

Going for Growth

Six Key Actions to Grow Tourism in NSW beyond 2010

September 2010

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Table of Contents

Heading		Page
Foreword		1
The Importance of Tourism to NSW		2
Setting Targets		3
Six Key Actions to Grow Tourism in NSW		4
1.	Build capacity in the Tourism Industry	5
2.	Establish a stronger foundation for tourism policy development and implementation	8
3.	Create a stronger partnership between Government and the Tourism Industry	10
4.	Improve Tourism Infrastructure and Access	12
5.	Selling Sydney	14
6.	Selling the Regions of New South Wales	15
Bibliography		16

Foreword

In the lead up to the March 2011 NSW State Election, the Tourism Industry Council NSW (TICNSW) is seeking to put tourism at the centre of the NSW political agenda.

While NSW continues to receive the greatest share of visitors in Australia and tourism continues to make a significant contribution to the NSW economy both in terms of spending and employment, TICNSW believes there remains room for considerable growth.

With the potential for growth in mind, formal consultations were conducted with a cross-section of the NSW tourism industry during the first half of 2010. The purpose of these consultations was to gather the tourism industry's thoughts and ideas about how to grow tourism in NSW. This document, *Going for Growth*, is the result of that process.

The process of developing *Going for Growth* was guided by a set of key principles, including:

- **Partnership:** TICNSW recognises that it is the responsibility of the tourism industry to drive growth and work in partnership with Government to achieve growth.
- **Positive and aspirational targets:** TICNSW has great faith in the potential of the NSW tourism industry to grow and believes targets for future growth should reinforce this potential.
- **Bipartisanship:** TICNSW trusts that the key actions recommended in *Going for Growth* will be adopted as policy by all sides of politics and form the basis of a renewed partnership between Government and the tourism industry.
- **Pragmatism:** TICNSW recognises that tourism is one of many important industries in NSW, and that goals and actions must be constructive and achievable.
- **Focus on sustainable growth:** *Going for Growth* outlines the importance of the tourism industry to NSW, both in terms of revenue and employment. Put simply, growing tourism is good for NSW.

TICNSW believes that through the implementation of the key actions outlined in *Going for Growth* and a closer and more effective partnership between Government and the tourism industry, great outcomes can be achieved for the NSW tourism industry, visitors and the people of NSW.



Ken Corbett
Chairman



Geoff Buckley
General Manager

The Importance of Tourism to NSW

The tourism industry's contribution to NSW is significant:

- **Sydney:** the **dominant gateway** for international tourists to Australia.
- **Employment:** tourism provides jobs for **162,500** residents of NSW.
- **Tourism consumption:** NSW is responsible for almost one third, or **\$28.3 billion**, of total Australian tourism consumption
- **Visitor nights:** NSW accounts for almost **one third of Australia's total visitor nights**.
- **Yield:** At **\$18 billion**, NSW accounts for nearly **\$1 in every \$3 of tourist total expenditure** in Australia.

These results mean that tourism contributes nearly **\$14 billion each year** towards NSW's Gross State Product (**GSP**) - more than agriculture, mining or the communications services industry, individually or combined. Table 1 highlights the significant economic contribution that the tourism industry makes to NSW.

Table 1: Economic contribution of tourism to NSW 2007-08

Performance Measure	2007-08	Percentage contribution
Tourism Consumption	\$28.3b¹	31.9% of total Australia
Contribution to Gross State Product (GSP)	\$13.9b²	3.9% of total NSW GSP
NSW Employment in Tourism	162,500³	4.8% of total NSW employment
Regional NSW Employment in Tourism	75,974⁴	6.6% of NSW regional employment
Visitor Nights	139m⁵	31.5% of total Australia
Visitor Expenditure ("Yield")	\$18.0b⁶	30.7% of total Australia

In employment terms, tourism ranks 8th out of 17 industries in the Australia and New Zealand Standard Industrial Classification (**ANZSIC**) list of the state's largest employers – see Table 2 below for a sample.

Table 2: NSW Industry Comparison 2007-08⁷(sample of industries)

Industry - employment contribution	Net Employment ⁸	Net Gross Value Add (GVA) ⁹
1. Retail trade	476,000	17,756.1
3. Health and community services	351,200	21,117.4
4. Manufacturing	322,600	34,067.9
5. Construction	289,400	24,950.8
8. Tourism related employment	162,500	11,782.0
14. Agriculture, forestry and fishing	96,700	4,520.6
16. Communication services	61,400	7,976.3
17. Mining	24,600	10,855.5

¹ STCRC 2009, p 9

² STCRC 2009, p 4

³ STCRC, p 4

⁴ TRA 2010 and ABS 2010

⁵ TRA 2008a and TRA 2008b

⁶ TRA 2008a and TRA 2008b

⁷ STCRC 2009

⁸ STCRC 2009, p 19, net of employment for tourism in other industry divisions.

⁹ STCRC 2009, p 14, net of GVA for tourism in other industry divisions.

Setting Targets

While it is clear that the tourism industry is pulling its economic weight in NSW, TICNSW believes that there remains room for significant growth. With the right policy settings, TICNSW seeks to reposition tourism in NSW as the clear national leader, and thereby, further increase the economic and employment contribution of the industry to NSW.

In order to achieve the industry's full potential, TICNSW believes that an aspirational and bold target must be set, endorsed and pursued by both Government and the industry. TICNSW does not believe the current targets contained in the NSW Tourism Strategy and NSW State Plan are sufficiently ambitious.

TICNSW has devised new targets for Visitor Nights and Visitor Expenditure that are a further 10%+ above the existing targets. These targets have been determined based on increasing NSW's national market share of visitor nights (both domestic and international) by 1% each year by 2015-16.

Set out in Table 3 below are:

- new TICNSW targets for 2015-16;
- current NSW State Plan tourism targets for 2015-16; and
- actual tourism results for 2007-08 in NSW (which were profiled in the previous section).

Table 3: TICNSW's Targets for Tourism Growth

Target	TICNSW Target for 2015-16	NSW State Plan 2010 Target for 2015-16	2007-08 Actual
Visitor Nights	170 million	160.6 million ¹⁰	139 million ¹¹
Visitor Nights (% market share)	33.4%¹²	See Note 1 below	31.5% ¹³
Visitor Expenditure ("Yield")	\$21.0 billion¹⁴	\$19.2 billion ¹⁵	\$18.0 billion ¹⁶

Note 1: The Review into Tourism In New South Wales by John O'Neill (O'Neill 2008) recommended that the State Plan tourism target be restated so as to at least maintain NSW's share of visitor nights in Australia, share of holiday and events visitors and share of international visitors at the 2006-07 level. The revised NSW State Plan target to 160.6m visitor nights by 2015-16 maintained New South Wales' market share of Australia's domestic and international tourism visitation and revenue for NSW, Sydney and Regional NSW.

¹⁰ NSW 2010, p 19

¹¹ TRA 2008a and TRA 2008b

¹² Based on 1% increase on 2008-09 NSW marketshare of international visitor nights (from 35% to 36%) and domestic visitor nights (from 30% to 31%). Aggregate visitor nights using TFC 2010.

¹³ TRA 2008a and TRA 2008b

¹⁴ Based on 2008-09 NSW Expenditure per Visitor nights from IVS and NVS.

¹⁵ NSW 2010, p 19

¹⁶ TRA 2008a and TRA 2008b

Six Key Actions to Grow Tourism in NSW

TICNSW believes that the implementation of the following *Key Actions* and an enhanced partnership between Government and the tourism industry will help achieve the targets set out in the preceding section.

1. Build capacity in the Tourism Industry

- 1.1 Cut NSW payroll tax to 4.90%
- 1.2 Provide rebates to unincorporated Small and Medium Enterprises to offset the increase in the Superannuation Guarantee Charge
- 1.3 Create a NSW Tourism Breakthrough Fund
- 1.4 Establish a Business Skills Improvement and Mentoring Program
- 1.5 Maintain current NSW Government tourism funding

2. Establish a stronger foundation for tourism policy development and implementation

- 2.1 Update the NSW Tourism Strategy
- 2.2 Improve the quality and availability of NSW tourism data
- 2.3 Establish a tourism policy and research unit

3. Create a stronger partnership between Government and the Tourism Industry

- 3.1 Create a single Ministerial portfolio
- 3.2 Restructure Tourism NSW to act as an independent tourism marketing authority
- 3.3 Form a tourism cabinet sub-committee
- 3.4 Establish a more effective tourism industry advisory committee

4. Improve Tourism Infrastructure and Access

- 4.1 Immediately implement the recommendations from the final report of the Joint Ministerial Taskforce on Tourism, Planning and Investment in NSW
- 4.2 Expand convention and exhibition space
- 4.3 Encourage new investment in the accommodation sector
- 4.4 Urgently release the NSW Aviation Strategic Plan

5. Selling Sydney

- 5.1 Harness and support the Greater Sydney Partnership to market “Brand Sydney”
- 5.2 Develop an industry endorsed Sydney Tourism Destination Marketing Plan

6. Selling the regions of New South Wales

- 6.1 Devise a new approach to support and develop regional tourism in NSW

Six Key Actions to Grow Tourism in NSW

1. Build capacity in the Tourism Industry

Issue	TICNSW Key Actions
<p>Further growth in the NSW tourism industry requires tangible support for innovation and capacity building.</p> <p>As an industry made up predominantly of small and medium enterprises, the tourism industry is disproportionately impacted by any increase in taxes.</p>	<p>1.1 Cut NSW payroll tax to 4.90%</p> <p>1.2 Provide rebates to unincorporated Small and Medium Enterprises to offset the increase in the Superannuation Guarantee Charge</p> <p>1.3 Create a NSW Tourism Breakthrough Fund</p> <p>1.4 Establish a Business Skills Improvement and Mentoring Program</p> <p>1.5 Maintain current NSW Government tourism funding</p>

1.1 *Cut NSW payroll tax to 4.90%*

TICNSW recognises that the tourism industry, like all other industries, must pay its way. However, it must also be recognised that any Government impost on the cost of doing business in NSW has a detrimental effect on the competitiveness of the NSW tourism industry. This effect is particularly apparent with payroll tax. Currently, the payroll tax rate in Queensland is 4.75% and 4.90% in Victoria. In NSW, the payroll tax rate is currently 5.50% and will drop to 5.45% from 1 January 2011.

TICNSW welcomes the successive cuts to the payroll tax rate over recent years in NSW, but believes that further cuts should be made. TICNSW believes that the NSW payroll tax rate needs to at least be in line with the Victorian rate in order to maintain the competitiveness of doing business in NSW. TICNSW submits that this alignment is appropriate, given the similarities between the NSW and Victorian economies.

Based on estimates contained in the NSW Business Chamber's "10 Big Ideas to Grow NSW" Report¹⁷, TICNSW estimates that a reduction in the payroll tax rate to 4.90% would result in up to an additional 5,000 tourism-related jobs in NSW by 2015-16.¹⁸

TICNSW recommends that the future NSW Government immediately cut the payroll tax rate to 4.90% to maintain the competitiveness of doing business in NSW.

1.2 *Provide rebates to unincorporated Small and Medium Enterprises (SME') to offset the increase in the Superannuation Guarantee Charge*

Recently, the Commonwealth Government announced a decrease in the company tax rate to 29% (from 30%) and an increase in the Superannuation Guarantee Charge (**SGC**) from 9% to 12% payable by all employers for each of their employees.

¹⁷ NSWBC 2010, p 16.

¹⁸ Based on revenue projections in the *NSW Budget Statements 2010-11 Budget Paper No 2* (NSW Government 2010), growth assumptions made by the NSW Business Chamber (NSWBC 2010), and maintenance of tourism share of payroll tax revenue (from STCRC 2007). Direct tourism employment growth assumed at the same rate as growth in visitor expenditure.

An important issue is that not all businesses can avail themselves of the cut in the company tax rate – only incorporated companies will be able to do so. Sole traders, partners in partnerships and trust beneficiaries will generally pay income tax at their applicable marginal rate (which could be up to 30%, 37% or 45%). The applicable marginal tax rate is often greater than the current flat company tax rate of 30%.

As such, SME's in Australia which are unincorporated will be unable to take advantage of the "offsetting" benefit of the reduction in company tax. Tourism Research Australia (TRA) estimates that 48%¹⁹ of tourism businesses which employ staff are unincorporated. The proposed increase in the SGC will have a substantial impact on the viability of these businesses and their ability to expand and employ.

TICNSW recommends that the NSW Government strongly urge the Commonwealth Government to grant all SME's that are unable to take advantage of the reduction in the company tax rate, a rebate for the additional amount that they must pay in SGC.

1.3 Create a NSW Tourism Breakthrough Fund

Tourism businesses in NSW operate in an increasingly competitive environment. Central to maintaining NSW's competitiveness is the continual development of innovative visitor experiences. In his 2008 "Review into Tourism in New South Wales", John O'Neill AO recommended that the NSW Government provide between \$10-20 million dollars over 5 years to support the development of select tourism ventures in regional NSW.

TICNSW believes that such a fund should be created to operate as seed funding for concepts of mid-range value. The value of eligible projects will depend on the nature of the project. This new fund would provide grants on a competitive basis for the development of the documentation necessary to secure funding for select tourism projects, including feasibility studies and/or detailed business plans.

TICNSW submits that a pipeline of innovative product offerings is important for the industry throughout NSW. As such, TICNSW believes grants through the fund should be available to eligible projects located throughout NSW, including Sydney.

TICNSW recommends the creation of a "Tourism Breakthrough Fund" to assist the development of unique and innovative tourism ideas. The Fund should be allocated \$5 million in annual recurrent funding which would be required to be spent in full each financial year.

1.4 Establish a Business Skills Improvement and Mentoring Program

TRA data reveals that 99% of tourism operators in NSW are small and medium enterprises.²⁰ Such operators often have little access to business skills training and mentoring. In particular, tourism operators often lack sufficient skills and knowledge in relation to finance, exporting and marketing.

Building capacity is widely regarded as an important precursor to improving product quality and business viability in the sector. Given the importance of the tourism industry to regional NSW, efforts to build capacity should have a particular focus on operators located in regional areas. The program would be rolled out by a network of approved trainers/mentors and would include activities such as seminars/workshops, web-based learning and one-on-one mentoring.

¹⁹ TRA 2009, p 8

²⁰ *Ibid.*, p 11

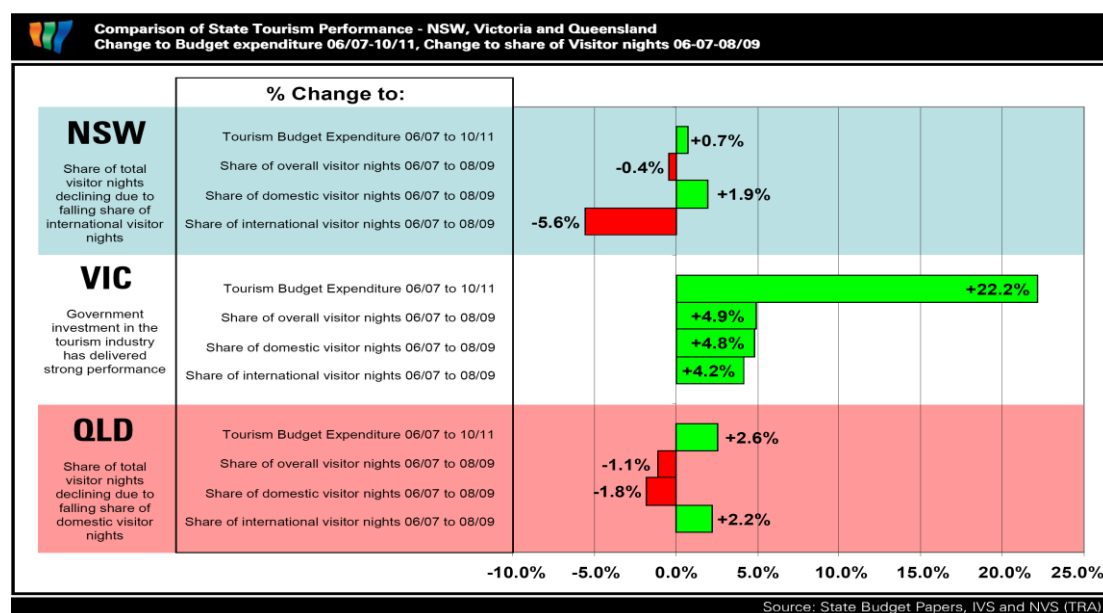
TICNSW recommends that a Business Skills Improvement and Mentoring Program be created for NSW tourism operators. TICNSW recommends that \$2 million in recurrent annual funding be committed to the program.

1.5 Maintain current NSW Government tourism funding

Notwithstanding the commitment of additional funds to tourism by the NSW Government in 2008, it is clear that tourism funding in NSW continues to lag behind other states. Table 4 highlights the level of NSW tourism funding compared to Victoria and Queensland. The gap in performance is particularly apparent in relation to Victoria, which has experienced a 22.2% growth in tourism budget funding between 2006/07 and 2010/11, in contrast with an additional 0.7% in NSW.

To regain its competitive advantage and achieve targets for growth proposed in this document, the NSW tourism industry needs to operate in an environment where tourism is regarded as an important contributor to the state, and is funded accordingly.

Table 4: Comparison of State Tourism Performance



TICNSW recommends that the incoming NSW Government maintain annual funding for tourism beyond 2011/12 at no less than current levels, indexed each year. The funding should be subject to annual review to ensure state competitiveness and the achievement of growth targets.

Six Key Actions to Grow Tourism in NSW

2. Establish a stronger foundation for tourism policy development and implementation

Issue	TICNSW Key Actions
Future growth in the tourism industry in NSW needs to be guided by comprehensive and reliable data and a more strategic approach to marketing .	2.1 Update the NSW Tourism Strategy 2.2 Improve the quality and availability of NSW tourism data 2.3 Establish a tourism policy and research unit

2.1 Update the NSW Tourism Strategy

Since 2008, the NSW Tourism Strategy (the **Strategy**) has guided tourism in NSW. TICNSW congratulates all those involved in the development and implementation of the Strategy to date. However, TICNSW believes that it is now an appropriate time for the Strategy to be updated to take account of changes since 2008.

Specifically, TICNSW believes that revision of the Strategy should include the following:

- **A stronger focus on Destination Marketing** – TICNSW believes there is little value in marketing NSW as a single entity. Rather, an updated Strategy should focus on the strategic marketing of NSW at the destination level, with an emphasis on the role of digital marketing.
- **Support for growth sectors** – despite recent economic difficulties, a number of visitor sectors continue to grow in NSW. These include the cruise industry, overseas education and business events. In order to achieve the suggested growth targets, TICNSW believes the Strategy should actively support sectors where available data and trends point to rapid growth.
- **Integration of tourism and events strategy** – TICNSW believes that both Tourism NSW and Events NSW play an important role in attracting visitors to NSW, however their respective strategies for attracting visitors should be integrated. Improving their integration (along with the Federal National Tourism strategy) should include the establishment of a formal mechanism to ensure their efforts are complementary and maximise the benefits for NSW.
- **A strong environmental sustainability position** – there is a need to ensure the Strategy is underpinned by clear, practical ways that the tourism industry can develop a long term, environmentally sustainable position that is able to manage the challenges of climate change and put in place actions that conserve and preserve NSW's natural and cultural heritage.

TICNSW recommends that given the time that has elapsed since its release, the NSW Tourism Strategy should be updated. The revised Strategy should also acknowledge and support the key actions outlined in **“Going for Growth”**.

2.2 *Improve the quality and availability of NSW tourism data*

The availability of accurate, comprehensive and timely data is central to the development of sound tourism policy. Policy can then inform strategic marketing efforts and capacity building.

Without quality data at the state level, TICNSW believes it very difficult to get tourism policy and marketing in NSW right. For example, TICNSW is aware that in the past not all segments of visitors have been included in the data relating to tourism in NSW.

As a result of the closure of the Sustainable Tourism Cooperative Research Centre (**STCRC**) on 30 June 2010, TICNSW understands that the State Tourism Satellite Account will now be produced by TRA. TICNSW believes that the closure of the STCRC offers an opportunity to change the data collection methods relating to NSW tourism.

TICNSW believes that all state tourism data should be made available on a more timely basis (release of the 2007-08 State Tourism Satellite Accounts occurred 17 months after the end of the reported year) and all tourism-related visitors should be included in future data, including major event and business event attendees and cruise ship passengers.

***TICNSW recommends* that the incoming NSW Government urge the Commonwealth Government to make changes to the method and timeliness in which state tourism data is produced.**

2.3 *Establish a tourism policy and research unit*

Timely dissemination of research and the development of sound tourism policy are central to pursuing growth.

Currently, there is no formal unit within Industry & Investment NSW with specific responsibility for the development of tourism research and policy. TICNSW acknowledges a unit may currently exist in an informal capacity, but believes it is an area that requires significant focus.

***TICNSW recommends* that the incoming NSW Government establish a new unit within Industry & Investment NSW with specific responsibility for tourism policy and research.**

Six Key Actions to Grow Tourism in NSW

3. Create a stronger partnership between Government and the Tourism Industry

Issue	TICNSW Key Actions
<p>There is a lack of integration within the NSW Government in relation to the tourism industry and a lack of clarity between the different roles of research and policy-making, marketing and political leadership.</p> <p>There is currently no effective communication mechanism between Government and the tourism industry.</p>	<p>3.1 Create a single Ministerial portfolio</p> <p>3.2 Restructure Tourism NSW to act as an independent tourism marketing authority</p> <p>3.3 Form a Tourism cabinet sub-committee</p> <p>3.4 Establish a more effective Tourism industry advisory committee</p>

3.1 Create a single Ministerial portfolio

In NSW there are currently three separate ministers with responsibility for portfolios that are directly relevant to the tourism industry – the Minister for Tourism, the Minister for Major Events and the Minister for State and Regional Development. This list does not include the multitude of other portfolios which also relate to the NSW tourism industry.

TICNSW believes that this division is not in the best interests of the tourism industry, or NSW more broadly.

TICNSW recommends that the next Government of NSW create a single ministerial portfolio combining Tourism, Events, Hospitality and State and Regional Development in order to improve integration and drive tourism growth.

3.2 Restructure Tourism NSW to act as an independent tourism marketing authority

Tourism NSW is constituted under the *Tourism New South Wales Act 1984* as a corporation within Industry & Investment NSW. Its current responsibilities include marketing for destinations within NSW, “Visit Sydney”, regional tourism and tourism strategy and alliances.

With the creation of the Greater Sydney Partnership (see *Key Action 5.1*) and TICNSW’s call for a new tourism policy and research capability to be established within Industry & Investment NSW (see *Key Action 2.3*) TICNSW submits it is appropriate for Tourism NSW’s role to be revised.

TICNSW submits that strategic marketing is crucially important to driving growth in the tourism industry. TICNSW believes Tourism NSW is the best organisation to perform this critical role and that its focus should be on marketing exclusively. TICNSW also believes Tourism NSW should operate as an independent statutory authority and be governed by a management board.

TICNSW recommends that Tourism NSW's exclusive focus should be on the strategic marketing of destinations within NSW and it should be reconstituted as an independent statutory authority, governed by a management board which reports to a single Minister (see *Key Action 3.1*).

3.3 *Form a Tourism cabinet sub-committee*

The tourism industry is made up of a diverse range of businesses and as such, the tourism industry has contact with a large number of ministers and a variety of Government agencies. In addition to the portfolios outlined in *Key Action item 3.1*, the tourism industry also has interactions with other portfolios including Ports and Waterways, Sport and Recreation, Arts and Culture, Local Government, Climate Change and the Environment (National Parks), Roads and Transport, and critically - Economic Development and Treasury.

The NSW Government also owns and controls a significant amount of tourism infrastructure throughout the State, including National Parks located across NSW and a large amount of Sydney Harbour's foreshore (key visitor precincts).

In order to drive further growth in tourism in NSW, it is critically important that integration and coordination within Government is improved and that this be driven from the highest levels of Government.

TICNSW recommends that the future Government of NSW form a cabinet sub-committee to bring together relevant stakeholders within the NSW Government to deal with issues relating to the tourism industry. The committee should be chaired by the Premier.

3.4 *Establish a more effective Tourism industry advisory committee*

TICNSW views an enhanced partnership between the tourism industry and Government as central to achieving growth in the sector. In order to create such a partnership, TICNSW believes a more effective and permanent mechanism for government-industry communication and cooperation is required.

As the peak tourism industry body in NSW, TICNSW brings together the views of the tourism industry in one place. As such, TICNSW believes that it (through its broad industry membership) is best positioned to act as a primary industry advisory body to Government.

TICNSW recommends the creation of a single tourism industry advisory committee to act as a formal and permanent interface between the NSW Government and the tourism industry.

Six Key Actions to Grow Tourism in NSW

4. Improve Tourism Infrastructure and Access

Issue	TICNSW Key Actions
The NSW Tourism industry currently suffers from a lack of investment in new key infrastructure , including airports, hotels and convention space.	4.1 Immediately implement the recommendations contained in the recently released final report of the Joint Ministerial Taskforce on Tourism, Planning and Investment in NSW 4.2 Expand convention and exhibition space 4.3 Encourage new investment in the accommodation sector 4.4 Urgently release the NSW Aviation Strategic Plan

4.1 *Immediately implement the recommendations from the final report of the Joint Ministerial Taskforce on Tourism, Planning and Investment in NSW*

In 2008, the NSW Government established four joint ministerial taskforces to investigate and report on issues affecting the NSW tourism industry. One of the Taskforces was asked to identify issues which impede tourism planning and investment in NSW, and strategies to promote investment in tourism.

The creation of the Planning and Investment Taskforce was a reflection of the significant level of concern that exists within the tourism industry in relation to planning and development in NSW. This final report of the Joint Ministerial Taskforce on Tourism Planning and Investment has just been released.

TICNSW recommends the immediate implementation of the key recommendations made in the final report of the Joint Ministerial Taskforce on Tourism, Planning and Investment in NSW.

4.2 *Expand convention and exhibition space*

Sydney, and the regions of NSW, have a wealth of natural activities and attractions which make NSW attractive to event organisers. However without sufficient and leading edge facilities, NSW will continue to struggle to compete in this lucrative market.

In order to be a competitive national and international player in the convention and exhibition market, NSW needs to urgently expand its existing convention and exhibition facilities. The 2007 *Review into Sydney Convention and Exhibition Space* by John O'Neill AO highlighted the lack of appropriate venues and space in Sydney for large and premium business events.

And while there has been a commitment by the current Government to a feasibility study, TICNSW believes the opportunity is greater than just an expansion of the existing venues. To be world class, a business events venue needs to be integrated with the surrounding precinct, to create an entertainment and visitor experience that can add to and leverage off the significant visitation such venues can generate.

TICNSW recommends that the incoming NSW Government commit to the development of an expanded convention and exhibition space in Sydney, integrated into the development of the South Darling Harbour precinct.

4.3 Encourage new investment in the accommodation sector

Very limited construction of traditional full service hotels has occurred over the past ten years in NSW.

Constrained accommodation supply, particularly in the Sydney metropolitan area, already hampers NSW's ability to bid for and secure business and major events. This lack of supply will only worsen over time.

The significant lead-time required for the development of large-scale accommodation projects means that urgent attention must be given to this sector to ensure the viability of long-term visitor targets.

TICNSW recommends that a range of incentives, including stamp duty concessions and tax rebates, be implemented in order to encourage investment in the accommodation sector, including for projects involving heritage conversions. In addition, **TICNSW recommends** an audit of Crown land suitable for private accommodation development and a formal review of zoning and planning requirements for tourist-zoned property.

4.4 Urgently release the NSW Aviation Strategic Plan

The NSW Tourism Strategy acknowledges that aviation is critical to the performance of tourism in NSW and that air travel services in NSW need to be expanded. One of the central features of the Strategy was the development of a NSW Aviation Plan to improve aviation links into, and within, the State.

TICNSW understands that the Aviation Plan is due for release in mid 2011. TICNSW believes that the NSW Aviation Plan should be finalised and released without delay.

At the core of the NSW Aviation Plan should be a strong commitment to the construction of a second international airport to service the Sydney basin. The creation of a second airport is crucial to growing the NSW tourism industry, and NSW and Australia more broadly. The release of the NSW Aviation Plan should be utilised by the NSW Government to reinvigorate its engagement with the Commonwealth Government in relation to a solution to this issue.

TICNSW recommends that the NSW Strategic Aviation Plan be urgently released. TICNSW believes that the Plan should include a strong commitment to the construction of a second international airport servicing the Sydney basin.

Six Key Actions to Grow Tourism in NSW

5. Selling Sydney

Issue	TICNSW Key Actions
Sydney is the gateway to both regional NSW and Australia. Until very recently, Sydney lacked a consistent marketing brand and a suitable industry based organisation to champion the Sydney brand . It also lacks an industry owned and supported destination marketing plan .	5.1 Harness and support the Greater Sydney Partnership to market “Brand Sydney” 5.2 Development of an industry endorsed Sydney Destination Marketing Plan .

5.1 *Harness and support the Greater Sydney Partnership to market “Brand Sydney”*

The importance of Sydney to tourism in NSW, and Australia, cannot be overstated. As the dominant gateway to Australia, Sydney is central to achieving any future growth in tourism.

The *Review into Tourism in New South Wales Final Report* recognised the importance of getting the marketing of Sydney right. Specifically, it recommended:

“That a Brand Sydney entity be formed as a joint vehicle for key Government and private sector organisations to coordinate their activities in shaping and promoting Brand Sydney across the full domain of Sydney’s global identity, including tourism, events, corporate, education, arts and other intellectual endeavours.”²¹

On 30 April 2010, the Greater Sydney Partnership (**GSP**) was launched. The GSP is an independent organisation that has been formed to promote Sydney and develop and manage “Brand Sydney”. Central to GSP’s purpose is to achieve tangible economic results including an increase in visitation (both domestic and international). The GSP has received seed funding from the NSW Government and City of Sydney. However, TICNSW supports GSP’s aim to help unify and facilitate the marketing of Sydney as a global city.

TICNSW welcomes the creation of the GSP and believes it, with “Visit Sydney” (Tourism NSW) and a more engaged Sydney tourism industry can deliver better coordinated and focussed marketing of the city from a tourism perspective. While the GSP is still in its infancy, there is widespread consensus amongst the tourism industry that the GSP should be harnessed and supported to deliver results.

TICNSW recommends that the future NSW Government continue to support and endorse the role of the GSP, including the provision of practical support and funding.

²¹ O’Neill 2008, p 91.

5.2 *Development of an industry endorsed Sydney Destination Marketing Plan*

However, TICNSW believes that practical and meaningful integration is required to ensure that the GSP is able to achieve its objectives. Integration with Tourism NSW, Events NSW, Business Events Sydney, relevant NSW and Commonwealth Government agencies and existing structures in Western Sydney, is critical to the GSP's ability to coherently position "Greater Sydney" as an attractive and enduring destination.

To achieve that integration, TICNSW calls for the development of a tourism destination marketing plan for Sydney that is strongly industry driven and owned, and that will provide the basis for the establishment of cooperative marketing arrangements between the tourism industry, government and the GSP.

***TICNSW recommends* the development of an industry and government endorsed, Sydney Destination Marketing plan.**

Six Key Actions to Grow Tourism in NSW

6. Selling the regions of New South Wales

Issue	TICNSW Key Actions
<p>Tourism is particularly important to communities in regional NSW.</p> <p>The current regional tourism structure lacks support within the industry. A long term and effective solution to regional tourism marketing in NSW is required.</p>	<p>6.1 Devise a new approach to support and develop regional tourism</p>

6.1 Devise a new approach to support and develop regional tourism

The *Review into Tourism in New South Wales Final Report* recommended a new approach to regional tourism marketing in NSW.²² This included the formation of a network of “self-managing” regions (**SMR’s**) to work in partnership with the NSW Government. Under the plan, SMR’s were to draw their funding primarily from local sources, with any funds from the State Government to be paid according to performance in growing visitor nights. The report also recommended that regions that were unable or unwilling to become SMR’s, they should continue to be supported by Tourism NSW.

The NSW Tourism Strategy (the **Strategy**), in its response to the report, outlined a new governance structure for regional tourism with the creation of the Forum of Regional Tourism Organisations (**FORTO**). FORTO acts as the conduit between the 13 existing Regional Tourism Organisations (**RTO’s**) and a newly created Regional Tourism Unit within Tourism NSW. The Strategy also established a new funding mechanism for RTO’s which required that all RTO’s be self-sustaining in relation to their operating costs by 31 December 2011. After that date, only marketing funds would be allocated to the RTO’s on a dollar-for-dollar basis.

There is widespread concern within the tourism industry that the current “compromise” approach in the Strategy is not working.

TICNSW understands that the NSW Government has commissioned a review of the current RTO structure. TICNSW believes the release of this review offers an opportunity for the industry and Government to work together to devise a solution for regional tourism by July 2011. The future plan for regional tourism should also reflect a stronger focus on destination marketing in the updated Strategy (*Key Action 2.1*).

TICNSW recommends that the future NSW Government commit to working with the tourism industry and TICNSW (as the key industry stakeholder representative) to devise a new approach to support and develop for regional tourism in NSW. This process should be completed by July 2011.

²² Review into Tourism NSW Final Report, O’Neill 2008, p 90.

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Tourism Industry Council NSW

The united voice of the NSW tourism industry

ABN: 57 824 394 591

Address: L3, 309 Pitt Street, Sydney, 2000

Phone: 02 9267 6865

www.ticnsw.com.au