

Report from NSW Legislative Council Inquiry into Tourism in Local Communities

Full report at:

[http://www.parliament.nsw.gov.au/Prod/Parliament/committee.nsf/0/91b529c2e7aa3824ca257c920083817b/\\$FILE/GPSC%20No.3%20Report%2030%20Tourism%20in%20local%20communities.pdf](http://www.parliament.nsw.gov.au/Prod/Parliament/committee.nsf/0/91b529c2e7aa3824ca257c920083817b/$FILE/GPSC%20No.3%20Report%2030%20Tourism%20in%20local%20communities.pdf)

The report was lodged on: 6 Mar 14

Response by the government regarding the recommendations is due by Monday 8 Sept.

The content and Recommendations on Rail Trails is Section 20

Rail trails

6.73 The Committee heard from a number of inquiry participants who advocated for the development of rail trails in New South Wales. Rail trails reuse disused or abandoned rail corridors to develop tracks for walking, cycling and/or horse riding. Inquiry participants highlighted that rail trails offer a number of opportunities for communities through increased visitation to their area and the potential services visitors require.

Visitation

6.74 Rail trails appeal to a wide range of visitors by offering outdoor recreational experiences as well as heritage experiences.

6.75 Rail Trails Australia stated that rail trails in Victoria's north east attract around 40,000 people each year.⁵⁸⁸ A visitor survey of the Fernleigh Track Rail Trail in Newcastle, which was

586 Evidence, Mr Dangaard, 26 August 2013, p 63.

587 Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 4. developed on a former private coal line, showed that this rail trail received 898 visitors on Sunday 28 January 2007 and 590 visitors on Wednesday 31 January 2007.⁵⁸⁹

6.76 Bicycle NSW expressed its support for the development of rail trails and the opportunities they provide for the visitor economy and for people of all ages who enjoy outdoor activities such as cycling. It also endorsed the work of Rail Trails Australia in championing the development of rail trails in New South Wales.⁵⁹⁰

Economic benefits

6.77 Advocates of rail trails contended that they have the potential to bring significant economic benefits to local communities. For example, Rail Trails Australia highlighted the economic contribution of visitors to rail trails in Victoria and New Zealand. It advised that Easter visitors to rail trails in north east Victoria spent on average, \$244 per day.⁵⁹¹ The Otego Central Rail Trail in New Zealand has a direct economic benefit of over \$8 million.⁵⁹²

6.78 Inquiry participants also highlighted the estimated benefits of proposed rail trail sites in New South Wales. For example, Gundagai Shire Council commissioned a study in 2009 to assess the feasibility of a Murrumbidgee Valley Rail Trail, which estimated the direct additional expenditure as a result of a rail trail development in the region to be in the order of \$1.006 million per year.⁵⁹³

6.79 Northern Rivers Rail Trail Inc. stated that rail trails 'encourage a wide range of businesses and services to cater for users and visitors.'⁵⁹⁴ It proposed a rail trail for the northern rivers on the line that runs from Casino to Murwillumbah, with an initial development between Bangalow or Lismore and Mullumbimby.⁵⁹⁵ Northern Rivers Rail Trail Inc. estimated that 'between 800 to 1200 jobs could be eventually created' by the development of this trail.⁵⁹⁶ It also suggested that development would create demand for new services such as tour operators for walking or cycling groups, rail memorabilia, accommodation services and food outlets.⁵⁹⁷

6.80 The Tumbarumba Shire Rail Trail Steering Committee stated that rail trails provide a 'boost to local economies through a steady stream of tourist traffic.'⁵⁹⁸ It contended that this would help ensure the viability of small towns along the trail that are in decline.⁵⁹⁹

588 Submission 90, Rail Trails Australia, p 3.

589 Submission 90, Rail Trails Australia, p 4.

590 Submission 91, Bicycle NSW, p 1.

591 Submission 90, Rail Trails Australia, p 3.

592 Submission 90, Rail Trails Australia, p 3.

593 Submission 90, Rail Trails Australia, p 3.

594 Correspondence from Northern Rivers Rail Trail Inc., to Chair, 14 October 2013, p 3.

595 Correspondence from Northern Rivers Rail Trail Inc., 14 October 2013, p 3.

596 Correspondence from Northern Rivers Rail Trail Inc., 14 October 2013, p 3.

597 Correspondence from Northern Rivers Rail Trail Inc., 14 October 2013, p 7.

598 Submission 88, Tumbarumba Shire Rail Trail Steering Committee, p 4.

599 Submission 88, Tumbarumba Shire Rail Trail Steering Committee, p 4.

Proposed sites

6.81 Rail Trails Australia highlighted a number of potential sites for the development of rail trails in New South Wales.

Some examples are provided below.

Molong to Dubbo.

Culcairn to Corowa.

Monaro, between Queanbeyan and Bombala.

Goulburn to Crookwell.

Pioneer Rail Trail, between Tarana and Oberon.

6.82 A number of other inquiry participants identified an opportunity to develop a rail trail in their community. For example, Tumbarumba Shire Council strongly supported 'development of a multi use rail trail'.⁶⁰⁰ Tumbarumba Shire Council stated that it sees a rail trail as 'not only providing community benefits but as the ideal activity for our visitors who are seeking outdoor recreational opportunities in a scenic environment. It also stated that a rail trail could link with food and wine producers to provide a farmer's market experience.'⁶⁰¹

6.83 The New England Rail Trail Committee proposed a rail trail for the New England area which, if developed, would be the longest and highest rail trail in Australia. It outlined that the proposed trail would encompass four regional councils, four major towns and seven smaller communities. It also includes seven railway stations that are in pristine condition and offer significant opportunities for heritage visitation as well as the development of new services such as cafes and craft shops.⁶⁰²

Committee comment

6.84 The Committee acknowledges the potential benefits offered by the development of rail trails to local communities and the wider visitor economy in New South Wales and believes that the Government should review the feasibility of allowing disused rail corridors in New South Wales to be developed into rail trails.

Recommendation 20

That the NSW Government allow disused rail corridors in New South Wales, or land immediately adjoining the rails that belong to the Government, to be developed into rail trails.

Recommendation 21

That the NSW Government report on the potential for disused rail corridors to be restored to provide rail based tourism to regional areas and establish a rail travel tourism sector.

600 Submission 52, Tumbarumba Shire Council, p 3.

601 Submission 52, Tumbarumba Shire Council, p 3.

602 Submission 89, New England Rail Trail Committee, p 1.

The following is of interest when considering Rail Trails and their marketing

Chapter 7 Marketing and regional tourism

organisations

This chapter examines the marketing of tourism and visitation in New South Wales. It looks at some of the different regional tourism organisations across the State and considers how the structure of these organisations can impact upon the success of their marketing strategies. The chapter then looks at some other marketing strategies which have been run by local governments more independently of regional tourism organisations. Aboriginal tourism is then examined, as is the role and value of Visitor Information Centres in regional communities. Finally, the delivery of key surf lifesaving messages through marketing activities is discussed.

Marketing

7.1 Effective tourism marketing and promotion drives visitation by increasing consumer awareness of the different experiences and products a destination has to offer. This section highlights some key issues identified by the Visitor Economy Taskforce with regard to the marketing of regional destinations and outlines some of the strategies being implemented by the NSW Government to address these issues. The importance of consumer-focused destination marketing, a clear State brand, collaborative marketing and digital marketing are also examined.

Findings of the Visitor Economy Taskforce

7.2 The review undertaken by the Visitor Economy Taskforce into tourism and visitation in New South Wales found that poor marketing and low destination appeal were significant issues for regional destinations and for New South Wales as a whole, and that existing processes for targeting and delivering funding and developing marketing strategies had failed to deliver results.

7.3 The Taskforce commissioned research to assess the appeal of New South Wales destinations to potential domestic visitors, which focused on 16 regional destinations across the State. The key finding was that many regional destinations are not perceived as unique or appealing to domestic visitors.

7.4 In particular, the Taskforce found that 'many NSW destinations are seen as too generic and are lacking in visitor appeal particularly in key domestic interstate markets' and that 'all regions are not equally appealing'.⁶⁰³ It concluded that 'sharper destination positioning is required' and that 'destinations with the highest potential consumer appeal should be the priority to promote to increase visitation and visitor spend'.⁶⁰⁴

⁶⁰³ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

⁶⁰⁴ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*,

7.5 The Taskforce concluded that regional destinations are currently not achieving full visitor potential and that the existing regional tourism organisations funds and marketing structures must be reformed.⁶⁰⁵

7.6 With regard to the State as a whole, the Taskforce found that '[a] lack of long-term, consistent and strong destination branding has limited the effectiveness of past promotions and has prevented the brand potential of Sydney and NSW from being achieved'.⁶⁰⁶

Marketing strategies in the Visitor Economy Industry Action Plan

7.7 The Visitor Economy Industry Action Plan outlines some key strategies (as recommended by the Taskforce) to deliver more effective marketing strategies for the State as a whole and for regional New South Wales.

7.8 These include finalising 'a long-term, compelling and consistently delivered brand strategy for key identified NSW destinations, and ensur[ing] joint marketing with Industry support'⁶⁰⁷ by:

- building a comprehensive brand positioning framework for New South Wales destinations, utilising current data on visitor preferences for key State destinations and experiences
- linking brand positioning with destination management plans and working with destinations to identify key features and promote key strengths
- integrating major events and festivals, arts and culture, natural heritage and other relevant positioning into the New South Wales destinations brand strategy

- establishing a systematic theming approach to regional destination promotion for use by all key industry marketing partners. 608

7.9 The NSW Government also supported a recommendation by the Taskforce to ‘focus all Government visitor marketing on the top target markets and market segments identified by research for NSW’,⁶⁰⁹ and as such will be:

- concentrating all future Destination NSW promotional effort, marketing, visitor servicing and product development solely on the top target markets identified through research: China UK, South Korea, USA, New Zealand, Japan, Singapore, India, Malaysia, Germany and Indonesia
- identifying the best market segment opportunities within or across these markets, for example, leisure, VFR [visiting friends and relatives], education and business

605 NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 128.

606 NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

607 NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 13.

608 NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 13.

609 NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 14.

- undertaking regular updates of target market and segment analysis to determine how best to attract and service the highest potential yielding visitor markets in terms of spend
- promoting New South Wales destinations that have the highest demonstrated consumer appeal and potential to grow visitor expenditure to target markets and incorporate
- events and festivals that are proven visitation drivers (e.g. the Tamworth Country Music Festival) into the domestic target market strategy.⁶¹⁰

Consumer-focused destination marketing

7.10 By understanding the consumer perceptions of a destination and their preferences of product and experience, destinations can better position themselves to respond to consumer needs and drive demand. Consumer-focused destination marketing places the consumer at the heart of planning and marketing and, at times, can challenge traditional local perceptions of what a region has to offer visitors.

7.11 Ms Sandra Chipchase, Chief Executive Officer of Destination NSW, illustrated the importance of consumer-focused destination marketing in enabling regional communities to understand their market and grow the visitor economy. She cited the findings of the Visitor Economy Taskforce that many areas of regional New South Wales do not have tourism appeal, either because visitors are not aware of the area or because it does not have a unique product that sets it apart from other destinations. Ms Chip chase highlighted that communities with limited tourism appeal have the opportunity to grow the visitor economy by readjusting their focus away from tourism to visitation and examining what they have to offer other visitor markets: ... these areas need to adjust their thinking from being a tourist destination to being a visitor destination and, therefore, looking at what are their local industries. Is there a way they can create a new market for conferencing? Is there a way they can create a new festival? Is there some other aspect regarding their particular area that would be of appeal perhaps for geological associations coming to have a look because they have fabulous rock formations? What is it that sets them apart?⁶¹¹

7.12 Ms Chipchase advised that through destination management plans, Destination NSW is helping regions to identify their visitor market segments. She stated that by targeting the right market, regions are able to focus their money, attention and activity to deliver a better result.⁶¹² Destination management plans were discussed in chapter 2.

7.13 Also raised in chapter 2 were destination management workshops. Ms Chipchase advised that these workshops also assist regions with marketing skills and strategies: ... we have been ... running a series of New South Wales first workshops. That has been around building capacity and capability of operators in regional New South Wales ... We have taken regional experts along as well as our own team to talk to

610 NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 14.

611 Evidence, Ms Sandra Chipchase, Chief Executive Officer, Destination NSW, 9 August 2013, p 7.

612 Evidence, Ms Chipchase, 9 August 2013, p 7.