

HEALTH TOURISM IN AUSTRALIA: SUPPLY, DEMAND AND OPPORTUNITIES



*Cornelia Voigt, Jennifer Laing, Meredith Wray,
Graham Brown, Gary Howat,
Betty Weiler and Richard Trembath*

SUSTAINABLE
TOURISM



CRC

National Library of Australia Cataloguing-in-Publication Entry

Title: **Health Tourism in Australia: Supply, demand and opportunities** /
Cornelia Voigt ... [et al.].

ISBNs: 9781921658297 (pbk.) 9781921658792 (pdf)

Subjects: Medical tourism--Australia.

Other Authors/Contributors: Voigt, Cornelia. CRC for Sustainable Tourism Pty Ltd.

Dewey Number: 338.473621

Editor-in-Chief

Professor David Simmons

Director of Research, Sustainable Tourism Cooperative Research Centre

Copyright © CRC for Sustainable Tourism Pty Ltd 2010

All rights reserved. Apart from fair dealing for the purposes of study, research, criticism or review as permitted under the Copyright Act, no part of this book may be reproduced by any process without written permission from the publisher. Any enquiries should be directed to:

General Manager, Communications and Industry Extension or Publishing Manager,
info@crctourism.com.au

First published in Australia in 2010 by CRC for Sustainable Tourism Pty Ltd

Cover images courtesy of Tourism Australia, Tourism WA (Margaret River),
Tourism NT and SATC

Printed in Australia (Gold Coast, Queensland)

Disclaimer

The technical reports present data and its analysis, meta-studies and conceptual studies, and are considered to be of value to industry, government or other researchers. Unlike Sustainable Tourism Cooperative Research Centre's (STCRC's) Monograph series, these reports have not been subjected to an external peer review process. As such, the scientific accuracy and merit of the research reported here is the responsibility of the authors, who should be contacted for clarification of any content. Contact details are below. The views and opinions of the authors expressed in the reports or by the authors if you contact them do not necessarily state or reflect those of STCRC. While all reasonable efforts have been made to gather the most current and appropriate information, STCRC does not give any warranty as to the correctness, completeness or suitability of the information, and disclaims all responsibility for and shall in no event be liable for any errors or for any loss or damage that might be suffered as a consequence of any person acting or refraining from acting or otherwise relying on this information.

Project Coordinator Graham Brown: graham.brown@unisa.edu.au, Cornelia Voigt: Cornelia.Voigt@unisa.edu.au, Jennifer Laing: jennifer.laing@buseco.monash.edu.au)

We'd love to know what you think of our new research titles. If you have five minutes to spare, please visit our website or click on the link below to complete our online survey.

[STCRC Tech Report Feedback](#)

Table of Contents

EXECUTIVE SUMMARY.....	8
DEFINITIONS.....	8
THE CHARACTERISTICS OF DEMAND.....	9
<i>Wellness Tourists</i>	9
<i>Medical Tourists</i>	9
THE CHARACTERISTICS OF SUPPLY.....	10
<i>Wellness Tourism</i>	10
<i>Medical Tourism</i>	11
DESTINATION BRANDING.....	12
DEMAND MANAGEMENT, PROMOTION AND DISTRIBUTION.....	12
<i>Wellness Tourism</i>	12
<i>Medical Tourism</i>	13
GOVERNMENT POLICY AND PLANNING.....	13
<i>Wellness Tourism</i>	13
<i>Medical Tourism</i>	13
INDUSTRY GOVERNANCE AND ACCREDITATION.....	14
<i>Wellness Tourism</i>	14
<i>Medical Tourism</i>	14
1. INTRODUCTION.....	15
1.1 RESEARCH OBJECTIVES.....	16
1.2. REPORT STRUCTURE.....	16
2. METHODOLOGY.....	16
2.1 SECONDARY DATA ANALYSIS.....	17
2.2 STAKEHOLDER INTERVIEWS.....	17
2.3. MAIL-OUT SURVEY.....	19
2.3.1 <i>Sampling Frame</i>	19
2.3.2 <i>Survey Instrument</i>	21
2.3.3 <i>Survey Procedure</i>	21
2.3.4 <i>Data Analysis</i>	23
2.4 CASE STUDIES.....	24
SECTION A) DEFINITIONS AND TYPOLOGIES.....	27
1. WELLNESS AND MEDICAL TOURISM AS DISTINCT SEGMENTS OF HEALTH TOURISM.....	27
2. DEFINITION AND BOUNDARIES OF MEDICAL TOURISM.....	28
3. TYPOLOGY OF MEDICAL TOURISM.....	30
4. DEFINITION AND BOUNDARIES OF WELLNESS AND WELLNESS TOURISM.....	32
5. TYPOLOGY OF WELLNESS TOURISM.....	34
6. SUMMARY AND OVERLAP OF WELLNESS AND MEDICAL TOURISM.....	37
7. OVERVIEW OF THE HISTORICAL DEVELOPMENT OF HEALTH-RELATED TRAVEL.....	39
SECTION B) THE DEMAND SIDE: MARKET ANALYSIS.....	42
1. MARKET ANALYSIS OF WELLNESS TOURISM.....	42
1.1 <i>Size of Global Wellness Tourism Market</i>	42
1.2 <i>Size of Australian Wellness Tourism Market</i>	45
1.3 <i>Profiles of Wellness Tourists</i>	47
1.4 <i>Wellness Tourists' Motivation (Push Factors)</i>	50

1.5 Pull Motivators of Wellness Tourism	56
1.6 Risks/Barriers and Ethical Issues of Wellness Tourism	57
1.7 Deman-Side Trends of Wellness Tourism.....	63
2. MARKET ANALYSIS OF MEDICAL TOURISM	66
2.1 Size of Global Medical Tourism Market.....	66
2.2 Size of Australian Medical Tourism Market.....	66
2.3 Profiles of Medical Tourists	66
2.4 Medical Tourists' Motivation (Push Factors)	67
2.5 Pull Motivators of Medical Tourism	68
2.6 Risks/Barriers of Medical Tourism.....	71
2.7 Ethical Issues	74
SECTION C) THE SUPPLY SIDE: INDUSTRY ANALYSIS.....	75
1. INDUSTRY ANALYSIS OF WELLNESS TOURISM.....	75
1.1 Major Wellness Tourism Destinations	75
1.2 Important Stakeholders of the Wellness Tourism Industry.....	77
1.3 Types and Characteristics of Wellness Tourism Providers.....	93
1.3.1 Previous Literature	93
1.3.2 Types of Wellness Tourism Providers in Australia.....	94
1.3.3 Services Offered by Wellness Service Providers.....	95
1.3.5 Retail of health and wellness products.....	97
1.3.6. Annual Business Turnover	98
1.3.7 Distribution Channels	100
1.4 Wellness Tourism Promotion and Communication Strategies.....	101
1.4.1 Preferred Promotion Channels by Australian Wellness Tourists	101
1.4.2 Preferred Promotion Channels by Australian Wellness Tourism Providers.....	102
1.4.3 Wellness Tourism Branding on the National and Regional Level	104
1.5 Characteristics of the Australian Wellness Tourism Product in Comparison to Global Product Offerings.....	107
2. INDUSTRY ANALYSIS OF MEDICAL TOURISM.....	110
2.1 Major Medical Tourism Destinations	110
2.2 Important Stakeholders of the Medical Tourism Industry.....	114
2.3 Types and Characteristics of Medical Tourism Suppliers	119
2.4 Medical Tourism Promotion and Communication Strategies	119
SECTION D) CONCLUSIONS	121
1. DEFINITIONS	121
Wellness Tourism.....	121
Medical Tourism	122
2. THE CHARACTERISTICS OF DEMAND	122
Wellness Tourists	122
Medical Tourists	123
3. THE CHARACTERISTICS OF SUPPLY	124
Wellness Tourism.....	124
Medical Tourism	125
4. DESTINATION MARKETING AND BRANDING.....	125
5. DEMAND MANAGEMENT, DISTRIBUTION AND PROMOTION.....	127
Wellness Tourism.....	127
Medical Tourism	128
6. GOVERNMENT POLICY AND PLANNING.....	128
Wellness Tourism.....	128
7. INDUSTRY GOVERNANCE AND ACCREDITATION	129
Wellness Tourism.....	129
Medical Tourism	131

8. RECOMMENDATIONS FOR FUTURE RESEARCH	131
APPENDICES	132
APPENDIX A: QUESTIONNAIRE	132
APPENDIX B: CASE STUDY 1: DAYLESFORD AND HEPBURN SPRINGS: 'SPA CAPITAL OF AUSTRALIA'	138
<i>Significance and Management of the Natural Mineral Water Resources</i>	139
<i>History of the development of health and wellness tourism in the region</i>	139
<i>Destination Planning</i>	147
<i>Destination Product</i>	149
<i>Destination Marketing</i>	152
<i>Destination Success Factors</i>	155
<i>Destination Opportunities</i>	158
<i>Conclusion</i>	159
APPENDIX C: CASE STUDY 2—BYRON BAY: AN ALTERNATE HEALTH AND WELLNESS DESTINATION	160
<i>Introduction</i>	160
<i>Significance of the natural environment</i>	161
<i>History of the development of health and wellness tourism in the region</i>	162
<i>Destination Product</i>	168
<i>Destination Marketing</i>	172
<i>Destination Success Factors</i>	174
<i>Destination Opportunities</i>	176
<i>Conclusion</i>	177
APPENDIX D: CASE STUDY 3—THE MARGARET RIVER REGION: AN EMERGING WELLNESS TOURISM DESTINATION	178
<i>Introduction</i>	178
1. <i>Significance of the natural environment to health and wellness tourism in the Margaret River region</i>	180
2. <i>History of the development of health and wellness tourism in the Margaret River region</i>	181
3. <i>Planning relevant to health and wellness tourism in the Margaret River region</i>	182
4. <i>Major products relevant for health and wellness tourism in the Margaret River region</i>	183
5. <i>Marketing health and wellness tourism in the Margaret River region</i>	185
6. <i>Summary of tourism destination success factors in the Margaret River region</i>	185
7. <i>Opportunities to further position and enhance the Margaret River region as a wellness tourism destination</i>	187
APPENDIX E: CASE STUDY 4—GOLDEN DOOR	188
<i>Introduction</i>	188
<i>History</i>	188
<i>Strengths</i>	195
<i>Weaknesses</i>	196
<i>Opportunities</i>	196
<i>Threats</i>	197
<i>Conclusion</i>	197
APPENDIX F: CASE STUDY 5—MEDICAL TOURISM CASE STUDY: CAIRNS FERTILITY CLINIC.....	198
<i>Introduction</i>	198
<i>Overview of Product Offering</i>	199
<i>Market Potential and Target Markets</i>	201
<i>Promotion and Distribution Strategy</i>	203
<i>Impact of Government Policy</i>	203
<i>Legal/Regulatory Issues</i>	205
<i>Outlook for the Future</i>	205
<i>Critical Success Factors and Barriers</i>	206
<i>Conclusion</i>	209
APPENDIX G: CODES OF ETHICS.....	211
<i>ISPA Code of Conduct and Ethics</i>	211

ASPA Professional Code of Ethics.....	212
SECTION D) CONCLUSIONS	214
1. DEFINITIONS	214
<i>Wellness Tourism</i>	214
<i>Medical Tourism</i>	214
2. THE CHARACTERISTICS OF DEMAND	215
<i>Wellness Tourists</i>	215
<i>Medical Tourists</i>	216
3. THE CHARACTERISTICS OF SUPPLY.....	217
<i>Wellness Tourism</i>	217
<i>Medical Tourism</i>	218
4. DESTINATION MARKETING AND BRANDING.....	218
5. DEMAND MANAGEMENT, DISTRIBUTION AND PROMOTION.....	220
<i>Wellness Tourism</i>	220
<i>Medical Tourism</i>	221
6. GOVERNMENT POLICY AND PLANNING.....	221
<i>Wellness Tourism</i>	221
<i>Medical Tourism</i>	222
7. INDUSTRY GOVERNANCE AND ACCREDITATION	222
<i>Wellness Tourism</i>	222
<i>Medical Tourism</i>	223
8. RECOMMENDATIONS FOR FUTURE RESEARCH	224
REFERENCES	225

LIST OF TABLES

Table 1: Wellness and medical tourism stakeholders interviewed	17
Table 2: Survey sampling frame categories (The survey of supply was of wellness providers—Medical tourism was dealt with on a case study basis as the supply is very limited)	20
Table 3: Distribution of supply (database)	22
Table 4: Number of wellness tourists in several European countries.....	42
Table 5: Comparison of Asian-Pacific spa destinations	43
Table 6: Global spa facilities by region <i>Source: Global Spa Summit (2008)</i>	43
Table 7: Size of the global spa industry in 2007 <i>Source: Global Spa Summit (2008)</i>	44
Table 8: Distribution of client origin	45
Table 9: Estimated annual wellness clients.....	46
Table 11: Respondents' estimation of demographic characteristics of clients	50
Table 12: Motives of Yoga Tourists <i>Source: Letho et al (2006, p. 31)</i>	51
Table 13: Differences in assumed benefits wellness tourists seek by wellness provider category ..	55
Table 14: SpaFinder's Top Ten 2009 Spa Trends <i>Source: Ellis (2008b, 2008c)</i>	63
Table 15: Medical tourism cost comparison (<i>adapted from Davis, 2008</i>).....	69

Table 17: Examples of international, national and regional wellness industry associations _____	80
Table 18: Indicative monthly (base) salaries in different regions (in \$US) <i>Source: Cohen & Russell (2008:387)</i> _____	85
Table 19: Average number of employees _____	86
Table 20: Global distribution and total revenues of different spa types <i>Source: Global Spa Summit (2008)</i> _____	93
Table 21: Metropolitan versus regional distribution of wellness tourism providers and day spas ____	95
Table 22: Length of time in business by wellness tourism providers and day spas _____	95
Table 23: Distribution of wellness services by wellness provider category _____	96
Table 24: Proportion of wellness providers selling health and wellness products _____	97
Table 25: Origin of product lines sold in wellness provider retail areas _____	98
Table 26: Business turnover in last year _____	99
Table 27: Comparison of turnover with previous year _____	100
Table 28: Average proportion of bookings via different distribution channels _____	100
Table 29: Proportion of specific customer groups _____	101
Table 30: Three most important promotion channels _____	103
Table 31: References to Wellness Tourism in Australian Tourism Consumer Websites (November 2009) _____	106
Table 33: Categories of Supply of Wellness Tourism _____	124
Table 34: Categories of Supply of Medical Tourism _____	125

Executive Summary

The *Health Tourism in Australia: Supply, demand and opportunities* scoping study was conducted by a team of academic researchers from the University of South Australia, Monash University and Southern Cross University in 2009 to investigate a range of issues relating to the demand for, and supply of, wellness and medical services to domestic and international tourists in Australia.

The research methodology included an extensive review of the literature relating to wellness and medical tourism in Australia and overseas; a total of 18 in-depth stakeholder interviews; five in-depth case studies; analysis of data relating to health and wellness tourism demand derived from the National Visitor Survey and International Visitor Survey and other secondary sources; and a quantitative survey of suppliers of wellness tourism services (n=152).

The main findings and recommendations are as follows:

Definitions

Wellness tourism is defined as the sum of all the relationships resulting from a journey by people whose primary motive is to maintain or promote their health and well-being and who stay at least one night at a facility that is specifically designed to enable and enhance people's physical, psychological, spiritual and/or social well-being (c.f. Voigt, 2008).

From a supply perspective wellness relates to three broad categories of service provision:

- emphasis on body, facial and water-based treatments (beauty);
- emphasis on detox, rejuvenation and behaviour change (lifestyle);
- emphasis on contemplation, reflection, meditation and learning (spiritual).

Services may be provided to both visitors and local residents and suppliers, particularly in metropolitan areas, may not distinguish between clients on the basis of place of origin.

It is recommended that, from a supply perspective, a broad definition of wellness tourism be adopted which includes beauty; lifestyle; and spiritual services and also provides specifications in regard to the training and accreditation applicable to the delivery of specific categories of service.

Medical tourism is a separate form of travel activity to wellness tourism and for international travellers, is primarily motivated by the desire for medical procedures that are unavailable or unaffordable in their own country. Travel normally includes a planned component of tourism activity/ experience.

Medical tourism is defined as the sum of all the relationships and phenomena resulting from a journey by people whose primary motive is to treat or cure a medical condition by taking advantage of medical intervention services away from their usual place of residence while typically combining this journey with the consumption of tourism products and services.

The Characteristics of Demand

Wellness Tourists

Demand estimates of overnight travel are available through the National Visitor Survey (NVS) and the Roy Morgan Holiday Tracking Survey (HTS). The NVS provides an estimate of 229,000 domestic overnight visitors per annum where there was a visit to a 'health spa or sanctuary/well-being centre' as an activity between 2006 and 2008. These visits occur primarily in Victoria (39%), New South Wales / ACT (37%) and Queensland (14%). The HTS provides an estimate of 497,000 domestic overnight trips engaged in a 'health resort/spa holiday' in 2008. The value of this activity was \$217 million per annum from the NVS figures and \$461 million from the HTS. The NVS provides an estimate of 148,000 wellness day trips per annum on average over the period 2006-2008 with estimated expenditure of \$15 million. These trips occur primarily in Victoria (58%) and New South Wales (20%).

The International Visitor Survey provides an estimate of 152,000 international visitors per annum over the period 2006-2008 who visited a health spa as a component of their trip. The majority of these visitors would be undertaking a wide range of activities and experiences during their trip and would not necessarily be classified as wellness visitors. The market for international wellness specific visitors to Australia is thus considered to be relatively small.

Analysis of the NVS data on the basis of origin, destination and trip duration suggests that wellness tourism in Australia is primarily an intrastate short break travel experience (72% of overnight trips). This was particularly the case for travellers in Victoria. There was however a significant proportion of health and wellness travellers visiting Queensland from interstate (around two thirds of overnight wellness visitors in that State) who are likely to be visiting the retreat properties located in that State in addition to the resorts that offer health and wellness activities as a value-add.

Based on the results of the survey of wellness service suppliers it was estimated that the total number of clients serviced by these businesses was 2.2 million over a 12 month period, while the number of clients who were visitors (overnight and daytrip where usual residence was more than 25kms from the business location) was 1.03 million. The number of clients is equivalent to service occasions rather than unique visitors¹.

The profile of a wellness tourist is someone who is well educated, most likely to be female, with a relatively short travel career as a wellness tourist, and relatively young, most likely between 26 and 45 years.

Medical Tourists

Data from the National Visitor Survey indicates that over the period 2006-2008 there was an estimated average of 1.04 million medical purpose domestic trips per annum. The majority of these trips are likely to involve travel to a hospital or medical centre from a regional area to access services that are not available in the local area. While there is a significant number of people travelling within Australia to receive medical procedures, the vast majority of these are not medical tourists.

Similarly, the number of international inbound visitors that meet the definition of a medical tourist is small, estimated at 7,000 per annum. It may be that this figure understates the true

¹ Visitors staying for 4 days in a destination such as Daylesford could visit a supplier such as the Bath House on each day resulting in 4 service occasions.

figure as visitors could be reluctant to specify this on their visa applications and in surveys due to potential delays and other bureaucratic hurdles. However, the anecdotal evidence also suggests that current demand is not large but that there may be potential for future growth.

The Characteristics of Supply

Wellness Tourism

The research identified 590 suppliers of health and wellness tourism services consisting of 262 day spas², 201 spa resorts / hotels, 28 lifestyle retreats, 83 spiritual retreats and 16 hybrid businesses. These suppliers are located primarily along the eastern seaboard with 29% in NSW, 24% in Victoria and 22% in Queensland. More than one quarter (28%) are located in metropolitan areas and 72% in regional areas. Spa hotels/resorts are more prevalent in Queensland, while spiritual retreat and lifestyle resorts are more likely to be located in NSW. All product categories cater mainly for domestic travellers.

The research identified a number of different business types through which tourists may access health and wellness services. Massage is the most widely provided service across all categories, with 90% of all businesses offering some form of massage.

Categories of Supply of Wellness Tourism

Category	Description	Example
Retail day spa	Offering a range of massage, treatments and other services on a fee for service basis. Typically located in metropolitan retail precincts. Less likely to service tourists.	Endota
Urban retreat	Day spa in an urban area offering range of water based treatments and relaxation areas. May be attached to a hotel but majority of clients are local residents rather than hotel guests. Wellness is core product offering.	Aurora Spa at the Prince Hotel, St Kilda
Metropolitan hotel	Metropolitan hotel with dedicated spa & treatment centre. Service is a value-add and majority of clients are hotel guests. Fee for service.	The Lyall Hotel & Spa, South Yarra
Destination day spa	Day spa in a regional area. Accessed by visitors and local residents. Fee for service.	Hepburn Bath House, Peninsula Hot Springs.

² Day spas were purposefully sampled, while an attempt was made to undertake a census of the other categories of wellness tourism providers.

Category	Description	Example
Destination spa	Property in regional area offering dedicated spa and wellness services. Wellness services may be core offering or a value add. May also be a hybrid offering wellness retreat packages Monday – Friday and beauty treatments on fee for service basis during weekend.	Peppers at Hepburn Springs, Golden Door at Cypress Lakes
Lifestyle resort / retreat	Range of treatments and activities generally packaged with accommodation.	Golden Door Gold Coast, Gaia, Gwinganna
Spiritual retreat	Offering opportunities for reflection, learning, alternative therapies. Generally inclusive packages.	Nan Tien Temple in Wollongong, The Chenrezig institute

Medical Tourism

There are few suppliers of medical services to overseas residents in Australia identified by this research. The categories of supply were as follows:

Categories of Supply of Medical Tourism

Category	Description	Example
Purpose-built Medical Tourism facility	Offering a range of medical tourism services, including treatment, accommodation, flights, associated medical services and tours.	Cairns Fertility Clinic
Medical Tourism broker	Arrange medical tourism services for international patient and negotiate with medical, accommodation and tourism providers.	Australia Health Tourism

Destination Branding

The research found that given the increasing interest in wellness, there are opportunities for a number of destinations to establish a wellness positioning. These are more likely to succeed when planned as a component of a broader service offering. Moreover, the benefits and multiplier effects will be greatest where opportunities are created for local suppliers.

It is recommended that wellness tourism product be developed and marketed with complementary activities such as those associated with fitness, nutrition or relaxation. It is further recommended that regions take advantage of local resources which may be linked to naturally-occurring water supplies, local plants or produce in ways that assist the development of allied wellness services. The resultant product mix can be used to formulate an appropriate place branding strategy, building upon the locally-based wellness theme.

From an international marketing perspective there is less potential for Australia to be branded directly as a wellness destination. There is, however, an opportunity to develop wellness as an attribute of Brand Australia. A clean, green environment; Indigenous plants and produce with healthy properties (such as tea tree oil); and an emphasis on distinctive cultural traditions can help create a competitive advantage in an increasingly polluted world. A wide range of tourism organisations could be encouraged to support this strategy, with services on airlines and at airports further ensuring that tourists gain a wellness experience throughout their visit to Australia.

It is recommended that Tourism Australia incorporate wellness attributes and imagery as a component of Brand Australia.

It is recommended that industry bodies such as ATEC and TTF encourage private sector tourism organisations to incorporate wellness objectives as a component of service delivery.

There is also scope for Australia to benefit from regional partnerships, particularly with New Zealand. Similar to the cooperation between Alpine countries, Australia and New Zealand could seek to benefit from a perception that they offer different elements of pure wellness experiences.

It is recommended that where appropriate Australia develops cooperative linkages with New Zealand to leverage that country's branding as a clean and healthy destination.

Demand Management, Promotion and Distribution

Wellness Tourism

Apart from Tourism Victoria, there was little evidence of promotion of wellness tourism by government or industry bodies. Internet wellness portals have been developed by operators in Margaret River and the Mornington Peninsula, primarily as a distribution strategy. There were significant examples of promotional material developed for wellness product by overseas destinations.

It is recommended that federal and state government bodies play a more active role in marketing and promoting wellness tourism to both international and domestic markets.

From the survey of operators it was found that a significant proportion of clients (41%) are repeat visitors.

It is recommended that loyalty schemes and database mining be actively investigated and used as marketing tools for wellness tourism providers.

Medical Tourism

This research suggests that Australia would benefit from developing niche medical tourism offerings based on Australian medical strengths/expertise, as has occurred with the Cairns Fertility Clinic and its IVF services. Possible areas for development of Australian medical tourism services include cardiology, urology, orthopaedic surgery and oncology. Promotion could focus on particular markets such as the US/Asia, based on a quality offering that still offers price benefits for the US market.

It is recommended that Australia seek a competitive advantage internationally by focusing on provision of quality services at a lower price point than the United States, and based on niche medical offerings in which Australia has an international reputation and expertise.

Government Policy and Planning

Wellness Tourism

While health and wellness tourism will develop organically in Australia in response to consumer demand and the drivers outlined elsewhere in this report, it is clear that Government can play a significant role in facilitating the growth and professionalism of this sector.

To facilitate the development of health and wellness tourism in Australia *it is recommended that* industry bodies lobby State and Commonwealth Government Tourism authorities to, at a minimum, develop a policy in regard to health and wellness, and, where possible, develop a strategic plan for the sector that includes the allocation of incentives and resources.

Medical Tourism

This research also suggests the need for greater assistance by government in the promotion of medical tourism at high levels and at various trade shows, in order to raise awareness of Australia's potential in this area and the strengths of its offering.

To encourage the development of medical tourism, *it is recommended that* submissions are developed and presented to Government to illustrate the potential for medical tourism to contribute to the supply of medical services and facilities in Australia and to contribute 'export' income to the Australian economy. Parallels to the education industry should be provided, where appropriate.

While Governments may not actively support medical tourism there are procedures and policies that may represent barriers for the sector. The need to streamline the visa application process for medical tourists was mentioned in this context. It was felt that in many instances medical tourists enter Australia on a tourist visa rather than go through the process of applying for a medical visa due to the associated delay.

It is recommended that the application process for medical visas (long-stay and short-stay) be reviewed and streamlined where possible.

Industry Governance and Accreditation

Wellness Tourism

The research identified the need for improved industry governance and leadership.

It is recommended that a new comprehensive industry body is established that represents the beauty, lifestyle and spiritual sectors of the wellness industry.

It is recommended that the new industry body be responsible for the following activities:

provide best practice business models (e.g. risk management, training, sustainability, administration) and benchmarking indicators;

oversee accreditation against industry standards and nationally recognised qualifications (e.g. AQF-accredited qualifications);

training programs to cater for staff shortages, especially of well-trained and multi-skilled staff, including business skills and communication skills;

identify relevant wellness industry education providers by region;

establish Australian standards for wellness industry staff remuneration;

lobby governments to support health insurance reimbursement for spa and wellness providers;

adapt for Australia, the ISPA Code of Conduct and Ethics, the Green Spa Network, and the Green Globe sustainability indicators and practices that focus on wellness tourism facility design, location, and operation (e.g. hiring local staff).

Medical Tourism

There is no doubt that the prospects for medical tourism in Australia would be greatly assisted if Australian providers were accredited by or had their Australian accreditation recognised by international insurers. This requires a concerted effort by providers and ideally would be done by a peak body. Creation of a national peak body would help to coordinate Australia's development of medical tourism and promotion internationally. It would also provide potential medical tourists with a starting point for inquiries and information searches.

It is recommended that a peak body be set up to oversee development of medical tourism services in Australia. It is also recommended that Australian providers, with the assistance of government, continue efforts to lobby international insurers to recognise Australian accreditation or accredit Australian providers to accord with required international standards.

1. Introduction

The rise of wellness and medical tourism in contemporary Western societies has been fuelled by several socio-economic drivers. Some factors that have accelerated the growth of health tourism include escalating health costs and increasing scepticism of orthodox biomedicine, accompanied by increasing enthusiasm for alternative and more holistic therapies. Globalisation and large-scale migration have paved the way to introduce non-Western health systems and alternative healing practices to conventional Western medicine. Thus, people are confronted with therapy options on an unprecedented scale. Concurrently, health care has grown to be more consumer-directed and people exercise choice about how and where to maintain their health and to treat their illnesses. People have become more health conscious and interested in how to lead healthy lifestyles (Pollock & Williams, 2000; Weiermair & Steinhäuser, 2003) and they are also willing to spend on their health and well-being (Henderson, 2003). Another factor that has fostered the demand for wellness and medical tourism is the pressure to conform to images of bodily perfection and achieve eternal youth (Henderson, 2003; Smith & Puczkó, 2008). However, for many individuals, self-focus moves beyond a superficial obsession with appearance. Particularly in light of the global financial crisis, employment instability and financial constraints, people feel the need to escape from the increasingly fast pace of everyday life and high stress-levels resulting from constant working (Douglas, 2001; Pollock & Williams, 2000). Hence, the broad societal desire to voluntarily downsize, to live simpler and more meaningful or happy lives is an additional factor that drives tourism but wellness tourism in particular (Smith & Puczkó, 2008).

While wellness and medical tourism are both thriving tourism niche markets, and the broad societal factors that drive this demand have been well documented, little academic research has been conducted to date to understand these markets. Several scholars have lamented this dearth of academic research in the wellness and medical tourism fields (Bennett, King, & Milner, 2004; Bookman & Bookman, 2007; Chambers & McIntosh, 2008; Douglas, 2001; Steiner & Reisinger, 2006). Wellness and medical tourism is not only neglected by tourism and leisure researchers but also by the health sciences literature. Thus, particularly in regard to medical tourism, much information and statistics come from the media, reports of international research organisations and government policy documents.

One reason for this scarcity might be that wellness and medical tourism have only recently become worldwide growing tourism niche markets to the extent we see them today. Given that those niche markets are relatively new in the global tourism arena, it is understandable that there is still little information available about tourist and market characteristics as well as a paucity of statistics such as size and economic significance. The reliability of such data is also affected by widely differing definitions and scope of the wellness and medical tourism phenomena. Therefore, some of the data cited from secondary sources in this report needs to be seen as indicative rather than comprehensive.

This report incorporates the results of a major scoping study that has been undertaken to understand the demand and supply of wellness and medical tourism in Australia in comparison with demand and supply structures in the global context. It is the first comprehensive study of wellness and medical tourism in Australia. The report is based on a

comprehensive review of the literature and secondary data sources, as well as the analysis of data stemming from interviews, questionnaires and a general case study approach.

1.1 Research Objectives

The report provides information and outcomes relevant for future development of the wellness and medical tourism industries in Australia. The research reported in this document was guided by the following objectives:

- to provide definitions of wellness and medical tourism;
- to present a categorisation of industry sectors in Australia offering wellness and medical tourism services;
- to quantify size and scope of demand in terms of visitors, visitor nights and expenditures;
- to explore the profile of consumers including share by origin market;
- to examine primary drivers of demand and prioritisation of source markets;
- to identify the structure and market share of existing supply (by category—not individual operator);
- to specify current distribution channels;
- to analyse policy issues surrounding the development of wellness and medical tourism in Australia, including an understanding of the legislative and regulatory environment and constraints; opportunities for growth; potential risks; ethical issues and resource and investment requirements;
- to assess product gaps, constraints and trends;
- to suggest quality standards as a market transparent tool for consumers;
- to compare the Australian wellness and medical tourism industry with other international key players (analyses of strengths/weaknesses and similarities/differences).

1.2. Report Structure

This report is structured as follows. The discussion of the research methodology is followed by three main sections. The first section ‘Definitions and Typologies’ (Section A) builds the foundation of this report. It provides definitions and typologies of wellness and medical tourism which underpin the research. The two successive sections ‘The Demand Side’ (Section B) and ‘The Supply Side’ (Section C) present a detailed market and industry analysis of medical tourism on one hand and wellness tourism on the other. Particular emphasis is given to a comprehensive analysis of the market and industry structure of these two tourism markets in Australia, however frequent comparisons are made with other countries. The report concludes with recommendations for the development or improvement of the wellness and medical tourism sectors in Australia (Section D).

2. Methodology

A range of methods have been employed for this project to address the objectives of this research:

- secondary data analysis;
- stakeholder interviews (N = 18);
- a mail-out survey (N = 152) based on an audit of Australian wellness tourism providers, which produced a database including 590 businesses;
- five detailed case studies which included site visits, in-depth interviews and a review of secondary sources.

Each of these methods will be described in detail in the following sub-sections.

2.1 Secondary Data Analysis

In addition to academic publications, there are a number of market research studies that have described the structure of supply and/or demand for wellness and medical tourism in Australia or in other countries. If necessary, these were purchased for this project. Market research studies primarily consulted for this research include:

- International Visitor Survey (IVS) (Tourism Research Australia, 2009a);
- National Visitor Survey (NVS) (Tourism Research Australia, 2009b);
- Assorted results from the Holiday Tracking Survey (HTS) (Roy Morgan Research, 2009);
- The ISPA 2008 Global Spa Consumer Study (Research International, 2009);
- The Global Spa Economy (Global Spa Summit, 2008);
- Assorted studies published by the market research company Intelligent Spas (Intelligent Spas, 2006, 2008a, 2008b, 2008c);
- Medical Tourism: Consumers in Search of Value (Deloitte, 2008).

2.2 Stakeholder Interviews

Long interviews were conducted with *stakeholders*, being individuals or representatives of organisations that are ‘interested in or affected by’ wellness and medical tourism, such that they had a ‘legitimate interest’ in the outcome of the study (Freeman, 1984; Sautter & Reisen, 1999). A total of 18 stakeholders were selected on the basis of a set of criteria developed by the project team. All 13 criteria were satisfied by at least one stakeholder. This increased the likelihood that these individuals were ‘broadly representative’ of the diversity of opinions and interests of stakeholders (Yuksel, Bramwell, & Yuksel, 1999). The criteria for selection of stakeholders are detailed in **Table 1**:

Table 1: Wellness and medical tourism stakeholders interviewed

Stakeholders Interviewed	Criteria for Selection												
	1	2	3	4	5	6	7	8	9	10	11	12	13
NSW													
Stakeholder 1	F												
Stakeholder 2		✓					✓						
Stakeholder 3	F												
Stakeholder 4										✓			
Victoria													
Stakeholder 5			✓										
Stakeholder 6	S												
Stakeholder 7					✓								
Stakeholder 8		✓				✓							
Stakeholder 9							✓	✓					
Stakeholder 10				✓	✓								
Stakeholder 11							✓	✓					

Stakeholders Interviewed	Criteria for Selection												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Stakeholder 12												✓	
Stakeholder 13								✓					
Stakeholder 14							✓						
Stakeholder 15		✓			✓								
Queensland													
Stakeholder 16									✓		✓		
Stakeholder 17													✓
Stakeholder 18											✓		

Key to symbols used in the above table

Criteria	Description
1	Government - (F) Federal Government, (S) State Government or (L) Local Government.– F/S/L
2	Health/Lifestyle retreat
3	Tourist Attraction <i>focused on</i> wellness tourism (i.e. hot springs facility)
4	Tourist Attraction <i>associated with</i> wellness tourism activity (i.e. winery with spa attached)
5	Accommodation provider offering spa facilities
6	Spiritual retreat
7	Commercial business associated with wellness tourism (i.e. specialist travel agent, spa treatments and products, spa brand, industry magazine)
8	Member of wellness industry association
9	Medical tourism provider
10	Commercial business associated with medical tourism (i.e. specialist travel agent, industry magazine)
11	Facility offering medical tourism services (i.e. hospital)
12	University offering courses on health and wellness tourism/medical tourism/well-being
13	Destination development organisation

Interviewees were identified by the project team through first-hand knowledge of the industry, searches of the Internet and mass media (newspaper and magazine articles) and 'snowball' sampling (Jennings, 2001), where a stakeholder (or member of the Industry Reference Group) provided contact details of another potential stakeholder to the project team. All stakeholders interviewed were contacted by email, provided with an Information Statement about the study and asked to participate. Interviews were scheduled between March 2009 and September 2009.

All interviews were conducted face-to-face and lasted between 30 minutes and two hours. Most were conducted by a sole interviewer, with several using two and sometimes three

interviewers, where this could be arranged. The use of multiple interviewers was perceived as providing benefits to the study, such as the ability of a more 'passive' interviewer to take notes and make observations, while the other interviewer conducts the interview (Bechhofer, Elliott, & McCrone, 1984). The roles can then be reversed, where one interviewer realises that an important issue needs to be covered or clarified, to avoid interviewer fatigue or to provide a 'change of direction' for the interview (Bechhofer, Elliott, & McCrone, 1984, p. 97). Interviews were semi-structured, with a list of questions used by the interviewer(s) to prompt discussion and probe interviewees on certain issues that they were felt to have an interest in or knowledge about. The majority of the interviews were recorded and transcribed, so that a detailed content analysis could be carried out on key themes. Content analysis involves examination of texts, such as interview transcripts, to elucidate meanings (Krippendorf, 2004). *Conventional content analysis* was adopted, where themes are 'derived directly from the text data' (Hsieh & Shannon, 2005, p. 1277).

The interview data are used throughout this report, with vignettes and direct quotations used to illustrate various important topics or matters where appropriate. Identities of interviewees have been concealed to maintain confidentiality of responses.

2.3. Mail-out Survey

A major data collection activity for this project consisted of a survey of Australian wellness (tourism) service providers. The objectives of the survey were to determine:

- business profile, including services offered;
- business performance and recent trends;
- consumer profile including demographics and motivation;
- respondent attitudes with respect to a range of business and industry related issues.

2.3.1 Sampling Frame

The sampling frame was broadly specified and mainly included wellness service providers that offer accommodation in metropolitan as well as regional areas, in order to determine the extent to which these businesses are engaged in the delivery of wellness services to tourists. Specifically, it concentrated on three core types of wellness tourism providers with accommodation: beauty spa resorts/hotels, lifestyle resorts/retreats, and spiritual retreats (see Section A.5. for a description of this wellness tourism typology). While we attempted to establish a complete Australian census of these three core types, we also included a number of day spas in our sampling frame. This was important to ascertain how many tourists actually visit day spas. Consequently, product categories and operational definitions were as follows:

Table 2: Survey sampling frame categories
(The survey of supply was of wellness providers—Medical tourism was dealt with on a case study basis as the supply is very limited)

Product category	Includes	Excludes
Spa hotel/resort	Spa facilities and associated treatments/services plus accommodation. Spa may be managed independently but is physically located on the premises of the accommodation supplier.	<ul style="list-style-type: none"> ▪ Self contained accommodation with in-room spa. ▪ Hotel/resorts with pool and/or associated spa baths in rooms and/or gym but offering no treatments or associated services. ▪ Accommodation where in room massage only is offered through an external supplier.
Lifestyle resort/retreat	Overnight accommodation offering a range of activities and treatments delivered by trained staff. Controlled regimen with objective of achieving lifestyle changes—typically including at least exercise, nutrition, and stress management. Includes overnight accommodation.	Eco-lodges/nature-based retreats not offering specific health and wellness services.
Spiritual retreat	Spiritual/religious experiences with a major focus on meditation and/or the study of particular techniques such as yoga. Includes overnight accommodation.	Properties that offer an environment that will support individuals with an interest in spirituality but offer no specific services in regard to this.
Day spa	Spa facilities and associated treatments/services. Business does not offer accommodation either directly or in association with another business.	

The sampling frame was established on the basis of a database of suppliers provided by the Australian Tourism Data Warehouse (ATDW). The database included all suppliers listed by the ATDW where the experiences field included ‘Health and well-being’. The database was subsequently reviewed by team members, with out of scope records removed (e.g. businesses that provide a spa bath in their rooms but do not offer any other health and wellness tourism services, or duplicates), which substantially reduced this database. The database was then crosschecked against other sources, such as Sensis Yellow and White Pages, online directories (e.g. SpaFinder) and the records of the research team, to include additional providers in the database. **Table 3** summarises the final database, consisting of 590 service providers, categorised into 201 spa hotel/resorts, 262 day spas, 28 lifestyle resorts, 83 spiritual retreats and 16 hybrids (businesses that could not be definitely classified on the database information alone).

2.3.2 Survey Instrument

A self-completion mail-out questionnaire was developed by the research team. A copy of the questionnaire is attached in Appendix A.

The questions and survey items in the questionnaire related to:

- service offerings;
- business profile including staffing, turnover and client demand;
- client profile;
- marketing and distribution;
- consumer motivation;
- accommodation usage and length of stay; and
- attitude to a range of industry and business issues.

2.3.3 Survey Procedure

Before the survey was mailed out, each of the 590 wellness providers was contacted by telephone and the name of an appropriate manager was identified and recorded in the database. This enabled the research team to produce personalised introduction letters, which has been shown to increase response rates (Carpenter, 1974).

A letter of invitation was sent to all wellness service providers listed in the supply database, together with a hard copy of the questionnaire and a reply paid envelope. An incentive consisting of a chance to win a \$500 shopping voucher from a major Australian department store was offered to motivate responses. The questionnaires were mailed out over the period 13 to 17 August 2009. Individuals interested in being considered for the prize draw provided their details on a separate card which was returned with the questionnaire but stored separately from the questionnaire following receipt.

Furthermore, a tracking serial number was printed on the reply paid envelope and responses were recorded in the supply database. The reply paid envelope was then discarded and the serial number was not attached to individual questionnaire records.

A reminder letter was posted to the non-respondents in the week ending 6 September 2009 and a further reminder in the week ending 6 October, 2009. The survey was closed at 23 October 2009.

A total of 156 responses were received by the closing date, representing a response rate of 26%.

Table 3: Distribution of supply (database)

	Business category										TOTAL N = 590	
	Spa resort/hotel n = 201		Day spa n = 262		Lifestyle resort/ retreat n = 28		Spiritual retreat n = 83		Hybrid (*) n = 16			
Sydney	12	6%	23	9%	1	4%	5	6%	0	0%	41	7%
Other NSW	43	21%	42	16%	10	36%	31	37%	2	12%	128	22%
Melbourne	10	5%	35	13%	0	0%	6	7%	2	12%	53	9%
Other VIC	31	15%	43	16%	2	7%	8	10%	6	38%	90	15%
Brisbane	6	3%	7	3%	0	0%	4	5%	0	0%	17	3%
Other QLD	68	34%	24	9%	9	32%	8	10%	1	6%	110	19%
Adelaide	2	1%	24	9%	0	0%	6	7%	0	0%	32	5%
Other SA	4	2%	4	2%	2	7%	2	2%	1	6%	13	2%
Perth	3	2%	29	11%	1	4%	5	6%	2	12%	40	7%
Other WA	12	6%	13	5%	0	0%	2	2%	2	12%	29	5%
Hobart	1	0%	3	1%	2	7%	4	5%	0	0%	10	2%
Other TAS	5	2%	5	2%	1	4%	0	0%	0	0%	11	2%
ACT	3	2%	7	3%	0	0%	1	1%	0	0%	11	2%
NT	1	0%	3	1%	0	0%	1	1%	0	0%	5	1%

(*) The hybrid category represents businesses that could not be definitively classified on the basis of the database information.

2.3.4 Data Analysis

The survey data were captured electronically and set up as an SPSS (Version 17) data file. The data were initially inspected through frequency count and cross-tabulation to check for range validity and logical consistency. The services profile (Q4) was compared with the industry category specified in Q3 to check the validity of response to that question. Where respondents had specified that the industry category (Q3) was 'Other', the respondents were recoded on the basis of the service profile or rejected as out of scope. Following this process, a total of four records were deleted, leaving a data file of 152 cases. The data set was then analysed by frequency count, cross-tabulation and the calculation of means.

The distribution of the sample is presented in comparison with the distribution of the supply database in **Figures 1 and 2**.

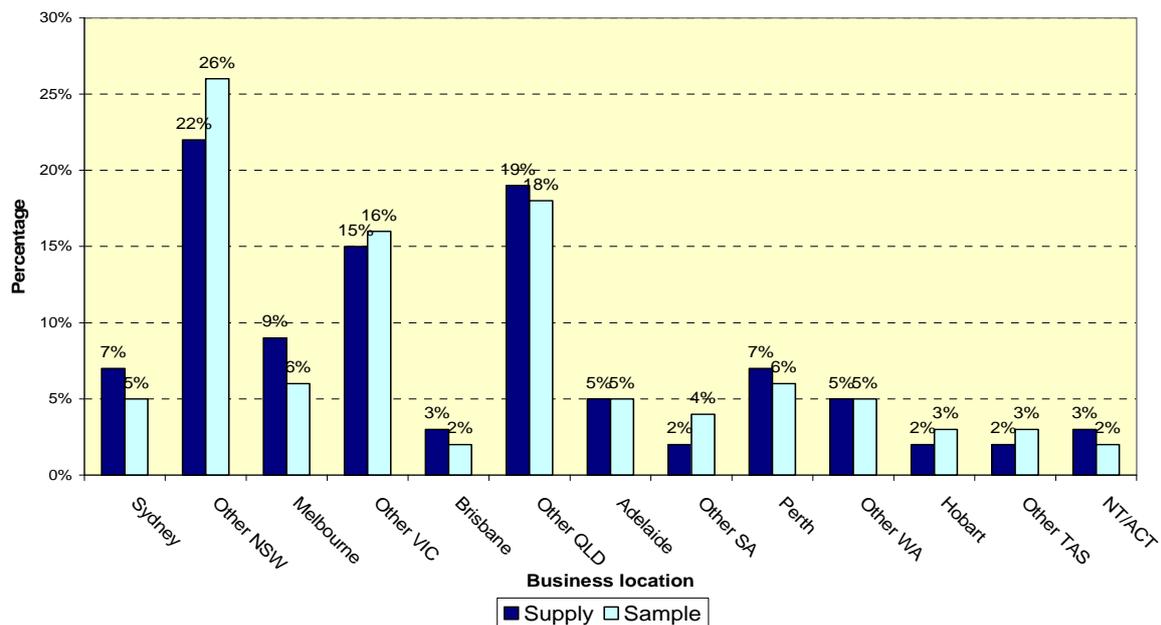


Figure 1: Comparison of survey respondent distribution with supply database distribution by business location

Figure 1 shows that the distribution of the sample by business location was consistent with the distribution within the supply data base suggesting that there was no significant sample bias on the basis of respondent's business location.

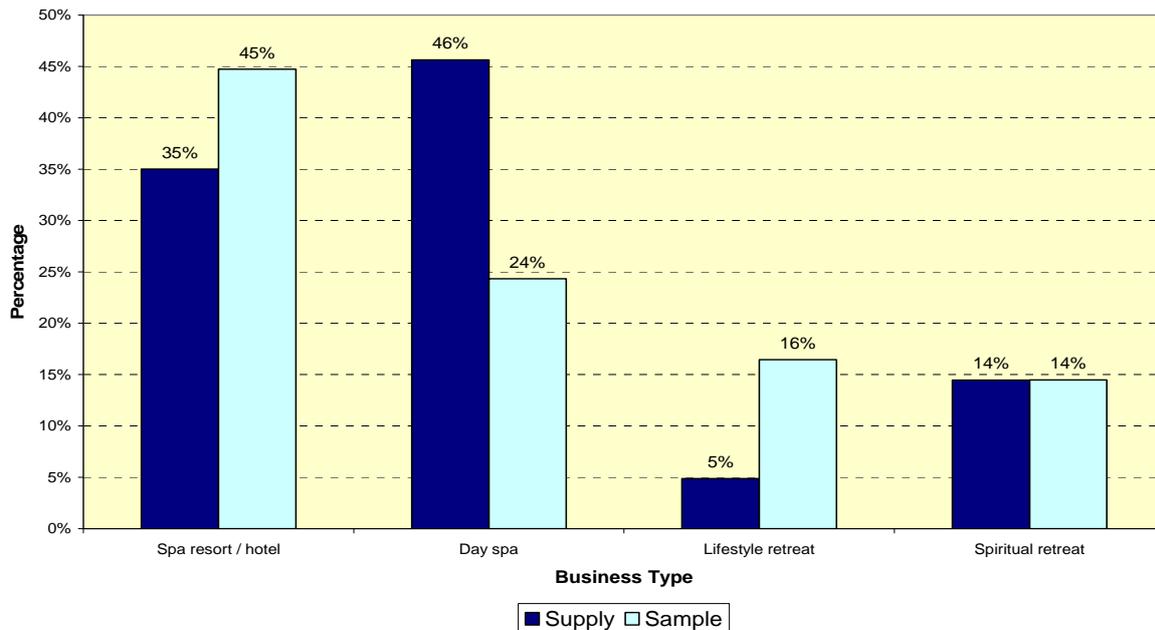


Figure 2: Comparison of survey respondent distribution with supply database distribution by business type

When the distribution of business type within the sample is compared with the distribution of business type within the supply database, the spa resort/hotel and lifestyle retreat categories are over-represented, while the day spa category is under-represented (**Figure 2**).

As day spas in many instances are primarily servicing local residents, it is perhaps not unexpected that the level of non-response was higher amongst this group—that is, if they service primarily local residents, they may perceive that the study is not applicable to them.

2.4 Case Studies

The following case studies were undertaken to supplement data gained from the secondary data analysis, stakeholder interviews and mail-out survey:

- Case Study 1: Daylesford and Hepburn Springs (Victoria)—an established spa and wellness destination for over 130 years (Appendix B);
- Case Study 2: Byron Bay (New South Wales)—a popular domestic and international destination with an ‘alternate’ image that offers a diverse range of beauty, spa, health, wellness and spiritual services (Appendix C);
- Case Study 3: Margaret River (Western Australia)—an established and popular wine tourism destination that has emerging spa, wellness and nature-based tourism product development (Appendix D);
- Case Study 4: Golden Door, Hunter Valley (New South Wales)—a dedicated spa and wellness retreat located within a wine tourism region (Appendix E);
- Case Study 5: Cairns Fertility Clinic (Queensland)—a dedicated medical tourism facility (Appendix F).

The case analyses of Daylesford and Hepburn Springs, Byron Bay and Margaret River sought to:

- explain the significance of the natural resources in the destination region;

- trace the history of the development of spa and wellness tourism of the destination;
- outline strategic destination planning processes that have been undertaken to guide the development, management and marketing of tourism for the area;
- describe destination marketing strategies and initiatives that have been undertaken to position the destination as a spa and wellness destination;
- provide findings of product audits undertaken to determine the characteristics, location of tourism product and beauty, spa, health wellness and spiritual services (Daylesford and Hepburn Springs and Byron Bay cases)
- identify significant factors that have influenced the development, management and marketing of the destination; and
- identify opportunities to further position the destination as leading spa and wellness destinations.

The case analysis of the Golden Door sought to:

- describe the history of the Golden Door and the factors that have influenced development;
- discuss the key elements of the Golden Door brand;
- describe the current service offering and target markets;
- describe the current promotion and distribution strategy;
- discuss their outlook for the future of health and wellness tourism; and
- discuss the key drivers and barriers that will influence their outlook for the future.

The case analysis of Australian medical tourism sought to:

- describe the current product/service offering;
- describe the target markets;
- describe the current promotion and distribution strategy;
- discuss the outlook for the future of medical tourism, including emerging markets;
- discuss the key drivers and barriers that will influence the outlook for the future;
- discuss issues relating to government policy that will impact on the potential to develop medical tourism services in Australia; and
- discuss legal issues relating to service provision and liability.

Multiple data collection methods were used to increase the range of material for analysis and enable a process of constant comparison of findings and the factors underlying them. Methods included (1) analysis of archival sources (e.g. academic literature, reports and consultancies, policy and planning documents, historical sources, and media reports); (2) semi-structured interviews with key informants who had considerable knowledge relating to the development of spa and wellness tourism within the selected case study destinations; and (3) site visits.

Product audits undertaken for Daylesford and Hepburn Springs and Byron Bay were undertaken in August 2009 and involved analysis of:

- secondary data sources relating to attractions, activities and tourism facilities within the destination region;
- all brochures and Internet websites related to beauty, spa, health, wellness and spiritual services promoted in August 2009;

- field inspections by the researcher of premises providing to beauty, spa, health, wellness and spiritual services.

Considerable detail is provided in each case study. They appear as appendices but should be read as an integral part of the main report. Key findings have been highlighted in the appropriate section.

Section A) Definitions and Typologies

The aim of this section is to provide definitions of wellness tourism and medical tourism and to illustrate that these two tourism markets are related but distinct segments of health tourism. The boundaries of each definition are also discussed, so that it is clearly outlined what those definitions do and do not include and how they are used in this report.

1. Wellness and Medical Tourism as Distinct Segments of Health Tourism

Consistency in the literature about the concepts of wellness and medical tourism is lacking and their definitions and understanding vary extensively. The terms *wellness tourism* (e.g. Nahrstedt, 2004; Smith & Kelly, 2006b; Steiner & Reisinger, 2006), *health tourism* (e.g. Douglas, 2001; Hall, 2003)(e.g. Douglas, 2001; Hall, 2003)(e.g. Douglas, 2001; Hall, 2003) *health care tourism* (Goodrich & Goodrich, 1991; Henderson, 2003), *well-being tourism* (Inside Story, 2007), *holistic tourism* (Smith, 2003; Smith & Kelly, 2006a), *medical tourism* (e.g. Connell, 2006a; Connell, 2006b) and *spa tourism* (Puczkó & Bacharov, 2006) are sometimes used interchangeably but often describe different concepts.

Although no consensus on the use of different terms and their meaning exists, there is one aspect that scholars seem to generally agree upon. No matter whether writing about 'health tourism', 'medical tourism', or 'wellness tourism', writers consistently define those tourism categories as **special interest** or **niche tourism** markets (Bookman & Bookman, 2007; Burkett, 2007; Chambers & McIntosh, 2008; Douglas, 2001; Hall, 1992; Hall, 2003; Letho et al., 2006).

Apart from this similarity, however, definitions vary dramatically. While some authors still continue to use a single term such as 'health tourism' without considering or explaining the substantial diversity of demand and supply in this area, others have clearly differentiated and contrasted certain forms of health tourism or types of health tourists.

Specifically, the theoretical difference between 'cure' or 'illness' concepts on one side and the 'wellness' concept on the other has been used to distinguish between health tourism products and services, as well as diverse types of health tourists (Müller & Lanz Kaufmann, 2001; Nahrstedt, 2004; Puczkó & Bacharov, 2006; Tourism Research and Marketing, 2006; Voigt, 2008). Accordingly, one can differentiate between medical and wellness tourism as sub-segments of health tourism. For instance, Müller and Lanz Kaufmann (2001) observe that two groups of health tourists differ in their needs and their orientation towards illness or wellness. Whereas **medical tourists** are illness-oriented because they primarily travel in order to cure or treat a certain illness or medical condition, **wellness tourists** go on vacation in order to maintain or improve their health and well-being and thus try to reach higher levels of wellness. In addition, it has been suggested that while medical tourists want to become healthier, wellness tourists already perceive themselves to be healthy (Müller & Lanz Kaufmann, 2001; Verschuren, 2004) and seek to prevent potential future illnesses (Puczkó & Bacharov, 2006). Products and services catering to those differing cure- or wellness-driven needs of tourists can thus also be divided into medical and wellness categories.

Health tourism then, is a comprehensive umbrella term that subsumes medical and wellness tourism.

In the following section, definitions and typologies of medical and wellness tourism are provided, clearly outlining what those definitions include and exclude.

2. Definition and Boundaries of Medical Tourism

The following definition of medical tourism is suggested:

Definition of Medical Tourism

Medical tourism is defined as the sum of all the relationships and phenomena resulting from a journey by people whose primary motive is to treat or cure a medical condition by taking advantage of medical intervention services away from their usual place of residence while typically combining this journey with a vacation or touristic elements in the conventional sense.

Many existing definitions of medical tourism are narrower in the way that authors only denominate those journeys as medical tourism that involve travelling *to another country*. For instance Abdullah and Ng (2006, p.1) defined medical tourism as ‘travelling to other countries to avail medical, dental, or surgical care’. Similarly, Garg (2008, p. 59) identified medical tourism as the ‘process whereby patients travel to countries other than their own to obtain medical, dental and/or surgical treatments’. Some authors even limit this geographical aspect further in their definitions by only including ‘low-cost countries’ (Bies & Zacharia, 2007, p. 1144) or ‘poor countries’ (Bezruchka, 2000, p. 77). However, as we will see in this report, not only poor or developing countries specialise in medical tourism. Developed countries also offer their services to international ‘tourist-patients’. In addition, **domestic medical tourism** exists where people travel domestically to receive medical care. However, domestic patients, who travel for medical intervention, can only be counted as *medical tourists* if this journey includes a conventional touristic element such as some form of sight-seeing or staying in a hotel after the treatment for recuperation. In regard to these criteria, and drawing on an Australian example, a woman who is flying from a remote country town to give birth in a hospital in Adelaide and flies back immediately afterwards cannot be considered as a medical tourist. However, if the same woman had participated in the ‘Baby Bliss’ program and stayed in the Adelaide Hilton after childbirth (Voigt & Laing, in press), she would have been considered as a medical tourist (see **Mini-Case 1**).

The National Visitor Survey (NVS) (Tourism Research Australia, 2009b) shows that the number of domestic travellers travelling for medical purposes is actually quite high. It suggests that there are 1.3 million medical purpose domestic trips per year on average. This can be explained by the existence of people living in rural Australia who need to travel to see specialists or stay in hospitals. Nevertheless, the extent to which these travellers are actually engaged in touristic activities is currently unknown.

MINI-CASE 1: Example of Domestic Medical Tourism in Australia

Several private Australian hospitals have started to collaborate with 4- or 5-star hotels, offering to transfer mothers from the hospital to the hotel to recover from childbirth. Programs such as 'Baby Bliss' (a partnership between the Ashford Private Hospital and the Hilton Hotel in Adelaide), 'Hospital in the Hotel' (a collaboration between the Epworth Freemasons Hospital and the Park Hyatt in Melbourne) as well as 'Little Luxuries' (the Prince of Wales Private Hospital partnership with the Crowne Plaza Coogee Beach in Sydney) have emerged in partnerships within the past two to three years.

In these maternity programs, women who have the approval of their obstetrician and paediatrician can move from the hospital to the hotel within a day of giving birth and stay there for two nights. The costs of these schemes are covered by private health insurance. Health-care services in the programs include the support of a midwife who is available 24 hours on site, as well as the ongoing care of the patient's obstetrician.

Anecdotal evidence from news articles and online forums shows that new mothers see many benefits in the post-natal regime. These range from the comfort of a deluxe room which includes a spectacular view, plasma television, king-size bed and gourmet room service to complementary bottle warmers, a massage and free access to the hotel spa. In contrast to the hospital, the hotel provides more privacy, unlimited visiting hours and the opportunity for partners and siblings to stay and bond with the mother and baby. The advantages for the hospital include cost cuttings (a night at a hospital costs around \$900 – \$1000, whereas a room in a 5-star hotel costs around \$450) as well as freeing up hospital beds and thus a faster bed occupancy rate for new paying patients. The advantage for the hotels includes constant occupation of several deluxe rooms paid by the hospitals.

Thus, an important aspect of our medical tourism definition is to specifically emphasise the importance of traditional touristic and vacation aspects, in order to distinguish between medical tourists and other people travelling to obtain medical care. Other writers also emphasise this aspect in their definitions of medical tourism. For instance, McCallum and Jacoby (2009, p. 26) define medical tourism as 'foreign travel for the primary purpose of obtaining ... medical treatment ... [which] includes a vacation/tourist element'. Connell (2006a, p. 1094) identifies medical tourists as people who travel 'while simultaneously being holiday-makers in the conventional sense'. It was noted that the extent to which medical tourists actually participate in 'normal' tourism activities has not yet been empirically established (Chambers & McIntosh, 2008), although, the selection of medical care usually dominates over the choice of non-medical recreation services such as accommodation, restaurant meals, shopping and excursions (Bookman & Bookman, 2007). In other words, only in a few cases (for instance with low-risk dentistry treatments) do medical tourists choose their holiday destination first, with the secondary goal being medical treatment (Connell, 2006a).

Connell (2006a) further suggests that most international visitors travelling for medical treatment find some time for tourism. The extent to which a patient can engage in touristic activities certainly depends on the nature of their health condition and the type of medical

treatment they require. The more invasive a medical procedure is, the less interest a person might have in conventional tourism activities (Bookman & Bookman, 2007, p. 45). Finally, it should be noted that not only the patients themselves engage in tourism activities at the destination, but also relatives and friends who travel with them.

Another important aspect of our medical tourism definition is that the specific aim to obtain medical treatment arises *before* the travel process has actually started. Thus, it *excludes* what some authors term travel by '**incidental medical tourists**' (Bookman & Bookman, 2007, p. 46). Incidental medical tourists are people who travel and experience an unexpected illness or injury and thus require emergency medical care while on their journey. Although those travellers are engaged in conventional tourism and might even use the same facilities as the 'real' medical tourists, their medical treatment has been unplanned. Thus, they are strictly speaking not medical tourists.

Lastly, it should be noted that *obtaining* medical treatment is different to *performing* medical procedures. Several authors provide an alternative medical tourism definition and suggest that the term applies to travel by medical doctors and other health professionals, usually to developing countries, to practice medicine for a short period of time (Bezruchka, 2000; Bishop & Litch, 2000; Scarisbrick, 2002). For instance, Bishop and Litch (2000, p. 78) define medical tourism in this sense as 'exotic travel to a developing region with a brief opportunity to practise medicine on local residents' and 'adventure holidays sold to groups of doctors specifically for the purposes of research or providing health care'. We argue, however, that this understanding of medical travel falls into the categories of business or volunteer tourism, rather than representing medical tourism according to our definition.

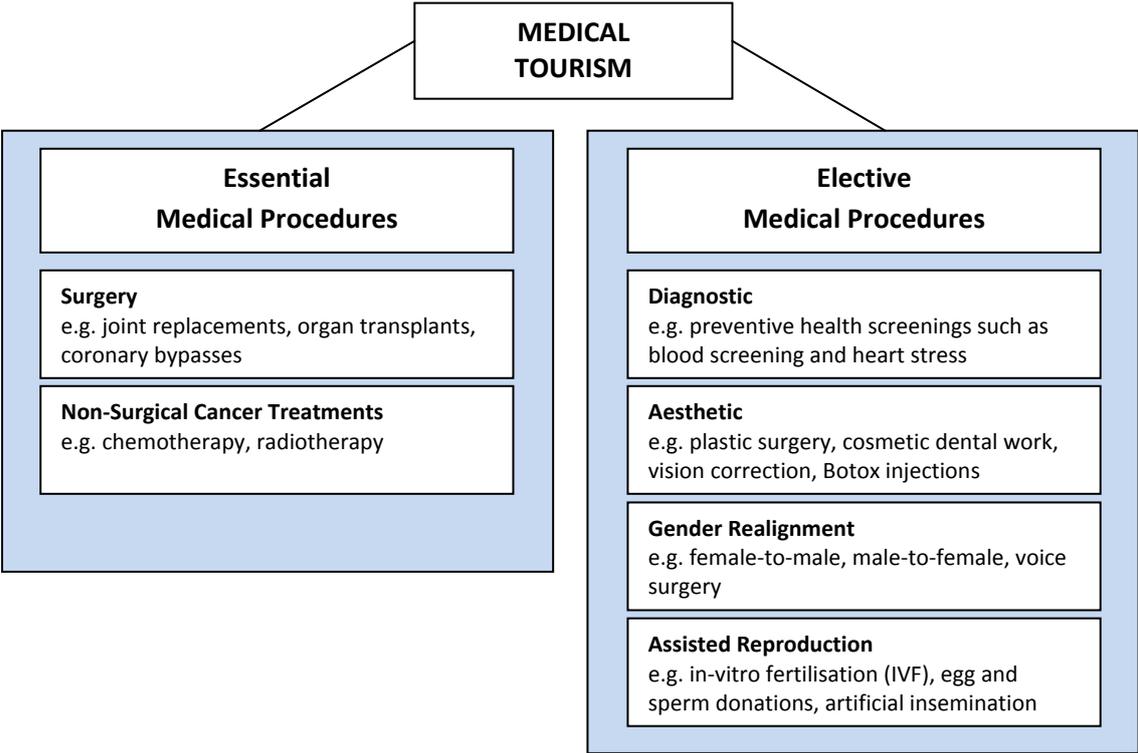
3. Typology of Medical Tourism

Corresponding to the definitional maze of health, medical and wellness tourism, typologies of medical tourism also vary substantially. As described above, several scholars do not differentiate between wellness tourism and medical tourism and subsume wellness-related categories under medical tourism. For instance, one typology suggests the four medical tourism categories of 'Illness' (e.g. medical check-ups, medical surgery, dental treatment), 'Wellness' (e.g. beauty care, spa treatment, yoga, herbal healing), 'Enhancement' (e.g. cosmetic surgery) and 'Reproduction' (e.g. fertility treatment and birth tourism) (Tourism Research and Marketing, 2006). Similarly, Bookman and Bookman (2007) include a sector they call 'lifestyle' (e.g. spa treatment, yoga, weight loss, acupuncture) in their medical tourism typology. However, other authors clearly view wellness tourism and medical tourism as separate entities. For instance, Connell's (2006b) typology of medical tourists does not include a wellness category. His typology is important because it distinguishes between 'acute medical' or 'essential' and 'aesthetic' or 'non-essential' forms of wellness tourism.

This important distinction is included in our medical tourism typology where medical tourism can be divided into **essential** and **elective medical tourism** (**Figure 3**). Accordingly, some medical tourists have medical conditions that require acute medical attention. Increasingly, for instance, international medical tourists are receiving life-saving surgery such as cardiac surgery and organ transplants. Some destinations also have become highly specialised in cancer therapies/oncology. In contrast, there are several medical treatments that are not necessary from a purely medical point of view and that are voluntarily selected by patients. This elective medical tourism can be classified into four categories (**Figure 3**). The first category of elective medical tourism, the *diagnostic* sector, is becoming more and more an important part of people's vacations. Should a diagnosis be positive, some tourists elect to

stay on for a treatment or return home to seek consultation with the family physician (Bookman & Bookman, 2007, p. 44). Arguably, the most widespread category of elective medical tourism is the *aesthetic* sector. Treatments in this area range from minor invasive procedures such as Botox® injections to major surgery such as rhinoplasty (nose surgery) and Rhytidectomy (face lifts). The third category *gender realignment* is a special niche of elective medical tourism and consists of sex change and other related procedures such as voice surgery. Finally, the fourth category of elective medical tourism has been labelled *assisted reproduction*, which involves travelling to undergo procedures such as in-vitro fertilisation or donor insemination.

Figure 3: Medical tourism typology



Indeed, the term **reproductive tourism** has been coined in its own right and is an issue of much contention (Blyth & Farrand, 2005; Pennings, 2002; Spar, 2005). In the case of reproductive tourism, the word ‘tourism’ is often added pejoratively; particularly by the media but also by academic writers. Other examples of such composite terms with a negative connotation are **transplant tourism** (Khamash & Gaston, 2008; Turner, 2008) and even **suicide tourism** (Bosshard, Fischer, & Bar, 2002; Gross et al., 2007). As Connell (2006b) writes, it seems that in those forms of global health care travel, the word ‘tourism’ fits least easily and according to our definition they do not constitute medical tourism. However, it is necessary to acknowledge that those forms of medical travel do exist, even though they cannot be included within the definition of medical tourism. In contrast to transplant and suicide tourism, reproductive tourism can have distinct touristic elements, in line with our medical tourism definition, as the example of the Barbados Fertility Centre shows (see **Mini-Case 2**).

MINI-CASE 2: Example of Reproductive Tourism Provider in Barbados

Psychological studies have shown that stress is a major factor in infertility and that a reduction of a couple's stress level during fertility treatments can markedly increase the success of the procedure. The *Barbados Fertility Centre*, founded in 2002, therefore counts on creating a stress free, relaxing environment on one hand and a holistic approach with a mind/body program including massage, reflexology and counselling, in addition to the medical fertility treatments, on the other. The clinic attributes their high pregnancy success rate for couples under 37 (54% versus 41% in the USA and 25% in the UK) to the relaxing conditions they create for their patients. The centre has been accredited by the Joint Commission International (JCI) and provides state-of-the art fertility technology at a reasonable cost to couples, particularly from the USA, Canada, UK and neighbouring Caribbean islands.

The website of the Barbados Fertility Centre advertises 'A Holiday with a Purpose' and the accompanying pictures and descriptions resemble any conventional travel brochure (Barbados Fertility Centre, 2009, accessed on 10/03/09):

*... what better place in the world to reduce your stress than in the exotic island of Barbados in the Caribbean. ... In between your appointments, you have constant access to our team of experts by cellular phone **but with the freedom of being on holiday**. You can enjoy the soothing sound of the lapping Caribbean Sea, go for a long romantic walk along the white sandy beaches and then enjoy the tantalizing tastes of the Caribbean's cuisine. Barbados is famous for its world class luxury hotels and we have selected some of the best the island has to offer.*

4. Definition and Boundaries of Wellness and Wellness Tourism

As opposed to medical tourism, where tourism is often adjunct to the health care and medical intervention sought by tourists, tourism is an integral part of a wellness tourism experience.

Before providing a definition of wellness tourism, it is important to understand what the term 'wellness' means. Wellness has been defined in many ways. Corbin and Pangrazi (2004) lament this diversity and point out that without a generally accepted wellness definition, it is impossible to develop profound scientific knowledge related to this concept. Voigt (2009) identifies six principles of wellness that consistently recur in the wellness literature, despite considerable differences in wellness definitions:

- (1) **Wellness as an alternative understanding of 'health' that is positive in nature:** The term 'wellness' refers to an alternative understanding to the traditional model of health. In the traditional model, health is simply defined as the absence of disease. This understanding has been criticised to neglect the individual as a whole and to overemphasise the role of diseases, instead of focusing on positive human functioning (Boruchovitch & Mednick, 2002; Shank & Coyle, 2002). Within the wellness paradigm, one is concerned with the questions of 'Why do people stay healthy' or 'How do they become healthier' rather than 'Why do people get sick', which would reflect the traditional health paradigm.

- (2) **Wellness as a multi-dimensional, holistic construct:** In the wellness paradigm, health is seen as a multi-dimensional, holistic construct in which mind, body and spirit are integrated. In regard to health care this means that the whole person is focused on rather than symptoms or diseases.
- (3) **Wellness as a notion of balance and harmony:** There is a consensus that all dimensions of wellness relate to and affect each other. For instance, if we feel stressed, we often get physically sick; if we have poor relationships we feel lonely and low in self-esteem. The goal of wellness is to continually strive for balance between the different wellness dimensions, as well as a high level of wellness in each dimension. However, one has to bear in mind that the ideal of a perfect balance might never be reached. Consequently, Dunn (1959b) emphasises that there is no optimum level of wellness but that each individual strives towards an 'ever-higher potential of functioning' (Dunn, 1959a, p. 447) of what he or she is capable of.
- (4) **Wellness as actualisation of human potential:** Several scholars emphasise actualisation of human potential in a definition of wellness. For instance, Dunn (1959b, p. 447) defines high-level wellness as 'an integrated method of functioning which is oriented towards maximising the potential of which the individual is capable, within the environment where he is functioning'.
- (5) **Wellness as a subjective, relative and perceptual concept:** Wellness differs from the traditional model of health, as people without physical symptoms can still be 'unwell'. Moreover, individuals, who might be considered 'sick' by biomedical standards, can perceive themselves as 'well'. Consequently, wellness is a concept which is subjective, relative and depends on each person's own perception.
- (6) **The central role of self-responsibility to achieve wellness:** The emphasis on self-actualisation, growth and balance of all wellness dimensions implies a proactive, personal commitment to strive for wellness and well-being. In fact, in the majority of wellness definitions, the element of individual action, choice and responsibility in regard to one's wellness is evident. Wellness is something that must be pursued actively. Every individual has the ability to make choices that potentially affect their health and wellness. Thus, the holistic wellness paradigm emphasises self-healing and the prevention of illness rather than the treatment of symptoms and sickness (Edlin, Golanty & Brown, 1998).

In addition to those wellness principles, there is disagreement in the literature as to whether wellness is what we do (i.e. the extent to which people engage in healthy behaviours or live a healthy life) or what we feel (i.e. a state of well-being). Voigt (2009) argues that while lifestyle does not constitute wellness per se, it is of key importance to feeling well and thus wellness is very likely to *result* from a healthy lifestyle. Some researchers who describe wellness as a state of psychological well-being also perceive healthy lifestyles as critically important to achieve and maintain this state (Corbin & Pangrazi, 2001; Corbin et al., 2004; Porter, Kraft, & Claycomb, 2003). Consequently, wellness is defined as follows:

Definition of Wellness

Wellness is defined as a positive, psychological state of well-being which is the result of practising a wellness lifestyle based on the belief in self-responsibility for one's own health and well-feeling (Voigt, 2009).

Having discussed what ‘wellness’ means, our definition of wellness tourism is now provided:

Definition of Wellness Tourism

Wellness tourism is defined as the sum of all the relationships resulting from a journey by people whose primary motive is to maintain or promote their health and well-being and who stay at least one night at a facility that is specifically designed to enable and enhance people’s physical, psychological, spiritual and/or social well-being (c.f. Voigt, 2008).

This wellness tourism definition includes important demand- and supply side aspects. From the demand point of view, it includes only those tourists who seek to promote their health and well-being, rather than relying on medical intervention. A *pure* demand-oriented definition, however, would be too unspecific and difficult to operationalise. Tourists can improve their health and well-being in a vast range of tourism contexts that are not reliant on specifically created infrastructure. For example some scholars suggest that ‘soft sport activities’ such as hiking should be considered as a wellness tourism activity (Brämer, 2001, 2003; Freidl, 2004). Our narrower definition of wellness tourism therefore excludes those potential wellness tourism activities that can be engaged in without relying on a specifically designed wellness tourism infrastructure.

Importantly, our wellness tourism definition reflects a positive and holistic understanding of health that incorporates physical, psychological, social and spiritual dimensions. This definition is thus still broad enough to cover a range of different tourism contexts, activities and experiences.

Additionally, our definition limits wellness tourism to stays of at least one night at a facility and thus focuses primarily on facilities that deliberately target tourists. It is recognised that tourists might also visit day spas or day retreats; however those types of facilities are likely to be predominantly visited by residents. Although our definition emphasises wellness facilities that are connected to any type of accommodation, we did not entirely exclude day spa facilities and added 262 to our database in our survey of supply. This made it possible to assess the customer ratio of tourists versus residents within Australian day spas. Nevertheless, we assumed that most day spa facilities would not receive high percentages of tourists, which turned out to be the case (see Section B.1.2).

5. Typology of Wellness Tourism

Even with a somewhat limited wellness definition like the above, it is unlikely that wellness tourists are a homogenous group with the same needs, expectations and behaviour. Consequently it is important to identify differences among wellness tourists, in order to form distinctive homogenous groups.

Indeed, the term ‘wellness tourism’ has been applied to a very broad range of tourism activities and contexts. The sub-sector of spa tourism has tended to dominate wellness tourism (Letho et al., 2006). However, other activities such as new age tourism (Pernecky & Johnston, 2006), volunteer tourism (Devereux & Carnegie, 2006; Lean, 2009), outdoor and adventure activities such as hiking (Kulczycki & Lück, 2009; Sheldon & Bushell, 2009), yoga tourism (Ali-Knight, 2009; Letho et al., 2006), as well as spiritual and religious tourism (Smith & Kelly, 2006a) have also been classified as wellness tourism.

Smith and Kelly (2006a) suggest a typology of wellness tourists comprising spiritual tourists, religious tourists, yoga tourists and spa tourists. However, their typology was not based on empirical data and they concede that wellness tourist segmentation research based on demographic, behaviouristic or psychographic factors is needed.

Research with wellness tourists in Australia has shown three different types of wellness tourism experiences or activities. Those three were named: **beauty spa visitation**, **lifestyle resort visitation** and **spiritual retreat visitation** (see **Figure 4**). This finding is strengthened by a recently published market research report commissioned by *Tourism Australia* that also found the existence of these three types of 'well-being holidays' in Australia, albeit with different labels (Inside Story, 2007). In their study, the first type of wellness tourism was labelled 'spa treatments', the second type 'healthy habits' and the third category 'disciplined learning retreat' (ibid).

The main focus of **beauty spa visitation** is on body and beauty treatments such as facials, massages or aromatherapy. In fact, Monteson and Singer (2004, p.284) refer to two U.S. spa market research studies that show massages are the most popular treatments in beauty spas, followed by facials. Beauty spa visitors generally receive treatments passively from therapists, rather than actively doing something. This destination spa activity is also most likely to involve some form of water-based treatment. In this regard, some beauty spa facilities have an intrinsic geographic advantage as they are based on or around natural mineral or thermal pools. Those spas that do not have this advantage also offer water-based treatments, for instance in the form of steam rooms, saunas, whirlpools, hot tubs and wet treatments rooms (e.g. for baths and hydrotherapy massages such as a Vichy shower). In recent years, beauty spas have often been added to existing tourism resort properties, considerably increasing their marketing advantage, revenue per occupied room, occupancy and perceived value for room rate (Monteson & Singer, 2002, p. 360).

Lifestyle resort visitation typically entails a comprehensive program which focuses on lifestyle transformations and includes activities and seminars concerning fitness, healthy nutrition, counselling, weight management and stress management techniques. In contrast to beauty spa visitors, lifestyle resort visitors become actively involved in the offered courses and classes. As McNeil and Ragin (2004, p. 32) observe: 'The sole purpose of this type of spa is to set guests on a healthier path for life'. Spivack (1998, p. 68), however, notes that the term 'spa' is often avoided by lifestyle resort owners because it is seen as too closely associated with beauty treatments. Therefore, terms such as 'health resort', 'wellness centre', 'fitness retreat' or 'health farm' are more common in this category.

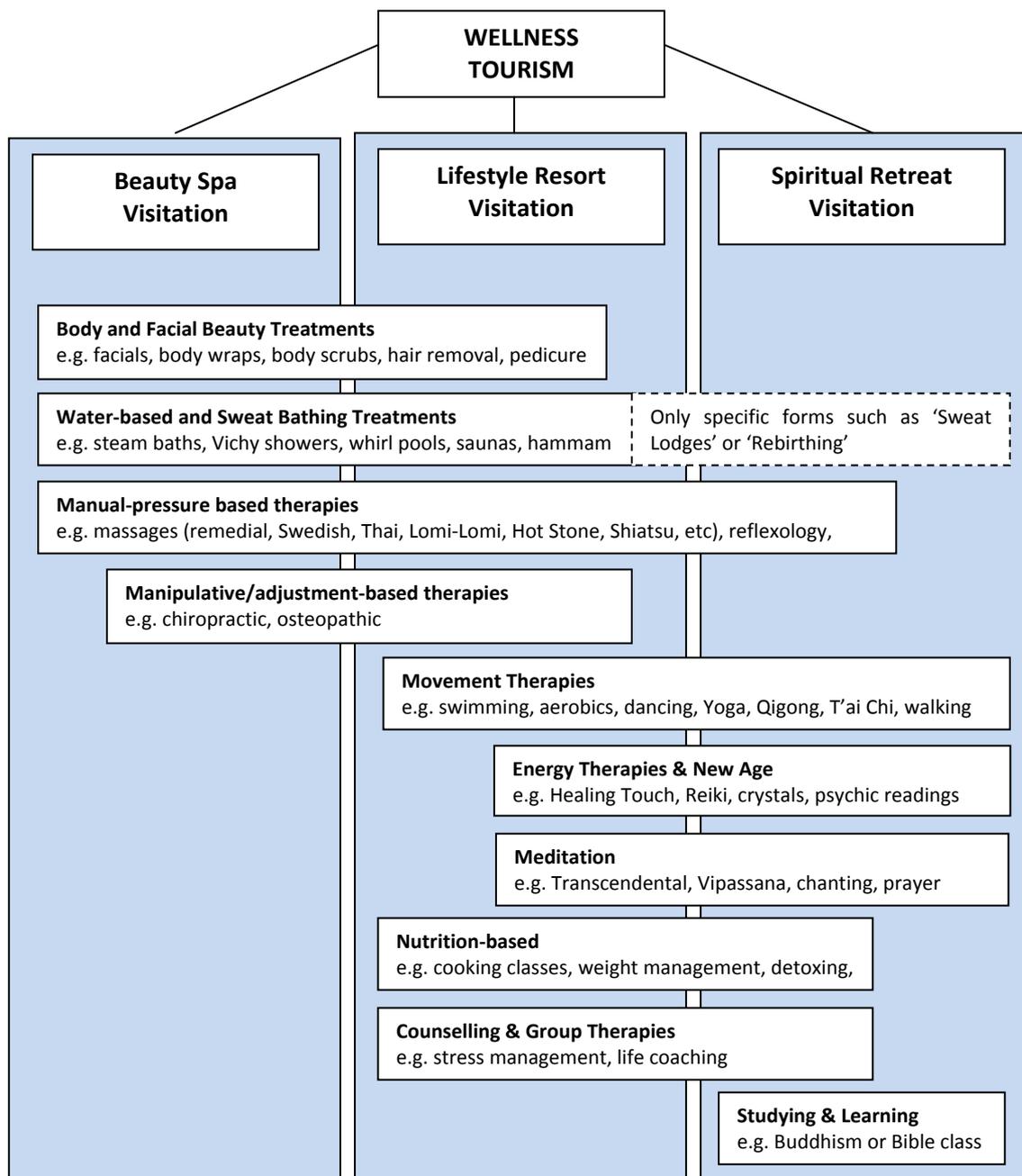


Figure 4: Wellness tourism typology and services offered

The emphasis of **spiritual retreat visitation** is on spiritual development or enlightenment. Spiritual retreats can be religious or non-religious but always include meditative elements. Many spiritual retreats are based on some specific teachings or philosophy and/or focus on the study of a specific activity such as yoga, T'ai Chi or Reiki or particular meditation techniques. Like lifestyle resorts, some spiritual retreats also focus on detoxing and fasting. Here, however, this often has a distinct spiritual note in terms of 'purification' or 'cleansing' and not only in regard to weight loss or getting rid of unhealthy toxins.

Importantly, the three different types of wellness tourism can be seen as distributed along a **continuum** where there is a gradual distinction between those types. For instance, some lifestyle resorts put a heavy emphasis on beauty treatments and massages, whereas others accentuate meditation and breathing techniques or 'New Age' services such as clairvoyant and astrologer services. Similarly, spiritual retreats can lean more towards lifestyle resorts by providing a range of seminars and discussions about diverse well-being and lifestyle issues.

6. Summary and Overlap of Wellness and Medical Tourism

To summarise this whole discussion of definitions, an overall **typology of health tourism** is depicted in **Figure 5**.

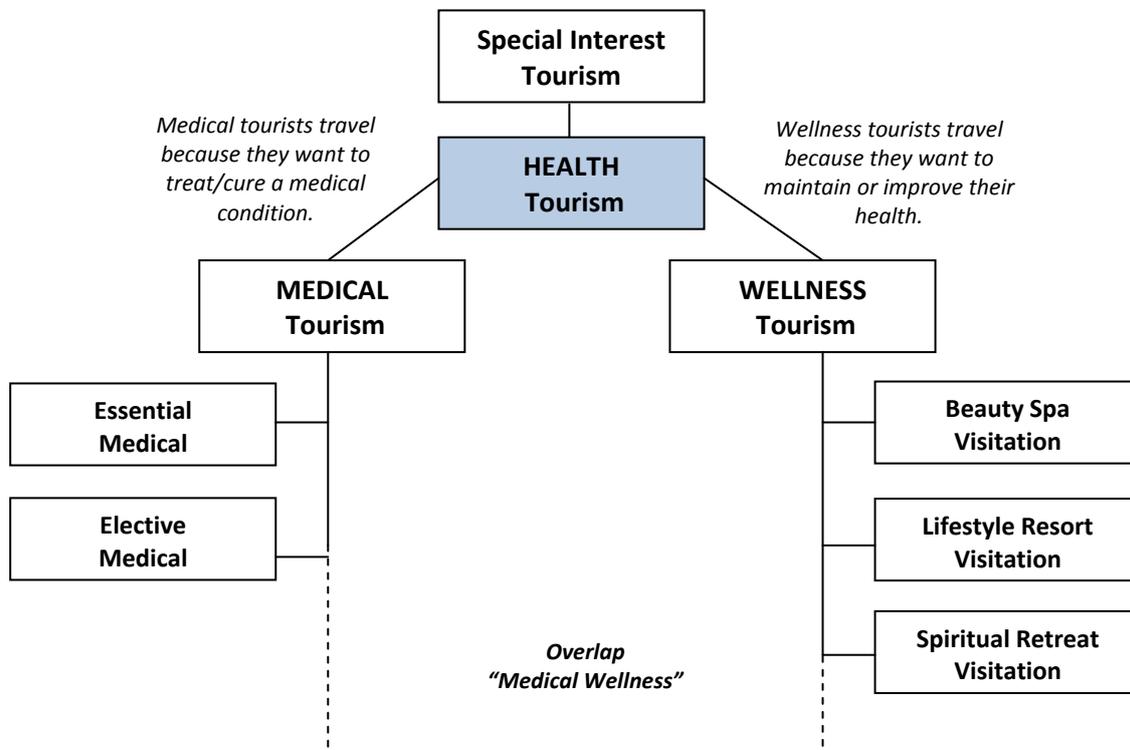


Figure 5: Summarised depiction of health tourism
Source: Voigt (2009)

It needs to be emphasised that this typology of health tourism comes from a Western perspective and represents the distinction that is made between a traditional health model where illnesses are treated on one side and the wellness paradigm on the other. In non-Western cultures, which often have much more holistic health systems, no such differences are made. Examples of such health systems are **Traditional Chinese Medicine (TCM)** and **Ayurveda**, the traditional health system in India. Western wellness tourism borrows extensively from those traditions. However, from a traditional mainstream Western point of view, treatments and practices such as T'ai Chi, yoga, reflexology and acupuncture are not perceived as 'medical treatments' but as **complementary and alternative medicine (CAM)** or wellness treatments.

It should be noted that in Figure 5, an overlap between medical and wellness tourism is depicted with a dashed line. This overlap can be termed '**Medical Wellness**'. Currently, there are three forms of specific medical wellness tourism products:

1. **The Medical Spa or 'MediSpa'**: In this type of spa, traditional beauty therapies and sometimes also holistic wellness or CAM treatments like reiki or acupuncture are combined with medical aesthetic treatments such as Botox® injections, liposuction and hair laser removal. Those MediSpas also require health professionals such as surgeons, cosmetic dentists, dermatologists and nurses.
2. **The traditional continental European spa** (see also following section under Historical Development of Spas): Whereas water-based treatments and therapies are

perceived to be complementary and alternative medicine treatments in Northern America and Australia, those treatments are seen in Europe as more mainstream medicine and therefore subsidised by national health insurance schemes. Thus, traditionally, European spas are more medical- than leisure oriented and have received 'patients' with physical ailments. However, in recent years, European spas have also realised the value of health promotion and spas now receive both medical and wellness tourists.

3. **Therapeutic recreation/therapeutic rehabilitation facility:** These types of facilities offer holistic wellness therapies and counselling to support people with serious illnesses or disabilities or to rehabilitate individuals with addictions or other psychological issues such as depression and eating disorders. An Australian example is *The Gawler Foundation* (see **Mini-Case 3**).

MINI-CASE 3: Example of Therapeutic Facility in Australia—The Gawler Foundation

The Gawler Foundation offers a broad range of one-day, weekend or residential programs primarily for people with cancer and their carers. It is a non-profit organisation founded in 1983 by Dr Ian Gawler, who is himself a long-term cancer survivor. The Foundation advocates a self-help program, encouraging and empowering individuals to actively work towards their healing and establish a healthy lifestyle. The principles and elements of a healthy lifestyle that are taught in The Gawler Foundation include meditation and relaxation techniques, a good diet, peer support, gentle physical activity (e.g. walking, yoga, Qigong), overcoming negative emotions and sustaining a positive state of mind as well as a focus on one's spirituality. Importantly, their educational programs are not seen as replacing conventional mainstream therapies but augmenting them. The Gawler Foundation has seen many cases where sufferers from cancer have survived against the odds. The Foundation is also involved in research to gather more evidence that lifestyle-based interventions are beneficial to an individual's health.

Their residential programs are conducted at their 'Yarra Valley Living Centre' at Yarra Junction in Victoria. The centre is relatively isolated and located on a large natural property including the Little Yarra River, the Hills and the bush. The nurturing outside and inside environment of this Centre is seen as very important to supporting people's healing process. The property includes ornamental gardens, labyrinths, meditation pavilions and biodynamic vegetable gardens. Vegetables grown in the garden are used in the vegan, organic and chemical-free diet offered by The Gawler Foundation.

Recently, The Gawler Foundation has expanded its program to patients with Multiple Sclerosis (MS). Whereas the 'healing' programs address people with cancer or MS, they also offer a series of 'wellness' programs for the general public or 'worried well', who also want to implement some lifestyle changes and learn how to lead healthier lives.

7. Overview of the Historical Development of Health-Related Travel

Health-related travel, manifested as journeys to sacred temples, hot springs, baths and better climatic conditions, is one of the earliest forms of tourism (Douglas, 2001; Kevan, 1993; Lund, 2005). Archaeological evidence and written historical accounts of Syrian, Mesopotamian, Egyptian, Chinese and Greek cultures document bathing and healing complexes, often erected around geothermal or cold mineral springs which were regarded as possessing medicinal and spiritual qualities.

From a Western perspective it seems that health-related tourism has come in waves throughout history. The first wave of popularity was certainly the Roman epoch. Romans built *balneums* (small community bathhouses), and the more extravagant and bigger *thermaes*. Those *thermaes* became huge pleasure complexes complete with sport halls, restaurants, libraries, sleeping quarters, small theatres, and music performances (Aaland, 1997). It appears that Roman *thermaes* were ancient forerunners of modern pleasure resorts. Everywhere in the Roman Empire *balneums* and *thermaes* emerged and some of the still famous spa towns and centres in Europe, like Baden-Baden in Germany and Bath in England, can be traced back to Roman bathing culture (Lund, 2005).

The second wave of spa-and health-related travel in Europe started in the late 17th century in Great Britain as a result of wealthy upper-classes looking for pleasure and leisurely diversion. As never before, the elite in Western countries had time and resources to travel and pursue leisurely amusements. The curative powers of drinking or bathing in thermal, mineral and sea water was (re-) discovered and explored and English private investors began building and expanding elegant spa and sea-side resorts. This first generation of spas clearly combined wellness and medical tourism elements. While they were seen as healing centres catering to sick people and incorporating physicians prescribing specific treatments and regimes, they also were frequented by healthy people seeking recreation rather than recuperation. Thus, spas at that time also were elegant social and cultural centres with ballrooms, theatres, promenades and gardens, shops and concerts. Those historical spas were significant venues for meeting old and new acquaintances, conducting important business and political deals and even courting and finding marriage partners (Aron, 1999; Corak & Ateljevic, 2007; Lempa, 2008).

The concept of English spas was quickly copied by many European countries including Northern Italy, France, Belgium, Sweden, and particularly Germany and the Habsburg Empire (including present-day countries of Austria, the Czech Republic, Slovakia and Croatia)(Bacon, 1997; Corak & Ateljevic, 2007; Jakobsson, 2004; Lempa, 2008). This newly-developed European tradition of 'taking the waters' was also taken to the 'New World' by European settlers. For instance, Rotorua in New Zealand was promoted as the 'spa resort of the Southern Hemisphere' (Ateljevic & Doorne, 2002. p. 665) since the mid 19th century. In Australia, spas were developed in the Daylesford and Hepburn Springs area, settled by the Swiss-Italians in the nineteenth century, and the region is still known for its mineral springs and spa tourism activity (Gervasoni, 2005) (see Appendix B, Case Study 1).

Similarly, the European spa concept was also extended to the United States and Canada and successful spas around natural springs like the Saratoga Springs in New York, the White Sulphur Springs and Hot Springs in Virginia and the Radium Hot Springs in British Columbia, Canada, were developed (Aron, 1999; Lund, 1993; Wightman & Wall, 1985). However, it seems that the spas in the 'New World' 'have been seen more as centres of recreation than of health' (Wightman & Wall, 1985, p. 413) as medicinal treatments or

scientific studies of health effects of water were not as strongly emphasised as in continental Europe. Moreover, in spite of the benefits of curative spa therapy that had been proven successful in Europe, countries in the 'New World' lagged behind in supporting spas through the government, social security and national health insurance programs. Likewise in Great Britain, where the quality of spa facilities was deteriorating from the mid 19th century onwards, no government intervention was permitted which might have saved the fragmented private spa initiatives as well as serious allegations of charlatanism which was badly damaging the British spa industry at that time (Bacon, 1997). In all these countries, spas became marginal to the mainstream medicine system in the 20th century.

While British spa development declined, continental Europe saw a massive expansion of spas as well as sea-side resorts. Moreover unlike in the 'New World' and in Great Britain, in continental Europe, the medical aspects started to outweigh the emphasis on amusement and entertainment in the late 19th century. There, doctors were ardent advocates of the healing powers of water—whether it was drunk, bathed in, swam in, splashed through, inhaled or channelled for massage purposes. Growing scientific evidence of the curative effects of water and the fields of hydrotherapy, balneotherapy and thalassotherapy emerged, as well as research of mud and seaweed treatments (i.e. fangotherapy) (Körber, 2002; Weisz, 2001). As the democratisation of travel commenced in nearly all Western European countries by the end of the 19th century, the medical aspect of spa visitation rose even more in importance (Lanz Kaufmann, 2002). The democratic nature of spas became particularly obvious in several European countries, where spa visitation became a legitimate form of rehabilitation therapy covered under national health insurance schemes. For instance, until 1997, every worker in Germany had the right to stay in a spa for four to six weeks every three years when prescribed by a doctor (Nahrstedt, 2004).

The distinct historical developments between Britain and the English-speaking countries of the 'New World' on one hand and continental Europe on the other has led to the distinctly different meaning of the **term 'spa'**. Whereas the term 'spa' in English implies a distinct tourism and leisure connotation, spas in Europe directly imply medicine and cure (Puczkó & Bacharov, 2006; Williams et al., 1996). Indeed, the German translation for 'spa' is *Kur*, the French term is *cure*, the Italian word is *cura*—all terms literally meaning 'cure'. Nowadays, however, the more leisure-oriented spa concept has also arrived in continental Europe but it is referred to under a different name. In many European countries, the actual meaning of the English word 'spa' has to be translated using the term **'wellness hotel'** (Lanz Kaufmann, 2002).

This historical overview would not be complete without acknowledging that many non-Western cultures have long used natural water and baths for recuperative and restorative purposes. For more than a thousand years, for instance, people in Japan travelled to and bathed in natural hot springs (**onsen**) (Guichard-Anguis, 2007). Before European settlers came to New Zealand, the United States and Canada, hot springs were used by Indigenous people. For instance, Maoris have used the sulphurous waters and geothermal muds for healing for 700 years (Smith & Puczkó, 2008, p. 123-124). According to Lambert (2008, p. 41), Dalhousie Springs in central Australia 'has provided food, shelter, medicines and water for Aboriginal people for thousands of years'. Lund (1993) reports that American Indians considered hot springs as sacred places and greatly believed in their miraculous healing powers. For them, hot springs were neutral places where members of different tribes were not allowed to fight each other and had time to recuperate from battle. In addition, Native Americans employed the tradition of ceremonial and spiritual cleansing of **Sweat Lodges**.

Sweat bathing is also common in other cultures. Perhaps the most famous form of sweat bathing is the **sauna**, developed by the Finns. Historically, they used the sauna to keep warm and physically healthy and clean and the heat was intensified by slapping the skin with birch twigs so that the heat could deeply permeate into the pores. The sauna was also significant for cleansing the mind and the spirit; women went to saunas in purification ceremonies before marriage, they gave birth in saunas and the dead were prepared in saunas before burial (Arvigo & Epstein, 2003). Russian sweat baths, the **bania** share many characteristics with the Finnish sauna. In some banias, very little steam is created, whereas in other forms of banias steam is heavily used. The visit of both saunas and banias would have been incomplete without people plunging into icy creeks or lakes or rolling in the snow. A wet relative of dry sweat bathing is the Turkish bath or **hammam** (meaning: 'spreader of warmth'). Those public bathhouses with warm and hot steam rooms and pools were an important part of life in Arab countries for centuries. Steam bathing was already recommended by the prophet Mohammed around 600 A.D. Hammams were used for purification before praying, celebrating rites of passages as well as important social gatherings (Arvigo & Epstein, 2003).

In the 19th century, European countries started to incorporate Turkish baths in their spas because everything Eastern was in fashion at that time. Nowadays, since health-related tourism has experienced another renaissance in Europe and North America and has also developed in the Asia Pacific region, more and more unique blends of Western influences and traditional non-Western therapies have emerged. For instance, the widely-known *Canyon Ranch* lifestyle resorts in the United States offer therapies of Shiatsu and reiki originating from Japan, Thai and Swedish massages, yoga and Ayurvedic treatments such as the Abhyanga head massage or Shirodhara (which includes pouring liquids onto the forehead) initiated in India, 'Shamanic Journeys' and sweat lodges alongside Chinese herbal consultation, acupuncture as well as the Chinese mind-body practices of T'ai Chi and Qi Gong. They also offer 'New Age' services such as clairvoyant and tarot card readings and astrology.

Finally it should be noted that while the term 'spa' originally involved therapeutic treatments using water, many tourism providers nowadays use the word without necessarily offering bathing or water-massaging facilities. 'Spa treatments' are sometimes used synonymously with the above listed complementary and alternative medicine therapies as well as beauty therapies. Naturally, this can add to confusion for consumers and spa visitors from countries with different historical backgrounds of spa development.

SECTION B) THE DEMAND SIDE: MARKET ANALYSIS

1. Market Analysis of Wellness Tourism

1.1 Size of Global Wellness Tourism Market

Wellness tourism is consistently described as a lucrative, growing market but it is difficult to obtain comparable market data between countries. As can be seen in the following statistics, some data assessments focus only on wellness tourism operators that include accommodation, whereas others also include facilities such as day spas. In addition, while the spa sector remains dominant, the spiritual retreat and lifestyle resort markets are generally neglected and not included in industry data.

Nevertheless, a range of statistics illustrates the substantial growth of wellness tourism in recent years. The 'big players' of wellness and spa tourism in Europe are Germany, France and Italy (Global Spa Summit, 2008; Rulle, 2004). Eastern European countries such as the Baltic States or the Czech Republic, which have a long-standing spa tradition, are also fast growing spa tourism destinations (see also **Table 4**). Moreover, the numbers of wellness tourists have continuously increased in nearly all of the European countries listed by the *European Spas Association* (**Table 4**).

Table 4: Number of wellness tourists in several European countries
Sources: European Spas Association (2008), Deutscher Heilbäderverband (2008)

	Number of Wellness Tourists			
	2003	2004	2005	2006
Czech Republic	298,994	309,258	314,928	327,078
Germany	17,129,690	17,214,515	17,623,743	18,064,628
France (Thermal)	546,618	571,575	504,607	N/A
Latvia (only Jurmala)	45,461	67,614	101,447	363,881
Lithuania (only Palanga)	32,500	35,300	39,700	124,800
Luxemburg	5,071	5,194	5,202	5,192
Portugal	97,051	98,512	98,521	99,057
Serbia (without Kosovo)	675,720	682,000	703,359	711,829
Spain	820,000	920,000	1,011,000	1,105,000

Statistics from North America also confirm a large number of beauty spa and lifestyle resort visitors. According to the International Spa Association (2008), one in four Americans had visited a spa. The year 2006 was the first year, however, where spa visitation in North America decreased (110 million spa visits in 2006 vs. 131 million spa visits in 2005), although the number of spa locations has increased (13,757 spas in 2006 vs. 10,128 spas in 2004) (ibid.). It should be noted that this decline in the North American market is in contrast to the Asia-Pacific statistics depicted in **Table 5**.

Table 5: Comparison of Asian-Pacific spa destinations
Source: Intelligent Spas (Intelligent Spas, 2008b, 2008c)

	Total Spas	Destination Spas ^a	Day Spas	Industry Revenue (USD\$)	Industry Visits	Industry Employment
Thailand	585	49%	51%	263 million	3,649,000	11,240
AUSTRALIA	554	31%	69%	271 million	2,305,000	5,026
Indonesia	390	52%	42%	-	-	-
Taiwan	317	6%	81%	-	-	-
China	190	36%	64%	186 million	2,041,000	6,000
Singapore	173	14%	86%	-	-	-
Malaysia	151	40%	54%	-	-	-
New Zealand	141	23%	77%	50 million	-	911
Vietnam	95	62%	38%	9 million	428,000	1,060
Philippines	87	20%	76%	-	-	-
Cambodia	35	66%	34%	6 million	200,000	400

^a Destination spas are wellness tourism facilities that include accommodation. Both beauty spas and lifestyle resorts were included in this research.

Recently published data from the research company *Intelligent Spas* provides an overview of the spa market in the Asia Pacific Region (Intelligent Spas, 2008a, 2008b). While spas are well established facilities with a long tradition in many Western countries, Asian-Pacific countries are generally new players in the spa business (Henderson, 2003), where the growth of spa locations has been phenomenal. For instance, spa numbers in Thailand have grown by 124 percent since 2002, in Australia by 129 percent and in Malaysia by 202 percent (Intelligent Spas, 2008b, 2008c).

Other statistics confirm the economic significance of the wellness tourism industry, although spiritual retreats tend to not be taken into account in current economic estimations. A recent market research report commissioned by the trade group *Global Spa Summit* reports that the global spa economy is now estimated to be worth USD\$255 billion per annum (Global Spa Summit, 2008). Leading the way is the United States with USD\$12 billion, followed by Japan (USD\$5.7 billion) and Germany (USD\$3.8 billion) (Global Spa Summit, 2008). The report by Global Spa Summit also shows that spa facilities are heavily concentrated in certain regions (**Table 6**). In terms of number of spas, revenues and employment, Europe is the largest spa market in the world, followed by North America. The Asia-Pacific region ranks third in terms of revenues, but second in terms of spa facilities. Europe, North America and the Asia-Pacific regions account for over 90% of spa industry revenues.

Table 6: Global spa facilities by region
Source: Global Spa Summit (2008)

	Estimated Total Number of Spas	Estimated Annual Total Revenues (USD\$ billions)	Estimated Total Spa Employment
Europe	22,607	\$18.4	441,727
Asia-Pacific	21,566	\$11.4	363,648
North America	20,662	\$13.5	307,229
Middle East/North Africa	1,014	\$0.7	20,938
Latin America/Caribbean	5,435	\$2.5	82,694
Africa	389	\$0.3	7,273
TOTAL	71,672	\$46.8	1,223,510

Global Spa Summit also estimated the contribution of each spa-related branch of the global spa industry, with the spa-related hospitality and tourism branch responsible for the largest share (**Table 7**).

Table 7: Size of the global spa industry in 2007
Source: Global Spa Summit (2008)

Spa-related Industry Branch	USD\$ million
Core Spa Industries	\$60,472.1
Spa Facility Operations	\$46,807.0
Spa Capital Investments	\$12,986.9
Spa Education	\$310.2
Spa Consulting	\$68.10
Spa Media, Associations & Events	\$300.0
Spa-Enabled Industries	\$194,345.4
Spa-related Hospitality & Tourism	\$106,045.4
Spa-related Real Estate	\$88,300.0
TOTAL Spa Economy	\$254,817.5

Despite these statistics about the size and scope of the wellness industry, it is still not very well known what proportion wellness tourism represents of the entire tourism flow globally, as well as within a country or region. In many destinations, the **domestic tourism** market seems to play a much greater role in wellness tourism than international tourism markets. For instance, in Slovenia wellness tourists constituted 33 percent of all tourists in Slovenia in 2000. Nevertheless, only 23 percent of these wellness tourists were international visitors (Snoj & Mumel, 2002). Spa tourism accounted for 22 percent of all overnight bed stays in Romania, but the domestic market was responsible for 94 percent of this number (Cooper et al., 1992). Only 7 percent of international wellness tourists, compared to 93 percent of domestic wellness tourists, visited the region of Siena in Italy (Minghetti & Furlan, 2006). Even statistics from a major wellness tourism destination, namely Switzerland, illustrate that the great majority of wellness tourists (84%) were domestic rather than international tourists (Lanz Kaufmann, 2002).

The data collected from our survey reveals that wellness tourists in Australia also are **predominantly domestic tourists**. **Table 8** shows that for the responding service providers, on average, 61 percent of clients were domestic tourists (either day trip, intrastate or interstate visitors). More than one third (37%) were, on average, local residents (37%), with day spas attracting the highest proportion of local residents. The average proportion of clients who were overseas tourists was minimal (6%).

When compared on the basis of provider category 16 percent of day spa clients are overnight visitors compared to 64 percent of spa resort/hotel clients, 63 percent of lifestyle resorts/retreats clients and 60 percent of spiritual retreat clients, on average.

Table 8 also shows that every type of metropolitan wellness service provider is more likely to receive a higher proportion of local residents and day trip visitors than regional wellness service providers.

Table 8: Distribution of client origin

Resident/Tourist Category	Wellness Provider Category				Total sample
	Day Spas	Spa Resorts/Hotels	Lifestyle Resorts/Retreats	Spiritual Retreats	
Respondent located in metropolitan area					
Local Residents (within 25 km)	75%	47%	55%	np*	62%
Day trip visitors	17%	14%	19%	np	16%
Overnight Intrastate visitors	4%	20%	15%	np	12%
Overnight Interstate visitors	3%	14%	10%	np	8%
Overnight Overseas Visitors	1%	5%	3%	np	3%
Respondent located in regional area					
Local Residents (within 25 km)	62%	21%	11%	17%	26%
Day trip visitors	15%	8%	9%	13%	10%
Overnight Intrastate visitors	11%	42%	43%	42%	37%
Overnight Interstate visitors	9%	20%	32%	20%	20%
Overnight Overseas Visitors	4%	8%	5%	7%	7%
All areas					
Local Residents (within 25 km)	68%	27%	26%	28%	37%
Day trip visitors	16%	10%	12%	13%	12%
Overnight Intrastate visitors	7%	38%	34%	37%	30%
Overnight Interstate visitors	6%	19%	25%	17%	19%
Overnight Overseas Visitors	3%	7%	4%	6%	6%

(*)Not published where sample base is less than 5 cases.

Responding providers were asked to estimate the distribution of their clients on the basis of place of origin. The data is the average of the proportions estimated by the respondents.

1.2 Size of Australian Wellness Tourism Market

Several secondary sources provide an idea of the size of the Australian domestic wellness tourism market. The most conservative estimate of the size can be derived from the representative National Visitor Survey (NVS) (Tourism Research Australia, 2009b) which proposes that only 0.3 percent of all domestic tourists (229,000) visited a 'health spa or sanctuary/well-being centre' between 2006 and 2008. In contrast, the representative Holiday Tracking Survey (HTS) conducted by Roy Morgan Research (2009) estimates that 1.3 percent of all domestic tourists (497,000) engaged in a 'health resort/spa holiday' in 2008. Since 2001, this number represents an increase of 1 percent, indicating again that wellness tourism is a growing niche market in Australia. The final and least conservative figure comes from the ISPA 2008 Global Consumer Survey (Research International, 2009) which is representative on the basis of age and gender, rather than for the entire domestic tourist population. This study estimates that 21 percent of Australians visited spas in 2007 and that more than half of those specifically visited a destination spa—a spa which includes

accommodation. Hence, according to this estimation, at least 10-12 percent of Australians had been to a spa or lifestyle resort in 2007 (Research International, 2009).

One limitation of these studies is that the term 'spa' has never been defined, therefore it is unlikely that spiritual retreat visitors would have been captured as part of the wellness tourism market. Moreover, the proportion of international wellness tourists is not very well known. The International Visitors Survey (IVS) (Tourism Research Australia, 2009a) includes an activity category 'health spa' which does not capture the proportion of international tourists who visited Australia primarily for wellness tourism. Therefore it can be assumed that the wellness tourism market may be actually larger than these numbers suggest. Nevertheless, an estimated 152,000 international visitors per annum visited a health spa as a component of their trip between 2006 and 2008, which represents only 3 percent of all international visitors to Australia.

The Australian revenue generated by beauty spa and lifestyle resort visitors was estimated to be USD\$271 million in 2008 (Intelligent Spas, 2008a). For the same year, Roy Morgan Research (2009) less conservatively estimated the Australian domestic expenditure on 'health resort/spa holidays' to be \$461 million.

The results of the survey of supply were used to estimate the total annual client numbers and the number of clients who were tourists (**Table 9**). Day spas attract the highest number of clients and lifestyle resort / retreats the lowest number of clients. The total number of tourist clients far exceeds the NVS (Tourism Research Australia, 2009b) and the HTS (Roy Morgan Research, 2009) data³.

Table 9: Estimated annual wellness clients

	Supply	Average number of clients	Total number of clients	Average tourism clients (1)	Total tourism clients (1)
Day Spas					
Metro	128	4,400	562,300	1,100	140,600
Regional	134	5,900	785,000	2,200	299,100
Spa resort /hotels					
Metro	37	3,200	118,500	1,700	62,700
Regional	164	3,100	509,100	2,400	401,100
Lifestyle Resort/Retreats	28	1,500	41,400	1,100	30,800
Spiritual Retreats					
Metro	31	3,200	99,200	900	28,600
Regional	52	900	45,000	700	37,200
Hybrids					
Metro	4	3,600	14,400	1,400	5,500
Regional	12	2,900	34,300	2,100	25,300
Total	590		2,209,300		1,030,900

1. Tourism clients are overnight and day trip visitors (travelling more than 25 kms from home). Estimates of tourism clients derived from the proportions reported in the previous table.

³ The number of clients from the supply perspective represents service occasions rather than unique visitors. Depending on the type of facility and the business model an overnight visitor to a region may be serviced on a number of separate occasions during their stay.

1.3 Profiles of Wellness Tourists

This section concentrates on the profiles of Australian wellness tourists, although studies from other places such as Hong-Kong, Switzerland and the USA (Lanz Kaufmann, 2002; Mak, Wong, & Chang, 2009; Verschuren, 2004) support some of the findings presented here, in that the majority of wellness tourists tend to be female, affluent and highly educated.

According to the NVS (Tourism Research Australia, 2009b), the majority of Australian domestic wellness tourists are female (68%) and most likely to be aged between 24 and 45 years (45%). Additionally, they tend to come from more affluent households, with more than half (53%) reporting an annual household income of \$78,000 per annum or more and 18% reporting a household income of \$150,000 per annum or more. Correspondingly, the data from the HTS (Roy Morgan Research, 2009) demonstrates that domestic wellness tourists tend to have a higher socio-economic status (higher levels of income and education) than the overall domestic tourist population. According to the HTS data, wellness tourists are more likely to be younger than non-wellness tourists.

This is corroborated by data from a study commissioned by *Tourism Australia* which compares 316 wellness tourists with 321 non-wellness tourists, and also finds that wellness tourists are younger than non-wellness tourists and more likely to work full-time (Inside Story, 2007). Another interesting finding of this report is that wellness tourists appear to take shorter but more frequent holidays during a year than non-wellness tourists. Although this report identifies not one homogenous group of wellness tourists but distinguishes between the three groups of beauty spa, lifestyle resort and spiritual retreat visitors, it did not publish any differences in data between those groups, apart from stating that the majority of their wellness tourist sample comprised of beauty spa visitors, followed by 30 percent of lifestyle resort visitors and 21 percent of spiritual retreat visitors (Inside Story, 2007, p. 41).

A more recent study examines whether wellness tourists are truly a homogenous group or whether there are significant group differences between different wellness tourist groups regarding their socio-demographic and travel behaviour characteristics (Voigt, 2009; Voigt, Brown, & Howat, in review). This study compares Australian beauty spa, lifestyle resort and spiritual retreat visitors and concludes that the three groups differ significantly in regard to *all* demographic and travel behaviour characteristics investigated (**Table 10**).

The majority of the total sample was female, however, the sample of spiritual retreat visitors comprise the highest proportion of males (26%) in comparison to the other two groups. Spiritual retreat visitors also comprise the oldest segment of the wellness tourist group with the highest proportion of respondents aged 55 and over, compared to 11 percent of beauty spa visitors and 32 percent of lifestyle resort visitors. Whereas the majority of lifestyle resort and spiritual retreat visitors comprise baby boomers over 45, the majority of the beauty spa sample was aged between 25 and 44 years old. Moreover, while 38 percent of the beauty spa sample was younger than 34 years, few of the lifestyle resort (9%) and the spiritual retreat visitors (7%) were in this age category.

Table 10: Demographic and travel behaviour characteristics split by three different types of wellness tourists

Source: Voigt, Brow and Howat (in review)

	Beauty Spa Visitors	Lifestyle Resort Visitors	Spiritual Retreat Visitors	N	Total %	Chi-Square	
	%	%	%			χ^2	Sig.
Gender				504		8.37	.015
Females	83.5	86.5	74.3	421	83.5		
Males	16.5	13.5	25.7	83	16.5		
Age				509		70.21	.000
18-24	7.7	1.3	1.0	12	2.4		
25-34	29.7	7.3	5.9	56	11		
35-44	35.2	28.3	24.5	146	28.7		
45-54	16.5	31.6	30.4	146	28.7		
55 and over	11	31.6	38.2	149	29.3		
Education				509		41.35	.000
Secondary school or less	6.6	15.2	7.8	62	12.2		
Vocational education	42.9	27.2	13.7	139	27.3		
Undergr. univ. deg.	30.8	30.4	26.5	151	29.7		
Postgr. univ. deg.	19.8	27.2	52.0	157	30.8		
Employment Status				509		30.64	.000
Student/Not employed	4.4	9.5	9.8	44	8.6		
Full-time employed	79.1	53.8	45.1	288	56.6		
Part-time employed	16.5	22.2	26.5	112	22.0		
Retired	-	14.6	18.6	65	12.8		
Household Income				490		80.88	.000
less than \$49,999	11.0	8.0	30.0	64	13.1		
\$50,000 to \$109,999	46.2	27.4	44.0	168	34.3		
\$110,000 to \$169,999	24.2	19.1	14.0	93	19.0		
\$170,000 to \$229,999	16.5	20.4	5.0	81	16.5		
\$230,000+	2.2	25.1	7.0	84	17.1		
Travel package	75.0	26.0	10.9	162/50	32	106.24	.000
Travel with friends	66.7	42.0	29.0	221/50	43.8	28.41	.000
Travel with partner	69.2	29.0	20.4	174/50	16.5	61.34	.000
Travel with family	53.3	26.8	9.1	141/50	28.0	46.42	.000
Travel alone	81.3	70.5	87.9	381/50	75.9	14.18	.001
Overseas Travel	76.9	14.9	22.5	140/50	27.6	137.12	.000
Years of Experience				503		37.79	.000
Short exp. (1-4)	33.3	57.9	48.0	259	51.5		
Med. exp. (5-10)	55.6	29.3	24.5	166	33.0		
Long exp. (over 10)	11.1	12.9	27.5	78	15.5		

Corresponding to the different age distributions, spiritual retreat visitors account for the highest proportion of retired wellness tourists (19%). There is a significant association between employment status and wellness tourist category. Beauty spa visitors were more likely to be in full-time employment and less likely not to be employed or a student in comparison with lifestyle resort and spiritual retreat visitors. In contrast, spiritual retreat visitors were more likely to be part-time employed or retired than beauty spa and lifestyle resort visitors. However, it should be noted that the great majority of the total sample was active in the work force (79%), either full-time or part-time employed.

There was a significant association between total household income and the wellness tourist samples. Lifestyle resort visitors were most likely to have a higher household income. In addition, a much higher proportion of lifestyle resort respondents (25%) indicated the highest household income category (over \$230,000) than beauty spa (2%) and spiritual retreat visitors (7%). This can be explained by the higher costs generally associated with beauty spas and many health resorts, including the one from which the lifestyle resort sample was drawn. It appears that only wealthy people can afford to stay with wellness tourism providers.

The overall sample of wellness tourists in this study was highly educated, with almost 61 percent of the respondents possessing a university degree. There was, however a significant association between the highest level of education and the wellness tourist category. Spiritual retreat visitors were more likely to have obtained higher levels of education than lifestyle resort or beauty spa visitors. In addition, spiritual retreat visitors were most likely to hold a postgraduate university degree, whereas beauty spa visitors were most likely to have acquired a college or TAFE diploma.

Wellness tourists also differ markedly regarding with whom they travelled. Significant differences were found between travelling with friends, travelling with a spouse or partner, travelling with a family member other than a spouse, and wellness tourist category. Beauty spa visitors were more likely to have a social wellness tourism experience than the other two types of wellness tourists, especially with their partners. More than half of all beauty spa visitors have previously travelled with a friend, spouse and a family member (**Table 10**). In contrast, considerably less than half of lifestyle resort and spiritual retreat visitors travelled with someone else. Spiritual retreat visitors were least likely to have had a social wellness tourism experience, thus they were also most likely to have travelled by themselves (88 percent of spiritual retreat visitors travelled by themselves). Nevertheless, the other two groups of wellness tourists also comprise relatively high proportions of tourists who travel by themselves. With 76 percent across all three samples, travelling alone was the most typical form of travelling. There was also a significant association between travelling as a package deal and wellness tourist group, with 75 percent of beauty spa visitors likely to experience a wellness tourism holiday in the form of a package deal (compared to 26% of health resort visitors and 11% of spiritual retreat visitors).

There was also a significant association between travelling overseas and the wellness tourist category. Beauty spa visitors are more likely to travel overseas in order to have a wellness tourism experience. Whereas 77 percent of the beauty spa tourists have travelled overseas, only 23 percent of spiritual retreat visitors have visited a spiritual retreat outside Australia. Even less lifestyle resort visitors (15%) have experienced this overseas.

Finally, there was a significant association between prior experience and wellness tourist category. Lifestyle resort visitors were most likely to have the least experience (less than five years), whereas beauty spa visitors were most likely to have medium experience (five to ten

years), and spiritual retreat visitors were most likely to have a long experience (over 10 years), relative to each other. However, it also should be noted that more than half of the total sample had had less than five years of experience as wellness tourists, which can be explained by the relative recent emergence of the Australian wellness tourism industry.

In the survey for the current project we also asked respondents to indicate the gender, age and travel party composition of their clients (Table 11). Similar to Voigt’s (2009) study, the clear majority of wellness tourists were female, although the proportion of males was higher in the present study. It is noteworthy that, in total, respondents estimated that wellness tourists over 56 years of age only comprise 9 percent of their client base. This stands in contrast to the often cited observation that baby boomers are the driving force behind wellness tourism (Pollock & Williams, 2000; Smith & Puczkó, 2008). The high proportion of individuals who visit wellness facilities on their own is also consistent with Voigt’s study. According to the present study data, spa hotel/resort visitors are more likely to visit the spa facility with their partner than clients visiting the other types of wellness providers.

Table 11: Respondents’ estimation of demographic characteristics of clients

	Wellness Provider Category				TOTAL Sample
	Day Spas	Spa Hotels/Resorts	Lifestyle Resorts/Retreats	Spiritual Retreats	
Gender					
Female	79%	72%	72%	75%	74%
Male	21%	28%	28%	25%	26%
Age Group					
25 years or less	12%	8%	7%	12%	9%
26 to 35 years	27%	28%	15%	21%	25%
36 to 45 years	32%	35%	33%	26%	32%
46 to 55 years	21%	22%	32%	25%	24%
56 or more	8%	7%	12%	15%	9%
Travel Party					
On their own	51%	25%	59%	60%	42%
With partner	18%	45%	20%	16%	30%
With family	14%	13%	8%	8%	12%
With friends	16%	17%	13%	15%	16%

Responding providers were asked to estimate the distribution of their clients on the basis of the specified characteristics. The data is the average of the proportions estimated by the respondents

1.4 Wellness Tourists’ Motivation (Push Factors)

After extensively reviewing the wellness tourism literature, Smith and Puczkó (2008:133) conclude that there has been little research undertaken to investigate the motives or benefits sought by wellness tourists. Nevertheless, there are a few studies exploring motivational factors of wellness tourists, predominantly focusing, however, on a single wellness tourist segment rather than on a comparison between the three groups of wellness tourists.

According to the U.S.-based International Spa Association (ISPA) (2004) there are three main motives of spa visitors: (1) ‘Escape’ (i.e., from pressures of everyday life), (2) ‘Indulgence’ (i.e. pleasurable fun, appealing to the senses), and (3) ‘Self-Improvement’ (i.e. on some aspects of their body, their emotional state or their long-term spiritual dispositions). The organisation furthermore states that the majority of spa visitors fall into the first two motive categories with a ‘get-in, get-my-pampering, get-out’ attitude towards spa visitation (ISPA, 2004).

Exploratory factor analysis in a study with spa visitors from Hong Kong reveals five motivational factors: (1) 'Relaxation and Relief', (2) 'Escape', (3) 'Self-Reward and Indulgence', (4) 'Health and Beauty' and (5) 'Friendship and Kinship', with the first factor being most important to the study's respondents and the fifth factor the least important (Mak, Wong, & Chang, 2009).

Little empirical evidence exists that sheds light on the motives of lifestyle resort visitors or spiritual retreat visitors. An exception is the study by Letho and colleagues (2006) where 75 yoga tourists were asked for their motivation to participate in yoga holidays through 18 motivational survey items (**Table 12**).

Table 12: Motives of Yoga Tourists
Source: Letho et al (2006, p. 31)

1.	To relax
2.	To let go of stress from a busy life
3.	To exercise
4.	To remember to be happy and grateful
5.	To strengthen my muscles
6.	To tone my body
7.	To be more flexible in body and mind
8.	To help me not get angry
9.	To help me not feel anxious
10.	To keep me from overeating
11.	To give me clarity in making decisions
12.	To deepen my spirituality
13.	To attend yoga seminars that are not available in my home area
14.	To meet and interact with people with similar interests
15.	To get away from daily routines
16.	To renew myself
17.	To help me gain a sense of balance in life
18.	To improve my physical health

A recent study investigates the motives of Australian wellness tourists with the specific aim of exploring the benefits tourists seek from their wellness tourism holidays, and whether the three groups of wellness tourists differ in the importance they attribute to certain benefit factors (Voigt, 2009). Based on 27 in-depth interviews, the *Benefits of Wellness Tourism Scale* was created, consisting of 46 items. The scale was administered to a sample of 509 wellness tourists. Data from this sample was subjected to exploratory factor analysis which then revealed six major benefit factors (**Figure 6**).

Multivariate analysis of variance (MANOVA) and a subsequent series of univariate analyses of variance (ANOVA) show that there are significant differences between the three wellness tourist groups regarding four of the six benefit factors (**Figure 7**). The factor with the highest overall mean was *Escape & Relaxation* (which includes items such as reflecting getting away from everyday life, problems and worries, and experience of deep relaxation and stress release) and there were no statistically significant differences between the three groups of wellness tourists. Similar motivational factors were also established in the other studies investigating motives of wellness tourists (International Spa Association, 2004; Letho et al., 2006; Mak, Wong, & Chang, 2009) and themes of escape and relaxation are very common in generic tourism motivational studies.

The factor with the second highest overall mean was labelled *Transcendence* and contained items describing the benefits of meditation, contemplation, self-realisation and the experience of peace and calmness. Spiritual retreat visitors placed significantly more

importance on the benefit factor *Transcendence* than wellness tourists from the other two groups (**Figure 7**). Additionally, for spiritual retreat visitors, this benefit factor was rated as most important out of all benefit factors. This is not surprising as most spiritual retreats are geared towards people’s enlightenment and spiritual progress as well as reflective experiences, which are achieved through meditation, yoga or philosophical or religious teachings.

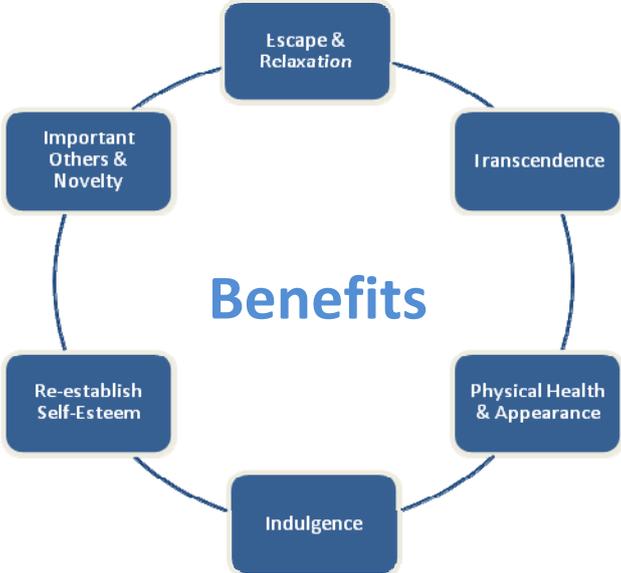


Figure 6: The six benefit factors of wellness tourism

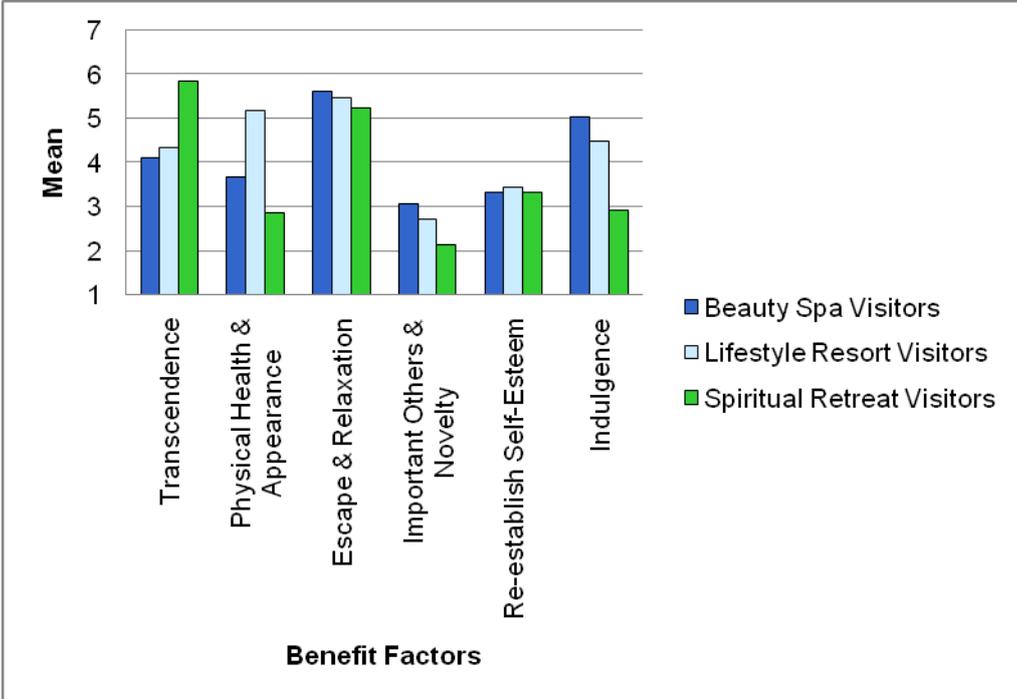


Figure 7: Benefit factor importance ratings split by wellness tourist groups

The benefit factor *Physical Health & Appearance*, which included items indicating the benefits of physical fitness and exercise, general health improvement and improvement of appearance, was significantly more important to lifestyle resort visitors compared to the other two groups of wellness tourists. As most lifestyle resorts offer an extensive range of outdoor and indoor group and individual exercise programs, this finding was also not unexpected.

The two benefit factors *Indulgence* (which included items referring to spoiling and pampering oneself) and *Important Others & Novelty* (which contained items either reflecting social benefits of being with or impressing other people, or experiencing something new) were significantly more important for beauty spa visitors than the other two groups of wellness tourists. The treatments that beauty spa visitors typically receive, as well as the luxurious environment that beauty spa tourists often encounter in a spa, lend themselves to extravagance and indulgence of the wellness tourist. Overall, *Important Others & Novelty* was the least important factor across all wellness tourist groups, which confirms the result of Mak, Wang and Chang's study (2009) with Hong Kong spa visitors.

The final benefit factor *Re-establish Self-Esteem* (including items describing the benefit of gaining confidence and self-esteem and overcoming major negative life events) was another factor with no significant differences between the three groups of wellness tourists. Although this benefit was not regarded overall to be of great importance, it should not be overlooked that it is important for a particular group of wellness tourists who need to boost their self-esteem. Voigt (2009) concludes that while some of these six benefits factors (i.e. *Escape & Relaxation* and *Important Others & Novelty*) appear to have emerged in other, dissimilar tourism contexts, other factors seem to be fairly unique to the wellness tourism context.

We also asked our survey respondents about the benefits *they* thought their clients seek from visiting their facilities. For this, we selected (and in some cases slightly adapted) items from the *Benefits of Wellness Tourism Scale* (Voigt, 2009) that represent each of the previously explained six benefit factors. Although we were not able to carry out a factor analysis for the present study due the limited number of benefit items, the test results of a series of ANOVAs in **Table 13** reveal many similarities in significant group differences between the present and Voigt's (2009) study. Notably, day spa respondents did not differ in their estimation of benefits from spa hotel/resort respondents, with the sole exception of the benefit item 'To increase their self-esteem and confidence' which managers of day spas thought would be a more important benefit sought by their clients than spa hotel/resort managers.

Corresponding to Voigt's (2009) study, the benefit item 'To escape their everyday life' was rated as an important benefit and revealed no significant differences between the groups of wellness providers. As in Voigt's study, the benefit item 'To relax' was also ranked very highly, although day spa, spa hotel/resort and spiritual retreat managers rated this benefit as more important than beauty spa and spiritual tourists. The significant group differences for the benefit item 'To be pampered' are similar to the group differences in Voigt's study, in that day spa managers, spa hotel/resort managers, as well as beauty spa tourists (benefit factor *Indulgence*) rated this benefit higher than lifestyle resort/retreat and spiritual retreat managers or lifestyle resort and spiritual retreat tourists. The significant group differences regarding the items 'To find their inner self', 'To meditate', 'To enhance their spirituality' (similar to items of the *Transcendence* benefit factor) also match the significant differences in Voigt's study. Spiritual retreat managers and spiritual tourists ranked these items significantly higher than managers from the other wellness provider groups or the other groups of wellness tourists. One divergence between the two studies was that the items 'To improve

their physical fitness' and 'To control weight' (incorporated in the *Physical Health and Appearance* benefit factor) was ranked as less important by lifestyle resort/retreat managers than by lifestyle resort tourists in Voigt's study. Another difference was that day spa and spa hotel/resort managers in this study attached more importance to the benefit item 'To improve their appearance' than beauty spa visitors in Voigt's study (also incorporated in the *Physical Health and Appearance* benefit factor).

Nevertheless, all in all, it can be concluded that Australian wellness providers appear to have a good understanding of what motivates their clients to visit their facilities, given their similarities between their responses and the literature.

Table 13: Differences in assumed benefits wellness tourists seek by wellness provider category

Benefit Factors	Day Spa Respondents		Spa Hotel/Resort Respondents		Lifestyle Resort/Retreat Respondents		Spiritual Retreat Respondents		Univariate	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>F</i>	<i>p</i>
To be pampered	6.49 ^{a,c,d}	.96	6.46 ^{b,c,d}	.94	4.67 ^{a,b,c,d}	2.20	2.60 ^{a,b,c,d}	1.67	52.38	.000
To relax	6.81 ^{a,c}	.53	6.85 ^{b,c}	.40	5.64 ^{a,b,c,d}	1.10	6.18 ^d	1.30	10.60	.000
To improve their appearance	5.28 ^{a,c,d}	1.60	4.48 ^{b,c,d}	1.57	3.33 ^{a,b,c,d}	1.83	2.05 ^{a,b,c,d}	1.52	21.18	.000
To improve their physical fitness	2.83	1.72	2.68 ^b	1.63	3.96 ^b	1.54	2.77	2.20	3.47	.018
To control weight	2.74 ^a	1.76	2.19 ^b	1.46	3.96 ^{a,b,c}	1.67	2.32 ^c	1.86	7.30	.000
To change unwanted behaviours	2.71 ^{a,c,d}	1.99	2.34 ^{b,c,d}	1.62	4.80 ^{a,b,c}	2.00	4.82 ^{a,b,d}	1.76	18.00	.000
To detox	3.46	1.54	3.17 ^b	1.71	4.40 ^{b,d}	1.96	2.86 ^d	1.83	3.81	.011
To find their inner self	3.12 ^{a,c,d}	1.95	2.82 ^{b,c,d}	1.63	4.48 ^{a,b,c,d}	1.86	5.95 ^{a,b,c,d}	1.56	19.79	.000
To enhance their spirituality	2.65 ^{a,c,d}	1.94	2.57 ^{b,c,d}	1.56	3.96 ^{a,b,c,d}	1.81	6.05 ^{a,b,c,d}	1.36	26.64	.000
To escape their everyday life	5.76	1.61	6.01	1.25	5.20	1.94	5.41	1.71	2.70	.048*
To meditate	2.45 ^{a,c,d}	1.61	2.45 ^{b,c,d}	1.29	3.88 ^{a,b,c,d}	1.81	6.09 ^{a,b,c,d}	1.07	39.72	.000
To spend time with people important to them	4.26	2.06	4.43	2.16	3.17	1.95	3.50	2.13	2.70	.048*
To increase their self-esteem and confidence	4.61 ^a	1.90	3.38 ^{a,b,c,d}	1.68	4.56 ^c	1.78	4.95 ^d	1.91	6.59	.000
To devote time just for themselves	6.31	.98	6.08	1.31	5.76	1.59	5.64	1.590	1.50	.217
To recover from medical problems	3.71	1.98	3.52	1.60	4.28	1.90	4.05	1.89	1.27	.287

^{a,b,c,d} Bonferroni tests: A pair of means with the same superscript in the same row indicates a significant difference between the two groups at $p < .05$.

(*) While the univariate test was significant, Bonferroni post-hoc tests revealed no significant differences between the groups.

1.5 Pull Motivators of Wellness Tourism

In comparison with the research reporting on pull motivators of medical tourism, there is a paucity of literature describing pull motivators of wellness tourism. Most available research concentrates again on one specific group of wellness tourists only, namely beauty spa visitors.

Some research has been done concerning the importance of **service quality attributes** of spa facilities in Spain and Slovenia (Alén, Fraiz, & Rufín, 2006; Research International, 2009; Snoj & Mumel, 2002). The five most important attributes for visitors to Spanish spas were: (1) Good quality and condition of medicinal waters; (2) Cleanliness and hygiene; (3) Employees with good training; (4) Staff with good appearance; and (5) Friendly treatment (Alén, Fraiz, & Rufín, 2006). The five major quality aspects for spas in Slovenia were: (1) Medicinal and other professional programs; (2) Physical safety of guests and security of valuables; (3) Employees' appearance; (4) Employees' commitment to the comfort of their guests; and (5) Sleeping conditions (Snoj & Mumel, 2002). Once more, these two studies show the distinct medical focus of traditional European spas which stands in contrast to spas in North America, Asia and Oceania. The studies also illustrate the importance of the proficiency, physical attractiveness and friendliness of spa staff.

Another study commissioned by the International Spa Association (ISPA) also finds that expertise/credentials of staff is among the three top leading reasons for the enjoyment of a spa visit across 15 countries—including Australia—in the world (Research International, 2009). The other two top reasons were a stress-free environment and the atmosphere of the spa. Out of all 15 countries, Australia was the only country where location was ranked as one of the most important quality attribute rather than a stress-free environment.

A very small body of literature concentrates on the **importance of the environment surrounding** wellness tourism facilities and, to a lesser extent, their interior environment. Health geographers, in particular, have recognised place as a determinant which could contribute to people's health and well-being and some have referred to spas, yoga centres and retreats as 'therapeutic landscapes' (Frost, 2004; Gesler, 2003; Hoyez, 2007; Lea, 2008). Traditionally, wellness tourism facilities were often built around natural sources of geothermal and mineral springs. Nevertheless, even those wellness tourism locations which do not include mineral and/or hot springs, are typically located in 'aesthetically pleasing [and] environmentally lush' settings (Smith & Kelly, 2006a, p. 15). Participants in our stakeholder interviews frequently pointed out the importance of the location, environment and atmosphere of wellness tourism facilities. One stakeholder described a recent visit to hot springs in Queensland with a colleague:

I went with him last year up to the Kooma which is an Aboriginal language group up in southern Queensland and they've got hot springs, the most beautiful hot springs you've ever seen. The photos I've got there are like heaven's arrived ... It's just the way the sun came through the leaves of the gum trees in the early morning.

The same stakeholder referred to the 'connection' he experiences between the hot springs or pools he runs and the trees and the sky—'We really want relaxation in nature. We aim to get people closer to the environment. We want to give them that sensation'.

1.6 Risks/Barriers and Ethical Issues of Wellness Tourism

Little is known about the risks or barriers for people to participate in wellness tourism. The study commissioned by the International Spa Association (ISPA) (Research International, 2009) compares reasons for not going to a spa given by people who have never been to a spa before and people who are regular spa visitors. The most important barrier for not going to a spa for both groups of people was that 'Spas are very expensive'. Clearly more of those people who have never visited a spa (6%) indicated this barrier compared to regular spa visitors (53%). The second reason for not visiting a spa quoted by Australians who have never been to a spa was 'I don't know what services spas offer' (29%), followed by 'Spas are just not for people like me' and 'Going to spas is too self-indulgent' (both 19%).

In contrast, for regular spa visitors the second most likely barrier for not visiting spas was 'I don't have enough time to go to a spa' (29%) and 'Spas are not in a convenient location for me' (18%). Of note are also the barriers 'A hard sales approach during visit makes me uncomfortable' and 'Uncomfortable with a male spa employee massaging/treating me' (both 13%).

A study involving interviews with 27 Australian wellness tourists (Voigt, 2009) also shows that several wellness tourists felt that choosing a provider for their wellness holiday was not always easy because information about wellness operators is hard to obtain. As will be discussed in more detail in Section C1.4.3, compared to other countries, there are no online or print directories available that specialise in listing Australian wellness tourism providers. Moreover, inexperienced wellness tourists in particular sometimes felt anxious when booking their holidays because they did not really know what to expect. Spiritual retreat interviewees especially were worried that they might get drawn into cult practices with dubious gurus who subtly aim to change their belief system, or promote spiritual ideas for economic self-interest rather than the interest of participants.

A recent incident in the United States illustrates the disastrous results of a spiritual retreat experience at the *Angel Valley Retreat Center* in Sedona (Arizona), led by the popular television self-help guru and author James Arthur Ray (Ayres, 2009, October 24; Katz, 2009, October 12). Sixty participants paid USD\$9695 (AU\$10,481) for a five-day Spiritual Warrior retreat which included breathing exercises, meditation, 36-hour fasting and sleep deprivation, and culminating in a two-hour sweat-lodge ceremony. Rather than accommodating 12 participants in a tent covered with natural materials and unrestricted air-flow, this sweat lodge tent appeared to have been covered with plastic sheets and had insufficient oxygen supply, so that out of the 60 participants three people died and 19 had to be hospitalised.

Other potential risks of wellness tourism experiences include accidents within the provider facility, injuries as a result of a treatment, the use of harmful ingredients in therapies, theft, unprofessional staff without proper qualifications, or sexual harassment. Laws relating to aspects of business management such as negligence and trade practices would apply to this field, as with other service industries, although there is no specific legislation directed at wellness tourism. Criminal charges could be levelled at providers who injure or harm their clients. Many spas require their clients to fill out a form up-front with details of their medical history, including allergies and medications taken, in order to limit liability, although this would not protect them against criminal charges or negligence in most cases. One of the stakeholders interviewed, who runs a spa using water from mineral springs noted:

With our rules for the geothermal water, we've gone by the New Zealand standards because there's no Australian standards ... [Australia] definitely needs to have some standards on geothermal artesian water ... We've sort of gone by local council laws and their laws.

In the face of these risks that need to be managed, the International Spa Association (ISPA) provides a 'Global Best Practice' and a 'Code of Conduct and Ethics' manual to ensure comfort and safety of the providers as well as the spa clients. In Australia, the Australasian Spa Association (ASpa) also presents its members with the 'ASpa Professional Code of Ethics'. The authors are not aware that similar guidelines have been established for the spiritual retreats (see Appendix G for the ISPA and ASPA codes of ethics).

One important aspect of the ISPA Code of Conduct and Ethics refers to **sustainability**. The ASpa Code of Ethics, however, does not refer to the importance of sustainability. According to Lee and King (2006:194) many wellness tourism providers 'are focusing exclusively on maximising short-term profits ... [and] appear to ignore the effects of their actions on local communities and the environment'. To be a genuine *wellness* tourism provider, however, a business should take into account environmental and social responsibilities. If a business aims to 'sell' wellness, it should not only take the individual into account but also the health and well-being of the community and of the planet. One of the stakeholders interviewed, who runs a spa travel agency, only uses properties or retreats that have a sustainable side to them, although she admitted that 'how nitty-gritty consumers are on it all. I don't know'. She observed that: 'Last year I probably noted a lot of properties were doing it. This year I made a conscious effort, on the website, to push sustainable practices'. She did however note that some properties did not promote this side of their business and that she was not sure of the reasons for this:

I'll put forward some promotion ideas and things to properties that are doing green practices and they haven't taken it onboard. So whether green is still seen as being really dowdy and natural looking?

At least in regard to the spa industry, two organisations have supported spas to become environmentally, and to some extent socially, responsible. One organisation is the U.S.-based *Green Spa Network* (GSN) which provides its members with a 'Green Spa Toolkit' which can be used as a series of benchmarks, which individual spa operators can use to assess and monitor their environmentally sustainable business practices. However, the 'Sustainability Assessment Tool' in the Green Spa Network toolkit is not intended to serve as an official certification platform, so there is no official assessment as to whether a company actually adheres to the environmentally friendly business processes. In Australia, only one business, the *Aurora Spa Retreat* in Melbourne, belongs to the *Green Spa Network*. The other organisation is *EC3 Global*, the commercialisation division of Sustainable Tourism Cooperative Research Centre (STCRC), which established *Green Globe*, the only international benchmarking and certification program based on Agenda 21 principles for sustainable development. Together with the international spa and lifestyle resort organisation *Six Senses*, it has developed a benchmarking sector for spa operators (see **MINI-case 4**).

MINI-CASE 4: Six Senses and Green Globe: An Example for a Business Implementing Sustainable Business Practices

In December 2006, the international spa and lifestyle resort company *Six Senses* combined resources with *Green Globe* to develop benchmarking indicators for spa operators and to adhere to the Green Globe 21 benchmarking indicators. Six Senses was established in 1995 and as of 2009, Six Senses has 26 resorts that are either open or under development, and 41 Six Senses Spas that are in the group's own properties or hosted by third-party managed properties (Six Senses, 2009).

A key objective for Six Senses is to be the industry leader in environmental and social responsibility while not sacrificing the quality of the SLOW LIFE (**S**ustainable – **L**ocal – **O**rganic – **W**holesome **L**earning – **I**nspiring – **F**un –) experiences of customers. A good example for environmentally and socially sustainable business practices is the *Evason Phuket and Six Senses Spa* in Thailand, benchmarked and certified by Green Globe. The resort continuously monitors and adjusts to the benchmarks outlined by the certification programme and continues to submit performance data to Green Globe. In the Evason Phuket, an extensive range of environmental strategies have been implemented, for instance, a solar thermal hot water plant, self-sufficient water supply through the collection of rain water in their own water reservoir, usage of grey water; and the creation of their own garden with native plants which supplements the kitchen supply of the resort. They also provide 0.5 percent of their revenue to support local charity organisations and local environmental projects, as well as donating a range of prizes to charities or hosting events. Evason Phuket employs 591 full-time staff, who are referred to as 'hosts' to emphasise their value to the business, and who obtained 2,450 hours of environmental training as well as being actively involved in community work outside the resort (Evason Phuket & Six Senses Spa, 2008). They also encourage their guests to be environmentally aware by equipping each room with the 'Little Green Book' that extensively explains the sustainable business practices of the resort and encourages guests to contribute to these measures. Evason Phuket also set up an 'Eco Trail' and 'Eco Centre' so that guests can learn more about environmental practices as well as the local flora and fauna (ibid.).

The ISPA Code of Conduct and Ethics, the Green Spa Network and Green Globe focus on the following sustainability indicators and practices:

- *Ecosystem conservation and management:* As wellness tourism facilities are often built in aesthetically pleasing and environments with fragile ecosystems, care needs to be taken that the design of new properties minimise negative impacts, such as the escape of harmful substances into the environment. Moreover, the development and design of new facilities can incorporate environmentally-friendly guidelines in regard to energy consumption (e.g. double-glass windows, insulated walls) as well as eco-friendly construction and building materials and furniture (e.g. by using recycled wood and organic paints).
- *Energy efficiency and conservation:* Wellness tourism facilities can reduce greenhouse gas emissions by reducing energy consumption (e.g. by turning off all electronics at night, use of energy efficient light bulbs, by implementing sensors or 'presence detectors' that only switch on the lights when somebody is present in that room, natural ventilation instead of air-conditioning, or using alternative energy sources, such as solar power or wind).

- *Water efficiency and conservation:* The spa and lifestyle resort industry is one that relies heavily on water, because it is often incorporated in treatments, facilities (i.e. swimming pools, steam rooms, showers), or as design feature (i.e. fountains, ponds etc.) and there is a need to continuously wash towels, sheets and bathrobes. This is particularly critical in Australia where water resources are already limited and precious. Wellness tourism facilities can help to conserve water by strategies such as collecting rain water, installing water-saving showerheads and dual flush toilets and using grey water for gardening.
- *Avoidance and reduction of chemical/hazardous substances:* Wellness tourism facilities often use substances that are harmful to the environment or even to the customer, in the form of cleaning and laundry products, cosmetic products and pool-cleaning systems. The use of chemical and hazardous substances can be avoided by using certified natural and organic skin care products, avoiding the use of chlorine pool-cleaning systems, using organic and biodegradable laundry and cleaning products and by using rechargeable batteries instead of toxic alkaline batteries.
- *Waste-reduction and waste recycling:* Wellness tourism facilities can reduce waste by implementing strategies such as using recyclable materials (e.g. using eco-labelled printing and toilet paper, decomposable rubbish bags, glass bottles instead of plastic bottles), properly recycling their rubbish, making bulk purchases to reduce packaging materials and using electronic communication rather than print.
- *Sharing environmental concerns with staff and guests:* Wellness tourism providers need to communicate their policies to their staff, so that everyone embraces environmental-friendly policies and provides ongoing training programs in environmental matters. Guests might also need to be supplied with informative material about sustainable living and/or the sustainable practices of the business, and the purchase of organic retail products within the facility can be promoted.
- *Community contributions and social responsibility:* Wellness tourism facilities are often built in rural areas and sometimes in destinations with strong traditions in regard to healing practices relevant to the wellness tourism industry. Wellness tourism operators can contribute to the community by employing as many local staff as possible, preferring local suppliers and locally sourced products rather than imported products and preserving traditional skills and knowledge of locals and integrating them into the business. Wellness tourism operators can also support the community by donating some of its revenues to local charities, or by donating prizes or hosting events (e.g. hotel/resort/treatment vouchers for raffles) for charities.

From an ethical point of view, there is the danger that wellness tourism providers do not really implement environmentally conscientious business practices, but get involved in **'greenwashing'** (i.e. by outwardly claiming to be environmentally responsible but in reality pursuing the underlying purpose of increased profits) (see for example Henderson, 2007; Ongkrutraksa, 2007; Utting, 2005). Wellness tourism operators might also be vulnerable to the greenwashing activity of product suppliers, especially cosmetic-producing companies. The environmental marketing firm *TerraChoice* (2009a) found that cosmetics, cleaning products and children products (i.e. toys and baby products) are three categories in which greenwashing are most common. Moreover, *TerraChoice* recently revealed that 98 percent or more than 800 products surveyed in Australia committed at least one of the 'seven sins of greenwashing' (consisting of: 1. sin of no proof for claims, 2. sin of worshipping false labels where companies mimic third-party environmental certifications on products, 3. sin of the hidden trade-off where one environmental issue is emphasised at the expense of potentially more serious concerns, 4. sin of vagueness where a marketing claim is so lacking in

specifics as to be meaningless, 5. sin of irrelevance where unimportant environmental claims are made that may be truthful but irrelevant, 6. sin of the lesser of two evils where a product that is itself lacking in environmental benefits, for instance cigarettes, that make consumers feel 'green' about the product, and 7. sin of fibbing where environmental claims are made that are simply false) (TerraChoice, 2009b).

Consequently, wellness tourism operators need to protect themselves from greenwashing tactics employed by potential suppliers. They need to learn how to properly read labels and understand ingredients in cosmetic or other products. Even though the spa industry in particular is under pressure to offer innovative treatments for customers who always want to try out new therapies, wellness tourism operators should also avoid offering 'gimmicks', as one of our interviewees described treatments without any obvious therapeutic value. Examples of those 'gimmicks' are massages offered by the spa at the *Mia Punta Four Season Hotel* in Mexico which include cactus paddies and tequila as a massage rub, and the *Yunesson Spa Resort* in Japan in which customers can choose to bathe in hot sake, red wine, coffee or green tea. More concerning are beauty treatments used in spas that are actually harmful for people's health. An example is the pampering session of a gold-leaf facial for which one can pay up to \$400 but which can cause allergies or skin disease.

Generally, as one stakeholder commented, the reconciliation between two different philosophies, the business philosophy and the sustainable, holistic healing philosophy, is one of the greatest challenges of the wellness industry. While it is likely that there is 'little business acceptance of idealism or solutions that increase costs or reduce business competitiveness' (Smith, 2008 p. 301), large operators as well as small stand-alone businesses have several options to establish more sustainable practices in the day-to-day business and need to strive towards sustainability.

Providentially, a great majority of respondents to our survey indicated that they have implemented eco-friendly and socially sustainable practices in their businesses (**Figure 8** and **Figure 9**).

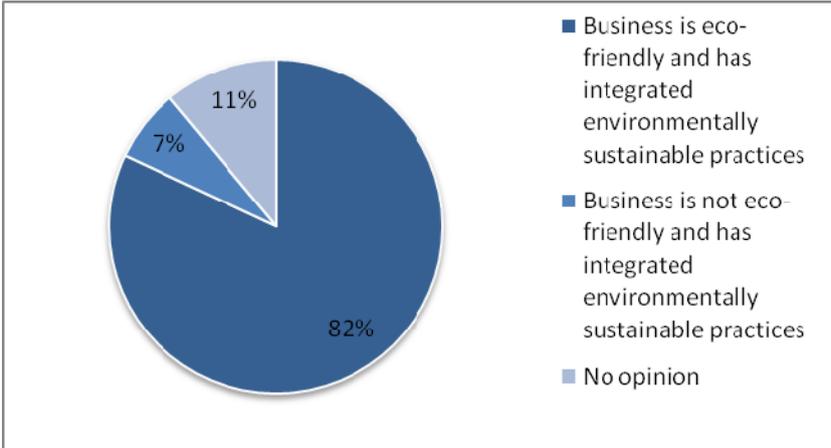


Figure 8: Respondents' opinion about implementing environmentally sustainable practices in their business

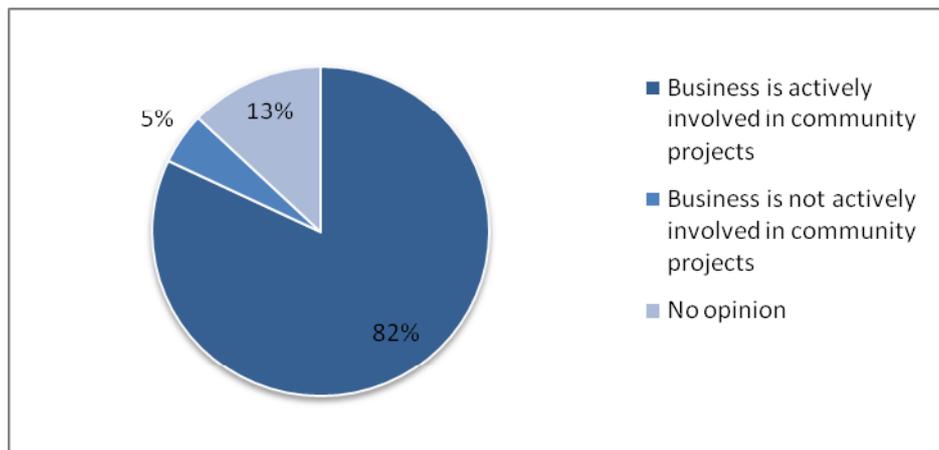


Figure 9: Respondents' opinion about their business' active involvement in community projects

Another ethical issue relates to **the use of traditional and Indigenous healing knowledge**, techniques or products in wellness tourism facilities. Sheldon and Park (2009) argued that any destination should include references to its indigenous spiritual and/or healing practices and that this should be a strong competitive advantage. While this might be true, there also might be the danger of exploiting Indigenous knowledge. Exploitation of traditional medical knowledge for drug development without the consent of customary knowledge holders is not acceptable under international law (Bodeker & Kronenberg, 2002); and in regard to wellness tourism, the lines become a lot more blurry. Sometimes there is the challenge of determining who represents a community in the first place (ibid.). Ethically, it is also vital to share benefits arising from the utilisation of Indigenous knowledge with the Indigenous community.

A few Australian wellness tourism providers and suppliers have begun to recognise the potential competitive advantage of drawing on Indigenous health philosophy and treatments. For instance, *Li'Tya* (meaning 'of the earth') distributes spa skin care products that have been created based on Indigenous knowledge of the therapeutic value of Australian plants. Another example is the *Daintree Eco Lodge & Spa* where a natural-based product range as well as spa treatments have been developed that were inspired by Aboriginal healing methods and have been approved by local Kuku Yalanji tribe Elders. However, while Australian wellness tourism suppliers and providers build on the advantage of using Indigenous healing traditions in order to make their services and products more attractive to tourists, those businesses are generally not owned by Indigenous Australians. One exception is the Indigenous *Yothu Yindi Foundation* that established the *Dilthan Yolngunha Healing Place* in Arnhem Land. The Dilthan Yolngunha Healing Place is a location where Yolngu tribe women treat Indigenous people through traditional holistic healing practices and 'bush pharmacy'. However, a three-day 'Healing Tourism' program has been introduced to non-Indigenous people who can learn about Aboriginal healing methods and can enjoy treatments from Indigenous herbalists or masseurs.

Nevertheless, although the majority of survey respondents did not have an opinion on that matter, 26 percent of the respondents agreed with the statement 'Some wellness operators exploit Aboriginal culture' (**Figure 10**). This indicates that there are at least some unresolved issues in this area and that wellness tourism operators need to be sensitive when incorporating Indigenous elements in their offerings.

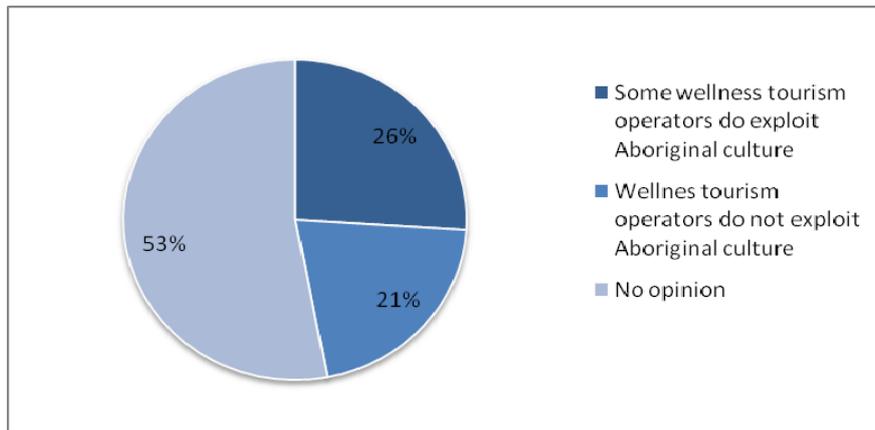


Figure 10: Respondents' opinion about exploitation of Aboriginal culture

One stakeholder interviewed referred to the use of Indigenous elements in their spa tourism business:

A lot of the people that come here find it unique because we've got a lot of the Indigenous culture up here as well. This is a meeting spot of tribes ... and there's a lot of story behind it. We've had opening ceremonies here; we've got smoking ceremonies and our pedicures and things like that; so we are bringing the Indigenous part into it. The bathhouse is all painted [with Indigenous paintings] and the traditional tribes came up and actually did that for us before we opened. So I suppose we've got a bit of the Aboriginal culture.

1.7 Demand-Side Trends of Wellness Tourism

Every year, the U.S.-based company *SpaFinder* analyses the Top Ten Trends for the spa industry. It should be noted that what it is called a 'lifestyle resort' in this report, is often called a 'destination spa' in the North American context. Thus, the term 'spa industry' can be interpreted relatively broadly; however, spiritual retreats are usually not considered within these kinds of descriptions. The *SpaFinder* top ten trends of the year 2008 and 2009 are listed in **Table 14**.

Table 14: SpaFinder's Top Ten 2009 Spa Trends
Source: Ellis (2008b, 2008c)

TOP TEN 2008 SPA TRENDS

1. The 'Feng Shui'd' Gym

Fitness studios in some spas have become places to not only tone the body, but also to elevate the mind and spirit. Their design has become more innovative and does not consist of fluorescent lighting and mirrored walls anymore.

2. A Star (Therapist) is Born

Spa visitors increasingly single out and are able to detect those therapists that have great knowledge, skills and care for the customers. Gifted therapists such as these will become an even more critical asset for a wellness tourism provider.

3. Wellness, Wellness, Wellness

'True' health promotion plays an ever increasing role. Spa facilities increasingly add fitness, nutrition, education and alternative healing therapies to their menus.

4. Luxury Detox and Luxury Bootcamps

Rather than hard-line supervision and deprivation, some spas now take a 'softer' approach to detox, weight loss, as well as rehabilitation programs and provide luxury environments rather than Spartan accommodations and focus on celebration rather than punishment.

5. Spa Real Estate Mania

More and more residential communities are being built with a spa/healthy living component while spa hotels or spa resorts add condo units to their properties for people who want to live there permanently.

6. Taking Sleep Seriously—Especially if You Want to Lose Weight

More spas have recognised the importance of sleep for health and provide workshop to manage sleep patterns of their guests. Comfortable bedding in spas also becomes essential and some spas have started to offer clients the opportunity to sleep in the treatment room for as long as they like.

7. Fertility Tranquillity

Spas increasingly target either pregnant women or fertility-inducing therapies and service offerings.

8. Hydro and Thermal Super-Experiences

Some spas have extended the European tradition of offering a vast range of water-based therapies and experiences from all over the world (e.g. Finnish sauna, Oriental Hammam, Roman Tepidarium, etc.).

9. Urban Spa Explorer

Younger spa visitors perceive spas as an important, regular part of their personal maintenance, so they want places that they can visit regularly. Urban spas offering relatively low prices and authentic treatments (similar to ethnic restaurants) are on the rise.

10. Plug-in or Unplug: It's Up to You

According to Ellis (2008b), four out of five spas reported that the banning of outside connection (e.g. telephones, mobile phones, Internet etc.) is the latest consumer trend. In contrast, one out of five spas reported that customers wanted more connectivity. This aspect then becomes another facet of a customised spa experience.

TOP TEN 2009 SPA TRENDS

1. Energy Medicine

'Energy Medicine' such as Reiki, Qi Gong, chakra balancing, acupuncture as well as magnetic, light and sound therapy, are the latest 'in' treatments in spas around the world, although there is still a robust debate as to whether these are of actual therapeutic value.

2. Casinos and Spas: A Good Bet

Spas in casinos represent one of the most profitable spas in the world, also because casino guests belong to a free-spending clientele. Ellis points out that this trend is exploding particularly in Asia, for instance in Singapore and Macau.

3. The Medical and Spa Tourism Shuffle

Ellis predicts that the lines between spas, medical spas and hospitals will become increasingly blurred.

4. Eco-Embedded Spas: A Deeper Shade of Green

Consumers increasingly demand a meaningful, aggressive environmental stance from the spa industry. Therefore, some spas have started to become involved in 'real' sustainable business practices rather than in superficial greenwashing (see Section B1.6).

5. Trains, Boats and Planes: In Transit Spa-Going

More and more businesses are targeting over-stressed travellers, for instance air carriers provide in-flight massages and spa showers, almost every major airport now includes at least one spa and cruise ship companies have also expanded their spa services and facilities.

6. Brain Health and 'Mind' Gyms

Some spas have begun to add exercises and therapies to improve brain function and prevent the onset of age-related disorders and memory loss. These therapies are designed in particular to attract baby boomers.

7. Learning Labs for Stress Reduction

Spas increasingly incorporate the term 'stress' in their offerings while more medical evidence will be published showing that stress is destructive to people's health and well-being. Ellis (2008c) also notes that spas become 'non-denominational chapels' (p.55) for spiritual respite in anxious times and more spas will focus on spirituality, community and connection.

8. Mindful Spending

In light of the global financial crisis, spa visitors are becoming more price-focused and will go 'price shopping'. Spas need to work harder to demonstrate that their customers get value for their money as well as tangible results.

9. Move Over Baby Boomers: Gen X and Gen Y are Spa-ing Their Way

There has been a shift from baby boomers to generations X and Y as the core spa clientele. These new clientele see spas as a necessity rather than an occasional indulgence and seek wellness rather than pampering. They also often visit spas in groups.

10. Brands, Brands, Brands

Establishing a strong, unique spa brand and identity becomes increasingly important and provides a powerful competitive advantage.

Stakeholder interviewees confirmed some of these trends; particularly that wellness tourists and clients have become younger, more knowledgeable and price-conscious and the link between spa treatments and fitness. One interviewee referred to the combination of fitness and spa therapy in their product offering and how this was unique at present in Australia:

I went to the FILEX [Fitness Industry] convention in Sydney in April and there was one topic I went to see and it was talking about when the fitness and the spa industries meet. There were five people at that seminar because it hasn't taken off yet. I went because they're talking about people just starting out doing it and two people had done it. But, you know, exclusive spa membership with the fitness membership, where it was a just a studio, not like what we've got here. So to that extent, we are really unique and we know that we're one-of-a-kind because there was hardly anyone there [in Sydney] or even thinking about doing it. There are a lot of gyms that offer massage and waxing in a room off the side, but it's not a day spa and it's not at that level, you know ...

Many interviewees also explained that they use special days and events (e.g. Valentine's Day, Mother's Day) to create particular promotion strategies or packages, or that they target groups with special needs. In particular, couples, hen's night and bridal party parties as well as pregnant women were mentioned as specific target groups. This is consistent with a recent article suggesting that the tourism industry increasingly targets pregnant women or those who want to conceive (Voigt & Laing, in press). One of the interviewees also referred to a development at their spa facility that was aimed at the new mother:

We've got some pools which are shaped like eggs which are half eggs and they're designed for infants, absolutely one week old, after birth and they can feel like they're back in the womb. Three of those in a row so the mothers' groups can come here and put their little babies in and take a photo of them all lying together as though they were still back in the womb, and the mothers are still in that space. Their stomachs are still up and they're still very much in that head space and it just gives them the gentleness of coming into the world.

However, of the survey respondents, only 25 percent indicated that they would target groups with special needs (**Figure 11**).

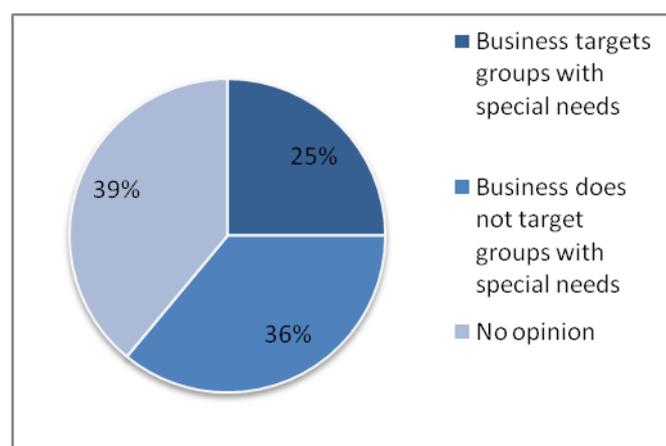


Figure 11: Respondents' opinion about their business' targeting customers with special needs

2. Market Analysis of Medical Tourism

2.1 Size of Global Medical Tourism Market

As explained in the introduction, there are few reliable statistics of the size of the global medical tourism market available. Moreover, there is a wide inconsistency between those figures that do exist. The first report from McKinsey estimated global medical tourist numbers to be between 60,000 to 85,000 (Ehrbeck, Guevara, & Mango, 2008). In contrast another report, from the consultancy company Deloitte, places the number of medical tourists at 750,000 from the United States alone (Deloitte, 2008).

Accurate estimates of number of medical tourists in medical tourism destination are extremely difficult to establish because hospitals or government agencies often only release the total number of foreigners (including incidental tourists and expatriates who are not medical tourists according to our definition) who seek treatment in their countries. It has also been noted by the UK International Passenger Survey (Tourism Research and Marketing, 2006, p. 17) that much of these statistics are 'compiled by individual service providers or industry associations and vary widely in their reliability'. The Australian Tourism Export Council (ATEC) has called for an 'agreed statistical database on the global health economy' (Australian Tourism Export Council, 2008, p. 10).

2.2 Size of Australian Medical Tourism Market

It has been argued that future growth in this market will be dependent on assistance from government, both in terms of research and export development grants. A discussion of barriers to development of a medical tourism industry is to be found in the Case Study in Appendix F: Medical Tourism in Australia.

2.3 Profiles of Medical Tourists

Quantified information on profiles of medical tourists is largely missing in the literature. However, several scholars agree that early forms of medical tourism involved wealthy patients from less-developed countries seeking more advanced health care in industrialised countries. While this form of medical tourism still exists in some cases, it is more likely that the patient flow is now reversed (Connell, 2006a; Horowitz & Rosensweig, 2007; Terry, 2007). People from developed countries are travelling to developing countries to receive medical care. The result is that more medical tourists exist than ever before (Connell, 2006a).

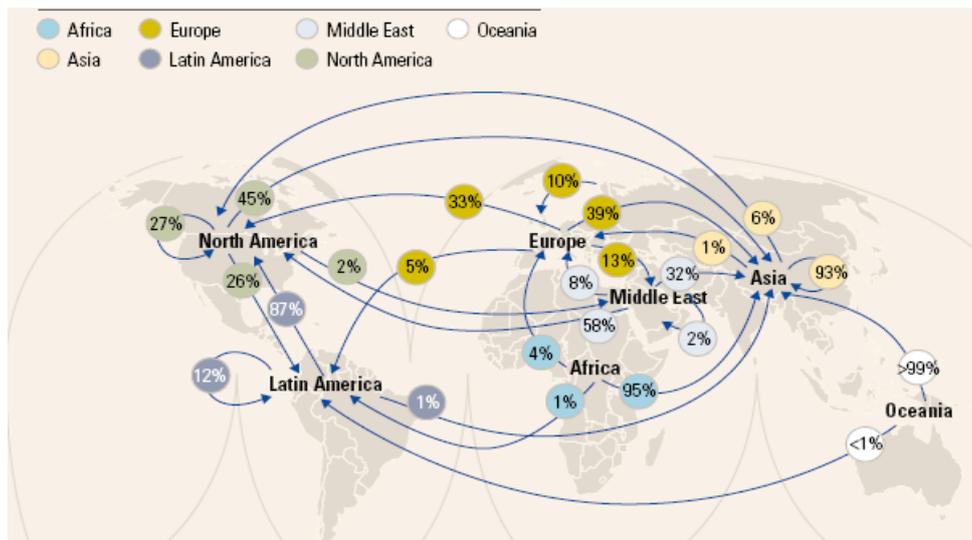


Figure 12: Medical travellers by point of origin
Source: Deloitte (2007)

In contrast, the McKinsey medical travel report shows that medical tourists are evenly split between people in high- and low-GDP or developed and less developed countries (see **Figure 4**). Patients from Africa, Asia, Europe, the Middle East, and North America travel seek health care in at least two countries, but all regions with the exception of Africa and Oceania also receive medical tourists. However, the Case Study in Appendix F: Medical Tourism in Australia shows that Australia does receive medical tourists, albeit in low numbers.

- middle- or upper-class individuals travelling from developed countries to developing countries in order to receive essential or elective medical treatments;
- wealthy patients travelling from developing countries to developed countries, mainly for essential medical treatments;
- patients who have no health insurance and need essential medical treatment;
- patients who travel from one developing country into another (e.g. as McKinsey's Figure 4 shows 93% of Asian patients travel within Asia);
- 'diaspora' patients—first or second generation immigrants from developing countries now living in developed countries but who return to their home country to receive essential or elective medical treatments (Bookman & Bookman, 2007; Deloitte, 2008).

Clearly, the procedure of medical tourism is linked with the income of medical tourists. Medical tourists with a high income are more likely to travel for elective treatments such as reproductive procedures or cosmetic surgery (Bookman & Bookman, 2007, p. 53).

2.4 Medical Tourists' Motivation (Push Factors)

While the literature discusses the factors that pull medical tourists to medical tourism destinations (see following section), a discussion of underlying psychological motivations of medical tourists is basically non-existent.

For those medical tourists travelling for essential medical treatments, it can be hypothesised that the main motivation would be to regain one's physical health or even to save one's life.

However, the motivations for medical tourists choosing elective medical treatments might be less straight-forward. Body image dissatisfaction, often perpetuated by beauty ideals portrayed by the media, as well as low or very high self-esteem are suggested as potential motivators of surgical changes in appearance (Sarwer et al., 1998). However, an investigation of the motivations of medical tourists is clearly an area of priority for research.

2.5 Pull Motivators of Medical Tourism

Pull motivators of medical tourists are well-established in the medical tourism literature. There are seven major factors responsible for pulling medical tourists particularly to countries other than their own:

1. cost savings
2. quality standards
 - a. exceptional services , equipment and facilities
 - b. exceptional personnel
3. services, drugs and surgery methods unavailable in country or state of origin
4. anonymity and privacy
5. cultural affinity
6. geographical proximity
7. added benefit of holiday

Each of those seven pull factors are explained in the following.

1) Cost Savings

The number-one cited factor for why people travel to other countries to obtain health care is cost. Due to high cost of medical care in many Western source countries, the amount of money people are able to save when obtaining medical care specifically in developing countries can be quite impressive. The potential savings obviously vary depending on the nature of the medical treatment, the extent of insurance coverage, exchange rates as well as the travel destination (McCallum & Jacoby, 2009). However, in many cases, medical tourists can save money even when travel and insurance costs are added to the price of a treatment. For Americans, for instance, developing countries advertise savings from 50 to 90 or even 95 percent (Forgione & Smith, 2007; McCallum & Jacoby, 2009). Australia does not have a comparable selling point on price like India, but Australian medical service is still considerably cheaper than in the United States and several treatments are also less costly than in some of the better-known medical tourism destinations such as South Korea (**Table 15**).

**Table 15: Medical tourism cost comparison
(adapted from Davis, 2008)**

	Heart bypass	Hip replacement	Knee replacement	Hysterectomy
USA (USD\$)	\$130,000	\$43,000	\$40,000	\$20,000
South Korea (USD\$)	\$34,150	\$11,400	\$24,100	\$12,700
Costa Rica (USD\$)	\$24,000	\$12,000	\$11,000	\$4000
Singapore (USD\$)	\$16,500	\$9200	\$11,100	\$6000
Thailand (USD\$)	\$11,000	\$12,000	\$10,000	\$4500
India (USD\$)	\$9300	\$7100	\$8500	\$6,000
Australia (AU\$)	\$33,340	\$23,800	\$20,089	\$7113
(USD\$)	\$23,070	\$16,470	\$13,902	\$4,922

2) Quality

Not only are medical treatments cheaper in major medical tourism destinations, but they are also often of comparable or even higher quality. This can be seen through many measures of medical care quality such as high success rates of surgery, patient's satisfaction reports, qualification and skills of doctors, superior technology, comfortable facilities, accreditation from U.S. organisations, level of personal care, higher health professionals-patient ratio and cleanliness (Bookman & Bookman, 2007; Burkett, 2007; Douglas, 2007; Fried & Harris, 2007; Henderson, 2003). McCallum and Jacoby point to the fact that many major medical tourism destinations have been late adopters in regard to medical services and have therefore incorporated the latest technologies and equipments which are often not available in Western countries. Western countries are also not able to match the level of customer care which can be found in developing countries because their labour costs are much higher. For instance, in India, each patient has an individual nurse 24/7 which means that medical care can be much more personalised (Douglas, 2007). Moreover, many doctors and other health professionals have been trained at top foreign hospitals in the United States, Canada, or Europe, so that their quality of training should not be doubted (Burkett, 2007; Fried & Harris, 2007). Finally, medical service takes place faster in many of the medical tourism destinations than in some Western countries such as Canada or Great Britain. Therefore, some Canadian or British patients, who would be confronted with long waiting times in their home countries, prefer to travel somewhere where they can receive prompt medical intervention.

It should be noted however that differences may exist in terms of the doctor-patient relationship and the commoditisation of health care across the globe. As one interviewee observed, comparing the Australian system with Singapore:

Medicine isn't a commodity in Australia. There is still a doctor-patient relationship that underpins and lies at the heart of all of our transactions, whereas you go to a lot of places internationally—my friends were laughing about Singapore. They said you walk into Mount Elizabeth Hospital emergency department and the fees are the first thing that they'll tell you before you move into them.

3) Services, drugs and surgery methods unavailable in country or state of origin

According to Pennings (2002, p. 338) there are four reasons why people might travel to another country or state in order to obtain treatment or drugs that are not available in their home country:

- A treatment is not available in source country or there is a lack of expertise compared to other countries.
- A treatment is forbidden by law for moral reasons in source country (e.g. abortion).
- A treatment or drug is not available because it has not yet received approval by official organisations such as the Therapeutic Goods Administration (TGA) in Australia.
- Certain patients are not eligible for treatments in source country (e.g. the patient might be too old, as in the case of reproductive treatments, or the patient might be too young, as in case of stomach stapling with patients under 18).

A whole country or certain hospitals within a country can become famous for special treatments that they offer. For instance, Thailand made a name for itself in the 1970s for gender reassignment surgery. India became famous with hip resurfacing surgery which provides higher range of motion and shorter recovery time and which was not available for a long time in other Western countries. Hungary is known for dentistry (Australian Tourism Export Council, 2008). Singapore recently made headlines by successfully performing the highly complicated 'tooth-in-eye' surgery which restored vision in formerly blind patients. Those medical success stories and highly specialised expertise underline the quality of medical care that many medical tourism destinations offer.

4) Anonymity and privacy

Travelling to another country for medical services enables anonymity, privacy and confidentiality. This is important for some patients seeking drug rehabilitation, sex change, abortion or plastic surgery (Connell, 2006a; Horowitz & Rosensweig, 2007). Importantly, medical records produced in medical tourism destinations cannot be viewed by those organisations that could normally access those documents within the source country. As one stakeholder interviewee noted:

IVF is still a fairly sensitive procedure, especially if you've got a high profile ... Patients say 'We don't want the public knowing or our parents knowing', so that can be easy to say, 'I'm going to X for a couple of weeks holiday'. No-one's any the wiser and ... privacy and discretion is upheld.

5) Cultural affinity

Important markets for medical tourism destination are first-and second-generation patients who now live in Western countries but still have ties to their homeland. Those diaspora patients often take care of routine medical care while visiting friends and family in their country of birth (Bookman & Bookman, 2007, p. 56). They also might feel more comfortable and familiar with their home medical system and some cultural aspects unique to their host country. Language is also an important cultural aspect, which is why some English-speaking patients travel to medical tourism destinations such as India or the Philippines where English is spoken. Religion can be an important determining factor as well. Countries such as Malaysia and Jordan, for instance, deliberately offer their services to Muslim patients and pay attention to religious dietary restrictions as well as praying modalities. Several of the stakeholder interviewees referred in particular to the cultural affinity between the United

States and Australia and the implications this has for development of medical tourism. One commented:

At X conference, we met some American service providers who specialise in bringing patients from A to B for medical tourism and they say, if you give Americans a choice they'll prefer a Western country, such as a first world country like Australia where the culture is similar, [and the] language.

6) Geographical proximity

Geographical proximity can be important in the medical service trade (Bookman & Bookman, 2007, p. 58) and specifically patients with more serious medical conditions prefer not to travel long distances. This is also one of the reasons why countries such as Costa Rica and Mexico have been particularly successful in attracting North American medical tourists in such large numbers. Jordan, and lately Dubai, are the major medical centres for Arab medical tourists. Nevertheless, low air fares and frequent flyer points have made it easier to overcome long distances and many medical tourists may put up with this inconvenience due to other factors such as price or quality (see Case Study 5 in Appendix F).

7) Added benefit of a holiday

Burkett (2007) argued that medical tourism relies on the same allure of adventure, exotic locations and interesting new cultures as traditional recreational tourism. As explained before, traditional tourism activities can play either a very minor role or a major part in medical travel. The hospitals or medical centres themselves are often built like 5-star hotels in some medical tourism destinations. Patients may also recover in traditional resorts after they have received medical interventions. Bookman and Bookman (2007, p. 55) suggest that medical tourists might also have a general inclination towards travel and are 'more globally oriented'.

2.6 Risks/Barriers of Medical Tourism

There are a number of actual or perceived risks that can hinder people to become medical tourists at all or to travel to particular medical tourism destinations. These are:

1. real or perceived quality issues
2. real or perceived unstable social, political, environmental and economical environment of medical tourism destination
3. safety and liability/legal issues
4. aftercare
5. communication problems
6. health issues and costs of travelling

1) Real or perceived quality issues

One of the biggest issues specifically for medical tourism destinations in developing countries is to convince (potential) patients that their medical care is comparable with that available at home. As Connell (2006a) observes, there is often a perception among Western medical tourists that health care in developing countries is inadequate or unsafe (according to the motto 'you get what you pay for').

Even when the quality of a foreign health care facility is high and it is doing everything it can to prove it (e.g. through accreditation, staff qualification and patient testimonials), there is

currently no comprehensive data that can adequately compare quality measures between countries.

In addition, there are also some real quality issues with respect to a country that can have an influence on its medical care. For instance, many developing countries have widespread infectious and parasitic diseases that do not exist or do not exist to the same extent in source countries: 'While the hospital might be world-class in sterile-techniques ... a nurse, a housekeeping worker, or a food service worker may be coming to work ... from a home where conditions are poor and someone has been exposed to hepatitis or tuberculosis' (Forgione & Smith, 2007, p. 31). Also, when adding in a holiday after a medical treatment, the patient might be in an environment that is more polluted and has higher infection risks than they would be in his or her home country (ibid.). Even if the patient does not get affected, poor infrastructure or environmental pollution encountered in a developing country might result in a poor image of this country, which then might also raise doubt about the quality of health care facilities. One stakeholder interviewee compared the environment in Australia favourably with some destinations in Asia and discussed the implications for medical tourism:

We take a lot of things for granted [in Australia]; just the fact that we can walk out here, there's blue skies above you, the tap water's safe to drink, the roads are safe and clean. Some of the other destinations such as India, Thailand, you walk out and there's smog in the sky and you walk out and the street's not very pleasant, you've got to watch what you eat, watch what you drink and that in itself contributes a stress, unless you're staying within your hotel continually.

2) Real or perceived unstable social, political, environmental and economical environment of medical tourism destination

It is important that medical tourism destinations are perceived as a comfortable and safe social, political, environmental and economical environment (Henderson, 2003). As with general tourism, human-caused problems (e.g. terrorism, corruption, crime rates) or natural disasters can impact the flow of medical tourists. For instance, the revenue and international patient flow to Thailand's leading medical tourism destination, the *Bumrungrad International Hospital* (see **Mini-Case 8**), was lower than expected in the fourth quarter of 2008 due to anti-government protests and the closure of the international airport (KGI, 2009). Another example is that due to the events of September 11, the number of Middle Eastern patients admitted to U.S. health facilities drastically diminished from 44 percent in 2001 to 8 percent in 2003 because they had difficulty in obtaining visas (Ehrbeck, Guevara, & Mango, 2008).

While stakeholders referred to the safety of Australia as a destination as a competitive advantage in developing medical tourism, one interviewee cautioned against relying too heavily on this aspect and becoming complacent:

If I look at disincentives, one of the surprises to me was that years ago, South Africa was a destination for a lot of people to go to for medical tourism, before they just got swamped by other more resourced and government supportive countries. But if you look at all the disincentives of going to South Africa, crime, poverty, HIV rates, huge numbers of people going out ... So I don't necessarily believe that any country has got an impediment in overcoming their disincentives. You've just got to find the right message.

3) Safety and liability/legal issues

One of the problems with medical tourism is that there is presently no legal regulation of international medical tourism (Mirrer-Singer, 2007). This is particularly problematic because

many medical tourism destinations have weak or non-existent malpractice laws, so that patients have little recourse to courts in the home country in the event of an adverse outcome of a medical treatment (Bies & Zacharia, 2007; McCallum & Jacoby, 2009). In addition, there are currently limited insurance options available for covering medical tourists' treatments (Henderson, 2003; McCallum & Jacoby, 2009).

As mentioned in the medical tourism Case Study (see Appendix F), several stakeholders interviewed referred to the high level of legal protection in Australia as an advantage for attracting medical tourists, particularly those from the United States.

4) Aftercare

Some scholars have also raised doubts about whether the aftercare for medical tourists in some countries is adequate. Post-operative care usually takes place in the patient's home country and there might be a lack of information flow, disagreement or misunderstanding between the tourist's domestic doctor and the health professionals who treated the patient overseas (Bies & Zacharia, 2007; Lee & Davis, 2004). Another problem might be that internationally prescribed drugs are not available in the patient's home country.

5) Communication problems

Related to aftercare is the problem of communication. There needs to be communication between the domestic and foreign physicians, including an exchange of medical history if required as well as communication with the patient. However, doctors in industrialised countries are often reluctant to support the involvement of their patients in medical tourism. (Horowitz & Rosensweig, 2007). Especially when complications arise, domestic doctors are disinclined treating patients coming from overseas surgeries either because they are unfamiliar with the foreign medical practices or because they are worried about liability (Konrad, 2009).

Communication problems might also arise where not enough information is provided on the risks of a procedure or treatment. One stakeholder interviewed referred to the duty of care and the fact that doctors in Australia would normally see people at least once before agreeing to operate on them:

If you go to Bangkok, you go to India, you can get off the plane and walk into a theatre and have the operation done. There are people who would do it that way. That's not an essential operation. There are substantial risks that could potentially be involved and to be able to get the person to feel comfortable before they even go in requires some degree [of consultation]. Most of the doctors I've spoken to [in Australia] who do surgery, whether it's plastic or not, will say we want to see them first and there's got to be an opt-out for them to be able to leave it at any point in time. To me, that's the integrity you've got to put at the heart of it. I don't see that in other places generally, but there you go.

Another case of communication problems that might hinder patients to travel to foreign medical tourism destinations is the fact that the patient's mother tongue is not being spoken in this destination. It is necessary that physicians and staff speak a language that the patient is able to understand (Henderson, 2003). This may have ramifications for legal liability of medical tourism providers, if patients argue that they did not understand the nature of the procedure and the consequent risks, due to language difficulties or problems with translation.

6) Health issues of travelling

It is well-known that long airline trips have unique risks to one's health. Air travel has been linked to deep vein thrombosis, and increased rate of infection, as well as less serious conditions such as motion sickness and jet lag (DeHart, 2003). This might be of particular concern for people who are already debilitated from surgical procedures. Furthermore, medical tourists must endure the stress travelling itself brings with it. They might feel anxious to be in an unfamiliar place, they might feel homesick or they might have to stay longer than they had intended (Lee & Davis, 2004; McCallum & Jacoby, 2009).

2.7 Ethical Issues

The health sector is fundamentally different to many other economic sectors as it concerns the welfare and health of people. To be ill and to need treatment is altogether different from not having a plasma television or a DVD player. Several scholars have warned of the consequences when health care is treated like a commodity and subject to the processes of a free and competitive marketplace, as alluded to by one of the stakeholders quoted in this report (see Section B.2.5).

Several destinations that promote and offer medical tourism have significant issues catering with demand in their own public health care systems. It has been argued that while foreign patients receive highly-qualitative and expensive treatments, the same treatments are not accessible and/or affordable for the local population (Chambers & McIntosh, 2008; Henderson, 2003). In other words, enticing foreign patients from affluent to developing countries could increase economic inequalities and undermine health equity. Consequently, there is the potential for the development of a two-tier health system (Chambers & McIntosh, 2008) in which foreign patients received preference and are better treated than domestic ones. Moreover, the profit-making activities of private health care facilities can also draw away health professionals from rural areas and public hospitals (Bies & Zacharia, 2007; Burkett, 2007). As discussed in the medical tourism Case Study (see Appendix F), medical tourism might be used to provide funding for public hospitals, through the use of private beds, or take advantage of excess capacity in the private health sector, but that this would need to be carefully promoted and explained to the public, to avoid a backlash from those Australians who may feel that their health care is being compromised at the expense of international visitors.

SECTION C) THE SUPPLY SIDE: INDUSTRY ANALYSIS

1. Industry Analysis of Wellness Tourism

1.1 Major Wellness Tourism Destinations

From a global perspective, Section B1.1 outlined that the major players of wellness tourism include North America, Europe (particularly Germany, Austria, Switzerland, France and Italy), as well as Japan. It was further discussed that several Asian countries have recently successfully entered the wellness tourism market, and that a number of countries in Central and Eastern Europe have begun to invest and renew their legacy of traditional, but often poorly maintained thermal resorts and spas in order to attract larger number of wellness tourists. It was also demonstrated that wellness tourism is a strongly growing niche market, particularly in Asia and Oceania. Therefore, it can be assumed that competition in attracting international wellness tourists is increasing. On the other hand, it was also noted that wellness tourism is particularly important for domestic tourism in many countries, rather than being a considerable export product. At the moment, Australia does not seem to be an exception.

Within a country, there are regions where wellness tourism is more substantially promoted than in others. In some cases, successful regional wellness tourism product development and/or marketing can also work *across* borders of countries, which is illustrated by the case of 'Alpine Wellness' where German, Austrian, Swiss and Italian partners collaboratively promote the Alps worldwide as one of the most attractive regions for wellness tourism (Pechlaner & Fischer, 2006; Weiermair & Steinhauser, 2003).

There is some research indicating the **major inbound and outbound wellness tourism destinations for Australians**. The Roy Morgan HTS survey (Roy Morgan Research, 2009) identifies Thailand followed by Malaysia as most popular outbound destinations for wellness tourists. As indicated in Section B1.3, a study found that out of all three groups of wellness tourists, beauty spa visitors were significantly more likely to have had their wellness tourism experiences overseas (77%), predominantly to Southeast Asia (42% out of those who went overseas) particularly Thailand, Bali and Malaysia (Voigt, 2009). Although only 15% of the lifestyle resort visitors had ever had an overseas wellness tourism experience, they also went mainly to Southeast Asia, and Thailand in particular. In contrast, the major outbound destination for the 28% of spiritual overseas tourists was South Asia, particularly India and Nepal.

The NVS (Tourism Research Australia, 2009b) designates the 20 most visited Australian regions by domestic tourists engaging in health and wellness activities (**Table 16**). The top Australian wellness tourism destination for domestic tourists is the Daylesford/Hepburn Springs region, the self-proclaimed 'Spa Country' in Victoria (see Appendix B for a detailed Daylesford Case Study). However, it is mostly visited by intrastate travellers rather than interstate travellers. There are several locations more frequently visited by interstate visitors than by intrastate visitors, most notably the Gold Coast, the second-most visited Australian

region for wellness tourists. Along the Gold Coast there are many hotels and resorts incorporating beauty spas and there are also several lifestyle resorts clustered in the Gold Coast hinterland. The HTS (Roy Morgan Research, 2009) also found that ‘Spa Country’ and the Gold Coast were the most frequently visited regions for wellness tourists in 2008.

While there are two fewer regions in Queensland counted among the top 20 Australian regions visited by wellness tourists than New South Wales (6 compared with 8), five of these six regions are more likely to be visited by interstate travellers than by intrastate travellers. New South Wales (with 8 regions) and Victoria (with 5 regions) have only one region where interstate travellers outweigh the number of intrastate travellers (Melbourne and Central New South Wales). It also should be noted that no region from South Australia, Tasmania, the Australian Capital Territory or the Northern Territory features in the top 20 most visited wellness tourism regions.

In addition, the NVS indicates that there was a substantial variation of length of stay for interstate trips between destinations. The average length of stay for interstate trips to New South Wales and Victoria was 4 and 7 nights, respectively, compared to 20 nights for an interstate trip to Queensland.

**Table 16: Top 20 Australian regions for health and wellness trips
(visitor numbers in 000s)**

Source: NVS (Tourism Research Australia, 2009b)

State	Region	Intrastate	Interstate	Total
VIC	1. ‘Spa Country’	36	4	40
QLD	2. Gold Coast	3	16	19
NSW	3. Mid North Coast	11	2	13
NSW	4. Hunter Valley	10	2	12
QLD	5. Brisbane	3	9	12
QLD	6. Sunshine Coast	7	5	12
VIC	7. Mornington Peninsula	9	3	12
NSW	8. Sydney	7	4	10
NSW	9. New England North West	8	3	10
QLD	10. Tropical North QLD	4	6	9
VIC	11. Ballarat	8	1	9
QLD	12. Whitsundays	3	5	9
VIC	13. Melbourne	3	5	8
VIC	14. Central Murray	6	2	8
WA	15. Australia’s South West	6	1	7
NSW	16. Northern Rivers	4	3	7
NSW	17. Central NSW	2	5	7
NSW	18. Outback NSW	6	0	6
QLD	19. Darling Downs	2	4	6
NSW	20. Blue Mountains	5	1	6

Note: Three-year average 2006–08. The total visitors is a ‘net’ estimate and is less than the sum of the column totals as travellers may stop over in their own state and another state and be counted therefore as both an intrastate and an interstate visitor.

Tropical North Queensland, ranked at number 10 in the top 20 wellness tourism destination list, includes the town Palm Cove which is often referred to as the ‘Spa Capital of Australia’, due to the high number of beauty spa resorts/hotels and day spas in this area.

In the course of our interviews, Byron Bay, placed 16 of the top 20 wellness tourism destinations, was often discussed as one of the leading ‘unofficial’ Australian wellness tourism destinations as it is not specifically marketed or promoted as such (see Case Study 2

in Appendix C). In Byron Bay, one can find a range of wellness tourism providers, particularly spiritual retreats and those providers who offer more alternative, holistic wellness services. Smith and Puczko (2008, p. 165) specifically refer to Byron Bay as an example of an 'organic' (or non-controlled), in contrast to a planned, development of a wellness tourism destination.

Similar to Byron Bay, Margaret River (ranked at number 15 of the top 20 list) is another region that has developed organically, but where recent attempts have been made to structure the wellness tourism industry (see Case Study 3 in Appendix D).

1.2 Important Stakeholders of the Wellness Tourism Industry

Several important groups of stakeholders are generally involved in the development, provision and communication of wellness tourism within a country (**Figure 13**). Ideally, these stakeholders collaborate to manage and structure the wellness tourism product. Each of these stakeholders will be explained in the following.

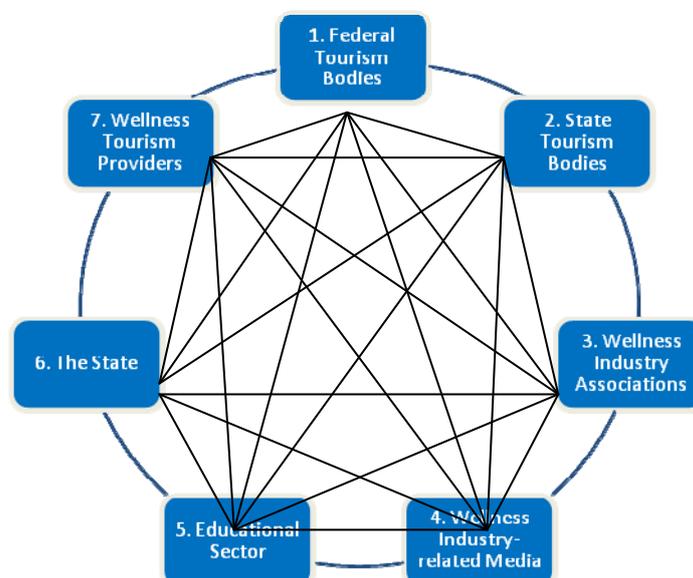


Figure 13: Major stakeholders of the wellness tourism industry

1) National Tourism Bodies

Sheldon and Park (2009) assert that national and state tourism bodies' involvement in developing successful wellness tourism destinations is critical for controlling and standardising the quality of the wellness tourism product. Furthermore, the authors argue that government tourism bodies are responsible for introducing and monitoring sustainable practices of wellness tourism. Federal tourism bodies in several countries have started to emphasise wellness tourism as a key aspect in their national tourism strategies and are extensively involved in the marketing of wellness tourism at an international and domestic level (Section C1.4.3).

Although the federal tourism body *Tourism Australia* has commissioned a report further investigating Australian wellness tourists (Inside Story, 2007), it would appear that they display no great interest in targeting the wellness or medical tourism niches (Australian

Tourism Export Council, 2008). This is despite the fact that the *Tourism Australia* consumer website currently refers to demand for ‘spa and well-being holidays’ (Tourism Australia, 2008). In addition, one of the *Tourism Australia* representatives in an interview undertaken during this study suggested that medical tourism was ‘too controversial’ and had a ‘tinge of organ trafficking’.

In contrast, another federal Australian tourism body, the *Australian Tourism Export Council* (ATEC) sees a lot of potential in health tourism in Australia—even as an essential future export product. They have the following objective:

To position Australia as a leading health and well-being destination through the promotion of advanced medical services, natural attributes and well-being experiences. (Australian Tourism Export Council, 2009a)

Importantly, ATEC understands health and wellness tourism broadly by including not only medical tourism services as one sector of health tourism, but also health-promoting, holistic, alternative and spiritual healing services. In September 2009, they organised the first Australian health and wellness tourism conference in Cairns and attracted international delegates and national publicity (Australian Tourism Export Council, 2009b; 2009c).

Half of the respondents to our survey did not think that the wellness industry is well supported, whereas only 10 percent agreed with the statement that the wellness industry is well supported by federal tourism bodies (**Figure 14**).

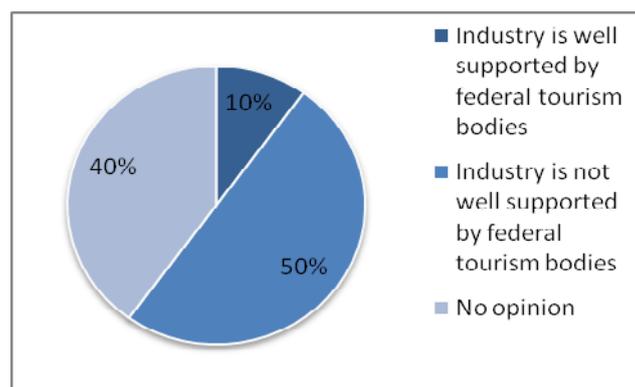


Figure 14: Respondents’ opinion about federal tourism bodies’ support for the wellness industry

2) State Tourism Bodies

State tourism bodies may have similar influences on the wellness tourism product as federal tourism bodies, however with a more regional focus. As Case Study 1 (Appendix B) shows in detail, *Tourism Victoria* has been heavily involved in promoting Victoria and in particular the Daylesford/Hepburn Springs region as a leading wellness tourism destination in Australia. One stakeholder interviewed, who runs a spa business based at a Victorian hotel, was complimentary about their state tourism body—‘Tourism Victoria’s very interested in promoting all that sort of spa wellness side of [tourism]’.

Other state tourism bodies, however, do not seem to be particularly engaged in the strategic development and promotion of wellness tourism in their states, which was frequently noted in the stakeholder interviews. For instance, one interview participant referred to *Tourism*

Australia and Tourism New South Wales and said: 'Wellness tourism is not on anyone's radar'. The interviewee additionally explained that he attempted unsuccessfully to meet representatives from Tourism New South Wales several times to talk with them about the importance of wellness tourism in that state. One survey respondent included the following comment:

Tourism VIC is an outstanding supporter of wellness and wellness tourism. NSW Tourism and QLD have a lot to learn from Tourism VIC and Tourism Tasmania.

Similar to respondents' opinion about federal tourism bodies, only 17 percent of the respondents agreed with the statement that the wellness industry is well supported by state tourism bodies. Forty-five percent thought that the industry was not well supported (see **Figure 15**).

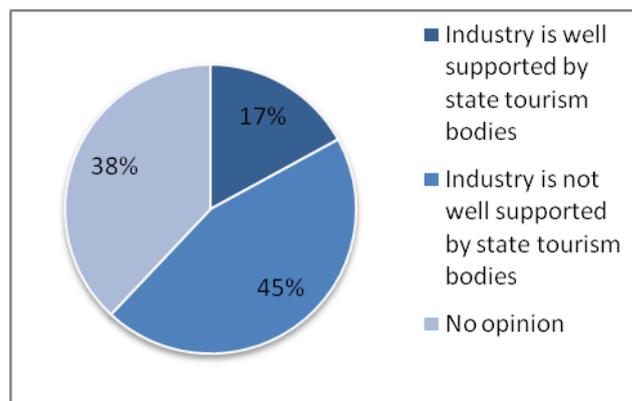


Figure 15: Respondents' opinion about state tourism bodies' support for the wellness industry

State tourism bodies have also the unique opportunity to link wellness tourism with other suitable tourism attractions in the same region. While lifestyle resort and spiritual retreat visitors often stay in the wellness tourism facility for the entire program, without leaving the facility, beauty spa visitors frequently enjoy other tourism attractions. Ski areas or wine regions seem to be working particularly well with a combination of spa offerings, with examples such as Balgownie Estate winery in the Victorian Yarra Valley, with its Natskin Spa Retreat, and the Onsen Spa at Dinner Plain in Victoria's High Country.

3) Wellness Industry Associations

The professionalisation of the wellness industry has increased in recent years through the establishment of several industry associations. **Table 17** lists examples of international, national and regional organisations and it can be seen that only one of these organisations was established before 1990. The majority of the associations have been founded after the year 2000, another sign of recent industry growth. While some of these industry associations are linked to a destination's governmental tourism strategy, others operate independently from any tourism organisation.

Table 17: Examples of international, national and regional wellness industry associations

International/Multi-nation Wellness Industry Associations	Name of Organisation	Year of Foundation
Australasia (mainly Australia)	Australasian Spa Association (ASPA)	2000-2001
Asia-Pacific	Asia-Pacific Spa and Wellness Coalition (APSWC)	2004
Caribbean	Caribbean Spa and Wellness Association (C-SWA)	2006
Europe (seat in Brussels)	European Spas Association (ESPA)	1995
International (mainly Europe, recent foundation of chapter in Japan)	British International Spa Association (BISA)	2000
International (mainly North America)	International Spa Association (ISPA)	1991
International (mainly German-speaking countries)	International Spa and Wellness Association (ISWA)	2006
Examples of National Wellness Industry Associations		
Germany	Deutscher Heilbäderverband (DHV) German Wellness Association (DWV)	2005 1990
Hungary	Hungarian Bath Association	1992
Japan	Nippon Spa Association	2005
Malaysia	Association of Malaysian Spas (AMSPA)	2004
Portugal	Termas de Portugal	1996
Singapore	Spa & Wellness Association Singapore (SWAS)	2005
Spain	National Association of Spas (ANBAL)	1928
Thailand	Thai Spa Association (TSA)	2003
Examples of Regional Wellness Industry Associations		
Bali	Bali Spa and Wellness Association	2005
Gran Canaria	Gran Canaria Spa, Wellness & Health	2005
Hawaii	Hawaii Wellness Association	2004
Las Vegas	Las Vegas Spa Association	2002

Such industry associations may help industry players as well as tourists in several ways:

- to provide best practice business models (e.g. risk management, training, sustainability, administration) and benchmarking indicators;
- to provide (online) education and training, or to list relevant wellness industry education providers within the region;
- to list up-to-date job opportunities and positions within the region (i.e. job database);
- to provide contact lists of industry suppliers;
- to advise and liaise with national and regional tourism bodies and tourism providers in establishing or advancing a business and/or marketing strategy;
- to offer a forum for the exchange of ideas, news and information between wellness industry professionals;
- to organise conferences and other networking events;
- to commission or conduct industry-relevant research;

- to promote awareness and educate the public about the wellness industry and help wellness tourists to plan their wellness vacations by listing wellness industry tourist providers within the region; and
- to offer certification and accreditation according to strict quality standards.

The final dot point in the listing above—**certification/accreditation**—deserves some detailed analysis. In the eyes of some, the rapid growth of the wellness industry has resulted in the need for comprehensive and robust standards of accreditation. By means of an annual delegate poll at the *Global Spa Summit*, ‘Definitions/standards/best practices’ was ranked as the number one problem facing the spa industry in 2009 (29%) (Global Spa Summit, 2009b), whereas ‘Best practices’ was ranked as the number two problem in 2008 (18%) (Global Spa Summit, 2009a).

Correspondingly, the majority of the wellness tourism providers responding to our survey agreed that ‘The industry needs an accreditation scheme to assess the quality of wellness services’ (**Figure 16**).

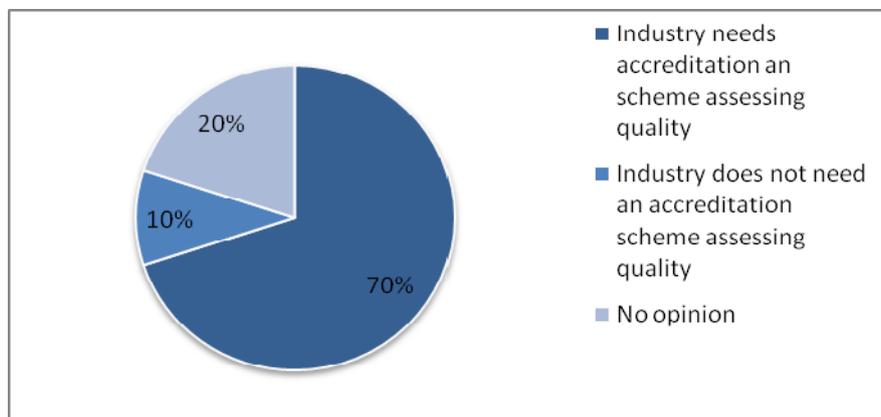


Figure 16: Respondents’ opinion about the need for an accreditation scheme in Australia

One survey participant added the comment:

The industry needs a regulating body to improve consistency in services and treatments ... I believe it's too easy for non-qualified persons to be performing technical treatments (i.e. laser, skin rejuvenation, etc) and causing damage to the client and the industry.

Additionally, several participants in the stakeholder interviews strongly emphasised that an accreditation system is urgently needed in Australia. Accreditation standards reassure both (potential) customers and wellness tourism facility owners/managers of the quality of the product. Thus, accredited wellness tourism providers have a commercial advantage over non-accredited businesses. Wellness industry associations have been critical in the development and monitoring of certification standards. Therefore, it is important that wellness industry associations are independent of commercial interests, and have a wide-ranging knowledge of the industry.

One example of an industry association that established an accreditation standard is the *German Wellness Association* (Deutscher Wellness Verband, DWV). The DWV developed an accreditation standard incorporating 750 criteria. Wellness providers (consisting of spa

hotels and resorts, day spas, or medical wellness hotels and clinics) that fulfil these quality standards are awarded a seal of approval (**Figure 17**). This seal is well established in German-speaking countries but also spreads throughout Europe with certified businesses being located in Hungary, Poland, Portugal, Spain, Greece, Turkey and Morocco. Another association distinguishing between different accreditation criteria for providers of the wellness and medical tourism industries are the *Europespa med* and *Eurospa wellness* accreditation schemes developed by the European Spa Association. Their audit consists of 400 questions developed by team of international wellness industry experts and is based on national and international legislation. This accreditation scheme also includes the recently developed Internet communication platform www.europespa.eu on which accredited businesses are going to be listed, which delivers potential consumers a decision-making tool and increases market transparency. Moreover, the European Spa Association supplies European leading health insurance companies with an annual list of certified spas, health resorts and clinics. A final example is the *Waves of Excellence* accreditation scheme of the *British International Spa Association* (BISA). However, in contrast to inspections, quality audits and monitoring, this organisation developed a methodology based on consumer satisfaction in the areas of quality of service, ambiance, satisfaction with therapies and treatments, value for money, professionalism of staff and range of services available. If a spa provider exceeds the benchmark, it is eligible for an award.



Figure 17: Examples of wellness industry certification seals from different European spa associations

There have been several attempts by the Australian-based **Australasian Spa Association (ASpa)** to develop an accreditation scheme for the wellness industry, but so far these attempts have failed. ASpa was founded in 2000–01. ASpa achievements include the organisation of an annual conference, networking events in several Australian states, lobbying to include ‘day spas’ as a separate entry in the Yellow Pages. In 2007 ASpa had over 460 members (mainly from Australia) but recently there has been a drop in member numbers.

Some of stakeholder interview participants have been critical of ASpa. One reason might be that they were mainly set up to support the spa-related industry rather than a broader wellness industry which also includes lifestyle resorts and spiritual retreats. For instance, one lifestyle resort manager in the interviews said that ASpa’s focus on beauty spas was too narrow, and a focus on businesses offering comprehensive wellness services is missing. Another interviewee said that there is a lack of lobbying and that there are not enough benefits provided to the members which could be another explanation for dwindling member numbers:

ASpa was not able to give advice in basic operational issues. ... The lobbying does not happen and I think from a business perspective you definitely need that. Because, what is the purpose of the association, ... it is not providing a service that is going to be of benefit, so then it becomes just a social thing and when you are so pressed for time, then it just becomes an added time constraint. ... I don't think our association in Australia is effective and does not act as a lobby group which is one of my concerns.

Additionally, the majority of wellness providers responding to this study (60%) agreed with the following statement 'An industry organisation is needed that will represent the interests of all players in the wellness industry' (see **Figure 18**). However, only 40 percent agreed with the statement 'Our business is not very well presented by the current industry organisation', while 21 percent of the respondents thought that their business is well represented (**Figure 19**).

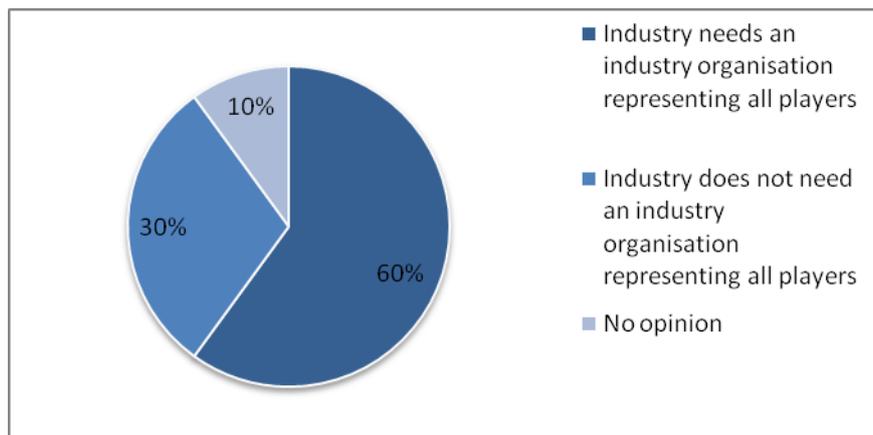


Figure 18: Respondents' opinion about the need for an industry organisation that represents the interest of all players

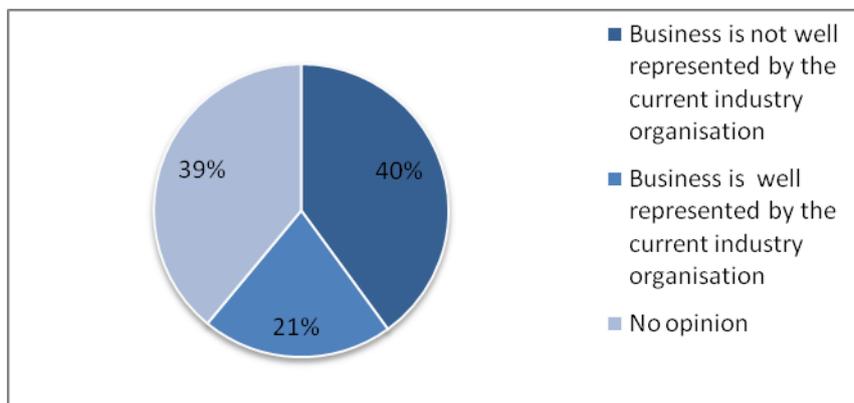


Figure 19: Respondents' opinion about their business representation by the current industry organisation

4) Wellness Industry-related Media

The growth in wellness tourism has been accompanied and influenced by a growth in wellness industry-related media, particularly in print form and online. Erfurt-Cooper and Cooper (2009, p. 226) point out that the wellness industry 'relies heavily on visual communications designed to reach as many potential target groups as possible'. They also write that these visuals are 'highly manipulative' and generally show pretty, young women

‘with immaculate skin and healthy hair, and generally with closed eyes, thus transmitting a feeling of total relaxation, bliss and well-being’ (Erfurt-Cooper & Cooper, 2009, p. 223). There are many spa-related **consumer magazines** such as *Spa*, *Organic Spa Magazine*, *Allure Spa*, *Spa Secrets*, *Spa World*, *Healing Lifestyles and Spas*, *Spa Asia*, *Asia Spa* and the only Australian-based consumer spa magazine *Spa Life*. There are also magazines oriented towards spa industry professionals, suppliers and owners, such as *American Spa*, *Pulse* and *SPA Australasia*.

While these magazines are particularly relevant for beauty spa providers, more generic healthy lifestyle magazines such as the Australian-based *Well-Being*, *Good Health*, or *Australian Natural Health* sometimes feature articles or advertisements featuring wellness tourism providers, in particular more holistic lifestyle resorts and retreats. Not only magazines, but also **newspapers** have started to take more notice of wellness- and lifestyle related editorials. An Australian example is the *Body and Soul* magazine delivered with the *Herald Sun* Sunday issue. Moreover, there are also **free print publications** available where spiritual retreat providers in particular repeatedly place advertisements. Australian examples of these publications are *Nova* and *InnerSelf*.

Another important medium that increases consumer choice and heightens market transparency are **print or online directories**. Perhaps best-known is the company *SpaFinder* who publishes the U.S.-based global web portal www.spafinder.com in English, French, German, Italian, Spanish and Japanese, as well as an annual print directory. Spas can be searched by regions, services and type/category. Moreover, people can buy online spa gift certificates from over 5,000 participating spas in the world. Another example is the German language online and print directories <http://www.relax-guide.com/>, mainly focusing on Germany and Austria. They also provide print wellness hotel guides and a leaner online version for destinations such as Bali and Lombok, Mauritius, Morocco, and India.



Figure 20: Examples of Australian wellness industry-related print media covers

5) Educational Sector

As Cohen and Russell (2008:383) point out, the spa (but also the entire wellness) industry is a highly personalised industry where ‘people are the product’. They indicate that qualified staff is one of the most important factors determining the success of a wellness provider and

furthermore state that loyal staff members are essentially more important than loyal customers because it is the staff member that creates customer loyalty.

The wellness tourism industry is multifaceted and includes varied career opportunities. Jobs range from manager or marketing positions, where people are often required to have obtained university degrees, to therapist positions (e.g. beauty therapists, massage therapists, fitness trainers, yoga instructors, lifestyle coaches, Ayurvedic practitioners, naturopaths, etc.) and more traditional hospitality positions, such as receptionists.

Employment accounts for one of the biggest expenditures of a wellness provider. Some respondents of the survey commented on the fact that there are no Australian standards for wellness industry staff remuneration. Furthermore, as one survey respondent pointed out:

The biggest issue facing Australian operators is the high wage costs compared to Asia[n] competitors. Australian staff need higher wages for retention, however the margins are already too thin. A major, major problem.

Indeed, **Table 18** indicates that Australian wellness industry-related staff earn the highest wages, with the exception of staff in the United States. More research is however needed to research wage structures in spiritual retreats as it is not known whether they are comparable to the figures shown below.

Table 18: Indicative monthly (base) salaries in different regions (in \$US)
Source: Cohen & Russell (2008:387)

Region	Therapist	Assistant Manager	Manager/Director
South Africa	500-600	650-1000	1300+
Far East	600 plus furnished accommodation and annual or six monthly vacation	800	1300+
Middle East	1000 plus housing, travel, flights	1800-2000	1500-2250
Europe and UK	2000-2500	2500-3000	3500-8000+
Australia	3000	3500-5000	4500-6000+
United States	4000	5000	5000-6500+

Statistics from Intelligent Spas (which does not include spiritual retreats) estimate that a total number of 5,026 people are employed in the Australian spa industry, whereas Global Spa Summit (2008) proposes a number of 9,515 for total spa employment in Australia.

The size of wellness facilities can differ substantially, which is mirrored by the number of full-time staff a business employs. Fourteen respondents of our survey only employed one full-time staff member, and only nine businesses employed 20 full-time staff or more. The highest number of full-time staff employed by a lifestyle resort was 105. **Table 19** shows the average number of full-time staff across the different wellness provider categories and split by metropolitan versus regional areas. Lifestyle resorts tend to employ the highest number of full-time staff. This is attributed to the fact that they usually provide a range of different services that require the employment of specialists (e.g. nutritionists, fitness trainers, beauticians, massage therapists, nurses). Spiritual retreats tend to employ the lowest number of full-time staff.

Table 19: Average number of employees

Average Number of Employees	Wellness Provider Category			
	Day Spas n = 37	Spa Resorts/Hotels n = 65	Lifestyle Resorts/Retreats n = 23	Spiritual Retreats n = 22
Metropolitan area	4.9	9.4	4.6	np*
Regional area	7.9	5.6	18.6	3.9
Total (all areas)	6.7	6.5	13.7	4.0

(*)Not published where sample base is less than 5 cases.

Several problems in regard to human resource management in the wellness industry have been delineated in the literature. Interestingly, most comments of the respondents in the open-ended section of the survey also related to human resource issues. In 2008, industry professionals from all over the world voted ‘labour shortage’ as the most pressing problem facing the global spa and wellness industry (Global Spa Summit, 2009a). Currently, demand outweighs supply in many wellness tourism destinations in the world and there is especially an enormous shortage of *qualified* staff available.

Forty-eight percent of the respondents to our survey agree that the wellness industry experiences staff shortages, whereas 16 percent disagree (Figure 21). Moreover, over half of the respondents agreed that it is difficult to find and employ well-trained staff (Figure 22).

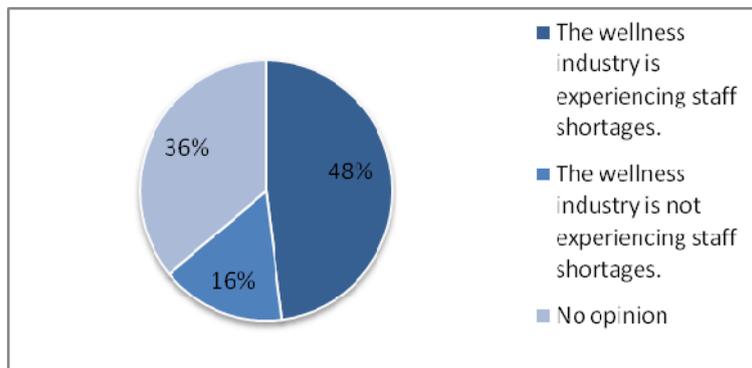


Figure 21: Respondents' opinion about staff shortages

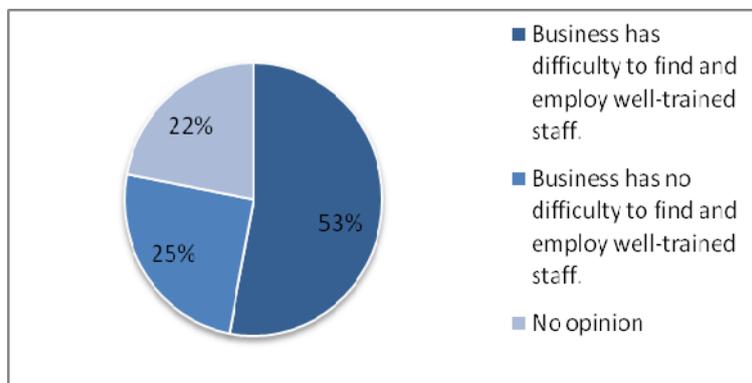


Figure 22: Respondents' opinion about finding and employing well-trained staff

Related to labour shortages is the problem that wellness industry staff are **not trained to be multi-skilled**. The annual delegate poll at the Global Spa Summit revealed that ‘training and education’ is seen as the second-most pressing issue the spa industry faces in 2009 (Global Spa Summit, 2009b). For instance, managers of wellness service providers should have an understanding of specific therapies and products, but they often lack this specific knowledge (Cohen & Russell, 2008). Consequently, there is a lack of experienced leadership in the industry (Bjurstam & Cohen, 2008). Sometimes, therapists strive to establish a wellness business, but they, in turn, often lack the necessary business skills (Cohen & Russell, 2008). Furthermore, it is important that institutions that qualify wellness industry employees do not train people only in particular treatments but also in other skills, such as communication skills. This would provide more holistic training. One stakeholder interviewee explained:

It is very hard to find good therapists. ... There is a shortage in the market as well ... because it has been such a high growth industry, the colleges haven't been able to provide enough staff coming out of there and qualified staff in the sense of knowing all those things that they can do to help clients. ... You're relatively young, in college and then you are treating clients with life problems that you have not necessarily experienced yourself. ... I am not sure that colleges adequately provide the support that they need to deal with ... when they come out. Just because they are trained in massage or beauty therapy does not necessarily mean that they are the right fit for the business.

Bjurstam and Cohen (2008, p. 365) argue that the ‘very personal nature’ of wellness services means that staff may be more involved emotionally and spiritually than staff from other industries. A stakeholder interviewee additionally posited that the wellness industry is ‘a hard industry’ to work in, that people are often very isolated and that they need to be calm and patient. The demanding, multi-skilled nature of wellness-industry jobs leads to often cited **high burnout** and **high staff turnover rates** in the industry. Sixty-four percent of the survey respondents agreed that there is a high burnout rate of people working in the wellness industry (**Figure 23**) and 55 percent agreed that the industry has a high staff turnover rate (**Figure 24**).

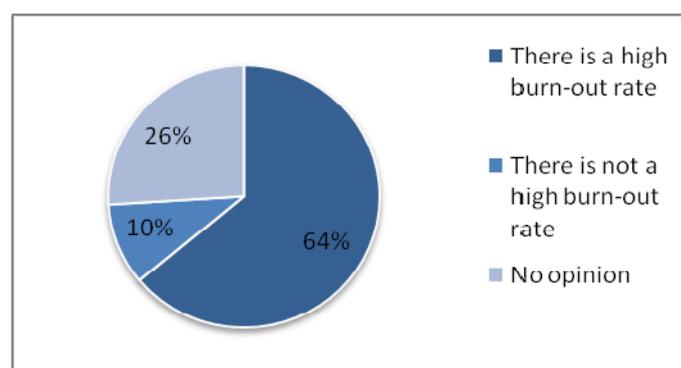


Figure 23: Respondents’ opinion high burnout rates of people working in the wellness industry

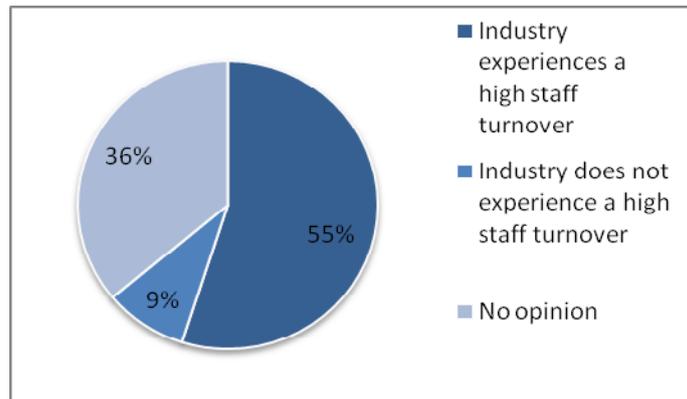


Figure 24: Respondents' opinion about high staff turnover rates in the wellness industry

For people working in the industry, integrity and passion seem to be of utmost importance. One stakeholder interviewee stated that 'it needs to be a vocation' to work in this industry. Employees should be convinced about the wellness principles that their business stands for in order to be able to educate and advise customers on health and wellness issues. As one spa manager in the stakeholder interviews explained:

Good staff themselves lead balanced lives, they have a good attitude towards the environment, they have a good diet, they are not heavy drinkers. They are 'passionate about the ethos' and then they are able to provide the client with the right skills.

Figure 25 demonstrates that 82 percent of the respondents to our survey agree that their business encourages staff to lead healthy lives and that staff should 'live what they preach'.

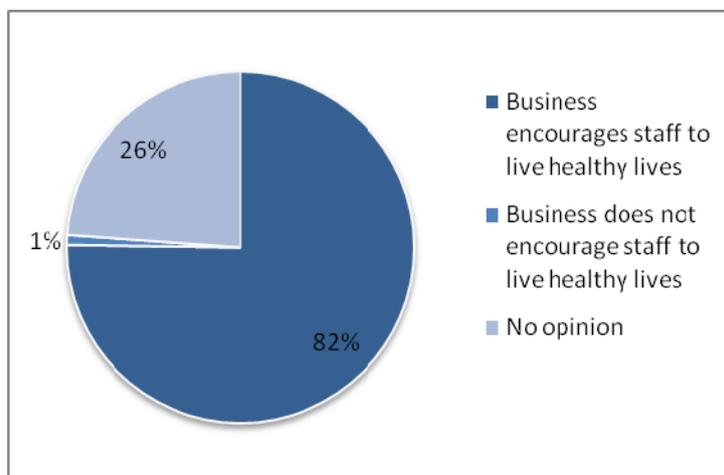


Figure 25: Respondents' opinion about encouraging staff to live healthy lives

High burnout rates and staff turnover due to the emotionally and spiritually challenging nature of wellness industry-related jobs, the requirement to be multi-skilled and to lead a healthy life and the general problem of labour shortage calls for a well-structured national training scheme. Stakeholder interviewees, as well as survey respondents, argued that accredited and nationally recognised qualifications are needed to ensure highly skilled staff and qualitative, standardised wellness services administered to clients in the future:

There is a huge increase in businesses within this sector in Australia and I believe more time and money needs to be invested in the ongoing training, support and development for the staff or there will be a big drop in the quality of services on offer.

Minimum levels of nationally recognised qualifications should be incorporated to ensure a consistency in quality of service and standard of practice.

All therapists within the industry must have studied and be accredited to work in their desired industry. Similar to the medical profession.

Moreover, the majority of the survey respondents agreed that Australia needs to have more wellness industry accredited training programs (**Figure 26**).

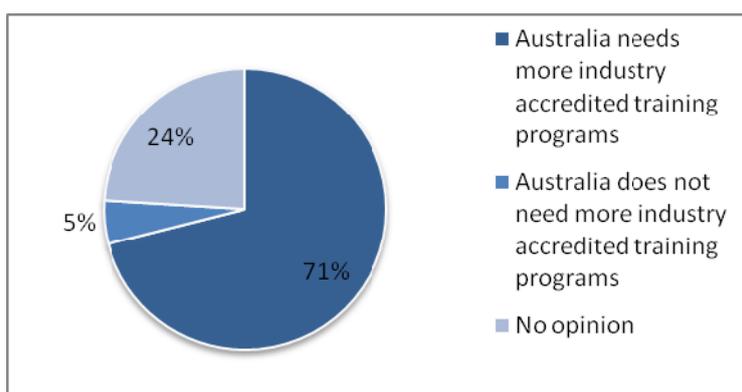


Figure 26: Respondents' opinion about the need for more industry accredited training programs

There is an extensive and confusing array of schools, colleges and private individuals who offer vocational qualifications, courses or training in beauty therapies, complementary and alternative medicine (CAM) therapies and New Age therapies.

However, there is one nationally recognised Australian accreditation framework, the Australian Qualifications Framework (AQF). A number of vocational training institutions offer wellness industry-related, AQF-accredited qualifications. Examples are the Diploma of Resort Management (Spa) at the *William Angliss Institute*, the Advanced Diploma of Spa at *Headmasters* and certificates and advanced diplomas in natural therapies, manual therapies, beauty therapies and sport and fitness offered by the *Australasian College of Natural Therapies* (ACNT). The ACNT has also teamed up with the International College of Management, Sydney (ICMS), to offer a 'degree pathway' for spa therapy students. This pathway leads to a degree in spa management issued by Macquarie University. Another higher education institution which offers wellness industry-related degrees is RMIT University, where an online Master of Wellness has been created.

In addition to the educational sector, the management of the wellness tourism provider businesses is able to alleviate some of the human resource problems discussed in this section. Bjurstam and Cohen (2008) discuss several strategies as to how managers can support their employees:

- *Instilling a sense of purpose*: Every wellness provider should have clearly articulated and communicated core values and ethics that can inspire staff and give them a

sense of purpose. These values need to be reflected in business policies and procedures. Core values can also be aligned with environmentally or socially sustainable business practices. One stakeholder interviewee, for instance, explained that they have organised an 'eco-conscious committee' within their workplace, which regularly meets and brainstorms as to how the business can become more sustainable.

- *Sense of peace*: Practices, discussed by Bjurstmam and Cohen (2008), which foster a sense of peace in employees, include meditation, physical movement in form of holistic mind-body exercises (e.g. yoga, T'ai Chi) and 'weekly treatment exchange' where therapists receive a treatment every third week and give a treatment in the following two weeks. These practices engender a sense of community, release of stress and greater knowledge about what the business offers. One stakeholder interviewee advised that they hold fortnightly staff support meetings, which always start with meditation.
- *Supporting staff welfare*: Managers should provide staff with appropriate and comfortable back-of-house areas, to which staff can retreat during breaks. Occasional social networking activities are also important.
- *Providing ongoing education and development opportunities*: Managers need to ensure that employees continually upgrade their knowledge and skills. Bjurstmam and Cohen (2008) recommend allocating 2% of the revenue of the business to further staff training. In addition, team and individual-based incentive programs are important techniques to motivate staff and boost sales. The majority of survey respondents provide regular training for staff (**Figure 27**) as well as a staff recognition or incentive program (**Figure 28**).

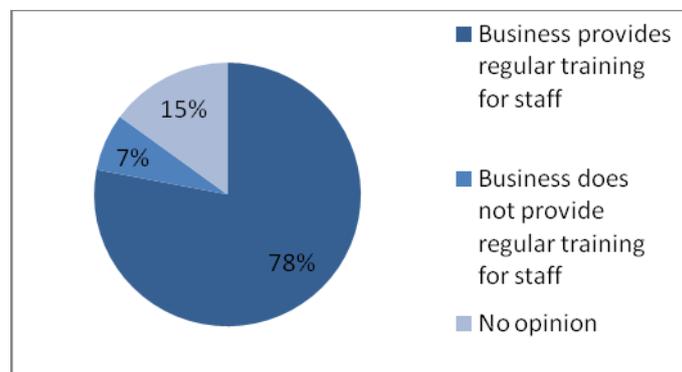


Figure 27: Respondents' provision of regular training for staff

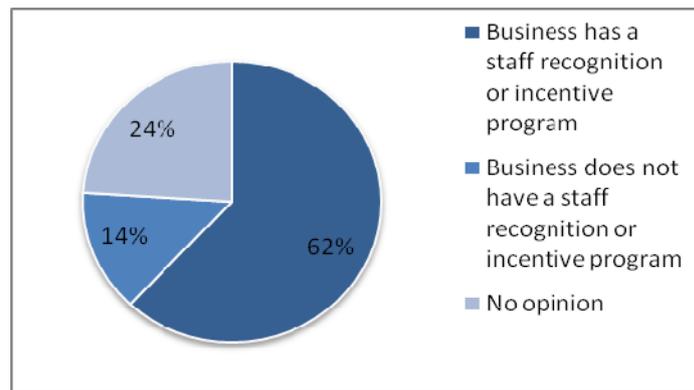


Figure 28: Respondents' provision of staff recognition or incentive program

6) The State

This report treats wellness and medical tourism separately, as they are currently very distinct markets in Australia. However, many industry specialists anticipate that progress lies in a **collaborative future with the health and medical industries** [see also No. 3 2009 spa trend in Section A.1.7, which notes that that the line between spa and medical tourism is becoming increasingly blurred].

Stakeholders in the industry talk about the need to **reform the Australian health care system**. Several stakeholders in the interviews pointed out that the wellness industry, as well as particular wellness services such as meditation, yoga and naturopathy, are either not accepted or are too easily dismissed by mainstream medical professionals. The majority of the survey respondents agreed that Australian government health bodies, as well as medical practitioners, do not recognise the role that the wellness industry plays in health promotion (**Figure 29** and **Figure 30**). One survey respondent additionally supplied the following comment:

Most government and medicos do not understand the level of training achieved by many advance technicians and fail to recognise our value in the community, even though our studies and advancement never ends. No support for our industry has ever been offered in my 20 years in the industry. We do it because of our love of people.

Many wellness industry stakeholders are convinced that their lifestyle-based interventions (e.g. surrounding nutrition, physical activity, meditation and stress management) are crucial for health promotion on a large scale because Western mortality rates are largely linked to lifestyle-related diseases (e.g. cardiovascular diseases, cancer and diabetes are linked to tobacco use, sedentary lifestyle and unhealthy diet). Thus, various wellness industry stakeholders think that it is the government's role to facilitate research in CAM and wellness/spa therapies and recognise these therapies in the national health care system.

It is generally known that complementary and alternative medicine (CAM) are typically not integrated in Western health care systems, that there is a lack of communication between CAM and mainstream professionals, a lack of national and international standards, and only partial or no insurance cover, and a lack of scientific research of the effectiveness of CAM (Bodeker & Kronenberg, 2002). Nevertheless, CAM and wellness services appear to be increasingly popular in Western societies and they are slowly starting to gain more recognition by mainstream professionals.

Section A.7 indicates that some governments support health insurance imbursement for spa and wellness providers. The majority of survey respondents indicated that Australian health insurers do not recognise the importance of the wellness industry (**Figure 29**).

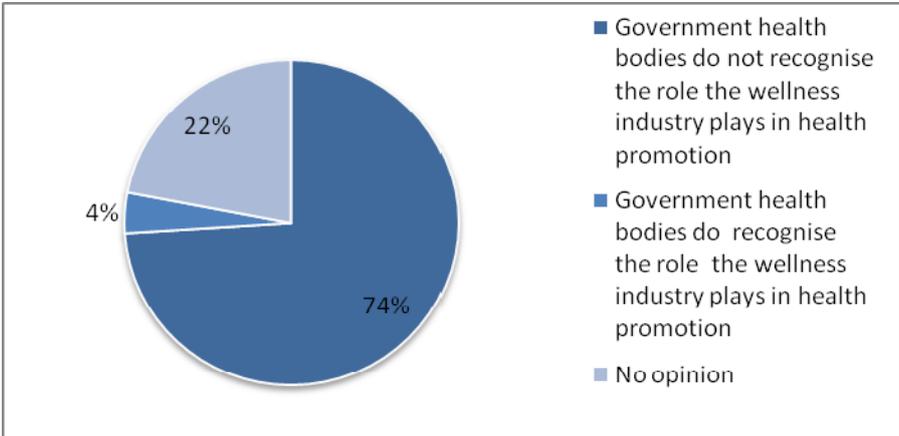


Figure 29: Respondents' opinion about the government health bodies' recognition of the wellness industry's role in health promotion

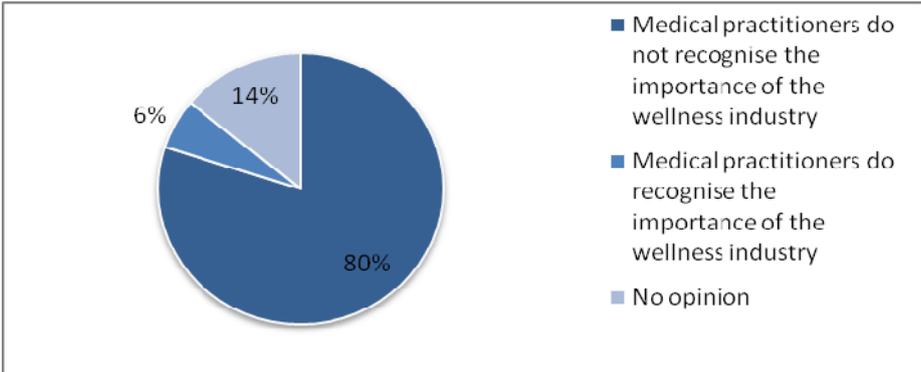


Figure 30: Respondents' opinion about medical practitioners' recognition of the importance of the wellness industry

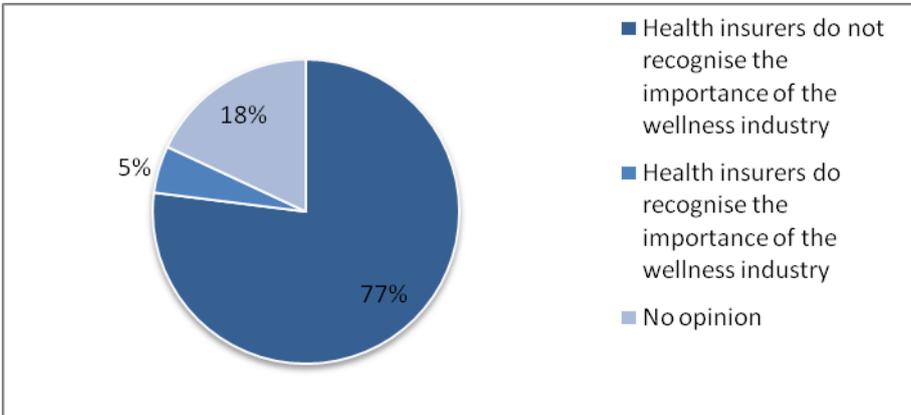


Figure 31: Respondents' opinion about health insurers' recognition of the importance of the wellness industry

1.3 Types and Characteristics of Wellness Tourism Providers

Section A.5 suggests a typology of wellness tourism which can be applied to groups of tourists, wellness tourism experiences and types of accommodation. Accordingly, there are three main types of wellness tourism accommodation in Australia: beauty spa hotel/resorts, lifestyle resorts/retreats and spiritual retreats. First, this section briefly reports previous literature discussing the occurrence of different types of wellness tourism providers in the world and in Australia. However, the main body of this section reports results of the survey conducted for this study.

1.3.1 Previous Literature

There is some literature available that describes the particular categories of global and Australian wellness tourism providers. The report by Global Spa Summit (2008) distinguishes between ‘day spas’, ‘hotel/resort spas’ (similar to our category of ‘Beauty Spa Hotels/Resorts’), ‘destination spas’ (similar to our category of ‘lifestyle resorts/retreats’) and ‘medical spas’. Spiritual retreats are not included in the Global Spa Summit categorisation. According to their data, the majority of all global spa facilities consists of day spas (63%, see **Table 20**). While lifestyle resorts only account for 2.1% of global spa facilities, they are responsible for a much larger share of the revenues than other types of spa facilities.

Table 20: Global distribution and total revenues of different spa types
Source: Global Spa Summit (2008)

	Day/Salon Spas	Hotel/Resort Spas	Destination Spas (i.e. Lifestyle resorts)	Medical Spas
Global Distribution of Spas	62.9% (45,113)	16.0% (11,489)	2.1% (1,485)	6.0% (4,274)
Revenue of Spa Category (USD\$ million)	44.9% (\$21.0)	26.9% (\$12.6)	13.2% (\$6.2)	9.9% (\$4.6)

Other statistics reported by Intelligent Spas distinguish between ‘day spas’ and ‘destination spas’ (consisting of any beauty spa or lifestyle resort, including accommodation (Intelligent Spas, 2008a). As of 2008, there were 554 spas in Australia, with a majority of those (382, 69%) being day spas. There were 172 ‘destination spas’; however spiritual retreats appear to not have been included in this number.

Another study focusing on lifestyle resorts in Australia noted that there were 49 lifestyle resorts in Australia in 2003, mainly located in Queensland and New South Wales (Bennett, King, & Milner, 2004). This study reported that most lifestyle resorts in Australia have a distinct leisure and health promotion focus rather than a medical treatment focus, which has been mentioned before in relation to the entire wellness tourism industry in Australia. The authors also found that the majority of lifestyle resorts offer vegetarian cuisine and include workshops or lectures in their product range. Rather than providing traditional medical therapies such as physiotherapy or chiropractic services, Australian lifestyle resorts tend to include alternative medical treatments such as homeopathy or Asian healing techniques in their programs. It should be noted, however, that when the database for the survey in this

research was created, the majority of businesses listed in Bennett, King and Milner’s study had ceased to operate. Because lifestyle resorts, in particular, are so expensive to build and run, it might be that only those lifestyle resorts with a very successful business strategy are able to survive.

The authors are not aware of any study that focuses on spiritual retreats in Australia. However, there is evidence of a growing interest in spirituality within the secular Australian society (Bouma, 2006; Tacey, 2000). The divide between religion and spirituality is accentuated by continuing declines in religion, in contrast to a growth of spiritual areas such as meditation or yoga, which seem to attracting growing numbers of Australians (Tacey, 2003).

1.3.2 Types of Wellness Tourism Providers in Australia

Section 2.3 has specified the distribution of supply by wellness tourism providers and day spas in Australia based on the database of businesses created for this project, in comparison to the distribution of actual respondents. This database included 590 businesses. Consistent with the global distribution data of spa facilities reported by Global Spa Summit (see previous section), the majority of businesses in our database consisted of day spa businesses, even though we did not strive for a complete Australian census for this wellness provider category. Of the three core wellness tourism provider categories that include accommodation, spa hotels/resorts were clearly the majority, followed by spiritual retreats and lifestyle resorts.

As **Figure 32** and **Table 2** in Section 2.3.3 show, however, the supply of wellness service providers in Australia is distributed differently across the states. The biggest proportion of all wellness service providers is located in New South Wales (29%), followed by Victoria (24%) and Queensland (22%), Western Australia (12%), South Australia (7%), and Tasmania (4%). Only 2% of the businesses are located in the Australian Capital Territory and 1% in the Northern Territory. Moreover, New South Wales contains the majority of spiritual retreats and lifestyle resorts, whereas Queensland hosts the highest proportion of spa hotels/resorts

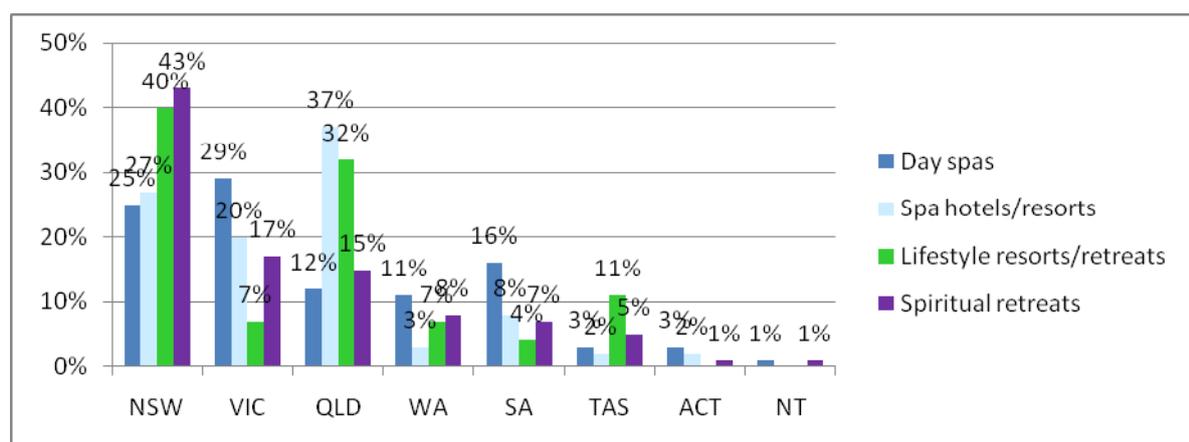


Figure 32: Proportion of different wellness service provider in each Australian state/territory (database-based)

Based on the survey responses, it is also apparent that the majority of wellness providers in Australia are located in regional areas (72%) rather than in metropolitan areas (28%) (Table 21). However, there are differences between the types of wellness providers. As expected, day spas are more likely to be found in metropolitan areas than spa resorts/hotels, lifestyle resorts/retreats or spiritual retreats. Section B.14 discussed how important the surrounding environment is for wellness tourism experiences, and that wellness tourists prefer natural environments over urban environments. Therefore, it is not surprising that the majority of wellness service providers—especially wellness tourism providers (i.e. excluding day spas)—are located in regional areas.

Table 21: Metropolitan versus regional distribution of wellness tourism providers and day spas

	Wellness Provider Category				TOTAL Sample N = 152
	Day Spas n = 37	Spa Hotels/Resorts n = 68	Lifestyle Resorts/Retreats n = 25	Spiritual Retreats n = 22	
Metropolitan area	41%	24%	32%	18%	28%
Regional area	59%	76%	68%	82%	72%

The respondents to our survey were asked when their business was established. Almost half of all businesses providing wellness services are only five years old or less (Table 22). This statistic confirms how young the wellness tourism industry in Australia still is. Of all wellness provider categories, spiritual retreats tend to have been established longer than the other types (59% of spiritual retreats have been in business for more than 11 years).

Table 22: Length of time in business by wellness tourism providers and day spas

	Business category				TOTAL Sample N = 151
	Day Spas n = 37	Spa Hotels/Resorts n = 67	Lifestyle Resorts/Retreats n = 25	Spiritual Retreats n = 22	
5 years or less	62%	54%	40%	14%	48%
6–10 years	30%	25%	44%	27%	30%
11–20 years	3%	15%	4%	36%	13%
More than 20 years	5%	6%	12%	23%	9%

1.3.3 Services Offered by Wellness Service Providers

Figure 4 in Section A.5 showed a continuum of services typically offered by different types of wellness tourism providers based on the literature review and previous assessment of spa menus and service offerings promoted in brochures and websites. The data from our survey generally follows the pattern depicted in Figure 4 (Table 23). One exception is that Australian spa hotels/resorts appear to offer more movement therapies (e.g. yoga, gym classes) than expected. However, as the majority of spas within hotels and resorts are independently run, it is not entirely clear whether those gym and yoga classes are run in the hotel or resort where the spa is located or by the actual spa.

As expected, day spas and beauty spa resorts/hotels are more likely to provide beauty body treatments (i.e. body scrubs and wraps), facials, manicures and pedicures than lifestyle resorts/retreats and spiritual retreats. In fact, spiritual retreats almost never provide body and

beauty treatments. Other body and beauty treatments that were additionally listed mainly by day spa and spa resort/hotel respondents were waxing and hair removal, spray tanning, tinting and chemical peels.

In contrast, lifestyle resorts/retreats are more likely to offer a range of movement therapies and nutrition-based services than spa resorts/hotels and spiritual retreats. Lifestyle resorts are also more likely to offer general health assessment, private and group counselling, as well as complementary and alternative therapies (CAM) than the other categories of wellness service providers. Although only a few respondents specified what kind of CAM therapies they offer, therapies mentioned included Traditional Chinese Medicine, Ayurveda, kinesiology, iridology, naturopathy, homeopathy, bachflower consults, Feldenkrais, Bowen therapy, hypnotherapy, and psychic or crystal healing and Reiki.

Table 23: Distribution of wellness services by wellness provider category

Wellness Provider Category					
Services and Facilities	Day Spas n = 37	Spa Hotels/Resorts n = 68	Lifestyle Resorts/Retreats n = 25	Spiritual Retreats n = 22	Total Sample N = 152
Movement Therapies					
Gym classes/private instructor	5%	16%	32%		14%
Yoga	8%	25%	68%	73%	35%
T'ai Chi or Qi Gong	3%	10%	36%	32%	16%
Guided walking/hiking	-	12%	56%	36%	20%
Guided water activities/gymnastics	3%	4%	24%	5%	7%
Body and Beauty Treatments					
Water-based and sweat bathing treatments	41%	34%	20%	-	28%
Swimming pool(s)	11%	34%	36%	5%	24%
Bath tubs/Jacuzzi/Whirlpool	70%	68%	40%	-	54%
Natural geothermal pool(s)	-	1%	-	-	1%
Steam room(s)	22%	28%	24%	-	22%
Sauna(s)	22%	35%	40%	-	28%
Vichy shower(s)	41%	37%	16%	-	29%
Body scrubs and wraps	100%	90%	56%	-	74%
Manicure and pedicure	95%	79%	32%	-	64%
Facials	100%	94%	56%	5%	76%
Manual Pressure					
Massage	100%	100%	88%	45%	90%
Reflexology	43%	34%	52%	9%	36%
Manipulative/adjustment-based	8%	4%	20%	-	7%
Nutrition-based services					
Specific diet	11%	15%	64%	55%	28%
Weight management	16%	1%	56%	-	14%
Cooking classes/diet education	-	1%	60%	32%	15%
Detoxing/fasting	11%	1%	52%	18%	14%
Alcohol not allowed	11%	13%	48%	55%	24%
Coffee and non-herbal tea not allowed	8%	9%	32%	18%	14%

Medical treatments and services					
GP or nurse on premise	5%	3%	20%	5%	7%
General health assessment	11%	1%	32%	-	9%
Minor cosmetic surgery	14%	3%	4%	-	5%
Referral to GP	8%	1%	16%	5%	6%
Meditation	19%	7%	68%	100%	34%
Spiritual or religious studies	5%	-	24%	82%	17%
Private Counselling	14%	4%	60%	32%	20%
Group Counselling	5%	0%	28%	18%	9%
Complementary and alternative medicine	24%	9%	60%	18%	22%

Unsurprisingly, all spiritual retreats offered meditation and they were much more likely to offer meditation and spiritual or religious teachings than all the other types of wellness service providers. The fact that 19 percent of day spas offered meditation is a surprising result, as a previous assessment of spa menus did not appear to include such a service. Perhaps respondents sought to offer visitors a personal meditative state rather than a *guided* meditation. Although only some respondents specified the type of meditation they used, different meditation techniques ranged from Vipassana or Buddhist meditation, Dru meditation, Raja yoga, visualisation, breath awareness, mindfulness, Holosync, transcendental meditation, sound meditation, chanting mantra, Kirtan Kriya, chakra meditation, walking meditation, 'calming the minds/opening the heart', and 'loving kindness'.

It also should be noted that 90 percent of providers offered massages, making them overall the most often provided wellness service. Massage therapies and techniques respondents specified ranged from remedial or deep tissue, relaxation massages, Thai, Swedish, Balinese/Indonesian, Lomi Lomi, Kodo, Shiatsu, Tibetan energetic massage, sports massage, hot stone, bamboo, cupping, lymphatic draining, myopractic therapy, ear candling, pregnancy/pre-natal massage and aromatherapy.

Lifestyle resorts and spiritual retreats are also more likely to offer specific diets (most often mentioned menus were vegetarian, vegan, raw foods, and/or organic) than day spas and beauty spa hotels/resorts.

1.3.5 Retail of health and wellness products

Table 24 shows the proportion of wellness providers that offer a retail section where health and wellness products are sold. It can be seen that the majority of all Australian wellness service providers have a retail section, whereas day spas are most likely to sell health and wellness products and spiritual retreats least likely. Products typically sold by wellness tourism providers include cosmetic products, specific foods, teas, candles, CDs, books and clothes.

Table 24: Proportion of wellness providers selling health and wellness products

	Wellness Provider Category				TOTAL Sample N = 152
	Day Spas n = 37	Spa Hotels/Resorts n = 68	Lifestyle Resorts/Retreats n = 25	Spiritual Retreats n = 22	
Retail	95%	74%	64%	45%	73%
No retail	5%	26%	36%	55%	27%

Those wellness providers that have a retail area offer different mixes of product lines to their visitors (**Table 25**). Australian and imported products are sold in retail areas of the majority of all wellness providers with a retail area.

However, a surprising 33 percent of all wellness providers offer their own products using local ingredients. Privately labelled or even self-made products can have several advantages. One of the most important advantages is that the gross profit margins on in-house product lines are a lot higher than externally branded products (Starr, 2009). Furthermore, business owners can be creative in designing labels and containers in order to craft products that complement their brand of the business (i.e. the brand of the spa, lifestyle resort or spiritual retreat). Thus, they can increase brand loyalty to a specific place as clients are able to transfer a wellness experience to their homes by reliving particular smells, textures or sounds associated with a particular wellness provider. In addition, by using local ingredients, clients might connect products to a particular geographical space. On the other hand, it can be very time-consuming to create these products along with displays or promotional material.

Table 25: Origin of product lines sold in wellness provider retail areas

	Wellness Provider Category				TOTAL Sample N = 111
	Day Spas n = 35	Spa Hotels/Resorts n = 50	Lifestyle Resorts/Retreats n = 16	Spiritual Retreats n = 10	
Own Products using local ingredients	34%	26%	50%	40%	33%
Own products using overseas ingredients	14%	0%	25%	10%	9%
Australian products	71%	58%	81%	90%	68%
Overseas products	71%	74%	56%	80%	71%

The ISPA Global Spa Consumer Study (Research International, 2009) reports that an average Australian spa visitor spends USD\$ 203 per annum on spa treatments and an additional USD\$ 83 for spa retail products. One can therefore conclude that retail accounts for a substantial percentage of profits for wellness tourism providers.

Wuttke and Cohen (2008) emphasise that when a spa has reached maximum treatment room utilisation, the only way of increasing revenue is through retail. They also discuss that spas built in hotels and resorts are expected to be stand-alone profit centres rather than just an amenity, which also puts increased pressure on these spas to maximise their retail revenue. At the same time, a ‘hard sales approach’ can make spa clients uncomfortable and has been identified as a barrier for 13 percent of spa visitors not to visit a particular spa (Research International, 2009, also see Section A. 1.6). Moreover, some therapists feel uncomfortable being responsible for product sales, as they consider themselves to be caring practitioners rather than salespeople (Wuttke & Cohen, 2008).

1.3.6. Annual Business Turnover

Respondents were asked about their business turnover (**Table 26**). It can be seen that 86 percent of all Australian wellness service providers had a turnover of less than \$1 million in the last year. Spiritual retreats tend to have the lowest turnover. While the majority of lifestyle resorts also had a turnover of less than \$1 million, lifestyle resorts appeared to be more likely

to have a substantial turnover of more than \$2 million than the other wellness provider categories.

While the same has not been assessed specifically in regard to lifestyle resorts/retreats or spiritual retreats, it is known that the spa industry has low margins. Spatrade (2004) compares spas to restaurants in that spas have typically only 2 percent to 7 percent return on investment. The annual Global Spa Summit poll in 2008 showed that low margins were considered as a major problem by 10% of the delegates (Global Spa Summit, 2009a) and, in 2009, low margins were considered to be the third biggest problem faced by the spa industry according to 15 percent of the delegates (Global Spa Summit, 2009b).

Judging by articles in consumer and industry magazines, the Global Financial Crisis appears to be a pervasive concern for the global wellness industry (Higgins, 2009; Nichols, 2009). However, despite the severe economic downturn in 2009, 61 percent of all wellness providers indicated that their revenue had increased in comparison with the previous year, with a further 14 percent reporting no change of business turnover (Table 27). This accords with the recent study by Intelligent Spas, which concluded that the Australian spa industry continued to grow during 2009 (SkinInc, 2009).

While many stakeholders in the interviews acknowledged that the Global Financial Crisis did have a negative overall effect on the wellness tourism industry, many interviewees suggested that in some ways the industry might even benefit from this crisis. One interviewee, for instance, stated that spas ‘can be an important outlet for this crisis’ for people who are ‘exhausted by the stress related to things they need to do and can’t cope’. Hence, growing turnover rates might be the result of this situation in Australia, where spa experiences help people to recharge and cope with stressful situations and financial worries.

Finally, it needs to be emphasised that some businesses in the wellness tourism industry do not in fact aim to make any profit. The **MINI-Case 3** about the Gawler Foundation is an example of such a non-profit organisation. Only 5 percent of all wellness service businesses operate on a non-profit or donation-based premise (Table 26). Spiritual retreats are more likely to operate on a non-profit or donation basis than the other wellness provider categories. Donation-based retreats are often linked to Eastern religions, where nothing is charged for spiritual teachings and meditation. People can donate not only money to a spiritual retreat, but also food or their services, such as cooking, washing up, and planting vegetables.

Table 26: Business turnover in last year

	Wellness Provider Category				TOTAL Sample N = 147
	Day Spas n = 36	Spa Hotels/Resorts n = 66	Lifestyle Resorts/Retreats n = 23	Spiritual Retreats n = 22	
Less than \$100,000	6%	17%	35%	36%	20%
\$100,000 to \$499,000	53%	47%	48%	27%	46%
\$500,000 to \$999,000	31%	26%	4%	5%	20%
\$1 million to \$1,499,999	8%	8%	-	-	5%
\$1.5 million to \$1,999,999	-	-	-	5%	1%
More than \$2 million	3%	2%	9%	-	3%
Donation Basis	-	-	-	9%	1%
Not for profit	-	2%	4%	18%	4%

Table 27: Comparison of turnover with previous year

	Wellness Provider Category				TOTAL Sample N = 138
	Day Spas n = 31	Spa Hotels/Resorts n = 63	Lifestyle Resorts/Retreats n = 23	Spiritual Retreats n = 21	
Decreased 10% or more	3%	6%	4%	14%	7%
Decreased 5% to 9%	10%	6%	9%	-	7%
Decreased 1% to 4%	16%	13%	4%	5%	11%
No change	6%	14%	17%	24%	14%
Increased 1% to 4%	16%	25%	17%	14%	20%
Increased 5% to 9%	23%	21%	22%	14%	20%
Increased 10% or more	26%	14%	26%	29%	20%

1.3.7 Distribution Channels

Respondents were asked about the proportion of clients using different distribution channels. The vast majority of wellness providers rely on the direct-to-consumer business model (Table 28). Only 2 percent of all wellness service providers use an Internet intermediary and 1 percent of the business results from recommendations by government travel centres or visitor information centres. The telephone seems to be the most important direct-to-consumer distribution channel for day spas and it is also important for the other wellness provider categories. The Internet appears to be an important direct-to-consumer distribution channel, particularly for lifestyle resorts/retreats and spiritual retreats. Forty-one percent of lifestyle resorts and 66 percent of spiritual retreats communicate with their customers either via email or via their own Internet booking facility. Face-to-face contact tends to be more important for day spas and hotel spas than for lifestyle resorts and spiritual retreat.

Table 28: Average proportion of bookings via different distribution channels

	Wellness Provider Category				TOTAL Sample
	Day Spas	Spa Hotels/Resorts	Lifestyle Resorts/Retreats	Spiritual Retreats	
Direct from consumer via:					
Phone	72%	55%	42%	20%	52%
Mail	-	-	3%	3%	1%
In person	17%	14%	5%	10%	13%
Email	7%	17%	31%	39%	20%
Booking facility on our Internet site	2%	5%	10%	27%	8%
Internet consolidator	-	3%	2%	1%	2%
Retail travel agent	-	-	-	-	-
Government travel centre/VIC	1%	-	1%	1%	1%

Responding providers were asked to estimate the distribution of their bookings between channels. The data is the average of the proportions estimated by the respondents

Note: Does not total 100% because of an 'Other' category not reported.

The ISPA Global Spa Consumer Study (Research International, 2009) reported that 31 percent of their Australian spa visitor respondents had been to a spa because of a health care practitioner recommendation. A recommendation by a medical practitioner could perhaps be understood as an 'indirect' distribution channel. On average, 10 percent of a

wellness provider's clients visited a wellness provider because of a medical practitioner's recommendation. Lifestyle resorts/retreats appear to have higher percentages of customers with a medical practitioner's recommendation (**Table 29**).

The ISPA Global Spa Consumer Study (Research International, 2009) also stated that 36% of their Australian spa visitor respondents had redeemed a spa gift voucher at their last visit. **Table 29** illustrates that gift vouchers seem to be particularly important for day spas and spa hotels/resorts but less important for spiritual retreats.

Finally, day spas and spiritual retreats appear to attract the largest proportions of repeat customers, whereas spa hotels/resorts have the lowest proportion (**Table 29**).

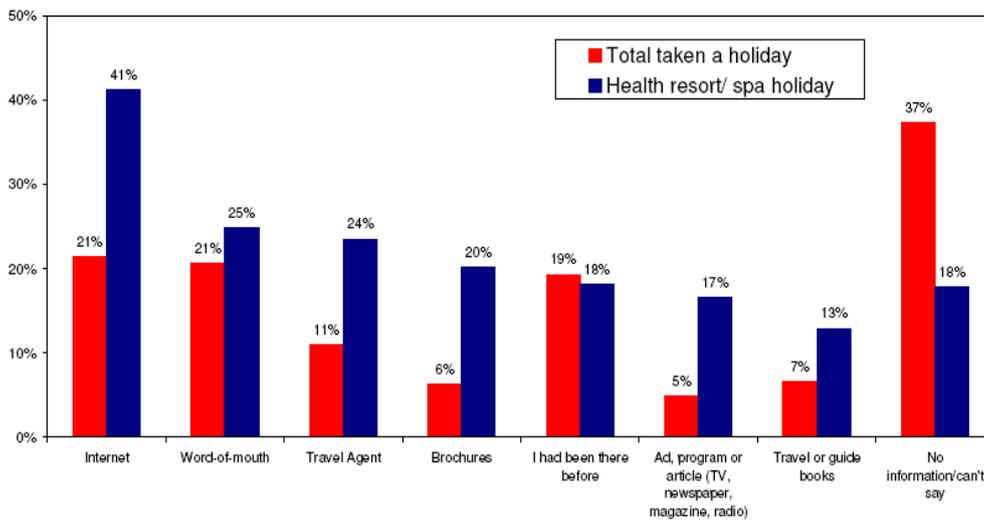
Table 29: Proportion of specific customer groups

	Wellness Provider Category				TOTAL Sample
	Day Spas	Spa Hotels/Resorts	Lifestyle Resorts/Retreats	Spiritual Retreats	
Proportion of repeat visitors	51%	33%	39%	52%	41%
Proportion of visitors with a recommendation from a medical practitioner	5%	9%	17%	10%	10%
Proportion of visitors with a gift voucher	25%	20%	11%	2%	19%

1.4 Wellness Tourism Promotion and Communication Strategies

1.4.1 Preferred Promotion Channels by Australian Wellness Tourists

Research has been conducted on the promotion and advertising channels Australian wellness tourists use when choosing and booking their wellness tourism holidays. According to Roy Morgan Research (2009), domestic wellness tourists were more likely to access information from the Internet (41% vs. 21%), a travel agent (24% vs. 11%), a brochure (20% vs. 6%), or from media advertisement/editorial (17% vs. 5%), when compared to Australian domestic tourists in total. Out of all promotion channels, the Internet seemed to play the greatest role for destination choice (**Figure 33**). This is consistent with data from the NVS, which suggests that 57 percent of Australian wellness tourists accessed the Internet as the information source for destination choice (Tourism Research Australia, 2009b). The NVS results suggest that after the Internet, the second-most likely source of information stemmed from a previous visit (23%), followed by recommendations from friends or relatives (i.e. word-of-mouth, 18%). In contrast to the data gathered by Roy Morgan Research, travel agents (5%), travel guides or brochures (7%) and advertising/editorials (2%) did not play as important a role as a source of information for wellness tourists. Future research could help to discern whether there are differences between the three main groups of wellness tourists (i.e. beauty spa, lifestyle resort, spiritual retreat visitors) in regard to the promotion channels they use for selecting their wellness tourism destinations and providers.



Base: Australians 14+ years who took an overnight holiday/leisure trip in the last 12 months
 Source: Roy Morgan Research, January 2006 to December 2008, n= 46,268 for total taken a holiday, n= 396 for health resort/spa holiday

Figure 33: Information sources used to choose destination
Source: Roy Morgan Research (2009)

With regard to promotion or branding, one can differentiate between a communication strategy on a destination-level (either for a country or a region/regions within a country) and on a provider-level. In the following sub-section, the discussion commences with an explanation of the preferred promotion channels by Australian wellness tourism providers, followed by a discussion of national and regional branding and communication strategies.

1.4.2 Preferred Promotion Channels by Australian Wellness Tourism Providers

Our survey asked wellness tourism providers to name the three most important communication channels they use to communicate with (potential) visitors. **Table 30** depicts how often each of these communication channels is being used by the total sample, as well as by each provider category. The Internet appears to be the most important with 80 percent of all wellness tourism providers listing the Internet among the three most important promotion channels. The second-most often mentioned promotion channel was direct-to-consumer communication via email (55%). This was followed by 'media' with 49%. In the survey, respondents were asked to specify what kind of media channel they specifically employ. The most often specified answer was local or national newspaper (n = 32), followed by brochures (n = 11), Yellow Pages (n = 10) and television or radio (n = 7 each). Also listed were signage/posters and target group magazines (e.g. bridal magazines), text messages (SMS), cinema advertising, maps, and advertising from the resort where the spa is located. **Table 30** also shows that the 'Other promotion channels' category was often among the three most important promotion channels. The majority of respondents specified 'word-of-mouth' in this section. A few respondents also listed PR, sponsorship or information centres in this category.

There appear to be notable differences between wellness provider categories and their use of promotion channels. Day spas tended to place more importance on 'Other media' and direct-to-consumer mail than the other three types of wellness tourism providers. Not surprisingly, they did not perceive travel publications as an important promotion channel. Spiritual retreat providers also did not list travel publications as an important promotion channel. After the Internet and email communication, word-of-mouth seemed to play a

particularly important role for spiritual retreat providers. Spa hotel/resort providers tended to be much more likely to list travel publications as an important promotion channel, whereas lifestyle resort providers were most likely to place advertisements in health and wellness consumer publications, such as *SpaLife* and *Well-Being*.

Table 30: Three most important promotion channels

Promotion Channel	Wellness Provider Category				Total Sample N = 152
	Day Spas n = 37	Spa Resorts/Hotels n = 68	Lifestyle Resorts/Retreats n = 25	Spiritual Retreats n = 22	
Health and wellness consumer publications	16%	26%	52%	18%	27%
Government travel publications	0%	7%	8%	0%	5%
Other travel publications	3%	25%	4%	0%	13%
Internet	84%	82%	76%	68%	80%
Other media	73%	43%	32%	45%	49%
Direct to consumer via email	49%	54%	52%	68%	55%
Direct to consumer via mail	24%	13%	20%	9%	16%
Other promotion channels	49%	40%	40%	59%	45%

From an economic perspective, it also should not be surprising that the Internet is one of the major forms of communication, given that wellness tourism providers are often stand-alone businesses with limited marketing budgets. Therefore traditional ‘spray and pray’ marketing practices such as television or radio are often out of reach for these businesses (Ellis, 2008a).

As a relatively high proportion of wellness tourism providers attract repeat visitors (see Section C.1.3.7), and it is often said that keeping customers is less expensive than gaining customers, **loyalty schemes** (e.g. special discounts, complimentary products, loyalty cards where the 10th treatment is free, etc.) and **database mining** are important marketing tools for this sector. Loyalty schemes can also be combined with new customer creation, for instance by offering ‘Two-for-one’ treatments or by designing rewards for customers who refer new customers (Ellis, 2008a). Of all our wellness survey respondents, 35% reported that they did not have a loyalty scheme, whereas 54% indicated the use of a client loyalty scheme (**Figure 34**).

Database mining is important for individualised communication strategies and product sales. Many wellness provider businesses have designed a questionnaire that new customers are required to fill out. Some interviewees during our stakeholder interviews, however, criticised these questionnaires and said that most businesses do not really use this information for communication or sales practices. There are often legal reasons for gathering at least some of this information, such as previous or current medical conditions, medications used, allergies and sensitivities to certain ingredients or products (see Section B.1.6).

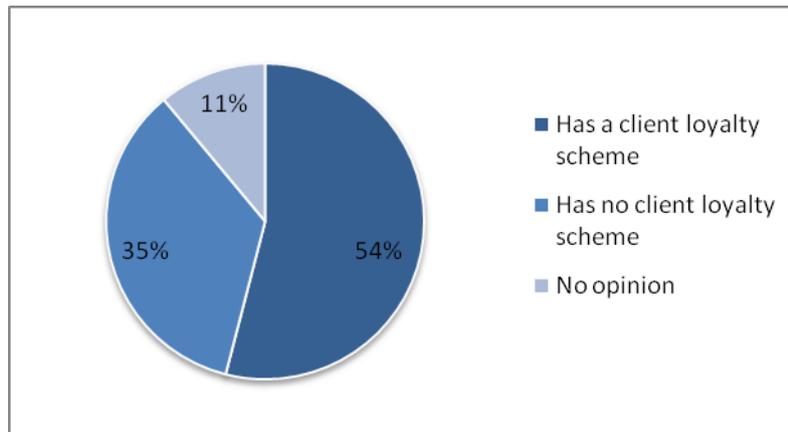


Figure 34: Usage of customer loyalty schemes

1.4.3 Wellness Tourism Branding on the National and Regional Level

Federal tourism bodies (see Section C.1.2) can play an important role in the branding and promotion of wellness tourism in their country. A number of tourism bodies in the world have recognised wellness tourism as an important part of their overall tourism strategy and therefore promote wellness tourism on their official tourism consumer websites and/or in specifically developed wellness tourism brochures. Some of these websites are very sophisticated, as individuals are able to investigate wellness tourism providers in detail and are sometimes even able to book wellness tourism packages directly through the website. **MINI-CASE 5** provides a more detailed example of a wellness tourism branding initiative of a federal tourism body. Additionally, **Figure 35** displays a selection of wellness tourism brochure covers from Germany, Ireland, Switzerland, Jordan, Croatia and Madeira. Those brochures typically basically function like a specialised guidebook, by listing and describing wellness tourism providers and specific local wellness services and by providing a map where those providers are located.

As mentioned in Section C.1.2, *Tourism Australia* currently does not pursue a wellness tourism strategy, nor does its consumer tourism website www.australia.com highlight health, wellness, or medical tourism services to potential visitors.

MINI-CASE 5: Example of a Wellness Tourism Strategy by a National Tourism Organisation

The *German National Tourist Board* (GNTB) focuses on two key product lines: the 'Health, Fitness and Wellness' and the 'City Breaks/Events' product lines (German National Tourism Board, 2009). This federal tourism body also developed the extensive marketing campaign 'Wellness-Country Germany', which produced the sales brochure titles 'Germany. Welcome to well-being' available in English, French, Italian, Spanish and Dutch. Additionally, the English website www.germany-tourism.de as well as market specific websites for the South West Europe region and Benelux countries provide comprehensive information on wellness tourism as well as more active health holidays (e.g. hiking, cycling) in Germany. On these websites, more than 50 certified wellness tourism packages are offered that the GNTB developed in conjunction with the German Spa Association. People visiting the website can select a package, check availability and book the chosen wellness tourism provider online. The website also features a promotional video of wellness tourism.

In 2011, the GNTB will further advance its international marketing activities on 'Health and Fitness Holidays in Germany' by dedicating the predominant focus of the entire year on this topic. The GNTB wellness tourism communication material emphasises the long tradition of health and spa offerings in Germany and thus the link to heritage, art and culture, as well as very extensive range of choice in the around 300 'state-approved' German mineral spas, hydrotherapy, climatic health (predominantly in mountain regions) and seaside resorts (the *Kurorte*). Strict quality criteria and certification are also highlighted.



Figure 35: Examples of wellness tourism brochure covers developed by federal tourism bodies

Similar to **federal tourism bodies**, **state tourism bodies** or **local councils** can play an essential part in promoting wellness tourism at a regional level. **Table 31** shows that six out of the eight Australian states and territories actually do include some information related to wellness tourism. While all of these websites include descriptions and/or links to wellness tourism providers, there is often only a reference to a small percentage of the actual number of wellness tourism providers. Few lifestyle resort providers and, with the exception of the South Australian and Canberra tourism consumer websites, no spiritual retreats seem to be listed. This again shows that 'wellness tourism' is often equated narrowly with spa tourism, rather than with more inclusive product offerings.

Table 31: References to Wellness Tourism in Australian Tourism Consumer Websites (November 2009)

Australian National and State Consumer Websites	Reference to Wellness Tourism
Australia Tourism Australia http://www.australia.com/	No specific information about wellness tourism exists. When specifically searching for terms such as 'wellness', 'spa', 'retreat' or 'spiritual', state-specific links are listed that include links to accommodations, attractions or events.
Canberra Australia Capital Tourism http://www.visitcanberra.com.au/	Under the category 'Things to do and see' this website includes the category 'Spas and relaxation' (3 rd navigation level). 13 businesses or attractions are listed here; mostly day spas but also a Buddhist monastery, a Hindu temple and two Botanic Gardens.
Queensland Tourism Queensland http://www.queenslandholidays.com.au/	Under the category 'Things to do and see' this website includes the category 'Spa and Wellness' (3 rd navigation level) which is then divided in the categories 'Overview', 'Health and Well-being', 'Indulgence and Luxury'. However, the criteria on which these categories are based are not clear and they only list a fraction of wellness providers actually existing in Queensland. Moreover, no spiritual retreat is included in these listings.
New South Wales Tourism New South Wales http://www.visitnsw.com/	Under 'Activities and Attractions' → Attractions, this website provides a category 'Spas and Retreats' (4 th navigation level) where 35 businesses are listed. These businesses consist of day and resort/hotel spas and no lifestyle or spiritual retreats are listed.
Tasmania Tourism Tasmania http://www.discovertasmania.com/	Under 'Activities and Attractions' this website includes the category 'Health and Well-being' (3 rd navigation level) which is then divided into 'Day Spas', 'Destination Spas' and 'Well-being Walks'. Spiritual retreats are not included.
Victoria Tourism Victoria http://www.visitvictoria.com/	Under the category 'Experience Victoria' a category 'Health and Spa' (2 nd navigation level) leads to the two main categories 'Indulgence' (divided into 'Spa and wellness', 'Shopping', 'Wineries', 'Local produce' and 'Bed and breakfasts') as well as 'Destinations' (listing 5 Victorian regions). This website also includes special 'Spa and Wellness Packages' that one can book over the Internet. The main focus is, however, on day spas and spa resorts/hotels, and spiritual retreats are not included.
South Australia South Australian Tourism Commission http://www.southaustralia.com/	Information about wellness tourism exists but may be hard for visitors to find. Under the category 'Experiences' there is the category 'Arts, Culture and Lifestyle', which includes the category 'Body and Soul' (4 th navigation level). This is then divided into 'Day Spas and Retreats' and 'Soul and Spirit'. The SATC also offers a brochure called 'South Australia Body and Soul Experiences' which can be downloaded and includes addresses of the three types of wellness tourism providers (http://www.southaustralia.com/Experiences_BodySoul.pdf).
Western Australia Tourism Western Australia http://www.westernaustralia.com	No specific information about wellness tourism offers exists. When specifically searching for terms such as 'wellness', 'spa' or 'retreat', links to types of accommodations and day spas are listed.
Northern Territory Tourism Northern Territory http://en.travelnt.com/	No specific information about wellness tourism offers exists. When specifically searching for terms such as 'wellness', 'spa' or 'retreat', links to accommodations are listed. However, the majority of these accommodation providers include spa baths in their rooms, but are not truly wellness tourism providers.

Furthermore, it has been indicated in Section C.1.2 that the majority of wellness tourism providers in Australia do not think that state tourism bodies support Australian wellness tourism. An exception is the involvement of *Tourism Victoria* and their involvement in the promotion of the Daylesford/Hepburn Springs region (see Case Study 1 in Appendix B). Recently, a coordinated strategic tourism plan has been developed for the Daylesford/Hepburn Springs region in collaboration with *Tourism Victoria*, the *Hepburn Regional Tourism Association*, the *Hepburn Shire Council* and *Daylesford and Macedon Ranges Tourism Inc* to involve all important stakeholders in this strategy (Lawrence & Bultjens, 2008). Furthermore, *Tourism Victoria* has recently launched the AU\$7.3 million ‘Lead a double life’ advertising campaign.

In regions and states where there is little support from state tourism bodies or local councils to promote wellness tourism, sometimes **wellness tourism providers collaborate** to promote wellness tourism within their region. For instance, in Australia, wellness tourism providers in Margaret River created the website ‘Wellness Margaret River’ (see Case Study 3 in Appendix D and **Figure 36**). Another example is the collaboration of 13 day and hotel/resort spas on the Mornington Peninsula who created the website www.morningtonpeninsulaspas.com and developed a ‘Spa Pass’ system providing three different types of spa packages, which offer value for money and allow individuals to sample different spas in the same region.



Figure 36: Screenshot of the website ‘Wellness Margaret River’

1.5 Characteristics of the Australian Wellness Tourism Product in Comparison to Global Product Offerings

The previous discussion highlights that there is currently no distinct Australian wellness tourism brand in Australia—neither for domestic nor for international tourists. Many survey respondents agreed that Australia is not an international wellness tourism destination but could potentially be one (**Figure 37** and **Figure 38**). One survey respondent substantiated this agreement with the following comment:

[It is a] growing industry, [it could] be a drawing card for all levels of tourism, but is not used as such at present.

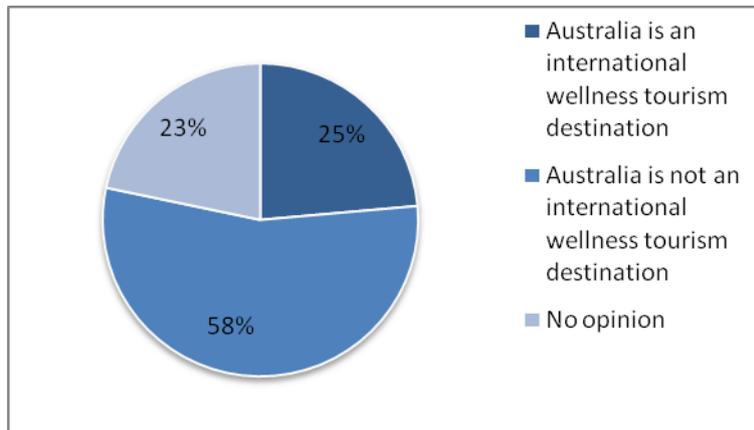


Figure 37: Respondents' opinion about Australia being an international wellness tourism destination

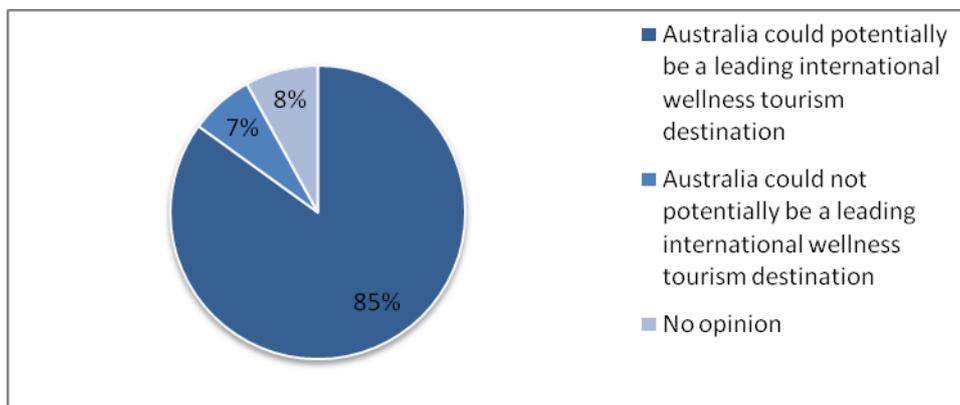


Figure 38: Respondent's opinion about Australia becoming a leading international wellness tourism destination

The Australian wellness and spa industry, like that in North America, is focused on health promotion and prevention, rather than on medical cure or rehabilitation as in Europe (Bennett, King, & Milner, 2004; Puczkó & Bacharov, 2006; Smith & Puczkó, 2008). One reason for less attention to a medical-oriented wellness industry is that Australia's natural healing assets such as hot springs, mineral waters or special muds that have been traditionally used to cure people's illnesses and ailments are less well known or 'tourist-ready'. Exceptions, of course, are the mineral springs in the Daylesford/Hepburn Springs region and the hot springs on the Mornington Peninsula in Victoria. As the Australian wellness industry is very young, it also does not have a long wellness or spa tourism tradition, and lacks lavish heritage architecture which could be utilised as a competitive advantage. Although Australia has a unique Indigenous heritage which could be (and sometimes already is) incorporated in the wellness tourism product, there are some ethical issues involved in this course of action (Section B.1.6). A further difference between the Australian and North American or European wellness product is that Australia has a much smaller client base and therefore wellness providers have smaller facilities and are constrained in the purchase of specialised equipment.

As occurs in many countries, (potential) Australian wellness tourists, or international tourists visiting Australia, are confused by labels used by wellness service providers, given that there are no standardised, consistent definitions that describe the wellness industry and its services. Thus, the wellness industry is not very transparent, and consumers have difficulty in comparing different providers. Almost 70 percent of the survey respondents agreed that consumers are not well informed about health and wellness services offered in Australia (**Figure 39**). Moreover, if there is any general information about wellness tourism distributed by tourism bodies, or other institutions, it solely or predominantly focuses on the spa sector and on day spas or spa hotel/resort providers while spiritual retreats in particular are mostly disregarded. This is unfortunate, as the Australian spiritual retreat sector appears to be very unique and could be potentially highly appealing to specific international niche tourist markets. Whereas spiritual retreat tourism and tourism guides in Europe tend to focus on Christian monasteries or convents, spiritual retreats in Australia tend to be based on or influenced by Eastern religions or spiritual practices. Thus, international tourists with an interest in Eastern spirituality, who might be anxious about travelling to Asian countries or concerned about language barriers, may perceive Australia as an ideal safe destination to pursue this interest.

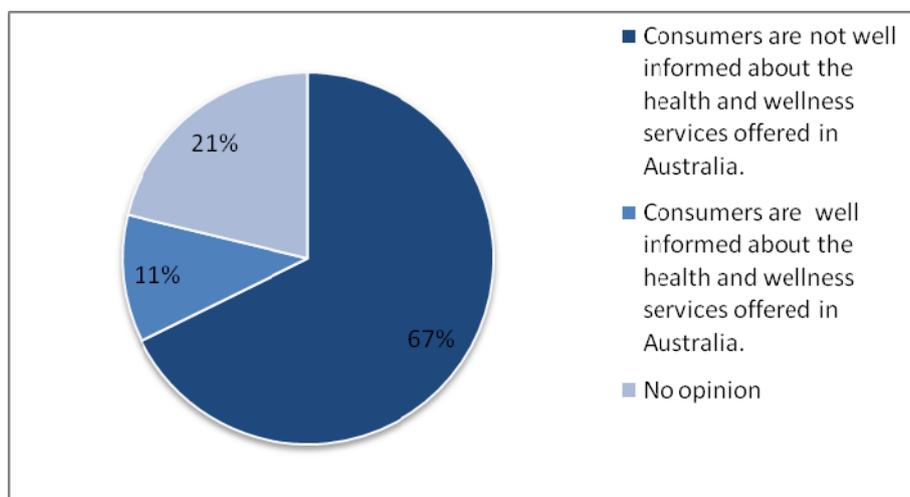


Figure 39: Respondents' opinion about effective consumer information in Australia

There are, however, some aspects of the Australian wellness tourism product that could be shaped into unique selling points. Several stakeholder interviewees pointed to the fact that Australia and Australians are perceived as relaxed, friendly people and that the Australian lifestyle is already perceived as attractive; a lifestyle that fits very well with the ideas of wellness. Moreover, Australia offers a generally warm climate as well as a diverse, pristine and beautiful natural environment, which is so important for satisfying wellness tourism experiences (see Section B.1.5). One interviewee suggested combining the advantage of having a great natural setting with state-of-the-art environmentally sustainable business practices to create a distinct Australia 'barefoot luxury' wellness tourism industry.

In addition, other stakeholder interviewees thought that the fact that there is no distinct Australian wellness tourism product is an advantage for the industry:

We are a melting pot, look at the spa industry, for example, in America, it is all pampering and luxury. In Europe it is more clinical, medical. In Asia it is more holistic, natural therapies. But in Australia we have a very strong American influence and a very strong European influence and a very strong Asian influence. And we have our own Indigenous sort of cultural influences as well. Australia, I

think, is a melting pot ... of culture and I think that's a great strength that we have, we can take the good from each of the other cultures and other practices.

The positive is, I guess that, being in Australia and not being constrained by expectations, I suppose, in what the wellness industry is supposed to be like or not supposed to be like, it gives a lot more range for creativity, so you get people trying different things. ... At the moment there is a place for everyone in the Australian wellness tourism industry.

2. Industry Analysis of Medical Tourism

2.1 Major Medical Tourism Destinations

In general, there are growing numbers of entrants in the medical tourism arena. In a global context, the major region receiving medical tourists at present is Asia. Within **Asia**, India and Thailand are the market leaders and Singapore is also an established medical tourism destination (Henderson, 2003; Laing and Weiler, 2008; Smith and Puczkó, 2008). South Korea, Malaysia, the Philippines and Taiwan have also started to advertise themselves as medical tourism destinations. The region that perhaps receives the next-biggest medical tourism flow is **Latin America**. Here, Costa Rica, Mexico and Cuba have been major players for a while but medical tourists also travel to countries such as Panama, Argentina, Barbados and Chile. In the **Middle East** Jordan, Israel and Turkey have originally treated medical tourists. Dubai, however, has recently started to aggressively promoting itself as a major medical tourism destination as well (Smith and Puczkó, 2008). In **Europe**, Western European countries such as Germany, Belgium and Spain have traditionally received medical tourists but Eastern European countries such as Hungary, Poland, Lithuania, and Latvia have also become preferred destinations, especially for patients from bordering European countries (Tourism Research and Marketing, 2006).

As previously mentioned, tourists in an upper income bracket from developing countries tend to travel to developed countries for medical treatments, whereas tourists in a low to upper income bracket from developed countries travel to developing countries for essential or elective medical treatments. Two MINI-case studies (**MINI-Case 6** and **MINI-Case 7**) are presented as examples of two developing countries (the established medical tourism player, Thailand and the new market entrant, Malaysia) specialising on medical tourism. **MINI-Case 8** follows, representing Singapore as an example of a developed country that successfully offers medical tourism. Asian examples were chosen for these MINI-cases as they are geographically closest to Australia and because Australia is most likely to compete with other Asian countries for medical tourist arrivals.

Compared to the countries listed here, even to those that are relatively new players in the medical tourism market, Australia does not yet offer medical tourism in any organised way. Case Study 5 in Appendix F provides a summary of market potential, opportunities and threats facing this emerging industry.

MINI-CASE 6: Example of an Established Developing Country Promoting Medical Tourism: THAILAND

Statistics of volume, value and growth: A recent market research report (Research and Markets, 2008 cited in France, 2009) found that Thailand treated the highest number of international patients compared to any other country in Asia. Official figures suggest that that around 1.5 million international medical tourists travelled to Thailand in 2008, generating an estimated US\$6 billion of revenue (France, 2009). The Royal Thai Government has drawn up a five-year plan that aims to double this revenue by 2014 (ibid.).

Markets: Japan, China, the US, the UK and West Europe, the Middle East and Australia are all significant source markets (France, 2009). The majority of international medical tourists travelling to Thailand, however, appear to come from neighbouring and other Asian countries (Tourism Authority Thailand, 2009)

Special areas: tropical and infectious diseases, cardiac surgery and post-operative care, cosmetic and reconstructive surgery, dentistry, gender realignment

Number of JCI accredited hospitals: 8

Distribution and promotion: Thailand made its initial foray into medical tourism in the 1990s (see also **MINI-Case 9**). The Thai Ministry of Public Health and the Ministry of Commerce collaboratively launched a campaign for Thailand to be the 'Health Tourism Hub of Asia', also seeking leadership in related campaigns of 'Wellness Capital of Asia' and 'Thai Herbs for Health', highlighting the combination of the recent development of the medical tourism industry with traditional areas of strength in the spa and wellness tourism sector as well as herbal, alternative medicine (Tourism Authority of Thailand, 2009). Thai destinations that are promoted as health and medical tourism centres are Bangkok, Chiang Mai, Phuket and Samui (ibid.). Key promotional elements of the campaigns appear to be cost effectiveness and the traditional Thai core value of hospitality, where patients are very courteously treated and welcomed as 'guests' and provided with superior and friendly service.

MINI-CASE 7 : Example of a New Market Entrant, Developing Country Promoting Medical Tourism: MALAYSIA

Statistics of volume, value and growth: The following figures are not all-inclusive because several hospitals declined to disclose their visitor numbers and revenues as requested by the Malaysian Ministry of Health. Medical tourist numbers have tripled since 2003 and comprised 341,288 visitors in 2007 (Ministry of Tourism Culture and Environment, 2009). The total revenue generated by medical tourists in 2007 was RM 253.84 million (= AU\$ 105.15 million) (Ministry of Tourism Culture and Environment, 2009).

Markets: According to the 2007 figures, about 72 percent of the foreign patients were from Indonesia, 10 percent from Singapore, 5 percent from Japan, 3 percent from Europe and 3 percent from India (Ministry of Tourism Culture and Environment, 2009).

Special areas: health screening, cardiology, cosmetic surgery, orthopaedic surgery

Number of JCI accredited hospitals: 2

Distribution and promotion: Malaysia is among one of the fastest growing medical tourism markets in Asia. Under Malaysia's current health tourism promotion drive, 35 private hospitals have been identified to promote Malaysia as a leading medical tourism destination to foreign patients. After the Malaysian government defined 'health tourism' as a driver of growth, the *National Committee for the Promotion of Health Tourism* was founded in 1998. This Committee comprises the Ministry of Health; Ministry of Culture, Arts and Tourism; Tourism Malaysia; Ministry of International Trade and Industry (MITI); Malaysian External Trade Development Corporation (MATRADE); Association of Private Hospitals of Malaysia (APHM); and the Malaysian Association of Tour and Travel Agents (MATTA). A strong element in the Malaysian medical tourism strategy is to capitalise on being a Muslim country, with Muslim doctors and easily available *halal* food, which makes the destination therefore most appropriate for patients who are practicing Muslims (Leng, 2007).

MINI-CASE 8 – Example of an Established Developed Country Promoting Medical Tourism: SINGAPORE

Statistics of volume, value and growth: Out of nearly 10 million people visiting Singapore in 2006, 410,000 (or 4%) were medical tourists. Approximately 89,000 persons accompanied medical tourists on their visits. Another 56,000 received health care incidentally when on visits for other purposes. In total, some 555,000 international visitors to Singapore in 2006 were involved in some aspect of medical travel. The goal is to attract 1 million medical travellers annually by 2012 (Medical Tourism Blog, 2007; Singapore Medicine, 2009). Not much information about revenue statistics in Singapore is available. A recent report projected strong growth of medical tourism by 9.1% between 2007 and 2012 and forecasted US\$ 1.7 Billion in total revenues (RNCOS Industry Research Solutions, 2009).

Markets: *Core markets:* Indonesia, Malaysia, Brunei; *Other markets:* Bangladesh, Myanmar, Russia, UK, US, Middle East, Africa, China

Special areas: Singapore has established itself as a leader in cardiac surgery; leader in bio-medical and clinical research; state-of-the art training and education of medical personnel. Singapore became globally famous with some extraordinary cases which provided evidence of state-of-the-art technology and health care (e.g. tooth-in-eye surgical procedure to allow blind people to see again and separation of conjoined Siamese twins—see Heng (2009) and Henderson (2002)).

Number of JCI accredited hospitals: 14

Distribution and promotion: Medical tourism is a significant driver of Singapore's overall tourism. Although the cost of health care in Singapore is higher than in other medical tourism destinations, the country has the advantages of good infrastructure and strong regulations. To promote medical tourism, the government – industry partnership *Singapore Medicine* was founded in 2003. Singapore Medicine is led by Singapore's Ministry of Health and collaborates with Economic Development Board in Singapore as well as International Enterprise Singapore and the Singapore Tourism Board. Their key promotional slogan is: 'Asia's Leading Medical Hub'. In 2007 Singapore won the Best Medical/Wellness Tourism Destination award at the Travel Weekly (Asia) Industry Awards. Furthermore, it builds on the advantage of being the highest-ranked Asian health care system by the WHO in 2000 (sixth rank in total).

2.2 Important Stakeholders of the Medical Tourism Industry

In most countries (perhaps with the only exception of Cuba), medical tourism is facilitated by the corporate sector. In some countries, the public sector is involved in medical care for tourists, as well as liaising with the tourism industry—both private and public. Thus, there are specific linkages between the traditional health sector and the tourism industry. The most common models of combining health care with the tourism and hospitality industries are:

- having a treatment in hospital, then moving to a resort/hotel;
- staying in a hospital but engaging in day-trips or excursions in between times of treatment;
- diagnosis and treatment at hospital while lodging in a resort/hotel; and
- treatment and recovery in European spas (medically-oriented).

However, there are also the following approaches:

- fly-in to have medical treatment within the airport (example: Munich airport);
- treatment and recovery on a cruise ship; and
- diagnosis commenced on an airplane while going to destination (e.g. Emirates Airlines has installed medical equipment on some of their aircraft to allow basic information to be gathered and passed on to a hospital prior to the traveller's arrival in the destination).

Many types of organisations and **stakeholders** are involved in the process of making medical tourism available to medical tourists, such as the following:

- referral agencies and travel agents specialising in medical tourism;
- provider groups (i.e. hospitals, clinics);
- hotel groups and airlines specialising in medical tourism;
- industry associations;
- accreditation organisations;
- insurance companies; and
- the state.

Those organisations and their involvement in medical tourism are explained in the following sub-sections.

1) Referral agencies and travel agents

Referral agencies and travel agents specialise in pairing up international patients with medical tourism destinations. The medical care travel packages that these agencies put together typically include travel visas, accommodation, air and ground transportation, assistance from a local company representative in the destination country, transfer of medical records, and negotiated rates for medical procedures. Examples of overseas referral agencies promoting medical tourism are *Planet Hospital* and *Med Journeys* in the United States, *Revitalise* in the UK and *Overseas Medical Services* in Canada. Larger medical travel agencies offer extensive ranges of destinations and treatments (e.g. Planet Hospital offers medical tourism travel packages in twelve different countries), while other agencies specialise in particular countries or particular treatments.

In Australia, there are a number of agencies focusing on medical tourism. Only two of these offer medical tourism within Australia; the others specialise in medical tourism outside Australia:

- *Advanced Medi-Travel* based in Kincumber, NSW (specialise in Thailand and cosmetic surgery as well as dentistry)
- *Australia Health Tourism* based in Sydney (specialise in general medical tourism within Australia)
- *Exquisite Getaways* based on Sunshine Coast in QLD
- *Global Health Travel* based in Sunbury, VIC (specialise in seven Asian countries and an extensive range of procedures)
- *Gorgeous Getaways* based in Melbourne (specialise in Malaysia and cosmetic surgery)
- *My Medical Choice* based in Homebush South, NSW (specialise in India and an extensive range of treatments)
- *Restored Beauty Getaways* based in Perth, Gold Coast, Sydney and New Zealand (specialise in Thailand and the Philippines and cosmetic surgery)
- *Validus* based in Perth (specialise in India, Malaysia, Singapore and Australia and an extensive range of treatments).

2) Provider groups

As Bookman and Bookman (2007, p. 75) note, medical tourism tends to be dominated by large private firms operating in highly concentrated markets. The large size of the hospitals also enables cost savings from economies of scale. One example of such a large medical tourism provider is the *Bumrungrad International Hospital* in Bangkok (see **MINI-Case 8**). Another example is the *Apollo Hospital Groups* based in India. Case Study 5 in Appendix F provides an overview of the Cairns Fertility Clinic, which provides IVF and assisted reproductive services to international visitors.

3) Hotel groups and airlines specialising in medical tourism

Hotel groups are slowly starting to deliberately target medical tourists. For instance, the *InterContinental Hotel Group*, one of the world's largest hotel groups, and the Medical Tourism Association recently announced a joint program to facilitate medical-related travel into Latin America (InterContinental Hotel Group, 2008; Stephano, 2008). The program includes partnerships with the best hospitals in Latin America, U.S. medical insurance companies, special rates and packages by the InterContinental Hotel Group hotels including transportation and pre and post medical treatments. The InterContinental Hotel Group, consisting of hotel brands such as the Crowne Plaza and Holiday Inn, wants to provide a very comfortable setting for medical tourists when they are recovering. Similarly, the Medical Tourism Association and the *AeroMexico* airline recently also announced a partnership. Medical tourists and their companions travelling to Latin America with AeroMexico are eligible for special designated packages through the airline's wholesalers and the AeroMexico and Medical Tourism Association Web sites (Reuters, 2009).

- Thus in some areas, 'levels of medical tourism traffic are sufficiently heavy to warrant specialised transportation' (Tourism Research and Marketing, 2006, p. 24). AeroMexico is not the only airline that has joined forces with other providers in medical tourism. Leading hospitals in Kolkata, for example have teamed up with

Indian Airlines to provide their medical tourist passengers with a 30 percent discount on medical treatments in those hospitals (Raja, 2004).

In Australia, hotels have collaborated with hospitals for post-natal care, such as the *Little Luxuries* program run by the Crowne Plaza Coogee Beach in conjunction with the Prince of Wales Private Hospital (Voigt and Laing, in press). The Cairns Fertility Clinic has built its own accommodation within the medical facility (see Case Study 5 in Appendix F), but has also developed packages for medical tourists with local accommodation providers such as the Rydges and Shangri-La hotels (Carter, 2009).

MINI-CASE 9: Example of a Medical Tourism Provider Group— The Bumrungrad Group in Thailand

The Thai Bumrungrad Group ('Bumrungrad' meaning 'care for the people') includes the company Bumrungrad International Limited (BIL) which focuses on the ownership, acquisition and management of hospitals and international medical care delivery in Asia and the Middle East. The BIL owns and operates over 70 hospitals in seven countries outside Thailand; namely two facilities in the UAE and Japan, six in Malaysia, ten in South Korea and in the Philippines, 18 in Singapore and 31 in Taiwan.

First and foremost, however, the Bumrungrad Group operates the Bumrungrad International Hospital in Bangkok which became basically synonymous with medical tourism. The hospital began targeting international markets out of necessity, following the 1997 financial crisis. It was the first Asian hospital to be accredited by the American based Joint Commission International (JCI). Nowadays, the hospital treats over 1.2 million people each year, including over 430,000 international patients from over 190 different countries. In 2007, the hospital turnover was US\$ 280 million. The focus on international patients as well as hospitality is very clear. The hospital has opened an 'outpatient centre' in 2006 which is akin to a five-star hotel. This centre includes hotel-services and facilities like concierge-style services, luxurious apartments and suites, a spa, swimming-pool and an Internet café. In addition, the 'International Patient Center' provides services such as over 100 interpreters, airport transfers, a Muslim prayer room and international insurance coordination. This Center also has a partnership with Thailand's largest inbound tour operator, Diethelm Travel, which runs a branch within the hospital. To facilitate direct marketing with international patients, the hospital has a kiosk at Bangkok's international airport and international representative offices in 20 countries, including Australia.

4) Industry associations

The **Medical Tourism Association (MTA)** currently is perhaps the best known *international* association representing the interests of medical tourism. The headquarter of this non-profit organisation is based in Palm Beach in the United States but it also has branches in South Korea, Costa Rica, Germany, Mexico and Dubai. The MTA wants to promote the highest level of quality of medical care to patients in a global environment and focuses on the three tenets of transparency, communication and education. The association also issues a monthly magazine, available online and free of charge. In addition, the MTA organises medical tourism conferences or sends its members to speak at medical tourism conferences. Through its 'Quality of Care Project', the MAT also focuses on changing reporting procedures that make global health care statistics transparent and comparable.

Another international non-profit organisation embodying medical tourism industry interest is the **International Medical Travel Organisation (IMTA)** based in Singapore. The IMTA wants to bring together the health care and travel industries in the interest of safety and well-being of international patients.

Many countries also have **national industry associations** that aggressively promote medical tourism, or in some cases, medical and wellness tourism combined. Several countries which already are important medical tourism destinations have formed industry bodies consisting of public and private partnerships of both the tourism and health care sectors. Such cooperation between the public and private sectors is seen as crucial for successful medical tourism destinations (Bookman & Bookman, 2007, p. 80). Examples of those industry bodies are the *Council for Korea Medicine Overseas Promotion*, the *Malaysian National Committee for the Promotion of Health Tourism*, the *Philippine Medical Tourism Program* and *Singapore Medicine*. These industry associations typically consist of members from health and tourism government departments and bodies, trade and export development organisations as well as hospital and medical associations (see also **MINI-Case 4 and 5**).

Organisations like the Australian Tourism Export Council (ATEC) and Australia Health Tourism (see Case Study 5 in Appendix F) have taken on the role of lobbying government to assist the development of the Australian medical tourism industry, along with the Australian Health Export Industry Council, as mentioned by one stakeholder:

We've got the Australian Health Export Industry Council [which was set up] specifically to try and bring together everything involved in health and the export of health.

This body however does not yet have a Web presence, unlike Australia Health Tourism, which allows it to act as a gateway or portal for international inquiries.

5) Accreditation organisations

The phenomenal growth of medical tourism has resulted in the international health care accreditation of hospitals located in many countries around the world growing in importance. Obtaining international hospital accreditation is one of the most critical ways for a hospital or an organiser of medical tourism to demonstrate that their quality standards are recognised to be of an acceptable or high-quality level. Moreover, it is important for foreign patients to judge whether a hospital is safe enough to trust with their health. In other words, medical tourists look for reputable operators and hospitals and well-known accreditation systems to help them make this decision.

A number of highly reputable international health care accreditation organisations exist and function in parallel. The accreditation organisation with the furthest reach is the **Joint Commission International (JCI)** from the United States. The JCI has accredited over 220 private and public health care organisations in 33 countries. When observing the list of international JCI accredited organisations, it becomes obvious that many facilities have been accredited only within the past two years, which is further evidence of the increasing demand of medical tourism. Australia currently does not have any JCI accredited hospitals, which might be a disadvantage when targeting American medical tourists. However, Australia has its own accreditation organisation, the **Australian Council on Healthcare Standards (ACHS)** which also established the ACHS International (ACHSI) in 2005 to deliver its services and accreditation internationally. To date, only a hospital in Bahrain and a hospital in India have obtained ACHSI accreditation. Other accreditation organisations operating internationally are the British *Trent Accreditation Scheme* (TRENT) which also surveys private hospitals in Hong Kong and is currently expanding into the Philippines and Malta, as well as the *Accreditation Canada International* which has accredited 13 international hospitals in seven countries.

Several stakeholders raised the issue of accreditation during interviews. As one noted:

The impediment has been the accreditation issue. Australia is compliant, but what [the American Medical Association] like to do is suggest that it's JCI or nothing. And some people have got it in their mind that the underwriting won't occur from an insurance point of view if it's not JCI. That's not the case ... Recently ACHSI, which is the international arm [of the Australian Council of Healthcare Standards (ACHS)], has won the right to accredit 64 hospitals in Hong Kong. So they'll be changing over from JCI to ACHS accreditation. Fourteen private hospitals, 50 public, and it will help our cause no end [internationally] to be able to promote that.

In addition, the Medical Tourism Association has recently piloted a certification system, not with the aim of replacing existing accreditation systems that assess hospital and medical care quality standards but in order to focus on the tourism aspect and thus review the international patient services and protocols (e.g. transparency in quality and pricing, informed consent, appropriate aftercare) currently being utilised by medical tourism providers.

6) Insurance companies specialising in medical tourism

According to Bookman and Bookman (2007, p. 151): 'The expansion of medical tourism would be several orders of magnitude greater if source-country health insurances extended their coverage to include medical services outside the country. If insurance was portable, demand for medical tourism would undoubtedly expand'.

Part of the barriers to development of the Australian medical tourism industry is the portability of health insurance to an Australian setting (see Case Study 5 in Appendix F).

The difference between public and private health insurance is also important to consider. In general, public health insurance does not cover medical treatments in foreign countries. Private insurers however tend to focus more on the bottom-line. Nevertheless, most private health-insurance companies have been slow to accept the idea of medical tourism. In the United States, there are some insurers that now allow their members to travel outside the U.S. to receive medical care. The four largest U.S. companies are exploring international options (AOL, 2009), with Blue Cross and Blue Shield developing affiliations with Asian

hospitals (Towart, 2008). Bodies like Australia Health Tourism are actively working to build relationships with U.S. insurers, but it was suggested during the stakeholder interviews that this outcome needed time and resources. Government support through delegations and trade shows may help target this message to key U.S. insurers (see Case Study 5 in Appendix F).

7) The state

Governments play a central role in the marketing and facilitation of medical tourism. Several governments have partnered up with the private sector in this regard. The broad nature of medical tourism necessitates the involvement of several government departments (i.e. Health, Trade, Tourism and Immigration) (Bookman & Bookman, 2007). Particular issues that have high relevance to development of medical tourism are the provision (and expedience) of visas to visitors and legal issues arising from patients having medical services delivered outside their country of origin (Mirrer-Singer, 2007). There have been calls for introduction of legislation regulating medical tourism (Mirrer-Singer, 2007). Some countries may not offer the same level of legal protection as others, and litigation may take years to resolve, with issues arising such as the need to establish jurisdiction to hear the case and problems gathering the evidence needed to establish liability (Bookman & Bookman, 2007; Mirrer-Singer, 2007; Towart, 2008). These issues are discussed in an Australian context in Case Study 5 in Appendix F.

2.3 Types and Characteristics of Medical Tourism Suppliers

There is an almost total absence of suppliers involved in medical tourism in Australia at this stage. Case Study 5 in Appendix F provides an overview of one of the newer and more prominent providers, Cairns Fertility Clinic.

2.4 Medical Tourism Promotion and Communication Strategies

Medical tourism is promoted globally, through channels such as Websites, dedicated magazines such as the *Medical Tourism Magazine*, or advertisements in medical or in-flight magazines (Connell, 2006). It can be done at the provider level, or, increasingly, at a destination level (see Figure 40). India has developed its 'Experience Indian Healthcare' brand, which is used to promote the destination in terms of its medical tourism expertise (Koldowski and Martin, 2008). Singapore and Malaysia have also promoted their countries' medical tourism capability and industry to an international audience (Henderson, 2003; Henderson, 2004).

Henderson (2003, p. 117) points out that developing promotional strategies is particularly challenging for this market: 'The marketing of medical tourism may not be compatible with conventional tourism advertising, and relevant organisations must assess the most effective presentation, choice of media, and channels of communication for its promotion'. The approach to date has largely concentrated on allaying fears about the quality of the service and focusing on technological developments and the existence of internationally trained medical staff (Connell, 2006a). The wider tourism offerings of the destination are also highlighted, such as the existence of cultural heritage or natural attractions (Connell, 2006a). Legal issues may arise as a result of advertising that promises things that cannot be delivered or does not provide adequate information. Goodrich (1993, p. 40), in reference to Cuba, discusses segmentation of the market based on a) a desire to improve health and b) a concern with maintaining one's appearance, but notes that the two segments overlap and cut across 'income, age, geography, benefits and other segmentation approaches'.

A discussion of promotion and communication with respect to the Australian context is found in Case Study 5 in Appendix F of this report.



Figure 40: Promotion of medical tourism at a destination level

Section D) Conclusions

This final section provides a summary of the main findings and offers a number of recommendations.

1. Definitions

Wellness Tourism

Industry representatives and other stakeholders believe that a consistent and broadly based definition of the wellness industry has not been established.

Wellness has been defined for this study as a positive, psychological state of well-being which is the result of practising a wellness lifestyle based on the belief in self-responsibility for one's own health and well-feeling (Voigt, 2009).

Wellness is more than the absence of illness; it is multi-dimensional, subjective, relative and perceptual. In this context, wellness may be a very broad concept and include activities that induce a sense of wellbeing or rejuvenation such as bushwalking, relaxing at the beach, contemplating nature and so on. Wellness tourism, on the other hand, is best defined somewhat more narrowly to *exclude* travel with a primary focus on activities such as sport, adventure, volunteering and religion (pilgrimages).

Wellness tourism is defined as the sum of all the relationships resulting from a journey by people whose primary motive is to maintain or promote their health and well-being and who stay at least one night at a facility that is specifically designed to enable and enhance people's physical, psychological, spiritual and/or social well-being (c.f. Voigt, 2008).

From a supply perspective wellness relates to three broad categories of service provision:

- emphasis on body, facial and water-based treatments (beauty);
- emphasis on detox, rejuvenation and behaviour change (lifestyle);
- emphasis on contemplation, reflection, meditation and learning (spiritual).

Although this report focuses on wellness tourism, services may be provided to both visitors and local residents. Suppliers, particularly in metropolitan areas, may not distinguish between clients on the basis of place of origin.

It is recommended that, from a supply perspective, a broad definition of wellness tourism be adopted which includes beauty, lifestyle and spiritual services and also provides specifications in regard to the training and accreditation applicable to the delivery of specific categories of service.

Medical Tourism

Medical tourism is a separate form of travel activity to wellness tourism and for international travellers is primarily motivated by the desire for medical procedures that are unavailable or unaffordable in their own country. Travel normally includes a planned component of tourism activity/experience.

The motivation to travel internationally appears to be primarily economic, although the allure of a foreign destination in which to recuperate may also be attractive. A desire for privacy may also be a driver of medical tourism when the desired procedures are cosmetic.

Medical tourism is defined as the sum of all the relationships and phenomena resulting from a journey by people whose primary motive is to treat or cure a medical condition by taking advantage of medical intervention services away from their usual place of residence while typically combining this journey with the consumption of tourism products and services. .

There is considerable domestic travel undertaken for medical purposes, although when driven primarily by access to medical resources rather than recreation It is considered outside the scope of medical tourism.

2. The Characteristics of Demand

Wellness Tourists

The number of wellness tourists in Australia depends on the way in which the characteristics of this market are defined.

Increasingly, hotels and resorts are promoting spa and wellness services as a component of their service offering. However, in many instances, this may involve providing visitors with a gym, pool area and possibly a massage, rather than a fully-fledged spa facility.

Demand estimates of overnight travel are available through the National Visitor Survey (NVS) and the Roy Morgan Holiday Tracking Survey (HTS). The NVS provides an estimate of 229,000 domestic overnight visitors per annum where a visit to a 'health spa or sanctuary/well-being centre' as an activity between 2006 and 2008. These visits occur primarily in Victoria (39%), New South Wales / ACT (37%) and Queensland (14%). The HTS provides an estimate of 497,000 domestic overnight trips engaged in a 'health resort/spa holiday' in 2008. The value of this activity was \$217 million per annum from the NVS figures and \$461 million from the HTS. The NVS provides an estimate of 148,000 wellness day trips per annum on average over the period 2006-2008 with estimated expenditure of \$15 million. These trips occur primarily in Victoria (58%) and New South Wales (20%).

The International Visitor Survey provides an estimate of 152,000 international visitors per annum over the period 2006-2008 who visited a health spa as a component of their trip. The majority of these visitors would be undertaking a wide range of activities and experiences during their trip and would not necessarily be classified as wellness visitors. The market for international wellness specific visitors to Australia is thus considered to be relatively small.

The total market for health and wellness tourism may however be understated by the figures presented above. A study by Research International (2009) found that 21 percent of Australians visited spas in 2007 and that more than half of those specifically visited a destination spa—a spa which includes accommodation. A study commissioned by Tourism

Australia⁴ found that 12% of Australian eastern seaboard residents had taken a 'wellbeing holiday/ break' within the previous 5 years, with 11% taking a trip in Australia and 5% overseas.

A detailed analysis of tourism demand was derived from a survey of accommodation managers of health and wellness properties to determine visitor arrivals and service usage by wellness visitors (see Section 3). Total clients serviced by these providers was estimated to be 2.2 million over a 12 month period, while the number of clients who were visitors (overnight and daytrip where usual residence was more than 25kms from the business location) was 1.03 million. The number of clients cannot be compared to the number of unique visitors specified in the previous section. Demand from a supply perspective is quantified in many instances as service occasions rather than unique visitors⁵.

Thus, there are about 1 million wellness tourism visits annually, excluding local residents. . A significant proportion (44%) of these are tourists visiting day spas. Visitors to spa resorts/hotels, especially in regional areas, account for almost half (46%) of the 1 million wellness tourism visits. The number of visits to lifestyle resort/retreats is tiny by comparison and the number of visits to spiritual retreats also very small.

The profile of a wellness tourist is well educated, more likely to be female, with a relatively short travel career as a wellness tourist, and younger than originally thought, most likely between 26 and 45 years. Analysis of the NVS data on the basis of origin, destination and trip duration suggests that wellness tourism in Australia is primarily an intrastate short break travel experience (72% of overnight trips). This was particularly the case for travellers in Victoria. There was however a significant proportion of health and wellness travellers visiting Queensland from interstate (around two thirds of overnight wellness visitors in that State) who are likely to be visiting the retreat properties located in that State in addition to the resorts that offer health and wellness activities as a value-add.

Medical Tourists

Data from the National Visitor Survey indicates that over the period 2006-2008 there was an estimated average of 1.04 million medical purpose domestic trips per annum. The majority of these trips are likely to involve travel to a hospital or medical centre from a regional area to access services that are not available in the local area. While there is a significant number of people travelling within Australia to receive medical procedures, the vast majority of these are not medical tourists. Similarly, the number of international inbound visitors that meet the definition of a medical tourist is small, estimated at 7,000 per annum. It may be that this figure understates the true figure as visitors could be reluctant to specify this on their visa applications and in surveys due to potential delays and other bureaucratic hurdles. However, the anecdotal evidence also suggests that current demand is not large but that there may be potential for future growth.

⁴ Inside Storey, 2007.

⁵ Visitors staying for 4 days in a destination such as Daylesford could visit a supplier such as the Bath House on each day resulting in 4 service occasions.

3. The Characteristics of Supply

Wellness Tourism

The research identified 590 suppliers of health and wellness tourism services consisting of 262 day spas⁶, 201 spa resorts / hotels, 28 lifestyle retreats, 83 spiritual retreats and 16 hybrid businesses. These suppliers are located primarily along the eastern seaboard with 29% in NSW, 24% in Victoria and 22% in Queensland. More than one quarter (28%) are located in metropolitan areas and 72% in regional areas. Spa hotels/resorts are more prevalent in Queensland, while spiritual retreat and lifestyle resorts are more likely to be located in NSW. All product categories cater mainly for domestic travellers.

It is estimated that business turnover for the 590 service providers exceeds \$277 million over a one year period and turnover derived from visitors (including day trip visitors residing more than 25 kms from the service provider) is more than \$160 million.

The research identified a number of different business types through which tourists may access health and wellness services. The categories of supply are shown in Table 33. Massage is the most widely provided service across all categories, with 90% of all businesses offering some form of massage.

Table 33: Categories of Supply of Wellness Tourism

Category	Description	Example
Retail day spa	Offering a range of massage, treatments and other services on a fee for service basis. Typically located in metropolitan retail precincts. Less likely to service tourists.	Endota
Urban retreat	Day spa in an urban area offering range of water based treatments and relaxation areas. May be attached to a hotel but majority of clients are local residents rather than hotel guests. Wellness is core product offering.	Aurora Spa at the Prince Hotel, St Kilda
Metropolitan hotel	Metropolitan hotel with dedicated spa & treatment centre. Service is a value-add and majority of clients are hotel guests. Fee for service.	The Lyall Hotel & Spa, South Yarra
Destination day spa	Day spa in a regional area. Accessed by visitors and local residents. Fee for service.	Hepburn Bath House, Peninsula Hot Springs.

⁶ Day spas were purposefully sampled, while an attempt was made to undertake a census of the other categories of wellness tourism providers.

Category	Description	Example
Destination spa	Property in regional area offering dedicated spa and wellness services. Wellness services may be core offering or a value add. May also be a hybrid offering wellness retreat packages Monday – Friday and beauty treatments on fee for service basis during weekend.	Peppers at Hepburn Springs, Golden Door at Cypress Lakes
Lifestyle resort / retreat	Range of treatments and activities generally packaged with accommodation.	Golden Door Gold Coast, Gaia, Gwinganna
Spiritual retreat	Offering opportunities for reflection, learning, alternative therapies. Generally inclusive packages.	Nan Tien Temple in Wollongong, The Chenrezig institute

Medical Tourism

There are few suppliers of medical services to overseas residents in Australia identified by this research. The categories of supply were as follows:

Table 34: Categories of Supply of Medical Tourism

Category	Description	Example
Purpose-built Medical Tourism facility	Offering a range of medical tourism services, including treatment, accommodation, flights, associated medical services and tours.	Cairns Fertility Clinic
Medical Tourism broker	Arrange medical tourism services for international patient and negotiate with medical, accommodation and tourism providers.	Australia Health Tourism

4. Destination Marketing and Branding

Within Australia there is one region, Daylesford / Hepburn Springs, that has evolved as a destination with a core positioning on the basis of health and wellness. This development is a product of the natural springs found in the area, the interests of visitors, the development of significant infrastructure and the activities of State and regional planners. The other regions studied for this project, Byron Bay and Margaret River, are areas where some visitors seek wellness outcomes as part of their tourism experience. These areas have become popular for people seeking alternative lifestyles (which is also a feature of Daylesford to some degree). These individuals in many instances have developed practices around alternative medicine and associated healing therapies which have provided a base for a wellness

positioning. These services and experiences represent a component however of a broader, more eclectic, tourism brand rather than a core 'brand essence'.

Given the increasing interest in wellness, there are opportunities for a number of destinations to establish a wellness positioning. These are more likely to succeed when planned as a component of a broader service offering. Moreover, the benefits and multiplier effects will be greatest where opportunities are created for local suppliers.

It is recommended that wellness tourism product be developed and marketed with complementary activities such as those associated with fitness, nutrition or relaxation. It is further recommended that regions take advantage of local resources which may be linked to naturally-occurring water supplies, local plants or produce in ways that assist the development of allied wellness services. The resultant product mix can be used to formulate an appropriate place branding strategy, building upon the locally-based wellness theme.

The opportunity will be greatest in regional areas that are located close to large urban centres. The latter are important as source markets for visitors and for labour, with access to a supply of skilled employees becoming very important. As previously discussed, wellness is most likely to be a short stay intrastate holiday experience for the majority of consumers. The main exception to this is during the winter months, for southern residents seeking a lifestyle or spiritual retreat offering outdoor activities, where warmer weather becomes an important destination attribute.

From an international marketing perspective there is less potential for Australia to be branded directly as a wellness destination. There is substantial competition from Asia and other destinations and given the long haul nature of travel to Australia for many origin markets, travellers are less likely to visit this country for a wellness product unless it is packaged with a range of other activities and experiences. There is, however, an opportunity to develop wellness as an attribute of Brand Australia.

A clean, green environment; Indigenous plants and produce with healthy properties (such as tea tree oil); and an emphasis on distinctive cultural traditions can help create a competitive advantage in an increasingly polluted world. A wide range of tourism organisations could be encouraged to support this strategy, with services on airlines and at airports further ensuring that tourists gain a wellness experience throughout their visit to Australia.

It is recommended that Tourism Australia incorporate wellness attributes and imagery as a component of Brand Australia.

It is recommended that industry bodies such as ATEC and TTF encourage private sector tourism organisations to incorporate wellness objectives as a component of service delivery.

There is also scope for Australia to benefit from regional partnerships, particularly with New Zealand. Similar to the cooperation between Alpine countries, Australia and New Zealand could seek to benefit from a perception that they offer different elements of pure wellness experiences.

It is recommended that where appropriate Australia develops cooperative linkages with New Zealand to leverage that country's branding as a clean and healthy destination.

5. Demand Management, Distribution and Promotion

Wellness Tourism

Over time there has been an increase in demand for wellness services, which has arisen due to a range of factors, including the increasing pace and stress associated with modern life; the desire to maintain a healthy lifestyle; and the search for meaning and personal growth. While these broad trends are expected to continue to drive demand, there are a number of other factors that could be harnessed to support demand for wellness tourism in the future.

There may be opportunities for wellness providers to establish linkages with medical service providers to provide recuperation and rehabilitation services. This strategy is likely to be successful where these services can be included as a component of health insurance schemes.

On the basis of the survey of supply, there was little evidence that wellness product is distributed through the traditional travel distribution network to any degree. On average less than 1% of bookings were received from travel agents, 1% via a government travel centre and 2% through an internet consolidator, on average. The research also did not identify any wholesale programs that provide distribution for wellness product although there is some evidence that this is happening overseas. There were instances where operators from particular regions e.g. Wellness Margaret River and Mornington Peninsula, had cooperated to develop wellness internet portals that provide opportunities for distribution.

Survey respondents were most likely to receive bookings directly from the consumer either by phone (52%), email (20%) or in person (13%). Given that the survey was directed toward spa managers rather than resort or accommodation managers, it may be the case that these results reflect the way in which the consumers book spas and wellness services rather than tourism product as a whole.

Apart from Tourism Victoria, there was little evidence of promotion of wellness tourism by government or industry bodies. As noted, Internet wellness portals had been developed by operators in Margaret River and the Mornington Peninsula, however this was primarily a distribution strategy. Again, there were significant examples of promotional material developed for wellness product by overseas destinations.

Methods of advertising and promotion most commonly adopted by the businesses surveyed were by internet (80%) and direct to consumer via email (55%). Given the importance of the digital environment the distribution and promotion of wellness product would be enhanced through the provision of wellness linkages at the top level of Federal and State Government internet travel sites.

It is recommended that federal and state government bodies play a more active role in marketing and promoting wellness tourism to both international and domestic markets.

From the survey of operators it was found that a significant proportion of clients (41%) are repeat visitors.

It is recommended that loyalty schemes and database mining be actively investigated and used as marketing tools for wellness tourism providers.

Medical Tourism

This research suggests that Australia would benefit from developing niche medical tourism offerings based on Australian medical strengths/expertise, as has occurred with the Cairns Fertility Clinic and its IVF services. Possible areas for development of Australian medical tourism services include cardiology, urology, orthopaedic surgery and oncology. Promotion could focus on particular markets such as the US/Asia, based on a quality offering that still offers price benefits for the US market.

It is recommended that Australia seek a competitive advantage internationally by focusing on provision of quality services at a lower price point than the United States, and based on niche medical offerings in which Australia has an international reputation and expertise.

6. Government Policy and Planning

Wellness Tourism

While health and wellness tourism will develop organically in Australia in response to consumer demand and the drivers outlined elsewhere in this report, it is clear that Government can play a significant role in facilitating the growth and professionalism of this sector.

National and State tourism bodies may contribute to the growth in demand through destination branding, marketing and communication and they may also underpin the quality of service delivery through the specification and monitoring of industry standards⁷. In some instances, (see Case Study 1 in Appendix B on Daylesford), government may also contribute directly to the provision of significant infrastructure that will support the core appeal of a destination.

In Australia, the national tourism authority, Tourism Australia, has in the past included wellness as a component of its broader Australian Experiences program. TA conducted market research for the sector⁸ and subsequently published information relating to market size and structure whilst also providing guidance with respect to wellness imagery. TA has subsequently moved away from the Experiences program and when interviewed for the research (March 2009) did not have a current strategy or policy in regard to wellness or medical tourism.

At the State level, Tourism Victoria has led the way in regard to spa and wellness tourism, with a strategic plan for the sector and the provision of funding for product development and marketing. Case Study 1 on Daylesford in Appendix B documents these activities. While Tourism Queensland has published market insights in relation to health and spa tourism a review of STO web sites did not reveal any further planning documents or strategies adopted by the STOs. Industry representatives outside of Victoria interviewed for this research expressed frustration at the lack of interest in the sector by Government.

⁷ Although this role may also be adopted by industry associations where the industry has sufficient strength and cohesion. See the discussion of industry structure for further detail.

⁸ Inside Storey, 2007.

To facilitate the development of health and wellness tourism in Australia it is recommended that industry bodies lobby State and Commonwealth Government Tourism authorities to, at a minimum, develop a policy in regard to health and wellness, and, where possible, develop a strategic plan for the sector that includes the allocation of incentives and resources.

Medical Tourism

There was no evidence of State or Commonwealth Government policy with respect to medical tourism and no particular recognition of this as an area of distinctive opportunity. Indeed the prospect of medical tourism was fraught with difficulties for governments concerned with voters' perceptions of medical resources being handed over to private sector entrepreneurs. This research also suggests the need for greater assistance by government in the promotion of medical tourism at high levels and at various trade shows, in order to raise awareness of Australia's potential in this area and the strengths of its offering.

To encourage the development of medical tourism, *it is recommended that* submissions are developed and presented to Government to illustrate the potential for medical tourism to contribute to the supply of medical services and facilities in Australia and to contribute 'export' income to the Australian economy. Parallels to the education industry should be provided, where appropriate.

Respondents with an interest in the promotion of medical tourism referred to the activities of the Governments of Singapore and Malaysia which have invested significantly in the development and promotion of medical tourism. Ideally, proponents believe the Commonwealth Government should establish and fund a body that develops a nationally coordinated medical tourism policy and actively promotes Australia as an international medical tourism destination through trade shows and other forums.

While Governments may not actively support medical tourism there are procedures and policies that may represent barriers for the sector. The need to streamline the visa application process for medical tourists was mentioned in this context. It was felt that in many instances medical tourists enter Australia on a tourist visa rather than go through the process of applying for a medical visa due to the associated delay.

It is recommended that the application process for medical visas (long-stay and short-stay) be reviewed and streamlined where possible.

7. Industry Governance and Accreditation

Wellness Tourism

Industry representation and leadership with respect to health and wellness tourism in Australia has been provided primarily by the Australian Spa Association (ASPA). ASPA provides a code of professional behaviour, a professional accreditation for individual practitioners and undertakes professional development activities, communication and lobbying.

While regional associations have developed in some instances, these groups have limited resources and their objectives are generally focused on regional branding and cooperative marketing.

Over recent years, ASPA has experienced declining membership and a perception amongst stakeholders that it does not have the resources to instigate or manage significant reforms for the industry. There was also a view that an accreditation system is needed in Australia which will provide reassurance for consumers and also restrict supply to those operators with sufficient resources and motivation to seek accreditation.

It is also the case that ASPA represents primarily the beauty sector of the wellness industry and standards that relate to this sector may not be applicable to the lifestyle and spiritual retreat properties and suppliers. An opportunity for lifestyle retreats, for example, involves greater involvement in the provision of recuperation and rehabilitation services for individuals recovering from medical procedures. The provision of these services will require particular accreditations that are not relevant to the spa industry.

It is recommended that a new comprehensive industry body is established that represents the beauty, lifestyle and spiritual sectors of the wellness industry.

It is recommended that the new industry body be responsible for the following activities:

provide best practice business models (e.g. risk management, training, sustainability, administration) and benchmarking indicators;

oversee accreditation against industry standards and nationally recognised qualifications (e.g. AQF-accredited qualifications);

training programs to cater for staff shortages, especially of well-trained and multi-skilled staff, including business skills and communication skills;

identify relevant wellness industry education providers by region;

establish Australian standards for wellness industry staff remuneration;

lobby governments to support health insurance reimbursement for spa and wellness providers;

adapt for Australia, the ISPA Code of Conduct and Ethics, the Green Spa Network, and the Green Globe sustainability indicators and practices that focus on wellness tourism facility design, location, and operation (e.g. hiring local staff).

Medical Tourism

There is no doubt that the prospects for medical tourism in Australia would be greatly assisted if Australian providers were accredited by or had their Australian accreditation recognised by international insurers. This requires a concerted effort by providers and ideally would be done by a peak body. Creation of a national peak body would help to coordinate Australia's development of medical tourism and promotion internationally. It would also provide potential medical tourists with a starting point for inquiries and information searches.

It is recommended that a peak body be set up to oversee development of medical tourism services in Australia. It is also recommended that Australian providers, with the assistance of government, continue efforts to lobby international insurers to recognise Australian accreditation or accredit Australian providers to accord with required international standards.

8. Recommendations for Future Research

This research uncovered a number of areas where further research would be valuable. Some broad topic areas within which more targeted research would be valuable include:

- **The medical tourist: profile, push motives, perceptions of Australia, and analysis of market potential**
- **The wellness tourist: profile, perceptions of barriers and constraints, analysis of international market potential, the tourist experience**
- **Branding and development of destinations around health/wellness**
- **Role of lifestyle resorts and spiritual retreats**
- **Emotional labour and other HR/labour issues**

APPENDICES

Appendix A: Questionnaire

Note: Depicted questionnaire smaller than original.



**SUSTAINABLE
TOURISM
CRC**



**University of
South Australia**

A Study of Health and Wellness Tourism in Australia



**MONASH
University**
**Southern Cross
UNIVERSITY**

A joint research project by the University of South Australia, Monash University and Southern Cross University,
funded by the Sustainable Tourism Research Cooperative Centre (STCRC)

Dear Spa / Wellness Services Manager,

Your assistance in completing this questionnaire is greatly appreciated. The questionnaire should take approximately 20 minutes to complete. All responses will be treated with strictest confidence and it will not be possible for anyone to identify information about any individual businesses.

All questionnaires returned by the 18th September 2009 will be entered in a draw to win a Myer \$500 shopping voucher.

SECTION A: All questions in this section relate to your business

1. What is the POSTCODE of your business?

2. In what YEAR was your business established?

3. Which of the following categories best describes your business?

PLEASE TICK (✓) ONE RESPONSE ONLY.

- Spa resort or hotel (major focus on beauty, body and water-based treatments)..... 1
- Autonomous spa attached to a resort or hotel but managed independently (major focus on beauty, body and water-based treatments) 2
- Autonomous spa/wellness facility not associated with accommodation (major focus on beauty, body and water-based treatments) 3
- Health and wellness retreat (major focus on holistic lifestyle changes, e.g. nutrition, exercise stress management) 4
- Spiritual retreat (religious or non-religious place with the major focus on mediation, self-discovery, and/or study of particular techniques such as yoga) 5
- Therapeutic retreat (major focus on holistic lifestyle changes and support for people with illnesses or addictions) 6
- Other (Please specify) 7

4.1 Which of the following services and facilities are offered by your business?

PLEASE TICK (✓) ALL THAT APPLY.

Movement therapies

- 1 Gym classes/private instructor
- 2 Yoga
- 3 T'ai Chi or Qi Gong
- 4 Guided walking/hiking
- 5 Guided water activities/gymnastics
- 6 Other guided outdoor activities (please specify)

Body and beauty treatments

- 7 Water-based & sweat bathing treatments & facilities
- 8 Swimming pool
- 9 Bath tubs/Jacuzzi/whirlpool(s)
- 10 Natural geothermal pool(s)
- 11 Steam room(s)
- 12 Sauna(s)
- 13 Vichy shower(s)
- 14 Body scrubs & wraps
- 15 Manicure and pedicure
- 16 Facials
- 17 Other (please specify)

4.1 (Continued) Which of the following services and facilities are offered by your business?

PLEASE TICK (✓) ALL THAT APPLY.

Manual pressure

- 18 Massages (please specify type)
-
- 19 Reflexology
- 20 Manipulative / adjustment-based therapies (e.g. chiropractic, osteopathic)

Nutrition-based services

- 21 Specific diet offered (e.g. vegan, please specify)
-
- 22 Weight management
- 23 Cooking classes or educational classes on diet
- 24 Detoxing or fasting
- 25 Alcohol not allowed on premises
- 26 Coffee and non-herbal tea not allowed on premises
- 27 Meditation (please specify what type)
-

28 Spiritual or religious studies & teachings

- 29 Private counselling
- 30 Group counselling/group therapy
- 31 Complementary & alternative medicine treatments/consultations (please specify)
-

Medicinal treatments and services

- 32 GP or nurse on premise
- 33 General health assessment (health diagnosis)
- 34 Minor cosmetic surgery (e.g. Botox injections)
- 35 Referral to GP

4.2 Please list from question 4.1 the three most important services you consider your business offers. PLEASE INSERT THE NUMBER CORRESPONDING TO THE RELEVANT SERVICES.

1st Ranked 2nd Ranked 3rd Ranked

5.1 Do you have a retail section selling health and wellness products?

- 1 Yes 2 No (IF NO - GO TO QUESTION 6)

5.2 Which of the following best describes the products you sell? PLEASE TICK (✓) ALL THAT APPLY.

- 1 Own products using local ingredients
- 2 Own products using ingredients from overseas
- 3 Australian products
- 4 Overseas products

The following questions are about the SIZE of your business.

6. How many staff does your business employ in the delivery of health and wellness services?

PLEASE WRITE IN THE NUMBER OF FULL TIME EQUIVALENT EMPLOYEES

7. Approximately, how many clients did your business have last year? PLEASE WRITE IN THE NUMBER OF CLIENTS

8. What was your turnover from health and wellness services last year?

PLEASE TICK (✓) ONE RESPONSE ONLY.

- 1 Less than \$100,000
- 2 \$100,000 to \$499,000
- 3 \$500,000 to \$999,999
- 4 \$1 million to \$1,499,999
- 5 \$1.5 million to \$1,999,999
- 6 More than \$2 million
- 7 Donation basis (charity)
- 8 Not for profit

9. How did your turnover from health and wellness services compare with the previous year? PLEASE TICK (✓) ONE RESPONSE ONLY.

- 1 Decreased strongly (10% or more)
- 2 Decreased moderately (5% to 9%)
- 3 Decreased somewhat (1% to 4%)
- 4 No change
- 5 Increased somewhat (1% to 4%)
- 6 Increased moderately (5% to 9%)
- 7 Increased strongly (10% or more)

10. This question relates to the way in which your business promotes its services. Please rank the top three communication channels used by your business. (1 = most important channel; 2 = 2nd most important channel; 3 = 3rd most important channel)

PLEASE WRITE IN THE BOXES BELOW, THE CORRESPONDING NUMBER FOR THE THREE MOST IMPORTANT COMMUNICATION CHANNELS

1. Advertising in health & wellness consumer publications (e.g. SpaLife, Well-being, NOVA)
2. Advertising in govt. travel publications
3. Advertising in other travel publications
4. Advertising on the Internet
5. Advertising in other media (*please specify*)

.....

6. Direct to consumer via email
7. Direct to consumer by addressed mail
8. Other (*please specify*)

1st Ranked

2nd Ranked

3rd Ranked

SECTION B: All questions in this section relate to your clients

11. What proportion of your clients...
PLEASE WRITE IN THE PROPORTION FOR EACH QUESTION (e.g. 20/100%)

	Proportion %
11.1 Visit with a gift voucher	
11.2 Are repeat visitors	
11.3 Are referred or recommended by a medical practitioner	

12. PROFILE OF CLIENTS. Please estimate the approximate proportion of your clients for each category. *PLEASE WRITE IN THE PROPORTION FOR EACH CATEGORY (e.g. Female = 55%, Males = 45%)*

Client profile	Proportion %
Gender:	
Female	
Male	
	100%

Client profile	Proportion %
Age group:	
25 or younger	
26 to 35 years	
36 to 45 years	
46 to 55 years	
56 or more years	
	100%
Travel party:	
Visiting on their own	
Visiting with a partner	
Visiting with family	
Visiting with friends	
	100%
Origin:	
Local resident – within 25kms	
Day trip visitor – more than 25 kms	
Overnight visitor from within the State	
Overnight visitor from interstate	
Overnight visitor from overseas	
	100%

13. BOOKINGS BY CLIENTS. Please indicate approximately what proportion of your bookings is received through the following distribution channels? Your best guess is fine if you do not have a record of this information. *PLEASE WRITE IN THE PROPORTION FOR EACH RELEVANT CATEGORY (e.g. 25% direct from consumer via the Internet).*

Distribution channel	Proportion %
Direct from consumer via:	
- Phone	
- Mail	
- In person	
- Email	
- Booking facility on our Internet site	
Internet consolidator (e.g. wotif.com, lastminute.com)	
Retail travel agent (e.g. Flight Centre, Harvey World Travel)	
Government travel centre / Visitor Information Centre	
Other – <i>please specify</i>	
.....	
Total	100%

14. **MOTIVATION OF CLIENTS.** Please provide a rating between 1 and 7 to indicate, in your opinion, the importance of the following benefits to your clients. *PLEASE CIRCLE THE APPROPRIATE RATING.*

Benefits sought by clients	Not important						Extremely important
To be pampered	1	2	3	4	5	6	7
To relax	1	2	3	4	5	6	7
To improve their appearance	1	2	3	4	5	6	7
To improve their physical fitness	1	2	3	4	5	6	7
To control their weight	1	2	3	4	5	6	7
To change unwanted behaviours	1	2	3	4	5	6	7
To detox	1	2	3	4	5	6	7
To find their inner self	1	2	3	4	5	6	7
To enhance their spirituality	1	2	3	4	5	6	7
To escape their everyday life	1	2	3	4	5	6	7
To meditate	1	2	3	4	5	6	7
To spend time with people important to them	1	2	3	4	5	6	7
To increase their self-esteem & confidence	1	2	3	4	5	6	7
To devote time just for themselves	1	2	3	4	5	6	7
To recover from medical problems	1	2	3	4	5	6	7

15.1 Does your business offer overnight accommodation – either directly or through an associated hotel/resort?

- ₁ Yes ₂ No (GO TO QUESTION 14)

15.2 What proportion of your clients stay overnight in this accommodation?
(This can be an estimate if you have no actual record)

PLEASE WRITE IN THE PROPORTION.

Proportion of clients %	
-------------------------	--

15.3 What is the average length of stay for clients staying in this accommodation?

PLEASE WRITE IN THE NUMBER OF NIGHTS.

Number of nights	
------------------	--

SECTION C: Your attitudes and concerns

This final section of the questionnaire will give you an opportunity to tell us about your attitudes and concerns regarding wellness tourism and the wellness industry.

- 16. The following statements are opinions extracted from interviews with several wellness industry players and relate to the Australian wellness industry as a whole.** Please indicate how strongly you agree or disagree with each of the statements. *PLEASE CIRCLE THE APPROPRIATE RATING.*

	Strongly disagree			Neither agree nor disagree			Strongly agree
The quality of Australian wellness services and facilities is very high.	1	2	3	4	5	6	7
Currently, the wellness industry in Australia is not very competitive.	1	2	3	4	5	6	7
Australia is <u>not</u> an internationally known wellness tourism destination.	1	2	3	4	5	6	7
Australia has the potential to become a leading internationally known wellness tourism destination.	1	2	3	4	5	6	7
Consumers are not well informed about the health and wellness services offered in Australia.	1	2	3	4	5	6	7
There is potential for Aboriginal culture to significantly contribute to wellness tourism in Australia.	1	2	3	4	5	6	7
Some wellness operators exploit Aboriginal culture.	1	2	3	4	5	6	7
The wellness industry is well supported by federal tourism bodies.	1	2	3	4	5	6	7
The wellness industry is well supported by state tourism bodies.	1	2	3	4	5	6	7
The wellness industry is experiencing staff shortages.	1	2	3	4	5	6	7
The wellness industry is experiencing high staff turnover.	1	2	3	4	5	6	7
There is a high burn-out rate of people working in the wellness industry.	1	2	3	4	5	6	7
Australia needs to have more wellness industry accredited training programs.	1	2	3	4	5	6	7
The industry needs an accreditation scheme to assess the quality of wellness services.	1	2	3	4	5	6	7
The industry needs an accreditation system to assess the social and environmental sustainability of a wellness business.	1	2	3	4	5	6	7
An industry organisation is needed that will represent the interests of all players in the wellness industry.	1	2	3	4	5	6	7
Government health bodies do not recognise the role that the wellness industry plays in health promotion.	1	2	3	4	5	6	7
The health insurance industry does not recognise the importance of the wellness industry.	1	2	3	4	5	6	7
Medical practitioners do not recognise the importance of the wellness industry.	1	2	3	4	5	6	7

17. The following statements describe wellness services providers. Please indicate how strongly you agree or disagree with each of the statements as they relate to your business.

PLEASE CIRCLE THE APPROPRIATE RATING.

	Strongly disagree			Neither agree nor disagree			Strongly agree
We position ourselves at the exclusive "top-end" of the market.	1	2	3	4	5	6	7
It is important that our business is affordable to a wide range of clients.	1	2	3	4	5	6	7
Our business has experienced a contraction in demand in recent months.	1	2	3	4	5	6	7
Our business deliberately targets groups with special needs (e.g. pregnant women). <i>Please specify what kind of groups</i>	1	2	3	4	5	6	7
Our business has implemented a loyalty scheme to ensure customer retention and repeat visitation.	1	2	3	4	5	6	7
Our business integrates Australian Indigenous aspects in its product and service offerings.	1	2	3	4	5	6	7
Our business is not very well represented by current industry organisations.	1	2	3	4	5	6	7
In our region, wellness industry businesses collaborate to establish a consistent presence in the market place.	1	2	3	4	5	6	7
It has been difficult for our business to find and employ well-trained staff.	1	2	3	4	5	6	7
All our employees are encouraged to lead balanced, healthy lives. They should "live what they preach".	1	2	3	4	5	6	7
Our business regularly provides our staff with further training to enhance their skills.	1	2	3	4	5	6	7
Our business incorporates a recognition program or other performance incentives for our staff.	1	2	3	4	5	6	7
We think that it is important to be socially responsible as a business offering wellness.	1	2	3	4	5	6	7
Our business is actively involved in community projects and gives back to the community.	1	2	3	4	5	6	7
Our business is eco-friendly and has integrated environmentally sustainable practices.	1	2	3	4	5	6	7

Do you have any other comments regarding health and wellness tourism?

Thank you for the time and consideration you have given this questionnaire

Appendix B: Case Study 1: Daylesford and Hepburn Springs: ‘Spa Capital of Australia’

Prepared by Meredith Wray, Southern Cross University

Introduction

The twin towns of Daylesford and Hepburn Springs are located in the Central Highlands of the Australian state of Victoria. The destination is just over an hour drive from the city of Melbourne and adjacent to Mount Macedon and the cities of Ballarat and Bendigo. The region is known as ‘Spa Country’ and contains over 80% of Australia’s mineral water reserves. The area is also renowned for its natural beauty, historic architecture, innovative and quality tourism enterprises, dynamic creative industries and diverse communities.

The region’s history is based on goldmining, forestry, agriculture and tourism. Daylesford and Hepburn Springs have been popular day-trip and short-break tourism destinations for over 130 years and retain the character of their early Victorian heritage when people travelled to ‘take the waters’ and Swiss and Italian and other immigrants settled there. The Hepburn Mineral Springs Bathhouse was established as Australia’s original spa experience in 1895. From the 1980s, the area has developed as a popular and fashionable destination bolstered by the influence of various entrepreneurs and operators that have developed a diversity of iconic tourism, hospitality and spa and wellness product and visitor experiences.

Today, tourism is recognised as one of the most important contributors to the growth and character of the region. The annual economic contribution of tourism to the region is valued at approximately \$96 million annually (TDM 2005). In terms of tourism visitation, for the year ending 2008, it was estimated that Daylesford and Hepburn Springs attracted 234,000 domestic overnight visitors and received a substantially higher number of day visitors (520,000). International visitation to the destination was estimated at 4,600 visitors (Tourism Research Australia 2009). The Victorian Government has recognised the significance of the Daylesford and Hepburn Springs and has made considerable investment into infrastructure development, destination marketing strategies and guidance to foster sound destination management.

This case study:

- explains the significance of the natural mineral water resources in the region;
- traces the history of the development of spa and wellness tourism of the destination;
- outlines strategic destination planning processes that have been undertaken to guide the development, management of marketing of tourism for the area;
- describes destination marketing strategies and initiatives that have been undertaken to position the destination as Australia’s leading spa and wellness destination;
- provides findings of product audits undertaken to determine the characteristics, location of tourism product and beauty, spa, health wellness and spiritual services within Daylesford and Hepburn Springs;
- identifies significant factors that have influenced the development, management and marketing of the destination; and

- identifies opportunities to further position and enhance the region as a leading spa and wellness destination.

Significance and Management of the Natural Mineral Water Resources

Bathing in (balneotherapy) and drinking (“taking the waters”) geothermal and natural mineral water has long been associated with mental and physical health benefits (Tourism Victoria, 2007). The natural mineral water resources in the Daylesford and Hepburn Springs area are naturally pure products that have been formed by hydro-geological processes (Tourism Victoria, 2007). They contain varied and unique concentrations of minerals that cannot be artificially replicated by heating or treating normal ‘fresh’ surface or reticulated water (ibid). The greatest concentration of mineral springs is in the Central Highlands of Victoria, centred on Daylesford/Hepburn Springs. Most mineral water springs reserves are small parcels of land that are subject to urbanisation and mixed rural development (VMWC, 2009). All of the springs situated in parks and reserves and are generally accessible to all. Many of the reserves also have picnic facilities, whilst the largest have the full range of visitor services (VMWC, 2009).

Balneotherapy services have been provided by the Hepburn Springs Bathhouse since 1895, and since the 1990s a number of day spa operations, wellness and spiritual services have been established within the destination (see more under *Destination Product*). To ‘take the waters’, visitors can tour the region by car and sample different waters at each spring. The springs are well signposted from the main roads and are generally within one hour’s drive and all have subtle differences in flavour and effect (VMWC, 2009). The springs are either bores, equipped with a hand pump, or a naturally flowing spring where the emerging mineral water has been captured and directed to an outlet within a retaining wall. Commercial bottling of mineral water commenced in 1871.

In terms of management of these resources, the Victorian Mineral Water Committee (VMWC) provides advice to the Victorian Minister for Environment on the management of the mineral water resources and the disbursement of funds collected through a mineral water surcharge. The role of the VMWC is to ensure appropriate policies, plans, strategies and guidelines are in place to preserve the mineral water resources for the maximum benefit of the whole community. The Committee supports an extensive program of renovation and reticulation of public springs, many of which are old and degraded, and regularly undertakes technical studies to ensure the ongoing safety of the mineral water resources. In 2009, the VMWC released an updated *Master Plan* (originally prepared in 2000) that outlines capital works and management directions that address a range of physical and functional issues and opportunities for each Reserve to be achieved over the next ten years. These works focus on: protection of the mineral water resource, presentation of the mineral water via public springs and general public access and use of the Reserves (Land Design Partnership Pty Ltd, 2009).

History of the development of health and wellness tourism in the region

This section traces the trigger events that have influenced the development of health and wellness tourism to Daylesford and Hepburn Springs and surrounds.

Aboriginal heritage

Daylesford lies at the intersection of three Aboriginal tribal areas: the Kurung, Wurundjeri and Jaara hordes (Perrott, Lyon & Matheison, 1985). The districts from the Great Dividing Range

to the Murray River had been occupied by the Djadja Wurrang tribes for thousands of years (Daylesford and District Historical Society, 2009). Aborigines visited the springs before European settlement, and it has been suggested that a member of a local tribe guided Europeans to the Hepburn Springs (Department of Sustainability and the Environment, 2009). However, after a period of intense gold mining activity, by 1851 the local Aboriginal population had dwindled to just 23.

A participant to this study explained that the Aboriginal history of the Daylesford and Hepburn Springs area was important as the place had always been intrinsically female. She explained that this could be traced back to when Aboriginal women Elders used to bring women to the area for healing, birthing and associated ceremonies. Interestingly, Aborigines did not live in the area, and the men weren't allowed there.

The historical link to the place as being a place for females to gather is further supported by the attraction of witches and pagans that have settled in the area. A participant explained that there was a significant 'earth energy' of the area and that was linked to the powerful energy of nearby Mount Franklin. As the participant explained 'there are the gatherings of witches that happen at Mount Franklin. They go there because of the energy and the way the place feels. Their practice is also significantly connected to healing and wellness.'

1850s—Influence of Swiss-Italian migrants

In 1836, Captain Hepburn found and named the Hepburn Mineral Spring (Tourism Victoria, 2007). The region was settled in the mid 19th century predominantly by Swiss-Italian migrants who were in search of gold⁹ and drawn to the abundant mineral waters and familiar European-style landscape. These migrants developed the architecture, food and traditions which have continued to shape the towns' character. A participant to this study explained that Daylesford and Hepburn Springs were similar to other places around the world that had become centres of wellness and healing because of their natural mineral water resources, e.g. Bath, Lourdes and Vichy. He further explained that 'taking the waters' had long been regarded by Europeans as beneficial.

1862—Residents take action to protect the mineral springs

Concern for the state of the mineral springs due to mining in the area was first recorded in 1862 when a committee was established to protect the Mineral Springs from gold dredging. This committee faltered, however, a public meeting was held in 1864 with speakers from the Canton of Ticino, in Switzerland who spoke on the value of the water resource (Darwin, 2005). From this initial meeting, a committee of nine was then formed and a petition drafted to the Colonial Government to have the waters analysed. The Mineral Spring Reserve was then established in 1864 and a reserve at Hepburn was put aside in 1865 (Darwin, 2005). A participant to this study confirmed that the Swiss Italians can be credited for saving the Springs at this time.

1866—Springs committee established

In 1866, favourable reports on the waters were published during an intercolonial exhibition in Melbourne and a committee of trustees was appointed in 1867 to promote the Springs.

⁹ The 1850s was the peak of the goldmining era in the region.

Interestingly, in 1866 there were officially only four springs known in the state of Victoria. The spring at Hepburn was described ‘as one which rises in a brownish silurian sandstone, is the most important’ (ibid). The Borough Council of Daylesford set aside a five acre reservation area in the early 1880s to beautify the Springs and make them more accessible to residents and ‘visitors (Hollick, 2007).

1871—Mineral water bottling commences

Mineral water bottling began in 1871 with the establishment of the Hepburn Mineral Spring Water Company. During the 1880s, the Hepburn Spa Company was started and the O.T. Co. commenced bottling Deep Creek Mineral Water (Darwin, 2005). At this time the Australian Natives Association¹⁰ (ANA) also developed an interest in the potential of mineral water and began to have an influencing role in protecting the resource (Darwin, 2005).

1895—Development of the Hepburn Springs Bathhouse and guesthouses

The Hepburn Mineral Springs Bathhouse was established as Australia’s original spa experience in 1895. Although bathing and consumption of the water was the main attraction of the Springs, socialising also formed an integral part of the attraction of the area (Tourism Victoria, 2007). It has been since this time that the Central Victorian Spring Region has been referred to as the ‘Spa Centre of Australia’ (ibid). Other significant factors that influenced the popularity of the region at this time included the establishment of a rail link from the town of Ballarat in 1881 when visitors came by train and by Cobb and Co coach to walk the bush paths to ‘take the waters’ (Hollick, 2007). From the 1880s, 22 hotels and guesthouses were developed in Daylesford and Hepburn Springs, signalling the start of tourism in the area.

1912—Pressure to protect the mineral springs with legislation

In 1912, concern was raised when the flow of mineral water in Hepburn’s main spring stopped due to the mining activity that cut the spring’s feed (Darwin, 2005). The ANA made representation to the State government seeking assurance that the Hepburn and Daylesford district springs were not alienated or given over control to any company or party for their own purposes. Due to public concern, mining in the area ceased in 1891. The *Mineral Springs Bill* was then enacted in 1912 and reserves were established to protect Hepburn Springs and Central Springs (ibid). From 1920 to 1930 the Mines Department drilled bores and established hand pumps within the reserves (Darwin, 2005).

1930s—Decline in popularity

Daylesford’s popularity continued until the late 1930s when a boom in car travel and competition from new, modern resorts contributed to a decline in visitors and population to the region. At this time regional Australia experienced an increase in unemployment across traditional sectors across such as agriculture, forestry, mining and clothing (Hollick, 2007). Traditional employment from agriculture, forestry, mining and clothing manufacturing were struggling here as elsewhere across regional Australia and unemployment increased. By the 1970s many shops were empty and buildings rundown. In response, the state government

¹⁰ The ANA began in Melbourne in 1871 as a benefit or ‘friendly society’ to encourage thrift and educational improvement among those born in Australia, ‘natives’. It later campaigned for political reform and patriotic causes, including federation, national parks, water conservation, afforestation, and town planning. In 1952, the ANA overcame opposition to secure 26 January as the Australia Day holiday. In the late 20th century, political and social causes were gradually abandoned (Petrow, 2006).

and local residents embarked on a mission to revive the region and protect its greatest natural asset—the mineral waters.

1969—Technical assessment of the mineral water reserves

In 1969, the Victorian Government established a State Development Committee to investigate the potential of a mineral water subsidy following a deputation that had been made by the ANA in 1963 as a result of a an ANA conference held in Daylesford in 1961 (Darwin, 2005). In 1970, the Committee recommended that the Mines Department assess the mineral water reserves. A two year study found that the mineral water was a finite asset and that depending on the quantity extracted, the reserve can be wasted (Darwin, 2005). However, little action to protect the reserves was undertaken as a result of these findings.

1970s—Establishment of a mineral water levy

In 1970, a number of local Daylesford and Hepburn residents formed the Citizens Committee for Spa Centre Development (Hollick, 2007). The Committee was established to lobby the Daylesford-Glenlyon Council and state government formulate a policy to develop and vitalise the mineral water resources in a beneficial manner (Darwin, 2005). This included investigating a surcharge on all commercially bottled mineral water. In 1975, the Committee organised a petition to Council to force the collection of a one cent per litre levy on commercially bottled mineral water from the area (Darwin, 2005). Council resisted these proposals and the Committee lobbied the State Government. As a result, legislation was introduced in 1980. The Groundwater (Mineral Water) Bill provided for a one cent levy on all mineral water bottled in Victoria (Darwin, 2005).

The levy was paid into a fund controlled by the Mineral Springs Advisory Committee (MSAC). Funds raised from the levy were used to restore the Hepburn Springs Bathhouse, the Hepburn Pavilion and to improve mineral springs reserves in the district (ibid). This foresight created interest by other local councils to access the funds and so prompted a plan for management of the mineral springs across the region (Hollick, 2007). An amendment to Act required that all mineral water sold in Victoria comes from a natural resource. It is important to acknowledge that no other Australian state has this requirement (Darwin, 2005). A second Act, *The Crown Land (Mineral Springs) Act*, made possible long-term leases for the commercial bottling of mineral water, and the establishment of hydrotherapy and spa therapy centres on Crown Land.

1980s—Entrepreneurial influence

The late 1970s and 1980s were the beginning of a renaissance of health, fitness and natural therapies as important values (Regional Development Victoria, n.d.). During the 1980s, a number of significant tourism and hospitality operations were established in Daylesford and Hepburn Springs that reinvigorated the area as an attractive tourism destination. In 1984, Alla Wolf-Tasker established Daylesford's international and national award-winning Lake House Resort and Salus Day Spa on the edge of Lake Daylesford. As it developed, a pool of local trainees and apprentices grew and other significant attractions evolved as other entrepreneurs move to Daylesford for lifestyle reasons and developed enterprises including: Central Springs Inn, Lavandula (a restored Swiss Italian farm), Harvest 1 Organic Bakery, and the Convent Gallery (a restored and expanded Catholic convent) (Hollick, 2007).

These new settlers shared similar local attachment to community values and a commitment to quality (Hollick, 2007). As a result the residential and weekender population expanded, as

did the number of stores and services meeting their needs. Agriculture also revived, with a focus on olives, grapes, herbs and organic produce, fuelled by the demand of local eateries (ibid). During this period, some migrant descendants also returned to the area, restoring the former Italian stone buildings and reinstating the Italianate gardens in Hepburn (ibid).

1982—Strategy identifies destination heritage and culture

The Kinhill Strategy, produced in 1982, identified the potential of the area by undertaking a detailed audit of natural, built and heritage assets through consultation with the community (Hollick, 2007). As a result of the study, 17 key precincts were identified and a series of actions were developed to protect natural and built heritage assets through the local government planning scheme.

1986 to 1992—Hepburn Bathhouse redevelopment

Funds raised from the mineral water levy enabled the state government to redevelop the Mineral Springs Reserves and Bathhouse in 1986. The Government, on the advice of the Mineral Springs Advisory Committee, decided to double the size of the spa complex and create the most outstanding hydrotherapy centre in Australia (VMWC, 2009). The rebuilding was completed in 1992. The Bathhouse was rebranded as the Hepburn Spa Resort, providing a complementary range of spa and wellness therapies and products to a growing number of visitors.

1990s—Growth in health and wellness practitioners

The Bathhouse redevelopment proved to be an effective strategy to stimulate further development in Hepburn and Daylesford (Hollick, 2007). Growth in the number of beauty, health, wellness and spiritual practitioners occurred at this time. A participant to the study explained that practitioners were attracted to the area because it was well-recognised as a centre of healing and wellness, and that they arrived with considerable experience and qualifications. Participants to this study explained that this was important as this enabled a cluster of professional health and wellness operators that offered a range of services to develop. As one participant said ‘they cluster together because they all believe in each other and value each others’ therapies ... people come here for a lifestyle, they want to live cleaner and greener lives themselves’.

Tourism Victoria (2005) confirmed that ‘the region has more than 85 different therapies available and a community of practitioners unlikely to be found anywhere in Australia’. Visitors could therefore come to Daylesford and Hepburn Springs for traditional spa, massage and beauty treatments, but also come to have a Tarot card reading, acupuncture and other alternative well-being and spiritual practices. A participant explained:

People can come here and get a massage and facials, but what is good in town, is that a lot of businesses remain unique. Remaining unique is not having the same products, the same services and treatments. So the more you can keep that the longer business and the industry will last.

1999—Peppers Springs Retreat

Peppers Springs Retreat, at Hepburn Springs, was developed in late 1999. It had been a traditional hotel that provided accommodation and a bar for visitors to the Hepburn Bathhouse, mainly Jewish and European guests during the 1930s, 40s and 50s. The new

owners soon recognised that visitors to the destination were seeking a more intimate wellness retreat where they could stay and have massages and treatments in the one location. A small day spa was first built within the existing hotel. The owners observed, however, that guests were seeking a communal experience, in a more intimate location. As a result they designed and developed the Peppers Mineral Spa. A participant explained that the investment into the expansion of Peppers and the redevelopment of the Hepburn Springs Bathhouse had been significant in stimulating further growth of the destination.

2001—Bathhouse redevelopment project commences

Demand for balneotherapy at the Hepburn Mineral Springs Reserve exceeded capacity at peak times (VMWC 2009). It was estimated that the Bathhouse supported 2200 jobs and contributed more than \$262 million to the economy annually (Regional Development Victoria, n.d.). The VMWC, together with Tourism Victoria and the Hepburn Shire Council undertook a feasibility study of the Bathhouse in 2001. The study found that demand had grown by 10 percent in each of the preceding years (Regional Development Victoria, n.d.). The study also confirmed that 95 percent of patrons came from outside Daylesford and Hepburn Springs (ibid). In addition to the need to increase its capacity, the Bathhouse was in urgent need of structural, plumbing and maintenance. As a result of this study, the Victorian Government in partnership with Hepburn Shire Council, recognised the need to invest in the redevelopment of the Bathhouse to ensure its sustainability, capitalising on tourism opportunities presented by the growth of spa and wellness tourism (Victorian Government, 2009a). The Victorian Government contributed \$8 million through its Regional Infrastructure Development Fund with the remaining \$2.6 million contributed by: the Hepburn Shire Council, the Department of Sustainability and Environment, the Victorian Mineral Water Committee, the Sustainable Energy Authority of Victoria and the Federal Government (ibid).

By 2003, it was estimated that there were around 80,000 treatments and services provided at the Bathhouse. The revitalised Bathhouse was expected to grow activity to beyond 100,000 treatments and services (Hepburn Shire Council, 2006). Furthermore, the redevelopment was anticipated to generate increased business investment in day spas, resorts and accommodation services and provide additional employment opportunities in the area. By supporting the major redevelopment of this iconic attraction, the Victorian Government further demonstrated their recognition of the contribution of the tourism sector to regional economic development. In Daylesford and Hepburn Springs tourism employment grew by 49.7% over the period 1997–98 to 2002–03, by far the largest growth in regional Victoria (Hollick, 2007).

2002—Planning legislation to protect town character and heritage

The rapid growth of tourism had created general concern within the community about inappropriate development, duplication of resources and fragmentation within the community (Lawrence & Buultjens, 2009). A participant to this study explained that in the mid-1990s there was an apparent lack of community activism and interest in planning matters. He stated ‘it wasn’t until seven years ago that I noticed a swing. The economy had pushed up, there were more people and a lot more intensive development starting to take place. Higher densities, the pressure was building’.

A proposal to develop two and three storey units on a Church site in Daylesford prompted Hepburn Shire Council to invest \$60,000–\$70,000 on a character assessment study in 2002. The study defined and described over 20 neighbourhoods within the Shire, that were then

embedded within the state and local planning scheme to provide guidance to council on appropriate development. The study was derived from community values and identified natural and built heritage assets the locals wanted to protect (Hollick, 2007).

A participant explained that this was a key to maintain the character of the area and protect it from over development. He said that there was no room within the planning scheme for a large resort (e.g. 300 beds) and because there are only small to moderate operations, the special character of the 'place' was preserved. The conservation of the historic Swiss-Italian Villa Parma building by Peppers Springs Retreat entrepreneurs was cited as a good example. He, however, further suggested that the character of the place was evolving and that this was creating a variety of smaller scale developments with good design elements.

2006—Bathhouse redevelopment commences

Major works commenced in October 2006 on the redevelopment of the Bathhouse. The existing heritage-listed Bathhouse building was refurbished to retain its iconic Edwardian features. Known as the South Wing, this section of the bathhouse now contains 30 high-quality wet and dry treatment rooms, private change rooms, individual mineral bath rooms, a relaxation room and office facilities, making it one of the largest day spas in Australia. Nestled in the deep creek gully, a new contemporary designed bathing wing, built adjacent to the Bathhouse, incorporates a mineral water bathing pool, a salt pool, two interconnected spa pools, a relaxation deck and a unisex change room. This new building is open, airy and light with skylights and large windows. This serves the dual purpose of allowing potential patrons to see inside and provides open views of the creek and bush setting to increase the tranquillity of the spa experience. The creek itself has been revitalised with clearing of the creek bed, new rocks and planting of indigenous vegetation (Regional Development Victoria, n.d.)

2006 to 2008—Maintaining tourism visitation during Bathhouse closure

Given that the Bathhouse was to be closed for a period of two years, it was important for destination stakeholders to consider how to maintain visitation to the area and to ensure the ongoing delivery of spa and wellness services within the destination (Hepburn Shire Council, 2006). The Bathhouse Business and Community Group was established as an advisory committee to Hepburn Shire Council. The Group comprised a ten-member committee that represented a range of business and community interests. The Group established an Action Plan to engage and inform interested stakeholders of the redevelopment process and develop initiatives to ensure the ongoing delivery of spa and wellness services within the destination (Hepburn Shire Council, 2006). The Mineral Spa at Peppers Springs Retreat was positioned as having a distinctive mineral spa experience for visitors during the closure of the Bathhouse.

Around this time, the Spa Therapy Group was established as a cooperative network of spa and well-being practitioners within the area. It comprised considerable membership of smaller operators but was also well supported by larger operations. A participant to the study explained that the Group had an important role as a network for practitioners but needed the ongoing support of the larger operators. It is interesting to note that the Group disbanded in 2009, following the opening of the re-developed Bathhouse.

Despite the closure of the Bathhouse, the Daylesford–Macedon Ranges region's tourism industry remained strong during 2007 (Major Projects Victoria, 2008). As shown in Table B1 domestic overnight and day-trip visitation experienced steady growth. International visitation

was still fluctuating, but has grown since 1999. A participant to this study explained that significant international visitation to the area would be difficult to achieve as Daylesford and Hepburn Springs comprised of mainly small to medium sized operations. He explained that larger operators (accommodation and transport providers) were necessary to package and promote destination experiences to international markets.

Table B1: Domestic and International Visitation to Daylesford and the Macedon Ranges (1999 to 2008)

Year ending December	1999	2007	2008	Average Annual Growth 1999–2008	% change 2007–2008
Domestic					
Overnight visitors (000s)	430	437	466	+0.9%	+6.6%
Visitor nights	834	1068	1223	+4.3%	+14.5%
Day-trip visitors (000s)	1632	1285	1319	-2.3%	+2.6%
International					
Overnight Visitors (000s)	6.8	11.3	8.6	+2.6%	-24.2%

Source: Tourism Victoria (2009c)

2008—Bathhouse operator appointed

Major Projects Victoria managed the delivery of the redevelopment on behalf of Regional Development Victoria (Victorian Government, 2009a). The Department of Sustainability and Environment managed the public tender process to appoint the new bathhouse operator. The successful tenderer, Belgravia Health and Leisure Group reopened the Bathhouse for business in September 2008. The Group is experienced in leisure venue management and service, currently managing 50 sporting and leisure venues across Australia (Kelly, 2008). A participant explained that the Bathhouse played an important role in educating the public on the benefits and enjoyment of spa and wellness experiences. As he stated:

A fantastic facility, architecture looks great and it's like an educational tool for people that haven't experienced a spa before. It's like a launching platform for moving on to other experiences ... people felt comfortable, because that's where the masses went. You could put on a pair of bathers and jump into a hot pool, so it's not much unlike an aquatic pool, but then you could be brave and have a massage ... there is lots of noise and people don't feel like they are being forced into something they are not sure about.

He also suggested that there needed to be more education and information for visitors on the range and benefits of therapies and treatments available within the destination and to overcome perceived fears of such services.

2007 to 2008—Road infrastructure upgrades

Upgrade of the freeway linking the city of Melbourne to Daylesford has been important in providing access for day-trip and short-break visitors. It now takes just over an hour to travel by car to the destination. A participant considered that increased fuel costs and the recent economic downturn has benefited the destination given that it is in such close proximity to Melbourne. He explained that hundreds of visitors arrive on Friday afternoon because of the ease of access to the town and are able to stay until mid Sunday afternoon. He further explained that many visitors came regularly to Daylesford and Hepburn Springs as part of their lifestyle and had built their own social networks there.

Destination Planning

Tourism Victoria has developed a number of plans and strategic initiatives to expand the tourism sector within Victoria to an \$18 billion industry that employs 225,000 people by 2016 (Tourism Victoria, 2009b). In addition to its infrastructure investment in Daylesford and Hepburn Springs, the Victorian Government has contributed considerable funding and strategic planning expertise to better position Daylesford and the Macedon Ranges region as the Spa Capital of Australia. Plans and strategic initiatives of specific relevance to the development, management and marketing of Daylesford and Hepburn Springs are summarised in Table B2.

Table B2: Overview of Tourism Victoria: Plans and Strategies

Strategy	Overview
<i>Victoria's Spa and Wellness Tourism Action Plan 2005 to 2010</i>	This plan is designed to position Victoria as the destination of choice for visitors seeking a spa and wellness experience; outline Victoria's current position in relation to spa and wellness tourism; provide an overview of current visitation; and proposes objectives and actions to: to increase awareness; increase visitation, length of stay and expenditure to Victoria by consumers seeking a spa and wellness experience; encourage investment in spa and wellness product and infrastructure; and increase professionalism and excellence amongst those delivering a spa and wellness experience. The Plan identifies Daylesford and Hepburn Springs as having the greatest depth and breadth of spa and wellness product experiences and the potential to become the pre-eminent spa and wellness destination in Australia. (Tourism Victoria, 2005).
<i>Victoria's Geothermal and Natural Mineral Water Tourism Investment Opportunities (2007)</i>	This report provides an insight into the demand for services and facilities, location and characteristics of Victoria's geothermal and natural mineral water resources, the opportunities to expand and establish new facilities and an indication of the success of overseas developments with the potential to be replicated in Victoria. Daylesford and Hepburn Springs were identified as having the potential for increased demand and profitability, and to contribute to wider economic and social benefits for local communities (Tourism Victoria, 2007).
<i>Regional Tourism Action Plan (RTAP) 2009 to 2019</i>	The RTAP supports Victoria's <i>10 Year Tourism and Events Strategy, Business Plan 2008–2011</i> and <i>Nature-based Tourism Strategy 2008–2012</i> by providing actions for regional tourism marketing, management and investment. The Plan provides actions to position Daylesford as the hero destination dedicated to well-being in interstate marketing, facilitate the development of high quality and boutique accommodation, develop tourism product associated with natural mineral water and integrate with food, wine, spa and well-being products (Tourism Victoria, 2009b).

Tourism Victoria is currently developing the following strategies that will further support tourism for Daylesford and Hepburn Springs:

- Victoria's Food and Wine Tourism Action Plan; and
- Victoria's Arts, Theatre and Cultural Heritage Tourism Action Plan.

In 2006, coinciding with the Bathhouse redevelopment process, Tourism Victoria identified the need for a Strategic Tourism Plan for Daylesford, Hepburn Springs and Surrounds to:

- provide focus and direction for the local tourism industry;
- assure the ongoing sustainability of the local tourism industry;
- provide a basis for local, state and federal government support;
- to better utilise opportunities provided by the area's unique Mineral Water Reserves and Bathhouse redevelopment;
- to address the challenges of a dynamic international and domestic tourism environment;
- to enhance and protect the well-being and uniqueness of this special place for visitors and its residents (Lawrence & Bultjens, 2008).

The Destination Daylesford Strategic Tourism Plan 2008 to 2018 provided the first coordinated strategic and integrated approach to the sustainable management, development and marketing of tourism for Daylesford, Hepburn Springs and Surrounds. The Plan was developed by planners at the Australian Regional Tourism Research Centre at Southern Cross University in collaboration with Tourism Victoria, the Hepburn Regional Tourism Association, Hepburn Shire Council and Daylesford and Macedon Ranges Tourism Inc (Lawrence & Bultjens, 2008).

The following vision for tourism in Daylesford, Hepburn Springs and Surrounds was developed through consultation with government, industry and community stakeholders:

To position Daylesford, Hepburn Springs and Surrounds as an internationally and nationally renowned mineral water and wellness centre, sharing and celebrating its unique heritage, cultural diversity, community lifestyle, rural landscapes, natural resources, and built attractions with visitors. Over the next ten years and beyond tourism will be developed and facilitated by appropriate, balanced, sustainable, inclusive and visionary policies which ensure social, economic and environmental benefits for the community and offer best practice experiences for visitors.

Ten objectives were developed to guide the sustainable destination management, development and marketing for Daylesford, Hepburn Springs and surrounds for 2008 to 2018. A detailed action plan outlined the rationale, recommendations and strategic initiatives associated with these objectives (Lawrence & Bultjens, 2008).

The final version of the plan was launched in August 2008 and received widespread industry and community approval. At the official launch, Tourism Victoria's Regional Advisor described the process as 'world's best practice'. The CEO of Tourism Victoria stated that: 'Tourism—if it is to work effectively—requires a level of cohesion and commitment ... this plan will enable Daylesford, Hepburn Springs and the region to become a renowned national and international star wellness and mineral water centre that it has the capacity to be'.

Destination Product

A comprehensive tourism product audit was undertaken during 2007 as part of the Destination Daylesford strategic tourism planning process. The audit aimed to identify, categorise and count all visitor accommodation, attractions and activities, tourism-related retail businesses, restaurants/food and beverage operations, spa and wellness centres and transport operations within the Hepburn Shire region (ARTRC, 2008).

The key findings of the accommodation (Table B3) and tourism product audit (Table B4) were as follows:

- There are more than 400 individual accommodation establishments in Hepburn Shire, most of which are holiday houses (41%).
- Most bed spaces are contained in the townships of Daylesford (53%) and Hepburn Springs (22%).
- Limited accommodation is available in the nearby villages of Creswick and Trentham, each of which contain seven and eight properties respectively.
- The most prominent form of supporting tourism product throughout the Shire is retail outlets (239 in total).
- There were 65 spa and wellness operations located throughout the Shire.
- Daylesford is the key township in the Shire in terms of accommodation and range of tourism attractions (including spa and wellness facilities, tourist activities, galleries and museums).
- Daylesford is home to more than half of the Shire's tourism activities and food providers—and more than 60 percent of the Shire's spa and wellness facilities.
- Hepburn Springs is the second largest tourist destination with more than 20 percent of the Shire's accommodation, supported by a wide range of tourism attractions and facilities.
- Wineries are a prominent attraction throughout the surrounding Hepburn Shire region.
- The Shire is largely accessed by visitors using private vehicles or hire cars, with relatively limited public transportation services available for town-to-town travel (ARTRC, 2008).

Table B3: Accommodation types in Hepburn Shire

Accommodation Type	Number of Establishments	Number of Bed Spaces	% of Total Establishments	% of Total Bed Spaces
Holiday Houses	283	1629	68%	41%
Camping/Caravan	4	734	1%	19%
Hotels/Motels	17	698	4%	18%
Holiday Apartments	65	540	16%	14%
B&B/Guest House	50	340	12%	9%
Total	419	3941	100%	100%

Source: ARTRC (2008)

Table B4: Tourism products in Hepburn Shire

Total Shire Tourism Products	Amount	% of Total
Retail	239	40%
Spas and Wellness	65	11%
Galleries/Museums	60	10%
Attractions	55	9%
Other Food Providers	51	9%
Activities	42	7%
Cafes	31	5%
Restaurants	30	5%
Wineries	26	4%
Total	599	100%

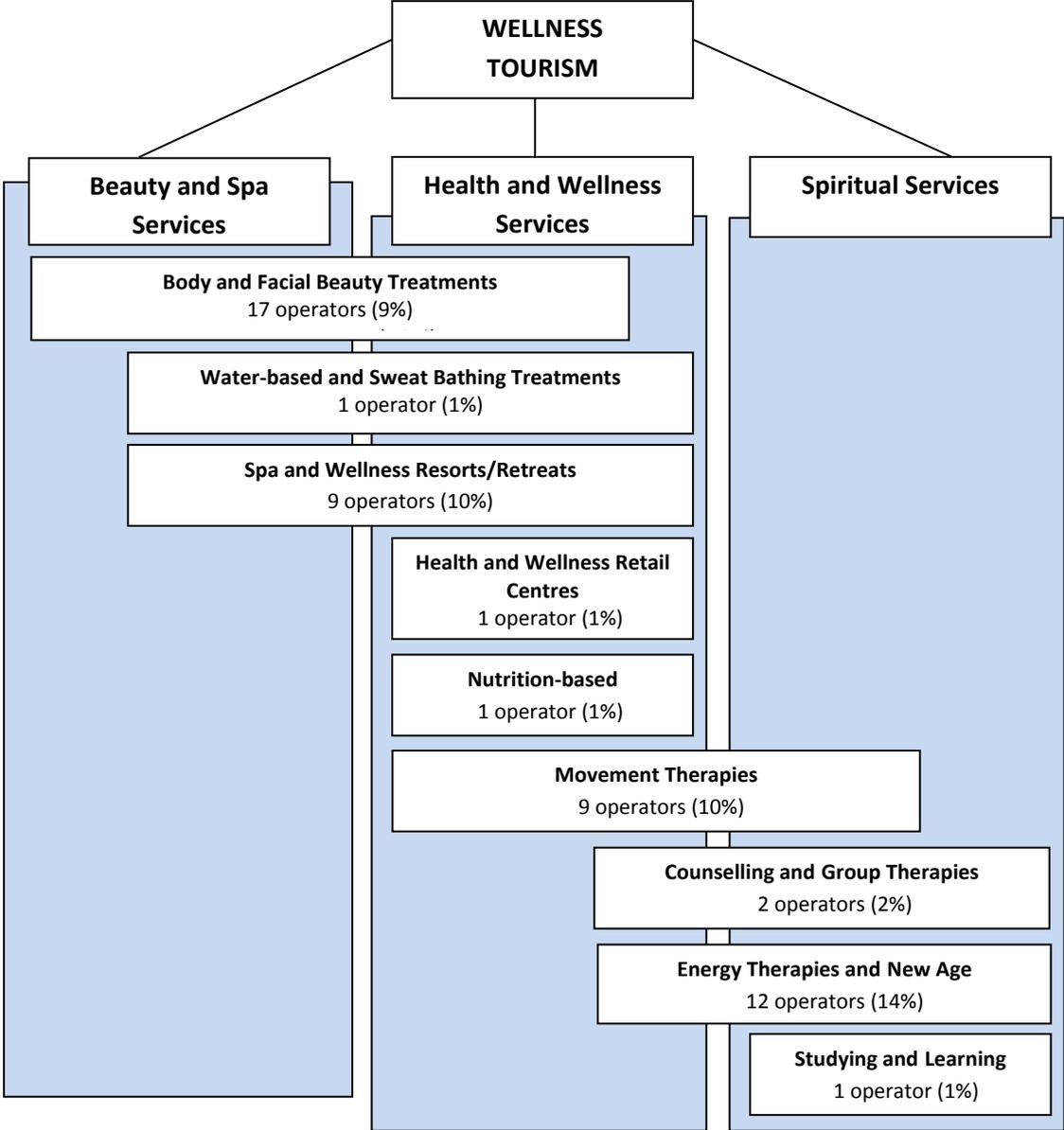
Source: ARTRC (2008)

To determine the full scale of spa, health and wellness operations that offered and promoted their services to visitors (and residents) a comprehensive audit was undertaken in August 2009 as part of this Case Study research. The audit involved identifying and categorising all beauty, spa, health, wellness and spiritual services that were promoted to visitors to Daylesford and Hepburn Springs (see Figure 1).

The key findings of this audit were as follows:

- There are 94 operations offering beauty, spa, health, wellness and spiritual services in Daylesford and Hepburn Springs.
- In addition to traditional beauty and spa services, there is a diverse range of health and wellness and spiritual services available within the destination (e.g. Craniosacral therapy, bower therapy, reflexology, tarot card readings, yoga retreats).
- Manual-pressure therapies account for 34% of all services.
- Energy therapies and new age services account for 14% of services.
- Most services are clustered around the central business district of Daylesford and near Peppers Springs Retreat and the Hepburn Springs Bathhouse at Hepburn Springs.
- The Hepburn Springs Bathhouse, Peppers Springs Retreat and the Lakehouse are principal commercial operations.
- Individual practices and small operations account for the majority of providers within the destination.
- There are some mobile operators that provide services to visitors within their accommodation.
- There are nine dedicated retreat centres offering health, wellness and spiritual retreats.

Figure B1: Daylesford and Hepburn Springs Spa and Wellness Framework



Destination Marketing

Daylesford and Hepburn Springs has been identified as a Level-One¹¹ destination region by Tourism Victoria who, along with the Daylesford and Macedon Ranges Campaign Committee provides considerable marketing and professional support to achieve this status. A participant explained that Tourism Victoria played a vital role in marketing the destination given that Council's rate base was so small and that there weren't many large tourism operations in the area. Strategic initiatives that have been developed to position Daylesford and Hepburn Springs as a significant spa and wellness destination within Australia are explained as follows:

2006—Tourism Victoria launches brand campaign for Daylesford

Tourism Victoria launched a destination marketing plan in April 2006 as part of its *Melbourne and Surrounds Regional Tourism Development Plan*. The plan aimed to complement Melbourne's image while promoting Daylesford as a key tourist destination and encouraging regional dispersal from Melbourne (Hollick, 2007¹²). Spa and wellness experiences featured as a core aspect of the national marketing campaign for the Daylesford/Hepburn Springs region. A \$600,000 budget was set for the project. The challenge was to develop a brand identity that would give the region a distinctive and creative personality (ibid).

Research findings were influential in the positioning of Daylesford. Regional Awareness and Perceptions (RAPs) studies are undertaken by Tourism Victoria for key destinations on a regular basis. A study undertaken in 2007 revealed a market segment of visitors who feel overwhelmed by life and are looking for holidays where they can focus on their emotional well-being (Hollick, 2007). The research findings led to a creative campaign based around the concept that 'in Daylesford, you can escape to your own private fairy tale'.

The campaign objectives were to:

- increase awareness of Daylesford and its rational and emotional attributes in key source markets;
- highlight the region as a short drive from Melbourne and an additional trip for interstate visitors;
- position Daylesford as the icon Mineral Springs destination in Australia;
- increase visitation of the socially aware market segment;
- increase length of stay and expenditure in Daylesford and the greater Macedon Ranges region; and
- generate consumer response to the campaign (Hollick, 2007).

The campaign strategy incorporated an integrated approach using the following components:

- develop a brand campaign for Daylesford targeted to key markets;
- ensure ability of the broader region to support the brand campaign;
- undertake consumer promotions; and

¹¹ A Level-One Destination is defined as those destinations that attract a strong mix of international, interstate and intrastate visitors and particularly demonstrate international appeal matched to Victoria's key product strengths.

¹² This research was part of an STCRC research project titled 'Sustainable Regional Tourism Destinations Project' that identified best practice for regional tourism destinations.

- develop collateral and online information to incorporate brand elements (Hollick, 2007).

The strategy focused on the distinctive aspect of a village borne from and dedicated to the idea of well-being and rejuvenation. The message to the market was that ‘Daylesford is a village dedicated to making you feel unbelievable, whether through eating great food, drinking great wine, having an incredible massage or taking to the waters to enjoy the spa’. The execution of the brand utilised naive and child like artwork to depict Daylesford as a fairytale destination (Figure A2).

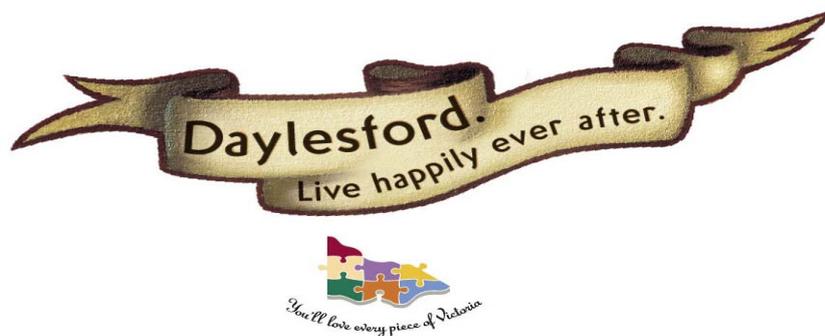


Figure B2: Tourism Victoria, 2006 Daylesford Brand Tag Line

The campaign target audience was categorised as the socially aware and ‘holistic healthies’. The core age for this demographic is 35–45 years, with campaign appeals to the broader age of 25–55. As 50 percent of the value segments have families, it was important that families should not feel excluded from the brand message. The segment represents middle to high income earners, professionals, tertiary educated with a strong public sector bent. The primary geographic target was NSW (Sydney) and the secondary markets were Queensland (Brisbane), South Australia (Adelaide), and Victoria (Melbourne) (Hollick, 2007). To create awareness the Daylesford campaign incorporated:

- a dedicated micro website within Tourism Victoria’s visitvictoria.com site. It offered regional information, deals and packages and page links for operators to generate bookings;
- a \$10,000 prize to the region was offered to launch the campaign. As a result of this competition, the region developed a database of more than 13,000 names. This has been used to liaise with consumers via e-newsletters;
- an advertising and PR campaign that featured in media throughout Australia, with a focus on the Sydney market. In conjunction, the Daylesford and Macedon Ranges Campaign Committee contributed to operator specific strip ads in a number of mainstream print publications; and
- development of a regional Jigsaw brochure that was distributed through the Visitor Information Centres throughout the State and Melbourne’s Federation Square (Hollick, 2007).

Tourism Victoria oversees campaign consistency and quality by giving operators the option to buy into print and television advertising shells. The campaign was delivered through multi-faceted mediums (see Figure B3).

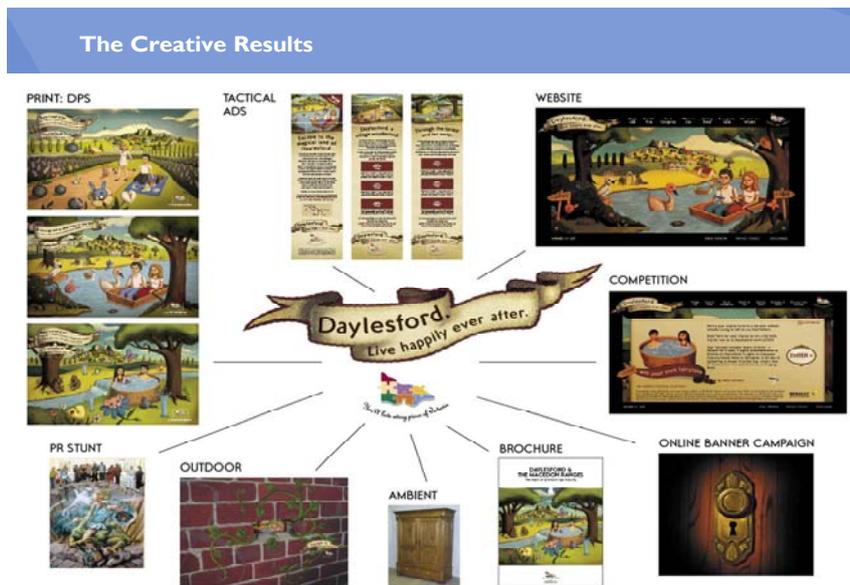


Figure B3: Daylesford Campaign Creative Results

Source: Tourism Victoria: Regional Marketing Unit

The campaign was exposed to more than 550,000 unique users, and online media directed almost 50,000 visitors to the Daylesford website. The overall click-through rate (CTR) for the campaign was 0.74 percent. Best performing advertisement placements included a half page banners across various Sydney Morning Herald sections which generated a CTR between 0.8 and 1.41 percent. Overall the campaign was deemed very successful by the operators who were involved (Hollick, 2007). Tourism Victoria visitation figures for June 2007 showed positive results for the region including: a 24.9 percent increase in international overnight visitors compared to June 2006 prior to the Bathhouse closure; a 6.3 percent increase in Victorian overnight visitors (2006 to 2007); and a 12.4 percent increase in domestic day-trip visitors (2006 to 2007) (Major Projects Victoria, 2008).

2009—\$7.3 million campaign launched to position Daylesford and Victoria as the nation's leading spa and health destination

The next phase of the Tourism Victoria's 'Jigsaw—You'll love every piece of Victoria' campaign focused on Daylesford and Hepburn Springs. A \$7.3 million advertising campaign was launched by Tourism Victoria in August 2009 that aimed to position Daylesford and Victoria as the nation's leading spa and health destination. In addition, the campaign was developed to assist Victoria to overcome challenges arising from Black Saturday bushfires and the global financial crisis (Victorian Government, 2009b).

The campaign featured Hollywood based Australian actress Isabel Lucas, who was considered to appeal to the baby-boomer and over 25s markets. Tourism Victoria Chief Executive explained that the campaign was developed to move baby-boomers that are attracted to Melbourne for its romance and style, to regional Victoria given that this market were growing more interested in their health. He claimed that the 'Run Rabbit Run' campaign that promoted the Yarra Valley from 2004, had led to an 18 percent increase in visitors to the region in its first year. It is anticipated that the Daylesford campaign would achieve similar results.

Don Richter, Marketing Director Tourism Victoria, explained that the 'Daylesford Lead a double life campaign' is about achieving balance in life. He explained that there are two sides

to the Daylesford experience, indulgence with beautiful food and nightlife, the other side about restoring your inner well-being through massages, spas and mineral water experiences (Tourism Victoria, 2009a).

The Australia-wide campaign utilises television, cinema, magazines and online media, with a particular focus on Sydney, Adelaide, Brisbane and Canberra. The campaign is also supported by a ‘Villages of Victoria’ marketing initiative that highlights the unique personalities of Victoria’s other village destinations and a ‘spa and well-being’ marketing initiative that promotes these products in Victoria (Victorian Government, 2009b).

Tourism and Major Events Minister, Tim Holding, stated ‘Although centred on Daylesford, this is a fantastic opportunity for all of Victoria; allowing us to lead in the spa and well-being market which is yet to be “owned” as a brand strength by any other state’ (Victorian Government, 2009b). The campaign is in addition to the \$5 million Melbourne marketing campaign and the joint Victorian and Commonwealth \$10 million campaign to restore tourism in bushfire affected areas (Victorian Government, 2009b). Tourism and Major Events Minister, Tim Holding, described the campaign as ‘it really says this is the premier destination in Australia for spa and well-being experiences, a great place to come for terrific food and wine and art and culture’ (Rayner, 2009).

Destination Success Factors

The factors that have influenced the development, management and marketing of Daylesford and Hepburn Springs as a spa and wellness destination are summarised on the following pages.

Destination Development

Success Factors	
Abundance of natural mineral springs reserves	<ul style="list-style-type: none"> ▪ The region comprises over 80% of Australia’s mineral water reserves ▪ The water is naturally pure and contains unique concentrations of minerals ▪ Springs are accessible and many equipped with hand pumps
Established spa and wellness destination for over 130 years	<ul style="list-style-type: none"> ▪ Well established spa and wellness centre for balneotherapy and to ‘take the waters’ that can be traced back to Aboriginal heritage and Swiss-Italian settlers (1850s) ▪ Influence of Swiss-Italian settlers from the 1850s that developed the architecture, food and traditions which have continued to shape the towns’ character ▪ Establishment of the Hepburn Springs Bathhouse in 1895 that established the region as the ‘Spa Centre of Australia’ ▪ Development of guesthouse accommodation from the 1880s ▪ A popular day-trip and short-break tourism destination for over 130 years
Early recognition of the need to conserve of the natural mineral water reserves	<ul style="list-style-type: none"> ▪ Ongoing concern from the community to protect the mineral springs from 1862 ▪ Pressure from the Australian Natives Association and the community that resulted in the ceasing of mining in the area in 1891 ▪ Establishment of legislation from 1912 to protect the mineral water resources ▪ Pressure on local and state governments from the local community from 1970, that resulted in <i>The Groundwater (Mineral Water) Bill 1980</i> that provided for a one cent levy on all mineral water bottled in Victoria that was later used to restore the Hepburn Bathhouse and improve the mineral springs reserves ▪ Significant role of the Victorian Mineral Water Committee in the

Success Factors	
	management of the reserves, disbursement of funds from the mineral water surcharge, development of policies and plans to preserve the resources, ongoing renovation of degraded springs, and undertaking regular technical studies
Development of a diversity of tourism product and experiences	<ul style="list-style-type: none"> ▪ Influence of entrepreneurs that developed innovative and quality tourism and hospitality operations from the 1980s (particularly the Lakehouse in 1984) that attracted new settlers, entrepreneurs and visitors to the area ▪ Establishment of interesting attractions, (e.g. Lavandula—lavender farm, Convent Gallery) other galleries, wineries, retail outlets and walking trails that complement the spa and wellness product ▪ Revival and interest in agriculture and organic produce from the 1980s that has resulted in the establishment of quality restaurant and food outlets ▪ Development of a good stock of small to moderate sized accommodation establishments that contribute to the character of the destination and the visitor experience (e.g. cottages, B&Bs, guesthouses and contemporary designed villa developments) ▪ Clustering of services and other tourism product around the central areas of Daylesford and Hepburn Springs ▪ Increasing product development in nearby villages of Clunes, Creswick and Trentham
Growth and diversity of spa and wellness operations and services	<ul style="list-style-type: none"> ▪ Growth in the number of beauty, health, wellness and spiritual practitioners in the area that provided a diversity of services from the 1990s ▪ Development of Peppers Springs Retreat and Mineral Spa at Hepburn Springs the late 1990s ▪ Establishment of dedicated retreat centres offering residential health, wellness and spiritual services ▪ Development of retreat packages by larger operators (e.g. Lakehouse) that will extend length of stay ▪ Development of some mobile wellness operations that provide services within visitor accommodation
Investment in infrastructure development	<ul style="list-style-type: none"> ▪ Hepburn Springs Bathhouse redevelopment (1992 and 2008) ▪ Ongoing upgrade of the mineral water reserves ▪ Road infrastructure upgrades since 2008 that have made the destination just over an hour drive from Melbourne

Destination Management

Success Factors	
Leadership and support of the Victorian Government	<ul style="list-style-type: none"> ▪ Provision of expertise and investment support to position Daylesford and Hepburn Springs as Australia's leading spa and wellness destination ▪ Consistent and ongoing role of Tourism Victoria to foster cooperation with Hepburn Shire Council and local operators for the ongoing development, management and marketing of the destination ▪ Cooperation amongst governments, business and community stakeholder organisations across state, regional and local levels to support sustainable tourism initiatives for the destination ▪ Establishment and role of the Victorian Mineral Water Committee in management of the natural mineral water reserves, disbursement of funds from the mineral water levy and developing policies and plans to preserve the resources
Leadership and coordination role of Local entrepreneurs	<ul style="list-style-type: none"> ▪ Role of entrepreneurs from key tourism and hospitality operations within the destination that provide leadership to smaller operators and act as ambassadors for the destination ▪ Role of the Spa Therapy Group as a cooperative network for spa and well-being practitioners from 2005 to 2009, particularly for smaller operators ▪ Establishment of the Bathhouse Business and Community Group as an advisory committee to Hepburn Shire Council to develop initiatives to ensure the ongoing delivery of spa and wellness services during the Bathhouse closure from 2006 to 2008 ▪ Establishment and positioning of the Hepburn Regional Tourism Association as the lead tourism organisation
Support and involvement of Hepburn Shire Council	<ul style="list-style-type: none"> ▪ Role of Hepburn Shire Council and its executive staff in partnering with the Victorian Government, local businesses and the community to enhance the destination as a place to live and visit
Strategic Tourism Planning	<ul style="list-style-type: none"> ▪ Plans and strategies developed by Tourism Victoria from 2005 to support the development, management and marketing of spa and wellness tourism in Daylesford and Hepburn Springs ▪ Development of the <i>Destination Daylesford Strategic Tourism Plan 2008 to 2018</i> to guide the development, management and marketing of tourism in Daylesford and Hepburn Springs over the next ten years
Establishment of legislation to protect the mineral water reserves	<ul style="list-style-type: none"> ▪ Significant role of the community that has advocated policy to protect the mineral water resources ▪ Legislation that has been established to protect the mineral water resources ▪ Legislation in to establish a 'Spa Levy' that has significantly contributed funds to re-develop the Hepburn Bathhouse and upgrade mineral springs
Policy to conserve the heritage and character of the built environment	<ul style="list-style-type: none"> ▪ Development of a planning study in 1982 that resulted in Hepburn Shire Council establishing a series of 17 precincts to maintain community values, natural and built heritage ▪ Community activism to protect the place from over development that resulted in the establishment of Development Controls by Hepburn Shire Council that were embedded in local and state planning schemes in 2002 to preserve and enhance the character of the built environment ▪ Local planning legislation that has been embedded in the state planning framework to protect the destination from over development

Themes	Success Factors
Strategic marketing planning	<ul style="list-style-type: none"> ▪ Significant role of Tourism Victoria in providing marketing expertise and funding ▪ Ongoing role and expertise of the Daylesford and Macedon Campaign Committee to coordinate regional and local operators' involvement in destination marketing ▪ Role of larger commercial operations (e.g. Lakehouse and Peppers Springs Retreat) in undertaking their own marketing initiatives that support the destination marketing strategies developed by Tourism Victoria
Consideration of destination brand and image	<ul style="list-style-type: none"> ▪ Positioning of the destination by Tourism Victoria as Australia's leading spa and wellness destination
Research to support decision-making	<ul style="list-style-type: none"> ▪ Ongoing research undertaken by Tourism Victoria to understand visitor market segments ▪ Product audits undertaken by the ARTRC to better understand product offering
Tactical marketing campaigns	<ul style="list-style-type: none"> ▪ Highly creative brand campaigns that utilise a range of media to appeal to key visitor segments

Destination Opportunities

The following outlines opportunities, derived from this Case Study research, to further enhance Daylesford and Hepburn Springs as a leading spa and wellness destination:

- improve interpretation, education and celebration of the mineral water resources;
- investigate the establishment of an accreditation scheme for beauty, spa and wellness practitioners to ensure quality standards service delivery;
- improved education and information to visitors about the diverse range of beauty, health, wellness and spiritual services that are available;
- re-establish the Spa Therapy Group as a network for smaller operators that is supported by the larger operators in terms of expertise (e.g. marketing, product development, benefits of cooperative initiatives);
- investigate the opportunities to further develop and promote residential retreat opportunities to extend visitor length of stay, regional dispersal and engagement in other visitor experiences (e.g. food and wine, nature-based activities);
- consider ways to package and promote visitor experiences to potential international spa and wellness visitors (e.g. transport, accommodation, spa and wellness services); and
- improve the promotion of the abundance and utilisation of organic produce in the region and their link to wellness.

Conclusion

This Case Study has demonstrated that the twin towns of Daylesford and Hepburn Springs are well-positioned and supported to be Australia's leading spa and wellness destination. The abundance of natural mineral water resources have provided a unique and natural foundation for spa and wellness tourism to develop within the region. Furthermore, local entrepreneurs with considerable vision and leadership have established innovative tourism and hospitality operations that have helped the destination develop a distinctive reputation. In turn, this has attracted a diverse range of beauty, spa, health, wellness and spiritual practitioners that offer services clustered around Daylesford and Hepburn Springs. Significant and ongoing support from the Victorian Government has contributed to ongoing development, management and marketing of the destination. Opportunities to further enhance the destination as a leading spa and wellness destination include: improving interpretation, education and celebration of the mineral water resources, packaging and promotion of visitor experiences to attract international visitors; and engaging individual practitioners and smaller operators in cooperative initiatives.

Appendix C: Case Study 2—Byron Bay: An Alternate Health and Wellness Destination

Prepared by Meredith Wray, Southern Cross University

Introduction

Byron Bay has a history of over 100 years as a tourism destination. Located 180 kilometres south of the Australian city of Brisbane and 800 kilometres north of Sydney, Byron Bay is well-established as a popular and fashionable tourist destination that attracts significant numbers of domestic and day-trip visitors including surfers and international backpackers. At the year ending December 2008, it was estimated that there were 416,000 domestic overnight visitors, 181,400 international overnight visitors and 812,000 day visitors to the destination (Tourism Research Australia, 2009).

Byron Bay hosts a wealth of natural assets, provided by its rainforests and beaches, which make the area scenically attractive to visitors and residents, and provide a range of recreation and leisure opportunities. Byron Bay is also known for laid-back lifestyle, its artistic and cultural diversity and abundance of health and wellness operations. This includes an eclectic mix of 'alternate' services and businesses that provide health and wellness experiences including alternative 'new age' shops, 'spiritual' services such as meditation and yoga classes, alternative medicine and healing centres. There are also a number of innovative retail and hospitality based entrepreneurial ventures that have been established including: a well-established café culture, award-winning restaurants, pubs and nightlife, and unique retail shopping experiences. The destination hosts a range of accommodation types including backpacker hostels, camping and caravan parks, guesthouses, motels, holiday houses and apartments and luxury accommodation making the destination region attractive to many visitor markets.

This case study:

- explains the significance of the destination's natural environment;
- traces the history of the development of health and wellness tourism within the destination;
- outlines strategic destination planning processes that have been undertaken to guide the development, management and marketing of tourism for the area;
- provides findings of product audits undertaken to determine the characteristics, location of tourism product and beauty, spa, health wellness and spiritual services within Byron Bay and surrounds;
- describes how Byron Bay has established a significant image as a laid-back, culturally diverse destination to domestic and international visitors;
- identifies significant factors that have influenced the development, management and marketing of the destination; and
- identifies barriers and opportunities to further position and enhance Byron Bay as a health and wellness destination.

Significance of the natural environment

Byron Bay is situated within the Northern Rivers region that extends from the Queensland border at Tweed Heads, south to Grafton and inland to the upper reaches of the Clarence River. The region is diversified with major World Heritage-listed rainforests, an extensive coastal region, tropical agriculture and unique geological formations that include Mount Warning. Byron Bay has one of the few north-facing beaches on the east coast of Australia that provides excellent surf and bathing conditions. In addition, Byron Bay has Australia's first marine sanctuary, the Cape Byron Marine Park, that provides a high standard scuba diving environment (Green, 1997).

The Cape Byron Headland Reserve, located five kilometres east of the Byron Bay township and situated on the most eastern point of the Australian mainland, offers visitors and residents a diversity of recreation opportunities including natural experiences provided by its rainforests and beaches and more adventurous recreation activities of hang-gliding and surfing. The Reserve is considered to be a major tourist attraction within the Northern Rivers Tropical NSW region, with approximately one million visits each year (Baker, 2001). The Reserve is listed on the register of National Estate, recognising its architectural, scientific and technical features and landscape setting and the social history of the site (ibid). It is also one of the best land-based whale-watching sites on the east coast of Australia. Byron Bay's development has also differed from other coastal destinations given that the town has not been dependent on shore-based rail and wharf infrastructure since the 1960s, and as a consequence, its beaches are mainly used for recreational purposes (Lawrence, 2006). It has also been suggested that what makes the Byron Bay region distinctive is its location within the only region in NSW that has a sub-tropical climate (Conybeare, Morrison & Partners, 2002).

The Byron Bay community has a strong concern for the environment. Evidence of Byron Bay residents' policy activism can be traced back to 1909 with the establishment of the Byron Bay and District Citizens Association that formed to act as a conduit of public opinion to Byron Shire Council (Ryan & Smith, 2001). Ryan and Smith (2001:30) believe that this legacy has been passed down to current residents of Byron Bay 'who are not backward in relaying their opinions to local and state government authorities'. A Case Study prepared by Essex and Brown (1997) of Byron Shire and the adjacent Ballina Shire confirmed that a particular feature of the area's social environment was the presence of vocal community groups that had formed to vigorously defend the area's high environmental qualities. They further observed that the accelerated pace of urban and tourist development and subdivision of former rural properties into housing estates represent the greatest concern for controversy within the community regarding the direction that town growth should take. As a consequence, a number of organised environmental groups have been established (for example, Byron Environment Centre, and Byron Environmental and Conservation Organisation (BEACON) and have developed a high profile making their feelings known about planning and development issues and are critical of local government planners (ibid).

The most cited controversy of community opposition to tourism development was the proposal by Club Mediteranee (Club Med) in 1993 to turn an existing resort complex into an \$80 million 416 room Club Med resort village. The proposal resulted in public protests aimed at stopping the development application from receiving council approval (Green, 1997). A more recent example of the community's involvement in tourism development activity is community concern over the development application lodged by Becton Pty Ltd in 2003, which purchased the Club Med site in 2001, to build a 379 holiday home subdivision

(Lawrence, 2006). What has been termed a 'celebrity campaign' led by Byron Bay identity John Cornell (owner of the Beach Hotel) resulted in large public protests including a singing telegram performed by approximately 2000 residents and broadcast live on the television breakfast program, *The Today Show*, that was aimed at sending a strong message of opposition to the state government which assessed the first master plans for the development under the State Environmental Planning Policy (SEPP 71) (Lawrence, 2006). The group were primarily opposed to the proposed development because 'its size was inappropriate and because of the impact that it would have on existing infrastructure and services' (Coyne, 2003).

History of the development of health and wellness tourism in the region

This section traces the trigger events that have influenced the development of health and wellness tourism to Byron Bay and its surrounds.

Aboriginal heritage

Byron Bay was originally called *Cavanbah*, 'meeting place' by the *Bunjalong* Aboriginal people and was the common territory at the junction for this group's northern and southern tribes, the *Minjangbal* and the *Arawkwal* (Virtual Byron, 2009). The area further east within Cape Byron was called *Currenba* because of its water channels, while the Cape itself was known as *Wulgan*, the shoulder (Guide to Byron, 2009). *Wulgan* was a place for ceremony and spiritual inspiration as it is connected to several Dreamtime myths. Cape Byron is also one of four significant extreme points of the Australian mainland known as *Dolphin Dreaming* sites for local tribes. Today, the *Arakwal* people are acknowledged as the custodians of the Byron Bay area and retain a strong role and interest in the maintenance, protection and management of Aboriginal cultural values. This includes a leadership role in the management of the Cape Byron Headland Reserve in partnership with New South Wales National Parks and Wildlife Service.

1960s—Economic decline

The primary industries that supported Byron Bay as a coastal settlement included: timber felling (1850s), dairy processing (1880 to 1960s), cattle processing and freezing plant (1913 to 1983), fishing, sandmining (1930s to 1962), and whaling (1954 to 1960s) (Lawrence, 2006). The loss of much of the Byron Bay Jetty as well as much of its fishing fleet as a result of a cyclone in 1954 provided an impetus for the commencement of whaling in Byron Bay (Ryan & Smith, 2001). From 1960, however, whales became more difficult to find and the price of whale oil had almost halved by 1962. Consequently whaling stopped and the jetty was closed (ibid). The jetty's closure was the beginning of general economic decline for the town. Sand mining and fishing industries had ceased in the 1960s and the dairy factory was closed in 1975 (Gates, 1983). During the 1960s and 1970s, the labour force had declined and the town reverted to the role of a service centre and tourist destination (Conybeare *et al.*, 1992).

1960s and 1970s—Arrival of surfers and alternate life-stylers

From the 1960s tourism activity within Byron Bay began to diversify. Surfers were attracted to Byron Bay because of its most easterly location and consequent southerly, northerly and easterly swells. These new immigrants (including some from California) in the 1970s subsidised a surf-orientated lifestyle by buying and subdividing old dairy lands (McTavish,

1997). A participant to this study explained that surfers were not afraid of breaking away from traditional things and were attracted to a nature-based lifestyle. She further explained that the Byron Bay climate 'was conducive to taking your clothes off—people wanted to look and feel fit and healthy and there was a focus on looking after yourself'. It was at this time that different therapies began to emerge, for example, massage, tarot readings and astrology.

The Aquarius Festival, held in Nimbin in 1973, is considered to have been important in attracting new settlers and alternative lifestylers to the area over the next two decades. These alternative 'lifestylers' were considered to have begun a gentrification of the town with a change in content, style, use of signage and graphics and establishing a diversity of food outlets (Conybeare et al., 1992). Unemployed people were also attracted to the area to live whilst on welfare pensions, that included an influx of single mothers. A participant explained that a number of women began to take courses in alternative therapies, which resulted in the establishment of a network of practitioners. She suggested that this was linked to the open-mindedness of people that had settled in the area and the link to the Aboriginal underpinning of the place as a meeting place to share ideas, Cavanbah. Furthermore, because Byron Bay was located at the most easterly point of the Australian coastline, this meant it was 'physically a different vista that metaphysically pointed out in one direction, which meant it was a place that was open to new ideas and exchanges'. At this time tropical fruit, macadamia and tea tree plantations were developed. The Thursday Tea-Tree Plantation was established in 1975 that paved the way for alternative and complementary medicine in the area (Virtual Byron, 2009).

Stan Robinson, former Byron Shire President from 1965 to 1980, suggested in an interview with McTavish (1997) that he believed the 'alternative lifestylers' had influenced community attitudes and that more conservative members of the community had adopted their views on environmental conservation and preservation of lifestyle. Local activist, Peter Hamilton, confirmed that the mid 1970s were the crucial period in Byron Bay's societal history in which the personnel, the philosophy and the commitment all began (Tatray, 2002). Byron Bay is further described by Tatray (2002:131) as 'an experimental community at the epicentre of alternative living in Australia, particularly in relation to spirituality and environmental activism'. She suggests that 'Byron Shire serves as a cultural laboratory for an emerging worldview and a new way of doing business and government that reflects a new ecological paradigm'.

1983—Meatworks closure initiates further demographic change

The largest single event with economic impact for the town was, however, the closure of the Anderson Meatworks in 1983 which resulted in the dismissal of 360 local employees (Ryan & Smith, 2001). It was at this time that the industries that had made Byron: timber, dairying, agriculture, whaling and the meat-processing had 'gone with the ebb tide, whilst the flow tide had brought in the new industry of tourism and with it, new lifestyles' (Ryan & Smith, 2001:124). A participant to this study suggested that a growth number of alternate therapy practitioners in the area may have been attributable to the need to find employment due to the closure of the meatworks and other industries.

The physical beauty of Byron Bay and its surrounds were described as further attracting a counter-culture or sub-culture groups including: surfers, alternative lifestyle people, religious sects, unemployed on social security, in addition to the wealthy seeking a more peaceful lifestyle. These new settlers were considered to have begun a gentrification of the town with a change in content, style, use of signage and graphics and establishing a diversity of food

outlets (Conybeare *et al.*, 1992). Throughout this period, old shops and commercial premises were upgraded and distinctive shop front forms using natural materials, large areas of shaded glass, integrated with sub-tropical planting were constructed (Conybeare *et al.*, 1992). It was also during this time that surfing, popular culture, alternative foods, environmental protests and bio-culture clashed with conservative pro-development interests (ibid). In this period, Byron Bay also received international repute as a dive charter centre (McTavish, 1997).

A number of studies and consultancy reports over the past decade have acknowledged the uniqueness of place found in Byron Bay for both residents and visitors. A consultancy study undertaken for Byron Shire Council in 1983 showed that the 'relaxing lifestyle' was the most valued feature about living in the area. This was followed by the 'pleasant climate' and 'attractiveness of the coastal location' (Planning Workshop 1983 cited by Essex and Brown, 1997, p. 275). Similar results were shown in a survey undertaken by Brown (1992) of 175 Byron Bay residents that found 'the unique sense of place' and 'relaxed atmosphere', along with the town's physical setting, including its beaches and natural scenery, were identified as key features of its attractiveness.

1980s to mid-1990s—Tourism development era

Up until the 1980s, visitor accommodation had been generally budget orientated comprising mainly of caravan parks, cheap motels, holiday flats and hostel styles (Turner, 1997). From the 1980s to mid 1990s tourism development activity within Byron Bay increased rapidly. Byron Bay began to attract developers, with speculation at first concentrated on the town itself, and followed in subsequent years by controversial development proposals such as a proposal to develop the Cape Byron International Academy on coastal land in 1985 and Club Mediterannee development proposal in 1993. As a consequence of increased attention from investors to Byron Bay property values within the town and its surrounds also increased dramatically (Green, 1997).

Development controls provided by Byron Shire Council's Local Environment Plan (1988) were, however, important in enforcing and preserving the relatively low-scale development within the township. Its diverse and varied architecture that reflects the 19th and early 20th centuries does not exhibit uniform heritage qualities, and has been described as 'haphazard and unprepossessing and very Australian ... it is light and airy, tropical in feel and laid back' (BSC, 2003, p. 1). The late 1980s and 1990s could, however, be described as the building development era for Byron Bay (Lawrence 2006). From 1992 to 1995 there was an increase of over 300% in the number of new building applications for Byron Bay received by Byron Shire Council (Green 1997).

This development activity resulted in further diversification of accommodation stocks. For example, the number of beds associated with backpacker hostel accommodation increased from 60 to 700 for the ten-year period to 1995 ('Battle for Byron' 1995 cited by Green, 1997). Another notable change in the accommodation sector during this time was the development of guesthouse and bed and breakfast establishments (McTavish, 1997). Also during the mid 1990s, luxury motels and apartments began to replace the 1950s/60s style beach houses in key streets close to the CBD and Main Beach areas. The development of the Beach Hotel in a prominent location opposite the Main Beach by television and film celebrities, John Cornell (Producer of the Crocodile Dundee movies) and Delvene Delaney in 1991 (Australian television star during the 1970s and 80s), provided Byron Bay's main street with a prime entertainment and leisure venue that continues to attract considerable visitors. As land

values have increased, there has been a consequent increase of people living in sought-after locations to rent their properties to visitors or short-term residents, whilst they moved to suburban areas (Lawrence, 2006).

1990s—New age, spiritual services and cultural diversity

Since the 1990s, the region has continued to undergo significant demographic, cultural and economic change and is increasingly perceived as a 'lifestyle' or 'creative region', rather than a conservative agricultural and fishing region as it was once viewed (Gibson & Connell, 2003, p. 168). Masters (2000) confirms that Byron Shire is known for its rich cultural diversity with a community that embraces both traditional and alternative lifestyles and philosophies, and a meeting place of many alternate communities with a strong arts and cultural community.

Byron Bay's reputation as a cultural destination has also been enhanced by the introduction of an eclectic mix of businesses and services to Byron Bay during the 1990s. Alternative 'new age' shops, including 'spiritual' services such as meditation classes, alternative medicine and healing centres were established (Green, 1997, p. 23). A participant to this study confirmed that at this time retail outlets offering complementary medicine, alternative and new age therapies, organic produce to residents and visitors were established in the central business district of Byron Bay. Another participant explained Byron Bay offered a variety of alternative therapies, as she stated 'you can get anything you want'. She described the Byron Bay holiday experience as 'I went there, I was pushed out of my comfort zone, and I did things I would not normally do... the place puts people in a frame of mind to experience new things, to relax and to be open to spoil themselves'.

This blend of environmental integrity, 'alternative' cultural activities and 'creative' industries are considered to have cemented Byron Bay's reputation as an emerging tourist centre with a distinct cultural ambience (Larcombe & Cole, 1998 cited by Gibson & Connell, 2003). A participant to this study suggested that the relatively small confines of the Byron Bay township facilitated a cluster of people from different domestic and international regions in one place, and this made the place interesting to visit. The establishment of significant events and festivals such as the East Coast Blues and Roots Festival (since 1990), A Taste of Byron food festival (since 1997), the Byron Bay Writers Festival (since 2001), Splendour in the Grass music festival (since 2001), annually planned New Years Eve Celebrations (since 1994), and the monthly Byron Bay Markets have further contributed to promoting Byron Bay as a cultural destination and meeting place for domestic and international visitors (Lawrence, 2006). In addition, a number of innovative retail and hospitality based entrepreneurial ventures have been established in the Byron Bay central business district.

2002 to present—improved transport infrastructure and services

The destination has benefited from improved road transport links to the region. A major upgrade of the Pacific Highway that links South East Queensland to the Northern Rivers Region was opened in September 2002. Further upgrades undertaken from this time have meant that Byron Bay is just over one hour's travelling time from the major population centre of South East Queensland. Following its privatisation in 1988, the Gold Coast Airport located at Coolangatta the southern end of the Gold Coast has been upgraded and is the seventh busiest airport in Australia with over two million passengers annually (Gold Coast Airport, 2009). The nearby town of Ballina is also serviced by jet airline services. Both airports are well connected by shuttle services that transfer visitors to Byron Bay.

2003 to 2005— Spa and wellness resort and retreat development

The Buddha Gardens was established at the Arts Factory backpackers lodge in 2003 and is the only day spa in Byron Bay with an outdoor garden, heated plunge pool and sauna. Two significant spa and wellness facilities were developed in 2005. The Byron @ Byron Resort, situated on a 45 acre rainforest site located five minutes from the Byron Bay township offers 92 accommodation suites (including spa suites), a day spa facility and complimentary yoga classes. Located in the Byron hinterland, the Gaia Retreat and Spa was also developed in 2005 by Australian celebrity Olivia Newton-John and business partner Gregg Cave. The retreat is described as 'an unpretentious retreat —a place to reconnect with the land and yourself—barefoot meets Armani we like to call it'. The retreat offers specialised health, fitness, detox and yoga packages, retreat style accommodation and day spa services. Daily activities include yoga, Tai Chi, Qi Gong, meditation, Pilates and talks on health and well-being (Gaia Retreat 2009). The Sangsurya Retreat, located close to Byron Bay offers a secluded venue for health and well-being retreats. Other smaller boutique retreats include: the Azabu Retreat and the Byron Bay Health Retreat, both located at Skinners Shoot, five minutes from Byron Bay CBD.

Retreat Packages

Residential retreats are also offered at retreat centres and resorts that are packaged by practitioners. These retreats package a range of beauty, health, wellness and spiritual therapies and services as well as healthy and organic food options. Examples include:

- Byron Bay Yoga Retreats offers five day residential retreats at the Tallow Beach Resort at a cost per person of \$2045. The retreat package incorporates yoga, Pilates, meditation, sacred ceremonies, nature walks, surfing, swimming, optional naturopathic treatments, reiki sessions, intuitive readings and organic vegetarian meals.
- Sumudra (an Ashtanga yoga practice based in Dunsborough, Western Australia) offers one and two week residential surf and yoga retreats at the Tallow Beach Resort.
- Radiance Retreats offer five day residential yoga retreats at the Gaia Retreat, four times per year at a cost of \$2249 per person.
- 'The Experience Byron Bay' packages a range of therapeutic treatments and adventure tourism experiences also at Gaia Retreat.
- 'Vitality Chi Kung' health and well-being residential retreats are held at the Sangsurya Retreat.

In addition to what was termed the 'mainstream' retreats outlined above, a participant to this study explained that people came to the Byron area from other places to study and practice 'esoteric or consciousness healing'. For example, the Divine University Project, located in the Byron Bay Arts and Industrial Estate, is a 'global project co-created by many gifted teachers, healers and highly skilled business professionals in conjunction with many Enlightened Masters for the purpose of universal healing, self-transformation, human evolution and enlightenment for the benefit of world peace' (Divine University Project, 2009).

Byron Bay is also used as a destination for detox retreats that package discrete treatments and therapies for drug and alcohol addiction. For example, Byron Bay Detox Retreats offers individual and personal naturopathic detox programs residential for a week at the Gaia

Retreat and the Tallow Beach Houses (Byron Bay Detox Retreats, 2009). 'The Sanctuary' offers residential retreats for alcohol and drug dependence, anxiety and depression, eating disorders, weight management, to stop smoking and gambling addiction. Clients are accommodated in private residential homes that are holiday-let.

Destination Planning

The popularity of Byron Bay as a domestic and international tourist destination coupled with its attractiveness as a sea change locality has placed strains on the town's infrastructure and service facilities resulting in increased concern from residents about tourism and residential growth including lack of planning for infrastructure, traffic congestion, and insufficient parking facilities within the Byron Bay central business district. The tourism and business sectors within the Shire have also supported the need for a coordinated and strategic approach to tourism management within the Shire. In 2007, Byron Shire Council identified the need for a tourism management plan that would help ensure the sustainable development, management and marketing of tourism for Byron Shire over the next 10 years (Lawrence & Bultjens, 2008).

The *Byron Shire Tourism Management Plan (BSTMP) 2008 to 2018* was developed by researchers at the Australian Regional Tourism Research Centre at Southern Cross University. The Plan was developed in consultation with a Byron Shire Council Steering Committee, a regional tourism expert panel, stakeholder organisations representing governments, business and community interests across local, regional and state levels, and a Citizen Jury that was established to gain input from community representatives. Thirteen objectives and supporting strategies and actions were developed to guide the management, development, and marketing of tourism for the Shire over the next 10 years (Lawrence & Bultjens, 2008). These objectives have been considered within Council's sustainability framework. Following is an outline of priorities identified for the Shire (Table 1):

**Table C1: Byron Shire Tourism Management Plan—
Objectives to achieve sustainable tourism**

Sustainability Principle	Sustainable Tourism Objectives
Governance	<ul style="list-style-type: none"> ▪ Establishment of a Tourism Advisory Committee as an advisory Committee of Council to be positioned as the umbrella authority to lead and oversee the implementation of strategies and actions of the BSTMP ▪ Employment of a Tourism Officer to work with the Tourism Advisory Committee to implement strategic initiatives of the BSTMP ▪ Effective management and maintenance of infrastructure ▪ Integration of the BSTMP with other council and state government documents ▪ Establishment of a research program to gather information on visitation, the economic, social and environmental benefits and impacts of tourism, and service quality.
Economic	<ul style="list-style-type: none"> ▪ Investigation of funding for tourism management, development and marketing including the implementation of a tourism and business levy ▪ Development and promotion of a consistent image for Byron Shire and its destinations related to their unique natural environment, laid-back atmosphere, spiritual and cultural diversity, health and well-being experiences and innovative enterprises.
Social	<ul style="list-style-type: none"> ▪ Establishment of an education and communication program to ensure visitors, local businesses, local government and the community understand community values and tourism.
Ecology	<ul style="list-style-type: none"> ▪ Development of Byron Shire as a world leading, best practice environmentally responsible destination.
Human Habitat	<ul style="list-style-type: none"> ▪ Development of an Investment and Infrastructure Strategy to identify and attract public and private sector investment for priority infrastructure and facilities; and ▪ Respect for, and protection of, residential amenity and community values.

Source: Lawrence & Buultjens (2008)

At the time of writing this case study, an amended Plan had just been adopted by Council following a public exhibition process.

Destination Product

A comprehensive accommodation and tourism product audit was undertaken during 2007 as part of Byron Shire strategic tourism planning process. The audit aimed to identify and categorise the number and location of all visitor accommodation, attractions and activities, tourism-related retail businesses, restaurants/food and beverage operations, spa and wellness operations and transport operations within the Byron Shire destination region. This region includes the towns of Byron Bay, Bangalow, Mullumbimby, Brunswick Heads and the surrounding Byron hinterland (ARTRC, 2008).

The audit determined that there were 1121 accommodation establishments providing 14,061 bed spaces (Table 2). The majority of accommodation (81%) is located in Byron Bay and nearby Suffolk Park. The audit further determined that there was a diversity of accommodation types in Byron Bay and nearby Suffolk Park (Table 3). The majority of accommodation is in the form of holiday apartments and houses. The nine local camping ground/caravan parks account for 40% of bed spaces. The 2007 Tourism Product Audit determined that there a range of visitor experience and attractions within Byron Bay,

including spa and wellness facilities, local restaurants, cafes and specialist retail outlets and other attractions (Table 4) (ARTRC, 2008).

Table C2: Byron Shire Accommodation Audit (2007)

Location	Number of Establishments	Number of Bed Spaces	% of Total Establishments	% of Total Bed Spaces
Byron Bay	787	10032	70	71
Suffolk Park	92	1507	8	11
Brunswick Heads	70	1204	6	9
Bangalow	21	135	2	1
Mullumbimby	14	169	1	1
Ocean Shores/ South Golden Beach	48	365	4	3
Hinterland and Shire	89	649	8	5
Total	1121	14061		

Source: ARTRC (2008)

Table C3: Accommodation Properties in Byron Bay and Suffolk Park

Byron Bay and Suffolk Park	Number of Establishments	Number of Bed Spaces	Total Establishments %	Total Bed Spaces %
Hostels	11	1178	1	10
Resorts	5	835	1	7
Caravan/Camping	9	4593	1	40
Holiday Apartments	566	2634	64	23
Hotels/Motels	14	552	2	5
Guesthouses/B&B	27	212	3	2
Holiday Houses	247	1535	28	13
Total	879	11539		

Source: ARTRC (2008)

Table C4: Tourist attractions and facilities in Byron Bay

Type of Product	Number of Products	%
Activities	22	5
Attractions	11	3
Entertainment	13	3
Cafes	27	6
Restaurants	27	6
Take away	26	6
Other Food Providers	27	6
Galleries	5	1
Beauty/Health/Wellness	39	9
Retail	190	45
Services	34	8
Total	421	

Source: ARTRC (2008)

To further determine the diversity of operations that offered and promoted their services to visitors (and residents) a comprehensive audit of beauty, spa, health, wellness and spiritual services offered in Byron Shire was undertaken in August 2009 as part of this Case Study research. The audit involved identifying and categorising all practices and services that were promoted to visitors to Byron Bay (see Table 5). There is a diversity of operations and services representing beauty and spa services, health and wellness services and spiritual services within Byron Bay and the broader Byron Shire (see Figure C1).

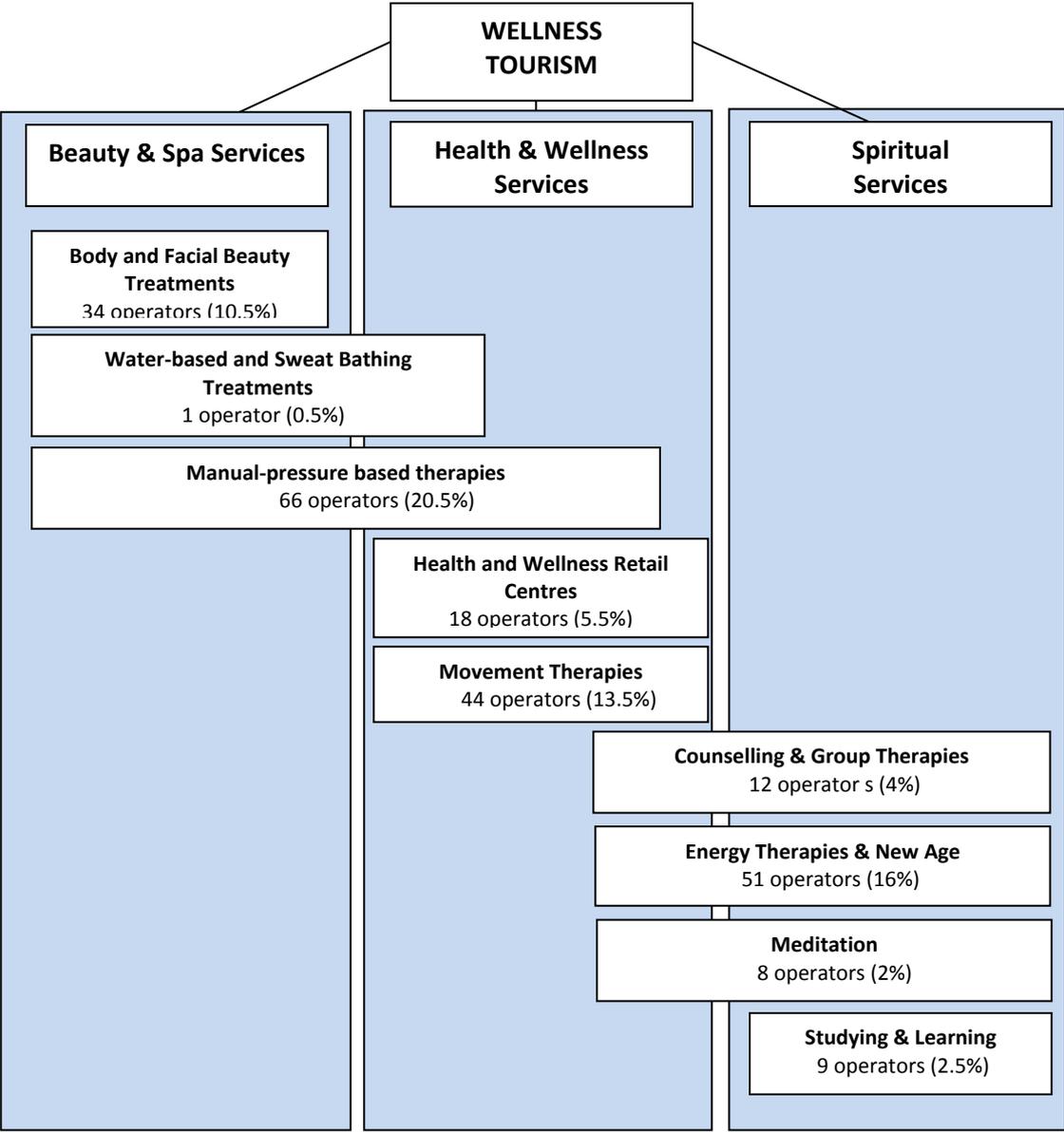


Figure C1: Byron Shire— Beauty, Spa, Health, Wellness and Spiritual Services Framework

The following summarises the key findings of this audit:

- Overall, there are 321 operations offering beauty, spa, health, wellness and spiritual services in Byron Shire.
- In Byron Bay, there are 144 operations offering beauty, spa, health, wellness and spiritual services.
- Seventy of these operations are located in the central business district of Byron Bay.
- Body and facial beauty treatments account for the majority of services offered in Byron Bay (33 operators).
- The Byron @ Byron Resort and the Gaia Retreat are principal commercial operations offering beauty, spa, wellness and spiritual services to day visitors and overnight guests.
- In addition, there are there are four dedicated retreat centres offering health, wellness and spiritual services and retreats.
- The nearby village of Bangalow has 19 operations, and Mullumbimby has 23 operations.
- Manual based pressure treatments are significant across the Shire (66 operators) and within Byron Bay (19 operators).
- There are 57 operators providing natural medicine based therapies within the Shire (23 in Byron Bay).
- Fifty-one practitioners provide energy and new age therapies within the Shire (14 in Byron Bay).
- Movement therapies are also popular (44 within the Shire and 20 in Byron Bay).
- There are a significant number of home-based sole practitioners and small operations that promote their services to residents and visitors on the Internet and in local newspapers.
- There are some mobile operators that provide services to visitors within their accommodation.

Table C5: Number of Beauty, Health, Wellness and Spiritual Services in Byron Bay and Byron Shire

Type of Service	Byron Bay No. of operators	%	Total Byron Shire No. of operators	%
Body & facial beauty	33	23	34	10.5
Waters based & sweat bathing treatments	0	0	1	0.5
Manual pressure treatments	19	13	66	20.5
Health & wellness centres/retail	12	8.5	18	5.5
Manipulative/adjustment based therapies	12	8.5	15	5
Natural medicine based therapies	23	16	57	18
Movement therapies	20	14	44	13.5
Health & wellness resorts/retreats	5	3.5	6	2
Counselling & group therapies	1	0.5	12	4
Energy therapies & new age	14	10	51	16
Meditation	1	0.5	8	2
Study & learning	4	2.5	9	2.5
TOTAL	144	100	321	100

Source: Original for this study

Destination Marketing

Byron Bay has a well-established reputation as a unique tourism destination for domestic and international visitors. It is well known for its rich natural environment, beautiful beaches, recreation opportunities and 'laid-back' lifestyle despite no coordinated brand strategy. The blend of environmental integrity, 'alternative' cultural activities and 'creative' industries are considered to have cemented Byron Bay's reputation as an emerging tourist centre with a distinct cultural ambience (Larcombe & Cole, 1998 cited by Gibson & Connell, 2003). The establishment of significant events and festivals such as the East Coast Blues and Roots Festival (since 1990), A Taste of Byron food festival (since 1997), the Byron Bay Writers Festival (since 2001), Splendour in the Grass music festival (since 2001), annually planned New Years Eve Celebrations (since 1994), and the monthly Byron Bay Markets have further contributed to promoting Byron Bay as a cultural destination and meeting place for domestic and international visitors. The role of celebrities, and celebrity spotting, has been identified as having contributed to evolution of the township as a tourist destination (Lawrence, 2006). McTavish (1997) considered that the popularity of Byron Bay has in part been fuelled by a significant amount of media attention since the 1990s when Paul Hogan instigated international and national media attention when he married the American actor, Linda Kozlowski near Byron Bay in 1990.

Development of entertainment venues and numerous nightclubs during the 1990s has also contributed to the 'party' orientation of the town that regularly attracts national and international bands and artists (Lawrence, 2006). Byron Bay has also become an important coastal destination for backpackers and domestic students from capital cities because it offers good beaches, reliable surf-breaks for daytime activities, and numerous pubs, clubs and parties at night that have created a 'nocturnal economy' that has further enhanced the town's already 'hip' reputation (Gibson & Connell, 2003). To date, however, there has been no coordinated approach to develop and adopt a consistent brand image for Byron Shire (Lawrence & Buultjens, 2008). In particular, there has been no overarching, consistent or

coordinated approach to the branding and image of Byron Bay (ibid). Marketing and public relations activities for Byron Bay have largely been driven by individual operations, with some coordination within the backpacker and holiday apartment sectors.

Over the past five years, the state tourism organisation (Tourism New South Wales) and the regional tourism organisation (Northern Rivers Tourism) have offered some cooperative marketing opportunities for operators on an ad-hoc basis that have emphasised the spiritual and cultural diversity of Byron Shire to target new higher yield markets (Lawrence & Buultjens, 2008). For example, in 2005, Byron Shire Council developed and funded a Shire-wide 'North Coast Holidays' promotional campaign with Tourism New South Wales. The Byron Bay tourism sector can, however, be considered to have been mainly indifferent towards developing a cooperative approach towards destination marketing. Wray (2009) confirms that tourism operators and businesses in Byron Bay did not have a need to work cooperatively or to become involved in planning and management issues as the majority were reaping the economic rewards of a busy tourist town.

The consultation process undertaken in 2008 as part of the Byron Shire Tourism Management planning process, however, identified the need to:

- establish a unified brand and image for Byron Shire;
- create and maintain a positive image that reflects unique and authentic visitor experiences related to nature-based, health and wellness, Indigenous culture, cultural diversity, heritage, and innovative enterprises within the Shire;
- overcome the Byron Bay 'party-town' image;
- attract visitors and visitor markets that have shared values with the community and that are high yield (e.g., encourage visitors that seek different experiences);
- promote the spiritual and cultural diversity of the Shire, e.g., emphasise the uniqueness of the Byron culture;
- maintain established brands and images for destinations within the Shire, for example, 'Simple Pleasures'—Brunswick Heads;
- improve promotion to international markets (not just backpacker markets); and
- investigate the opportunity to develop and promote Byron Shire as a destination that embraces alternative transport systems (Lawrence & Buultjens, 2008).

The Plan recommended that a consistent image for Byron Shire and its destinations related to their unique natural environment, relaxed atmosphere, spiritual and cultural diversity, health and well-being experiences and innovative enterprises. This was recommended in order to attract appropriate overnight visitor markets, extend length of stay and encourage visitor dispersal across the Shire. Strategies to achieve this objective were to:

- establish a Byron Shire Marketing Committee (BSMC) as a sub-committee of the Tourism Advisory Committee to coordinate the development of an agreed brand and marketing activities for the Shire;
- investigate ways to attract high yield/low impact visitor markets to the Shire's destinations;
- develop a Brand Policy to protect the 'Byron' brand;
- ensure that visitor experiences offered in Byron Shire are world's best practice;
- investigate the potential to develop an annual festival or event to celebrate the uniqueness and cultural diversity of the Shire;
- investigate the opportunity to develop and promote Byron Shire as a destination that embraces alternative transport systems (Lawrence & Buultjens, 2008).

These recommendations have, however, yet to be implemented given that Byron Shire Council has only recently adopted the Tourism Management Plan.

In terms of marketing of spa and wellness tourism services and experiences, there is no coordinated marketing effort amongst operators. The larger operators undertake their own marketing strategies to attract domestic and international visitors. For example, the Byron@Byron Resort places advertising and editorial in print media including leading spa and wellness magazines, participates in annual day spa award programs, and undertakes sales trips and wholesale tradeshows to promote the properties to international travel wholesalers.

Health and wellness retreat packages are promoted through Internet portals, and practitioners own networks. A participant confirmed the importance of social networks amongst practitioners and followers of specific practices and therapies. As he stated, 'I reckon a lot of the marketing is through grass roots networking, through the Internet, email and conversations'. Publications and web-portals such as *Body and Soul* (published annually for 10 years) also provide for individual practitioners and small operations to promote and explain their services to visitors. As stated in the introduction to the 2009 edition:

Inner holidays rejuvenate and invigorate, and Byron is blessed with some world class therapists and healing practitioners to help us along the way. There are some great bodyworkers, psychics, 'readers' and healers who have been drawn to the area which itself is gaining a worldwide reputation as having healing qualities. These healers work from what is known as a wholistic approach meaning that the entire body and mind is recognised as a connected system (Body and Soul, 2009).

Other mediums for these practitioners include: advertising in local newspapers and placement of brochures at Visitor Centres and prominent health and well-being retail shops.

Destination Success Factors

The factors that have influenced the development, management and marketing of Byron Bay as a health and wellness destination are summarised on the following pages.

Destination Development

Success Factors	
Significant natural environment	<ul style="list-style-type: none"> ▪ Wealth of natural assets provided by rainforests and beaches that make the destination scenically beautiful ▪ Conservation and management of marine and land environments through the establishment of the Cape Byron Marine Park and Cape Byron Headland Reserve ▪ Environmental activism concern from the community to protect the natural environment from over development
Diversity of tourism product and visitor experiences	<ul style="list-style-type: none"> ▪ Range of recreation and leisure activities including bathing, surfing, walking, hang-gliding, kayaking, ▪ Dive tourism established from the 1980s ▪ Innovative retail and hospitality ventures established from the 1990s ▪ Development of a good stock of small to moderate accommodation types from the mid-1990s that contribute to the relaxed 'holiday' appeal of the destination and make it attractive to many visitor markets (e.g. backpacker hostels, holiday houses and apartments) ▪ The establishment of local cultural industries such as music, art, film and festivals and events that has influenced the region being known as having a relaxed lifestyle and a culturally diverse image
Socio-cultural diversity	<ul style="list-style-type: none"> ▪ Demographic change that initiated an interest in health, wellness and spiritual practice to complement their relaxed lifestyle, particularly the influence of surfers and alternate life-stylers that settled in the destination from the 1960s ▪ Interest in organic food production and a healthy lifestyle from this time ▪ Development of alternative and complementary medicines from the 1970s ▪ Closure of the Anderson Meatworks in 1983 that resulted in residents seeking new employment opportunities that included tourism, hospitality and alternate therapies ▪ Further demographic, cultural and economic change that occurred during the 1990s makes Byron Shire known as a 'lifestyle' or 'creative' region ▪ A 'meeting place' for health and well-being practitioners that has resulted in a clustering of practices and services
Growth and diversity of beauty, health, wellness and spiritual operations and services	<ul style="list-style-type: none"> ▪ Abundance of health and wellness operations, particularly from the 1990s including new age shops, spiritual services, alternative medicine and healing centres ▪ Development of larger commercial spa and wellness resorts and retreats the Byron@Byron Resort and Spa and Gaia Retreat in 2005 and Buddha Gardens ▪ Clustering of beauty, health and wellness services and other tourism product around the central business district of Byron Bay and also in Bangalow and Mullumbimby ▪ Development of health, wellness and spiritual retreats that package therapies and treatments with accommodation and organic food
Improved transport infrastructure	<ul style="list-style-type: none"> ▪ Improved road infrastructure to the destination from 2002 that has made the destination in close proximity to South East Queensland ▪ Upgrades to Gold Coast Airport and Ballina Airport with regular jet airline services that are linked well by shuttle services to Byron Bay

Destination Management

Success Factors	
Strategic Tourism Planning	<ul style="list-style-type: none"> Development of the <i>Byron Shire Tourism Management Plan 2008 to 2018</i> to guide the development, management and marketing of tourism in Byron Shire over the next ten years
Policy and community activism to conserve the built environment	<ul style="list-style-type: none"> Local planning legislation that has been embedded in the state planning framework to protect the destination from over development from the late 1980s Community activism that has protected the town from large-scale development
Quality Service Standards	<ul style="list-style-type: none"> Qualified and skilled beauty, health and wellness practitioners that have been attracted to the area

Destination Marketing

Themes	Success Factors
Well-established destination image	<ul style="list-style-type: none"> Well-established destination image that is recognised by domestic and international markets for its rich natural environment and 'laid-back' lifestyle image despite no coordinated brand strategy Role of visiting and resident celebrities that generate significant media attention related to Byron Bay
Research	<ul style="list-style-type: none"> Product audits undertaken by SCU to better understand product offering
Tactical Marketing Campaigns	<ul style="list-style-type: none"> Marketing strategies undertaken by leading commercial operators (<i>Byron@Byron Resort & Spa</i> and <i>Gaia Retreat</i>) that help position Byron and surrounds as a spa and wellness destination to international and domestic markets
Visitor Information	<ul style="list-style-type: none"> Well established web-portals and brochures (e.g. <i>Byron Body and Soul</i>) that provide visitor information about the range of beauty, spa, health, wellness and spiritual services available

Destination Opportunities

The following outlines opportunities, derived from this case study research, to further enhance Byron Bay as a leading health and wellness destination:

- seek interest and support from the NSW Government (Tourism New South Wales) to provide funding support and expertise to assist with infrastructure development, strategy development, and cooperative marketing for the beauty, spa, health and wellness tourism sector;
- seek support from the local and regional tourism organisations (Tourism Byron and Northern Rivers Tourism) to assist with the development of a coordinated marketing strategy to promote the abundance of beauty, spa, health and wellness experiences within the destination to appropriate visitor markets;
- develop a local cooperative network for beauty, spa, health, wellness and spiritual services to foster cooperative marketing initiatives and to further encourage and support the packaging of services amongst beauty, spa, health and wellness practitioners and accommodation providers;

- develop strategies to educate and inform potential visitors of the benefits of the diversity of practitioners and services available within the destination and to overcome perceived fear of these practices; and
- investigate accreditation of destination practitioners to ensure quality service standards and delivery.

Conclusion

Byron Bay has a well-established reputation as an 'alternate' tourism destination that offers a rich natural environment, beautiful beaches, a range of recreation opportunities and opportunity domestic and international visitors to experience a 'laid-back' lifestyle. The area has attracted a dynamic and culturally diverse community that have settled in the area from the 1960s for lifestyle reasons. These residents have fostered the establishment of an eclectic mix of innovative businesses and an abundance of alternate health and well-being practices and services. Across Byron Shire there are currently 322 operators providing a diverse range of beauty, health, wellness and spiritual services including: 'new age' shops, alternative medicine practices, holistic healing centres, yoga and spiritual retreats and a range of different therapies and practices.

To date, however, the destination has had little support from state government in terms of funding and expertise to improve infrastructure for tourism and to develop a coordinated approach to destination management and marketing. From a local government perspective, Byron Shire Council has recently supported the development of a ten-year tourism management plan. However, recommendations from this strategy have yet to be implemented.

Opportunities to further establish Byron Bay as a health and wellness destination include: development of: a specific strategy for the beauty, health and wellness sector; a cooperative network for health and wellness operators to facilitate a more approach to marketing; strategies to further educate and inform potential visitors of the benefits of the diversity of practitioners and services available within the destination; and an accreditation scheme for practitioners to ensure quality service standards and delivery. Improved coordination and marketing of the beauty, health and wellness sector in Byron Shire will contribute to the fulfilment one of the principal objectives of the *Byron Shire Tourism Management Plan 2008 to 2018*, that is, 'to establish a consistent brand and image for Byron Shire that promotes and protects its uniqueness and diversity to attract appropriate visitor markets and product development' (Lawrence & Buultjens, 2008).

Appendix D: Case Study 3—The Margaret River Region: An Emerging Wellness Tourism Destination

Prepared by Gary Howat & Cornelia Voigt, University of South Australia

Introduction

The Margaret River region has become an increasingly important tourism destination over the last decade. Located 272 kilometres south of the Australian city of Perth, and a comfortable three-hour drive on dual carriage roads, the Margaret River region attracts increasing numbers of domestic and day-trip visitors, and a growing international market. Annual three-year average (to June 2007) estimates for the Augusta-Margaret River Shire include 437,000 domestic overnight visitors, 54,000 international overnight visitors and 289,000 day visitors to the destination (Tourism Research Australia 2009). Comparable figures for the Busselton Shire are 588,000 domestic overnight visitors, 29,000 international overnight visitors and 405,000 day visitors to the destination (Tourism Research Australia 2009).

The Margaret River Wine region (Figure 1) straddles the shires of Augusta-Margaret River and Busselton, extending over 120km from north to south and 30km west to east. The major town in the region is the centrally located Margaret River. The southern-most town, Augusta is nine kilometres from Cape Leeuwin, the most south western point of Australia, where the Indian Ocean and Southern Oceans meet. The shire of Augusta- Margaret River has a population of over 10,000 (ABS 2006 census). The Margaret River Wine region eastern boundary runs south from a point immediately west of the Busselton town boundary (Margaret River, 2009 Visitor Guide, p13), thus excluding much of the Busselton urban locality (population 15,386). The wider Busselton shire with a population of 25,355 (ABS 2006 census) includes the towns of Dunsborough and Yallingup in the northern part of the Margaret River Wine region (Figure 1). The Margaret River region boasts many unique features conducive to tourism and in particular wellness tourism, ranging from beautiful beaches and pristine native forest to wineries and fine dining. There are over 110 grape producers in the region including about 90 vineyards with cellar door sales. Accommodation in the area includes a range of boutique hotels and luxury retreats through to backpacker and caravan park accommodation, as well as farm-stay and forest-stay accommodation.

Wellness tourism is serviced by several resorts, a number of day spas and, a range of natural and alternative therapies (including aromatherapy, naturopathy, massage, beauty therapy, yoga, meditation, acupuncture). There is evidence of the way local products are being used in a complementary way to support wellness tourism, including olive oil, natural soap products and local produce such as cheese, chocolate, berries, olives, jams and condiments.

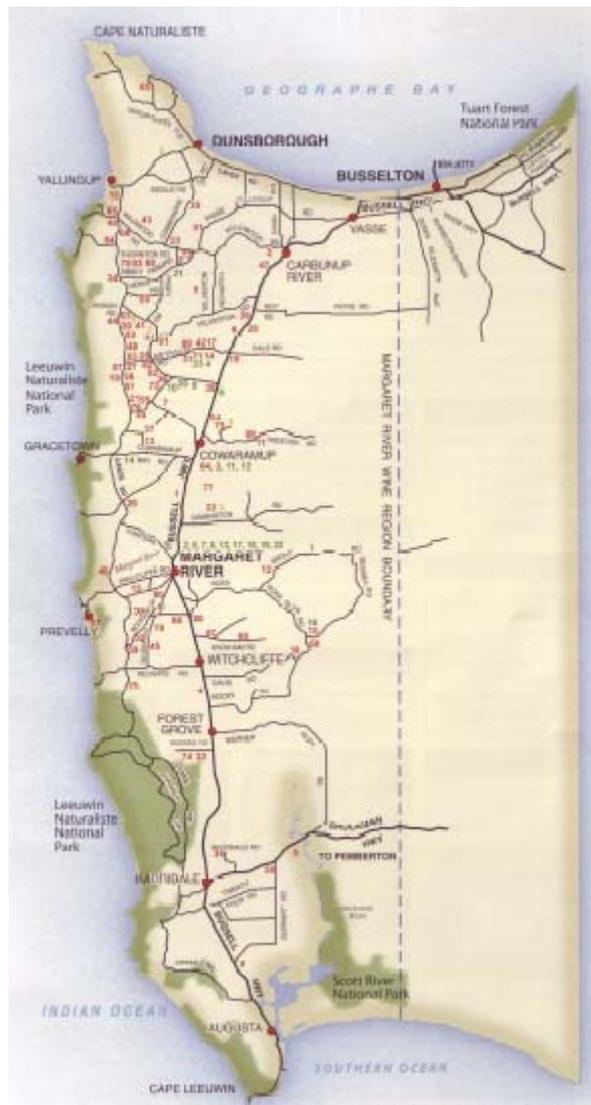


Figure D1: The Margaret River Wine region

(Source: Margaret River 2009 Visitor Guide, p. 13)

This Case Study:

1. Highlights the significance of the natural environment to health and wellness tourism in the Margaret River region;
2. Summarises the history of the development of health and wellness tourism in the Margaret River region;
3. Identifies state and local government planning relevant to health and wellness tourism in the Margaret River region;
4. Identifies the major products relevant to health and wellness tourism in the Margaret River region;
5. Identifies examples of marketing health and wellness tourism in the Margaret River region;
6. Summarises tourism destination success factors in the Margaret River region; and
7. Identifies opportunities to further position and enhance the Margaret River region as a health and wellness tourism destination.

1. Significance of the natural environment to health and wellness tourism in the Margaret River region

Voigt (2009, p.78) emphasises the importance of the natural environment to health and wellness tourism such as the healing power of nature, including outstanding scenery and fresh air (Kevan, 1993). Throughout the world, wellness tourism offerings are typically located in 'aesthetically pleasing [and] environmentally lush' settings (Smith & Kelly, 2006:15). Many wellness tourism facilities are therapeutic, due to their location in scenic settings, which often involves remoteness and a sense of isolation in contrast to polluted and stressful urban environments (Gesler, 2003).

Tourism, and in particular health and wellness tourism in the Margaret River region is underpinned by the quality of the natural environment. A dominating feature is the spectacular coastline and beaches extending from Cape Naturaliste south for about 140 km to Cape Leeuwin where the Indian Ocean and Southern Ocean meet. The Leeuwin Naturaliste National Parks dominates the coastal strip. The Margaret River region includes internationally recognised biodiversity hotspots including Banksia plants and Jarrah and Karri forest. Native flora, even on many farmlands presents considerable diversity of native species, such as orchids amongst native she oak forest in the Metricup Road area. The many bush trails in the Margaret River region are dominated by the Cape to Cape Trail with its range of loop trails along the length of the coastal strip such as through the majestic Boranup Karri Forest north of Hamelin Bay.

Karen Siddall from Wellness Margaret River highlights the key role of the natural environment where the pristine beaches and solitude allow for a sense of discovery and feelings of uniqueness. Adding to a perception of relaxation and isolation is that most of the Margaret River area is often out of mobile phone range. Furthermore, the Margaret River region is also a great place for activities with nature such as kite surfing and surfing and therefore promoting wellness (Siddall, 2009). The varied natural environment provides a multitude of opportunities for other outdoor recreation and adventure activities including: bathing, ocean fishing, marron fishing (freshwater crayfish), canoeing, bush tucker tours, bushwalking, and caving (Bligh, 2009).

Excerpts from the *Margaret River 2009 Visitor Guide* highlight some of the special natural environmental features which are potential resources for wellness tourism in the Margaret River region:

"The Margaret River region is bordered by 138 kilometres of sparkling coastline...diverse marine life. From rugged rocky bays, dramatic limestone cliffs, secluded white sandy beaches, calm crystal clear waters to thunderous surf..." (p. 6).

"...stunning beaches, breathtaking scenery and an untroubled lifestyle whispering for you to relax and enjoy it all" (p. 6).

"The Margaret River region is part of one of only 34 internationally recognised biodiversity hotspots in the world ... (including)... Banksia plants and Kangaroo Paws... majestic Jarrah, Marri and Karri forest are three eucalyptus trees specific to this corner of Australia", "...2,500 wildflower and 150 orchid species, many of which are indigenous to the area" (p. 9).

"...a world-famous hidden labyrinth of limestone cave systems. Jewel, Lake and Mammoth Caves are regarded as among the most impressive in Australia" (p. 10).

Excerpts from *Australia's South West (Holiday Planner 2009–10)* further reinforce the potential role of the natural environment as a resources for wellness tourism in the Margaret River region:

'Formed 1-2 million years ago, the Leeuwin-Naturaliste Ridge in the Margaret River Wine Region is dotted with over 150 limestone caves' (p.12).

'Over 75 surf breaks are located in the Margaret River Wine Region....' (p.9).

2. History of the development of health and wellness tourism in the Margaret River region

This section provides a brief summary of events that have influenced the development of health and wellness tourism in the Margaret River region.

Aboriginal heritage

'The traditional custodians of the land are the Wardandi people, who have inhabited the area for tens of thousands of years. The Wardandi people have a deep affinity with the sea and land [and have a] well-defined culture, richly endowed with music, art and legend is a fascinating and rewarding experience' (Margaret River Visitor Guide, 2009, p. 10). The importance of Aboriginal heritage to modern-day wellness tourism in the Margaret River region is promoted by Moondance Lodge (Reilly, 2009).

1830s European settlers

Arrival of the first European settlers at Augusta in 1830 led to timber logging as an important local industry in the area (Margaret River 2009 Visitor Guide, p. 10).

1920s Dairy industry

Dairy farming became important to the local economy from the 1920s (Margaret River 2009 Visitor Guide: 10). The 'parcelling of farms' for returning servicemen from the World War reinforced dairy farming as a local industry in the Margaret River region (Bligh, 2009).

The 1960s and 1970s surf culture

'The 1960's brought a third wave of settlers searching for surf and an alternative lifestyle... creating an art and craft industry and introducing more environmentally sustainable practices...' (Margaret River Visitor Guide 2009, p. 11). Initially attracted to the region for personal lifestyle reasons, a number of health and well-being practitioners have now resided in the Margaret River region for many years (Siddall, 2009).

The mid-1980s vineyard expansion

Following planting of the first vines of the modern era in 1967, and a total of five vineyards during 1968-73, by 1986 vineyards covered 400 hectares of land. The mid-1980s saw another rush of vineyard plantings or an 'investment gold rush' stimulated by tax havens (Bligh, 2009). The late 1990s saw national wine companies investing in the Margaret River region. Listing of the first Margaret River winery on the stock exchange led to a recharging of local investment and increases in vineyard plantings. Perth investors seeking tax havens also stimulated sharp increases in land values. 'In the following years the rate of planting

increased and the region now has more than 2,500ha under vines. There are about 90 vineyards with cellar door sales open to the public for tastings and over 110 grape producers' (ASW website).

The mid-1990s tourism diversification

From 1996 there was a vast diversification in tourism businesses (e.g. chocolate factory, preserves) and an increase in tour operators in the Margaret River region (e.g. luxury guided tours, winery tours, bush tucker tours). Offering something for all family needs, this diversification caters for a range of target groups from everyday tourists to affluent 'yuppie' types (Bligh, 2009).

The 2000s and wellness tourism

Today, the Margaret River region is a world-class tourism precinct with commensurate level service. However, health and wellness tourism is relatively new in the Margaret River region as a publicly promoted industry. The first major wellness retreat in the area was Moondance Lodge established in 2004 by Geraldine Reilly (Reilly, 2009). Evolve Naturally Day Spa was set up in 2006, and Karen Siddall established Wellness Margaret River in 2007. Often attracted by the lifestyle opportunities, the Margaret River region continues to draw well-being practitioners to the area to set up their businesses (Siddall, 2009). The Margaret River region also retains a strong hippy and alternative lifestyle influence that includes communes and community gardens embracing boutique groups such as WOOFERS - workers of organic farms from overseas exchanging their labour for food and board (Bligh, 2009).

3. Planning relevant to health and wellness tourism in the Margaret River region

At the state government level, there are currently no direct references to health and wellness tourism in the Tourism Western Australia Strategic Plan 2008 to 2013 (Tourism Western Australian, 2007). However, several initiatives in the Plan have implications for health and wellness tourism in the Margaret River region. In respect to regional tourism, initiatives for Tourism WA are to: 'Work in conjunction with the regional tourism organisations to market targeted regional areas...', 'Improve access to regional tourism hubs', and 'Drive visitation to key regional destinations particularly during shoulder seasons...' (p. 13). The Plan also supports '...the delivery of quality product through a national accreditation for tourism operators' (p. 7), states that 'Regional Tourism WA staff will work with industry to improve their businesses and products offered' (p. 8), and aims to ensure that 'Affordable nature-based products are accessible to locals' (p. 11). A strategic objective focuses on Aboriginal tourism and notes that product development will work 'to integrate Aboriginal products and experiences' (p18). A further strategic objective recognises the importance of sustainable practices in enhancing unique local lifestyles as well as supporting nature-based tourism (p. 25).

The Tourism Western Australia Strategic Plan Addendum 2009/10 (Tourism Western Australian, 2008) recommends a reinvigorating of the intrastate tourism market in WA, and recognises this is crucial for regional tourism; and in particular to the Margaret River region where intrastate tourism comprises 80% of visitors (Errico, 2009). The Strategic Plan Addendum strategic objectives include securing the future of regional tourism, developing Aboriginal tourism, and supporting the natural environment. In addition, the Addendum lists a proposed South West Airport as a key infrastructure development.

Tourism WA has confirmed that the 'Tourism Development Priorities' document (Tourism Western Australia 2010-2015 draft), is currently being developed for the region, and will include the following: 'Encourage the development and packaging of niche tourism products, including wellness tourism, so as to diversify the range of experiences on offer'.

From a planning perspective at the local government level, the rapid growth and development in the Margaret River region is captured in an Australian Local Government Association Case Study (ALGA, 2005) highlighting planning issues for the Shire of Augusta - Margaret River. The report notes that the shire has a limited rating base and a relatively small permanent population (about 11,000) with much of the shire covered by National Park. An anticipated doubling of the population over the next 25 years will place stress on the shire's relatively small budget and limited resources to deal with planning issues, 'with over 600 development applications received by council every year' particularly from developers and tourism. 'Council has ...developed a draft Local Planning Strategy (LPS)...District Town Planning Scheme (DTPS)...and a Coastal Management Plan. The plan integrates previous planning for coastal reserves, identifies areas where further detailed planning is required and outlines an action plan to guide council expenditure on coastal reserves. In addition, proposals outlined in the plan are reflected in Council's Biodiversity Conservation Strategy' (ALGA, 2005).

4. Major products relevant for health and wellness tourism in the Margaret River region

Francine Errico (CEO Augusta Margaret River Tourism Association) notes that although the Margaret River region has no outback experience, four of five Australian iconic tourism experiences are available in the region including: wine and food experiences; marine, sea, surf and beach life; forests and native flora and fauna; and culture and lifestyle experiences (Errico, 2009).

In the Margaret River region, health and wellness tourism includes experiences that integrate aspects of the natural environment such as earth and water with native fauna and flora (people- earth and water—fauna and flora) (Reilly, 2009). Emersion in nature includes semi-wilderness experiences encompassing the healing role of spirituality and communion with nature (e.g. within forested areas, or in the ocean or on the seashore). Therefore, wellness tourism products dependent on nature and the natural environment range from semi-wilderness experiences including solitude and being at one with nature, to appreciating nature (e.g. wildflower day tours) to nature-based tourism activities such as 'whale watching, guided bush-walking, caving, bird-watching, astronomy, surfing schools, scuba diving, and 'creative tourism' such as nature photography' (Reilly, 2008, p. 4).

In addition to the dominating influence of nature and the natural environment, a range of health and wellness (well-being) tourism practitioners offer a range of holistic therapies including: yoga, acupuncture, aromatherapy, naturopathy, massage, and personal training. Besides healing touch (such as massage) some therapists offer counselling during this service, sharing their own wisdom (Siddall, 2009). Many other tourist operators complement health and wellness tourism including: grape massage, which integrates wine tourism with wellness tourism, such as the use of grapes as a Greek healing therapy included in detoxifying therapies; the olive oil industry (eg Moon-Haven Olive Oil); and soap products (Siddall, 2009). Furthermore, quality local produce also is a key player in local tourism as 'The region is a smorgasbord of gastronomic delights...(including)...local produce such as cheese, chocolate ... berries, olives and olive oil, jams and condiments' (p. 8) with '...over

100 cellar doors, five breweries ...(and) gourmet food producers and growers...' (Margaret River 2009 Visitor Guide, p. 6).

Wellness tourism is defined by researchers as 'the sum of all the relationships resulting from a journey by people whose primary motive is to maintain or promote their health and well-being and who stay at least one night at a facility that is specifically designed to enable and enhance people's physical, psychological, spiritual and/or social well-being' (Voigt, 2008). Voigt's (2008) definition of wellness tourism embraces businesses that offer accommodation as well as wellness services. Examples of retreats in the Margaret River region include Moondance Lodge, Injidup Spa Retreat, and Yallingup Lodge Spa Retreat & OM Day Spa. In comparison, several Margaret River region hotels offer day spas as a complementary health and wellness tourism product.

Moondance Lodge offers unique health and wellness tourism experiences based around the healing role of indigenous spirituality, the energy of the earth, and the healing role of touch and energy from others such as through massages. Moondance Lodge claims a special energy following a blessing of the site by local aboriginal elders, and has a natural spring that replenishes the on-site lake throughout the year. Moondance Lodge was setup in 2004 as a healing place focusing on integrated wellness including 'deeper healing experiences' and aboriginal spirituality (Reilly, 2009). At Moondance Lodge, authentic aboriginal wellness experiences include didgeridoo meditation, tribal bushwalk, dreamtime story telling and sacred women's time (Reilly, 2008). This approach to integrating Aboriginal products and experiences would appear to support the Tourism Western Australian Strategic Plan 2008 to 2013 (Tourism Western Australian, 2007).

Health and wellness opportunities are central to the unique lifestyle and its 'alternative image' for many residents in the Margaret River region, with the natural environment, nature-based activities and local products providing a range of important benefits. Similar benefits have the potential to help position the region as a major health and wellness tourism destination. Currently, the majority of tourists to the region tend to be from Perth, with few from interstate or overseas. The Tourism Western Australia Strategic Plan indicates the availability of state government resources to invigorate the intrastate tourism market. Recent completion of the dual lane highway from Perth significantly improves access to the Margaret River region for visitors from Perth, including many interstate and overseas tourists arriving by air to Perth airport. The Tourism Western Australia Strategic Plan Addendum indicates a South West Airport as a future key infrastructure development. Direct air travel to the Margaret River region should boost short-break holidays for Perth residents, and stimulate tourism from major east coast cities as well as from Asia. Asian markets present an opportunity considering their similar time zones to WA, as well as the advantage of WA being closer to Asia than the major east coast Australian cities.

Escape from major cities, whether Perth, Sydney, Melbourne or even from those in Asia, becomes attractive if appropriate tourism marketing can sell the pristine environment (clean oceans, air quality, natural springs) and remoteness as positives in promoting the Margaret River region, contrasting with the often smog-ridden air of many Asian countries (Reilly, 2009). The natural beauty of the Margaret River region is very nurturing, for example for Asians escaping their oppressive heat, and in winter Margaret River offers rain and log fires (Siddall, 2009). Furthermore, Asians may not previously have seen the rain develop from over the ocean and may enjoy watching the stars in the pitch-black sky away from city lights (Errico, 2009).

5. Marketing health and wellness tourism in the Margaret River region

A positive step in defining the Margaret River region as a nationally recognised destination for health and wellness tourism is that a number of health and wellness tourism practitioners are collaborating to promote wellness tourism through the establishment of 'Wellness Margaret River' in 2007. Wellness Margaret River markets the Margaret River region wellness and well-being directly by linking health and wellness practitioners with tourism operators (Siddall, 2009). With a dedicated website, Wellness Margaret River presents a major advantage over most other Australian wellness tourism destinations when considering that wellness tourists' major source of information is the Internet (Roy Morgan Research, 2009). The AMRTA website also promotes health and wellness opportunities in the region (Table 1).

Table D1: Examples of websites promoting health & wellness opportunities in the Margaret River region

Organisation	Website
Wellness Margaret River	www.wellnessmargaretriver.com.au
Augusta Margaret River Tourism Association	www.margaretriver.com/pages/health-well-being/

Tourism in the Margaret River region often caters for the different needs of the members of a touring party such as families. One member of the party may choose to surf, others to eat and drink, while others may be interested in wellness tourism. Consequently, wellness tourism is only one aspect of Margaret River tourism with marketing campaigns generally promoting wellness as one aspect of the Margaret River tourism experience (Leaver, 2009). Such a comprehensive promotion of wider tourism experiences is via the Augusta Margaret River Tourism Association 'health and well-being' web page (Table 2), which in particular highlights the natural environment and relaxation and thus promotes many opportunities important to wellness tourists (Voigt, 2009).

6. Summary of tourism destination success factors in the Margaret River region

The factors that have influenced the development, management and marketing of the Margaret River region as a wellness destination are summarised in Table 3.

Table D3: Summary of wellness tourism destination success factors in the Margaret River region

Destination Development

Success Factors	
Significant natural environment	<ul style="list-style-type: none"> ▪ Spectacular coastline and beaches from Cape Naturaliste south for about 140km to Cape Leeuwin. ▪ National Parks dominate the coastal strip from Cape Naturaliste to Cape Leeuwin, where the Indian Ocean and Southern Ocean meet. ▪ Internationally recognised biodiversity hotspots including Banksia plants and Jarrah and Karri forest.
Diversity of tourism product and visitor experiences	<ul style="list-style-type: none"> ▪ Variety of recreation and leisure activities including surfing, kite surfing, bathing, ocean fishing, marron fishing, canoeing, bush tucker tours, bushwalking, and caving. ▪ Cape to Cape Trail with its range of loop trails along the length of the coastal strip ▪ Accommodation includes a range of boutique hotels and luxury retreats through to backpacker and caravan park accommodation,

Success Factors	
	<p>as well as farm-stay and forest-stay accommodation.</p> <ul style="list-style-type: none"> Wellness tourism is serviced by several health and wellness resorts, a number of day spas and a range of natural and alternative therapies. Over 90 vineyards with cellar door sales. Local products including olive oil, natural soaps products, and local produce such as cheese, chocolate, berries, olives, jams and condiments.
Social-cultural diversity	<ul style="list-style-type: none"> Demographic change that initiated an interest in health, wellness and spiritual practice to complement their relaxed lifestyle, particularly the influence of surfers and alternate life-stylers that settled in the region from the 1960s.
Growth and diversity of beauty, health, wellness and spiritual operations and services	<ul style="list-style-type: none"> An increasing number of health and wellness operations, including natural and holistic therapies, bodywork and massage, counsellors and healers, day spas, fitness and rehabilitation services, health clinics, and retreats. Moondance Lodge retreat established in 2004 and Evolve Naturally Day Spa set up in 2006. Wellness Margaret River established in 2007.
Improved transport and infrastructure	<ul style="list-style-type: none"> Improved road infrastructure to the Margaret River region from Perth. Dual lane highway completed in late 2009. A proposed South West Airport as a key infrastructure development.

Destination Management

Success Factors	
Strategic Tourism Planning	<ul style="list-style-type: none"> Planning documents that guide planning in the region include the Shire of Augusta Margaret River Local Planning Strategy (LPS), District Town Planning Scheme (DTPS), Coastal Management Plan, and a Conservation Strategy
Quality Service Standards	<ul style="list-style-type: none"> Qualified and skilled health and wellness practitioners that have been attracted to the area.

Destination Marketing

Themes	Success Factors
Well-established destination image	<ul style="list-style-type: none"> Well established for its pristine natural environment and 'laid-back' lifestyle image. Reputation for quality local wines and other natural produce.
Tactical Marketing Campaigns	<ul style="list-style-type: none"> Leading role of Australia's South West Incorporated (ASW) as the regional tourism organisation for co-operative marketing activities to intrastate, interstate and international markets Focused wellness promotion by the Augusta Margaret River Tourism Association, and Wellness Margaret River.
Visitor Information	<ul style="list-style-type: none"> Well established web-portal (Wellness Margaret River) Providing visitor information about the range of beauty, spa, health, wellness and spiritual services.

7. Opportunities to further position and enhance the Margaret River region as a wellness tourism destination

The following outlines opportunities from this Case Study, to further enhance the Margaret River region as a leading health and wellness destination:

- Seek government and/or corporate funding to research and classify the unique natural environment and geographical features of Western Australia's southwest as proposed by Reilly (2008).
- Include health and wellness tourism as a specific issue in the Tourism Western Australian Strategic Plan.
- Build on the existing cooperative marketing (e.g. via Wellness Margaret River), bringing together the health and wellness practitioners and the tourism operators (Siddall, 2009).
- Aim to increase support from the Western Australian state government via Tourism Western Australia to support health and wellness tourism as part of the brand strategy for Western Australia's southwest.
- Include health and wellness tourism as a specific opportunity on both the Tourism Western Australia and the Australia's South West Regional Tourism Organisation's website.
- Consider a coordinated marketing strategy for the region similar to New Zealand's successful 100% pure campaign, with a focus on the pristine natural environment, the relative isolation of the region, and health and wellness tourism opportunities (Reilly, 2008).
- Consider strategies to attract more regional and domestic tourists to the area.
 - For example, focusing on specific target markets such as mothers and daughters, pregnant women, honeymoon couples, and people attracted to the alternative lifestyle.
- Consider ways to capitalise on the seasonal natural of tourism to the Margaret River region, the relative isolation and uncrowded off-peak periods.
 - For example, promoting the relatively uncrowded, cool and wet winters as an escape from the often smog-ridden air and oppressive heat of many Asian countries. A proposed South West Airport would facilitate such international tourism.
- Establish a WA Wellness Tourism Association and develop a WA Wellness Tourism Marketing Plan, as recommended by Reilly (2008). Such a body could assist in informing government policy as well as accreditation of the industry. Government and industry funding however, would be essential rather than just relying on volunteers. As noted by Siddall (2009) from Wellness Margaret River: 'We all have the same vision—a passion—but also have our own businesses to run'.
 - For example, a WAWTA could advocate for cooperation between government departments (health, environment, tourism, indigenous affairs, trade, education) working together as to promote health and wellness, as exists in New Zealand. This would facilitate government policy and funding such as health budgets supporting health and wellness tourism.

Appendix E: Case Study 4—Golden Door

Prepared by Graham Brown, University of South Australia

We give people the tools to actually improve their lives—and live a more sustainable, healthy life. (Stuart Ford, Chief Marketing Officer, 2009)

Introduction

The Golden Door is owned by the Cypress Lakes Group Limited which has the rights for the Golden Door brand in Australia and the rest of the world, excluding the USA and Europe. It operates two health retreats; at the Gold Coast, Queensland (Map 1) and in the Hunter Valley, New South Wales (NSW) (Map 2) and three day spas; located at resorts on the Gold Coast, in northern NSW and in the Hunter Valley.



Map 1
Golden Door Retreat, Queensland



Map 2
Golden Door Retreat New South Wales

Much of the information for this Case Study was provided by Stuart Ford, Chief Marketing Officer for Golden Door, in an interview on August 26, 2009. After describing the development of the company, attention is focused on the operation of the Golden Door – Elysia in the Hunter Valley.

History

The first Golden Door retreat was developed by Brooke Ramage and a partner at Willow Vale in the Gold Coast hinterland in 1993. Previously, Brooke had been the program manager at the successful Camp Eden health retreat, located at the Gold Coast's Currumbin Valley. A convention centre was purchased at Willow Vale and converted for use as a health retreat. It required a relatively low level of capital investment. The innovative nature of the health retreat concept made it difficult to develop the business in the early years but, since 2000, it has been very profitable. It has thirty chalets and operates at nearly 100% occupancy throughout the year. Offering a spa experience in a tropical setting has proved to be an attractive proposition in the domestic market. New Zealand, with 5%, is the only international source market of any significance.

The Golden Door company was purchased by Dr. Peter Neustadt in 1998, the owner of the Cypress Lakes golf and leisure resort in the Hunter Valley, NSW. The resort had been developed in the early 1990s in stages, using funds generated from the sale of strata title villas. From 1999, a Golden Door spa was operated as part of the resort (Figure 1). The company was listed on the Australian Stock Exchange in January 1998. By the late 1990s, 240 villas had been constructed at the resort, the company was profitable but demand for villas was weakening (Figure 2).

Figure E1: Golden Door press release 1

PRESS RELEASE: 2/8/99

CYPRESS LAKES RESORT OPENS EXCLUSIVE GOLDEN DOOR OPERATION

Cypress Lakes Group Ltd has announced the commencement of its Golden Door operation at Cypress Lakes Resort in the Hunter Valley's Pokolbin, catering for Sydney people looking for Australia's best beauty and pampering treatments. Manager of the new operation is Jane Burleigh, who was the experienced manager of Golden Door Health Retreat's beauty and pampering operations in Queensland. Initially the Golden Door is operating from a luxury villa at Cypress Lakes, which has special beauty and massage rooms, with specialised staff catering for the beauty needs of both men and women. Over the rest of this year, The Golden Door will gradually build-up its healthy living programs and seminars, covering stress management, yoga, acupuncture and other health oriented services. The launch of Golden Door's operations acts as a warm-up for the opening of the brand new, The Golden Door Centre, with construction expected to be completed in Easter 2000. The magnificent new centre will become NSW's most prestigious health and beauty facility, with eight wet and dry treatment rooms, spas, steam rooms, hair treatment area, recreation, seminar and retail facilities. Cypress Lakes Golf and Country Club members will be eligible for discounts at the Golden Door, which will also be available to resort guests and the public. The Golden Door in Queensland, which was acquired by Cypress Lakes Group last year, serves more than 2,000 clients a year, mainly from Melbourne and Sydney. General Manager of The Golden Door, Mr Brook Ramage, said "While The Golden Door continues to operate as a successful, stand alone health retreat in Queensland, we are taking the best of the concept south to Cypress Lakes". Cypress Lakes Resort, which opened in 1996, is already operating very successfully a villa hotel, golf club and real estate operations as three stand alone businesses, with The Golden Door health resort to be the fourth arm. The resort's Golden Door will cater for the many tourists and local people looking to participate in its successful health programs, enjoy a holiday in an exclusive resort or enjoy a one day beauty and health treatment. "The Golden Door represents a tremendous brand name of fitness, well-being and relaxation, and we believe our Cypress Lakes' guests will enjoy our new facilities and the services of its expert health professionals", said Dr Neustadt.

Figure E2: Golden Door press release 2

PRESS RELEASE: 9/9/99

CYPRESS LAKES GROUP POSTS STRONG END OF FINANCIAL YEAR NET PROFIT

Cypress Lakes Group Ltd today announced a net profit of \$2.4 million, based on total revenues of \$30.3 million, for the year ended 30 June 1999 (an increase of 5.4 percent on the previous year's revenue). The group's earnings before interest, tax, depreciation and amortisation was \$4.77 million, with total interest charges being \$1.03 million, leaving a 'cash' profit of \$3.74 million for the year. The strong performance of the group will enable shareholders to greatly benefit with the announcement of a final unfranked dividend of 4 cents a share, while the total unfranked dividend for the year was 8 cents. The result was achieved on the back of a 70 percent increase in revenue from the group's operating businesses, which rose from \$8.69 million in the 1997/98 financial year to \$14.89 million in 1998/99, due largely to the strongly increasing hotel business at Cypress Lakes Resort and the addition of the Golden Door Health Retreat in Queensland. Managing Director of the Cypress Lakes Group, Dr Peter Neustadt, said "During 1998/99 our operating businesses generated \$15 million, half of our total revenues. This compares to \$8.5 million or 30 percent of the total revenues in 1997/98. This was achieved on the back of revenue and profit growth in our hotel and health retreat businesses and despite lower than expected golf revenue, due to unseasonably wet weather during the year. "The trend of rapidly growing operating revenues will continue in the future and will make the company less dependant on real estate revenues and profits," he added. Profits generated from real estate sales at Cypress Lakes Resort continued to provide a strong contribution to the group. A total of 164 villas were completed by the end of the financial year, with 156 sold and settled. A further 24 villas are currently under construction and will be completed before the end of calendar 1999. A total of 50 villas were settled during the 1998/99 financial year with 22 settlements taking place in the second half of the year, resulting in a \$2 million contribution from the real estate division in the second half, down by \$600,000 compared with the first half. "This drop in settlement related profits is the reason behind reduced overall group profits of the Cypress Lakes Group in the second half of the fiscal year," said Dr Neustadt. During the 2000 calendar year, the final stage of construction of the Hillside Villas () will be completed. This will take the total number of Hillside villas to 236. "The next stages will see the development of the other parts of the resort which consist of 222 more villas and a complex of 120 rooms. These stages should secure ongoing, steady real estate profits for years to come," concluded Dr Neustadt.

Full Year	1999 (\$m)	1998 (\$m)
Sales	30.3	28.7
Pre-tax Profit	2.4	2.9
Net Profit	2.4	2.9
Earnings Per Share *	10.8c	13c
Net Tangible Asset Backing*	1.28	1.29
Interim Dividend	4c	4c
Final Dividend	4c	4c

*Based on the weighted average number of ordinary shares during the year

The health retreat was designed to complement other elements of the resort experience (Figure 3) but a desire to expand the resort's conference facilities and to separate the spa activities led to the creation of the second retreat. It was developed on land above the resort and, in 2003, Golden Door—Elysia was opened. The capital costs were very high due to the unique nature of the property, the quality of the design and the expense of construction. Owners were offered guaranteed returns and a package of benefits that included use of the retreat's facilities (Figure 4). After losses in the first years of operation, the Elysia retreat has been profitable since 2006. Guests staying at the Cypress Lakes resort are able to use facilities at the Elysia retreat, by special arrangement.

Figure E3: Golden Door press article 1

CYPRESS LAKES BID TO PAMPER THE SOUL

Sydney Morning Herald Wednesday July 26, 2000 Edited by Carolyn Cummins

Visitors to the Cypress Lakes Resort in the Hunter Valley are now able to relax at the Golden Door Health Spa and Retreat which has just opened on site.

Costing about \$3 million, the second of the retreats will offer all the facilities available at the original resort on Queensland's Gold Coast. Cypress Lakes managing director Dr Peter Neustadt said the company was excited by the health retreat, which complements other services at the resort. "We expect it will be especially popular with couples looking for a short, indulgent break from their hectic Sydney lifestyles," Dr Neustadt said.

The Golden Door Health Spa features eight wet and dry treatment rooms, spas, steam rooms, hair treatment area, recreation, seminar and retail facilities. It also offers a variety of healthy-living programs and seminars covering stress management, yoga, acupuncture and other health-oriented services. Cypress Lakes has launched a range of packages for singles, couples, families and corporate groups to experience the delights of the Golden Door Health Spa, which is part of a brand new complex incorporating a conference centre, function rooms and resort pool. Cypress Lakes has launched the region's largest conference centre for small and large groups. The new complex can seat up to 500 delegates theatre-style, or 330 guests banquet-style.

Director of sales Ms Kylie Burchmore said: "All of the new convention centre rooms will have natural lighting and lead on to a large covered veranda surrounding the entire complex. Delegates will feel part of the valley and can partake in all the activities from golf to wine tasting, or even Golden Door Tai Chi." Cypress Lakes was one of the first resort-style companies to list its shares on the Australian Stock Exchange. In the six months to December 1999 it reported record revenue of \$16.28 million, up from \$15.4 million in the previous corresponding period. Earnings before interest, tax, depreciation and amortisation was \$2.3 million, while net profit was down to \$976,762 as Cypress Lakes began its transition from gaining the majority of its earnings from real-estate sales to club, hotel and health operations.

Figure E4: Golden Door press release 3

PRESS RELEASE: 5/04/2002

CYPRESS LAKES BREAKS NEW GROUND WITH LIFESTYLE INVESTMENT PACKAGES

Cypress Lakes Group Ltd, owner and operator Cypress Lakes Resort and The Golden Door, has launched this year's most innovative property investment, offering buyers of villas at the company's planned Golden Door Health Retreat - Elysia - a range of innovative lifestyle benefits and guaranteed rental returns. The 74 planned Elysia villas will overlook the magnificent Brokenback range and Australia's finest vineyards, while forming a major part of the first Golden Door Health Retreat to be built in NSW, based on the famed retreat in the Gold Coast Hinterland. The \$36 million, 6 star complex will begin construction in the middle of 2002 and will operate the same health programs as the very successful Golden Door in Queensland, which has managed health programs for more than 10,000 local and international clients over the last 10 years. The price of Elysia villas start at \$329,890, including furniture and GST, with owners receiving a variety of unique health and lifestyle benefits, which are included in the villa purchase price free of charge. The villas are sold with freehold strata title, guaranteed lease payments for seven years and a guaranteed return of 5.25 percent annually. Villas owners also receive a variety of complimentary week-long health programs every year, including all meals and accommodation, with the choice of using them at the planned Hunter Valley complex or the Golden Door Health Retreat in Queensland. Owners also have the option of converting their entitlements to free accommodation at the adjacent, award-winning Cypress Lakes Resort. The health care programs offered in the purchase price of a two bedroom villa are valued initially at \$11,440 each year. Buyers also gain immediate access to an exclusive Golden Door Card, which offers a 20 percent discount at any of the three Golden Door facilities in Australia, as well as special rates at the Cypress Lakes Resort.

Group Planning & Business Development Manager at Cypress Lakes Group, Mr Stefan Mielewski, said "We are offering Australia's most innovative lifestyle investment, combining guaranteed rental returns with the opportunity to enjoy the benefits of participating in the Golden Door's famous health management programs either in Queensland or NSW, or accommodation free of charge at Cypress Lakes Resort where Elysia owners can bring their families. At the centre of the Elysia's luxurious villas, designed by architects Allen Jack & Cottier and interiors by Chhada Siembieda, will be a state of the art health facility featuring 20 treatment rooms, spas, indoor and outdoor exercise pools, medical and healing centre, pilate and yoga rooms, and four gymnasiums. The complex will also have an elegant health restaurant, theatre and meditation hill overlooking the mountain range. It will also be staffed by highly trained diet specialists, counsellors, naturopaths, acupuncturists and chiropractors, all keen to provide the 6-star service that has made Golden Door the leading health management program provider in Australia.

Managing director of Cypress Lakes Group, Dr Peter Neustadt, said "We are creating a unique health retreat where owners will be able to enjoy the considerable benefits of maintaining their health, while participating in a unique property investment. "At Elysia we have taken the concept of the world's best retreats and combined them with the proven Golden Door programs, offering a potent combination of solid, guaranteed rental returns with superb long term health management", he added. Located just 90 minutes from Sydney and adjoining the Elysia development, Cypress Lakes Resort combines a championship golf course and other facilities with luxury accommodation. The resort is now accommodating holiday makers, corporate groups and golfers in the only state of the art golf and conference resort in the heart of the Hunter Valley's wine growing district. Elysia and the resort are set into the beautiful hills of Cypress Lakes with commanding views of the surrounding vineyards, championship golf course and lakes, with existing villa owners capitalising on the fact that this was first opportunity to participate in a sub-division in the popular Pokolbin wine growing area. Cypress Lakes Resort has recently been awarded the Australian Hotels Association's Award for the Number One resort in NSW.

The two Golden Door retreats were developed at different times, in different ways and required different levels of capital investment. This has considerable implications for the level of inventory costs at the respective properties. They both specialise in wellness tourism but the nature of the facilities and the environmental settings offer different experiences. Elysia offers beautifully designed luxury and Willow Vale has a more rustic, closer to nature feel. A transition rate of 15 percent exists between the two Golden Door retreats.

Golden Door Day Spas were developed at Cypress Lakes in 2001, at the Mirage Resort on the Gold Coast in 2003 and at Peppers Salt Resort at Kingscliff, in northern NSW in 2005. It had been intended to develop day spas in the major urban centres on the east coast as 'shop fronts' for the retreats but it became apparent that the retreats and spas attracted very different markets. However, the location of day spas at luxury resorts is consistent with recent industry trends. An additional benefit is that spas appeal to women who are influential when families decide which destinations to visit and where to stay.

In 2009, 95 percent of shares in the Cypress Lakes group were owned by Lasseters International Holdings.

The Golden Door—Elysia

With 75 villas, Elysia can accommodate 150 guests. It has an average occupancy rate of approximately 50% and the majority of clients are women, aged 30–50. Sydney with 60% is the main geographical market followed by Melbourne (30%) and Brisbane (5%). Adelaide and Perth each contribute 2.5%. The staff-guest ratio is high (2.75:1). A repeat visitation rate of 30 percent indicates a high level of visitor satisfaction and 95 percent of people return to take the same treatment program.

The core program is of five days duration and is dedicated to improving health (Figure 5). Most participants take one treatment per day but this may be supplemented with other health and fitness activities. A preoccupation with health outcomes such as detoxing requires that guests forego activities such as drinking wine and coffee and eating meat.

After testing market sensitivity to different prices, the current strategy was chosen. Similarly, the impacts of a number of promotional activities have been monitored. After allocating considerable resources to print advertising for two years, emphasis has now been placed on public relations and the use of drive time radio. PR agencies have generated considerable editorial placement and a large number of bookings followed broadcasts by a Sydney radio presenter who was an enthusiastic advocate of the health retreat experience.

A recent initiative has involved the introduction of a new weekend program at which some health-related policies have been relaxed. The weekend experience at Elysia (Figure 6) is being used to attract the luxury weekend leisure market from Sydney by advocating that they can do '*most things in moderation, exercise and relaxation in abundance*'. So, wine, coffee and indulgent luxuries are offered at weekends in contrast with the five day program that appeals to a more serious health-oriented market.

Figure E5: The Golden Door Program

The Golden Door Program

To best achieve your goals, choose The Golden Door Program, which offers more guidance and structure than an Independent Retreat Guest stay. Whether your aim is to reduce stress, shed excess kilos, learn new fitness tips, quit smoking, or simply indulge in the peace and bliss of the retreat, we'll help you get there. The Golden Door Program has become famous for producing lasting, tangible health outcomes. It's designed to give you a complete understanding of healthy living and it's a fun, exciting, inspiring and motivating journey into yourself. Our caring staff are always on hand to guide you through the process of change and their know-how will give you practical tips and techniques to take away. The Program commences each Sunday with additional components and sessions only available to Program participants. Your package includes:

Based on a two day/two night stay, Golden Door Elysia packages includes:

Luxury villa accommodation

Gourmet spa cuisine (all meals, snacks and beverages included)

Full use of all facilities including a 25 metre indoor heated lap pool, outdoor exercise pool, his and hers saunas and spa pools, floodlit tennis courts, indoor activity court featuring half basketball court, fully equipped gymnasium, three activity studios, wellness centre, library, lounge, theatrette and Australia's largest Spa offering unique and specialty treatments. There are also outdoor exercise areas, walkways and a Meditation Hill

A diverse range of fitness, health, education and relaxation classes

Specialty health education seminars on exercise, stress management, nutrition and relaxation

Wellness Assessment

The Program also includes three complimentary treatments in our world class spa: one facial a la carte and two Swedish massages and one complimentary wellness consultation with your choice of: naturopath, dietitian, hypnotherapy, counselling or movement therapy.

Regular Rates	5 Days
Single Villa	\$2480
Twin Share (2 Bed Villa)	\$2380
Triple Share (3 Bed Villa)	\$2480
Four Share (3 Bed Villa)	\$2380
Five Share (3 Bed Villa)	\$2200
Six Share (3 Bed Villa)	\$2105

Figure E6: Spa Hotel Guest Weekend stays

Spa Hotel Guest Weekend stays

On weekends The Golden Door - Elysia operates as a Spa Hotel offering an expanded food and beverage menu with more indulgent dishes on offer. Additionally, Elysia will serve a limited, high quality wine list and barista quality coffee. The Golden Door Spa at Elysia, winner of the Luxury Travel Gold List for Best Australian Spa 2009, will operate daily from 9am - 6pm.

Based on a two day / two night stay, your package includes:

Luxury villa accommodation

Gourmet breakfast in our scenic restaurant

Use of facilities including a 25 metre heated indoor lap pool, outdoor exercise pool, his and hers saunas and spa pools, floodlit tennis courts, fully equipped gymnasium, indoor half basketball court, library and lounge.

*Rates:

\$450.00 per night per villa (1 bedroom up to 2 guests)
\$550.00 per night per villa (2 bedroom up to 4 guests)
\$750.00 per villa per night (3 bedroom up to 6 guests)

Additional information about the Golden Door and the implications for the further development wellness tourism can be categorised under the headings of SWOT analysis.

Strengths

- High levels of guest satisfaction;
- Incumbency—established position, expertise, reputation;
- Award winning web site (Figure 7);
- Use of web site—40,000 hits;
- Rich and open online relationship with customers;
- Resolution of uncertainty about company ownership structure and decision-making;
- Resilience of demand for wellness tourism during Global Financial Crisis—compared with traditional leisure resorts;
- Demand among baby boomers for health services;
- Ease of access for domestic market—reduced level of anxiety associated with overseas travel; and
- Credibility of Australian staff—ability to offer genuine health advice.

Figure E7: Cypress Lakes and Golden Door websites



Weaknesses

- The Hunter Valley is a short stay destination (average 1.8 nights);
- presents challenges for a business model requiring a five night stay;
- International tourists want to see as much of Australia as possible, not stay at a retreat;
- Availability of wellness retreats closer to home;
- Asian destinations offer an exotic experience combined with wellness outcomes;
- Inability to attract corporate clients;
- Difficulty in obtaining skilled staff—particularly in remote locations;
- High costs base;
- Large proportion of non-income generating space;
- Client motivations—desire to relax rather than spend;
- Lack of coordination among the industry.

Opportunities

- Scope to generate 25–30% return on investment;
- To use revenue from the new weekend packages to invest in core wellness products;
- To generate / improve industry research;
- To understand more about users of web site;
- Try to convert browsers into consumers;
- To use knowledge about client motivations to offer special programs;
- To use information in new guest database (TGD online);
- To develop lifetime relationship with clients;
- Growing interest among twenty-somethings for indulgent retreat experiences;
- To offer programs for stress management;
- To offer programs for children;
- Early intervention as a public health benefit;
- To sell specialised expertise to hotels that wish to include spas and health treatments;
- To offer/manage facilities at new urban residential communities;
- To improve environmental practices;
- Reduce paper by adopting electronic communication;
- Water recycling;
- Pleasant and positive work environment where outcomes are meaningful,

Threats

- Over capitalisation;
- Operational costs relative to Asia—land, construction, labour;
- Asian culture is more suited to soft, nurturing service delivery;
- Increased competition;
- Industry practices—use of unhealthy products, exploitation of cultural traditions;
- Reliance on water as essential resource;
- Lack of understanding among politicians and in government agencies;
- Lack of promotion by national, state and regional tourism bodies.

Conclusion

Managers in this sector must believe in the benefits offered by their programs and there is a danger that a passion for wellness can be compromised by concerns about the 'bottom line'. Tensions may develop between those responsible for the analysis of financial statements and those who focus on medical records. Differences between the objectives of investors and those of visionary developers many exist in many industries but the problem may be exacerbated when profitability is constrained. A health retreat may face high development and operational costs, staffing difficulties and an inability to develop a range of independent profit centres.

The new Spa Hotel Guest Experience at Elysia has been in operation for nine months and has achieved considerable success in terms of market demand and financial returns. Consequently, the retreat now operates at almost full capacity on most weekends and it has become the most profitable individual product in the group. Many people have been introduced to The Golden Door who may not have considered it previously and this is having a positive effect on incremental program demand. Guests are gaining an insight into the core wellness programs while staying as weekend leisure guests, and returning to participate in the longer program. Thus, the softer weekend stay is proving to be a net contributor to the cause of wellness.

Promotional activities by tourism organisations are needed and the role of health retreats in improving public health needs to be communicated more effectively. It was suggested that there is a 'desperate need for the industry to make better representations to government'. This may require better coordination among the industry but people working at Elysia have no doubt that the programs are highly beneficial to the wellness of participants. Evidence from research which examines the linkage between the program experience and wellness outcomes may influence political decision-makers and encourage support for programs that are shown to be beneficial for particular groups. Governments may then be prepared to offer incentives such as tax relief for companies that encourage employees to go to health retreats.

Appendix F: Case Study 5—Medical Tourism Case Study: Cairns Fertility Clinic

Prepared Jennifer Laing, Monash University

Introduction

Medical tourism has been defined by Connell (2006a: 1094) as tourism which is ‘deliberately linked to direct medical intervention, and outcomes are expected to be substantial and long term’. A number of countries around the world, at least 30 according to ATEC (2008), are successfully operating in this market, principally Asian countries such as India, Thailand, Singapore, Malaysia and the Philippines; as well as former Eastern bloc destinations such as Hungary and Poland, Costa Rica and Middle East hubs such as Dubai and Oman (Bookman & Bookman, 2007; Connell, 2006a; Connell 2006b; Tourism Research and Marketing, 2006; UNWTO, OMT & IOHBTO, 2006).

There have been recent calls by the Australian Tourism Export Council (ATEC) for Australia to develop a niche in this lucrative market (ABC, 2008; ATEC, 2008), which McKinsey & Co places at 60,000 to 85,000 inpatient travellers a year worldwide (Ehrbeck, Guevara & Mango, 2008) and which is said to represent a global industry worth more than USD\$ 20 billion annually (Towart, 2008)¹³. Reasons given for Australia to become more involved in offering medical tourism services to international visitors include the fact that there is a successful model to be followed in the \$10 billion Australian educational tourism industry; excess capacity in our private health system, which could be utilised by international medical tourists, leading to a reduction in fees and private health fund costs for Australians; the ageing profile of key international visitor markets; Australia’s existing tourism infrastructure and strong brand image as a quality tourist destination; the quality and high standard of Australian medical care; Australia’s world-class reputation in a number of niche medical fields such as fertility treatment, particularly IVF, and heart surgery and the comparatively low-cost of medical treatment compared to major markets such as the United States, even with an unfavourable exchange rate and cultural similarities and ties with the U.S. and Asia (ABC, 2008; AHEIC, 2005; ATEC, 2008; Australia Health Tourism, 2009; Dawson, 2007; Hingerty, Woodbridge & Wilson, 2008; Jones, Lang, LaSalle, 2008; Teh & Chu, 2005; Towart, 2008).

This Case Study examines the potential for Australia to develop medical tourism services and is based on:

- a review of secondary data, including reports, academic literature and Websites;
- interview data obtained from interviews with representatives of (a) ATEC; (b) an Australian medical tourism facility, Cairns Fertility Clinic; (c) an Australian private hospital; (d) Advance Cairns, a destination marketing organization interested in attracting medical tourism services to Cairns; (e) two Australian medical tourism providers—Australia Health Tourism and Matrix Health; (f) an Australian travel agency offering medical tourism packages to clients and (g) an Asian medical tourism provider;
- a site visit of Cairns Fertility Clinic.

¹³ There are differing published estimates relating to the size and value of medical tourism globally. These figures may be difficult to reconcile as data definitions and collection procedures may not be consistent.

It covers:

- An overview of the current product offering;
- An analysis of market potential and target markets;
- A discussion of current promotional and distribution strategies;
- The outlook for the future, including emerging markets;
- Critical success factors and barriers that will affect the outlook in the future;
- An examination of the impact of government policy;
- Legal issues that may affect the industry; and
- Recommendations for future action.

Overview of Product Offering

Few products or packages are available to international medical tourists wishing to avail themselves of medical treatment in Australia, although this has changed with the recent opening of the Cairns Fertility Clinic in October 2009.

Cairns Fertility Clinic

The Clinic is a purpose-built facility in central Cairns that incorporates a two theatre day hospital, pathology and ultrasound services, a scientific laboratory, medical consulting suites, allied health services such as acupuncture, and massages, on-site serviced apartments, a day spa, retail outlets, and a restaurant and deli (Yek, 2009). The second theatre will be available to local surgeons, adding to the medical facilities that are available to local residents in Cairns, which has been suffering from a shortage of operating theatres and is expected to experience a 21% growth in its population by 2021. In addition to IVF services, patients will be able to access medical services such as cosmetic surgery, ophthalmology, urology, gynaecology and general surgery through the day hospital. This will provide an holistic and personalised service in a discreet, comfortable and stress-free environment (Yek, 2009). Privacy might be an issue for some patients, and the reason why they seek treatment overseas (Bookman & Bookman, 2007), particularly where the treatment involves cosmetic surgery or the individual is high-profile.

The costs of IVF treatment are estimated to be half that of comparable treatment in the United States (Stakeholder X, personal communication). In between fertility treatment, which typically require a 20 day stay, activities and sightseeing can be arranged for these essentially 'healthy' individuals in one of Australia's premier tourist destinations, in close proximity to the Great Barrier Reef and the Daintree Rainforest (Stakeholder X, personal communication). The site was chosen in part for the broad range of activities and attractions available in Cairns and its surrounds and the relaxed tropical climate and lifestyle, given the role stress plays in the outcome of IVF treatment.

The Clinic is 100% privately financed and run by the same team that developed PIVET Medical Centre, the first IVF Centre in Western Australia. Over 12,000 babies have been born as a result of the IVF services offered by PIVET in Western Australia. PIVET's processes, protocols and procedures have been replicated in the Cairns facility. Licensing and accreditation includes the licensing of its day hospital by Queensland Health and accreditation by the Australian Council on Healthcare Standards, licensing of the IVF facility by the Reproductive Technology Accreditation Committee and licensing of the Laboratory by the National Association of Testing Authorities. This rigour in terms of accreditation is seen

as a potential source of competitive advantage for Australia, provided that US health insurers will accept the type of accreditation here as equivalent to the US standard (see discussion on barriers). It also acts as a barrier to entry for potential medical tourism providers, preventing 'backyard operators' from setting up overnight and offering sub-standard services and thus maintaining the prestige of the industry (Stakeholder X, personal communication). It took the Cairns Fertility Clinic nearly three years to gain full accreditation on its new facility, even with their industry knowledge and experience gained from running PIVET for 28 years in Perth.

Patients will be offered packages encompassing elements such as treatment, flights, and accommodation, as well as additional services such as spa treatments, cosmetic surgery or tours. Partnerships have been developed with external accommodation providers (Cairns Central Plaza, Shangri-La Hotel and Rydges Hotel Group) for those tourists who prefer not to stay on-site. The Clinic has also partnered with Australia Health Tourism, who broker these kinds of arrangements with a global market (Australia Health Tourism, 2009).

Additional Offerings

There is potential for Australia to develop similar specialised facilities or for private hospitals to specialise in certain fields or procedures. Australia's particular world-class expertise includes:

- Cardiology and Cardiothoracic surgery, including Electrophysiology;
- Urology;
- Orthopaedic surgery;
- Cochlear implants;
- Cancer, particularly skin cancer.

According to the Australian Health Export Industry Council (AHEIC, 2005), most medical tourists visit Australia for these acute medical treatments, rather than general surgery.

There are a number of ways that this can be facilitated. Towart (2008, p. 1) argues that private hospitals need to 'align themselves with international medical insurance companies ... [and] focus on where they can compete with cheaper alternatives and provide superior quality'. They also refer to the development of 'medi-motels' near or adjacent to major hospitals and health care facilities, for convalescence of medical tourists. Arrangements could also be made with accommodation providers in the general region, to provide a similar service, perhaps with follow-up nursing, as would be done for a patient after they return home from hospital. This links to the trend of Australian hospitals sending women to hotels after giving birth, to free up the hospital beds and reduce costs (Voigt & Laing, in press).

It was suggested by Wei (2009) that Australia could develop a niche of medical consultations and second opinions for Asian medical tourists and one stakeholder referred to the potential for executive health checks to be held in Australia, as a form of employee reward. Several other stakeholders however were dubious as to whether this would occur, and recommended focus on treatment rather than consultations as the way forward. The use of the word 'niche' with respect to Australia's medical tourism capability and potential was criticised by some stakeholders, who argue that Australia has more to offer than that. It would appear however that at least in the near future, the best opportunities for Australia to develop a medical tourism industry involve exploiting certain specialised procedures and treatments in which Australia has a recognised expertise or is a world leader. Bookman and Bookman (2007: 41) are blunt in their assessment of medical tourism as a 'niche' offering: 'Such tourism does not

draw masses but rather it appeals to a select number of people whose demand is big enough to generate sufficient business’.

Use of Intermediaries and Brokered Arrangements

Alternatively, these treatments could be packaged up by companies such as Australia Health Tourism, an example of a referral agency or medical facilitator (Bookman & Bookman, 2007; Deloitte, 2008). Australia Health Tourism offers services such as (1) identifying the medical procedures required, (2) review of medical assessments, and (3) making medical and non-medical arrangements for treatment in Australia. They can deal directly with international insurers, employers and health providers, to provide what they describe as a ‘concentric circle of care’ (Australia Health Tourism, 2009) and a ‘bespoke’ medical offering. Patients are looked at on a case-by-case basis and a solution suggested in consultation with a clinician. This was contrasted by one stakeholder with the ‘one-size-fits-all’ approach adopted in Asia. Australia Health Tourism currently has alliances with hospitals such as St Vincents, the Epworth, Cabrini, Melbourne Private Hospital and John Fawkner in Melbourne, Westmead Private Hospital, the Mater, North Shore Private and the San in NSW and John Flynn Hospital on the Gold Coast, QLD. It was emphasised by one stakeholder that commoditisation of medical services for tourism purposes should be done with care, given that medicine is not seen as a commodity in this country, with the doctor-patient relationship at the heart of health care. This in fact is something that Australia should emphasise in its promotion of medical tourism to an international audience.

International referral networks may also be an important source of medical tourists for Australia (AHEIC, 2005). For example, Choice Medical Services in Canada is planning to add Australia to its list of treatment destinations next year, as it notes Australia’s ‘world-class care’ and ‘affordable treatment options’, as well as the vacation benefits of being ‘one of the most beautiful and diverse places on the planet’ (PR.com, 2008). This may provide access to Canadian and North American medical tourists, with the latter mostly uninsured and facing high out-of-pocket medical costs if having treatment in their own country (Choice, 2007). Choice Medical Services handles treatment and roundtrip travel arrangements, as well as providing an option for a vacation ‘add-on’, and currently focuses on Canada as a treatment location.

Market Potential and Target Markets

Australia currently offers very little in the way of targeted medical tourism services to international visitors, although the International Visitor Survey (IVS) provides an estimate of 7,000 inbound trips for medical reasons per annum, on average, between 2006-2008. This figure apparently underestimates the real number of visits for medical purposes, in that a number of individuals come to Australia and then seek to have medical procedures performed, to circumvent the time it takes for the requisite visas to be processed (medical tourism provider, personal communication). Towart (2008, p. 3) however notes that ‘anecdotal information would suggest that the number of overseas patients receiving attention in Australia [at present] is minimal’.

The Cairns Fertility Clinic aims to have 2,000 IVF patients a year within 3 years, which would see it operate at capacity and generate 40,000 room nights and inject \$40-\$60 million into the local economy. They are aiming for a 50-50 split between domestic and international patients (Sexton, 2008).

Target markets for the Cairns Fertility Clinic are:

- **Asia**—particularly richer, wealthier patients in countries such as Indonesia, Malaysia, India and China who are looking for high-quality services and care in a safe and attractive environment. It has been argued that ‘the inelastic demand from such patients represents a more lucrative revenue stream, more loyalty and even a willingness to travel further distances’ (Teh & Chu, 2005, p. 308). PIVET attracts about 20-30 IVF patients from Indonesia each year, for a service that is neither advertised nor packaged for tourism purposes. The Clinic believes that ‘the rising middle class wealthy [in these countries] would be the target market to come to Cairns for IVF treatment and a holiday in a tropical location at the same time’ (Sexton, 2008).
- **United States**, both from the mainland and particularly non-military personnel from Guam, which is only a 4 hour direct flight from Cairns, with flights running 4 times a week. The population of Guam is set to grow with the expansion of its military base after the closure of military bases in Japan, which will boost the civilian population needed to support this presence. The Clinic has met with representatives of the American Medical Association during a recent delegation to Guam organised by Advance Cairns. The barrier appears to be the fact that the cost is not currently covered by US health funds (see discussion on barriers). The potential lies in promoting Australia as a first-world destination offering high-quality medical services at a lower cost than the US, with the benefits of cultural affinities, the same language, a healthy environment for recuperation and travel (clean air, water, quiet, small population) and safety/security.
- **Dubai**—The first potential patients from Dubai were already in contact with the Clinic, before it opened its doors and began its marketing. According to ATEC (2008, p. 28), even with the development of Dubai as a medical-hub, ‘it is predicted that the upper-end of the market will still travel overseas for medical treatments and procedures’. It will be interesting to see how this development is affected by current financial problems experienced by Dubai, which have led to a halt in its ‘building boom’ (Lewis, 2009) and debt problems with the Dubai World development (BBC News, 2009).

Development of the **US market** appears to be stymied at present by a lack of awareness of Australia as a medical tourism destination and issues as to recognition of Australia’s health care system by US health insurers (ATEC, 2008). The latter apparently want Australia’s health system to obtain accreditation by Joint Commission International (JCI), the U.S. company that accredits international health systems and hospitals (Tourism Research and Marketing, 2006; Twedt, 2008), unless they can be persuaded that the current accreditation regime in Australia (ISQUAR) is JCI equivalent. It is expected that the number of JCI-accredited hospitals world-wide (currently more than 250 in 30 countries) will double by 2012 (Twedt, 2008). Lack of portability of health insurance across borders is also a barrier to developing a foothold in the US market (Bookman & Bookman, 2008).

The **Asian health market** is estimated to be worth \$600 billion in the next five years (Dawson, 2007). If Australia gains a 3% share of this market, it would be worth \$6.9 billion, ‘made up of \$2.4 billion in associated tourism and \$4.5 billion [in] medical and health-related services’ (Dawson, 2007: 30). China is unlikely to be a source market unless the Approved Destination Status (ADS) rules are relaxed, that require Chinese leisure travellers to travel in

large groups with approved ADS operators (Weiler & Yu, 2006; Wheeler, Reeves, Laing & Frost, 2009).

The **Middle East market** (including Dubai, mentioned above), is a potential source of medical tourists for Australia, particularly at the high-end of the market (ATEC, 2008). Australia must however compete with European destinations and the US, which already attract a loyal following, and would need to streamline the visa application process (ATEC, 2008), as discussed below.

Promotion and Distribution Strategy

Cairns Fertility Centre has yet to promote itself formally, apart from its Website, due to the need to wait until all required accreditation had been achieved. The Internet is an important source of information on medical tourism (Bookman & Bookman, 2007; Towart, 2008) and individuals are increasingly more comfortable with searching the Internet about their health issues, 'taking their illnesses into their own hands' (Bookman & Bookman, 2007: 60). The emergence of portals or Internet 'hubs' that provide a 'one-stop-shop' for medical tourism services is a likely future trend (Tourism Research and Marketing, 2006). One stakeholder interviewed referred to *Fly Free for Health*, a Website that provides holistic medical tourism services, including a 'medical butler service', used to find customised solutions for potential tourists, tailored to their needs and budget (see <http://www.flyfreeforhealth.com/>). ATEC (2008) suggests exploring the development of a 'standalone Australian Medical Travel website' or a portal hosted by Tourism Australia or the Australian Health Export Industry Council (AHEIC), as Australia's window to the world.

Discussions with stakeholders suggest that presence at trade shows was seen as important for raising awareness and promoting destinations (ATEC, 2008; Bookman & Bookman, 2007), while trade delegations would help to boost Australia's credibility as a provider of medical tourism services. Word of mouth referrals should also not be underestimated (ATEC, 2008; Bookman & Bookman, 2007). The PIVET clinic in Perth attracts 20-30 Indonesian medical tourists per year, without the assistance of advertising.

Television coverage may also raise awareness, but comes at a cost. Australia Health Tourism has arranged for a 5 minute segment about Australia as a medical tourism destination on various television outlets such as CNN, the Travel Channel and the Discovery Channel. This was seen as important promotion in the all-important US market and might be facilitated by government funding, particularly at the national level.

Impact of Government Policy

According to Tourism Research and Marketing (2006), in a study of medical tourism worldwide, government policy can have an important impact on medical tourism development. Countries which ban certain reproductive techniques can result in a flow of tourists to another destination. Government policy on the treatment of international patients and the payment of those costs can also affect numbers of tourists. For example, New Zealand is considering introducing a levy for private hospitals, to cover risks associated with international visitors who opted to have elective surgery in New Zealand. The Accident Compensation Corporation (ACC) currently provides comprehensive, no-fault personal injury cover for all New Zealand residents and visitors to New Zealand. About 1000 medical tourists elect to have medical treatments in New Zealand per annum and this figure is estimated to reach 20,000 by 2020. The ACC Minister, Nick Smith, observed recently that this was an issue of 'fairness':

There is a real concern around medical tourism and the risks for New Zealand around the ACC scheme. It's not right that levy payers are subsidising [misadventure insurance] for private hospital operations in New Zealand (Armstrong, 2009).

Australian government policy (other than visa requirements) has not engaged with the potential of medical tourism, despite strong lobbying of the Howard and Rudd Governments. As one stakeholder said with feeling:

It's a source of great frustration for us. We're obviously not saying it in the words that they can hear and understand. I can't but point to the international examples and say, look what's happened in the whole time we've been asleep.

The Australian Tourism Export Council in its report on the impact of medical travel on Australia noted that their various meetings with politicians met with private support, but that 'No-one wanted to be associated with the screaming headline 'FOREIGNERS TO TAKE AUSSIE BEDS' (ATEC, 2008: 7) Overcoming the fear of a 'political backlash' will require a strong promotion campaign and would need to emphasise:

- the fact that private beds rather than public beds would be offered to tourists;
- the spinoffs this might offer the cash-strapped public health sector in terms of:
 - fees paid for private beds in public hospitals;
 - retention of key staff;
 - attraction of staff from overseas;
 - knowledge benefits/transfer through treating complicated or unusual medical cases from overseas; and
 - greater access to expensive technology.

In terms of the latter, it was mentioned by one stakeholder that the public health sector is going to find it increasingly difficult to afford the rising cost of technology, unless it can be funded by innovations such as medical tourism:

Technology drives the cost of health care higher on a daily basis. You've got robotics, you've got MRI scans, you've got not 64 slice, you've now got 132 slice, and who knows when it's going to be 264 slice - so those sorts of infrastructure and electronic medical records and the cost of infrastructure implementation is rising on a daily basis, and as a consequence the cost of delivery of those services are amplified as a result.

This may however be a complex policy to 'sell' to the Australian public. At the end of the day, as acknowledged by ATEC (ATEC, 2008) and illustrated by the development of the Cairns Fertility Clinic, the introduction of medical tourism to Australia is not dependent on government support. However, as discussed in the section on critical success factors and barriers below, government support is important in developing (ATEC, 2008):

1. a coordinated national policy and promotional approach to developing this export market;
2. financial support in the nature of 'seed funding' to facilitate research and development.

Legal/Regulatory Issues

International visitors to Australia who are travelling for medical treatment or medical consultations (except surrogate motherhood) are required to apply for a visa to enter the country. There are two classes of visa—one for short stays (visits for a period of up to 3 months) and one for long stays (between 3 and 12 months). Both visas are also required to be obtained by (a) individuals travelling to Australia to donate an organ and (b) individuals accompanying or providing support to the person needing treatment. Patients are expected to pay for their own treatment and have sufficient funds to support themselves while in Australia. They will not be eligible for Medicare or other Australian health benefits, nor will reciprocal health agreements between Australia and other governments be available to cover expenses for pre-arranged treatment. The short-stay visa is free of charge to those living outside Australia. There is a \$55 fee for the long-stay visa. Applicants have to undergo a health examination to ensure that they are clear of active tuberculosis. They have to demonstrate that:

- Adequate payment arrangements are in place for their treatment.
- No Australian citizen or permanent resident will be disadvantaged in obtaining medical treatment.
- Any treatment in a public hospital has been approved by the State or Territory health authority concerned.

The doctor or hospital in Australia treating the patient must provide written confirmation of certain information, including their agreement to treat the patient, the nature of the treatment and the period under which the patient will be under medical care.

Two of the stakeholders interviewed advised that this process was too protracted (it takes 12 days to arrange, on average) and that practical shortcuts were not available to patients (i.e. digital scans could not be used instead of hard copies), causing some to seek to circumvent this bureaucracy. As one stakeholder observed:

They jump on a tourist visa, they come here as a tourist, they get their treatment done privately and they go back out again. We're not capturing a fraction of what's going on, not even a fraction.

It was suggested that the visa requirements should be streamlined and made more efficient, in order to encourage future medical tourism and more accurate data to be kept on medical tourists.

Development of a medical tourism industry in Australia may be supported by the strong legal system, which will give international tourists (and their insurers where they are involved) recourse to legal remedies in the case of malpractice or negligence. This peace of mind may not be available in some developing countries, where legal action may be protracted and expensive (Bookman & Bookman, 2007; Towart, 2008).

Outlook for the Future

Ageing Population

The ageing population in many Western countries is likely to lead to an increased demand for health care (AHEIC, 2005; Tourism Research and Marketing, 2006), including treatment for conditions more likely to be associated with advanced age such as cardiac bypass

surgery or oncology, which are areas of Australian medical expertise, given the acute nature of some of this treatment.

Specialised Destinations

Many countries offering medical tourism are offering the same range of services available across the globe (Tourism Research and Marketing, 2006). This strategy may however change in the future, as specialisation becomes a more important strategy for those destinations unable to compete strongly on price or lacking highly developed health systems (Tourism Research and Marketing, 2006). Hungary, for example, has established itself as a destination for dentistry (ATEC, 2008). Some Australian destinations are now looking to position themselves as locations or hubs for certain medical procedures, which might be a way to make the Australian industry more comprehensible to international visitors. Cairns, as discussed above, through the construction of the Cairns Fertility Centre, looks to have cornered the market in fertility treatment, particularly IVF, while the Gold Coast is promoting itself as a 'cosmetic surgery destination' (Dawson, 2007, p. 33). Both destinations have established tourist infrastructure, enjoy tropical climate and proximity to the sea and are promoting medical procedures that have a long period of downtime between treatments (in the case of IVF) and recuperation time (in the case of cosmetic surgery), which encourage longer stays in the destination (Dawson, 2007).

Specialised Facilities

Towart (2008) suggests that Australia should focus on developing 'centres of excellence' around specialisations. As discussed above, Australia could specialise in areas such as cardiology and IVF and these services could be offered by distinct facilities as a 'one-stop shop'.

Critical Success Factors and Barriers

Success factors identified through stakeholder interviews and a review of the literature are as follows:

Price

In the United States, it is estimated that around 40-43 million people lack health insurance, (Tourism Research and Marketing, 2006; Bookman & Bookman, 2007) and the proportion of uninsured Americans appears to be growing, while enrolment in employer-sponsored insurance schemes and benefits of coverage are declining (Bookman & Bookman, 2007). This can result in the costs of some US medical treatments being prohibitive for a significant proportion of their population. Australia can compete in certain areas of health care, particularly cardiology, bariatrics (lap band surgery) and fertility treatment, including IVF, according to Australia Health Tourism's Brett Wilson, 'where we are 50 percent to sometimes 70 percent better placed in terms of our comparative pricing to the offering in the US service provision' (Dawson, 2007: 32). Despite the Australian exchange rate, the cost of treatment in Australia compared to the United States is far cheaper. According to McKinsey & Co (Ehrbeck, Guevara & Mango, 2008), there is a threshold for seeking medical treatment abroad, which is about \$10,000. Below this, patients generally stay home for treatment, as the savings are not large enough to justify the inconvenience of travel. People can compare prices on the Internet (Bookman & Bookman, 2007; Tourism Research and Marketing, 2006) and are more savvy about shopping around for the best 'deal'.

Quality/Reputation

It has been argued that there has been a shift by medical tourists towards quality and superior services, irrespective of cost (Tourism Research and Marketing, 2006), although Bookman and Bookman (2007) label this quality *relative to price*, or *value*. According to a McKinsey & Co. paper, 32% of all medical travellers seek better-quality care for required procedures, with most of these individuals located in the developing world (Ehrbeck, Guevara & Mango, 2008). Another 40% (the largest segment of medical tourists), seek the most advanced technologies for health care. These segments might be attracted to Australia on this basis, provided that awareness is raised of Australia as a viable option based on quality/cutting-edge technology. AHEIC (2005, p. 15) note the importance of establishing international referral networks, to facilitate access to 'the acute area of medical treatment', which is an area of expertise or 'advantage' for Australia. It will also be critical for this quality to be recognised through international accreditation, such as through JCI, the largest US hospital accreditation agency (Bookman & Bookman, 2007) and affiliations between Australian private hospitals and international health insurers (Towart, 2008). Australia's quality medical care extends 'up and down stream', including services such as pathology, radiology and physiotherapy (Towart, 2008).

Availability of Treatments/Procedures

Medical tourists will flow to one country if certain types of treatments, services or drugs are not available or are more likely to be available elsewhere (Bookman & Bookman, 2007). For example, New Zealand patients requiring a kidney transplant used to have to go to Australia to avail themselves of this medical service. Now that facilities for these services have improved in New Zealand, the number of their tourists visiting Australia for this purpose has declined (Tourism Research and Marketing, 2006). Certain medical technology might not be available everywhere (Towart, 2008), such as IVF or assisted reproduction (Voigt & Laing, 2009-in press), which may attract foreign tourists to Australia for these services, given our recognised expertise in this field of medicine.

Tourist Appeal of Destination

According to one of the medical tourism stakeholders interviewed in this study, sedentary or passive tourist experiences might be more appropriate for this market during the convalescence phase, suggesting destinations such as Daylesford, the Hunter Valley, the Mornington Peninsula and the Queensland coast. This supports the view of Bookman and Bookman (2007, p. 45), who argue that 'Active side trips are likely to appeal to families of prospective patients. The patients themselves might be more or less inclined towards relaxation and quiet recuperation, depending on the nature of their medical treatment'. They also suggest that 'beach, sun and sea' appeal to people convalescing (Bookman & Bookman, 2007, p. 134), which Australia has in abundance.

Safety/Security of Destination

According to Ehrbeck, Guevara and Mango (2008, p. 7), the medical tourism market is susceptible to 'geopolitical events and acts of nature that could influence the willingness of patients to visit a given country—or their ability to do so'. Australia might be able to use its political stability and safety as selling points to medical tourists. As one stakeholder remarked:

Where are the main people coming [to Australia] for education [from]? China, India and other areas. Why are they coming here? Perceived value, safety, personal safety, cultural safety ... So I think those are messages that North Americans will resonate to.

Barriers to development of medical tourism in Australia, based on similar sources of data as mentioned above, include:

Government Support

Many governments, particularly in Asia, have heavily promoted their medical tourism industry, in an effort to gain a larger share of the lucrative international market. For example, Malaysia has formed the National Committee for the Promotion of Health Tourism (Teh & Chu, 2005) and governments in Singapore and Hong Kong have taken active steps to market medical services internationally (Teh & Chu, 2005), with Singapore providing around \$2 billion to promote itself as a medical tourism hub in Asia (Dawson, 2007). In Australia, to date, it has been largely up to the private sector to promote medical tourism, perhaps due to the argument put forward by Teh and Chu (2005, p. 307), that [Western] governments are 'sensitive to their role of providing public health services for [their] citizens'. The government may be concerned to keep its distance from medical tourism, to avoid a policy backlash due to a misconception that the public health service will be available to international tourists, at the expense of the local taxpayer. The potential benefits to the Australian economy of medical tourism, however, demand that the Australian government treat this like any export industry and promote it more vigorously in international forums.

One stakeholder remarked:

I would love to see a parallel to the education industry, where we've got a funded body that goes out and competes with other government sponsored entities. Singapore Medicine has been set up by the Singaporean Government. It's got input from the tourism and medical industries and the Government, It's entire [focus] is to go out there and promote Singapore as a holistic [medical tourism] package. What we have right now[in Australia] are all these well intentioned private initiatives that ... collectively aren't working together to go and do it. So it has to be coordinated.

According to Brett Wilson of Australia Health Tourism, 'more than \$6 million in government assistance will be needed to help grow this niche market' (Dawson, 2007: 32). This money could be spent lobbying health insurers or large travel providers that specialise in tourism to Australia (Swains Tours and Down Under Answers), according to one stakeholder, as well as having a strong presence at trade shows, paying for advertising and media coverage, sponsorship of medical tourism conferences and expos and sending high-level trade delegations overseas. ATEC (2008) have recommended that Australian trade activities in the United States should involve discussions with health insurance providers. Seed funding is also needed to assist with research and development, including a greater understanding of the needs and wants of potential visitors and 'an agreed statistical database on the global health economy' (ATEC, 2008, p. 20). The current grants available for innovation and export development are skewed against the services sector, as the funding schemes are geared towards *production* for export purposes rather than *consumption* (ATEC, 2008).

Unity of the Industry

There is no '*collective peak body that represents this space*', according to one stakeholder, which makes government lobbying and national promotion more challenging. They called for a '*body which can coordinate a unified message with the appropriate muscle behind it*'. Political input should be used to make the contacts, with a peak body then stepping in to make '*the business work*'. ATEC (2008, p. 18) concurs with this view. A 'nationally-coordinated approach to developing export markets in health, similar to the successful models in education and tourism' would give the industry greater opportunities and leverage internationally.

Restrictions on Entry/Visa Requirements

As discussed above, inefficient processing of visa paperwork will affect the number of medical tourists (Bookman & Bookman, 2007, p. 158). This is labelled an example of 'government-imposed barriers to the international trade of medical services'.

Proximity to Destination

The time it takes to travel to Australia might be a disincentive for travel for some medical tourists, although this has yet to be explored empirically. Bookman and Bookman (2007) note that Americans and Japanese appear to be least bothered by distances to be travelled for vacations. If 'immediate gratification and instant happiness' are however a motivation for some medical tourists (Bookman & Bookman, 2007), this might discount Australia in their eyes due to its distance. It is however suggested that this is no longer a 'deal-breaker', given the availability of cheap air fares and frequent flyer miles (Bookman & Bookman, 2007; Tourism Research and Marketing, 2006). Towart (2008, p. 6) suggests that wealthy Asian patients should be wooed by emphasising the 'shorter travel than to the US or Europe'.

Lack of Research

Research is needed globally on aspects of medical tourism such as:

1. Likely growth of the sector (ATEC, 2008);
2. Market analysis, including a profile of current and potential future medical tourists (ATEC, 2008);
3. A competitor analysis of medical tourism offerings (ATEC, 2008);
4. View of Australia as a medical tourism destination.

Conclusion

Some of the potential opportunities for developing this industry in Australia, identified in the stakeholder interviews, include:

- focusing on *niche medical strengths* such as fertility treatments and cardiology;
- developing purpose-built private facilities and infrastructure;
- promoting the quality, rigorous standards and patient-focus of the Australian health system to an international audience, particularly from the United States, given cultural similarities and price differentials for health care.

Potential barriers to success include:

- lack of government support

- community misconceptions that this type of industry might affect local access to health care services.
- Unduly bureaucratic process of applying for medical stay visas.

Appendix G: Codes of Ethics

ISPA Code of Conduct and Ethics

- Spas observe the ISPA Code of Conduct.

Although there is a wide array of spas around the world, each offering a unique experience, all are devoted to enhancing overall well-being through a variety of professional services that encourage the renewal of mind, body and spirit. To enjoy your spa experience to the fullest, observe the ISPA Code of Conduct, act responsibly and be aware that common sense and personal awareness can help ensure your satisfaction, comfort and safety, as well as that of others. The Code of Conduct is available in English, French, Traditional Chinese and Simplified Chinese.

As a Spa Guest, it is your responsibility to:

- communicate your preferences, expectations and concerns;
- communicate complete and accurate health information and reasons for your visit;
- treat staff and other guests with courtesy and respect;
- use products, equipment and therapies as directed;
- engage in efforts to preserve the environment; and
- adhere to the spa's published policies and procedures.

As a Spa Guest, you have the right to:

- a clean, safe, sanitary and comfortable environment;
- stop a treatment at any time, for any reason;
- be treated with consideration, dignity and respect;
- confidential treatment of your disclosed health information;
- trained staff members who respectfully conduct treatments according to treatment protocols and the spa's policies and procedures;
- ask questions about your spa experience; and
- information regarding staff training, licensing and certification.

- Spa is guided in all activities by truth, accuracy, fairness and integrity.
- Spa pledges support to ISPA and agrees to pursue and support its objectives.
- Spa pledges to keep informed on the latest techniques, developments and knowledge pertinent to professional improvement.
- Spa assists fellow members in reaching personal and professional fulfilment.
- Spa utilizes every opportunity to enhance the public image of the spa industry.

Sustainability

- When possible, the spa has in place policies and procedures to protect the environment, thus protecting our planet for the future.
- To grow this industry toward a deeper connection with the natural laws of nature, the spa embraces the three pillars of sustainability: **planet, people and prosperity**.

Planet

It is the spa's purpose and responsibility to work with the natural world to promote its healing properties while conducting business in a way that sustains the life of the planet and thus humanity.

People

To serve others, the spa staff members must keep themselves physically, mentally and spiritually healthy by maintaining their overall health and well-being.

Prosperity

Member spa supports sustainability through education on more efficient uses of energy and resources, thus lowering the cost of operations.

Source: International Spa Association (2009): International Spa Association's Global Best Practices For the Spa Industry. Accessed 30/10/09 from:

<http://www.experienceispa.com/includes/media/docs/Global-Best-Practices-FINAL.pdf>.

ASPA Professional Code of Ethics

1. Core Standards

As a member of ASpa, I shall:

- Abide by all applicable laws, licensing, and regulations pertaining to the spa industry and support the enforcement of same;
- Provide services with utmost regard to the health, safety and welfare of their staff and customers;
- In accordance with the relevant statutory requirements, not discriminate against customers nor misrepresent other service providers on the grounds of race, gender, culture, sexual preferences or disability issues;
- Avoid false, misleading or deceptive advertising and marketing practices;
- Endeavour to eliminate any practices that could be damaging to trade or consumers or the dignity and integrity of the broader spa industry;
- Display current licenses, permits; insurance and qualifications pertaining to their business operation;
- Avoid all activities that could be deemed sexually inappropriate or relating to sexual misconduct;
- Encourage membership of ASpa or other industry associations so that the entire spa industry and public benefit from the training, experience and high standards of operators.

2. Individual Standards

In relation to myself as a professional, I will:

- Treat all clients according to competent application of accepted techniques and principles;
- Maintain client confidentiality and respect at all times;
- Maintain a professional, courteous and supportive work ethic;
- Work within the scope of my skills and not misrepresent my qualifications;

- Use pre-treatment client consultation as a means of evaluating client care and treatment options.

3. Education Standards

As a member of ASpa, I shall:

- Possess minimum trainer qualifications of Certificate IV in Workplace Assessment & Training
- Ensure that students and trainees working as staff, must be identified as such at all times, until they attain their relevant certification/qualification. Clients must be informed at the time of booking, if their operator is not certified to complete the modality requested.

4. Spa Operator Standards

As a Spa Operator and member of ASpa, the business will:

- Adhere to the spa 'definitions' as laid down by ASpa when marketing;
- Ensure at least one staff member on-site during hours of operation holds a current first-aid/CPR qualification from a recognised agency;
- Empower staff by ensuring they are sufficiently trained, informed and motivated to be able to offer consistent, high levels of service at all times;
- *Note: Sufficiently trained staff means staff holding industry recognised Beauty/Spa qualifications;*
- Endeavour to implement a Professional Development Plan for each staff member to identify skill gaps and encourage personal growth;
- Ensure Spa facilities are regularly audited to determine health and safety and risk management issues for staff and guests and appropriate action taken on any identified concerns;
- Ensure staff are provided with a comprehensive induction process upon commencement of employment;
- Provide guests with an appropriate consultation and an avenue for feedback on staff, service and facilities;
- Endeavour to meet the reasonable expectations of clients to the best of their ability;
- Display my current ASpa membership decal in a prominent location;
- Be prompt and courteous in dealing with client disputes.

5. Corporate Standards

- As a business member of ASpa, the business will:
- Administer professional business-to-business client partnerships at all times;
- Present its goods so far as is reasonable in the best possible manner;
- Ensure all promotional activities and collateral shall accurately reflect the product and/or activities of the business;
- Employ staff management practices consistent with those incorporated within the 'Spa Operator Standards' category.

Source: Australasian Spa Association (2009): Application for Membership. Accessed 30/10/09 from:

http://www.aspaassociation.com.au/associations/6834/files/ASPA_MembershipForm_Apr09.pdf.

Section D) Conclusions

This final section provides a summary of the main findings and offers a number of recommendations.

1. Definitions

Wellness Tourism

Industry representatives and other stakeholders believe that a consistent and broadly based definition of the wellness industry has not been established.

Wellness has been defined for this study as a positive, psychological state of well-being which is the result of practising a wellness lifestyle based on the belief in self-responsibility for one's own health and well-feeling (Voigt, 2009).

Wellness is more than the absence of illness; it is multi-dimensional, subjective, relative and perceptual. In this context, wellness may be a very broad concept and include activities that induce a sense of wellbeing or rejuvenation such as bushwalking, relaxing at the beach, contemplating nature and so on. Wellness tourism, on the other hand, is best defined somewhat more narrowly to *exclude* travel with a primary focus on activities such as sport, adventure, volunteering and religion (pilgrimages).

Wellness tourism is defined as the sum of all the relationships resulting from a journey by people whose primary motive is to maintain or promote their health and well-being and who stay at least one night at a facility that is specifically designed to enable and enhance people's physical, psychological, spiritual and/or social well-being (c.f. Voigt, 2008).

From a supply perspective wellness relates to three broad categories of service provision:

- emphasis on body, facial and water-based treatments (beauty);
- emphasis on detox, rejuvenation and behaviour change (lifestyle);
- emphasis on contemplation, reflection, meditation and learning (spiritual).

Although this report focuses on wellness tourism, services may be provided to both visitors and local residents. Suppliers, particularly in metropolitan areas, may not distinguish between clients on the basis of place of origin.

It is recommended that, from a supply perspective, a broad definition of wellness tourism be adopted which includes beauty, lifestyle and spiritual services and also provides specifications in regard to the training and accreditation applicable to the delivery of specific categories of service.

Medical Tourism

Medical tourism is a separate form of travel activity to wellness tourism and for international travellers is primarily motivated by the desire for medical procedures that are unavailable or unaffordable in their own country. Travel normally includes a planned component of tourism activity/experience.

The motivation to travel internationally appears to be primarily economic, although the allure of a foreign destination in which to recuperate may also be attractive. A desire for privacy may also be a driver of medical tourism when the desired procedures are cosmetic.

Medical tourism is defined as the sum of all the relationships and phenomena resulting from a journey by people whose primary motive is to treat or cure a medical condition by taking advantage of medical intervention services away from their usual place of residence while typically combining this journey with the consumption of tourism products and services.

There is considerable domestic travel undertaken for medical purposes, although when driven primarily by access to medical resources rather than recreation it is considered outside the scope of medical tourism.

2. The Characteristics of Demand

Wellness Tourists

The number of wellness tourists in Australia depends on the way in which the characteristics of this market are defined.

Increasingly, hotels and resorts are promoting spa and wellness services as a component of their service offering. However, in many instances, this may involve providing visitors with a gym, pool area and possibly a massage, rather than a fully-fledged spa facility.

Demand estimates of overnight travel are available through the National Visitor Survey (NVS) and the Roy Morgan Holiday Tracking Survey (HTS). The NVS provides an estimate of 229,000 domestic overnight visitors per annum where a visit to a 'health spa or sanctuary/well-being centre' as an activity between 2006 and 2008. These visits occur primarily in Victoria (39%), New South Wales / ACT (37%) and Queensland (14%). The HTS provides an estimate of 497,000 domestic overnight trips engaged in a 'health resort/spa holiday' in 2008. The value of this activity was \$217 million per annum from the NVS figures and \$461 million from the HTS. The NVS provides an estimate of 148,000 wellness day trips per annum on average over the period 2006-2008 with estimated expenditure of \$15 million. These trips occur primarily in Victoria (58%) and New South Wales (20%).

The International Visitor Survey provides an estimate of 152,000 international visitors per annum over the period 2006-2008 who visited a health spa as a component of their trip. The majority of these visitors would be undertaking a wide range of activities and experiences during their trip and would not necessarily be classified as wellness visitors. The market for international wellness specific visitors to Australia is thus considered to be relatively small.

The total market for health and wellness tourism may however be understated by the figures presented above. A study by Research International (2009) found that 21 percent of Australians visited spas in 2007 and that more than half of those specifically visited a destination spa – a spa which includes accommodation. A study commissioned by Tourism Australia¹⁴ found that 12% of Australian eastern seaboard residents had taken a 'wellbeing holiday/ break' within the previous 5 years, with 11% taking a trip in Australia and 5% overseas.

¹⁴ Inside Storey, 2007.

A detailed analysis of tourism demand was derived from a survey of accommodation managers of health and wellness properties to determine visitor arrivals and service usage by wellness visitors (see Section 3). Total clients serviced by these providers was estimated to be 2.2 million over a 12 month period, while the number of clients who were visitors (overnight and daytrip where usual residence was more than 25kms from the business location) was 1.03 million. The number of clients cannot be compared to the number of unique visitors specified in the previous section. Demand from a supply perspective is quantified in many instances as service occasions rather than unique visitors¹⁵.

Thus, there are about 1 million wellness tourism visits annually, excluding local residents. . A significant proportion (44%) of these are tourists visiting day spas. Visitors to spa resorts/hotels, especially in regional areas, account for almost half (46%) of the 1 million wellness tourism visits. The number of visits to lifestyle resort/retreats is tiny by comparison and the number of visits to spiritual retreats also very small.

The profile of a wellness tourist is well educated, more likely to be female, with a relatively short travel career as a wellness tourist, and younger than originally thought, most likely between 26 and 45 years. Analysis of the NVS data on the basis of origin, destination and trip duration suggests that wellness tourism in Australia is primarily an intrastate short break travel experience (72% of overnight trips). This was particularly the case for travellers in Victoria. There was however a significant proportion of health and wellness travellers visiting Queensland from interstate (around two thirds of overnight wellness visitors in that State) who are likely to be visiting the retreat properties located in that State in addition to the resorts that offer health and wellness activities as a value-add.

Medical Tourists

Data from the National Visitor Survey indicates that over the period 2006-2008 there was an estimated average of 1.04 million medical purpose domestic trips per annum. The majority of these trips are likely to involve travel to a hospital or medical centre from a regional area to access services that are not available in the local area. While there is a significant number of people travelling within Australia to receive medical procedures, the vast majority of these are not medical tourists. Similarly, the number of international inbound visitors that meet the definition of a medical tourist is small, estimated at 7,000 per annum. It may be that this figure understates the true figure as visitors could be reluctant to specify this on their visa applications and in surveys due to potential delays and other bureaucratic hurdles. However, the anecdotal evidence also suggests that current demand is not large but that there may be potential for future growth.

¹⁵ Visitors staying for 4 days in a destination such as Daylesford could visit a supplier such as the Bath House on each day resulting in 4 service occasions.

3. The Characteristics of Supply

Wellness Tourism

The research identified 590 suppliers of health and wellness tourism services consisting of 262 day spas¹⁶, 201 spa resorts / hotels, 28 lifestyle retreats, 83 spiritual retreats and 16 hybrid businesses. These suppliers are located primarily along the eastern seaboard with 29% in NSW, 24% in Victoria and 22% in Queensland. More than one quarter (28%) are located in metropolitan areas and 72% in regional areas. Spa hotels/resorts are more prevalent in Queensland, while spiritual retreat and lifestyle resorts are more likely to be located in NSW. All product categories cater mainly for domestic travellers.

It is estimated that business turnover for the 590 service providers exceeds \$277 million over a one year period and turnover derived from visitors (including day trip visitors residing more than 25 kms from the service provider) is more than \$160 million.

The research identified a number of different business types through which tourists may access health and wellness services. The categories of supply are shown in Table 33. Massage is the most widely provided service across all categories, with 90% of all businesses offering some form of massage.

Categories of Supply of Wellness Tourism

Category	Description	Example
Retail day spa	Offering a range of massage, treatments and other services on a fee for service basis. Typically located in metropolitan retail precincts. Less likely to service tourists.	Endota
Urban retreat	Day spa in an urban area offering range of water based treatments and relaxation areas. May be attached to a hotel but majority of clients are local residents rather than hotel guests. Wellness is core product offering.	Aurora Spa at the Prince Hotel, St Kilda
Metropolitan hotel	Metropolitan hotel with dedicated spa & treatment centre. Service is a value-add and majority of clients are hotel guests. Fee for service.	The Lyall Hotel & Spa, South Yarra
Destination day spa	Day spa in a regional area. Accessed by visitors and local residents. Fee for service.	Hepburn Bath House, Peninsula Hot Springs.
Destination spa	Property in regional area offering dedicated spa and wellness services. Wellness services may be	Peppers at Hepburn

¹⁶ Day spas were purposefully sampled, while an attempt was made to undertake a census of the other categories of wellness tourism providers.

Category	Description	Example
	core offering or a value add. May also be a hybrid offering wellness retreat packages Monday – Friday and beauty treatments on fee for service basis during weekend.	Springs, Golden Door at Cypress Lakes
Lifestyle resort / retreat	Range of treatments and activities generally packaged with accommodation.	Golden Door Gold Coast, Gaia, Gwinganna
Spiritual retreat	Offering opportunities for reflection, learning, alternative therapies. Generally inclusive packages.	Nan Tien Temple in Wollongong, The Chenrezig institute

Medical Tourism

There are few suppliers of medical services to overseas residents in Australia identified by this research. The categories of supply were as follows:

Categories of Supply of Medical Tourism

Category	Description	Example
Purpose-built Medical Tourism facility	Offering a range of medical tourism services, including treatment, accommodation, flights, associated medical services and tours.	Cairns Fertility Clinic
Medical Tourism broker	Arrange medical tourism services for international patient and negotiate with medical, accommodation and tourism providers.	Australia Health Tourism

4. Destination Marketing and Branding

Within Australia there is one region, Daylesford/Hepburn Springs, that has evolved as a destination with a core positioning on the basis of health and wellness. This development is a product of the natural springs found in the area, the interests of visitors, the development of significant infrastructure and the activities of State and regional planners. The other regions studied for this project, Byron Bay and Margaret River, are areas where some visitors seek wellness outcomes as part of their tourism experience. These areas have become popular for people seeking alternative lifestyles (which is also a feature of Daylesford to some degree). These individuals in many instances have developed practices around alternative medicine and associated healing therapies which have provided a base for a wellness positioning. These services and experiences represent a component however of a broader, more eclectic, tourism brand rather than a core 'brand essence'.

Given the increasing interest in wellness, there are opportunities for a number of destinations to establish a wellness positioning. These are more likely to succeed when planned as a

component of a broader service offering. Moreover, the benefits and multiplier effects will be greatest where opportunities are created for local suppliers.

It is recommended that wellness tourism product be developed and marketed with complementary activities such as those associated with fitness, nutrition or relaxation. It is further recommended that regions take advantage of local resources which may be linked to naturally-occurring water supplies, local plants or produce in ways that assist the development of allied wellness services. The resultant product mix can be used to formulate an appropriate place branding strategy, building upon the locally-based wellness theme.

The opportunity will be greatest in regional areas that are located close to large urban centres. The latter are important as source markets for visitors and for labour, with access to a supply of skilled employees becoming very important. As previously discussed, wellness is most likely to be a short stay intrastate holiday experience for the majority of consumers. The main exception to this is during the winter months, for southern residents seeking a lifestyle or spiritual retreat offering outdoor activities, where warmer weather becomes an important destination attribute.

From an international marketing perspective there is less potential for Australia to be branded directly as a wellness destination. There is substantial competition from Asia and other destinations and given the long haul nature of travel to Australia for many origin markets, travellers are less likely to visit this country for a wellness product unless it is packaged with a range of other activities and experiences. There is, however, an opportunity to develop wellness as an attribute of Brand Australia.

A clean, green environment; Indigenous plants and produce with healthy properties (such as tea tree oil); and an emphasis on distinctive cultural traditions can help create a competitive advantage in an increasingly polluted world. A wide range of tourism organisations could be encouraged to support this strategy, with services on airlines and at airports further ensuring that tourists gain a wellness experience throughout their visit to Australia.

It is recommended that Tourism Australia incorporate wellness attributes and imagery as a component of Brand Australia.

It is recommended that industry bodies such as ATEC and TTF encourage private sector tourism organisations to incorporate wellness objectives as a component of service delivery.

There is also scope for Australia to benefit from regional partnerships, particularly with New Zealand. Similar to the cooperation between Alpine countries, Australia and New Zealand could seek to benefit from a perception that they offer different elements of pure wellness experiences.

It is recommended that where appropriate Australia develops cooperative linkages with New Zealand to leverage that country's branding as a clean and healthy destination.

5. Demand Management, Distribution and Promotion

Wellness Tourism

Over time there has been an increase in demand for wellness services, which has arisen due to a range of factors, including the increasing pace and stress associated with modern life; the desire to maintain a healthy lifestyle; and the search for meaning and personal growth. While these broad trends are expected to continue to drive demand, there are a number of other factors that could be harnessed to support demand for wellness tourism in the future.

There may be opportunities for wellness providers to establish linkages with medical service providers to provide recuperation and rehabilitation services. This strategy is likely to be successful where these services can be included as a component of health insurance schemes.

On the basis of the survey of supply, there was little evidence that wellness product is distributed through the traditional travel distribution network to any degree. On average less than 1% of bookings were received from travel agents, 1% via a government travel centre and 2% through an internet consolidator, on average. The research also did not identify any wholesale programs that provide distribution for wellness product although there is some evidence that this is happening overseas. There were instances where operators from particular regions e.g. Wellness Margaret River and Mornington Peninsula, had cooperated to develop wellness internet portals that provide opportunities for distribution.

Survey respondents were most likely to receive bookings directly from the consumer either by phone (52%), email (20%) or in person (13%). Given that the survey was directed toward spa managers rather than resort or accommodation managers, it may be the case that these results reflect the way in which the consumers book spas and wellness services rather than tourism product as a whole.

Apart from Tourism Victoria, there was little evidence of promotion of wellness tourism by government or industry bodies. As noted, Internet wellness portals had been developed by operators in Margaret River and the Mornington Peninsula, however this was primarily a distribution strategy. Again, there were significant examples of promotional material developed for wellness product by overseas destinations.

Methods of advertising and promotion most commonly adopted by the businesses surveyed were by internet (80%) and direct to consumer via email (55%). Given the importance of the digital environment the distribution and promotion of wellness product would be enhanced through the provision of wellness linkages at the top level of Federal and State Government internet travel sites.

It is recommended that federal and state government bodies play a more active role in marketing and promoting wellness tourism to both international and domestic markets.

From the survey of operators it was found that a significant proportion of clients (41%) are repeat visitors.

It is recommended that loyalty schemes and database mining be actively investigated and used as marketing tools for wellness tourism providers.

Medical Tourism

This research suggests that Australia would benefit from developing niche medical tourism offerings based on Australian medical strengths/expertise, as has occurred with the Cairns Fertility Clinic and its IVF services. Possible areas for development of Australian medical tourism services include cardiology, urology, orthopaedic surgery and oncology. Promotion could focus on particular markets such as the US/Asia, based on a quality offering that still offers price benefits for the US market.

It is recommended that Australia seek a competitive advantage internationally by focusing on provision of quality services at a lower price point than the United States, and based on niche medical offerings in which Australia has an international reputation and expertise.

6. Government Policy and Planning

Wellness Tourism

While health and wellness tourism will develop organically in Australia in response to consumer demand and the drivers outlined elsewhere in this report, it is clear that Government can play a significant role in facilitating the growth and professionalism of this sector.

National and State tourism bodies may contribute to the growth in demand through destination branding, marketing and communication and they may also underpin the quality of service delivery through the specification and monitoring of industry standards¹⁷. In some instances, (see Case Study 1 in Appendix B on Daylesford), government may also contribute directly to the provision of significant infrastructure that will support the core appeal of a destination.

In Australia, the national tourism authority, Tourism Australia, has in the past included wellness as a component of its broader Australian Experiences program. TA conducted market research for the sector¹⁸ and subsequently published information relating to market size and structure whilst also providing guidance with respect to wellness imagery. TA has subsequently moved away from the Experiences program and when interviewed for the research (March 2009) did not have a current strategy or policy in regard to wellness or medical tourism.

At the State level, Tourism Victoria has led the way in regard to spa and wellness tourism, with a strategic plan for the sector and the provision of funding for product development and marketing. Case Study 1 on Daylesford in Appendix B documents these activities. While Tourism Queensland has published market insights in relation to health and spa tourism a review of STO web sites did not reveal any further planning documents or strategies adopted by the STOs. Industry representatives outside of Victoria interviewed for this research expressed frustration at the lack of interest in the sector by Government.

To facilitate the development of health and wellness tourism in Australia it is recommended that industry bodies lobby State and Commonwealth Government Tourism authorities to, at a minimum, develop a policy in regard to health and wellness, and, where possible, develop a strategic plan for the sector that includes the allocation of incentives and resources.

¹⁷ Although this role may also be adopted by industry associations where the industry has sufficient strength and cohesion. See the discussion of industry structure for further detail.

¹⁸ Inside Storey, 2007.

Medical Tourism

There was no evidence of State or Commonwealth Government policy with respect to medical tourism and no particular recognition of this as an area of distinctive opportunity. Indeed the prospect of medical tourism was fraught with difficulties for governments concerned with voters' perceptions of medical resources being handed over to private sector entrepreneurs. This research also suggests the need for greater assistance by government in the promotion of medical tourism at high levels and at various trade shows, in order to raise awareness of Australia's potential in this area and the strengths of its offering.

To encourage the development of medical tourism, *it is recommended that* submissions are developed and presented to Government to illustrate the potential for medical tourism to contribute to the supply of medical services and facilities in Australia and to contribute 'export' income to the Australian economy. Parallels to the education industry should be provided, where appropriate.

Respondents with an interest in the promotion of medical tourism referred to the activities of the Governments of Singapore and Malaysia which have invested significantly in the development and promotion of medical tourism. Ideally, proponents believe the Commonwealth Government should establish and fund a body that develops a nationally coordinated medical tourism policy and actively promotes Australia as an international medical tourism destination through trade shows and other forums.

While Governments may not actively support medical tourism there are procedures and policies that may represent barriers for the sector. The need to streamline the visa application process for medical tourists was mentioned in this context. It was felt that in many instances medical tourists enter Australia on a tourist visa rather than go through the process of applying for a medical visa due to the associated delay.

It is recommended that the application process for medical visas (long-stay and short-stay) be reviewed and streamlined where possible.

7. Industry Governance and Accreditation

Wellness Tourism

Industry representation and leadership with respect to health and wellness tourism in Australia has been provided primarily by the Australian Spa Association (ASPA). ASPA provides a code of professional behaviour, a professional accreditation for individual practitioners and undertakes professional development activities, communication and lobbying.

While regional associations have developed in some instances, these groups have limited resources and their objectives are generally focused on regional branding and cooperative marketing.

Over recent years, ASPA has experienced declining membership and a perception amongst stakeholders that it does not have the resources to instigate or manage significant reforms for the industry. There was also a view that an accreditation system is needed in Australia

which will provide reassurance for consumers and also restrict supply to those operators with sufficient resources and motivation to seek accreditation.

It is also the case that ASPA represents primarily the beauty sector of the wellness industry and standards that relate to this sector may not be applicable to the lifestyle and spiritual retreat properties and suppliers. An opportunity for lifestyle retreats, for example, involves greater involvement in the provision of recuperation and rehabilitation services for individuals recovering from medical procedures. The provision of these services will require particular accreditations that are not relevant to the spa industry.

It is recommended that a new comprehensive industry body is established that represents the beauty, lifestyle and spiritual sectors of the wellness industry.

It is recommended that the new industry body be responsible for the following activities:

provide best practice business models (e.g. risk management, training, sustainability, administration) and benchmarking indicators;

oversee accreditation against industry standards and nationally recognised qualifications (eg AQF-accredited qualifications);

training programs to cater for staff shortages, especially of well-trained and multi-skilled staff, including business skills and communication skills;

identify relevant wellness industry education providers by region;

establish Australian standards for wellness industry staff remuneration;

lobby governments to support health insurance reimbursement for spa and wellness providers;

adapt for Australia, the ISPA Code of Conduct and Ethics, the Green Spa Network, and the Green Globe sustainability indicators and practices that focus on wellness tourism facility design, location, and operation (e.g. hiring local staff).

Medical Tourism

There is no doubt that the prospects for medical tourism in Australia would be greatly assisted if Australian providers were accredited by or had their Australian accreditation recognised by international insurers. This requires a concerted effort by providers and ideally would be done by a peak body. Creation of a national peak body would help to coordinate Australia's development of medical tourism and promotion internationally. It would also provide potential medical tourists with a starting point for inquiries and information searches.

It is recommended that a peak body be set up to oversee development of medical tourism services in Australia. It is also recommended that Australian providers, with the assistance of government, continue efforts to lobby international insurers to recognise Australian accreditation or accredit Australian providers to accord with required international standards.

8. Recommendations for Future Research

This research uncovered a number of areas where further research would be valuable. Some broad topic areas within which more targeted research would be valuable include:

- **The medical tourist: profile, push motives, perceptions of Australia, and analysis of market potential;**
- **The wellness tourist: profile, perceptions of barriers and constraints, analysis of international market potential, the tourist experience;**
- **Branding and development of destinations around health/wellness;**
- **Role of lifestyle resorts and spiritual retreats;**
- **Emotional labour and other HR/labour issues.**

REFERENCES

- Aaland, M. (1997). Mass Bathing: The Roman Balnea and Thermae [Electronic Version]. Accessed 29/08/06, from <http://www.cyberbohemia.com/Pages/massbathing.htm>
- ABC (2005). Medical Tourism. Background Briefing, February 20, <http://www.abc.net.au/rn/talks/bbing/stories/s1308505.htm> (accessed November 11, 2008).
- ABC (2008). Operation Holiday: Push for Australian Medical Tourism Industry. August 21, <http://www.abc.net.au/news/stories/2008/08/21/2341995.htm> (accessed November 11, 2008).
- Abdullah, B. J. J., & Ng, K. H. (2006). The Sky is Falling. *Biomedical Imaging and Intervention Journal*, 2(3), 1-3.
- ABS (2006). 2006 census <http://www.censusdata.abs.gov.au/ABSNavigation/prenav/LocationSearch?collection=Census&period=2006&areacode=UCL517400&producttype=QuickStats&breadcrumb=PL&action=401>
- Alén, E., Fraiz, J. A., & Rufin, R. (2006). Analysis of Health Spa Customers' Expectations and Perceptions: The Case of Spanish Establishments. *Polytechnical Studies Review*, 3(5/6), 245-262.
- Ali-Knight, J. (2009). Yoga Tourism. In R. Bushell & P. J. Sheldon (Eds.), *Wellness and Tourism: Mind, Body, Spirit, Place* (pp. 84-98). New York: Cognizant Communication Corporation.
- American Medical Association (2008). *New AMA Guidelines on Medical Tourism*. American Medical Association.
- AOL (2009). Health Insurers Explore Savings in Overseas Care. Accessed 18/12/09, from <http://www.aol.com.au/news/story/Health-insurers-explore-savings-in-overseas-care/2359264/index.html>
- Armstrong, G. (2009). 'Medical tourism' levy under scrutiny in New Zealand. Sunday Star Times, October 25, <http://www.stuff.co.nz/national/2998146/Medical-tourism-levy-under-scrutiny> (accessed November 28, 2009).
- Aron, C. S. (1999). *Working at Play: A History of Vacations in the United States*. New York: Oxford University Press.
- Arvigo, R., & Epstein, N. (2003). *Spiritual Bathing: Healing Rituals and Traditions from around the World*. Berkeley, CA: Celestial Arts.
- Ateljevic, I., & Doorne, S. (2002). Representing New Zealand Tourism Imagery and Ideology. *Annals of Tourism Research*, 29(3), 648-667.
- Augusta Margaret River Tourism Association website (www.margaretriver.com/)
- Australia Health Tourism (2009). *Make Australia Your Health Care Choice*. Sydney: Australia Health Tourism.
- Australia's South West: Holiday Planner 2009/10. Australia's South West Incorporated (www.australiassouthwest.com/)
- Australian Health Export Industry Council (AHEIC) (2005). *Short-term Government Assistance to Help Develop the Australian Health Services Export Industry*. Canberra; Sydney: Australian Health Export Industry Council.
- Australian Local Government Association (ALGA, 2005). *Shire of Augusta - Margaret River, WA: Under pressure and seeking scientific solutions*. Accessed 16/10/09, from <http://www.alga.asn.au/policy/environment/coasts/caseStudies/augustaWA.php>
- Australian Regional Tourism Research Centre (2008). *Byron Shire Tourism Management Plan: Situational Analysis and Tourism Product Audit*, Lismore, Southern Cross University.

- Australian Regional Tourism Research Centre (ARTRC), (2008). *Destination Daylesford Visitation and Tourism Product Audit*, Lismore, Southern Cross University.
- Australian Tourism Export Council (ATEC) (2008). Health Tourism – Australia Must Act. Media Release, August 19, http://www.atec.net.au/atec_mr_health_tourism_190808.pdf (accessed September 30, 2009).
- Australian Tourism Export Council. (2008). *Destination: Health. Australia and the Global Medical Travel Sector*. Sydney: ATEC.
- Australian Tourism Export Council (ATEC) (2009a). Australia Enters Brave New World of Health and Wellness Tourism. Media Release, September 3, http://www.atec.net.au/atec_health_and_wellness_media_release_030909_final.pdf (accessed October 15, 2009).
- Australian Tourism Export Council. (2009a). Health and Wellness Travel Advisory Panel [Electronic Version]. Accessed 31/08/09, from <http://www.atec.net.au/451.html>
- Australian Tourism Export Council (ATEC) (2009b). Health and Wellness Tourism: The Cairns Declaration. Media Release, September 3, http://www.atec.net.au/atec_the_cairns_declaration_030909.pdf (accessed October 15, 2009).
- Australian Tourism Export Council (ATEC) (2009c). Health and Wellness Tourism: The Cairns Declaration. Media Release, September 3, http://www.atec.net.au/atec_the_cairns_declaration_030909.pdf (accessed October 15, 2009).
- Australia's South West Incorporated website (www.australiassouthwest.com/) Accessed 16/10/09, from
- Ayres, C. (2009, October 24). Witness Recounts Sweat Lodge Horrors. *Weekend Australian*, 18.
- Bacon, W. (1997). The Rise of the German and the Demise of the English Spa Industry: A Critical Analysis of Business Success and Failure. *Leisure Studies*, 16(3), 173-187.
- Baker, A.G. (2001). *Cape Byron Headland Reserve: Draft Plan of Management 2001 – 2011*. Report prepared for the Cape Byron Trust by: Wildsite Ecological Services, Integrated Project (Bachelor of Applied Science), Lismore, Southern Cross University.
- Barbados Fertility Centre. (2009). A Holiday with a Purpose [Electronic Version]. Accessed 10/03/09, from <http://www.barbadosivf.org/holidays.htm>
- BBC News (2009). Shares hit by Dubai debt problems, November 26, <http://news.bbc.co.uk/2/hi/8381258.stm> (accessed November 30, 2009).
- Bechhofer, F., Elliott, B., & McCrone, D. (1984). Safety in Numbers: On the Use of Multiple Interviewers. *Sociology*, 18(1), 97-99.
- Bennett, M., King, B., & Milner, L. (2004). The Health Resort Sector in Australia: A Positioning Study. *Journal of Vacation Marketing*, 10(2), 122-137.
- Bezruchka, S. (2000). Medical Tourism as Medical Harm to the Third World: Why? For whom? *Wilderness and Environmental Medicine*, 11(2), 77-78.
- Bies, W., & Zacharia, L. (2007). Medical Tourism: Outsourcing Surgery. *Mathematical and Computer Modelling*, 46(7-8), 1144-1159.
- Bishop, R. A., & Litch, J. A. (2000). Medical Tourism can do Harm. *British Medical Journal*, 320(7240), 1017-1017.
- Bjurstam, A., & Cohen, M. (2008). Spas and the Future Leadership Climate. In M. Cohen & G. Bodeker (Eds.), *Understanding the Global Spa Industry: Spa Management* (pp. 364-376). Oxford: Butterworth-Heinemann.

- Bligh, Vincent (2009). Personal communication, 17th May 2009.
- Blyth, E., & Farrand, A. (2005). Reproductive Tourism - A Price worth paying for Reproductive Autonomy? *Critical Social Policy*, 25(1), 91-114.
- Bodeker, G., & Kronenberg, F. (2002). A Public Health Agenda for Traditional, Complementary, and Alternative Medicine. *American Journal of Public Health* 92(10), 1582-1591.
- Bookman, M. Z. & Bookman, K. R. (2007). *Medical Tourism in Developing Countries*. New York; Basingstoke, UK: Palgrave Macmillan.
- Boruchovitch, E., & Mednick, B. R. (2002). The Meaning of Health and Illness: Some Considerations for Health Psychology. *Psico-USF*, 7(2), 175-183.
- Bosshard, G., Fischer, S., & Bar, W. (2002). Open Regulation and Practice in Assisted Dying. *Swiss Medical Weekly*, 132(37/38), 527-534.
- Bouma, G. (2006). *Australian Soul: Religion and Spirituality in the Twenty-first Century*. Melbourne: University Press.
- Brämer, R. (2001). *Natur im Gefühl: Wandern als Element des Wellness-Urlaubs* (Vol. 17). Marburg: Universität Marburg.
- Brämer, R. (2003). Natur tut uns gut: Warum wir uns beim Wandern so wohlfühlen. Accessed 10/09/06, 2006, from <http://www.staff.uni-marburg.de/~braemer/natgut.htm>
- Brown, G (1992) *Community attitudes toward tourism in Byron Shire*. Report prepared for Byron Shire Council. University of New England, Northern Rivers, Lismore. December.
- Burkett, L. (2007). Medical Tourism: Concerns, Benefits and the American Legal Perspective. *The Journal of Legal Medicine*, 28(2), 223-245.
- Byron Bay Detox Retreats (2009). *Byron Bay Detox Retreats*. Accessed from <http://www.byronbaydetoxretreats.com.au/facilitators.html> (access date 26 October 2009).
- Byron Shire Council (2003a). *Place-Based Plan Draft: Byron Bay Town Centre*. Accessed from <http://www.byron.nsw.gov.au> (access date 24 November 2003).
- Byron@Byron (2009). *Byron@Byron Resort and Spa*. Accessed from <http://www.thebyronatbyron.com.au/> (access date 20 October 2009).
- Carpenter, E. H. (1974). Personalizing Mail Surveys: A Replication and Reassessment. *The Public Opinion Quarterly*, 38(4), 614-620.
- Carter, B. (2009). Cairns Targets Cosmetic Surgery Tourism. Accessed 18/12/2009 from <http://www.heraldsun.com.au/travel/news/cairns-targets-cosmetic-surgery-tourism/story-fn328911-1225754982957>
- Chambers, D., & McIntosh, B. (2008). Using Authenticity to Achieve Competitive Advantage in Medical Tourism in the English-speaking Caribbean. *Third World Quarterly*, 29(5), 919-937.
- Cheung, I. K. & Wilson, A. (2007). Arthroplasty Tourism. *Medical Journal of Australia*, 187(11/12), 666-667.
- Choice Medical Services (2008). Choice Medical Services to Add Australia & Other Worldwide Treatment Destinations; National Survey Finds Strong Consumer Interest in Medical Tourism. *PR.com*, March 19, <http://www.pr.com/press-release/76957> accessed October 30 2009).
- Cohen, M., & Russell, D. (2008). Human Resource Management in Spas: Staff Recruitment, Retention and Renumeration. In M. Cohen & G. Bodeker (Eds.), *Understanding the Global Spa Industry: Spa Management* (pp. 377-393). Oxford: Butterworth-Heinemann.

- Connell, J. (2006a). Medical Tourism: Sea, Sun, Sand and ... Surgery. *Tourism Management*, 27(6), 1093-1100.
- Connell, J. (2006b). Medical Tourism: The Newest of Niches. *Tourism Recreation Research*, 31(1), 99-102.
- Conybeare, Morrison & Partners (1992). *Byron Bay Main Street Study, Volume One: History, Analysis & Policy*. Study conducted for Byron Shire Council, Sydney: Conybeare, Morrison & Partners.
- Cook, P. S. (2008). What is Health and Medical Tourism? *Proceedings of the Australian Sociological Association Conference*, December 2-5, University of Melbourne, Australia.
- Cooper, C. P., Fletcher, J., Noble, A., & Westlake, J. N. (1992). Changing Tourism Demand in Central Europe: The Case of Romanian Tourist Spas. *The Journal of Tourism Studies*, 6(2), 30-44.
- Corak, S., & Ateljevic, I. (2007). Colonisation and 'Taking the Waters' in the 19th Century: The Patronage of Royalty in Health Resorts of Opatija, Habsburg Empire and Rotorua, New Zealand Get the document, find related information or use other SFX services. In P. Long & N. J. Palmer (Eds.), *Royal Tourism: Excursions Around Monarchy* (pp. 128-141). Clevedon: Channel View Publications.
- Corbin, C. B., & Pangrazi, R. P. (2001). Toward a Uniform Definition of Wellness: A Commentary. *Research Digest: President's Council on Physical Fitness and Sports*, 3(15), 1-8.
- Corbin, C. B., Welk, G. J., Lindsey, R., & Corbin, W. R. (2004). *Concepts of Fitness and Wellness: A Comprehensive Lifestyle Approach* (5th ed.). Boston: McGraw-Hill.
- Courier-Mail (2008). Plastic Surgery, Medical Tourism a Boon for Queensland. *Courier Mail*, May 19, <http://www.news.com.au/couriermail/story/0,23739,23717728-3122,00.html> (accessed November 30 2009).
- Darwin, N. (2005). *Gold'n Spa: History of the Hepburn Shire*, H@nd Publishing, Ballarat, Victoria.
- Davis, B. (2008). Medical Tourism. *CPA Australia*, 78(10), 38-43.
- Dawson, A. (2007). A Slice of the Action. *About the House*, House of Representatives magazine, June. 29-33, http://www.aph.gov.au/house/news/magazine/ath31_slice.pdf (accessed November 11, 2008).
- Daylesford and District Historical Society Inc., (2009). Accessed from <http://www.daylesfordhistory.com.au> (access date August 19).
- DeHart, R. L. (2003). Health Issues of Air Travel. *Annual Review of Public Health*, 24(1), 133-151.
- Deloitte (2008). *Medical Tourism: Consumers in Search of Value*. Washington DC: Deloitte Center for Health Solutions.
- Deloitte. (2008). Medical Tourism: Consumers in Search of Value [Electronic Version]. Accessed 02/03/09, from [http://www.deloitte.com/dtt/cda/doc/content/us_chs_MedicalTourismStudy\(1\).pdf](http://www.deloitte.com/dtt/cda/doc/content/us_chs_MedicalTourismStudy(1).pdf)
- Department of Sustainability and the Environment (DSE), Victoria, Virtual Exhibition (2009). Accessed from <http://hepburnbathhouse.com/Hepburn-springs-history.php> (access date August 19).
- Deutscher Heilbäderverband. (2008). Gäste- und Übernachtungszahlen in den deutschen Heilbädern und Kurorten 1999 bis 2007 [Electronic Version]. Accessed 05/08/08, from http://www.deutscherheilbaederverband.de/DB_Bilder/aktuelles/pdf/139.pdf
- Devereux, C., & Carnegie, E. (2006). Pilgrimage: Journeying Beyond Self. *Tourism Recreation Research*, 31(1), 47-56.
- Divine University Project (2009). The Divine University Project. Accessed from <http://www.thedivineuniversity.com/> (access date 8 November 2009).
- Douglas, D. E. (2007). Is Medical Tourism the Answer? *Frontiers of Health Services Management*, 24(2), 35-40.

- Douglas, N. (2001). Travelling for Health: Spa and Health Resorts. In N. Douglas, N. Douglas & R. Derrett (Eds.), *Special Interest Tourism: Context and Cases* (pp. 260-282). Milton, Qld.: John Wiley & Sons.
- Dunn, H. L. (1959a). High-Level Wellness for Man and Society. *American Journal of Public Health*, 49(6), 786-792.
- Dunn, H. L. (1959b). What High-Level Wellness Means. *Canadian Journal of Public Health*, 50(11), 447-457.
- Econtech. (2005). *Short-term Government Assistance to Help Develop the Australian Health Export Industry Council*. Econtech.
- Edlin, G. J., Golanty, E., & Brown, K. M. (1998). *Health and Wellness* (Web enhanced 5th ed.). Sudbury, MA: Jones and Bartlett.
- Ehrbeck, T., Guevara, C. & Mango, P. D. (2008). *Mapping the Market for Medical Travel*. The McKinsey Quarterly, May. McKinsey & Company.
- Ehrbeck, T., Guevara, C., & Mango, P. D. (2008). Mapping the Market for Medical Travel. *The McKinsey Quarterly*, 1-11.
- Ellis, P. (2008a). Spa Marketing. In M. Cohen & G. Bodeker (Eds.), *Understanding the Global Spa Industry: Spa Management* (pp. 258-277). Oxford: Butterworth-Heinemann.
- Ellis, S. (2008b). Spa Industry Trends 2008. *Spa Australasia*, 32, 52-56.
- Ellis, S. (2008c). Top Ten Spa Trends for 2009. *Spa Australasia*, 36, 50-56.
- Erfurt-Cooper, P., & Cooper, M. (2009). *Health and Wellness Tourism: Spas and Hot Springs*. Bristol: Channel View Publications.
- Errico, Francine (2009). Personal communication, 15th May 2009.
- Essex, S. and G. Brown (1997). The emergence of post-suburban landscapes on the north coast of New South Wales: A Case Study of contested space. *International Journal of Urban and Regional Research*, 21 (2), 259-285.
- European Spas Association. (2008). Overnights & Guests in European Spas [Electronic Version]. Accessed 05/08/08, from <http://www.espa-ehv.com/>
- Evason Phuket & Six Senses Spa. (2008). Sustainability Report 2007 [Electronic Version]. Accessed 08/11/09, from <http://www.sixsenses.com/Evason-Phuket/Downloads/PDF/Evason-Phuket-Sustainability-Report-2007.pdf>
- Forgione, D. A., & Smith, P. C. (2007). Medical Tourism and its Impact on the US Health Care System. *Journal of Health Care Finance*, 34(1), 27-35.
- France, T. (2009). Holidays for Health: Some Medical Options for Two Weeks or Less [Electronic Version]. Accessed 04/11/09, from <http://www.tatnews.org/emagazine/4524.asp>
- Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Boston: Pitman.
- Freidl, C. (2004). *Wellnessboom: Erholung - oder zu viel des Guten?* Düsseldorf: Verlag Dr Müller.
- Fried, B. J., & Harris, D. M. (2007). Managing Healthcare Services in the Global Marketplace. *Frontiers of Health Services Management*, 24(2), 3-18.
- Frost, G. J. (2004). The Spa as a Model of an Optimal Healing Environment. *The Journal of Alternative and Complementary Medicine*, 10(Supplement 1), 85-92.

- Gaia Retreat and Spa (2009). *Gaia Retreat and Spa*. Accessed from <http://www.gaiaretreat.com.au/activities> (access date 26 October 2009).
- Garg, N. (2008). India as the Rising Hub of Medical Tourism. *Medical Tourism Magazine*, 4(June 2008), 59.
- Gates, M. (1983). *Beautiful Tweed Byron: History and Development*. Tweed Heads: Tweed Byron Tourist Association.
- German National Tourism Board. (2009). GNTB International Sales and Marketing [Electronic Version], from http://www.germany-tourism.de/pdf/jb_2008_en_3_international_sales_and_marketing.pdf
- Gervasoni, C. (2005). *Bullboar, Macaroni & Mineral Water: Spa Country's Swiss Italian Story*. Ballarat: Sovereign Press.
- Gesler, W. M. (2003). *Healing Places*. Lanham: Rowman & Littlefield Publishers.
- Gherardin, T. (2009). Travel Medicine and Medical Tourism: New Connections. Presentation at the 2009 ATEC Health and Wellness Tourism Conference, September 3, Cairns, http://www.atec.net.au/tony_gherardin_atec_h_w_presentation.pdf (accessed November 20, 2009).
- Gibson, C. and J. Connell (2003). 'Bongo Fury': Tourism, music and cultural economy at Byron Bay, Australia. *Tijdschrift voor Economische en Sociale Geografie: Royal Dutch Geographical Society*, 94 (2), 164-187.
- Global Spa Summit. (2008). *The Global Spa Economy 2007*: prepared by SRI International.
- Global Spa Summit. (2009a). Education [Electronic Version]. Accessed 18/11/09, from <http://www.globalspasummit.org/resources/>
- Global Spa Summit. (2009b). Historic Number of Nations Convene At 2009 Global Spa Summit - Unprecedented Amount of Industry Research Presented. Press Release. [Electronic Version]. Accessed 23/11/09, from <http://www.globalspasummit.org/documents/GSS.Press.Release.6.1.09.FINAL.pdf>
- Gold Coast Airport (2009). *The History of Gold Coast Airport (from 1936 to present)*. Accessed from <http://www.goldcoastairport.com.au/gcal-history.php> (access date 26 October 2009).
- Goodrich, J. (1993). Socialist Cuba: A Study of Health Tourism. *Journal of Travel Research*, 32, 36-41.
- Goodrich, J. N., & Goodrich, G. E. (1991). Health-Care Tourism. In S. Medlik (Ed.), *Managing Tourism* (pp. 107-114). Oxford: Butterworth-Heinemann.
- Grau, R. (2009). Medical Tourism in the USA. Presentation at the 2009 ATEC Health and Wellness Tourism Conference, September 3, Cairns, http://www.atec.net.au/ruth_grau_atec_h_w_presentation.pdf (accessed November 20, 2009).
- Green, R. (1997). *Community Perception of Town Character: A Case Study*. PhD Thesis, School of Planning, Landscape Architecture and Surveying, Queensland University of Technology.
- Gross, C., Piper, T. M., Bucciarelli, A., Tardiff, K., Vlahov, D., & Galea, S. (2007). Suicide Tourism in Manhattan, New York City, 1990–2004. *Journal of Urban Health*, 84(6), 755-765.
- Guichard-Anguis, S. (2007). Japanese Inns (Ryokan) in Atami (Japan) and the Shaping of Coming "Traditions". *Tourism Review International*, 11(1), 19-31.
- Guide to Byron (2009). Byron Bay: Aboriginal History. Accessed from <http://guidetobyron.com/about/latest/aboriginal-history.html> (access date 20 October 2009).
- Hall, C. M. (1992). Adventure, Sport and Health Tourism. In B. Weiler & C. M. Hall (Eds.), *Special Interest Tourism* (pp. 141-158). London: Belhaven Press.

- Hall, M. (2003). Spa and Health Tourism. In S. Hudson (Ed.), *Sport and Adventure Tourism* (pp. 273-287). New York: Haworth Hospitality Press.
- Henderson, J. (2007). Corporate Social Responsibility and Tourism: Hotel Companies in Phuket, Thailand, after the Indian Ocean Tsunami. *International Journal of Hospitality Management*, 26(1), 228-239.
- Henderson, J. C. (2003). Healthcare Tourism in Southeast Asia. *Tourism Review International*, 7(3-4), 111-121.
- Henderson, J. C. (2004). Paradigm Shifts: National Tourism Organisations and Education and Healthcare Tourism. The Case of Singapore. *Tourism and Hospitality Research*, 5(2), 170-180.
- Henderson, M. (2002). Siamese Twins to Go Their Own Ways After 28 Years. *Times Online*, Accessed 14/12/09 from <http://www.timesonline.co.uk/tol/news/world/article1178542.ece>
- Heng, M. (2009). Giving Sight to the Blind. Accessed 12/12/09 from <http://www.asiaone.com/Health/Wellness%2B%2540%2BWork/Story/A1Story20090330-132034.html>
- Hepburn Shire Council (2006). *Hepburn Springs Bathhouse: Brochure No. 1*, Hepburn Shire Council and Bathhouse & Community Liaison Group, 25 July.
- Herrick, D. M. (2007). *Medical Tourism: Global Competition in Health Care*. NCPA Policy Report, 304. Dallas, TX: National Center for Policy Analysis.
- Higgins, M. (2009). In Tough Times, Spas Stress Stress, *New York Times*. Accessed 21/12/09 from <http://travel.nytimes.com/2009/02/08/travel/08pracspa.html>
- Hingerty, M., Woodbridge, J. & Wilson, B. (2008). *Destination: Health. Australia and the Global Medical Travel Sector*, May. Sydney: Australian Tourism Export Council.
- Hollick, M. (2007). *Sustainable regional tourism destinations project: Daylesford Case Study*, unpublished report, Sustainable Tourism Cooperative Research Centre.
- Horowitz, M. D., & Rosensweig, J. A. (2007). Medical Tourism: Health Care in the Global Economy. *Physician Executive*, 33(6), 24-30.
- Hoyez, A.-C. (2007). The 'World of Yoga': The Production and Reproduction of Therapeutic Landscapes. *Social Science & Medicine*, 65(1), 112-124.
- Hsieh, H.-F., & Shannon, S. E. (2005). Three Approaches to Qualitative Content Analysis *Qualitative Health Research*, 15(9), 1277-1288.
- http://www.australiassouthwest.com/en/Towns_and_Regions/Margaret_River_Wine_Region/Pages/default.aspx
- Inside Story. (2007). *Understanding Wellbeing Tourism: Market Research Findings*. Sydney: Tourism Australia.
- Intelligent Spas. (2006). *Spa Industry Profile Australia 2002-2007*. Singapore: Author.
- Intelligent Spas. (2008a). Spa Industry Intelligence Newsletter: Australia and Thailand Spa Benchmark Report [Electronic Version]. Accessed 05/08/08, from http://www.intelligentspas.com/Newsletter/Newsletter_I180706M.asp
- Intelligent Spas. (2008b). Spa Industry Intelligence Newsletter: Regional Comparison of Key Spa Benchmarks [Electronic Version]. Accessed 05/08/08, from http://www.intelligentspas.com/newsletter/Newsletter_I230807M.asp
- Intelligent Spas. (2008c). Spa Industry Intelligence Newsletter: Spa Industry Profile Benchmarks Asia Pacific [Electronic Version]. Accessed 05/08/08, from http://www.intelligentspas.com/Newsletter/Newsletter_I180706M.asp

- InterContinental Hotel Group. (2008). IHG and the Medical Tourism Association Join to Facilitate Medical-Related Travel into Latin America [Electronic Version]. Accessed 03/04/09, from <http://www.ihgplc.com/index.asp?PageID=116&NewsID=2053>
- International Spa Association. (2004). The ISPA 2004 Consumer Trends Report — Executive Summary [Electronic Version]. Accessed 06/10/06, from <http://www.experienceispa.com/ISPA/Media+Room/Press+Releases/2004+Consumer+Trends+Summary.htm>
- International Spa Association. (2008). The North American Spa Industry - Fast Facts [Electronic Version]. Accessed 05/08/08, from <http://www.experienceispa.com/ISPA/Education/Resources/Industry+Stats.htm>
- Jakobsson, A. (2004). Ruled by Routine and Ritual: Spatial Organization of the Spa Environment at Ronneby, South-East Sweden. *Garden History*, 32(2), 213-228.
- Jennings, G. (2001). *Tourism Research*. Milton: John Wiley & Sons.
- Jones Lang LaSalle (2008). Australia is Well Positioned to Take Advantage of Rising Global Medical Tourism Movement. *Media Release*, May 9. Jones Lang LaSalle.
- Katz, N. (2009, October 12). Sweat Lodge Death Investigation Turns to Self-Help Guru James Arthur Ray [Electronic Version]. *CBS News*. Accessed 08/11/2009, from <http://www.cbsnews.com/blogs/2009/10/12/crimesider/entry5378668.shtml>
- Kelly, D. (2008). Hepburn Bathhouse operator decision welcomed, *The Courier*, 5 May. Accessed from <http://www.thecourier.com.au/news/local/news/general/hepburn-bathhouse-operator-decision-welcomed/288330.aspx> (access date 20, October 2009).
- Kevan, S. K. (1993). Quests for Cures: A History of Tourism for Climate and Health. *International Journal of Biometeorology*, 37 (3), 113-124.
- KGI. (2009). Bumrungrad Hospital [Electronic Version]. Accessed 06/04/09, from http://www.settrade.com/brokerpage/AnalystConsensus/Research/kgi_bh.pdf
- Khamash, H. A., & Gaston, R. S. (2008). Transplant Tourism: A Modern Iteration of an Ancient Problem. *Current Opinion in Organ Transplantation*, 13(4), 395-399.
- Koldowski, J. & Martin, O. (2008). Emerging Market Segments: Religious and Medical Tourism in India. In R. Conrady and M. Buck (Eds.), *Trends and Issues in Global Tourism* (pp. 121-132). Berlin: Springer-Verlag.
- Konrad, W. (2009). Going Abroad to Find Affordable Health Care [Electronic Version]. Accessed 06/04/09, from http://www.nytimes.com/2009/03/21/health/21patient.html?_r=1
- Körber, R. (2002). *Wellness als eine neue Ausprägungsform des Gesundheitstourismus in traditionellen Heilbädern und Kurorten*. Trier: Forschungskreis Tourismus Management e.V.
- Krippendorff, K. (2004). *Content Analysis: An Introduction to its Methodology* (2nd ed.). Thousand Oaks, Calif.: Sage Publications.
- Kulczycki, C., & Lück, M. (2009). Outdoor Adventure Tourism, Wellness, Place Attachment. In R. Bushell & P. J. Sheldon (Eds.), *Wellness and Tourism: Mind, Body, Spirit, Place* (pp. 165-176). New York: Cognizant Communication Corporation.
- Laing, J. and Weiler, B. (2008). Mind, Body and Spirit: Health and Wellness Tourism in Asia. In J. Cochrane (ed.), *Asian Tourism: Growth and Change* (pp. 379-389). Oxford: Elsevier.
- Lambert, S. (2008). *Australia's Great Thermal Way*. Westminister, WA: Australia's Great Thermal Way.

- Land Design Partnership (2009). Victorian Mineral Springs Reserves Master Plan Review: Draft Consultation Press Release, Accessed from <http://www.hepburnshire.com.au/.../DraftConsultationPressRelease-020409.pdf> (access date 20 October 2009).
- Lanz Kaufmann, E. (2002). *Wellness-Tourismus: Entscheidungsgrundlagen für Investitionen und Qualitätsverbesserungen*. Bern: Forschungsinstitut für Freizeit und Tourismus.
- Lawrence, M & Bultjens, J. (2008). *Destination Daylesford Strategic Tourism Management Plan 2008 to 2018*, Australian Regional Tourism Research Centre, Southern Cross University, Australia.
- Lawrence, M & Bultjens, J. (2008). *Draft Byron Shire Strategic Tourism Management Plan*, Australian Regional Tourism Research Centre, Southern Cross University, Australia.
- Lawrence, M & Bultjens, J. (2009). *Comprehensive Community Consultation in Destination Management Planning: The Destination Daylesford and Hepburn Springs Strategic Tourism Planning Process*. In CD ROM proceedings of the Council for Australian University Tourism and Hospitality Education (CAUTHE) Conference 2009, 18th International Research Conference, 10-13 February, Fremantle WA.
- Lawrence, M. (2006). *Unravelling the complexities of tourist destination systems: Policy networks and issue cycles in Byron Bay 1988 to 2005*. Unpublished PhD Thesis, Southern Cross University.
- Lea, J. (2008). Retreating to Nature: Rethinking 'Therapeutic Landscapes'. *Area*, 40(10), 90-98.
- Lean, G. L. (2009). Transformative Travel: Inspiring Sustainability. In R. Bushell & P. J. Sheldon (Eds.), *Wellness and Tourism: Mind, Body, Spirit, Place* (pp. 191-205). New York: Cognizant Communication Corporation.
- Leaver, Julian (2009). Personal communication, 15th May 2009.
- Lee, C. (2007a). Medical Tourism, an Emerging International Business. *Monash Business Review*, 3(3), 1-7.
- Lee, C. (2007b). Medical Tourism, an Innovative Opportunity for Entrepreneurs. *Journal of Asia Entrepreneurship and Sustainability*, 111(1), 110-122.
- Lee, C.-F., & King, B. (2006). Assessing Destination Competitiveness: An Application to the Hot Springs Tourism Sector. *Tourism and Hospitality Planning & Development*, 3(3), 179–197.
- Lee, O. F., & Davis, T. R. V. (2004). International Patients: A Lucrative Market for US Hospitals. *Health Marketing Quarterly*, 22(1), 41-56.
- Lempa, H. (2008). The Spa: Emotional Economy and Social Classes in Nineteenth-Century Pyrmont. *Central European History*, 35(1), 37-73.
- Leng, C. H. (2007). Medical Tourism in Malaysia: International Movement of Healthcare Consumers and the Commodification of Healthcare. *Asia Research Institute*, 83.
- Letho, X. Y., Brown, S., Chen, Y., & Morrison, A. M. (2006). Yoga Tourism as a Niche Within the Wellness Tourism Market. *Tourism Recreation Research*, 31(1), 25-35.
- Lewis, P. (2009). Dubai's six-year building boom grinds to halt as financial crisis takes hold, February 13, <http://www.guardian.co.uk/world/2009/feb/13/dubai-boom-halt> (accessed November 30, 2009).
- Lund, J. B. (1993). Spas and Balneology in the United States. *Geo-Heat Center Quarterly Bulletin*, 14(4), 1-3.
- Lund, J. W. (2005). Balneological Use of Thermal Waters [Electronic Version]. Accessed 14/10/08, from <http://geoheat.oit.edu/pdf/tp109.pdf>
- Major Projects Victoria (2008). *Hepburn Mineral Springs Bath House Project Update March 2008*, Victorian Government, Accessed from <http://www.marinesafety.vic.gov.au> (access date 4 November, 2009).

- Mak, A. H. N., Wong, K. K. F., & Chang, R. C. Y. (2009). Health or Self-indulgence? The Motivations and Characteristics of Spa-goers. *International Journal of Tourism Research*, 11(2), 185 - 199.
- Margaret River 2009 Visitor Guide*. Augusta Margaret River Tourism Association. (www.margaretriver.com/)
- Masters, R. (2000). *Social Plan 1999/2000*. Mullumbimby: Byron Shire Council.
- McCallum, B. T., & Jacoby, P. F. (2009). Medical Outsourcing: Reducing Clients' Health Care Risks. *Benefits and Compensation Digest*, 46(1), 26-32.
- McNeil, K., & Ragins, E. J. (2004). Staying in the Spa Marketing Game: Trends, Challenges, Strategies and Techniques. *Journal of Vacation Marketing*, 11(1), 31-39.
- McTavish, M. (1997). *A Century of Tourism*. Graduating Seminar (Bachelor of Business in Tourism), Southern Cross University.
- Medical Tourism Blog. (2007). Dr. Jason Yap Interview - Singapore Tourism Board [Electronic Version]. Accessed 15/03/09, from <http://blog.newmedicalhorizons.com/>
- Minghetti, V., & Furlan, M. C. (2006). From Medical Holidays To Global Wellness Experiences: The New Age of Health Tourism. In K. Weiermair, H. Pechlaner & T. Bieger (Eds.), *Time Shift, Leisure and Tourism*. Berlin: Erich Schmidt Verlag.
- Ministry of Tourism Culture and Environment. (2009). Malaysian Medical Tourism Growing [Electronic Version]. Accessed 15/03/09, from <http://kepkas.sabah.gov.my/component/content/article/1-latest-news/3882-malaysian-medical-tourism-growing.html>
- Mirrer-Singer, P. (2007). Medical Malpractice Overseas: The Legal Uncertainty Surrounding Medical Tourism. *Law and Contemporary Problems*, 70(2), 211-232.
- Monteson, P. A., & Singer, J. (2002). Planning and Operating a Resort-Based Spa. *Journal of Leisure Property*, 2(4), 358-368.
- Monteson, P. A., & Singer, J. (2004). Marketing a Resort-Based Spa. *Journal of Vacation Marketing*, 10(3), 282-287.
- Müller, H., & Lanz Kaufmann, E. (2001). Wellness Tourism: Market Analysis of a Special Health Tourist Segment and Implications for the Hotel Industry. *Journal of Vacation Marketing*, 7(1), 5-17.
- Nahrstedt, W. (2004). Wellness: A New Perspective for Leisure Centers, Health Tourism, and Spas in Europe on the Global Health Market. In K. Weiermair & C. Mathies (Eds.), *The Tourism and Leisure Industry: Shaping the Future* (pp. 181-198). New York: Haworth Hospitality Press.
- Nichols, M. (2009). U.S. Spas Seem Recession-Proof, Says Industry Group, *Reuters*, Accessed 21/12/2009 from <http://www.reuters.com/article/idUSTRE56561920090706>
- O'Reilly, K. B. (2009). Guidelines Target Stem Cell Medical Tourism. *American Medical News*, February 2, <http://www.ama-assn.org/amednews/2009/02/02/prsb0202.htm> (accessed September 30 2009).
- Ongkrutraksa, W. Y. (2007). Green Marketing and Advertising. In S. May, G. Cheney & J. Roper (Eds.), *The Debate Over Corporate Social Responsibility* (pp. 365-390). Oxford; New York: Oxford University Press.
- Pechlaner, H., & Fischer, E. (2006). Alpine Wellness: A Resource-based View. *Tourism Recreation Research*, 31(1), 67-77.
- Pennings, G. (2002). Reproductive Tourism as Moral Pluralism in Motion. *Journal of Medical Ethics*, 28(6), 337-341.
- Pernecky, T., & Johnston, C. (2006). Voyage Through Numinous Space: Applying the Specialization Concept to New Age Tourism. *Tourism Recreation Research*, 31(1), 37-46.

- Perrott, Lyon & Matheison (1985). *Daylesford & Hepburn Springs Conservation Study*. Accessed from from <http://hepburnbathhouse.com/Hepburn-springs-history.php> (access date August 19, 2009).
- Petrow, S. (2006). Australian Natives Association, *The companion to Tasmanian History*, Centre for Tasmanian Studies, Accessed from http://www.utas.edu.au/library/companion_to_tasmanian_history/A/Australian%20Natives%20Association.htm (access date October 23, 2009).
- Pollock, A., & Williams, P. (2000). Health Tourism Trends: Closing the Gap between Health Care and Tourism. In D. W. Lime & W. C. Gartner (Eds.), *Trends in Outdoor Recreation, Leisure and Tourism* (Vol. 165-173). New York: CABI Pub.
- Porter, S. S., Kraft, F., B., & Claycomb, C. (2003). The Practice of a Wellness Lifestyle in a Selling Environment: A Conceptual Exploration. *Journal of Personal Selling & Sales Management*, 23(3), 191-204.
- Puczkó, L., & Bacharov, M. (2006). Spa, Bath, Thermae: What's Behind the Labels. *Tourism Recreation Research*, 31(1), 83-91.
- Raja, M. (2004). India's Medical Tourism Injection [Electronic Version]. Accessed 06/04/09, from http://www.atimes.com/atimes/South_Asia/FH31Df04.html
- Rayner, M. (2009). Ad to attract more visitors, *The Courier*, August 14, p.2, Ballarat.
- Regional Development Victoria (n.d.). *Hepburn Mineral Springs Bathhouse Refurbishment*, Victorian Government. Accessed from <http://www.rdv.vic.gov.au> (access date October 20, 2009).
- Reilly, G. (2008). *Wellness Tourism: The Way Forward for WA*. Discussion paper prepared by Geraldine Reilly, Owner of Moondance Lodge, Vice Chair of ATEC Health and ATEC Wellness Tourism Advisory Panel.
- Reilly, G. (2009). Personal communication, 15th May 2009.
- Research International. (2009). ISPA 2008 Global Consumer Study. *Powerpoint Presentation*.
- Reuters. (2009). AeroMexico and Medical Tourism Association Establish Partnership to Support Medical Tourism Initiative Between the United States and Latin American Countries [Electronic Version]. Accessed 06/04/09, from <http://www.reuters.com/article/pressRelease/idUS226052+26-Mar-2009+BW20090326>
- RNCOS Industry Research Solutions. (2009). Medical Tourism to keep Singapore Tourism Industry Healthy [Electronic Version]. Accessed 15/03/09, from http://www.rncos.com/Press_Releases/Medical-Tourism-to-keep-Singapore-Tourism-Industry-Healthy.htm
- Robertson, J. (2005). *Global Ageing: Economic Implications for Australia*. Research Note No. 46 2004-05. Parliament of Australia.
- Roy Morgan Research (2009). *Health and Wellness Tourism*. Unpublished Report.
- Rulle, M. (2004). *Der Gesundheitstourismus in Europa - Entwicklungstendenzen und Diversifikationsstrategien*. München: Profil Verlag.
- Ryan, M. and Smith, R. (2001). *Time and Tide Again: A History of Byron Bay*. Lismore: Northern Rivers Press.
- Sarwer, D. B., Wadden, T. A., Pertschuk, M. J., & Whitaker, L. A. (1998). The Psychology of Cosmetic Surgery: A Review and Reconceptualization. *Clinical Psychology Review*, 18(1), 1-22.
- Sautter, E. T., & Reisen, B. (1999). Managing Stakeholders: A Tourism Planning Approach. . *Annals of Tourism Research*, 26(2), 312-328.
- Scarbrick, G. (2002). Medical Tourism Should be Banned. *British Medical Journal*, 324(7328), S7.

- Sexton, D. (2008). Medical Tourism Boost. *The Cairns Post*, September 24, http://www.cairns.com.au/article/2008/09/24/7187_local-business-news.html (accessed November 11, 2008).
- Shank, J., & Coyle, C. (2002). *Therapeutic Recreation in Health Promotion and Rehabilitation*. State College, PA: Venture Publishing.
- Sheldon, P. J., & Bushell, R. (2009). Introduction to Wellness and Tourism. In R. Bushell & P. J. Sheldon (Eds.), *Wellness and Tourism: Mind, Body, Spirit, Place* (pp. 3-18). New York: Cognizant Communication Corporation.
- Sheldon, P. J., & Park, S.-Y. (2009). Development of a Sustainable Wellness Destination. In R. Bushell & P. J. Sheldon (Eds.), *Wellness and Tourism: Mind, Body, Spirit, Place* (pp. 99-113). New York: Cognizant Communication Corporation.
- Siddall, K. (2008). *Wellness Margaret River Health and Wellbeing Directory*. Margaret River, WA: Wellness Margaret River. (www.wellnessmargaretriver.com.au/index.html)
- Siddall, K. (2009). Personal communication, 15th May 2009.
- Singapore Medicine. (2009). About Us [Electronic Version]. Accessed 15/03/09, from http://www.singaporemedicine.com/abt_us/abt_us1.asp
- Six Senses. (2009). Company Profile: About Us [Electronic Version]. Accessed 08/11/09, from http://www.sixsenses.com/corporate/document/company_profile.pdf
- SkinInc (2009). Intelligent Spas Releases Fifth Study on Australian Spa Industry [Electronic Version]. Accessed 10/12/09 from <http://www.skininc.com/spabusines/global/78219067.html>
- Small on quantity, big on quality*, Accessed 16/10/09, from http://www.australiassouthwest.com/en/Towns_and_Regions/Margaret_River_Wine_Region/Pages/default.aspx
- Smith, M. (2003). Holistic Holidays: Tourism and the Reconciliation of Body, Mind and Spirit. *Tourism Recreation Research*, 28(1), 103-108.
- Smith, M. & Kelly, C. (2006a). Holistic tourism: Journeys of the self? *Tourism Recreation Research*, 31(1), 15-24.
- Smith, M., & Kelly, C. (2006b). Wellness Tourism. *Tourism Recreation Research*, 31(1), 1-4.
- Smith, M., & Puczkó, L. (2008). *Health and Wellness Tourism*. Oxford: Butterworth-Heinemann.
- Smith, R. A. (2008). Environmental Responsibility in the Spa Industry: A Business Perspective. In M. Cohen & G. Bodeker (Eds.), *Understanding the Global Spa Industry: Spa Management* (pp. 297-302). Oxford: Butterworth-Heinemann.
- Snoj, B., & Mumel, D. (2002). The Measurement of Perceived Differences in Service Quality — The Case of Health Spas in Slovenia. *Journal of Vacation Marketing*, 8(4), 362-379.
- Spar, D. (2005). Reproductive Tourism and the Regulatory Map. *New England Journal of Medicine*, 352(6), 531-533.
- Spatrade. (2004). Challenges to Spa Profitability [Electronic Version]. Accessed 23/11/09, from <http://www.spatrade.com/knowledge/idx/0/018/article/>
- Spivack, S. E. (1998). Health Spa Development in the US: A Burgeoning Component of Sport Tourism. *Journal of Vacation Marketing*, 4(1), 65-77.

- Starr, L. M. (2009). *Launching Your Line* [Electronic Version]. Accessed 23/11/09, from <http://www.americanspamag.com/americanspa/Launching-Your-Line/ArticleStandard/Article/detail/608387>
- Steiner, C. J., & Reisinger, Y. (2006). Ringing the Fourfold: A Philosophical Framework for Thinking about Wellness Tourism. *Tourism Recreation Research*, 31(1), 5-14.
- Stephano, R.-M. (2008). New Skyscrapers The Rise of Intercontinental Hotel Group into Medical Tourism. *Medical Tourism Magazine*, 2, 62-63.
- Tacey, D. J. (2000). *Re-enchantment: The New Australian Spirituality*. Sydney: HarperCollins.
- Tacey, D. J. (2003). *The Spirituality Revolution: The Emergence of Contemporary Spirituality*. Sydney: HarperCollins.
- Tatray, D. (2002). Alchemy, real estate and the culture of conservation in Byron Bay (visualising place and space). *Journal of Australian Studies*, January, 131-142.
- Teh, I. & Chu, C. (2005). Supplementing Growth with Medical Tourism. *APBN*, 9(8), 306-311.
- TerraChoice. (2009a). The Seven Sins of Greenwashing: Environmental Claims in Consumer Markets [Electronic Version]. Accessed 08/11/09, from http://sinsofgreenwashing.org/?dl_id=4
- TerraChoice. (2009b). Study finds Greenwashing affects 98% of Products in Australia [Electronic Version]. Accessed 08/11/09, from <http://www.terrachoice.com/files/Seven%20Sins%20of%20Greenwashing%20Release%20-%20June%2029%202009%20doc.pdf>
- Terry, N. P. (2007). Under-Regulated Healthcare Phenomena in a Flat World: Medical Tourism and Outsourcing. *Western New England Law Review*, 29, 415-463.
- The Sanctuary (2009). *The Sanctuary at Byron Bay*. Accessed from <http://www.sanctuarybb.com/index.html> (access date 26 October, 2009).
- The Sanctuary. (2009). Welcome [Electronic Version]. Accessed 06/04/09, from <http://www.sanctuarybb.com/index.htm>
- Tourism Australia. (2008). Spa and Wellbeing [Electronic Version]. Accessed 30/11/09, from <http://www.tourism.australia.com/Marketing.asp?lang=EN&sub=0437&al=2576>
- Tourism Authority Thailand. (2009). Thailand as 'Health Tourism Hub of Asia': Offering Quality Medical care, Dental Care and Health Check-ups [Electronic Version]. Accessed 04/11/09, from <http://www.tatnews.org/emagazine/1983.asp>
- Tourism Destination Management (TDM) (2005). *Daylesford Regional Tourism Association Business & Tourism Plan April 2005 – June 2008 Final Draft Report*.
- Tourism Queensland (2002). *Health and Spa Tourism*. Tourism Queensland.
- Tourism Research and Marketing. (2006). *Medical Tourism: A Global Analysis*. Arnhem: Association for Tourism and Leisure Education (ATLAS).
- Tourism Research Australia (2009). <http://www.tra.australia.com/home.asp>
- Tourism Research Australia (2009). National Visitor Survey and International Visitor Survey January to December 2008, Spa Country- Daylesford. Sydney.
- Tourism Research Australia (2009). *National Visitor Survey and International Visitor Survey January to December 2008, Byron Bay SLA*. Sydney.

- Tourism Research Australia. (2009a). International Visitor Survey. *Unpublished report*.
- Tourism Research Australia. (2009b). National Visitor Survey. *Unpublished report*.
- Tourism Victoria (2005). Victoria's Spa and Wellness Tourism Action Plan 2005 to 2010. Accessed from <http://www.tourism.vic.gov.au/strategies-and-plans/strategies-and-plans/strategies-and-plans/> (access date October 20, 2009).
- Tourism Victoria (2007). Victoria's Geothermal and Natural Mineral Water Tourism Investment Opportunities. Accessed from: <http://www.tourism.vic.gov.au/naturalspa/naturalspa.pdf> (access date 13 August, 2009).
- Tourism Victoria (2009a). Video Room: Behind the Scenes. Accessed from <http://www.visitvictoria.com/videos/index.cfm/> (access date August 19).
- Tourism Victoria (2009b). *Regional Tourism Action Plan 2009-2012*. Accessed from <http://www.tourism.vic.gov.au/strategies-and-plans/strategies-and-plans/strategies-and-plans/> (access date October 20, 2009).
- Tourism Victoria (2009c). *Daylesford and the Macedon Ranges market profile year ending December 2008*. Accessed from <http://www.tourism.vic.gov.au/facts-and-figures/facts-and-figures/regional-visitation/> (access date 4 November, 2009).
- Tourism Western Australian (2007). *Tourism Western Australian Strategic Plan 2008 to 2013: Building for the Future*. Perth: Tourism Western Australian (www.tourism.wa.gov.au/)
- Tourism Western Australian (2008). *Tourism Western Australian Strategic Plan Addendum 2009/10*. Perth: Tourism Western Australian (www.tourism.wa.gov.au/)
- Towart, L. (2008). *Medical Tourism: Global Competition Comes to Healthcare*. April. Jones Lang LaSalle.
- Turner, J. (1997). *Analysis of Accommodation in Byron Bay*. Graduating Seminar (Bachelor of Business in Tourism), Southern Cross University, Australia.
- Turner, L. (2008). Let's Wave Goodbye to "Transplant Tourism". *British Medical Journal*, 336(7657), 1377.
- Twedt, S. (2008). Medical Tourism Represents a \$2.1 Billion Business, Study Shows. *Pittsburgh Post-Gazette*, September 23, <http://www.post-gazette.com/pg/08267/914244-28.stm> (accessed November 20 2009).
- UNWTO, OMT, and IOHBTO (2006). *Mega-Trends of Tourism in Asia-Pacific*. Madrid: World Tourism Organisation.
- Utting, P. (2005). Corporate Responsibility and the Movement of Business. *Development in Practice*, 15(3/4), 375-388.
- Verschuren, F. (2004). Spa Health and Wellness Tourism: A New Product Portfolio at the Canadian Tourism Commission [Electronic Version]. Accessed 19/06/2006, from http://www.canadatourism.com/ctx/files/programs/data/en_ca/product_development/activities/spa_health_and_wellness/Business_Case_DEC_2004.pdf
- Victorian Government (2009a). *Major Projects - Hepburn Mineral Springs Bathhouse Redevelopment Fact Sheet*, July (access date August 13, 2009).
- Victorian Government (2009b). *Media release: Daylesford's Spas to Lure Tourists to Victoria*. Accessed from <http://premier.vic.gov.au/minister-for-tourism-and-major-projects/daylesford-sp> (access date August 19).
- Virtual Byron (2009). *Mind, Body and Soul*. Accessed from <http://www.virtualbyron.com/> (access date 20 October 2009).
- Voigt, C. & Laing, J. H. (in press). Journey into Parenthood: Commodification of Reproduction as a New Tourism Niche Market. *Journal of Travel & Tourism Marketing*.

- Voigt, C. (2008). Insights into wellness tourists: Segmentation by benefits. Paper presented at the *New Zealand Tourism & Hospitality Research Conference*. Hammer Springs, 3-5 Dec. 2008.
- Voigt, C. (2009). *A comparison of three groups of wellness tourists: Exploring benefits sought, health-promoting behaviours and positive psychological well-being*. Unpublished doctoral dissertation, University of South Australia, Adelaide.
- Voigt, C. (2009). *Understanding Wellness Tourism: An Analysis of Benefits Sought, Health-Promoting Behaviours and Positive Psychological Well-Being*. Unpublished doctoral dissertation, University of South Australia, Adelaide.
- Voigt, C., Brown, G., & Howat, G. (in review). In Search For Transformation: An Examination of the Benefits Sought by Wellness Tourists. *Tourism Review*.
- Weiermair, K., & Steinhauer, C. (2003). *New Tourism Clusters in the Field of Sports and Health; The Case of Alpine Wellness*. Paper presented at the 12th International Tourism and Leisure Symposium.
- Weiler, B. & Yu, X. (2006). *Understanding Experiences of Chinese Visitors to Victoria, Australia*. Brisbane: Sustainable Tourism Cooperative Research Centre.
- Weisz, G. (2001). Spas, Mineral Waters, and Hydrological Science in Twentieth-Century France. *Isis*, 92(3), 451-483.
- Wheeler, F., Reeves, K., Laing, J. & Frost, W. (2009). Niche Strategies for Small Regional Cities: a Case Study of the Bendigo Chinese Heritage Precinct Plan. *Tourism Recreation Research*, 34(3), 295-306.
- Wightman, D., & Wall, G. (1985). The Spa Experience at Radium Hot Springs. *Annals of Tourism Research*, 12(3), 393-416.
- Williams, P. W., Andestad, G., Pollock, A., & Dossa, K. B. (1996). Health Spa Travel Markets: Mexican Long-Haul Pleasure Travellers. *Journal of Vacation Marketing*, 3(1), 11-31.
- Wray, M. (2009). Policy communities, networks and issue cycles in tourism destination systems *Journal of Sustainable Tourism*, 1747-7646, Volume 17, Issue 6, First published 2009, Pages 673 – 690.
- Wuttke, M., & Cohen, M. (2008). Spa Retail. In M. Cohen & G. Bodeker (Eds.), *Understanding the Global Spa Industry: Spa Management* (pp. 208-220). Oxford: Butterworth-Heinemann.
- Yek, D. (2009). Cairns Fertility Centre: World Class IVF & Fertility Management Services. Presentation at the 2009 ATEC Health and Wellness Tourism Conference, September 3, Cairns, http://www.atec.net.au/douglas_yek_atec_h_w_presentation.pdf (accessed November 20, 2009).
- Yuksel, F., Bramwell, B., & Yuksel, A. (1999). Interviews and Tourism Planning at Pamukkale, Turkey. *Tourism Management*, 20(3), 351-360.



INDUSTRY PARTNERS



UNIVERSITY PARTNERS



COMMERCIALISATION



EC3, a wholly-owned subsidiary company, takes the outcomes from the relevant STCRC research; develops them for market; and delivers them to industry as products and services. EC3 delivers significant benefits to the STCRC through the provision of a wide range of business services both nationally and internationally.



KEY EC3 PRODUCTS



Chairman: Stephen Gregg
Chief Executive: Ian Kean
Director of Research: Prof. David Simmons

CRC for Sustainable Tourism Pty Ltd
Gold Coast Campus Griffith University
Queensland 4222 Australia ABN 53 077 407 286

Telephone: +61 7 5552 8172 Facsimile: +61 7 5552 8171
Website: www.crctourism.com.au
Bookshop: www.crctourism.com.au/bookshop
Email: info@crctourism.com.au



Sustainable Tourism Cooperative Research Centre (STCRC) is established under the Australian Government's Cooperative Research Centres Program.

STCRC is the world's leading scientific institution delivering research to support the sustainability of travel and tourism—one of the world's largest and fastest growing industries.

Introduction

STCRC has grown to be the largest dedicated tourism research organisation in the world, with \$187 million invested in tourism research programs, commercialisation and education since 1997.

STCRC was established in July 2003 under the Commonwealth Government's CRC program and is an extension of the previous Tourism CRC, which operated from 1997 to 2003.

Role and responsibilities

The Commonwealth CRC program aims to turn research outcomes into successful new products, services and technologies. This enables Australian industries to be more efficient, productive and competitive.

The program emphasises collaboration between businesses and researchers to maximise the benefits of research through utilisation, commercialisation and technology transfer.

An education component focuses on producing graduates with skills relevant to industry needs.

STCRC's objectives are to enhance:

- the contribution of long-term scientific and technological research and innovation to Australia's sustainable economic and social development;
- the transfer of research outputs into outcomes of economic, environmental or social benefit to Australia;
- the value of graduate researchers to Australia;
- collaboration among researchers, between researchers and industry or other users; and
- efficiency in the use of intellectual and other research outcomes.