Nights
UK	115,859 (-7%)	961,918 (-4%)
Japan	82,252 (-47%)	469,832 (-32%)
US	73,835 (-11%)	354,922 (-17%)
Germany	45,003 (-6%	463,624 (-1%)
China	37,880 (+41%)	106,794 (+55%)
NZ	25,849 (-20%)	218,481 (-37%)
Canada	22,949 (+4%)	214,974 (+13%)
France	24,255 (+39%)	257,797 (+35%)
Hong Kong	13,076 (+11%)	56,388 (+10%)
Italy	14,515 (-7%)	119,529 (+6%)
Korea	10,966 (+39%)	345,772 (+226%)
India	7,638 (-24%)	25,928 (-19%)
Total (not of above)	590,259 (-15%)	4,615,251 (-4%)

Table 2 – TNQ Market share

This table shows our market share of Queensland and Australian international visitors.

	Holiday Visitors		Total Visitors	
	% of QLD	% of AUS	% of QLD	% of AUS
International	42%	21%	33%	13%

Table 3 – Method of Travel

- Air travel for a majority of international visitors is critical
- International access via Sydney, Brisbane and Gold Coast is also an overwhelmingly important factor
- 26% of international travellers are not clearly identified in the mode of travel ('other'), and because we host a high proportion of the backpacker market, this may represent travel of backpackers travelling overland from Sydney to Cairns and other components of this could represent the coach group market
- Within the 'Drive' category, we assume a proportion of this is made up again of backpacker and mature international travellers from markets such as Germany and UK

International Visitors to TNQ by mode of transport between stopovers in the year ended December 2009

	Visitors	Proportion (%)*
Air	308,000	65%
Drive	106,000	22%
Long distance train (non-suburban)	n/p	1%
Other	123,000	26%
Total	477,000	100%

Source: International Visitor Survey, Tourism Research Australia.

Note: Drive includes private or company car; rental car; a self-drive van, motor-home or campervan; or a 4WD vehicle.

* International Visitors can have more than one mode of transport between stopovers.

9.2 MARKET EVALUATION AND SEGMENTATION

This table provides an insight into what market segments are available in each geographic market and how these market segments can help influence direct spend, activity, resources and if should any action be required (other than monitoring only)

Volume Protection	Maximise Growth Potential	Short Haul Opportunity	Current Business Maintenance	Developing Markets
These are our major source markets significant declines will impact the destination greatly.	*Forecast to stimulate growth where we believe investment in aviation in New Zealand and in Asian markets will secure consistent growth however in the European markets trade engagement is essential for growth potential.*	*The above short haul markets provide opportunity by the promotion of different segments of tourism and business*	*Forecasted to be flat*	*Market seen as providing best short term potential as developing markets*
Strategy: • Neutralise the decline and invest in segments of growth potential • Maximise Japan's growth potential through aviation access • Direct Trade engagement	Strategy: • Continue to support aviation development in China. • In Europe we need to up weight our Trade engagement strategy. • NZ heighten consumer awareness of the destination and work to secure increased direct aviation access. Promote to the segments in each of the other markets • Direct Trade engagement	Strategy: • Identify priority hubs • Support online services • Engage with ITO's servicing this market as well as TA & TQ	Strategy: • Engage with ITO's servicing this market as well as TA & TQ • Minimal trade activity	Strategy: • Engage with ITO's servicing this market as well as TA & TQ
Japan	Japan (Youth, YOL, Seniors, Incentives, Study Tours, Weddings)	Singapore (Corporate/Study, BE)	Scandi (Youth, Team Cairns)	Russia (Families, Groups)
UK (Luxury, Youth, 50+ couples, VFR to Aus, BE, Team Cairns)	New Zealand (Leisure, Families & VFR & Weddings, BE)	Guam (Military, Medical, Honeymoons)	Italy (VFR to Aus, Honeymoon, Youth, Families, Team Cairns)	Middle East (Families)
USA (Luxury, Youth, Seniors, Study, BE, Team Cairns)	China (Group, Study, BE, Team Cairns)	PNG(Mining & Education, BE)	Other Europe- Spain, Netherlands, Nordic, Switz (Youth, VFR to Aus, BE, Team Cairns)	South America (Youth, Business)
Sydney, Melbourne, Other Qld	France (Youth, Families, BE, Team Cairns)		Other VIC, Other NSW	India (Honeymoon, Groups, Families, BE)
	Germany (FIT, Youth, 50+ couples, BE, Team Cairns)		Canada (Youth, Seniors, Study, BE, Team Cairns)	Korea (Group, Study, Youth, BE, honeymoon, wedding)
	Brisbane, SEQ			Other Australia

9.3 MARKET ACTIVITY PRIORITY

The table below summaries the information contained in the previous table.

	Volume Protection	Maximise Potential Growth	Maximise dispersal and TIEV	Develop Markets for the Future
Increase Activity	Sydney Melbourne	Japan New Zealand Brisbane / SEQ		
Maintain Activity	UK USA Adelaide Perth Other Qld	China France	Italy Nordic Germany	
Activity via ITO				India Korea Russia Rest of World

9.4 INTERNATIONAL MARKET SNAPSHOTS

The following tables show a breakdown of TTNQ's priority international **holiday markets** as well as forecasting data for international visitors to TNQ.

	Japan	UK	Germany	New Zealand
Holiday Visitor numbers *(Total Visitors)* % (Holiday) Change from Dec08	82,252 *(88,804)* -47%	115,859 *(121,031)* -7%	45,003 *(48,098)* -6%	25,849 *(33,600)* -20%
Holiday Visitor nights *(Total Visitor Nights)* Holiday Nights Ranking	469,832 *(545,939)* *3*	961,918 *(1,107,346)* *1*	463,624 *(651,392)* *2*	218,481 *(311,495)* *7*
Average Length of Stay	6 nights	8 nights	10 nights	8 nights
TNQ Growth Forecast 2009-2013 ^ (total visitors)	4%	4%	2%	7%
Mix of International holiday visitors to TNQ	14%	20%	8%	4%
TNQ's share of Int'l holiday visitors to QLD	49%	58%	67%	11%
TNQ's share of Int'l holiday visitors to AUS	35%	29%	39%	6%
International services	Direct services from: ▪ Tokyo (once daily) ▪ KIX (4 times per week) Links via: ▪ POM (one service per week with PX) ▪ Guam (4 services per week with CO) ▪ HKG (3 direct services and 3 services via Brisbane weekly, by CX) ▪ OOL (3 services per week with JQ)	Links via: ▪ Singapore, (daily via DWN) with JQ ▪ Hong Kong – 3 direct services and 3 services via Brisbane weekly, operated by CX. ▪ QF via SYD/MEL/BNE	Links via: ▪ Singapore, (daily via DWN) with JQ ▪ Hong Kong – 3 direct services and 3 services via Brisbane weekly, operated by CX. ▪ QF via SYD/MEL/BNE ▪ EY/QF via SYD	▪ 3 direct services from AKL per week with Air NZ ▪ 2 direct services from AKL per week with Pacific Blue Links via: ▪ OOL (3 services per week with JQ) ▪ Pacific Blue/Virgin Blue via BNE/SYD ▪ QF via SYD/MEL/BNE
Domestic services & connections	Links via SYD, BNE, ASP, DWN	Links via SYD, MEL, BNE, DWN	Links via SYD,MEL, BNE, DWN, PER	Links via SYD, MEL, BNE
Approx. total market value to TNQ ** Expenditure Ranking	$71,518,000 3	$145,062,000 1	$ 85,332,000 2	$40,805,000 6
Value to Industry (per $1 of TTNQ funds) # (June09)	08/09: $154 07/08: $124	08/09: 333 07/08: $418	08/09: $194 07/08: $405	08/09: $391 07/08: $276
Net Economic Benefit (to TNQ per $1 TTNQ funds) (June09)	08/09: $71 07/08:$57	08/09: $153 07/08: $192	08/09: $89 07/08: $186	08/09: $179 07/08: $127

Data Sources: International Visitors Survey Year Dec 2009 & Tourism Research Australia & Tourism Forecasting Council
** Value of market derived by multiplying modelled international visitor expenditure in region per night including package expenditure ($131) (TRA International Survey, YE DEC 2009) by number of nights spent in the region.
^ Growth forecasts are for TOTAL visitors (CAGR – compound annual growth rate)
# derived from dividing approximate market value by direct marketing spent on missions/campaigns (i.e. no collateral or cooperative marketing) June 09

	Canada	USA	China	Hong Kong
Holiday Visitor numbers *(Total Visitors)* % Change from June07	22,949 *(25,187)* 4%	73,835 *(83,109)* -11%	37,880 *(40,730)* 41%	13,076 *(13,579)* 11%
Holiday Visitor nights *(Total Visitor Nights)* Holiday Nights Ranking	214,974 *(247,858)* *8*	354,922 *(484,176)* *4*	106,794 *(124,939)* *10*	56,388 *(60,554)* *13*
Average Length of Stay	9 nights	5 nights	3 nights	4 nights
TNQ Growth Forecast 2009-2013 ^ (total visitors)	not available	5%	Not available	Not available
Mix of International visitors to TNQ	4%	13%	6%	2%
TNQ's share of Int'l visitors to QLD	57%	65%	30%	50%
TNQ's share of Int'l visitors to AUS	30%	29%	20%	21%
International services	Links via: ▪ Auckland with NZ ▪ Auckland with QF ▪ Auckland with DJ (Pacific Blue) ▪ UA/DJ code share ▪ Guam with CO ▪ V. Australia services from SYD/BNE to US west coast ▪ QF via SYD/MEL/BNE		▪ Link via Hong Kong - 3 three direct services and three services via Brisbane weekly with CX ▪ Charters at Chinese New Year with China Southern, Qantas, China Airlines ▪ QF via SYD/BNE ▪ CZ via SYD/MEL – connecting DJ (Daily)	▪ Link via Hong Kong - 3 three direct services and three services via Brisbane weekly with CX ▪ Charters at Chinese New Year with China Southern, Qantas, China Airlines ▪ QF via SYD/BNE
Domestic services & connections	Links via SYD, MEL, BNE	Links via SYD, BNE, MEL	Links via SYD, BNE, MEL	Links via SYD, BNE, MEL
Approx. total market value to TNQ ** Expenditure Ranking	$32,469,000 8	$63,440,000 4	$16,367,000 10	$7,932,000 13
Value to Industry (per $1 of TTNQ funds) # (June09)	08/09: 304 07/08: $500		08/09: $24 07/08: $110	08/09: $46
Net Economic Benefit (to TNQ per $1 TTNQ funds) (June09)	08/09: 139 07/08: $230		08/09: $11 07/08: $50	08/09: $46

Data Sources: International Visitors Survey Year Dec 2009 & Tourism Research Australia
** Value of market derived by multiplying modelled international visitor expenditure in region per night including package expenditure ($131)(TRA International Survey, YE DEC 2009) by number of nights spent in the region.
^ Growth forecasts are for TOTAL visitors (CAGR – compound annual growth rate)
# derived from dividing approximate market value by direct marketing spent on missions/campaigns (i.e. no collateral or cooperative marketing) June 09

	India	France	Italy	Netherlands	Scandinavia
Holiday Visitor numbers *(Total Visitors)* % Change from June07	7,638 *(8,329)* -24%	24,255 *(25,377)* 39%	14,515 *(14,619)* -7%	14,362 *(14,523)* -7%	*23,636* *(24,116)* -10%
Holiday Visitor nights *(Total Visitor Nights)* Holiday Nights Ranking	25,928 *(82,572)* *12*	254,797 *(339,216)* *5*	119,529 *(113,787)* *11*	155,830 *(167,698)* *9*	292,075 *(304,308)* *6*
Average Length of Stay	3 nights	11 nights	8 nights	11 nights	12 nights
TNQ Growth Forecast 2009-2013^ (total visitors)	Not available	Other Europe 4%			
Mix of International holiday visitors to TNQ	1%	4%	2%	2%	4%
TNQ's share of Int'l holiday visitors to QLD	51%	65%	71%	68%	65%
TNQ's share of Int'l holiday visitors to AUS	24%	38%	39%	41%	40%
International services	Links via: ▪ Singapore with QF ▪ Singapore with JQ via DWN ▪ Hong Kong with CX ▪ QF via SIN/BNE	Links via ▪ Singapore, (daily via DWN) with BA/QF/JQ ▪ LHR - QF via SYD/MEL/BNE/PER			
Domestic services & connections	Links via BNE/SYD/MEL	Links via SYD,MEL, BNE, DWN, PER			
Value to Industry (per $1 of TTNQ funds) # (June09)	08/09: $54	08/09: 374 07/08: $405			
Net Economic Benefit (to TNQ per $1 TTNQ funds) (June09)	08/09: $25	08/09: $172 07/08: $186			
Approx. total market value to TNQ ** Expenditure Ranking	$10,816,932 12	$44,437,000 5	$14,906,000 11	$21,968,000 9	$39,864,000 7

Data Sources: International Visitors Survey Year Dec 2009 & Tourism Research Australia
** Value of market derived by multiplying modelled international visitor expenditure in region per night including package expenditure ($131) (TRA International Survey, YE DEC 2009) by number of nights spent in the region.
^ Growth forecasts are for TOTAL visitors (CAGR – compound annual growth rate)
# derived from dividing approximate market value by direct marketing spent on missions/campaigns (i.e. no collateral or cooperative marketing) June 09

9.5 FORECAST – INTERNATIONAL VISITORS 2009 – 2014

The December 2010 revised forecasts from Tourism Forecasting Committee form the basis of the following assumptions on the 12 key international markets for Cairns & Great Barrier Reef region. The forecasts have been further revised and comments and new assumptions are based on known additional aviation capacity and takes into account a range of major external events which will impact on the forecasts.

International visitors							
TNQ	Forecasts for YEDEC (000's)						
	2009	2010	2011	2012	2013	2014	Assumption
Japan	82	125	145	170	174	177	2010 - 8 months add capacity 70,000 seats @ 70% load factor
							2011 - full 12 months which will bring additional 23,000 seats @ 70% load factor
							2012 - Osaka daily, % of traffic from Korea and Russia; triangulation Nagoya
							2013 / 2014 - 2% growth per annum
	2009	2010	2011	2012	2013	2014	Assumption
UK	115	120	140	144	143	147	2010 - dampening affect of world cup; 5% increase; Ashes Series may provide some support
							2011 - 5% increase; Rugby world club in NZ
							2012 - flat - Olympics in UK; eclipse?? Ashes Series travelling to Aust
							2013 - British/Irish Lions in Aus (poss regional games in CNS)
							2014 - return to strong economic growth with strong currency
	2009	2010	2011	2012	2013	2014	Assumption
USA	74	86	91	96	100	105	*2010 - 2014* - 5% annual increase
							Over the next five years their economy will improve
							Online activities will increase and provide a consumer database which will increase distribution channels
	2009	2010	2011	2012	2013	2014	Assumption
NZ	26	45	54	65	68	71	2010 - Strong growth due to Pac Blue intro and NZ increase activity
							2011 - Continued growth Pac Blue increase services
							Jetstar / Air NZ - 30% increased capacity; 65% load figure
							2012- Pac Blue continue strong loads / capacity shift possible JQ introduction
							2013 - 75% load factor for service; of which 50% NZ inbound
							2014 - 78% load factor; of which 55% NZ inbound
	2009	2010	2011	2012	2013	2014	Assumption
China	38	48	52	58	65	80	2010 - outbound travel to be minimal due to Shanghai World Expo 2010 (encouraged to holiday at home);
							2011 - increase based on overseas travel highly desired after 2 years of restricted travel (09 SWINE & GFC, 2010 EXPO); charters outside CNY period anticipated
							2012 - regular charter season programme implemented and solar eclipse visitation may drive demand outside peak travel period
							2013 - improved air access with regular scheduled services to Australia and linkage via southern ports
							2014 - scheduled services China/Cairns
	2009	2010	2011	2012	2013	2014	Assumption
Germany	45	49	50	50	51	60	2010 - No change due to uncertain European economic situation
							2011 - Extra capacity ex Germany via Middle East to Australia
							2012 - Extra capacity ex Germany via Middle East to Australia
							2013 - TNQ to maintain market share of overall Australian arrivals @ 28%
							2014 - TNQ to maintain market share of overall Australian arrivals @ 28%
	2009	2010	2011	2012	2013	2014	Assumption
France	24	27	29	30	32	34	2010 - stable economy but sharing uncertain economic situation
							2011 - Youth market will continue to grow
							2012 - stable Youth market - continuing support from this market
							2013 - stable Youth market
							2014 - Youth market maturing
	2009	2010	2011	2012	2013	2014	Assumption
Italy	14	15	16	17	17	17	*2010 - 2014:* Main driver is the honeymoon market and expect this will not change in the next five years; small increases due to economic growth, however no major change over this period
	2009	2010	2011	2012	2013	2014	Assumption
Netherlands	14	14	14	14	15	15	*2010 - 2014:* No real differences expected for the Dutch market, dispersal is very high and demographic very broad. TNQ will maintain it's market share at approximately 24%
	2009	2010	2011	2012	2013	2014	Assumption
Switzerland	11	11	11	10	10	10	*2010 - 2014:* No real change TNQ expect to maintain Australia market share at approximately 20%
	2009	2010	2011	2012	2013	2014	Assumption
Other Eur	36	42	44	47	49	50	*2010 - 2014:* this is an aggregation of smaller European economies plus Russia, most of this growth will come from Russian market, however it's future performance is difficult to gauge.

Source: Tourism Research Australia (Tourism Forecasting Committee)

9.6 MARKET CATEGORISATION

Market Categorisation by TNQ Holiday Market Share of Australia's holiday visitors as at YEDEC09 (IVS)

		Decline >-5%	Average -4% - + 4%	Strong >5%
TNQ share of Australia's 2.7M international holiday visitors (%)	Large (30% +)	Japan, Other Europe Netherlands, Italy Germany	Canada	France, Switzerland Scandinavia
	Medium (21% – 30%)	UK USA India		Hong Kong
	Small (5% - 20%)	New Zealand		China Korea

Source IVS Dec09

- The above represents the 12 months to YEDec09 where market share was lost in all markets in the "decline > -5%" column
- It still highlights that in nine markets Cairns & Great Barrier Reef commands a 30%+ market share of Australian holiday visitors
- Out of these, we anticipate Japan will again recapture growth in market share in 2010/2011. China and New Zealand are candidates for growth but will need focussed market attention
- USA, Canada, and Germany require a maintenance focus and should provide growth as their economies improve

9.7 MARKET SIZE

The table below demonstrates market categorisation by size and is based on five-year projections. We have identified those markets that will deliver strong growth over the next five years and beyond. This means that resources will be focused to deliver visitation. Our focus will be trade direct to our major growth markets, whilst not ignoring the emerging markets, the implication is that we will market to these through our ITO strategy.

Size of Market		5 Year Projections		
		Minimal Growth	Average Growth	Strong Growth
Holiday Market Size Australia *International - 2.7m* *Domestic – 30m (Australia)* *7.4m (Queensland)* *840,000 (TNQ)*	Large (100K+)	Other Qld	Sydney UK Melbourne	Japan
	Medium (70K – 100K)		USA Brisbane/SEQ Other VIC	
	Small (40K – 70K)	Other Europe	China/Hong Kong Germany Other NSW	New Zealand
	Developing (10K - 40K)	Korea India	Canada Italy Netherlands	France Scandinavia

Source IVS Dec09

9.8 LONG STAY VISITATION

One of our key objectives is to target long stay visitors. Long stay visitors are not only from markets that possess mature travel behaviour but also have important specific segments that reside within these markets.

- Market to these visitors directly via online activity
- Some markets do not correspond to volume visitation but have greater length of stay
- Work with TA to best identify the most likely prospect and monitor trends
- Identify potential source markets within the long stay market and reference with TNQ cluster experiences
- Engage relevant special interest trade partners to exploit opportunities
- The online environment will be the key to access and inform this market as they may use traditional travel trade less than short term visitors
- Identify and develop cluster strategy of special niche product to maximise length of stay

		Nights (000s)			
		0 – 200	200 – 400	400 - 600	600+
Holiday Market by Nights Australia *International – 63M* *Domestic – 129M (Australia)* *55.6M (Queensland)* *9.6M (TNQ)*	ALOS – 21 Nights Plus		Korea		
	ALOS – 11 – 21 Nights	Taiwan	Canada Scandinavia France		
	ALOS – 9 – 10 Nights	Netherlands	New Zealand	Germany	
	ALOS – 6 – 8 Nights	Italy Switzerland	Other Europe		UK
	ALOS – 1 – 5 Nights	Hong Kong China India	USA	Japan	

For the latest IVS Figures for Tropical North Queensland visit: www.tq.com.au/research
http://www.tq.com.au/research/destination-visitor-data/tropics-and-great-barrier-reef/tropical-north-queensland/tropical-north-queensland_home.cfm

9.10 HIGHLIGHTS OF DOMESTIC AND INTERNATIONAL PLANNED ACTIVITY

Listed below are some of the highlights for both the domestic and international markets which TTNQ proposes to run or participate in throughout 2010/2011.

Opportunity to participate will be made available to all members as project dates draw near.

Activities have been carefully considered ensuring the Cairns & Great Barrier Reef region and products benefit from the events.

Domestic Market

Activity	Proposed Timing
Tactical Campaigns with selected wholesale partners • Sunlover Holidays, Infinity Holidays, Blue Holidays, Qantas Holidays Direct to consumer campaigns	All year round – July 2010 to June 2011
Sales Calls/Missions ➢ TTNQ Domestic Roadshow (BNE, SYD, NSW MEL,VIC)Wholesale/Call Centre presentations ➢ Sales/ Training to major wholesale ➢ Proposed PNG Mission (TBC)	➢ April & May 2010 and 2011 ➢ July 2010 to June 2010 ➢ TBA
Consumer Shows ➢ Caravan & Camping Shows (MEL, SYD & BNE) ➢ Selected consumer Travel shows ➢ Selected Wedding shows	➢ February to April 2011 ➢ April 2011 ➢ TBA
Domestic Trade & Media Famils	All year round – July 2010 to June 2011 (excl Feb/Mar 2011)

USA/Canada Market

Activity	Proposed Timing
Tactical Campaigns with selected wholesale partners ➢ Team (TQ, QF & TTNQ) ➢ VA Airline Campaign	July onwards
Sales Calls/Missions ➢ USA/Canada TTNQ Roadshow (inc Signature Weekend event) ➢ ATE 11 ➢ North America Corroboree	➢ February 2011 ➢ April 2011 ➢ September 2010
Trade & Media Famils	All year round – July 2010 to June 2011 (excl Feb/Mar 2011)

UK/Europe Market

Activity	Proposed Timing
Tactical Campaigns with selected wholesale partners ➢ Team (QF, TQ & TTNQ) ➢ Selected airline campaigns	October 2010 to May 2011
Sales Calls/Missions ➢ QoT Europe ➢ TTNQ Mission ➢ Corroboree UK/Europe ➢ QoT UK ➢ ATE 11	 ➢ November to December 2010 ➢ May 2011 ➢ June 2011 ➢ March 2011 ➢ April 2011
Trade & Media Famils (including PRE & POST ATE)	All year round – July 2010 to June 2011 (excl Feb/Mar 2011)

New Zealand Market

Activity	Proposed Timing
Tactical Campaigns with selected wholesale partners ➢ Air New Zealand ➢ Pacific Blue	October 2010 to May 2011
Sales Calls/Missions ➢ Sales Calls x 3 per year ➢ Cairns & GBR Roadshow	 ➢ Aug 10, Nov 10, May 2011 ➢ Oct 2010 (TBC)
Trade & Media Famils	All year round – July 2010 to June 2011 (excl Feb/Mar 2011)

Japan Market

Activity	Proposed Timing
Tactical Campaigns with selected wholesale partners & Jetstar (continually through 10/11 period)	October 2010 to May 2011
Charter campaigns (to be run when charter flights confirmed)	July 2010 to June 2011
Sales Calls/Missions ➢ Sales Calls ➢ ITO & Jetstar Sales Calls ➢ TTNQ Mission ➢ JAM DownUnder (Gold Coast) ➢ QoS Asia ➢ ATE 11 ➢ Marine Diving Fair	 ➢ July 2010 to June 2011 ➢ July 2010 to June 2011 ➢ Nov 2010 or Feb 2011 ➢ September 2010 ➢ October 2010 ➢ April 2011 ➢ April 2011
Trade & Media Famils	All year round – July 2010 to June 2011 (excl Feb/Mar 2011)

Guam Market

Activity	Proposed Timing
Sales Calls/Missions/Consumer Shows ➢ TTNQ Mission	➢ May 2011
Trade & Media Famils	All year round – July 2010 to June 2011 (excl Feb/Mar 2011)

Emerging Markets

Activity	Proposed Timing
Tactical Campaigns with selected wholesale & airline partners ➢ Team (QF, TQ & TTNQ) o China/Hong Kong ➢ Tactical & Consumer Direct Campaign	October 2010 to May 2011 April to June 2010
Charter campaigns (to be run when charter flights confirmed) ➢ Chinese New Year ➢ Northern Summer Holidays ➢ Mid Autumn Festival ➢ China Airlines Charters (TBC) ➢ Korean Air Charters (TBC)	 ➢ Feb or March 2011 ➢ July/August 2010 ➢ October 2010 ➢ May/June 2010 ➢ July August 2010
Sales Calls/Missions ➢ QoT China ➢ Australian Travel Mission (TA event) ➢ Tropical Champions Module 3 & 4 ➢ Cairns Integrated Chinese Branding Group ➢ QoS Asia ➢ Sales Calls – ITO's ➢ ATE 11 ➢ ATEC Symposium ➢ ATEC Meeting Place	 ➢ March 2011 ➢ November 2010 ➢ September 2010 & March 2011 ➢ July 2010 to June 2011 ➢ October 2010 ➢ 3 times per year ➢ May 2010 ➢ April 2010 ➢ December 2010
Tactical Campaigns with selected wholesale & airline partners ➢ Team (QF, TQ & TTNQ) o China/Hong Kong ➢ Tactical & Consumer Direct Campaign	October 2010 to May 2011 April to June 2010

10. EXPERIENCES PACKAGING AND PRODUCT DISTRIBUTION

Most international markets are still very highly geared to the traditional distribution network with all pre-booking from trade averaging 35% and thus remain critical to our success. TNQ has a significant track record in innovation and development of this segment of the distribution system.

To ensure we address the growing challenges of refreshing awareness of the destination and its product diversity, we need to continually engage with the trade as part of our core market strategy.

9.1 TRADE ENGAGEMENT

SITUATION ANALYSIS	• TNQ industry have been and continue to be partners of domestic and international trade • Online trade agents (OTA) are growing in every market and are becoming more dominant in a dynamic distribution world • The relationship with wholesalers, ITO's and retail agents continues to evolve • Trade – agent sales direct to TTNQ members represent around 34% of accommodation sales and 31% of tours and attractions • Inbound tour operators are businesses that collate, contract, and book FIT (free independent travellers), group, incentive, conference and cruise ship business around Australia • As of March 2010 there were 140 Inbound Tour Operators in Australia with over 75% being based in Sydney and Melbourne • ITOs are traditionally used by emerging markets to assist with supply, however they also are increasingly active in mature markets and maintain significant product inventory for international trade • TA has 12,619 qualified Aussie Specialists and another 12,615 in training making a total of 25,234 registered globally • TQ supports and funds the Aussie Specialist program in partnership with other states and TA • The Great Tropical Drive delivers six themed experiences via 14 touring routes and trails

IMPLICATION	• The ability of an ITO in driving pre booked visitors to our region is stronger than ever • We need to maintain strong links with this sector to ensure that they are our product champions and ensure the maximum amount of destination products and experiences are available to promote our product diversity • ITOs have significant influence with international based wholesalers and trade • Online agents provide new connections with consumers • Specialist programs are a must target to promote our diverse product range • Continual changes with the trade in varying markets demand we remain closely aligned and aware • Trade are critical to our pre-booked activity which is essential for business performance

RESPONSE	
	• Focus on trade to promote product diversity of TNQ to influence length of stay and repeat visitation • Promote our multi-language digital content to trade • Engage with TA and TQ specialist programs to inform, educate and promote the region's product diversity • Identify specific ITO's with expertise in emerging markets that align with our product clusters and emerging markets such as India, Korea and Russia • The training needs for the inbound tourism sector must be evaluated by TTNQ, including the needs of the wholesale companies servicing both ends of the distribution chain as well as creating and implementing a communication strategy to involve trade printed and online newsletters

EXPERIENCES PACKAGING AND PRODUCT DISTRIBUTION STRATEGY	

	TRADE ENGAGEMENT STRATEGY (this will be linked to market by market action plans)
	• Actively engage with traditional travel trade and online travel distribution networks in our core markets to ensure timely and relevant brand campaign activity
	• Develop Cairns & Great Barrier Reef specialist trade programs (training and communication)
	    o Develop online training tools to reinvigorate the travel trade to excite, promote and convert consumers to our destination
	    o Implement a targeted familiarisation program to educate, inform and upskill sales consultants
	    o Conduct in-market missions
	• Implement Team Cairns to drive product diversification and deliver a regional experience to encourage greater length of stay from our key markets
	• Actively engage with Product Managers for itinerary development that will represent the diversity of the region
	
	INBOUND TOUR OPERATOR STRATEGY
	• Ensure diversification in ITO product portfolios for existing markets
	• Focus on ITO's to drive our developing markets strategy and encourage active ITO participation in joint marketing programs
	• Implement familiarisations, sales and training programs
	• Support ATEC North Queensland Chapter with ATEC Up North and other development activities

11. PRODUCT CLUSTERS

Many studies have identified our strengths in natural assets and a number of our product segments. In combination with industry innovation and investment these have provided for a number of specialty / niche products to develop. To better integrate the product cluster and potential markets, we need to develop separate and dedicated strategy responses so as to maximise connection of our unique and diverse product, stimulating infrastructure and market development.

We have identified the following product clusters under this criteria (TNQ Respositioning Study):

Strategic Cluster *Less market ready product but with great potential - may still require structural and policy support, including other industry sectors reviewed by the Destination Development objectives*	Marketing Cluster *Market product cluster ready for market to attract special interest audience supported by critical mass of quality local product operators and experiences*
– Medical / Health-Well Being	– Youth Adventure / Backpacker – Cruise – Study Tourism – Birdwatching – Marine/Dive – Romance / Wedding – Voluntourism – Indigenous / Cultural – Major and special events

(see separate section on page 55)

11.1 BACKPACKER/YOUTH/ADVENTURE

***Objective**: Maintain high ranking as "must see" backpacker destination*

With an annual visitation of approximately 220,000 backpackers, this segment makes up 34% of all international visitors to TNQ. A traditional "backpacker" is defined by the International Visitor Survey (IVS) as being a person who spends at least one night in either a hostel or designated backpacker accommodation. Cairns is a 'must experience' destination for this segment.

The traditional markets of UK, Germany, North America, Ireland, Canada and Korea are the top six for visitation to TNQ.

- Backpackers most commonly arrive through the major gateways of Sydney or Melbourne before journeying to TNQ. Anecdotal evidence suggests that travel within Australia is half air and half self-drive or coach. Backpackers tend to book internal flights and accommodation once they arrive in Australia and rely strongly on advice and information from other like-minded travellers. Tours are also usually booked once they are in destination. Tour choices are also strongly influenced by other travellers.
- TNQ's appeal as a backpacker/youth/adventure destination has improved with changes to the Working Holiday Visa and the Gap Year.
- A key growth market has been the USA which has in part been due to the Working Holiday Visa extensions. The growing appeal of the "Gap Year' gives the opportunity for people to travel before

they reach university or the job market. The typical age of a backpacker to Australia ranges between 18-35 years.

- The modern-day backpacker generally has more disposable income on arrival to a destination, and expects higher quality products – factors that have given rise to the name "Flash Packer".
- The character of the 'traditional' backpacker has changed somewhat in the last five years, as there has been a fundamental shift in the facilities and services this market segment now expects. Changes in tastes require hostel accommodation to provide more en-suite facilities. In addition, traditional dormitory style is less in favour as more twin/double rooms are sought as couples travel together.
- Backpackers are conditioned to visit areas that provide work opportunities

BACKPACKER YOUTH ADVENTURE STRATEGY	
	• Direct to consumer digital engagement o Implement social media strategy and consider using blogs on the region to encourage positive word of mouth activity o Online campaigns to drive traffic from prospective visitors whilst in Australia o Upgrade and constantly monitor specialist TTNQ backpacker site • Monitor and promote employment opportunities for backpackers • Support specialist events tailored for backpackers to encourage visitation outside the high season • Work with TQ to engage in third party promotions and link our brand with other targeted socially aware brands • Engage travel trade (domestic and international) to create greater awareness of our product offerings o Integrate mainstream campaigns within the markets of UK/Europe, France, Germany, Scandinavia, Nordic, UK and Canada markets o Develop marketing partnerships with domestic distribution partners

11.2 CRUISE SHIPPING

Objective: *Capitalise on our growing popularity as a tropical cruising stopover destination*

The cruise industry is a growing sector of the global travel industry and Cairns and TNQ are an active player. To achieve the true potential of this sector, we will need focus on our service delivery and marketing of new and destination rich itineraries that capitalises on the assets of TNQ from Cairns to the Torres Islands.

- Cairns is one of Australia's busiest cruise ports with both domestic and international cruise ship visits
- Domestic cruise numbers are reduced due to the Reef Endeavour (Capt Cook Cruises) being removed from operations due to low demand in February 2008
- The majority of vessels berthing alongside in Cairns are international vessels that are cruising to or from southern cruising grounds in the southern hemisphere summer, therefore the majority of visits occur between November and April
- Cruise vessels visiting Cairns port are down in number by 20 mainly because P&O Australia have decided to send most of their vessels to Yorkeys Knob
- To facilitate better berthing for cruise ships the No 3 Shed is to be refurbished as the cruise liner terminal
- The terminal will be able to handle two large cruise vessels with transit passengers up to 1800-2000 or a mid sized home port vessel based out of Cairns. It is expected that work on the terminal will be completed by September 2010

- Cruise companies are reporting steady numbers for 2009/10 but have to provide extras like free excursions, flights etc
- TQ have established a cruise resource
- Suggestion that cruise companies are looking to Australia to relocate ships

CRUISE SHIPPING STRATEGY

- Maximise promotional opportunities for the region as a world class tropical cruise destination through our membership of Cruise Down Under
- Maintain TTNQ's close working relationship with Cairns Ports FNQ
  - Seek cooperative marketing/promotional activities to attract more cruise ships to the region
  - Encourage home porting opportunities
  - Create awareness of the new Cairns Wharf facility
  - Review meet and greet strategy
- Identify ITO's and wholesalers commissioned to handle cruise ship schedules
  - Direct engagement with cruise ship directors and itinerary planners
  - Encourage additional visits
  - Encourage more than one night stays
- Develop broader regional itineraries to encourage increased port visits to other TNQ ports
- Develop joint cruise strategy with Tourism Queensland and Tourism New South Wales

Table 1
This table shows vessel arrivals and passenger number over the past five years.

Cruise vessel arrivals	2009/10 (as at JUL09)	2008/09	2007/08	2006/07	2005/06
International cruises	41	29	43	35	33
Cairns based cruises	143	143	130	204	202
Total cruises	184	172	173	239	235
International cruise passengers	**19,445**	**18,177**	**21,023**	**20,296**	**14,651**

Table 2
This table demonstrates the economic impact into Tropical North Queensland region – 2008-09.

	Visit Days	Passengers	Crew	Direct Expenditure			
Port		Days at Port	Days at port	Passengers	Crew	Operator	Total
Cairns	38	44,543	23457	$4.7M	$1.0M	$2.1M	$7.8M
Cooktown	4	8,194	3,503	$0.8M	$0.1M	$0.1M	$1.1M
Port Douglas	4	3,908	3,114	$0.4M	$0.1M	$0.1M	$0.6M
Thursday Island	4	1,000	1,096	$0.1M	$0..0	$0.2M	$0.3M
TOTAL	50	57645	31,170	$6.0M	$1.2M	$2.5M	$9.8M

11.3 STUDY TOURISM

Objective: *Encourage national and international students to develop knowledge of the world iconic GBR and Wet Tropics Rainforest through their experience.*

For the purpose of this report, the study tourism/education market sector is international visitors who travel to the region and combine education and training activities with tourism and leisure. It will often involve class-room teaching, with a diversity of tourism activities and opportunities for participants to immerse themselves in the destination to experience the host culture.

Australia's international education and training industry remains resilient in the face of the global economic environment and is one sector that is continuing to experience growth.

Statistics

The last time an official survey was conducted specific to our region was in February 2005. It was estimated there was a total of about 14,700 student visitors attracted to the region in 2003/04 (Sept), accounting for an estimated 400,000 student visitor days. The largest demographic is study tours (62%). These numbers are now believed to be considerably higher. (*Source: Cummings Economics*).

Japanese School Excursion Groups

Up until the airline crisis and Swine Flu, Japanese School Excursion Groups were arguably the largest study tour market for the region. Australia was the most popular destination for overseas school tours in both 2005 and 2006. Documented numbers into Australia for 2006 were 32,159 students, of which Cairns captured approximately 25,000. (*Source: Educational Travel White paper released by Japan School Tours Bureau*)

2009 International Student Data (Australia)

Australian Education International's (AEI) student data for 2009 shows there were 631,935 enrolments by full-fee paying international students in Australia on a student visa. This represents an increase of 16.8% on 2008 enrolments and compares with growth of 20.2% between 2007 and 2008. In 2009 year-to-date enrolments exceeded 600,000 for the first time. (*Note: this number does not represent the Japanese School Excursion Groups*)

International student enrolments – Top 10 nationalities in 2009

Nationality	Enrolments	% of total	Growth on 2008
China	154,777	24.5%	18.0%
India	120,913	19.1%	25.4%
Republic of Korea	35,708	5.7%	1.6%
Thailand	26,460	4.2%	19.0%
Nepal	24,579	3.9%	36.5%
Vietnam	23,755	3.8%	49.9%
Malaysia	23,103	3.7%	9.5%
Indonesia	17,867	2.8%	11.8%
Brazil	17,529	2.8%	10.3%
Saudi Arabia	12,599	2.0%	61.8%
Other nationalities	174,645	27.6%	8.1%
All nationalities	**631,935**	**100.0%**	**16.8%**

Source countries outside the top 10 recording growth of more than 1,000 enrolments were Colombia (28.6% growth), Pakistan (24.4% growth) and the Philippines (41.6% growth). Of these, Pakistan has been growing continuously since 2003, the Philippines since 2004, and Colombia since 2005. Four of the 34 source countries with more than 2,000 enrolments recorded declines between 2008 and 2009: Japan (down 6.4%), Hong Kong (down 12.9%), the USA (down 6.7%), and Taiwan (down 1.3%).

International study tourism visitors:

- Are motivated to travel for both education reasons and to have a holiday
- Arrive in Australia as individuals or groups
- Are part of a group while on a study tour
- Majority stay less than three months
- Spend most of their time at a registered education institution and/or participating in a commercial tourism product with a strong focus on education and learning outcomes
- Reach across all age groups
- Participate in at least one of the four education sectors (University; Vocational Education and Training; English Language; Schools
- Research has identified Japan as one of the largest study tourism markets, followed by Korea and China. Other markets include France, Hong Kong, Taiwan and Thailand
- Majority of Study Tourism source markets are price sensitive and external issues such as high cost of airfares, fuel surcharges, strong Australian dollar and lower-cost competitor markets are considerable threats
- Asian markets make up the majority of Study Tourism visitors and are very reactive to health issues/pandemics i.e. bird flu, H1N1
- Flight scheduling and capacity into Cairns impacts on large education groups travelling to the region

STUDY TOURISM STRATEGY

- Work collaboratively with industry to gain a better understanding of the education sector
- Focus on school study tours
- Work with airlines (i.e. develop charters) to assist with access during seasonal times
- Engage trade partners to grow market from Japan, China, USA and Korea
- Provide marketing collateral for Study Cairns for other education segments

Table 1

This table shows activities planned in the different types of education sectors in the region.

Education Type	Duration	Partners	Major Markets	TTNQ's planned activities for 2010-11
Study Tours (e.g., home stay/farm stays, educational and cultural tours)	3 nights to 6 weeks	ITOs EQI JCU TAFE Language Schools Study Cairns	Japan, USA, Other Asia, Domestic	• Educate schools (in-school seminars in Japan) • Work with travel agents (wholesaler & ITO in USA) • Representation on TQ Working Group • Representation at seminars • Specialist collateral • Coordinate famils for key decision-makers (e.g. headmasters) • Develop and manage a database of potential schools • Work with EQI, Study Cairns and Advance Cairns • Work with members • Increase dispersal within region • Domestic – provide content in tour manuals.
Schools	Avg: 37.3 wks	Schools with international programmes	Japan, Other Asia, Europe, PNG/Pacific	• Engage with Advance Cairns, EQI and various schools to provide support within our capacity to encourage this sector
Short Course (English Language)	1-12 months	JCU TAFE English language schools	Korea, Japan, Other Asia, Europe	• Provide collateral support. Communication to members (e.g. research) • Work with specialist agencies • Specialist familiarisations.
Study Abroad Graduate / Post Graduate	Over 12 months	JCU TAFE	USA, Europe, Korea, Japan, Other Asia (Indian, Thailand, China, Taiwan)	• Engage with Advance Cairns, EDQLD, TAFE and JCU to provide support within our capacity to encourage this sector

11.4 BIRDWATCHING

Objective: Position Cairns & GBR's natural advantage as a world class bird watching destination

The Wet Tropics region hosts 450 different types of birds, with 12 species being endemics. The main source markets are UK, USA and Domestic. Our region is considered a prime destination not only due to the number of total bird species and endemics but for the high standard of bird facilities and infrastructure, ease of access and is a modern and safe destination free from large animals. There are over one million active birdwatchers in the UK and a further two million in USA. Australia has over 8,000 birdwatchers.

BIRDWATCHING STRATEGY	• Identify trade active partners specialising in this market • Identify active databases of the targeted audience set to generate joint promotional activity • Support our members where possible to attend specific consumer shows • Produce specific fact sheets and other collateral on this market that supports the experiences in our region • Familiarisation for key media and trade to showcase the birding experiences • Ensure that our web presence is maximised to ensure that consumers are aware of our birding experiences

11.5 MARINE / DIVE

Objective: Promote our safe natural wonderland of rich coral reef experiences delivered by highly skilled, professional marine operators in the world iconic GBR.

Diving and marine activity is a major driver of visitation to our region and each year we have a total of over 660,000 visitors to the Great Barrier Reef from our region. The "learn to dive" market in the region accounts for approx 19,000 visitors each year. This is estimated to be down 20% over the last five years. In addition we have 15,000 live-aboard divers each year in the region.

MARINE / DIVE STRATEGY	• Promote the range of marine / dive experiences available to align with each market • Provide collateral to marine / dive consumer shows • Encourage trade and media familiarisation activity • Ensure consistent web presence for marine / dive experiences • Joint promotional activity with dive clubs and associated databases • Develop marine / dive strategy in conjunction with TQ

11.6 ROMANCE AND WEDDING

***Objective**: Establish the region as a highly desirable wedding and romance destination featuring quality services provided through multiple locations and experiences.*

It is estimated that the region conducts approx 1,488 weddings per year of which 788 are for couples who reside outside the TNQ region or interstate. The region has an opportunity to better exploit this market to the domestic market as this is most likely to provide maximum return in the short term. It also takes into consideration the reluctance of main stream travel trade outside of Australia to market to the weddings market.

ROMANCE AND WEDDING STRATEGY	• Co-ordinate members active in this market and attend selected Australian consumer "Bridal shows" supported by specific collateral • Ensure that our web presence defines the experience that our region has to offer • Coordinate targeted media visits • Support cooperative advertising campaigns to generate awareness

11.7 VOLUNTEERISM

***Objective:** To connect natural, conservational and environmental projects within our world iconic rainforests with this growing market.*

This market is growing quickly and is thought to be an emerging driver of visitation to the region. Currently there are a small number of volunteer programmes available in the region spread across rainforest conservation, general conservation, and wildlife engagement. The exact size of the market is not known however it is estimated that approximately 10% of the youth/adventure market will engage in some type of volunteer project during their travel.

VOLUNTEERISM STRATEGY	• Research the range of opportunities available in the region o Work with local conservation and cultural groups to identify volunteerism opportunities • Match experience with targeted audience • Audit distribution channels to identify specialist providers to this market • Provide dedicated web presentation on www.cairnsgreatbarrierreef.org.au

12. EVENTS STRATEGY

The 'TNQ Events Strategy 2010 – 2015' (released June 2010) highlights the importance of 'participation events' for TNQ. This segment has the greatest potential to attract event visitors into the region rather than spectators.

The main focus of the events strategy is on events with the greatest potential to attract high participation numbers such as national and international masters sport events, national championships in high participation sports and adventure sport events with the capacity to attract media and promote TNQ as "Australia's Adventure Sport Playground".

Cultural events, which have a strong base in TNQ do not presently attract large numbers of event visitors from outside the region but have an important role in community building and 'value adding' to the visitor experience of tourists that are already in TNQ.

A balance needs to be achieved between supporting high participation sporting events and developing and growing the culture sector and cultural events in TNQ. As such, the assessment process for event funding has included measures of social, environmental and community benefits as well as economic and media.

TNQ as a destination offers a huge diversity of attractions for visitors in respect of a unique and world class natural environment. Many visitors that enjoy the natural environment also appreciate and enjoy cultural experiences and events. Without festivals, galleries, theatre and music events TNQ would not have the same appeal of a place to visit or live.

SITUATION ANALYSIS

- The "TNQ Event Strategy 2010 – 2015" (released June 2010) provides direction for the region
- Nature based events that matches and supports our tropical assets and climate with an environmental and adventure theme – using our unique 'nature's themepark – where rainforest meets reef' point of difference as our competitive advantage, including the uniqueness of our sporting facilities, and promotion of indigenous culture
- The importance of attracting and organising major events in our community has achieved significant prominence in recent times
- Well positioned events can attract strong participation and provide exposure to spike economic activity during, around and after any major event
- Events have proven to stimulate local economies and deliver positive media exposure
- Key themes are sport and arts in the backdrop of our nature, adventure and people experiences

IMPLICATION

- Consistent marketing investment required
- Events for TNQ need to ensure high level participation and staged during the trough, or shoulder seasons, and not substitute for peak season and school holiday times
- Organisation of events opportunities critical

RESPONSE

- Implement the Events Strategy for the region
- Promote and celebrate the natural and creative assets of the region
- Better identification and coordination of existing events and organising groups
- Support events that will drive economic value for the region
- Build on our representation as a leading international visitors and business destination
- Promote civic pride and enhance the experience for residents and visitors
- Events are valuable, but we also need to have a structure in place to identify, review and evaluate potential events for their social, economic and media value
- Source state funding to drive strategic events
- Organisation structure critical to success of Events Strategy

EVENTS STRATEGY

- Drive the development of a regional events management structure to ensure appropriate management
- Incorporate major selected events into our marketing and media strategies
- Assist in the development of signature events to anchor our destination brand
- Identify resources required to drive the events strategy
    - Lobby for long term funding – Local government, Qld government
    - Review TTNQ's role in servicing the Events Strategy
- Sports tourism
    - Review region's capabilities to host and attract elite teams to train in the region pre-events (national and international)
    - Masters Events Strategy – assist with the bid process where appropriate

13. BUSINESS EVENTS STRATEGY

Business events are a significant part of TTNQ business mix as they are a major contributor to the local economy worth $280M a year. The region hosted 578 business events last year down from 923 in 06/07. Although the GFC may have contributed to some of the downfall, the issue is that for the region's diversity in tourism it is critical to get back to the 06/07 record levels. The Plan focuses on industry and business targets in line with Queensland and regional industry development strategies, more aggressive sales representation and destination brand promotion to major domestic markets.

Special focus on the incentive and corporate business events opportunities will see the majority of the resource allocation and a marketing partnership with Cairns Convention Centre to capture the large organisation business domestically and internationally.

SITUATION ANALYSIS	• Business Events Cairns & Great Barrier Reef (BECGBR) is a division of TTNQ and responsible for marketing the region domestically and internationally as a desirable destination in which to hold business events • Business events are the highest yielding sector of the tourism industry and include corporate, association and government conferences, meetings, exhibitions and incentive programs • TNQ has well established business events infrastructure including more than 12,000 rooms in international hotels, resorts and apartments. Additionally the region is home to Cairns Convention Centre, which is in the top ten Convention Centres within Australia. A depth of support services is also available • More than 570 business events comprising 50,000 business events visitors were hosted during 2008-2009 FY and generated over 200,000 delegate days; contributing directly $85 million and indirectly over $280 million to the economy. These figures represent a decline of 28% in the number of Business Events held in comparison to 2007-2008 FY • TNQ currently holds 16% of Queensland's market share of domestic and international Business Events, up from 14% for the 2007-2008 FY • Aviation access, strong branding and a quality and depth of product are pivotal to the region's future success in the Business Events sector and necessary to correcting our Business Events market positioning • More domestic seats and increases from Japan and New Zealand capacity will provide exciting opportunities • Queensland Government funding is currently based on a four year performance-based indicator which provides little long term security and adversely impacts our effectiveness and level of marketing activity when the region under performs

IMPLICATION	• Insufficient industry buy-in to campaign activity • Short lead times to decisions adds complexity • Underused infrastructure leads to yield loss • Poor business brand recognition in key source markets results in a loss of business events opportunities to our members • Need to arrest the decline of business events to Cairns • Additional access needs to be integrated • Competition within Queensland business for funding • Limited funding surety

RESPONSE	
	• Maximise corporate and marketing communications with member participation delivering consistent business event brand messages • Increase domestic in-market sales activity, building key client relationships to drive new business events opportunities to members • Internationally, focus activity on incentive business and increase our strategic efforts in selected markets • Deliver timely communications which engage and inform stakeholders and members • Identify insights and critical research of existing, new and emerging markets • Develop motivational collateral, innovative marketing tools, trade media, familiarisations, trade shows and marketing communication activities to support marketing efforts for incentive, corporate, government and association business • Form partnership with Cairns Convention Centre for Association business domestically and internationally • Define association business marketing strategy • Closely align with BEA International Strategy • Partner with TQ on specific BE projects

BUSINESS EVENTS STRATEGY	
	• Stakeholder, Member and Industry Engagement o Formulate and deliver effective and timely communication which engages, informs and educates industry stakeholders and members o Increase level of engagement with local, State and Federal Government and other relevant entities to secure additional funding o Secure subvention support for key convention bids which are aligned to Local and State Government "Smart State" or our regions key industry sectors o Maintain strong partnerships to activate marketing activity: relationships with key business partners and trade organisations to leverage business events to the region o Increase participation in the Business Events Survey to maintain and increase our share of state government funding o Continue to maintain and build relationships with key markets sectors including corporate meetings, incentive programs and in some instances, Government and Association Conferences o Develop joint strategy with Queensland Events Business Events division o Incorporate a regional strategy into Business Events Australia global strategy • Marketing and Corporate Communications o Deliver consistent destination business event brand messages o Develop a range of motivational and informative digital and print tools which profile the destination and raise awareness and recognitions of TNQ's ability to host world class business events o Increase public relations and media activity locally and within key source business events markets

BUSINSS EVENTS STRATEGY (cont)

- Market Activation
  - In cooperation with members and stakeholders participate in and/or, manage a specified range of marketing events, trade events, road shows, familiarisations (clients, trade and media) and in market visits.
  - Identify and communicate compelling unique selling propositions which encourage destination loyalty.
  - Maximise cooperative advertising and editorial opportunities with key trade, print and digital targeted media.
  - Promote the environmental awareness and green credentials of the region as they relate to business events.
  - Internationally maintain current activity and work closely with the Cairns Convention Centre to increase our strategic efforts in selected markets.
- Emerging Markets and Research
  - Identify insights and critical research of existing, new and emerging business events markets

13.1 BUSINESS EVENTS CAIRNS AND GREAT BARRIER REEF PERFORMANCE FY 2008-2009 (Source: Queensland Treasury audited Business Events Survey data 2008-2009)

Table 1 - Number of meetings held in region

This data shows since June 2007 there has been a decline of 37.3% in the number of Business Events held in TNQ. The GFC has had a significant bearing on these results which reflect an Australia wide trend.

Meetings Held	Jul06 to Jun07	Jul07 to Jun08	Jul08 to Jun 09	% Year –Year Change
Sum of Meetings	923	804	578	-28.1%
Sum of Delegates	69,327	60,129	49,601	-18.5%
Sum of Delegate Days	264,761	250,946	201,230	-17.4%

Diagram 1 - Distribution of Queensland business events market share

This chart shows TNQ as hosting the 3rd largest number of Business Events in Qld, behind Gold Coast and Brisbane.

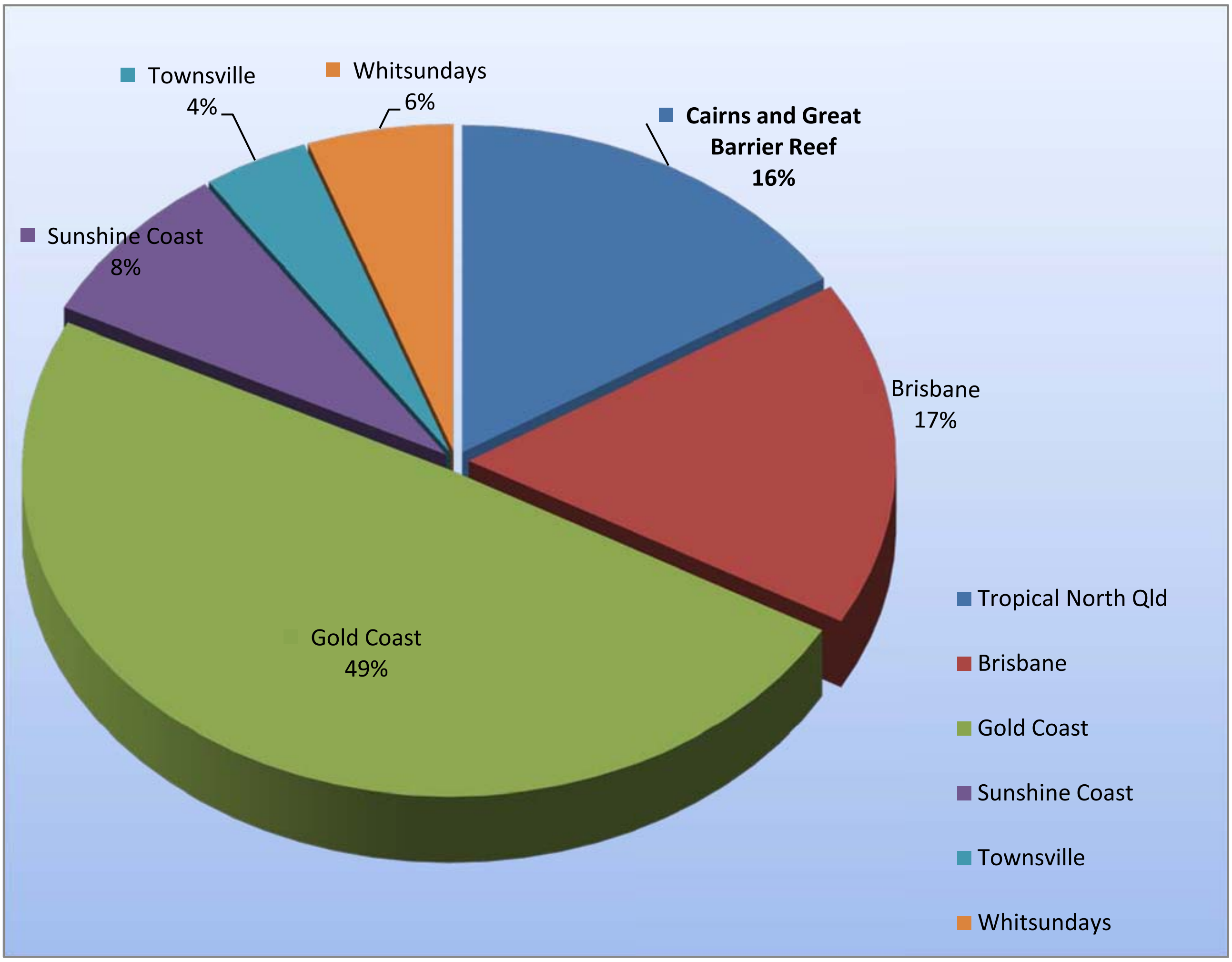


Table 2 - Sum of meetings by organisation type and point of origin

This data shows corporate meetings represent 42% of all meetings held in TNQ, while State and local meetings, particularly Government meetings represent the largest meeting type held.

Origin	Corporate 42.%	Government 24.6%	Association 23%	Incentive 10.4%	Total
International	49	6	48	35	138
National	128	27	29	18	202
State / Local	66	109	56	7	238
Total meetings	243	142	133	60	578

Table 3 - Sum of delegates by organisation type and point of origin

This data indicates Association meetings represent 42.5% of overall Business Event delegates to the region, while National corporate meetings provided the largest overall number of attendees.

Organisation Type	Corporate 33%	Government 15%	Association 42.5%	Incentive 8.5%	Total
International	3580	254	8027	2296	14157
National	10091	1462	8223	1510	21286
State / Local	3103	5822	4844	389	14158
Total	16774	7538	21094	4195	49601

Table 4 - Sum of delegate days by organisation type and point of origin

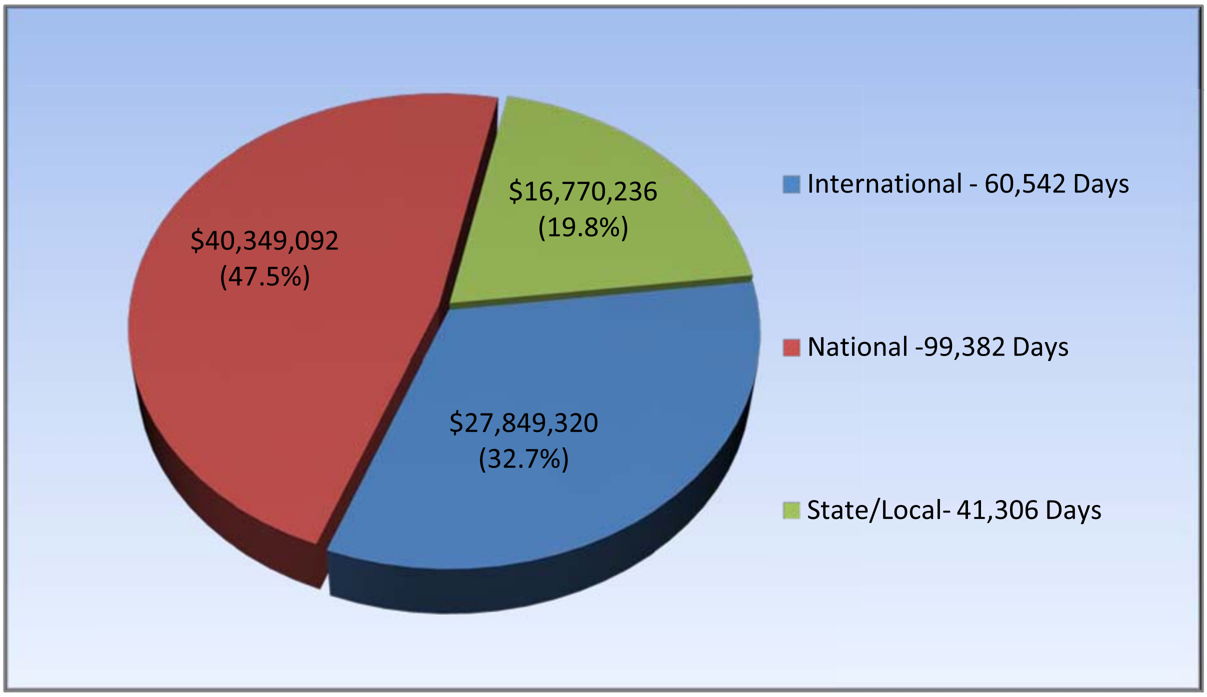
This data indicates National conferences provide the greatest share of 99,382 delegate days of a total 210,230 days.

Delegate Days	Corporate 33 %	Government 11%	Association 47%	Incentive 8.5%	Total
International	12197	1024	38018	9303	60542
National	46025	5436	41160	6761	99382
State / Local	8667	16240	15435	964	41306
Total	66889	22700	94613	17028	201230

Table 5 - Average number of delegates and duration of stay of business events held
The above shows the number of delegates attending a business event has increased to an average of 86 delegates per event.

Average number of delegates and duration of stay	July 2007 – June 2008	July 2008 – June 2009	Variance
Delegates	75	86	+11
Duration (days)	3.8	4.1	+.3

Diagram 2 - Sum of estimated direct expenditure by origin of delegate and delegate days
Chart below indicates National Conferences and Incentives generate the largest expenditure amount of 47.5 % of total Business Event revenue of $85 million.



13.2 CURRENT KEY SOURCE MARKETS BY REGION AND INDUSTRY

This table is drawn from information provided by members and BECGBR insights. Shaded areas provide a broad indication of current priority market sectors and activity by operators within our sub-regions. Qld State Government 'Smart State'' industry sectors and Advance Cairns and Cairns Regional Council key industry sectors have been identified as target sectors to drive new development and deliver triple bottom line outcomes for the State and Region. It is within these industry sectors we believe significant Business Event activity will be derived. The three columns on the right hand side relate to BECGBR's whole of region priority for each of the market sectors.

PRIORITY MARKET SECTORS	CAIRNS	PALM COVE	PORT DOUGLAS	MISSION BEACH	BECGBR ACTIVE 10/11FY		
GEOGRAPHIC SOURCE MARKETS					1	2	3
LOCAL						✓	
STATE						✓	
NATIONAL					✓		
NEW ZEALAND	Potential				✓		
JAPAN						✓	
ASIA - SOUTH	Minimal					✓	
ASIA - NORTH	Emerging					✓	
UK						✓	
EURO						✓	
USA							✓
EMERGING INCL RUSSIA, INDIA & CHINA	Potential		Potential				✓
BUSINESS EVENT TYPE							
MEETING					✓		
INCENTIVE					✓		
CONFERENCE					✓		
CONVENTION					✓		
EXHIBITION							✓
PRE AND POST						✓	
EVENTS		Festivals		Festivals			✓
QLD GOVT SMART SECTOR INDUSTRIES							
PHARMA/ NUTRA / BIOTECH					✓		
INFORMATION COMM TECHNOLOGY					✓		
ENVIRO TECH / GOODS AND SERVICES					✓		
EDUCATION					✓		
CREATIVE SERVICES					✓		
BUSINESS SERVICES					✓		
FOOD AND AGRI BUSINESS					✓		
AVIATION / AEROSPACE						✓	
BUSINESS EVENTS					✓		
MARINE INDUSTRIES					✓		
CLEAN COAL						✓	
CAIRNS AND REGION KEY INDUSTRY SECTORS							
ENVIRONMENT					✓		
TOURISM					✓	✓	
AGRICULTURE					✓		
MINING					✓		
TROPICAL EXPERTISE, HEALTH, DESIGN					✓		
MARINE					✓		
AVIATION						✓	
EDUCATION					✓		
OTHER SECTORS IDENTIFIED AS KEY TO OUR REGION							
DEFENCE						✓	
MEDICAL / HEALTH & WELLNESS					✓		
SCIENTIFIC DISCIPLINES					✓		
SPORTING EVENTS							✓

KEY TO BECGBR ACTIVE

1. High priority market or sector with a minimum of one in-market activity annually and ongoing communication.

2. Medium priority market or sector with marketing activity every 12-18 months.

3. Low priority market or sector with little or no active marketing activity at this time.

13.3 BUSINESS EVENTS PRIORTY TARGET MARKETS FY2010-2011

This table indicates priority target markets for TNQ and mirrors Business Events Australia's key international target markets. As one of the top ten Australian destinations, it is more than appropriate to focus on the below markets:

Western Hemisphere Target segments	Europe / UK • Incentive • Corporate meetings • Association meetings (in partnership with Cairns Convention Centre)	USA • Incentive • Corporate meetings
Eastern Hemisphere Target Segments	Japan • Incentive Malaysia /Singapore / Other • Incentive • Corporate meetings	China/Hong Kong/Korea • Incentive • Corporate meetings • Association meetings (in partnership with Cairns Convention Centre)
Domestic and New Zealand Target Segments	• • Domestic • Corporate meetings • Association conferences • Government meetings • Incentive	New Zealand • Incentive • Corporate meetings • Association meetings

13.4 HIGHLIGHTS OF BUSINESS EVENTS PLANNED ACTIVITY

IN MARKET ACTIVITY	TIMING
BRISBANE	July, December 2010, February, April/May 2011
SYDNEY	July, December 2010, February, April/May 2011
MELBOURNE	July, December 2010, February, April/May 2011
NZ	September 2010, March 2011
CANBERRA	March 2011
ASIA	March 2011

BUY IN AVAILABLE	TRADE SHOWS	TIMING
Yes	BUSINESS EVENTS REGIONAL SHOWCASE Location: Melbourne, Sydney, Brisbane	12-16 July 2010
Yes	PACIFIC AREA INCENTIVES & CONFERENCE EXPO (PAICE) Location: Auckland	15 September 2010
Yes	SELL TNQ Location: Port Douglas	5-10 November 2010
Yes	EUROPEAN INCENTIVE & BUSINESS TRAVEL MART (EIBTM) Location: Barcelona	30 November-2 December 2010
Yes	ASIA-PACIFIC INCENTIVES & MEETINGS EXPO (AIME) Location: Melbourne	15-16 February 2011
Yes	TEAM AUSTRALIA BUSINESS EVENTS EDUCATIONAL (TABEE) Location: Asia - exact location TBA	March 2011

BUY IN AVAILABLE	FAMILIARISATIONS	TIMING
Yes	Mice.net domestic corporate	6-9 August 2010
Yes	NZ corporate	22-25 August 2010
Yes	Post-Sell TNQ Palm Cove / Cairns	8-10 November 2010
Yes	Post – AIME (TBC)	February 2011
Yes	Domestic corporate and trade	May/June 2011
	All famils will include trade and business media where possible	

14. RESEARCH AND INSIGHTS

TTNQ recognises the critical importance of having robust statistical information for the region. These resources enable us to strategically plan by using statistics provided by national agencies to identify performance of our source markets and use the information to make informed decisions on where our marketing activities are directed to maximise the region's exposure.

It is also critical to maintain contemporary regional statistics and research that is not captured by the national surveys so that as a region, we are at all times, aware of past and future trends and can act accordingly.

SITUATION ANALYSIS	• TTNQ maintains strong relationships with major research providers both within the region and at State and National Level and in many cases can liaise and influence research where identified • The research and statistics produced by these organisations provides TTNQ with critical information including consumer behaviour, market intelligence, and statistics on visitor numbers and forecasting

IMPLICATION	• Critical to continue analysing regional statistics from the various statistical tools for performance to use to make informed decisions on our domestic and international markets and how we should direct our future resources

RESPONSE	• TTNQ will continually enhance its research capability by: o Better informing TTNQ's marketing and strategic planning o Providing a strong foundation for decision makers on tourism investment opportunities o Providing real value to our members through access to accurate and up to date information via insights, forums, seminars, and website updates o Continuing with the monthly Tourism Barometer o Maintain partnerships with: ▪ Tourism Research Australia and Tourism Queensland's research personnel ▪ Cairns Airport's Aviation Analyst ▪ James Cook University ▪ Other research partners as required

RESEARCH AND INSIGHTS STRATEGY	• Provide quarterly analytical reports for International Visitor Survey (IVS), National Visitor Survey (NVS) and Australian Bureau of Statistic's Survey of Tourist Accommodation (ABS) to members • Address lack of confidence levels for some source markets data (small sample sizes) o Work with Local Tourism Organisations to find a solution for visitor movements within region • Maintain TNQ forecast analytical tool in partnership with Tourism Research Australia • Monitor changing consumer behaviour and booking lead times using results from the Tourism Barometer • Monitor changing community attitudes on tourism • Work with Tourism Australia to collate data on niche market segments, ie medical tourism, education tourism, backpacker • Maintain partnerships with Tourism Research Australia, Tourism Queensland, Tourism Australia, James Cook University, Reef and Rainforest Research Centre, external research providers • Maintain up to date aviation data in collaboration with Cairns Airport • Monitor the mood of the membership

15. DESTINATION DEVELOPMENT

Over the last five years the region has continued to introduce impressive new infrastructure in the accommodation, indigenous product, marine, attractions and touring areas. However, these developments, with a few exceptions, have tended to replicate existing experiences which are targeted to the current core markets, rather than present new experiences or services which will enable the region to tap into new emerging segments and markets. A coordinated industry view is required to ensure we adequately represent the needs of a growing and contributing industry to the region.

SITUATION ANALYSIS	• Although TTNQ at its core, is a peak marketing body, we are very conscious that our natural assets are governed by an array of legislation and managed through various government departments • The need to engage with these stakeholders across strategic development issues is fundamental. • It is the role of TTNQ to inform and be informed on issues that can affect the tourism industry and recommend appropriate responses where necessary.
IMPLICATION	• As a membership organisation, members seek support and assistance from TTNQ on a range of issues that impact on their ability to conduct business • TTNQ will continue to provide a coordinated role on major strategic issues by working with organisations such as QTIC
RESPONSE	• There is a need for TTNQ to support industry on a range of supply issues, government regulations and assist industry with blockages to business opportunities and work in close partnership with organisations such as QTIC
DESTINATION DEVELOPMENT STRATEGY	• Report supply related infrastructure and resource gaps that impact on growth o Employment and training initiatives for the industry o Investment and infrastructure issues • Represent tourism on policy issues, participate in debate and monitor outcomes o Ensure the region's voice is heard with regards to issues of national, state and regional importance • Support Indigenous Tourism Development Framework o Help implement initiatives from Queensland's Indigenous Tourism Strategy • Ensure the region continually develops and promotes its 'green' credentials and maintains the integrity of its two World Heritage areas • Provide high level advocacy and written reports for Board, industry, local, State and Federal Government o Stakeholder management o Establish a stakeholder steering group o Community engagement and awareness of importance of tourism to the local community o Destination reputation management

16. FUNDING

As a membership based not-for-profit organisation, ongoing funding is vital for us to ensure the delivery of marketing activities, leadership and development for the region's tourism industry.

Our high-level of corporate governance; and financial, KPI and ROI reporting has enabled us to re-negotiate a number of our core funding agreements, most for a multi-year period. All funding agreements come with stringent and rigorous reporting requirements, which we will continue to deliver during 2010/2011. Compliance with all funding requirements is a key focus for the Board and executive management.

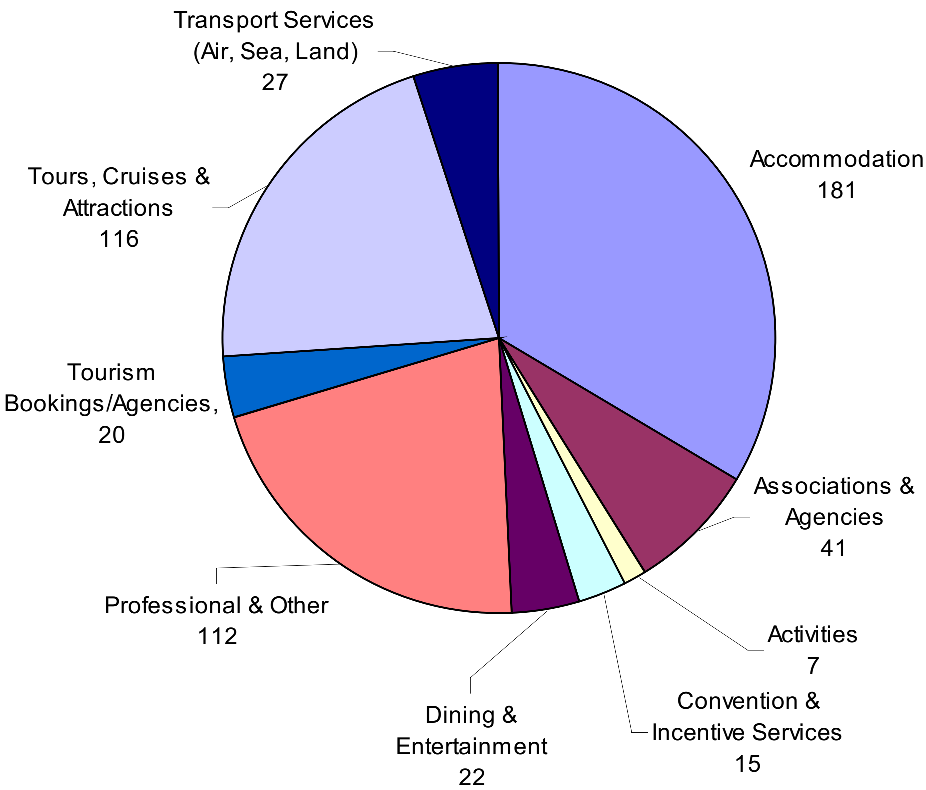
During 2009/2010, the organisation successfully leveraged its marketing spend by $1:$3. We had extensive buy-in from the TNQ industry, Tourism Australia, Tourism Queensland, airlines and wholesale partners in a large number of our marketing campaigns and road-shows.

16.1 KEY AREAS OF FUNDING

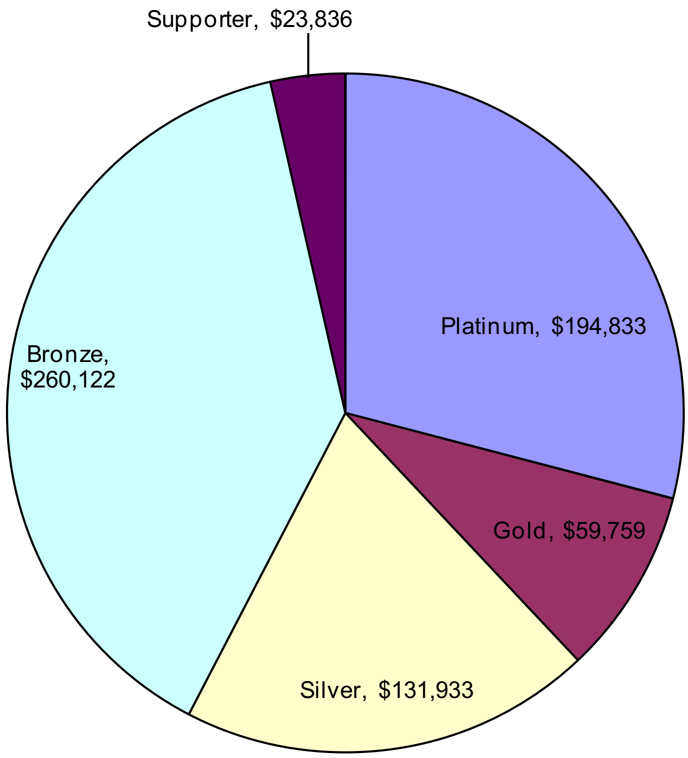
Membership & Industry Support

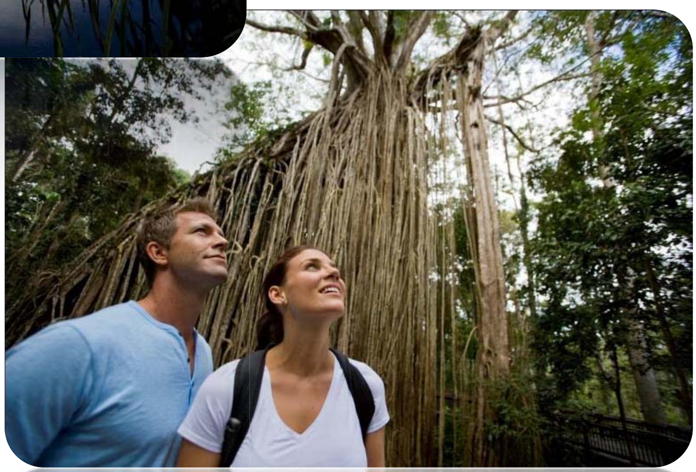
Knowing that everyone in our region benefits from a share of the tourism dollar, members of TTNQ come from all facets of the business community. TTNQ is now recognised as one of the largest and most effective Regional Tourism Organisations in Australia.

TTNQ has approximately 540 members across nine main membership categories and five membership levels, generating approximately $693,000 (ex GST) in revenue for the organisation. The number of members in each of the membership categories (as at April 2010) is shown in the figure below.



The following pie chart highlights the value of subscriptions generated (as at March 2010):





16.2 RESOURCING OUR STRATEGIES

TTNQ must continually monitor its levels of funding and consistently provide funding bodies with evidence of return on their investment. The board has sought an additional $1million of funding to drive strategic activity over our base funding for the year 2010/2011 year. We must work with existing and potential bodies to ensure maximum funding is achieved, taking into account the cap that currently applies to our State funding. We are continually exploring Federal funding opportunities, while ensuring maximum leveraging of Cairns Regional Council, Cairns Airport and airline funding.

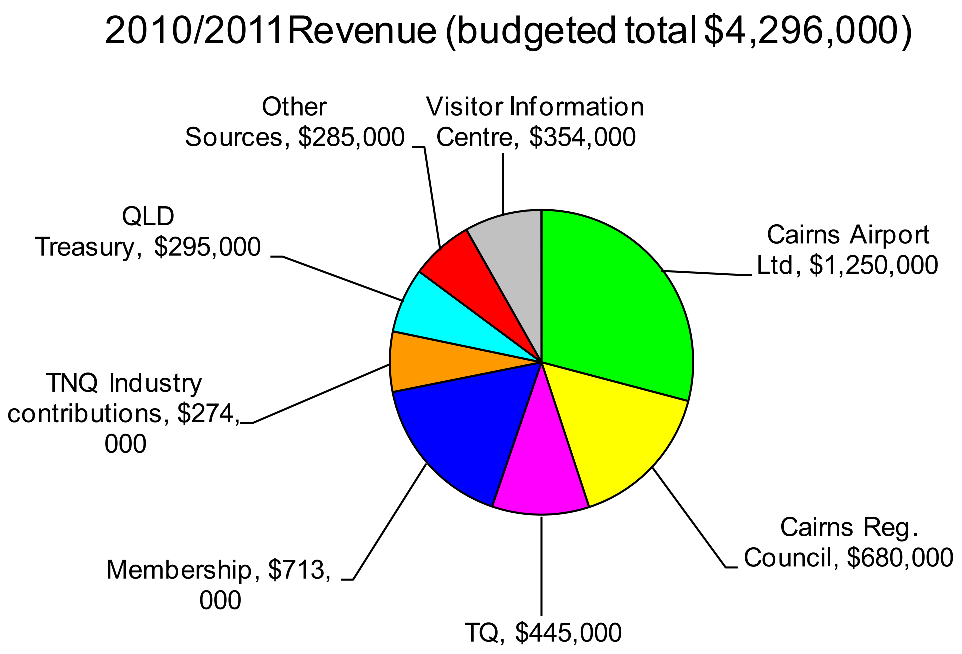
During 2010/11, TTNQ will benefit from additional funding provided by TQ for the management of the DMP and special grants for a range of research projects.

To fund the BECGBR we must work collectively with the Queensland Convention Bureaux and the Australian Association of Convention Bureaux to aggressively pursue equitable funding options from State and Federal Government. This is necessary to support the activity of the BECGBR and ensure the region's continued success in attracting business events.

Of major importance to our funding are membership contributions. TTNQ builds membership by encouraging a philosophy of tourism industry support for whole-of-region benefit.

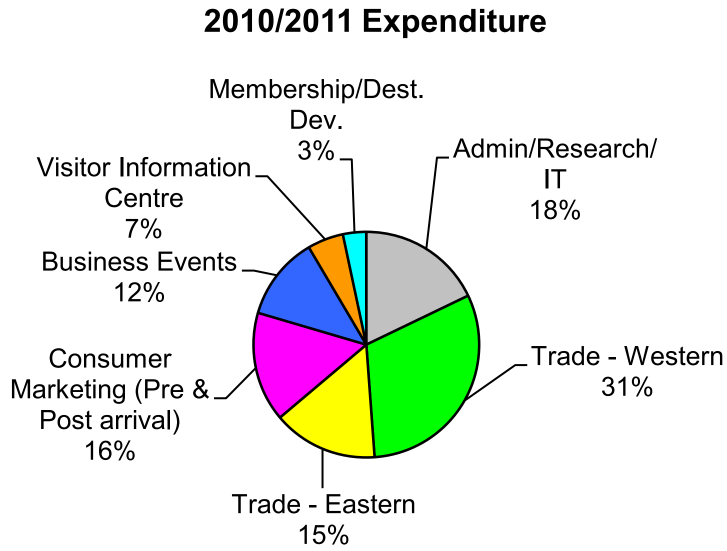
Operational Revenue

TTNQ has budgeted to receive revenue from various sources totalling $4.3 million for 2010/11. See below for breakdown of TTNQ's budgeted 2010/2011 revenue.



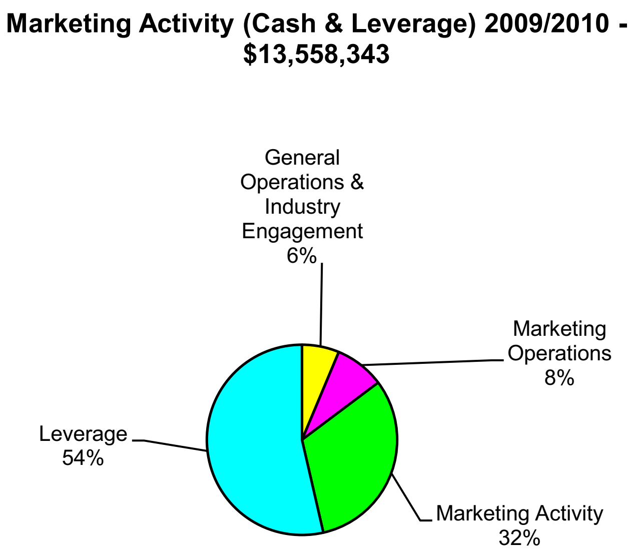
Direct Expenditure

TTNQ has budgeted to spend all revenue received on Marketing, Destination Development, Membership Services, Research and Corporate Governance. See below for a breakdown of TTNQ's budgeted 2010/2011 expenditure.

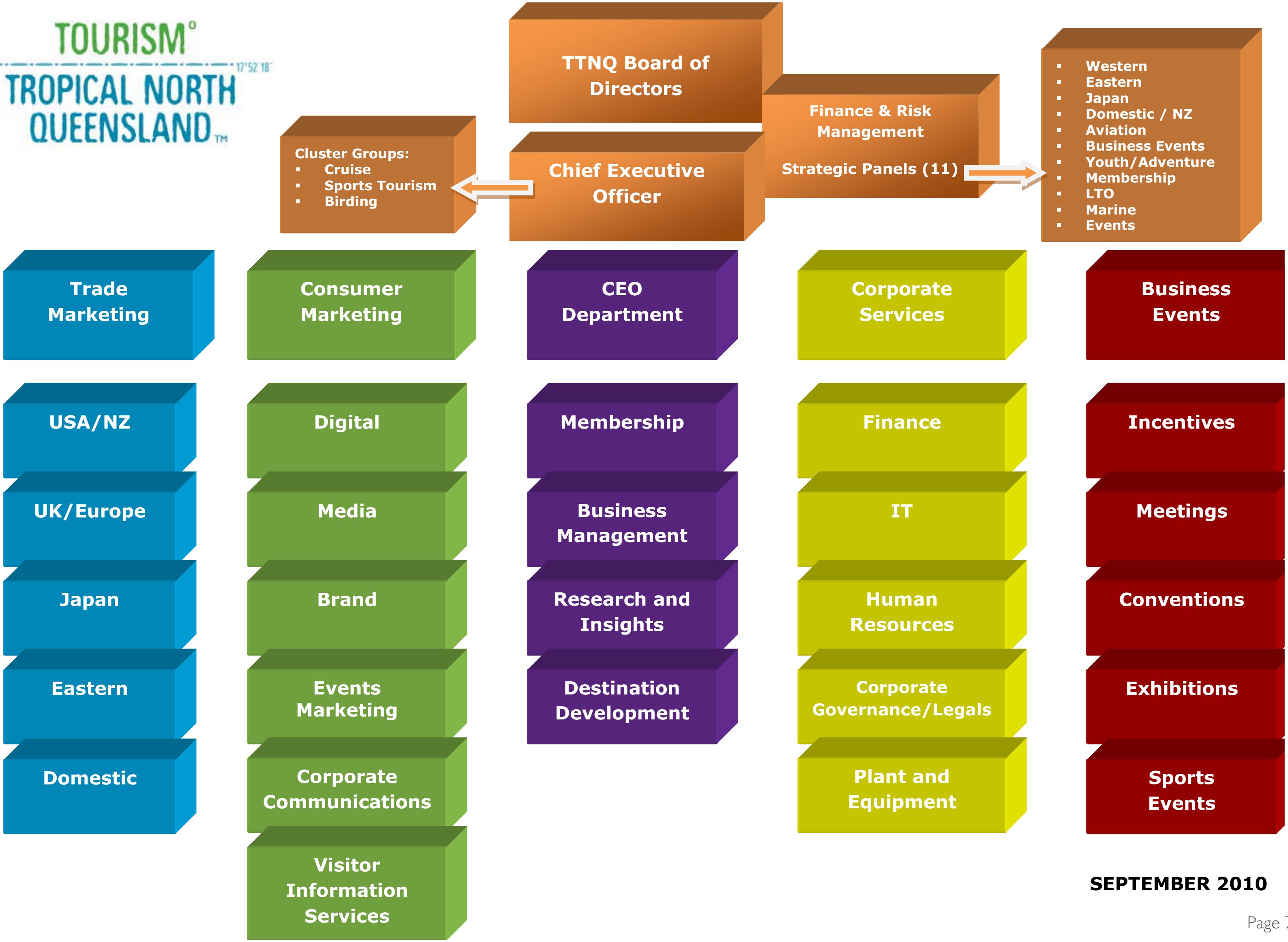


Leveraged Funds

The pie-chart below, shows the breakdown of budgeted cooperative contributions to marketing activity (both cash and in-kind) from our activity partners for 2009/10. Partnerships in our marketing activities are formed with; the region's tourism industry, Tourism Queensland, Airlines and wholesalers. This figure reflects the total and relative values of industry support directly to TTNQ. During 2009/10, TTNQ successfully leveraged its marketing activity expenditure to achieve an additional $7.3 million from industry and key stakeholders, directly contributing towards marketing the region. See below for a breakdown of cooperative contributions (cash and in-kind) from activity partners for 2009/10.



TOURISM TROPICAL NORTH QUEENSLAND



SEPTEMBER 2010

18. TTNQ PLANNING AND REPORTING CYCLE 2010/2011

January
- No events

February
- 19 FARMC meeting (6 month review, Dec/Jan financials
- 24 (Wed) TTNQ Board Meeting (CAIRNS) - draft Business Plan and draft budget sign-off
- 26 (Fri) National Tourism Awards (Hobart)

March
- 16 (Tues) FARMC Meeting (Feb financials
- 30 (Tues) Marketing 6 monthly Members update
- 2010/2011 Business plan published

April
- 8 (Thur) TTNQ Board meeting (CAIRNS)
- 29 (Thur) FARMC Meeting (March financials

Easter 2 – 5 April 2010

May
- 12(Wed) TTNQ Board meeting CAIRNS
- 09/10 budget)
- TBA Research & Insights Forum

June
- 24 (Thur) FARMC Meeting (Apr/May financials; year end projections)

July
- 1 (Thur) TTNQ BoardMeeting TABLELANDS
- Commence annual report process

August
- 2 (Mon) - 7 (Thur) KPMG Audit
- 3 (Tue) FARMC Meeting (year-end; pre-auydit)
- 13 (Fri) TTNQ Board Meeting CAIRNS

September
- 14 (Tue) FARMC meeting (Jul/Aug financials; Annual financial statement)
- 14 (Tue) Annual Report FINAL for board review
- 23 TTNQ Board Meeting CASSOWARY COAST (financial statement and annual report)
- TBA Marketing 6 monthly members update

October
- 22 (Fri) Staff / Executive Business Planning Day
- 26 (Tues) TTNQ AGM
- 26 (Tues) FARMC (Q1; pre-AGM)
- 30 (Sat) TNQ Tourism Awards
- Commence research of new membership model based on modular structure for implementation for 2010/2011

November
- 4 (Thur) TTNQ Board Meeting CAIRNS
- 4 (Thur) Dinner with TQ/TA for Business Planning
- 5 (Fri) TTNQ Board and TA/TQ Business Planning Day
- TBA (Sat) QLD Tourism Awards
- TBA Research & Insights Forum

December
- 7 (Tues) FARMC (Oct financials)
- 16 (Thur)TTNQ Board Meeting DOUGLAS

18.1 TTNQ MEETINGS

Activity	Timing
Annual One-Year Strategic Planning Program	November - December
Annual Board Planning	December with February sign-off
Board Meetings and Finance and Risk Management Meetings	10 per year
Annual General Meeting	October
Strategic Panels (mix of members and Chaired by Board member)	Minimum three per year: • Western • Domestic / New Zealand • Japan • Membership • Business Events • Emerging • Youth / Adventure • Aviation • Marine (New) • Events (New)
Marketing meetings	Weekly
Staff meetings	Weekly
Executive Meetings	10 per year and as required
Market Briefings and Round Table Discussions with Members	Two per year
Insights Forum	Two per year
Members Networking Functions	Minimum four per year
Joint QTIC and Industry Sector meetings	Two per year

19. PARTNERSHIPS

Effective partnerships are a critical success factor in helping TTNQ to achieve promotional leverage, provide resource support to assist the effective implementation of our strategies, and develop policies.

TTNQ's Strategic Corporate Partners

Cairns Airport Limited (CAPL)
TTNQ acknowledges the major funding contribution it receives from Cairns Airport Limited as its official marketing agency. The current TTNQ / Cairns Airport Marketing Services Agreement allows for cooperative marketing in key and potential international and domestic markets, to increase the appeal of the destination to visitors and to improve air access and capacity. TTNQ works closely with CAPL to coordinate passenger marketing activity, and also to attract new air services to the region. The relationship has become a template for airports and tourism marketing bodies nationally, and is now widely duplicated around the country.

Cairns Regional Council
TTNQ acknowledges the ongoing funding contribution provided by Cairns Regional Council to support our delivery of marketing service for the region. Cairns Regional Council provides the resident and visitor with a wide range of facilities and infrastructure that enhance and support the brand and lifestyle of the region.

Tourism Queensland
Tourism Queensland (TQ) promotes Brand Queensland and TTNQ promotes Brand TNQ. A number of our activities such as consumer and trade campaigns and famils are conducted jointly with TQ. TTNQ acknowledges the funding contribution provided by TQ to support our infrastructure and delivery of marketing services in the domestic and the growing international markets

Queensland Government
TTNQ acknowledges the additional performance-based funding provided by the Queensland Government to support business tourism marketing activities for the destination, which are carried out by the BECGBR.

Queensland Tourism Industry Council (QTIC)
As the State's principle lobbying force, QTIC works closely with key government agencies, Ministers and officials. TTNQ is represented on the Board of QTIC and contributes financially to QTIC's operations to assist in promoting a profitable and professional travel and tourism industry in Queensland.

Tourism Australia
Tourism Australia (TA) promotes Brand Australia. Many TTNQ activities are conducted in cooperation with TA, which provides support and marketing assistance via its network of international offices.

Members
TTNQ encourages membership to strengthen our marketing position and our regional industry. We endeavour to foster a positive relationship with members and potential members through our activities, including the provision of specific member benefits dependent on membership level.

Airlines
TTNQ acknowledges the support and commitment of our airline partners: Air New Zealand; Cathay Pacific; Continental Airlines; Jetstar Airways; Qantas Airways; Virgin Blue, Pacific Blue, Air Niugini and China Southern.

Our Programme Partners

Industry Associations and Groups

TTNQ works with all levels of the tourism industry - national, State, regional and local - to achieve the best possible outcomes for our region and our industry. In addition to our marketing role are activities such as advocacy, representation, liaison and research. Partnerships exist with travel trade (including ITOs), industry organisations such as ATEC, Business Events Australia, AACB and PATA, the Alliance for Sustainable Tourism, and Eco Tourism Australia.

Region & Community

TTNQ works in partnership with many local organisations to advance the united and committed Economic Development Strategy for the region. Key organisations are: Advance Cairns; Cairns Chamber of Commerce; Cape York Futures; FNQROC; JCU; Study Cairns; Torres Strait Regional Authority and Tropical North Queensland TAFE.

Local Media

TTNQ acknowledges the ongoing support it receives from local television, radio and print media.

Research Partners

TTNQ collaborates with James Cook University, CRC for Sustainable Tourism and the Reef and Rainforest Research Centre to ensure insights and research outcomes are consistent with industry needs, with the end objective being to achieve a truly sustainable nature-based tourism industry.

Local Tourism Associations & Regional Councils

TTNQ works with various local and precinct tourism associations and Councils in our region. Our business relationships with Tourism Port Douglas Daintree and Tablelands Regional Council are formalised by agreements which foster a cooperative marketing approach and develop precinct capacity. With other organisations we strive to achieve similar outcomes, without the framework of formal agreements.

Regional Visitor Information Centres

TTNQ works collaboratively within the accredited VIC network to disseminate consistent, accurate and relevant information.

TOURISM°

17°52'18"

TROPICAL NORTH QUEENSLAND™

SUMMARY OF STRATEGIES 2010/2011

AVIATION

AVIATION STRATEGY	

	• In partnership with Cairns Airport:
	  o Identify and engage with potential airlines to grow capacity into Cairns
	  o Increase existing services
	  o Expanding charter services
	  o Develop business cases to encourage existing airlines servicing major aviation hubs to consider a Cairns extension / inclusion
	  o Develop an engagement strategy with existing airport hubs of Hong Kong / Guam / Japan / Port Moresby / Auckland
	  o Target Singapore for improved direct service
	• Focus on new capacity markets of NZ / Japan / Domestic
	• Monitor existing seat capacity to better apply tactical marketing engagement
	• Actively participate in Cairns Aviation Strategy Team (CAST) to achieve synchronisation of aviation strategy for the region, state and nation.

CONSUMER STRATEGY

CONSUMER STRATEGY	

	PRE-ARRIVAL STRATEGY
	Digital – Maximise effectiveness of Digital Strategy
	• Create a web presence that will inspire dreams to motivate visitation.
	  – Implement motivational content management and rich media development creating Travel-tainment, aspirational converation inspiring potential visitors utilsing webcams and video galleries
	  – Add listings (news and stories) and constantly review content links to be placed in other global web spaces where our key markets feature
	  – Introduce a social media program inviting visitors to upload their visitor experiences to provide rich, contenporary content
	  – Manage niche and segment site development (Youth, Birdwatching, Planetsafe and Great Tropical Drive).
	  – Invite LTO's (precincts) to manage precincts sites promoting the diversity of regional experiences
	  – Continue regional member web training to increase region's overall web quality
	  – iPhone applications for reef, bird watching and rainforest
	• Create dialogue opportunities with visitors which will lead to a highly qualified consumer database
	  – Develop appropriate social media stategies to generate and maintain dialogue with consumers using email, SMS, twitter and facebook,QR coding
	  – Provide a user friendly site for all major markets via multiple language sites e.g. Japan and China, and utilisating language applications
	  – Distribution of C & GBR content on major third party trade and partner sites, ie Flight Centre
	• Search engine maximisation via organic, paid and tagging content strategies to grow traffic, link strategy to increase page ranking
	  Commercialisation rollout to provide specifi high volume sites ie cairnstours.org.au
	• Introduce mobile based platforms to provide post arrival visitors a secure information source.
	• Maintain and update Business Events site
	Media............./

CONSUMER STRATEGY (cont)

Media

- Implement a domestic and international strategy to maximise awareness of the destination to attract targeted segments
    - Host media visits
    - Maintain a media database
    - PR, collateral, media and video library – delivery of storytelling of our region
    - Develop inspiring and motivational collateral to support promotion and brand positioning and the regional diversity of experiences
- Market to our targetted audience through all channels projecting the regions themes via placement of positive and motivational stories that bring our region to life.
    - Actively bid for media stories on the key themes of:
        - Great Barrier Reef - Wet Tropics Rainforest / Daintree
        - Tropical Lifestyle - Art/Music/Culture
        - Business Events - Redevelopment of Cairns CBD
        - Food and Dining - Events (Sports, Cultural)
        - Indigenous - Nature, flora and fauna
- Visit market place to provide media breifings – build network of key influencers
- Develop marketing relationships with consumer brands that best associate with the values of TNQ
- Maximise TNQ Events Strategy as a means of extending market reach to consumers with special interests that match brand and product offerings

POST ARRIVAL STRATEGY

- Provision of unbiased visitor information by the operation of a self funded accredited visitor information centre open seven days per week
- Work closely within the network of 19 intra-region Visitor Information Centres and the remaining Queensland VICs to disseminate accurate information to visitors
- Continue to service Airport Ambassador program and with support from Cairns Regional Council, introduce a CBD Ambassador Program

BRAND POSITIONING

BRAND POSITIONING STRATEGY

- Integrate the association of "Gateway to the Great Barrier Reef" in brand implementation
- Develop the brand strategy to promote the portfolio of precinct brand names within the TNQ strategic umbrella to reinforce competitive advantage in the region's nature and adventure product diversity
- Ensure consistent branding identity via targeted segments for the region (tool kit including collateral and content) in all media and marketing channels with intrastate, interstate and international segments
- Domestic
    - Integrate TQ's new Queensland brand positioning within the domestic market
    - TNQ new brand positioning to be available second half 2010
- International
    - Integrate brand positioning with Tourism Australia's "There's Nothing Like Australia"
    - Focus on Cairns & Great Barrier Reef via two World Heritage and National Landscapes listings and iconic Australian experiences
- Precincts
    - Promote the personality and diversity of product experiences within each precinct
        - Address perception of declining fashionability of the destination within some markets by highlighting the diversity of experiences to inspire repeat visitation
        - Address the lack of brand definition work for Daintree, Great Barrier Reef, Mission Beach, Tropical Tablelands, Torres Strait, Cape York, Gulf Savannah and source funding for a precinct branding project and encourage greater LTO financial investment

DOMESTIC MARKET

DOMESTIC MARKET STRATEGY	Develop a dedicated market by market communications strategy offering unique TNQ experiences to best match consumer desire using trade and consumer direct channels. • Develop a three year marketing campaign with TQ to address our under performance in the Brisbane and SEQ market. • Maximise growth from Melbourne targeting increased capacity – focus on Social Fun Seekers and Active Explorer segments • Support growth in Adelaide and Perth targeting the Social Fun Seekers and Active Explorers segments • Arrest the decline of the Sydney market focussing on new capacity, and the Social Fun Seekers and Active Explorer segments. Develop effective cooperative advertising partnerships with airlines and trade to drive brand and tactical campaigns. – Identify and engage with potential airlines –Qantas, Jetstar, Virgin Blue Group and Tiger Airways to grow the market cooperatively building a business partnership – Work with TQ and other trade partners to implement tactical campaigns around seasonal demand – Maximise TA's "No Leave No Life" and "there's *nothing* like Australia" campaigns • Intrastate Strategy focussing on the Connectors segment – Work with members to aggressively target the intrastate market via drive and fly/drive campaigns with motoring organisations and regional airlines – Disseminate information via Visitor Information Centre network – Initiate consumer direct, media and cooperative advertising campaigns with a focus on precinct and experiences. • Mining Community Strategy – Target mining communities in Australia and Papua New Guinea cooperatively with airline and member partners – Develop specialist packages to meet this market's needs. • Develop a three year Drive Marketing Strategy (self drive / fly drive) with TQ, Townsville Enterprise and Queensland Outback Tourism Association to grow the market – Secure relevant funding from State or Federal grants to action Drive Market Strategy – Enhance the Great Tropical Drive experiences: o Communicate ongoing themes and o Experiencial development within the region as the base for product development and o Local coordination and focus of tourism marketing o Cooperative marketing campaigns with national motoring associations

INTERNATIONAL MARKET

INTERNATIONAL MARKET STRATEGY	• Increase visitation from growth markets of Japan, New Zealand and China
	  o Invest in key segments of growth in each market
	  o Direct trade engagement with retail and selected wholesalers and digital distribution channels
	  o Heighten brand and consumer awareness in NZ
	  o Develop cooperative marketing programs in business partnership with
	    – Air NZ and Pacific Blue for New Zealand, and
	    – Jetstar and Continental Airlines for Japan
	    – Qantas, China Southern and selected wholesalers for China
	    – TQ to develop cooperative three year strategy for each of the markets
	• Build on the potential of the Chinese market
	  o In partnership with TA, TQ and Cairns Airport, actively target Chinese airlines and Qantas to secure charter flights especially for peak holiday periods outside of Chinese New Year
	  o Partner with Tourism New South Wales and Gold Coast Tourism to promote dual destination programs
	• Maximse marketing partnerships with TA and TQ through structured cooperative marketing plans for all markets
	• Neutralise the decline in volume markets of UK, USA and Europe (Germany/France) by upweighting airline and trade activity
	  o Invest in key youth/backpacker markets of UK, Europe and USA
	  o Market Cairns as the destination point in all tactical activity from international source markets ie Team Cairns (Qantas/TQ/TTNQ partnership)
	  o Use online consumer direct campaigns to capture FIT visitors
	  o Target growth carriers to capitalise on growth in air services from major source markets of Europe and the UK eg. Etihad, Emirates and Singapore Airlines
	  o Maximise connectivity of domestic services to promote interline arrangements with OneWorld and Star Alliance partners
	• Refocus on developing markets strategy via ITO engagement by focussing on key segments for the following markets:
	  o India – honeymoon, groups, family, business events
	  o Korea – honeymoon & weddings, study, youth, groups, business events
	  o Russia – family, groups
	  o Guam (military R&R market)
	• Aviation engagement
	  o Develop LCC model to better understand LCC operations and marketing needs
	  o Charter opportunities from Japan and Korea, with potential for seasonal charters – education/study and incentive opportunities
	• Build long stay options for all markets and continue to work with key markets and trade to activate greater length of stay

EXPERIENCES PACKAGING AND PRODUCT DISTRIBUTION

EXPERIENCES PACKAGING AND PRODUCT DISTRIBUTION STRATEGY	TRADE ENGAGEMENT STRATEGY (this will be linked to market by market action plans)
	• Actively engage with traditional travel trade and online travel distribution networks in our core markets to ensure timely and relevant brand campaign activity
	• Develop Cairns & Great Barrier Reef specialist trade program (training and communication)
	    o Develop online training tools to reinvigorate the travel trade to excite, promote and convert consumers to our destination
	    o Implement a targeted familiarisation program to educate, inform and up skill sales consultants
	    o Conducting in-market missions
	• Implement Team Cairns to drive product diversification and deliver a regional experience encouraging greater length of stay from our key markets
	• Actively engage with Product Managers for itinerary development that will represent the diversity of the region
	
	INBOUND TOUR OPERATOR STRATEGY
	• Ensure diversification in ITO product portfolios for existing markets
	• Focus on ITO's to drive our developing markets strategy and encourage active ITO participation in joint marketing programs
	• Implement familiarisations, sales and training programs
	• Support ATEC North Queensland Chapter with ATEC Up North and other development activities

PRODUCT CLUSTERS

BACKPACKER YOUTH ADVENTURE STRATEGY	• Direct to consumer digital engagement
	    o Implement social media strategy and consider using blogs on the region to encourage positive word of mouth activity
	    o Online campaigns to drive traffic from prospective visitors whilst in Australia
	    o Upgrade and constantly monitor specialist TTNQ backpacker site
	• Monitor and promote employment opportunities for backpackers.
	• Support specialist events tailored for backpackers to encourage visitation outside the high season.
	• Work with TQ to engage in third party promotions and link our brand with other targeted socially aware brands
	• Engage travel trade (domestic and international) to create greater awareness of our product offerings.
	    o Integrate mainstream campaigns within the markets of UK/Europe, France, Germany, Scandinavia, Nordic, UK and Canada markets
	    o Develop marketing partnerships with domestic distribution partners

CRUISE SHIPPING STRATEGY	

CRUISE SHIPPING STRATEGY	• Maximise promotional opportunities for the region as a world class tropical cruise destination through our membership of Cruise Down Under.
	• Maintain TTNQ's close working relationship with Cairns Ports FNQ,
	   o Seek cooperative marketing/promotional activities to attract more cruise ships to the region,
	   o Encourage home porting opportunities
	   o Create awareness of the new Cairns Wharf facility.
	   o Review meet and greet strategy
	• Identify ITO's and wholesalers commissioned to handle cruise ship schedules
	   o Direct engagement with cruise ship directors and itinerary planners
	   o Encourage additional visits
	   o Encourage more than one night stays
	• Develop broader regional itineraries to encourage increased port visits to other TNQ ports.
	• Develop joint cruise strategy with Tourism Queensland and Tourism New South Wales

STUDY TOURISM STRATEGY	• Work collaboratively with industry to gain a better understanding of the education sector. • Focus on school study tours • Work with airlines (i.e. develop charters) to assist with access during seasonal times • Engage trade partners to grow market from Japan, China, USA and Korea • Provide marketing collateral for Study Cairns for other education segments
BIRDWATCHING STRATEGY	• Identify trade active partners specialising in this market • Identify active databases of the targeted audience set to generate joint promotional activity • Support our members where possible to attend specific consumer shows • Produce specific fact sheets and other collateral on this market that supports the experiences in our region. • Familiarisation for key Media and Trade to showcase the birding experiences. • Ensure that our web presence is maximised to ensure that consumers are aware of our Birding experiences.
MARINE / DIVE STRATEGY	• Promote the range of marine / dive experiences available to align with each market • Provide collateral to marine / dive consumer shows • Encourage trade and media familiarisation activity • Ensure consistent web presence for marine / dive experiences • Joint promotional activity with dive clubs and associated databases • Develop marine / dive strategy in conjunction with TQ
ROMANCE AND WEDDING STRATEGY	• Co-ordinate members active in this market and attend selected Australian consumer "Bridal shows" supported by specific collateral • Ensure that our web presence defines the experience that our region has to offer • Coordinate targeted media visits • Support cooperative advertising campaigns to generate awareness

VOLUNTEERISM STRATEGY	
VOLUNTEERISM STRATEGY	• Research the range of opportunities available in the region o Work with local conservation and cultural groups to identify volunteerism opportunities • Match experience with targeted audience • Audit distribution channels to identify specialist providers to this market • Provide dedicated web presentation on www.cairnsgreatbarrierreef.org.au

EVENTS STRATEGY

EVENTS STRATEGY	
EVENTS STRATEGY	• Drive the development of a regional events management structure to ensure the appropriate management • Incorporate major selected events into our marketing and media strategies • Assist in the development of signature events to anchor our destination brand • Identify resources required to drive the events strategy o Lobby for long term funding – Local government, Qld government o Review TTNQ's role in servicing the Events Strategy • Sports tourism o Review region's capabilities to host and attract elite teams to train in the region pre-events (national and international) o Masters Events Strategy – assist with the bid process where appropriate

BUSINESS EVENTS

BUSINESS EVENTS STRATEGY	• Stakeholder, Member and Industry Engagement o Formulate and deliver effective and timely communication which engages, informs and educates industry stakeholders and members. o Increase level of engagement with local, State and Federal Government and other relevant entities to secure additional funding, o Secure subvention support for key convention bids which are aligned to Local and State Government "Smart State" or our regions key industry sectors. o Maintain strong partnerships to activate marketing activity: relationships with key business partners and trade organisations to leverage business events to the region. o Increase participation in the Business Events Survey to maintain and increase our share of state government funding. o Continue to maintain and build relationships with key markets sectors including corporate meetings, incentive programs and in some instances, Government and Association Conferences. o Develop joint strategy with Queensland Events Business Events division. o Incorporate a regional strategy into Business Events Australia global strategy. • Marketing and Corporate Communications o Deliver consistent destination business event brand messages. o Develop a range of motivational and informative digital and print tools which profile the destination and raise awareness and recognitions of TNQ's ability to host world class business events. o Increase public relations and media activity locally and within key source business events markets. • Market Activation o In cooperation with members and stakeholders participate in and/or, manage a specified range of marketing events, trade events, road shows, familiarisations (clients, trade and media) and in market visits. o Identify and communicate compelling unique selling propositions which encourage destination loyalty. o Maximise cooperative advertising and editorial opportunities with key trade, print and digital targeted media. o Promote the environmental awareness and green credentials of the region as they relate to business events. o Internationally maintain current activity and work closely with the Cairns Convention Centre to increase our strategic efforts in selected markets. • Emerging Markets and Research o Identify insights and critical research of existing, new and emerging business events markets

RESEARCH AND INSIGHTS

RESEARCH AND INSIGHTS STRATEGY

- Provide quarterly analytical reports for International Visitor Survey (IVS), National Visitor Survey (NVS) and Australian Bureau of Statistic's Survey of Tourist Accommodation (ABS) to members
- Address lack of confidence levels for some source markets data (small sample sizes)
    - Work with Local Tourism Organisations to find a solution for visitor movements within region
- Maintain TNQ forecast analytical tool in partnership with Tourism Research Australia
- Monitor changing consumer behaviour and booking lead times using results from the Tourism Barometer
- Monitor changing community attitudes on tourism
- Work with Tourism Australia to collate data on niche market segments, ie medical tourism, education tourism, backpacker
- Maintain partnerships with Tourism Research Australia, Tourism Queensland, Tourism Australia, James Cook University, Reef and Rainforest Research Centre, external research providers
- Maintain up to date aviation data in collaboration with Cairns Airport
- Monitor the mood of the membership

DESTINATION DEVELOPMENT

DESTINATION DEVELOPMENT STRATEGY

- Report supply related infrastructure and resource gaps that impact on growth
    - Employment and training initiatives for the industry
    - Investment and infrastructure issues
- Represent tourism on policy issues, participate in debate and monitor outcomes
    - Ensure the region's voice is heard with regards to issues of national, state and regional importance
- Support Indigenous Tourism Development Framework
    - Help implement initiatives from Queensland's Indigenous Tourism Strategy
- Ensure the region continually develops and promotes its Green credentials and maintains the integrity of its two World Heritage areas
- Provide high level advocacy and written reports for board, industry, local State and Federal Government
    - Stakeholder management
    - Establish a stakeholder steering group
    - Community engagement and awareness of importance of tourism to the local community
    - Destination reputation management