

NSW Tourism Strategy



Department of State and
Regional Development



New South Wales Government
Department of Premier and Cabinet



Tourism New South Wales

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Introduction



Background

This NSW Tourism Strategy defines an overarching direction for Tourism in NSW and responds to the O'Neill *Review into Tourism in New South Wales*.

Reviews into NSW Tourism:

- In February 2007 the Premier announced reviews of NSW major events, convention and exhibition space, and tourism. John O'Neill AO was appointed to conduct the three reviews.
- The *Review into Tourism in New South Wales* report examined the current status of the tourism industry in NSW and proposes recommendations for improved performance in the future. It was developed through extensive research and consultation with Government agencies and industry. O'Neill produced the final report for consideration by the Premier in May 2008.
- Deloitte was commissioned by the NSW Government to assist with the development of a NSW Tourism strategy with the tourism industry.

Development of the NSW Tourism Strategy

- The Tourism Strategy identifies areas for additional investment in NSW.
- Current NSW Government budget:
 - \$43.633 million in Tourism NSW in 2008-09 (including \$5 million co-operative from industry)
 - \$85 million in Events NSW over 3 years from 2007-08
- In order for New South Wales to maintain its market share of tourism (measured by an increase in the number of visitor nights) in Australia, the New South Wales Government and the private sector need to work in partnership to revitalise the tourism industry.
- The Government commissioned Deloitte in July 2008 to develop the NSW Tourism strategy in consultation with Industry.
- On November 11th, as part of the NSW Government mini budget, the NSW Tourism Strategy was released with funding of \$40 million allocated over 3.5 years with expected \$20 million co-operative funding from Industry.

Overview of NSW Tourism Strategy

“Growing a vibrant tourism sector in NSW by increasing the State’s domestic and international visitation through a collaborative approach between Government and Industry.”

NSW Tourism Strategy Overview

The NSW Tourism Strategy focuses on improving NSW's tourism performance through enhancing promotion of Sydney and regional NSW, an expanding international presence and addressing supply-side issues.

The strategy focuses on eight key areas:

1. **Revising Targets:** Increase NSW's visitor nights and yield by setting a more ambitious target for tourism.
2. **Tourism Governance:** Deliver the NSW Tourism Strategy within an agreed governance arrangement to realise maximum benefits for the tourism industry.
3. **“Brand Sydney”:** Revitalise and strengthen the image and appeal of Sydney through a coordinated “Brand Sydney” project.
4. **“Visit Sydney”:** Increase promotion of Sydney as a tourist destination through a strengthened dedicated business unit within Tourism NSW.
5. **Expanding International Tourism:** Expand NSW's international tourism through increasing our presence in emerging markets of China, India and South Korea and increasing promotional activity in both traditional and emerging markets.
6. **Expanding Regional Tourism:** Enhance promotion of regional NSW through strengthened regional partnerships.
7. **Addressing Supply Side Issues:** Government working with Industry to ensure sufficient tourism related infrastructure and services are available to satisfy increased demand.
8. **Tourism Industry Plan:** Implement a coordinated industry plan to boost tourism performance in NSW based on a partnership approach from government and industry.

Implications of NSW Tourism Strategy

- \$40 million increased investment by NSW Government and \$20m expected from industry
- New vision for tourism in NSW
- New targets
- New Brand for Sydney for use by government and industry
- More tourism promotion for Sydney
- More international activity
- More tourism promotion for regional NSW
- New focus on supply side issues including:
 - Aviation
 - Planning
 - National Parks
 - Infrastructure
 - Education
- New Tourism Industry Plan for NSW
- New approach to leadership and governance for tourism in NSW
 - Ministerial Taskforces
 - Ministerial Tourism Industry Forum
 - Enhanced industry presence on the Tourism NSW board (including three new industry reference groups)
 - New Brand Sydney project team
 - New senior executive role to lead the Sydney unit - “Visit Sydney”
- Stronger engagement and partnerships with tourism industry.
- Greater collaboration between Tourism NSW and other Government Agencies.

NSW Tourism Strategy

1. Revising Targets

Revise Targets to regain NSW's market share of Australia's domestic and international tourism visitation and revenue.

Background:

- A target for tourism is specified in the State Plan under Priority P1: Increased Business investment - "increase tourist visitation to NSW by 10 million by 2016."

How:

- Revised target is set at 160.6 million visitor nights by 2015/2016 which will see \$19.2 billion in visitor spending.

1. Revising Targets

Current targets:

- Current target 10 million additional visitor nights by 2016 (from a base of 135.1 million visitor nights in 2004/5)

Revised targets:

- The revised target will defend New South Wales' market share of Australia's domestic and international tourism visitation and revenue for NSW, Sydney and Regional NSW. This includes:
 - a target of 25.5 million additional visitor nights by 2016
 - a new visitor expenditure target of \$19.2 billion by 2016 (actual in 07/08 is \$17.5 billion)
- The new target of 160.6 million visitor nights by 2016 was based on a methodology that utilised the latest Tourism Forecasting Committee (TFC) projections issued in August 2008.

	Actual <i>(year to date March 2008)</i>	Current Target - 2016	Revised Target - 2016
	NSW	NSW	NSW
Visitor Nights	141.5m	145.1m	160.6m
Yield (Visitor Expenditure)	\$17.5b	-	\$19.2b

2. Tourism Governance

New governance arrangements will be developed for tourism and related industries to oversee the development of supply and demand side initiatives.

How:

- Strengthen Tourism NSW Board with new industry reference groups (international, Sydney and regions)
- Recognise peak tourism industry bodies in NSW
- Establish Ministerial Tourism Industry Forum to meet with tourism industry leaders twice a year to address key supply and demand side strategic issues
- Establish intergovernmental committee of Senior Officers Group reporting to the Chief Executive Officers Economic and Business Cluster
- Establish Ministerial Taskforces to prioritise action with partner agencies
- Establish new executive role to lead the Sydney unit - “Visit Sydney”
- Establish Brand Sydney project team with specialist project director
- Strengthen collaboration between Tourism NSW and other Government agencies

3. "Brand Sydney"

Deliver a new strategic global brand that reflects a multi-dimensional city, including industries including finance, education, creative industries, tourism, intellectual and cultural pursuits.

Background:

- Sydney is the global gateway to New South Wales and Australia.
- Even though Sydney has a strong international reputation, there is no coordinated brand strategy to sustain, enhance or capitalise on this strength.

How:

- Develop a brand that can be leveraged by key industry sectors and government via a series of initiatives
- Promote NSW internationally through a coordinated approach that leverages the appeal of "Brand Sydney" to the world
- Establish a Brand Sydney steering committee with independent chair
- Establish a project team to drive the delivery of the brand

3. "Brand Sydney"

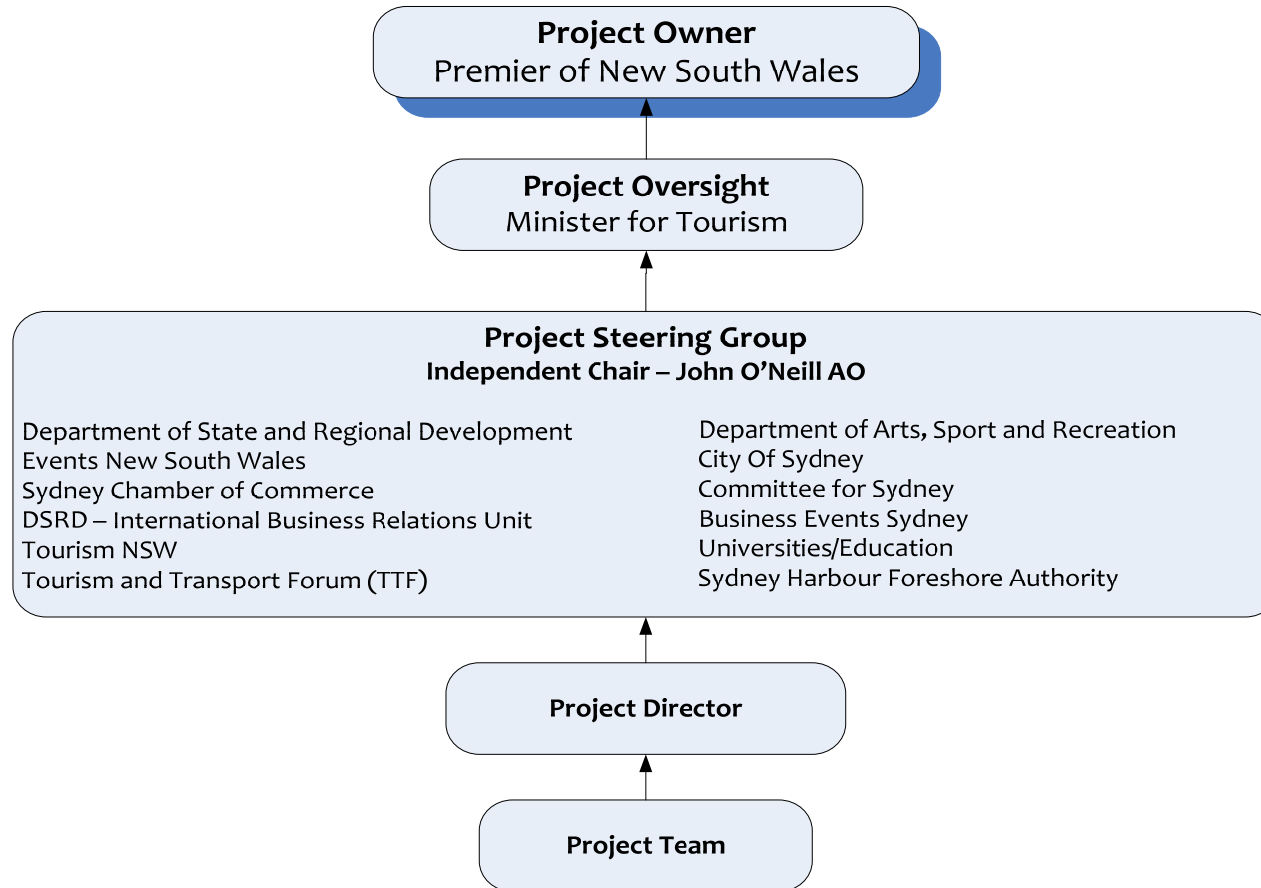
- **"Brand Sydney" concept:** *"Brand Sydney"* will be a succinct expression of the key attributes that will be used to define Sydney in the eyes of the world in the decades ahead. It will:
 - be grounded in the reality of existing plans for Sydney's future infrastructure and policy
 - incorporate the perspectives of key local interested parties
 - be validated through research with Sydney's identified target markets
 - be owned and used consistently by all of Sydney's major stakeholders

- **"Brand Sydney" project** will deliver the strategic brand architecture and the creative expression of a new global brand for Sydney. The objectives are:
 - To deliver a series of major initiatives which will connect NSW, via Sydney, more prominently with global market places
 - Promote NSW internationally by a coordinated approach that leverages the appeal of *"Brand Sydney"* to the world
 - Create an inclusive, multi-dimensional city brand that can be leveraged by key industry sectors.

- **Project governance:**
 - The Premier is the project owner
 - Minister for Tourism will oversee the development of the project
 - Steering Committee will participate and invest in the project

3. "Brand Sydney"

"Brand Sydney" project will be led by the Premier, overseen by the Minister for Tourism and a Project Steering Committee and delivered by the Project Team.



4. "Visit Sydney"

A "Visit Sydney" business unit will be established in Tourism NSW to increase the promotion of Sydney as a tourism destination both domestically and internationally.

Background:

- Sydney is the single most popular tourist destination in Australia, with two of the country's most internationally-recognised iconic attractions, the Sydney Opera House and the Sydney Harbour Bridge. In the year ending March 2008, Sydney had the highest number of visitors (26.8 million) and visitor nights (70.3 million) compared to other cities in Australia.
- Need for a strategic, whole-of-government approach to promoting domestic and international tourism in Sydney.

How:

- Government to work with Industry to coordinate tourism marketing activities
 - Government investing in Tourism brand campaigns for Sydney (e.g. promoting destination and its experience), and
 - Industry investing dollar for dollar in tactical campaigns (including price and product offerings).
- Establish a "Visit Sydney" in Tourism NSW with an industry reference group linked to the Tourism NSW Board

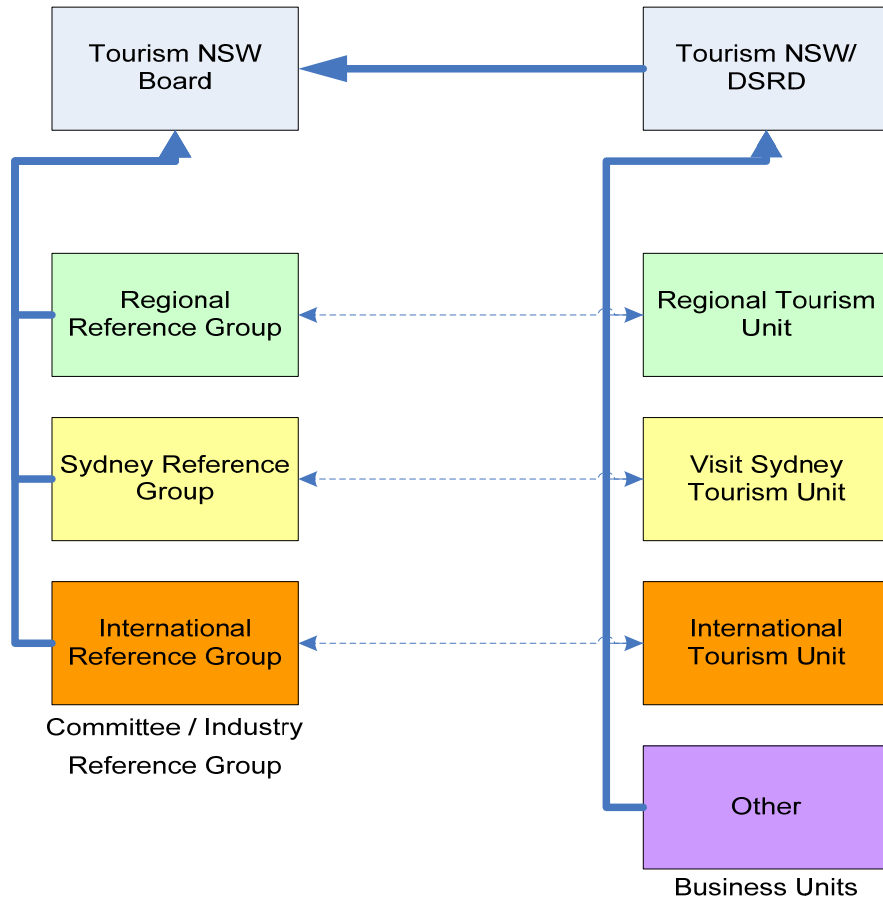
4. "Visit Sydney"

Structure and operations:

- Sydney will be defined as "Greater Sydney" for the domestic market and "Sydney and Surrounds" for the international market to allow flexibility for different target audience.
- "Visit Sydney" will be a unit within Tourism NSW, headed by a senior executive
- Domestic and international Key Performance Indicators will be identified for increased tourism in Sydney
- A "Visit Sydney" industry reference group will be established as a committee of Tourism NSW Board with specific industry representation who will meet regularly as a working group
- The industry reference group will provide input to strategies and assist in providing advice to "Visit Sydney" and secure industry participation and funds
- Greater engagement with industry and other stakeholders across all "Visit Sydney" activities

4. "Visit Sydney"

"Visit Sydney" will be supported by an industry reference group under the Tourism NSW Board.



Role of Sydney industry reference group:

- Be the key industry voice for Sydney tourism by:
 - representing coordinated industry views
 - providing input to strategy development
 - providing advice on operational activities
 - increasing industry investment
 - providing advice to Tourism NSW on the implementation of the NSW Tourism Strategy
 - providing advice on the development and implementation of the Tourism Industry Plan.

5. Expanding International Tourism

Expand Tourism NSW's international activities & presence.

Background:

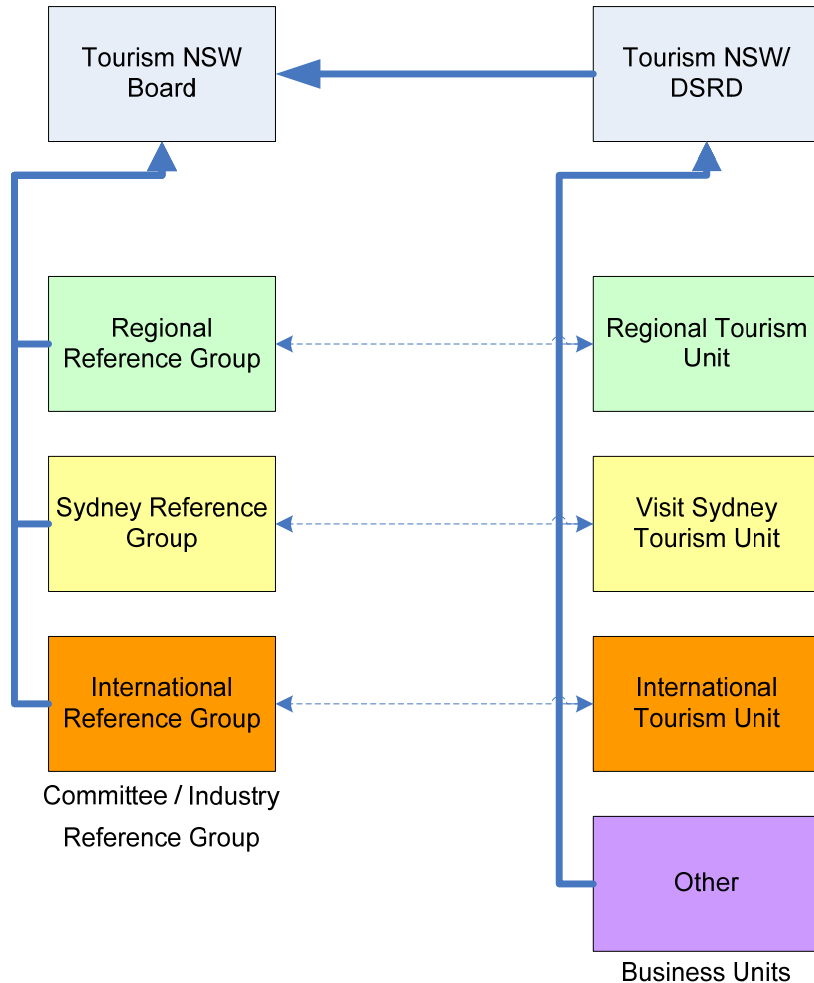
- Tourism NSW currently is in 6 locations in Hong Kong, London, Los Angeles, New Zealand, Singapore and Tokyo
- By comparison Tourism Queensland operates in 8 locations and Tourism Victoria operates in 9 locations.
- Between March 2002 and March 2008 Victoria's market share of international visitor nights spent in Australia increased from 18% to 19.2% (a real increase of approximately 9 million nights). Over the same period, Queensland's share increased from 21.6% to 24%, a real increase of nearly 12 million nights.

How:

- Increase campaign activity in traditional and emerging markets with dollar for dollar matched cooperative campaigns
- Incentives for destinations and products to participate in overseas missions
- Explore new offices / greater presence in China, India and South Korea

5. Expanding International Tourism

International activities undertaken within Tourism NSW will be supported by an industry reference group under the Tourism NSW Board.



Role of International industry reference group:

- Be the key industry voice for International tourism for NSW by:
 - representing coordinated industry views on international tourism to NSW
 - providing input to strategy development
 - providing advice on operational activities
 - increasing industry investment
 - providing advice to Tourism NSW on the implementation of the NSW Tourism Strategy
 - providing advice on the development and implementation of the Tourism Industry Plan

6. Expanding Regional Tourism

Increase visitation to regional NSW by expanded promotion of regional NSW as a tourist destination. Additional support will be provided to regional tourism for capacity & demand building.

Background:

- There are currently 13 Regional Tourism Organisations (RTO) that promote tourism in regional NSW. They are diverse with different resources, skills, industry and local government support. It has been a challenge to engage with this diverse group.
- The nature of tourism in NSW is highly complex given the diversity of destinations and experiences available in NSW and the dominant Sydney region. This leads to great diversity in appropriate marketing & promotion strategies, distribution channels, timing, promotion expenditure and the skills and knowledge required.

How:

- Provide additional support to Regional Tourism Organisations to enhance the marketing of regional destinations.
- Provide shared resources to strengthen the capacity and coordination of the regional tourism industry.
- Provide incentives for RTOs to merge and create more viable and efficient organisations with greater economies of scale and increased levels of expertise.
- Establish an industry reference group linked to Tourism NSW Board.

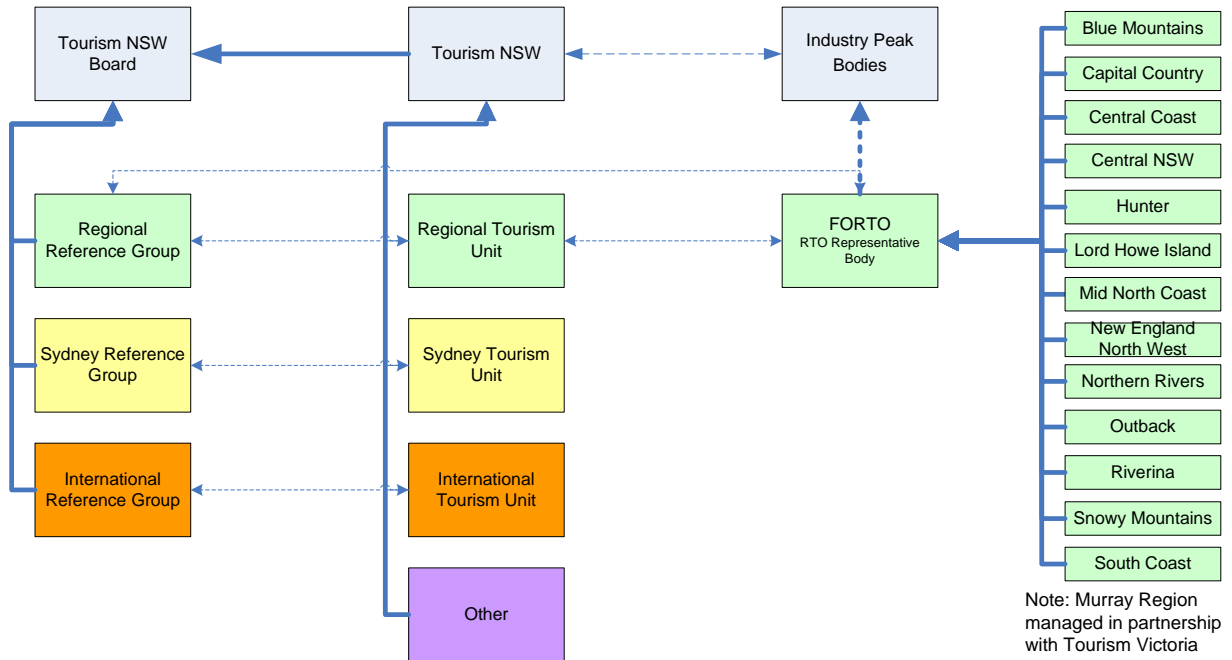
6. Expanding Regional Tourism

RTOs will be represented the Forum of Regional Tourism Organisations and will liaise with the Regional Reference Group of Tourism NSW Board, and Regional Tourism Unit of Tourism NSW.

Role of regional industry reference group:

Be the key industry voice for regional tourism by:

- representing coordinated industry views on regional tourism
- providing input to strategy development
- providing advice on operational activities
- increasing industry investment
- developing with Tourism NSW governance arrangements and matched funding allocation mechanism for regional marketing
- assisting Tourism NSW with strategies for improving capacity and capability within regional tourism
- providing advice to Tourism NSW on the implementation of the NSW Tourism Strategy
- providing advice on the development and implementation of the Tourism Industry Plan



Note: Murray Region managed in partnership with Tourism Victoria

6. Expanding Regional Tourism

Current Funding Arrangements

- Tourism NSW provides base funding to the 13 Regional Tourism Organisations for marketing and operating expenses, through the Regional Tourism Investment Program (RTIP).
- Individual yearly funding agreements are in place with the 13 Regional Tourism Organisations, with reporting on:
 - Number of responses and bookings generated (via phone, mail, web etc) from joint Tourism NSW/RTO campaign activities
 - Evaluation including Income/Revenue generated in addition to NSW Government funding
 - Number of industry and stakeholder forums to inform regional tourism industry on market conditions and opportunities
 - Number of newsletters and industry communication pieces
- In addition, RTOs can contribute funds for marketing campaigns run by Tourism NSW featuring participating regions, destinations and products.

Proposed Funding Arrangements

- A total of \$5.133million per calendar year, over three years, will be provided for:
 - Capacity building – Strengthening the capacity of RTOs and improve the co-ordination of regional tourism via the RTOs or the Regional Peak body (FORTO) including the encouragement of mergers between RTOs.
 - Demand building – Additional funds for marketing of regional NSW matched dollar for dollar by the tourism industry.
- The \$5.133million per calendar year replaces the existing Regional Tourism Investment Program funding.
- The 13 Regional Tourism Organisation can self-nominate for capacity and/or demand building funds as outlined below:
 - **Tier One:** RTOs receives funding for demand building activity on a dollar for dollar basis.
 - **Tier Two:** RTO receives an allocation for capacity building, and demand building activity on a dollar-for-dollar basis.
- It is envisaged that by 31 December 2011 RTOs will be self-sustaining (i.e. not requiring capacity building funds) with the total NSW Government contribution only allocated to demand building activity on a dollar for dollar basis.
- Criteria for the allocation of the funds and the funding process for regional tourism are to be agreed by the Regional Reference Group.

7. Addressing Supply Side Issues

Work across industry and government to provide appropriate supply-side infrastructure and services to match current and future tourism demand. In particular, develop individual strategies to address key supply side issues including aviation plan, business development for tourism operators; planning and investment, National Parks, and education.

Background:

- There are a number of supply-side issues that need to be addressed in order to manage current and future tourism demand.
- The Government needs to develop strategies to address key supply side issues including Aviation, Planning, National Parks and Infrastructure.

How:

- NSW Government to establish ministerial tourism taskforces on National Parks, Education and Local Government and NSW Government's CEOs Economic and Business Cluster to develop appropriate strategies to consider supply-side tourism issues
- Engage the Tourism NSW Board, tourism industry reference groups and ministerial tourism taskforces, as well as the broader tourism industry
- Align the strategies with the State Plan, the new NSW Tourism Industry Plan and the National Tourism Strategy

7. Addressing Supply Side Issues

DSRD/Tourism NSW to work with ministerial tourism taskforces on National Parks, Education and Local Government and NSW Government’s CEOs Economic and Business Cluster to develop appropriate strategies to consider supply-side tourism issues

Ministerial Taskforces	
Taskforce	Purpose
Tourism and National Parks	Identify ways to promote visitation and protect the State’s biodiversity and cultural heritage values through appropriate use of National Parks.
Tourism and Education	Identify strategic issues relating to education tourism to inform the Tourism Industry Plan
Tourism and Local Government	Identify strategic issues relating to local government to inform the Tourism Industry Plan
Tourism, Planning and Investment	Identify strategic issues relating to tourism planning and investment to inform the Tourism Industry Plan and promote investment in tourism product and experiences

Intergovernmental committee
Establish Senior Officers Group (Chief Executive Officers Economic and Business Cluster) to cover these supply side issues: Transport, Roads, Culture, Primary Industries, Gaming and Racing

7. Supply Side – Aviation Plan

Develop and implement a tourism-friendly Aviation Plan for NSW as well as liaise with other NSW Government agencies, international and domestic airlines, airports, and the Commonwealth Government to improve aviation links and services between New South Wales' regions (both Sydney and regional New South Wales) and international and interstate sources of travellers.

Background:

- Aviation is critical to the performance of tourism across the State. NSW needs to attract new air travel services, and ensure sustainability of existing services, and infrastructure to support passenger movement and new aircraft technologies.

How:

- The NSW Government to have a co-ordinated focus on aviation, including a submission to the National Aviation Strategy.
- The Aviation Plan should consider the development of airports as well as air routes.
- Increased specialist aviation expertise within the Department of State and Regional Development.
- Develop an Aviation Plan that is endorsed by the Government and industry.
- The work underway in the development of an Aviation Route Development Plan by Tourism NSW will inform the Aviation Plan.
- Aviation Plan will be a component of the Tourism Industry Plan.
- Aviation Plan will be further informed by the Sydney Airport Corporation Ltd 2029 Masterplan.

7. Supply Side – National Parks

Increase visitation to National Parks, Lands and Forests in an ecologically and environmentally sustainable manner.

Background

- Previously, it has been difficult for tourism operators to access national parks. National parks and forests have not focused on maximising the potential tourism opportunities in a sustainable manner.
- National Parks and Wildlife Service management has acknowledged the need to work actively with the tourism industry in order to achieve that State Plan's priority E8 – to increase visits to State Government parks and reserves by 20 percent by 2016.

How:

- A Parks and Tourism Ministerial Taskforce has been established to identify ways to promote and protect the State's biodiversity and cultural heritage values through appropriate use of National Parks.
- NPWS has a strategy – Living Parks – that provides its framework for engaging with the tourism industry.
- NPWS has established a new Tourism and Partnerships Branch.

7. Supply Side – Planning and Investment

NSW Government Implementation of planning reforms and develop supply side strategy for tourism accommodation

Background:

- Previously planning processes resulted in delays in consideration of development applications, including those for the tourism industry. The Department of Planning and local governments currently process development applications.
- NSW Government planning reforms announced on the 18th June 2008 are designed to improve planning outcomes including expediting the processing of development applications.
- Industry indicates that currently Sydney and some regions do not have sufficient accommodation supply to meet demand in peak times. Constraints include a lack of suitable sites in the CBD and the return on investment for hotels is relatively low compared to other uses.

How:

- Establish Ministerial Taskforce on Tourism and Planning and Investment
- The Department of Planning is preparing “Tourism and Planning” document
- Department of Planning, Property Industry, Tourism NSW and the Department of State and Regional Development have initiated discussions regarding strategies for improving accommodation supply in Sydney and regional NSW.
- Conduct analysis of supply and demand of tourism accommodation to inform the Tourism Industry Plan

7. Supply Side – Education

Grow education visitors to NSW.

Background:

- Education visitors to New South Wales have made and will continue to make a significant contribution to overall visitor nights to New South Wales.
- The New South Wales Government has already taken some initial steps to support the sector
 - It has increased its engagement with the university and education sector more broadly through a number of initiatives such as trade missions with New South Wales' universities to India and the development and launch of the www.sydneyaustralia.com website
- Note that this issue addresses both supply side and demand side.

How:

- Establish Ministerial taskforce on Tourism and Education
- The Department Education and Training, in partnership with DSRD/TNSW to develop an international student tourism plan encompassing:
 - Long term students undertake studies with Universities/DET/TAFE
 - Short term education including English Study courses and school excursion programs.
 - Visiting Friends and Relatives (VFR) visitors
- DSRD/TNSW to incorporate the importance of education in the Tourism Industry Plan.

7. Supply Side Issue – Business Development for Tourism Operators

Develop the capability of small to medium tourism operators in order to improve business product and visitation.

Background:

- The tourism industry in New South Wales is comprised of a large number of small businesses as well as a number of larger operators. Programs to support these tourism operators are available across a range of government agencies and industry providers.
- DSRD provides a range of business development programs directly and through partner organisations to support small to medium sized enterprises through its regional network.

How:

- Provide and promote greater access for small to medium tourism operators to business development programs.
- Support greater integration of tourism business into the business support programs of DSRD, e.g. export-ready program, start-ups, business networks.
- Ensure alignment with Regional Business Growth Plans.

8. NSW Tourism Industry Plan

Develop a Tourism Industry Plan addressing both supply and demand side issues. (This will replace the Tourism Masterplan).

Background:

- *Towards 2020: New South Wales Tourism Masterplan* is NSW Government's current strategic plan for developing sustainable tourism in NSW.
- Through the O'Neill Review and the subsequent extensive consultation process there was an identified need for greater strategic collaboration and coordination between government and industry in developing tourism in NSW.

How:

- Tourism NSW Board to oversight the development of the Tourism Industry Plan, in consultation with federal, state and local government and industry.
- Engage the Tourism NSW Board and tourism industry reference groups, ministerial tourism taskforces, NSW intergovernmental committee, as well as the broader tourism industry.
- Align the plan with the State Plan, NSW Tourism Strategy, NSW Infrastructure Plan, NSW Aviation Plan, and Regional Plans
- Consider National Tourism Strategy, Infrastructure Plan, National Aviation Plan, and National Investment Plan

Reconciliation with O'Neill Recommendations

Reconciliation with O'Neill Recommendations

Ref.	Recommendation	Response	Status
10.1.1	Revise State Plan Target	Strategy 1	✓
10.7.1	"Brand Sydney"	Strategy 2, 3	✓
10.2.1a	Tourism Sydney	Strategy 2, 4	✓
10.3.1a	Expanding international presence of Tourism NSW	Strategy 2, 5	✓
10.2.1a	Empowering NSW Regions	Strategy 2, 6	✓
10.2.1d	New peak body – "NSW Tourism Council"	Strategy 2 – Industry represented by Ministerial Tourism Industry Forum, TIC, TTF, etc.	✓
10.2.1e	Local Government special levies to support tourism	Strategy 7	✓
10.3.1b	Tourism friendly aviation plan	Strategy 7	✓
10.3.1c	Alternate distribution channels to grow visitation	Aligned with strategy 4, 5, 6	✓
10.3.1d	Expanded business development for tourism operators	Strategy 7	✓

Reconciliation with O'Neill Recommendations

Ref.	Recommendation	Response	Status
10.3.1e	Improved Regional Data	Strategy 6	✓
10.4.1a	Processing of Development Applications	Strategy 7	✓
10.4.1b	Planning for tourist accommodation in Sydney CBD	Strategy 7	✓
10.4.1c	Individual agency plans supporting tourism	Strategy 2,7	✓
10.5.1	Proactive Opening of State Assets	Strategy 7	✓
10.6.1a	Position NSW education in international market	Strategy 7	✓
10.6.1b	International students - growing visitors to NSW	Strategy 7	✓
11.1.1a	<ul style="list-style-type: none"> • Providing greater public transport access to Newcastle, Sydney and other regions • Newcastle domestic/international airport 	Strategy 7	✓
11.1.1b			
11.2.1	NSW and Commonwealth provide financial and other support to ventures that develop tourism assets in regional NSW	Strategy 8	✓