Tourism and Local Government

A Background Paper

Prepared for:

Local Government Association of South Australia

By:

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1. Introduction

This research paper has been developed as a resource for local government to support the planning and management of tourism. The paper is designed to assist Council Officers, Elected Members and other stakeholders to understand the role of tourism as a driver of regional economies and its capacity to contribute to the social, cultural and environmental wellbeing of communities.

Over recent decades, tourism has become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to socio-economic progress in both emerging and developed economies\(^1\).

The business volume of world tourism equals or surpasses that of oil exports, food products or automobiles. This global spread of tourism has produced economic and employment benefits in many related sectors - from construction to agriculture and telecommunications (UNWTO, ibid).

Figure 1.1 Why Tourism Matters - Worldwide Impacts

Tourism is a key driver of the South Australian economy and has been identified by the State Government as one of its economic priorities for the future\(^2\).

The industry contributed $5.2 billion to the State’s economy and supported 31,000 jobs in 2013/14 and has the potential to grow to $8 billion and 10,000 jobs by 2020. Tourism is particularly important for regional South Australia, strongly supporting regional economies and employment.

As the tourism industry has grown in recent decades the local government sector has also developed, taking on a broader range of responsibilities and forging new cooperative

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\(^1\) World Tourism Organisation. Why Tourism Matters. http://www2.unwto.org/content/why-tourism

alliances and partnerships with private and non-government sectors\textsuperscript{3}. In particular local government has become more involved in economic development and social planning and will continue to do so if other levels of Government withdraw from service delivery to some degree due to budgetary constraints.

While the face of local government has changed, the broader economy in Australia has also experienced a period of transition as manufacturing declines and services continue to grow in importance\textsuperscript{4} (Figure 1.2).

\textbf{Figure 1.2 Employment by Industry, Australia, Share of Total}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{employment_by_industry.png}
\caption{Employment by Industry, Australia, Share of Total}
\end{figure}

Source: Reserve Bank of Australia

Tourism, as a service export, has the capacity to deliver new expenditure and to create new jobs and will be a key engine of growth in a serviced based economy.

While economic development is a priority, tourism is an industry with a wide range of stakeholders who may have competing interests. A sustainable tourism industry relies on achieving a policy balance that takes into account community expectations, values and aspirations.


2. The Economic Contribution of Tourism

Tourism in Australia is defined and measured in accordance with international conventions\(^5\). It is based on persons taking a trip to a main destination outside their usual place of residence, for less than a year, for any main purpose – leisure, business or other personal purpose.

Overnight trips must be in a destination at least 40km away from home. Day trips must involve a round trip distance of at least 50km and the traveller must be away from home for at least 4 hours. Routine day trips, such as commuting to work, are not classified as tourism.

Tourism is a multi-faceted industry with visitors spending across a range of traditionally defined sectors of the economy such as accommodation, food and beverage, transport and retail trade. Consumption within these sectors is made by both local residents and visitors and consequently it has not been possible in the past to determine the value of tourism to the Australian economy from the national accounts.

In 2000, the Australian Bureau of Statistics published the Australian Tourism Satellite Account (TSA), which provided, for the first time, information about the economic value of the tourism industry at the national level\(^6\). State level TSAs are published by Tourism Research Australia\(^7\).

The economic impact of tourism for South Australia published by the South Australian Tourism Commission\(^8\) (SATC) for 2012-13 is summarised below (Table 2.1).

### Table 2.1 The Economic Impact of Tourism in South Australia, 2012-13

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>Tourism’s share of SA’s economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism expenditure</td>
<td>$5.0 billion</td>
<td></td>
</tr>
<tr>
<td>Tourism Gross State Product</td>
<td>$2.2 billion</td>
<td>2.3%</td>
</tr>
<tr>
<td>Tourism Direct Employment</td>
<td>31,000</td>
<td>4.1%</td>
</tr>
<tr>
<td>Tourism businesses</td>
<td>18,000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Tourism Research Australia

For further information regarding the economic impact of tourism and the TSA see the SATC’s fact sheet and the reports published by the Australian Bureau of Statistics and Tourism Research Australia cited above.

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At a regional level information is published by Tourism Research Australia (TRA) detailing visitor numbers, visitor nights and visitor expenditures subject to data reliability. Data is not published by TRA for Council areas unless the tourism region boundaries match the Council boundaries.

In 2005 economic consultant EconSearch produced input-output tables to quantify the economic contribution of regional South Australia to the State\(^9\). The modelling included multipliers for tourism which were derived using TSA data in association with TRA regional tourism expenditures and modelling by the consultant. While the estimates of dollar value are out of date the level of contribution of the tourism industry to regional economic economy is still relevant.

The regions identified and the contribution of tourism to regional product and employment are summarised below (Table 2.2).

**Table 2.2 Economic Contribution of Tourism to Regional South Australia, 2002/03**

<table>
<thead>
<tr>
<th>Region</th>
<th>Definition</th>
<th>Contribution to Gross Regional Product</th>
<th>Contribution to employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>Adelaide SD – Onkaparinga Hills SLA</td>
<td>2.1%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Outer Adelaide</td>
<td>Outer Adelaide SD + Onkaparinga Hills SLA – Barossa DC – Light DC – Mallala DC</td>
<td>4.9%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Barossa</td>
<td>Barossa DC + Light DC + Mallala DC</td>
<td>4.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Eyre</td>
<td>Eyre SD</td>
<td>4.7%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Northern</td>
<td>Northern SD</td>
<td>3.6%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Yorke and Lower North</td>
<td>Yorke and Lower North SD</td>
<td>5.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Murraylands</td>
<td>Murraylands SD</td>
<td>2.7%</td>
<td>3.8%</td>
</tr>
<tr>
<td>South East</td>
<td>South East SD</td>
<td>2.8%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

SD = Statistical Division; SLA = Statistical Local Area; DC = District Council
Source: Local Government Association of SA

In 2004 the then Commonwealth Department of Industry, Tourism and Resources published the Tourism Impact Model (TIM) for Australian Local Government which provided a mechanism for estimating the economic impact of tourism at Council level with outputs including visitor expenditure, employment and the resident population dependent on tourism.

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The model also provided a mechanism for Councils to estimate the impact of not having a tourism industry on the Council’s budget with respect to both income and expenditures. While the model uses employment and population multipliers which may need to be updated it provides a framework for assessing both the economic costs and benefits that accrue to local government from tourism. In SA the TIM model has been applied by Alexandrina DC and Kangaroo Island DC to estimate tourism impacts.

For further information:

3. Tourism Trends and Key Drivers

3.1 Travel Demand

In South Australia in the year ending June 2014 there was a total of 5.7 million overnight visitors staying for 29.3 million nights. The distribution by origin is described below (Table 3.1).

<table>
<thead>
<tr>
<th>Visitor origin</th>
<th>Visitors (000s)</th>
<th>Visitor nights (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrastate</td>
<td>3,448</td>
<td>10,212</td>
</tr>
<tr>
<td>Interstate</td>
<td>1,843</td>
<td>9,699</td>
</tr>
<tr>
<td>Overseas</td>
<td>386</td>
<td>9,368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,677</strong></td>
<td><strong>29,279</strong></td>
</tr>
</tbody>
</table>

International visitors include longer staying education purpose and working holiday visitors. Source: Tourism Research Australia, National Visitor Survey / International Visitor Survey.

The trend in visitors to South Australia and Australia over the last 10 years is described below (Figure 3.1).

Over the last 10 years the number of overnight visitors in South Australia has been stable – growing by 1% over that period or by 0.1% per annum. For Australia as a whole visitor numbers have grown by 10% or 1.1% per annum.

While coming from a small base in South Australia, the largest increase has come from the international market – up by 19% over the ten year period in SA and 24% nationally.

The intrastate market in South Australia has contracted by 1% over this period compared to growth of 11% nationally while the interstate market in South Australia has grown by 2% over the 10 years compared with 7% nationally.

Forecasts prepared by Tourism Research Australia suggest that visitor nights in South Australia will grow by 25% between 2012/13 and 2022/23 – a rate of 2.2% per annum.

Information regarding tourism demand at a regional level is published by the South Australian Tourism Commission\(^\text{11}\) and Tourism Research Australia\(^\text{12}\). The number of overnight visitors and visitor nights to each region in the year 2013/14 is described below (Table 3.2).

**Table 3.2 Visitors and Visitor Nights by Tourism Region, 2013/14**

<table>
<thead>
<tr>
<th>Region</th>
<th>Visitors (000s)</th>
<th>Visitor Nights (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>2,721</td>
<td>16,516</td>
</tr>
<tr>
<td>Adelaide Hills</td>
<td>137</td>
<td>557</td>
</tr>
<tr>
<td>Barossa</td>
<td>206</td>
<td>626</td>
</tr>
<tr>
<td>Clare Valley</td>
<td>137</td>
<td>415</td>
</tr>
<tr>
<td>Eyre Peninsula</td>
<td>380</td>
<td>1,605</td>
</tr>
<tr>
<td>Fleurieu Peninsula</td>
<td>642</td>
<td>1,988</td>
</tr>
<tr>
<td>Flinders Ranges and Outback</td>
<td>451</td>
<td>1,829</td>
</tr>
<tr>
<td>Kangaroo Island</td>
<td>117</td>
<td>505</td>
</tr>
<tr>
<td>Limestone Coast</td>
<td>497</td>
<td>1,560</td>
</tr>
<tr>
<td>Murraylands</td>
<td>222</td>
<td>575</td>
</tr>
<tr>
<td>Riverland</td>
<td>305</td>
<td>1,334</td>
</tr>
<tr>
<td>Yorke Peninsula</td>
<td>439</td>
<td>1,500</td>
</tr>
</tbody>
</table>


To develop a greater understanding of tourism in their region local government authorities may consider developing a tourism profile on the basis of characteristics such as:

- Demand and economic value (where known)
- Characteristics of supply
- Visitor profile
  - Purpose of visit
  - Average length of stay
  - Accommodation type
  - Mode of transport
  - Demographics.


Profile information is published by Tourism Research Australia\textsuperscript{13} at a local government level subject to data reliability.

In addition to the SATC and TRA, regions may also conduct their own surveys through a Visitor Information Centre or local attractions to collect information regarding visitors. See Section 6 for further information.

3.2 Characteristics of Supply

Information regarding the supply and performance of tourism accommodation is collected by the Australian Bureau of Statistics through the Survey of Tourist Accommodation\textsuperscript{14}. The survey is now an annual publication and is limited to establishments with 15 or more rooms. Information is published at regional level (subject to confidentiality) and includes data relating to hotels, motels and serviced accommodation. Data items include number of establishments, rooms, guest nights, room nights, room occupancy and takings from accommodation.

The trend in room supply and associated demand in South Australia over the 10 years to 2013/14 from the ABS survey is described below (Figure 3.2).

Figure 3.2 Room Supply and Room Nights Occupied, South Australia, 2004/05 - 2013/14

In June 2014 there were 12,766 rooms in hotel, motel and serviced apartment accommodation in South Australia which was an increase of 8% over the period from June 2005 – an average of 0.9% per annum.

\textsuperscript{13} http://tra.gov.au/statistics/Local-Government-Area-profiles.html

In the year 2013/14 there were 2,850,200 room nights occupied which an increase of 14% from 2004/05 – an average of 1.5% per annum – while takings from accommodation have grown by 56% - 5% per annum – to reach $416.4 million in 2013/14.

Over the last two years room nights occupied have contracted to some degree – down by 2% from the year ended June 2012.

In June 2014, the Adelaide tourism region accounted for 56% of the room supply in South Australia and regional areas 44%. In 2013/14 regional areas received one third (34%) of the room nights occupied and 31% of the takings from accommodation.

Adelaide has enjoyed a significant increase in supply over recent years in association with the Riverbank development and other infrastructure.

Tourism Research Australia\textsuperscript{15} report that in June 2012 there were 18,080 tourism businesses in South Australia with 32% of these located in regional areas of the State.

Information regarding the smaller accommodation sector including the number of establishments and performance has been limited in the past. Information may be available from sector associations such as the Bed, Breakfast and Farmstay Association of SA\textsuperscript{16} or regional tourism bodies where a product audit has been undertaken.

The South Australian Tourism Industry Council\textsuperscript{17} publishes a quarterly survey of tourism operators which provides information regarding sector performance and outlook (Figure 3.3).

\textbf{Figure 3.3 SATIC Tourism Barometer}

Source: South Australian Tourism Industry Council

\textsuperscript{15} Tourism Research Australia. Tourism Businesses in Australia, June 2010 to June 2012.


\textsuperscript{17} SATIC Tourism Barometer http://satic.com.au/
### 3.3 Outbound Travel by Australian Residents

A significant trend that has influenced domestic tourism demand in Australia over the past decade has been the growth in outbound travel by Australian residents (Figure 3.4).

While Councils can do little to counter the attraction of overseas travel destinations, the trend illustrates the increasingly international nature of tourism and the extent to which destinations are competing in an international market place.

**Figure 3.4 Overseas Departures by Australian Residents, 2002 - 2014**

Since the year ending August 2002 the number of short term departures by Australian residents has grown from 3.36 to 9.05 million per annum – an annual growth rate of 8.6%. This increase has largely been associated with the strength of the Australian dollar.

The growth in low cost air carriers and supply of outbound seats has also been a factor.

Tourism Research Australia\(^{18}\) has estimated the value of outbound travel to be $46.4 billion in the year ending June 2014 – almost as much as the total expenditure by domestic overnight travellers in Australia in that year – $53.3 billion.

Decreases in the $A:$US exchange should slow the rate of outbound travel. A lower Australian dollar will also be a positive factor for international tourism demand in Australia.

The Tourism Forecasting Committee\(^{19}\) expects outbound travel to grow at 3.8% per annum over the next 10 years to reach 12.3 million annual departures in 2022/23.

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\(^{18}\) Tourism Research Australia. Travel by Australians.

\(^{19}\) Tourism Research Australia. Tourism Forecasts, Autumn, 2014.
3.4 The Aging of the Population

Australia's population aged 65 and older is projected to increase from 3.45 million (about 15% of the population) in 2014 to 6.19 million in 2035 (about 19% of the projected population)\(^{20}\).

Boosted by access to superannuation funds and with a broad experience of travel the baby boomer\(^{21}\) seniors will create new markets for tourism goods and services and will have the capacity to consume travel products on a scale not possible for previous generations of seniors\(^{22}\).

The new market will be more sophisticated and likely to demand higher levels of service than was the case in the past. It is also likely that baby-boomers will be more environmentally aware placing new demands on the tourism industry to focus on energy conservation, waste disposal and sustainable practices in their businesses (ibid).

Projected population growth is summarised below (Figure 3.5).

**Figure 3.5  Population Growth by Age Group, Australia, 2014 – 2035, Base = 100.**

Over the period 2014 to 2035 it is anticipated that the number of people aged between 65 and 74 years will increase by 54% and the number aged 75 or more will increase by 111%, while the number aged between 15 and 64 years will increase by 29%.

\(^{20}\) ABS Cat. 3222.0 Population Projections, Australia

\(^{21}\) Born between 1946 and 1964.

Assuming current rates of domestic travel within these age groups remains consistent the number of overnight visitors within these aged groups will grow by similar levels.

Projections of overnight visitors and visitor nights are presented below (Table 3.3).

**Table 3.3. Domestic Trips, Australia, Forecast by Age Group, 2014 – 2035**

<table>
<thead>
<tr>
<th>Age group</th>
<th>Visitors (Million)</th>
<th>% change</th>
<th>Visitor Nights (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013/14</td>
<td>2034/35</td>
<td>2013/14</td>
</tr>
<tr>
<td>15 – 24 years</td>
<td>11.8</td>
<td>15.1</td>
<td>28%</td>
</tr>
<tr>
<td>25 – 34 years</td>
<td>14.1</td>
<td>17.1</td>
<td>21%</td>
</tr>
<tr>
<td>35 – 44 years</td>
<td>14.5</td>
<td>19.5</td>
<td>34%</td>
</tr>
<tr>
<td>45 – 54 years</td>
<td>14.6</td>
<td>19.7</td>
<td>35%</td>
</tr>
<tr>
<td>55 – 64 years</td>
<td>12.6</td>
<td>16.2</td>
<td>28%</td>
</tr>
<tr>
<td>65 – 74 years</td>
<td>8.7</td>
<td>13.4</td>
<td>54%</td>
</tr>
<tr>
<td>75 years plus</td>
<td>2.7</td>
<td>5.7</td>
<td>111%</td>
</tr>
</tbody>
</table>


Given that the current generation of seniors will have access to retirement incomes not available to previous generations it is likely that the incidence of travel by seniors and their duration of travel will increase and projections based current rates of domestic travel are likely to be conservative.

In addition a weaker Australian dollar and associated slowing in the level of outbound travel by Australian residents should contribute to higher levels of domestic demand.
3.5 Engagement with China

The Australian economy has benefited from closer ties with China and the signing of the free trade agreement with China will support further growth into the future with tourism a beneficiary\(^{23}\).

China is now the second largest overseas source market for Australia providing 708,000 visitors in the year ended June 2014 – an increase of 19% per annum from the year ending June 2005. The number of Chinese visitors to Australia is forecast to grow to 1.5 million by 2022/23 with spending of more than $10.2 billion in the Australian economy\(^{24}\).

The South Australian Tourism Commission has summarised the Chinese visitor market for SA\(^{25}\).

Over the three years from 2011/12 to 2013/14 there was an average of 25,000 Chinese visitors to South Australia annually staying 1.6 million nights and spending $126 million.

The Chinese market has grown rapidly to become South Australia’s fifth largest source market and the largest of all Asian markets. South Australia generally attracts affluent middle class couples residing in core cities of Shanghai, Beijing, Guangzhou and surrounding areas.

They are more likely to be experienced overseas visitors travelling independently or in quality customised small group tours. South Australia is positioned as a destination that offers Australia’s best wine and dining experiences, coupled with natural and wildlife experiences.

In addition to leisure travel many Chinese come to South Australia to study and to visit friends and relatives. Education and VFR are longer staying sectors of the market and the relationship between these visitors and the State may continue over an extended period, with some visitors also aspiring to become permanent residents. South Australia has a considerable amount to offer these visitors due the lower cost of living and the access to education.

For further information:

<table>
<thead>
<tr>
<th>South Australian Tourism Commission, 2013. Activating China – 2020.</th>
<th>This document provides extensive background material relating to the Chinese visitor market and outlines the SATC’s strategy to achieve above trend growth from this sector.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Research Australia, 2013. Engaging with Asia.</td>
<td>A research project conducted on behalf of Tourism Australia to assist tourism businesses to understand and engage with Asian markets.</td>
</tr>
</tbody>
</table>


Organisations that provide research, training and may facilitate business linkages include:

- Australia China Business Council
- Australia China Friendship and Development Association
- AusTrade
- The Confucius Institute - University of Adelaide

Case study – City of Onkaparinga

The City of Onkaparinga has developed a pro-active China strategy to contribute to its objectives for economic growth. The strategy recognises that there has been a significant increase in the availability of funds as Chinese investors seek to diversify their investments to regions outside of China.

Chinese interest in the Onkaparinga region has been significant with investment occurring in the wine, food, construction and property sectors in addition to tourism.

In December 2013 the Australia China Friendship and Development Association facilitated a formal delegation from the Luzhou Municipal government of Sichuan Province which resulted in the signing of a Friendly City Memorandum of Understanding to progress relationships and opportunities for investment and trade. At this time the Laojiao Group finalised an investment in Shottesbrooke Vineyards, a McLaren Flat premium wine producer.

Subsequent to a visit by a delegation from Changli in the Hebei province a delegation from Onkaparinga visited Changli in May 2014 and also participated in the South Australian Shandong Investment Delegation. This visit resulted in an invitation to send a formal delegation to Changli in August 2014 to coincide with the Weinfest international wine festival at which time a sister city relationship was proposed.

The Hebei provincial Government has now established an Onkaparinga Economic Development Department to ensure delivery of outcomes stemming from the Sister City agreement. Hebei has a population of approximately 80 million. The relationship will assist in promoting brand awareness of Onkaparinga and will provide opportunities for cultural and tourism exchange and investment in tourism product.

Specific benefits from foreign investment in tourism include:

- Investment in cellar door and associated facilities in McLaren Vale – e.g. Shottesbrooke Vineyard.
- Investment in high end tourism accommodation.
- State of the art sports facilities – Southern Sporting Complex.
- Sponsorship of events – e.g. City of Onkaparinga ATP Challenger.

Government delegations play a key role in facilitating business investment as they will be given higher levels of access to relevant authorities than would be the case for private sector delegations.
3.6 Other International Markets

International visitors represent 6% of total overnight visitors in South Australia and 5% of visitor nights.\(^{26}\)

The major international markets for South Australia are described below (Figure 3.6).

**Figure 3.6 South Australia’s International Markets**

- **United Kingdom** 17%
- **North America** 12%
- **New Zealand** 11%
- **China / Hong Kong** 9%
- **Germany** 8%
- **Malaysia** 4%
- **France** 4%
- **India** 5%
- **Singapore** 3%
- **Italy** 3%


The main source markets are the United Kingdom (17%), followed by North America (12%) and New Zealand (11%).

The South Australian Tourism Commission has prepared fact sheets covering the characteristics and travel behaviours of the main inbound markets.\(^{27}\)

In addition to China the SATC maintains contracted trade and media representation in the key markets of the United Kingdom, Germany, France, Italy, the Americas, Hong Kong, India, Singapore and New Zealand.

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\(^{26}\) Tourism Research Australia. International Visitor Survey & National Visitor Survey

3.7 Regional Dispersal

Australia’s capital cities are the gateways to the country for the majority of international visitors and provide the main source of travellers for the domestic market. The regional areas outside of the capital cities host around half of the hotel, motel and serviced apartment rooms in Australia and around one third of the tourism businesses that make up the industry.\(^{28}\)

It is often the case that tourism is focused on particular geographic areas and government policy and planning for tourism should facilitate dispersal where possible.\(^{29}\)

While the supply of lower cost seats has stimulated air travel on major routes, regions that do not have proximity to these services may be at a disadvantage.

In 2013/14 regional South Australia received 58% of the overnight visitors and 44% of the visitor nights recorded for the State\(^{30}\). Between 2005 and 2014 domestic overnight visitors grew by 14% in metropolitan Adelaide compared with 2% for other areas of the State.

It has been shown\(^ {31}\) that international visitors more likely to stay overnight in a regional area were from Europe – excl. UK (54%), the United Kingdom (50%), North America (44%) and Japan (42%).

With the exception of Japan visitors from Asia were generally less likely to stay overnight in a regional area of Australia. Asian visitors in many instances undertake regional day trips however that are not recorded through the official statistics and visit attractions that interest them such as heritage towns (e.g. Hahndorf), areas of scenic beauty, the coast, farm based attractions and wineries.

A study of visitors to Tasmania\(^ {32}\) found that travel to regional areas was restricted by:

- Limited time;
- Limited understanding and awareness of distance and travel time;
- Desire to be settled in one location – particularly if travelling with children;
- Lack of awareness of accommodation options, attractions, activities and events on offer.

Other factors that have been found to influence regional dispersal are described below.\(^ {33}\)

| Access – by road, air and/ or ferry | Access costs, time and comfort will impact regional travel. Sealing of roads will facilitate dispersal. |

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29 See the chapter on bypassed towns in the Sustainable Tourism CRC publication ‘Drive Tourism. Up the Wall and Around the Bend’.
31 Tourism Research Australia, 2012. DVS Program. Visitor dispersal from Sydney to regional NSW
33 Tourism Research Australia, 2012. Ibid.
<table>
<thead>
<tr>
<th><strong>Festivals and events</strong></th>
<th>Provide a trigger for regional travel.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td>State and regional tourism authorities conduct on-going consumer campaigns to stimulate the domestic market and to build awareness of regional destinations. While Councils may not have budgets for tourism marketing they may be able to co-op with State and regional campaigns.</td>
</tr>
<tr>
<td><strong>Packaging</strong></td>
<td>Packaging – or bundling experiences with supporting attributes such as tours, transport and accommodation - can simplify the decision process, particularly for less experienced or less confident travellers and encourage them to travel more widely. At the most basic level this can involve the development of itineraries and touring routes.</td>
</tr>
<tr>
<td><strong>Product clusters</strong></td>
<td>The clustering of product at a particular location will determine the attractiveness of the location to visitors. Clustering will be facilitated through the identification of tourism precincts and specification of appropriate land use provisions.</td>
</tr>
<tr>
<td><strong>Touring routes</strong></td>
<td>Touring routes provide a mechanism for independent travellers to develop itineraries and simplify the planning process. They make it easier for independent travellers to research and commit to regional travel. High profile touring routes such as the Great Ocean Road may also be an aspirational experience for visitors.</td>
</tr>
<tr>
<td><strong>Visitor Information Centres</strong></td>
<td>VICs encourage independent travellers to undertake more activities, to stay longer and to travel more widely.</td>
</tr>
</tbody>
</table>
3.8 Tourism and Events

Festivals and events provide an effective mechanism for raising destination awareness, destination branding (telling the destination’s story), attracting visitors while also contributing to the quality of life enjoyed by local residents. As identified by Tourism and Events Queensland, events are strongly supported by local residents with around nine in ten (87%) residents agreeing that festivals and events attract tourists and raise awareness of the region.

Festivals and events also encourage regional dispersal. Tourism Research Australia in association with the South Australian Tourism Commission and Tourism Victoria surveyed 2,400 Australian travellers in April 2014 and found that almost one quarter (24%) of Australians had been to at least one event in a regional area within the last two years. One tenth (9%) had attended a regional event located interstate.

Event travellers had attended an average of 3 events within the last two years with the most popular being: food and wine; music related; garden and botanical; sport (as a spectator); and art exhibitions.

The likelihood of travelling to attend different types of events is described below (Figure 3.7).

Figure 3.7 Likelihood of Travel by Type of Events


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34 Dredge et. al., 2006. Ibid.
35 Queensland Tourism and Events. Whole of State Social Indicators, 2013.
The study found that an event was the main reason for visiting a particular region for 57% of first time visitors and 69% of repeat visitors. Event patrons were most likely to travel as a couple (41%) or with friends (34%). One quarter (24%) travelled as a family with children.

The South Australian Tourism Commission supports a range of events through its events arm Events South Australia and the Regional Events and Festivals Program.

For further information see the LGA’s Best Practice Guide to Festivals and Events.

3.9 Other Issues

Climate Change

Climate change has emerged as the major global environmental and economic challenge of the 21st century. The tourism industry relies on the natural environment and the sustainability of natural attractions is threatened by climate change\(^{37}\).

In addition to a warmer climate there will be greater volatility and an increase in the incidence of natural disasters.

Consumers are increasingly aware of climate change issues and expect tourism operators and destination managers to adopt more sustainable and environmentally friendly business practices and policies.

The availability and quality of water may also be a resource issue for some regions in the future.

Labour Market

In regional areas competition for labour may leave the tourism sector vulnerable to skills shortages. Increasing wage costs may also affect the viability of tourism businesses in regional areas.

The success of tourism may rely on the availability and commitment of volunteers. The availability of volunteers will vary substantially between regions and there will be competition for these individuals.

Where possible Councils should adopt a policy of engaging with, and supporting, volunteers. Accessing and managing volunteers is discussed further in the LGA’s Best Practice Guide to Festivals and Events.

\(^{37}\) The Tourism and Transport Forum (TTF) has produced a number of papers relating to the impact of climate change on tourism. [http://www.ttf.org.au/Content/climatechange.aspx](http://www.ttf.org.au/Content/climatechange.aspx)

4. Planning for Tourism

Tourism is a multifaceted industry with a wide range of stakeholders, some of whom may have competing interests. The key outcomes of the planning process for tourism must be the sustainability of tourism assets and the support of local residents. The planning process should establish a balance between the economic benefits of tourism and the needs of host communities.

Planning for tourism must involve engagement with stakeholders. The roles and relationships between local government and other tourism stakeholders is illustrated below (Figure 4.1).

**Figure 4.1 Tourism Stakeholder Networks**

There are over 175 Acts in Australia relating to tourism. The report The Legal Basis for State and Territory Tourism Planning prepared by the Sustainable Tourism CRC provides a summary of legislation relevant to tourism. Local government has legal powers with respect to land use; development applications; temporary road closures for events and provision of public infrastructure and amenities.

Relevant legislation in South Australia includes:

- Local Government Act 1999
- Development Act 1993
- Environmental Protection Act 1993
- Public and Environmental Health Act 1987

Tourism in South Australia is an objective under the State Strategic Plan (T1.15) and is one of 10 economic priorities for the State.

Other relevant plans and strategies for tourism are listed below:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Destination Action Plans (DAPs)</td>
<td>Developed by the SATC in association with regional tourism authorities and the tourism industry in each of the State’s tourism regions. <a href="http://www.tourism.sa.gov.au/sa-tourism/regions.aspx">www.tourism.sa.gov.au/sa-tourism/regions.aspx</a></td>
</tr>
<tr>
<td>Regional Tourism Strategies</td>
<td>In a number of instances regional tourism authorities have developed strategic plans to guide tourism in their region e.g. <a href="http://www.tourism.sa.gov.au/assets/documents/About%20SATC/yorke-peninsula-strategic-tourism-plan-2012-2014.pdf">http://www.tourism.sa.gov.au/assets/documents/About%20SATC/yorke-peninsula-strategic-tourism-plan-2012-2014.pdf</a>. A tourism region will generally include more than one Council.</td>
</tr>
<tr>
<td>Council Tourism Plans</td>
<td>In some instances Councils have developed stand-alone tourism plans.</td>
</tr>
<tr>
<td>Event Strategies</td>
<td>In some instances Councils have developed event strategies e.g. Barossa <a href="http://www.barossa.org.au/assets/Uploads/Publications--Reports/Events-Strategy-2013/Barossa-Regional-Events-Strategy-2014-2016-Full-Version.pdf">http://www.barossa.org.au/assets/Uploads/Publications--Reports/Events-Strategy-2013/Barossa-Regional-Events-Strategy-2014-2016-Full-Version.pdf</a></td>
</tr>
</tbody>
</table>

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39 http://www.economic.priorities.sa.gov.au
40 There are a range of strategic plans and related documents produced by various authorities and hosted on their websites - it may be appropriate for a central authority such as the SATC to host an online repository for the various planning and other documents that have currency.
Product audits

As a component of their strategic planning regional tourism authorities may have conducted product audits to identify productaps and opportunities. Product audits are a recommended outcome of the DAPs. e.g. Barossa

Where dedicated tourism plans have not been developed tourism may be represented as a component of a Council’s:

- Strategic Plan
- Economic Development Plan
- Operational Management Plan.

The tourism component of a local planning strategy should perform the following functions:

- Establish the vision, aim and objectives for tourism land use and development in the local government area.
- Ensure reference to other relevant State, regional and local government policies and guidelines.
- Address the current and potential role of tourism in the local economy, including the competitive advantages of the locality through an assessment of the key elements of tourism destination development (accommodation, access, attractions, activities and amenities), current and projected demand, and opportunities for developing tourism products. This process should involve a situation analysis / product audit which will include a process of industry consultation and a SWOT analysis. See Section 5.2 for further detail.
- Ensure the ongoing role of tourism in the locality is recognised in the land use planning process through recommendations on appropriate tourist zones, tourism precincts, tourism sites, tourism land requirements and the introduction of specific tourism land uses.
- Provide the mechanisms for assessing the land use and the proposed design of the development on tourist-zoned land.
- Improve the clarity of tourist zones, tourism precincts and tourism sites through the use of spatial/strategic mapping.
- Ensure that transport planning will support tourism.
- Identify actions and timeframes for the achievement of tourism-related goals and strategies.

Rural zoning should include tourism uses such as farm stay, bed and breakfast accommodation, small scale caravan parks and camping.

Councils may develop planning bulletins with respect to specific tourism resources e.g. caravan parks, holiday homes.

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Policy regarding the parking of mobile homes and camper vans outside of reserved areas such as caravan parks should also be developed in association with the provision of dump points for grey and black water.

Local government should also liaise with protected area managers to be aware of, and where possible influence, policy regarding camping in protected areas.

Hotel developments may take a significant length of time for investors to obtain a return on investment and planning for hotel developments may require the consideration of incentives to support project viability. The TTF’s National Tourism Planning Guide\(^{43}\) suggests that active planning measures can help address this issue in addition to the provision of incentives through zoning and development controls. Some examples of incentives include plot ratio bonuses, floor space and height inducements, exemptions from certain requirements, protective zoning and facilitation of mixed-use outcomes.

In South Australia, development proposals may be awarded major project status by the Department of State Development which provides assistance with planning and other government approvals.

**Destination Development**

While there will be a range of bodies that will support destination development local government will play a key role through its planning processes and policy settings.

Destination development may involve\(^{44}\):

- Development of an effective and collaborative destination management structure.
- Identification of the need for public infrastructure, services and facilities.
- A process to facilitate public and private sector investment in tourism infrastructure and product.
- Development of tourism experiences that align with branding and the benefits sought by target markets.
- Support for festivals and events.
- Planning for effective access and transport linkages.
- Engaging with protected and natural area managers to ensure conservation values are maintained and appropriate tourism development can take place.
- Provision of visitor information services to increase length of stay and expenditure.
- Provision of a mechanism to ensure high standards for tourism products e.g. accreditation.
- Facilitation of training and a high quality labour force including volunteers.
- Development of a strategic approach to risk management, visitor health, safety and security.
- Collection of data to monitor industry health.

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\(^{44}\) Sustainable Tourism Online. Sustainable Tourism – Destinations and Communities. [www.sustainabletourismonline.com](http://www.sustainabletourismonline.com)
Tourism and Local Government - Draft

Townsville North Queensland Local Government Tourism Engagement Strategy

In 2008, the Townsville North Queensland Tourism Region developed a strategy to improve coordination of tourism development and marketing efforts between the key stakeholders within the region.

The project was driven by Townsville Enterprise, North Queensland’s regional tourism organisation (RTO), in partnership with the four local governments (Burdekin, Charters Towers, Hinchinbrook and Townsville) to achieve improved coordination in the implementation of the region’s Destination Management Plan (DMP). The DMP identifies strategies for the development of the regional tourism industry. The strategy recognises that local governments play a key role in maximising the value of tourism to the regional economy.

This initiative provided a new platform for engagement between the RTO, local government and industry in the management, marketing, and sustainable development of tourism in the North Queensland region.

The process of engagement is summarised below (Figure 4.2).

Figure 4.2 North Queensland Engagement Process

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early April</td>
<td>Formation of Steering Committee and Situation Analysis</td>
</tr>
<tr>
<td>April</td>
<td>Surveys and Stakeholder Interviews inform a Discussion Paper</td>
</tr>
<tr>
<td>May</td>
<td>Mobilisation Steering Committee Meeting #1</td>
</tr>
<tr>
<td>Mid – End May</td>
<td>Workshops &amp; meetings with Council executive &amp; staff in: • Townsville City • Charters Towers Regional, • Burdekin Shire, &amp; • Hinchinbrook Shire</td>
</tr>
<tr>
<td></td>
<td>Regional Tourism meetings and workshops in: • Townsville • Charters Towers • Burdekin Shire • Hinchinbrook Shire</td>
</tr>
<tr>
<td>June</td>
<td>Context Analysis report prepared and presented to Steering Committee</td>
</tr>
<tr>
<td>July</td>
<td>Governance structure, including templates for Engagement Tools, agreed with Steering Committee</td>
</tr>
<tr>
<td>Late July/Early August</td>
<td>Councils undertake Health Checks, develop Action Plans and Statement of Roles documents</td>
</tr>
<tr>
<td>Mid – late August</td>
<td>Draft strategy prepared, feedback sought and final strategy presented to Steering Committee</td>
</tr>
</tbody>
</table>

Following broad consultation, the North Queensland Local Government Tourism Engagement Strategy identified the following key initiatives as vital in a sustainable partnership approach:

- A partnership framework that establishes more formal links between the RTO, local government and industry;
- A shared approach to future planning through a range of partnership documents including a Partnership Agreement, Destination Action Plan, and Local Tourism Action Plan for each local government and Townsville Enterprise;
- Formation of a regional tourism action group to identify and prioritise key projects;
- Supporting the establishment of local tourism committees; and
- An annual review process and health check.

For further information relating to tourism planning please see the resources below.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Description</th>
</tr>
</thead>
</table>
5. Tourism Marketing

5.1 Tourism Markets

Tourism markets may be defined on the basis of a range of criteria and they will overlap to some degree. Travellers will engage in different types of holiday at different times depending on circumstances such as the experiences / benefits sought, time of year, who they are travelling with and the time available.

Councils may consider whether their region offers the experiences and supporting infrastructure that will appeal to these markets. A tourism strategy should identify target markets, the experiences and associated product that will appeal to the target market and the method of communication and promotion. The process is most likely to be undertaken by the regional tourism association.

The benefits sought by travellers include:
- Adventure, challenge and excitement
- Connecting with family and friends
- Discovery and exploration
- Entertainment
- Escape
- Relaxation
- Rejuvenation, health and wellbeing
- Sensory stimulation
- Luxury, prestige and indulgence.

Festivals and events occur across most of these markets and are identified as tourism product (Section 5.2) rather than as a discrete consumer market.

Table 5.1 Tourism Markets

<table>
<thead>
<tr>
<th>Tourism market</th>
<th>Benefits sought</th>
<th>Context</th>
<th>Activities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adventure &amp; Activity</td>
<td>Adventure and activity focus. May be competitive – may seek ‘trophy’ experiences.</td>
<td>Couples / friends / club groups. Travel may be an outcome of regular recreational activity e.g. walking group, golf club. Most likely to be intrastate but will travel more widely for special experiences and events.</td>
<td>4WD touring, fishing, boating, surfing, cycling, hiking, golf.</td>
<td>The activity is the focus of the trip. Provided the destination is linked to the activity there will be interest in visiting. Events and branded tracks and trails may provide focus e.g. Tour Down Under.</td>
</tr>
</tbody>
</table>
Table 5.1 (Continued)  Tourism Markets

<table>
<thead>
<tr>
<th>Tourism market</th>
<th>Benefits sought</th>
<th>Context</th>
<th>Activities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beach Holiday</td>
<td>Relaxation, lifestyle, connecting with family &amp; friends.</td>
<td>Family or extended family—often annual. Beach house, caravan and camping. Resorts and resort packages. Long weekend to 2 weeks.</td>
<td>Sun and sand, fishing, other water based activities, activities for children.</td>
<td>Less discretionary. Will return to same place year on year.</td>
</tr>
<tr>
<td>City Break</td>
<td>Entertainment, excitement, indulgence, Exploration.</td>
<td>Short break. Couple or friends. Pre or post family.</td>
<td>Nightlife, restaurants, galleries, shopping, festivals and events, casino.</td>
<td></td>
</tr>
<tr>
<td>Cultural / Special Interest Tourism</td>
<td>Discovery, learning, entertainment, interpretation.</td>
<td>Maybe small group with expert leader. Couple. Maybe empty nesters.</td>
<td>Aboriginal, nature, wildlife, special event e.g. Ring Cycle.</td>
<td>May belong to a society or friends group with particular interests. Includes 'Not for profits'</td>
</tr>
<tr>
<td>Cruise Boat</td>
<td>Indulgence, entertainment.</td>
<td>Couple or friends.</td>
<td>Food and wine, sightseeing, nightlife.</td>
<td>Relatively small market but increasingly important. Day trips from boat mostly packaged by tour operator.</td>
</tr>
<tr>
<td>Drive Tourism</td>
<td>Discovery, exploration. Winter escape.</td>
<td>Travel with partner or friend/s. Includes interstate / overseas. Less attractive for families although may undertake a longer duration trip to visit places of national significance.</td>
<td>Sightseeing, heritage, nature, food and wine, galleries, markets, museums, interpretive centres.</td>
<td>Includes so called ‘Grey Nomads’. Likely to be a growth market for the future. Itinerary may be influenced by branded drive routes e.g. Great Ocean Road.</td>
</tr>
<tr>
<td>Luxury Tourism</td>
<td>Indulgence, relaxation, prestige.</td>
<td>Short break with partner. Resort, spa or luxury B&amp;B. May be a special occasion e.g. wedding, birthday. Intrastate / interstate / overseas.</td>
<td>Beach resort, wine region, spa, massage, cellar doors, golf, restaurants.</td>
<td>The standard of the accommodation and associated facilities a key component.</td>
</tr>
</tbody>
</table>
Table 5.1 (Continued) Tourism Markets

<table>
<thead>
<tr>
<th>Tourism market</th>
<th>Benefits sought</th>
<th>Context</th>
<th>Activities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings, Incentives, Conference and Exhibitions (MICE)</td>
<td>Business meetings</td>
<td>Professional groups. In some instance partners may also travel.</td>
<td>Conference, business meetings, team building, planning retreat.</td>
<td>Appropriate facilities required to service this market. Regions that can provide ancillary activities may also be more attractive.</td>
</tr>
<tr>
<td>Visiting friends and relatives (VFR)</td>
<td>Connecting with family and friends.</td>
<td>Celebration, family events.</td>
<td></td>
<td>Large sector of the travel market but less discretionary.</td>
</tr>
</tbody>
</table>

The ‘Experience Seeker’

The primary target market adopted by the South Australian Tourism Commission and Tourism Australia for its marketing activities is the Experience Seeker.

Tourism Research Australia defines the Experience Seeker as a high yielding consumer segment who will stay longer, spend more and disperse to regional areas. Experience Seekers are said to be looking for unique, involving and personal experiences from their holidays. They are more informed, interested and curious about potential travel destinations. They have above average household incomes and are well educated.

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Experience Seekers are interested in:

- Authentic personal experiences
- Social interactions
- Meeting and interacting with the locals
- Experiencing something different from their normal day-to-day life
- Understanding and learning about different lifestyles and cultures
- Participating in the lifestyle and experiencing it, rather than observing it
- Challenging themselves – physically, emotionally and/or mentally
- Visiting authentic destinations that are not necessarily part of the tourist route
- Exposure to unique and compelling experiences.

For further information:

<table>
<thead>
<tr>
<th>Type</th>
<th>Source</th>
</tr>
</thead>
</table>
5.2 Tourism Product

A tourism product is an experience or set of experiences sought by visitors and the associated physical and service attributes that enable the consumer to access the experience. In most cases, the consumption of the product involves a commercial transaction. Product is defined on the basis of the characteristics of supply and may appeal to a range of consumer markets.

Tourism product may be packaged and distributed by travel agents and other intermediaries or accessed directly by consumers.

A typology of tourism product is presented below (Figure 5.2).

**Figure 5.2 Tourism Product**
To understand the opportunity represented by tourism Councils or regional tourism authorities should conduct a tourism product audit. The typology presented in Figure 5.2 could be adopted as a framework for the audit.

A product audit for tourism may include a SWOT analysis (strengths, weaknesses, opportunities and threats), product gaps and an assessment of key experiences and the destination brand. The SWOT analysis should identify gaps in land use planning and should inform the tourism component of local planning strategy.

Information for each product might include:

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>Type – as per Figure 5.2 Number of rooms / lettable units / powered &amp; unpowered sites for caravan parks / bed spaces for backer and hostel accommodation Star grading Location</td>
</tr>
<tr>
<td>Attractions</td>
<td>Type of attraction and experience categories as per Figure 5.2 Location</td>
</tr>
<tr>
<td>Festivals and events</td>
<td>Level of significance – local, regional, hallmark Experience – as per Figure 5.2 Date/s Location</td>
</tr>
<tr>
<td>Tours and transport</td>
<td>Type Experience – as per Figure 5.2 Location</td>
</tr>
<tr>
<td>Tourism services / retail</td>
<td>Experience Location</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Boat ramps Jetties Location</td>
</tr>
</tbody>
</table>

Where possible product listings should be geo-coded in a format compatible with GPS and spatial mapping technology.

The Australian Tourism Data Warehouse is the largest database of tourism product in Australia and can provide a substantial proportion of the information required for a tourism product audit. Other sources include online booking portals, regional tourism product brochures and guides and databases maintained by regional tourism authorities.

A tourism product audit may also identify infrastructure needs that will support tourism. This includes:

- Airports / bus / train terminals
- Parking bays for motor homes & waste drop points
- Public toilets
- Power
• Roads
• Telecommunications
• Wastewater.

Tourism planning should identify potential infrastructure stress points and infrastructure that may be at risk if tourism numbers increase.

5.3 Place Branding

Place branding provides a mechanism to distinguish a destination from other places in the mind of the consumer and to increase the likelihood of consideration and choice. It is not necessarily about logos and tag lines or the search for a ‘core essence’ but more about ‘telling your story’ and focusing on some distinctive elements that will resonate with target markets. It is also about the promise you make to visitors as a service provider.

Destinations may construct a ‘brand pyramid’ to describe the brand attributes – see the City of Holdfast Bay brand pyramid in the Two Sides case study – Section 5.4.

The regional brand may be formally defined through a ‘brand book’ or style guide for the region. The style guide can be a resource for the industry to ensure consistent messaging and ‘look and feel’ for communication activities.

Place branding may also address other economic and social objectives such as attracting residents and businesses and reinforcing the benefits of living in the area for existing residents.

Events can make a significant contribution to a region’s place brand by raising awareness of the regions heritage and experiences and also contributing to the perception of a place that is lively and vibrant.


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5.4 Advertising and Promotion

Tourism promotion has traditionally relied on the production and distribution of regional guides, product brochures and related materials supported by mass media advertising where budgets have been available. Public relations (establishing and leveraging media relationships) can also be an effective method of placing stories and editorial relating to your region.

With the growth of the internet, content marketing has become more important with the emphasis on the development of content that can be distributed widely over a range of digital platforms. In particular content that will be shared via social media provides a cost effective mechanism for building destination awareness.

Tourism Research Australia has developed a comprehensive social media kit for events\(^{47}\).

Where a social media strategy is adopted by council, staff resources must be allocated to maintain currency of posts which may be further inhibited where posts need to be authorised by Council communication managers. The process for the management of social media should be timely and flexible.

Where possible a single digital portal (e.g. Barossa.com) should be used as the call to action for all regional marketing and an agreement reached on the sharing of commissions where a number of stakeholders are represented (e.g. Councils and / or business associations). This should include visitor information centres (VICs) where VIC are selling commissionable product.

A substantial challenge for regions is the fragmentation of digital communication and distribution channels.

City of Holdfast Bay – Two Sides Campaign

The City of Holdfast Bay has initiated a marketing campaign known as ‘Two Sides’ with the objective of repositioning the destination brand of Glenelg and encouraging repeat visitation.

Glenelg provides the destination focus for Holdfast Bay and for a great many Adelaide residents there is a strong emotional attachment to Glenelg – particularly around hot summer days/nights, treats (including fish & chips and ice-cream) and spending time with the family. The general perception is that the area ‘has it all’ – great shopping, great restaurants, great seaside atmosphere and great beaches.

While attachment to the area is strong, repeat visitation is considered to be poor, particularly outside of the summer peak season. To encourage repeat visitation a destination campaign was initiated in 2014 that would align with the City’s brand guidelines and reinforce its key values and personality shown in the brand pyramid below (Figure 5.3).

The specific objectives for the campaign were to:

- Reposition the place brand of Glenelg within regional, national and international markets.
- Maintain Glenelg’s position as a premier tourist destination that appeals to key demographics.
- Increase the consumer preference for Glenelg as a tourism destination.
- Increase day trip demand by stimulating repeat visitation.
- Improve the brand salience of Glenelg to be top-of-mind for the consumer.
- Reflect the vibrant, fun, social and relaxed atmosphere that makes the area unique.
- Create a conversation about Glenelg by dissecting the different story frames and utilising them in all aspects of marketing activation.

**Figure 5.3 City of Holdfast Bay – Brand Pyramid**

Within this context, seven key message strings were developed that could clearly articulate the virtues and values of Glenelg.

- Relaxed – Family friendly atmosphere; lifestyle; casual (beach side); holiday atmosphere.
- Vibrant – Always something happening, exciting, lots of entertainment, busy.
- Shopping – Large combination of shops, uniqueness to the area, combination of grocery and other.
- Food – Large variety of outlets, relaxed takeaway, ice creams and fish and chips.
- Beachside location – seaside location is key.
- Social – Meeting place for family and friends / destination for coffee.

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Accessible – Only 20 minutes from Adelaide CBD, public transport links, centralised location of traders and beach, wide range of parking options.

#TWOSIDES Tourism Brand Story

The thrust of the campaign was to create a brand story for Glenelg and to remind South Australians about their experiences at Glenelg and make a return visit, with the understanding that there is always another side to the ‘story’ of the Glenelg they know and love.

A television commercial was developed as a platform to launch the #TWOSIDES destination campaign.

The key themes of the ad were: Unwind, Nightlife, Celebration, Sea views, Soul food, Playgrounds and Retail Therapy. These themes were used to showcase two visually compelling reasons to visit Glenelg at the same time, linked through one word that’s applicable to both.

The tagline was: There’s always TWOSIDES to every story.

The campaign juxtaposed family friendly daytime attractions with nightlife and the excitement of events like New Year’s Eve with the simple joy of relaxing on the beach. It conveyed an image of a place to rev up and to unwind, and these themes have been and will continue to be showcased through various marketing channels.

The campaign was designed to reach a specific target audience - women in Adelaide aged between 25-40 years. The campaign utilised highly visual mainstream channels to reach a large audience via tram wrap, television, selected magazines, road signage and cinema.

The campaign was incorporated into regional events with marketing design, promotion and activation onsite using Instagram photo frames. Events included Tasting Australia, Easter at the Bay, Glenelg Christmas Pageant, New Year’s Eve at the Bay, Winter Wonderland, Tour Down Under.

A dedicated social media strategy was also initiated which included Holdfast Bay & Jetty Road Facebook, Twitter, Instagram and YouTube.

Campaign Impact

The objectives for the campaign were specified on the basis of day trip visitation, tourism expenditure, Jetty Road vacancy rates, planned developments in Glenelg, YouTube views for the TVC, Facebook and other page views.

The results for the campaign exceeded the initial targets. The results were:

- 8% increase in visitation from the day tripper market
- 1.5% increase in tourism expenditure within the region
- Television commercial received 4,500 visits on YouTube
- 57% increase in followers for City of Holdfast Bay Facebook page
- 23% increase in followers for Jetty Road Facebook page.
5.5 Distribution

Distribution relates to the mechanism through which consumers access, and where applicable purchase, tourism products and services.

The chart below summarises the tourism distribution system and the commission that typically applies at each level of the distribution chain for a product or service that sells for $120.

**Figure 5.3 Tourism Distribution**

With the growth of the internet direct sales have become more common and traditional distribution channels such as travel agents and wholesalers, less important.

The distribution of tourism product in regional areas may be facilitated through a visitor information centre (VIC) and many Councils directly manage or support a VIC.

Where consumers source information online the VIC plays a complementary role through reassurance and by providing a personal connection to the region.

A recent study of VICS in South Australia\(^49\) found that visitor information centres were responsible for delivering 7% of sales revenue for a representative sample of regional tourism operators. The proportion of sales varied between 2% for hotel/motel accommodation to 8% for tour operators and 13% for attractions.

The research found that visitor centre patrons participated in additional activities and spent more time in the local area or elsewhere in South Australia as a result of visiting the VIC.

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\(^49\) Tourism Research Australia, SA Regional VIC Research, 2012.
Over four fifths (83%) of VIC patrons had participated in additional activities, 72% had increased the duration of their stay with 22% spending additional nights in the local area and 27% staying overnight elsewhere in South Australia. Visitors who extended their stay overnight stayed on average an additional 2.9 nights in the local area and 6.1 nights elsewhere in SA.

A significant proportion (59%) stated that the additional activities or additional time resulting from their visit to the visitor centre had also resulted in expenditure that they hadn’t planned prior to visiting the VIC. These visitors spent an additional $181 per adult, on average.

Over time VICs have become more directly involved in the sale of commissionable product and receive an income stream through commissions. In some cases VICs may receive a share of the commissions for product booked online through a regional tourism internet portal which shares a product database with the VIC.

An issue for VICs as they develop booking capacity is the need to become registered as travel agents. This occurs when the VIC transacts more than $50,000 in sales revenue (in 2012).

A further issue for VICs as they develop booking capacity is staff resources as volunteers may struggle to keep up with content and technology.

The Australian Tourism Data Warehouse (ATDW) provides a mechanism for tourism product to link electronically with the online booking platforms of their choice. Tourism operators should be encouraged to use an online booking management system that will link with the ATDW and the VIC in their region and support real time booking by consumers. Some tourism operators believe they are online enabled if they have a booking form on their website and may be averse to adopting an online booking system due to a reluctance to pay commission.

All tourism products including festivals and events should be listed on the ATDW to ensure that they have the potential to be distributed as broadly as possible through digital channels.

The ATDW e-kit provides an extensive range of training and other resources in relation to the distribution of tourism product.

For further information:

|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
Profile information is provided below for the eight VICs that participated directly in the second stage of the SA regional VIC research project. The project was conducted in 2011 and some of the detail may have changed.

Table 5.3 Overview of Visitor Information Centres

<table>
<thead>
<tr>
<th></th>
<th>Clare</th>
<th>Goolwa</th>
<th>Mt Gambier</th>
<th>Penneshaw</th>
<th>Quorn</th>
<th>Renmark</th>
<th>Tanunda</th>
<th>Victor Harbor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staffing (2)</strong></td>
<td>6 prof. staff - 4 volunteers.</td>
<td>4 prof. staff - 29 volunteers.</td>
<td>6 prof. staff – no volunteers.</td>
<td>4 prof. staff.</td>
<td>3 prof. staff – 25 volunteers.</td>
<td>3 prof. staff – 15 volunteers.</td>
<td>7 prof. staff – 7 volunteers.</td>
<td>3 prof. staff – 55 volunteers.</td>
</tr>
<tr>
<td><strong>Visitor numbers 2010/11 (3)</strong></td>
<td>20,800</td>
<td>18,500</td>
<td>54,500</td>
<td>34,300</td>
<td>11,700</td>
<td>39,300</td>
<td>43,500</td>
<td>56,000</td>
</tr>
<tr>
<td><strong>Online booking system</strong></td>
<td>Yes V3/LaunchPad</td>
<td>Yes – BookEasy</td>
<td>No</td>
<td>Yes V3/LaunchPad</td>
<td>Yes V3/LaunchPad</td>
<td>Yes V3/LaunchPad</td>
<td>Yes BookEasy</td>
<td>No</td>
</tr>
<tr>
<td><strong>Commission structure</strong></td>
<td>15% for manual bookings (subj. to neg.)/9% online thru VIC.</td>
<td>10% for manual bookings/ 9% online thru VIC.</td>
<td>Receive a commission on bus tickets. Does not otherwise book product.</td>
<td>10% for manual bookings/ 9% online thru VIC/ 4% online via internet portal.</td>
<td>9% online thru VIC. Some product may be booked manually at an agreed comm. rate.</td>
<td>10% for manual bookings/ 7% online thru VIC.</td>
<td>10% where bookings made online by the VIC staff/ 8% online through Barossa.com.</td>
<td>10% - 15% on manual bookings (mostly 10%).</td>
</tr>
</tbody>
</table>

1. Funding model is the primary source of funding – the VICs generate other income through merchandise sales and bookings. The Penneshaw VIC currently does not receive Council funding.
2. Professional staff includes casual and part time (the figures are not full time equivalent positions).
3. Counter enquiries. Visitor numbers for Renmark include bus passengers as bus terminal co-located with VIC.
### Table 5.3 (Continued). Overview of Visitor Information Centres

<table>
<thead>
<tr>
<th></th>
<th>Clare</th>
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<th>Quorn</th>
<th>Renmark</th>
<th>Tanunda</th>
<th>Victor Harbor</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIC linked to web site with ‘book now’ button for VIC enabled product (1)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes (2)</td>
<td>No</td>
<td>Yes (3)</td>
<td>Yes (4)</td>
<td>No (5)</td>
</tr>
<tr>
<td>Sales commission 2010/11 (6)</td>
<td>$10,001 - $30,000</td>
<td>$10,001 - $30,000</td>
<td>$10,001 - $30,000 (bus tickets)</td>
<td>$10,001 - $30,000</td>
<td>&lt; $10,000</td>
<td>&lt; $10,000</td>
<td>&gt; $30,000</td>
<td>&gt; $30,000</td>
</tr>
</tbody>
</table>

1. In general the VICS that have an online booking system are moving toward an internet portal for the VIC enabled product. In most cases a regional tourism website.
3. Renmark has book now button for some product on regional website http://www.visitrenmark.com which generates and email enquiry form.
5. The VIC is planning to link through the tourism Victor Harbor web site.
6. Sales commission relates to tourism product and excludes revenue from souvenirs / café etc. Includes online and offline bookings.
6. Evaluation and Monitoring

The main sources of information regarding tourism and travel in Australia are the national sample surveys conducted by Tourism Research Australia: the National Visitor Survey (NVS) and the International Visitor Survey (IVS). For further information regarding the surveys see the SATC’s fact sheet – About the Research Sources.\(^5^0\)

As they are sample surveys the NVS and IVS are subject to sample error and may be less reliable at a regional level. While the data is useful in quantifying the number of visitors, visitor nights and the value of tourism it is less valuable in tracking industry performance over time at a regional level.

Tourism Research Australia has prepared profiles for local government areas subject to data reliability.\(^5^1\) Data are drawn from TRA’s International Visitor Survey (IVS) and National Visitor Survey (NVS), along with demographic and business data from the Australian Bureau of Statistics (ABS).

NVS and IVS data may also be disaggregated to the level of the Council region through the application of a model such as the TIM referred to previously in Section 2.

To track performance over time surveys of tourists may be conducted at the destination through the VIC and/or attractions or industry performance may be monitored through surveys of tourism operators.

Measures of tourism impacts and health include the following:\(^5^2\):

- Visitor numbers (domestic and international)
- Visitor expenditure (yield) and contribution to the economy
- Visitor nights (length of stay)
- New product development
- Major events attracted
- Funding and cooperative marketing—government and private sector
- Population growth
- Community support/confidence in tourism
- Visitor satisfaction
- Unique visitors to the website
- Attraction, event and Visitor Information Centre visitor numbers
- Accommodation occupancy
- RevPar (Revenue per room night of supply)
- Repeat visitation

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\(^5^1\) Tourism Research Australia. Local Government Area Profiles.


www.ctctourism.com.au
• Awareness of the destination’s marketing efforts (advertising awareness)
• Conversion of awareness to intention and visitation
• Media and PR value (changed perceptions in target markets)
• Brand awareness.

Surveys of visitors

Destination based surveys of visitors may be conducted through visitor centres, cellar doors and other tourism attractions – often by asking visitors to complete a paper based or online survey for an incentive such as a prize draw. Generally there is no source of visitor numbers available that can be used to weight the survey samples and this type of survey provides profile information relating to the visitors surveyed. While low cost their value for monitoring purposes is limited.

One region for which relatively accurate visitor data is available is Kangaroo Island with this information derived from the passenger data collected by the airlines and the ferry service. The transport data is supplemented by a survey of visitors and a survey of residents to provide a comprehensive suite of indicators that can be used to monitor the health of tourism on the Island. The program is known as the Tourism Optimisation Management Model (TOMM).

The TOMM methodology is only applicable to Kangaroo Island due to the availability of the transport data.

Surveys of supply

The Australian Bureau of Statistics conducts a survey of accommodation establishments with 15 or more rooms which is known as the Survey of Tourist Accommodation (STA). The STA is now published annually and provides data relating to the supply of accommodation establishments with 15 or more rooms/units, guest arrivals, room occupancy and takings. The survey data may be disaggregated to Council area subject to limitations regarding confidentiality.

The South Australian Tourism Industry Council (SATIC)\(^ {53}\) conducts a regular quarterly survey of supply to determine industry health and factors influencing performance. The data cannot be disaggregated however to the level of region or Council area. It is a useful tool however in understanding the factors that are affecting the industry more broadly.

In some instances in the past, regions have attempted to set up dedicated panels of accommodation operators to estimate the trends in demand however the results may be erratic where products are not reporting on a regular basis. Setting up and managing a panel of suppliers is a costly and / or labour intensive activity if the objective is to track performance over time.

\(^{53}\) http://www.satic.com.au
Tourism Research Australia attempted to set up a national panel of small scale accommodation but was unsuccessful due to low levels of response. See the Small Scale Accommodation Survey Evaluation Report for further detail.\(^{54}\)

Festivals and Events

Where box office or attendance data is available for festivals and events their impact on host communities may be determined through surveys of event patrons. There is a well established procedure for evaluating festivals and events which is described in the publication by the Sustainable Tourism CRC: Encore Event Evaluation Kit.

Further information regarding event evaluation is provided in the LGA’s Festival and Events Guide for Local Government.

For further information:


APPENDIX A   Local Government Expenditure on Tourism

As a component of their reporting for the Local Government Grants Commission, Councils provide data on expenditure relating to tourism promotion and tourism accommodation. The information is summarised in this section.

Figure A.1   Average Expenditure per Council – Tourism and Regional Promotion

The large increase in average expenditure for metropolitan Councils is due to the Adelaide City Council which increased spending from $1.5 million to $8.2 million between 2011/12 and 2012/13.

Metropolitan Councils have increased expenditure on tourism promotion by 29% per annum over the reference period, on average, compared with 16% per annum for regional Councils.

Figure A.2   Average Expenditure per Council – Caravan Parks and Tourism Accommodation

Expenditure by metropolitan Councils on caravan parks and tourism accommodation has contracted by 9% per annum over the reference period compared with an increase of 6% per annum in regional areas.
Regional Councils spent an average of $45 per resident in 2012/13 on tourism and regional promotion compared with $9 per person for the metropolitan Councils.

Regional Councils spent an average of $25 per resident on caravan parks and tourism accommodation compared with $0.7 per resident for the metropolitan Councils.