**Strategy and Leadership in Tourism and Hospitality**

**Australia’s Tourism 2030 Strategy Proposal**

Student Name:

Student ID:

**Executive Summary**

As a sector in world economy, the tourism and hospitality industry comprises a large part of the world's economic activity, because of its scale and interconnectedness. This proposal includes a thorough analysis of the current strategic drift in Australia tourism industry by studying the current strategy and leadership risks that the industry is facing, supported by a sytematic overview assisted with data retrieved of the past decade’s plan for tourism development.

Domestically, this industry is also crucial to the development of Australia. Back to 2011, when Australia's Tourism 2020 strategy proposal was distributed, the tourism industry had generated a significant number up to $94 billion in spending, created close to $34 billion GDP, and provided employment for more than half a million people, earned almost 10% of Australia's total export earnings. Other crucial nationwide industries as well as those infrastructure that support them were funded by it, such as aviation, transportation, etc. Regional Australia developed with the aid from the tourism industry, too, which means that every dollar that tourists spent in Australia would be equivalent to 46 cents spent in regional Australia (Tourism Australia 2011). A coherent system was built and was expected to grow in scale, making great contributions to Australia's "visitor economy".

However, economic tourism activity in 2020 was hugely affected by bushfires and the COVID-19 pandemic. Data shows that the number of international visitors dropped significantly to 6.7 million from the 9.3 million during 2020, went down by 27% (Camper Champ 2021). Due to the bushfires crisis, a drop of 5.1% in the number of international visitors travelled to Australia took place in January, 2020. Later in the same year, February saw a significant decrease because of the coronavirus crisis. Travel restrictions and travel ban on Chinese visitors were made in response to the coronavirus pandemic.

The bushfires and the COVID-19 crises have impacted the tourism industry severely in the last year, leading to all tourism key statistics plummeting, especially disproportionately.

1. **Current Strategic and Leadership Risks**

The previous strategic direction for tourism industry in 2020 entails a plan to reach the goal of tourists overnight spending $115 billion by 2020, for the purpose to offer an opportunity to the world to dive into the Australian lifestyle, with the vision for Australia to be the "most desirable and memorable destination" on Earth (Tourism Australia 2014). For this vision, Australia have implemented the process during which the focus was mostly on these two aspects:

1. Inputs, including human resources, natural resources, government policy, consumer expenditure, and inward investment, to the tourism retailing subsystem and transport subsystem.
2. Influence of society, including media and information technology.

However, there took place a strategic drift. The overly focused attention on bringing in more visitors, while serving the purpose of economic development, missed the point of value which is sustainable development. The natural environment upon which the industry depend would have an overarching effect once crises or disasters happen. These hazards cause social and economical disruption which are two main sources of inputs of the industry.

As was investigated in this research, the costs to fire-affected regions directly from lost tourism, agricultural and retail income has already increased and has been within the range from $1.1 billion to $1.9 billion this financial year (Irvine 2020). The bushfires happened in the natural environment, and it is the negligence of it as well as of the importance of sustainability that led to the incalculable loss.

Besides, the tourism industry has been claiming its passive role as the victim of natural disasters (Schweinsberg, Darcy & Beirman 2020), but this bushfires catastrophe indicates that there would be no return of investment in playing the passive. One of the current risks that the tourism industry is facing happens to be its static role versus the continuously changing environment which results in poor risk management, and thus lowers the industry's resilience as a collective tourism entity.

Meanwhile, COVID-19 has changed the world in every possible respect, and has had strong impact on tourism demand, as well as the hospitality industry which is extremely sensitive to serious shocks which this pandemic happens to be an example (Chang, McAleer & Ramos, 2020 p. 3671). Revised scenarios by the Organisation for Economic Cooperation and Development (OECD) suggest the potential harm this pandemic might bring range from 60-80% in the international tourism economy (OECD 2020).

Considering the relationship between the entire tourism industry and the people who it serves, it is not hard to find that the industry needs to rebuild customer loyalty. The bushfires and coronavirus pandemic are disasters that test the resilience of a system, and the tourism ecosystem made a faulty management decision, and it is commonly agreed that any form of management would have social impacts. For instance, less jobs will be offered, and less resources will be available. Conclusively, management errors lead to strategic drift that eventually results in less competent leadership.

1. **Deployed Innovative Business Strategies**

In the face of the 2019-2020 bushfires crisis, and as the globally ongoing COVID-19 pandemic evolves, the tourism industry worldwide is fighting for survival, seeking a way out.

Several rebuilding processes have been initiated. There have been built public-private partnership, in which governments work in collaboration with private-sector companies to ensure the stability of the tourism market. Recovery facilitation proposals are being discussed in the tourism industry, and coordinated response is being ensured by the industry's dedication in salvaging from the current situation. The World Travel & Tourism Council (WTTC) which represents the travel and tourism sector globally is coordinating private sector representatives and international organisations to investigate possible viable solutions that may ease the pressure upon tourism businesses (OECD 2020).

Governments have so far played the central role in the rebuilding process. A scheme was implemented, guaranteeing that small and medium-sized enterprises (SMEs) would not liquidate due to employee turnover which results from the dramatic decrease in market demand after the outbreak of the new coronavirus. Other than to provide assistance to the tourism sector from governments, the adoption of technology is lifting the spirit of the industry. Live promotion and live-streaming platforms provided handy tools for conferences and other activities that used to require face-to-face communication; 5G and Wi-Fi 6 are put into practice to support the transition to a work-anywhere economy (Lau 2020).

The gradual rebuilding work, from protecting the people, to ensuring business survival, has performed better and better along the path. The adoption of technology provides the worldwide industry with vision for a bright prospect, which at the same time is requiring the overall industry to use horizon scanning to detect possible chances of development, which is, in this case, recovery. The situation the entire world is in requires new forms of leadership, and management, especially risk management, which includes risk assessment and reduction.

1. **Critical appraisal of the key Sustainability Indicators**

The key to successful leadership in the tourism industry is, in essence, sustainability. As described above, the tourism industry is an environment-sensitive sector in economy, and both environment and economy needs to be sustainable to ensure an acceptable quality of life which is essentially determined by human actions.

Before the COVID-19 pandemic, there was in Australia over-tourism that brought damage to the environment. Now that there is the pandemic, it is time to think about not only the restoration of the economy as well as the industry, but also about the prolongation of sustainability.

Sustainability can be measured with sustainability indicators. Among those indicators, there are some that are key to the sustainable development of the tourism industry, to which successful leadership must pay attention.

First, ecosystem stability. The bushfires did not only wipe out the natural habitats for the wild animals along with their contribution to biological diversity, but also permeated the ecosystem and unstablised it (Fiksel, Eason & Frederickson 2012 p. 22). To the extent to which it poses threats to the ecosystem, to that extent the human exposure to hazards increases.

And after the COVID-19 pandemic there will be more challenges that come along with hope. Over-tourism took place because the industry was in some way insatiably after profit and economic development without being vigilant at crisis management. The current issue is not about the emergency, since it has happened; the attention should be more fixated on the pre-event situation when managing crisis at the stages prior to and when a pending crisis becomes apparent for which the tourism industry should use no extenuation.

Second, generation, which includes all forms of waste. There should be constant monitoring on this indicator since it directly connects with over-tourism from the perspective of statistics.

Third, population stability. Population growth trend in a given area would indicate partly the number of tourists and its growth rate, and population density would have direct impact on the amount of generation produced.

1. **Australia Tourism Industry 2030 Strategy**

The mission now is urgent: how to save the world from the shadow that is whirling over the entire globe, in these crises of bushfires and COVID-19 pandemic?

An objective must be decided that is included in the process of corporate governance, which serves as the common target for the global tourism industry, and for which the means of attaining it, as well as the ways of appraising performance are determined.

Decisive leadership is in urgent need in this context, too, side by side with management, or rather more explicitly, risk management. Because leadership and management are not completely in opposition. What is crucial is the role leadership plays: help the team, which is the global tourism industry to which Australian tourism belongs, towards a common vision, mission, and a same goal. Now, what is required from the Australian tourism industry is to rebuild and restore tourists' confidence and trust, thus to regain the possible positive economic growth and long-term health.

This kind of leadership requires, however, more understanding of others, especially those people the leaders are working with (Hristov & Zehrer 2019). And it is through this that strategic risk management could be implemented, since management methods will effectually, otherwise eventually, impact on people. And the objective that has been set would serve as a means to attain sustainability, for which is the vision and mission that Australia should strive.

Thus, first, those destination management organisations (DMOs) should take up the role not as only managers, but leaders as well (Hristov & Ramkissoon 2016 p. 4). Risk management demands integrity when facing uncertainty, and sustainability requires ethical and moral leadership, which the two above would nurture the resilient values as a whole that members in the industry share.

Second, it does not matter what form that leadership takes. Every category of leadership focuses on the "sense of team" environment, under which lays clear and transparent communication, and flexibility, which serve as extrinsic motivation.

Third, empower the workforce. That is, help them perform as meta-designers (Bachinger & Tripković Marković 2020). Empowerment serves as the driving force for intrinsic motivation, and only intrinsic motivation can provide sustainable personal satisfaction that would bring the result of more customer satisfaction, better outcome of customer retention and thus the growing customer loyalty, which is key to restoring Australia's tourism and at the same to regain sustainable environmental and economic health.

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