

DESTINATION NORTH COAST
**ACCOMMODATION
REINVESTMENT
PROJECT**

July 2020

*INVESTIGATING ACCOMMODATION
INVESTMENT OPPORTUNITIES*

**PREPARED BY: STAFFORD STRATEGY
FOR: DESTINATION NORTH COAST**





Date of last modification: 24/07/20

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Executive Summary

Introduction

Stafford Strategy (Stafford) was commissioned by Destination North Coast (DNC) to assess the need and potential for commercial accommodation reinvestment into the North Coast Region.

This work builds on a separate (but linked) project (titled the *Tourism Research Services Project*) which: identified visitation levels to all areas within the region; identified product gaps; and determined ways to help activate stronger visitation, visitor yield and length of stay.

This earlier piece of work was primarily a detailed tourism research exercise across all sectors of the visitor economy, while this Commercial Accommodation Reinvestment Project is far more sectoral focussed.

The Current Scenario

The analysis indicates the following for the region.

- A number of LGAs have a disproportionate number of total commercial accommodation room capacity with stronger accommodation clusters currently in Mid Coast, Coffs Harbour, Byron, Tweed and Port Macquarie. Mid Coast has nearly 17% of rooms, Coffs Harbour (15.5%), Byron (14.5%), Tweed (13.1%) and Port Macquarie (13%). These 5 LGAs hold nearly three quarters (75%) of all current room stock for the region.
- Just under 46% of all commercial accommodation stock in the region is holiday homes and apartments which are mostly not available all year round. This is important to note as it gives the impression that the region has significant existing room stock though this is not permanent all year round and overstates the level of supply.
- Motels represent the largest number of rooms at 26%, followed by retreats and resorts (18%), holiday parks (17%) serviced apartments (11%), hotels (8.2%) and holiday homes and apartments (8%) with all other forms of accommodation room stock being 12.3% of available room stock.
- When looking at the size of commercial accommodation properties, 79% are characterised as micro (less than 15 rooms), 18.7% are small (less than 59 rooms), 2% are medium (60-149 rooms) and 0.3% are larger properties of 150+

rooms¹. While having an abundance of smaller commercial properties is fine, we note that this can limit the ability to attract conferences, business and other events, business and family-based functions etc. where attendees prefer to stay in the same facility.

- A review of online assessments was undertaken to determine overall product quality for the commercial accommodation sector. This showed that 21% of rooms were broadly categorised as higher quality (3,862 rooms), 49% as medium (8,962 rooms) and 30% as low quality (5,565 rooms).
- The only LGA with more than 50% of room stock in the higher category was Tweed (53%) followed by Byron (38%) and Lord Howe Island (36%). This is important to note as many LGAs were keen to stimulate additional investment (and reinvestment of existing facilities where possible) into higher quality commercial accommodation to help attract a higher spending visitor market.
- It was also found that a strong correlation exists between LGAs with more commissionable visitor attractions and experiences and who have a higher percentage of higher quality accommodation in the region.

Benchmarking

The evidence from the DNC region clearly illustrates that LGAs with a higher ratio of better-quality commercial accommodation properties have been able to attract higher-yielding visitor markets resulting in stronger local visitor economies. In addition, the following was identified.

- The connection to good quality fresh food and beverage options and the link to agri-tourism often reinforces the appeal of areas and helps stimulate desirable retail outlets which are able to leverage off the stronger visitor base.
- Having good accessibility to natural attractions and connectivity to nearby commercial accommodation (small, boutique and larger scale) via attractive walkways and cycleways etc, adds to the attractiveness of both natural attractions and nearby commercial accommodation.
- Having a good mix of both free and commissionable tourism products are important to package up with quality commercial accommodation as part of the visitor experience.

¹ Note, due to rounding totals may add up slightly more/less than 100%.

Best Practice Guidelines to Consider

The following reflect best practice guidelines of successful destinations and are offered to help the DNC region find ways to achieve the desired mix of commercial accommodation to enable it to grow its overall destination focus and to strengthen the accommodation mix. Without government intervention, most accommodation investment will struggle to be realised in the region, in the current economic environment.



Accommodation Investment Opportunities

There are a number of commercial accommodation investment and development opportunities identified which correlate to local government desires to stimulate economic uplift in a mix of coastal and hinterland areas throughout the North Coast region. These are identified in Figure 1 and include:

- hinterland eco chalets and/or cottages in at least 3 LGAs
- glamping style development in at least 3 LGAs
- medium-to-larger hotel, serviced apartment complexes or resorts in 8 LGAs
- destination holiday parks in at least 3 LGAs
- boutique hotels/resorts in at least 2 LGAs; and
- potentially three uniquely themed forms of commercial accommodation which could be in the form of an art hotel (to support an arts and cultural precinct), a nature-focused commercial accommodation facility to support a major national park/eco attraction and an Aboriginal-themed commercial accommodation facility to help support the viability of a new First Nation visitor cultural centre.

Investment Challenges

Except for 2 LGAs, the specific site location for each or any of the above new forms of commercial accommodation have not been determined (other than identifying whether they would ideally be in broad terms - CBD-, hinterland-, or coastal-based). This is partly because, for the most part, councils in the region are not owners of land which they can easily designate for commercial accommodation.

The onus, therefore, falls to the investor/developer to identify suitable sites for new accommodation facility which may be on private land, potentially Crown land, NPWS land or other land owned by State Government or Federal Government agencies.

However, as identified in this project (and in the previous *Tourism Research Project* completed for the North Coast region), there are significant challenges in getting government land activated for tourism purposes. Without a paradigm shift within government to act as the catalyst/facilitator for tourism investment and development, the ability to activate commercial accommodation development opportunities on a timely basis risks being viewed as too challenging by the development community.



Investment Needs

What is clear from the research and analysis, however, is the need to introduce various forms of new and mostly higher quality commercial accommodation, to help fill a product gap in the supply of facilities in the DNC region. Nearly every LGA consulted commented on their desire to:

- improve the level of visitor yield so a higher overall level of visitor spend is generated to improve the visitor economies in each LGA;
- grow the range of commercial accommodation available (with the possible exception of Byron);
- increase the overall quality of commercial accommodation facilities to help try and attract a far broader visitor market and one which has a higher propensity to spend;
- facilitating greater visitor dispersal throughout the various LGAs so that the economic benefit of the visitor economy can be shared more evenly with emphasis on stimulating visitation to hinterland areas and rural communities;
- cater to demand for new and better-quality food and beverage outlets in many LGAs which require a higher spending visitor market, staying overnight, to help make them more commercially viable; and
- increase local employment opportunities along with broader investment particularly as local economies want to pick up more strongly after the impact of COVID-19.

Need for Government Intervention

As most of the new accommodation being sort is 4-star quality or higher, it is particularly important that councils are able to offer the accommodation sector:

- support to securing potential sites for locating new commercial accommodation whether this be long term leases or freehold land
- working closely with developers and investors to assist in getting council planning approvals through in realistic timeframes where these offer desirable new forms of accommodation or expansion to existing accommodation properties where this is possible, and
- will work with project proponents where state government approvals are also required so projects do not get held up at a state government level.

A clear message from the development community is the desire for greater certainty from the government at all levels, to help mitigate project risk. This ranges across all forms of commercial accommodation from more remote and at times small scale commercial development such as glamping tents through to eco chalets and cabins, and a range of boutique hotels and larger-scale development where these may also be part of mixed-use development projects (sometimes with a co-located visitor attraction, a function or conference venue, retail etc.).

The consistent message received from operators, developers and investors is that the planning approval process in NSW, at both a local and state government level, is far more difficult to navigate and far less supportive of tourism development opportunities than is experienced in other states and territories around Australia.

When to Tilt the Playing Field

Current occupancy levels being seen and achieved room rates and yield are not often high enough yet for many existing commercial accommodation operators to consider major refurbishment or expanding existing properties to try and better meet changing market demands. The net result is often an ageing accommodation infrastructure for parts of the region, leading to challenges of how to competitively market the positioning of the region for the immediate future. This challenge is not unique to the DNC region however and is common in many regions nationwide.

As a result of this, there need to be other mechanisms to tilt the playing field so that new investment can be encouraged. This effectively means government intervention is essential as market forces alone are not strong enough in most locations on the North Coast to stimulate new accommodation investment. Forms of government intervention could include the following.

Stakeholder who can effect change:				
◆ Federal Government ■ State Government ● Local Government ▲ Other				
Non-financial Incentives	 Floor space bonuses & height incentives ●	 Release of Crown land for tourism development ● ■ ◆	 Mixed-use development schemes ● ■	 Exclusive zoning for tourism developments ● ■
	 Reduction in accessible room requirements for facilities with less than 15 rooms ●	 Planning & Process Support to speed up the approval process ● ▲		
Financial Incentives	 Tax exemptions/concessions ■	 Accelerated depreciation allowance for hotels etc. ■	 access to utility supply ● ■	 Government-subsidised loans ■ ◆
	 Income guarantee by operators to encourage off the plan buyers of units ▲	 Purchase of land and concessions on long term ground leases ● ■	 Incentives for heritage conversion to tourism use ● ■	 Direct Government Investment ● ■ ◆

Figure 1: Accommodation Investment Opportunities

- 1 - Higher quality art hotel
- 2 - Eco-accommodation resort
- 3 - Quality destination holiday park
- 4 - Glamping (Dorrigo National Park)
- 5 - Cultural-themed eco accommodation
- 6 - 4-star hotel
- 7 - 4-5-star hotel (new or upgrade)
- 8 - 4-star resort or hotel
- 9 - Higher-end self-contained accommodation
- 10 - Higher quality hotel/mixed-service apartments
- 11 - 4-5-star eco-resort
- 12 - Higher quality destination holiday park
- 13 - Mid-upper range hotel and conference venue
- 14 - Glamping
- 15 - 4-5-star hotel/resort
- 16 - 4-star service apartment complex
- 17 - Higher quality destination holiday park
- 18 - Eco-resort
- 19 - Higher quality destination holiday park
- 20 - 4-star resort
- 21 - Eco-accommodation
- 22 - Boutique, higher-quality hotel/resort



Opportunity (by Category) [22]

- Destination Holiday Park [4]
- Eco-Accommodation [5]
- Glamping [2]
- Hotel/Resort [8]
- Self-Contained [2]
- Hotel & Conference Facilities [1]
- DNC LGA Boundaries

Note: Locations are only high-level, based on discussions with stakeholder to indicate coastal, CBD and hinterland locations.

Concluding Points

A separate investment prospectus will be created to illustrate the various forms of new investment the DNC region may be able to encourage. Although this may lack specific development sites for locating these different forms of commercial accommodation facilities, it highlights the LGAs and potentially sub-regional areas where consideration to locations may be given.

While the North Coast region is a well-recognised as a generally mature visitor destination, expanding the commercial accommodation offering (in tandem with the attraction offering as identified in the *Tourism Research Services Project*) will assist in:

- continuing to grow the appeal of the destination for both a drive-through market and a stop and stay market; and
- attracting a higher-yielding visitor to the region to grow the benefit to local economies.

Like many locations nationally, destinations evolve organically over time, and changes in consumer habits and growth in market demand can lead to challenges occurring often with competing land uses. The development of transit accommodation initially (more often located along highways and major roads into and out of towns) throughout the region, and the change over time to focus more strongly on destination-based accommodation (and often

needing to be in different coastal and hinterland locations close to attractions), is a reflection of this change and subsequent challenge.

However, there are solutions to delivering stronger sustainable tourism outcomes. The supply of a range of commercial accommodation development options, including the introduction of accommodation product to appeal to different and at times higher-yielding visitor markets, are a key component to support ongoing destination sustainability.

As the research and analysis in this report identifies, those LGAs with a larger ratio of higher quality forms of commercial accommodation, and more often branded accommodation product, have been able to leverage commissionable (paid) attractions and experiences along with a broader range of food and beverage outlets to appeal to a more discerning visitor market.

Finally, the role of government is seen as crucial in delivering the outcomes for expanded and especially higher quality commercial accommodation product in the DNC region. Access to available land supply, supporting infrastructure and support through the planning approval process at local and state levels, necessitates a partnership approach to help achieve desired outcomes.





1. INTRODUCTION & CONTEXT

1.1. About the project

Stafford Strategy (Stafford) was commissioned by Destination North Coast (DNC) to undertake two separate but intertwined projects, being:

- **Project 1:** A Tourism Research Services Project, the purpose of which is to undertake detailed visitor data analysis (including current data and projected data) as well as undertaking a product audit and gap analysis; and
- **Project 2:** An Accommodation Reinvestment Project, which includes researching best practice accommodation reinvestment and investigating accommodation investment opportunities.

This report represents the findings of Project 2. Parts of the background information and data utilised in this report have been gathered in Project 1.

1.2. Project Area

The area covered by this project is the Destination North Coast region – one of NSW's six Destination Networks which were established in 2017 by Destination NSW (DNSW).

The Destination Network (see Figure 2) covers 42,083 square kilometres and stretches from the Queensland border in the north to Tea Gardens/Hawks Nest in the south and comprises 14 local government areas being: Mid-Coast, Port Macquarie Hastings, Kempsey, Nambucca, Bellingen, Coffs Harbour, Clarence Valley, Richmond Valley, Kyogle, Lismore, Ballina, Byron, Tweed and Lord Howe Island (although not technically an LGA² for ease of reading it has been referred to as one of the North Coast region's LGAs).

Each of these LGAs offer unique elements and add to the North Coast's destination proposition. It is a large and diverse region offering a mixture of popular coastal destinations and hinterland towns and villages. There are 89 National Parks within (or which cross into) the region and two World Heritage Listed locations including The Gondwana Rainforests of Australia and Lord Howe Island.

Popular activities in the region include visiting the plethora of beaches, fishing, whale watching, trekking, mountain bike riding, snorkelling as well as visiting the wide range of cultural and heritage sites/attractions.



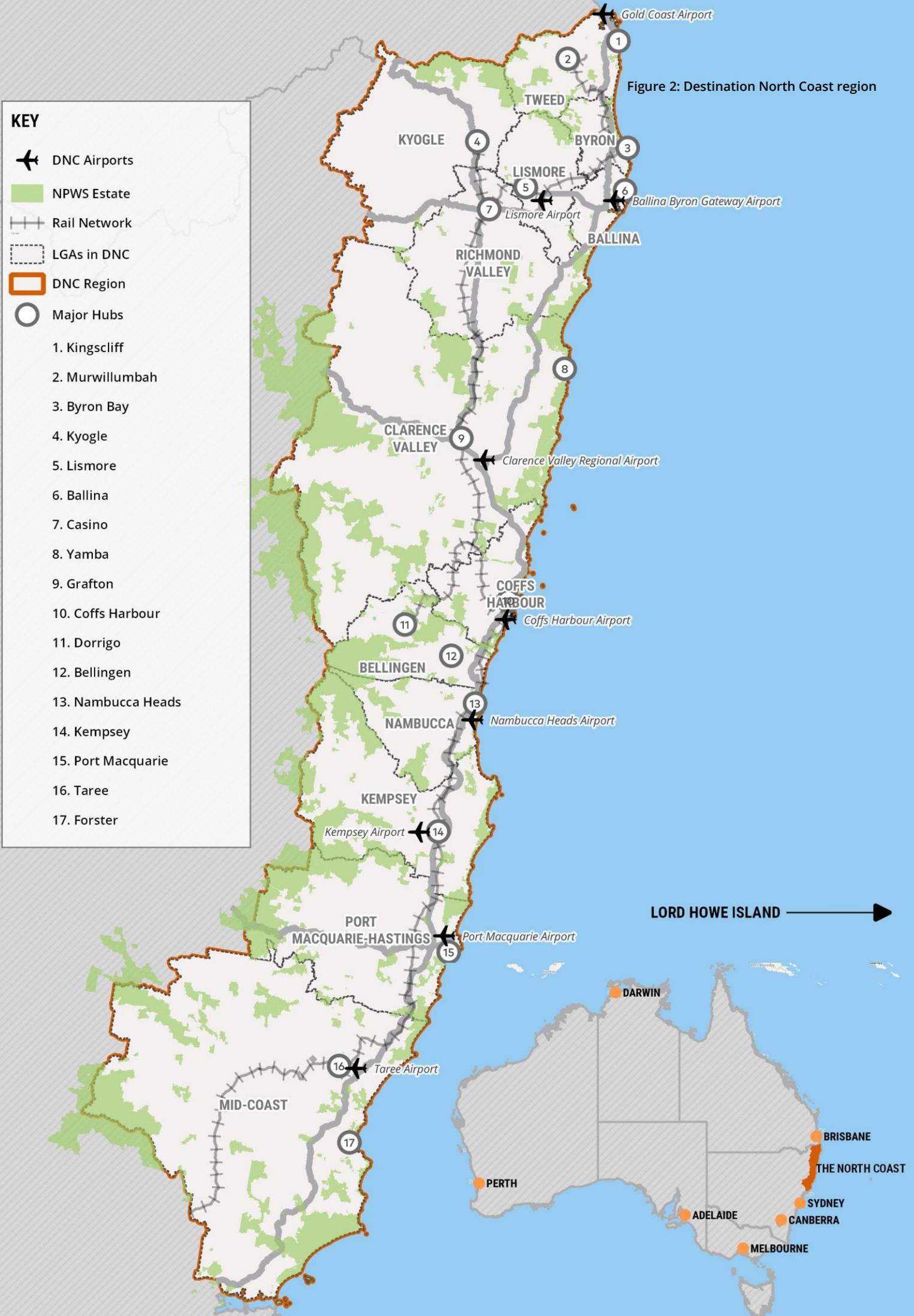
² Lord Howe Island's Administrative Division is "Unincorporated area of New South Wales". It is self-governed by the Lord Howe Island Board Part of the electoral district of Port Macquarie and Part of the Division of Sydney.

Figure 2: Destination North Coast region

KEY

-  DNC Airports
-  NPWS Estate
-  Rail Network
-  LGAs in DNC
-  DNC Region
-  Major Hubs

1. Kingscliff
2. Murwillumbah
3. Byron Bay
4. Kyogle
5. Lismore
6. Ballina
7. Casino
8. Yamba
9. Grafton
10. Coffs Harbour
11. Dorrigo
12. Bellingen
13. Nambucca Heads
14. Kempsey
15. Port Macquarie
16. Taree
17. Forster





2. ACCOMMODATION DEMAND & SUPPLY

2.1. Accommodation Supply Assessment

The following subsections provide the accommodation audit findings which was completed as part of **Project 1**. They are included here as they form an important part of this accommodation-based project and support the evidence-based approach being taken.

2.1.1. Developing the Audit

The following sections provide a tourism product audit for the North Coast region. This includes an assessment of accommodation and attractions within each LGA and for the North Coast region. The purpose is to ascertain where tourism product is spatially clustered and to identify where product gaps may exist in the tourism product mix.

The audit is primarily based on the Australian Tourism Data Warehouse's (ATDW) product database, a TripAdvisor data scrape (see Appendix 2 for the full findings) and supplemented with an extensive desktop research exercise as well as a review of tourism review websites. **It is important to note, therefore, that the audit may not be fully comprehensive, particularly for those operators who are not listed online.**

The audit has revealed that there is a need to work with operators, particularly micro-smaller operators to ensure they are aware of the need and many benefits of being listed on the ATDW. Many (an estimated 46% of operators³) are not. The ATDW's ultimate function is to support Australian tourism operators with digital marketing to help extend their exposure and attract more business online. Through a single listing, an operator's details will then appear on Australia.com and over 50 other websites such as about-australia.com.au and planbooktravel.com.au.

Importantly, while many other states/territories charge to be listed, it is free in NSW for tourism operators to self-list so a higher ratio of listings should be possible.

The accommodation audit focused on commercial and non-commercial (often school and church accommodation) forms of accommodation. Table 1 provides a summary of the categories utilised.

Some properties are listed online with multiple categories. We have selected the most applicable category based on online information available.

For each property, the number of rooms (where provided online) was also included. Much of this information has been gathered through search engines such as TripAdvisor, Hotel.com and Expedia.

Table 1: Accommodation product categories

TYPE	MAJOR CATEGORY	COLOUR CODE
Commercial Accommodation	B&Bs	
	Backpackers	
	Boutique Cabins, Cottages & Guesthouses	
	Farmstay	
	Holiday Park	
	Hotel	
	Houseboats	
	Motel	
	Pub accommodation	
	Retreats & Resorts	
	School & Church Accommodation	
Serviced Apartments		
Non-Commercial Accommodation	Camping Grounds	
	Holiday Homes & Apartments	

³ Based on a top line assessment



2.1.2. Total North Coast Region Accommodation Properties

Figure 3 provides a summary of the number of accommodation properties throughout the region and the number of estimated rooms. It is important to note that this does not include an assessment of powered and unpowered caravan and camping sites and there were some properties where room numbers were unable to be obtained. It demonstrates the following.

- In total, the North Coast region has 2,024 accommodation properties and 18,624 accommodation rooms⁴. The ATDW currently lists 955 accommodation properties in the region. This means that more than half of accommodation operators (which includes holiday homes and holiday apartments) are not currently ATDW listed.
- While holiday homes & apartments comprise more than 45% of properties within the North Coast region, the largest category of property by room stock availability is motels, providing an estimated 4,752 rooms⁵ (25.5% of total accommodation stock) in the region.

- Room counts have not been provided for houseboats because limited information was available on this category. Additionally, powered, and unpowered caravan and camping sites have not been included in the assessment and, therefore, camping ground room counts display a null value.
- Although powered and unpowered sites have not been included in the assessment, holiday parks still rank second in terms of the number of rooms available. This is because many holiday parks now offer a diverse range of accommodation typology including cabins, chalets, and villas and this is reflected in the data. The North Coast region is well-recognised as a major holiday park destination in NSW with a diverse range of major holiday park brands.

For many LGAs, the predominant observation made by a mixture of council tourism and economic development personnel was the lack of branded properties in many locations and recognition that branded properties also could leverage off significant marketing databases to help promote not only their properties but also the regions in which they were located.

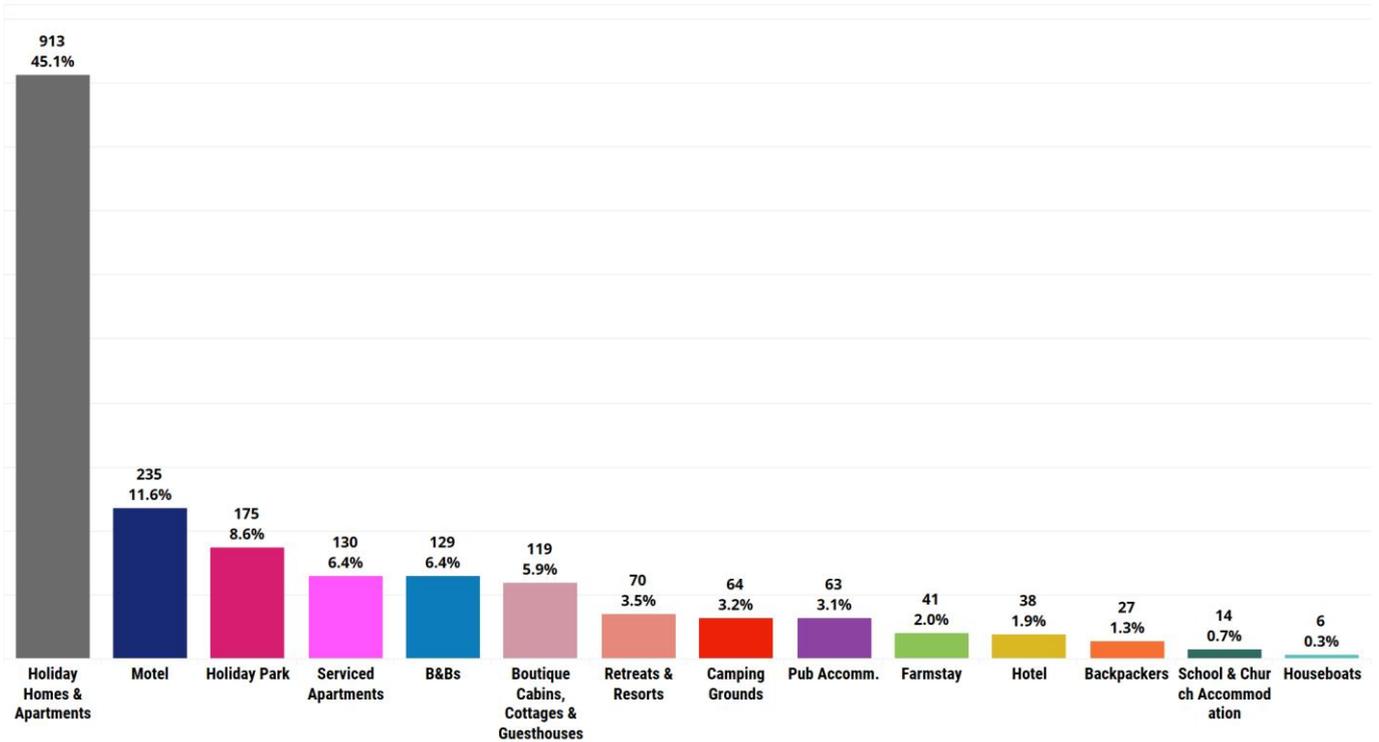
⁴ Note, rooms are considered individual rooms which can be rented out to different parties. If a property has multiple rooms but these cannot be rented to individual parties then this is counted as one room. For example, an Airbnb house which has three rooms within the house is counted as one room unit. The same can be said for a serviced

apartment which has 10 units, with three rooms in each – only 10 rooms have been included in the assessment.

⁵ It is important to note that not all properties list their room numbers online. Room numbers have only been included when these have been listed.

Figure 3: Accommodation Summary by Property Category (Properties and Rooms) – Total

NUMBER OF PROPERTIES



NUMBER OF ROOMS

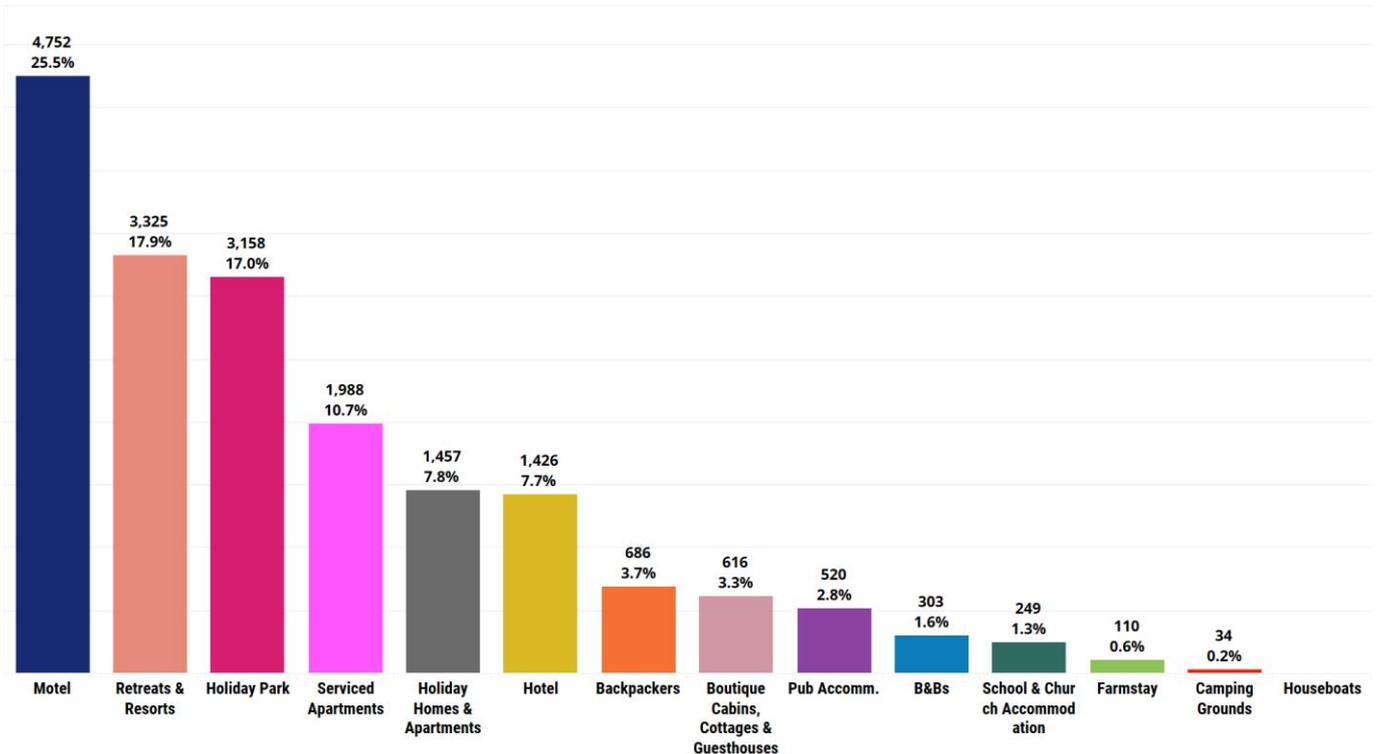
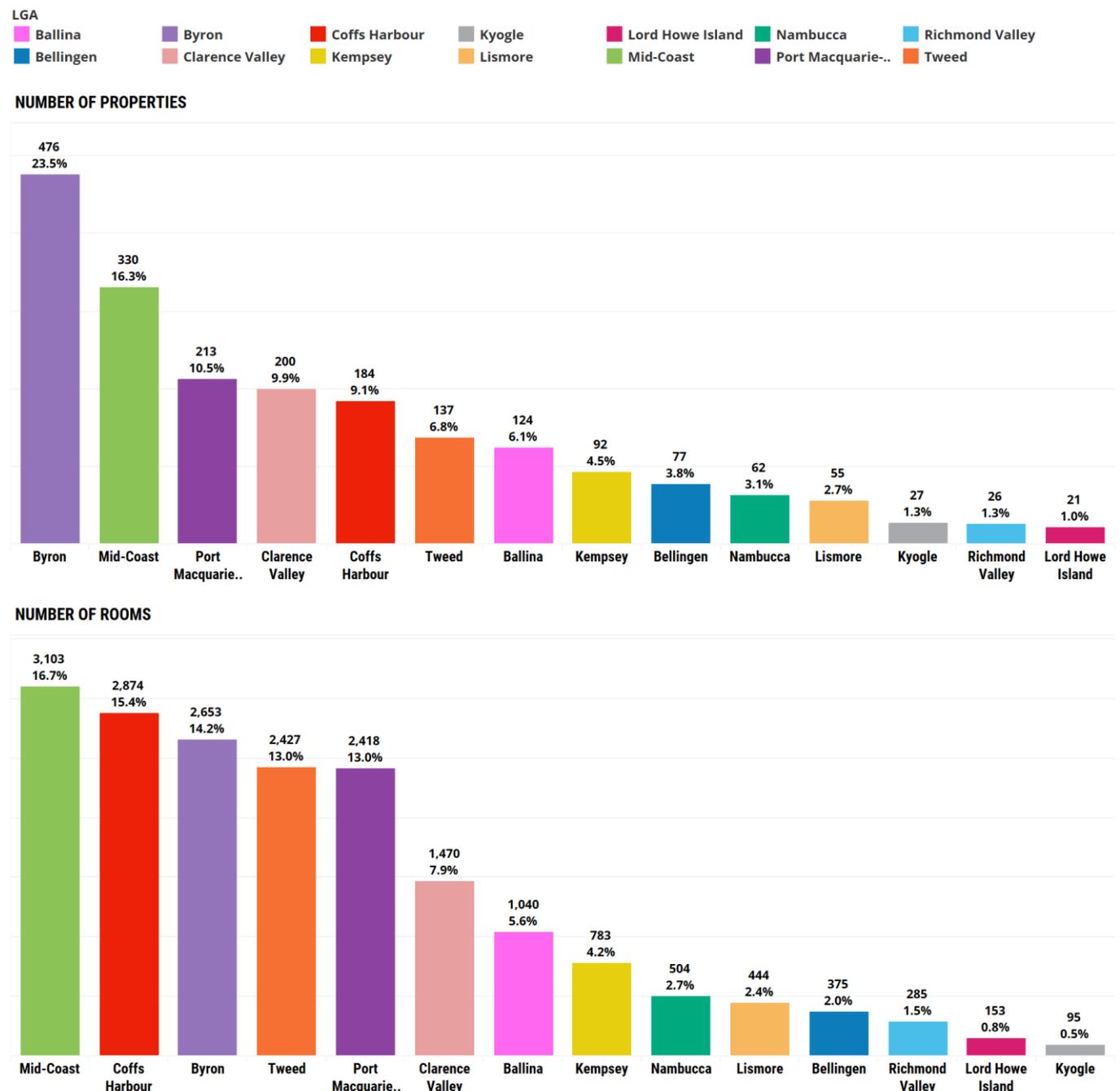


Figure 4 provides a summary of accommodation properties and rooms for each LGA and shows the following.

- While Byron has the largest number of properties (476 properties making up just under 24% of all North Coast properties), Mid-Coast has more room stock (3,103 rooms making up almost 17% of room stock in the North Coast) indicating that Mid-Coast accommodation properties have a larger number of rooms on average.
- Although Coffs Harbour ranks fifth in terms of the number of properties it offers (making up 9% of all properties in the region), it ranks second in terms of its room stock (2,874 rooms) illustrating that the LGA offers a number of properties with large room capacities.
- There is a clear correlation between the number of available commercial properties in an LGA, the higher ratio of paid visitor attractions and experiences on offer, and the corresponding strength of the visitor economy.
- Nearly three-quarters of the available commercial room stock is held within the five largest LGAs being Mid-Coast, Byron, Coffs Harbour, Tweed, and Port Macquarie.

Figure 4: Accommodation Summary by LGA (Properties and Rooms) – Total





2.1.3. Accommodation by LGA

Table 2 provides a detailed breakdown of the number of properties and the number of rooms within each LGA categorised by accommodation type. Observations include the following.

- Byron has the largest number of backpacker properties, comprising 41% of all backpacker properties identified and 69% of all backpacker rooms. This is expected given the position of Byron as a major international destination and hub for international backpackers.
 - Clarence Valley and Mid-Coast have more than double the camping grounds than other LGAs in the region. This is likely because of the size of these two LGAs (being the two largest in the region) and the number of walking trails available.
 - Byron has the largest number of holiday home and apartment properties as well as rooms, comprising 35% of these properties and 37% of room stock within this category. Many of these properties are self-listed on home rental websites such as Airbnb and Stayz. While this accommodation type forms an important part of the mix, it is important that a balance is achieved between non-commercial and commercial accommodation options. Often home rentals are not available for rent year-round and this can impact on the marketable accommodation capacity of a region often making it harder to support new major hotel and resort development and investment as home rentals and Airbnb soak up spare accommodation capacity especially during peak seasonal periods. Additionally, the Council rules and guidelines governing safety and health are far more stringent for commercial accommodation facilities than home rentals and Airbnb outlets which can impact on compliance and quality control.
 - Mid-Coast has the largest number of holiday parks (36) which offer 842 rooms⁶ (27% of holiday park room stock), followed by Clarence Valley (23 properties and 411 rooms). In both areas, the vast majority of these are coastal based.
 - While Byron has the largest number of hotel properties (36% of all hotels), hotel room stock is largest in Port Macquarie-Hastings (448 rooms compared with Byron's 232 rooms) and Tweed (320 rooms). This indicates that Byron's hotel properties, on average, have a smaller number of rooms per property compared with those in Tweed and Port Macquarie-Hastings.
 - Mid-Coast has the largest number of motel properties and motel rooms, comprising 21% of all motel properties and 22% of all motel room stock. Analysis of the quality of accommodation indicates that much of the motel stock in the North Coast region is tired and may be being incorrectly self-rated.
 - Together, Tweed and Coffs Harbour makeup 55% of retreats and resort room stock in the region, totalling 935 and 912 rooms respectively. While some of these resorts and retreats are newer (particularly in Tweed) there are several older resorts which online feedback indicates are tired and in need of refurbishment.
 - Byron has both the largest number of serviced apartment properties and room stock, encompassing 26% of serviced apartment properties and 22% of room stock.
- Overall it is noted that although the actual numbers of commercial accommodation properties and room stock provide an important picture of where the bulk of facilities are located and the room capacity, they need to be considered along with a quality assessment rating as well.

⁶ This represents individual cabin units, rather than the number of rooms in each cabin.

Table 2: Accommodation Summary by LGA – Number of Properties and Rooms

NUMBER OF PROPERTIES

LGA	B&Bs	Backpackers	Boutique Cabins, C..	Camping Grounds	Farmstay	Holiday Homes & ..	Holiday Park	Hotel	Houseboats	Motel	Pub Accom.	Retreats & Resorts	School & Church A..	Serviced Apartments	Total
Mid-Coast	25 19.4%		23 19.3%	18 28.1%	10 24.4%	129 14.1%	36 20.6%	1 2.6%	2 33.3%	50 21.3%	4 6.3%	10 14.3%	3 21.4%	19 14.6%	330 16.3%
Port Macquari..	16 12.4%	3 11.1%	9 7.6%	3 4.7%	5 12.2%	91 10.0%	20 11.4%	7 18.4%		29 12.3%	2 3.2%	9 12.9%	1 7.1%	18 13.8%	213 10.5%
Clarence Valley	10 7.8%	2 7.4%	4 3.4%	18 28.1%	2 4.9%	84 9.2%	23 13.1%		1 16.7%	26 11.1%	14 22.2%	3 4.3%	1 7.1%	12 9.2%	200 9.9%
Coffs Harbour	15 11.6%	6 22.2%	4 3.4%	1 1.6%		64 7.0%	18 10.3%	2 5.3%		33 14.0%	6 9.5%	13 18.6%	3 21.4%	19 14.6%	184 9.1%
Byron	17 13.2%	11 40.7%	32 26.9%	7 10.9%	8 19.5%	320 35.0%	12 6.9%	14 36.8%		13 5.5%	1 1.6%	7 10.0%		34 26.2%	476 23.5%
Kempsey	4 3.1%		6 5.0%	7 10.9%	2 4.9%	30 3.3%	11 6.3%	2 5.3%		14 6.0%	4 6.3%	4 5.7%	4 28.6%	4 3.1%	92 4.5%
Lismore	8 6.2%	2 7.4%	8 6.7%	1 1.6%	2 4.9%	11 1.2%	3 1.7%			12 5.1%	6 9.5%	2 2.9%			55 2.7%
Tweed	6 4.7%	2 7.4%	9 7.6%		2 4.9%	49 5.4%	18 10.3%	1 2.6%	3 50.0%	22 9.4%		14 20.0%		11 8.5%	137 6.8%
Bellingen	13 10.1%	1 3.7%	7 5.9%	1 1.6%	6 14.6%	28 3.1%	8 4.6%	1 2.6%		3 1.3%	4 6.3%	3 4.3%		2 1.5%	77 3.8%
Ballina	3 2.3%		4 3.4%	1 1.6%	1 2.4%	67 7.3%	10 5.7%	6 15.8%		17 7.2%	5 7.9%	4 5.7%	1 7.1%	5 3.8%	124 6.1%
Richmond Valley			2 1.7%	2 3.1%		2 0.2%	5 2.9%			7 3.0%	7 11.1%		1 7.1%		26 1.3%
Lord Howe Island			7 5.9%			6 0.7%		3 7.9%						5 3.8%	21 1.0%
Nambucca	5 3.9%		2 1.7%		1 2.4%	28 3.1%	9 5.1%	1 2.6%		9 3.8%	5 7.9%	1 1.4%		1 0.8%	62 3.1%
Kyogle	7 5.4%		2 1.7%	5 7.8%	2 4.9%	4 0.4%	2 1.1%				5 7.9%				27 1.3%
Total	129 100.0%	27 100.0%	119 100.0%	64 100.0%	41 100.0%	913 100.0%	175 100.0%	38 100.0%	6 100.0%	235 100.0%	63 100.0%	70 100.0%	14 100.0%	130 100.0%	2,024 100.0%

NUMBER OF ROOMS

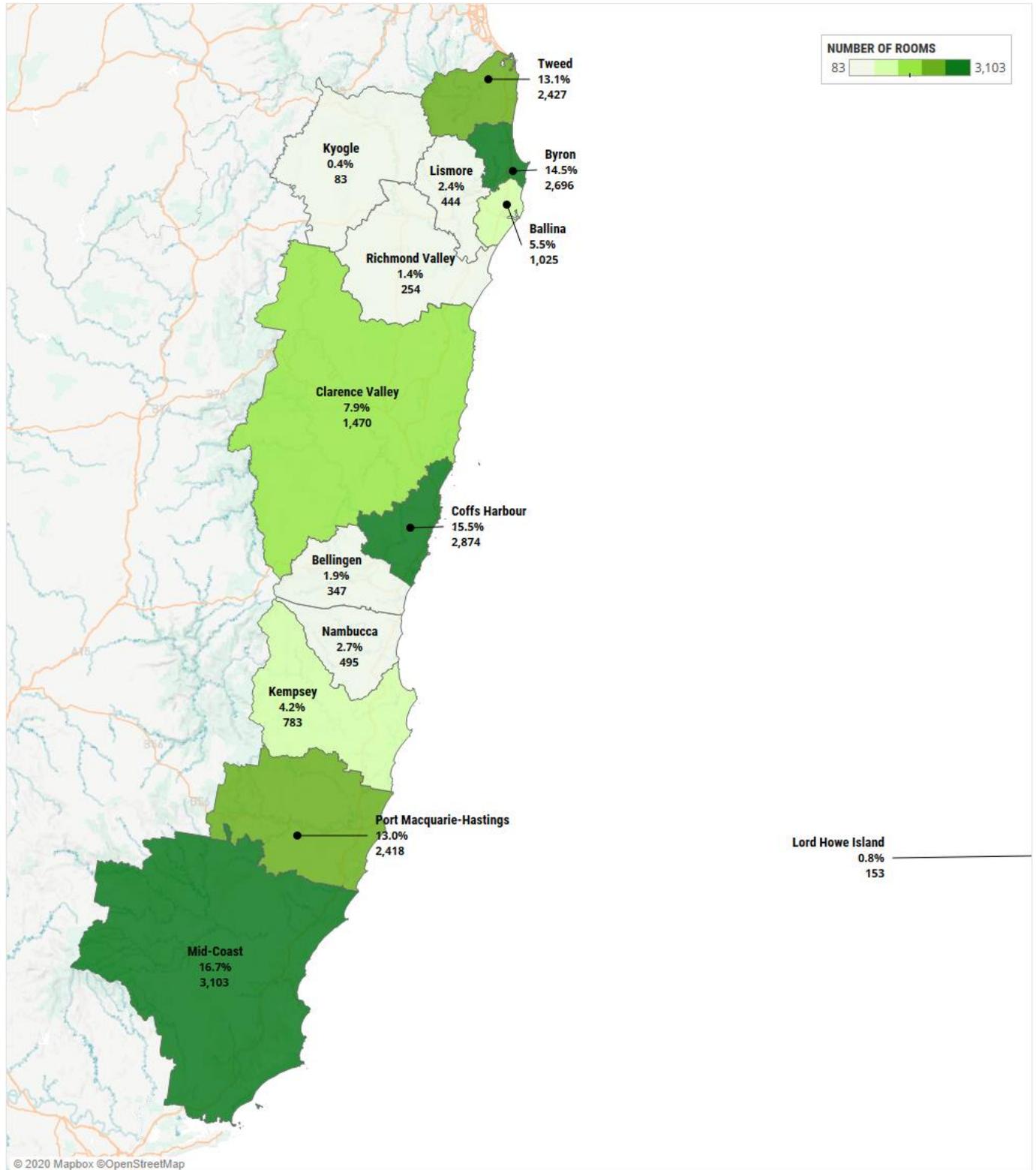
LGA	B&Bs	Backpack..	Boutique Cabins, C..	Camping Grounds	Farmstay	Holiday Homes & ..	Holiday Park	Hotel	Housebo..	Motel	Pub Accom.	Retreats & Resorts	School & Church A..	Serviced Apartments	Total
Mid-Coast	63 20.8%		167 27.1%		27 24.5%	199 13.7%	842 26.7%	21 1.5%		1,055 22.2%	47 9.0%	324 9.7%	77 30.9%	281 14.1%	3,103 16.7%
Port Macquari..	31 10.2%	33 4.8%	55 8.9%		12 10.9%	120 8.2%	318 10.1%	448 31.4%		580 12.2%	13 2.5%	435 13.1%	52 20.9%	321 16.1%	2,418 13.0%
Clarence Valley	27 8.9%	5 0.7%	7 1.1%	34 100.0%	4 3.6%	115 7.9%	411 13.0%			513 10.8%	156 30.0%	86 2.6%	8 3.2%	104 5.2%	1,470 7.9%
Coffs Harbour	27 8.9%	117 17.1%	27 4.4%			130 8.9%	351 11.1%	123 8.6%		770 16.2%	42 8.1%	912 27.4%	18 7.2%	357 18.0%	2,874 15.4%
Byron	53 17.5%	473 69.0%	142 23.1%		19 17.3%	541 37.1%	247 7.8%	189 13.3%		206 4.3%		338 10.2%		445 22.4%	2,653 14.2%
Kempsey	14 4.6%		33 5.4%		3 2.7%	54 3.7%	166 5.3%	15 1.1%		321 6.8%	45 8.7%	54 1.6%	55 22.1%	23 1.2%	783 4.2%
Lismore	28 9.2%	37 5.4%	19 3.1%		4 3.6%	14 1.0%	12 0.4%			307 6.5%		23 0.7%			444 2.4%
Tweed	12 4.0%	12 1.7%	58 9.4%		16 14.5%	93 6.4%	265 8.4%	320 22.4%		410 8.6%		935 28.1%		306 15.4%	2,427 13.0%
Bellingen	25 8.3%	9 1.3%	20 3.2%		15 13.6%	32 2.2%	93 2.9%	28 2.0%		24 0.5%	50 9.6%	74 2.2%		5 0.3%	375 2.0%
Ballina	6 2.0%		14 2.3%		3 2.7%	104 7.1%	163 5.2%	225 15.8%		272 5.7%	40 7.7%	107 3.2%	27 10.8%	79 4.0%	1,040 5.6%
Richmond Valley			25 4.1%			2 0.1%	48 1.5%			128 2.7%	70 13.5%		12 4.8%		285 1.5%
Lord Howe Island			42 6.8%			6 0.4%		51 3.6%						54 2.7%	153 0.8%
Nambucca	8 2.6%		4 0.6%		2 1.8%	43 3.0%	206 6.5%	6 0.4%		166 3.5%	19 3.7%	37 1.1%		13 0.7%	504 2.7%
Kyogle	9 3.0%		3 0.5%		5 4.5%	4 0.3%	36 1.1%				38 7.3%				95 0.5%
Total	303 100.0%	686 100.0%	616 100.0%	34 100.0%	110 100.0%	1,457 100.0%	3,158 100.0%	1,426 100.0%		4,752 100.0%	520 100.0%	3,325 100.0%	249 100.0%	1,988 100.0%	18,624 100.0%

2.1.4. Room Stock Analysis

Figure 5 provides a heat map of room stock (i.e. the number of rooms) in each LGA throughout the region. It illustrates that:

- the greatest proportion of room stock is situated in Mid-Coast, Byron, and Coffs Harbour LGAs; and
- there is a wide variance across the region which is reflected in a number of distinct tourism-visitor hubs, due to the concentration of facilities in specific areas.

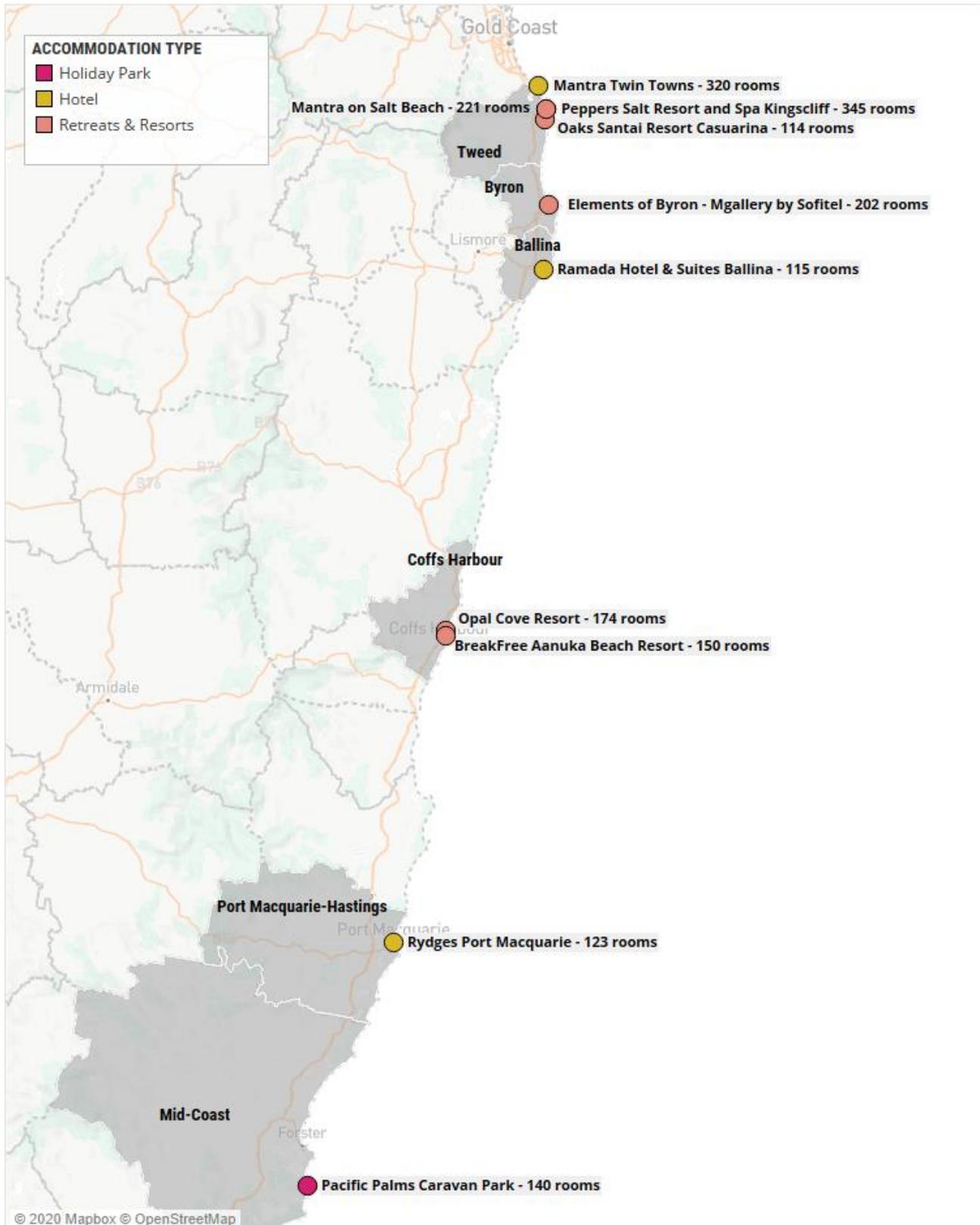
Figure 5: Room Stock by LGA Mapped



There are several larger-scale properties throughout the region. The 10 largest properties by rooms are included in the figure below. Currently, the largest three properties are situated in Tweed, being Peppers Salt Resort and Spa (345 rooms), Mantra Twin Towers (320 rooms) and Mantra on Salt Beach (221 rooms).

The properties situated in Clarence Valley (Blue Dolphin Holiday Resort and BIG4 Solitary Islands Resort), Nambucca (Ingenia Holidays White Albatross) and Mid-Coast (Pacific Palms Caravan Park) are destination holiday parks (which offer cabins etc) rather than traditional hotel/resort properties.

Figure 6: Top 10 largest properties (by rooms) in North Coast



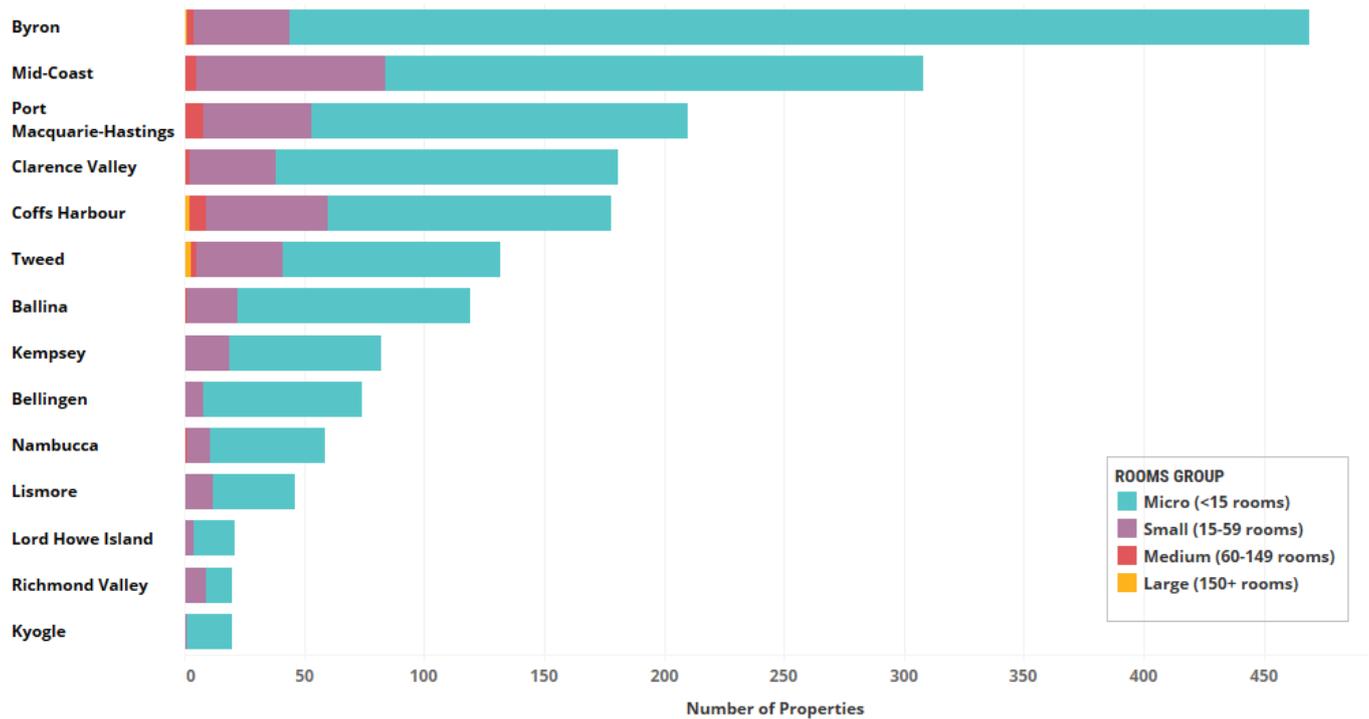
To simplify the analysis of room stock throughout the region, properties have been grouped according to whether they are:

- Micro: less than 15 rooms;
- Small: 15-59 rooms;
- Medium: 60-149 rooms; or
- Large: 150 plus rooms

Figure 7 summarises the findings and demonstrates that for all LGAs, the number of micro-sized properties far exceed all the other categories combined.

There are six LGAs (Bellingen, Kempsey, Kyogle, Lismore, Lord Howe Island and Richmond Valley) which do not have any properties within the medium or large categories, while only Byron, Coffs Harbour and Tweed have properties which fall in the large category.

Figure 7: Room stock distribution in LGAs



LGA	Micro (<15 rooms)	Small (15-59 rooms)	Medium (60-149 rooms)	Large (150+ rooms)	Grand Total
Ballina	97 (82%)	21 (18%)	1 (1%)		119 (100%)
Bellingen	66 (89%)	8 (11%)			74 (100%)
Byron	425 (91%)	40 (9%)	3 (1%)	1 (0%)	469 (100%)
Clarence Valley	143 (79%)	36 (20%)	2 (1%)		181 (100%)
Coffs Harbour	118 (66%)	51 (29%)	7 (4%)	2 (1%)	178 (100%)
Kempsey	63 (77%)	19 (23%)			82 (100%)
Kyogle	19 (95%)	1 (5%)			20 (100%)
Lismore	34 (74%)	12 (26%)			46 (100%)
Lord Howe Island	17 (81%)	4 (19%)			21 (100%)
Mid-Coast	224 (73%)	79 (26%)	5 (2%)		308 (100%)
Nambucca	48 (81%)	10 (17%)	1 (2%)		59 (100%)
Port Macquarie-Hastings	157 (75%)	45 (21%)	8 (4%)		210 (100%)
Richmond Valley	11 (55%)	9 (45%)			20 (100%)
Tweed	91 (69%)	36 (27%)	2 (2%)	3 (2%)	132 (100%)
Grand Total	1,513 (79%)	371 (19%)	29 (2%)	6 (0%)	1,919 (100%)

2.1.5. Top-Line Quality Assessment

As part of the accommodation audit, a desktop review of the quality of accommodation on offer was also undertaken. This utilised online information, photos and traveller reviews of properties to provide a top-line assessment on the quality of each property. The quality rating given is based on comparable properties utilising an international quality benchmark. Many properties self-rate and these ratings do not always compare with what is available elsewhere, particularly internationally.

Importantly, the quality assessment is based purely on desktop research, it did not involve in-person visits to each property as this was beyond the scope of the project. Additionally, limited information was available for some properties and, as a result, a quality rating was unable to be included.

Properties were rated out of ten and were grouped into three categories, being:

- **Low:** achieving a score of 1-3 (with 1 being the lowest quality rating);
- **Medium:** achieving a score of 4-6; and
- **High:** achieving a score of 7-10 (with 10 being the highest quality and comparable to international 5.5-6-star ratings).

Figure 8 provides a summary of the results for the entire North Coast region. It is important to note that the quality assessment has primarily focused on room numbers, rather than the number of properties because this reflects the capacity of the area to meet the demand for a higher quality product and higher visitor spend.

The results demonstrate that almost half of all room stock rated within the medium category (8,932 rooms), followed by low category (5,566 rooms) and the remainder being higher-quality room stock (3,862 rooms).

Removing camping grounds from this analysis does not shift the results demonstrated.

Figure 8: Number of rooms by quality category – North Coast region

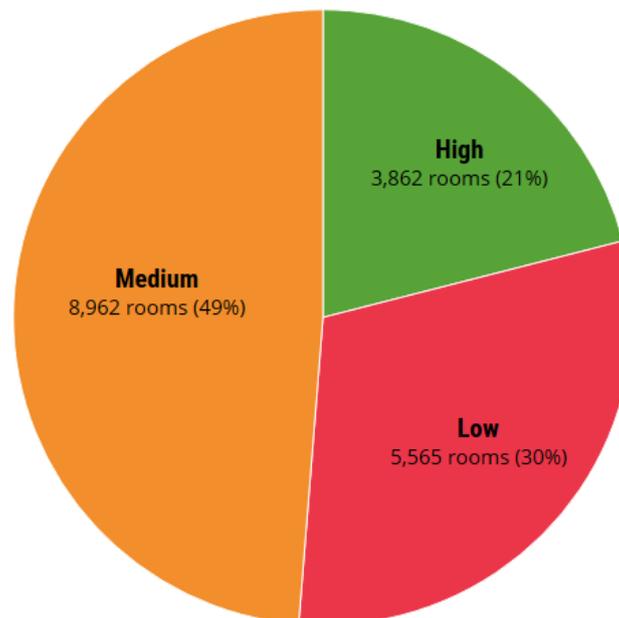


Figure 9 breaks down the room stock quality assessment based on the accommodation category. This is a more robust way of assessing quality because there are some accommodation categories, such as basic camping grounds, which may struggle to achieve a ranking of medium or above nor would they be expected to.

The analysis demonstrates the following.

- Other than hotels and resorts, holiday homes, apartments and farm-stays, most accommodation types have properties rated low to medium
- The region is characterised generally by 2-3-star accommodation mostly.

Figure 9: Number of rooms by quality category and by type of accommodation



Another way of looking at the quality assessment is by LGA. Figure 10 summarises the findings and demonstrates:

- Several LGAs have little or no rooms stock which fall within the high-quality category;
- more than half (53%) of all Tweed’s accommodation room stock falls within the high-quality category, followed by Byron (38%) and Lord Howe Island (36%); and
- there is a correlation between those LGAs with a higher percentage of higher quality accommodation and more

commissionable visitor attractions and experiences and understandably stronger visitor economies.

This is an important observation as all councils have indicated a desire to strengthen the value of their visitor economies and with many indicating they were keen to generate a higher level of yield per visitor, rather than necessarily growing visitor numbers.

Figure 10: Number of rooms by quality category and by LGA



2.1.6. Branded Accommodation Product

The level of the region's branded accommodation product has also been included as part of the accommodation audit. Branded product is defined as those properties which are managed, marketed and/or owned by a national or international accommodation property brand. Such brands include, but are not limited to:

- larger, higher-quality international brands such as Accor properties (Ibis, Novotel, Sofitel etc), International Hotel Group properties (Regent, Intercontinental, Crowne Plaza etc.);
- international mid-range brands such as Best Western, Quality Inn, Comfort Inn etc;
- destination holiday park brands including BIG4, NRMA, Ingenia and Discovery Parks; and
- backpacker hostel brands including YHA.

While for some markets the brand of a property is not as important as the quality, there are some markets which desire to only stay at well-known and reputable branded accommodation properties. This is primarily because of the consistency of quality and standards they are seen to offer and the ability to secure member benefits as part of their brand loyalty programs. These properties often have greater appeal particularly to higher value domestic and international travel markets which gravitate to 4-5 star internationally recognised brands.

The challenge for most LGAs within the North Coast region is the lack of higher quality branded properties to help grow a higher spending market. When one applies an international standard (rather than a self-assessment approach), it is found that the North Coast is heavily weighted to a lower to mid-range of accommodation options.

With changes in the type of visitor markets likely to have the propensity and income to travel in the medium to longer-term in the future from a mixture of intrastate, interstate and inbound visitor markets, having an accommodation mix to appeal to a more discerning market, which offers higher value and spend patterns, is particularly important.

While having a sufficient level of branded accommodation product is therefore valuable from a demand perspective, from a marketing perspective they are also important for destination marketing because of the profile they bring with them and the extensive marketing budgets which ultimately end up promoting a destination, rather than just the accommodation facility on its own.

Figure 11 provides a summary of the properties in the region which are branded, and which achieve a high-quality rating. The heat mapping demonstrates the number of rooms which fall within each LGA. It demonstrates that:

- the region has 12 properties which fall within this category and which offer 1,773 rooms;
- more than half of this room stock (59%) is situated within Tweed LGA, followed by Port Macquarie-Hastings with 21% of this room stock;
- 7 of the 12 properties identified are categorised as retreats and resorts, accounting for 1,165 rooms; and
- the mapping demonstrates that higher-quality, branded accommodation product is primarily clustered within the Byron-Tweed LGAs, Mid-Coast and Port Macquarie-Hastings LGAs and in the central North Coast region (Coffs Harbour LGA).

Figure 12 demonstrates branded properties and room numbers which rank within the medium and high-quality rating. It illustrates the following.

- There are an estimated 70 branded properties, offering 3,460 rooms, in the North Coast which are rated as medium-higher quality accommodation stock.
- Tweed ranks first again in terms of the number of rooms which fall into this category (accounting for 33% of room stock), however, in terms of the number of properties, Coffs Harbour ranks first (accounting for 21% of all properties).
- Once medium quality branded properties are included, Coffs Harbour and Port Macquarie-Hastings are more dominant.

Figure 11: Branded Accommodation Product Only and Room Numbers with High-Quality Rating

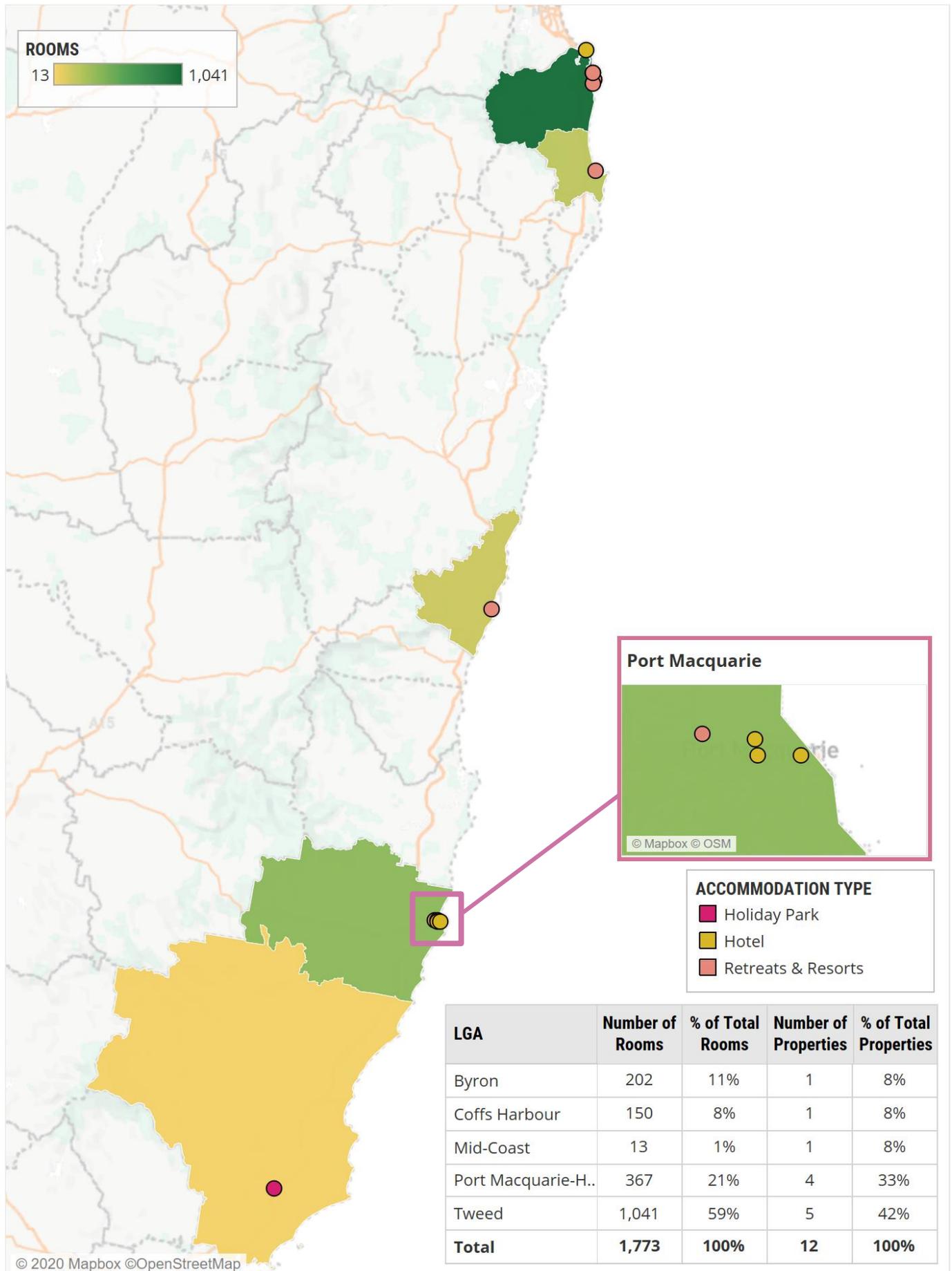
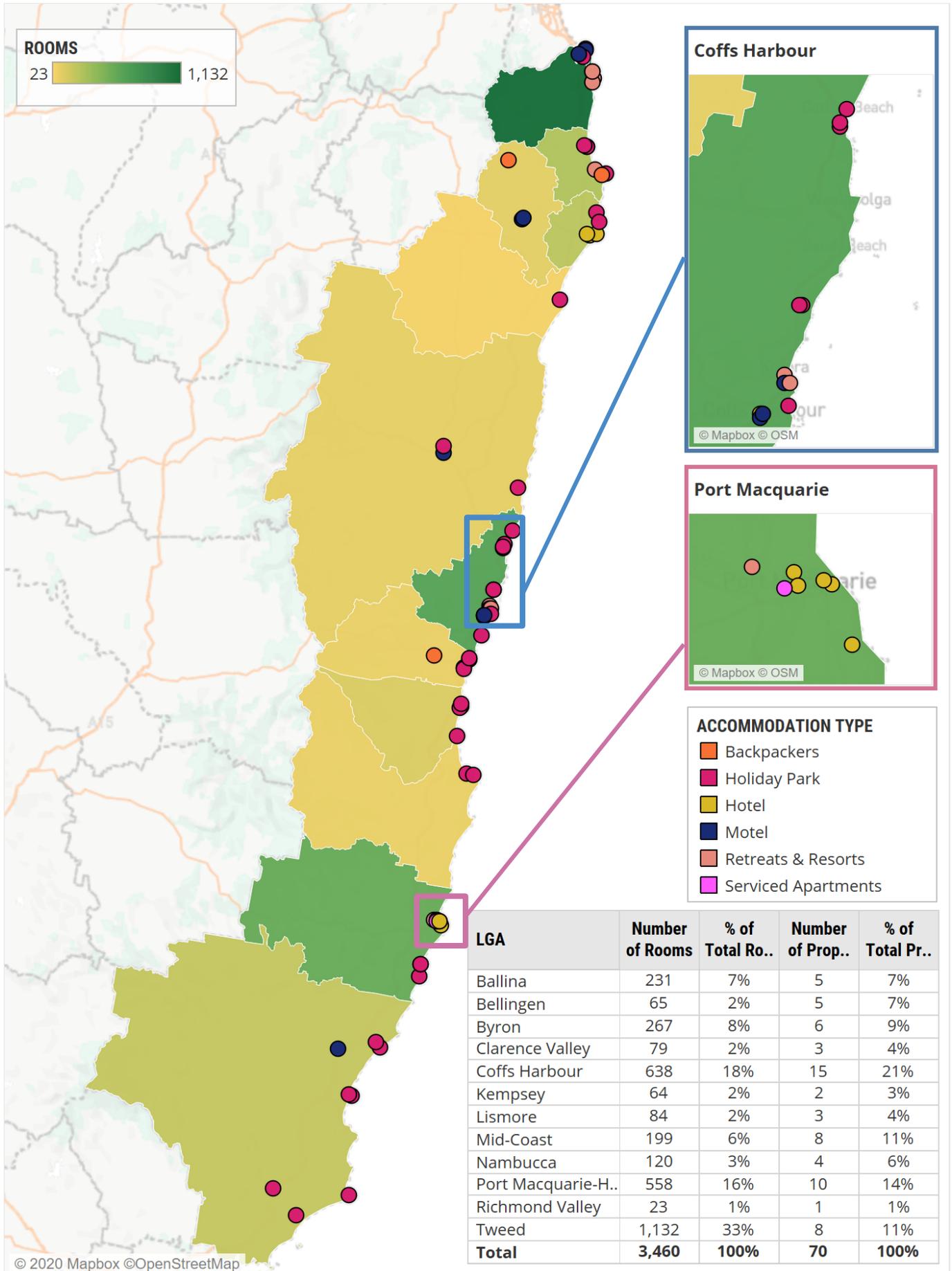


Figure 12: Branded Accommodation Product and Room Numbers with Medium & High-Quality Rating





2.2. Top Reviewed Properties

Stafford has utilised a variety of sources. These include:

- TripAdvisor – including “Top Attractions” (Things to do ranked using Tripadvisor data including reviews, ratings, photos, and popularity) as well as a qualitative summary of feedback based on a random selection of properties and attractions;
- Google Travel – including Hotels and Things to Do based on “traveller visits and local insights”;
- Booking.com – including accommodation ranked by “Top Reviewed”; and
- Sightsmap data – including top destinations by the number of photos taken and articles.

Figure 13 summarises the top two reviewed accommodation providers as indicated on Booking.com for each area.

It is important to note that Booking.com reviews may not actually reflect the highest quality facility, but rather, the properties which received the highest number of favourable reviews. This could, therefore, reflect service standards offered and price points as much as the actual physical amenities available.

Some LGAs have more than two properties listed because more than one hub was identified within the LGA (for example, for Mid-Coast both Forster and Taree are considered hubs).

Out of the 34 properties listed, 11 are B&Bs and 9 are motel properties.

Figure 14 demonstrates the top two reviewed Google Travel accommodation properties for each hub. As per Booking.com reviews, this reflects those with the highest reviews, rather than reflecting actual quality. Out of the 34 properties listed, 13 are categorised as holiday parks and 7 as retreats and resorts.

Figure 13: Booking.com Top Reviewed properties

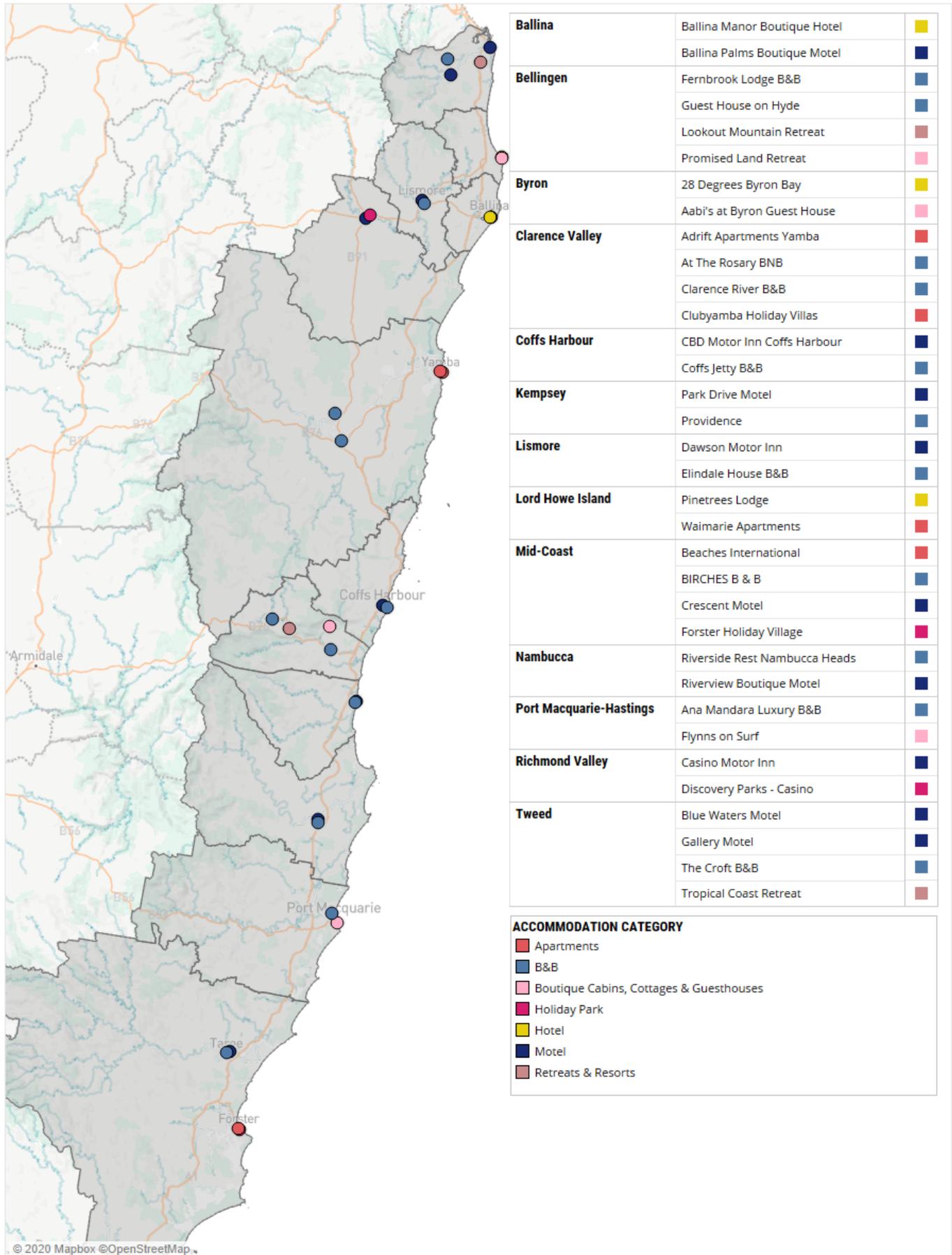
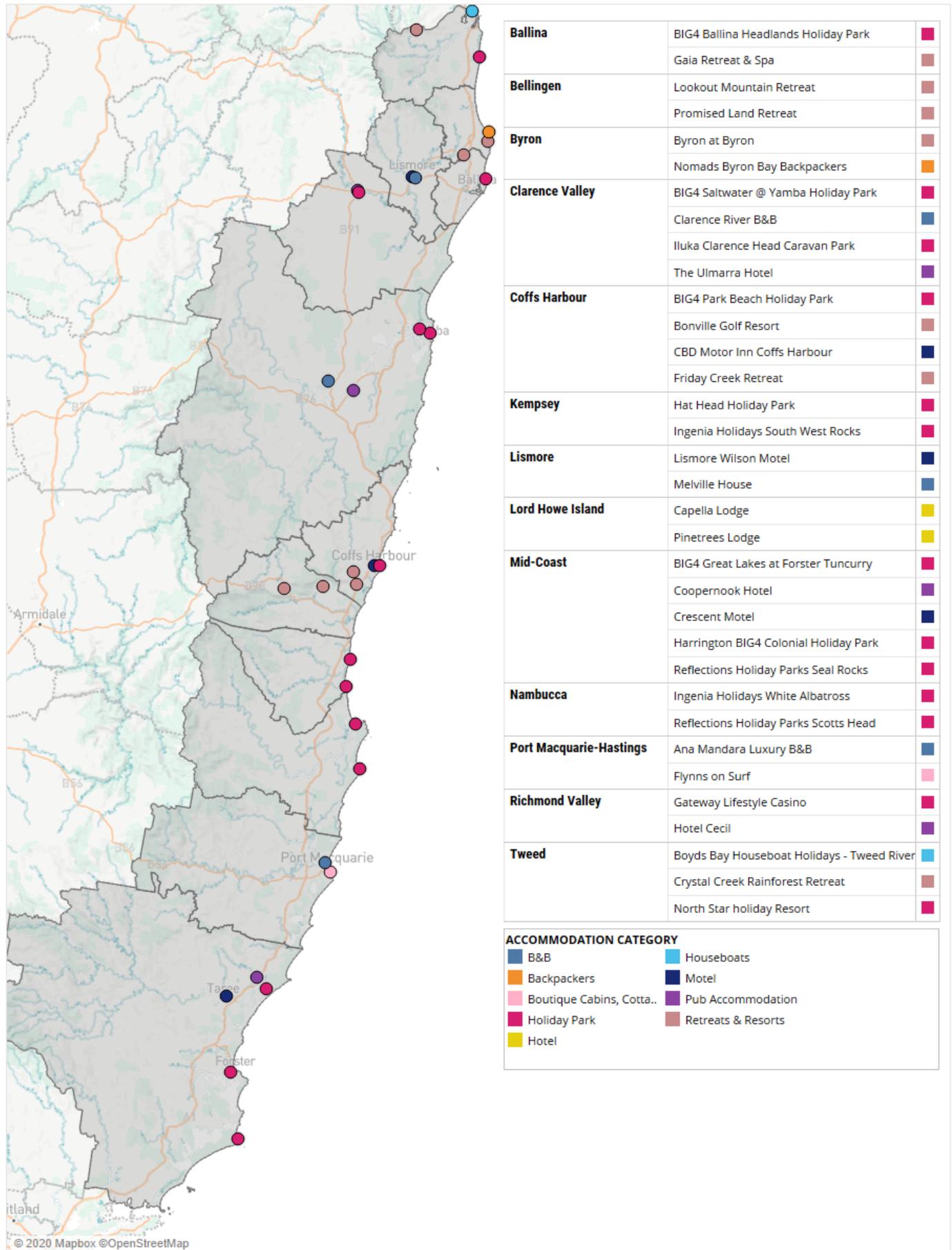


Figure 14: Google Travel Top Reviewed properties





3. COMPETITOR & COMPARATIVE ANALYSIS

As part of this project, we have expanded on the competitor and comparative analysis. This includes a more specific focus on accommodation. The destinations included in the assessment are:

- all LGAs in the North Coast region;
- the Sunshine Coast (including both Sunshine Coast LGA and Noosa LGA); and
- selected LGAs from the NSW South Coast region (Wollongong LGA and Kiama LGA).

These destinations have been selected because they share similarities to those within the DNC region, or, are considered a direct competitor.

To complete the comparative analysis, the following has been undertaken.

- Data scraping: In addition to completing an accommodation stock analysis for the North Coast (see Section 2.1), Stafford has also undertaken a data scraping exercise utilising TripAdvisor and Airbnb⁷. This provides a comparison of the type of accommodation product available in each area as well as consumer sentiment (including a Net Promoter Score).
- Occupancy rates assessment: Based on the Australian Accommodation Monitor
- Destination positioning review: based on online reviews via various websites.

From this, several critical success factors have been identified. The data scraping results can be found in the supporting documentation at the rear of this report. Probably the key assessment tool is the Net Promoter Score which helps determine

Figure 15: NPS Score Scale



consumer loyalty to commercial accommodation properties and the regions in which they are located. These are noted below.

3.1.1.1. Net Promoter Score

The Net Promoter Score (NPS) is a metric used to measure consumer loyalty. *In an accommodation context, this translates to a visitors' willingness to not only return for another stay but also make a recommendation to their family, friends, and colleagues.* NPS scores are reported with a number from -100 to +100, with a score above 0 considered good and a score above 50 considered excellent.

The NPS is calculated using a scale of 1-10 (see the below figure), with:

- a score between 0-6 being considered unhappy customers who are unlikely to return, and may even discourage others from staying with the provider;
- a score between 7-8 being passives, meaning they are satisfied with the provider but not happy enough to be considered promoters; and
- a score between 9-10 are considered promoters who are typically loyal and enthusiastic customers and who are likely to return and strongly promote the provider.

TripAdvisor uses a scale of 1-5 for consumer ratings on accommodation product. Converting this to the NPS scale means that a rating of 1-3 are considered "detractors" for the product, a score of 4 are the product's "passives" and a score of 5 are the products "promoters".⁸ Those LGAs with less than 5 properties have been excluded from the assessment because the sample size is too small.

⁷ The data was collected between 19th May 2020 and 26th May 2020. As such, any changes in product listing and rankings post this period may change the results.

⁸ <https://birdeye.com/blog/net-promoter-score-explained/>



Table 3 provides a summary of the NPS results by property category and by LGA (a more detailed NPS matrix has been included in Appendix 7). It demonstrates the following.

- The overall NPS for the DNC region is +33. This is a positive score. The Sunshine Coast & Noosa region achieve a higher NPS of +41 indicating greater satisfaction while the Wollongong & Kiama region receive a much lower (but still positive) NPS of +7.
- Across all three areas assessed, “Pub Accommodation” receives a negative NPS indicating strong dissatisfaction with the product type on offer.
- In the DNC region, the property categories which achieve higher NPS’ are “B&Bs, Cottages, Villas” and “Holiday Homes/Apartments”, both achieving scores exceeding +70. This is the same for the Sunshine Coast & Noosa region, however, “Specialty Lodging” also achieves a score above +70.
- The Wollongong & Kiama region does not have any property category which achieves an NPS exceeding +50.
- Looking at the NPS scores on an LGA-by-LGA basis, in the DNC region, Lord Howe Island achieves the highest NPS (+75), followed by Bellingen (+55), Byron (+44) and Nambucca (+44). Coffs Harbour generates the lowest (but still a positive) NPS of +12.

- Sunshine Coast LGA and Noosa LGA both achieve relatively strong NPS’ of +41 each demonstrating the quality and consumer satisfaction with accommodation product on offer.

Assessing the NPS results of all product categories across all LGAs (see Table 3) shows the following important points.

Lower NPS scores are generated for:

- “Motels” in Wollongong (-46), Richmond Valley (+3) and the Sunshine Coast (+11)
- “Pub Accommodation” in the Sunshine Coast (-21), Noosa (-18) and Wollongong (+9)
- “Hostels” in the Sunshine Coast (-24)
- “Camping/Holiday Parks” in Byron (+7)
- “Hotels, Serviced Apartments” in Coffs Harbour (+3)

Particularly high NPS scores are generated for:

- “B&Bs, Cottages, Villas” in Clarence Valley (+83), Coffs Harbour (+83), Lismore (+77), Byron (+76), the Sunshine Coast (+76), Noosa (+73) and Port Macquarie-Hastings (+72)
- “Hotels, Serviced Apartments” and “Specialty Lodging” in Lord Howe Island (+77 and +73 respectively)
- “Specialty Lodging” in the Sunshine Coast (+81)

Table 3: NPS Comparison by Accommodation Category and by LGA

NPS by Property Type

LGA (group)	Category	Promoters Total	Passives Total	Detractors Total	Number of Reviewers	Promoters Less Detractors	NPS Score
NSW North Coast	B&Bs, Cottages, Villas	7,144	1,231	550	8,925	6,594	+74
	Camping/Holiday Park	6,649	3,842	2,426	12,955	4,223	+33
	Holiday Homes/Apartmen..	192	47	11	250	181	+72
	Hostels	2,848	1,430	1,358	5,636	1,490	+26
	Hotels, Serviced Apartmen..	29,891	18,727	11,147	59,754	18,744	+31
	Motels	10,099	8,245	4,388	22,726	5,711	+25
	Pub Accommodation	318	420	422	1,160	-104	-9
	Specialty Lodging	1,985	730	447	3,161	1,538	+49
Total		59,126	34,672	20,749	114,567	38,377	+33
NSW South Coast (Wollongong-Kiama)	B&Bs, Cottages, Villas	297	309	267	873	30	+3
	Camping/Holiday Park	383	215	133	731	250	+34
	Hotels, Serviced Apartmen..	4,102	4,167	2,998	11,267	1,104	+10
	Motels	95	240	399	734	-304	-41
	Pub Accommodation	75	96	134	305	-59	-19
Total		4,952	5,027	3,931	13,910	1,021	+7
Sunshine Coast & Noosa	B&Bs, Cottages, Villas	6,627	1,045	497	8,166	6,130	+75
	Camping/Holiday Park	2,277	1,200	775	4,252	1,502	+35
	Holiday Homes/Apartmen..	150	19	16	185	134	+72
	Hostels	838	465	448	1,750	390	+22
	Hotels, Serviced Apartmen..	38,354	20,652	11,406	70,416	26,948	+38
	Motels	1,832	1,085	728	3,624	1,104	+30
	Pub Accommodation	173	254	319	746	-146	-20
	Specialty Lodging	2,490	416	274	3,180	2,216	+70
Total		52,741	25,136	14,463	92,319	38,278	+41

NPS by LGA

LGA (group)	LGA	Promoters Total	Passives Total	Detractors Total	Number of Reviewers	Promoters Less Detractors	NPS Score
NSW North Coast	Ballina	2,980	1,729	844	5,552	2,136	+38
	Bellingen	1,279	365	245	1,889	1,034	+55
	Byron	14,033	5,582	3,687	23,300	10,346	+44
	Clarence Valley	4,344	2,632	1,279	8,255	3,065	+37
	Coffs Harbour	6,996	5,777	4,920	17,689	2,076	+12
	Kempsey	1,923	1,146	671	3,738	1,252	+33
	Lismore	897	515	302	1,713	595	+35
	Lord Howe Island	2,204	462	116	2,782	2,088	+75
	Mid-Coast	4,193	2,423	1,568	8,183	2,625	+32
	Nambucca	1,880	941	453	3,270	1,427	+44
	Port Macquarie-Hastings	8,753	6,273	3,237	18,261	5,516	+30
	Richmond Valley	278	256	141	675	137	+20
	Tweed	9,318	6,571	3,286	19,212	6,032	+31
Total		59,078	34,672	20,749	114,519	38,329	+33
NSW South Coast (Wollongong-Kiama)	Kiama	1,635	1,452	1,087	4,174	548	+13
	Wollongong	3,555	3,689	2,893	10,137	662	+7
	Total	5,190	5,141	3,980	14,311	1,210	+8
Sunshine Coast & Noosa	Noosa	22,269	10,662	6,083	39,021	16,186	+41
	Sunshine Coast	30,472	14,474	8,380	53,298	22,092	+41
	Total	52,741	25,136	14,463	92,319	38,278	+41

3.1.2. Airbnb

The rapid expansion of the sharing economy can be seen in many areas of the economy, but it is having a particularly big impact on the tourism sector. These services, often between peers (referred to as Peer-2-Peer, or, P2P) rather than commercial players range from accommodation, leisure, tours and transportation.

For the North Coast, the sharing economy is primarily having an impact on the accommodation sector. Many parts of the region have long been popular destinations for NSW and QLD residents in particular to have holiday homes. The sharing economy has enabled these homes (when vacant) to become accommodation options for visitors. Additionally, it has enabled residents to rent out their homes during periods where they may be travelling elsewhere.

Airbnb is one of the most popular platforms for peer-to-peer accommodation rentals.

Figure 16 provides the results of the Airbnb data scrape. In total, 3,320 Airbnb properties were identified. When reviewing the data, it is important to note the following.

- Airbnb does not provide actual address information for most properties until a booking is made. Airbnb, does, however, provide listings based on LGAs. Properties have, therefore, been listed according to the LGA Airbnb identifies they are situated within. The exception to this is Ballina and Byron Shires. Their results have been combined because many properties in Byron are also listed in Ballina (and vice versa) and without exact address information it is not possible to define which LGA they are situated within.
- Airbnb providers can hide their listing when they do not wish to rent their property out. The data identified, therefore, reflects only those which at the time of the data scrape⁹ had their property as available.
- Not all holiday homeowners list on Airbnb, however, it is the largest peer-to-peer home rental platform, and, therefore, provides a robust indication on the size of the peer-to-peer rental market in the regions being assessed.

The data illustrates the following.

- The DNC region has a far greater number of Airbnb properties listed (2,244 in total) which is likely because of its geographic size vis-à-vis the other regions being assessed.
- Within the DNC region, most Airbnb properties are situated within Byron and Ballina (comprising 18% of Airbnb properties), Tweed (15%) and Mid-Coast (14%).
- Noosa and the Sunshine Coast have a combined 564 Airbnb properties and the NSW South Coast sub-region (Kiama and Wollongong) together have 545 properties.

Table 4 provides a summary of the number of Airbnb listings per LGA, compared with the size of each LGA and overnight visitation. It demonstrates the following.

- The NSW South Coast sub-region (Kiama and Wollongong) have a far greater concentration of Airbnb properties, with Kiama having one Airbnb property for every 1.0km² or 1k overnight visitors and Wollongong having one for every 2.3km² or 3k visitors. The only LGA in the DNC region which comes close to this is Ballina and Byron (combined), having an Airbnb listing for every 2.6km². There are two explanations for why Kiama and Wollongong likely have a higher concentration of peer-to-peer accommodation:
 - Their proximity to a major population catchment (Sydney) and with many Sydneysiders having holiday houses in the South Coast which they potentially let out through Airbnb when not in use.
 - The relative lack of larger-scale, commercial accommodation in the South Coast when compared with the North Coast meaning that the peer-to-peer market has filled a gap and soaked up additional demand.
- This is a similar scenario for Noosa and the Sunshine Coast, with the area being a popular location for Brisbanites to have holiday homes. Added to this is the fact that:
 - Queensland was historically a lot more flexible on strata titles, resulting in more intensive development and more individuals holiday letting their properties out rather than owners going into a letting pool arrangement in apartment complexes; and
 - property owners have found that higher returns are able to be generated through short-term holiday rentals compared with longer-term residential rentals so many properties in these areas have been converted to short-stay rentals.

⁹ Completed between May 25th and June 1st 2020

- Those LGAs with coastal-based destinations in the DNC region typically have a greater concentration of Airbnbs per square kilometre (such as Tweed, Ballina, Byron, and Coffs Harbour).
- Lord Howe Island only has two Airbnb properties listed. This is likely because the bulk of Lord Howe Island's accommodation stock is considered commercial and is available for rental throughout the entire year and the

regulated number of total accommodation beds registered (400) on the island prevents homeowners from casually letting out any spare capacity.

Airbnbs do fill a supply gap in the accommodation mix for the DNC region as they often are seen to soak up spare demand during peak periods specifically. However, this can make it more challenging when trying to determine the market demand and supply for new hotels and resorts especially.

Figure 16: Airbnb properties

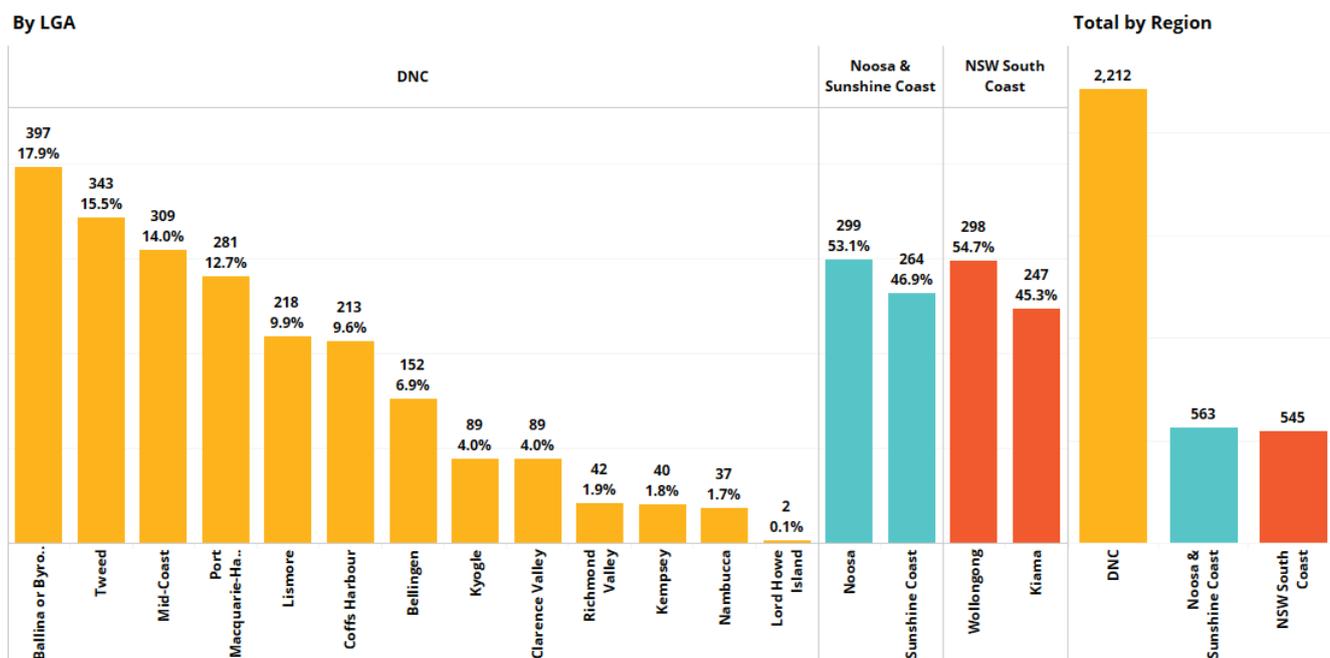


Table 4: Comparison of Airbnb Properties with Size of LGAs and Visitation

Region/LGA	Size	Overnight Visitors	Airbnb		
			# of Properties Listed	Properties:Area	Properties:Overnight Visitors
Destination NC	42,135 sqkm		2,212	1 property : 19.0sqkm	-
Tweed	1,321 sqkm	662k	343	1 property : 3.9sqkm	1 property : 2k visitors
Kyogle	3,589 sqkm	62k	89	1 property : 40.3sqkm	1 property : 1k visitors
Ballina or Byron	1,042 sqkm	1.1m	397	1 property : 2.6sqkm	1 property : 3k visitors
Lismore	1,290 sqkm	231k	218	1 property : 5.9sqkm	1 property : 1k visitors
Richmond Valley	3,051 sqkm	157k	42	1 property : 72.6sqkm	1 property : 4k visitors
Clarence Valley	10,441 sqkm	650k	89	1 property : 117.3sqkm	1 property : 7k visitors
Coffs Harbour	1,175 sqkm	932k	213	1 property : 5.5sqkm	1 property : 4k visitors
Bellingen	1,602 sqkm	120k	152	1 property : 10.5sqkm	1 property : 1k visitors
Nambucca	1,491 sqkm	150k	37	1 property : 40.3sqkm	1 property : 4k visitors
Kempsey	3,380 sqkm	338k	40	1 property : 84.5sqkm	1 property : 8k visitors
Port Macquarie-Hastings	3,686 sqkm	887k	281	1 property : 13.1sqkm	1 property : 3k visitors
Mid-Coast	10,053 sqkm	1.0m	309	1 property : 32.5sqkm	1 property : 3k visitors
Lord Howe Island	15 sqkm	19k	2	1 property : 7.3sqkm	1 property : 10k visitors
Noosa+SC	3,124 sqkm		563	1 property : 5.5sqkm	-
Noosa	870 sqkm	1.0m	299	1 property : 2.9sqkm	1 property : 3k visitors
Sunshine Coast	2,254 sqkm	2.3m	264	1 property : 8.5sqkm	1 property : 9k visitors
South Coast	942 sqkm		545	1 property : 1.7sqkm	-
Kiama	258 sqkm	335k	247	1 property : 1.0sqkm	1 property : 1k visitors
Wollongong	684 sqkm	805k	298	1 property : 2.3sqkm	1 property : 3k visitors

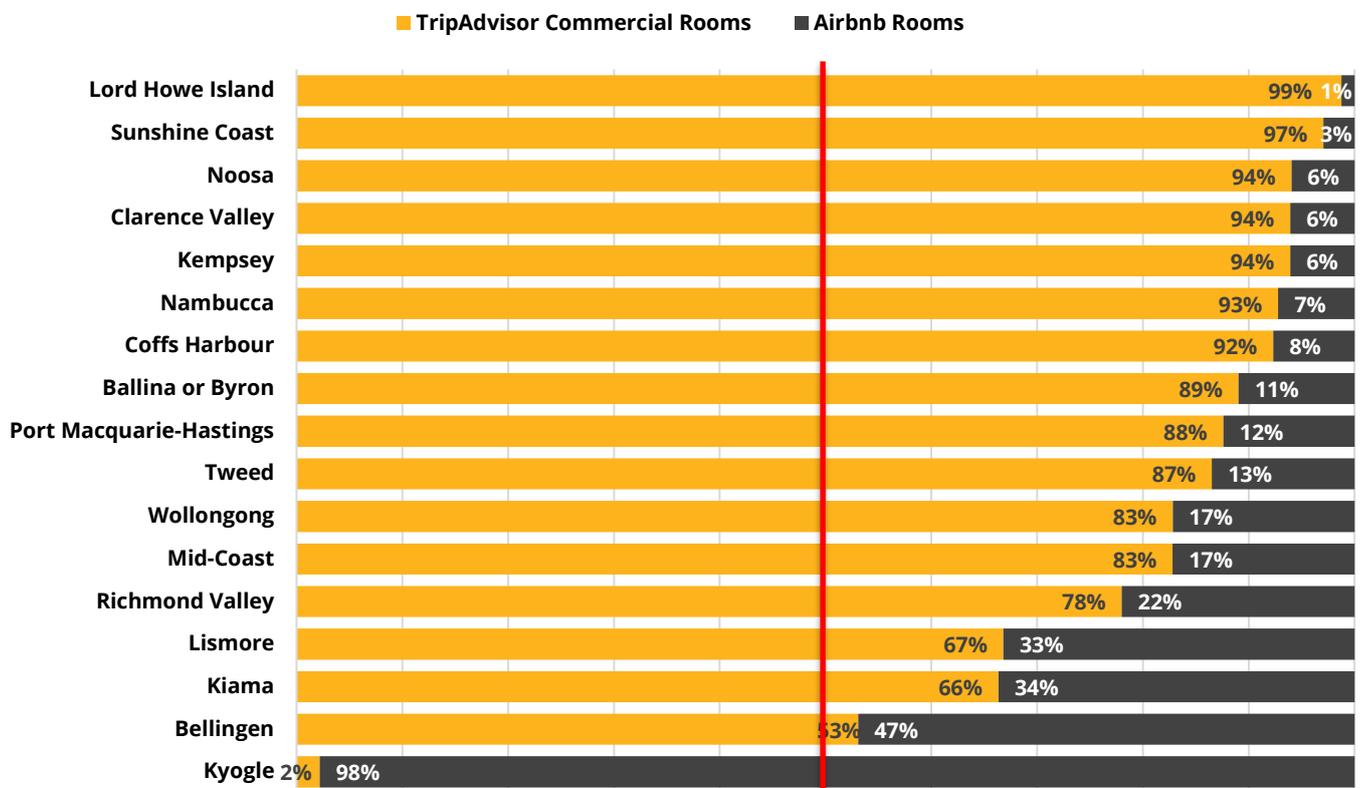
3.1.2.1. TripAdvisor:Airbnb Room Listings

Figure 17 demonstrates the number of commercial TripAdvisor room listings¹⁰ with Airbnb room listings for each LGA included in the comparative assessment. It demonstrates the following.

- In the North Coast region, 87% of rooms are estimated to be commercial accommodation rooms, with the remaining 13% being Airbnb rooms.
- The Wollongong/Kiama region has a stronger proportion of Airbnb rooms, comprising an estimated 22% of their room mix, while the Sunshine Coast (including Noosa) has a greater proportion of commercial rooms comprising an estimated 96% of room stock.
- Out of all the LGAs/areas assessed, Lord Howe Island and the Sunshine Coast have the strongest proportion of commercial accommodation rooms, comprising 99% and 97% of room stock respectively.
- Although Kyogle appears to have a significant over-reliance on Airbnb, it is suspected that this is potentially because there are very few properties listed on TripAdvisor for Kyogle. This could be because the LGA does have a limited supply of

- commercial accommodation or because operators within the region have elected not to self-listed on TripAdvisor.
- Bellingen, Kiama and Lismore have the next largest supply of Airbnb accommodation, comprising 47%, 34% and 33% of accommodation rooms respectively.
- Although share economy (Airbnb) properties help to fill gaps in the product mix within the region, they often take up market demand at peak holiday periods only and are not often readily available for the remaining times of the year. This can make it difficult, at times, for new commercial accommodation developers and investors to find sufficient market demand to support new commercial accommodation investment and their feasibilities.
- The economic benefit generated from a share economy property is far lower than for a commercial accommodation facility as they tend to support few local jobs directly or indirectly within the local economy. Even when clustered together to amalgamate their room capacity, their economic impact is low.

Figure 17: TripAdvisor Commercial Accommodation Rooms versus Airbnb Rooms¹¹



¹⁰ Commercial listings excludes any properties listed as holiday homes/apartments.
¹¹ Because Airbnbs can generally only be rented to one party at a time, 1 room has been applied for each Airbnb regardless of if the property has 8 rooms. A hotel with 8 rooms

can be rented to 8 different parties, whereas 1 Airbnb with 8 rooms can generally only be booked by one party.

3.2. Occupancy Rates

The Australian Accommodation Monitor is published by Tourism Research Australia and tracks the performance of the Australian accommodation industry. It includes properties which have 10 or more rooms and only regions which have more than four properties participating in the data collection are included in the assessment.

Table 5 provides a summary of the occupancy rates and RevPAR achieved by NSW and Queensland tourism regions. The regions this report has focused on are highlighted below. The data demonstrates the following on a regional level.

- Achieved average occupancy levels and achieved revenue per average room rate for the North Coast region was 65.7% and \$119.
- This reflects solid growth in both occupancy and RevPAR from the previous year but is still far lower than NSW overall which had an average occupancy of 78% and RevPAR at \$166 (though the NSW average overall has been in decline).
- Occupancy and RevPAR are also very similar to the South Coast region of NSW though the South Coast has seen no growth from the previous year.
- The Sunshine Coast for the corresponding period was 66.7% occupancy and \$149 average RevPAR with a slight decline in occupancy levels compared to the previous year, so While occupancy levels were similar to the North Coast of NSW, RevPAR was much stronger on average, which reflects the

different accommodation range, a higher percentage of branded properties and on average higher-yielding visitor markets.

The challenge for attracting new accommodation and encouraging existing facilities to upgrade and/or expand is that the occupancy levels need to reflect ideally a shortage of room supply, to stimulate investor interest. And this applies for both new builds as well as a potential expansion of existing accommodation facilities where possible.

A similar scenario exists for RevPAR, whereby a stronger achieved room rate helps support both reinvestment into existing properties and the rationale for developing new facilities. And higher-quality facilities which are needed to help attract a higher spending visitor market, need a strong RevPAR result to help justify a higher level of development spend. While the figures in the table below are regional averages, one would want to see higher average occupancy levels and higher RevPAR rates in comparable higher quality facilities to help support new investment of the type many LGAs are wanting to see in the DNC region.

In summary, the challenge for the North Coast region overall is that while the average occupancy rate and RevPar have improved over this period, both are seen as too low to support new tourism accommodation investment in general. Average occupancy levels of 80% plus and stronger achieved average room rates are needed to stimulate industry investment and to help illustrate that there is pent up market demand to support further investment.

Table 5: Comparative Occupancy Rates and RevPAR by Tourism Region

NSW	2017-18		2018-19		QLD	2017-18		2018-19	
	Occupancy	RevPAR	Occupancy	RevPAR		Occupancy	RevPAR	Occupancy	RevPAR
Sydney	84.9%	\$194	83.4%	\$186	Brisbane	72.2%	\$113	70.3%	\$110
Blue Mountains	61.5%	\$174	61.3%	\$183	Gold Coast	71.9%	\$143	70.2%	\$139
Capital Country	54.8%	\$83	54.7%	\$85	Bundaberg	60.9%	\$81	66.1%	\$90
Central Coast	67.6%	\$133	66.1%	\$130	Capricorn	57.1%	\$88	57.3%	\$86
Central NSW	63.0%	\$88	63.4%	\$91	Fraser Coast	59.2%	\$73	62.1%	\$87
Hunter	67.9%	\$125	67.2%	\$126	Gladstone	48.2%	\$55	49.3%	\$55
New England North West	55.1%	\$81	55.7%	\$83	Mackay	51.5%	\$72	54.3%	\$76
North Coast NSW	62.5%	\$105	65.7%	\$119	Outback Queensland	np	np	np	np
Outback NSW	np	np	np	np	Southern QLD Country	65.3%	\$94	62.2%	\$94
Riverina	67.4%	\$93	68.1%	\$96	Sunshine Coast	68.1%	\$148	66.7%	\$149
Snowy Mountains	43.6%	\$86	41.1%	\$80	Townsville	65.4%	\$88	71.2%	\$97
South Coast	66.8%	\$118	66.1%	\$118	Tropical North Queensland	77.4%	\$140	73.1%	\$134
The Murray	59.0%	\$81	57.5%	\$77	Whitsundays	66.4%	\$205	65.7%	\$181
Total for New South Wales	79.0%	\$171	78.0%	\$166	Total for Queensland	70.5%	\$125	69.0%	\$123

3.3. Destination Positioning

New South Wales and Queensland have a plethora of strong and well-established visitor destinations, including Byron Bay (which is within the DNC region), Noosa, the Whitsundays, the Blue Mountains, the Sunshine Coast and Gold Coast etc. Several of these are within close proximity to destinations in the North Coast region, and, while this can be viewed as a challenge, their proximity to a major visitor hub/market should also be considered an opportunity. To capitalise on this opportunity, however, requires differentiating the region's product offering from that which is available in surrounding regions.

As this project has concentrated on accommodation product development, this requirement for a clear competitive advantage has been a particular focus when identifying product gaps and opportunities.

Table 6 provides a summary of the competitor/comparative regions identified earlier and their existing focus/themes. From this, the following has been determined.



Beaches, beaches and more beaches: One of NSW's and QLD's primary strengths are its stunning beaches and coastline environment. The challenge with this, however, is that most destinations throughout both states have equally attractive beaches and coastline. There is a need, therefore, to provide experiences which interact with this coastal environment to achieve a clear point of difference.

Virtually every area assessed from Noosa to Kiama includes a mention on "uncrowded" or "unspoilt" beaches. While these beaches are a great asset to have, they do not provide a point of difference. However, what is valued highly by many are north-facing beaches, as these tend to offer better sea conditions from prevailing winds and weather patterns. There are very few of these along the Australian eastern seaboard (the only ones being Main Beach in Noosa and Agnes Water Beach near the Town of 1770 north of Bundaberg).



History & heritage needs a point of difference: As identified in the product audit completed in Project 1, over 12% of the North Coast region's product offering can be categorised as 'arts & cultural product'. However, many other regions throughout NSW and QLD also offer a similar level of history/heritage product. There is currently little Indigenous tourism product (making up just 1% of the product identified). Kempsey is the only destination which includes mention of Indigenous product in the State Tourism Summary.

For the region to achieve a strategic position in this tourism niche, there is a need to strongly differentiate from what is on offer elsewhere. Whatever is developed needs to be highly interactive and engaging as heritage and history can often be a hard element to entice visitation unless it is very interactive and immersive.



'Food-gastronomy tourism is growing, but it needs to be higher-quality: Food tourism is one of the fastest-growing tourism sectors. It is recognised by the United Nations World Tourism Organisation as one of the "most dynamic and creative segments of tourism"¹². The challenge with food tourism, however, is that many destinations are looking to capitalise on this growth and interest, and, as such, it is a highly competitive segment. There are a few destinations in the North Coast region which have existing strengths in this sector and these need to continue to be built on and enhanced. But there is ongoing and strong competition in this

¹² UNWTO Global Report on Food Tourism, page 5.

niche area. In addition, major cities in Australia offer high standards of gastronomy experiences and a wide range of products. There is, therefore, an expectation from those city-based visitors, to find quality food and beverage outlets and farm gate experiences where possible in regional areas.

World heritage is special, it needs to be interpreted and be experiential: Although the World Heritage brand is significant, there are over 1,121 World Heritage Sites globally so there is strong global and domestic competition already. Those World Heritage Sites which have strong brand cachet and awareness from a tourism perspective are those which enable visitors to interpret, interact and experience the site. By way of example, Te Wahipounamu World Heritage Area in New Zealand's South Island is known globally because of the various experiences which can be undertaken including guided day cruises on Milford Sound, overnight exclusive cruises on Doubtful and Dusky Sounds and guided multi-day walking experiences along the Milford and Kepler Tracks. This area has been well marketed and maintained to a high standard and experiences command high prices which appeal to both a local and an international market.

Hinterland is attractive, but not a unique point of difference: The number of destinations which are positioned as having attractive hinterland, pristine national parks, spectacular forests etc. are numerous in Australia. And while these destinations are fortunate to have these areas which contrast well and complement their coastal environments, it is how visitors are able to interact with these areas which differentiate each destination. This can include glamping experiences set in these environments, guided walking tours, multi-day trekking experiences, mountain biking and health and wellness experiences and day spas which leverage natural surroundings. Hinterlands on their own are not enough; it is how the visitor can interact which is essential and the competitive point of difference able to be applied.

A balance between free and paid product is needed: The vast majority of "top attractions" listed in TripAdvisor for the North Coast are free experiences (as indicated by the number of attractions listed with a red square ■). For the Sunshine Coast and Noosa, on the other hand, the majority are paid experiences which offer travel intermediaries, travel agents, and wholesalers, commission fees and so are promoted far more heavily nationally and internationally.

While having free things to do is important for any destination, having an over-reliance on free product generates far lower levels of visitor spend (i.e. the contribution to the local economy) can be noticeably lower and even problematic where visitors become cost centres to the local economy, through generating waste, the need for more infrastructure and facilities, and the need for greater site maintenance which the ratepayer has to often cover.

Walking trails are a fantastic asset but need to be tied in with commissionable product to be differentiated: Walking trails are abundant throughout the region and are a fantastic community asset to have for recreational users. Most, however, are not drawcards in their own right. Lord Howe Island currently has the only Great Walks of Australia walk, out of the whole of NSW (Seven Peaks Walk) and this is an example of a walk which is a strong tourism drawcard. To elevate the profile of walking trails requires recognising those which offer truly unique experiences, and which offer guided day and multi-day walking opportunities.

Having attractive places to stay in, or places to access food and beverage en route on a walking trail is the type of commissionable product which needs to be considered along with transport options at the start and endpoint of trails.

Offering a range of Accommodation well-maintained: Finding a competitive edge in the highly competitive accommodation sector is essential. While most visitors come to a destination for its attractions and experiences, the accommodation experience can play a major role in setting the look and feel for the destination and its brand attributes. A common comment regarding destinations with stunning outdoor environments is that while they often have a 5-star quality natural environment, but the built environment is more reflective of a 3-star standard rating.

In most of the areas assessed, the primary form of accommodation on offer reflects traditional motel and hotel-style accommodation. While this is suitable for some markets, there is a need to deliver a higher-quality accommodation offering in many (but not all) of the LGAs assessed if these destinations are keen to attract a higher-yielding market and one which stays longer. The Sunshine Coast and Noosa are good examples of good regional destinations with stronger visitor yield, higher occupancy levels and higher achieved RevPar results. They have also been able to stimulate stronger interest in food gastronomy and offer a wide range of quite exotic farm gate products, farmers markets, cafes, restaurants and bars.

Without these core elements, higher spending visitor markets would have struggled to be attracted to their regions.

The table which follows illustrates:

- the high percentage of free experiences able to be had in the region;
- particularly when compared to destinations outside of the region; and
- the similarity in brand positioning which just makes it more challenging to find a unique point of difference.

Table 6: Competitor and comparative destinations positioning summary

Area	Top Line Summary Positioning	State Tourism Summary ¹³	Permanent Accommodation Focus ¹⁴ (i.e. >25% properties)	TripAdvisor Top Attractions ¹⁵ (Primarily Free = ■, Primarily Paid = ■)
Byron Bay Area & Ballina	Beaches, hinterland, stylish towns and villages, creativity	The Byron Bay region on the North Coast of NSW is world-famous for its spectacular beaches, forested hinterland, stylish coastal towns and hidden rural villages. It's also known for a creative community that draws artists, musicians and makers from across the world (including Hollywood heart-throb Chris Hemsworth).	Hotels/ Serviced Apartments, B&Bs/Villas	<ul style="list-style-type: none"> Byron Bay: Cape Byron Lighthouse ■, Lighthouse Trail ■, The Farm ■, Stone & Wood Brewery ■, Byron Bay ■ Ballina: Ballina Naval & Maritime Museum ■, Lighthouse Beach ■, Big Prawn ■, Ballina Visitor Information Centre ■, Ballina Head Lookout ■
Clarence Valley	Uncrowded beaches, rivers, World Heritage rainforest, fishing, surfing, history	There's rivers, empty beaches, World Heritage rainforest reserves, quaint fishing and surfing towns, and old-fashioned festivals, yet the Clarence Valley still flies under the radar of many visitors. Discover the historic town of Grafton, spectacular outdoor adventures and a laid-back country lifestyle.	Motels, Camping/Holiday Parks	<ul style="list-style-type: none"> Clarence Valley: See Park ■, Spooky Beach ■, Clarence River ■, Iluka ■, Clarence Gorge ■ Yamba: Main Beach Yamba ■, Pippi Beach ■, Angourie Walking Track ■, Turners Beach ■, Clarence River Lighthouse ■
Coffs Harbour/Coast, Bellingen, Nambucca	Ancient rainforest, marine park, beaches, Big Banana, surfing, kayaking, mountain biking, bushwalking	From ancient rainforest and a pristine marine park, to the Big Banana Fun Park and gorgeous beaches, Coffs Coast is a wonderland of attractions. Head out and enjoy fun adventures such as kayaking, surfing and mountain biking, or go bushwalking and discover spectacular lookouts.	Hotels/ Serviced Apartments, Motels, Camping/Holiday Parks	<ul style="list-style-type: none"> Coffs Harbour: Dolphin Marine Conservation Park ■, Forest Sky Pier ■, Coffs Harbour Muttonbird Island ■, North Coast Regional Botanic Garden ■, The Big Banana Fun Park ■ Bellingen: The Bellingen Brewery ■, Bellingen Community Markets ■, Northbank Community Garden ■, Bellingen Memorial Hall ■, Bellingen Court House ■ Nambucca: V-Wall ■, Captain Cook's Lookout ■, Nyambagga Walking Trail ■, Nambucca Heads Beach ■, Shelly Beach ■
Mid-Coast	Beaches, waterways, coastline, wildlife viewing, kayaking, bushwalking	Stretching from the Great Lakes to the beautiful Manning Valley, you'll discover spectacular beaches and waterways, beautiful coastline and stunning wilderness in this wonderful region. For dolphin cruises and scuba diving to kayaking and bushwalking, this vast natural playground is unrivalled.	Motels, Hotels/ Serviced Apartments	<ul style="list-style-type: none"> Taree: Apex Lookout ■, Coorabakh National Park ■, Manning Regional Art Gallery ■, Manning Valley Libraries ■, Cundletown and Lower Manning Historical Society Inc. ■ Forster: Cape Hawke Lookout ■, Wallis Lake ■, One Mile Beach ■, Bennetts Head Lookout ■, Forster Main Beach ■

¹³ Collated from the summary for each destination listed on Destination NSW's website (<https://www.visitnsw.com/destinations/north-coast>)

¹⁴ I.e. this excludes Airbnb stock as Airbnb stock is generally not all-year-round stock. Often, properties are only placed for rent on Airbnb for certain periods of the year.

¹⁵ Collated from TripAdvisor's top attractions listed for each destination. For example, for Byron Bay, data was collated from TripAdvisor's "Things to Do" tab under the header "Top Attractions in Byron Bay": https://www.tripadvisor.com.au/Attractions-g528934-Activities-Byron_Bay_Byron_Shire_New_South_Wales.html. This lists the top things to do in Byron according to "Traveller Favourites" (Things to do ranked using Tripadvisor data including reviews, ratings, photos, and popularity.)

Area	Top Line Summary Positioning	State Tourism Summary ¹³	Permanent Accommodation Focus ¹⁴ (i.e. >25% properties)	TripAdvisor Top Attractions ¹⁵ (Primarily Free = ■, Primarily Paid = ■)
Kempsey	Slim Dusty Centre, national parks, uncrowded beaches, cage diving, indigenous history and colonial heritage	<p>On the beautiful Macleay Valley Coast explore the life of country music legend Slim Dusty, enjoy magnificent national parks and relax on uncrowded beaches. You can surf a famous point break and cave dive with a school of sharks. You'll also discover fascinating indigenous and colonial heritage.</p> <p>The Slim Dusty Centre is in Kempsey, the main town by the Macleay River where Akubra hats are made. The singer-songwriter and guitarist is an Australian cultural icon who grew up at Nulla Nulla Creek near Kempsey. Exhibitions and music memorabilia in the centre honour his stellar career.</p>	Motels	<ul style="list-style-type: none"> The Slim Dusty Centre ■, Crescent Head Lookout ■, Kempsey Riverside Park ■, Macleay Valley Coast Visitor Center ■, Dunghutti-Ngaku Aboriginal Art Gallery ■
Lismore, Richmond Valley & Kyogle	Rainforest, trekking, uncrowded beaches, artistic offerings	The region of Lismore and the Richmond Valley on the far North Coast of NSW offers something for every kind of traveller – from nature lovers to culture vultures and foodies. The area has everything from rainforest walking tracks to empty beaches, though its artistic offerings are just as celebrated.	Motels, B&Bs/Villas	<ul style="list-style-type: none"> Lismore: Rocky Creek Dam ■, Lismore Car Boot Market ■, Lismore Visitor Information Centre ■, Lismore Regional Gallery ■, Friends of the Koala ■ Casino: Jambama Arts Gallery ■, McKee's Antiques ■, Casino Visitor Information Centre ■, Casino Mini Rail ■, Wild River Tours ■ Kyogle: Daleys Fruit Tree Nursery ■, Kyogle Visitor Information Centre ■, Koreelah National Park ■, Jon Coomber ■, Mazzers Coaches ■
Port Macquarie	Uncrowded beaches, national parks, walking trails, Koala hospital, wine region	Greater Port Macquarie is a place of unspoiled beauty, with pristine secluded beaches, sparkling estuaries and stunning national parks crisscrossed with walking trails. The laidback region, which is known for its natural beauty, is also home to the famous Koala Hospital, Hastings River wine region and Bago Maze near Wauchope.	Hotels/Service Apartments, Motels	<ul style="list-style-type: none"> Koala Hospital ■, Coastal walk ■, Tacking Point Lighthouse ■, Billabong Zoo: Koala & Wildlife Park ■, Breakwall Waking Path ■
Tweed	Uncrowded beaches, surfing, foodies, fresh produce, award-winning restaurants	The Tweed on the far NSW North Coast offers visitors every kind of attraction – from uncrowded beaches to world-renowned surf breaks and a beautiful river which winds its way right through town and empties out into the Pacific Ocean. It's also developing a reputation as a delicious destination for foodies.	Motels, Hotels/Service Apartments	<ul style="list-style-type: none"> Tweed Heads Visitor Information Centre ■, Tweed City Shopping Centre ■, Chris Cunningham Park ■, Farm & Co ■, Minjungbal Aboriginal Cultural Centre ■

Area	Top Line Summary Positioning	State Tourism Summary ¹³	Permanent Accommodation Focus ¹⁴ (i.e. >25% properties)	TripAdvisor Top Attractions ¹⁵ (Primarily Free = ■, Primarily Paid = ■)
Lord Howe Island	Uncrowded beaches, UNESCO World Heritage	An island paradise with pristine beaches, abundant wildlife and just 300 residents, UNESCO World Heritage listed Lord Howe Island is a unique and untouched destination. A two-hour flight from Sydney, only 400 visitors are allowed on the treasured island at any one time to experience its incredible natural attractions.	Hotels, Specialty Lodging	<ul style="list-style-type: none"> Ned's Beach ■, Mt Gower ■, Lord Howe Island Walking Trails ■, Lagoon Beach ■, Lord Howe Island Museum ■
Sunshine Coast	Beaches, Glass House Mountains, hinterland	From sandy beaches to dramatic peaks. Only an hour's drive north of Queensland's capital you'll join the laid-back lifestyle of the Sunshine Coast. Leave your footprints in the 100km stretch of sandy coastline, or take in the sweeping views from the volcanic peaks of the Glass House Mountains. Beyond the sparkling beaches and lush hinterland are communities that create the true essence of the Sunshine Coast. From the sophisticated village of Noosa, to the urban centre of Maroochydore, the easy-going charm of Caloundra and the natural beauty of the Pumicestone Passage, each seaside spot has its own personality to get to know.	Hotels/Service Apartments	<ul style="list-style-type: none"> Noosa Dreamboats Classic Boat Cruises ■, Noosa Oceanrider ■, Mooloolaba Canal Cruise ■, Noosa River & Canal Cruises ■, Coastal Cruises Mooloolaba ■ <p>(note some of these are in Noosa but because Noosa is considered a sub-region of the Sunshine Coast on TripAdvisor, they are listed under the Sunshine Coast's top things to do)</p>
Noosa	Wildlife, surfing, uncrowded beaches, islands	The best of all worlds. If you're after a place to hit the refresh button and focus on invigorating your mind and body, you've found it at Noosa on the Sunshine Coast. This is a place where the first things you see in the morning (apart from the local barista) are the dolphins, koalas and sea turtles you spot on your morning stroll.	Hotels/Service Apartments	<ul style="list-style-type: none"> Noosa National Park ■, Serenity Cruise to Australia's Everglades ■, Kayak with Dolphins Tour ■, Noosa Main Beach ■, Noosa Farmers Market ■, Learn to Surf ■
Kiama	Blowhole, coastal walks, rainforest, uncrowded beaches, zip line, golf	Discover the beautiful Kiama area and its famous blowhole, magnificent coastal walks, scenic rainforest trails and pristine beaches. Other wonderful attractions include great surf breaks, farmers markets, Australia's highest zip-line and golf courses in breathtaking locations. The powerful Kiama Blowhole is one of the world's largest natural water spouts. Nearby is the Pilot's Cottage Museum, which tells Kiama's intriguing maritime story. And the vibrant cafe culture and other delicious food and wine experiences, from wine tasting to beachside markets, are enticing too.	B&Bs, Hotels/Service Apartments	<ul style="list-style-type: none"> Kiama Coastal Walk ■, Kiama Blowhole ■, Saddleback Mountain Lookout ■, Little Blowhole Reserve "Endeavour Lookout" ■, Cathedral Rocks ■
Wollongong	Coastline, secret beaches, mountains	It doesn't take much time driving south from Sydney to find one of NSW's most under-rated destinations; Wollongong and the Illawarra region. Just follow the Grand Pacific Drive touring route over the spectacular Sea Cliff Bridge and discover rugged coastline, secret beaches and striking mountains.	Hotels/Service Apartments, B&Bs	<ul style="list-style-type: none"> Nan Tien Temple ■, Grand Pacific Drive - Sydney to Wollongong and Beyond ■, Wollongong Botanic Garden ■, Wollongong To Thirroul Bike Track ■, Wattamolla Beach ■

3.4. What Does Success Look Like?

“What does success actually look like?”: this question is highly subjective and, dependent on the stakeholder responding, yields different responses. Figure 18 provides a summary of the typical responses/metrics of success different stakeholders are focused on. As we are heavily focussed in this report on commercial accommodation, the critical success factors noted below for accommodation are very important if investment into accommodation product is to be secured.

Figure 18: What Does Success Look Like?

 Accommodation Investors & Operators	 Council & RTOs	 Community	 Attraction & Tourism-Related Operators
<ul style="list-style-type: none"> Yield/ROI RevPAR Occupancy rates Reduced seasonality Online positioning of their Property/Feedback Level of bookings are from members (branded properties) A high level of local desire to work at the property A supportive and proactive council 	<ul style="list-style-type: none"> Creation of local jobs Ability to attract other forms of tourism investment (acts as a catalyst), awards for sustainability and national/global awards achieved Level of investment Visitor economy output growth Visitor spend growth Longer average length of visitor stay Improved perception of the destination Host community acceptance 	<ul style="list-style-type: none"> Creation of local jobs Improved perception of the destination Accommodation sponsorship of community-based projects 	<ul style="list-style-type: none"> Ability to grow overnight visitation to increase the length of stay Generating more visitors to the area generally Improved perception of the destination

Figure 19 provides a summary of some of the key findings identified through the comparative assessment as well as Stafford’s professional experience. These are key critical success factors which are apparent in destinations which have a good supply of quality accommodation that meet and/or exceed visitor expectations.

Figure 19: Common Factors of Success That Support Quality Commercial Accommodation



Based on the research into a number of coastal regions throughout Australia, the NSW North Coast has an opportunity to alter its visitor mix and activate a stronger, higher-yielding visitor market if it can encourage:

- a range of internationally rated 4-star and preferably branded commercial accommodation developments of various types and sizes;
- higher quality food and beverage services and amenities throughout the DNC region; and
- a series of all-weather, built visitor attractions and experiences which are quality commissionable experiences which can be packaged with quality branded commercial accommodation to refocus the DNC region into a stronger network of destination hubs to stop and stay in, and thus a deliberate move away from the dominant transit focus of much of the region for many travellers heading north to Queensland especially.

Several North Coast LGAs have commented on their desire to encourage additional commercial accommodation options to supplement the current range and typology. As most of the new accommodation being sort is 4-star quality or higher, it is particularly important that councils are able to offer the accommodation sector:

- support to securing potential sites for locating new commercial accommodation whether this be long term leases or freehold land;

- research evidence to support the need for additional quality room stock;
- evidence that planning policies, regulations, and legislation through local LEPs, DCPs and other plans and strategies are supportive of new forms of commercial accommodation;
- councils will work closely with developers and investors to assist in getting council planning approvals through in realistic timeframes where these offer desirable new forms of accommodation or expansion to existing accommodation properties where this is possible; and
- will work with project proponents where state government approvals are also required so projects do not get held up at a State Government level.

A clear message from the development community is the desire for greater certainty from the government at all levels, to help address project risk. This ranges across all forms of commercial accommodation from more remote and at times small scale commercial development such as glamping tents through to eco chalets and cabins, and a range of boutique hotels and larger-scale development where these may also be part of mixed-use development projects (sometimes with a co-located visitor attraction, a function or conference venue, retail etc.).

The consistent message received from operators, developers and investors is that the planning approval process in NSW, at both a local and state government level, is far more difficult to navigate and far less supportive of tourism development opportunities than is experienced in other states and territories around Australia.



4. ENCOURAGING INVESTMENT

4.1. Mechanisms to Encourage Development/ Reinvestment

Investment is essential to build and maintain a competitive edge and a stronger visitor economy based on destination development rather than transit traveller accommodation needs. The higher-risk nature of tourism investment means that there is often a need to help de-risk investment into the sector. This is particularly the case with mid to larger-scale accommodation development (or reinvestment of existing products) because of the inability to easily cash flow the project (when compared with owner-occupied apartments and residential development which can be sold off the plan in advance to help better manage project financing risk).

The following section outlines different mechanisms to encourage investment and reinvestment into accommodation product. This includes a macro assessment of the different types of inducements -incentives that can be offered as well as case study examples of where investment has been encouraged (or otherwise) and how this has been achieved.

There is a plethora of inducements - incentives which can be considered to stimulate investment and reinvestment into commercial accommodation. These can be broadly categorised as “non-financial incentives” and “financial incentives” and they vary regarding:

- which level of government (local, state and federal) and/or which stakeholder is able to introduce them; and
- at which stage in the development process they can be applied.

Table 7 provides a summary of these incentives, followed by a more detailed description of each. It is important to note that a range of inducements/incentives have been listed based on examples from various destinations nationally and globally.

Effecting such changes at a state and federal government level is seen as more challenging than at a local government level. This is primarily because local government can often determine change on a project-by-project basis, while the state and the federal government have to consider offering the same type of incentive to all similar projects.

Table 7: Summary of mechanisms to incentivise development/reinvestment

Stakeholder who can effect change:				
◆ Federal Government ■ State Government ● Local Government ▲ Other				
Non-financial Incentives	<p>Floor space bonuses & height incentives</p> <p>●</p>	<p>Release of Crown land for tourism development</p> <p>● ■ ◆</p>	<p>Mixed-use development schemes</p> <p>● ■</p>	<p>Exclusive zoning for tourism developments</p> <p>● ■</p>
	<p>Reduction in accessible room requirements for hotels etc. under 15 rooms</p> <p>●</p>	<p>Planning & Process Support</p> <p>● ▲</p>		
Financial Incentives	<p>Tax exemptions/ concessions</p> <p>■</p>	<p>Accelerated depreciation allowance for hotels etc.</p> <p>■</p>	<p>Assisting with access to utility supply</p> <p>● ■</p>	<p>Government-subsidised loans</p> <p>■ ◆</p>
	<p>Income guarantee by operators</p> <p>▲</p>	<p>Purchase of land and concessions on long term ground leases</p> <p>● ■</p>	<p>Incentives for heritage conversion to tourism use</p> <p>● ■</p>	<p>Direct Government Investment</p> <p>● ■ ◆</p>

4.2. Non-Financial Inducements and Incentives

The following outlines the various non-financial inducements - incentives which could be considered by various levels of government and stakeholders to help de-risk short-term accommodation development. Where available, case studies have also been provided which demonstrate where these incentives have been introduced and development has gone ahead, or, where government has chosen not to introduce an element of support and the opportunity has been lost.

4.2.1. Floor space bonuses and height bonuses for hotel development

This involves providing floor space and/or height bonuses to those looking to develop short-term accommodation to enable a higher density of development on the site. This mechanism is primarily used to encourage the development of additional new hotel rooms where a greater density can support project economics.

Case Study: Waverley City Council, NSW



A major developer had consolidated a significant parcel of sites at Bondi Beach to create a mixed-use development including a 4-star hotel, apartments and retail. To achieve this outcome, however, required height dispensation for an additional level of apartments. Council were not prepared to allow the additional storey to provide the site density for this mixed-use development and eventually the developer sold the site as the planning scheme and its interpretation was seen as too restrictive. Bondi continues not to have an internationally branded hotel near the beach, unlike Manly, for existence, which created the opportunity.

4.2.2. Release of crown land for tourism development

This allows for exclusive use over a specified parcel of Crown-owned land for a defined term and purpose. This can provide the developer with confidence where longer-term security is important and where land can be leased long term, rather than sold.

Case Study: Western Sydney Parklands



The NSW State Government have agreed to free up public land in Western Sydney Parklands for a destination holiday park because of the lack of available land elsewhere in Western Sydney for these forms of development and noting that where there was land, the price of land was too high for this form of development.

As Western Sydney is seen as a major growth corridor for greater Sydney, the lack of tourism infrastructure and facilities in this area was noted as a major regional limitation. Without government intervention, and despite the profitability of this niche sector, the development would not have occurred.

4.2.3. Mixed-Use Development Schemes (which include short-term accommodation as a component)

Which provides developers with the flexibility to allow for mixed-use development schemes. This includes (but is not limited to) allowing a proportion of the development to comprise longer-term residential apartments or similar. This allows for various development elements to be combined as part of the total development, to assist with facilitating project funding through the sale (often off the plan) of residential and commercial units to help fund project development.

Councils and project financiers are also proving to be more attracted to mixed-use developments than conventional apartment development projects given the reduced level of risk offered by the diversified nature of these investments.

Because these properties combine an assortment of uses and residents, investors and developers can better safeguard themselves against major vacancies when compared to single-use apartments or hotels.

'Such developments can solve floor layout issues which have traditionally hindered residential sales. Instead of locating apartments on lower floors that have a less desirable view and ultimately a lower price tag, developers can use this space for hotel rooms or student accommodation, office space, parking or other amenities.'

4.2.4. Exclusive zoning for tourism developments

Including zoning specific sites within an LGA's LEP as "SP3 – Tourist" which is a special purpose zone which aims to encourage tourism-related uses. The SP3 – Tourist zone was brought in in NSW to streamline the planning approval framework to ensure standardisation of tourism development opportunities. The current lack of sufficient exclusive SP3 zones within the DNC region is seen as a significant limitation in encouraging new tourism project investment.

Case Study: Blue Mountains City Council, NSW



In 2015, Blue Mountains City Council undertook amendments to its LEP and DCP to incorporate SP3 zoning for a number of Strategic Tourist Sites. Two of these sites included the Echo Point precinct (where the Three Sisters viewing platform is situated) and the Scenic World precinct. The purpose of the rezoning included (amongst others) to: recognise current uses of the sites and to align this with planning controls; recognise the importance of the precincts as major hubs for tourism; and to encourage investment that aligns with the use of the site and allow for better visitor management.

4.2.5. Planning & Process Support

Providing support to project applicants through the development process (particularly in the planning and approvals phase) is important. While economic development and tourism personnel in councils are often seen to offer strong support, other departments in councils (notably planning and engineering) are more often not seen as so supportive of tourism development project applications.

Case Study: Wolgan Valley Resort & Spa, NSW



Wolgan Valley was one of two proposed major high-end resort developments proposed by Emirates Hotels and Resorts in Australia. The development cost \$125m and offers 40 suites in a resort and spa development.

Significant delays were experienced by the project proponent with concerns expressed over the lack of a coordinated level of assistance by NSW State Government with the comment that there were over 20 state and federal government agencies along with NGOs who had to be consulted and whose input was seen as crucial to gaining development approval.

Emirates decided after what they had experienced with the Wolgan Valley approval process to not undertake a second major investment in Australia, and eventually on sold the management rights for the property to the One&Only brand, though the property is still owned by Emirates.

Based on feedback generated from amongst the investment and development community both on and offshore on what the investor/developer had to go through and the time the approval process took, this is a useful example of what not to do, in attracting and securing tourism-based development. Importantly, the investment community for higher quality tourism development projects is not so large globally, so experiences in dealing with government (positive and otherwise) quickly become known.

4.2.6. Reduction in accessible room requirements for hotels etc. under 15 rooms

Accessible room requirements are detailed in the Disability (Access to Premises – Buildings) Standards 2010 and require a minimum number of accessible rooms must be provided by short-term accommodation providers. PwC completed an analysis of accessible rooms and found that “accessible rooms currently comprise 4.0% of the total supply of all accommodation and represent 2.8% of the rooms demanded”.¹⁶ It is considered that accessible room requirements for smaller properties, at times, place an unnecessary burden on accommodation developers as they add significant construction costs and reduce operating margins for hotels.¹⁷

4.3. Financial Inducements and Incentives

There are a variety of financial incentives which can encourage short-term accommodation development. These are noted below.

4.3.1. Tax exemptions/concessions

This includes providing tax exemptions to hotel developments including land tax, stamp duty exemptions and capital works deduction incentives.

Case Study: Redlands’ Tourism Accommodation Incentives Package, QLD



The Redlands’ Tourism Accommodation Incentives Package was endorsed by Council in July 2014 to stimulate investment and construction in tourist accommodation, including B&Bs and tourist parks, outside of the Toondah Harbour and Weinam Creek Priority Development Areas.

Projects that these initiatives have helped attract to the city include a \$14 million extension to the Alex Hills Hotel which was completed in 2016. Two more larger-scale tourism accommodation also accessed the incentives. These two projects would result in 7,767 square metres of vacant city land being transformed into vibrant, new accommodation and commercial precincts.

Case Study: Brisbane Marketing, QLD



Brisbane Marketing (working with Brisbane City Council) has been active in facilitating 4-5-star hotel development within the Brisbane CBD as it was noted that the city had few fully serviced hotels but many serviced apartment complexes of a midrange quality.

New 4-5-star hotel developments have been supported through offering an infrastructure moratorium which:

- was valid for 3 years (2011-2014) and applied to Council levied infrastructure charges only
- needed to be ‘Hotel Accommodation’ (not valid for serviced apartment product);
- construction had to commence within 2 years from receiving development approval – to avoid developers ‘sitting’ on applications;
- the Infrastructure Agreement signed with Council, and charges delayed until development was completed;
- upon completion, the developer had to demonstrate they have received a AAA Tourism 4 or 5-star hotel rating

This approach was driven by Brisbane Marketing led to new 4-5-star hotel development occurring including conversion of existing buildings to hotel development (such as the conversion of 80 Albert Street from office to a 240 key 4-star hotel).

Once again, this demonstrates that a “tilting of the playing field” by the government was enough to stimulate the development for desired higher quality hotel development which was not occurring without government intervention.

¹⁶ An Assessment of Accessible Accommodation in Australia: Supply and Demand, Department of Resources, Energy and Tourism & PwC, page viii

¹⁷ Tourism Investment and Regulation Review – Final Report, L.E.K. for Austrade

Case Study: City of Ipswich, QLD



The City of Ipswich has been keen to encourage 4 to 5-star quality hotel developments and established specific planning guidelines which aimed to encourage the development of new 4-5-star quality hotel accommodation through reducing costs associated with undertaking such development.¹⁸

New hotel developments that satisfy the implementation guideline's criteria could apply for:

- 50% relief for development planning and operational works application fees; and
- 50% relief for Council trunk infrastructure contributions (this does not encompass Queensland Urban Utilities infrastructure charges).

Council is keen to encourage additional higher spending corporate, conference and event visitors and having built event and conference infrastructure, recognised the lack of adjacent commercial 4-5 star accommodation was resulting in event and conference attendees staying overnight in the Gold Coast and Brisbane, with a subsequent loss of local visitor spend into the Ipswich visitor economy.

4.3.2. Government-subsidised loans

From time to time and to help support project financing, government support including offering more favourable terms and repayment conditions than traditional private financial institutions may be considered. From time to time this approach has occurred where government, more often through their established development corporations, have assisted with project financing to help de-risk projects especially during initial establishment periods where project viability can be more tenuous (first 5 years of project operations). this can also include government underwriting the commercial loan for a period of time to help achieve more favourable terms from commercial financing sources to support a project.

¹⁸ <https://www.ipswichplanning.com.au/news-and-events/archived-news/4-5-star-hotel-incentives>

Case Study: Moreton Bay Incentivising Infill Development Program, QLD



Moreton Bay Regional Council have shown their commitment to encouraging development by extending their "incentivising infill development program" until December 2021. Under this program, Council has agreed to refund all application fees paid and waive all Council infrastructure charges payable where the development is designed and finished to a very high standard and is for one of the following uses:

- multiple dwelling (apartment form, minimum 20 units, at least 3 storeys in height)
- rooming accommodation (student accommodation; minimum 20 beds; must contain a minimum 30m² communal recreation area and include an active onsite bona fide management)
- mixed-use development (must include a combination of residential and non-residential uses)
- short term accommodation
- retirement facility or residential care facility; or
- office (containing a minimum of 2,000m²GFA)

Development is also required to be located in specific areas being: the Redcliffe Peninsula Rail Corridor; the Centre Zone, Caboolture precinct and within 800m walking distance of the Caboolture train station; the Centre zone, Strathpine precinct and within 800m walking distance of the Strathpine train station; and the Arana Hills Centre Incentives Area.

Importantly, the council has specified locations where they wish to encourage these forms of development. This should be viewed as a clever and useful approach to attract investment as investors and developers look for certainty to avoid wasting time and effort proposing projects for areas which may not get supported by councils. The greater certainty and clarity around what councils specifically wish to attract to an area, the greater interest particularly from tourism developers and investors.

Case Study: Sunshine Coast Regional Council, QLD



Sunshine Coast Regional Council offers a 25% rebate on the Council's application fees paid if works start within 2 years of the date of approval and the development is for one of the following uses:

- Health care services: residential care facility (high care)
- Tourism: nature-based, short-term accommodation (5-star or better facility), art and craft centre shop in a rural zone, a tourist attraction in a rural zone
- Rural: agriculture, environment facility, roadside stall, winery.

Council also offers a 50% reduction in levied Council infrastructure charges for developments located within identified Infill Incentive Areas at Nambour and Caloundra where:

- they involve new building construction that will at least double the GFA of the premises (i.e. development that consists mostly of re-purposing an existing building will not be entitled to an incentive)
- construction is substantially commenced by 30 December 2022; and
- an application for the incentive is made in writing or by email and received by Council between 1 July 2019 and 30 June 2022.

Considering the Sunshine Coast is noted as one of the more successful coastal areas for tourism development and related investment, it is particularly useful to see how successful their inducements-incentives have been.

4.3.3. Accelerated depreciation allowance for hotels

This can often stimulate reinvestment into an existing product or the development of new accommodation properties. This offers greater deductions in the earlier years of the life of an asset. This is useful for accommodation operators because, with short-term accommodation, it can often take 5+ years to see a positive return on investment.

Case Study: Grant in Lieu of Depreciation, NZ



A Grant in lieu of depreciation scheme was introduced in 1988 due to a lack of new hotels and refurbishment of existing hotels occurring. For a set 12-month period, the NZ Government adjusted depreciation schedules to support upfront depreciation for new hotels and major refurbishment to existing properties which resulted in several new properties being commenced and older properties being refurbished. Without Government intervention, it was seen that the supply of commercial accommodation room stock would continue to be below market demand levels, and the overall quality of commercial accommodation stock was noted as an issue by inbound tour operators and wholesalers trying to sell the destination.

4.3.4. Income guarantee by developers/operators

This may occur where private investors are being requested to purchase units (residential and commercial) off the plan and the project proponent/developer guarantees a level of return on investment for a set period (often being the first 2-3 years).

The financing costs for such an arrangement are often built into the investment asking price.

4.3.5. Purchase of Land and Concessions on long-term ground leases

Including offering peppercorn rental rates in the first few years of development and/or operation, and/or where ground lease payments are not introduced until a development is operational.

Case Study: Sydney CBD Accommodation Development for the Sydney Olympics, NSW



Major hotels created around the Darling Harbour precinct were supported by the state government who purchased land to create the cluster for the Sydney Olympics. NSW State Government actually purchased sites, consolidated the land and leased it back to private hotel developers to ensure there were sites for a hotel development to support visitation for the Olympics. The lack of sites within the Sydney CBD was seen as a major issue which required government intervention to resolve.

The Central Sydney Local Environment Plan (LEP) 1996 contained Floor Space Ratio incentives aimed at encouraging the development of hotels and serviced apartments in the lead up to the 2000 Olympics. This resulted in a room stock increase in a series of CBD properties, with around 3,000 rooms added during the period of the LEP. The fact that FSR concessions were required to stimulate supply, despite the forecast demand arising from the Olympics, suggests that the increase in rooms attributable directly to the Olympics was minimal, particularly given the two-week period of the Olympics. There was also a marked decline in the number of new hotel rooms when the FSR incentives were phased out from 2001. It is suggested that FSR incentives of 25% or more compared to other uses, be offered to operators in metropolitan areas, which would significantly improve the total returns for hotel operators. The exact nature of the incentives should be determined locally, based on specific local factors. Once again, government intervention was required to ensure an adequate supply of rooms was achieved via changes to planning instruments.

Case Study: Karratha Hilton, WA



The WA Government sold a piece of Crown-owned land to the City of Karratha at a peppercorn rate (\$1) on the condition that “that the land had to be developed for a hotel.” The hotel planned is for a \$20 million, 100-room 4-star Hilton-branded hotel, due to open in 2021.

Council has entered into a lease agreement with Pacifica Developments to develop and operate the hotel, construction of which was supposed to start this year and finish in February 2020.

The City will contribute up to \$10 million towards the project. In return, it is expected to receive \$16.5 million in rent and \$5.8 million in rates over 20 years.

Though some councillors and members of the community have criticised the local authority’s involvement in a commercial hotel development, the City says it will create jobs including more than 50 during construction and 40 to 50 full and part-time local jobs. The project also is expected to generate an “additional income stream for Council and fill a gap in the existing accommodation market”.

According to the 2018 Karratha Destination Management Plan, Karratha needs a, “higher quality accommodation offer”, to attract, “a higher-yielding visitor market”. The current grey nomad market, “has limited disposable spend”, the report states. Existing accommodation is described as, “of mid-range variable quality”, adding, “the product on offer mixes leisure visitors and mining, which struggle to be compatible”.

Ownership of the development will revert to the City if the developer runs into financial difficulties.

4.3.6. Incentives for heritage conversion to tourism use

This includes earmarking publicly-owned heritage buildings and sites for accommodation development while guaranteeing access for the public (because of heritage value) but which provides development opportunities for tourism operators. At times this offers a solution to tourism's often limited ability to compete to access to suitable sites including high-value land.

Case Study: Sydney and Brisbane CBD



Historically, a number of hotels in Sydney have been developed on crown land, or have utilised, often heritage, crown buildings. There have also been a number of successful developments of government buildings in other states including the Treasury casino and 137-room hotel in Brisbane, which occupies two heritage buildings (the Treasury Building and the nearby Lands Administration Building).

4.3.7. Assisting with access to utility supply

Councils, in particular, have supported strategic projects where site locations are further from sewer connections, waste management, potable water, electricity etc. and where utility services are brought to the boundary of sites. In addition, and in more remote locations, this may extend to supporting road access to sites.

4.3.8. Direct Government Investment

From time to time government, at various levels has had to provide the capital to build and develop commercial accommodation and/or to support investment by a third party where a level of government support is seen as important to offer confidence to primary investors.

Case Study: Tourist Hotel Corporation, NZ



Tourist Hotel Corporation in NZ Government built hotels in Milford, Te Anau, Mt Cook, Franz Josef and Fox Glaciers in the 1960s as these were locations where major visitor attractions were located but without overnight accommodation, visitation was expected to be very limited. The Government built hotels, ran them and eventually privatised them. It was not possible at the time to secure private investor interest as these sites were regional and remote, so private investors had little to leverage off, so were deemed to be higher risk ventures. These locations also suffered from very high seasonality, typically offering a distinct 4-5-month tourism season with minimal visitation the rest of the year. These locations, are now some of the most visited in New Zealand and have grown to include a range of additional commercial accommodation options (camping grounds, lodges etc.) and land, air and water-based tour operators etc. But for government undertaking the initial investment however, these iconic locations may have struggled to come to fruition.

Case Study: Hamilton, NZ (major branded hotels)



Waikato Tainui (a major Maori tribe) undertook the development of two branded Accor properties within the CBD of Hamilton. To help secure the investment, Council agreed to be a minority equity investor/shareholder for a period of time but with the option of selling out of their investment back to the major shareholder, within an agreed timeframe. Without the Council's commitment to invest to help support the development, it is uncertain if the development would have been undertaken. And noting that these were the first major branded hotels in Hamilton and eventually well supported by both business and leisure markets.



5. BEST PRACTICE GUIDELINES

What is very clear from the comparative analysis undertaken in many comparable regions in Australia and New Zealand is the critical role which government has played in “tilting the playing field” to ensure that desired forms of commercial accommodation are able to be developed to meet both local community and council needs along with delivering the product to meet the needs of a competitive market.

Based on the research and analysis undertaken and from the research into other regions especially in Australia the following reflects where the DNC region is currently, and where it appears to want to move to, concerning its commercial accommodation offering. The following points are not in priority order.

5.1. General Observations

Much of the commercial accommodation in the North Coast reflects longer-term traditional travel patterns. It is heavily characterised by transit accommodation positioned along major highways and roads through the region as many travellers stop overnight before resuming their travel north into Queensland and conversely back down toward Sydney. Although the region has matured over time to offer various destination hubs, many parts of have struggled to introduce stronger destination-based accommodation facilities (resorts, hotels, mixed hotel and apartment complexes etc.).

As a popular coastal region with high-quality beaches as well as rivers and hinterland areas, the region has developed as a major destination for caravan parks and destination holiday parks which have a strong appeal to a family market in particular. Market evidence shows that while this has generated more stop and stay visitors, the region is still getting many who are transiting, often on a drive holiday. Stakeholders commented that the region has found it difficult to grow a higher-yielding visitor market because it is still perceived by many as a drive-through region and does not generally have the accommodation product or attractions in many parts of the region to encourage a greater stop and stay market.

Areas such as the Northern Rivers sub-region have developed a wider range of commercial accommodation development (including higher quality accommodation facilities) over time which has supported both a higher-yielding visitor market and a stronger stop and stay market. This has also been supported by flight frequency into Ballina and the Gold Coast airports which both serve this region.

The region is also characterised by many free visitor experiences ranging from art galleries and museums, coastal and hinterland

walkways and cycleways, and numerous national parks. There are many things to do for free, but relatively fewer experiences to do as paid experiences or attractions which can offer tourism wholesalers and intermediaries the opportunity to secure commissions from.

Furthermore, due to the nature of the predominant visitor markets coming into and through the region, as well as the demographic profile of many local population clusters along the North Coast, many parts of the region have often struggled to attract a wider range of food and beverage outlets (and often of a higher quality) to appeal to a higher-yielding visitor market.

For many councils in the region, there has also been a dilemma of wanting to strongly avoid over-development of all commercial types, but trying to encourage a stronger environmentally sensitive form of commercial accommodation development which can support the environmental policies and sustainability practices they are keen to see adopted. This challenge is further compounded by the fact that few councils own or manage land which could be leased long term for appropriate forms of commercial accommodation to be attracted.

The fundamental issue then for most councils in the region becomes, what levers, if any, do councils have available to help attract those forms of commercial accommodation which they desire to see established in their LGAs? Options for consideration are outlined in Section 4 of this report which illustrates, from a comparative perspective, what other regions have introduced to tilt the playing field to encourage what they want to see developed. This also includes levers which state governments have adjusted in places to support desired outcomes from time to time.

Finally, current occupancy levels being seen and achieved room rates and yield are not often high enough yet for many existing commercial accommodation operators to consider major refurbishment or expanding existing properties to try and better meet changing market demands. The net result is often an ageing accommodation infrastructure for parts of the region, leading to challenges of how to competitively market the positioning of the region for the immediate future. This challenge is not unique to the DNC region however and is common in many regions nationwide.

As a result of this, there need to be other mechanisms to tilt the playing field so that new investment can be encouraged. This effectively means government intervention is essential as market forces alone are not strong enough in most locations on the North Coast to stimulate new accommodation investment.

5.2. Best Practice Guidelines to Consider

The following are offered to help the DNC region find ways to “tilt the playing field” and achieve the desired mix of commercial accommodation going forward to enable it to grow its destination focus.



1. Positive government intervention is particularly going to be needed in the interim and future post-COVID-19 environment to support destination aspirations for the North Coast region. Assuming market forces alone will lead to new commercial accommodation development occurring and the refurbishment/potential expansion of existing facilities is unlikely. And if no government intervention occurs, then the region risks at best, treading water and at worst, finding its visitor economies contracting.

2. Effective dialogue between the commercial accommodation sector, RTOs, councils and state government is required, without some trying to act as filters to control the dialogue and messaging. A collective approach is required and for the DNC region, this may be better achieved through clustering LGAs and operators into three sub-regional areas due to the size of the region so While the messaging may be similar, unique characteristics of the different sub-regional clusters can be profiled.

3. More effective inter-departmental decision making for tourism development within councils and between state government agencies. industry feedback (and confidential feedback from several councils) indicates the challenge in decision making with councils predominantly between council town and strategic planning staff on the one side, and economic development and tourism staff on the other. There appears a lack of adequate understanding of how and why tourism development could and should be viewed as appropriate development options in areas where they are not noted in LEPs as a desired or priority use. An example being the potential to introduce low impact eco focussed sustainable options of a smaller scale in hinterland areas and/or in agricultural areas where eco-tourism, farm stays, etc can be effective supporters of various other elements of the economy and to support greater use of cycle trails and walking trails etc.

4. Finding suitable land in areas appropriate for new commercial accommodation is critical which is more likely going to require;

- State government agreeing to find appropriate parcels of land for specific forms of commercial accommodation which can be leased long term, and which will support the local visitor economy and improved sustainability principles
- Councils reassessing zoning within LEPs and DCPs to allow for greater flexibility to consider preferred forms of commercial accommodation

5. Being prepared to tilt the playing field through offering upfront concessions and support to stimulate investment.

Many councils in the DNC region have identified the need to encourage higher quality 4-5 star commercial accommodation development especially to help encourage a higher-yielding visitor market and to use this to leverage potential for additional higher quality food and beverage outlets in their LGA. As identified in Chapter 4 of this report, there are numerous ways councils especially can help proactively encourage new forms of commercial accommodation. This is particularly important to help de-risk projects for a developer where possible as without high existing occupancy rates being achieved along with stronger achieved average room rates, the risk to a developer/investor and operator is higher.

6. Clustering tourism development into nodes, hubs and precincts along with other forms of tourism development often provides important opportunities to help leverage off other local and visitor demand generators. Clearly, this has far greater application for coastal strips, urban centres etc than more remote locations but even then, adding incorrectly scaled commercial accommodation with say walking and cycling trails start or

endpoints, or stunning locations adjacent to national park sites or for agri-tourism ventures in agricultural areas, is important. A major study for the whole of the South Island of New Zealand undertaken by Stafford in 2019, found that every council (23 in total) had introduced cycle trails and walking trails as both important recreational assets but also with the intent of being major visitor drawcards to boost tourism numbers and regional spend. Regrettably, the thought of developing trails and circuits with either permanent or pop up smaller-scale commercial accommodation at the start, at appropriate locations during for overnight stops and the end of trails had been nearly always overlooked. So, the economic uplift and benefits desired from these important assets were more often not realised.

7. Having alternative forms of transport (airlines, coach, rail and private vehicle use) to access a destination are important.

The Northern Rivers has benefited from this in having Ballina-Byron and the Gold Coast airports near, with well-priced and frequent flights, Port Macquarie and Coffs Harbour both have regional airports that are key regional airports (which have also had significant investment recently, Noosa leverages off the Sunshine Coast Airport at Coolumb, The Great Ocean Road in Victoria has Avalon Airport near Geelong, The Whitsundays has the airport at Proserpine, Port Douglas has Cairns Airport and Queenstown has its international airport in New Zealand. If one wants to grow beyond the self-drive market which is the significant predominant transport use for the DNC region, offering alternative forms of transport services is important, especially as many visitor markets are time poor and do not want to lose time getting to and from the destination.

8. Developing effective visitor management strategies is a solution needed to a common response from many councils to want the economic benefits which tourism can generate, but in a way to avoid the issues of parking and traffic congestion, physical impacts to the environment and social impacts on lifestyle. Many councils are quick to point at the negative impacts which can occur from the lack of visitor management etc and at locations during

peak periods such as in Queenstown in New Zealand, or Echo Point in the Blue Mountains, or the Twelve Apostles on the Great Ocean Road in Victoria, just to name a few. This can take many forms including better car park management systems and solutions, introducing more pedestrian-friendly and limited vehicular areas, introducing design guides to protect local vernacular styles and scale and being quite prescriptive (Noosa for example tightly controls the urban environment in commercial areas). But at the same time, offering tourism operators the ability to provide alfresco dining, longer operating hours, etc. so the economic viability of tourism precincts (for commercial accommodation providers, retailers, food and beverage outlets and visitor attractions) can be enhanced and better managed.

In summary, many challenges for destinations within the DNC region are due to the development of tourism over many years and not always in a way which has led to destination hubs with appropriate zoning and management systems being established. Like many locations nationally, destinations evolve organically over time, and changes in consumer habits and growth in market demand can lead to challenges occurring.

However, there are solutions to delivering strong sustainable tourism outcomes. The supply of a range of commercial accommodation development options and including the introduction of accommodation product to appeal to different and at times higher-yielding visitor markets are a key component of destination sustainability.

As the research and analysis in this report identifies, those LGAs with a larger ratio of higher quality forms of commercial accommodation, and more often branded accommodation product, have been able to leverage commissionable pay for attractions and experiences along with a better range of food and beverage outlets to appeal to a more discerning visitor market.

Finally, the role of government is seen as crucial, in delivering the outcomes for expanded and especially higher quality commercial accommodation product in the DNC region.



6. REINVESTMENT OPPORTUNITIES

Based on our audit of existing commercial accommodation facilities across the DNC region, our “data scrape” to view consumer sentiment and perceptions of accommodation product specifically, and structured interviews undertaken with stakeholders, a number of potential investment opportunities throughout the region have been identified.

6.1. Gap Analysis

6.1.1. Accommodation

The following accommodation gap analysis is based on:

- extensive online data analysis of the region’s product offering and (where applicable) the quality of this;
- confidential discussions with industry and other stakeholders; and
- a series of structured interviews with economic development and tourism managers in each of the LGAs on the North Coast.

It is an important component of this project as it provides an opportunity to step back and assess what, if anything, is missing to support growth in the region’s visitor economy and potentially why some of these product gaps may have struggled to be filled to date.

Anecdotal feedback, for example, indicates that in many locations throughout the DNC region, commercial accommodation is often located along the main highway as a more traditional form of transit accommodation; a place for travellers to stop overnight and stay before travelling on the next day. This is distinctly different from destination accommodation, which actively encourages the visitor to stop and stay for a period, to visit various attractions and experiences within the region as well. But ultimately, to use their accommodation as a base to locate themselves at for undertaking a variety of day excursions from.

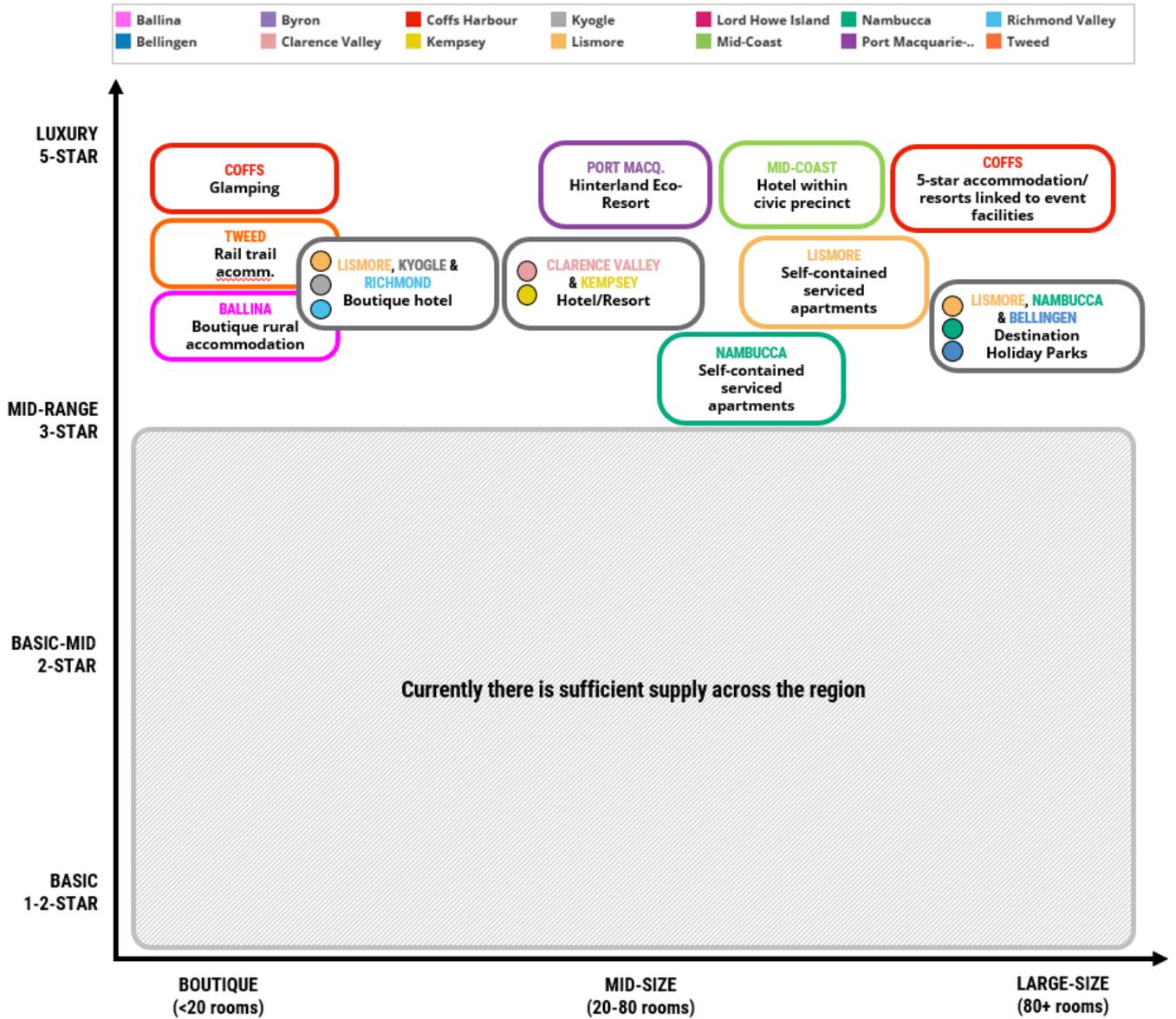
The audit undertaken, along with the consultation with the various councils, indicates that while for most LGAs, accommodation

options are abundant within the basic 1-star – mid-range 3-star categories, there is a limited number of higher-quality properties, particularly those of a larger scale and/or branded accommodation. There are exceptions to this, primarily in Byron, Tweed and Mid-Coast, where there appears to be sufficient supply of small, medium and larger scale higher-quality properties, including hotels, resorts and more boutique-style accommodation. But we see these locations as the exceptions in the region, rather than the norm.

Figure 20 on the following page demonstrates the gaps identified within the accommodation mix. Opportunities exist to consider encouraging:

- higher-quality, boutique hotels and/or glamping which could be operated on a seasonal basis and to supplement existing accommodation sites particularly in areas such as Lismore, Kyogle, Richmond, Clarence Valley, Kempsey and Coffs Harbour;
- higher-quality branded destination holiday parks to encourage further growth in the family market and higher visitor spend in Lismore and Nambucca;
- a mid-sized hinterland eco-resort in Port Macquarie-Hastings;
- self-contained serviced apartments in Lismore and Nambucca;
- larger-scale 5-star accommodation linked to event facilities in Coffs Harbour;
- 4-5-star accommodation facility in Forster (Mid-Coast) as part of the civic precinct;
- completion of significant rail trail and development of hinterland trail experiences with links to accommodation options in Tweed; and
- agri-tourism product development in Ballina hinterland with on farm styled accommodation.

Figure 20: Accommodation Gap Analysis



6.1.2. Infrastructure Requirements

Feedback from the councils across the North Coast region generally indicated that supporting infrastructure was in place to assist with tourism development and it is more often of good quality. In the few cases where infrastructure limitations were identified, these were:

- road congestion and traffic management solutions especially during peak/busy periods in select locations;
- adequate sewer and waste management systems of a high standard, especially in hinterland areas;
- mobile phone coverage in more remote locations which often correlated with parks and reserves and rural locations; and
- road maintenance and lack of sealed roads especially in hinterland locations which limits access to national park sites and State forest reserves along with rural/farming locations.

More often, stakeholders identified that major landholders such as Crown Lands and NPWS had regularly had major budget cuts which often hindered opportunities to open access to areas for visitors. However, these agencies were also often seen as having a very restrictive approach to supporting tourism concession operators including eco-cabins, eco-attractions and experiences.

The challenge for most councils is that they are not holders of suitable land to encourage the development of tourism ventures and State Government agencies which are the major landholders in many locations, are not often supportive of allowing tourism ventures to be established on land under their control.

6.2. Accommodation Investment Opportunities

Table 8 and Figure 21 which follow provide a summary of the accommodation investment opportunities identified through the research and consultation undertaken for this project.

It is important to note that the analysis undertaken is top line only. Individual feasibility studies would need to be undertaken to further define project costs, locations, size and scale.

In total, 20 top-line accommodation investment opportunities have been identified. These are distributed throughout most LGAs in the DNC region, except for Lord Howe Island. This is because Lord Howe Island has a legislatively capped number of beds (400) and this restricts the ability to expand commercial accommodation on the Island.

These opportunities may be able to be filled through: the development of new commercial accommodation development investment across a number of types of commercial development and of different sizes; and expanding and potentially modifying some existing commercial accommodation facilities where the potential exists for this.

For a number of opportunities, however, the preference is introducing new development as this reflects:

- stakeholder feedback around the lack of 4-5-star quality commercial accommodation and a desire to see this introduced and which will most likely necessitate new development rather than trying to retrofit an existing facility,
- a desire for boutique and smaller eco-friendly accommodation particularly within hinterland areas,
- a need for more mixed-use development to help the viability of accommodation development so mixed apartment and hotel development etc.; and
- finding suitable new sites for quality destination holiday parks which require 8+ hectares of land and ideally close to waterways (river, lakes, coastal areas) and/or with great vistas to enhance their appeal where possible.

The total (top line) estimated capital expenditure required ranges from \$297m (lower end) to \$440m (upper end), with the vast majority of this investment coming from the private sector. There is a need, however, to: investigate the introduction of financial and non-financial mechanisms to encourage investment; and allocate resources and investment into attractions and experiences development to support greater demand, visitation levels and the average length of stay.

Some similarity across several LGAs is evident and can be summarised as follows.

- Hinterland areas are often seen to offer excellent opportunities for eco attractions, experiences and accommodation of a smaller and more sustainable nature but planning instruments (LEPs and DCPs) and an often rigid interpretation of these by council personnel tend to often thwart many agri-tourism opportunities and associated economic and social benefit opportunities.
- Many areas see a need for higher-quality accommodation facilities (4-5 star) to encourage higher spending visitor markets and to broaden area appeal including strengthening their positioning as destination hubs rather than appealing to a drive-through transit market.
- Several LGAs are keen to complete rail trails, coastal walkways and related boardwalks etc. which are viewed as important public good projects to stimulate greater local and visitor market demand for the area and which should aim to have smaller-scale accommodation opportunities (lodges, eco chalets and glamping pods or tents) along trail routes and at the end of them.

Table 8: The Opportunities

#	LGA	Category	Name/Type	Location	Size	Estimated Cost (Approx.)	Investment Type	Description	Potential Inducements and incentives to be Made	Other Investment & Support Required
1	Ballina	Hotel/Resort	Higher quality art hotel	CBD (Arts & Cultural Precinct)	60 - 100 rooms	\$20.0m - \$30.0m	Private	Although specific was identified for commercial accommodation, the development of the proposed arts and cultural precinct also offers potential for a possible art hotel to further support the other developments proposed and to offer greater night-time economy activation	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Exclusive zoning for tourism development ▪ Identification of appropriate sites ▪ Mixed-use development schemes ▪ Incentives for heritage conversion to tourism use ▪ Tax exemptions/concessions eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ Activating coastal areas for sustainable scaled tourism development ▪ More commissionable attractions ▪ Marina development, walking trails (Ballina to Lennox Head) ▪ Arts and cultural precinct ▪ Food hub (agri-tourism)
2	Bellingen	Eco-Accommodation	Eco-accommodation resort	Great Koala National Park	40 - 80 rooms	\$10.0m - \$15.0m	Public-private partnership	The major demand is for the activation of the Great Koala National Park which needs to have associated commercial accommodation to encourage overnight stays and economic uplift	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ Reduced seasonality and consistent visitation levels ▪ Activating eco-tourism in Nat Parks or state reserves (54% of LGA) ▪ Commercial wharf at Atherton Drive ▪ Small scale tourism development on agriculturally zoned land ▪ Indigenous tourism product ▪ Signage and wayfinding enhancements ▪ Mountain bike trails ▪ Outdoor wedding venues ▪ Other development at Dorrigo by NPWS for attractions
3	Bellingen	Destination Holiday Park	A higher-quality destination holiday park	Hinterland	100+ sites & 20 - 40 cabins	\$15.0m - \$25.0m	Private	Demand was identified locally for a quality destination holiday park	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites (>8-10ha) ▪ Exclusive zoning for tourism development to help cluster product ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Purchase of land and concessions on long term ground leases ▪ Release of pockets of Crown land for tourism development 	<ul style="list-style-type: none"> ▪ <i>As above</i>

#	LGA	Category	Name/Type	Location	Size	Estimated Cost (Approx.)	Investment Type	Description	Potential Inducements and incentives to be Made	Other Investment & Support Required
4	Bellingen	Glamping	Glamping (Dorrigo National Park)	Dorrigo National Park (Visitor Centre precinct)	15 - 20 glamping tents	\$2.0m - \$3.0m	Public-private partnership	Demand was expressed locally for a glamping facility which could be associated with the redevelopment of the NPWS facility at Dorrigo	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ <i>As above</i>
5	Byron	Eco-Accommodation	Cultural-themed eco-accommodation	TBD	20 - 40 chalets	\$4.5m - \$9.0m	Public-private partnership	Nothing specific was identified though potential may exist for a unique culturally inspired accommodation facility to be developed in tandem with a First Nation art and cultural centre to support its ongoing commercial viability	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ Careful visitor management in tourism dominant areas ▪ First Nation Cultural Centre ▪ Business and conference facilities
6	Clarence Valley	Hotel/Resort	4-star hotel	Grafton CBD	40 - 60 rooms	\$15.0m - \$20.0m	Private	Demand was identified locally for a 4-star hotel facility in Grafton to support the revitalisation program and overall town development	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Exclusive zoning for tourism development ▪ Identification of appropriate sites ▪ Mixed-use development schemes ▪ Incentives for heritage conversion to tourism use ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ Broaden the visitor market mix ▪ More commissionable attractions ▪ Developing river-based nature tourism product and agri-tourism attractions ▪ Mountain biking tracks and tours
7	Coffs Harbour	Hotel/Resort	4-5-star hotel (new or upgrade)	TBD	100+ rooms	\$25.0m - \$35.0m	Private	Demand was expressed locally for a 4-5-star hotel or resort which could include the potential for an expansion of an existing resort facility	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Floor space bonuses and height incentives 	<ul style="list-style-type: none"> ▪ Broaden the visitor market mix ▪ More commissionable attractions ▪ Event-based facilities linked to accommodation ▪ Indigenous experiences ▪ More built attractions ▪ Strengthen air access
8	Kempsey	Hotel/Resort	4-star resort or hotel	Coastal	40 - 60 rooms	\$15.0m - \$20.0m	Private	Demand was expressed locally for a larger 4-star quality resort or hotel to help attract a conference and functions market	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development 	<ul style="list-style-type: none"> ▪ Broaden the visitor mix ▪ More commissionable attractions ▪ Higher-end dining options ▪ Indigenous cultural centre ▪ Guided fishing experiences

#	LGA	Category	Name/Type	Location	Size	Estimated Cost (Approx.)	Investment Type	Description	Potential Inducements and incentives to be Made	Other Investment & Support Required
									<ul style="list-style-type: none"> ▪ Tax exemptions/concessions for eco-sustainable development especially 	
9	Kempsey	Self-Contained	Higher-end self-contained accommodation	Coastal	10 - 20 rooms	\$3.5m - \$5.0m	Private	Demand was expressed locally for higher-end self-contained accommodation such as cottages to support nature-based and/or cultural attractions	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ <i>As above</i>
10	Kyogle	Hotel/Resort	Higher quality hotel/mixed-service apartment facility	Kyogle CBD	40 - 60 rooms	\$15.0m - \$20.0m	Private	Demand was identified locally for a higher-end hotel or mixed serviced apartment/hotel facility to support greater overnight stays and to grow the visitor economy and local employment	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ Broaden the visitor mix ▪ More commissionable attractions ▪ Agri-tourism experiences ▪ Higher quality F&B options
11	Lismore	Eco-Accommodation	4-5-star eco-resort	Hinterland	40 - 60 rooms	\$15.0m - \$20.0m	Private	Demand was identified locally for a 4-5 star higher-end eco-resort	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ Broaden the visitor mix ▪ Built attractions ▪ Commissionable experiences
12	Lismore	Destination Holiday Park	A higher-quality destination holiday park	Hinterland	100+ sites & 20 - 40 cabins	\$15.0m - \$25.0m	Private	Desire also exists for a higher quality destination holiday park	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites (>8-10ha) ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Purchase of land and concessions on long term ground leases ▪ Release of Crown land for tourism development 	<ul style="list-style-type: none"> ▪ <i>As above</i>
13	Lismore	Hotel and conference facilities	Mid -upper range hotel and	Lismore CBD	80-100+ rooms	\$25m -30m	Private	Council interest to encourage hotel as part of town centre revitalisation plan	<ul style="list-style-type: none"> ▪ Support through the planning process by Council ▪ Identification of sites 	<ul style="list-style-type: none"> ▪ Broaden the visitor mix ▪ Commissionable experiences

#	LGA	Category	Name/Type	Location	Size	Estimated Cost (Approx.)	Investment Type	Description	Potential Inducements and incentives to be Made	Other Investment & Support Required
			conference venue						<ul style="list-style-type: none"> ▪ Long term lease if Council owned land ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Floor space bonuses and height incentives 	
14	Mid-Coast	Glamping	Glamping	Manning Valley	15 - 20 glamping tents	\$2.0m - \$3.0m	Private	Demand was expressed locally for glamping product in Manning Valley	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ Broaden the visitor mix ▪ Upgrades to Manning Art Gallery ▪ Manning Valley produce precinct, ▪ Gloucester visitor hub (focused on natural adventure) ▪ Cultural tourism projects
15	Mid-Coast	Hotel/Resort	4-5-star hotel/resort	Forster	60 - 100 rooms	\$20.0m - \$30.0m	Private	Demand was expressed locally for a 4-5-star hotel or resort in Forster as part of a development precinct to assist with town centre rejuvenation and economic uplift	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Floor space bonuses and height incentives 	<ul style="list-style-type: none"> ▪ Broaden the visitor mix ▪ Commissionable experiences
16	Nambucca	Self-Contained	A 4-star service apartment complex	Nambucca Heads	60 - 100 rooms	\$20.0m - \$30.0m	Private	Demand was expressed locally for a 4-star serviced apartment complex	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Floor space bonuses and height incentives 	<ul style="list-style-type: none"> ▪ Broaden the visitor mix ▪ More commissionable attractions ▪ Wedding venues ▪ Completion of boardwalks ▪ Higher quality F&B options
17	Nambucca	Destination Holiday Park	A higher-quality destination holiday park	Hinterland	100+ sites & 20 - 40 cabins	\$15.0m - \$25.0m	Private	Demand was expressed locally for a quality destination holiday park	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites (>8-10ha) ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ <i>As above</i>

#	LGA	Category	Name/Type	Location	Size	Estimated Cost (Approx.)	Investment Type	Description	Potential Inducements and incentives to be Made	Other Investment & Support Required
									<ul style="list-style-type: none"> ▪ Purchase of land and concessions on long term ground leases ▪ Release of Crown land for tourism development 	
18	Port Macquarie-Hastings	Eco-Accommodation	Eco-resort	Hinterland	60 - 100 rooms	\$20.0m - \$30.0m	Private	Demand was expressed locally for a hinterland located eco-resort, to support visitation to the hinterland nature-based experiences and to activate areas for tourism attractions	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Floor space bonuses and height incentives 	<ul style="list-style-type: none"> ▪ Agri-tourism ventures ▪ Hinterland-specific activations ▪ Eco attraction experiences ▪ Public art trail ▪ Nat Park development activation at Sea Acres ▪ Leveraging off State Forest land to activate for tourism
19	Richmond Valley	Destination Holiday Park	A high-quality destination holiday park	Coastal (Evans Head and environs)	100+ sites & 20 - 40 cabins	\$15.0m - \$25.0m	Private	Demand was identified locally for a higher quality destination holiday park to grow overnight visitation	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites (>8-10ha) ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Purchase of land and concessions on long term ground leases ▪ Release of Crown land for tourism development 	<ul style="list-style-type: none"> ▪ Broaden the visitor market mix ▪ More commissionable attractions ▪ Higher quality F&B options ▪ Wildlife sanctuary ▪ Aboriginal tourism product
20	Richmond Valley	Hotel/Resort	4-star resort	TBD	40 - 60 rooms	\$15.0m - \$20.0m	Private	Demand was also identified for a 4-star resort to also help as the catalyst for more quality food and beverage outlets	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Exclusive zoning for tourism development ▪ Identification of appropriate sites ▪ Mixed-use development schemes ▪ Incentives for heritage conversion to tourism use ▪ Tax exemptions/concessions for eco-sustainable development especially 	<ul style="list-style-type: none"> ▪ <i>As above</i>
21	Tweed	Eco-Accommodation	Eco-accommodation	Hinterland	40 - 60 rooms	\$15.0m - \$20.0m	Private	Smaller-scale hinterland based commercial accommodation was desired such as eco chalets, farm stays, boutique eco-resorts	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development 	<ul style="list-style-type: none"> ▪ Distillery (agri-food link), ▪ Completion of rail-trail and hinterland trails ▪ Headland sustainable coastal development

#	LGA	Category	Name/Type	Location	Size	Estimated Cost (Approx.)	Investment Type	Description	Potential Inducements and incentives to be Made	Other Investment & Support Required
									<ul style="list-style-type: none"> ▪ Tax exemptions/concessions for eco-sustainable development especially 	
22	Tweed	Hotel/Resort	Boutique, higher-quality hotel/resort	Coastal	60 - 100 rooms	\$20.0m - \$30.0m	Private	Boutique higher quality coastal hotel and resorts to support market demand and to help support the sustainability of coastal development generally	<ul style="list-style-type: none"> ▪ Planning & process support ▪ Identification of sites ▪ Exclusive zoning for tourism development ▪ Tax exemptions/concessions for eco-sustainable development especially ▪ Floor space bonuses and height incentives ▪ Release of Crown land for tourism development ▪ Purchase of land and concessions on long term ground leases 	<ul style="list-style-type: none"> ▪ Maintaining the mix of higher spending visitor market segments ▪ More commissionable attractions
-	Lord Howe Island	n/a	n/a	n/a	n/a	n/a	n/a	As Lord Howe Island has a set number of beds (400) permissible, this restricts the ability to expand commercial accommodation on the Island. Subsequently, there are no new commercial accommodation facilities proposed or expansions to existing properties	<ul style="list-style-type: none"> ▪ n/a 	<ul style="list-style-type: none"> ▪ Maintaining the higher spending visitor market focus ▪ Encouraging operators to maintain accommodation facilities to a good overall standard ▪ Extending the existing Museum into an all-weather-built visitor experience focussed on eco-sustainability and/or the unique social history of the Island with interactive and immersive experiences ▪ Maintaining wharves, jetties, walking trails, lookouts to a high standard ▪ Ensuring pest eradication programs and outcomes retained

Figure 21: The Opportunities Mapped

- 1 - Higher quality art hotel
- 2 - Eco-accommodation resort
- 3 - Quality destination holiday park
- 4 - Glamping (Dorrigo National Park)
- 5 - Cultural-themed eco accommodation
- 6 - 4-star hotel
- 7 - 4-5-star hotel (new or upgrade)
- 8 - 4-star resort or hotel
- 9 - Higher-end self-contained accommodation
- 10 - Higher quality hotel/mixed-service apartments
- 11 - 4-5-star eco-resort
- 12 - Higher quality destination holiday park
- 13 - Mid-upper range hotel and conference venue
- 14 - Glamping
- 15 - 4-5-star hotel/resort
- 16 - 4-star service apartment complex
- 17 - Higher quality destination holiday park
- 18 - Eco-resort
- 19 - Higher quality destination holiday park
- 20 - 4-star resort
- 21 - Eco-accommodation
- 22 - Boutique, higher-quality hotel/resort



Opportunity (by Category) [22]

- Destination Holiday Park [4]
- Eco-Accommodation [5]
- Glamping [2]
- Hotel/Resort [8]
- Self-Contained [2]
- Hotel & Conference Facilities [1]
- DNC LGA Boundaries

Note: Locations are only high-level, based on discussions with stakeholder to indicate coastal, CBD and hinterland locations.



7. SUPPORTING DOCUMENTATION

Appendix 1	TripAdvisor Data Scrape Methodology
Appendix 2	TripAdvisor Data Scrape Findings
Appendix 3	Accommodation Sentiment
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Appendix 5	Official Star Rating vis-à-vis Consumer Rating
Appendix 6	Price Point vis-à-vis Area and Consumer Rating
Appendix 7	Net Promoter Score Results

Appendix 1 TripAdvisor Data Scrape Methodology

Between Stafford's detailed audit and the TripAdvisor scrape for the DNC region, there is a difference of 1,265 properties and 3,700 rooms. However, if the 'Holiday Homes' category is deducted from the detailed audit (as the majority of these properties do not list on the commercial accommodation part of TripAdvisor and are instead listed the holiday home sub-section of TripAdvisor, Airbnb and Stayz etc.), there is a much smaller difference of 352 properties and 2,243 rooms. It is likely that most of these missing properties on TripAdvisor are smaller-scale operators who have opted not to self-list or who have chosen to temporarily de-list during COVID-19¹⁹.

When reviewing the data, it is important to understand that most online review and booking websites do not list accommodation operators based on LGAs, but rather, list based on key destinations. Table 9 provides a list of the destinations used for each LGA in the TripAdvisor extraction. There are some destinations, such as Byron Bay, where searches for nearby areas, such as Ballina, will bring up Byron Bay properties. Where possible, Stafford has cross-referenced results with GIS tools to manually assign the correct LGA where possible.

Table 9: Destinations used for TripAdvisor Audit

LGA	Town/City
Tweed	Kingscliff
	Tweed Heads
	Murwillumbah
Kyogle	Kyogle
Byron	Byron Bay
Lismore	Lismore
Ballina	Ballina
Richmond Valley	Casino
	Evans Head
Clarence Valley	Yamba
	Clarence Valley
	Grafton
Coffs Harbour	Coffs Harbour
Bellingen	Dorrigo
	Bellingen
Nambucca	Nambucca Head
	Macksville
Kempsey	South West Rocks
	Kempsey
Port Macquarie-Hastings	Port Macquarie
Mid-Coast	Taree
	Forster
	Tuncurry
	Wingham
	Blueys Beach
Lord Howe Island	Lord Howe Island
Noosa	Noosa
Sunshine Coast	Sunshine Coast (note all Noosa properties listed have been assigned to Noosa)
Wollongong	Wollongong
Kiama	Kiama

¹⁹ The detailed audit was completed in March - April 2020 while the TripAdvisor scrape was completed in late May - early June 2020.

Appendix 2 TripAdvisor Data Scrape Findings

+ Properties and Rooms

Table 10 and Table 11 on the following page provide a summary of the number of properties listed and rooms listed on TripAdvisor for each LGA assessed.

It is important to note that many properties on TripAdvisor are categorised as “Specialty Lodging” rather than a specific accommodation type category. To break this category down further, Stafford has:

- cross-referenced properties with a data scrape from Booking.com (which provides a more detailed categorisation); or
- manually categorised properties where they fall into a more descriptive category.

The “Hotel, Serviced Apartment” category has been grouped because many serviced apartment properties are self-listed as “Aparthotels”. Without doing a line-by-line audit of each property, it is challenging to break down those which are strictly serviced apartments and those which are apartments supported by hotel facilities.

As explained earlier in this report, not every property identified in the audit (see Section 2.1.3) will be listed on TripAdvisor.

The data demonstrates the following.

- There are very few “Holiday Homes/Apartments” listed in TripAdvisor (in the commercial accommodation category). These are often properties which have also self-listed as “B&Bs” despite not providing B&B services or as “Villas” despite being private holiday homes rather than commercial villas.
- The majority of properties and rooms listed on TripAdvisor for the DNC region comprise “Hotels, Serviced Apartments” (comprising 28% of properties and 44% of rooms), followed “Motels” (26% of properties and 24% of rooms).
- Noosa and the Sunshine Coast, on the other hand, have a far stronger proportion of “Hotels, Serviced Apartments”, making up 54% of properties and 73% of rooms and they have a relatively small share of motel properties, comprising just 6% of properties and 4% of room stock across the two LGAs.
- Kiama and Wollongong are similar to Noosa and the Sunshine Coast, with most properties and rooms being “Hotels, Serviced Apartments”, comprising 36% of properties and 47% of rooms, and with “Motels” only making up 13% of properties and 14% of room stock.
- Comparatively, traditionally motels have been more popular to develop in the 60s – 80s. but in turn, it has generated a lower yielding visitor market.

Table 10: Number of Properties by Property Type (colouring by # of properties)

LGA (group)	LGA	B&Bs, Cottages, Villas	Camping/ Holiday Park	Holiday Homes/ Apartments	Hostels	Hotels, Serviced Apartments	Motels	Specialty Lodging	Total
NSW North Coast	Ballina	4 (10%)	5 (13%)			13 (33%)	15 (38%)	2 (5%)	39 (100%)
	Bellingen	16 (57%)	2 (7%)	1 (4%)	1 (4%)	2 (7%)	1 (4%)	5 (18%)	28 (100%)
	Byron	39 (24%)	8 (5%)	9 (5%)	10 (6%)	57 (35%)	13 (8%)	28 (17%)	164 (100%)
	Clarence Valley	19 (21%)	24 (27%)		2 (2%)	10 (11%)	28 (31%)	6 (7%)	89 (100%)
	Coffs Harbour	14 (13%)	9 (9%)	2 (2%)	6 (6%)	41 (39%)	27 (26%)	5 (5%)	104 (100%)
	Kempsey	5 (18%)	6 (21%)		1 (4%)	3 (11%)	10 (36%)	3 (11%)	28 (100%)
	Kyogle	2 (100%)							2 (100%)
	Lismore	7 (30%)	2 (9%)		1 (4%)	2 (9%)	11 (48%)		23 (100%)
	Lord Howe Isla..			1 (5%)		10 (53%)		8 (42%)	19 (100%)
	Mid-Coast	8 (11%)	11 (15%)	1 (1%)		21 (28%)	27 (36%)	7 (9%)	75 (100%)
	Nambucca	5 (21%)	8 (33%)			1 (4%)	8 (33%)	2 (8%)	24 (100%)
	Port Macquarie..	5 (6%)	11 (13%)		3 (4%)	34 (40%)	24 (29%)	7 (8%)	84 (100%)
	Richmond Valley	1 (11%)	3 (33%)				5 (56%)		9 (100%)
	Tweed	4 (8%)	8 (16%)		1 (2%)	13 (26%)	23 (46%)	1 (2%)	50 (100%)
	Subtotal	129 (17%)	97 (13%)	14 (2%)	25 (3%)	207 (28%)	192 (26%)	74 (10%)	738 (100%)
NSW South Coast (Wollongong-Kiama)	Kiama	8 (32%)	3 (12%)	2 (8%)		7 (28%)	2 (8%)	3 (12%)	25 (100%)
	Wollongong	12 (27%)	2 (4%)	1 (2%)	2 (4%)	18 (40%)	7 (16%)	3 (7%)	45 (100%)
	Subtotal	20 (29%)	5 (7%)	3 (4%)	2 (3%)	25 (36%)	9 (13%)	6 (9%)	70 (100%)
Sunshine Coast & Noosa	Noosa	33 (14%)	12 (5%)	17 (7%)	3 (1%)	124 (52%)	8 (3%)	43 (18%)	240 (100%)
	Sunshine Coast	63 (16%)	21 (5%)	12 (3%)	4 (1%)	218 (55%)	32 (8%)	48 (12%)	398 (100%)
	Subtotal	96 (15%)	33 (5%)	29 (5%)	7 (1%)	342 (54%)	40 (6%)	91 (14%)	638 (100%)

Table 11: Number of Rooms by Property Type

LGA (group)	LGA	B&Bs, Cottages, Villas	Camping/ Holiday Park	Holiday Homes/ Apartments	Hostels	Hotels, Serviced Apartments	Motels	Specialty Lodging	Total
NSW North Coast	Ballina	49 (6%)	82 (10%)			372 (47%)	235 (30%)	47 (6%)	785 (100%)
	Bellingen	87 (50%)	22 (13%)	2 (1%)	9 (5%)	30 (17%)	14 (8%)	10 (6%)	174 (100%)
	Byron	169 (7%)	192 (8%)	2 (0%)	703 (29%)	973 (40%)	182 (7%)	223 (9%)	2,444 (100%)
	Clarence Valley	129 (9%)	460 (33%)		24 (2%)	234 (17%)	511 (37%)	20 (1%)	1,378 (100%)
	Coffs Harbour	90 (4%)	147 (6%)		195 (8%)	1,442 (56%)	575 (22%)	109 (4%)	2,558 (100%)
	Kempsey	47 (8%)	249 (40%)		11 (2%)	42 (7%)	263 (43%)	6 (1%)	618 (100%)
	Kyogle	2 (100%)							2 (100%)
	Lismore	88 (20%)	12 (3%)		12 (3%)	66 (15%)	261 (59%)		439 (100%)
	Lord Howe Isla..			9 (5%)		128 (76%)		31 (18%)	168 (100%)
	Mid-Coast	25 (2%)	384 (26%)	6 (0%)		474 (32%)	528 (35%)	78 (5%)	1,495 (100%)
	Nambucca	42 (9%)	239 (50%)			37 (8%)	152 (32%)	6 (1%)	476 (100%)
	Port Macquarie..	15 (1%)	262 (13%)		33 (2%)	1,191 (60%)	359 (18%)	125 (6%)	1,985 (100%)
	Richmond Valley	20 (13%)	31 (21%)				98 (66%)		149 (100%)
	Tweed		124 (6%)		6 (0%)	1,617 (73%)	454 (21%)		2,201 (100%)
	Subtotal	763 (5%)	2,204 (15%)	19 (0%)	993 (7%)	6,606 (44%)	3,632 (24%)	655 (4%)	14,872 (100%)
NSW South Coast (Wollongong-Kiama)	Kiama	61 (12%)	112 (23%)	6 (1%)		197 (40%)	46 (9%)	71 (14%)	493 (100%)
	Wollongong	211 (14%)	126 (8%)	61 (4%)	20 (1%)	745 (50%)	232 (15%)	103 (7%)	1,498 (100%)
	Subtotal	272 (14%)	238 (12%)	67 (3%)	20 (1%)	942 (47%)	278 (14%)	174 (9%)	1,991 (100%)
Sunshine Coast & Noosa	Noosa	233 (5%)	195 (4%)	57 (1%)	81 (2%)	3,660 (77%)	112 (2%)	438 (9%)	4,776 (100%)
	Sunshine Coast	298 (3%)	1,486 (17%)	11 (0%)	149 (2%)	6,169 (71%)	404 (5%)	200 (2%)	8,717 (100%)
	Subtotal	531 (4%)	1,681 (12%)	68 (1%)	230 (2%)	9,829 (73%)	516 (4%)	638 (5%)	13,493 (100%)

TripAdvisor has been utilised as the base for the “data scrape” (with over 60,000 lines of data being extracted) because it is the most comprehensive accommodation review website (TripAdvisor is an aggregation of 48 different sites).

If an accommodation product is not listed, this is usually because:

- operators have not self-listed on TripAdvisor (TripAdvisor is free to self-list); or
- visitors have not written reviews of the product and, therefore, the product listing has not been initiated (as a general rule of thumb, the more visited the property, the greater likelihood a customer-generated listing may occur).

The purpose of the data scraping exercise is to gain an understanding of visitor preferences regarding accommodation and sentiment surrounding quality and pricing. Four categories of analysis have been used, being: property types, price point, official star rating and net promoter scores.

+ Property Listings vis-à-vis Area and Visitation

Although comparing the raw number of properties and rooms in each LGA (based on TripAdvisor listings) and the region is an interesting metric, a more valuable comparison is assessing the size/scale of the accommodation mix (listed on TripAdvisor) based on the physical size of each area and the number of overnight visitors. Table 12 summarises the size of and visitation to each LGA, the number of properties and rooms identified through the TripAdvisor audit, as well as three ratios, being:

- **Properties:Area** (how many square kilometres there are per property);
- **Properties:Overnight Visitors** (how many overnight visitors there are per property); and
- **Rooms:Overnight Visitors** (how many overnight visitors there are per room).

Please note:

- Kyogle has not been included in the assessment because there are only two properties currently listed on TripAdvisor for this property which skews the results; and
- total visitation to each region has not been included because this would result in a double count (i.e. one visitor can travel to multiple LGAs in a region).

Table 12: Comparison of TripAdvisor Properties and Rooms²⁰ with Size of LGAs and Visitation

Region/LGA	Size	Overnight Visitors	All Properties				
			# of Properties Listed	Property:Area	Property:Overnight Visitors	# of Rooms Listed	Rooms:Overnight Visitors
Destination NC	42,135 sqkm		738	1 property : 57sqkm	n/a	14,870	n/a
Tweed	1,321 sqkm	662k	50	1 property : 26sqkm	1 property : 13k visitors	2,201	1 room : 301 visitors
Kyogle	3,589 sqkm	62k	2				
Byron	557 sqkm	1.1m	164	1 property : 3sqkm	1 property : 7k visitors	2,444	1 room : 454 visitors
Lismore	1,290 sqkm	231k	23	1 property : 56sqkm	1 property : 10k visitors	439	1 room : 527 visitors
Ballina	485 sqkm	351k	39	1 property : 12sqkm	1 property : 9k visitors	785	1 room : 447 visitors
Richmond Valley	3,051 sqkm	157k	9	1 property : 339sqkm	1 property : 17k visitors	149	1 room : 1,056 visitors
Clarence Valley	10,441 sqkm	650k	89	1 property : 117sqkm	1 property : 7k visitors	1,378	1 room : 472 visitors
Coffs Harbour	1,175 sqkm	932k	104	1 property : 11sqkm	1 property : 9k visitors	2,558	1 room : 364 visitors
Bellingen	1,602 sqkm	120k	28	1 property : 57sqkm	1 property : 4k visitors	174	1 room : 688 visitors
Nambucca	1,491 sqkm	150k	24	1 property : 62sqkm	1 property : 6k visitors	476	1 room : 315 visitors
Kempsey	3,380 sqkm	338k	28	1 property : 121sqkm	1 property : 12k visitors	618	1 room : 547 visitors
Port Macquarie-Hastings	3,686 sqkm	887k	84	1 property : 44sqkm	1 property : 11k visitors	1,985	1 room : 447 visitors
Mid-Coast	10,053 sqkm	1.0m	75	1 property : 134sqkm	1 property : 14k visitors	1,495	1 room : 679 visitors
Lord Howe Island	15 sqkm	19k	19	1 property : 1sqkm	1 property : 1k visitors	168	1 room : 114 visitors
Noosa & Sunshine Coast	3,124 sqkm		638	1 property : 5sqkm	n/a	13,493	n/a
Noosa	870 sqkm	1.0m	240	1 property : 4sqkm	1 property : 4k visitors	4,776	1 room : 218 visitors
Sunshine Coast	2,254 sqkm	2.3m	398	1 property : 6sqkm	1 property : 6k visitors	8,717	1 room : 262 visitors
South Coast	942 sqkm		70	1 property : 13sqkm	n/a	1,991	n/a
Kiama	258 sqkm	335k	25	1 property : 10sqkm	1 property : 13k visitors	493	1 room : 680 visitors
Wollongong	684 sqkm	805k	45	1 property : 15sqkm	1 property : 18k visitors	1,498	1 room : 537 visitors

²⁰ It is important to recognise that not all properties on TripAdvisor list room numbers. Out of the 1,446 properties listed, room counts were obtained for 1,209 properties.

The findings demonstrate the following.

- The Sunshine Coast (including Noosa), despite being a much smaller region than the DNC region (3,124km² compared with 42,135km²) has 638 properties listed on TripAdvisor which is marginally lower than the DNC region which has 738 properties listed on TripAdvisor. On a square kilometre basis, the Sunshine Coast (including Noosa) have 1 property listed for every 5km² compared with 1 property for every 57km² in the DNC region. This indicates that the Sunshine Coast and Noosa have a higher density/concentration of accommodation development than the DNC region generally.
- Byron LGA and Lord Howe Island are the only two LGAs which have a similar property:area ratio as Noosa and the Sunshine Coast at 1 property: 3km² and 1 property:1km² respectively. This is not surprising given the smaller size of these destinations (particularly Lord Howe Island) and that both these destinations are very much tourism-focused destinations, with the visitor economy being the (or one of the main) primary economic sectors.
- The DNC region also has a smaller number of properties per square kilometre when compared with those LGAs included in the sub-South Coast region (which average 1 property per 13km²).
- There are LGAs in the DNC region which have extensive national park areas. These include (by way of example) Clarence Valley, Kempsey, Port Macquarie-Hastings, Bellingen, and Mid-Coast. This is likely a factor (but not the only factor) behind these areas having lower property:area ratios.
- Looking at the property:overnight visitor ratio results demonstrates that, once again, the Sunshine Coast and Noosa achieve one of the strongest ratios, being 1 property for every 4k overnight visitors in Noosa and 1 property for every 6k visitors in the Sunshine Coast.
- The ratios achieved for the South Coast LGAs are lower because the two LGA's accommodation mix is dominated by Airbnb/peer-to-peer properties which are not included in the TripAdvisor listing (see Section 3.1.2).
- Out of the DNC LGAs, Richmond Valley generated the weakest ratios across all three ratios assessed. This indicates that there are fewer properties for visitors to select, and a correspondingly low number of overnight visitors staying in the LGA. General comment from various regional stakeholders indicates that overnight visitation is often heavily clustered in certain destination hubs which can often be outside of the LGA where visitors may have spent the day visiting.
- The Sunshine Coast and Noosa LGAs also generate strong room:overnight visitor ratios at 1 room for every 218 visitors in Noosa and 1 room for every 262 overnight visitors in the Sunshine Coast. The only LGA in the DNC region to generate a stronger ratio is Lord Howe Island at 1 room for every 114 visitors which is in a unique position with a regulated number (400) of maximum accommodation beds permitted to be occupied at any one time.

Those destinations with a darker green rating illustrate a stronger correlation between property and room numbers available which may potentially influence their ability to secure overnight visitation.

Table 13 provides a similar analysis, however, it is focused only on those properties categorised as "Hotels, Serviced Apartments". The reason for the focus on these types of properties is because consultation and feedback indicated the need for the DNC region to develop/introduce more of this form of accommodation and investment, rather than focusing on traditional motel-style accommodation, which has been often seen as transient accommodation to support travellers wanting to stay overnight on their way to a destination outside of the DNC area.

The analysis indicates the following.

- Sunshine Coast LGA (excluding Noosa LGA) has more "Hotels, Serviced Apartments" listed on TripAdvisor (218 properties) than the entire DNC region combined (210 properties). Considering the size differential between these areas, this is significant.
- Considering its relatively small size, Noosa (870km²) also has a large number of these properties (125), equating to 1 property every 7km² (compared to the North Coast which has 1 property every 201km²).

Table 13: Comparison of TripAdvisor Hotels & Serviced Apartment Properties and Rooms with Size of LGAs and Visitation

Region/LGA	Size	Overnight Visitors	Hotels, Serviced Apartments Only				
			# of Hotel/Apartment Properties Listed	Hotel/Apartment Property:Area	Hotel/Apartment Property:Overnight Visitors	# of Rooms Listed	Rooms:Overnight Visitors
Destination NC	42,135 sqkm		210	1 property : 201sqkm	n/a	6,679	n/a
Tweed	1,321 sqkm	662k	13	1 property : 102sqkm	1 property : 51k visitors	1,617	1 room : 409 visitors
Kyogle	3,589 sqkm	62k					
Byron	557 sqkm	1.1m	58	1 property : 10sqkm	1 property : 19k visitors	973	1 room : 1.1k visitors
Lismore	1,290 sqkm	231k	2	1 property : 645sqkm	1 property : 116k visitors	66	1 room : 3.5k visitors
Ballina	485 sqkm	351k	13	1 property : 37sqkm	1 property : 27k visitors	372	1 room : 943 visitors
Richmond Valley	3,051 sqkm	157k					
Clarence Valley	10,441 sqkm	650k	11	1 property : 949sqkm	1 property : 59k visitors	278	1 room : 2.3k visitors
Coffs Harbour	1,175 sqkm	932k	41	1 property : 29sqkm	1 property : 23k visitors	1,442	1 room : 647 visitors
Bellingen	1,602 sqkm	120k	2	1 property : 801sqkm	1 property : 60k visitors	30	1 room : 4.0k visitors
Nambucca	1,491 sqkm	150k	2	1 property : 746sqkm	1 property : 75k visitors	66	1 room : 2.3k visitors
Kempsey	3,380 sqkm	338k	3	1 property : 1,127sqkm	1 property : 113k visitors	42	1 room : 8.0k visitors
Port Macquarie-Hastings	3,686 sqkm	887k	34	1 property : 108sqkm	1 property : 26k visitors	1,191	1 room : 745 visitors
Mid-Coast	10,053 sqkm	1.0m	21	1 property : 479sqkm	1 property : 48k visitors	474	1 room : 2.1k visitors
Lord Howe Island	15 sqkm	19k	10	1 property : 1sqkm	1 property : 2k visitors	128	1 room : 150 visitors
Noosa & Sunshine Coast	3,124 sqkm		343	1 property : 9sqkm	n/a	9,947	n/a
Noosa	870 sqkm	1.0m	125	1 property : 7sqkm	1 property : 8k visitors	3,751	1 room : 277 visitors
Sunshine Coast	2,254 sqkm	2.3m	218	1 property : 10sqkm	1 property : 10k visitors	6,196	1 room : 369 visitors
South Coast	942 sqkm		25	1 property : 38sqkm	n/a	942	n/a
Kiama	258 sqkm	335k	7	1 property : 37sqkm	1 property : 48k visitors	197	1 room : 1.7k visitors
Wollongong	684 sqkm	805k	18	1 property : 38sqkm	1 property : 45k visitors	745	1 room : 1.1k visitors

- The Sunshine Coast's property and room stock is largely dominated by "Hotels, Serviced Apartments", comprising 54% of all properties listed and 73% of room stock. The North Coast region's accommodation mix, on the other hand, is more evenly distributed between "Hotels, Serviced Apartments" (28% of properties and 44% room stock) and "Motels" (26% of properties and 24% of room stock).
- Wollongong and Kiama also have a larger proportion of "Hotels, Serviced Apartments" (36% of properties and 47% of room stock) and a much smaller share of "Motels" (13% of properties and 14% of room stock).
- LGAs in the North Coast region which have a higher proportion of non-hotel/service apartment stock include Lismore, Kempsey, Nambucca, Bellingen, Mid-Coast and the Clarence Valley. These are destinations which have quite a large amount of more traditional motel-style accommodation properties, rather than newer hotel and serviced apartment properties.

+ Average Property Size

Table 14 provides the average property size (by rooms) in each LGA by property category as well as an overall average (for those listed in TripAdvisor). Some key findings are as follows.

- Accommodation properties in the South Coast (Wollongong & Kiama) generally have a higher number of rooms, averaging 35 and 23 rooms per property respectively.
- Out of all the LGAs assessed, Tweed has, by far, the highest average room density per property, averaging 56 rooms per property. This is primarily because of its larger-scale hotels and serviced apartments (averaging 140 rooms per property).
- Despite Byron having the second largest number of rooms out of all LGAs in the DNC region, it has a relatively low average room density (20 rooms per property) demonstrating that Byron has a greater number of smaller-scale properties.
- The results also reflect that for many LGAs, accommodation facilities are run by owner/operators as there often is not the critical mass of rooms to support bringing in a branded operator to run it on behalf of the owners.

Table 14: Average property size (rooms) by LGA and Property Category

LGA	LGA (group)	B&Bs, Cottages, Villas	Holiday Homes/ Apartments	Hostels	Hotels, Serviced Apartments	Motels	Pub Accom modation	Specialty Lodging	Average
Tweed	NSW North Coast			6	140	22			56
Wollongong	NSW South Coast (Wollon..	34		10	58	33	25	52	35
Kiama	NSW South Coast (Wollon..	10	6		37	23		39	23
Coffs Harbour	NSW North Coast	7		33	41	23	14	5	21
Byron	NSW North Coast	5	2	70	22	15	13	11	20
Lismore	NSW North Coast	11		12	33	24	22		20
Richmond Valley	NSW North Coast	20				20			20
Port Macquarie-Hastings	NSW North Coast	4		11	39	20	16	22	19
Ballina	NSW North Coast	11			29	16	15	24	19
Nambucca	NSW North Coast	8			37	22	9	6	16
Clarence Valley	NSW North Coast	7		24	29	19	11	3	16
Noosa	Sunshine Coast & Noosa	8	3	27	30	16	12	7	15
Sunshine Coast	Sunshine Coast & Noosa	5	3	35	32	14	11	3	15
Mid-Coast	NSW North Coast	8	6		24	20	15	11	14
Kempsey	NSW North Coast	9		11	14	26		3	13
Bellingen	NSW North Coast	6	2	9	30	14		4	11
Lord Howe Island	NSW North Coast		9		13			5	9
Kyogle	NSW North Coast	2							2

+ Branded Properties

Table 15 lists the branded properties (including hotels, serviced apartments²¹, motels²², holiday parks²³ and hostels²⁴) within each of the regions assessed. In total:

- the DNC region has 57 branded properties;
- the Sunshine Coast and Noosa together have 29 branded properties; and
- Wollongong and Kiama together have 7 branded properties.

Importantly, however, when looking at the “Hotels, Serviced Apartments” category alone, the Sunshine Coast and Noosa have 25 branded properties – eight more than the entire DNC region (which is geographically a much larger region).

Table 15: TripAdvisor Branded Properties in Each Region

LGA (group)	LGA	Hotels, Serviced Apartments	Motels	Camping/Holiday Park	Hostels	Total
NSW North Coast	Tweed	6	1	2	1	10
	Coffs Harbour	3	2	3	1	9
	Port Macquarie-Hastings	6		1	1	8
	Mid-Coast	1		5		6
	Byron			3	2	5
	Clarence Valley		1	3		4
	Ballina	1		3		4
	Richmond Valley			3		3
	Nambucca			3		3
	Lismore		1		1	2
	Kempsey			2		2
	Bellingen				1	1
	Subtotal	17	5	28	7	57
NSW South Coast (Wollongong-Kiama)	Wollongong	4				4
	Kiama	2		1		3
	Subtotal	6		1		7
Sunshine Coast & Noosa	Sunshine Coast	20		2		22
	Noosa	5		1	1	7
	Subtotal	25		3	1	29

²¹ With branded hotels and serviced apartments including brands such as Novotel, Sofitel, Mantra, Rydges etc.

²² With branded motels including chains such as Best Western and Quality Inn

²³ With branded holiday parks comprising brands such as NRMA, Discovery Parks, Ingenia, BIG4 etc.

²⁴ With branded hostels including the YHA brand

Considering the different geographical sizes of the areas being assessed, it is useful to break these numbers down on a per square kilometre basis as well as looking at it based on overnight visitation levels (see Table 16 on the following page).

As a size ratio:

- the North Coast has one branded hotel/serviced apartment property per 2,341km²;
- the Sunshine Coast and Noosa together have one per 84km²; and
- the South Coast (Kiama and Wollongong) have one per 157km².

Looking at the individual LGAs, there is not one LGA in the DNC region which has a greater number of branded hotels/serviced apartments per square kilometre than Noosa, the Sunshine Coast, Kiama, or Wollongong. Sunshine Coast LGA has the greatest number of branded hotels/serviced apartments per square kilometre (1 for every 113km²).

We consider these ratios important as branded properties, across all accommodation typology, are more often correlated to stronger destination hubs with an ability to stimulate higher visitor spend and to encourage more commissionable attractions and experiences along with a stronger mix of supporting retail outlets and food and beverage providers. In turn, this supports greater local employment opportunities into the visitor economy, directly and indirectly.

As an overnight visitor ratio:

- Tweed has the strongest ratio of overnight visitors to branded hotel/serviced apartment properties (1 property for every 110k overnight visitors), followed by the Sunshine Coast (1 property for every 114k overnight visitors);
- out of the 6 LGAs in the DNC region which have branded hotel/serviced apartment properties, Mid-Coast has the lowest ratio of branded properties to overnight visitors (1 for every 1m visitors);
- Byron is seen as the exception, as though it has relatively few branded properties, it has a far higher ratio of upper-end quality resorts, lodges and holiday homes etc which draws in a strong overnight higher spending visitor market. For most destinations in Australia, the ability to encourage a far higher spending market is more often predicated on delivering quality branded properties though these need to be of a certain size to help make them viable for an operator and investor.

Table 16: Comparison of TripAdvisor Branded Hotels & Serviced Apartment Properties and Rooms with Size of LGAs and Visitation²⁵

Region/LGA	Size	Overnight Visitors	Branded Hotels, Serviced Apartments Only		
			# of Hotel/Apartment Branded Properties	Hotel/Apartment Branded Property:Area	Hotel/Apartment Branded Property:Overnight Visitors
Destination NC	42,135 sqkm		18	1 property : 2,341sqkm	-
Tweed	1,321 sqkm	662k	6	1 property : 220sqkm	1 property : 110k visitors
Kyogle	3,589 sqkm	62k			
Byron	557 sqkm	1.1m			
Lismore	1,290 sqkm	231k			
Ballina	485 sqkm	351k	1	1 property : 485sqkm	1 property : 351k visitors
Richmond Valley	3,051 sqkm	157k			
Clarence Valley	10,441 sqkm	650k	1	1 property : 10,441sqkm	1 property : .7m visitors
Coffs Harbour	1,175 sqkm	932k	3		
Bellingen	1,602 sqkm	120k			
Nambucca	1,491 sqkm	150k			
Kempsey	3,380 sqkm	338k			
Port Macquarie-Hastings	3,686 sqkm	887k	6	1 property : 614sqkm	1 property : 148k visitors
Mid-Coast	10,053 sqkm	1.0m	1	1 property : 10,053sqkm	1 property : 1.0m visitors
Lord Howe Island	15 sqkm	19k			
Noosa & Sunshine Coast	3,124 sqkm		37	1 property : 84sqkm	-
Noosa	870 sqkm	1.0m	5	1 property : 174sqkm	1 property : 208k visitors
Sunshine Coast	2,254 sqkm	2.3m	20	1 property : 113sqkm	1 property : 114k visitors
South Coast	942 sqkm		6	1 property : 157sqkm	-
Kiama	258 sqkm	335k	2	1 property : 129sqkm	1 property : 168k visitors
Wollongong	684 sqkm	805k	4	1 property : 171sqkm	1 property : 201k visitors

²⁵ While Byron at Byron is part of the Crystalbrook Collection, it is noted that this is a marketing collective rather than a branded network of hotels.

Table 17 provides a summary of the brands of those branded hotels and serviced apartments identified in the TripAdvisor data scrape, along with the official self-rated star rating the properties/brands are advertising. The full list of properties is included at Appendix 4.

Looking across all the areas assessed, most of the branded hotel/serviced apartment properties are predominantly self-rated as 4-star properties.

Interestingly, of the three self-rated 5-star properties, these are all situated within Noosa LGA, which in turn, supports the higher-yielding visitor markets which Noosa is able to attract. There appears to be a strong correlation between the quality of branded properties on offer and the ability to secure higher spending visitor markets. These markets, in turn, support the quality of retail and related food and beverage amenities available in Hastings Street Noosa and in surrounding environs.

Importantly, it is also recognised that Noosa has the same high environmental standards and aspirations as virtually all of the LGAs within the North Coast, but have avoided getting stuck in a lower to mid-range visitor market which is dominated by a family drive sector. Noosa is very much a destination rather than a drive-through location. There are, nonetheless, small pockets in many LGAs on the North Coast where these higher-yielding visitors congregate, but in insufficient numbers to activate private investment for new higher quality commercial accommodation development. The dilemma is that developers and investors are unlikely to take a calculated risk and construct new facilities unless there is clear market evidence to show demand already exists. The notion of “build it and they will come” is seen as too high risk unless government is prepared to help de-risk projects where possible, but this would require a paradigm shift in thinking to support this.

This challenge, unfortunately, also gets compounded as better food and beverage outlets are required to also encourage higher yielding visitors to stop and spend.

It is also important to note that while having branded accommodation is highly advantageous for any destination (because of the branding/marketing power they bring and the types of visitors they tend to attract), both branded and non-branded properties face the same challenge of maintaining properties to a good standard, especially for older properties which often require more extensive refurbishment to bring them up to current market standards.

This issue is now reflected in customer queries asking when the property was built, and the last time it underwent a major refurbishment. Online feedback via travel review websites indicates that there are many properties within the North Coast which customers consider are now dated and overdue for refurbishment.

Regrettably, this often leads to properties which were say rated as 4 stars, becoming 3-3.5-star quality. But if they are still promoted as 4-star quality, the level of customer dissatisfaction can be noticeable through online web reviews. The market, through online self-assessment reviews such as on TripAdvisor, has become a very powerful customer assessment tool which potential travellers often review, before deciding to make a booking.

Table 17: TripAdvisor Branded Hotels & Serviced Apartments

OfficialSt..	Brand Type	NSW North Coast						NSW South Coast (Wollongong-K..			Sunshine Coast & Noosa		
		Ballina	Coffs Harbour	Mid-Coast	Port Macquarie-Ha..	Tweed	Total	Kiama	Wollong..	Total	Noosa	Sunshine Coast	Total
5 star	Peppers										1		1
	RACV										1		1
	Sofitel										1		1
4.5 star	Mantra					1	1						
	Peppers					1	1						
4 star	Best Western								1	1			
	BreakFree											1	1
	Direct Hotels											2	2
	Ibis				1		1						
	Mantra				2	2	4		1	1	1	3	4
	Mercure				1		1	1		1	1	1	1
	Novotel								1	1		1	1
	Oaks					2	2					2	2
	Quest								1	1			
	Ramada	1	1	1	1		4					2	2
	Rydges				1		1						
	Sebel							1		1	1	3	4
3.5 star	BreakFree		1				1					1	1
3 star	Direct Hotels											1	1
	Ibis		1				1						
Total		1	3	1	6	6	17	2	4	6	5	17	22

+ Property Type vis-à-vis Consumer Ratings

TripAdvisor enables visitors to leave quantitative (a rating) and qualitative (a comment) feedback on accommodation properties they have stayed at. Many of these reviews are “verified” meaning that the user must prove (through direct bookings) that they have stayed at the property.

Table 18 provides an assessment of consumer sentiment for the different types of accommodation in each LGA and the region (the full findings are included in Appendix 3). When reviewing the results, it is important to note the following:

- those properties which are listed on TripAdvisor but who have not yet received ratings have been excluded from the results;
- only properties with 5 or more reviews have been included in the results as this provides a more reliable sample size; and
- those LGAs with less than 5 properties of each category have been excluded from the assessment to avoid skewing the results based on unreliable sample size.

The data illustrates the following.

- The DNC region’s accommodation offering received an average user-generated score of 4.1. This is lower than the average score for Noosa and the Sunshine Coast (4.3) but higher than the score generated for Wollongong and Kiama (3.8).
- Out of the LGAs in the DNC region, Richmond Valley’s and Coffs Harbour’s accommodation mix received the lowest average rating (3.7 and 3.8 respectively) and Lord Howe Island and Bellingen rated the highest (4.7).
- Out of the South Coast LGAs assessed, while Kiama receives quite a high average score (4.2), Wollongong’s average score is much lower (3.5).
- In the “Hotels, Serviced Apartments” category (which comprise the most properties and rooms for the DNC region), Coffs Harbour received the lowest average review score (3.9). Noosa and the Sunshine Coast received relatively high average scores of 4.3 each, while Kiama achieved a score of 4.0 and Wollongong’s score was more in line with Coffs Harbour’s.
- In the DNC region, the “Hostel” category received the lowest average rating of 3.7 which is not unexpected given the average price point of this product and the market it is geared to. Interestingly, however, Port Macquarie-Hastings hostels rank far higher (4.7) than those in Coffs Harbour (3.3) and Byron (3.7).
- Across most accommodation categories (the exceptions are “Motels” and “Holiday Homes/Apartments”), the Sunshine Coast (including Noosa) receives a higher average score than the DNC region, indicating that consumers are generally more content with the accommodation offering and price point in the Sunshine Coast.
- Although a consumer rating of say 4.7 compared to 4.2 might not seem much of a variance, under this rating system it actually is. While “B&Bs, Cottages, Villas” and “Holiday Homes/Apartments” rated well across the region on average (4.5 or higher on average), only two LGAs (Bellingen and Lord Howe Island) in the DNC region achieved overall consumer ratings of 4.5 or higher across all accommodation types.

Table 18: TripAdvisor Property Category Compared with Consumer Rating

LGA (group)	LGA	B&Bs, Cottages, Villas	Camping/ Holiday Park	Holiday Homes/ Apartments	Hostels	Hotels, Serviced Apartments	Motels	Specialty Lodging	Average
NSW North Coast	Lord Howe Island					4.7		4.7	4.7
	Bellingen	4.8						4.3	4.7
	Byron	4.6	3.6	4.5	3.7	4.4	4.0	4.1	4.2
	Clarence Valley	4.4	4.0			4.3	4.1	4.3	4.2
	Kempsey	4.4	4.2				4.2		4.2
	Lismore	4.2					4.0		4.1
	Mid-Coast	4.5	4.2			4.1	4.0	4.4	4.1
	Nambucca	4.3	4.2				3.9		4.1
	Port Macquarie-Hastings	4.6	3.8			4.3	3.9	4.2	4.1
	Tweed		4.1			4.2	4.2		4.1
	Ballina		3.5			4.3	3.9		4.0
	Coffs Harbour	4.3	3.3			3.3	3.9	3.7	3.8
	Richmond Valley						3.7		3.7
	Average	4.5	3.9	4.5	3.5	4.2	4.0	4.2	4.1
NSW South Coast (Wollongong-Kiama)	Kiama	4.4				4.0			4.2
	Wollongong	3.6				3.8	3.0		3.5
	Average	3.9				3.9	3.0		3.8
Sunshine Coast & Noosa	Noosa	4.4	4.0	4.0		4.3	4.1	4.4	4.3
	Sunshine Coast	4.5	4.0	4.0			3.8	4.7	4.3
	Average	4.5	4.0	4.0		4.3	3.9	4.6	4.3

Appendix 3 Accommodation Sentiment

Provided as a separate document due to the size of the table.

Appendix 4 Branded Hotels & Serviced Apartments (TripAdvisor)

OfficialSt..	Brand Type	PropertyName	NSW North Coast					NSW South Coast (Wollongong-Kiama)			Sunshine Coast & Noosa				
			Ballina	Coffs H arbour	Mid-C..	Port M acqu..	Tweed	Total	Kiama	Wollo..	Total	Noosa	Sunshi ne Co..	Total	
5 star	Peppers	Peppers Noosa Resort and Villas										1		1	
	RACV	RACV Noosa Resort										1		1	
	Sofitel	Sofitel Noosa Pacific Resort										1		1	
4.5 star	Mantra	Mantra Twin Towns Coolangatta					1								
	Peppers	Peppers Salt Resort & Spa Kingscliff					1								
4 star	Best Western	Best Western City Sands							1	1					
	BreakFree	BreakFree Grand Pacific Caloundra										1		1	
	Direct Hotels	Direct Hotels - Breeze on Brightwater										1		1	
		Direct Hotels - Shine On Brightwater										1		1	
	Ibis	ibis Styles Port Macquarie				1									
	Mantra	Mantra Coolangatta Beach					1								
		Mantra French Quarter Noosa										1		1	
		Mantra Mooloolaba Beach Resort										1		1	
		Mantra on Salt Beach Kingscliff					1								
		Mantra Quayside Port Macquarie				1									
		Mantra Sirocco										1		1	
		Mantra The Observatory Port Macquar..				1									
		Mantra Wollongong							1	1					
		Mantra Zanzibar Mooloolaba										1		1	
	Mercure	Mercure Centro Port Macquarie				1									
		Mercure Gerringong Resort						1		1					
		Mercure Sunshine Coast Kawana Wate..										1		1	
	Novotel	Novotel Sunshine Coast Resort										1		1	
		Novotel Wollongong Northbeach							1	1					
	Oaks	Oaks Casuarina Santai Resort					1								
Oaks Gold Coast Calypso Plaza Suites						1									
Oaks Sunshine Coast Oasis Resort											1		1		
Oaks Sunshine Coast Seaforth Resort											1		1		
Quest	Quest Wollongong							1	1						
Ramada	Ramada by Wyndham Marcoola Beach										1		1		
	Ramada Hotel & Suites by Wyndham B..	1													
	Ramada Resort by Wyndham Coffs Ha..		1												
	Ramada Resort by Wyndham Flynns B..				1										
	Ramada Resort by Wyndham Golden B..										1		1		
	Ramada Resort Diamond Beach			1											
Rydges	Rydges Port Macquarie				1										
Sebel	The Sebel Harbourside Kiama						1		1						
	The Sebel Maroochydore										1		1		
	The Sebel Noosa										1		1		
	The Sebel Pelican Waters Golf Resort ..										1		1		
	The Sebel Twin Waters										1		1		
3.5 star	BreakFree	BreakFree Aanuka Beach Resort		1											
	BreakFree	BreakFree Alexandra Beach										1		1	
3 star	Direct Hotels	Direct Hotels - Sea Breeze Mooloolaba										1		1	
	Ibis	Ibis Budget Coffs Harbour		1											
Total			1	3	1	6	6	17	2	4	6	5	17	22	

Appendix 5 Official Star Rating vis-à-vis Consumer Rating

Table 19 provides an analysis of consumer sentiment ratings versus property self-rating (known as star rating) scores. This is useful to demonstrate where there is potentially a mismatch in official ratings and consumer expectations. Only those properties which have included their self-rating score on their TripAdvisor listing have been included in the assessment²⁶.

With global travel expanding and consumer awareness regarding the quality of product on offer elsewhere increasing, the need to be competitive and to have pricing and official ratings which are a true reflection of the quality of the accommodation on offer is especially important. This is particularly the case for properties charging higher-end rates and having a star rating of 4.5-5-stars.

In many regions, older properties continue to self-rate as higher-end properties, however, anecdotal feedback indicates that they have had limited reinvestment over the years and the quality on offer does not compare well to what is being offered elsewhere.

The data illustrates the following.

- Generally, for the DNC region overall, self-rated properties, on average, achieve average user-generated scores which are higher than their official star rating. There are exceptions to this, however, and these are highlighted in **red** in the table below.
- On average, Noosa and the Sunshine Coast's 5-star properties achieved higher average user-generated scores than those in the DNC region (including those in Ballina, Byron and Mid-Coast). This may be a result of refurbishment and a reflection of property reinvestment.
- Lord Howe Island's accommodation properties achieve high consumer ratings, with all 3.5 – 4.5-star properties achieving an average consumer rating of 5.0.
- The results indicate that on average, for properties with star ratings of 2-4.5 star within the DNC region, consumer sentiment reflected they were appropriately rated for the quality assumed in their self-star rating assessment.

Table 19: TripAdvisor Consumer Rating Compared with Self-Star-Rating

LGA (group)	LGA	2 ★	2.5 ★	3 ★	3.5 ★	4 ★	4.5 ★	5 ★
NSW North Coast	Lord Howe Island			4.4	5.0	5.0	5.0	
	Bellingen			4.2		4.7		
	Byron	4.3	4.0	4.2	4.3	4.5	4.7	4.5
	Clarence Valley	4.3	3.5	4.2	4.1	4.4	4.8	
	Kempsey		3.8	4	4.2	4.5		
	Lismore			3.9		4.3	5.0	
	Mid-Coast			3.9	4.3	4.4	4.0	4.0
	Nambucca		3.0	4.3	4.5	4.3	4.5	
	Port Macquarie-Hastings		3.0	3.9	3.7	4.3	4.0	
	Tweed	3.5		4.1	4.3	4.2	4.0	
	Ballina			3.9	4.0	4.3		4.8
	Coffs Harbour			3.7	4.2	4.0	4.5	
	Richmond Valley			3.8		4.5		
	Average	4.2	3.6	4	4.2	4.4	4.4	4.5
NSW South Coast (Wollongong-Kiama)	Kiama			4.4	3.8	4.1	4.5	
	Wollongong	3.0	3.0	3.1	4.0	4.1		
	Average	3.0	3.0	3.5	3.9	4.1	4.5	
Sunshine Coast & Noosa	Noosa	3.5		4.1	4.6	4.5	4.4	4.6
	Sunshine Coast	4.0	2.5	4.0	4.5	4.4	4.8	4.8
	Average	3.8	2.5	4.1	4.5	4.4	4.7	4.7

²⁶ Of the 1,446 properties listed, 870 properties listed an official star-rating score.

Appendix 6 Price Point vis-à-vis Area and Consumer Rating

Table 20 provides a summary of consumer sentiment regarding the AREA'S accommodation offering based on the average price per night²⁷ (where price data has been made available).

The data demonstrates that in each region assessed, those properties which average \$400-\$499 per night achieve the highest average rating from consumers (4.50).

As the average price per night reduces, consumer sentiment also tends to reduce, with those properties charging less than \$100 per night (on average) achieving the lowest consumer ratings across each region.

Coffs Harbour has a very low consumer score for the \$500+ category reflecting the price point may not necessarily be meeting consumer expectation.

Table 20: TripAdvisor Consumer Rating Compared with Price Point

LGA (group)	LGA	<\$100	\$100-\$199	\$200-\$299	\$300-\$399	\$400-\$499	\$500+
NSW North Coast	Ballina	3.5	4.2	4.1		4.8	
	Bellingen	4.5	4.1	4.7	5.0		
	Byron	4.0	4.2	4.1	4.2	4.6	4.4
	Clarence Valley	4.0	4.3	4.2	4.7		
	Coffs Harbour	3.0	3.8	4.1	4.2	4.5	2.8
	Kempsey	4.0	4.2	4.1			
	Kyogle		5.0				
	Lismore	4.5	3.9	4.5			
	Lord Howe Island				4.5	4.3	5.0
	Mid-Coast	4.1	4.0	4.3	4.6	4.3	
	Nambucca		4.3	4.5			
	Port Macquarie-Hastings	3.9	4.1	4.2	4.8		4.0
	Richmond Valley		3.8				
	Tweed	3.0	4.1	4.3	4.3		4.0
	Average		3.8	4.1	4.2	4.4	4.5
NSW South Coast (Wollongong-Kiama)	Kiama	2.0	3.8	4.4	4.1	4.5	
	Wollongong	2.3	3.2	4.3	3.8		
	Average	2.2	3.3	4.3	4.0	4.5	
Sunshine Coast & Noosa	Noosa	4.2	4.3	4.3	4.4	4.5	4.4
	Sunshine Coast	3.2	3.9	4.4	4.4	4.5	4.4
	Average	3.7	4.1	4.3	4.4	4.5	4.4

²⁷ Note, TripAdvisor provides a price range for most properties. The upper end figure has been used where provided.

Appendix 7 Net Promoter Score Results

LGA (group)	LGA	Category	Promoters Total	Passives Total	Detractors Total	Number of Reviewers	Promoters Less Detractors	NPS Score
NSW North Coast	Ballina	Camping/Holiday Park	248	175	114	537	134	+25
		Hotels, Serviced Apartmen...	1,893	955	405	3,252	1,488	+46
		Motels	609	486	221	1,316	388	+29
		Total	2,750	1,616	740	5,105	2,010	+39
	Bellingen	B&Bs, Cottages, Villas	864	152	100	1,116	764	+68
		Total	864	152	100	1,116	764	+68
	Byron	B&Bs, Cottages, Villas	4,080	650	270	5,000	3,810	+76
		Camping/Holiday Park	573	489	462	1,524	111	+7
		Holiday Homes/Apartmen...	5	2	0	7	5	+71
		Hostels	1,611	953	986	3,550	625	+18
		Hotels, Serviced Apartmen...	5,813	2,377	1,166	9,355	4,647	+50
		Motels	762	623	390	1,775	372	+21
		Specialty Lodging	1,110	379	246	1,734	864	+50
		Total	13,954	5,473	3,520	22,945	10,434	+45
	Clarence Valley	B&Bs, Cottages, Villas	530	69	18	617	512	+83
		Camping/Holiday Park	1,274	702	413	2,389	861	+36
		Hotels, Serviced Apartmen...	571	498	306	1,375	265	+19
		Motels	1,649	1,174	437	3,260	1,212	+37
		Pub Accommodation	98	96	48	242	50	+21
	Total	4,122	2,539	1,222	7,883	2,900	+37	
	Coffs Harbour	B&Bs, Cottages, Villas	263	26	13	302	250	+83
		Camping/Holiday Park	623	317	211	1,151	412	+36
		Hostels	549	222	236	1,007	313	+31
		Hotels, Serviced Apartmen...	3,622	3,434	3,351	10,403	271	+3
		Motels	1,821	1,690	1,028	4,539	793	+17
	Total	6,878	5,689	4,839	17,402	2,039	+12	
	Kempsey	B&Bs, Cottages, Villas	206	76	48	330	158	+48
		Camping/Holiday Park	950	431	213	1,592	737	+46
		Motels	694	543	275	1,512	419	+28
	Total	1,850	1,050	536	3,434	1,314	+38	
	Lismore	B&Bs, Cottages, Villas	322	48	22	392	300	+77
		Motels	504	398	220	1,121	284	+25
	Total	826	446	242	1,513	584	+39	
	Lord Howe Island	Hotels, Serviced Apartmen...	1,857	354	92	2,303	1,765	+77
		Specialty Lodging	297	70	16	383	281	+73
	Total	2,154	424	108	2,686	2,046	+76	
	Mid-Coast	B&Bs, Cottages, Villas	248	55	29	332	219	+66
		Camping/Holiday Park	656	385	243	1,284	413	+32
		Hotels, Serviced Apartmen...	1,976	751	577	3,303	1,399	+42
		Motels	1,194	1,148	645	2,987	549	+18
	Total	4,074	2,339	1,494	7,906	2,580	+33	
	Nambucca	Camping/Holiday Park	1,277	558	271	2,106	1,006	+48
		Motels	430	284	164	875	266	+30
		Total	1,707	842	435	2,981	1,272	+43
	Port Macquarie-Hastings	B&Bs, Cottages, Villas	359	65	32	456	327	+72
		Camping/Holiday Park	362	309	208	879	154	+18
		Hotels, Serviced Apartmen...	6,307	4,507	2,202	13,014	4,105	+32
		Motels	1,166	1,164	648	2,978	518	+17
	Total	8,194	6,045	3,090	17,327	5,104	+29	
	Richmond Valley	Motels	82	130	74	286	8	+3
		Total	82	130	74	286	8	+3
	Tweed	Camping/Holiday Park	429	308	187	964	242	+25
Hotels, Serviced Apartmen...		7,686	5,685	2,830	16,200	4,856	+30	
Motels		1,177	573	266	2,014	911	+45	
Total	9,292	6,566	3,283	19,178	6,009	+31		
Total	56,747	33,311	19,683	109,762	37,064	+34		
NSW South Coast (Wollongong-Kiama)	Kiama	B&Bs, Cottages, Villas	166	165	75	406	91	+22
		Hotels, Serviced Apartmen...	947	976	706	2,629	241	+9
		Total	1,113	1,141	781	3,035	332	+11
	Wollongong	B&Bs, Cottages, Villas	131	144	192	467	-61	-13
		Hotels, Serviced Apartmen...	3,155	3,191	2,292	8,638	863	+10
		Motels	59	149	286	494	-227	-46
		Pub Accommodation	70	86	52	208	18	+9
	Total	3,415	3,570	2,822	9,807	593	+6	
Total	4,528	4,711	3,603	12,842	925	+7		
Sunshine Coast & Noosa	Noosa	B&Bs, Cottages, Villas	1,752	296	148	2,194	1,604	+73
		Camping/Holiday Park	724	479	286	1,489	438	+29
		Holiday Homes/Apartmen...	2	0	4	6	-2	-33
		Hotels, Serviced Apartmen...	17,184	8,700	4,841	30,734	12,343	+40
		Motels	1,099	476	205	1,780	894	+50
		Pub Accommodation	79	105	138	322	-59	-18
		Specialty Lodging	679	213	179	1,071	500	+47
	Total	21,519	10,269	5,801	37,596	15,718	+42	
	Sunshine Coast	B&Bs, Cottages, Villas	4,875	749	349	5,972	4,526	+76
		Camping/Holiday Park	1,553	721	489	2,763	1,064	+39
		Holiday Homes/Apartmen...	148	19	12	179	136	+76
		Hostels	88	72	166	325	-78	-24
		Hotels, Serviced Apartmen...	21,170	11,952	6,565	39,682	14,605	+37
Motels		733	609	523	1,844	210	+11	
Pub Accommodation	94	149	181	424	-87	-21		
Specialty Lodging	1,811	203	95	2,109	1,716	+81		
Total	30,472	14,474	8,380	53,298	22,092	+41		
Total	51,991	24,743	14,181	90,894	37,810	+42		

