



**Tourism Industry  
Council** *NSW*

# **Tourism in Regional New South Wales**

**Key Issues Paper to the Visitor Economy Taskforce**

1<sup>st</sup> November 2011

Mr Russell Balding  
Visitor Economy Taskforce Secretariat  
NSW Department of Trade & Investment  
GPO Box 5477  
SYDNEY NSW 2001

**Re: Issues paper for Regional Tourism in New South Wales**

Dear Russell

Thank you again for taking the time to meet with the Tourism Industry Council's Executive Officer Andrew Jefferies and I to discuss the terms of reference for the Visitor Economy Taskforce.

The Taskforce's desired goals to double tourism, measured by overnight visitor expenditure by 2020 by aiming to foster a sustainable industry and increasing the benefits to our State's economy, are seen as favourable by the industry and endorsed wholeheartedly by the Tourism Industry Council NSW.

The Council recently held a workshop with key regional members. The arguments and points that are put forward in this document flow from that workshop. They are aimed at the current structure and arrangements that exist to fund tourism across regional New South Wales. We seek to assist the VET regional advisory group under Chair Philip Hele and the ongoing debate within FORTO to have reasonable consensus on the key issues going forward.

The basis of our argument is that the current structure and model for regional tourism is broken and in need of change. We argue that the focus and emphasis of peak bodies, set up to fund and deliver outcomes for regional tourism, is too narrow and that many (but not all) of these organisations have failed to fulfill the promise of what they were initially set up to achieve.

In essence, the Tourism Industry Council NSW argues the following points;

- Area Peak Bodies are necessary to deliver outcomes for local and regional tourism
- Area Peak Bodies activities have become too narrow and their focus needs renewal. Significant industry involvement is required at both board and activities level.
- A smaller number of peak bodies (regions) with genuine areas of shared interest, trade and geographical links would be advantageous. Shared resources would also improve outcomes
- Area Peak Bodies will not be able to be self sufficient without funding, skilling up and partnership arrangements from the Government via Destination NSW.
- Support for one peak body to cover the Greater Sydney region, outside of the Sydney CBD and inner suburbs. This to be supported and funded as per regional peak bodies.

Russell, I thank you for the opportunity to present this paper and I look forward to the future discussion and outcomes that we hope will deliver the desired goals of doubling overnight visitor expenditure by the year 2020.

Kind regards



**Ken Corbett**  
Chairman  
Tourism Industry Council NSW

## **Area Peak Bodies**

It is the considered view of the membership base of Tourism Industry Council NSW that some form of Area Peak Body is necessary to deliver upon the critical funding arrangements to reach the desired outcome of doubling overnight visitor expenditure by the year 2020.

The Council believes that this is a consistent view throughout the sector and that a relevant, well resourced and well managed Area Peak Body can ably deliver a range of functions that will enhance and grow outcomes for local tourism across New South Wales.

As in Queensland and Victoria, we believe that these bodies do have a role to play in delivering greater outcomes for tourism in this state.

Whilst we acknowledge that the current structure is essentially broken and that the current arrangements are unlikely to ever deliver upon the desired doubling of overnight visitor expenditure by the year 2020, we believe that a refocus of the activities of these bodies will be beneficial to growing tourism across Regional New South Wales.

The Tourism Industry Council NSW suggests that a new name may assist in changing the perception of the role and functions that these bodies operate with so that they are genuinely seen to be the peak industry body for a specific region.

## Activities of an Area Peak Body

TICNSW believes that Area Peak Bodies should primarily be seen as a mechanism to grow Tourism. This to be via a range of activities that support, educate and train the Local Government and private sector.

- Destination development strategy plans
- Product development knowledge, assistance and support
- Research including employment mapping and generation of visitor indexes from key suppliers
- Education and skills training focusing on customer service and business improvement
- Communication - primarily digital, providing shared platforms and economies of scale
- Marketing - strategic marketing with self selecting destination and product groups within a region. Requires a user friendly structure for the participating industry.
- Planning – input, expertise and representation for an LGA's Local Environment Plan
- Partnership and collaboration with Local Tourism Associations, Local Government, Destination NSW, Tourism Industry Council NSW, Chambers of Commerce and the local community

The Council believes that if a regional body is seen as just a marketing organisation, the perceptions and ongoing concerns of their stakeholders will remain. We believe that a pure marketing focus has led to poor levels of membership interest and activity with a skew towards larger operators at the expense of smaller firms.

We believe that a new paradigm with a focus on supply side issues and education will provide a role that is complementary rather than duplicative. With a shift in perceptions and perceived values, an Area Peak Body has the potential to be seen as a more effective, relevant and representative player, particularly with Local Government, often the main player to fund tourism initiatives at the local level.

In addition, we also envisage a greater role for an Area Peak Body to participate at the planning level with regional LGA's across New South Wales. The ability to lobby, provide technical expertise and play an active role in creating greater opportunities for tourism at the planning level, particularly with an LGA's Local Environment Plans is recommended. This role could be created as a centralised function to be utilised by an Area Peak Body where necessary.

## **How many Area Peak Bodies?**

The Tourism Industry Council acknowledges that a one size fits all approach is likely to fail in the longer term and may not be suitable to individual needs and requirements of specific regions across New South Wales. However, there is generally broad agreement that the current RTO structure is too unwieldy and is not working to maximise the outcomes for Tourism across the New South Wales.

Whilst Queensland has 14 RTO's and Victoria 10, the Tourism Industry Council NSW believes that the Government should go further and look to reduce this number to just five or six, based upon regions of genuine shared interest, trade and geographic links.

These could be structured along Tier lines (eg. Tier one or Tier 2) or in terms of visitation numbers per region.

## **Sustainability of an Area Peak Body**

Whilst it is attractive and easy to set a specific target date for an RTO to mature into a self funding and sustainable body in its own right, past history and the considered view of the Tourism Industry Council NSW is that this will not occur.

The Council is unable to see any time in the next nine years where an RTO may be able to stand alone on its own two feet. Private sector funding (or LGA funding) to a level to maintain administration/human resources is unrealistic. Therefore, the requirement for sufficient Government funding to support and deliver the necessary structure and functions is recommended.

As in Queensland and Victoria, Peak Bodies will work collaboratively with Destination NSW (and other Government areas of relevance) and be seen as a conduit between the State Government and the region.

In Queensland, the 14 RTO's share a base fund annually through a Tourism Queensland partnership agreement, TQ also fund 10 Destination Management Officer positions.

In Victoria, Regional Tourism Organisations were setup as peak bodies to help provide promotional assistance for individual businesses. We envisage that Peak Regional bodies will continue to seek to obtain funding as now on a dollar for dollar basis for funds raised from the industry and from Local Government.

As discussed in activities, a peak body's sustainability is linked to greater levels of activity, involvement and interest and a greater range of functions will help to sustain the viability of these organisations into the future.

## **Greater Sydney Region**

The Tourism Industry Council NSW recognises and supports the need for a body to support and deliver outcomes for Tourism in the Greater Sydney Region, outside of the Sydney CBD and its inner suburbs.

The Sydney CBD and Inner Suburbs require further study but are clearly not seen as or be treated as regional tourism.

We believe that there is a need for a body to assist Tourism on the outskirts of the Sydney which are linked through local geography, road and rail links and adjacent boundaries of various Local Government Associations.

Areas with a strong commitment to promoting tourism such as The Hills, Hawkesbury, Parramatta, Penrith, Wollondilly and Sutherland are the key target areas for local tourism and should be aligned with a single body to promote Tourism across Greater Sydney and not just the sites and attractions of the City and Harbour.