FINAL REPORT OF THE
VISITOR ECONOMY
TASKFORCE

A PLAN TO DOUBLE OVERNIGHT VISITOR EXPENDITURE TO NSW BY 2020

FOR THE HON. GEORGE SOURIS MP,
MINISTER FOR TOURISM, MAJOR EVENTS,
HOSPITALITY AND RACING AND MINISTER FOR THE ARTS

June 2012
Visitor Economy Taskforce

The Hon. George Souris MP
Minister for Tourism, Major Events, Hospitality and Racing
Minister for the Arts
Level 30 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

In June 2011 the NSW Government established the Visitor Economy Taskforce and charged it with developing a strategy to double overnight visitor expenditure to NSW by 2020. You requested that a final report be provided to you by 30 May, 2012.

The Taskforce now has pleasure in providing you with its Final Report and a Visitor Economy Action Plan for NSW.

The doubling of overnight visitor expenditure in eight years is ambitious. It translates to achieving a total of $35.6 billion in overnight visitor expenditure per annum by 2020. This will require a very high rate of growth in overnight visitor expenditure of about 7.1 per cent per annum from now, currently annual growth is at only 2.2 per cent. Any delay in delivering a focused strategy for growth will directly impact on the State’s ability to achieve the target.

Following extensive consultation, this Final Report and Action Plan focuses on those initiatives which the Taskforce has determined are required to achieve the target in the eight year timeframe.

The Taskforce and industry believe that the 2020 target can be achieved provided bold action is taken by Government in partnership with industry and that appropriate funding is provided with adequate resources committed to implementation of the Plan in its entirety.

The target will not be achieved through incremental change.

The Taskforce commends the NSW Government for recognising the strong contribution the visitor economy can deliver to the State and thanks the Government for this opportunity to contribute to its plan to make NSW number one again.

Yours sincerely

Russell Balding, AO
The Hon. Bruce Baird AM
John King OAM
Sandra Chipchase
| CONTENTS |

**Letter to the Minister**

**Executive summary**  
- The facts  
- The challenges  
- Action needed  
- The target  
- The call to action  
- The strategic imperatives  

**Part A: New strategic direction required**  
1 Introduction  
   - NSW 2021: A plan to make NSW Number One  
   - What is the visitor economy?  
   - Current economic contribution  
   - The overnight visitor expenditure target  
   - Global and Australian trends  
   - Key target markets  
   - NSW losing its competitiveness as a destination  
   - Vision for the 2020 NSW visitor economy  
   - Approach of the report  
   - Visitor expenditure growth  

2 Challenges, constraints and opportunities  
   - Market challenges  
   - Domestic visitors  
   - International visitors  
   - Constraints  
   - Opportunities  

3 The future  
   - Strategic imperatives  
   - Whole-of-government approach  

**Part B: Strategic imperatives**  
- Strategic Imperative 1: Increase visitation  
- Strategic Imperative 2: Grow physical capacity  
- Strategic Imperative 3: Renew and revitalise destinations  
- Strategic Imperative 4: Improve the visitor experience  
- Strategic Imperative 5: Increase visitor spend  
- Strategic Imperative 6: Make NSW more competitive  
- Strategic Imperative 7: Change of mindset  

**Part C: Visitor Economy Action Plan**  

**Appendices**  
A Terms of reference  
B Diagram: visitor economy special purpose entity model  
C The Taskforce approach  
D List of Government reviews  
E Abbreviations  
F List of graphics  
G Bibliography  

**Volume 2: Visitor Economy Taskforce — technical reports**  
- Demand audit, 2020 outlook and consumer appeal assessment, BDA Marketing and Planning, March 2012  
- Local Government revenue options for visitor economy services, KPMG, May 2012  
- Additional visitor expenditure from expanding capacity at Sydney Airport, KPMG, May 2012  
- Additional visitor expenditure from increased utilisation of Newcastle Airport, KPMG, May 2012  
- NSW economic loss due to provedoring constraints at Sydney Overseas Passenger Terminal, KPMG, May 2012.
THE FACTS

- Tourism alone supports 289,600 jobs in NSW (160,300 direct and 129,300 indirect jobs)
- Direct tourism employment in NSW ranks above employment for agriculture, forestry and fishing and mining
- Total NSW tourism consumption is $28.7 billion
- Tourism contributes $11.1 billion to the State’s Gross State Product – this ranks above agriculture, forestry and fishing and just below mining
- There are more than 94,000 tourism businesses in NSW, of which 51,000 are micro, small or medium-sized
- The NSW Events calendar generates an estimated $600 million per annum in direct expenditure for NSW
- Business events expenditure in NSW is estimated at $778 million
- There were 149,375 million international and domestic visitor nights spent in NSW in the year ending December 2011
- Overnight visitor expenditure to NSW is currently $19.3 billion ($18.3 billion in 2009)
- Overnight visitor expenditure in NSW is currently 40 per cent from intrastate visitors, 33 per cent interstate visitors and 27 per cent international visitors
- Domestic travel is changing: in 1998, 29 per cent of interstate trips to NSW were by air and 63 per cent by road. In 2011, 44 per cent of trips were by air and 51 per cent were by road.

The above facts do not take into account the broader economic impact of the visitor economy.


THE CHALLENGES

- **Shortfall:** A continuation of ‘business as usual’ will result in a $13 billion shortfall against the 2020 target of $36.6 billion overnight visitor expenditure.
- **Visitor economy:** There is a need for broader understanding of the extent and impact of the visitor economy – it is much broader than ‘tourism and events’; it includes a wide range of businesses that benefit from the direct and indirect economic activity generated to provide goods and services to overnight visitors.
- **Tough global environment:** The existence of highly competitive market conditions and a high Australian dollar are having a significant impact.
- **Domestic market has changed:** The ratio of air to road travel into NSW has increased.
- **Uncompetitive:** NSW needs to confront the fact that its destination appeal has waned and it has lost its number one status across a number of measures; it has been outperformed and outspent by competitor destinations in Australia and the Asia-Pacific region over many years and its competitive position has been eroded.
- **Target markets:** There has been insufficient focus and resources for key priority markets, and NSW has been losing relative share of international visitors from growth markets.
- **Sydney accommodation:** Sydney is reaching capacity with hotel occupancy exceeding 80 per cent per annum (the highest in Australia); it will become increasingly more expensive and uncompetitive unless capacity for growth is found.
- **International air services:** NSW has been losing share of air travel seats into Australia and therefore visitor expenditure from many key international visitor markets.
• **Air access:** Additional airport capacity and its efficient use, particularly into Sydney, is the most critical element of infrastructure needed to achieve the visitor growth targets.

• **Cruise infrastructure:** Current infrastructure is inadequate to meet the current needs and future growth in cruise shipping, and access restrictions are costing NSW business in foregone provedoring opportunities.

• **Brand consistency:** A lack of long term, consistent and strong destination branding has limited the effectiveness of marketing and has failed to build branding capital for either NSW or Sydney.

• **Regulatory environment:** A process-focussed culture of red tape and unnecessary delays has stifled investment in necessary infrastructure and new products and hindered entrepreneurship.

• **Regional destinations:** Many NSW regional destinations are lacking visitor appeal, particularly in key domestic interstate markets.

• **Regional structures are broken:** The current structures around Government funding for regional tourism in NSW are fractured and inconsistent and most are not working. There is a lack of sustainable, alternative revenue sources for destinations that wish to invest in the critical infrastructure and initiatives which are demanded by visitors and that also benefit residents.

---

**ACTION NEEDED**

• **NSW must:** Increase visitation, grow physical capacity, renew and revitalise destinations, improve the visitor experience, increase visitor spend, make Sydney and NSW more competitive, and change the mindset of Government and Industry.

• **Target markets:** All marketing and promotional resources need to be focussed on the priority markets and be informed by the latest market insights on what appeals to visitors.

• **Sydney visitor accommodation capacity:** A whole-of-government approach is required to provide the investment and regulatory environment necessary to overcome the shortfall in Sydney hotel rooms and other accommodation.

• **Destination Management Planning:** A new culture and process of Destination Management Planning must be implemented for NSW. This will require an integrated approach to product and infrastructure development, positioning, promotion and marketing and will ensure effective delivery of Government support (at all levels).

• **Sydney Airport:** Landings in the morning shoulder curfew period should be increased from 24 to 35; the hourly cap during peak hour periods should be increased from 80 to at least 90.

• **Air capacity:** Constraints on air capacity must be addressed at Sydney and key regional airports (Newcastle) and near NSW borders (Canberra and Coolangatta) to provide for increased visitation.

• **Cruise ship facilities and access:** Access must be immediately provided to provedores of cruise ships at Sydney’s Overseas Passenger Terminal (OPT) to prevent ongoing lost business opportunities to NSW businesses and farmers.

• **Cruise ship berthing facilities:** The earliest implementation of current berthing infrastructure enhancements is supported; regular access to Garden Island must be assured.

• **Skills and labour supply:** Urgent action is required to provide an adequate supply of skills and labour (both international and local) to provide quality hospitality and other services to visitors.

• **Regions:** Marketing must focus on, and showcase, the most appealing NSW destinations. Quality experiences and events are required to drive major regional destination re-launches.
• **Destination NSW:** Additional funding is required for Destination NSW to put in place initiatives to deliver on the 2020 visitor economy target. Destination NSW should have the operational flexibility to be commercially effective and provide a one-stop shop for visitor economy investors.

• **Regional support:** Funding for regional tourism should be at least maintained, which should be directly available to destinations through Destination NSW.

• **Revenue source for regional destinations:** A new sustainable source of revenue, derived from a special rate variation for investment in visitor economy initiatives, should be available to Local Councils. Destinations should be able to invest this revenue in critical visitor infrastructure and experience development activities necessary to achieve the 2020 target, subject to full transparency, accountability and governance requirements through new special purpose entities.

• **Governance:** A Cabinet sub-committee should oversee the progress of visitor economy priorities of Government.

• **Joint Government/Industry Visitor Economy Action Plan Co-ordination Committee:** A joint Government/Industry Co-ordination Committee should be established to support Destination NSW’s implementation of the Visitor Economy Action Plan.

**THE TARGET**

Goal 1 of NSW 2021, the NSW Government’s plan to make NSW number one, is to improve the performance of the NSW economy. NSW 2021 identifies a specific target for the visitor economy to support the achievement of this goal, that is, to double overnight visitor expenditure to NSW in eight years by 2020. The Commonwealth also has the same target which aligns with the National Long-Term Tourism Strategy.

The NSW Government’s commitment to rebuilding and growing the NSW economy, outlined in NSW 2021, recognises the potential of the visitor economy to drive growth in the State’s economy.

The Visitor Economy Taskforce has produced the **Visitor Economy Action Plan** (the Plan) to deliver on the NSW visitor economy target.

The visitor economy takes into account broader economic activity than that which has historically been defined as ‘tourism and events’. It includes the direct and indirect impacts resulting from a visitor travelling outside their usual environment for a holiday, leisure, events, business, conventions and exhibitions, retail, education, to visit friends and relatives or for short-term employment in NSW. It includes intrastate, interstate and international visitors.

**THE CALL TO ACTION**

The NSW visitor economy target translates to achieving $36.6 billion in overnight visitor expenditure in NSW by 2020 (from $18.3 billion in 2009 as the base year). Achieving this target will require a very high rate of growth over the next eight years (approximately 7.1 per cent per annum). Therefore, this Report and Action Plan focuses on those strategies and initiatives which the Taskforce believes are required to achieve the target in that timeframe.

Overnight visitor expenditure currently grows at 2.2 per cent average annual growth.

NSW risks falling $13 billion short of the 2020 target if this current growth rate of recent years continues (see Graphic E1 below). This shows how the required doubling of overnight visitor expenditure from the 2009 base year compares with a continuation of the average growth of the last four years from the end of 2011 (the latest completed calendar year for which data is available).

**Graphic E1: Overnight visitor expenditure**

BDA 2012
THE STRATEGIC IMPERATIVES

The NSW Government established the Visitor Economy Taskforce to consult with Industry and other stakeholders and to prepare a strategy to achieve the 2020 target.

The Taskforce undertook an extensive stakeholder consultation process and considered a broad range of research and analysis of relevant reports and plans. The recommendations and actions in the Visitor Economy Action Plan are those which the Taskforce has assessed as being key to accelerating overnight visitor expenditure to NSW and delivering on the 2020 target.

The Taskforce delivered a Work-in-Progress Report to the Minister on 29 February 2012.

Many of the recommendations in this Final Report were included in the Work-in-Progress Report. The Taskforce strongly supports the earliest practical implementation of the NSW Government’s existing visitor economy-related infrastructure commitments and initiatives.

The Taskforce now presents this Final Report and Visitor Economy Action Plan. The Plan nominates seven strategic imperatives which must all be acted upon to achieve the target:

Strategic Imperative 1:  Increase visitation
Strategic Imperative 2:  Grow physical capacity
Strategic Imperative 3:  Renew and revitalise NSW destinations
Strategic Imperative 4:  Improve the visitor experience
Strategic Imperative 5:  Increase visitor spend
Strategic Imperative 6:  Make NSW more competitive
Strategic Imperative 7:  Change of mindset.

Despite its stunning natural and built environment and its role as the iconic gateway to Australia, Sydney and NSW’s appeal as a visitor destination continues to fall short of competitor destinations across a range of variables. NSW Industry and Government must take stock of recent research findings. The same approaches as those taken in the past will not be successful.

Tourism has not been regarded as a key industry in NSW in the past. It has been characterised by declining market performance, lack of co-ordination and innovation and a focus on process over outcomes. There is now a compelling need for:

• long-term adequate and sustainable funding (NSW has been outspent by competitor destinations in Australia and in the region)
• a more strategic approach to priority target markets
• a major new approach to increasing the appeal of regional NSW
• a new sustainable revenue source to fund visitor economy initiatives, especially in the regions
• a robust, evidence-based approach to prioritising scarce Government resources
• continued reduction in business red tape and unnecessary delays
• a regulatory and planning environment that encourages innovation and entrepreneurship and attracts investment.

The Plan comprises 48 recommendations with actions that address the strategic imperatives identified by the Taskforce. The Taskforce recommends that the Plan be implemented in its entirety because a piecemeal approach will hinder the rapid sector growth needed to meet the 2020 target.

All the recommendations and actions required are set out in the Visitor Economy Action Plan in Part C of the Report.
PART A:
NEW STRATEGIC DIRECTION REQUIRED
CONTENTS

Part A: New strategic direction required

1  Introduction
2  Challenges, constraints and opportunities
3  The future
NSW 2021: A PLAN TO MAKE NSW NUMBER ONE

NSW 2021 the Government’s plan to make NSW number one has a key focus on rebuilding the NSW economy, improving infrastructure and making NSW a world-class destination for inward investment. Growth in the visitor economy has been identified by the NSW Government as a vital component necessary to achieve the goals outlined in NSW 2021.

NSW 2021 goals

The Taskforce acknowledges that the visitor economy has been identified by the NSW Government as one of the most productive sectors of the NSW economy with the potential for strong growth.

The Visitor Economy Action Plan will contribute to achieving the following goals in NSW 2021:

- Improve the performance of the NSW economy (Goal 1)
- Drive economic growth in regional NSW (Goal 3)
- Increase the competitiveness of doing business in NSW (Goal 4)
- Enhance cultural, creative, sporting and recreation opportunities (Goal 27).

Key to the success of the NSW visitor economy will be the adoption of an effective whole-of-government approach, in partnership with industry, through the implementation of the Visitor Economy Action Plan.

Industry action plans

The Visitor Economy Industry Action Plan will be one of six industry action plans which will be integral to achieving the NSW 2021 target of growing Gross State Product per capita by 1.5 per cent per annum.

The other sectors identified by the NSW Government for the development of priority industry action plans include manufacturing, professional services, international education and research the digital economy, and creative industries.

WHAT IS THE VISITOR ECONOMY?

The ‘visitor economy’ is a recently developed term which includes both the direct contribution of tourism activities, along with indirect effects (via the supply chain), the impact of capital investment and collective Government expenditure in relation to the visitor economy.

The NSW Government has created a significant opportunity to be at the forefront of a global shift away from the concept of ‘tourism’ to that of the visitor economy.

Traditionally tourism has referred to those sectors directly servicing and engaging with visitors (for example, attractions, airlines, hotels). People visit for many reasons, including to attend events. Some states refer to a ‘tourism and events’ industry. However, the concept of a visitor economy recognises that visitor service sectors cannot be viewed in isolation. Visitors offer many far-flowing benefits to the broader economy, including through employment, investment, infrastructure development, export growth and multiculturalism.

Whilst no concise definition has been globally settled, the visitor economy takes into account broader economic activity than what has been historically defined as tourism and events. It encompasses the direct and indirect contributions to the economy resulting from a person (a ‘visitor’) travelling outside their usual environment for holiday, leisure and events and festivals, business, conventions and exhibitions, education, to visit friends and relatives and for employment in NSW. In other words, the full value chain of the visitor economy is being accounted for. This includes intrastate, interstate and international visitors.

The bulk of spend and visitation to NSW is for holiday/leisure where visitors travel to experience what NSW destinations have to offer. While on its own travel for the purpose of attending an event represents a small market comparatively, the events sector, especially the business events sector, is lucrative with higher average spend than holiday/leisure visitors. Events deliver considerable benefits beyond the direct impact of additional visitation; they can drive demand and are key to building the awareness and appeal of a destination.
Providing the optimal amount of Government support to visitor economy sectors requires recognition and quantification of all the benefits, direct and indirect, of a visitor dollar spent in NSW. The concept of ‘tourism’ presents an undervaluation of the current and potential impact of the visitor economy.

The NSW visitor economy has the potential to be a driver of growth for the NSW economy and is already a major contributor to regional economies with 47 per cent of tourism jobs in regional NSW. (TRA 2010)

Intrastate overnight visitor expenditure (that is, by NSW residents) is included in this concept, as every NSW resident who chooses to take a break in NSW has made that choice instead of the alternative of making a visit interstate or overseas, or making a different type of purchase. Intrastate visitor expenditure is still adding value to the NSW economy.

With a supportive strategy in place, NSW will aim to double overnight visitor expenditure from $18.3 billion in 2009 (the base year) to the target of $36.6 billion in 2020.

CURRENT ECONOMIC CONTRIBUTION

Whilst only providing a subset measure of the visitor economy, the current NSW Tourism Satellite Account demonstrates that tourism is a significant contributor to the NSW economy, supporting a total of 289,600 jobs both directly and indirectly.

As an emerging concept, the visitor economy takes into account broader economic activity than has been historically measured by the Tourism Satellite Account.

The Tourism Satellite Account measures the direct and indirect contribution of tourism (through the supply chain) to Gross State Product (GSP) — representing the total value produced by the Tourism Industry, and the Gross Value Added (GVA) — the additional value generated by the Industry beyond the cost of producing the goods and services, and employment.

This report does not model the full contribution of the visitor economy which would require an analysis of broader quantifiable impacts including domestic investment, foreign direct investment (FDI), Government spending on investments in the visitor economy and spill-over benefits to other sectors in NSW. However, the Tourism Satellite Account is an indicator for measuring the visitor economy’s contribution to the State economy and provides a baseline estimate of the direct benefits and inputs associated with people travelling and staying overnight in NSW.

The statistics below from the NSW Tourism Satellite Accounts highlight the economic contribution of the tourism/visitor economy sector to the NSW economy:

- in 2009, tourism contributed $11.1 billion to NSW GSP and the GVA contribution to NSW was $10.2 billion
- in 2009, overnight visitors spent approximately $18.3 billion or approximately $47 million per day. According to the Tourism Satellite Account this level of expenditure supported 160,300 direct and 129,000 indirect full-time equivalent (FTE) jobs in the NSW economy
- since 2004, direct tourism industry employment has remained relatively stable at around 4.6 to 4.7 per cent of total NSW employment
- of the 160,300 people employed directly, almost one quarter are employed by cafés, restaurants and takeaway food services. Following this, people are employed in retail services, accommodation, transport-related services, and education and training services respectively
- in 2009, the GVA contribution of tourism to NSW was 2.8 per cent and tourism was the sixteenth largest industry in NSW.

This data demonstrates the importance of the visitor economy to NSW and the economic potential associated with planning and investing in the future of the visitor economy. The Visitor Economy Action Plan has the potential to leverage these economic benefits to make the visitor economy an even more significant contributor to the NSW economy and to meet the objectives of NSW 2021. It is estimated that for many communities the visitor economy is the major part of their overall economy.

However, there are a significant number of challenges and constraints facing the visitor economy in NSW, as well as these opportunities. These are discussed in the following section.
THE OVERNIGHT VISITOR EXPENDITURE TARGET

The NSW Government’s target is to double overnight visitor expenditure (in nominal terms) in NSW by 2020. This translates into a target of $36.6 billion, that is, double the 2009 (base year) result of $18.3 billion.

There must be significantly improved performance in the key components of the visitor economy if the 2020 target is to be achieved as growth has been at 2.2 per cent per annum over the last four years (BDA 2012). If this growth rate continues, then NSW will fall $13 billion short of the 2020 target.

Achieving this target will require a very high rate of growth over the next eight years. Therefore, this Plan focuses on those strategies and initiatives which the Taskforce believes are required to achieve the target in that timeframe.

It should be noted that the Taskforce’s findings and recommendations are based on the visitation data available to the Taskforce as at April 2012. The latest visitation data available to the Taskforce relates to the 2011 calendar year. There is a well-known national data collection lag which prevents the new initiatives and Government measures undertaken from mid-2011 being reflected in the visitation data for the year ended December 2011. Therefore the Taskforce has not been in a position to evaluate the impact of many new initiatives undertaken by the NSW Government and Destination NSW (which was formed on 1 July 2011).

Current market analysis

In this report, references to ‘visitor markets’ include references to countries and geographical locations, for example, other overseas countries and other Australian states and territories. References to ‘market segments’ include references to types of visitors, for example, leisure visitors, business visitors, international students, and those visiting friends and relatives (VFR).

GLOBAL AND AUSTRALIAN TRENDS

NSW’s performance must first be placed in the context of the global and Australian economies and the overall trends in visitation to Australia.

The global economy

The global economy has slowed again, after a post-Global Financial Crisis (GFC) recovery. However, it is a story of two hemispheres, with the East broadly in growth and the West in nil or negative growth.

Global trends indicate that overall international travel is growing at four per cent per annum (UNWTO World Tourism Barometer, 2012). However, Australia is losing market share in an increasingly competitive global travel market, with 0.7 per cent share in 2000 down to 0.6 per cent in 2011.

NSW has lost its share of international arrivals to Australia (59 per cent in 2000 down to 51 per cent in 2011) and has only increased its international numbers by 2 per cent during this period. In this same period Victoria has increased its share of international visitors to Australia from 25 per cent to 32 per cent (IVS December 2011).

Consumer wealth has generally weakened in 2011. This has impacted on consumer confidence, resulting in a high and growing rate of consumer savings (BDA 2012) which impacts directly upon the willingness of Australian residents to spend money on travel intrastate, interstate and overseas. The level of visitation to NSW will be directly impacted by these national trends.

Less discretionary spending, but tourism holding share of spend in Australia

With increased costs of housing and utilities, Australians are spending more on non-discretionary items. Non-discretionary consumption expenditure has risen to 56 per cent, with most discretionary categories edging down. However, the tourism category of discretionary expenditure is holding up well, and actually increased, as a share of Australians’ household discretionary spending (BDA 2012).

However, much of this discretionary expenditure is on outbound travel. The challenge for NSW is to encourage Australians to visit NSW more often for leisure, business, education and other purposes.
Outbound travel boom

The boom in outbound Australian travel is continuing, up another 10 per cent in 2011 (BDA 2012). Outbound trips (8 million in 2011) continue to exceed inbound trips (6 million in 2011). Holiday trips are driving the growth, with the strongest destination growth being in Thailand (up 23 per cent in 2011), Bali (up 19 per cent) and the USA (up 17 per cent) (BDA 2012).

Australian inbound visitation

Inbound travel growth to Australia has slowed over the last two years, with holiday travel the weakest, down 4 per cent year-on-year.

Again it is a story of two hemispheres, with key Western hemisphere markets, for example, the UK and USA very soft, but strong growth from some of the key Eastern markets, for example, China, Singapore, Malaysia and India. One key insight from research commissioned by the Taskforce is that the number of visitors to Australia from Eastern markets (excluding Japan, which is in decline) is now equal to, and about to overtake, the number of visitors from Western markets (excluding New Zealand, for which Australia is not a long-haul destination). See Graphic A1.1 below.

Graphic A1.1: Inbound visitors to Australia by key Western and Eastern markets, 2001–11

The challenge for NSW is to persuade potential overseas visitors to choose Sydney and key NSW destinations over other places and to stay longer.

Australian domestic travel

At the domestic travel level, the number of domestic trips being taken by Australians travelling interstate in Australia has improved slightly over the last two years. This is largely driven by business and VFR sector travel.

However, intrastate travel has been in decline for some years and is clearly being impacted by a range of factors. These include the impact of increasingly competitive interstate airfares and the trend of very strong outbound travel growth.

KEY TARGET MARKETS

The Taskforce has identified 11 overseas markets of significance for NSW. These are referred to as the ‘target markets’. They are:

- four Western markets (in order of contribution to overnight visitor expenditure):
  - UK
  - USA
  - New Zealand
  - Germany
- seven Eastern markets (in order of contribution to overnight visitor expenditure):
  - China
  - South Korea
  - Japan
  - India
  - Singapore
  - Malaysia
  - Indonesia.

The Taskforce commissioned BDA Marketing Planning Pty Ltd to undertake a detailed analysis of NSW’s performance in relation to intrastate and interstate visitors, and international visitors from the target markets.

NSW LOSING ITS COMPETITIVENESS AS A DESTINATION

While NSW is the number one destination for international and domestic visitors on a range of key criteria, it continues to lose in other areas. This erosion of NSW’s competitive position as an appealing destination for visitors can be clearly seen when measured against four important indicators:

- share of interstate visitors and expenditure
- share of international inbound aircraft seats
- share of inbound aircraft seats from the target markets
- share of international inbound visitors.

1 References to ‘visitors’ and ‘trips’ are generally interchangeable for the purposes of this Final Report. If an individual makes five trips (or journeys) to NSW in a year, then those five trips are recorded separately, even though they have been made by the same person. The emphasis of the 2020 target is the on the aggregate overnight visitor expenditure made on those trips, and not on whether the data shows five trips by one person, compared with five visitors.
NSW's performance against each of these indicators is discussed as follows.

**Share of interstate travel trips and expenditure**

NSW has the number one share of interstate visitors and overnight visitor expenditure. However, NSW's share of interstate travel trips has declined over the past decade (see Graphic A1.2). There has been strong growth in NSW’s share of interstate trips and expenditure in the past two years. This has helped NSW to regain historic market share levels in relation to expenditure by interstate visitors.

This recent growth will need to be sustained, and exceeded, if the 2020 target is to be achieved.

*Graphic A1.2: NSW share of interstate demand*

**State's share of interstate demand**

<table>
<thead>
<tr>
<th></th>
<th>Dec-11</th>
<th>Dec-10</th>
<th>Dec-09</th>
<th>Dec-08</th>
<th>Dec-07</th>
<th>Dec-06</th>
<th>Dec-05</th>
<th>Dec-04</th>
<th>Dec-03</th>
<th>Dec-02</th>
<th>Dec-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>12</td>
<td>13</td>
<td>11</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>NSW</td>
<td>40</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>VIC</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>45</td>
<td>40</td>
</tr>
<tr>
<td>QLD</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>WA</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>SA</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>ACT</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>TAS</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>NT</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

**Spend**

<table>
<thead>
<tr>
<th></th>
<th>Dec-11</th>
<th>Dec-10</th>
<th>Dec-09</th>
<th>Dec-08</th>
<th>Dec-07</th>
<th>Dec-06</th>
<th>Dec-05</th>
<th>Dec-04</th>
<th>Dec-03</th>
<th>Dec-02</th>
<th>Dec-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NSW</td>
<td>50</td>
<td>45</td>
<td>40</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>VIC</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>WA</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SA</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>ACT</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>TAS</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>NT</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

**Share of inbound seats**

NSW has the number one share of international inbound air seats into Australia. However, NSW has lost market share in overall inbound aircraft seats from international markets into Australia over the last five years (see Graphic A1.3). Victoria has now overtaken Queensland as the second highest share of inbound seats to Australia.

*Graphic A1.3: NSW share of inbound seats into Australia*

**NSW share of inbound seats (%)**

<table>
<thead>
<tr>
<th></th>
<th>06</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>NSW</td>
<td>42%</td>
<td>40%</td>
<td>38%</td>
<td>36%</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>VIC</td>
<td>22%</td>
<td>20%</td>
<td>18%</td>
<td>16%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>QLD</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>NSW</td>
<td>42%</td>
<td>40%</td>
<td>38%</td>
<td>36%</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>VIC</td>
<td>22%</td>
<td>20%</td>
<td>18%</td>
<td>16%</td>
<td>14%</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Share of inbound seats from key target markets**

Of most concern is a loss of share of inbound aircraft seats from the key target markets, including China, South Korea and Malaysia between 2006 and 2011 (see Graphic A1.4). NSW has been losing relative share out of China, and is only holding share for the other key growth markets. Japan, a market in steep decline, is the only target growth market in which NSW is gaining share of inbound seats against the other States.
In the light of these recent trends, it is clear that the 2020 target will not be achieved through incremental change.

Without decisive action, NSW will continue to lose market share as a competitive visitor destination. It will not be equipped to take full advantage of the potential growth in visitor numbers and overnight visitor expenditure in an increasingly competitive Australian, Asia-Pacific and global environment.

**VISION FOR THE 2020 NSW VISITOR ECONOMY**

It is the vision of the Taskforce that by 2020, NSW will have a high-performance visitor economy that has doubled its contribution to the State’s economy as measured by overnight visitor expenditure (in nominal terms).

NSW will be established as the premier destination for visitors from key priority target markets and market segments, including holiday/leisure, business, business event, education, employment, backpacker, and ‘visiting friends and relatives’ (VFR) visitors.

The best of the State will be showcased through appealing, authentic and high-quality visitor experiences.

The 2020 visitor economy will be characterised by a culture of innovation, entrepreneurship and industry leadership. Businesses in the visitor economy will contribute strongly to NSW’s economic, social and cultural strengths.

Destination Management Plans will provide clear frameworks to guide Government support at all levels and industry investment to deliver experiences that match and exceed visitor expectations and provide growth.

NSW will be a State that welcomes visitors and celebrates the NSW experience, reflecting civic pride in the State and its success.

**APPROACH OF THE REPORT**

The Report and its Action Plan are based upon the importance of improved collaboration between Government and Industry, with Government acting as a facilitator for Industry-driven change.

A successful plan that will drive the required changes and facilitate the right environment needs to be focussed on the following areas:

- ** Delivering on the visitor experience:** We must continually strive to improve the visitor experience
- ** Market analysis:** Marketing efforts must be focussed on key priority markets, and not all markets will receive equal attention
• **Planning destination appeal**: A Destination Management Planning approach will ensure investor confidence and integrated delivery of Government support for destinations which offer experiences that appeal to visitors.

• **Innovation**: There must be support and encouragement of innovation in visitor servicing, product development, local area planning and entrepreneurship at the individual, community, regional and business levels.

• **A whole-of-government approach**: There must be encouragement of private/public partnerships that can be facilitated by a whole-of-government approach through Destination Management Planning, with appropriate targets and performance measures.

• **Clearing red tape**: There must be a focus on clearing Government red tape and creating better planning certainty.

• **Necessary resources**: There must be a commitment to increased, long-term funding and resources.

Industry will support and invest in the visitor economy in a genuine partnership with Government in the right environment. Government’s role as facilitator is therefore critical to the success of the Plan.

**VISITOR EXPENDITURE GROWTH**

The target to double overnight visitor expenditure to NSW by 2020 is an ambitious target which assumes a very high growth scenario. To achieve it will require a whole-of-government approach and pragmatic action.

The NSW visitor economy operates in a highly competitive, global environment. A successful strategy for the State will need to confront the challenge of both growing and holding market share in an extremely competitive environment in order to reach the 2020 target.

**The current situation – overnight visitor expenditure**

In terms of share of total overnight visitor expenditure in Australia, NSW is still the number one State, and achieved a share of 30.9 per cent in 2011.

Total overnight visitor expenditure in NSW was $19.3 billion in 2011. This comprised:

- 40 per cent expenditure by intrastate overnight visitors
- 33 per cent expenditure by international overnight visitors
- 27 per cent expenditure by interstate overnight visitors.

**The ‘very high growth’ scenario**

The NSW visitor economy target of $36.6 billion overnight visitor expenditure by 2020 constitutes a very high growth scenario.

Tourism Australia (TA) has projected a national 2020 tourism potential in the range of $115 billion to $140 billion (TA, 2011) in overnight visitor expenditure (in nominal terms). This is a national target to double overnight visitor expenditure, including from the inbound market, into Australia. This is described as a ‘very high growth’ scenario.

NSW runs the risk of further diminishing its relative market share of inbound tourism if it does not make changes and improve performance.

Under this very high growth scenario, NSW would need to not only hold market share in the identified target markets, but also grow market share in those markets above the recent trends.

**Growth in spend**

To achieve the 2020 target, NSW requires growth not only in visitor numbers but also in visitor spend. High-spending, particularly high-yield international visitors, predominantly from China, have been identified in this Plan as a key target market and represents a significant opportunity to increase overnight visitor expenditure.

Achieving the target requires growth in both international visitor numbers and nights stayed. NSW needs appropriately targeted strategies to tailor products and experiences that meet the demands of high-yield visitors. Government also needs to deliver high-quality infrastructure and ensure stronger linkages between different sectors of the visitor economy, in order to ensure that the visitor economy does not experience capacity constraints that prevent the 2020 target from being achieved.

Visitors to NSW need to be presented with a greater number of potential destinations that provide authentic, high-quality experiences. This is essential for visitor satisfaction, spend and length of stay to be increased.

It will require bold action from Government and Industry to achieve the very high growth target. Government and Industry must jointly meet the challenge of holding market share in key mature markets and growing market share in the identified target markets.
**Current growth scenario**

At present, overnight visitor expenditure in NSW has been growing at only 2.2 per cent average annual growth (over the last four years). This can be described as the ‘current growth scenario’. This represents incremental growth, which will not be sufficient to reach the 2020 target.

Under one approach it can be assumed that overnight visitor expenditure in NSW will continue to grow at the same rate as the last four years. This is the ‘business as usual’ approach presented here as the worst case scenario.

If there is not a significant change of approach, the Government risks falling $13 billion short of the 2020 target (BDA 2012). This possible shortfall, based on the recent growth scenario, can be seen in Graphic A1.6 below.

If NSW does not commit to implementing this Visitor Economy Action Plan, then there is unlikely to be any significant improvement in performance and NSW may indeed slip backwards and lose existing market share.

**Graphic A1.6: Overnight visitor expenditure**

All of the recommendations of the Taskforce’s Visitor Economy Action Plan are designed to deliver the very high growth which is necessary to close the $13 billion gap between the trend and target.

In order to achieve the 2020 target, it will be necessary to capture substantial growth in the international visitor market. This will result in a significant change in the profile mix of domestic/international visitors to NSW by 2020. For example, it is likely that expenditure by international overnight visitors will rise to 44.7 per cent (from 33.3 per cent) of total overnight visitor expenditure in 2020, and that total domestic overnight visitor expenditure will comprise 55.3 per cent, compared with current shares of 66.7 percent.

On this trajectory, international visitors will eventually contribute more than 50 per cent of total overnight visitor expenditure in NSW (see Graphic A1.7).

This challenge takes place in the context of other calls on consumer spending, a likely sustained high Australian dollar and increased competition for visitor spend both domestically and internationally.

At the time of setting the 2020 target, 6.5 per cent average annual growth was required to meet the target. However, NSW has been losing ground against the required growth rate.

NSW will now require 7.1 per cent average annual growth (in nominal terms) in total overnight visitor expenditure from 2012–13 to achieve the 2020 target. With every passing year the target will become increasingly more difficult to achieve.

NSW must act quickly to put itself on the required growth trajectory.
### NSW market summary

<table>
<thead>
<tr>
<th>Country</th>
<th>Current Expenditure* ($ billion)</th>
<th>% of Current Expenditure*</th>
<th>Current Number of Visitors* (000's)</th>
<th>Market Target by 2020 ($ billion)</th>
<th>% of 2020 Goal</th>
<th>Number of Visitors 2020 Goal (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1.2</td>
<td>6.3</td>
<td>302.8</td>
<td>4.3</td>
<td>11.9</td>
<td>799</td>
</tr>
<tr>
<td>Germany</td>
<td>0.2</td>
<td>0.8</td>
<td>98.8</td>
<td>0.3</td>
<td>0.9</td>
<td>169.5</td>
</tr>
<tr>
<td>India</td>
<td>0.2</td>
<td>1</td>
<td>69</td>
<td>0.5</td>
<td>1.4</td>
<td>146.1</td>
</tr>
<tr>
<td>Japan</td>
<td>0.3</td>
<td>1.6</td>
<td>145</td>
<td>0.6</td>
<td>1.6</td>
<td>232.4</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.1</td>
<td>0.6</td>
<td>46.4</td>
<td>0.4</td>
<td>1</td>
<td>85.8</td>
</tr>
<tr>
<td>NZ</td>
<td>0.4</td>
<td>2.2</td>
<td>379.1</td>
<td>0.8</td>
<td>2.3</td>
<td>590.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.2</td>
<td>1.1</td>
<td>84.3</td>
<td>0.5</td>
<td>1.4</td>
<td>162.1</td>
</tr>
<tr>
<td>South Korea</td>
<td>0.5</td>
<td>2.8</td>
<td>149.4</td>
<td>1.5</td>
<td>4.2</td>
<td>305.5</td>
</tr>
<tr>
<td>UK</td>
<td>0.6</td>
<td>3</td>
<td>330.7</td>
<td>1.6</td>
<td>4.4</td>
<td>573.6</td>
</tr>
<tr>
<td>USA</td>
<td>0.5</td>
<td>2.6</td>
<td>284.3</td>
<td>1.4</td>
<td>3.9</td>
<td>480</td>
</tr>
<tr>
<td>ROW*</td>
<td>2.2</td>
<td>11.4</td>
<td>866.5</td>
<td>4.3</td>
<td>11.8</td>
<td>1353</td>
</tr>
<tr>
<td>Inbound Total</td>
<td>6.4</td>
<td>33.3</td>
<td>2,756.30</td>
<td>16.3</td>
<td>44.7</td>
<td>4,897.50</td>
</tr>
<tr>
<td>Interstate</td>
<td>5.2</td>
<td>26.7</td>
<td>7,588</td>
<td>8.7</td>
<td>23.8</td>
<td>10,037.30</td>
</tr>
<tr>
<td>Intrastate</td>
<td>7.7</td>
<td>40</td>
<td>16,401</td>
<td>11.5</td>
<td>31.5</td>
<td>19,092.20</td>
</tr>
<tr>
<td>Total Domestic</td>
<td>12.9</td>
<td>66.7</td>
<td>23,989</td>
<td>20.2</td>
<td>55.3</td>
<td>29,129.50</td>
</tr>
<tr>
<td>Total</td>
<td>19.3</td>
<td></td>
<td>26,745.30</td>
<td>36.6</td>
<td></td>
<td>34,027.00</td>
</tr>
</tbody>
</table>

* Current refers to YT Dec 11. Number of Visitors – 2020 Goal assumes real spend per trip remains constant to 2020. Individual figures may not add to total due to rounding.

The base year was 2009

### Conclusion

NSW will have to make the right decisions and implement the right strategy if it is to hold its share of overnight visitor expenditure from the mature markets and to hold, and grow, its share from the identified growth target markets. The 2020 target will not be achieved if the same approach of recent years is followed.

The Taskforce was established to develop a strategy to achieve the 2020 target and the Visitor Economy Action Plan delivers on that task.
MARKET CHALLENGES

In order to make NSW number one again, NSW must address a number of challenges and constraints.

Other States have also set goals to increase overnight visitor expenditure by 2020, and are pursuing aggressive plans to increase market share at the expense of NSW.

There are four key external market challenges which NSW needs to respond to if it is to achieve the 2020 target.

These are:
- competition is increasing
- global travel conditions and visitor expectations are changing
- the domestic economy is changing
- technology is increasingly influencing consumer behaviour.

Competition is increasing

NSW faces increasingly aggressive competition from other destinations both locally and globally. Potential visitors are now spoiled for choice – across Australia and the world, in destinations, in experiences, in price and in quality.

There are major new investments being made to attract visitors into the Middle East, South East Asia, China and the Pacific, as well as domestically, particularly in Victoria. This is giving rise to new experiences in direct competition with NSW’s offerings.

In major international growth markets, like China, NSW is losing its national share of airline seat capacity and as a consequence has lost share of inbound trips from China to Australia.

NSW retains its position as number one in terms of its share of total overnight visitor expenditure. However, it is not number one on all measures. For example, NSW is number two, behind Queensland, in terms of share of interstate overnight visitor expenditure (BDA 2012). See Graphic B1.10

Competition from the other states, particularly Queensland and Victoria, is intense.

Queensland

The newly elected Queensland Government has announced the establishment of Destination Q, a new partnership arrangement between Tourism Queensland and Industry to reverse Queensland’s declining share of domestic overnight visitor expenditure and its declining ‘travel’ preference rating (LNP 2012).

The Queensland Government has announced a number of game-changing goals, commitments and initiatives, including:
- the goal for Queensland to be number one in share of overnight domestic visitor expenditure (LNP 2012)
- the goal to double overnight visitor expenditure to $30 billion by 2020
- a commitment to provide an $8 million aviation incentive fund (Newman, 2012).

Victoria

Victoria has been competing strongly, and overtaking NSW (and Queensland) in a number of key measures of success in the visitor economy, including:
- domestic visitors: rated number one for more experiences than NSW, including in shopping, touring holidays, food and wine, festivals, sporting events, arts and culture (BDA 2012)
- international spend: overtaken Queensland as number two in the share of overnight visitor expenditure from international visitors (BDA 2012)
- inbound air seats: overtaken Queensland as number two in the share of all inbound air seats into Australia (BDA, 2012)
- inbound seats – Malaysia: overtaken NSW as number one share in inbound air seats from Malaysia (BDA 2012). Note: AirAsia X has now commenced flights from Kuala Lumpur to Sydney.
- International conventions: Melbourne is currently ahead of Sydney in the International Congress and Convention Association (ICCA) convention city rankings.

Global travel market conditions and visitor expectations are changing

The current strength of the Australian dollar and other external factors have resulted in slowing growth in visitors coming from traditional inbound markets such as Japan, New Zealand, Europe, the UK and the US. As a result, the profile of international visitors is changing, with a greater proportion of international visitors to NSW arriving from Asia, particularly China, India, Indonesia and Malaysia.

The expectations of visitors from these Eastern-hemisphere markets are different, regarding the experiences and destinations being sought, as well as their spending and travel patterns. Understanding, meeting and exceeding these expectations is critical to NSW’s success.
The domestic economy is changing

Even though tourism is holding its share of discretionary expenditure, there is constant pressure to retire household debt or undertake alternative expenditure, such as on consumer durables and electronic equipment. There is also significant increased spending on outbound travel.

Australia’s resources boom and an ageing population have also contributed to conditions which are problematic for visitor economy growth – workers have become increasingly difficult to source and retain, particularly in Regional NSW.

Technology increasingly continues to influence consumer behaviour

The internet revolution and digital technology have changed the way in which visitors research, choose destinations and purchase travel, products and services. Traditional channels of information are increasingly losing appeal while social and other online media continue to increase in influence and increase the speed of decision-making. Indeed, travel websites such as TripAdvisor have not only changed traveller behaviour but are now influencing travel products and destination brands via visitors’ reviews. In this environment, the perceptions of past customers of the quality of the service provided are a critical element in the purchase decision.

Travellers increasingly rate an operator’s online functionality as very important, especially for bookings. An effective online presence, and booking capability, are increasingly important for business survival and success in the visitor economy.

In a 2010 Australian Tourism Operators Online Capability Survey only 4 out of 10 tourism businesses offered availability and price checking, or offered instant confirmation of bookings, on their websites.

DOMESTIC VISITORS

Domestic visitors contribute two-thirds of all overnight visitor expenditure in NSW, comprising:

- NSW visitors travelling intrastate (40 per cent of overnight visitor expenditure in 2011) (BDA 2012)
- interstate visitors to NSW (27 per cent of overnight visitor expenditure) (BDA 2012)

However, research commissioned by the Taskforce shows that many NSW destinations are simply not unique enough or have sufficient domestic appeal to domestic visitors. This finding is also supported by industry feedback to the Taskforce.

NSW must develop new strategies to maintain and defend this market share.

NSW must seek new ways to appeal to NSW residents to increasingly holiday at home as opposed to undertaking international and interstate travel. The objective is to stop the leakage of visitor expenditure from NSW.

NSW needs to motivate people to take short breaks in the State, rather than staying at home, to generate additional visitation and therefore additional visitor spend. One aim should be to persuade Sydney residents (the largest source market) to take more short breaks in Regional NSW.

INTERNATIONAL VISITORS

As stated earlier, NSW is the number one State in share of overnight visitor expenditure by international visitors. International overnight visitor expenditure comprises 33 per cent of total overnight visitor expenditure in NSW (BDA 2012).

However, NSW is losing its share of this expenditure (BDA 2012). This is due primarily to limited air seat supply.

Its only real share gains are being achieved in the declining market of Japan. It is losing, or only holding, share in all other priority markets (BDA 2012).

NSW has been losing share of arrivals from target growth markets, including China and Malaysia.

NSW’s traditional inbound visitor is changing, with a greater proportion of visitors arriving from China, South Korea, India, Malaysia and Indonesia. With this change in the profile of visitors to NSW comes a need to cater to their specific tastes. The preferences of visitors from these Eastern markets are different from the traditional markets in terms of the experiences and destinations being sought, as well as their spending and travel patterns. Understanding, meeting and exceeding the expectations of these visitors, while maintaining and growing NSW’s share of the traditional inbound markets, will be essential if the 2020 target is to be reached.

Resource allocation must be directed to target the growth outlooks of the respective markets:

- China is the obvious number one priority
- USA, UK, NZ, South Korea and Germany are key current markets, and forecast to remain so
- India, Indonesia and Malaysia have very strong growth outlooks at lower volume levels
- NSW will need to hold share in its traditional markets.
CONSTRUCTIONS

In addition to the external challenges, there are also a number of major constraints inhibiting the NSW visitor economy from realising its full potential. In order to overcome these constraints, NSW must take action to ensure that it has:

- adequate infrastructure to meet visitor needs
- adequate skills and labour supply
- appealing destinations and events
- long-term, consistent and compelling branding

Inadequate infrastructure to meet visitor needs

Existing infrastructure in NSW is insufficient to satisfy demand at the levels that will be required to meet the 2020 target. The most pressing immediate major infrastructure issues are a shortage of Sydney hotel rooms and Sydney’s limited air capacity. In addition, there has been a lack of adequate business events facilities in Sydney and Regional NSW.

There is also limited cruise ship capacity in Sydney Harbour and the need for further improvements in delivering an integrated public transport system for use by visitors in Sydney.

The Taskforce acknowledges the NSW Government’s commitments to infrastructure investment in relation to Sydney’s new Convention, Entertainment and Exhibition centres, the Royal Randwick and Rosehill Racecourses and the Sydney Cricket Ground. These major capital projects will significantly and directly contribute to achieving visitor economy growth. The Taskforce supports the earliest practicable implementation of the proposed White Bay Cruise Terminal and the Overseas Passenger Terminal Master Plan development and mooring improvements.

Sydney hotel accommodation

Visitor accommodation in Sydney is a critical infrastructure need. Sydney has one of the highest average annual hotel occupancy rates, at over 80 per cent, of any capital city in Australia. This means that, frequently throughout the year, there are insufficient rooms available to meet demand. As occupancy levels have reached this level, hotel room rates have risen, putting more pressure on the ‘value-for-money’ equation that is now often a strong part of the decision to visit a destination or stage an event here.

NSW is not currently seen as the best value-for-money destination by interstate visitors (BDA 2012). This perception, whether well-founded or otherwise, will adversely impact the decision-making process regarding destination choices by potential interstate visitors to NSW.

Sydney’s air capacity

Another critical area of infrastructure need is Sydney’s air capacity.

Sydney Airport is the major international and interstate visitor gateway to the State. Analysis indicates that to be able to respond to the target market growth requires both increased capacity and better utilisation of this vital piece of infrastructure.

The importance of taking a more aggressive approach to growing the utilisation of Sydney Airport and attracting new services is best highlighted by the following chart which shows the progressive loss of share in NSW of Australian inbound aircraft seats from the major growth market of China. This then directly translates into a loss of market share of visitor trips from China. See Graphic A1.8.

Graphic A1.8: NSW loss of share of Australian seats

Sydney’s cruise facilities

Sydney’s cruise ship industry continues to show strong growth performance in line with global trends. There is a critical need to expand cruise berthing capacity within Sydney ports to meet forecast growth in vessel numbers and to ensure that Sydney is able to effectively maximise the economic benefits derived from cruise ship operations, including proving.

Adequate skills and labour supply

The visitor economy in NSW is experiencing difficulty in attracting and retaining adequate skills and resources. Significant skills shortages are emerging as the visitor economy grows and these will have a direct impact on the quality of the visitor experience. This constraint comes from a combination of Australia’s mining boom drawing workers from the hospitality sector and an ageing population. As the visitor economy grows, significant labour and skill gaps will
emerge for NSW, particularly in the hospitality area. These skills gaps will directly impact on the quality of the visitor experience and, in this digital age of instant online reviews, can greatly influence a potential visitor’s decision to visit NSW.

**Appealing destinations**

Research commissioned by the Taskforce assessed the appeal of NSW destinations to potential domestic visitors. The assessment included measures of awareness, appeal, what experiences are most appealing and the overall holiday preference (BDA 2012). The assessment covered both interstate and intrastate domestic visitor potential.

The analysis focussed on 16 regional destinations in NSW. The key finding was that according to the research that ‘many NSW destinations are not perceived as unique or appealing enough to domestic visitors’.

NSW is rated number one in only 3 out of 22 areas (compared with 8 out of 22 for Victoria) of appeal tested with potential domestic visitors. This is a critical situation, which must be reversed if the 2020 target is to be reached. See Graphic A1.9 below.

_Graphic A1.9: Perceptions of State attributes_
This result indicates that a significant amount of development and repositioning is required for key destinations if NSW is to unlock the demand potential necessary to achieve the 2020 target. In particular, the findings show:

- many NSW destinations are seen as too generic and are lacking visitor appeal, particularly in key domestic interstate markets
- sharper destination positioning is required
- there is a critical need to identify, encourage and develop new experiences to lift the perceived value for visitors
- all regions are not equally appealing
- destinations with the highest potential consumer appeal should be the priority destinations to promote to increase visitation and visitor spend.

Graphic A1.10: Domestic visitors ranking of regional destinations with highest consumer recognition

<table>
<thead>
<tr>
<th>Regions ranked #1 consumer recognition</th>
<th>Interstate % ranked #1</th>
<th>NSW Residents % ranked #1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>51</td>
<td>36</td>
</tr>
<tr>
<td>Byron Bay/Tweed Heads</td>
<td>46</td>
<td>25</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>42</td>
<td>33</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>Hunter/Newcastle/PS</td>
<td>29</td>
<td>41</td>
</tr>
<tr>
<td>Batemans Bay/Narooma</td>
<td>28</td>
<td>33</td>
</tr>
<tr>
<td>Port Macquarie/Lakes</td>
<td>28</td>
<td>37</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>Shoalhaven/Jervis Bay</td>
<td>27</td>
<td>39</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>Wollongong/Kiama</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Armidale/Tamworth</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Gosford/Wyong</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Riverina</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Orange/Bathurst/Mudgee</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Dubbo</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

Dysfunctional regional structures

Industry and stakeholder consultation adamantly conveyed the position to the Taskforce that the current structures for Government funding and development of Regional Tourism in NSW are inconsistent and dysfunctional and that significant reform was needed if there was to be any improvement.

DESTINATION NSW’S funding of Regional NSW should be at least maintained. However, future funding (2013-14 onwards) should no longer be provided for Regional Tourism Organisations (RTO) operations (staff and offices) as this would only perpetuate the existing dysfunctional system. Destination NSW’s regional programs, including funding programs, need to be opened up to competitive bidding against criteria set by Destination NSW under which a wider range of Industry, Local Government and other stakeholders, beyond RTOs, are able to apply for, and receive, funding. Funding should be opened up for product development – not just marketing.

In addition, there is no sustainable source of funding to enable key destinations to invest in the priority enhancements necessary for destinations across NSW to contribute to achieving the 2020 target. Currently, the guidelines used by iPART in considering special rate variation applications do not recognise the visitor economy as an eligible purpose. If these guidelines were amended so as to include expenditure on visitor economy initiatives in accordance with this Report, Local Councils would have the opportunity to seek approval to raise additional revenue to invest in critical infrastructure, visitor experience development and promotional initiatives. Special purpose entities should be established to receive and oversee the funds and co-ordinate expenditure of those funds.

It is envisaged that these Special Purpose Entities will be the main drivers of Destination Management Plans and therefore will singly, or jointly, seek relevant funding from NSW and Commonwealth Government sources.

Consistent branding

A lack of long-term, consistent and strong destination branding has limited the effectiveness of past promotions and has prevented the brand potential of Sydney and NSW from being achieved.

As indicated in the analysis of destination appeal (see Graphic A1.10), NSW also needs to create destination brands to promote and deliver authentic experiences which will meet the desires and needs of future visitors. The Taskforce notes that Destination NSW has commenced this approach

Government co-ordination and funding

There has been a lack of a true whole-of-government approach to developing and facilitating growth of the State’s visitor economy. This inhibits investment opportunities and support for visitor-related services and restricts overall revenue growth.
There exists an excess of regulation and bureaucratic red tape in the system, particularly in the investment and development approval areas. This severely restricts the ability of the private sector to respond to and cater for the growing need for more accommodation in Sydney and in key visitor areas, for example, the Snowy Mountains.

Coupled with resource constraints, particularly in Local Government, the potential capacity of the Regional NSW visitor economy is significantly curtailed.

**Destination NSW funding**

Destination NSW needs to be able to act with sufficient agility in an extremely competitive commercial operating environment.

To reach the 2020 target, it will be necessary for Destination NSW to be adequately funded and resourced to effectively implement the recommendations and actions of this Plan.

**OPPORTUNITIES**

While there are both challenges and constraints, there are also a number of opportunities that NSW must capitalise on in order to develop and grow its visitor economy.

The increasingly affluent outbound Asian travel markets, particularly China, South Korea and India, present a significant opportunity for Sydney, and NSW more generally, to tap into the emerging major economies of the future. At the same time Sydney, as a truly global city, is in a position to consolidate its strong status as Australia’s city of choice for visitors from major Western markets, such as the UK, North America, Germany and New Zealand. Opportunities for growth from these markets exist, particularly in the Youth and Visiting Friends and Relatives (VFR) segments.

These existing and emerging growth areas present further opportunities to attract more of the high-yield segments of the visitor economy such as international education, medical tourism, cruise and business events.

Furthermore, the growing middle class in Asia as well as NSW’s share of the already affluent Western markets provide opportunities to expand the retail shopping experience and deliver more visitor spend and enhanced destination experiences for visitors. Currently, competitor destinations such as Singapore and even Melbourne are outperforming Sydney in terms of visitor economy shopping expenditure as a share of total overnight visitor expenditure.

NSW must take advantage of the tremendous opportunity presented by Sydney’s appeal and status as a truly global city. It is a business hub for the Asia-Pacific region, with many leading banks and international corporations choosing Sydney as their Australian or Asia-Pacific base. Sydney is already renowned for its scenic beauty, iconic landmarks and major cultural events and a vibrant, creative cultural life. For NSW to do well, Sydney will need to succeed.

Regional NSW also has the potential to contribute more to and benefit from an increase in visitor expenditure, but it is the finding of the Taskforce, strongly supported by the vast majority of views put forward during the consultation process, that unless the operational structure and funding framework of Regional Tourism undergoes a major change, this will not be achieved.

An opportunity also exists to utilise fully the diverse experiences offered by Regional NSW – from the snowfields to the rainforests and the red deserts of Outback NSW.

Ultimately, an opportunity exists to develop a ‘whole-of-life’ relationship with visitors through travel associated with education, recreation and rejuvenation, lifestyle, health and wellness, business relationships and investment, encouraging visitors to return again and again to NSW.
In order to reach the ambitious target of doubling overnight visitor expenditure by 2020, Government must adopt a bold, innovative and action-based approach which encompasses all aspects of the visitor economy.

STRATEGIC IMPERATIVES
There are seven strategic imperatives which must be addressed if the 2020 vision and target are to be achieved:

- Increase visitation
- Grow physical capacity
- Renew and revitalise destinations
- Improve the visitor experience
- Increase visitor spend
- Make NSW more competitive
- Change the mindset.

Each of the seven strategic imperatives and the accompanying recommendations are discussed in detail in Part B of this report. These recommendations reflect the fact that, to reach the $36.6 billion per annum overnight visitor expenditure target, NSW needs a bold and innovative approach focused on major actions that deliver clear results.

WHOLE-OF-GOVERNMENT APPROACH
A whole-of-government approach will be required to successfully implement, in a phased and timely manner, the recommendations of this Visitor Economy Action Plan.

The Taskforce’s Plan is also based on the need for Government to recognise, prioritise and realise opportunities, within the 2020 timeframe, of the whole visitor economy. That is, not only opportunities from leisure visitors but also from business, conventions and exhibitions, working holiday and education visitors, and those visiting friends and relatives.

New approach
In summary, it is proposed that a new approach should be adopted by Government which:

- moves the emphasis from processes to outcomes
- shifts the focus from not only increasing visitor numbers but also to increasing visitor spend
- focuses finite and limited resources on priority high-value target markets
- establishes a platform for stronger Government and Industry leadership working in a partnership – with effective implementation of this Plan the key to success.

New revenue source for local visitor economies
A new source of revenue derived from an approval to a special rate variation for expenditure on visitor economy initiatives will allow Councils and regional destinations new local autonomy in raising revenue to invest in what is necessary to achieve the 2020 target. Expenditure of the new revenues raised by Councils will be required to satisfy guidelines for priority investment relevant to achieving the visitor economy target. The new arrangements will ensure adequate visibility, accountability and control.

Removal of constraints
This Plan also recognises that the potential of the NSW visitor economy will only be achieved through the overcoming of major constraints by:

- building new infrastructure to meet the needs of key visitor economy growth segments, for example, visitor accommodation and additional cruise shipping facilities
- increasing air capacity
- implementing a long-term, consistently applied, compelling brand strategy for Sydney and other key NSW destinations
- implementing Destination Management Plans for the major destinations in NSW, including Greater Sydney
- developing more motivating, authentic experiences that appeal to and meet future visitor needs
- improving Industry’s service quality and skills.

Focus on visitors from target growth markets
This Plan aims to use limited resources more effectively, prioritising high-value target markets which offer real opportunities to increase visitor spend. This approach shifts the focus from just being on tourism and events to the broader concept of the ‘visitor economy’. It involves a recognition that, for many destinations in NSW, their primary growth opportunity is not necessarily from leisure visitors but from visitors for business, education or who are visiting friends and relatives.

Meeting the needs of these types of visitors will require a different approach than that previously undertaken for traditional leisure visitors.
A new evidence-based approach

The Plan is fundamentally evidence-based and is built upon:

• a rigorous domestic consumer appeal assessment of the best existing holidays and experiences in NSW (including measures of awareness, appeal, what elements are most appealing, and overall holiday preferences)

• identification of which consumer markets and segments are most productive for NSW to target.

Several recommendations of the Plan have also been based upon an economic analysis of the likely short-term impact on overnight visitor expenditure by either the removal or reduction of identified constraints.

Measuring results

The Plan places a focus on increased visitor spend as well as numbers of visitors. This outcome-based approach identifies actions and their timely implementation to deliver real results for Government and industry.

The Taskforce recommends that Destination NSW develop, with Industry, appropriate indicators to measure the progress against the relevant recommendations of this Plan.

Strategic imperatives

Each of the seven strategic imperatives identified in the Plan is discussed in detail in Part B of this report.

The Visitor Economy Action Plan is in Part C of the report.
PART B
STRATEGIC IMPERATIVE 1:
INCREASE VISITATION
STRATEGIC IMPERATIVE 1: INCREASE VISITATION

POSITIONING, PROMOTION AND SELLING

**Sydney’s brand**
1. Implement a consistent, long-term brand strategy for Sydney

**NSW destinations brand**
2. Finalise a brand strategy for key NSW destinations

**Target markets**
3. Focus on priority target markets

**Digital marketing**
4. Make greater use of digital marketing for all promotional activity
STRATEGIC IMPERATIVE 1: 
INCREASE VISITATION

In order to achieve the 2020 target of overnight visitor expenditure, it will be necessary to significantly increase the number of visitors coming to NSW.

NSW needs to take a new approach to positioning, promoting and selling itself to potential visitors. The four key measures identified to increase the number of visitors to NSW are:

- implement a brand strategy for Sydney
- finalise a brand strategy for key NSW destinations
- focus on priority target markets
- make greater use of digital marketing for all promotional activity.

POSITIONING, PROMOTION AND SELLING

Rationale

It is a difficult and very competitive environment worldwide in which to motivate visitors to travel. In such an environment, a strong, motivational destination brand is the key to cutting through the clutter of the many destination choices on offer to consumers and move them to select Sydney and NSW.

A compelling and consistent brand strategy for Sydney is essential if NSW is to substantially increase the number of visitors to the level necessary to meet the 2020 visitor expenditure target.

SYDNEY’S BRAND

Snapshot

Sydney is an attractive major global city. However, research shows that many potential visitors are in fact ambivalent about its appeal and character and the opportunities and experiences it offers.

A long-term, compelling and consistent brand strategy is needed to position Sydney as a place to work, do business, study and holiday. The strategy needs to capitalise on the city’s character and assets and significantly increase the appeal of Sydney to visitors.

Background

Global performance

Sydney was placed third in the Anholt – GfK Roper City Brands Index 2011 which ranks the strength of a city’s brand and ranked the ninth most recognisable global city in the 2010 Global Cities Index (Australia, 2010).

As an internationally renowned city, Sydney has the potential to significantly increase the numbers of visitors. Sydney is known for its natural harbour and scenic beauty, the friendliness of its people and the fact that it is host to two of Australia’s iconic architectural landmarks: the Sydney Opera House and the Sydney Harbour Bridge.

The city is also Australia’s premier business city, a business hub for the Asia-Pacific region and a major events city, as well as home to a vibrant and creative cultural scene.

Sydney is also a high-yield destination for international visitors, ranked as the sixth-highest travel city in the world in terms of international spending, with USD14.4 billion in spending in 2011, as measured under the MasterCard Index of Global Destination Cities. Sydney consistently ranks number one in terms of desire, and specific motivators, but we are not converting enough of that overall appeal into visitation.

Domestic brand

Research commissioned by the Taskforce indicates that, amongst Australians, Sydney is only the third most mentioned holiday destination, behind the Gold Coast and Tasmania (BDA 2012). It is not clear how Sydney is perceived as a business destination amongst the same group, however, it is the case that business visitors are the number one category of interstate visitors to Sydney (BDA 2012).

The challenge

Sydney lacks the cumulative benefit that comes from investment in a successful, long-term co-ordinated brand strategy. Inconsistent brand messaging also results in inefficient use of marketing and destination management resources. This lack of brand consistency is most evident when compared to some of the other cities in Australia, such as Melbourne, as well as neighbouring competitor destinations, such as Singapore and New Zealand2 (see the case study on the following page).

Government and Industry had previously commenced some brand development work for Sydney, in particular the Brand Sydney project which delivered significant research on Sydney and its brand attributes in 2009. These research findings and preliminary work have not yet resulted in a comprehensive new branding strategy for Sydney. It is important that this work be incorporated into a new Sydney brand strategy to be commenced by Destination NSW as soon as practicable, after liaison with Industry.

A co-ordinated approach between Industry and Government will be necessary to ensure the effective execution of strategy to position the city globally.

2 The Taskforce acknowledges that New Zealand is a whole-of-country destination brand, as opposed to a city brand. However, it is a good example of a strong and consistent brand message for potential visitors.
A cohesive brand strategy for Sydney will enhance the impact of marketing to target international and domestic markets in a cost-effective manner. It is important to understand that a brand strategy is not about logos and taglines. Its value is that it identifies what Sydney is and what it stands for, and enables the delivery of this messaging through a co-ordinated, consistent, long-term and audience-focussed marketing approach that is designed to generate economic benefit to the State.

A co-ordinated brand strategy for Sydney will increase Sydney’s appeal at both a domestic and international level. The Taskforce’s research has identified appeal factors within the target markets that will enable the brand to focus on the authentic experiences that satisfy the needs of potential visitors. A stronger linkage between appeal factors and brand will better position Sydney to capitalise on demand for particular travel experiences.

Key destinations across the Asia-Pacific region have capitalised on a strong and consistent approach to branding which links the destination’s image to certain appeal factors. The case study below demonstrates how New Zealand and Singapore have effectively used branding to define these destinations to visitors.

**CASE STUDY – NEW ZEALAND AND SINGAPORE**

New Zealand and Singapore have well-recognised brands that successfully define their destinations and emphasise their appeal to potential visitors. New Zealand has effectively branded itself to demonstrate the country’s appeal as a singular destination, with strong natural and adventure tourism attractions. Its “100% Pure” branding focuses on developing and providing experiences, with a specific focus on traveller satisfaction (New Zealand Tourism, 2012). New Zealand’s branding recognises the destination’s strength and appeal as a nature-based travel destination.

By contrast, Singapore has built a strong and recognisable brand that focuses on the city’s strengths as one of the world’s leading destinations in terms of retail, food and beverage, entertainment, hospitality and healthcare (Singapore Tourism Board, 2011). Furthermore, Singapore (like Sydney) is a regional commercial hub, and home to the Asia-Pacific headquarters of many multi-national corporations. Effective brand management has enabled Singapore to leverage its strengths to enhance its appeal to potential visitors.

**Priority issues**

The Taskforce has identified two priority issues to address when developing a brand strategy for Sydney:

- **understand the market**: it is critical to know what Sydney has to offer and to identify what target markets are looking for
- **consistent branding**: there is a need to develop a long-term brand that is consistent in its message.

**Understand the market**

As an internationally recognisable city and the primary gateway city to Australia, Sydney attracts visitors who arrive for all purposes of travel. Achieving the 2020 visitor expenditure target will require a systematic approach to capturing visitor demand through a brand that is relevant to key target markets and market segments including leisure, business, education and events. An effective brand strategy and marketing campaign needs to be built on an understanding of what Sydney has to offer and how it can appeal to target markets.

**Domestic visitors**

The research commissioned by the Taskforce recently tested consumer response to key destinations in NSW. This study, which provided survey respondents with select information available on a range of visitor experiences, demonstrated that effective branding and imagery has a significant impact in raising awareness of Sydney as a destination. This was effective, with 39 per cent of interstate residents, who had a positive awareness response rate and intrastate residents showed a high positive awareness response rate of 64 per cent.

Sydney was clearly the most known of the regions (BDA 2012). The prominence of Sydney in the eyes of interstate visitors demonstrates the importance of the city in helping to meet the 2020 visitor expenditure target. Effectively capturing Sydney’s strongest attributes will help to develop a brand that is appealing to potential visitors, and cost-effective in terms of strategic marketing and promotion.

This market analysis demonstrates that effective branding can help raise awareness of a destination within target markets. It is important, however, that the branding and marketing is effectively targeted within key target markets to enable maximum return on investment.
International Visitors

An effective Sydney brand plays a strong part in influencing future travel decisions of inbound visitors. It is also important to continually build on Sydney’s high international profile and for the city to maintain its role as Australia’s primary arrival hub for international visitors.

Despite its role as Australia’s primary gateway, Sydney is losing its share of international visitors into Australia, particularly visitors from key emerging markets such as China and Malaysia, as well as established markets such as South Korea. This has occurred at a time when some other States have seen a rise in visitors from these markets (BDA 2012). This is demonstrated in Graphic B1.1.

Graphic B1.1: NSW’s market share of visitors from international target markets

For example, major high-end sporting events held in Melbourne play a key role in shaping that city’s brand. Events such as the Formula One Grand Prix, the Australian Open tennis tournament and the Melbourne Cup racing carnival contribute to Victoria being the Australian State most associated (by interstate residents) with sporting events (BDA 2012).

Destination NSW and the Tourism Industry must leverage a consistent brand and co-ordinate their activities to shape and promote Sydney’s identity in full (O’Neill 2008). A joined-up approach is essential to ensure that Industry and Government marketing and promotional investment is efficient and effective.

Investment in long-term, strong and consistent branding for Sydney will also benefit destinations within NSW. Relevant destinations will be able to leverage the strategy for attracting visitors into Sydney to encourage visitors to extend their visit to beyond Sydney itself. This ‘hub and spoke’ approach is also important feature of a NSW destination brand strategy.

Recommendation

1 Develop and implement a compelling, consistent and long-term brand strategy for Sydney that focuses on the priority target markets and liaise with Industry prior to implementation.

Actions

Five actions have been identified to implement this recommendation:

Action 1A: Build on the extensive brand development work already completed, finalise and implement a brand communications strategy for Sydney that drives the key brand messaging to attract business, education and leisure visitors.

Action 1B: Integrate the major events and festivals’ positioning and messaging into the broader brand strategy for Sydney.

Action 1C: Establish a systematic theming approach to the promotion of Sydney as a destination for use by all key Industry marketing partners.

Action 1D: Further develop intrastate/interstate packages which will encourage those visitors to key cultural and sporting events to extend their length of stay.

Action 1E: Allow iconic publicly-owned Sydney images, locations and events to be filmed/photographed at no charge when being used in Sydney brand promotions.
**NSW DESTINATION BRANDS**

**Rationale**
A compelling and consistent set of NSW destination brands is essential if NSW is to substantially increase the number of visitors to the level necessary to meet the 2020 visitor expenditure target.

**Snapshot**
NSW needs to confront the reality of diminishing demand from the domestic market for many regions of NSW and the pattern of decline in visitation from inbound markets.

Research shows there are only a small number of NSW regions which have high appeal as a place to visit to potential domestic travellers (BDA 2012). The impact of low-cost carriers has also seen an increase in domestic interstate air travel at the same time as a decline in self-drive intrastate and touring-style holidays and therefore the number of visitors passing through regions of NSW.

International visitors spent 84 per cent of their nights on their visit to NSW in Sydney. The NSW regions will have to work harder to attract international visitors to travel into the regions.

The boom in outbound Australian travel is continuing, and NSW destinations have to compete fiercely with overseas destinations as a short-break alternative for NSW residents.

Destination NSW needs to continue transitioning its marketing strategy from promoting an overall State brand to promoting the drawcard attractions, experiences, events and major destinations in NSW. This will require robust strategies for marketing and promotion that are based on the realities of consumer research and achieve industry buy-in and participation.

**BACKGROUND**
Regional NSW has the potential to contribute to, and benefit from, the increase in visitor expenditure required to meet the 2020 target. In terms of branding, however, the concept of ‘NSW’ means little to visitors, who rarely take the State label into consideration when planning and undertaking a journey.

The strength of regional NSW’s visitor economy lies within the broad range of destinations themselves. NSW has in the past marketed the State as a whole with a diverse range of destinations, experiences and attractions within it. Whilst this can resonate with some potential visitors, the majority of visitors will predominantly be drawn directly to destinations based on the special features that appeal directly to the individual’s preferred experience.

The Taskforce acknowledges the significant new Destination NSW initiatives underway in the area of regional destination brand development in recent months that will translate to new destination branding and marketing initiatives.

**Consumer appeal assessment of regions**
The Taskforce commissioned consumer appeal assessment of NSW. The research was conducted in 16 regions:

- Sydney
- Armidale/Tamworth
- Batemans Bay/Narooma (South Coast)
- Blue Mountains
- Byron Bay/Tweed Heads (North Coast)
- Coffs Harbour
- Dubbo
- Gosford/Wyong (Central Coast)
- Hunter Valley/Newcastle/Port Stephens
- Orange/Bathurst/Mudgee
- Outback NSW
- Port Macquarie/Great Lakes
- Riverina
- Shoalhaven/Jervis Bay (South Coast)
- Snowy Mountains
- Wollongong/Kiama.

The key findings are that not many regions have more than moderate appeal as they are, and that there are not enough unknown or unique experiences (BDA 2012).

**Attributes of NSW**
The survey of interstate residents demonstrated that, of the 22 key visitor experiences or ‘attributes’ surveyed across Australia, the top four attributes that are perceived to apply to NSW are: nightlife, shopping, history/heritage and coastal and beach experiences. Graphic B1.2 demonstrates that NSW is the number one State for only one attribute – nightlife.
State attributes – NSW’s top four attributes
(% of interstate population)
Which States do you associate with this attribute?

<table>
<thead>
<tr>
<th>Attribute</th>
<th>NSW</th>
<th>Vic</th>
<th>QLD</th>
<th>SA</th>
<th>Tas</th>
<th>WA</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nightlife</td>
<td>54</td>
<td>49</td>
<td>31</td>
<td>8</td>
<td>7</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Shopping</td>
<td>49</td>
<td>45</td>
<td>20</td>
<td>13</td>
<td>11</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>History and heritage</td>
<td>44</td>
<td>45</td>
<td>19</td>
<td>27</td>
<td>52</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>Coastal &amp; beach experiences</td>
<td>44</td>
<td>23</td>
<td>20</td>
<td>21</td>
<td>7</td>
<td>11</td>
<td>25</td>
</tr>
</tbody>
</table>

= State rated number one

Awareness of NSW destinations
The findings show that there is a low awareness of regional NSW destinations amongst interstate residents. Furthermore, there is inconsistent awareness of regional NSW attractions amongst NSW residents, with low awareness of some destinations remote from Sydney. This is demonstrated in Graphic B1.3, which shows the awareness levels of selected respondents of Regional NSW destinations, following an awareness stimulation exercise (prompted recall).

Awareness of NSW destinations – Australian residents
(% of respondents)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Interstate %</th>
<th>NSW residents %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>15</td>
<td>39</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>20</td>
<td>32</td>
</tr>
<tr>
<td>Byron Bay/Tweed Heads</td>
<td>37</td>
<td>28</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>30</td>
<td>23</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>40</td>
<td>22</td>
</tr>
<tr>
<td>Hunter/Newcastle/Pt Stephens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Riverina</td>
<td>53</td>
<td>16</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>54</td>
<td>15</td>
</tr>
<tr>
<td>Dubbo</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>Armidale/Tamworth</td>
<td>52</td>
<td>14</td>
</tr>
<tr>
<td>Batemans Bay/Narooma</td>
<td>62</td>
<td>13</td>
</tr>
<tr>
<td>Orange/Bathurst/Mudgee</td>
<td>58</td>
<td>13</td>
</tr>
<tr>
<td>Wollongong/Kiama</td>
<td>59</td>
<td>12</td>
</tr>
<tr>
<td>Port Macquarie/Great Lakes</td>
<td>61</td>
<td>12</td>
</tr>
<tr>
<td>Shoalhaven/Jervis Bay</td>
<td>65</td>
<td>12</td>
</tr>
<tr>
<td>Gosford/Wyong</td>
<td>65</td>
<td>11</td>
</tr>
</tbody>
</table>

= No/Low awareness
= High/Very High awareness

BDA 2012
Aspects of appeal

It is the natural, unspoilt locations which most appeal to potential intrastate and interstate visitors to NSW. Wildlife, beach and coastal experiences are also highly appealing to potential visitors (BDA 2012), as demonstrated in Graphic B1.4. This is consistent with industry feedback to the Taskforce that nature tourism is the stand-out experience with the potential to most motivate key inbound markets and generate maximum impact to drive visitation to Australia.

Food and wine was identified as a major attribute or aspect of appeal as well.

Events, conferences and exhibitions are also major drivers of visitation.

Graphic B1.4: Priority aspects of appeal to interstate visitors and NSW residents

Aspects of appeal to visitors to NSW and NSW residents

<table>
<thead>
<tr>
<th></th>
<th>Interstate</th>
<th>NSW residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature</td>
<td>46</td>
<td>50</td>
</tr>
<tr>
<td>Wildlife</td>
<td>44</td>
<td>48</td>
</tr>
<tr>
<td>Food &amp; wine</td>
<td>42</td>
<td>43</td>
</tr>
<tr>
<td>Beach &amp; coastline</td>
<td>42</td>
<td>50</td>
</tr>
<tr>
<td>Gardens</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Arts/culture</td>
<td>33</td>
<td>32</td>
</tr>
<tr>
<td>Historic</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>River experiences (i.e. hot air ballooning)</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Airborne activities</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>Land based activities</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>None of these</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Water activities (i.e. diving)</td>
<td>17</td>
<td>21</td>
</tr>
</tbody>
</table>

BDA 2012

Therefore, to further capitalise on domestic visitation opportunities, brand positioning of NSW destinations needs to take better account of the strengths of particular destinations and their appeal to different visitor types. Destination NSW needs to assist Industry to incorporate the aspects of appeal to potential visitors of key regional and rural destinations in NSW by market segment, for example, young people, students and education visitors, in order to develop effective branding strategies.

Priority issues

The Taskforce’s research concluded that there is insignificant demand potential for many of the NSW regions domestically and that new experiences and new events are needed to drive major region re-launches. The research showed that latent demand for the regions is relatively low and just knowing about current offers will not move the needle forward sufficiently for the 2020 goal achievement (BDA 2012).

The main issues relating to the branding of regional NSW destinations include:

- **focussing branding on destinations and unique experiences and events:** branding in Regional NSW requires a focus on destinations and activities, not an approach of branding ‘NSW’ as a travel destination

- **appeal factors within target markets:** regional destination branding must further build on appeal factors for visitors within key target markets and market segments

- **industry and community support:** an effective brand messaging strategy requires the strong support and buy-in of local industry and the community to enhance brand authenticity and drive awareness amongst visitors

- **Destination Management Planning:** regional destination branding must be part of a Destination Management Planning approach which is linked to Government support ensuring it is targeted and efficient

- **connection with Sydney’s branding:** there is a need to better utilise NSW’s key travel drawcard, Sydney, and ensure that branding for regional destinations leverages the capital city’s role as Australia’s premier visitor gateway and commercial hub.

Focusing branding on destinations and activities

Research shows that many regional destinations in NSW currently have sub-optimal and diminishing visitor appeal. This is particularly the case in key domestic interstate markets, where prospective visitors have difficulty in identifying the strengths and appeal of NSW regional destinations.

For example “ … none of them are unique, they’re all generic and there’s towns like that all over Australia …” (BDA 2012)

This is a confronting reality for NSW Industry and Government to face. Regional NSW needs to invest in an effective branding strategy that links branding, marketing and promotion to the needs of prospective visitors.
Unlike Queensland, with a brand which is very much associated with beach/tropical leisure holidays, NSW is a diverse State with a vast array of destinations and experiences that are difficult to consolidate into a single brand. There are many appeal factors that singularly draw interstate, intrastate and international visitors to NSW. NSW’s diversity means that travellers can choose to travel to Regional NSW to encounter a wide range of destinations, landscapes and experiences. Regional destination branding should effectively capture these appeal factors and ensure that the NSW experience reflects the diversity of the State.

Destination NSW and Industry must further utilise this latest research on visitor preferences for key NSW destinations and experiences in refining the brand strategy for the key regional destinations and experiences. As identified in Graphic B1.5, destinations across NSW generate considerable appeal when profiled individually.

**Graphic B1.5: Appeal of NSW destinations**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Interstate</th>
<th>NSW residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>39%</td>
<td>64%</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>32%</td>
<td>63%</td>
</tr>
<tr>
<td>Byron Bay/Tweed Heads</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>22%</td>
<td>47%</td>
</tr>
<tr>
<td>Hunter/Newcastle/Pt Stephens</td>
<td>22%</td>
<td>45%</td>
</tr>
<tr>
<td>Riverina</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Dubbo</td>
<td>15%</td>
<td>28%</td>
</tr>
<tr>
<td>Armidale/Tamworth</td>
<td>14%</td>
<td>35%</td>
</tr>
<tr>
<td>Batemans Bay/Narooma</td>
<td>13%</td>
<td>31%</td>
</tr>
<tr>
<td>Orange/Bathurst/Mudgee</td>
<td>13%</td>
<td>25%</td>
</tr>
<tr>
<td>Wollongong/Kiama</td>
<td>12%</td>
<td>30%</td>
</tr>
<tr>
<td>Port Macquarie/Great Lakes</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Shoalhaven/Jervis Bay</td>
<td>12%</td>
<td>42%</td>
</tr>
<tr>
<td>Gosford/Wyong</td>
<td>11%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Awareness of NSW destinations – Australian residents**

(% of respondents)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Interstate</th>
<th>NSW residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>39%</td>
<td>64%</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>32%</td>
<td>63%</td>
</tr>
<tr>
<td>Byron Bay/Tweed Heads</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>22%</td>
<td>47%</td>
</tr>
<tr>
<td>Hunter/Newcastle/Pt Stephens</td>
<td>22%</td>
<td>45%</td>
</tr>
<tr>
<td>Riverina</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Dubbo</td>
<td>15%</td>
<td>28%</td>
</tr>
<tr>
<td>Armidale/Tamworth</td>
<td>14%</td>
<td>35%</td>
</tr>
<tr>
<td>Batemans Bay/Narooma</td>
<td>13%</td>
<td>31%</td>
</tr>
<tr>
<td>Orange/Bathurst/Mudgee</td>
<td>13%</td>
<td>25%</td>
</tr>
<tr>
<td>Wollongong/Kiama</td>
<td>12%</td>
<td>30%</td>
</tr>
<tr>
<td>Port Macquarie/Great Lakes</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Shoalhaven/Jervis Bay</td>
<td>12%</td>
<td>42%</td>
</tr>
<tr>
<td>Gosford/Wyong</td>
<td>11%</td>
<td>40%</td>
</tr>
</tbody>
</table>

BDA 2012
The lack of a long-term, consistent, compelling and strong destination branding strategy has most likely impacted the level of visitation to Regional NSW destinations. As a result, one-off and individual promotions without establishment of brand are less effective as target audiences do not already identify with the destination brand. A detailed understanding of target markets and the appeal and strengths of key destinations is vital for the development of an effective destination brand strategy for NSW.

**Appeal factors within target markets**

Different markets and market segments seek different experiences. Given the diversity of destinations and experiences available in Regional NSW, it is important that potential visitors are able to gather information regarding the experiences that most appeal to them. This includes visitors from a full range of market segments, from leisure visitors to those wishing to undertake technical tours and field study visits for business/education purposes.

With regard to interstate travellers, different States have varying levels of awareness of Regional NSW destinations. Interstate awareness of Regional NSW is generally low across the board. However, awareness does differ on certain destinations on a State-by-State basis. **Graphic B1.6** demonstrates differing awareness in NSW’s two primary interstate source markets, compared with awareness across other States.

**Graphic B1.6: Awareness of NSW destinations – awareness of NSW experiences available**

<table>
<thead>
<tr>
<th>Destination</th>
<th>VIC No/Low awareness</th>
<th>QLD No/Low awareness</th>
<th>Other States No/Low awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>20%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>29%</td>
<td>16%</td>
<td>30%</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>45%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>Byron Bay/Tweed Heads</td>
<td>38%</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>42%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Hunter/Newcastle/Pt Stephens</td>
<td>57%</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Wollongong/Kiama</td>
<td>64%</td>
<td>49%</td>
<td>48%</td>
</tr>
<tr>
<td>Port Macquarie/Great Lakes</td>
<td>60%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Dubbo</td>
<td>45%</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Gosford/Wyong</td>
<td>68%</td>
<td>59%</td>
<td>59%</td>
</tr>
<tr>
<td>Armidale/Tamworth</td>
<td>68%</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>Shoalhaven/Jervis Bay</td>
<td>68%</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>55%</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>Orange/Bathurst/Mudgee</td>
<td>63%</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>Batemans Bay/Narooma</td>
<td>53%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>Riverina</td>
<td>54%</td>
<td>59%</td>
<td>59%</td>
</tr>
</tbody>
</table>

*No/Low awareness* | *High/Very High awareness*

BDA 2012

36  VISITOR ECONOMY ACTION PLAN 2012
The analysis demonstrates that Queenslanders generally have a higher awareness of the visitor experiences on offer in Regional NSW, compared with Victorians and residents of other States. Victorians have a higher awareness of Outback NSW, compared with Queenslanders and residents of other States.

This analysis demonstrates that branding across a diverse State such as NSW is complex and requires a multi-faceted approach that takes into account appeal factors and rates of awareness across key markets.

**Industry and community support**

Strong destination branding is most effective when local industry and the community is actively involved in developing and implementing the brand. If local industry and the community strongly support a branding strategy, they will play a key role in promoting the brand to prospective visitors and reinforcing the brand once visitors arrive.

Local industry and community involvement will ensure that the destination brand is authentic and that actual visitor experiences are delivered consistent with that brand message.

Strong industry involvement, including co-operative marketing, also lessens the potential cost for Government in marketing particular destinations. Industry and community involvement in the destination’s brand messaging strategy will also reinforce the brand in the eyes of visitors, as their visitor experiences will be consistent with the brand and connect them with the community.

**Destination Management Planning**

Effective branding is an essential element of developing a strong local visitor economy. The Taskforce recommends that destinations develop comprehensive and holistic Destination Management Plans that address supply and demand issues (see Strategic Imperative 3: Renew and revitalise destinations). Destination Management Plans provide certainty for investors regarding the nature and future use of destination assets, with increased investment helping to attract additional visitation.

Having incorporated branding linked to a Destination Management Plan will ensure that local and regional brand development and messaging forms an integral part of the destination’s broader strategic approach to promoting and growing the local visitor economy.

**Recommendation**

2 Finalise a long-term, compelling and consistently delivered brand strategy for the key identified NSW destinations, and ensure joint marketing with Industry support.

**Actions**

Five actions have been identified to implement this recommendation:

- **Action 2A**: Build a comprehensive brand positioning framework for NSW destinations, utilising current data on visitor preferences for key NSW destinations and experiences.
- **Action 2B**: Link brand positioning with Destination Management Plans and work with destinations to identify key features and promote key strengths.
- **Action 2C**: Integrate major events and festivals, arts and culture, natural heritage and other relevant positioning into the NSW destinations brand strategy.
- **Action 2D**: Establish a systematic theming approach to regional destination promotion for use by all key industry marketing partners.
- **Action 2E**: Allow iconic publicly-owned NSW images, locations and events to be filmed/photographed at no charge when being used in NSW destination brand promotions.
With limited resources and significant competition, Destination NSW needs to focus and target its efforts on those visitor markets and market segments that will give the best return to the State and help achieve the 2020 target. These markets and market segments need to be selected against criteria based on evidence and will include a mix of the traditional, specific, new, emerging and specific high-yielding opportunities. The strength of the appeal of specific events and festivals also needs to be factored into target market selection. Destination NSW will need to retain flexibility in target market and segment choice, for example, when new airline routes open up new potential markets or where a market segment has a high dispersal and expenditure profile.

All future Destination NSW promotional effort should be focussed on these selected target markets. As these markets are constantly changing, they will need regular review.

The analysis shows that the 2020 visitor expenditure target is achievable if NSW can hold its market share in mature visitor markets, whilst stretching current growth levels in rapidly emerging major markets such as China. It also indicates that, while international visitation will potentially be able to grow to some 15 per cent of total visitors under a future 2020 scenario (currently it is 11 per cent), maintaining the current levels of domestic visitation will remain a critical element in reaching the 2020 target. Therefore, a strategic focus on maintaining and growing domestic marketshare remains important.

Growth is needed not just in visitor numbers but also in spend. International high-yield visitors will be significant to this growth. The graphic below shows international visitor spend will need to grow from 33 per cent (base year of 2009) to 45 per cent in 2020.

**Graphic B1.7.**

**NSW visitor economy target**

NSW 2009 base year vs NSW 2020 target

International and domestic % contribution targets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>89</td>
<td>67</td>
<td>56</td>
<td>45</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>International</td>
<td>11</td>
<td>44</td>
<td>45</td>
<td>67</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Derived from NVS/IVS TRA and the Tourism Industry Potential, TRA)
NSW losing market share

Analysis of NSW’s recent visitor economy performance shows, without a deliberate and effective strategy and a mere continuation of recent State performance, NSW will fall short of the 2020 target by an estimated $13 billion (BDA 2012).

NSW has been losing market share, both at a domestic interstate level and at an international level, while States like Victoria have been securing additional domestic and international market share. There is also increasing competition from competitor international destinations, both in the Asia-Pacific region and globally.

To achieve the 2020 visitor economy goal with finite resources, NSW will need to focus on the identified priority, large and high-growth international markets.

NSW faces two parallel tasks:

- the first requires developing and implementing strategies that will enable NSW to preserve and hold market share in the domestic market and in key major mature international markets
- the second involves identifying priority growth international markets and market segments where investment can stimulate considerable growth.

Growth in the NSW visitor economy will come from three distinct types of visitors:

- intrastate visitors (40 per cent of overnight visitor expenditure in 2011)
- interstate visitors (33 per cent of overnight visitor expenditure in 2011)
- international visitors (27 per cent of overnight visitor expenditure in 2011) (BDA 2012).

Expenditure by international (inbound) visitors overtook expenditure by interstate visitors some five years ago, and is on a trajectory to overtake intrastate visitor expenditure as the primary source of visitor expenditure.
Priority should be given to the promotion of the NSW destinations that have the highest demonstrated consumer appeal to target markets.

**Interstate**

Although it has been able to capitalise in recent years on the fall in interstate visitors to Queensland and to remote States (BDA 2012), NSW has been progressively losing market share of interstate visitor demand (see Graphic A1.2 in Part A). NSW holds the number two State share of interstate visitor expenditure, behind Queensland (see Graphic B1.10).
There has been strong growth over the last three years in trips to the NSW Far North Coast by Queenslanders for the purpose of holiday and VFR (BDA 2012).

Victoria has recently overtaken Queensland, for the first time, as the primary source of interstate trips to NSW (BDA 2012).

Sydney has also experienced strong growth in visitors from Victoria and Queensland, particularly driven by business and VFR visitors (BDA 2012).

Priority should be given to the promotion of the NSW destinations that have the highest demonstrated consumer appeal to target markets.

**International**

The high Australian dollar and Eurozone crisis have impacted on international visitors to Australia and to NSW. There is a shift from the traditionally strong Western markets to the Eastern markets.

Whilst international visitor demand is forecast to grow, growth rates across markets are not consistent. Visitation is increasing from emerging Eastern markets (such as China and India), whilst visitation growth is lower, or declining, from the large, mature Western markets (such as the USA and Europe) and Japan.

**Mature markets**

The Taskforce’s research has identified five priority mature markets for focussed marketing attention, with the objective of holding market share: UK, USA, New Zealand, Japan and Germany.

**Priority growth markets**

The research has also identified five priority growth markets for focussed marketing attention, with the objective of holding and growing market share: China, South Korea, India, Singapore and Malaysia.

NSW’s international marketing effort should be focussed on these 10 priority international markets.

These 10 priority international markets deliver the best growth prospects for NSW. These contributions are shown in Graphic B1.11 below.

**Graphic B1.11: Top 10 international priority markets**

### Top 10 international priority markets

<table>
<thead>
<tr>
<th>Country</th>
<th>Current expenditure ($ billion)</th>
<th>% of current expenditure</th>
<th>Market target by 2020 ($ billion)</th>
<th>% of 2020 goal ($36.6 billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1.20</td>
<td>6.19%</td>
<td>4.30</td>
<td>11.75%</td>
</tr>
<tr>
<td>UK</td>
<td>0.60</td>
<td>3.09%</td>
<td>1.60</td>
<td>4.37%</td>
</tr>
<tr>
<td>South Korea</td>
<td>0.56</td>
<td>2.89%</td>
<td>1.50</td>
<td>4.10%</td>
</tr>
<tr>
<td>USA</td>
<td>0.50</td>
<td>2.58%</td>
<td>1.20</td>
<td>3.28%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.42</td>
<td>2.16%</td>
<td>0.84</td>
<td>2.30%</td>
</tr>
<tr>
<td>Japan</td>
<td>0.30</td>
<td>1.55%</td>
<td>0.57</td>
<td>1.56%</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.22</td>
<td>1.13%</td>
<td>0.50</td>
<td>1.37%</td>
</tr>
<tr>
<td>India</td>
<td>0.21</td>
<td>1.08%</td>
<td>0.50</td>
<td>1.37%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.14</td>
<td>0.72%</td>
<td>0.38</td>
<td>1.04%</td>
</tr>
<tr>
<td>Germany</td>
<td>0.16</td>
<td>0.82%</td>
<td>0.34</td>
<td>0.93%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.31</strong></td>
<td><strong>22.22%</strong></td>
<td><strong>11.73</strong></td>
<td><strong>32.05%</strong></td>
</tr>
</tbody>
</table>

BDA 2012

Indonesia should also be targeted as a potential priority market having regard to forecast growth.
NSW losing market share

However, it should be recognised that currently, in comparison to the rest of Australia, NSW is not achieving the same growth from several of the key Eastern markets.

China market

In major international growth markets, like China, NSW is losing its national share of airline seat capacity and as a consequence has lost share of outbound China trips to Australia (BDA 2012). Recently, China has been the only market showing significant growth, passing the USA as the third largest market of inbound visitors to NSW (BDA 2012). See Graphic B1.12 below.

Graphic B1.12: NSW source of inbound international visitors by country, 2000–11

NSW inbound visitors – origin country

BDA 2012
China currently contributes 6.19 per cent of total overnight visitor expenditure but this is expected to grow to 11.75 per cent of the 2020 goal. Destination NSW’s newly developed China Strategy is the first step in taking advantage of priority growth markets. Having regard to the increased focus on this critically and strategically important market by other world and Australian destinations, it is important that Destination NSW move quickly to promulgate its China Strategy and can adequately resource that Strategy.

Malaysia market
Identifying and quickly adapting to the demand of each priority market is crucial to capturing visitation. Identifying priority markets and providing opportunities to meet the demand is critical. For example, NSW’s share of arrivals is closely correlated with its inbound seat share. In 2008 NSW suffered a significant loss to Victoria in share of inbound visitors from Malaysia. This is a direct result of AirAsia X flying direct to Melbourne for the majority of its flights to Australia, along with supporting promotion. The introduction of the low cost Malaysian carrier AirAsia X flying direct to Melbourne enabled Victoria to capture a large share of the market in a short period of time.

It should be noted that Destination NSW has responded quickly since its formation by securing direct services to Sydney by AirAsia X in collaboration with Sydney Airport and Tourism Australia.

Market segments
An effective marketing strategy will require geographic targeting as well as demographic targeting which focuses on market segments and the purpose of visit. Key market segments that provide significant visitation and expenditure growth potential include:

- holidays (non-event related)
- visiting friends and relatives
- business (excluding conferences)
- leisure events
- education
- business events.

Each of these target market segments represents growth potential to help meet the 2020 expenditure target. NSW needs to focus resources on priority markets and priority market segments to maximise the return on its investment and to create the greatest possible uplift on visitation performance. In particular, priority must be given to market segments that will stay longer and have potential for wider dispersal into regional areas.

However, in recommending a stronger target market focus, the Taskforce does recognise the dynamic and fast changing environment in which Destination NSW and industry are working. It is important that Destination NSW has the operational and financial flexibility to respond to short-term, high-potential opportunities that might arise outside of these target market areas.

For the purposes of this report, references to the ‘international education market segment’ include formal and informal education, for example, study groups and farm and business visits for educational and training purposes, including English language training and post-graduate short courses and so on. Significant opportunities remain to do more with those education groups that are here and to attract greater numbers.

Recommendation

3 Focus all Government visitor marketing on the top target markets and market segments identified by research for NSW.

Actions

Eight actions have been identified to implement this recommendation:

General

Action 3A: Concentrate all future Destination NSW promotional effort, marketing, visitor servicing and product development solely on the top target markets identified through research: China, UK, South Korea, USA, New Zealand, Japan, Singapore, India, Malaysia, Germany and Indonesia. Identify the best market segment opportunities within or across these markets, for example, leisure, VFR, education, business.

Action 3B: Undertake regular updates of target market and segment analysis to determine how best to attract and service the highest potential yielding visitor markets in terms of spend.

Domestic

Action 3C: Promote NSW destinations that have the highest demonstrated consumer appeal and potential to grow visitor expenditure to target markets and incorporate events and festivals that are proven visitation drivers, for example, the Tamworth Country Music Festival, into the domestic target market strategy.
Action 3D: Ensure Destination NSW’s marketing maximises the spend potential arising from the strong growth seen in interstate VFR and business visitation segments.

**International**

Action 3E: Implement and adequately resource the comprehensive China Strategy that has been developed by Destination NSW.

Action 3F: Increase and adapt Destination NSW presence in target markets as the strategy requires.

Action 3G: Further analyse the top identified target markets to develop and focus on the following market segments identified for their growth potential:

- international education
- business events
- youth and working holiday makers
- baby boomers
- other high-yield niché markets and market segments.

Action 3H: Incorporate events and festivals that are proven visitation drivers, for example, Sydney New Year’s Eve, Vivid Sydney and Sydney’s Chinese New Year celebration, into the international target market strategy.

**DIGITAL MARKETING**

**Snapshot**

To successfully communicate with target markets and generate increased visitation, marketing strategies must be responsive to, and make immediate use of, the developments in technology and social media that caused a massive shift in the way travellers seek and share information as well as book travel.

There is a significant need for improved search functionality on all Industry websites in order for NSW to be truly competitive.

There is also a need to better capture and convert visitor interest as evidenced by measuring the numbers of online enquiries compared to the numbers of actual visitors, and benchmarking NSW’s performance compared to competitor destinations.

**Background**

An ever-increasing number of popular avenues for researching travel destinations and experiences are internet-based. Visitors are increasingly planning and booking trips online, either directly from the travel supplier or through an online travel agent. The modern traveller is increasingly dependent on online resources for bookings and purchases. Mobile devices and social media account for the highest growth in the uptake of online resources. Developments in technology and social media usage have generated a shift in the way travellers seek and share information when travelling across Australia.

For simple, low-risk travel there is an increasing consumer preference towards internet-based resources. Online services are increasingly prevalent in the travel market, with internet-based options for each step of a trip life cycle and modern travellers able to utilise the internet for various phases, including researching potential destinations, planning and booking their trip and, if applicable, providing online feedback on their experiences (for example, TripAdvisor). Factors such as accessibility, product detail, special offers, value adds, comprehensiveness, aesthetics, usability and consistency of the online presence of visitor economy businesses influence a potential visitor’s final travel decision and purchase.
In 2010, eight out of ten of all Australian tourism businesses that take bookings had an online presence. However, unfortunately only ten tourism businesses were found to offer availability and price checking or offer instant confirmation for bookings on their websites (AU 2010).

There is a critical need for visitor economy businesses to improve their capability in the online environment if the required numbers of visitors are to be attracted to destinations and experiences within NSW.

This is especially relevant for targeting the Chinese market. In China, there were an estimated 457 million internet users in 2010. This represents an increase of about 19 per cent from 2009 levels. About 66 per cent of these users access the internet using a web-enabled mobile device. Ctrip.com, a company based in China, has developed a version of its service which is compatible on mobile devices. This service – m.ctrip.com – facilitates the booking of flights and hotels across China (Burson Marsteller, 2011).

Presently, potential visitors can source information regarding travel to NSW through primary online methods:
- general internet searches
- regional information websites
- VisitNSW.com
- private travel websites (including online travel agents).

Graphic B1.13 demonstrates that these online methods are the most prevalent sources of both information and booking services for domestic travellers to, and within, NSW.

<table>
<thead>
<tr>
<th>Information sources</th>
<th>Booking location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet search</td>
<td>62</td>
</tr>
<tr>
<td>Regional info website</td>
<td>40</td>
</tr>
<tr>
<td>VisitNSW.com</td>
<td>34</td>
</tr>
<tr>
<td>Travel website (reviews)</td>
<td>32</td>
</tr>
<tr>
<td>Brochures</td>
<td>32</td>
</tr>
<tr>
<td>Friend/relative (visited)</td>
<td>31</td>
</tr>
<tr>
<td>Online Agent</td>
<td>28</td>
</tr>
<tr>
<td>Regional visitor centre</td>
<td>21</td>
</tr>
<tr>
<td>Friends/relative (reside)</td>
<td>20</td>
</tr>
<tr>
<td>Guide books</td>
<td>18</td>
</tr>
<tr>
<td>Tourism operator</td>
<td>21</td>
</tr>
<tr>
<td>Travel agent</td>
<td>20</td>
</tr>
<tr>
<td>Airline</td>
<td>18</td>
</tr>
</tbody>
</table>

Graphic B1.13 Planning and booking travel to NSW.

The rapid growth of social media in recent years provides an opportunity to use new media to connect with potential, existing and recent visitors. Social media also provides an opportunity for visitors to participate directly in the promotion and marketing of a destination, which can have major positive impact for the promotion of a destination, through online means such as Twitter, Facebook and China’s Weibo.

It is important that businesses in the NSW visitor economy are tech-ready to capitalise on the opportunities presented by the digital economy. As the China case study demonstrates, competitor markets are already using digital media to their advantage.
Priority issues
Several priorities have been identified to improve communication with target markets:

- **digital marketing for all promotional activity:** shifting marketing resources to increased use of digital marketing for all promotional activity will have greater impact

- **capitalising on social media:** NSW destinations need to become more sophisticated in how they engage with social media

- **digital media leadership:** NSW has an opportunity to become a leader in technological innovation in the visitor economy context

- **innovating with industry:** effective partnerships with the IT industry can help drive cutting-edge innovation.

Digital marketing for all promotional activity
Recent years have witnessed a major global uptake of digital and social media platforms through a wider range of devices including smartphones and tablets. For predominantly online consumers, the proliferation of web-based technology has created competition for traditional information and booking services, such as visitor information centres, travel agents and in-person booking services. Expanding the use of digital marketing and developing capabilities in emerging technologies is imperative in meeting the demands of the next generation of visitors.

One of the great advantages of online technology is its global accessibility. In the online world, Australian destinations are not constrained by geographical isolation. A well-implemented digital profiling and marketing framework has the potential to massively increase exposure in key emerging markets, such as China.

Digital media is rapidly reshaping travel purchasing in NSW, as elsewhere. Despite the lack of online bookings capability amongst many Australian businesses in the visitor economy, the use of internet-related information and bookings has grown considerably in recent years. This growth, for both international and domestic visitors, is demonstrated in Graphic B1.14 below.

The successful exploitation of online media opportunities will help visitors to, and within, NSW to better access products and services. Better integration of marketing and booking systems will create valuable linkages across the visitor economy and better connections for the visitor to a broad range of services. The growth of digital media underscores the need for visitor-reliant businesses to ensure that they have an adequate digital presence.

---

**Graphic B1.14: Internet use for visitor-related information and bookings**

**Internet use for visitor-related information and bookings**

The successful exploitation of online media opportunities will help visitors to, and within, NSW to better access products and services. Better integration of marketing and booking systems will create valuable linkages across the visitor economy and better connections for the visitor to a broad range of services. The growth of digital media underscores the need for visitor-reliant businesses to ensure that they have an adequate digital presence.
Capitalising on social media

Social media networks have the capacity to help NSW destinations reach a very large audience. Social media is an increasing part of everyday lives. Industry and Government have the potential to better capture the opportunities presented by social media and use recognisable platforms such as Facebook, Twitter, YouTube and Weibo to communicate directly with visitors and prospective visitors.

One of the most significant opportunities presented by social media networks is when an issue, event or person generates considerable ‘noise’, which can generate a very large volume of interest from prospective travellers. Effective use of social media to generate a commercial outcome requires a targeted and strategic approach. Additionally, organisations, authorities and corporations can use social media to run targeted campaigns to generate interest in a particular good or service at a relatively low cost.

Social media can be a powerful tool to connect with potential visitors and reinforce brand messages delivered through traditional media, as demonstrated in the following case studies.

CASE STUDIES – CAPITALISING ON SOCIAL MEDIA

Destination NSW recently used Weibo – a Chinese version of YouTube – for an online promotion with a travel wholesaler to stimulate bookings to Sydney for the Vivid Sydney Festival. By utilising this social media promotional vehicle, more than 4,000 Chinese visitors are booked to experience Vivid Sydney 2012.

Destination NSW and the Sydney Gay and Lesbian Mardi Gras secured international pop music legend Kylie Minogue as the feature performer for the 2012 Mardi Gras. Kylie Minogue has more than 1 million followers on Twitter and as part of the event, Kylie and her followers sent numerous tweets about her great experiences in Sydney during her stay.

Digital media leadership

Online usage for visitor-related purposes is higher for younger international and domestic visitor age groups (TRA, 2011). Graphic B1.15 demonstrates that, over time, as the high-usage age groups become more dominant, the proportional reliance to travellers on digital media is likely to increase.
As visitor usage of digital marketing and social media increases over the next eight years to 2020, it is increasingly likely that competition will intensify between NSW and competitor destinations to fully capitalise on opportunities emerging in the digital age. NSW must commit to being the leader in digital marketing and social media innovation.

Analysis by BDA demonstrates that NSW is currently number two, behind Victoria, as the State perceived by non-NSW Australian residents as the most progressive in Australia (see Graphic B1.16).

**Graphic B1.16: Perceptions of non-NSW Australian residents regarding which State is the most progressive**

<table>
<thead>
<tr>
<th>State</th>
<th>(%) of interstate population</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>27</td>
</tr>
<tr>
<td>Vic</td>
<td>29</td>
</tr>
<tr>
<td>QLD</td>
<td>20</td>
</tr>
<tr>
<td>SA</td>
<td>10</td>
</tr>
<tr>
<td>Tas</td>
<td>10</td>
</tr>
<tr>
<td>WA</td>
<td>16</td>
</tr>
<tr>
<td>NT</td>
<td>10</td>
</tr>
</tbody>
</table>

NSW must strive to be the most technologically advanced and progressive State in Australia, particularly in terms of the digital economy.

The NSW Government is preparing an Industry Action Plan on the Digital Economy under NSW 2021 and support for the growth of the visitor economy needs to also feature in this plan.

**Partnership with Industry**

Destination NSW must forge a role as a digital marketing and social media leader and encourage greater use within the Tourism Industry. This will require strong partnerships between Destination NSW, businesses in the visitor economy and IT innovators and strategists.

Visitors need to be able to move seamlessly and easily from NSW Government websites to individual tourism business websites and other information websites and book their holiday or visit. This is a particularly competitive environment and NSW will lose visitors if it does not perform in this space.

**Recommendation**

4 Focus visitor economy marketing resources on a greater use of digital marketing and promotions and improve the links between complementary digital information services.

**Actions**

Five actions have been identified to implement this recommendation:

**Action 4A:** Build a competitive Industry and Government digital marketing capability, harnessing:
- online promotion/search engine optimisation
- social media networks/videocasting/blogs
- location and map search functions, smartphone apps, including QR code.

**Action 4B:** Expand and disseminate insights from social media tracking programs that monitor the extent and nature of ‘buzz/talkability’ around NSW destinations and experiences by each priority market segment.

**Action 4C:** Take a leadership position in the digital space with new technologies, for example, augmented reality technology.

**Action 4D:** Partner with Industry to accelerate the adoption and development of new technologies and digital marketing by the Tourism Industry.

**Action 4E:** Establish a new and comprehensive whole-of-state website for events and festivals, conventions and exhibitions of all types, which can be viewed and searched by week/month and event genre and linked to relevant websites.
PART B
STRATEGIC IMPERATIVE 2:
GROW PHYSICAL CAPACITY
CONTENTS

STRATEGIC IMPERATIVE 2: GROW PHYSICAL CAPACITY

INFRASTRUCTURE

Accommodation capacity
5 Improve regulatory environment for investment in visitor accommodation
6 Develop a NSW Visitor Accommodation Supply Plan

Airport capacity – Sydney Airport
7 Reduce artificial restrictions at Sydney Airport
8 Incentivise air services and new routes
9 Address ground transport access at Sydney Airport

Airport capacity – regional airports
10 Expand regional airport capacity

Cruise ship capacity
11 Expand cruise berth capacity in Sydney
12 Prepare a 10-year Cruise Development Plan
13 Support earliest implementation of current infrastructure enhancements

Integrated transport planning
14 Include visitor needs in transport planning

SKILLS AND LABOUR

Awards and conditions
15 Call on Commonwealth Government to review Fair Work Act 2009

Local skills and labour sources
16 Improve access to training for Australian residents

International skills and labour sources
17 Increase international short-term labour supply
STRATEGIC IMPERATIVE 2: GROW PHYSICAL CAPACITY

Rationale
NSW must grow the physical capacity of its infrastructure to enable the required growth in visitor numbers to be achieved. Accommodation and air capacity are the highest priority capacity challenges which must be addressed.

INFRASTRUCTURE
Key infrastructure and capacity needs to be addressed to achieve the 2020 target include:
- accommodation capacity
- air capacity – Sydney Airport
- air capacity – regional airports
- cruise ship capacity
- integrated transport planning.

ACCOMMODATION CAPACITY

Snapshot
A doubling of the overnight visitor expenditure by 2020 will demand more visitor accommodation for Sydney’s CBD and Greater Sydney. Achieving the target will also have an impact on current and future demand for accommodation in regional NSW.

A measured and effective whole-of-government approach is required to encourage a phased accommodation development, as investors require certainty regarding future development plans in order to make investment decisions over the medium to longer term.

Currently, there is limited capacity to promote additional visitation into Sydney. Competitor destinations, such as Melbourne, have implemented a strategy which has ensured that accommodation capacity has stayed ahead of demand.

Background
Currently there is limited capacity to promote additional visitation into Sydney due to the lack of accommodation capacity. Competitor destinations, such as Melbourne, have implemented a strategy and an efficient development approval process which has ensured that accommodation capacity has stayed ahead of demand. Melbourne has also implemented a sustainable major events calendar and invested heavily in tourism marketing over many years to ensure a manageable spread of demand.

Accommodation supply includes hotel rooms, serviced apartments, caravan parks, holiday rentals and hostels.

Average annual hotel occupancy in Sydney is over 80 per cent. This means that at peak times accommodation is scarce and prices increase substantially. Furthermore, despite a post-GFC decline in 2008–09, hotel occupancy rates in Sydney have been steadily increasing since 2006.
Additionally, despite high hotel occupancy rates in most State capital cities, Sydney’s occupancy rate in recent times is the highest of any capital city in Australia. See Graphic B2.2.

There is currently a shortage of short-term visitor accommodation in Sydney to accommodate the 2020 NSW visitor economy target.

Tourism Australia’s 2020 Tourism Industry Potential estimates an additional 40,000 to 70,000 hotel rooms will be required in Australia to accommodate the national target of doubling overnight expenditure from $70 billion to as high as $140 billion in 2020.

A Tourism Accommodation Australia (TAA) report recommends hotel supply increases of between 150 to 550 rooms per annum (based on current TRA demand projections of 1.8 per cent growth annually) or 5,000 rooms in total by 2020 to allow for market expansion, capture future demand and result in a sustainable hotel sector in Sydney. TAA’s report estimates Sydney could lose $189 million in annual investment or a total of $1.7 billion of investment by 2020 unless a balance is found between encouraging investment and growing demand.

(TAA April 2012).

A 2010 study commissioned by the NSW Tourism, Investment and Planning Taskforce undertaken by Jones Lang LaSalle Hotels (JLLH) projected that accommodation supply in Sydney city and metropolitan markets would need to increase in the order of 8,900 rooms over the next ten years, from 32,916 in 2009 to 41,790 in 2020 (JLLH 2010).

Notwithstanding the significant range of the various Industry forecasts, what is evident is that a capacity shortfall exists and this capacity constraint will restrict NSW’s ability to provide accommodation for the likely number of visitors necessary to double overnight visitor expenditure by 2020.

The Taskforce notes the recent positive initiatives by the NSW Government to identify potential hotel investment opportunities available for Australian or overseas interests.
Planning issues

A historical lack of long-term Government planning, alongside the challenges presented by market fundamentals, such as the low return on hotel investment compared to retail and office space, has not helped Sydney present a competitive edge in attracting investment in visitor accommodation. In particular:

• land available for hotel development, particularly in Sydney’s CBD, competes with other asset class development opportunities. Land is scarce and, depending upon the economic and property cycle, alternative land uses for accommodation often provide higher immediate returns for private developers and landowners
• there has been a loss of existing hotel stock due to hotel closures and conversion to residential units
• private investors will overlook investment into new accommodation developments in favour of higher-yield property investments such as residential or commercial office development
• planning and approvals processes for hotel developments have historically encountered delays due to regulatory red tape. Investors have advised the Taskforce that it takes an average of eight years to get a major development completed in Sydney. In a competitive market, this is a disincentive for pursuing accommodation development opportunities in NSW.

Government action is required to help ensure Sydney has sufficient hotel capacity to accommodate projected growth and reach its projected targets. This will require greater Government co-operation and integration at all levels to remove unnecessary constraints on new development. Action is required to sustain existing accommodation assets, including building refurbishment/retrofitting, whilst encouraging demand-driven new accommodation development to meet NSW’s rising visitor demand.

The NSW Deputy Premier recently announced that the current Property Asset Utilisation Taskforce will undertake an audit of Government property in Sydney’s CBD and key tourism precincts to identify opportunities for use of Government-owned buildings and land for new or redeveloped visitor accommodation. This initiative was recommended in the Visitor Economy Taskforce’s Work-in-Progress Report and is strongly supported.

Priority issues

Two priority issues have been identified to improve accommodation capacity in Sydney’s CBD:

• investment and regulatory framework: there is a need to further improve the investment and regulatory framework in order to encourage private investment in accommodation facilities that will improve accommodation capacity throughout Sydney’s CBD
• visitor accommodation supply plan: there is a need to develop a strategic NSW Visitor Accommodation Supply Plan that will assist in providing for sustainable growth in key tourism precincts. It will help ensure that achievement of the 2020 target is not inhibited by accommodation capacity issues.

Investment and regulatory framework

In addition to red tape delays, there has been a lack of planning incentives (for example making Government-owned sites available, floor space ratios) as well as financial incentives to encourage investment. With this in mind, it is critical that the NSW Government continue to further improve the investment and regulatory framework, including through the current NSW Planning Review, in order to encourage and facilitate investment in accommodation assets.

Creating an environment which incentivises accommodation development to help ensure that it offers similar financial returns to other infrastructure investment opportunities will promote greater investment in accommodation. Meanwhile, Government support at all levels to reduce regulatory red tape associated with the planning, approvals and construction phases of property development will further encourage visitor accommodation development.

A measured and effective whole-of-government approach is required to ensure a phased development of the long-term asset class that hotels represent.
NSW Visitor Accommodation Supply Plan
The necessary growth in visitor numbers to meet the 2020 target must not be constrained by a lack of accommodation options for visitors. The development of a NSW Visitor Accommodation Supply Plan is necessary to address the immediate accommodation shortage in Sydney’s CBD, while ensuring that key and emerging tourism precincts contain sufficient accommodation infrastructure to attract and meet growing demand.

It is expected that the NSW Visitor Accommodation Supply Plan will provide for incremental and sustainable growth in, and rejuvenation of, accommodation supply in key tourism precincts and provide a collaborative framework to encourage and facilitate accommodation development which meets market needs.

In addition, there needs to be greater flexibility in the Fair Work Act 2009 (see Recommendation 15).

Recommendations

5 Provide an investment and regulatory environment for the City of Sydney and its surrounds which supports and encourages private investment in accommodation facilities, including:

- incentives for visitor accommodation development
- removal of regulatory impediments during the planning, approvals and construction phases of property development.

6 Develop a NSW Visitor Accommodation Supply Plan to:

- undertake regular accommodation supply and demand studies
- ensure that achievement of the visitation target is not constrained by a shortage of visitor accommodation in key tourism destinations across NSW
- encourage incremental and sustainable growth in, and encourage rejuvenation of, accommodation supply in key tourism destinations
- encourage and facilitate investment in new visitor accommodation that matches market needs
- provide confidence to investors and operators about the stability of their operating environment
- contribute to the NSW Government’s broader infrastructure planning processes and investment incentives.

This Plan would focus on the immediate accommodation shortage in Greater Sydney and, secondly, on identified key and emerging regional tourism destinations to meet and generate demand.

Actions

Eight actions have been identified to implement these recommendations:

Action 5A: Work with the City of Sydney on future land-use and development standards to be incorporated in the Sydney Local Environment Plan and Development Control Plan to encourage and incentivise visitor accommodation in key Sydney precincts.

Action 6A: Establish a joint Government/Industry group to oversee development of the NSW Visitor Accommodation Supply Plan and monitor its ongoing implementation.

Action 6B: Ensure that the current Property Asset Utilisation Taskforce completes an audit of Government property in Sydney’s CBD and key tourism precincts to identify opportunities for use of Government-owned buildings and land for new or redeveloped visitor accommodation.

Action 6C: Identify and release Crown land suitable for visitor economy purposes, including caravan/tourist parks, ecotourism, heritage, family or Aboriginal-based tourism developments, including in or adjacent to National Parks, State Forests and Reserves and other Crown lands. Ensure that sustainable development and management practices are adopted.

Action 6D: Liaise with owners of ‘eco-lodges’ and similar establishments to encourage the construction of buildings utilising green technologies and sustainable management practices and incorporate these insights into the NSW Visitor Accommodation Supply Plan and Destination Management Planning process for NSW.

Action 6E: Introduce specific incentives and remove unnecessary regulatory/approval procedures and requirements to encourage the adaptive re-use and preservation of heritage buildings.

Action 6F: Ensure visitor accommodation targets are included in major Government-led urban renewal and strategic land use projects, such as Barangaroo and the new convention precinct.

Action 6G: Call upon the Commonwealth Government to provide greater flexibility within the Fair Work Act 2009 to lessen the constraints of higher penalty rates on the accommodation sector.
AIR CAPACITY – SYDNEY AIRPORT

Snapshot

NSW is losing relative market share of inbound seats from major international growth markets, for example, outbound long-haul China seats and trips.

Forecasts indicate there will need to be an increase in domestic and international air seats to NSW if the 2020 target is to be reached.

These measures are focussed on achieving the 2020 visitor economy target. The 2020 target cannot be achieved unless the artificial constraints on Sydney Airport are reduced. The Airport’s ability to perform as Australia’s national gateway is critical to the growth of the visitor economy and overall economic health of NSW. Improved access to regional airports near the Sydney basin is also vital to facilitate the attraction of additional airlines and routes to NSW.

Background

Whilst NSW is still Australia’s leading State in terms of inbound airline seats into Australia, it has been losing market share to other States in recent years. As Graphic B2.3 demonstrates, NSW has been losing market share to Victoria and Western Australia in particular.

Graphic B2.3: Market share of inbound seats into Australia – international visitors

The drop in NSW’s inbound aviation market share is particularly evident amongst the key target markets. Graphic B2.4 demonstrates that NSW’s recent loss of market share from China and Malaysia has been primarily due to increased flights to Victoria.
This analysis shows that while NSW still retains the greatest market share, other States are capitalising on issues that impact NSW, such as aviation capacity.

The Taskforce also notes the recommendations contained in the report of the Joint Study on aviation capacity in the Sydney region (the Joint Study). As the Joint Study involved a comprehensive review by Commonwealth and State authorities and officials of the need for a second Sydney airport and the Taskforce’s recommendations relate to actions within a 2020 timeframe, the Taskforce considers that this issue is outside its terms of reference.

Sydney Airport is one of the key pieces of infrastructure underpinning Sydney’s competitive strength. It is the gateway airport for international visitors arriving in Australia and NSW, catering for 35 million passengers annually.

The recently published Joint Study examined long-term issues out to 2060, and found that:

“... under current constraints, Sydney (Kingsford-Smith) Airport will become unable to meet demand for new services.”

Forecasts demonstrate that international visitors will account for a majority of visitor economy growth in NSW to 2020. Nearly all these international visitors will arrive by air, with the majority of direct international flights into NSW expected to arrive at Sydney Airport.

Analysis undertaken for the Taskforce indicated that achieving the 2020 visitor expenditure target translates to a 7 per cent per annum increase of inbound passengers into Sydney Airport. Sydney Airport’s Master Plan currently forecasts a passenger growth rate of 5.6 per cent per annum over the period to 2020 (SACL 2009). This growth forecast will only account for 80 per cent of the growth required to meet the 2020 visitor expenditure target, which will result in a significant shortfall.

The issues of the cap on movements and the shoulder curfew were examined in detail in the Joint Study.

In essence aircraft movements at Sydney Airport are regulated by two pieces of legislation:

- the Sydney Airport Demand Management Act 1997 (the Demand Management Act)
- the Sydney Airport Curfew Act 1995 (the Curfew Act).

These pieces of legislation are used to regulate aircraft noise during the day and night respectively.

The Demand Management Act regulates the number of aircraft movements that are allowed per hour. The Act places a limit of 80 scheduled aircraft movements per regulated hour.3

3 A regulated hour is a period of 60 minutes starting either on the hour, or at 15, 30 or 45 minutes past. It is not a regulated hour if it starts during or less than 60 minutes before a curfew period.
The *Demand Management Act* established the framework within which the Slot Management Scheme was developed, and currently operates. The Slot Management Scheme provides a system for allocating permissions for gate movements at Sydney Airport.

As indicated in the Joint Study at present, on Fridays from 7.00am to 9.00am the cap of 80 movements per hour is reached, and almost reaches the cap on other mornings, and in the evening from 5.00pm to 7.00pm (JAS, 2012).

In particular, the Joint Study found that by 2020, all slots on weekday mornings between 6.00am and noon and between 4.00pm and 7.00pm will be fully allocated, so growth of passenger capacity at these times will be dependent on aircraft upgauging, that is, current aircraft being replaced by larger capacity aircraft (JAS, 2012).

The Joint Study recommended increasing the cap from 80 movements per hour to 85 movements per hour during the peak periods (JAS, 2012). The peak hours for the purposes of the Joint Study were weekdays from 6.00am to 10.00am, and 3.00pm to 8.00pm. The Taskforce has adopted these hours as the peak hours for the purposes of this Final Report and the *Visitor Economy Action Plan*.

The curfew

Regulated hours operate from 6.00am to 11.00pm. Outside of this period, aircraft movements are regulated by the *Curfew Act*, which restricts landings and take-offs during the curfew period from 11.00pm to 6.00am.

The shoulder period of the curfew is in operation from 11.00pm to midnight and from 5.00am to 6.00am. During the shoulder period, the *Curfew Act* legislates international passenger aircraft movements, including a maximum of:

- 35 landings per week, and 7 per day, between 5.00am and 6.00am
- 14 aircraft movements between 11.00pm and midnight per week, and no more than 4 on any one day.

Currently, the associated regulations, the Sydney Airport Curfew Regulations 1995, impose tighter restrictions on aircraft movements during the shoulder period than those outlined in the *Curfew Act*. The regulations prescribe that:

- no take-offs or landings are permitted between 11.00pm and midnight, sub-regulation 6(2)
- a maximum of 24 landings per week, and 5 per day are allowed between 5.00am and 6.00am, sub-regulation 7(1).

The Taskforce is not proposing any legislative changes to the 11.00pm – 6.00am curfew. The Taskforce however is proposing that the regulations governing the shoulder am curfew are amended to be aligned with the *Curfew Act* to allow more movements within the am shoulder curfew, consistent with the legislation. The Taskforce is also proposing that the hourly cap be increased to at least 90 movements during the peak period.

Aircraft coming off the production line today are significantly quieter than they were 40 years ago. Further substantial environmental benefits are expected due to the increasing use of new generation, quieter aircraft such as the Airbus A380, A320neo and Boeing’s B787, 737MAX and 7478F. Qantas has taken delivery of ten of its planned twenty A380 aircraft. This represents the second-largest A380 firm order of any airline in the world. Many other airlines regularly flying to Sydney also have A380s on order, including Emirates (90), Etihad (10), China Southern (5), Korean Airlines (10), British Airways (12), Singapore Airlines (19), Thai Airways (6), Asiana Airlines (6) and Virgin Atlantic (6).

Airservices Australia has released a report showing that the A380 is between 2.3 and 6.7 decibels quieter than the B747-400 when departing Sydney Airport. Airservices Australia indicates that a 3 decibel reduction is regarded as halving an aircraft’s noise energy.

**Regional airline utilisation**

Ongoing access for the regional airlines to Sydney Airport and the nearby CBD is vital for regional communities and also to enable transfers to flights to other interstate or overseas destinations.

The *Demand Management Act* protects direct flights between Sydney and airports within NSW with a ring-fence (the regional ring-fence). The regional ring-fence comprises a number of rules, including:

- NSW regional slots cannot be freely swapped with domestic or international flights
- NSW regional slots are limited to the level operated in 2001 during peak periods
- new NSW regional services can only be allocated between 11.00am and 3.00pm or after 8.00pm (ACA, 2011).

The evidence shows that there is a very high level of utilisation by the regional airlines of the protected regional slots. Only very few regional slots remain available on some days during peak periods (ACA, 2011).
Priority issues

Despite Sydney Airport’s critical role in facilitating NSW’s current visitor market share, these regulatory constraints prevent it from achieving its full potential in helping to drive growth in visitation. The Visitor Economy Taskforce consultation process has identified three priority issues which, if addressed, will improve the existing capacity of Sydney Airport:

• regulatory restrictions: easing the current artificial constraints on aircraft movements at Sydney Airport is necessary to facilitate the expected growth in visitor arrivals

• whole-of-government strategy: a whole-of-government strategy is required to improve access to priority markets and increase air services frequency, which will drive the bulk of growth up to 2020. A holistic strategy will enable greater access to NSW and selected regional areas

• ground transport access: urgent action is required to address the issues of ground transport access to Sydney Airport to improve the connections to the airport and surrounding precincts.

Regulatory restrictions

The artificial constraints referred to above not only impact the day-to-day operations of Sydney Airport and impede its ability to use its available capacity efficiently but also result in a significant foregone economic benefit to NSW.

Movement cap

Recent analysis by KPMG indicates that increasing the existing movement cap in the peak hours to either 85 (as recommended by the Joint Study) or 90 movements per peak period hour will significantly increase overnight visitor expenditure by $300 million or $600 million per year respectively.

Shoulder curfew

Further analysis by KPMG indicates that increasing the number of international landing slots available during the morning shoulder period by 11 per week (as provided for in the Curfew Act) will result in between $228 million additional overnight visitor expenditure per year, (with the current aircraft mix) and $325 million additional overnight visitor expenditure per year (with the likely future aircraft mix).

These two regulatory changes have the potential to significantly increase the level of visitation necessary to achieve the 2020 visitor expenditure target.

Whole-of-government strategy

Stronger partnerships and communication between all relevant Government Departments, agencies and private organisations are required to improve the capability, efficiency and visitor experience both within, and in accessing, Sydney Airport.

Ground transport access

Ground transport access to Sydney Airport and the surrounding precinct is hampered by limited connections, which currently require considerable redevelopment. Upgrading user access is critical to enable NSW to effectively meet increased visitor demand. Visitors increasingly require more efficient transport options to and from Sydney Airport, which demonstrates why infrastructure upgrades are of high priority, as are public transport networks which increase accessibility.

The Joint Study concluded that rail and road transport links to the airport will reach capacity by 2013 and 2015 respectively:

“… at the current level of operations, train services to the city travelling via the airport will reach capacity by 2013 in the morning peak period …”

“… current roads and intersections at the entrance to the airport Domestic Terminal precinct are expected to reach a critical point as early as 2015 …”

The Taskforce urges immediate action to ensure that ground transport capacity constraints do not prevent NSW meeting the 2020 visitor expenditure target.

Recommendations

7 Call upon the Commonwealth Government to relax the current restrictions on aircraft movements at Sydney Airport to facilitate growth in visitor arrivals.

8 Develop a whole-of-government NSW aviation strategy, including incentives and marketing, to improve air services frequency and add new routes which access and service target markets. The strategy should address access into Newcastle, Canberra and Coolangatta airports as well as Sydney Airport.

9 Take urgent action to address the issue of ground transport access to Sydney Airport.
Actions

Eight actions have been identified to implement this recommendation:

Action 7A: That the NSW Government take all possible action to have the Commonwealth Government amend the Sydney Airport Demand Management Act 1997 so as to increase the statutory movement cap to at least 90 per hour in the peak period.

Action 7B: Call upon the Commonwealth Government to increase the am shoulder curfew movements by 11 movements per week so as to be consistent with the Sydney Airport Curfew Act 1995.

Action 8A: Ensure that the NSW Government’s Long-Term Transport Master Plan identifies and incorporates opportunities to improve passenger movement to and from Sydney Airport.

Action 8B: Work with Sydney Airport Corporation Limited (SACL) to ensure that Sydney Airport’s Master Plan has adequate provision for the expected increased growth in visitor numbers in accordance with this Visitor Economy Action Plan.

Action 8C: Support the introduction of a common air border between Australia and New Zealand, which would result in significant opportunities for increased international flights to regional airports, particularly Newcastle.

Action 8D: Work with Sydney, Newcastle, Canberra and Gold Coast/Coolangatta airports to develop a NSW aviation strategy.

Action 9A: Support the recommendation of the Joint Study on Aviation Capacity in the Sydney Region that the Commonwealth and NSW Governments, in consultation with SACL, commence work on the detailed planning required for a program of surface transport works to improve the connections to the airport and surrounding precinct, including:

- a program to upgrade roads and intersections in the locality of the airport
- improvements to rail services to and from Sydney Airport and the CBD
- a commitment by the Commonwealth and NSW Governments to invest in suitable rolling stock and train paths to increase airport rail link service capacity
- establishment of priority lane access for buses and taxis from the CBD to and from Sydney Airport
- expansion of the Sydney bus network services to and from the airport
- development and implementation of a plan to facilitate bus and mini-bus access to a centralised transit point or points at the airport terminal precincts.

Action 9B: Support the recommendation of the Joint Study on Aviation Capacity in the Sydney Region that the NSW Government consult with the Commonwealth Government and SACL to develop and implement a strategy for increasing the patronage of the airport rail system, which includes improving the visitor experience, for example, by providing easier baggage storage, porter services and access to luggage trolleys.
AIRPORT CAPACITY – REGIONAL AIRPORTS

**Snapshot**

Newcastle, Canberra and Gold Coast/Coolangatta present opportunities to grow NSW’s airport capacity and air access opportunities into NSW for visitors. Newcastle presents a particularly significant opportunity, not only to increase regional access, but to also complement Sydney Airport’s capacity – both domestically and internationally. However, current hourly movement restrictions at Newcastle need to be more flexible over a 24-hour period.

There also is a need to develop and agree on policy and planning approaches to prevent inappropriate development within flight corridors which restricts opportunities for airport development and expansion, particularly at Canberra Airport.

Greater use of regional aviation provides an opportunity to increase visits to rural and regional NSW. At present, only 9 per cent of all passenger movements at NSW airports occur outside Sydney Airport. Increasing the passenger movement capacity and capability of regional airports can help grow the visitor economy and ensure that NSW enhances its competitiveness in comparison to other States. At present other geographically large States, in particular Queensland and Western Australia, have better-developed regional aviation infrastructure, particularly in light of fly-in, fly-out (FIFO) worker arrangements within the resource sector.

**Priority issues**

The Taskforce has identified the following priority issues for regional aviation in NSW:

- **enhancing the utilisation of Newcastle Airport:**
  - it is critical that this airport with close proximity to Greater Sydney assists in easing NSW’s aviation capacity issues and provides greater access to the Hunter and the Mid North and Central Coasts

- **increasing the number of seats in the air:**
  - encouraging the use of larger aircraft by regional airlines will increase the potential numbers of visitors to and from regional NSW

- **enhancing the usability of other regional airports:**
  - better use should be made of Canberra and Gold Coast/Coolangatta airports to increase visitor access to regional NSW.

**Enhance the use of Newcastle Airport**

Increased air capacity near the Sydney basin will be vital in ensuring that NSW can meet the growing demand for international access to Australia’s premier aviation hub. Increased capacity at RAAF Williamtown (Newcastle) Airport has the potential to match developments in other States, such as the expansion of Avalon Airport near Geelong, Victoria.

Newcastle is a potential second gateway for international visitors into NSW, particularly if a Trans-Tasman border arrangement is introduced. By developing the infrastructure to process international arrivals, Newcastle can play a vital role in expanding international aviation capacity into NSW and the Greater Sydney region.

Newcastle Airport has experienced substantial growth in recent years. Given its relatively close proximity to Sydney, the airport offers the potential for additional growth and delivery of an increase in visitor numbers through:

- the airport’s medium-term growth strategy, which sets an objective of increasing passenger movements from approximately 1.2 million passengers per annum to 2.3 million per annum by 2014
- a post-2014 strategy to increase flexibility around the permitted number of arrivals per hour.

KPMG analysis indicates that achievement of Newcastle Airport’s medium-term growth strategy will deliver approximately $149 million per annum in additional visitor expenditure.

The peak period hours at Newcastle Airport are:

- 8.00am to 10.00am
- noon to 2.00pm
- 4.00pm to 6.00pm.

Newcastle has a cap of six arrivals per hour (and an implicit six take-offs) for non-military aircraft. There is the potential to increase that cap to eight arrivals per hour in the peak periods (two additional landings and an implicit two additional take-offs), and reduce the cap by an equivalent amount in the non-peak periods (which are currently not utilised). Such an approach would see no increase in the total number of non-military aircraft slots on a daily or weekly basis.

Further analysis indicates that, in addition to the extra $149 million per annum in overnight visitor expenditure through the medium-term growth strategy, increasing the number of peak hour slots in this manner will deliver approximately $194 million per annum in additional visitor expenditure.
Increasing the capacity of Newcastle Airport as recommended, along with introducing international arrivals and departures processing at Newcastle Airport, has the potential to grow the NSW visitor economy and improve visitor access to Sydney and to regional areas. Importantly, enhanced access is critical to increasing visitor numbers and thus increasing expenditure throughout the visitor economy.

**Increasing the number of seats in the air**

Given NSW’s diverse geography, other airports with proximity to Regional NSW can also play a role in growing aviation capacity. Canberra Airport is in the process of undertaking a major upgrade and, given its location near the southeast of NSW, it could play a considerable role in enhancing visitor access. Canberra Airport forecast such a role in its 2009 Master Plan:

“Canberra Airport also foreshadows a key role in meeting the needs of the Sydney basin” (Canberra Airport Corporation, 2009)

A key advantage of better utilising Canberra Airport is its pre-existing role in servicing the needs of visitors to and from the ACT. This creates a useful base to enable increased visitation to surrounding parts of Regional NSW.

Like Canberra Airport in the ACT, the Gold Coast/Coolangatta Airport near the NSW/Queensland border currently plays a key role in servicing the aviation needs of rapidly growing southeast Queensland. This airport's strategic location, and its base load of aviation transport servicing the Gold Coast, provide an opportunity to provide easy access to visitors wishing to visit the northern regions of NSW.

NSW can increase visitor numbers by enhancing the utilisation of major NSW regional airports, such as Newcastle Airport, and supporting the development of neighbouring airport infrastructure in Canberra and Coolangatta/Gold Coast. Such enhancements can help increase visitation to the neighbouring NSW regions, and also (in the case of Newcastle Airport) help relieve the growing capacity constraints facing Sydney Airport.

**Lord Howe Island**

There are a number of challenges for future access to Lord Howe Island that will need be addressed. QantasLink currently operates a Dash 8–200 to service Lord Howe Island as it is the only aircraft in the Qantas fleet that can serve the Island due to the size and nature of its runway. QantasLink has advised that this aircraft, at some point in time, will need to be retired from their fleet. The current runway on the Island will not accommodate landing by the new generation Dash 8–300 aircraft – or aircraft of similar size.

**Recommendation**

10 Support the growth in air services to Newcastle, Gold Coast/Coolangatta and Canberra airports to accommodate larger aircraft, increased passenger movements and to cater for international arrivals and departures.

**Actions**

Five actions have been identified to implement this recommendation:

Action 10A: Call upon the Commonwealth Government to agree to adjust the Slot Management System at Newcastle Airport to allow for more flexible scheduling, particularly in the am and pm peak periods.

Action 10B: Undertake an audit with key stakeholders (including the Commonwealth Government), to assess regional airport infrastructure needs in the light of increased security requirements, increase in aircraft size and the inadequate funding available to Local Councils to expand and maintain key regional airports.

Action 10C: Support the development and enhancement of air services into Newcastle, Canberra and Gold Coast/Coolangatta airports to facilitate increased visitation to NSW.

Action 10D: Work with the Queensland Government to resolve cross-border regulatory anomalies that do not provide reciprocal arrangements for NSW and Queensland taxis and restrict NSW taxis from picking up airport customers in Queensland to return them to NSW.

Action 10E: Establish a working group to identify the issues concerning future access to Lord Howe Island and make recommendations that plan for future access needs.
CRUISE SHIP CAPACITY

Snapshot

The growing popularity of the cruise industry globally requires more effective planning and management of infrastructure capacity in Sydney for it to remain a high-profile cruise destination. With double-digit growth over the past six years, Sydney and NSW will be unable to reap the economic benefits if infrastructure fails to keep up with demand, severely constraining the economic benefits from cruise passenger spending and lost provinging opportunities for NSW primary producers and other related businesses.

There are significant lost opportunities for additional cruise ship visits (the forward bookings indicate that OPT will reach capacity in the peak season in 2013 – Hawke Review 2012), therefore limiting future growth. Industry trends, such as the construction of larger capacity ships and a better connection to the Australasia-Pacific region through the Panama Canal widening of 2014 will also support further growth in Sydney, but only if the infrastructure is in place.

Sydney Harbour is widely regarded as the focal point for international cruise ships visiting Australia. The Sydney Harbour experience is a key attraction for many overseas visitors and one that is unrivalled in Australia.

NSW remains the State that generates the largest economic activity from the cruise shipping industry. The economic contribution of the cruise ship industry to Australia has been quantified most recently in a 2012 report undertaken by Deloitte Access Economics. The report notes that Sydney has the highest proportion of base passengers4 of all Australian ports:

- by 2019–20, 93 per cent of passengers passing through Sydney cruise passenger terminals will be base passengers
- the total economic contribution of visitor-related port activity in NSW was $371 million in 2010–11, and is forecast to grow to $1.1 billion by 2019–20
- cruise-related activity generates approximately 3,350 Full Time Equivalent (FTE) workers in the NSW economy
- total passengers are forecast to reach more than 825,000 by 2019–20, a significant increase from 256,000 in 2010–11 (Deloitte Access Economics 2012).

Sydney’s cruise ship industry continues to show strong performance in line with global trends. Cruise ship calls increased from 150 in 2010–11 to 214 scheduled for the current year. Ship calls for 2012–13 are forecast to be 264, a growth of 23 per cent on this year. The popularity of cruising continues to grow as does the choice of Sydney as a global destination.

The NSW Passenger Cruise Terminal Steering Committee reviewed passenger cruise terminal requirements for Sydney, and reported to the relevant NSW Ministers in January 2011 with a series of recommendations. The Committee’s Part B Report analysis of forecast vessel calls to Sydney indicated strong average yearly growth to 2020 under various growth scenarios (the Part B Report estimates), as outlined in Graphic B2.5 below.

In some quarters, there is a perception that cruise ships are mostly about taking Australians offshore. Some 50 per cent of ship calls to Sydney deliver international visitors and the other 50 per cent contain domestic outbound passengers. Careful management of Sydney’s cruise ship infrastructure capacity is needed to ensure the maximum yield associated with the range of opportunities from both the inbound and outbound cruise markets.

<table>
<thead>
<tr>
<th>Growth scenarios</th>
<th>Vessel calls (year ended 30 June)</th>
<th>Average yearly growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>To 2015</td>
</tr>
<tr>
<td>Low growth</td>
<td>116</td>
<td>270</td>
</tr>
<tr>
<td>Medium case</td>
<td>116</td>
<td>278</td>
</tr>
<tr>
<td>High growth</td>
<td>116</td>
<td>287</td>
</tr>
</tbody>
</table>

Source: Passenger Cruise Terminal Steering Committee (2011)

4 There is a significant distinction between base and transit passengers. Base passengers travel on a ship based at that port, whereas transit passengers travel on a ship based at another port.
NSW is well placed to benefit from the forecast strong growth in cruise ship arrivals to Australia, as Sydney offers a visitor experience that cannot be replicated in competitor destination ports across Australia. The natural beauty of Sydney Harbour is a considerable drawcard for high-yield international visitors. With the right policy initiatives and strategic investments, NSW can secure the bulk of the growth in cruise shipping into Australia and increase economic benefits to NSW through cruise passenger spending and provedoring of cruise ships.

However, NSW cannot be complacent, as competitor destinations will seek to attract excess cruise ship activity if NSW cannot provide the capacity necessary to meet the forecast growth.

**Priority issues**

Sydney’s cruise ship infrastructure capacity needs careful management to ensure the maximum yield possible from a range of opportunities from both the inbound and the outbound markets, including:

- direct passenger and crew spend, particularly through more retail
- longer stays in Sydney and NSW for pre- and post-cruise visitation
- cruise operator spend associated with ship operations and provedoring.

Three priority issues have been identified to improve cruise ship capacity and increase the economic benefits to NSW primary producers and businesses from provisioning cruise ships:

- **expand cruise berthing capacity**: there is a need to expand cruise berthing capacity within Sydney ports, including at Garden Island, to meet forecast growth in vessel numbers
- **economic loss from provedoring constraints**: access limitations to the Overseas Passenger Terminal also reduce the capacity for provedoring, which reduces the potential economic benefit to NSW primary producers and businesses
- **a 10-year Cruise Development Plan**: development of a 10-year Cruise Development Plan for Sydney, in consultation with Industry, will assist in addressing a number of issues relating to forecast growth, financial models for capacity building and the level of Government support for the cruise sector.

**Expand cruise berthing capacity**

There is potential for significant lost opportunities for additional cruise ship visits and Sydney Harbour will soon reach saturation in peak periods, therefore limiting future growth.

Operational improvements, including the building of larger capacity ships and a better connection to the Australasia-Pacific region through the Panama Canal widening in 2014 will also support future growth for Sydney. These developments will create a substantial increase in the number of large cruise ships undertaking world cruises. Sydney will continue to be a strategic location for embarkation and disembarkation for these world cruise segments. This passenger movement is an important generator of high-yield visitors in Sydney and beyond.

Current berthing arrangements in Sydney Harbour mean that larger vessels that cannot fit under the Sydney Harbour Bridge, or cannot be accommodated at the OPT, may have only limited access to Garden Island. Current scheduling constraints at the OPT also require some vessels to use Athol Bight to moor in the peak month of February. The berthing facilities at Barangaroo are scheduled to be replaced by White Bay in 2013 but access to this will be limited due to the size of ships that fit under the Sydney Harbour Bridge.

The Passenger Cruise Terminal Steering Committee has undertaken a gap analysis of several scenarios (based on medium growth estimates) to highlight the inability of the OPT to provide adequate berthing for visiting cruise ships between 2010 and 2020. That analysis, under two scenarios, was re-produced in the Hawke Review, and is set out in Graphic B2.6 and Graphic B2.7.

Scenario 1 identifies the number of vessels unable to be serviced based on a two-day berth for a round-the-world segment.

Scenario 2 identifies the number of vessels unable to be serviced based on a one-day berth per vessel per day.
Without the assured access to adequate berthing in Sydney Harbour, including Garden Island, on a regular, scheduled basis, Sydney runs the risk of international cruise lines deciding not to schedule their ships to visit Sydney.

Cruise ships may decide to bypass Sydney in future for the following reasons:

- industry has cited poor transport and access to the OPT as having a major impact on the passenger experience in Sydney
- the passenger disembarkation process at the OPT is cumbersome, involving many processes and procedures and resulting in congestion at the embarkation point. Additionally, security arrangements are challenging and car access to the OPT is limited, which adversely impacts the flow of traffic to and from the precinct (Passenger Cruise Terminal Steering Committee Part B Report, 2011)
- forward bookings indicate that the Part B Report estimates have already been exceeded, and the OPT will reach capacity in the peak season of 2013 (Hawke, 2012)

- by 2015 and 2020 respectively, the Cruise Passenger Terminal Steering Committee estimated that 33 per cent and 56 per cent of cruise ships visiting Sydney will be unable to pass under the Sydney Harbour Bridge due to their height. This will necessitate adequate berthing infrastructure on the eastern side of the bridge (Passenger Cruise Terminal Steering Committee Part B Report, 2011).

Given these constraints and the increased demand for shipping infrastructure, there is a heightened need for improvements to cruise ship accommodation and passenger amenities.

The Cruise Passenger Terminal Steering Committee noted:

“Sydney’s existing facilities will struggle with the predicted growth of passenger numbers and vessel size”

The report also noted that:

“Sydney’s ability to compete with other cruise destinations within Australia and overseas is dependent on keeping pace with changes in the cruise market and in the infrastructure needs of the next generation of cruise ships”
These forecasts confirm that significant infrastructure enhancements are required to ensure that Sydney maintains its competitiveness as a preferred cruising destination. The Taskforce understands that Auckland Port is planning improved links between its berthing facilities and its airport to seek to capitalise on the opportunity that will arise when Sydney’s cruise berthing capacity is reached. Industry strongly supports the infrastructure enhancements already committed by the Government, including those relating to the White Bay terminal development, the OPT Master Plan and OPT mooring improvements. However, further action will be required by the NSW Government to undertake additional infrastructure improvements to improve visitor and proveore supplier access.

**Garden Island**

The Hawke Review recommended a continuance of only limited and ad hoc access to Garden Island.

“5.2 ... the Review concludes that current and future Navy capability requirements of Garden Island facilities are essentially incompatible with cruise ship access over the long term, except on the existing ad hoc basis.”

However, the Review did add:

“... noting that primary responsibility for provision of commercial port infrastructure in Sydney/Port Botany rests with the NSW Government, through Sydney Ports Corporation, this Review’s findings and recommendations should also be considered against the outcomes of the current NSW Transport, Infrastructure and Tourism reviews, including the NSW Visitor Economy Taskforce ...”

**Port Botany**

Royal Caribbean Cruise Lines has indicated a desire to also use potential facilities at Port Botany to assist with the cruise infrastructure berthing requirements.

**Economic loss from provedoring constraints**

Economic activity from provedoring in NSW during 2010–11 was more than double that of all the other States.

The OPT is, however, capacity constrained in relation to provedoring cruise ships. Due to congestion and road access limitations, only two to four trucks can provide deliveries at any one time, where a cruise ship turnaround requires up to 30 truck-loads of provisions. Because of the difficulties associated with provedoring at the OPT, a number of vessels, which also call at Brisbane and/or Melbourne ports, are taking the opportunity to proveore at those ports instead of Sydney. This situation results in an economic loss to NSW primary producers and businesses, which would otherwise be able to provide fresh produce and supplies to visiting cruise ships.

Research commissioned by the Taskforce and undertaken by KPMG has estimated that, if the provedoring constraints at the OPT were removed, the future estimated potential additional value to NSW primary producers and businesses would be $22 million per annum in 2015 and $43 million per annum in 2020. See Graphic B2.8 below.

**Graphic B2.8: Future estimated potential additional value of provedoring at the OPT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total persons</th>
<th>Weighted average additional provedoring (%</th>
<th>Weighted average cost per person ($)</th>
<th>Cost per annum ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>291,523</td>
<td>55</td>
<td>138</td>
<td>22.2</td>
</tr>
<tr>
<td>2020</td>
<td>562,212</td>
<td>55</td>
<td>138</td>
<td>42.9</td>
</tr>
</tbody>
</table>

KPMG 2012

Immediate action should be taken to make the required road access changes and to impose the necessary vehicle parking restrictions required to allow direct provedoring vehicle access to facilitate provisioning of cruise ships at the OPT. This approach is strongly recommended for immediate implementation and any possible increase in congestion in the CBD should be monitored.

**10-year Cruise Development Plan**

There is a need to draft and implement a long-term, 10-year Cruise Development Plan for Sydney to address the challenges associated with accommodating forecast growth in passenger numbers and cruise ship calls. The Cruise Plan will require the development of preferred financial models for capacity building, which will help determine the most practicable and achievable level of Government support and Industry partnerships for the cruise ship sector.

Industry and Government collaboration will be essential to ensure that the Cruise Plan best targets and addresses identified needs within the cruise sector and maximises the return to NSW on infrastructure investment.
Recommendations

11 That the NSW Government fulfil its responsibility as acknowledged in the Hawke Review to expand cruise capacity within Sydney ports, including continuing the case for access to Garden Island.

12 Prepare a 10-year Cruise Development Plan, in consultation with Industry, to:
   • plan for the forecast growth in cruise ship calls and passenger numbers
   • ensure NSW captures a larger share of the economic benefits from the growth in the cruise market, including provedoring of ships and pre- and post-cruise tours
   • develop financial models to identify capacity needs
   • identify the level and timing of future Government funding of cruise sector infrastructure, for example, White Bay funding commitments.

13 Support the earliest practicable implementation of current cruise-related infrastructure enhancements, including:
   • White Bay Terminal development
   • the OPT Master Plan
   • OPT mooring improvements and provedoring
   • berth scheduling at Garden Island.

Actions

Ten actions have been identified to implement these recommendations:

Action 11A: Take all possible action, in association with the Commonwealth Government, to provide assured access on a regular, scheduled basis to Garden Island to accommodate the increasing number of large cruise ships.

Action 12A: Work with Royal Caribbean Cruise Lines, the stevedoring and cruise shipping industries to develop options for the use of Port Botany to accommodate cruise ship berthing facilities and engage with the Commonwealth Government in relation to customs and immigration passenger facilitation.

Action 12B: Assess the feasibility to accommodate additional cruise ship berthing facilities at identified locations (including options such as a dolphin buoy at Athol Bight) in order to meet increased demand.

Action 12C: Work with the cruise industry and their ground handling companies to develop a plan which will increase the number of visitor nights for pre- and post-cruise stays.

Action 12D: Destination NSW to work with the cruise industry to capitalise on opportunities to grow overnight visitor expenditure.

Action 13A: Ensure priority of berthing capacity east of the Sydney Harbour Bridge at Garden Island and the OPT is for international cruise ships to allow these visitors ready access to retail and other spending activities.

Action 13B: Re-open Jack Mundey Place and move the booth in the middle of the road at the entrance to allow direct provisioning vehicle access to cruise ships via Argyle Street.

Action 13C: Further restrict vehicle parking immediately in front of the OPT during the provisioning of cruise ships.

Action 13D: Include provedore supplier and visitor needs, (including access for enhanced pick-up and set-down and passenger services) in the design and operation of the current Master Planning process for Circular Quay/The Rocks/Overseas Passenger Terminal.

Action 13E: Ensure that a visitor economy perspective is taken into account in the planning for transport and access arrangements for the new White Bay cruise facility including:
   • its design to allow for multiple use of the facility for corporate and other events, conventions and exhibitions in order to maximise the return on the Government’s investment
   • a free shuttle bus service to the city’s retail precincts for transit passengers
   • that cruise industry forward projections are taken into account.
INTEGRATED TRANSPORT PLANNING

**Snapshot**

Effective transport planning provides opportunities for visitors and locals to experience more of Sydney and NSW. Current transport planning could better cater for visitor and resident needs and better incorporate visitor products, experiences and services.

Transport and integrated access arrangements are fundamental to a successful and well-functioning visitor economy. Efficient, easily accessible and affordable transport provides opportunities for visitors, as well as locals, to experience more of Sydney’s and NSW’s destinations, attractions and events. Integrated transport planning improves visitor and resident access to regions across the State and is vital in maximising the potential economic return associated with each visitor to, and within, NSW.

Ease of access enables visitors to experience more of the State within a visit, which helps increase visitor expenditure. Additionally, effective public transport within a destination or precinct, for example, Sydney, can enhance the visitor experience and maximise the appeal of the destination, leading to increased overnight visitor expenditure.

Current transport planning arrangements can be further improved to adequately cater for visitor needs, and thus increase the potential economic return from NSW’s visitor experiences.

Historically, transport planning has tended to focus only on the needs of local residents and not included the needs of visitors. As a result, a number of issues across the Sydney and NSW transport networks require further development to better meet the needs of the visitor economy, such as:

- transport network information should be easier to access and understand, especially for non-English speaking visitors
- there is an opportunity to further improve the integration of Sydney tourist offerings (including key attractions, events and retail experiences) into public transport options
- there is a need to further improve the integration of public transport ticketing options and access, including greater consistency across all transport modes (train, light rail, bus, ferry).

Further improvements to the connectivity of transport networks are required to enhance the visitor experience and enhance Sydney’s and NSW’s position as a world-class visitor destination.

**Priority issues**

Two priority issues have been identified to enhance integrated transport planning in NSW, with a particular focus on impacts for the visitor economy:

- **Long-Term Transport Master Plan**: ensure that the needs of the visitor economy are prominent in the development and execution of the NSW Government’s plan to develop transport in the State

- **better public transport linkage to visitor precincts**: ensure that developments to rail, light rail, bus, ferry and taxi infrastructure take into account the needs of visitors to key events and attractions, in particular major cultural, sporting and business events.

**Long-Term Transport Master Plan**

The needs of visitors must feature in NSW transport planning. Visitor expenditure will be constrained if visitors do not have ease of access to major event precincts and attractions within key destinations. This is particularly the case with Sydney, with its higher volume of international visitors, many of whom do not have English as a first language.

Effective transport planning can maximise the economic return from visitation to NSW. NSW transport planning should consider the needs of visitors and recognise the importance of visitor expenditure to the State’s economy. This will require greater collaboration and transfer of information between Government and Industry stakeholders. For example, effective collaboration will enable event operators and service providers to better co-ordinate major event planning (e.g. joint scheduling of rail track work to avoid a clash of access to major events that have been planned for a long time), ticketing, packages and transport information. Such a planning approach will help provide a seamless and easily accessible transport system across all transport modes for visitors and residents alike.

The Long-Term Transport Master Plan process currently underway provides an important opportunity to highlight the needs of visitors in a transport planning context.
Better public transport usage

A better integrated public transport system will further enable NSW to realise the economic benefit from essential capital investment in infrastructure that has high visitor usage. This is particularly relevant to the Sydney International Convention, Exhibition and Entertainment Precinct redevelopment and upgrades of the Sydney Cricket Ground and the Royal Randwick and Rosehill Racecourses. Better linkages via light rail, bus and taxi will ensure ease of access for visitors, and enhance the potential to increase visitor expenditure.

There is the opportunity to further improve the co-ordination of public transport in relation to major event planning, with ticketing packages and transport information services. Furthermore, the needs of visitors should also be strongly taken into account with regard to Government decisions on the future viability of new or upgraded public transport infrastructure.

The needs of visitors must also be taken into account in future developments, for example, the new Barangaroo Precinct. Effective public transport, such as a new light rail link, can help increase visitor access and usage of key precincts.

Recommendation

14 Ensure that visitor needs relating to access to visitor precincts and major event venues are understood and effectively considered in the transport planning process across a wide range of transport modes and service providers (see also Recommendation 24).

Actions

Six actions have been identified to implement this recommendation:

Action 14A: Ensure that the NSW Government’s Long-Term Transport Master Plan currently being prepared addresses visitor facilitation and access issues across all transport modes.

Action 14B: In the context of the Long-Term Transport Master Plan, ensure that the Sydney light rail network review takes into account the role of light rail to connect major visitor precincts, including the Sydney Cricket Ground and Royal Randwick Racecourse through to the University of NSW, as well as its role in moving people for large scale events.

SKILLS AND LABOUR

Snapshot

Conservative estimates of current visitor economy trends show that NSW will require a significant increase in additional labour supply to meet visitor demands. To achieve this in a climate where NSW is currently facing a shortfall in the labour force, and where traditional sources of labour supply are diminishing, will be challenging.

Awards and conditions: inflexibility and labour costs under the current Fair Work Act 2009 substantially reduce economic viability, competitiveness and the quality of the visitor experience. In order to maximise visitor economy returns and to enhance the visitor experience, it is important that a range of businesses are financially able to trade on weekends and public holidays.

Local skills and labour sources: there is a need to increase the number and skills of Australian residents in order to fill the gap in demand for labour in the visitor economy.

International skills and labour sources: there is still a gap in skills and labour that requires further supply of international short-term labour to the NSW visitor economy for short-term needs.

Background

Australia’s mining boom together with an ageing population and an increasingly complex migration scheme have meant that sourcing skills and labour for the visitor economy has become increasingly difficult.

It is essential to have an adequate supply of skilled labour to service visitor needs. A poorly skilled and inadequate labour supply will jeopardise achieving the 2020 target.
Currently, the national visitor economy is experiencing extreme difficulty in attracting and retaining adequate skills and resources. Tourism Australia has estimated a shortfall of 36,000 positions nationally.

There are a range of varying estimates of the current and predicted shortfall of positions in the visitor economy in NSW. However, based on the most conservative estimates of hospitality demand, this sector would need an additional ‘21,589 people by 2020’ (DEEWR).

As the visitor economy grows, significant skills and labour supply gaps will continue to emerge for NSW, particularly in the hospitality industry, where these gaps can directly impact on the quality of the visitor experience. In a 2011 study for the Department of Resources, Energy and Tourism (RET), Deloitte Access Economics undertook a survey of tourism employers to review the nature and severity of labour force shortages. Survey respondents reported 7 per cent underemployment in NSW. This equates to 18,200 employees before the additional demand for growth and attrition rate are accounted for (Deloitte, 2011).

The ongoing availability of a large, skilled labour force will be a critical determinant of the visitor economy’s ongoing success.

Even conservative estimates of current trends indicate that NSW will not have an adequate labour supply to meet the needs of the number of visitors expected by 2020.

The visitor economy also needs to be recognised as the seven-day week industry sector it is. Visitors do not distinguish between business work days and weekend days in shaping their expectations of service. Australia’s current system of awards and penalty rates is preventing many businesses in the visitor economy from operating at peak periods, including public holidays. These existing problems will not be overcome unless the system is changed completely.

Restaurants in Sydney and regional NSW are increasingly closing on Sundays because they find trading is not economically viable. The Taskforce has also been advised that some hotels are reducing the hours of room service availability.

Industry examples highlighting the impact on some Sydney hotels over the Easter holiday period follow.

SITUATION SNAPSHOT – SYDNEY HOTELS, EASTERN, APRIL 2012

Tourism Accommodation Australia (NSW) surveyed its hotel members on the impacts of current penalty rates on service over the Easter period this year. Survey responses from hotels included:

- **The Grace Hotel.** “Closed the Brasserie buffet restaurant for lunch and dinner over Easter.
  
  The Fideli restaurant and bar, formerly the Grace’s Café restaurant, is now leased out to independent operators and they closed it for lunch and dinner over the Easter period. “Hardly what is required to encourage visitors to our city!” Housekeeping room attendants are kept to a minimum over the period and on Public Holidays as many rooms are not serviced as possible to the next day to avoid paying penalty rates.”

- **Metro Central Sydney.** “Restaurant is only open for breakfast during public holidays. Substantially reduced room service hours.”

- **Novotel Rockford Darling Harbour.** “Closed The Pumphouse earlier on each night including Monday by 3 hours. Reduced casual/permanent staff hours accordingly to reduce the amount of penalty rates exposed to and replaced these with salaried staff over the whole long weekend. Reduced number of staff running the food and beverage operation at the Pumphouse. Nevertheless still incurred substantially higher payroll costs against diminishing revenue over the period.”

- **The Bayview Boulevard.** “Closed the 25th Floor restaurant for the Easter period. Biggest problem is getting casual day time staff during the weekdays as most people seeking employment realise they can work 2 days in the weekend rather than having to work 3 days during the week.”

- **Hilton Sydney.** “Reduced hours of operation for the Restaurant and Bar. Many team members are happy to work without penalty rates in order to get additional hours. They are deprived of this opportunity.”

- **Sydney Harbour Marriott.** “Restaurant closed over 4 days. Hotels struggle to maintain the balance between expectations and cost in periods like this. This lack of service hinders repeat business and perception.”

- **Four Seasons Hotel.** “Reduced operating hours in Restaurant, Bar and Spa. It leaves the hotel with no option but to increase charges over these periods.”

- **Hyde Park Inn.** “Restaurant closed for lunch and dinner. Also ran lower front desk staff levels and serviced rooms where possible until Tuesday to help minimise costs.”
| **Pullman Sydney Olympic Park** | “Restaurant closed for lunch over Easter and bar closed during same period. Public holidays are always challenging for our industry as generally the demand is low (dependant on the time of year) and the penalty rates impact our profitability. Outlet closures are quite common on public holidays.” |
| **Radisson Blu** | “Business class lounge closed and restaurant closed for lunch.” |
| **Parkroyal Darling Harbour** | “Restaurant closed for dinner on the Sunday and Monday.” |
| **Holiday Inn Darling Harbour** | “Restaurant closed for dinner over the public holidays. Fewer staff employed. Rooms serviced where possible.” |

Data from Restaurant & Caterers Association indicates that 70 per cent of retail operators will close for a public holiday in 2011–12 on which they had been open in 2010–11.

**Priority issues**

Three areas for priority action have been identified to address the critical skills and labour supply issues facing the visitor economy in NSW:

- **awards and conditions**: flexible working arrangements and an appropriately skilled labour force will ensure that businesses can meet the needs of increasingly sophisticated visitors and create lasting impressions through high-quality service
- **local skills and labour sources**: there is a need to increase the number of skilled Australian residents in order to fill the gap in demand for labour in the visitor economy
- **international skills and short-term sources**: international sources of labour play an important role in filling short-term gaps in Australia’s labour market. Easing restrictions on the sourcing of labour internationally will assist the NSW visitor economy to meet its short-term needs.

**AWARDS AND CONDITIONS**

**Snapshot**

The inflexibility and labour costs incurred under the current *Fair Work Act 2009* substantially reduce economic viability, competitiveness and the quality of the visitor experience.

The penalty rates currently imposed by the *Fair Work Act 2009* curtail the financial viability of businesses operating in visitor economy sectors such as food, retail and accommodation. Many businesses are unable to stay open during peak periods (such as public holidays, evenings and weekends) due to the current penalty rates imposed under the *Fair Work Act 2009*, leaving demand unmet and benefit from visitor expenditure lost.

Inadequate service levels, due to insufficient staffing at peak periods, result in a failure to retain customers, but may also drive away potential future customers through negative online reviews posted on the websites used so much by visitors to inform their dining, shopping and accommodation choices.

Easing the impact of penalty rates under the *Fair Work Act 2009* will give employers the flexibility to hire staff during high-demand periods and allow NSW to fully capture the revenue potential of discretionary visitor spend.

**LOCAL SKILLS AND LABOUR SOURCES**

**Snapshot**

There is a need to increase the number and skills of Australian residents in order to fill the gap in demand for labour in the visitor economy.

A lack of post-school qualifications significantly restricts career progression and earning potential for workers in the visitor economy. This results in difficulties in sourcing and retaining staff. The uptake of Certificate II and III programs in hospitality in NSW has reduced significantly, partially as a result of the removal of incentives for traineeships in these areas by the Commonwealth Government and State Governments.
However, the Commonwealth Government’s proposed HECS-style loans system for students studying Government-subsidised diplomas may contribute to a greater number of Australians seeking post-school diplomas, and increase the availability of skilled labour in the visitor economy.

NSW has Australia’s largest population of Indigenous Australians. Industry initiatives to promote and expand career opportunities for Indigenous trainees in high-demand occupations are important initiatives that play a role in addressing labour shortage in the hospitality sector and for the visitor economy overall.

Vocational training for work in the visitor economy should be encouraged at the school level. Working in partnership with key educational institutions, the facilitation of school-based technical training in select areas such as hospitality may allow school leavers to enter the visitor economy workforce quickly, either on a casual or long-term basis.

INTERNATIONAL SKILLS AND LABOUR SOURCES

Snapshot

There is a need to further increase the supply of international labour to the NSW visitor economy for short-term needs.

The NSW Government has outlined that it will work with the Commonwealth Government to extend streamlined visa processing and post-study work rights to overseas students at a broader range of high-quality, low-risk education providers, including visitor economy providers. Such an initiative is likely to be effective in addressing the decreasing number of overseas students in NSW and in filling vacancies in the NSW visitor economy.

The recent Knight Review of the student visa program recommended a range of measures that may see a change in the number of overseas student visas granted. The challenge is that these measures will most likely increase the number of overseas students in the higher education sector, but not necessarily in the vocational education sector.

The review recommended that Bachelor degree graduates from Australian universities who have spent at least two academic years studying that degree in Australia and who have complied with their visa conditions should receive two years’ work rights (Knight, Review of the Student Visa Program 2011). This criteria should be extended to include study at any tertiary institution.

Working holiday makers (WHM) also provide an invaluable source of labour in the visitor economy. However, a range of rules and restrictions on age, location and length of employment imposed on these visitors significantly limit the potential of WHM to contribute labour to the visitor economy.

Employment in tourism and hospitality in regional Australia should be included as part of the 12-month extension program for the second WH 417 visa. These arrangements should be available to a wider range of countries.

Many businesses seeking international labour sources are finding it difficult to meet local training benchmarks as required under the law and are thus unable to seek approval as sponsors of skilled migrants under the 457 visa program.

A Pacific Island guest worker pilot program has commenced in selected remote locations outside NSW. Expanding this program to include regional locations in NSW may assist in filling the labour shortage in the regional NSW visitor economy.

Although a number of qualified skilled occupations required in the visitor economy are already part of the NSW State Migration Plan, this list does not include occupations such as cooks and restaurant managers which are in short supply and essential for the visitor economy. In a recent strategy document, the NSW Government outlined an initiative to target health care workers, engineers and tradespersons to migrate to Regional NSW. It does not, however, mention occupations directly relevant to the visitor economy.
**Recommendations**

15. Call upon the Commonwealth Government to review the *Fair Work Act 2009* to remove those provisions for penalty rates which significantly increase labour costs and deter businesses in the visitor economy from operating at times/days of the week when the tourism and hospitality sector faces peak demand (see also Food and Wine recommendations).

16. Increase the participation and enhance the skills training for Australian residents to fill the gap in demand for skilled labour in the visitor economy in NSW.

17. Maximise the opportunities for an increase in the supply of international short-term labour to the NSW visitor economy to meet short-term needs.

**Actions**

Eight actions have been identified to implement these recommendations:

**Action 15A:** Call upon the Commonwealth Government to review the *Fair Work Act 2009*, including to require an employee to work five days during the working week before being entitled to receive penalty rate wages for any subsequent shifts during the weekend.

**Action 16A:** Facilitate school-based and technical training in targeted visitor economy industries, for example, hospitality, in partnership with key education institutions.

**Action 16B:** Call upon the Commonwealth Government to increase incentives and assistance for employers to offer additional places for traineeships and apprenticeships.

**Action 16C:** Support Industry and Government initiatives to promote and expand career opportunities for Aboriginal trainees in visitor economy occupations.

**Action 16D:** Support initiatives to increase the number of foreign language tour guides including:

- engage with relevant educational institutions to offer Mandarin teachers opportunities to work as tour guides
- fast-track accreditation processes for tour guides able to speak in priority target foreign languages.

**Action 17A:** Call upon the Commonwealth Government to change migration policies and legislation, including:

- expand the Working Holiday Makers Program by allowing working holiday makers to work more than six months in tourism and hospitality employment in order to qualify for a 12-month extension to their existing WHV 417
- expand the number of countries with which Australia has WHM visa arrangements
- extend the WHM visa program to people up to 35 years of age
- allow overseas students who complete studies at a tertiary institution in Australia to stay in Australia for up to two years
- ease the ‘commitment to training’ requirements needed to be met by businesses seeking approval as sponsors under the 457 visa program
- expand the Pacific Islands guest worker pilot program to include NSW regional locations.

**Action 17B:** Amend the *NSW State Migration Plan* to include occupations related to the visitor economy such as cooks, chefs and restaurant managers.

**Action 17C:** Support the Commonwealth Government’s proposed HECS-style loans system for students studying Government-subsidised diplomas and advanced diplomas and call for certain loans to be specifically tailored for skills necessary to the visitor economy.
PART B
STRATEGIC IMPERATIVE 3:
RENEW AND REVITALISE DESTINATIONS

Photographer: Hamilton Lund
STRATEGIC IMPERATIVE 3: RENEW AND REVITALISE DESTINATIONS

Destination Management Planning

18 Implement a Destination Management Planning system in NSW

19 Protect key visitor destinations and precincts from encroachment

Additional revenue to support visitor economies

20 Enable Local Councils to source additional rates revenue for visitor economy growth
STRATEGIC IMPERATIVE 3:
RENEW AND REVITALISE DESTINATIONS

Rationale
NSW destinations must confront and address the reality of research findings that there is currently insufficient consumer demand potential for NSW regions amongst domestic visitors and that overall international visitation growth to regional NSW is diminishing.

Renewing and revitalising destinations across NSW requires new thinking. A Destination Management Planning approach can harness the potential of the visitor economy for the whole community.

A new approach to experiences and events is needed to drive re-launches of key destinations.

DESTINATION MANAGEMENT PLANNING

Snapshot
Destination Management Planning is an important foundation for the establishment of effective experience destinations. A Destination Management Plan focuses on the key factors of a destination’s appeal and the means by which to provide focus, extension and facilitation of that appeal.

A successful Destination Management Planning system sees the development and implementation of a common approach that engages with and has the support of industry, the community and Government at all levels.

Destination Management Plans provide certainty for investors regarding the nature and future use of key destinations and their assets and ensures the sustainability of those destinations and assets.

Some Australian States are taking action to legislate to protect their key tourism destinations and assets from encroachment from conflicting uses. South Australia and Western Australia have acted to protect the Barossa Valley and Margaret River wine districts respectively.

Background
Queensland ranks first in perceptions of preferred holiday destinations in Australia amongst Australian residents. NSW ranks second, ahead of Victoria, suggesting that some regions in NSW are dominant in Australians’ holiday perceptions (BDA, 2012).

The recent comprehensive market analysis commissioned by the Taskforce, however, demonstrates that many individual destinations in NSW are struggling to state their case and ‘stand out’ to the visitor market.

Surveys of potential interstate visitors reveal that visitors do not perceive NSW as offering unique visitor experiences. Even after being shown promotional material highlighting current attractions in NSW, interstate residents on a NSW visit did not significantly change their travel intentions. See Graphic B3.1.
This research demonstrates that much work needs to be done to increase the appeal of NSW destinations for interstate visitors and provides insights also relevant to the international market.

"... current offers (are) not enough for sustainable domestic demand growth ..." (BDA 2012)

Developing destinations requires more than designing and implementing a marketing strategy. Destination development requires a holistic approach that takes into account planning for both demand and supply needs across the destination to maximise the visitor economy potential of that destination.

Destination Management Planning is being applied successfully internationally. The case studies outline the approach in Bath, UK and Oshkosh, USA.

### CASE STUDIES – BATH, UK AND OSHKOSH, USA

Bath, England is a mature visitor destination with a long tourism history and status as a World Heritage Site.

Its high levels of awareness, both nationally and internationally, mean that Bath has drawn large numbers of visitors. Visitor satisfaction levels have traditionally been high.

Tourism is vitally important to the Bath economy, generating employment, underpinning other economic sectors and supporting a more varied range of facilities than the local population alone could support. In short, Bath was doing well but could be better and standing still was not an option as the world was changing and planning for the visitor economy needed to change to suit the wider economic and social context.

Work on a Destination Management Plan for Bath and North East Somerset commenced in March 2007. Funding was provided by the Bath & North East Somerset Council, Bath Tourism Plus and South West Tourism. Even with its strengths, Bath identified weaknesses through the planning process which threatened its future viability as a tourism destination. They were:

- static and possibly contracting visitation
- over-dependence on holiday travel
- lack of accommodation capacity
- loss of ground in terms of value-for-money
- planning constraints impediments
- lack of effective destination management.
The Plan addressed the core destination management issues identified including:

- marketing and positioning
- tourism products and priorities for improvement
- the environment, public realm and supporting infrastructure
- delivery and management mechanisms.

The Local Government and Industry claim that the Plan resulted in ensuring that Bath continues as a successful leading visitor destination. It also connected the visitor economy to the wider aspirations for Bath and the surrounding areas by setting a long-term strategic direction. (B&NES Management Plan: Final Report, 2007)

Oshkosh, known for its famous annual airshow recently developed a Destination Management Plan to develop a stronger and more integrated plan for growth of its visitor economy.

This report on its outcome appeared in the Oshkosh Northwestern.

A simple recitation of all that’s happening is merely the sum of the parts of outstanding entertainment, outdoors activities, world-class art and aviation. The greater whole is a sense that for the first time in a long time, all of the parts are working together in a way that Oshkosh hasn’t seen in generations.

It’s not merely solving the chicken-or-egg conundrum about events or hotel rooms. Certainly, the revival of the former City Center hotel is a development to shout about from the rooftops. So too is the prospect of rebuilding the city’s convention trade. Equally important, the hotel’s redevelopment is happening at the same time City Hall is speeding construction on the river walk system and major construction is under way on the soon-to-be interstate highway that brings the visitors to the events that fill the hotel rooms, restaurants and attractions.

Something even more significant is at work. A city with a sleek riverfront amphitheater, revamped hotel and convention center and attractively landscaped Main Street sends a message about pride, livability and delivering on the long promised promise of the community.

Streets are finally getting fixed, the riverfront’s getting filled in, most of the petty local political bickering’s a bad memory and the city is bullish enough about the future to build a brand-new elementary school in economically uncertain times (27 May 2012, Oshkosh Northwestern).

Destination Management Planning is an approach that involves co-ordinating industry, the community and all three levels of Government to ensure that they are involved in the planning, development and marketing of individual destinations.

The purpose of Destination Management Planning is to increase the competitiveness and sustainability of the visitor experiences available at the destination and to position it to benefit from the visitor economy on an ongoing basis. To achieve this, destination planners need to identify the distinctiveness of a destination – what will appeal to, and help shape the experience of current and future visitors. The planning process also audits visitor assets and facilities, transport and other infrastructure. With this in place, destination marketing can be tailored to appeal to the needs of the target markets and to provide focus on the strengths of the destination.

Destination Management Planning recognises that not all destinations are the same and will participate in the same way, or to the same extent, in the visitor economy.

Priority issues

Two priority issues have been identified to improve the competitiveness and sustainability of NSW destinations:

- Destination Management Plans: key visitor destinations across the State need to be identified and then Destination Management Plans developed and implemented as a means of understanding product and service gaps and revitalising and intensifying the appeal of their destinations to visitors

- protection of key visitor destinations and precincts: key tourism destination assets should be protected against encroachment by other forms of development activity which may impact on their sustainability or appeal to visitors.
Destination Management Plans

The development of destinations in NSW that have sustainable appeal to visitors has been impeded by the absence of co-ordinated Destination Management Planning. A ‘silo approach’ across Government has impacted the development of destinations and, as a result, hindered innovation, investment and growth.

Without adequate destination planning, destinations cannot be as competitive in the face of generally flat demand amongst interstate visitors and a falling NSW market share in overall inbound aircraft seats from international markets (BDA, 2012).

Destinations across NSW need to better integrate plans and strategies to incorporate Commonwealth, State and Local Government input, including those of National Parks, State Reserves and heritage precincts, as all three layers of Government impact businesses within the visitor economy.

Effective Destination Management Plans provide a framework for a destination to increase its attractiveness for visitors. Individual destinations need to develop distinctive experiences that will attract visitors and then ensure the effective delivery of those experiences once the visitors arrive.

Destination Management Plans enable a destination to strategically develop the key demand and supply factors that enable the destination to capitalise upon:

- its features and attractions
- major events and festivals, in particular, arts, culture, sport and recreation activities.

An effective Destination Management Plan links experiences within a destination to the needs of target markets through strategic branding and positioning. Additionally, the Plan will also identify the strategic investment that is required to enable the destination to meet its visitor economy potential.

Enhancing destinations across NSW will require detailed strategic planning that draws on local strengths to develop and enhance visitor experiences. This process will also ensure that future funding for visitor economy improvement is as effectively utilised as possible.

Protection of key visitor destinations and precincts

Other States have taken action to protect their key tourism assets from encroachment from conflicting uses. The South Australia Government has introduced two Bills into Parliament to protect the special character of the Barossa Valley and McLaren Vale wine districts. The Character Preservation (Barossa Valley) Bill 2012 and the Character Preservation (McLaren Vale) Bill 2012 are currently under consideration as well as the Barossa Valley and McLaren Vale Protection Districts Development Plan amendment to prevent inappropriate development in the two districts. The amendment has been brought into operation on a temporary basis while feedback is sought from the community and the Bills debated in Parliament. Public consultation on the amendment is due to completed June 2012. (Government of South Australia, April 2012). In February this year, the Western Australia Government rejected a proposal to develop a coal mine north-east of Margaret River.

Various forms of conflicting activity have the potential to adversely impact on tourism assets and locations. NSW planning laws should be amended to ensure that the State’s significant tourism assets and destinations are protected from such future encroachment (for example, for the protection of sight lines for major tourism locations). Destination Management Plans should identify the significant tourism assets of a destination and include the requirements for protection against future encroachment.

Recommendations

18 Implement a Destination Management Planning approach for NSW’s key destinations and develop uniform Destination Management Plans in identified visitor economy destinations across the State. The plans need to be developed in partnership with the Industry, the community and all three levels of Government.

19 Ensure that key tourism destinations and precincts are protected against encroachment by other forms of development activity which may impact on their sustainability or potential to contribute to the visitor economy.

Actions

Eight actions have been identified to implement these recommendations:

Action 18A: Ensure that Destination Management Plans address demand and supply, and policy and planning issues including:

- infrastructure requirements
- Tourism Industry development
- destination experience
- destination brand and positioning
- appropriate relevant target markets
- major events and festivals, arts, culture, sport and recreation activities
the role of Crown lands, including National Parks, State Reserves, heritage precincts and National Landscapes.

Action 18B: Establish five visitor economy ‘zones’ across NSW to structure Destination NSW, Government and Industry engagement processes, including the facilitation of a new Destination Management Planning process:
- Greater Sydney
- Sydney Surrounds
- North Coast
- South Coast
- Inland.

Action 18C: Develop cross-border arrangements with destinations adjacent to the borders of NSW.

Action 18D: Consolidate and leverage Government resources and investment in NSW by ensuring that grants and other payments relating to the visitor economy (for example, grants for arts, recreation, events and festivals and so on) are facilitated through the Destination Management Plans of the relevant destinations.

Action 19A: Amend the relevant State planning policies and legislation to ensure the protection of significant tourism assets and values of the destination.

Action 19B: Ensure that tourism assets and values of the destination, identified in Destination Management Plans, are protected through Local Environment Plans.

Action 19C: Support the recommendation of the Joint Study on aviation capacity in the Sydney region that the Commonwealth and NSW Governments, in consultation with Newcastle Airport, RAAF and Councils, develop a strategy canvassing both land use and statutory protections in the areas around Newcastle Airport and its flight paths.

Action 19D: Support the recommendation of the Joint Study on aviation capacity in the Sydney region that the Commonwealth, ACT and NSW Governments work together to ensure that Canberra Airport is protected from encroaching noise-sensitive urban development which would be incompatible with 24-hour jet aircraft operations and could restrict the expansion of the airport over time.

### ADDITIONAL REVENUE TO SUPPORT VISITOR ECONOMIES

#### Snapshot

The lack of a sustainable source of revenue to fund investment in critical visitor economy infrastructure and new product development for the visitor economy has prevented destinations, particularly regional destinations, from developing their full visitor economy potential. The regions’ share of the statewide value of the visitor economy has consequently been declining.

There is a need to establish a sustainable revenue source to fund locally-based investments and initiatives across the visitor economy. Guidelines for approval of special rate variations should be amended so as to allow Local Councils to seek additional rate revenue which:
- is outside the current rate cap
- paid by all local businesses on a Council rates basis
- is collected, and accounted for, by Council
- is overseen by a newly created special-purpose local entity
- is invested according to agreed visitor economy guidelines that align with relevant Destination Management Plans.

This initiative removes the current ‘free-rider’ problem under which most businesses in a destination benefit from the visitor economy but do not contribute to the costs of development of the public infrastructure or marketing which underpins continued visitation.

#### Background

The regional visitor economy, including the Regional Tourism Organisation (RTO) model and the role of current Government funding programs, in particular the Regional Tourism Partnership Program, is not working effectively. The status quo will not realise the potential of regional NSW.

Throughout the Taskforce’s extensive consultation, there were overwhelming and consistent views that the current funding structure was ineffective.

Revenue collected by NSW Councils from the traditional ‘tourism’ sector has not always been sufficient to fund local visitor needs. This locally-sourced revenue has traditionally funded marketing activities and services, such as visitor information centres and limited infrastructure improvements and events, to meet visitor needs in the local area.

Councils that place importance on the economic value delivered through attracting visitors to the local area have traditionally been required to fund tourism activities from general revenue derived from all rate payers within the Local Government Area (LGA). Council rates are subject to the general rates cap which prevents Councils raising rate revenues above the relevant cap.
CASE STUDY – GOSFORD CITY COUNCIL

Gosford is a popular tourist destination, with close proximity to the major population centres of Newcastle and Sydney. To help fund provision of activities contributing to business and tourism development, Gosford City Council levies two types of special rates targeted towards tourism development activities. These rates are shown in Graphic B3.2.

<table>
<thead>
<tr>
<th>Type of rate</th>
<th>Rate applied (cents in the $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business/Tourism Development Special Rate</td>
<td>0.00048833</td>
</tr>
<tr>
<td>Terrigal Tourism/Business Development Special Rate</td>
<td>0.00193841</td>
</tr>
</tbody>
</table>

Given the broad range of services funded through general revenue, a few Councils have initiated other revenue raising mechanisms – especially through ‘special rates’, which are applied to commercial properties within LGAs for specific tourism-related purposes. This has been the case, for example, in Gosford City Council.

The funds raised through the Business/Tourism Development Special Rate were dispersed to Central Coast Tourism and special tourism/business development projects.

Gosford City Council also applies a special rate known as the Terrigal Tourism/Business Development Special Rate, which applies to portions of the LGA.

It addition to the targeted tourism and business development activities outlined above, funds raised through these special rates may be used to facilitate the development of Business Improvement Districts (BIDs) across a Council area. In essence, a BID is a commercial area designated by a Council within which property and business owners plan a variety of activities to increase the area’s profile and vitality. Gosford’s ‘Citywide BID policy is designed to support local businesses to maintain, promote and develop their commercial districts to encourage people to spend more time and money there.’ (Gosford City Council, 2010).

BIDs have also successfully operated in a number of international locations including across the United Kingdom and Canada and there are nearly 1,000 BIDs in USA.

Need for a new revenue source for the regions

The general rates cap prevents most Local Councils from applying revenue to support the visitor economy in the manner implemented by Gosford City Council.

At present, the RTOs oversee the bulk of investment into local visitor economy activities. These organisations receive funding through membership fees and through NSW Government funding for tourism investment and promotion at a regional level.

The Taskforce believes that the current RTO model is dysfunctional and RTOs are no longer an effective conduit between Destination NSW and Industry. At present, genuine collaboration or effective strategy delivery between the NSW Government and regional areas through RTOs is limited. The current model fails to deliver adequate results and tangible benefits to the NSW visitor economy. The attempt to treat all areas equally, whether a tourism area or not, has failed.

Business and organisations outside the RTO cannot access Government funds through the current Regional Tourism Partnership Program (RTPP) and the reporting of results through the RTPP has been often sporadic and of inconsistent quality. The focus has been driven by administrative boundaries rather than destinations.

Although a very small number of Councils impose special rates or source funds to contribute to visitor economy development activities, there is currently no sustainable statewide funding mechanism. This prevents regional destinations from realising their full visitor economy potential.

There is a critical need for Councils to access revenue for broad investment in key local visitor economy infrastructure and product development initiatives.

Currently, the Local Government Act 1993 allows Councils to apply to introduce a special rate variation outside the statutory rate cap, either through a ‘one-off’ percentage increase to existing rates or a multi-year increase of between two and seven years. This rate can support community service requirements, infrastructure requirements, projects of regional significance and other special or unique cost pressures. Visitor economy requirements are not specifically referenced as a purpose for which a Council may wish to seek funding through the introduction of special rates.

The Independent Pricing and Regulatory Tribunal (IPART) has responsibility for assessing and determining applications from Councils for special rate variations. The funding for visitor economy initiatives is currently not included in IPART’s guidelines for decision-making on special rate variation applications.

The previous Local Government and Tourism Taskforce Report recommended that the funding of tourism initiatives is an appropriate focus for a special variation application by Councils to IPART to exceed the rate peg, under the Local Government Act 1993.

Guidelines for approval of special variations should be amended so as to allow Local Councils to seek additional rate revenue from businesses for visitor economy infrastructure. This would:
• remove the current ‘free-rider problem’ under which many businesses in a region benefit from, but do not contribute to, development of the visitor economy
• provide local autonomy and leadership
• provide necessary funding for the development of visitor economy infrastructure or attractions which would result in increased visitation and increased visitor expenditure
• enable establishment of a special purpose local entity (representing Councils, businesses and the community) to make the decisions relating to investment of the funds in the visitor economy. This will ensure that funds are expended on initiatives which are based on practical experience and designed to assist in achieving the 2020 target.

Priority issues

Two priority issues have been identified to enhance revenue capabilities at the local visitor economy level:

• visitor economy revenue source: guidelines covering special rate variations to be amended and Councils encouraged to seek approval to raise additional revenue to invest in visitor economy-related programs and infrastructure
• local leadership: Councils to collaborate with like-minded Councils and establish special purpose local entities across a specific region to oversee the investment of additional rate revenue. These entities would work to ascertain the best use of the revenue and would involve representation from the Councils, local community and local industry to ensure a collaborative approach is taken to the administration and expenditure of funds. These investments need to be aligned to the priority initiatives identified in the relevant Destination Management Plans.

The Taskforce commissioned KPMG to undertake a detailed analysis of this concept, specifically to inform the Plan. That analysis indicates that the estimated revenue from a sample rate of 0.14 cents per dollar applied to the unimproved capital value (UCV) of business zoned land across three sample Councils (Port Macquarie, Kempsey and Greater Taree) would raise just over $1 million per annum in revenue. See Graphic B3.3.

It should be noted that business zoned land excludes industrial zoned land (see further discussion below).

Graphic B3.3: Estimated revenue from introducing special rates in selected LGAs – business zoned land only

<table>
<thead>
<tr>
<th>Scenario (flat levy on business zoned land)</th>
<th>$m in 2011 based on various rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample rate of 0.14 cents in the dollar (14c per $100 of rateable value)</td>
<td></td>
</tr>
<tr>
<td>Port Macquarie</td>
<td>$ 645,604</td>
</tr>
<tr>
<td>Kempsey</td>
<td>$ 169,954</td>
</tr>
<tr>
<td>Greater Taree</td>
<td>$ 217,441</td>
</tr>
<tr>
<td>Total (across three LGAs)</td>
<td>$ 1,032,999</td>
</tr>
</tbody>
</table>

KPMG

These funds would offer a substantial opportunity to further invest in the development of the necessary infrastructure and visitor services to provide sustainable support for the growth of the destination. The increased visitor expenditure in the area as a result of these improvements would benefit all of the businesses across the three Councils.

As an example, if the additional rate was 0.14 cents per dollar of UCV of commercial properties as estimated earlier, an estimate has been prepared of the amount of the potential, additional revenue visitor economy which would be paid by typical sized businesses. The estimated cost for sample businesses under this amount is set out in Graphic B3.4.
Special purpose entities

A key element of the new revenue mechanism is the establishment of a separate special purpose entity to oversee the allocation and expenditure of the additional revenue. The entity will make expenditure decisions in accordance with the relevant Destination Management Plan and with visitor economy guidelines developed by the NSW Government through Destination NSW and Local Government with input from Industry.

To ensure that the entity is representative of local visitor economy needs, these special purpose entities will include representation from Councils, the community and local visitor economy interests, including local Industry such as tourism operators.

Local visitor economy leadership

The new self-managing special purpose entities would have the following features:

- have an ownership structure open to Local Government, Industry and community representatives
- have a board comprising of stakeholders including representation from the participating Councils, Industry (which could be industry organisations) and the local community
- acquit the expenditure of the additional funds which will require that funds are only expended for purposes which will assist in meeting the 2020 overnight visitor expenditure target and that are consistent with the relevant Destination Management Plan
- be required to operate within the boundaries of one or more LGAs, (as the funds will be raised by the relevant Council(s) as a special rate on the UCV of business zoned land)
- be subject to full transparency, accountability, probity requirements and annual audit on all financial processes, practices and delegations and the expenditure of all funds
- be required to provide an annual report to Government and to the participating Councils and other shareholders
- be subject to such other establishment, compliance and reporting obligations as the Government may require.

Transitional arrangements

A transition period is necessary to allow for planning and implementation of the new arrangements, including the:

- development of a statewide Destination Management Planning system, including Government and stakeholder engagement
- change to current Destination NSW regional and Local Government level funding programs to align to the new destination planning system.

The Taskforce considers a maximum of 12 months is an appropriate time period to allow for transition planning, during which current arrangements would continue.

A diagram on the special purpose entity is at Appendix B.

Recommendation

20 That the guidelines governing the consideration by IPART for approval to a special rate variation, above the rate cap and applied to businesses, be amended to include expenditure in relation to the visitor economy. The additional rate revenue should be outside the current rate cap and would be collected and accounted for by Councils. The expenditure of these funds would be overseen and administrated by special purpose entities. The funds should be spent in accordance with relevant Destination Management Plans on those critical visitor economy initiatives necessary to achieve the 2020 target.
Actions

Three actions have been identified to implement these recommendations:

Action 20A: Develop a comprehensive policy, including approved types of expenditure, so as to amend guidelines governing special rate variation applications and encourage Councils to apply.

Action 20B: Allow a transition period of a maximum of 12 months to allow adjustment to the new arrangements.

Action 20C: Ensure that the new special purpose entities are representative of visitor economy interests (for example, including representation from Chambers of Commerce, retail, local tourism operators, events and festivals, Crown lands, including National Parks management and cultural institutions).
PART B
STRATEGIC IMPERATIVE 4:
IMPROVE THE VISITOR EXPERIENCE
STRATEGIC IMPERATIVE 4: IMPROVE THE VISITOR EXPERIENCE

VISITOR SERVICES

Sydney and regional visitor servicing
21 Co-ordinate Sydney visitor information delivery
22 Incorporate wayfinding and signage into policy

Customer service
23 Develop and implement cultural awareness programs for industry

VISITOR TRANSPORT SERVICES

Visitor transport services
24 Plan for visitors in transport policy
25 Develop cost-effective ticketing options for visitors

EXPERIENCE DEVELOPMENT

Aboriginal experience development
26 Increase profile of NSW’s Aboriginal heritage and contemporary culture

Arts and culture experience development
27 Integrate arts and culture into the visitor economy

Events and festivals
28 Expand statewide events and festivals strategy

Nature and heritage experience development
29 Improve Government and Industry collaboration for management/development of nature and heritage experiences

Ongoing experience development
30 Develop new products and experiences
STRATEGIC IMPERATIVE 4:
IMPROVE THE VISITOR EXPERIENCE

Rationale
NSW needs to ensure that the right policies and procedures are in place to enhance the experience of visitors to the State. NSW has the capacity to provide a higher quality service to visitors than it has in the past.

The three key measures to improve the visitor experience are:
- improved visitor information and booking services
- improved visitor access and transport services
- improved experience development.

VISITOR SERVICES
Visitor services are critical in ensuring satisfied travellers and repeat visitation to help reach the 2020 expenditure target. Key issues include:
- Sydney and regional visitor services
- customer service.

Sydney and regional visitor servicing

Snapshot
Sydney’s level of visitor servicing compared with other global cities needs to be improved.

The existing provision of visitor information and servicing does not take full advantage of the latest information technology. There is a need to provide greater consistency of wayfinding and increased locations for physical signage for use by visitors. Existing signage is inconsistent, inadequate and poorly co-ordinated.

NSW has a competitive advantage in the range and quality of its visitor information centre network across the State. However, as consumers shift the way they obtain information and as the cost of maintenance of visitor information centres rises, a new approach must be found.

Background
Ensuring a great visitor experience requires the availability and accessibility of timely, accurate, consistent, engaging, meaningful and relevant information. There has been a major shift in traveller preferences for seeking and sharing information. As outlined previously, this change has been driven principally by a strong uptake of technology devices and the use of social media resources.

There are three major entities currently developing and providing visitor information in Sydney. They are the City of Sydney, Destination NSW and the Sydney Harbour Foreshore Authority (SHFA). SHFA is currently going through the process of outsourcing the operation of its visitor centres to the private sector. State public transport agencies also provide a range of transport information accessed by visitors. While these organisations work together, there is a need for an overall co-ordinated approach.

A review in 2010 of visitor information services found that Sydney underperformed in all vital areas which have been benchmarked as best practice (Tourism NSW, 2010). These include:
- the need for one lead organisation to independently provide a delivery and co-ordination mechanism
- high visibility visitor information centres
- an expansive volunteer street presence to increase awareness of information and services
- consistent, officially branded and single-source collateral
- clear, intuitive wayfinding mapping and signage
- integrated ticketing and transport systems.

CASE STUDY – DIGITAL CONNECTIVITY
Multi-format, digital information, pricing and booking resources are shifting and streamlining information and service delivery. Affordable internet connections are therefore important for visitors while they are in a destination. Two examples of mechanisms by which to increase the accessibility and affordability of internet connectivity are outlined below.

SIM cards – Contiki Australia provides an international SIM card to outgoing tourists with discounted roaming rates. AirAsia provides free SIM cards for visitors to Kuala Lumpur.

Free public wi-fi – Some major cities around the world provide free wi-fi access in networks of public locations. Paris provides 400 free wi-fi hotspots from 7.00am to 11.00pm in over 260 locations. Kuala Lumpur City Hall, in collaboration with the Malaysian Communications and Multimedia Commission and Packet One Networks (M) Sdn Bhd (the converged Malaysian telecommunications, broadband and 4G service providers) provide around 1,500 free wi-fi hotspots throughout commercial districts, offices, tourist attractions, residential areas, community centres and public areas. The Hamilton Business District Committee provides free wi-fi in Beaumont Street in Newcastle, NSW.
Priority issues

Two initiatives have been identified to improve visitor servicing in NSW:

- **dedicated entity**: with Sydney the main gateway to and destination for NSW, the effective servicing of visitor needs in this destination will lead to strong customer satisfaction and positive referral. To achieve this there is a need to establish a dedicated visitor servicing entity, which covers Sydney and its surrounds, led by Destination NSW, to build strong commercial relationships with Sydney CBD visitor products and provide a single delivery and co-ordination mechanism for servicing visitors in Sydney CBD and major tourism precincts.

- **regional initiatives**: with the way visitors access information is fast changing and the opportunity exists for regional NSW to explore how the traditional visitor information centres and digital technology can encourage visitors to experience Regional NSW.

Dedicated entity

Establishing a dedicated entity will underpin the successful implementation of strategies. The provision of a single delivery and co-ordination mechanism will be critical in promoting consistent, seamless and effective information transfer. The entity would be responsible for facilitating:

- highly visible accredited information centres in critical visitor precincts in Sydney’s CBD
- ‘wayfinding’ information delivery supported across digital and social media platforms that are accessible and affordable
- consistent, officially branded, single-source collateral including guides, brochures and maps
- signage which is clear, intuitive and traverses linguistic barriers where possible
- information regarding public and private transport
- an increased street presence of volunteers to convey information, services and digital resources to visitors.

Recommendations

21 Establish a dedicated visitor servicing entity, led by Destination NSW, to build strong commercial relationships with Sydney CBD visitor products and provide a single delivery and co-ordination mechanism for servicing visitors in Sydney CBD.

22 Incorporate wayfinding and signage considerations for visitors to Regional NSW into relevant policies and guidelines and provide suitable facilitation to enhance the visitor experience.

Actions

Eight actions have been identified to implement these recommendations:

**Action 21A**: Support the new dedicated visitor servicing entity for Sydney to undertake:
- planning of an integrated and overall strategic approach to visitor servicing
- operation of a visitor information centres in key locations
- extensive volunteer meet-and-greet support and street guiding
- provision of content for effective digital and social media communications
- provision of consistent and improved information collateral, particularly maps
- provision of consistent and improved wayfinding, signage and transport information
- alignment to Destination Management Plans.

**Action 21B**: Negotiate free wi-fi visitor information hotspots in key city, urban and regional places frequented by visitors.

**Action 21C**: Provide improved access to public transport information in multiple languages, including transport timetable and general service information via the internet, smartphone apps including QR codes and purpose-designed brochures.

**Action 21D**: Include the role of visitor information centres and the provision of visitor information in the Destination Management Planning process.

**Action 22A**: Review the role, location and operation of traditional visitor information centres and explore turning the centres into ‘experience’ gateways that showcase a destination’s key experiences and link effectively with other destinations.

**Action 22B**: Ensure that the responsibility for the quality of the visitor experience is a key role for Destination NSW to co-ordinate and facilitate.
Action 22C: Incentivise the development and support of digital-based visitor information that facilitates wayfinding and is supported by effective physical signage.

Action 22D: Review tourist route and other wayfinding road signage policy and guidelines in consultation with Councils and Roads and Maritime Services (RMS) to ensure the appropriate timely facilitation and enhancement of road travel and touring by visitors.

CUSTOMER SERVICE

Snapshot
In order to grow key markets, there is a need to provide better levels of service and awareness of cultural issues.

It is important that industry conducts basic training in order to ensure that the visitor economy workforce, particularly at the entry level, has a minimum competency and skill level in providing high-level customer service.

Background
In order to continually improve the visitor experience, the quality of customer services provided to visitors must be monitored and regularly enhanced. The Taskforce recognises that an integral element in raising customer service quality levels is increased awareness of the cultural requirements of visitors to NSW. It is also necessary to encourage more businesses in the NSW visitor economy to assess, and improve where necessary, the quality of visitor experience they provide.

The cultures of international visitors are often not understood by local businesses and communities, which can lead to an unfavourable visitor experience. An inability to understand visitor preferences in key areas such as dining and shopping, key areas in which there is potential to increase visitor expenditure, can have a negative impact on the NSW visitor economy through loss of future business.

Cultural awareness and language training can help to bridge the cultural divide between local businesses and international visitors. The Taskforce is of the view that this training needs to be managed carefully and co-ordinated across Government and Industry to ensure less duplication in the funding and delivery of training programs.

For example, there is currently a lot of Industry focus on China market development training and this is an area in which Industry and Government should work together. The opportunity exists to ensure that the training that is made available is professional, relevant and delivered within a well thought-out, cost-efficient strategy.

An important development in creating consistent national tourism quality standards has been the national T-QUAL accreditation framework. The T-QUAL Tick identifies tourism businesses and operators in Australia that have been endorsed as meeting the quality standards of T-QUAL accreditation. This provides a national symbol for consumers to be able to recognise quality products and services easily. Nationally, there are currently more than 13,000 business operators who are accredited under this scheme.

Recommendation
23 Develop and implement cultural awareness, customer service and quality assurance training programs at educational institutions, including in schools, Industry and across Government.

Actions
Five actions have been identified to implement this recommendation:

Action 23A: Continue to support the development of the national T-QUAL accreditation framework.

Action 23B: Place a higher priority on supporting Industry and education and training institutions to provide cultural awareness, language and customer service training.

Action 23C: Facilitate Industry, particularly small and medium business, participation in and delivery of such training.

Action 23D: Review, consolidate and better promote access to existing Industry training packages or modules.

Action 23E: Ensure that language skills are given a priority within the training.
Effective and efficient visitor transport services are critical in helping to ensure a quality visitor experience.

**VISITOR TRANSPORT SERVICES**

**Snapshot**

There is a need for improved co-ordination of transport services to facilitate visitor access to major venues and attraction of high visitor demand and usage in Sydney and across NSW.

The Taskforce acknowledges the transport initiatives of the NSW Government that have commenced.

**Background**

Transport and access considerations are of fundamental importance to the visitor economy. Visitors need adequate transport services, including easily accessible and visitor-friendly ticketing options. If a visitor economy perspective is not incorporated into future transport planning and operational decisions, NSW’s ability to double overnight visitor expenditure by 2020 will be severely constrained.

While NSW is well-positioned to maximise use of its existing transport infrastructure and service offerings – particularly through additional use of ferry, train, light rail and bus services – more work is required to further integrate these service offerings and ensure that they also cater to visitor needs. Visitor needs easily align with resident needs.

The Taskforce acknowledges the major focus of the NSW Government on transport and recent transport initiatives. The introduction of the Opal smart card, with trials scheduled for late 2012, presents great opportunities to incorporate attractions and events and encourage visitors to further explore and stay longer in NSW.

NSW is now at a stage where there is a need to develop a wider range of competitive visitor transport product offerings and to meet the needs of the growing visitor economy.

**Priority issues**

The following priorities need to be addressed in order to meet the 2020 target:

- **coach parking and accessibility**: better coach access needed for visitor access to key tourism precincts
- **optimise ferry services on Sydney Harbour and provide additional ferry berthing at Barangaroo and other sites**
- **the frequency and hours of operation of late-night public transport**: need to be in line with planning for the growth of the late-night visitor economy in Sydney
- **interchange facilities at Central Station** are difficult to navigate
- **taxi services should play an enhanced role in the visitor experience**
- **provision of travel concessions for international students** to assist in promoting Sydney as an attractive international student destination
- **provision of suitable rail transport to regional NSW** to improve the linkages between Sydney and regional areas, and facilitate further growth of regional visitor economies.

**Coach parking and accessibility arrangements**

Existing coach parking facility and accessibility arrangements throughout Sydney CBD need to be reviewed to ensure they are adequate, and address visitor needs. Some tourism precincts have limited coach facilities, creating difficulties for visitors seeking to access accommodation, key tourist sites and other visitor-related infrastructure. These experiences directly detract from Sydney being a visitor-friendly city.

**Frequency and hours of operation of late-night public transport**

Existing late night public transport arrangements are limited, increasing demand for already-stretched taxi resources. This is especially important to be able to efficiently move people to and from major event venues. Improvements are required to promote the Sydney City Late Night Economy and uphold Sydney’s position as a global city and visitor destination of choice.

**Interchange facilities at Central Station**

Existing interchange facilities at Central Station are cumbersome and difficult to navigate, particularly for first-time visitors. Provision of all-weather cover and access for all transport modes, especially coach and taxi services, is important.

**Taxi services**

Stakeholder feedback has been that current taxi service provision and infrastructure is not meeting the needs of visitors to NSW and includes that:

- taxi ranks and taxis are difficult to access in high-demand visitor usage areas
- taxi drivers lack knowledge of key visitor attractions
- current changeover requirements result in a significant reduction in taxi services at 3.00pm and 3.00am and need to be staggered.

It is important that visitors to Sydney not only have good access to taxi services through adequate supply of taxis but also enjoy a good experience with high level customer service.
Ferries and cruise vessels

Boat travel on Sydney Harbour offers visitors an appealing and unique Sydney experience and is extremely popular with visitors. An increase in the number of visitors to Sydney provides the opportunity for Government and Industry to introduce more visitor-related ferry services. New ferry embarkation points in Sydney Harbour are needed, including new wharf facilities at Barangaroo and other sites so as to relieve berth capacity constraints at Circular Quay.

Concession travel for international students

Current policy inhibits international students accessing concession travel fares which are available to NSW students. International students wish to be treated as local students. NSW needs to remain competitive and provide as welcoming an experience as its competitors. The introduction of a transport concession would provide added attraction to undertake study in Sydney and NSW. It would also mean easier use of transport for student visitors, increase their patronage of public transport and encourage dispersal throughout Sydney, its surrounds and NSW.

Rail transport to regional NSW

There are opportunities to develop tailored rail experiences that appeal to visitors, for example, Queensland has developed luxury rail travel packages. Train travel has great appeal to some international and domestic markets and there are opportunities for Regional NSW, particularly inland Regional NSW, to develop and test some specific rail packages. These could include food and wine themed train travel and special event focussed train travel, along the lines of the successful Elvis train experience for the annual Elvis Festival in Parkes, to generate increased visitation and therefore spend to Regional NSW.

Recommendations

24 Develop a Visitor and Transport Policy to ensure that visitor needs and improved visitor service are incorporated into transport planning and service delivery.

25 Develop a cost-effective and integrated public transport ticket system which specifically meets the needs of visitors and includes major attractions and events packages that are appealing and easy to use for visitors.

Actions

Seven actions have been identified to implement these recommendations:

Action 24A: Ensure that adequate coach parking and accessibility arrangements are in place throughout the Sydney CBD and in key visitor precincts, hotels and transit areas.

Action 24B: Increase the frequency and hours of operation of late-night public transport services to support access to and from major events.

Action 24C: Optimise the potential of ferry services on Sydney Harbour and provide new destination and visitor-related products and purchase arrangements and additional ferry berthing at Barangaroo and other sites.

Action 24D: Establish an operationally efficient transport interchange facility at Central Station to facilitate seamless transfers between all transport modes and Sydney and regional services.

Action 24E: Improve the operation, efficiency and capability of taxi services through:

- improved training for taxi drivers in communication skills, particularly in liaising with visitors from non-English speaking backgrounds, and in identifying and recommending key visitor attractions and events
- reviewing the existing 3.00pm and 3.00am changeover requirements to better cater for visitors during peak periods, including the use of night licences so as to ensure such licences are being properly utilised for the purpose for which they were initially intended
- increasing the number of taxi ranks in high-demand visitor usage areas
- ensuring that all taxi drivers identify in their taxis the additional languages, other than English, in which they can converse
- reviewing the opportunity for networks sharing bookings by offloading those bookings that are not accepted within a short timeframe by taxis from the initial network
- reviewing the method of allocation of new taxi licences by giving first consideration to current taxi drivers, having regard to their seniority and driving performance.


Action 25B: Review the opportunities to provide greater and more accessible rail transport into Regional NSW and improved visitor experiences.
To meet the 2020 expenditure target, NSW will need to ensure that it maximises and develops distinctive and appealing visitor experiences, including in the following key areas:

- Aboriginal experience development
- arts and culture experience development
- events and festivals
- nature and heritage experience development
- other distinctive experiences.

**ABORIGINAL EXPERIENCE DEVELOPMENT**

**Snapshot**

Australia’s Aboriginal heritage and contemporary culture is a focus of international fascination and appeal and international visitors as well as locals want to know more.

NSW has Australia’s largest population of Aboriginal people. However it has, until now, substantially underplayed the depth of the unique Aboriginal heritage and contemporary culture available in NSW. NSW needs to start telling its Aboriginal story more effectively.

There is an opportunity for Industry and Government to work with the Aboriginal community to support these efforts through joint planning and implementation.

**Background**

Sydney, being a significant global city, with the largest Aboriginal population in Australia, is the evident home for an internationally significant National Indigenous Cultural Centre.

Destination NSW has developed a comprehensive Aboriginal Tourism Action Plan with support of the Aboriginal community and it should be implemented as a matter of priority. Most States in Australia are actively pursuing the development of Indigenous tourism and the Taskforce urges the NSW Government to ensure NSW is in position to be able to promote this unique aspect of Australia and not be overtaken in this important area by other States.

There is no major festival devoted to celebrating Aboriginal culture; the Dreaming Festival moved to Queensland in 2003 because of a perceived (or perhaps real) lack of support in Sydney.

There is a need to emphasise and focus on opportunities which promote Indigenous tourism experiences and celebrate the best of Aboriginal cultural offerings throughout NSW. Our Aboriginal story is a true point of uniqueness for Australia and if NSW realises the opportunities this provides, it will be a distinct globally competitive advantage for the NSW visitor economy.

**Priority issues**

The following priority issues have been noted as opportunities to help raise the profile of Aboriginal experiences throughout NSW:

- establish a National Indigenous Cultural Centre to promote Australia’s indigenous heritage and contemporary culture
- establish a major Indigenous festival in Sydney to raise the profile of NSW and Australia’s Indigenous culture.

A National Indigenous Cultural Centre should be established at Barangaroo. A world-class centre of this kind would be a major attraction for visitors and residents and a catalyst for encouraging visitors to pursue an Indigenous cultural experience in regional areas of NSW and Australia. A major Aboriginal cultural festival should be established in Sydney and additional festivals supported in Regional NSW.

There should be increased Aboriginal cultural representation and interpretation throughout Sydney.

**Recommendation**

26 Raise the profile of NSW’s Aboriginal heritage and contemporary culture and further develop and sustain visitor attractions and experiences which tell the story of Indigenous Australia.

**Actions**

Six actions have been identified to implement this recommendation:

- **Action 26A:** Work with the Australian Indigenous community and the Barangaroo Delivery Authority to establish a National Indigenous Cultural Centre at Barangaroo to act as a gateway to the Australian Indigenous experience.
- **Action 26B:** Seek to partner with the Commonwealth Government on funding to establish a National Indigenous Cultural Centre at Barangaroo.
- **Action 26C:** Support the establishment of a major Indigenous cultural festival in Sydney and additional festivals in regional areas and identify potential opportunities for shared funding and promotion.
- **Action 26D:** Amend the management principles within the National Parks and Wildlife Act 1974 to ensure that relevant representatives of the NSW Aboriginal community are actively encouraged to be involved in undertaking interpretation and delivery of visitor experiences in National Parks. Ensure that the relevant Destination Management Plans require this as a key performance indicator for the National Parks and Wildlife Service.
Action 26E: Increase Aboriginal cultural representation in Sydney, for example, include Aboriginal ‘Welcomes to Country’ into more international visitor experiences, both leisure and business, and work with stakeholders across Government, including the City of Sydney and Industry to provide increased Aboriginal interpretation within Sydney.

Action 26F: Ensure that priority is given to implementation of the Destination NSW Aboriginal Tourism Action Plan.

ARTS AND CULTURE EXPERIENCE DEVELOPMENT

Snapshot

Greater integration of arts and cultural attractions with other visitor experiences, together with improved arts infrastructure, will ensure that Sydney becomes and remains a competitive destination for cultural activity. The Taskforce acknowledges the NSW arts sector recognises and understands its role as part of the visitor economy. Sydney needs to ensure that it continues to build on its position as a competitive destination for major theatrical productions, performances and gallery exhibitions.

Arts and cultural experiences also have a major role in improving the appeal of regional destinations.

Background

Arts, entertainment and cultural attractions and events are drawcards for visitors and feature significantly in the experience for many visitors to NSW. Cultural visitors enjoy a wide range of arts and culture-related activities from visiting museums and galleries, attending events through to visiting particular cultural sites and locations.

There is a strong level of support in the arts community and NSW cultural institutions for cultural visitors to play an active role in increasing visitor expenditure to NSW. The arts community wishes to be included in the development and implementation of a NSW visitor economy strategy.

In 2009, 51 per cent of all international visitors to Australia attended at least one cultural attraction while in Australia (ABS 2011). The most popular destinations and activities for international and domestic cultural heritage visitors were in Sydney. Domestically, the Mid North Coast and South Coast were the most popular regional destinations for domestic overnight arts and cultural visitors with the Northern Rivers the most popular NSW destination for regional international visitors (TRA 2100).

On average, arts and cultural visitors are likely to spend more compared to other visitors. For example, the average spend by international cultural and heritage visitors was $6,280 per trip compared to other international visitors who spent an average of $3,832 (TRA 2011).

Priority issues

The Taskforce recognises the importance of arts and culture to the visitor economy and recognises that a number of key aspects need to be addressed to ensure the sustainable growth of cultural visitation in NSW. Three priority issues have been identified to enhance arts and cultural experiences in NSW:

- whole-of-government approach: with arts and culture potentially at the forefront of promoting Regional NSW
- arts and cultural precincts: improving return from existing NSW precincts that have a concentration of arts and cultural attractions and developing those with potential, especially in Sydney
- infrastructure: investing in key infrastructure to enhance visitor expenditure.

Whole-of-government approach

The Taskforce recognises the need for a whole-of-government approach when promoting arts and cultural activities and experiences. This is particularly relevant for Regional NSW with arts and cultural assets that have the potential to become major drawcards and which require a co-ordinated marketing development and promotional approach.

Arts and cultural precincts

The Sydney Opera House and its surrounds are key features of the cultural landscape of Sydney and influence on cultural visitation. The development of Barangaroo and Walsh Bay present an opportunity for reinvigorating Sydney’s cultural landscape by providing facilities and better access, hospitality and night time activity that will attract increased major cultural activity that will drive significant economic benefit to Sydney and NSW more broadly.

Sydney is well-placed to develop a promenade of international significance incorporating activities linking the Art Gallery of NSW, the Botanic Gardens, the Opera House, Circular Quay, MCA Australia, The Rocks, Walsh Bay and Barangaroo.

Infrastructure

Further, Sydney as a global city is well-positioned to attract major shows and productions to launch their Australian and world premieres. This will bring significant economic value to NSW. It is estimated that a six-month run of a first-time Sydney musical production generates $20 million in direct visitor expenditure. However, the Taskforce recognises the capacity constraint for lyric theatres in Sydney.
The 2011 report, Planning of Sydney’s Cultural Facilities, identified that Sydney is somewhat limited in the number of lyric theatres suitable for the presentation of musical theatre and two of its three available theatres have limitations as a result of capacity, configuration, location and/or ownership management structure. Consequently, Sydney is at risk of losing cultural visitation, with a number of theatrical productions and musical premieres opening in Melbourne instead of Sydney, due to the number and configurations of Melbourne’s theatres.

Recommendation

27 Implement a whole-of-government approach across all marketing and promotional activities of NSW Government arts and cultural institutions to better facilitate integration in the positioning and promoting of Sydney and NSW.

Actions

Seven actions have been identified to implement this recommendation:

Action 27A: Undertake a feasibility study to identify a site and commercial partnership opportunities for a new 2,000-seat lyric theatre in Sydney.

Action 27B: Ensure that an enhanced visitor experience, including ease of access, is provided through the current Walsh Bay Precinct Master Plan process. The opportunity should be taken to develop a signature promenade of cultural attractions and associated activities linking the Art Gallery of NSW, the Botanical Gardens, the Opera House, MCA Australia, Circular Quay, The Rocks, Walsh Bay and Barangaroo.
**EVENTS AND FESTIVALS**

**Snapshot**
Events and festivals have a significant role in attracting increased visitation and spend.

The recent NSW Government investments in the event venue infrastructure of the Sydney Cricket Ground and Royal Randwick and Rosehill Racecourses present a significant opportunity.

Co-ordination and major event facilitation across local and State Governments can be improved. Major events and festivals can clash and compete. There is an opportunity to apply large event management practices to assist with maximising the visitor impact of smaller, regional events and festivals.

In addition, there is a significant amount of red tape at State and Local Government levels to secure approvals for events and festivals, for example, liquor licensing for an event or annual development application (DA) processes which inhibit opportunities to retain and build the value of repeat events and festivals.

**Background**
Events and festivals are integral to the visitor economy and provide significant tourism, trade and investment opportunities for NSW. They can reinforce the brand of a city and region. Events and festivals stimulate both direct and indirect contributions to the economy. Direct benefits include employment creation and revenue generation through visitor expenditure, with flow on benefits including:

- pre- and post-event tourist visitation
- future trade and investment interest
- valuable product and service development
- prospective tourism opportunities by exposure generated by the event.

Events and festivals are also important to rural and regional communities through job creation and infrastructure development. Such activities can stimulate economic activity in local communities during downturns and can assist with smoothing seasonal fluctuations (Aust. Government 2011).

Governments invest in staging events and festivals because they recognise that they make both direct and indirect contributions to the economy. Successful events and festivals are a powerful attractor of visitors. Effective funding assessments, evaluations and leveraging strategies will be key to realising the benefits events can deliver to NSW.

NSW is well-placed to capture these benefits from events and festivals, with Sydney recognised in 2010 and 2011 as the best festival and event city in the world (International Festival and Events Association 2012).

The NSW Events Calendar is estimated to generate more than $600 million in annual revenue for NSW (Destination NSW). Some of the key events on the calendar include New Year’s Eve in Sydney, Sydney Festival, Vivid Sydney, Sydney International Art Series, Biennale of Sydney and the Australian Open of Surfing.

Sydney’s spring and autumn racing carnivals also generate significant economic benefit. There are opportunities to work further with the thoroughbred racing industry. Country racing events present an opportunity for regional NSW to capture more Sydney visitors and particularly if regional events are co-ordinated so as to be complementary rather than competing against each other.

Regional NSW is home to some of the State’s most iconic events including the Bluesfest in Byron Bay, the Tamworth Country Music Festival and the Deni Ute Muster at Deniliquin.

**Priority issues**
The Taskforce acknowledges that events and festivals have a significant role in attracting increased visitation and spend, particularly for regional destinations and in the off-season.

The key priority issues relate to:

- need for a whole-of-government approach
- infrastructure needs
- funding
- event packaging.

**Whole-of-government approach and reducing red tape**
It is essential that a whole-of-government approach is taken to developing a comprehensive long-term strategy for statewide events and festivals that encompasses both major and small events and festivals. Such a strategy needs to address the required partnership between Local and State Government to ensure events and festivals are well co-ordinated, organised and promoted.

Currently there is a significant amount of cumbersome process and procedures to secure Local and State Government approvals for events and festivals, which inhibits opportunities to retain and build the value of repeat events and festivals.
Infrastructure

Events and festivals require adequate infrastructure. The Taskforce strongly supports the NSW Government’s proposed investment in the expansion of the exhibition, entertainment and convention facilities and precinct at Darling Harbour. The Taskforce also strongly supports the NSW Government’s investment in the infrastructure of the Sydney Cricket Ground, Royal Randwick and Rosehill Racecourses.

Major capital investments in Sydney and Regional NSW will help directly drive increased visitation and visitor spend in NSW and contribute to achieving the 2020 target.

Funding and Government support

Government seed funding for events is important not only for securing an event but also developing an event. The funding framework for events and festivals across all of Government should be reviewed to take into account the wider benefits of events for both urban and regional areas.

At times, monetary grants may not be required and there are other ways Government can offer support that can significantly assist the Industry. This can include event promotion, event leveraging, tax incentives and performance based loans.

Event packaging

More ‘packaging’ of events and festivals presents a significant opportunity to increase revenue generated by the visitor economy. Packaging allows a number of attractions, facilities and services to be offered as a single product for sale and is designed to promote the experience of visiting a region itself and therefore extend the length of visitor stay and spend.

Destination NSW has made some significant breakthroughs in this area, but more assistance for event owners and operators is required.

Recommendation

28 Enhance the existing NSW events and festivals strategy to develop a long-term comprehensive statewide events and festivals strategy that encompasses both major and smaller events and festivals.

Actions

Five actions have been identified to implement this recommendation:

Action 28A: Ensure that there is a year-round, well-planned and co-ordinated calendar of major events and festivals in Sydney that results in events complementing each other, rather than being in competition with one another.

Action 28B: Streamline approval processes and enable long-term DA approvals to be obtained for events and festivals.

Action 28C: Expand and heavily promote a year-round regional events and festivals calendar.

Action 28D: Require Government-funded events and festivals to include relevant visitor economy Key Performance Indicators (KPIs) in the conditions of Government funding.

Action 28E: Continue work with Racing NSW to maximise the economic benefit which is derived from major racing carnivals conducted across metropolitan, provincial and country NSW.
**Nature and Heritage Experience Development**

**Snapshot**

Well-managed protected reserves and restored heritage sites are well-positioned to provide internationally competitive and sustainable tourism experiences. Research shows that nature tourism and wildlife experiences are the major motivators of travel to and within NSW. The natural, unspoilt setting is what most appeals to domestic visitors to NSW (BDA 2011).

The Taskforce acknowledges a recent significant change of operational approach by the National Parks and Wildlife Service (NPWS) in adopting initiatives that support the visitor economy. However, significant additional effort is still required to ensure the delivery of nature and heritage tourism experiences in NSW. A more dynamic and collaborative approach, particularly at the local level, is needed to maximise the return on nature and heritage tourism opportunities, improve visitor experiences and integrate with complementary tourism activities and appeal.

**Background**

Natural assets are a key driver of economic activity and sustainable employment in the visitor economy, particularly in Regional NSW. Well-managed sustainable nature tourism operations in key regions create significant differentiation between destinations and visitor experiences (DECC, 2008). A recent survey in 2010 found that NSW’s National Parks and Reserves generate approximately 34.6 million domestic visits annually.

Despite its known competitive strengths, NSW is yet to fully capitalise on the visitor potential of its existing nature and heritage assets. There is a need for:

- clearer roles and responsibility between Government and Industry for the identification and delivery of sustainable nature visitor experiences in NSW
- improved strategic positioning to emphasise NSW’s distinctive competitive advantages through its diverse range of nature and heritage experiences
- improved co-ordination to deliver nature and heritage experiences to properly capitalise on NSW’s plethora of heritage tourism experience. Various NSW and Commonwealth Government agencies (Defence and Sydney Harbour Federation Trust) administer NSW’s nature and heritage assets, in conjunction with Local Government and community groups such as historical societies and the National Trust
- a stronger Government commitment to provide and maintain visitor experiences in identified key nature and heritage tourism precincts
- improved access for visitors to quality information on nature and heritage tourism experiences. There is also a need for improved co-ordination between Government and Industry stakeholders in visitor information delivery.

**Recommendation**

29 Relevant NSW Government Departments and agencies work with the Tourism Industry to clearly articulate responsibilities and establish milestones for the management and development of identified nature and heritage tourism experiences and develop a co-ordinated and more dynamic approach to delivery of these opportunities.

**Actions**

Five actions have been identified to implement this recommendation:

- **Action 29A:** Amend the National Parks and Wildlife Services Act 1974 management principles to require the NPWS to develop and promote access, services and facilities for visitors that are compatible with the conservation of National Parks’ natural and cultural values.
- **Action 29B:** Incorporate significant National Landscapes and World Heritage Areas within NSW into the relevant Destination Management Plans to better leverage these experiences and help grow visitation and spend.
- **Action 29C:** Identify and facilitate opportunities for commercial and strategic tourism partnerships and participation in National Parks, historic sites and other relevant State-operated Reserves and implement a plan to realise these opportunities.
- **Action 29D:** Ensure that NPWS’s role and responsibilities are integrated into relevant Destination Management Plans.
- **Action 29E:** Further develop and promote the Great Walks in NSW to enhance visitor nature experiences.
ongoing experience development

snapshot

There is a need to continually support development of new products and experiences that will highlight NSW’s distinctive features and that will appeal to visitors. Ongoing consumer research regarding what consumers find distinctive and appealing about NSW will capture the insights necessary to identify further product and experience development priorities.

For example, the Sydney Fish Market is a key attraction and key brand attribute for Sydney, however, there is a need to explore options to fully capitalise on its potential for increased visitation.

background

NSW’s attractions and experiences are as varied as its visitors. Tracking and co-ordinating product development is an important aspect of ensuring that the growth of the visitor economy is targeted at those sectors where the need is highest. Identifying gaps in products and experiences early will ensure NSW does not miss out on economic benefits.

The Sydney Fish Market, situated along the Sydney Harbour foreshore, is a very popular attraction for visitors to Sydney as well as residents. However, the Market has several constraints as an ideal visitor precinct. It should be a major attraction but is not being fully capitalised on currently.

A revamped Sydney Fish Market, which is a more integrated Sydney Harbour experience, in a location with greater visitor access, has the potential to develop into a major visitor asset for the city.

Sydney has Eveleigh Farmers Market but as a global city more markets of this quality are needed. The opportunity for the development of another significant permanent and ongoing fresh produce market near the CBD should also be explored. Melbourne has a number of produce markets which are very popular with locals and visitors alike. Sydney lacks such a facility.

recommendation

30 Undertake ongoing consumer research to identify opportunities to develop new products and experiences that will highlight NSW’s distinctive features and appeal to visitors.

actions

Two actions have been identified to implement this recommendation:

Action 30A: Undertake an audit of existing products and experiences, in both Sydney and the regions, to identify gaps and undertake a development program to fill those gaps, for example, a permanent Sydney produce market.

Action 30B: Review the operation of the current Sydney Fish Market and examine the options for improved visitor access and amenity.
PART B
STRATEGIC IMPERATIVE 5:
INCREASE VISITOR SPEND

Photograph courtesy of Sydney Seaplanes
STRATEGIC IMPERATIVE 5: INCREASE VISITOR SPEND

VISITOR YIELD

Retail shopping
31 Position Sydney as a world-class shopping destination

Food and wine
32 Extend marketing and brand messaging of NSW quality food and wine experiences

International students and education market
33 Implement international education market strategies

Specific high-yield segments
34 Assess and act on emerging high-yield market opportunities
It is imperative that NSW increases visitor spend if it is to reach the 2020 target. The key to increasing visitor spend is to increase visitor yield (that is, expenditure per visitor per trip).

**VISITOR YIELD**

**Rationale**

The arrival of more visitors to NSW does not, by itself, guarantee that the 2020 target can be achieved. A doubling of overnight visitor expenditure will require increased spend per visitor.

Four priority areas for increasing visitor spend have been identified:

- retail shopping
- food and wine
- international students and the education market
- ongoing assessment of other high-yield segments, for example, medical tourism and international convention delegates.

**RETAIL SHOPPING**

**Snapshot**

Shopping comprises one of the major areas of visitor expenditure. NSW is being outperformed by competitor destinations, such as Singapore and Melbourne, in terms of tourism shopping expenditure as a share of total overnight visitor expenditure.

The retail experience in NSW needs to better promote and connect visitors with retail shopping opportunities.

**Background**

Shopping is one of the most popular activities for international visitors to Australia. Eighty-six per cent (4.7 million) of all foreign visitors participated in shopping in 2011, spending $2.3 billion (TRA 2011). World-class retail experiences have the potential to influence length of stay, choice of destination and visitor spend. An estimated $815 million was spent in the State by international visitors in 2011. A report produced by Visa, *Tourism Outlook: Australia*, April 2011, shows that total spending (including all purposes) on Visa cards alone in Australia by international visitors in 2010 was $5.1 billion. With focussed effort there is the opportunity to substantially increase the economic benefit from shopping to NSW.

Growing competition from online shopping and premier shopping destinations in Asia, for example, Singapore means there is a strong imperative for high-quality retail that is available when and where visitors demand it. Singapore and Bangkok are leaders in visitor shopping facilitation – see case study below.

**CASE STUDY – SINGAPORE**

Established shopping destinations utilise initiatives to unlock the potential of shopping to increase international visitor yield. For example, in Singapore the Tourist Refund Scheme (TRS) plays a more prominent role in high-level visitor purchases. Under its ‘open market’ system, Singapore permits private sector refund providers to compete for the right to provide TRS services. This approach enables refund providers to work with retailers to provide innovative services for international shoppers, and promote Singapore to their global network.

Retail shopping is particularly important for the rapidly growing segment of inbound visitors from the priority target market of China for whom shopping is an important driver of travel activity. Visitors from China account for approximately 21 per cent of total international shopping dollars spent in Australia in 2011 (TRA 2011), despite representing only 10 per cent of total international visitors in the same period (Global Blue). See Graphic B5.1.

China UnionPay (CUP), China’s major bankcard association, was founded in 2002 and by the end of 2009 it had issued more than 1.3 billion UnionPay cards. Since CUP internationalised in 2004, the growth rate of UnionPay international transactions has soared and in 2009, the international transaction volume increased 26 times from what it was in 2004. (ChinaUnionPay, CNTO site).

All Chinese travellers, when leaving China, usually have a UnionPay card. They are the highest visitor spend and enjoy shopping. Unfortunately, the retail and banking industries in Australia have been slow to accommodate the use of this card. As Chinese visitors to NSW increase, NSW is missing out on significant expenditure because the card is not accepted widely across the NSW retail sector. The National Australia Bank is the only Australian bank that currently accepts the card.
In terms of domestic visitors, NSW is number two in appeal, behind Victoria, as a shopping destination (BDA 2012). See Graphic B5.2.
Priority issues

Two priority issues have been identified to improve the retail shopping experience for visitors to NSW:

- **trading hours**: trading hours in key tourism precincts need to be in keeping with the seven-day visitor economy to open further opportunities for visitor spend and help extend the length of stay by visitors.

- **product and service innovation**: with the growth of global shopping and a high Australian dollar, NSW must foster an innovative culture in its retail sector, including acceptance of China UnionPay cards, if retailers are to compete for visitor spend and gain from the visitor economy.

Trading hours

The growth of entertainment attractions such as theatres, cultural events and restaurants has led to visitors staying out longer and later into the night. Unfortunately, trading hour and day restrictions in some precincts are limiting retail availability during these high-value periods. This is especially detrimental during holiday seasons and during major international events when strong demand for shopping is often unmet because shops remain closed.

Deregulated trading hours and days will help businesses respond to changing visitor numbers and empower the retail industry to create commercial opportunities by linking retail shopping to NSW’s holiday and night-time experiences.

An enhanced shopping environment will lead to a greater diversity and availability of experiences and destinations, which can help drive increased yield.

Penalty rates

Deregulation of trading hours and days is not by itself sufficient to deliver better access to retail experiences. The additional cost of labour during weekends, evenings and public holidays raises questions over the commercial viability for retailers to stay open. Australia’s retail labour costs are already amongst some of the highest in the world and penalty rates can have a marked impact on the availability of quality retail services.

The **Fair Work Act 2009** penalty rate provisions should be amended to recognise that the visitor economy operates seven days a week.

Easing the impact of penalty rates under the **Fair Work Act 2009** in this way would give employers the flexibility to open and hire staff during high-demand periods and allow NSW to fully capture the revenue potential of discretionary visitor spend.

Product and service innovation

Shopping currently accounts for 9 per cent of total international visitor spend in Australia (TRA 2011). This is low in comparison to other international destinations. For example, in Singapore shopping accounts for 27 per cent of international visitor spend (Singapore Tourism Board, 2011).

NSW, along with other Australian markets, competes for the international visitor shopping dollar within a highly competitive market. In addition to having a relatively higher cost base, due to its proximity to key markets and the high exchange rate of the Australian dollar, NSW directly competes with destinations that have a more sophisticated visitor shopping experience.

The Commonwealth Government should amend the Tourist Refund Scheme (TRS) provisions of the GST law to allow competition by private refund operators, as occurs in many jurisdictions around the world. This will drive the development of innovative, new promotional campaigns targeted at international visitors, who will be entitled to reimbursement of their GST refund whilst still in Australia. This has the potential to significantly increase the levels of tourist shopping by international visitors while they are still in NSW.

Work needs to be undertaken with the retail industry to further encourage transit cruise passengers to access Sydney’s retail precinct. For example, the option should be examined to provide free shuttle buses to the city’s retail precincts for transit passengers, especially those passengers transitting from the proposed new White Bay cruise berthing facility.

There is an ongoing challenge to develop other innovative ideas to assist Sydney to be further developed as a world-class shopping destination.
Recommendation

31 Work with the retail industry to position Sydney as a world-class shopping destination.

Actions

Six actions have been identified to implement this recommendation:

Action 31A: Develop and implement a whole-of-city approach to retail promotions with the City of Sydney’s Advisory Retail Panel, the Australian National Retailers Association and the Australia Retailers Association.

Action 31B: Deregulate remaining restrictions on trading hours and days in key tourism precincts and destinations to enhance the retail trading environment for business and the shopping experience for visitors. Work with the City of Sydney to make retail an attractive feature of the ‘late night economy’ in Sydney.

Action 31C: Call upon the Commonwealth Government to provide greater flexibility within the Fair Work Act 2009 to lessen the impact of higher penalty rates on the retail sector and encourage greater trading during weekends and public holidays (see also Food and Wine and Labour Supply).

Action 31D: Call upon the Commonwealth Government to reform Australia’s GST Tourism Refund Scheme (TRS) to allow competition by private refund operators that will drive tourist shopping and product development to international visitors and allow reimbursement whilst visitors are still in Australia.

Action 31E: Work with the retail industry to encourage transit cruise passengers to access Sydney’s retail precinct.


FOOD AND WINE

Snapshot

There is a significant opportunity to use NSW food, wine and dining to enhance the image, appeal and experience of many regional areas. Already food and wine tourism is a growing part of travel within NSW. However, this contribution has the potential to be much further enhanced.

Eating out at restaurants is one of the most popular activities undertaken by visitors to NSW and is an important contributor to visitor spend. As the most multicultural State in Australia, NSW can cater for all cuisines, religious requirements and personal preferences. However, a lack of understanding regarding visitor requirements, labour shortages and a difficult investment environment curtail the sector realising its full potential and increasing its contribution to the visitor economy.

Background

The food and wine sector makes a significant contribution to the NSW visitor economy, and is an important part of every visitor’s experience. Achieving increased spending by visitors on food and wine is likely to be achievable more easily than in many other expenditure areas. The high degree of Australian ownership of food businesses and the sector’s high labour intensity ensure that any increased visitor expenditure on food and wine delivers maximum economic return to NSW.

Eating out at restaurants is a popular activity undertaken by visitors to NSW and is an important component of visitor spend. However, a lack of understanding of and/or ability to meet visitor requirements, labour shortages and a difficult investment environment curtail the sector realising its full potential and increasing its contribution to the visitor economy.

The NSW food services sector (including restaurants, cafés and take-away food) has had consistent turnover growth over many years and achieved a total turnover of $9.9 billion in the year to December 2011 (see Graphic B5.3).
Leveraging this growth can significantly improve the hospitality experiences of visitors and boost overnight visitor spend. The food and wine sector is a significant employer in NSW. Cafés, restaurants, takeaway shops, clubs, pubs, and bars in NSW directly employ 48,200 people in tourism-related positions. (TSA, 2009). Supporting the sector will not only create employment and up-skilling opportunities but will also ensure that the delivery of hospitality experiences is at a standard of quality and authenticity that visitors expect.

In terms of domestic visitors, NSW is only the third highest State by its perceived association with food and wine experiences, following Victoria and South Australia (see Graphic B5.4). Approximately 37 per cent of the interstate population surveyed associate NSW with food and wine (BDA 2012).
Marketing NSW food and wine

In order that maximum value is obtained, additional visitation and spend must occur where there is existing capacity. Restaurants in central Sydney, for example, are generally operating strongly while many attractive regional restaurants are not.

Food and wine promotion should also be directed toward domestic and international visitors who are likely to visit hospitality outlets during non-peak times. The promotional effort must make use of insights into consumer dining behaviour and build on the pride of the NSW food and wine product. In particular, there are significant opportunities to leverage promotion in regional areas to market the diversity of dining options in NSW. Providing promotional assistance to destinations and regional food organisations can capture increased visitor spend.

Marketing campaigns must also recognise the potential of events and festivals to contribute to food and wine spend. NZ has most successfully promoted its wines and captured market share. Events such as the NSW Wine Festival must not only be focussed on generating overnight visitors and increase spend, but also help to build Sydney’s appeal as a premier dining destination.

Promotion can also capitalise on NSW’s award-winning wine sector by increasing awareness and distribution of NSW wines throughout the State’s hospitality venues. In 2010, only 19 per cent of wines on NSW wine lists were from NSW, compared to 64 per cent of local wines in South Australia and 32 per cent in Victoria (Wine Business Solutions, 2011). NSW was the only state that had a result which was higher than in the previous year, and it was noted that:

“… NSW wines are receiving strong support from the NSW Government in their home State and it is starting to yield results.”

Recommendation

32 Extend the marketing and brand messaging for Sydney and NSW destinations to promote more strongly the quality food and wine experiences that NSW offers for visitors.

Actions

Seven actions have been identified to implement this recommendation:

Action 32A: Work with Industry to call upon the Commonwealth Government to provide greater flexibility within the Fair Work Act 2009 to lessen the impact of higher penalty rates on the retail sector and encourage greater trading during weekends and public holidays (see also Retail shopping).

Action 32B: Identify and further develop food and wine styles for individual destinations and associated events and festivals, and incorporate them into relevant Destination Management Plans.

Action 32C: Further develop and promote food and wine trails.

Action 32D: Extend and co-ordinate targeted trade and consumer promotions to encourage visitors to experience more of NSW’s food, wine and hospitality services and promote the quality and diversity of food and wine experiences (including dining options) when promoting NSW as a destination.

Action 32E: Call upon Industry associations in the food and hospitality sector to champion and work with their NSW members to increase the availability of NSW-sourced food and wine and to learn from successful wine marketing initiatives in NZ and other States.

Action 32F: Work with the NSW wine and food industry to explore opportunities for promoting NSW as a destination on exported wine and food (for example, include Destination NSW’s consumer web address on labels).

Action 31G: Encourage hospitality industry organisations to undertake education and training programs to enable a better response to visitor cultural and culinary preferences.
INTERNATIONAL STUDENTS AND EDUCATION MARKET

Snapshot

International students make a significant contribution to the NSW visitor economy. However, as the Education and Tourism Taskforce Report previously indicated, there are significant opportunities to extend this contribution. The international education market segment ranges across the formal and informal education sectors.

There are significant opportunities to further develop the VFR market segment in relation to international students who are studying in NSW. NSW is the most culturally diverse State in Australia with people from around 200 birthplaces having made the State their home. In addition, close to a quarter of the population speak a language other than English at home. (CRC). This diversity is a great asset for our international education sector.

Background

NSW is Australia’s leading State for international education visitors, receiving 37 per cent of all education trips. It is followed by Victoria (23 per cent) and Queensland (19 per cent) (BDA 2012). See Graphic B5.5.

Graphic B5.5: Inbound education and trips share

Inbound purpose: education

![Graph showing inbound trips and trip share by state over the years 99 to 11.](http://example.com/graph_example)

BDA 2012
The total international education market is worth $2.4 billion in NSW, over a third of all international visitor expenditure (TRA 2011).

The international student market is clearly a significant contributor to the growth of the NSW visitor economy. However, global competition for market share is extremely high and it is important that Sydney and NSW continue to offer an appealing proposition to students.

The education market is typified by longer-staying visitors and offers many opportunities for NSW to increase visitor spend and maintain its leading position. Education visitors to NSW represent 7.8 per cent of total international visitors to the State, and a third of all nights spent by international visitors to NSW (DNSW 2011).

The most important factors influencing decisions by international students are quality of education, cost of tuition, safe and friendly environments and the cost of living. Students, however, vary widely in their preferences, making the sector difficult to target. Personal aspirations, recommendations from family and friends, and value for money are also significant drivers in choosing in which State to study. This means a broad approach to communication and marketing is needed to influence student choices and maximise spend in NSW.

Eastern growth markets are especially important to NSW’s continued success in the education market. Student arrivals from China have been steadily growing over the last decade. Education is now the second highest purpose of travel for Chinese visitors to NSW, overtaking business visitors and VFR visitors (see Graphic B5.6).
Priority issues

The recommendations of the NSW Joint Ministerial Taskforce on Education Tourism (the Education Tourism Taskforce) have yet to be implemented. Immediate implementation of all of the recommendations is supported to ensure that the full potential of the NSW education market is realised.

The key recommendations of the Education Tourism Taskforce include:

- research and market intelligence
- partnerships, co-ordination and collaboration
- product and market development.

Research and market intelligence

The Education Tourism Taskforce found that there is currently limited information and insights in a number of areas relating to education visitors, including:

- the processes undertaken by students in selecting education destinations
- the information sources used
- the extent, type and value of tourism activity already undertaken by short and long-term students
- examples of global best practice in developing education travel and associated visitor activities (Joint Ministerial Taskforce report, 2009).

In order to maximise the benefits of the education visitor, it is necessary to better understand the factors that are instrumental to a student’s choice of destination and the types of activities they undertake. Improved consumer research and market intelligence regarding leading geographic markets and segments will allow Industry and Government to target priority areas which will provide the greatest growth opportunities and return for NSW.

Partnerships, co-ordination and collaboration

Historically there has been little collaboration between the education and tourism sectors. In order for the sector to reach its full potential there must be strong partnerships that recognise the potential for greater integration of students into the visitor economy.

There are also significant opportunities to create stronger regional partnerships between educational institutions, regional tourism bodies and the three levels of Government to work together to develop initiatives to attract more students to Regional NSW, whether for study or leisure (Joint Ministerial Taskforce Report, 2009).

Product and market development

There are many opportunities to expand the informal education tourism sector. Increasingly, student travel choices will be motivated by personal interests, needs and endeavours. Product development should target opportunities in a wide range of ‘learning through travel’ educative activities that can facilitate personal and professional development.

For example, there is enormous potential in the areas of mature-age learning, school visits and student exchanges, industry study tours, technical visitation programs and volunteering. There are also significant opportunities to increase yield from English language students through partnerships with English Language Intensive Courses for Overseas Students (ELICOS).

Recommendation

33 Implement the recommendations of the Education and Tourism Taskforce report, which include:

- establishment of a Government and Industry entity to co-ordinate the promotion of NSW education to international markets
- improve consumer research and market intelligence, including to identify the markets, segments and initiatives which provide the greatest growth opportunities and return for NSW
- develop closer partnerships, co-ordination and collaboration between the education and tourism sectors to develop and expand the education sector
- undertake development of new opportunities and segments, particularly in the informal education sector and address supply constraints and weaknesses to boost visitor economy outcomes.
- Introduce transport concessions for international students (Also see Visitor transport services).

Actions

Two actions have been identified to implement this recommendation:

Action 33A: Ensure visitor economy representation on any new co-ordination body to co-ordinate marketing and delivery functions.

Action 33B: Ensure the international student-related opportunities are targeted in Destination NSW’s VFR marketing and promotions.
SPECIFIC HIGH-YIELD SEGMENTS

Snapshot
There is a need for NSW to continually seek out and develop high-yield visitor markets and market segments. Specific and niche events and market segments can present opportunities for overnight visitor expenditure growth and considered investment in them can deliver significant returns.

Background
Continuous evaluation of visitor trends and demographics will allow NSW to identify growth opportunities early and act fast to establish a presence in emerging high-yield segments.

Priority issues
Proactively assessing and acting upon opportunities for growth will help generate additional visitor spend.

Two potential high-yield segments have been identified for preliminary comment. (Business Events are covered in a separate section):
• youth tourism
• medical tourism.

Youth tourism
Sydney and Regional NSW attract over 5 million youth visitors (people aged 15 to 29 years) every year. Of these, 740,000 are leisure youth visitors (travellers whose main purpose is holiday or VFR). The youth market contributes approximately $5.5 billion to the NSW visitor economy. The main source markets of youth visitors include the UK (15 per cent), New Zealand (10 per cent), USA (8 per cent) and Korea (6 per cent). There may be opportunities to expand the youth market in Regional NSW which currently accounts for only 18.7 per cent of leisure youth visitor nights (DNWS 2011).

Some youth are deterred from coming to NSW by the prices and cost of living relative to other global destinations, particularly in Sydney. The international youth market, with a long average length of stay, is extremely attractive to many businesses with short-term vacancies, for example, telecommunications companies and the food and hospitality sector. Developing a better framework for engaging the corporate sector with working holidaymakers will help provide youth with a means for staying longer and spending more.

There is also scope to further develop targeted marketing directed at the youth sector.

Young people increasingly obtain their information online and digital marketing is the most cost-effective method of reaching them. This requires an integrated strategy, not merely a social media campaign. Young people listen to other young people and targeting popular forums and websites will provide greater penetration than social network marketing on its own. Marketing efforts could similarly be undertaken to increase regional visitation by backpackers.

Medical tourism
Medical tourism refers to patients who travel overseas for medical procedures and care. Market share in medical tourism is primarily held by Asian nations (such as Thailand) owing to low costs and the availability of luxurious post-operative amenities. Medical tourism is comparatively small in Australia, representing just 0.001 per cent of global medical visitors. Nonetheless Australian medical tourism has been growing at an average annual rate of 6.19 per cent, this compares to a 2.97 per cent average growth rate for all visitors.

Medical visitors stay in Australia for an average of 14 nights and spend $3,973 per visitor, including airfares (Deloitte 2011). Capturing the high-yield potential of medical visitors may provide significant growth opportunities for the NSW visitor economy in the long term. Australia has areas of medical expertise that are highly regarded internationally. For example, Australian IVF services are sought after and the treatment requires patients to stay for several weeks. These specialist medical services may present further opportunities for the NSW visitor economy and should be investigated.
Sydney is currently the number one destination for international medical visitors to Australia (Deloitte, 2011). Medical tourism in NSW may be particularly attractive to patients from nearby Asia-Pacific nations.

Currently Australian medical tourism is highly underdeveloped and there are few co-ordinated medical tourism providers. There is also limited on-the-ground support such as referral agencies/clinics, marketing companies and co-ordinators of medical records (Deloitte 2011). This makes it difficult for patients to organise treatment and travel (including obtaining visas).

**Recommendation**

34 **Continually assess, monitor and quantify emerging high-yield market segments.**

**Action**

One action has been identified to implement this recommendation:

Action 34A: Work with the relevant Industry bodies to identify, develop and facilitate specific high-yield market segment opportunities, such as youth tourism, medical tourism, high-level business events (for example, Forbes Global Conference, World Economic Forum, luxury shopping, incentive travel and gaming).
PART B
STRATEGIC IMPERATIVE 6:
MAKE NSW MORE COMPETITIVE

Photograph courtesy of CeBIT Australia
MAKE NSW MORE COMPETITIVE

INVESTMENT FACILITATION

Investment

35 Cut red tape and incentivise investors

Business events

36 Implement whole-of-government approach to business events

Funding

37 Resource Destination NSW

38 Connect visitor economy to NSW Government programs, including funding

39 Assess NSW Government spending on visitor economy initiatives

40 Industry innovation funding
STRATEGIC IMPERATIVE 6: MAKE NSW MORE COMPETITIVE

Rationale
Significant new investment will be required for NSW to achieve the ambitious 2020 growth target. Measures that hinder new investment into NSW will have a marked impact on visitor expenditure growth. NSW can help increase visitor expenditure by ensuring that the State is an attractive and competitive investment destination.

INVESTMENT FACILITATION

Snapshot
There is a strong and common view that, in recent years, it has been difficult to undertake new business investment in NSW. The Taskforce does, however, note that the NSW Government has undertaken a number of initiatives to address this situation.

To increase its capacity and visitor spend, NSW must provide increased encouragement and facilitation (such as information services, business resources and online portals), reduce impediments and create incentives to help investors make and progress investment decisions to best meet the needs of target markets. In regional areas, the issue is more a need to refurbish and update existing accommodation stock rather than develop new properties.

Background
Investment in the visitor economy in NSW has been lacking in recent years. From 2000–01 to 2009–10, tourism-related investment grew at only half the pace of investment in the rest of the Australian economy (TA 2011). Businesses with a high reliance on visitor expenditure currently face a disproportionate regulatory burden, which has had a negative impact on overall investment (TA 2011).

Industry argues that a lack of co-ordination is a competitive barrier to growing the State’s visitor economy. Existing uncertainties in the planning, approvals and construction phases of development result in delays and, in some cases, cancellation of projects which otherwise would increase the capacity of the visitor economy. Stakeholders have indicated that slow development assessment processes hamper major new visitor economy projects. Additionally, there is a need for improved Government co-operation at all levels to identify and promote visitor economy-related investment opportunities.

The following case studies demonstrate the regulatory impediments that prevent investment in the NSW visitor economy.

CASE STUDIES – MAJOR PROJECTS
A $50 million investment proposal for adaptive reuse of a Sydney foreshore heritage building to create a high quality restaurant precinct that would also showcase NSW wines and produce and deliver a new major events venue on Sydney Harbour was stalled through three years of negotiation. The approval process required by the various consent authorities and their differing views has also resulted in associated costs to the investors to date in excess of $1 million. The project is still in limbo.

Unfortunately, this case study is not an isolated case. A family attraction in Regional NSW advises that its proposal for a $30 million expansion has, to date, taken three years to process through Local Council and has cost an additional $1 million in consultant fees. The estimated 101 jobs that would have been created in the construction phase have been lost because the process is stalled. By comparison, in Victoria the same company experienced a four-month assessment process before receiving approval to develop an adventure park.

Reducing the existing planning regulatory burden in NSW will create an investment environment in which private development can drive new accommodation, attractions and experiences for visitors.

The Taskforce acknowledges the NSW Government’s commitment to reform planning laws and processes in NSW and, in particular, notes that the NSW Planning Review is currently underway. However, there are still major constraints to facilitating investment in NSW which need to be addressed.

Priority issues
The following priority issues were identified by the Taskforce:

• **NSW 2021**: it is important to follow through on the NSW 2021 commitments

• **one-stop shop**: there is a need for a one-stop shop for potential investors in the visitor economy

• **incentives**: reform is required at State and Local Government levels to establish incentives that facilitate and expedite private investment

• **land use planning issues**: there are several land use planning measures which must be reformed
NSW 2021

NSW 2021 committed to reduce red tape and provide improved incentives for investment. The key targets include:

- **red tape**: reduce red tape for businesses and the community by 20 per cent by June 2015
- **development approval processes**: increase the number of developments that are approved without the need for detailed assessment (lengthy merit assessment)
- **duplication of Commonwealth and NSW Government environmental regulation**: reduce duplication of Commonwealth/NSW environmental regulations, which will help to streamline approvals while protecting the environment.

Progress towards these goals will greatly assist the growth of the visitor economy.

**Whole-of-government approach to establish a one-stop shop**

One of the greatest impediments to visitor economy-related development in recent years has been a lack of co-ordination or a proactive approach to visitor economy investment attraction at a whole-of-government level. This has led to a ‘silo approach’ to administration, a lack of consistency in policy and processes and excessive red tape and conflicting decision-making.

The Taskforce considers that Destination NSW is well-placed to provide a visible one-stop shop for industry, including potential investors in the visitor economy and event proponents, to provide support for projects that meet key visitor economy criteria and to liaise with Government personnel and Departments. The purpose of the one-stop shop would be to seek out Industry investment in visitor economy initiatives and expedite Industry access to the full range of Government information and services through NSW Trade & Investment and other Government Departments and agencies. The one-stop shop would also assist industry to navigate NSW Government approval processes in a commercial timeframe by having all key agencies at the table. This proactive approach to investment attraction and facilitation is required to help generate a higher rate of investment growth in the State’s visitor economy. This approach should be supported by a roundtable of key NSW Government Department representatives.

**Incentives and tax offsets**

Financial incentives for new visitor economy-related investment (including building refurbishments) can help stimulate investment activity. Additionally, investment incentives or tax offsets can incentivise infrastructure investments that enhance the visitor experience and the quality of the product offering. The planning bonuses and tax offsets that existed in the lead-up to the Sydney Olympics in 2000 are a useful reference.

The Western Australian Government recently announced a set of incentives to encourage hotel investment, the following incentives apply on a project-by-project basis:

- release of Crown land for hotel development through expressions of interests
- granting of longer-term Crown leases for short-stay accommodation developments where appropriate
- concessional lease payments for Crown land on the Valuer General's advice that specifically promote hotel accommodation developments
- discount of Crown land values for hotel developments on a case-by-case basis in consultation with the Department of Regional Development and Lands, and other relevant agencies
- leasing of Crown land for hotel use at a peppercorn rate
- designating the use of land under Government control, Crown land, properties and/or buildings for future hotel use or conversion
- allocation of funds for the provision of infrastructure upgrades to facilitate hotel accommodation development on a case-by-case basis
- flexible plot ratio bonuses for hotel developments.

(WA Government, December 2011).

The WA Government has just released (May 2012) the first two Government-owned sites in Perth city for potential investment under the incentive scheme.

**Land use planning issues**

The NSW Government should look at various incentive options that will assist in attracting new investment in the visitor economy. The development assessment process is the primary upfront cost to businesses that are investing in the visitor economy (Planning Institute of Australia, 2010). Simplification and streamlining of land use planning controls and procedures would stimulate visitor economy related development, especially for visitor accommodation and attraction investment.

Current Local and State Government land use planning laws and business regulations are hampering the growth of potential visitor investment in destinations. Unfortunately, not all planning decisions made within key visitor destinations pay due consideration to the needs of the visitor economy.

Current planning guidelines only require Local Governments to consider visitor/tourism issues in their Local Environmental Plans (LEPs). Councils are not currently required to incorporate...
visitor economy-specific objectives into broader planning, or develop specific plans for future visitor development. This inhibits Industry’s ability to make investments and develop new products and experiences. These planning issues should be included in the relevant Destination Management Plans for each destination and reflected in relevant LEPs.

There is a need for a more strategic approach to land use planning for visitor economy purposes. If this is not implemented, it could result in NSW missing out on essential new developments and events to meet rising visitor demand.

A clear policy framework is required for visitor economy related development in NSW. This will facilitate ongoing and sustainable investment in visitor accommodation, infrastructure and attractions.

Recommmendation

35 Follow through on the NSW 2021 commitment to reduce red tape and provide improved incentives and investment information, at State and Local Government level, to investors and establish mechanisms that facilitate and expedite private investment.

Actions

Four actions have been identified:

Action 35A: Establish a one-stop shop for:

- Industry, including potential investors in the visitor economy, to access the full range of Government information and research and to expedite required approvals

- event proponents to access a full range of Government information and to facilitate and expedite required approvals.

Action 35B: Investigate options to provide incentives, such as planning bonuses and tax offsets for tourism investment in new projects, as well as refurbishments and improvements that enhance the visitor experience and quality of existing product offerings.

Action 35C: Increase the use of planning incentives and land use controls to stimulate tourism development, especially for visitor accommodation and attraction investment.

Action 35D: Provide appropriate tenure arrangements, support infrastructure, development incentives and a consistent planning approval process to encourage quality and appropriate accommodation and attraction development in high natural amenity locations on Crown land.

BUSINESS EVENTS

Snapshot

Business events provide one of the highest levels of visitor expenditure. Beyond this, however, there are many export order benefits for NSW and other benefits to enhance business, research and investment prospects for NSW.

NSW business events need infrastructure and funding support to deliver maximum benefits to Industry and to best showcase NSW and its regions as successful business destinations. There is a lack of awareness of the value of business events across portfolios outside of tourism. Business events strategies need to be aligned with other Government strategies, as highlighted in NSW 2021.

The early decision by the NSW Government to develop a major new Convention and Exhibition Centre in Sydney is welcomed and will provide increased capacity to expand this market and become a major driver of increased visitor spend. However, it is essential that appropriate strategies are put in place to ensure optimum utilisation of this new Centre.

Funds earmarked to assist in attracting particular international events are traditionally referred to as ‘subvention funds’, that is, funds that are offered, in the conference bidding process, to meet the cost of some aspect of the event, if the bid is finally successful. This contribution often enables the event organisers to choose a location for their event on the basis of the (reduced) net cost of holding the event in that location.

Sydney’s major competitors have access to substantial subvention funding.

Background

Business events include meetings, incentive travel, reward programs, conventions and exhibitions. Business events are an important component of the visitor economy and generate one of the highest visitor expenditure yields. Business event visitors spend more than the average visitor. Business visitor expenditure in NSW is estimated at $778 million. (TRA 2011)

More than one-third of all international convention delegates pre- and post-tour to other parts of the State or Australia. NSW needs to capitalise on this opportunity. (NBES 2010)

Business events can be prone to fluctuations in economic activity. NSW has had some success in leveraging its reputation as a premier location for business events but will need to continue its active pursuit to grow market share of the lucrative business events sector. In 2011, Sydney hosted 57 out of 204 international conventions and ranked tenth in the Asia-Pacific region. Sydney is currently ranked behind Melbourne in International Congress & Convention Association’s (ICCA) 2011 worldwide and Asia-Pacific regional rankings for number of meetings held.
The Taskforce welcomes the early decision by the NSW Government to develop a major new Convention and Exhibition Centre in Sydney. This strategic new investment will provide increased capacity to expand the business events market and will become a major driver of increased visitor spend in NSW. However, competition for business events is increasing and NSW is at risk of losing market share. Competition is intensifying particularly as competitor Governments are offering substantial financial incentives to attract business events.

Priority issues
The Taskforce acknowledges the role business events play in driving innovation, productivity and the knowledge economy. However, business events can also provide many other benefits to enhance business, research and investment prospects for NSW. In recognising this the Taskforce has identified the following priority issues:

- **establishment of a Business Events Investment Fund**: this is necessary to ensure co-ordinated, well-supported international conference, exhibition and major incentive travel group bidding to maintain competitiveness with other destination bids

- **resourcing of Business Events Sydney** to ensure sufficient funding and resourcing for development of business event opportunities and promotional activities

- **support for Regional NSW** through delivery of a regional conferencing strategy and the hosting of Government conferences and events in regional areas

- **the temporary full closure of the Sydney Convention and Exhibition Centre** to minimise the construction timeframe and the need for high-quality alternative venues, during the closure period, to ensure NSW does not lose business events booked in this period and can accommodate new requests

- **expansion of the role Business Events Sydney plays** in the development of pre- and post-conference itineraries to maximise visitor spend.

**Establishment of a Business Events Investment Fund**
A NSW Business Events Investment Fund would benefit the entire State. The fund’s investment would help increase visitor spend and, ultimately, stimulate broader economic growth. The new fund would provide seed funding for new anchor events, enhance existing events and allow for selective purchases of key business events, including conventions, exhibitions and major incentive travel group business.

Competitor business event destinations in Australia and globally have access to ‘subvention’ funds to stimulate business event bookings. Some major Asian destinations have had funds in the order of $20 to $25 million (over four years) available.

**Resourcing Business Events Sydney**
Business Events Sydney is the organisation responsible for bidding for, and winning, business events and for promoting Sydney as a business events destination. Its key responsibilities include identifying new event opportunities and securing these events for Sydney. It needs to have appropriate resourcing to effectively target and capitalise on business event opportunities.

**Hosting conferences and events in regional areas**
There is currently no single body responsible for attracting and promoting business events in Regional NSW. Consequently, events and conferences tend to overlook the regions in favour of Sydney or other destinations. There is a need for the development of a NSW regional conferencing strategy to identify required promotional activities.

In seeking to stimulate events and conferences in Regional NSW, the NSW Government must lead by example and establish a policy to host its own conferences and events in Regional NSW as appropriate.

**Closure of the Sydney Convention & Exhibition Centre**
Construction of a new centre will be costly and time-consuming. A full temporary closure of the Sydney Convention & Exhibition Centre during the construction phase will go a long way to ensuring that the construction timeframe is minimised. To that end, the Taskforce welcomes the NSW Government’s announcement that the Sydney Convention & Exhibition Centre will close from December 2013 to fast track construction.

The Taskforce also supports Government moves to establish alternative venues with sufficient meeting and exhibition space during the construction period.

**Interaction with Business Events Sydney**
Participants in business events often seek local experiences and products during their business visit. Greater interaction and communication between the NSW Government, Destination NSW, Industry and Business Events Sydney can help identify and develop pre- and post-conference touring itineraries throughout NSW. This will ensure maximum visitor expenditure and future benefits for the State as a result of participation in business events in NSW.
**Whole-of-government approach**

Business events provide the means to engage internationally, profile the strengths of NSW, host trade delegations, showcase research capabilities and affirm Sydney and NSW as desirable locations to conduct business. These opportunities require effective planning to maximise the delegates’ experience and therefore expenditure in NSW.

To ensure the maximum benefits to the NSW visitor economy, the State requires a whole-of-government approach. This approach needs to be aligned with other Government strategies, as highlighted in NSW 2021, and take into account all elements of the process from bidding, events delivery and post-event relationship management.

**Infrastructure**

Infrastructure to support such an approach is necessary. The replacement of the Sydney Convention & Exhibition Centre is, singularly, probably the most significant infrastructure investment that will directly contribute to the 2020 expenditure target. Industry estimates suggest the exhibition and convention facilities will deliver $270 million in economic activity each year (PWC 2010). It is estimated that international business event delegates are estimated to spend on average five times more than international leisure visitors to Australia, therefore this high yielding market will be a major contributor to doubling overnight visitor expenditure by 2020 (BESyd 2011).

While the Taskforce appreciates the NSW Government’s expansion of the Sydney Convention & Exhibition Centre, further consideration is required for regional infrastructure to incentivise and encourage more business events to be held in regional areas.

**Funding**

Above all, it is essential that appropriate funding is directed to strategies that ensure business events continue to contribute to the visitor economy in Sydney and Regional NSW. Competition for events is intensifying, with many States heavily bidding against NSW for major business events. Consequently, NSW is at risk of not realising the full potential that business events can offer the NSW economy.

**Recommendation**

36 That the NSW Government adopt a whole-of-government approach to the attraction and hosting of business events, funding, brand development, planning and integration of events with the broader visitor economy in Sydney and across the relevant regions.

**Actions**

Seven actions have been identified to implement this recommendation:

- **Action 36A:** Establish a Business Events Investment Fund in place of the current subvention system to support conference bidding by Business Events Sydney against highly incentivised competitor destination bids for business events in NSW.
- **Action 36B:** Develop and implement a NSW regional business events strategy that identifies appropriate regional infrastructure and provides support to Regional NSW to effectively target business event opportunities, including required promotional activities.
- **Action 36C:** Increase the number of NSW Government conferences and events that are held in Regional NSW.
- **Action 36D:** Promote to, and engage with, Sydney businesses to encourage them to hold their conferences in regional areas.
- **Action 36E:** Support the full closure of the Sydney Convention & Exhibition Centre during construction of the new centre to ensure the construction timeframe is minimised and expedite arrangements for alternate venues.
- **Action 36F:** Expand work with Business Events Sydney to assist in the development of pre and post-conference touring itineraries in NSW to maximise time and spend in the State.
- **Action 36G:** NSW Department heads to meet quarterly with Business Events Sydney CEO and Chairman to discuss event bid opportunities.
FUNDING

Snapshot
The Taskforce commends the positive outcome for the visitor economy in the NSW Government’s 2012–13 Budget. The Budget funding commitments of $500 million to Destination NSW over four years, $377 million to the arts and cultural sector, $120 million for trade and investment programs and the plans announced for infrastructure and transport for the State will directly contribute to driving visitor economy growth in NSW.

Despite its natural and built attractiveness and regardless of the great affection for the city by its residents, research shows that the appeal of Sydney and NSW as visitor destinations falls short of competitor destinations on several criteria.

The Taskforce is of the view that there is a unparalleled opportunity to drive infrastructure, investment, marketing and brand initiatives to facilitate the attainment of the NSW 2020 visitor economy target.

The NSW Government needs to adequately resource and fund the implementation of this Plan.

Background
The Taskforce acknowledges the significance of the funding commitment to Destination NSW in the NSW 2012–13 Budget. Although the funding of $125 million per annum for the next four years to be allocated to Destination NSW makes up for a critical shortfall, projected to be $167 million over the coming four years, additional funding and resources will be required to implement this Plan.

Despite the considerable appeal of its natural and built attractions, Sydney (and NSW) has been losing market share to its competitor destinations. For example NSW’s share of international visitors to Australia in 2001 was 60 per cent, whereas in 2011 it was 52 per cent (DNSW 2012). Destination NSW is at risk of being unable to act with sufficient agility in an extremely competitive commercial operating environment.

Paramount to the challenges required to ensure that NSW meets its 2020 target, is the need to ensure adequate funding and resourcing for Destination NSW to deliver the Plan. The goal is not to merely maintain current levels of activity, but to deliver on a strategy to double overnight visitor expenditure in NSW by 2020.

In particular, regional stakeholders highlighted that they embrace the concept of developing the visitor economy. Despite this enthusiasm, financial constraints are a major impediment to Local Councils’ capacity to embrace the concept of greater investment into the visitor economy. Current revenue collected by Local Councils for tourism promotional activities has not always been sufficient to fund effective investment in activities such as marketing, visitor services (such as visitor information centres) and infrastructure provisions to meet visitor needs.

The proposed initiative to allow Local Councils to seek special approval for rate increases above their rates cap for investment in the visitor economy will provide Local Councils with the opportunity to raise funds to overcome these funding issues.

Priority issues
The Taskforce has identified four priority issues in relation to the funding of visitor economy initiatives:

• **initially maintain and then increase existing funding**: additional funding is required to facilitate growth and development of the NSW visitor economy in line with the Visitor Economy Action Plan

• **industry contribution commitment**: a greater industry contribution is required to develop the visitor economy

• **innovation funds**: the Industry should be eligible for funding from NSW Government innovation programs

• **examination of current Government expenditure on the broader visitor economy**: to assess the value of this investment.

Destination NSW funding
The Taskforce is of the view that the 2020 visitor economy target cannot be reached unless additional funding for Destination NSW above the current funding level is allocated. The goal is not merely to maintain current levels of activity, but to deliver on a strategy to double overnight visitor expenditure in NSW by 2020.

Destination NSW’s funding in 2012–13, should at least be maintained in real terms. Additional funding will then be required from 2013–14 onwards to implement the Plan to achieve the 2020 target.

Destination NSW should undertake a detailed assessment of the additional funding required against the actions, milestones and timelines in the Plan, once the Plan is agreed by Government. This assessment should include the opportunity for increased industry funding and in-kind commitments against initiatives in the Plan. The additional funding should be allocated in the 2013 State Budget for 2013–14 and subsequent financial years.

Funding for regional tourism must be maintained in real terms. However, the funding allocation needs to be more reflective of the destinations’ life cycle, growth potential and visitation.
The level of funding provided by Destination NSW to individual destinations should also be based upon current visitation, growth potential and overall contribution to the State visitor economy and in alignment with Destination Management Planning criteria.

Industry contribution commitment

Industry needs to partner and invest with Destination NSW in implementing this Plan, in co-operative marketing and other initiatives.

Innovation funding

Consideration should also be given to recognising tourism and the visitor economy as an Industry sector that qualifies for access to NSW Government innovation programs.

Recommendations

37 Initially, Destination NSW’s current funding is at least maintained in real terms. Including allocation for regional tourism.

38 Provide additional and sufficient funding to Destination NSW on a staged basis over the next eight years to deliver the Visitor Economy Action Plan and achieve the 2020 target.

39 Ensure all NSW Government Departments’ and agencies’ funding on visitor economy-related activities, for example, arts and sport events grants, Industry development and so on are subjected to the same assessment as outlined in the Plan and ensure a return on investment to the State.

40 Recognise this Industry as a segment that qualifies for access to NSW innovation funding programs.

Actions

Six actions have been identified to implement these recommendations:


Action 38A: Assess the additional funding required against the actions and the milestones and timelines in this Plan as agreed with Government, so as to be accommodated in the 2013–14 State Budget process.

Action 38B: Obtain Industry commitment to additional funding and in-kind contributions.

Action 38C: Ensure that all additional funding to Destination NSW is tied to implementing the recommendations of this Plan.

Action 39A: Undertake an audit of all Department and agency budget allocations to identify expenditure on visitor economy-related purposes and, where it would be appropriate, guided by Destination Management Plans, that the funding require a visitor economy-related performance indicator.

Action 40A: Review guidelines and criteria to include the visitor economy in NSW innovation funding programs.
PART B
STRATEGIC IMPERATIVE 7:
CHANGE OF MINDSET

Photograph courtesy of Positive World Travel
STRATEGIC IMPERATIVE 7: CHANGE OF MINDSET

STRATEGY IMPLEMENTATION

Whole-of-government approach

41 Implement a whole-of-government approach to visitor economy policy-making
42 Ensure Destination NSW has operational flexibility
43 Establish a sub-committee of Cabinet for the visitor economy
44 Board of Destination NSW to have responsibility for implementation of the Plan
45 Establish a joint Government/Industry co-ordination committee to monitor the Plan

Industry leadership

46 Industry to work more closely with Government and be jointly responsible for the Plan

Regional development and support

47 Reform operational structures and funding framework for Regional NSW
48 A complete new approach to Regional NSW
STRATEGIC IMPERATIVE 7:
CHANGE OF MINDSET

Rationale

The NSW 2021 overnight visitor expenditure target is ambitious. A change of mindset, for both Government and Industry, will be necessary if the target is to be achieved.

The way we have done things in the past will need to change, including our approach to administration and funding Regional NSW.

Meeting the challenges and maximising the opportunities arising in the visitor economy will require a concerted whole-of-government approach and a proactive ‘can-do’ attitude from across Government, Industry and the community.

WHOLE-OF-GOVERNMENT APPROACH

Snapshot

There has been a ‘silo approach’ due to a lack of a whole-of-government commitment to the visitor economy by previous Governments, which has led to a lack of consistency in policy and processes, excessive red tape and conflicting priorities which in turn have inhibited innovation, investment and growth.

To help achieve the 2020 expenditure target, Destination NSW needs to be able to act with agility in an extremely competitive operating environment.

There is a need for many Government Departments and agencies to change their culture to be proactive and for the focus to be more on active encouragement and support for Industry innovation, entrepreneurship and excellence. This is the approach which has been successful in Victoria.

Background

Meeting the 2020 visitor expenditure target will require support and commitment across the full breadth of Government in NSW. NSW needs a whole-of-government approach, with NSW Government Departments and agencies working in partnership to achieve a collective response to key policy priorities.

Stakeholders have strongly emphasised the need for a whole-of-government approach in their input to the Taskforce. Collaboration across Government is seen as fundamental to the success of the visitor economy. The absence of a whole-of-government approach is partially responsible for some of the inertia, particularly in the area of investment for the visitor economy. For example, investment and development approval red tape severely restricts the ability of industry to respond to the growing need for more hotel accommodation in Sydney.

Priority issues

Four priority issues have been identified:

- adopting of a whole-of-government approach to oversee policy development and implementation of those policies needed to achieve the 2020 expenditure target
- ensuring Destination NSW has the operational flexibility to deliver an agile, commercial approach to visitor economy development
- establishing a special sub-committee of Cabinet to oversee policy co-ordination
- implementing a formal relationship between Government and industry to ensure a collaborative and co-operative approach in implementing the Visitor Economy Action Plan.

Adoption of a whole-of-government approach

Government will play a key role as the main facilitator of the change required for the success of the visitor economy strategy. A successful strategy will require whole-of-government co-ordination to drive the necessary change and create the right economic environment. Key outcomes required include reduced red tape, greater planning certainty, and better access to private/public partnership arrangements. This approach must be connected with Destination Management Planning and appropriate performance targets.

Ensure Destination NSW operates as an effective and flexible entity

Implementing this Plan and achieving the 2020 target over a relatively short period (eight years) will require the ability for Destination NSW to act with greater agility in an extremely competitive commercial operating environment. A central one-stop shop for industry, including providing assistance to potential visitor economy investors, will be essential. Destination NSW should be able to better facilitate and expedite visitor economy growth initiatives by not being inhibited by current laborious, over bureaucratic policies and practices. It could also access necessary Government support and services through a roundtable of key NSW Government Departments. This could include, for example, fast-tracking of appropriate investment proposals that meet approved criteria.
An initial priority for the Government should include exempting Destination NSW from the NSW Government’s advertising approval peer and Cabinet review process.

**Establishing a special sub-committee of Cabinet**

The Taskforce recommends that a sub-committee of Cabinet oversee the whole-of-government process and monitor the State’s progress towards meeting the 2020 expenditure target. For example, policies regarding infrastructure spending, business regulation and funding for cultural opportunities cross over with other Departments’ policy considerations.

Whole-of-government collaboration will better enable NSW to focus resources and effort, unlock potential sources of growth and create flow-on effects for the wider economy.

A number of Governments, where tourism and events are major economic generators, have recently announced similar arrangements (for example, Queensland and Malaysia).

**Instigating a formal relationship between Government and Industry**

The Taskforce supports a formal dialogue between Government and Industry to enable the effective implementation of the Visitor Economy Action Plan. Ongoing industry input will be vital to ensuring broad buy-in and the necessary collaboration to help meet the 2020 expenditure target.

Whilst the Board of Destination NSW should be charged with the overall responsibility for implementation of this Plan, it is imperative that Industry also recognises and accepts its role as a partner with this implementation.

It is proposed that a sub-committee of the Board of Destination NSW meet with Government-nominated Industry representatives, at least twice yearly, to jointly assess the overall implementation of the Plan and report to Government, including recommending any necessary adjustments to the Plan.

### Recommendations

41 **Adopt a proactive whole-of-government approach to improve consistency in policy and processes and cut red tape to drive innovation, investment and growth.**

42 **Provide greater operational flexibility to Destination NSW so as to enable it to operate more effectively in an agile and commercially competitive manner.**

43 **Establish a sub-committee of Cabinet to oversee the progress of visitor economy priorities across Government.**

44 **That the Board of Destination NSW be charged with the responsibility for implementing this Plan in accordance with the milestones and timelines as agreed with Government.**

45 **That a sub-committee of the Board of Destination NSW, meet with Government-nominated Industry representatives, at least twice yearly, under the chairmanship of the Chairman of Destination NSW, to jointly assess the overall implementation of the Plan and report to Government, including recommending any necessary adjustments to the Plan.**

### Actions

Five actions have been identified to implement these recommendations:

**Action 41A:** Ensure that a visitor economy perspective is formally incorporated into relevant reviews being undertaken or contributed to by the NSW Government. The Taskforce has identified an initial number of reviews that should incorporate a NSW visitor economy perspective. (Appendix D)

**Action 42A:** Immediately exempt Destination NSW from the NSW Government’s peer and Cabinet review processes for advertising.
Action 43A: The sub committee of Cabinet take promotional opportunities that arise from time to time by providing Destination NSW with supplementary funding (for example, Sydney hosting the Australian Tourism Exchange in 2013, Oprah Winfrey-type projects, the proposed Sydney Movie and so on).

Action 44A: Set and agree with Government critical milestone targets for implementation of the recommendations of the Visitor Economy Action Plan and regularly report back to Government and Industry on achievement against the milestones.

Action 45A: Proactively identify opportunities for private sector participation in the provision of enhanced visitor-related services and facilities.

INDUSTRY LEADERSHIP

Snapshot

Visitor economy development relies upon Industry innovation and entrepreneurship. Therefore the Tourism Industry needs to step up and take a leadership role in, and responsibility for, the relevant areas of implementation of the Visitor Economy Action Plan.

Background

Government has traditionally led policy co-ordination and planning that directly impacts the visitor economy in NSW. The broad and diverse nature of the Tourism and Event Industries, in combination with the high concentration of small and medium enterprise (SME) operators, has impacted on industry leadership in this industry sector.

The ambition of the 2020 expenditure target and the roll-out of the Visitor Economy Action Plan provide a significant opportunity for Industry to stand up and show strong leadership in the future direction of the visitor economy. The 2020 expenditure target will not be met without the strong involvement of Industry and a genuine common objective to drive considerable industry growth.

Industry cannot achieve this expenditure target growth without Government, and Government cannot achieve the target without Industry.

Priority issues

The Taskforce has identified three priority issues to be addressed in order to promote greater collaboration between Government and Industry:

- **development of a mechanism** to facilitate Industry input into Destination NSW co-operative marketing plans and priorities
- **provision of joint marketing opportunities** between Industry and Destination NSW to help achieve collaborative demand-side outcomes
- **development of commercial partnerships** to expand sustainable use of heritage and natural assets.

Industry input into marketing plans and priorities

To be effective, marketing must be responsive to the needs of the Industry and collaboration is needed to ensure that promotion is appropriately targeted to deliver on priority objectives. Businesses are on the front line of the visitor economy and need to provide input to the understanding of the needs of visitors to NSW.

A formal system is required to facilitate Industry input into Destination NSW marketing plans. This will provide Destination NSW with regular updates of the latest Industry trends, bookings, results of campaigns and event activation and on-the-ground needs of the visitor economy, helping to maximise return-on-investment for marketing.

Co-operative Industry and Destination NSW marketing initiatives

Combining Destination NSW’s broader perspective with Industry’s first-hand know-how can result in enhanced marketing initiatives and a more efficient use of resources. Industry engagement in marketing will lead to increased promotional effort.

Co-operative marketing contributions by Industry are essential to achieve maximum leverage from Destination NSW marketing investments. Industry and destinations should be prepared to increase their financial and in-kind contributions to co-operative marketing initiatives.

Commercial partnerships to expand use of heritage and natural assets

Industry participation in commercial partnerships can lead to innovative and adaptive development and re-use of heritage properties and natural assets. These redeveloped properties can be adapted for a wide range of uses, including for visitor facilitation, visitor accommodation or attractions purposes.

The NSW Government should promote a culture of innovation and leadership in the use of natural and heritage assets.
Industry can work with Government to explore commercial partnerships that will create opportunities to adapt, and upgrade, NSW’s under-utilised heritage resources for the greater benefit of visitors, who will experience the State’s natural and historical appeal.

Recommendation

46 Stemming from the establishment of the joint sub-committee of the Board of Destination NSW and nominated Industry representatives, that Industry work more closely with Government to take its share of responsibility for implementing the recommendations of the Visitor Economy Action Plan.

Actions

Three actions have been identified to implement this recommendation:

Action 46A: Provide a mechanism for Industry input into Destination NSW marketing plans and priorities.

Action 46B: Increase joint Industry co-operative marketing activities with Destination NSW, where those marketing activities are consistent with the relevant Destination NSW marketing plans.

Action 46C: Increase Industry participation in commercial partnerships to undertake innovative and adaptive re-use of heritage properties and for visitor facilitation in National Parks and visitor accommodation and attraction purposes, therefore gaining greater utilisation of heritage and natural assets.

Background

The visitor economy is an important contributor to Regional NSW and vice versa. The visitor economy constitutes a major part of the overall economy of many communities and provides the potential for further expansion.

However, it has been a strong consistent theme throughout the stakeholder consultations undertaken by the Taskforce that the current operational structures and funding framework underpinning regional tourism in NSW are not working effectively. These issues have been preventing NSW regional destinations from achieving their full visitor potential.

Competition from other jurisdictions and overseas is fierce and innovation is required to allow NSW to compete effectively. Without a new approach, it will not be possible for the NSW regions to increase their market share of interstate and international visitors to the extent necessary to meet the 2020 visitor expenditure target NSW.

The key to improving the positioning of NSW destinations is to reform the current structure and funding processes for the regions.

As recommended in Strategic Imperative 3: Renew and revitalise destinations, Councils should be encouraged to seek approval to a special rate variation for investment in visitor economy initiatives and to create special purpose entities to oversee the investment of those funds in initiatives which will assist achieve the 2020 visitor expenditure target.

Priority issues

The current level of base funding for NSW Regional Tourism must be maintained at least in real terms.

The following five priority issues have been identified as key opportunities to improve the visitor economy throughout Regional NSW:

- **Destination Management Plans** should connect demand and supply planning in order to receive any Government funding
- **Special Purpose Entities** should manage Destination Management Plans
- **Destination NSW funding for regions** should be provided to destinations which provide greatest attraction, potential and desire to increase visitor spending
- **integration of all visitor economy initiatives** should take place within the framework of Destination Management Plans
- **consolidation and leveraging of existing Government resources and funding** should be co-ordinated through the Destination Management Plans.

REGIONAL DEVELOPMENT AND SUPPORT

Snapshot

Research shows that there is diminishing demand for NSW regions domestically and declining visitation from inbound markets.

Regional NSW is currently not positioned to make the contribution required of it to help achieve the 2020 visitor economy target. The current structures and funding processes underpinning regional tourism in NSW are not enabling regional destinations to achieve their full visitor potential.

The culture of providing funding to every region, regardless of relative destination appeal or effective effort, cannot continue if the needs and preferences of visitors from priority target markets and the 2020 target are to be met.

The current operational structure and funding framework for Regional NSW that Destination NSW operates within must be reformed.
### Destination Management Plan requirements

The implementation of a uniform approach to developing Destination Management Plans can play an important role in renewing and revitalising regional destinations across NSW. The development of destinations in NSW with sustainable visitor appeal has been impeded by a lack of a co-ordinated Destination Management Planning approach across the State. Instead, a ‘silo approach’ across Local, NSW and Commonwealth Government levels is hampering innovation, investment and growth.

NSW has the potential to improve the way in which it incorporates the needs of visitors into destination planning. This will enable destinations to become more competitive, particularly when faced with generally flat demand amongst interstate visitors. This new approach will facilitate greater integration of Commonwealth, State and Local Government, Industry and community input. Drawing on the local strengths of destinations to develop distinctive experiences will attract more visitors to Regional NSW particularly. To achieve this, Destination Management Plans need to identify the strategic investment, branding and positioning required to enable a destination reach its full visitor economy potential.

Requiring regional Destination Management Plans to connect demand and supply planning will also help align planning across the three levels of Government. This can result in increased destination share of benefits from the visitor economy. It will also ensure that future funding for visitor economy initiatives is effectively utilised.

### Establishment of special purpose entities

Many of NSW’s experience-based destinations do not conform to existing Local Government or regional boundaries. The establishment of separate special purpose entities to oversee Destination Management Plans and expenditure allocation will ensure the protection, development and maintenance of key tourism assets. The entities will assist in the protection of key tourism destinations against encroachment by other forms of development activity which may impact on their sustainability or potential to contribute to the visitor economy. Expenditure decisions will be made by the entities in accordance with relevant outcomes and oversight will be provided based on guidelines developed by the NSW Government through Destination NSW.

To ensure that the entity is representative of local visitor economy needs, these special purpose entities will be required to include representation from Councils, the community and local visitor economy interests, including local Industry such as tourism operators.

The special purpose entities should manage the Destination Management Plans in (and across) the LGAs where they have been established.

### Enable Destination NSW to collaborate with destinations directly

Presently, Regional Tourism Organisations oversee the bulk of investment into local visitor economy activities. These organisations receive funding through membership fees and through NSW Government funding via Destination NSW, and are responsible for visitor economy investment and promotion at a regional level.

Consistent with Industry feedback, the Taskforce believes that the current RTO model is dysfunctional and is no longer an effective conduit between Destination NSW and Industry. At present, genuine collaboration between the NSW Government and regional areas through RTOs is limited.

It is essential that Destination NSW be empowered to collaborate with, and provide funding directly to, Industry stakeholders, such as the special purpose entities. This will improve the effectiveness of the funding processes. It will also deliver tangible benefits to the NSW visitor economy, particularly in Regional NSW.

Transitional funding arrangements that do not continue beyond June 2013 will be required to be implemented by Destination NSW for regional tourism initiatives.

### Integration of visitor experience development initiatives

Effective Destination Management Plans provide a framework for destinations to enhance the attractiveness of their experiences to visitors. Individual destinations must firstly develop distinctive experiences that will draw visitors, and then ensure the effective delivery of those experiences once the visitors arrive.

Destination Management Plans can enable a destination to strategically develop key experiences, including:

- its natural attractions
- major events and festivals, in particular arts, culture, sport and recreation activities.

An effective Destination Management Plan must link experiences to the needs of target markets through strategic branding and positioning. Destinations must work to integrate arts, culture, events, nature, heritage and other visitor experience development initiatives into their Destination Management Planning. This will allow destinations to strategically position themselves in delivering experiences where they have comparative strengths, building on their key attributes to be more appealing to visitors and providing visitors with a more authentic and satisfying stay.
Consolidation and leveraging of existing Government resources and funding

If continued, the current lack of a strategic approach to visitor economy planning, management and delivery will result in NSW missing out on essential new developments to meet rising visitor demand. Destination Management Plans provide a simple yet effective framework to focus funding on enhancing visitor experiences and ensuring that Government resources provide the greatest benefit to the visitor economy.

Linking all visitor economy-related Government funding in accordance with Destination Management Plans will be more efficient and effective, and will help consolidate investment and incentivise visitor experience development in Regional NSW particularly as well as improve local amenities.

Recommendations

47 Reform the operational structure and funding framework of regional tourism to enable funding to be allocated directly to destinations which have developed a Destination Management Plan and remove the requirement that all funding must be provided through the RTO network.

48 Maintain, at least, the current $5.1 million regional funding allocation for regional visitor economy initiatives.

Actions

Six actions have been identified to implement these recommendations:

Action 47A: Ensure that funding for regions will only continue where there is a Destination Management Plan that has a focus on building capacity and capability to grow visitor expenditure from priority target markets.

Action 47B: As experience-based destinations do not usually conform with existing Local Government, regional or State boundaries, ensure that the special purpose entities (see Destination Management Plan) are empowered to manage the Destination Management Plans.

Action 47C: Ensure that Destination NSW is able to deal directly with all Industry and stakeholders in destinations.

Action 47D: Ensure that arts and culture, events, nature and heritage and other visitor experience development initiatives are integrated into the Destination Management Planning and implementation processes for the relevant destination.

Action 47E: Consolidate and leverage Government resources and investment in Regional NSW by ensuring that grants and other payments relating to enhancing visitor experiences (for example, grants for arts, recreation, events and festivals) are facilitated through the Destination Management Plans of the relevant destinations.

Action 48A: Implement transitional funding arrangements by Destination NSW for regional tourism that do not continue beyond 2013:

• allowing RTOs to access ‘capacity’ funding according to current criteria for a maximum of 12 months ending in the 2012–13 financial year so that alternates to any Government funding of staff, utilities and so on are put in place

• opening up future Destination NSW marketing funding to competitive bidding, with funding proposals to be assessed by Destination NSW against specified criteria, including a Destination Management Plan, to all Industry and stakeholders in a destination, not just RTOs.

These transitional arrangements will be in place for a maximum of 12 months, or less, when the new special purpose entities, additional revenue from special variation approval and new Destination Management Planning process are established.
PART C:
VISITOR ECONOMY ACTION PLAN
The Visitor Economy Action Plan identifies seven strategic imperatives that will need to be addressed for NSW to achieve NSW 2021 target of the doubling of overnight visitor expenditure to the state by 2020.

The Visitor Economy Taskforce has developed an integrated Visitor Economy Action Plan with recommendations and corresponding actions designed to tackle these strategic imperatives.

For the Visitor Economy Action Plan to succeed it is the view of the Taskforce that the Plan will need to be implemented by the NSW Government and industry in its entirety.

The seven strategic imperatives driving the Visitor Economy Action Plan for NSW are:

1. Increase visitation
2. Grow physical capacity
3. Renew and revitalise destinations
4. Improve the visitor experience
5. Increase visitor spend
6. Make NSW more competitive
7. Change of mindset.
### Strategic Imperative 1: Increase Visitation

**Positioning, promotion and selling**

- New Sydney brand
- NSW destinations brand
- Target markets
- Digital marketing

### Strategic Imperative 2: Grow Physical Capacity

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Skills and Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation capacity</td>
<td>Awards and conditions</td>
</tr>
<tr>
<td>Airport capacity – Sydney Airport</td>
<td>Local skilled labour sources</td>
</tr>
<tr>
<td>Airport capacity – regional airports</td>
<td>International skills and labour sources</td>
</tr>
<tr>
<td>Cruise ship capacity</td>
<td></td>
</tr>
<tr>
<td>Integrated transport planning</td>
<td></td>
</tr>
<tr>
<td>Arts/Cultural precincts</td>
<td></td>
</tr>
</tbody>
</table>

### Strategic Imperative 3: Renew and Revitalise Destinations

**Destination Management Planning**

- Destination Management Plans
- Protection of key visitor destinations and precincts

**Additional revenue to support visitor economies**

- Enable Local Councils to source revenue for visitor economy growth

---

**Overarching imperative**

### Strategic Imperative 7: Change the Mindset

**Strategy implementation**

- Whole-of-government
- Industry
- Regional development and support
Strategic Imperative 4: Improve the Visitor Experience

<table>
<thead>
<tr>
<th>Visitor Services</th>
<th>Visitor Transport Services</th>
<th>Experience development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney and regional visitor servicing</td>
<td>Visitor transport services</td>
<td>Aboriginal experience development</td>
</tr>
<tr>
<td>Customer service</td>
<td></td>
<td>Arts and culture experience development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Events and festivals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nature and heritage experience development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ongoing experience development</td>
</tr>
</tbody>
</table>

Strategic Imperative 5: Increase Visitor Spend

Visitor Yield

- Retail shopping
- Food and wine
- International students and education market
- Specific high-yield segments

Strategic Imperative 6: Making NSW more Competitive

Investment Facilitation

- Investment facilitation
- Business events
- Funding

Overarching imperative

Strategic Imperative 7: Change the Mindset

Strategy implementation

- Whole-of-government
- Industry leadership
- Regional development and support
STRATEGIC IMPERATIVE 1: INCREASE VISITATION

POSITIONING, PROMOTION AND SELLING

Sydney’s brand
1. Implement a consistent, long-term brand strategy for Sydney

NSW destinations brand
2. Finalise a brand strategy for key NSW destinations

Target markets
3. Focus on priority target markets

Digital marketing
4. Make greater use of digital marketing for all promotional activity

STRATEGIC IMPERATIVE 2: GROW PHYSICAL CAPACITY

INFRASTRUCTURE

Accommodation capacity
5. Improve regulatory environment for investment in visitor accommodation
6. Develop a NSW Visitor Accommodation Supply Plan

Airport capacity – Sydney Airport
7. Reduce artificial restrictions at Sydney Airport
8. Incentivise air services and new routes
9. Address ground transport access at Sydney Airport

Airport capacity – regional airports
10. Expand regional airport capacity

Cruise ship capacity
11. Expand cruise berth capacity in Sydney
12. Prepare a 10-year Cruise Development Plan
13. Support earliest implementation of current infrastructure enhancements

Integrated transport planning
14. Include visitor needs in transport planning

SKILLS AND LABOUR

Awards and conditions
15. Call on Commonwealth Government to review Fair Work Act 2009

Local skilled labour sources
16. Improve access to training for Australian residents

International skills and labour sources
17. Increase international short-term labour supply

STRATEGIC IMPERATIVE 3: RENEW AND REVITALISE DESTINATIONS

Destination Management Planning
18. Implement a Destination Management Planning system in NSW
19. Protect key visitor destinations and precincts from encroachment

Additional revenue to support visitor economics
20. Enable Local Councils to source additional rates revenue for visitor economy growth

STRATEGIC IMPERATIVE 4: IMPROVE THE VISITOR EXPERIENCE

VISITOR SERVICES

Sydney and regional visitor servicing
21. Co-ordinate Sydney visitor information delivery
22. Incorporate wayfinding and signage into policy

Customer service
23. Develop and implement cultural awareness programs for Industry

Visitor transport services
24. Plan for visitors in transport policy
25. Develop cost-effective ticketing options for visitors
EXPERIENCE DEVELOPMENT

Aboriginal experience development
26 Increase profile of NSW’s Aboriginal heritage and contemporary culture

Arts and culture experience development
27 Integrate arts and culture into the visitor economy

Events and festivals
28 Expand statewide events and festivals strategy

Nature and heritage experience development
29 Improve Government and Industry collaboration for management/development of nature and heritage experiences

Ongoing experience development
30 Develop new products and experiences

STRATEGIC IMPERATIVE 5: INCREASE VISITOR SPEND

VISITOR YIELD
Retail shopping
31 Position Sydney as a world-class shopping destination

Food and wine
32 Extend marketing and brand messaging of NSW quality food and wine experiences

International students and education market
33 Implement international education market strategies

Specific high-yield segments
34 Assess and act on emerging high-yield market opportunities

STRATEGIC IMPERATIVE 6: MAKE NSW MORE COMPETITIVE

INVESTMENT FACILITATION

Investment
35 Cut red tape and incentivise investors

Business events
36 Implement whole-of-government approach to business events

Funding
37 Resource Destination NSW
38 Connect visitor economy to NSW Government programs including funding
39 Assess NSW Government spending on visitor economy initiatives
40 Industry innovation funding

STRATEGIC IMPERATIVE 7: CHANGE OF MINDSET

STRATEGY IMPLEMENTATION

Whole-of-government
41 Implement a whole-of-government approach to visitor economy policy-making
42 Ensure Destination NSW has operational flexibility
43 Establish a sub-committee of Cabinet for the visitor economy
44 Board of Destination NSW to have responsibility for implementation of the Plan
45 Establish a joint Government/Industry co-ordination committee to monitor the Plan

Industry leadership
46 Industry to work more closely with Government and be jointly responsible for the Plan

Regional development and support
47 Reform operational structures and funding framework for Regional NSW
48 A complete new approach to Regional NSW
STRATEGIC IMPERATIVE 1: INCREASE VISITATION

POSITIONING, PROMOTION AND SELLING

Rationale
It is a difficult and very competitive environment worldwide in which to motivate visitors to travel. In such an environment, a strong, motivational destination brand is the key to cutting through the clutter of the many destination choices on offer to consumers and move them to select Sydney and NSW. A compelling and consistent brand strategy for Sydney is essential if NSW is to substantially increase the number of visitors to the level necessary to meet the 2020 visitor expenditure target.

SYDNEY’S BRAND

Snapshot
Sydney is an attractive major global city. However, research shows that many potential visitors are in fact ambivalent about its appeal and character and the opportunities and experiences it offers.

A long-term, compelling and consistent brand strategy is needed to position Sydney as a place to work, do business, study and holiday. The strategy needs to capitalise on the city’s character and assets and significantly increase the appeal of Sydney to visitors.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>1. Develop and implement a compelling, consistent and long-term brand strategy for Sydney that focuses on the priority target markets and liaise with Industry prior to implementation.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>1A Build on the extensive brand development work already completed, finalise and implement a brand communications strategy for Sydney that drives the key brand messaging to attract business, education and leisure visitors.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>1B Integrate the major events and festivals’ positioning and messaging into the broader brand strategy for Sydney.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>1C Establish a systematic theming approach to the promotion of Sydney as a destination for use by all key Industry marketing partners.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>1D Further develop intrastate/interstate packages which will encourage those visitors to key cultural and sporting events to extend their length of stay.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>1E Allow iconic publicly-owned Sydney images, locations and events to be filmed/photographed at no charge when being used in Sydney brand promotions.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 1: INCREASE VISITATION

NSW DESTINATION BRANDS

Rationale
A compelling and consistent set of NSW destination brands is essential if NSW is to substantially increase the number of visitors to the level necessary to meet the 2020 visitor expenditure target.

Snapshot
NSW needs to confront the reality of diminishing demand from the domestic market for many regions of NSW and the pattern of decline in visitation from inbound markets.

Research shows there are only a small number of NSW regions which have high appeal as a place to visit to potential domestic travellers (BDA 2012). The impact of low-cost carriers has also seen an increase in domestic interstate air travel at the same time as a decline in self-drive intrastate and touring-style holidays and therefore the number of visitors passing through regions of NSW.

International visitors spent 84 per cent of their nights on their visit to NSW in Sydney. The NSW regions will have to work harder to attract international visitors to travel into the regions.

The boom in outbound Australian travel is continuing, and NSW destinations have to compete fiercely with overseas destinations as a short-break alternative for NSW residents.

Destination NSW needs to continue transitioning its marketing strategy from promoting an overall State brand to promoting the drawcard attractions, experiences, events and major destinations in NSW. This will require robust strategies for marketing and promotion that are based on the realities of consumer research and achieve Industry buy-in and participation.

Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Finalise a long-term, compelling and consistently delivered brand strategy for the key identified NSW destinations, and ensure joint marketing with Industry support.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>

Actions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>2A Build a comprehensive brand positioning framework for NSW destinations, utilising current data on visitor preferences for key NSW destinations and experiences.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>2B Link brand positioning with Destination Management Plans and work with destinations to identify key features and promote key strengths.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>2C Integrate major events and festivals, arts and culture, natural heritage and other relevant positioning into the NSW destinations brand strategy.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>2D Establish a systematic theming approach to regional destination promotion for use by all key industry marketing partners.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>2E Allow iconic publicly-owned NSW images, locations and events to be filmed/photographed at no charge when being used in NSW destination brand promotions.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
### TARGET MARKETS

**Snapshot**
With limited resources and significant competition, Destination NSW needs to focus and target its efforts on those visitor markets and market segments that will give the best return to the State and help achieve the 2020 target.

These markets and market segments need to be selected against criteria based on evidence and will include a mix of the traditional, specific, new, emerging and specific high-yielding opportunities. The strength of the appeal of specific events and festivals also needs to be factored into target market selection.

Destination NSW will need to retain flexibility in target market and segment choice, for example, when new airline routes open up new potential markets or where a market segment has a high dispersal and expenditure profile. All future Destination NSW promotional effort should be focussed on these selected target markets. As these markets are constantly changing, they will need regular review.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>3. Focus all Government visitor marketing on the top target markets and market segments identified by research for NSW.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Actions – General</strong></td>
<td></td>
</tr>
<tr>
<td>3A Concentrate all future Destination NSW promotional effort, marketing, visitor servicing and product development solely on the top target markets identified through research: China, UK, South Korea, USA, New Zealand, Japan, Singapore, India, Malaysia, Germany and Indonesia. Identify the best market segment opportunities within or across these markets, for example, leisure, VFR, education, business.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>3B Undertake regular updates of target market and segment analysis to determine how best to attract and service the highest potential yielding visitor markets in terms of spend.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td></td>
</tr>
<tr>
<td>3C Promote NSW destinations that have the highest demonstrated consumer appeal and potential to grow visitor expenditure to target markets and incorporate events and festivals that are proven visitation drivers, for example, the Tamworth Country Music Festival, into the domestic target market strategy.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>3D Ensure Destination NSW’s marketing maximises the spend potential arising from the strong growth seen in interstate VFR and business visitation segments.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
### STRATEGIC IMPERATIVE 1: INCREASE VISITATION

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International</strong></td>
<td></td>
</tr>
<tr>
<td>3E  Implement and adequately resource the comprehensive China Strategy that has been developed by Destination NSW.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>3F  Increase and adapt Destination NSW presence in target markets as the strategy requires.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>3G  Further analyse the top identified target markets to develop and focus on the following market segments identified for their growth potential:</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>• international education</td>
<td></td>
</tr>
<tr>
<td>• business events</td>
<td></td>
</tr>
<tr>
<td>• youth and working holiday makers</td>
<td></td>
</tr>
<tr>
<td>• baby boomers</td>
<td></td>
</tr>
<tr>
<td>• other high-yield niche markets and market segments.</td>
<td></td>
</tr>
<tr>
<td>3H  Incorporate events and festivals that are proven visitation drivers, for example, Sydney New Year’s Eve, Vivid Sydney and Sydney’s Chinese New Year celebration, into the international target market strategy.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 1: INCREASE VISITATION

DIGITAL MARKETING

Snapshot
To successfully communicate with target markets and generate increased visitation, marketing strategies must be responsive to, and make immediate use of, the developments in technology and social media that caused a massive shift in the way travellers seek and share information as well as book travel. There is a significant need for improved search functionality on all Industry websites in order for NSW to be truly competitive. There is also a need to better capture and convert visitor interest as evidenced by measuring the numbers of online enquiries compared to the numbers of actual visitors, and benchmarking NSW’s performance compared to competitor destinations.

Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Focus visitor economy marketing resources on a greater use of digital marketing and promotions and improve the links between complementary digital information services.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>

Actions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>4A Build a competitive Industry and Government digital marketing capability, harnessing: • online promotion/search engine optimisation • social media networks/videocasting/blogs • location and map search functions, smartphone apps, including QR code.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>4B Expand and disseminate insights from social media tracking programs that monitor the extent and nature of ‘buzz/talkability’ around NSW destinations and experiences by each priority market segment.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>4C Take a leadership position in the digital space with new technologies, for example, augmented reality technology.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>4D Partner with Industry to accelerate the adoption and development of new technologies and digital marketing by the Tourism Industry.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>4E Establish a new and comprehensive whole-of-state website for events and festivals, conventions and exhibitions of all types, which can be viewed and searched by week/month and event genre and linked to relevant websites.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 2: GROW PHYSICAL CAPACITY

INFRASTRUCTURE

Rationale

NSW must grow the physical capacity of its infrastructure to enable the required growth in visitor numbers to be achieved. Accommodation and air capacity are the highest priority capacity challenges which must be addressed.

ACCOMMODATION CAPACITY

Snapshot

A doubling of the overnight visitor expenditure by 2020 will demand more visitor accommodation for Sydney’s CBD and Greater Sydney. Achieving the target will also have an impact on current and future demand for accommodation in Regional NSW.

A measured and effective whole-of-government approach is required to encourage a phased accommodation development, as investors require certainty regarding future development plans in order to make investment decisions over the medium to longer term.

Currently, there is limited capacity to promote additional visitation into Sydney. Competitor destinations, such as Melbourne, have implemented a strategy which has ensured that accommodation capacity has stayed ahead of demand.

Priority recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Provide an investment and regulatory environment for the City of Sydney and</td>
<td>NSW Government</td>
</tr>
<tr>
<td>its surrounds which supports and encourages private investment in accommodation</td>
<td></td>
</tr>
<tr>
<td>facilities, including:</td>
<td></td>
</tr>
<tr>
<td>• incentives for visitor accommodation development</td>
<td></td>
</tr>
<tr>
<td>• removal of regulatory impediments during the planning, approvals and</td>
<td></td>
</tr>
<tr>
<td>construction phases of property development.</td>
<td></td>
</tr>
<tr>
<td>6. Develop a NSW Visitor Accommodation Supply Plan to:</td>
<td>NSW Government</td>
</tr>
<tr>
<td>• undertake regular accommodation supply and demand studies</td>
<td></td>
</tr>
<tr>
<td>• ensure that achievement of the visitation target is not constrained by a</td>
<td></td>
</tr>
<tr>
<td>shortage of visitor accommodation in key tourism destinations across NSW</td>
<td></td>
</tr>
<tr>
<td>• encourage incremental and sustainable growth in, and encourage rejuvenation</td>
<td></td>
</tr>
<tr>
<td>of, accommodation supply in key tourism destinations</td>
<td></td>
</tr>
<tr>
<td>• encourage and facilitate investment in new visitor accommodation that</td>
<td></td>
</tr>
<tr>
<td>matches market needs</td>
<td></td>
</tr>
<tr>
<td>• provide confidence to investors and operators about the stability of their</td>
<td></td>
</tr>
<tr>
<td>operating environment</td>
<td></td>
</tr>
<tr>
<td>• contribute to the NSW Government’s broader infrastructure planning</td>
<td></td>
</tr>
<tr>
<td>processes and investment incentives.</td>
<td></td>
</tr>
</tbody>
</table>

This Plan would focus on the immediate accommodation shortage in Greater Sydney and, secondly, on identified key and emerging regional tourism destinations to meet and generate demand.
### Strategic Imperative 2: Grow Physical Capacity

#### Priority recommendations and actions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>5A Work with the City of Sydney on future land-use and development standards to be incorporated in the Sydney Local Environment Plan and Development Control Plan to encourage and incentivise visitor accommodation in key Sydney precincts.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>6A Establish a joint Government/Industry group to oversee development of the NSW Visitor Accommodation Supply Plan and monitor its ongoing implementation.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>6B Ensure that the current Property Asset Utilisation Taskforce completes an audit of Government property in Sydney’s CBD and key tourism precincts to identify opportunities for use of Government-owned buildings and land for new or redeveloped visitor accommodation.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>6C Identify and release Crown land suitable for visitor economy purposes, including caravan/ tourist parks, ecotourism, heritage, family or Aboriginal-based tourism developments, including in or adjacent to National Parks, State Forests and Reserves and other Crown lands. Ensure that sustainable development and management practices are adopted.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>6D Liaise with owners of ‘eco-lodges’ and similar establishments to encourage the construction of buildings utilising green technologies and sustainable management practices and incorporate these insights into the NSW Visitor Accommodation Supply Plan and Destination Management Planning process for NSW.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>6E Introduce specific incentives and remove unnecessary regulatory/approval procedures and requirements to encourage the adaptive re-use and preservation of heritage buildings.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>6F Ensure visitor accommodation targets are included in major Government-led urban renewal and strategic land use projects, such as Barangaroo and the new convention precinct.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>6G Call upon the Commonwealth Government to provide greater flexibility within the Fair Work Act 2009 to lessen the constraints of higher penalty rates on the accommodation sector.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
AIR CAPACITY – SYDNEY AIRPORT

Snapshot
NSW is losing relative market share of inbound seats from major international growth markets, for example, outbound long-haul China seats and trips.

Forecasts indicate there will need to be an increase in domestic and international air seats to NSW if the 2020 target is to be reached.

These measures are focussed on achieving the 2020 visitor economy target. The 2020 target cannot be achieved unless the artificial constraints on Sydney Airport are reduced. The Airport’s ability to perform as Australia’s national gateway is critical to the growth of the visitor economy and overall economic health of NSW. Improved access to regional airports near the Sydney basin is also vital to facilitate the attraction of additional airlines and routes to NSW.

Priority recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Call upon the Commonwealth Government to relax the current restrictions on aircraft movements at Sydney Airport to facilitate growth in visitor arrivals.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>8. Develop a whole-of-government NSW aviation strategy, including incentives and marketing, to improve air services frequency and add new routes which access and service target markets. The strategy should address access into Newcastle, Canberra and Coolangatta airports as well as Sydney Airport.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>9. Take urgent action to address the issue of ground transport access to Sydney Airport.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>

Actions

7A That the NSW Government take all possible action to have the Commonwealth Government amend the Sydney Airport Demand Management Act 1997 so as to increase the statutory movement cap to at least 90 per hour in the peak period. | NSW Government     |

7B Call upon the Commonwealth Government to increase the am shoulder curfew movements by 11 movements per week so as to be consistent with the Sydney Airport Curfew Act 1995. | NSW Government     |

8A Ensure that the NSW Government’s Long-Term Transport Master Plan identifies and incorporates opportunities to improve passenger movement to and from Sydney Airport. | NSW Government     |

8B Work with Sydney Airport Corporation Limited (SACL) to ensure that Sydney Airport’s Master Plan has adequate provision for the expected increased growth in visitor numbers in accordance with this Visitor Economy Action Plan. | NSW Government     |

8C Support the introduction of a common air border between Australia and New Zealand, which would result in significant opportunities for increased international flights to regional airports, particularly Newcastle. | NSW Government     |

8D Work with Sydney, Newcastle, Canberra and Gold Coast/Coolangatta airports to develop a NSW aviation strategy. | NSW Government     |
STRATEGIC IMPERATIVE 2: GROW PHYSICAL CAPACITY

<table>
<thead>
<tr>
<th>Priority recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
</table>
| 9A  Support the recommendation of the *Joint Study on Aviation Capacity in the Sydney Region* that the Commonwealth and NSW Governments, in consultation with SACL, commence work on the detailed planning required for a program of surface transport works to improve the connections to the airport and surrounding precinct, including:  
- a program to upgrade roads and intersections in the locality of the airport  
- improvements to rail services to and from Sydney Airport and the CBD  
- a commitment by the Commonwealth and NSW Governments to invest in suitable rolling stock and train paths to increase airport rail link service capacity  
- establishment of priority lane access for buses and taxis from the CBD to and from Sydney Airport  
- expansion of the Sydney bus network services to and from the airport  
- development and implementation of a plan to facilitate bus and mini-bus access to a centralised transit point or points at the airport terminal precincts. | NSW Government     |
| 9B  Support the recommendation of the *Joint Study on Aviation Capacity in the Sydney Region* that the NSW Government consult with the Commonwealth Government and SACL to develop and implement a strategy for increasing the patronage of the airport rail system, which includes improving the visitor experience, for example, by providing easier baggage storage, porter services and access to luggage trolleys. | NSW Government     |
AIRPORT CAPACITY – REGIONAL AIRPORTS

Snapshot
Newcastle, Canberra and Gold Coast/Coolangatta present opportunities to grow NSW’s airport capacity and air access opportunities into NSW for visitors. Newcastle presents a particularly significant opportunity, not only to increase regional access, but to also complement Sydney Airport’s capacity – both domestically and internationally. However, current hourly movement restrictions at Newcastle need to be more flexible over a 24-hour period.

There also is a need to develop and agree on policy and planning approaches to prevent inappropriate development within flight corridors which restricts opportunities for airport development and expansion, particularly at Canberra Airport.

Priority recommendations and actions

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Support the growth in air services to Newcastle, Gold Coast/Coolangatta and Canberra airports to accommodate larger aircraft, increased passenger movements and to cater for international arrivals and departures.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>10A Call upon the Commonwealth Government to agree to adjust the Slot Management System at Newcastle Airport to allow for more flexible scheduling, particularly in the am and pm peak periods.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>10B Undertake an audit with key stakeholders (including the Commonwealth Government), to assess regional airport infrastructure needs in the light of increased security requirements, increase in aircraft size and the inadequate funding available to Local Councils to expand and maintain key regional airports.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>10C Support the development and enhancement of air services into Newcastle, Canberra and Gold Coast/Coolangatta airports to facilitate increased visitation to NSW.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>10D Work with the Queensland Government to resolve cross-border regulatory anomalies that do not provide reciprocal arrangements for NSW and Queensland taxis and restrict NSW taxis from picking up airport customers in Queensland to return them to NSW.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>10E Establish a working group to identify the issues concerning future access to Lord Howe Island and make recommendations that plan for future access needs.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
## CRUISE SHIP CAPACITY

### Snapshot
The growing popularity of the cruise industry globally requires more effective planning and management of infrastructure capacity in Sydney for it to remain a high-profile cruise destination. With double-digit growth over the past six years, Sydney and NSW will be unable to reap the economic benefits if infrastructure fails to keep up with demand, severely constraining the economic benefits from cruise passenger spending and lost provedoring opportunities for NSW primary producers and other related businesses.

There are significant lost opportunities for additional cruise ship visits (the forward bookings indicate that OPT will reach capacity in the peak season in 2013, (Hawke Review 2012), therefore limiting future growth. Industry trends, such as the construction of larger capacity ships and a better connection to the Australasia-Pacific region through the Panama Canal widening of 2014 will also support further growth in Sydney, but only if the infrastructure is in place.

### Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. That the NSW Government fulfil its responsibility as acknowledged in the Hawke Review to expand cruise capacity within Sydney ports, including continuing the case for access to Garden Island.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>12. Prepare a 10-year Cruise Development Plan, in consultation with Industry, to:</td>
<td>NSW Government</td>
</tr>
<tr>
<td>• plan for the forecast growth in cruise ship calls and passenger numbers</td>
<td></td>
</tr>
<tr>
<td>• ensure NSW captures a larger share of the economic benefits from the growth in the cruise market, including provedoring of ships and pre- and post-cruise tours</td>
<td></td>
</tr>
<tr>
<td>• develop financial models to identify capacity needs</td>
<td></td>
</tr>
<tr>
<td>• identify the level and timing of future Government funding of cruise sector infrastructure, for example, White Bay funding commitments.</td>
<td></td>
</tr>
<tr>
<td>13. Support the earliest practicable implementation of current cruise-related infrastructure enhancements, including:</td>
<td>NSW Government</td>
</tr>
<tr>
<td>• White Bay Terminal development</td>
<td></td>
</tr>
<tr>
<td>• the OPT Master Plan</td>
<td></td>
</tr>
<tr>
<td>• OPT mooring improvements and provedoring</td>
<td></td>
</tr>
<tr>
<td>• berth scheduling at Garden Island.</td>
<td></td>
</tr>
</tbody>
</table>
### STRATEGIC IMPERATIVE 2: GROW PHYSICAL CAPACITY

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>11A Take all possible action, in association with the Commonwealth Government, to provide assured access on a regular, scheduled basis to Garden Island to accommodate the increasing number of large cruise ships.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>12A Work with Royal Caribbean Cruise Lines, the stevedoring and cruise shipping industries to develop options for the use of Port Botany to accommodate cruise ship berthing facilities and engage with the Commonwealth Government in relation to customs and immigration passenger facilitation.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>12B Assess the feasibility to accommodate additional cruise ship berthing facilities at identified locations (including options such as a dolphin buoy at Athol Bight) in order to meet increased demand.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>12C Work with the cruise industry and their ground handling companies to develop a plan which will increase the number of visitor nights for pre- and post- cruise stays.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>12D Destination NSW to work with the cruise industry to capitalise on opportunities to grow overnight visitor expenditure.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>13A Ensure priority of berthing capacity east of the Sydney Harbour Bridge at Garden Island and the OPT is for international cruise ships to allow these visitors ready access to retail and other spending activities.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>13B Re-open Jack Mundey Place and move the booth in the middle of the road at the entrance to allow direct provisioning vehicle access to cruise ships via Argyle Street.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>13C Further restrict vehicle parking immediately in front of the OPT during the provisioning of cruise ships.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>13D Include provedore supplier and visitor needs, (including access for enhanced pick-up and set-down and passenger services) in the design and operation of the current Master Planning process for Circular Quay/The Rocks/Overseas Passenger Terminal.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
| 13E Ensure that a visitor economy perspective is taken into account in the planning for transport and access arrangements for the new White Bay cruise facility including:  
  - its design to allow for multiple use of the facility for corporate and other events, conventions and exhibitions in order to maximise the return on the Government’s investment  
  - a free shuttle bus service to the city’s retail precincts for transit passengers  
  - that cruise industry forward projections are taken into account. | NSW Government |
### INTEGRATED TRANSPORT PLANNING

**Snapshot**
Effective transport planning provides opportunities for visitors and locals to experience more of Sydney and NSW. Current transport planning could better cater for visitor and resident needs and better incorporate visitor products, experiences and services.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>14. Ensure that visitor needs relating to access to visitor precincts and major event venues are understood and effectively considered in the transport planning process across a wide range of transport modes and service providers (see also Recommendation 24).</td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>14A Ensure that the NSW Government’s Long-Term Transport Master Plan currently being prepared addresses visitor facilitation and access issues across all transport modes.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>14B In the context of the Long-Term Transport Master Plan, ensure that the Sydney light rail network review takes into account the role of light rail to connect major visitor precincts, including the Sydney Cricket Ground and Royal Randwick Racecourse through to the University of NSW, as well as its role in moving people for large scale events.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>14C Improve coach and taxi infrastructure and access options throughout Sydney CBD, major visitor precincts, event venues and Regional NSW.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>14D Review and pilot opportunities to improve the visitor experiences available through CountryLink including, for example, improved rail experiences and special event packages.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>14E Ensure that forecast visitor usage is taken into account in the planning of new transport services, for example, the proposed light rail service to Barangaroo.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>14F Introduce a system and calendar to ensure that transport works are not scheduled that clash with major events.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
SKILLS AND LABOUR

Snapshot
Conservative estimates of current visitor economy trends show that NSW will require a significant increase in additional labour supply to meet visitor demands. To achieve this in a climate where NSW is currently facing a shortfall in the labour force, and where traditional sources of labour supply are diminishing, will be challenging.

Awards and conditions: inflexibility and labour costs under the current Fair Work Act 2009 substantially reduce economic viability, competitiveness and the quality of the visitor experience. In order to maximise visitor economy returns and to enhance the visitor experience, it is important that a range of businesses are financially able to trade on weekends and public holidays.

Local skills and labour sources: there is a need to increase the number and skills of Australian residents in order to fill the gap in demand for labour in the visitor economy.

International skills and labour sources: there is still a gap in skills and labour that requires further supply of international short-term labour to the NSW visitor economy for short-term needs.

AWARDS AND CONDITIONS

Snapshot
The inflexibility and labour costs incurred under the current Fair Work Act 2009 substantially reduce economic viability, competitiveness and the quality of the visitor experience.

LOCAL SKILLS AND LABOUR SOURCES

Snapshot
There is a need to increase the number and skills of Australian residents in order to fill the gap in demand for labour in the visitor economy.

INTERNATIONAL SKILLS AND LABOUR SOURCES

Snapshot
There is a need to further increase the supply of international labour to the NSW visitor economy for short-term needs.

Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. Call upon the Commonwealth Government to review the Fair Work Act 2009 to remove those provisions for penalty rates which significantly increase labour costs and deter businesses in the visitor economy from operating at times/days of the week when the tourism and hospitality sector faces peak demand (see also Food and Wine recommendations).</td>
<td>NSW Government</td>
</tr>
<tr>
<td>16. Increase the participation and enhance the skills training for Australian residents to fill the gap in demand for skilled labour in the visitor economy in NSW.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>17. Maximise the opportunities for an increase in the supply of international short-term labour to the NSW visitor economy to meet short-term needs.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
## Recommendations and actions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>15A Call upon the Commonwealth Government to review the Fair Work Act 2009, including to require an employee to work five days during the working week before being entitled to receive penalty rate wages for any subsequent shifts during the weekend.</strong></td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>16A Facilitate school-based and technical training in targeted visitor economy industries, for example, hospitality, in partnership with key education institutions.</strong></td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>16B Call upon the Commonwealth Government to increase incentives and assistance for employers to offer additional places for traineeships and apprenticeships.</strong></td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>16C Support Industry and Government initiatives to promote and expand career opportunities for Aboriginal trainees in visitor economy occupations.</strong></td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>16D Support initiatives to increase the number of foreign language tour guides including:</strong></td>
<td>NSW Government</td>
</tr>
<tr>
<td>• engage with relevant educational institutions to offer Mandarin teachers opportunities to work as tour guides</td>
<td></td>
</tr>
<tr>
<td>• fast-track accreditation processes for tour guides able to speak in priority target foreign languages.</td>
<td></td>
</tr>
<tr>
<td><strong>17A Call upon the Commonwealth Government to change migration policies and legislation, including:</strong></td>
<td>NSW Government</td>
</tr>
<tr>
<td>• expand the Working Holiday Makers Program by allowing working holiday makers to work more than six months in tourism and hospitality employment in order to qualify for a 12-month extension to their existing WHV 417</td>
<td></td>
</tr>
<tr>
<td>• expand the number of countries with which Australia has WHM visa arrangements</td>
<td></td>
</tr>
<tr>
<td>• extend the WHM visa program to people up to 35 years of age</td>
<td></td>
</tr>
<tr>
<td>• allow overseas students who complete studies at a tertiary institution in Australia to stay in Australia for up to two years</td>
<td></td>
</tr>
<tr>
<td>• ease the ‘commitment to training’ requirements needed to be met by businesses seeking approval as sponsors under the 457 visa program</td>
<td></td>
</tr>
<tr>
<td>• expand the Pacific Islands guest worker pilot program to include NSW regional locations.</td>
<td></td>
</tr>
<tr>
<td><strong>17B Amend the NSW State Migration Plan to include occupations related to the visitor economy such as cooks, chefs and restaurant managers.</strong></td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>17C Support the Commonwealth Government’s proposed HECS-style loans system for students studying Government-subsidised diplomas and advanced diplomas and call for certain loans to be specifically tailored for skills necessary to the visitor economy.</strong></td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 3: RENEW AND REVITALISE DESTINATIONS

DESTINATION MANAGEMENT PLANNING

Rationale
NSW destinations must confront and address the reality of research findings that there is currently insufficient consumer demand potential for NSW regions amongst domestic visitors and that overall international visitation growth to regional NSW is diminishing.

Renewing and revitalising destinations across NSW requires new thinking. A Destination Management Planning approach can harness the potential of the visitor economy for the whole community.

A new approach to experiences and events is needed to drive re-launches of key destinations.

Snapshot
Destination Management Planning is an important foundation for the establishment of effective experience destinations. A Destination Management Plan focuses on the key factors of a destination’s appeal and the means by which to provide focus, extension and facilitation of that appeal.

A successful Destination Management Planning system sees the development and implementation of a common approach that engages with and has the support of Industry, the community and Government at all levels.

Destination Management Plans provide certainty for investors regarding the nature and future use of key destinations and their assets and ensures the sustainability of those destinations and assets.

Some Australian States are taking action to legislate to protect their key tourism destinations and assets from encroachment from conflicting uses. South Australia and Western Australia have acted to protect the Barossa Valley and Margaret River wine districts respectively.

Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Implement a Destination Management Planning approach for NSW's key destinations and develop uniform Destination Management Plans in identified visitor economy destinations across the State. The plans need to be developed in partnership with the Industry, the community and all three levels of Government.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>19. Ensure that key tourism destinations and precincts are protected against encroachment by other forms of development activity which may impact on their sustainability or potential to contribute to the visitor economy.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
### Actions

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
</table>
| **18A** Ensure that Destination Management Plans address demand and supply, and policy and planning issues including:  
  - infrastructure requirements  
  - Tourism Industry development  
  - destination experience  
  - destination brand and positioning  
  - appropriate relevant target markets  
  - major events and festivals, arts, culture, sport and recreation activities  
  - the role of Crown lands, including National Parks, State Reserves, heritage precincts and National Landscapes. | Destination NSW       |
| **18B** Establish five visitor economy ‘zones’ across NSW to structure Destination NSW, Government and Industry engagement processes, including the facilitation of a new Destination Management Planning process:  
  - Greater Sydney  
  - Sydney Surrounds  
  - North Coast  
  - South Coast  
  - Inland. | Destination NSW       |
| **18C** Develop cross-border arrangements with destinations adjacent to the borders of NSW. | NSW Government        |
| **18D** Consolidate and leverage Government resources and investment in NSW by ensuring that grants and other payments relating to the visitor economy (for example, grants for arts, recreation, events and festivals and so on) are facilitated through the Destination Management Plans of the relevant destinations. | NSW Government        |
| **19A** Amend the relevant State planning policies and legislation to ensure the protection of significant tourism assets and values of the destination. | NSW Government        |
| **19B** Ensure that tourism assets and values of the destination, identified in Destination Management Plans, are protected through Local Environment Plans. | NSW Government        |
| **19C** Support the recommendation of the *Joint Study on Aviation Capacity in the Sydney Region* that the Commonwealth and NSW Governments, in consultation with Newcastle Airport, RAAF and Councils, develop a strategy canvassing both land use and statutory protections in the areas around Newcastle Airport and its flight paths. | NSW Government        |
| **19D** Support the recommendation of the *Joint Study on aviation capacity in the Sydney Region* that the Commonwealth, ACT and NSW Governments work together to ensure that Canberra Airport is protected from encroaching noise-sensitive urban development which would be incompatible with 24-hour jet aircraft operations and could restrict the expansion of the airport over time. | NSW Government        |
ADDITIoNAL rEVENuE To SuPPorT VISITor ECoNoMIeS

Snapshot
The lack of a sustainable source of revenue to fund investment in critical visitor economy infrastructure and new product development for the visitor economy has prevented destinations, particularly regional destinations, from developing their full visitor economy potential. The regions’ share of the statewide value of the visitor economy has consequently been declining.

There is a need to establish a sustainable revenue source to fund locally-based investments and initiatives across the visitor economy. Guidelines for approval of special rate variations should be amended so as to allow Local Councils to seek additional rate revenue which:

- is outside the current rate cap
- paid by all local businesses on a Council rates basis
- is collected, and accounted for, by Council
- is overseen by a newly created special-purpose local entity
- is invested according to agreed visitor economy guidelines that align with relevant Destination Management Plans.

This initiative removes the current ‘free-rider’ problem under which most businesses in a destination benefit from the visitor economy but do not contribute to the costs of development of the public infrastructure or marketing which underpins continued visitation.

Recommendations and actions

Recommendation
20. That the guidelines governing the consideration by IPART for approval to a special rate variation, above the rate cap and applied to businesses, be amended to include expenditure in relation to the visitor economy. The additional rate revenue should be outside the current rate cap and would be collected and accounted for by Councils. The expenditure of these funds would be overseen and administrated by special purpose entities. The funds should be spent in accordance with relevant Destination Management Plans on those critical visitor economy initiatives necessary to achieve the 2020 target.

NSW Government

Actions
20A Develop a comprehensive policy, including approved types of expenditure, so as to amend guidelines governing special rate variation applications and encourage Councils to apply.

Destination NSW

20B Allow a transition period of a maximum of 12 months to allow adjustment to the new arrangements.

Destination NSW

20C Ensure that the new special purpose entities are representative of visitor economy interests (for example, including representation from Chambers of Commerce, retail, local tourism operators, events and festivals, Crown lands, including National Parks management and cultural institutions).

Destination NSW
VISITOR SERVICES

Rationale
NSW needs to ensure that the right policies and procedures are in place to enhance the experience of visitors to the State. NSW has the capacity to provide a higher quality service to visitors than it has in the past. The three key measures to improve the visitor experience are:

• improved visitor information and booking services
• improved visitor access and transport services
• improved experience development.

SYDNEY AND REGIONAL VISITOR SERVICING

Snapshot
Sydney’s level of visitor servicing compared with other global cities needs to be improved.

The existing provision of visitor information and servicing does not take full advantage of the latest information technology. There is a need to provide greater consistency of wayfinding and increased locations for physical signage for use by visitors. Existing signage is inconsistent, inadequate and poorly co-ordinated.

NSW has a competitive advantage in the range and quality of its visitor information centre network across the State. However, as consumers shift the way they obtain information and as the cost of maintenance of visitor information centres rises, a new approach must be found.

Recommendations and actions

Recommendations
21. Establish a dedicated visitor servicing entity, led by Destination NSW, to build strong commercial relationships with Sydney CBD visitor products and provide a single delivery and co-ordination mechanism for servicing visitors in Sydney CBD.

22. Incorporate wayfinding and signage considerations for visitors to Regional NSW into relevant policies and guidelines and provide suitable facilitation to enhance the visitor experience.

Actions
21A Support the new dedicated visitor servicing entity for Sydney to undertake:
• planning of an integrated and overall strategic approach to visitor servicing
• operation of a visitor information centres in key locations
• extensive volunteer meet-and-greet support and street guiding
• provision of content for effective digital and social media communications
• provision of consistent and improved information collateral, particularly maps
• provision of consistent and improved wayfinding, signage and transport information
• alignment to Destination Management Plans.

21B Negotiate free wi-fi visitor information hotspots in key city, urban and regional places frequented by visitors.

21C Provide improved access to public transport information in multiple languages, including transport timetable and general service information via the internet, smartphone apps including QR codes and purposedesigned brochures.

21D Include the role of visitor information centres and the provision of visitor information in the Destination Management Planning process.
### Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>22A Review the role, location and operation of traditional visitor information centres and explore turning the centres into ‘experience’ gateways that showcase a destination’s key experiences and link effectively with other destinations.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>22B Ensure that the responsibility for the quality of the visitor experience is a key role for Destination NSW to co-ordinate and facilitate.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>22C Incentivise the development and support of digital-based visitor information that facilitates wayfinding and is supported by effective physical signage.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>22D Review tourist route and other wayfinding road signage policy and guidelines in consultation with Councils and Roads and Maritime Services (RMS) to ensure the appropriate timely facilitation and enhancement of road travel and touring by visitors.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
## CUSTOMER SERVICE

### Snapshot

In order to grow key markets, there is a need to provide better levels of service and awareness of cultural issues.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>23. Develop and implement cultural awareness, customer service and quality assurance training programs at educational institutions, including in schools, Industry and across Government.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>

| Action | | |
|--------|-------------------|
| 23A    | Continue to support the development of the national T-QUAL accreditation framework. | Destination NSW |
| 23B    | Place a higher priority on supporting Industry and education and training institutions to provide cultural awareness, language and customer service training. | NSW Government |
| 23C    | Facilitate Industry, particularly small and medium business, participation in and delivery of such training. | NSW Government |
| 23D    | Review, consolidate and better promote access to existing Industry training packages or modules. | NSW Government |
| 23E    | Ensure that language skills are given a priority within the training. | NSW Government |
## VISITOR TRANSPORT SERVICES

### Snapshot

There is a need for improved co-ordination of transport services to facilitate visitor access to major venues and attraction of high visitor demand and usage in Sydney and across NSW.

The Taskforce acknowledges the transport initiatives of the NSW Government that have commenced.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendations</strong></td>
<td></td>
</tr>
<tr>
<td>24. Develop a Visitor and Transport Policy to ensure that visitor needs and improved visitor service are incorporated into transport planning and service delivery.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>25. Develop a cost-effective and integrated public transport ticket system which specifically meets the needs of visitors and includes major attractions and events packages that are appealing and easy to use for visitors.</td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>24A Ensure that adequate coach parking and accessibility arrangements are in place throughout the Sydney CBD and in key visitor precincts, hotels and transit areas.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>24B Increase the frequency and hours of operation of late-night public transport services to support access to and from major events.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>24C Optimise the potential of ferry services on Sydney Harbour and provide new destination and visitor-related products and purchase arrangements and additional ferry berthing at Barangaroo and other sites.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>24D Establish an operationally efficient transport interchange facility at Central Station to facilitate seamless transfers between all transport modes and Sydney and regional services.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>24E Improve the operation, efficiency and capability of taxi services through:</td>
<td>NSW Government</td>
</tr>
<tr>
<td>• improved training for taxi drivers in communication skills, particularly in liaising with visitors from non-English speaking backgrounds, and in identifying and recommending key visitor attractions and events</td>
<td></td>
</tr>
<tr>
<td>• reviewing the existing 3.00pm and 3.00am changeover requirements to better cater for visitors during peak periods, including the use of night licences so as to ensure such licences are being properly utilised for the purpose for which they were initially intended.</td>
<td></td>
</tr>
<tr>
<td>• increasing the number of taxi ranks in high-demand visitor usage areas</td>
<td></td>
</tr>
<tr>
<td>• ensuring that all taxi drivers identify in their taxis the additional languages, other than English, in which they can converse</td>
<td></td>
</tr>
<tr>
<td>• reviewing the opportunity for networks sharing bookings by offloading those bookings that are not accepted within a short timeframe by taxis from the initial network</td>
<td></td>
</tr>
<tr>
<td>• reviewing the method of allocation of new taxi licences by giving first consideration to current taxi drivers, having regard to their seniority and driving performance.</td>
<td></td>
</tr>
<tr>
<td>25A Provide travel concessions for international students.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>25B Review the opportunities to provide greater and more accessible rail transport into Regional NSW and improved visitor experiences.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 4: IMPROVE THE VISITOR EXPERIENCE

ABORIGINAL EXPERIENCE DEVELOPMENT

Snapshot

Australia’s Aboriginal heritage and contemporary culture is a focus of international fascination and appeal and international visitors as well as locals want to know more.

NSW has Australia’s largest population of Aboriginal people. However it has, until now, substantially underplayed the depth of the unique Aboriginal heritage and contemporary culture available in NSW. NSW needs to start telling its Aboriginal story more effectively.

There is an opportunity for Industry and Government to work with the Aboriginal community to support these efforts through joint planning and implementation.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>26. Raise the profile of NSW’s Aboriginal heritage and contemporary culture and further develop and sustain visitor attractions and experiences which tell the story of Indigenous Australia.</td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>26A Work with the Australian Indigenous community and the Barangaroo Delivery Authority to establish a National Indigenous Cultural Centre at Barangaroo to act as a gateway to the Australian Indigenous experience.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>26B Seek to partner with the Commonwealth Government on funding to establish a National Indigenous Cultural Centre at Barangaroo.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>26C Support the establishment of a major Indigenous cultural festival in Sydney and additional festivals in regional areas and identify potential opportunities for shared funding and promotion.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>26D Amend the management principles within the National Parks and Wildlife Act 1974 to ensure that relevant representatives of the NSW Aboriginal community are actively encouraged to be involved in undertaking interpretation and delivery of visitor experiences in National Parks. Ensure that the relevant Destination Management Plans require this as a key performance indicator for the National Parks and Wildlife Service.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>26E Increase Aboriginal cultural representation in Sydney, for example, include Aboriginal ‘Welcomes to Country’ into more international visitor experiences, both leisure and business, and work with stakeholders across Government, including the City of Sydney and Industry, to provide increased Aboriginal interpretation within Sydney.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>26F Ensure that priority is given to implementation of the Destination NSW Aboriginal Tourism Action Plan.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
ARTS AND CULTURE EXPERIENCE DEVELOPMENT

Snapshot

Greater integration of arts and cultural attractions with other visitor experiences, together with improved arts infrastructure, will ensure that Sydney becomes and remains a competitive destination for cultural activity. The Taskforce acknowledges the NSW arts sector recognises and understands its role as part of the visitor economy. Sydney needs to ensure that it continues to build on its position as a competitive destination for major theatrical productions, performances and gallery exhibitions.

Arts and cultural experiences also have a major role in improving the appeal of regional destinations.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation</td>
<td></td>
</tr>
<tr>
<td>27. Implement a whole-of-government approach across all marketing and promotional activities of NSW Government arts and cultural institutions to better facilitate integration in the positioning and promoting of Sydney and NSW.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>Actions</td>
<td></td>
</tr>
<tr>
<td>27A Undertake a feasibility study to identify a site and commercial partnership opportunities for a new 2,000-seat lyric theatre in Sydney.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>27B Ensure that an enhanced visitor experience, including ease of access, is provided through the current Walsh Bay Precinct Master Plan process. The opportunity should be taken to develop a signature promenade of cultural attractions and associated activities linking the Art Gallery of NSW, the Botanical Gardens, the Opera House, MCA Australia, Circular Quay, The Rocks, Walsh Bay and Barangaroo.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>27C Identify the best of NSW arts and cultural products and events to be incorporated into the Sydney and NSW brand strategies.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>27D Establish roundtable meetings between arts and event sectors and Destination NSW in collaboration with Arts NSW and Regional Arts NSW to co-ordinate arts and culture and tourism/travel activity packaging, develop promotional, distribution and visitor sales strategies and better target the demographics of growth target markets.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>27E Undertake a comprehensive audit of all arts and culture-related infrastructure throughout Regional NSW to identify the need for refurbishments or new developments, and potential hallmark Regional NSW arts/culture attractions, as a part of the Destination Management Planning process.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>27F Identify opportunities for arts/culture development in key tourism precincts that maximise visitor economy returns, best serve target market needs and further develop the cultural brand of NSW and its regions, and incorporate these opportunities in the Destination Management Planning process.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>27G Undertake an audit of arts, cultural and entertainment venues and assets in Sydney’s arts and cultural precincts.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
EVENTS AND FESTIVALS

Snapshot

Events and festivals have a significant role in attracting increased visitation and spend.

The recent NSW Government investments in the event venue infrastructure of the Sydney Cricket Ground and Royal Randwick and Rosehill Racecourses present a significant opportunity.

Co-ordination and major event facilitation across local and State Governments can be improved. Major events and festivals can clash and compete. There is an opportunity to apply large event management practices to assist with maximising the visitor impact of smaller, regional events and festivals.

In addition, there is a significant amount of red tape at State and Local Government levels to secure approvals for events and festivals, for example, liquor licensing for an event or annual development application (DA) processes which inhibit opportunities to retain and build the value of repeat events and festivals.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>28. Enhance the existing NSW events and festivals strategy to develop a long-term comprehensive statewide events and festivals strategy that encompasses both major and smaller events and festivals.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>28A Ensure that there is a year-round, well-planned and co-ordinated calendar of major events and festivals in Sydney that results in events complementing each other, rather than being in competition with one another.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>28B Streamline approval processes and enable long-term DA approvals to be obtained for events and festivals.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>28C Expand and heavily promote a year-round regional events and festivals calendar.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>28D Require Government-funded events and festivals to include relevant visitor economy Key Performance Indicators (KPIs) in the conditions of Government funding.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>28E Continue work with Racing NSW to maximise the economic benefit which is derived from major racing carnivals conducted across metropolitan, provincial and country NSW.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 4: IMPROVE THE VISITOR EXPERIENCE

NATURE AND HERITAGE EXPERIENCE DEVELOPMENT

Snapshot
Well-managed protected reserves and restored heritage sites are well-positioned to provide internationally competitive and sustainable tourism experiences. Research shows that nature tourism and wildlife experiences are the major motivators of travel to and within NSW. The natural, unspoilt setting is what most appeals to domestic visitors to NSW (BDA 2011).

The Taskforce acknowledges a recent significant change of operational approach by the National Parks and Wildlife Service (NPWS) in adopting initiatives that support the visitor economy. However, significant additional effort is still required to ensure the delivery of nature and heritage tourism experiences in NSW. A more dynamic and collaborative approach, particularly at the local level, is needed to maximise the return on nature and heritage tourism opportunities, improve visitor experiences and integrate with complementary tourism activities and appeal.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>29. Relevant NSW Government Departments and agencies work with the Tourism Industry to clearly articulate responsibilities and establish milestones for the management and development of identified nature and heritage tourism experiences and develop a co-ordinated and more dynamic approach to delivery of these opportunities.</td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>29A Amend the <em>National Parks and Wildlife Services Act 1974</em> management principles to require the NPWS to develop and promote access, services and facilities for visitors that are compatible with the conservation of National Parks’ natural and cultural values.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>29B Incorporate significant National Landscapes and World Heritage Areas within NSW into the relevant Destination Management Plans to better leverage these experiences and help grow visitation and spend.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>29C Identify and facilitate opportunities for commercial and strategic tourism partnerships and participation in National Parks, historic sites and other relevant State-operated Reserves and implement a plan to realise these opportunities.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>29D Ensure that NPWS’s role and responsibilities are integrated into relevant Destination Management Plans.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>29E Further develop and promote the Great Walks in NSW to enhance visitor nature experiences.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
**ONGOING EXPERIENCE DEVELOPMENT**

**Snapshot**

There is a need to continually support development of new products and experiences that will highlight NSW’s distinctive features and that will appeal to visitors. Ongoing consumer research regarding what consumers find distinctive and appealing about NSW will capture the insights necessary to identify further product and experience development priorities.

For example, the Sydney Fish Market is a key attraction and key brand attribute for Sydney, however, there is a need to explore options to fully capitalise on its potential for increased visitation.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>30. Undertake ongoing consumer research to identify opportunities to develop new products and experiences that will highlight NSW’s distinctive features and appeal to visitors.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>30A Undertake an audit of existing products and experiences, in both Sydney and the regions, to identify gaps and undertake a development program to fill those gaps, for example, a permanent Sydney produce market.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>30B Review the operation of the current Sydney Fish Market and examine the options for improved visitor access and amenity.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 5: INCREASE VISITOR SPEND

VISITOR YIELD

Rationale
The arrival of more visitors to NSW does not, by itself, guarantee that the 2020 target can be achieved. A doubling of overnight visitor expenditure will require increased spend per visitor.

Four priority areas for increasing visitor spend have been identified:
- retail shopping
- food and wine
- international students and the education market
- ongoing assessment of other high-yield segments, for example, medical tourism and international convention delegates.

RETAIL SHOPPING

Snapshot
Shopping comprises one of the major areas of visitor expenditure. NSW is being outperformed by competitor destinations, such as Singapore and Melbourne, in terms of tourism shopping expenditure as a share of total overnight visitor expenditure.

The retail experience in NSW needs to better promote and connect visitors with retail shopping opportunities.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>31. Work with the retail industry to position Sydney as a world-class shopping destination.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>31A Develop and implement a whole-of-city approach to retail promotions with the City of Sydney’s Advisory Retail Panel, the Australian National Retailers Association and the Australia Retailers Association.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>31B Deregulate remaining restrictions on trading hours and days in key tourism precincts and destinations to enhance the retail trading environment for business and the shopping experience for visitors. Work with the City of Sydney to make retail an attractive feature of the ‘late night economy’ in Sydney.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>31C Call upon the Commonwealth Government to provide greater flexibility within the <em>Fair Work Act 2009</em> to lessen the impact of higher penalty rates on the retail sector and encourage greater trading during weekends and public holidays (see also Food and Wine and Labour Supply).</td>
<td>NSW Government</td>
</tr>
<tr>
<td>31D Call upon the Commonwealth Government to reform Australia’s GST Tourism Refund Scheme (TRS) to allow competition by private refund operators that will drive tourist shopping and product development to international visitors and allow reimbursement whilst visitors are still in Australia.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>31E Work with the retail industry to encourage transit cruise passengers to access Sydney’s retail precinct.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>31F Fast-track wider acceptance of China UnionPay cards.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
**FOOD AND WINE**

**Snapshot**

There is a significant opportunity to use NSW food, wine and dining to enhance the image, appeal and experience of many regional areas. Already food and wine tourism is a growing part of travel within NSW. However, this contribution has the potential to be much further enhanced.

Eating out at restaurants is one of the most popular activities undertaken by visitors to NSW and is an important contributor to visitor spend. As the most multicultural State in Australia, NSW can cater for all cuisines, religious requirements and personal preferences. However, a lack of understanding regarding visitor requirements, labour shortages and a difficult investment environment curtail the sector realising its full potential and increasing its contribution to the visitor economy.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>32. Extend the marketing and brand messaging for Sydney and NSW destinations to promote more strongly the quality food and wine experiences that NSW offers for visitors.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>32A Work with Industry to call upon the Commonwealth Government to provide greater flexibility within the <em>Fair Work Act 2009</em> to lessen the impact of higher penalty rates on the retail sector and encourage greater trading during weekends and public holidays (see also Retail shopping).</td>
<td>NSW Government</td>
</tr>
<tr>
<td>32B Identify and further develop food and wine styles for individual destinations and associated events and festivals, and incorporate them into relevant Destination Management Plans.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>32C Further develop and promote food and wine trails.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>32D Extend and co-ordinate targeted trade and consumer promotions to encourage visitors to experience more of NSW’s food, wine and hospitality services and promote the quality and diversity of food and wine experiences (including dining options) when promoting NSW as a destination.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>32E Call upon Industry associations in the food and hospitality sector to champion and work with their NSW members to increase the availability of NSW-sourced food and wine and to learn from successful wine marketing initiatives in NZ and other States.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>32F Work with the NSW wine and food industry to explore opportunities for promoting NSW as a destination on exported wine and food (for example, include Destination NSW’s consumer web address on labels).</td>
<td>NSW Government</td>
</tr>
<tr>
<td>32G Encourage hospitality industry organisations to undertake education and training programs to enable a better response to visitor cultural and culinary preferences.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
### INTERNATIONAL STUDENTS AND EDUCATION MARKET

**Snapshot**

International students make a significant contribution to the NSW visitor economy. However, as the *Education and Tourism Taskforce Report* previously indicated, there are significant opportunities to extend this contribution. The international education market segment ranges across the formal and informal education sectors.

There are significant opportunities to further develop the VFR market segment in relation to international students who are studying in NSW. NSW is the most culturally diverse State in Australia with people from around 200 birthplaces having made the State their home. In addition, close to a quarter of the population speak a language other than English at home. (CRC). This diversity is a great asset for our international education sector.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation 33. Implement the recommendations of the Education and Tourism Taskforce report, which include:</td>
<td></td>
</tr>
<tr>
<td>- establishment of a Government and Industry entity to co-ordinate the promotion of NSW education to international markets</td>
<td>NSW Government</td>
</tr>
<tr>
<td>- improve consumer research and market intelligence, including to identify the markets, segments and initiatives which provide the greatest growth opportunities and return for NSW</td>
<td></td>
</tr>
<tr>
<td>- develop closer partnerships, co-ordination and collaboration between the education and tourism sectors to develop and expand the education sector</td>
<td></td>
</tr>
<tr>
<td>- undertake development of new opportunities and segments, particularly in the informal education sector, and address supply constraints and weaknesses to boost visitor economy outcomes.</td>
<td></td>
</tr>
<tr>
<td>- Introduce transport concessions for international students (Also see Visitor transport services).</td>
<td></td>
</tr>
<tr>
<td>Actions 33A Ensure visitor economy representation on any new co-ordination body to co-ordinate marketing and delivery functions.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>33B Ensure the international student-related opportunities are targeted in Destination NSW’s VFR marketing and promotions.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
**SPECIFIC HIGH-YIELD OPPORTUNITIES**

**Snapshot**
There is a need for NSW to continually seek out and develop high-yield visitor markets and market segments. Specific and niche events and market segments can present opportunities for overnight visitor expenditure growth and considered investment in them can deliver significant returns.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>34. Continually assess, monitor and quantify emerging high-yield market segments.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Action</strong></td>
<td></td>
</tr>
<tr>
<td>34A Work with the relevant Industry bodies to identify, develop and facilitate specific high-yield market segment opportunities, such as youth tourism, medical tourism, high-level business events (for example, Forbes Global Conference, World Economic Forum, luxury shopping, incentive travel and gaming).</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 6: MAKE NSW MORE COMPETITIVE

INVESTMENT FACILITATION

Snapshot
There is a strong and common view that, in recent years, it has been difficult to undertake new business investment in NSW. The Taskforce does, however, note that the NSW Government has undertaken a number of initiatives to address this situation.

To increase its capacity and visitor spend, NSW must provide increased encouragement and facilitation (such as information services, business resources and online portals), reduce impediments and create incentives to help investors make and progress investment decisions to best meet the needs of target markets. In regional areas, the issue is more a need to refurbish and update existing accommodation stock rather than develop new properties.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation</td>
<td></td>
</tr>
<tr>
<td>35. Follow through on the NSW 2021 commitment to reduce red tape and provide improved incentives and investment information, at State and Local Government level, to investors and establish mechanisms that facilitate and expedite private investment.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>Actions</td>
<td></td>
</tr>
<tr>
<td>35A Establish a one-stop shop for:</td>
<td></td>
</tr>
<tr>
<td>• industry, including potential investors in the visitor economy, to access the full range of Government information and research and to expedite required approvals</td>
<td>NSW Government</td>
</tr>
<tr>
<td>• event proponents to access a full range of Government information and to facilitate and expedite required approvals.</td>
<td></td>
</tr>
<tr>
<td>35B Investigate options to provide incentives, such as planning bonuses and tax offsets for tourism investment in new projects, as well as refurbishments and improvements that enhance the visitor experience and quality of existing product offerings.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>35C Increase the use of planning incentives and land use controls to stimulate tourism development, especially for visitor accommodation and attraction investment.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>35D Provide appropriate tenure arrangements, support infrastructure, development incentives and a consistent planning approval process to encourage quality and appropriate accommodation and attraction development in high natural amenity locations on Crown land.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
BUSINESS EVENTS

Snapshot

Business events provide one of the highest levels of visitor expenditure. Beyond this, however, there are many export order benefits for NSW and other benefits to enhance business, research and investment prospects for NSW.

NSW business events need infrastructure and funding support to deliver maximum benefits to Industry and to best showcase NSW and its regions as successful business destinations. There is a lack of awareness of the value of business events across portfolios outside of tourism. Business events strategies need to be aligned with other Government strategies, as highlighted in NSW 2021.

The early decision by the NSW Government to develop a major new Convention and Exhibition Centre in Sydney is welcomed and will provide increased capacity to expand this market and become a major driver of increased visitor spend. However, it is essential that appropriate strategies are put in place to ensure optimum utilisation of this new Centre.

Funds earmarked to assist in attracting particular international events are traditionally referred to as ‘subvention funds’, that is, funds that are offered, in the conference bidding process, to meet the cost of some aspect of the event, if the bid is finally successful. This contribution often enables the event organisers to choose a location for their event on the basis of the (reduced) net cost of holding the event in that location.

Sydney’s major competitors have access to substantial subvention funding.

Recommendations and actions

Recommendation

36. That the NSW Government adopt a whole-of-government approach to the attraction and hosting of business events, funding, brand development, planning and integration of events with the broader visitor economy in Sydney and across the relevant regions.

Lead Responsibility

NSW Government

Actions

36A Establish a Business Events Investment Fund in place of the current subvention system to support conference bidding by Business Events Sydney against highly incentivised competitor destination bids for business events in NSW.

NSW Government

36B Develop and implement a NSW regional business events strategy that identifies appropriate regional infrastructure and provides support to regional NSW to effectively target business event opportunities, including required promotional activities.

Destination NSW

36C Increase the number of NSW Government conferences and events that are held in Regional NSW.

NSW Government

36D Promote to, and engage with, Sydney businesses to encourage them to hold their conferences in regional areas.

NSW Government

36E Support the full closure of the Sydney Convention and Exhibition Centre during construction of the new centre to ensure the construction timeframe is minimised and expedite arrangements for alternate venues.

NSW Government

36F Expand work with Business Events Sydney to assist in the development of pre and post-conference touring itineraries in NSW to maximise time and spend in the State.

Destination NSW

36G NSW Department heads to meet quarterly with Business Events Sydney CEO and Chairman to discuss event bid opportunities.

NSW Government
The Taskforce commends the positive outcome for the visitor economy in the NSW Government’s 2012–13 Budget. The Budget funding commitments of $500 million to Destination NSW over four years, $377 million to the arts and cultural sector, $120 million for trade and investment programs and the plans announced for infrastructure and transport for the State will directly contribute to driving visitor economy growth in NSW.

Despite its natural and built attractiveness and regardless of the great affection for the city by its residents, research shows that the appeal of Sydney and NSW as visitor destinations falls short of competitor destinations on several criteria.

The Taskforce is of the view that there is a unparalleled opportunity to drive infrastructure, investment, marketing and brand initiatives to facilitate the attainment of the NSW 2020 visitor economy target.

The NSW Government needs to adequately resource and fund the implementation of this Plan.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendations</strong></td>
<td></td>
</tr>
<tr>
<td>37. Initially, Destination NSW’s current funding is at least maintained in real terms. Including allocation for Regional Tourism.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>38. Provide additional and sufficient funding to Destination NSW on a staged basis over the next eight years to deliver the Visitor Economy Action Plan and achieve the 2020 target.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>39. Ensure all NSW Government Departments’ and agencies’ funding on visitor economy-related activities, for example, arts and sport events grants, Industry development and so on, are subjected to the same assessment as outlined in the Plan and ensure a return on investment to the State.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>40. Recognise this Industry as a segment that qualifies for access to NSW innovation funding programs.</td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>37A Maintain funding for Destination NSW, including regional tourism 2012–13</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>38A Assess the additional funding required against the actions and the milestones and timelines in this Plan as agreed with Government, so as to be accommodated in the 2013–14 State Budget process.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>38B Obtain Industry commitment to additional funding and in-kind contributions.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>38C Ensure that all additional funding to Destination NSW is tied to implementing the recommendations of this Plan.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>39A Undertake an audit of all Department and agency budget allocations to identify expenditure on visitor economy-related purposes and, where it would be appropriate, guided by Destination Management Plans, that the funding require a visitor economy-related performance indicator.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>40A Review guidelines and criteria to include the visitor economy in NSW innovation funding programs.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 7: CHANGE OF MINDSET

WHOLE-OF-GOVERNMENT APPROACH

Rationale
The NSW 2021 overnight visitor expenditure target is ambitious. A change of mindset, for both Government and Industry, will be necessary if the target is to be achieved. **The way we have done things in the past will need to change, including our approach to administration and funding Regional NSW.**

Meeting the challenges and maximising the opportunities arising in the visitor economy will require a concerted whole-of-government approach and a proactive ‘can-do’ attitude from across Government, Industry and the community.

Snapshot
There has been a ‘silo approach’ due to a lack of a whole-of-government commitment to the visitor economy by previous Governments, which has led to a lack of consistency in policy and processes, excessive red tape and conflicting priorities which in turn have inhibited innovation, investment and growth.

To help achieve the 2020 expenditure target, Destination NSW needs to be able to act with agility in an extremely competitive operating environment.

There is a need for many Government Departments and agencies to change their culture to be proactive and for the focus to be more on active encouragement and support for Industry innovation, entrepreneurship and excellence. This is the approach which has been successful in Victoria.

Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>41. Adopt a proactive whole-of-government approach to improve consistency in policy and processes and cut red tape to drive innovation, investment and growth.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>42. Provide greater operational flexibility to Destination NSW so as to enable it to operate more effectively in an agile and commercially competitive manner.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>43. Establish a sub-committee of Cabinet to oversee the progress of visitor economy priorities across Government.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>44. That the Board of Destination NSW be charged with the responsibility for implementing this Plan in accordance with the milestones and timelines as agreed with Government.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>45. That a sub-committee of the Board of Destination NSW meet with Government-nominated Industry representatives, at least twice yearly, under the chairmanship of the Chairman of Destination NSW, to jointly assess the overall implementation of the Plan and report to Government, including recommending any necessary adjustments to the Plan.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>

Recommendations and actions

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>41A Ensure that a visitor economy perspective is formally incorporated into relevant reviews being undertaken or contributed to by the NSW Government. The Taskforce has identified an initial number of reviews that should incorporate a NSW visitor economy perspective. (Appendix D)</td>
<td>NSW Government</td>
</tr>
<tr>
<td>42A Immediately exempt Destination NSW from the NSW Government’s peer and Cabinet review processes for advertising.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>43A The sub committee of Cabinet take promotional opportunities that arise from time to time by providing Destination NSW with supplementary funding (for example, Sydney hosting the Australian Tourism Exchange in 2013, Oprah Winfrey-type projects, the proposed Sydney Movie and so on).</td>
<td>NSW Government</td>
</tr>
<tr>
<td>44A Set and agree with Government critical milestone targets for implementation of the recommendations of the Visitor Economy Action Plan and regularly report back to Government and Industry on achievement against the milestones.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>45A Proactively identify opportunities for private sector participation in the provision of enhanced visitor-related services and facilities.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
STRATEGIC IMPERATIVE 7: CHANGE OF MINDSET

INDUSTRY LEADERSHIP

Snapshot

Visitor economy development relies upon Industry innovation and entrepreneurship. Therefore the Tourism Industry needs to step up and take a leadership role in, and responsibility for, the relevant areas of implementation of the Visitor Economy Action Plan.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
</tr>
<tr>
<td>46. Stemming from the establishment of the joint sub-committee of the Board of Destination NSW and nominated Industry representatives, that Industry work more closely with Government to take its share of responsibility for implementing the recommendations of the Visitor Economy Action Plan.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>46A Provide a mechanism for Industry input into Destination NSW marketing plans and priorities.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>46B Increase joint Industry co-operative marketing activities with Destination NSW, where those marketing activities are consistent with the relevant Destination NSW marketing plans.</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>46C Increase Industry participation in commercial partnerships to undertake innovative and adaptive re-use of heritage properties and for visitor facilitation in National Parks and visitor accommodation and attraction purposes, therefore gaining greater utilisation of heritage and natural assets.</td>
<td>Destination NSW</td>
</tr>
</tbody>
</table>
REGIONAL DEVELOPMENT AND SUPPORT

Snapshot

Research shows that there is diminishing demand for NSW regions domestically and declining visitation from inbound markets.

Regional NSW is currently not positioned to make the contribution required of it to help achieve the 2020 visitor economy target. The current structures and funding processes underpinning regional tourism in NSW are not enabling regional destinations to achieve their full visitor potential.

The culture of providing funding to every region, regardless of relative destination appeal or effective effort, cannot continue if the needs and preferences of visitors from priority target markets and the 2020 target are to be met.

The current operational structure and funding framework for Regional NSW that Destination NSW operates within must be reformed.

<table>
<thead>
<tr>
<th>Recommendations and actions</th>
<th>Lead Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendations</strong></td>
<td></td>
</tr>
<tr>
<td>47. Reform the operational structure and funding framework of regional tourism to enable funding to be allocated directly to destinations which have developed a Destination Management Plan and remove the requirement that all funding must be provided through the RTO network.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>48. Maintain, at least, the current $5.1 million regional funding allocation for regional visitor economy initiatives.</td>
<td>NSW Government</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td></td>
</tr>
<tr>
<td>47A Ensure that funding for regions will only continue where there is a Destination Management Plan that has a focus on building capacity and capability to grow visitor expenditure from priority target markets.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>47B As experience-based destinations do not usually conform with existing Local Government, regional or State boundaries, ensure that the special purpose entities (see Destination Management Plan) are empowered to manage the Destination Management Plans.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>47C Ensure that Destination NSW is able to deal directly with all Industry and stakeholders in destinations.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>47D Ensure that arts and culture, events, nature and heritage and other visitor experience development initiatives are integrated into the Destination Management Planning and implementation processes for the relevant destination.</td>
<td>NSW Government</td>
</tr>
<tr>
<td>47E Consolidate and leverage Government resources and investment in Regional NSW by ensuring that grants and other payments relating to enhancing visitor experiences (for example, grants for arts, recreation, events and festivals) are facilitated through the Destination Management Plans of the relevant destinations.</td>
<td>NSW Government</td>
</tr>
</tbody>
</table>
| 48A Implement transitional funding arrangements by Destination NSW for regional tourism that do not continue beyond 2013:  
  • allowing RTOs to access ‘capacity’ funding according to current criteria for a maximum of 12 months ending in the 2012–13 financial year so that alternates to any Government funding of staff, utilities and so on are put in place  
  • opening up future Destination NSW marketing funding to competitive bidding, with funding proposals to be assessed by Destination NSW against specified criteria, including a Destination Management Plan, to all Industry and stakeholders in a destination, not just RTOs. | NSW Government |
VISITOR ECONOMY TASKFORCE TERMS OF REFERENCE

OBJECTIVES
The Visitor Economy Taskforce will deliver a strategy to double tourism measured by overnight visitor expenditure by 2020. This is to be a comprehensive strategy which will include measures to influence people to travel to NSW including for events and to regional NSW.

The strategy should aim to foster a sustainable tourism industry and to help increase the economic benefits to NSW from tourism.

The work of the Visitor Economy Taskforce will be aligned with the NSW Industry Action Plan framework.

FUNCTIONS
1. The Taskforce will develop a strategy for delivery over the next five years that will place the NSW tourism industry on a trajectory to achieve a doubling of overnight visitor expenditure by 2020. Taskforce recommendations will include:
   • Attraction of additional airlines and routes to New South Wales, development of new cruise shipping capacity
   • Innovative approaches to visitation growth and product development
   • The servicing of basic visitor needs such as wayfinding and public transport with particular emphasis on the needs of non-English speaking visitors
   • Identification of and policies to ameliorate product and service delivery gaps for eastern markets
   • Investment attraction to deliver sustainable infrastructure, products etc to service growth
   • Establishing destination development strategies
   • Crown land tourism development schemes
   • Industry development programs
   • Strategies and programs to develop regional tourism and events
   • A focus on the development and implementation of global growth strategies including Marketing/Communications strategies which will also address targeted markets, destination branding and event calendars and distribution strategies and
   • Appropriate structures to oversee implementation and execution of the strategy.
2. The Taskforce will take into account the work that has been undertaken and is currently in progress, including:
   • The NSW Tourism Strategy
   • The joint industry and government Taskforces on Tourism and National Parks, Tourism and Education, Tourism and Planning and Investment and Tourism and Local Government,
   • The draft NSW Tourism Industry Plan endorsed by industry and government agencies and
   • The National Long Term Tourism Strategy being undertaken jointly by Australian jurisdictions.
3. The strategy will also have regard to:
   • Consideration of the findings from an extensive, structured engagement and consultation program with stakeholders including industry, non government organisations and government at all levels, undertaken specifically to inform the Taskforce’s final report
   • The development of a diversified portfolio of tourism market segments that respond to trends in domestic and international tourism markets so as to protect the industry from unforeseen economic fluctuations
   • Opportunities to enhance tourism outcomes by actions to address hard and soft infrastructure needs, and growth in segments such as events, Indigenous tourism, youth travel, aged travel, health tourism, food and wine as well as addressing broader innovation matters relating to tourism
   • Actions to maximise regional tourism including business travel, by addressing strategic imperatives such as destination planning, market priorities and market development activities, events leveraging, market channels, visitor information and services and
   • Opportunities to attract, enhance and leverage major events to NSW.

The Taskforce may form reference and/or expert working groups and commission the use of experts and consultancies, as required to conduct in-depth assessment of aspects of the strategy. For example, to assess hard and soft infrastructure needs, events, innovation, distribution, consumer protection and individual markets as indicated under point 3 above.

The Taskforce will undertake extensive engagement with both Government and Industry, including the Board of Destination NSW, to assess and evaluate:
• Competitive strengths/points of competitive advantage for potential visitation growth
• The appropriate mix of tourism sectors that maximises the economic benefit to NSW
• The target visitor markets (demographic/geographic) that have or have the potential to, respond to the above strengths
• Signature events for NSW, including for the regions and
• Ways to maximise the destination appeal of Sydney and NSW and drive increased visitation.
This engagement will include appropriate representation from tourism industry sectors.

TIMEFRAMES:
The Taskforce will meet as soon as practicable after appointment and determine a timetable of activity in order to provide an interim report by end of February 2012 with a final report due by 30 May 2012.

INDUSTRY ENGAGEMENT:
Representation for advisory groups and other engagement will be drawn from across industry including, but not limited to:
• Tourism Industry Council (NSW)
• Backpacker Operators Association
• The Transport and Tourism Forum
• Australian Tourism Export Council
• Business Chambers
• Aviation industry
• Australian Federation of Travel Agents
• Hospitality
• Local Government
• Regional Tourism Organisations
• Arts industry
• Retail sector
• International tourism
• Tourism business owners
• and from other industry associations and sectors.
APPENDIX B
SPECIAL PURPOSE ENTITY MODEL – HOW IT WORKS

COLLECTED BY COUNCILS

SPECIAL PURPOSE ENTITY

INVEST IN VISITOR ECONOMY INITIATIVES TO REACH 2020 TARGET (ACCORDING TO GUIDELINES)

DESTINATION
Community Businesses Council

BUSINESS CASE AND APPLICATION FOR SPECIAL RATE VARIATION

DESTINATION MANAGEMENT PLAN/S
THE TASKFORCE APPROACH

The Taskforce has adopted a comprehensive and collaborative approach to identifying the key issues that will impact on the growth of the NSW visitor economy and has developed recommendations which are evidence-based and supported by Industry.

Taskforce membership

The Taskforce was comprised of the following members:
- Mr Russell Balding, AO, Chairman
- The Hon. Bruce Baird, AM
- Mr John King, OAM
- Ms Sandra Chipchase (CEO, Destination NSW).

Terms of reference

The Terms of Reference of the Taskforce required it to develop a strategy to double overnight visitor expenditure to NSW by 2020.

See the full Terms of Reference at Appendix A.

STAKEHOLDER ENGAGEMENT

An extensive stakeholder engagement program was key to the Taskforce’s approach to ensure that the Taskforce had the benefit of views and ideas from specially convened Industry Advisory Groups, peak industry associations, public submissions, a program of public meetings and an online forum for public comment.

The Taskforce’s stakeholder engagement program has included:
- 14 Industry Advisory Groups that involved 319 participants
- 40 plus meetings with peak industry associations and other organisations
- 91 submissions
- 191 online comments on the NSW Government’s haveyoursay website
- 339 attendees at nine consultation meetings across NSW.

Many ideas and suggestions were collected during this extensive process. Some of these were high-level conceptual ideas and others were of a more pragmatic nature. All of those ideas and suggestions which have not been included in this Report and Plan have been collated, documented and will be referred to Destination NSW for further consideration and/or action.

The establishment of the Taskforce and participation in previous reports has heightened expectations in Industry. The recognition of the value of the visitor economy and the ambitious target set by Government are welcomed by an Industry in NSW which remains ready to commit funds and resources to achieve the 2020 target.

REVIEW OF PREVIOUS REPORTS AND PLANS

As required by the Terms of Reference, the Taskforce undertook a review of selected previous strategic reports and plans to inform and guide development of its recommendations. These reports and plans are listed in Appendix A. The Taskforce ensured that its recommendations are based on domestic and international best-practice approaches and comprise an innovative, evidence-based Plan.

The Taskforce also reviewed a number of recent reports and reviews, including:
- the Joint Study on aviation capacity for the Sydney region (Joint Study)

Reports reviewed are included in the bibliography.

DEMAND AUDIT, 2020 OUTLOOK AND CONSUMER APPEAL ASSESSMENT

The Taskforce commissioned BDA Marketing and Planning Pty Ltd to undertake a comprehensive demand audit, 2020 outlook and consumer appeal assessment. That analysis has provided the Taskforce with:
- an understanding of the economic and tourism environment in which the State is operating
- an assessment of the performance of NSW within this environment
- an understanding of the current status of NSW as a tourism destination
- an outlook of demand to 2020, including forecasts for domestic travel as well as 10 key international markets for NSW
- an assessment of the NSW visitor economy goal relative to this market opportunity outlook
- a domestic consumer appeal assessment of best existing holidays and experiences in NSW (including measures of awareness, appeal, what elements are most appealing, and overall holiday preferences)
- identification of which consumer markets and segments are most productive for NSW to target
- a direction for marketing mix priorities resulting from the research.
This assessment by BDA will remain confidential as it contains extensive competitor analysis. Selected insights from the analysis are included in this report.

**ECONOMIC ANALYSIS**

The Taskforce commissioned KPMG to provide a detailed economic analysis of the potential benefits of removing selected current constraints to growth in the NSW visitor economy. That analysis included assessing the likely growth in overnight visitor expenditure resulting from:

- increasing the number of international landings at Sydney Airport during the morning shoulder curfew (5.00am to 6.00am) from 24 to 35 per week (as provided for in the *Sydney Airport Curfew Act 1995*).
- increasing the hourly movement cap for Sydney Airport from 80 to 85 or 90 movements per hour in the peak period hours identified by the Joint Study.
- adjusting the public air capacity for Newcastle Airport as a result of negotiated adjustments to utilisation of Newcastle Airport by the RAAF fighter base.

KPMG was also commissioned to provide:

- a detailed economic analysis of the likely economic cost to NSW (in terms of lost value) resulting from cruise shipping lines which berth in Sydney being required to acquire provedoring services at alternative ports due to access restrictions for provedores at the Overseas Passenger Terminal.
- an estimate of the likely amount of additional revenue that would be raised under a special rate variation.

**APPRECIATION**

The Taskforce wishes to thank the many Industry stakeholders for the time and effort that they contributed to the consultation process. Many of these contributions were strictly commercial-in-confidence, and this has assisted the Taskforce in its deliberations.

The Taskforce wishes to especially acknowledge the Chairs of the Industry Advisory Groups and thank them for volunteering their time and expertise. The insights and ideas contributed through the Industry Advisory Group process were more constructive and extremely valuable.

**VISITOR ECONOMY TASKFORCE ADVISORY GROUPS**

The Advisory Groups were led by independent Industry representatives. Their details are also listed for background information.

<table>
<thead>
<tr>
<th>Group</th>
<th>Chair</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal Tourism</td>
<td>John Morse AM</td>
<td>Indigenous Tourism Advisor, Chairman Hutitjulu Foundation, Board Member National Museum of Australia and former CEO of the Australian Tourist Commission (Tourism Australia)</td>
</tr>
<tr>
<td>Access, Touring &amp; Transport</td>
<td>Ron Murray AM</td>
<td>Executive Chairman, Murrays Australia Pty Ltd</td>
</tr>
<tr>
<td>Accommodation</td>
<td>Simon McGrath</td>
<td>Chief Operating Officer – Pacific, Accor Hospitality</td>
</tr>
<tr>
<td>Arts and Culture</td>
<td>Donald McDonald AC</td>
<td>Director, Classification Board</td>
</tr>
<tr>
<td>Attractions, Retail &amp; Destinations</td>
<td>Peter Hearne</td>
<td>Managing Director, Luna Park Sydney</td>
</tr>
<tr>
<td>Aviation</td>
<td>Peter McLaughlin</td>
<td>Destination NSW Aviation Specialist</td>
</tr>
<tr>
<td>Business Events</td>
<td>Elizabeth Rich</td>
<td>Business Events Specialist, Agenda Pty Ltd</td>
</tr>
<tr>
<td>Cruising</td>
<td>Richard Doyle</td>
<td>Managing Director, Doyle Tourism Services Pty.Ltd.</td>
</tr>
<tr>
<td>Events &amp; Festivals</td>
<td>Rhoda Roberts</td>
<td>Actor, creative director, writer, producer &amp; arts consultant</td>
</tr>
<tr>
<td>Nature and Heritage Tourism</td>
<td>Bruce Leaver</td>
<td>Chairman, Sapphire Coast Tourism Board</td>
</tr>
<tr>
<td>Regional</td>
<td>Phil Helé</td>
<td>Owner and General Manager, Hunter Valley Resort</td>
</tr>
<tr>
<td>Visitor Information &amp; Distribution</td>
<td>Geoff Buckley</td>
<td>Managing Director, New Earth Tourism Pty Ltd</td>
</tr>
<tr>
<td>Wine, Food &amp; Hospitality</td>
<td>John Hart</td>
<td>CEO, Restaurant &amp; Catering Australia</td>
</tr>
<tr>
<td>Youth &amp; International Education</td>
<td>Julian Ledger</td>
<td>CEO, YHA Ltd</td>
</tr>
</tbody>
</table>
## GOVERNMENT REVIEWS

<table>
<thead>
<tr>
<th>Name</th>
<th>Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing Taskforce</td>
<td>NSW</td>
</tr>
<tr>
<td>Australia in the Asian Century</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>Bays Precinct Taskforce</td>
<td>NSW</td>
</tr>
<tr>
<td>Business Regulation Benchmarking: Role of Local Government as Regulator</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>Customer engagement on prices for monopoly services</td>
<td>NSW</td>
</tr>
<tr>
<td>Department of Immigration and Citizenship Student Visa Risk Assessment Level System</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>Destination 2036 Action Plan (Local Government)</td>
<td>NSW</td>
</tr>
<tr>
<td>Digital Economy Industry Action Plan</td>
<td>NSW</td>
</tr>
<tr>
<td>Fair Work Act Review</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>Improving the governance of residential parks</td>
<td>NSW</td>
</tr>
<tr>
<td>Inquiry into Smart Infrastructure</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>International Education and Research Industry Action Plan</td>
<td>NSW</td>
</tr>
<tr>
<td>Metropolitan Strategy (Sydney over the next 20 years)</td>
<td>NSW</td>
</tr>
<tr>
<td>Ministerial Taskforce on Aboriginal Affairs</td>
<td>NSW</td>
</tr>
<tr>
<td>National Cultural Policy</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>Natural Disaster Recovery Taskforce</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>Night Time Economy</td>
<td>City of Sydney</td>
</tr>
<tr>
<td>NSW Long-Term Transport Master Plan</td>
<td>NSW</td>
</tr>
<tr>
<td>NSW Planning System Review</td>
<td>NSW</td>
</tr>
<tr>
<td>Overseas Passenger Terminal Master Plan</td>
<td>NSW</td>
</tr>
<tr>
<td>Professional Services Industry Action Plan</td>
<td>NSW</td>
</tr>
<tr>
<td>Property Asset Utilisation Taskforce</td>
<td>NSW</td>
</tr>
<tr>
<td>Regional Migration Agreements</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>Smoke-free outdoors legislation</td>
<td>NSW</td>
</tr>
<tr>
<td>Sydney International Convention, Exhibition &amp; Entertainment Precinct</td>
<td>NSW</td>
</tr>
<tr>
<td>Sydney Light Rail Strategic Plan</td>
<td>NSW</td>
</tr>
<tr>
<td>Walsh Bay Arts Precinct Master Plan</td>
<td>NSW</td>
</tr>
</tbody>
</table>
## Abbreviations

<table>
<thead>
<tr>
<th>AAG</th>
<th>Aviation Advisory Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ACA</td>
<td>Airport Co-ordination Australia</td>
</tr>
<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
</tr>
<tr>
<td>AOT</td>
<td>Airports of Thailand</td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities and Investments Commission</td>
</tr>
<tr>
<td>BDA</td>
<td>BDA Marketing and Planning Pty Ltd</td>
</tr>
<tr>
<td>BID</td>
<td>Business Improvement Districts</td>
</tr>
<tr>
<td>bn</td>
<td>Billion</td>
</tr>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CRC</td>
<td>Community Relations Commission (NSW)</td>
</tr>
<tr>
<td>CUP</td>
<td>China Union Pay</td>
</tr>
<tr>
<td>DA</td>
<td>Development Approval</td>
</tr>
<tr>
<td>DECC</td>
<td>Department of Environment and Climate Change</td>
</tr>
<tr>
<td>DEEWR</td>
<td>Department of Education, Employment and Workplace Relations</td>
</tr>
<tr>
<td>DMP</td>
<td>Destination Management Plans</td>
</tr>
<tr>
<td>DNSW</td>
<td>Destination NSW</td>
</tr>
<tr>
<td>DRET</td>
<td>Department of Resources, Energy and Tourism</td>
</tr>
<tr>
<td>ELICOS</td>
<td>English Language Intensive Courses for Overseas Students</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign direct investment</td>
</tr>
<tr>
<td>FIFO</td>
<td>Fly-in, fly-out</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-Time Equivalent</td>
</tr>
<tr>
<td>GFC</td>
<td>Global Financial Crisis</td>
</tr>
<tr>
<td>GSP</td>
<td>Gross State Product</td>
</tr>
<tr>
<td>GVA</td>
<td>Gross Value Added</td>
</tr>
<tr>
<td>HECS</td>
<td>Higher Education Contribution Scheme</td>
</tr>
<tr>
<td>ICCA</td>
<td>International Congress and Convention Association</td>
</tr>
<tr>
<td>IVS</td>
<td>International Visitors Survey</td>
</tr>
<tr>
<td>JAS</td>
<td>Joint Aviation Study on Sydney Airport</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
</tr>
<tr>
<td>LEP</td>
<td>Local Environment Plans</td>
</tr>
<tr>
<td>LGA</td>
<td>Local Government Area</td>
</tr>
<tr>
<td>LNP</td>
<td>Liberal National Party</td>
</tr>
<tr>
<td>MMT</td>
<td>Moving Monthly Total</td>
</tr>
<tr>
<td>NBES</td>
<td>National Business Events Study</td>
</tr>
<tr>
<td>NPWS</td>
<td>National Parks and Wildlife Service</td>
</tr>
<tr>
<td>NSW</td>
<td>New South Wales</td>
</tr>
<tr>
<td>NZ</td>
<td>New Zealand</td>
</tr>
<tr>
<td>OPT</td>
<td>Overseas Passenger Terminal</td>
</tr>
<tr>
<td>RAAF</td>
<td>Royal Australian Air Force</td>
</tr>
<tr>
<td>RMS</td>
<td>Roads and Maritime Services</td>
</tr>
<tr>
<td>RTO’s</td>
<td>Regional Tourism Organisations</td>
</tr>
<tr>
<td>RTPP</td>
<td>Regional Tourism Partnership Program</td>
</tr>
<tr>
<td>SA CL</td>
<td>Sydney Airport Corporation Limited</td>
</tr>
<tr>
<td>SHFA</td>
<td>Sydney Harbour Foreshore Authority</td>
</tr>
<tr>
<td>TA</td>
<td>Tourism Australia</td>
</tr>
<tr>
<td>TAA</td>
<td>Tourism Accommodation Australia</td>
</tr>
<tr>
<td>TGVA</td>
<td>Tourism Gross Value Added</td>
</tr>
<tr>
<td>T-QUAL</td>
<td>T-QUAL Accreditation</td>
</tr>
<tr>
<td>TRA</td>
<td>Tourism Research Australia</td>
</tr>
<tr>
<td>TRS</td>
<td>Tourist Refund Scheme</td>
</tr>
<tr>
<td>TSA</td>
<td>Tourism Satellite Account</td>
</tr>
<tr>
<td>UCV</td>
<td>Unimproved Capital Value</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USA</td>
<td>The United States of America</td>
</tr>
<tr>
<td>VET</td>
<td>Visitor Economy Taskforce</td>
</tr>
<tr>
<td>VFR</td>
<td>Visiting Friends and Relatives</td>
</tr>
<tr>
<td>WHM</td>
<td>Working Holiday Makers</td>
</tr>
<tr>
<td>WHV417</td>
<td>Working Holiday Visa sub-class 417</td>
</tr>
<tr>
<td>YTD</td>
<td>Year to date</td>
</tr>
</tbody>
</table>
### LIST OF GRAPHICS

#### PART A

<table>
<thead>
<tr>
<th>P No.</th>
<th>Name of Graphic</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Graphic E.1: NSW Overnight visitor expenditure</td>
</tr>
<tr>
<td>13</td>
<td>Graphic A1.1: Inbound visitors to Australia by key Western and Eastern markets, 2001–2011</td>
</tr>
<tr>
<td>14</td>
<td>Graphic A1.2: NSW share of interstate demand</td>
</tr>
<tr>
<td>14</td>
<td>Graphic A1.3: NSW share of inbound seats into Australia</td>
</tr>
<tr>
<td>15</td>
<td>Graphic A1.4: NSW share of inbound seats from target markets</td>
</tr>
<tr>
<td>15</td>
<td>Graphic A1.5: NSW share of international visitors</td>
</tr>
<tr>
<td>17</td>
<td>Graphic A1.6: Overnight visitor expenditure</td>
</tr>
<tr>
<td>18</td>
<td>Graphic A1.7: Overnight visitor expenditure 2020 Target, % contribution shift from 2011</td>
</tr>
<tr>
<td>21</td>
<td>Graphic A1.8: NSW loss of share of Australian seats</td>
</tr>
<tr>
<td>22</td>
<td>Graphic A1.9: Perceptions of State attributes</td>
</tr>
<tr>
<td>23</td>
<td>Graphic A1.10: Domestic visitors ranking of regional destinations with highest consumer recognition</td>
</tr>
</tbody>
</table>

#### PART B – IMPERATIVE 1: INCREASE VISITATION

<table>
<thead>
<tr>
<th>P No.</th>
<th>Name of Graphic</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>Graphic B1.1: NSW’s market share of visitors from international target markets</td>
</tr>
<tr>
<td>33</td>
<td>Graphic B1.2: State associations by attribute – NSW’s top four attributes</td>
</tr>
<tr>
<td>33</td>
<td>Graphic B1.3: Awareness of NSW destinations</td>
</tr>
<tr>
<td>34</td>
<td>Graphic B1.4: Priority aspects of appeal to interstate visitors and NSW residents</td>
</tr>
<tr>
<td>35</td>
<td>Graphic B1.5: Appeal of NSW destinations</td>
</tr>
<tr>
<td>36</td>
<td>Graphic B1.6: Awareness of NSW destinations – awareness of NSW experiences available</td>
</tr>
<tr>
<td>38</td>
<td>Graphic B1.7: The NSW visitor economy target</td>
</tr>
<tr>
<td>39</td>
<td>Graphic B1.8: NSW visitor expenditure performance by visitor type</td>
</tr>
<tr>
<td>40</td>
<td>Graphic B1.9: Intrastate Sydney and regional demand in visitor numbers</td>
</tr>
<tr>
<td>40</td>
<td>Graphic B1.10: NSW State share of interstate overnight visitor expenditure</td>
</tr>
<tr>
<td>41</td>
<td>Graphic B1.11: Top 10 international priority markets</td>
</tr>
<tr>
<td>42</td>
<td>Graphic B1.12: NSW source of inbound international visitors by country, 2000–2011</td>
</tr>
<tr>
<td>45</td>
<td>Graphic B1.13: Planning and booking travel to NSW</td>
</tr>
<tr>
<td>46</td>
<td>Graphic B1.14: Internet use for visitor-related information and bookings</td>
</tr>
<tr>
<td>47</td>
<td>Graphic B1.15: Internet use for visitor-related purposes (domestic and international)</td>
</tr>
<tr>
<td>48</td>
<td>Graphic B1.16: Perceptions of non-NSW Australian residents regarding which State is the most progressive</td>
</tr>
</tbody>
</table>
### IMPERATIVE 2: GROW PHYSICAL CAPACITY

<table>
<thead>
<tr>
<th>P No.</th>
<th>Name of Graphic</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>Graphic B2.1: NSW hotel occupancy rates – 2006 to 2011</td>
</tr>
<tr>
<td>52</td>
<td>Graphic B2.2: Capital city hotel occupancy rates</td>
</tr>
<tr>
<td>55</td>
<td>Graphic B2.3: Market share of inbound seats into Australia – international visitors</td>
</tr>
<tr>
<td>56</td>
<td>Graphic B2.4: Market share of inbound seats into Australia by nationality – NSW vs Victoria</td>
</tr>
<tr>
<td>62</td>
<td>Graphic B2.5: Forecast of cruise ship calls to Sydney (2015–2030)</td>
</tr>
<tr>
<td>64</td>
<td>Graphic B2.6: OPT Gap analysis scenario 1 – medium growth</td>
</tr>
<tr>
<td>64</td>
<td>Graphic B2.7: OPT Gap analysis scenario 2 – medium growth</td>
</tr>
<tr>
<td>65</td>
<td>Graphic B2.8: Future estimated potential additional value of provedoring at the OPT</td>
</tr>
</tbody>
</table>

### IMPERATIVE 3: RENEW AND REVITALISE DESTINATIONS

<table>
<thead>
<tr>
<th>P No.</th>
<th>Name of Graphic</th>
</tr>
</thead>
<tbody>
<tr>
<td>76</td>
<td>Graphic B3.1: Intention of interstate residents to travel to NSW</td>
</tr>
<tr>
<td>80</td>
<td>Graphic B3.2: Special rates – Gosford City Council</td>
</tr>
<tr>
<td>81</td>
<td>Graphic B3.3: Estimated revenue from introducing special rates in selected LGAs – business zoned land only</td>
</tr>
<tr>
<td>82</td>
<td>Graphic B3.4: Cost for businesses at 0.14c per dollar of rateable value</td>
</tr>
</tbody>
</table>

### IMPERATIVE 5: INCREASE VISITOR SPEND

<table>
<thead>
<tr>
<th>P No.</th>
<th>Name of Graphic</th>
</tr>
</thead>
<tbody>
<tr>
<td>102</td>
<td>Graphic B5.1: Proportion of International shopping dollars spent in Australia</td>
</tr>
<tr>
<td>102</td>
<td>Graphic B5.2: State association by non-NSW residents – shopping</td>
</tr>
<tr>
<td>105</td>
<td>Graphic B5.3: NSW turnover for restaurants, cafés and takeaway food</td>
</tr>
<tr>
<td>105</td>
<td>Graphic B5.4: State association by non-NSW residents – food and wine</td>
</tr>
<tr>
<td>107</td>
<td>Graphic B5.5: Inbound education and trips share</td>
</tr>
<tr>
<td>108</td>
<td>Graphic B5.6: China – purpose of trips to NSW</td>
</tr>
</tbody>
</table>
BIBLIOGRAPHY

The citation for each item in the bibliography as it appears in this report is in brackets.


Australia Unlimited 2010 (AU 2010), *Tourism Operators Online Capabilities Benchmark Survey 2010 Research Report, AU 2010*


Australian Bureau of Statistics 2010 (ABS 2010), *National, State and Territory Comparisons of Population Characteristics, Aboriginal and Torres Strait Islander Australians, Australia, ABS 2010*


Australian Bureau of Statistics 2012 (ABS 2012a), *Retail Trade, Australia, ABS March 2012*

Australian Capital Tourism 2008 (ACT 2008), *Five Year Strategic Plan 2009–13, ACT 2008*


Australian Government 2012 (Aust Govt 2012), *Skills for All Australians, Aust Govt 2012*

Australian Tourism Export Council (ATEC 2012), *The Importance of the Working Holiday Visa (Subclass 417), ATEC 2012*


Baird, Bruce (Baird 2010), *Stronger, simpler, smarter ESOS: supporting international students, Bruce Baird February 2010.*


Business Events Sydney (Business Events Sydney 2011b), *Manufacturing Industry Taskforce Submission, Business Events Sydney November 2011*

Central Coast Tourism 2010 (CCT 2010), *Central Coast Destination Management Plan for Tourism: 2010 to 2013, CCT June 2010*


Cruise Passenger Terminal Steering Committee 2009 (NSW Government 2009), *Identification and Investigation of Potential Locations for a Cruise Passenger Terminal West of Sydney Harbour Bridge, Part A, Cruise Passenger Terminal Steering Committee, November 2009*


Deloitte 2011 (Deloitte 2011a), *Australian Hotel Market Outlook, Deloitte 2011*


Department of Education, Employment and Workplace Relations, *Employment Outlook for Accommodation and Food Services – Skills Info*, DEEWR


Department of Immigration and Citizenship 2011 (DIAC 2011a), *Student Visa Quarterly Report*, DIAC September 30 2011

Department of Immigration and Citizenship 2011 (DIAC 2011b), *Student Visa Quarterly Report*, DIAC December 31 2011


Department of Resources, Energy and Tourism 2010 (DRET 2010), *National Long-Term Tourism Strategy*, DRET May 2010


Department of Resources, Energy and Tourism + Tourism Research Australia 2011 (DRET & TRA 2011), *The Economic Importance of Tourism to Australia’s Regions*, DRET & TRA April 2011


Department of Trade & Investment 2012 (T&I 2012) *NSW strategy for business migration & attracting international students*, March 2012

Destination NSW 2011 (DNSW 2011a), *Key NSW Tourism Facts*, DNSW February 2011

Destination NSW 2011 (DNSW 2011b), *Tourism in the NSW Economy*, DNSW May 2011

Destination NSW 2011 (DNSW 2011c), *International Travel to NSW*, DNSW June 2011

Destination NSW 2011 (DNSW 2011d), *Tourism NSW Statistical Dashboard (NVS/IVS Summary)*, DNSW June 2011


Destination NSW 2011 (DNSW 2011f), *Aboriginal Tourism Action Plan*, DNSW August 2011

Destination NSW 2011 (DNSW 2011g), *International Travel to NSW*, DNSW September 2011

Destination NSW 2011 (DNSW 2011h), *Strategic Insights Presentation*, DNSW 27 September 2011


Destination NSW 2012 (DNSW 2012b), Destination NSW Statistical Dashboard (Year Ending December 2011), DNSW 2012


Gosford City Council (Gosford City Council 2010), *Citywide Business Improvement District Policy D2.12*, July 2010.


Knight, Michael 2011(2011), *Strategic Review of the Student Visa Program 2011*


International Congress and Convention Association 2011 (ICCA 2011) *City Rankings*


Jones Land LaSalle Hotels (JLLH 2010), *Sydney Accommodation Supply and Demand: Projections to 2020*, March 2010


Liberal Victoria (Liberal Victoria 2010), *The Victorian Liberal Nationals Coalition Plan for Sport & Recreation*, Liberal Victoria 2010

Liberal National Party Queensland (LNP Qld) *The CANDO LNP Tourism Strategy*, LNP Qld


Minister for Tourism 2010 (Minister for Tourism 2010), *Tourism Directions Conference 2010*, Minister for Tourism 15 November 2010


NSW Business Chamber 2010 (NSW Business Chamber 2010), *10 Big Ideas to Grow NSW*, NSW Business Chamber February 2010

NSW Government 2010 (NSW Govt 2010), *Business Sector Growth Plan*, NSW Govt September 2010

NSW Government 2011 (NSW Govt 2011a), *Tourism NSW Strategic Insights Board Presentation*, NSW Govt 4 March 2011

NSW Government 2011 (NSW Govt 2011b), *NSW 2021 A Plan to Make NSW Number One*, NSW Govt September 2011


NSW Liberals & Nationals, *An Action Plan for a World Class Convention & Exhibition Centre for Sydney*


NSW Ministerial Taskforce 2010 (NSW Ministerial Taskforce 2010), *Tourism Planning and Investment (Volume 1)*, NSW Ministerial Taskforce March 2010

NSW Ministerial Taskforce 2010 (NSW Ministerial Taskforce 2010a), *Tourism Planning and Investment (Volume 2)*, NSW Ministerial Taskforce March 2010

NSW Ministerial Taskforce 2010 (NSW Ministerial Taskforce 2010b), *Tourism, Planning and Investment, Summary and Recommendations*, NSW Ministerial Taskforce, October 2010
NSW Taskforce 2008 (NSW Taskforce 2008), *Tourism and National Parks*, NSW Taskforce, November 2008

NSW Taskforce 2009, (NSW Taskforce 2009), *Education Tourism*, NSW Taskforce, November 2009


Price Waterhouse Coopers 2010 (PwC 2010), *A world class convention and exhibition centre for Sydney: Pre-feasibility Study*, September 2010


Service Skills Australia 2011 (SSA 2011), *Tourism, Hospitality and Events: Environmental Scan 2011*, SSA 2011


Steering Committee 2009, (Steering Committee 2009), *The Jackson Report, Informing the National Long Term Tourism Strategy*

Sustainable Tourism CRC (STCRC 2007a), *Sustainable Tourism CRC, Cycle Tourism in Australia, an Investigation into its Size and Scope*, STCRC, 2007


Sustainable Tourism CRC (STCRC 2008), *The Economic Contribution of Tourism to Australian States and Territories 2007–2008, 2008*


Sydney Airport Corporation Limited 2009 (SACL 2009), *Sydney Airport Master Plan 2009*, Sydney Airport 2009

Sydney Airport Corporation Limited 2011 (Sydney Airport 2011), *Economic Regulation of Airport Services: Submission to the Productivity Commission Inquiry*, Sydney Airport 8 April 2011

Sydney, Ogilvy (Sydney 2010), *How to Position NSW as a Premier Post-school Study Destination for Indian and Chinese Students*, Sydney December 2010


Tourism Australia 2010 (TA 2010), *2020 Tourism Industry Potential (NSW)*, TA 2010
Tourism NSW 2010 (TNSW 2010c), Visiting information servicing in Sydney, Final Report, TNSW September 2010
Tourism NSW 2010 (TNSW 2010d), Tourism Towards 2020: The NSW Tourism Industry Plan, Draft for Consultation, TNSW December 2010
Tourism NSW 2011 (TNSW 2011b), Domestic Overnight Travel to NSW, TNSW March 2011
Tourism NSW 2011 (TNSW 2011c), Travel to NSW, TNSW March 2011
Tourism NSW 2008 (TNSW 2008), Catching the Wave, TNSW 2008
Tourism NSW 2007 (TNSW 2007), The NSW Cruise Market, TNSW 2007
Tourism Northern Territory 2008 (TNT 2008), Five Year Tourism Strategic Plan: A Plan to Guide the Direction and Success of the Northern Territory Tourism Industry, 2008–2012, TNT 2008
Tourism Queensland 2004 (TQ 2004), Sunshine Coast Destination Management Plan, 2004, TQ August 2004
Tourism Research Australia (TRA), State of the Industry 2010
Tourism Research Australia (TRA 2009), Cultural and Heritage Tourism in Australia 2008, TRA June 2009
Tourism Research Australia (TRA 2010a), International Visitors Survey, International Visitors in Australia, TRA March 2010
Tourism Research Australia (TRA 2010b), International Visitors Survey, International Visitors in Australia, TRA June 2010
Tourism Research Australia (TRA 2010c), National Visitors Survey, Travel by Australians, TRA March 2010
Tourism Research Australia (TRA 2010d), National Visitors Survey, Travel by Australians, TRA June 2010
Tourism Research Australia (TRA 2010e), Cultural and Heritage Tourism in Australia 2009, TRA August 2010
Tourism Research Australia (TRA 2010f), National Visitors Survey, Travel by Australians, December 2009; Quarterly Results of the National Visitor Survey, TRA March 2010
Tourism Research Australia (TRA 2011a), International Visitors Survey, International Visitors in Australia, Quarterly Results of the IVS, TRA March 2011
Tourism Research Australia (TRA 2011b), International Visitors Survey, International Visitors in Australia, Quarterly Results of the IVS, TRA June 2011
Tourism Research Australia (TRA 2011c), National Visitors Survey, Travel by Australians, Quarterly Results of the NVS, TRA September 2011
Tourism Research Australia (TRA 2011e), Tourism Industry, Facts & Figures at a Glance, TRA May 2011
Tourism Research Australia (TRA 2011f), Forecast 2011 Issue 1, TRA May 2011
Tourism Research Australia (TRA 2011g), Factors Affecting the Inbound Tourism Sector – The Impact and Implications of the Australian Dollar, TRA June 2011
Tourism Research Australia (TRA 2011h), What is Driving Australians’ Travel Choices?, TRA June 2011
Tourism Research Australia (TRA 2011i), Snapshots 2011: The Impact of the Mining Boom on Tourism, TRA November 2011
Tourism Research Australia 2011 (TRA 2011j), Snapshots 2011: Internet Use in Trip Planning and Booking, TRA September 2011
Tourism Research Australia 2001 (TRA 2011k) Regional Tourism Profiles 2010/11.

Tourism Research Australia (TRA 2012b), *National Visitors Survey, Travel By Australians December 2011, Quarterly Results of the National Visitor Survey*, TRA March 2012.


Tourism Training Australia 2010 (TTA 2010), *National Tourism Planning Guide, Key Issues and Future Directions*, TTA October 2010


