

DESTINATION NORTH COAST

# TOURISM RESEARCH PROJECT

July 2020

*AN ASSESSMENT OF THE  
NORTH COAST'S VISITOR ECONOMY*

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



**STAFFORD**  
STRATEGY 



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**staffordstrategy.com.au    ACN 079 055 100    ABN 34 565120 454**

**SYDNEY OFFICE**

A 3.02 POST 46a MacLeay Street, Potts Point NSW 2011, Australia  
E [sydney@staffordstrategy.com.au](mailto:sydney@staffordstrategy.com.au)  
P +61 2 9331 6222

**MELBOURNE OFFICE**

A 36 Cobden Street North Melbourne VIC 3051, Australia  
E [melbourne@staffordstrategy.com.au](mailto:melbourne@staffordstrategy.com.au)  
P +61 416 200 458

**BRISBANE OFFICE**

A PO BOX 265 Sandgate QLD 4017, Australia  
E [brisbane@staffordstrategy.com.au](mailto:brisbane@staffordstrategy.com.au)  
P +61 417 721 342

**WELLINGTON OFFICE**

A Level 1, 2 Broderick Road, Johnsonville 6037, Wellington, NZ  
E [wellington@staffordstrategy.co.nz](mailto:wellington@staffordstrategy.co.nz)  
P +64 21 337 377



Figure 1: Destination North Coast region .....	3
Figure 2: Total Visits by LGA - 2019 .....	6
Figure 3: Total Visitation by LGA - 2013, 2016 & 2019 .....	7
Figure 4: Visitor Type by LGA - 2019 .....	9
Figure 5: Total Visitation by LGA by Visitor Type - 2019 .....	10
Figure 6: Total Domestic Day Visits by LGA - 2019 .....	11
Figure 7: Total Domestic Overnight Visits by LGA - 2019 .....	12
Figure 8: Total International Overnight Visits by LGA - 2019.....	13
Figure 9: Total Visits by Motivation - 2019 .....	14
Figure 10: Total Visits by Origin – Domestic Day - 2019 .....	15
Figure 11: Total Visits by Origin – Domestic Overnight - 2019 .....	16
Figure 12: Total Visits by Origin – International Overnight - 2019.....	17
Figure 13: Change in visitation to Australia by key inbound markets (2006 – 2019) .....	18
Figure 14: Change in visitation to Australia by Eastern and Western Markets (2006 – 2019) .....	19
Figure 15: Change in visitation to the North Coast by Eastern and Western Markets (2006 – 2019) .....	19
Figure 16: Estimated Visitor Spend by LGA – 2019 .....	20
Figure 17: Estimated spend per visitor per trip - 2019.....	21
Figure 18: Leisure travel to the North Coast by Quarter by Visitor Type (5-year average, 2014-2018) .....	23
Figure 19: Leisure travel to North Coast LGAs (B-K LGAs) by Quarter (5-year average, 2014-2018) .....	24
Figure 20: Leisure Travel to North Coast LGAs (L-T LGAs) by Quarter (5-year average, 2014-2018) .....	25
Figure 21: The change in tourism growth, 2001-01 to 2019-20 .....	26
Figure 22: Visits projections (all visitor types) by LGA (2019 – 2029) .....	27
Figure 23: Domestic day visits projections by LGA (2019 – 2029) .....	28
Figure 24: Domestic overnight visits projections by LGA (2019 – 2029).....	29
Figure 25: International overnight visits projections by LGA (2019 – 2029) .....	30
Figure 26: Visitor spend projections (all visitor types) by LGA (2019 – 2029) .....	31
Figure 27: Domestic day visitor spend projections by LGA (2019 – 2029) .....	32
Figure 28: Domestic overnight visitor spend projections by LGA (2019 – 2029) .....	33
Figure 29: International overnight visitor spend projections by LGA (2019 – 2029) .....	34
Figure 30: Attractions Summary - Total.....	39
Figure 31: Attractions Summary (Free vs Paid) – North Coast Region.....	42
Figure 32: Paid Product by LGA .....	42
Figure 33: Attractions Summary (Free vs Paid) by Attraction Type .....	43
Figure 34: Attractions Summary (Free vs Paid) by LGA .....	44
Figure 35: Accommodation Summary by Property Category (Properties and Rooms) – Total .....	46
Figure 36: Accommodation Summary by LGA (Properties and Rooms) – Total.....	47
Figure 37: Room Stock by LGA Mapped .....	50
Figure 38: Top 10 largest properties (by rooms) in North Coast .....	51
Figure 39: Room stock distribution in LGAs .....	52
Figure 40: Number of rooms by quality category – North Coast region .....	53
Figure 41: Number of rooms by quality category and by type of accommodation .....	54
Figure 42: Number of rooms by quality category and by LGA.....	55
Figure 43: Branded Accommodation Product Only and Room Numbers with High-Quality Rating.....	57
Figure 44: Branded Accommodation Product and Room Numbers with Medium & High-Quality Rating .....	58
Figure 45: Branded & Unbranded Accommodation Product and Room Numbers with Higher-Quality Rating.....	59
Figure 46: Sharing economy impact on each stage of the travel cycle .....	60
Figure 47: Share Economy Accommodation vs Traditional Commercial Accommodation .....	61
Figure 48: Booking.com Top Reviewed properties .....	64
Figure 49: Google Travel Top Reviewed properties .....	65
Figure 50: TripAdvisor Top Attractions.....	66
Figure 51: Google Travel Top Things To Do .....	67
Figure 52: Sightsmap for the North Coast.....	68
Figure 53: Analysis of visitor perceptions of activities & things to do in the North Coast .....	70
Figure 54: Word cloud from negative reviews .....	71
Figure 55: Word cloud from positive reviews .....	71
Figure 56: Accommodation Gap Analysis .....	74
Figure 57: Attractions & Experiences Gap Analysis.....	75
Figure 58: Sunshine Coast and Noosa aerals.....	83
Figure 59: Destination critical success factors.....	86
Table 1: Destination North Coast SA2s .....	5
Table 2: Estimated spend per visitor per night - 2019.....	22
Table 3: Tourism Experiences & Attractions Product Categories .....	38
Table 4: Attractions Summary by LGA.....	41
Table 5: Accommodation product categories.....	45
Table 6: Accommodation Summary by LGA – Number of Properties and Rooms.....	49
Table 7: Gap analysis commentary.....	76
Table 8: Comparative destination findings.....	81
Table 9: Sunshine Coast Branded Accommodation .....	84
Table 10: Noosa Branded Accommodation .....	85
Table 11: Major Attractions – Sunshine Coast .....	85
Table 12: Major Attractions - Noosa .....	85



# 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 1. Many of the findings of this report will feed into and inform Project 2.

## 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 (Figure 1) 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 LGA<sup>1</sup> 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 rural 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.



<sup>1</sup> 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 1: 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. VISITATION TO THE REGION

### 2.1. How visitation data has been derived

Visitor data has been compiled for the North Coast region and its various LGAs using the National and International Visitor Survey (NVS and IVS) data published by Tourism Research Australia (TRA). The NVS and IVS provide visitation data based on 'Statistical Area 2' (SA2) boundaries. Every LGA in Australia is made up of one or more SA2s. The SA2s included in the North Coast region is outlined in Table 1.

As per the methodology applied by TRA for LGAs<sup>2</sup>, visitation data is averaged over three-year periods, rather than being provided on an annual basis, as this minimises the impact of variability in estimates from year to year and provides more robust estimates. The periods assessed in this report include:

- June 2011 to June 2013, referred to as **2013**;
- June 2014 to June 2016, referred to as **2016**; and
- June 2017 to June 2019, referred to as **2019**.

June YE data (unless otherwise specified) has been applied as this is the most recent iteration of data released by TRA via the NVS and IVS at the time of report writing.

The data has deliberately been provided on an LGA level rather than a North Coast regional level. This recognises that it is a large and diverse region which attracts different visitor markets and the various destinations have varying propositions.

**Table 1: Destination North Coast SA2s**

SA2 NAME	LGA NAME	SA2 NAME	LGA NAME
Ballina	Ballina	Forster	Mid-Coast
Ballina Region	Ballina	Forster-Tuncurry Region	Mid-Coast
Lennox Head - Skennars Head	Ballina	Gloucester	Mid-Coast
Bellingen	Bellingen	Old Bar - Manning Point - Red Head	Mid-Coast
Dorrigo	Bellingen	Taree	Mid-Coast
Urunga	Bellingen	Taree Region	Mid-Coast
Bangalow	Byron	Tea Gardens - Hawks Nest	Mid-Coast
Brunswick Heads - Ocean Shores	Byron	Tuncurry	Mid-Coast
Byron Bay	Byron	Wingham	Mid-Coast
Mullumbimby	Byron	Macksville - Scotts Head	Nambucca
Grafton	Clarence Valley	Nambucca Heads	Nambucca
Grafton Region	Clarence Valley	Nambucca Heads Region	Nambucca
Maclean - Yamba - Iluka	Clarence Valley	Laurieton - Bonny Hills	Port Macquarie-Hastings
Coffs Harbour - North	Coffs Harbour	Port Macquarie - East	Port Macquarie-Hastings
Coffs Harbour - South	Coffs Harbour	Port Macquarie - West	Port Macquarie-Hastings
Coramba - Nana Glen - Bucca	Coffs Harbour	Port Macquarie Region	Port Macquarie-Hastings
Korora - Emerald Beach	Coffs Harbour	Wauchope	Port Macquarie-Hastings
Sawtell - Boambee	Coffs Harbour	Casino	Richmond Valley
Woolgoolga - Arrawarra	Coffs Harbour	Casino Region	Richmond Valley
Kempsey	Kempsey	Evans Head	Richmond Valley
Kempsey Region	Kempsey	Banora Point	Tweed
South West Rocks	Kempsey	Kingscliff - Fingal Head	Tweed
Kyogle	Kyogle	Murwillumbah	Tweed
Goonellabah	Lismore	Murwillumbah Region	Tweed
Lismore	Lismore	Pottsville	Tweed
Lismore Region	Lismore	Terranora - North Tumblegum	Tweed
Lord Howe Island	Lord Howe Island	Tweed Heads	Tweed
Bulahdelah - Stroud	Mid-Coast	Tweed Heads South	Tweed

<sup>2</sup> <https://www.tra.gov.au/research/regional-tourism/local-government-area-profiles/local-government-area-profiles>

## 2.2. Historic visitor demand

### 2.2.1. Total Visits by LGA

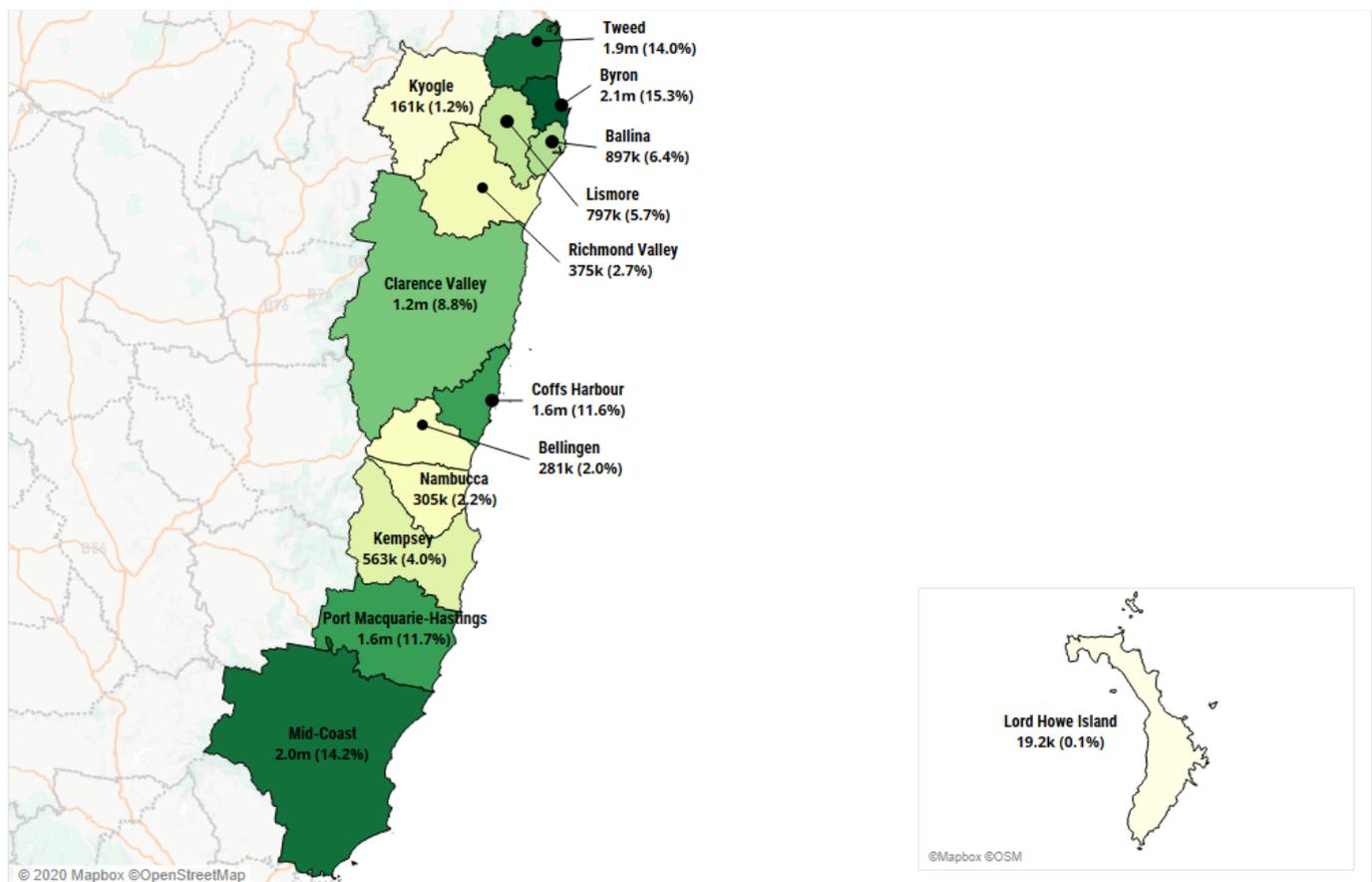
Throughout this report, visitation data is based on visits rather than visitors. Visits data recognises that one visitor may visit multiple destinations within the North Coast region. By way of example, one visitor may travel to Tweed, Byron and Ballina – visits data counts this travel as three visits, while visitor data would only count it as one visitor. Visits data, therefore, represents the sum of non-unique visits within a region. Because this report is investigating travel to each of the LGAs, rather than the North Coast region as a whole, it is important to utilise visits data.

Figure 2 illustrates the distribution of total visits amongst the 13 LGAs within the region in 2019. It demonstrates the following.

- Byron Shire, which has the internationally recognised “Byron” brand, received the largest number of visitors, comprising just over 15% of all visits to the North Coast region and equating to 2.1m visits.

- This was closely followed by Mid-Coast (14.2%) and Tweed (14%). Each of these LGAs include well-known destinations (such as Forster and Kingscliff) and benefit from strong visitation by the Sydney and Brisbane markets, particularly during summer months.
- The LGAs with the lowest number of visits include Lord Howe Island (which is expected given its remoteness) comprising just 0.14% of visits to the North Coast, Kyogle (1.2%), Bellingen (2%) and Nambucca (2.2%). With the development of new and enhanced product, the potential exists to grow the share of visits which these areas receive.
- In 2019, the LGAs within the North Coast region received a total of 13.9m non-unique visits by domestic day, domestic overnight and international overnight travellers.
- The three distinct clusters of visitor demand are seen as Mid-Coast and Port Macquarie-Hastings; Coffs Harbour and Clarence Valley; and Byron and Tweed.

Figure 2: Total Visits by LGA - 2019<sup>3</sup>



<sup>3</sup> June YE data: IVS and NVS, Tourism Research Australia  
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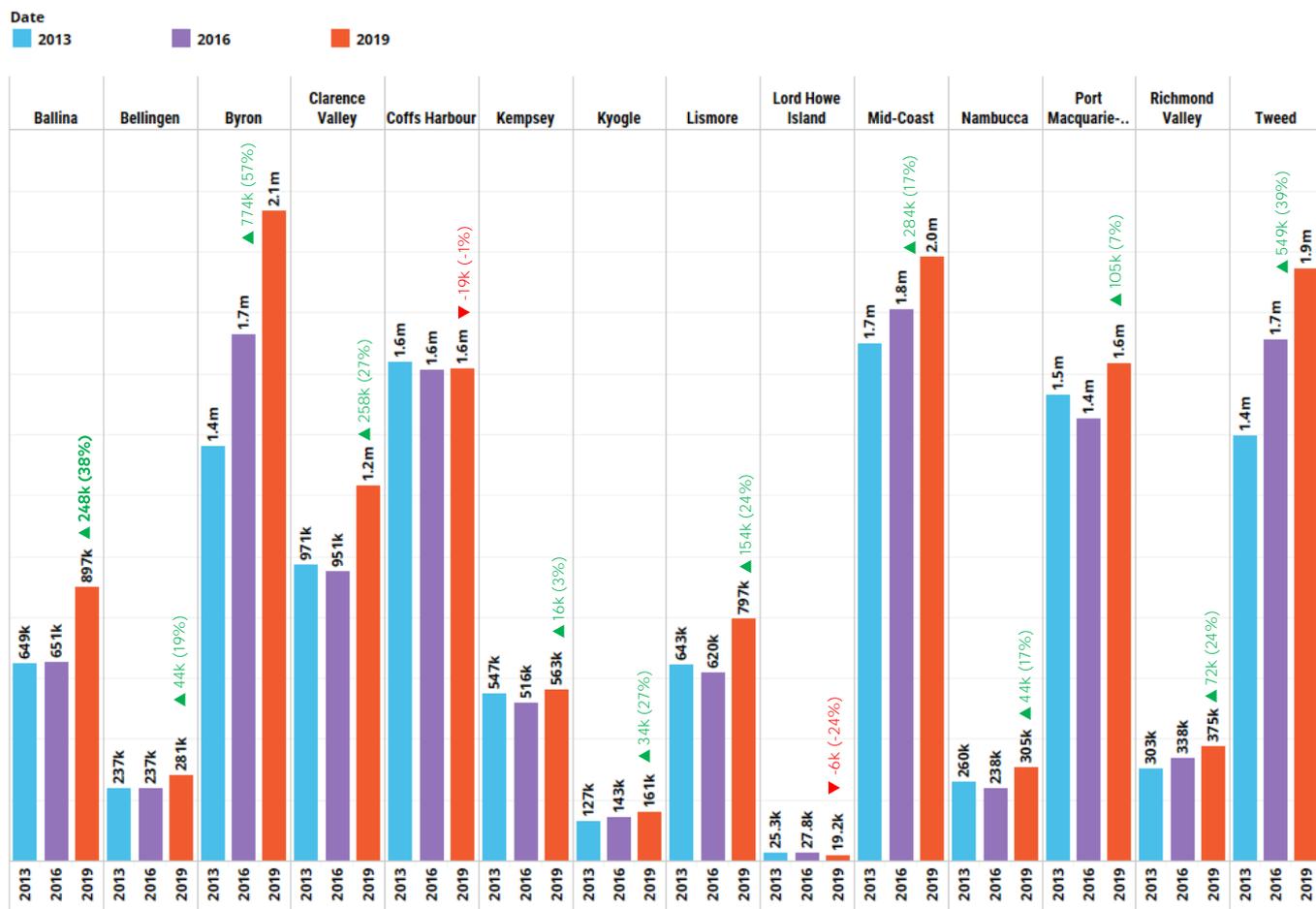
Over the 2013-2019 period, visits to the North Coast region have increased by 22% (2.6m visits), growing from just under 11.4m visits in 2013 to over 13.9m visits by 2019. This growth has predominately been driven by growth in travel to:

- Byron Shire, increasing by 774k visits (or 57%) over the period assessed;
- Tweed Shire, growing by 549k visits (39%);

- Mid-Coast Shire, increasing by 284k visits (17%);
- Clarence Valley, growing by 258k visits (27%); and
- Ballina, growing by 248k visits (38%).

Over the same period, two LGAs/areas experienced a decline in visits being Coffs Harbour, falling by -19k visits (-1%) and Lord Howe Island, decreasing by -6k visits (-24%).

Figure 3: Total Visitation by LGA - 2013, 2016 & 2019<sup>4</sup>



## 2.2.2. Total Visits by Visitor Type

Figure 4 below and Figure 5 provides a summary of travel to each LGA by visitor type in 2019. There are three types of visitors which Tourism Research Australia segment its data by. These comprise:

- **Domestic day trip travellers** include:
  - true visitors: visitors who may be staying in, for example, Byron Shire but undertaking a day trip to Richmond Valley Shire; and

- locals: locals can be considered a domestic day trip visitor if they travel more than 25 km one-way and stay in the area for more than 4 hours. Travel to/from work is excluded.

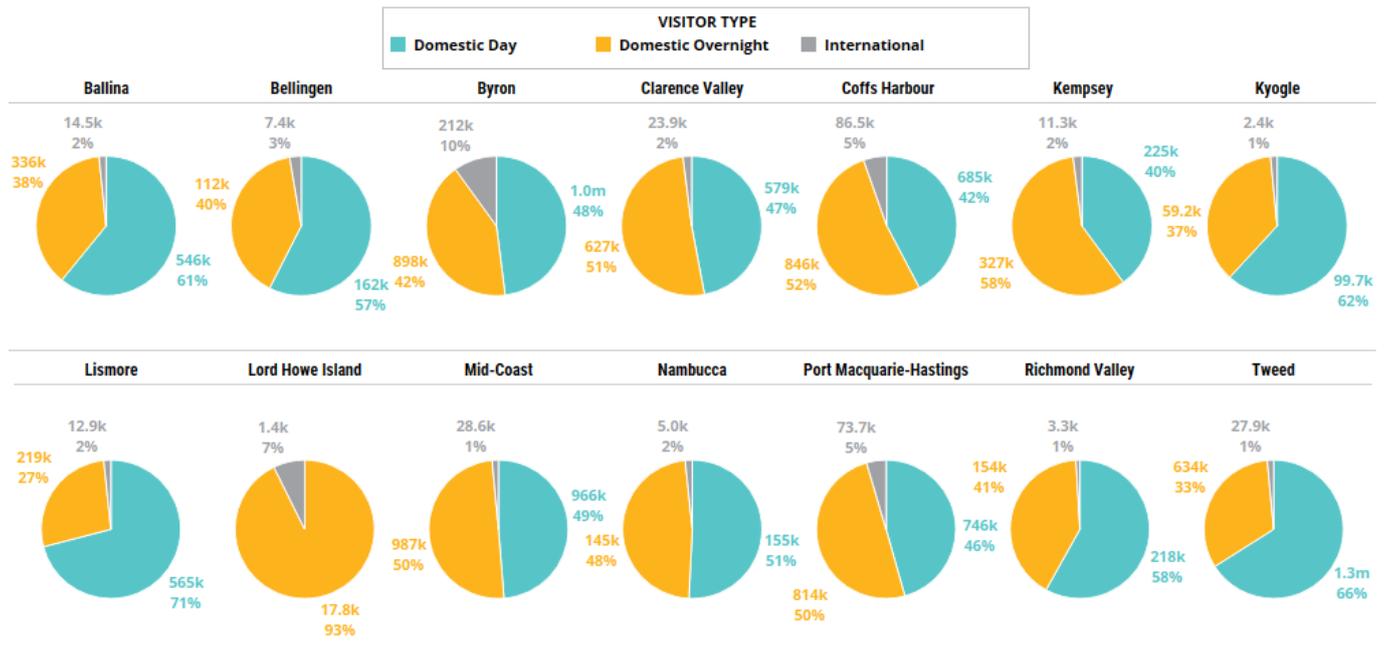
- **Domestic overnight travellers:** Overnight travel by Australians who stay away from home of at least one night, at a place at least 40 kilometres from home.
- **International overnight travellers:** Those from a country other than Australia who stay within the region overnight. International day trip travel is not currently assessed as part of the IVS.

<sup>4</sup> June YE data: IVS and NVS, Tourism Research Australia  
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Observations include the following.

- For seven LGAs, domestic day trip visitation exceeds more than 50% of total travel to the area. This includes Lismore (71%), Tweed (66%), Kyogle (62%), Ballina (61%), Richmond Valley (58%), Bellingen (58%) and Nambucca (51%).
- While the domestic day trip market is an important component of the visitor economy, it often is lower yielding than overnight markets. This is primarily because of overnight visitors tend to spend on accommodation, additional food and beverage, transport and attractions and therefore delivers stronger economic benefits.
- Generating increased overnight visitation is often contingent on introducing new and enhanced accommodation, additional visitor experiences (particularly those which can be undertaken during the afternoon/evening) and enhancing/activating the night-time economy.
- As expected, Byron receives the largest number of international overnight visits, totalling just under 212k in 2019. This is more than two times greater than the next largest international overnight destination, Coffs Harbour, which received 86k visits. Byron has strong brand recognition and is often on the bucket list of international travellers to Australia, often being seen as the quintessential Australian beach holiday destination.
- Lord Howe Island is very much a domestic overnight destination, comprising 93% of visitation to the Island, and reflecting the packages (flight and accommodation) which are promoted.
- Many visitors travel through the North Coast for leisure and business purposes on their way to Queensland and vice versa. The actual drive time continues to be improved through the regular major upgrades (including bypasses) created on the Pacific Highway.
- The lack of a quality and fast rail service and fairly limited bus/coach services encourages a strong self-drive market and a fly-drive market for those looking to spend more time in specific locations and with less time to spend on the road.
- For a number of locations (Port Macquarie, Coffs Harbour) within the North Coast, the limited frequency and cost of flights are seen as a challenge in growing a fly-drive market, which creates a far greater reliance on self-drive travel.
- Although the international visitor market has grown as more visitors seek to explore the North Coast and its various attractions, it is still a relatively small market niche compared to domestic visitation. With the introduction of more product to appeal to an international market, the growth potential could easily be increased.
- The local North Coast market, travelling within the North Coast region for business, education and VFR purposes especially, is a significant component of travel and supports retail and the visitor economy generally in a number of locations. This is especially so outside of the traditional peak holiday season (December to April).

Figure 4: Visitor Type by LGA - 2019<sup>5</sup>



<sup>5</sup> June YE data: IVS and NVS, Tourism Research Australia  
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Figure 5: Total Visitation by LGA by Visitor Type - 2019<sup>6</sup>



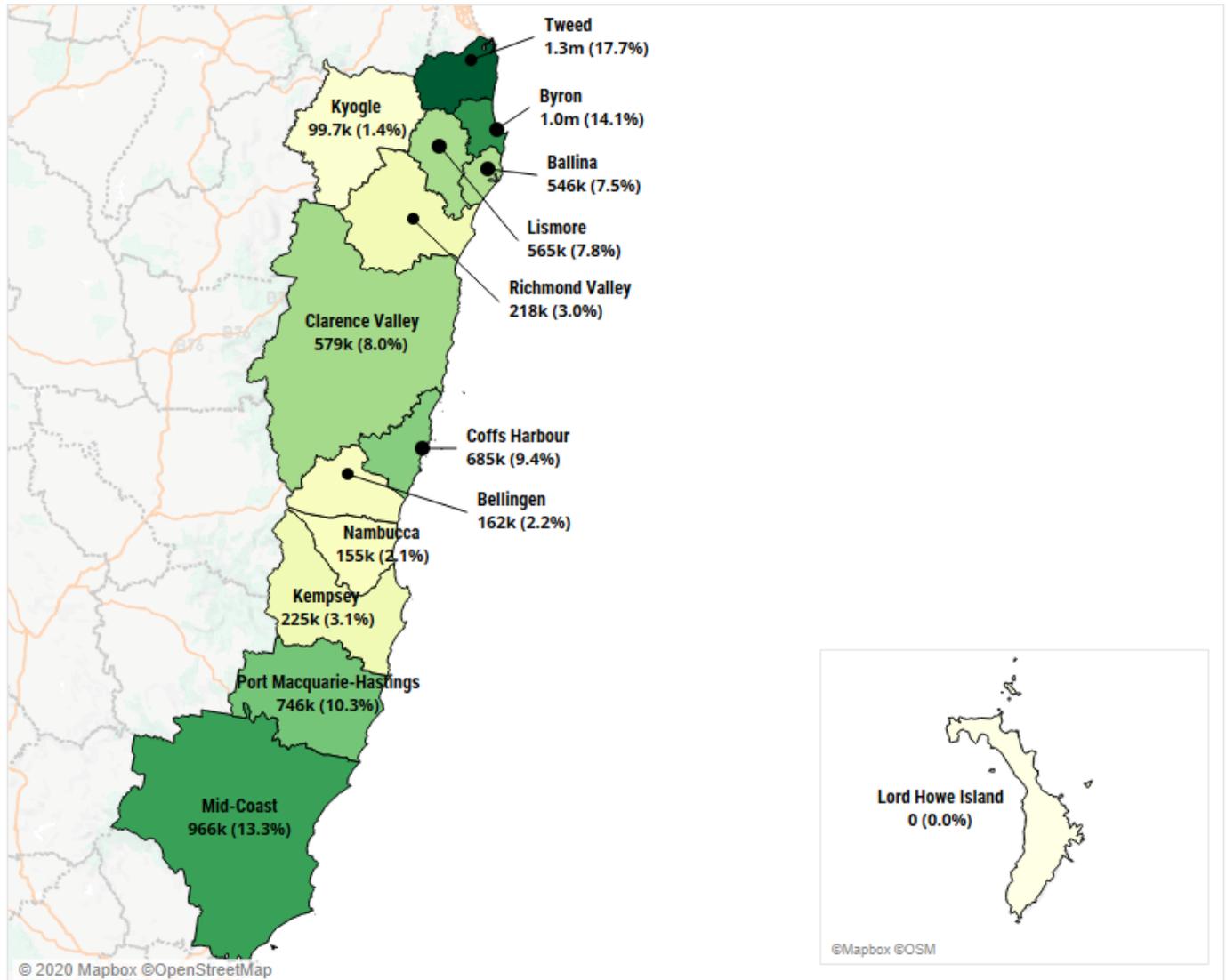
<sup>6</sup> June YE data: IVS and NVS, Tourism Research Australia  
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Figure 6 heatmaps the number of domestic day visits to the region in 2019. It demonstrates that major domestic day destinations include:

- Tweed: 1.3m visitors, comprising almost 18% of all domestic day visits in the region;

- Byron: 1.0m visitors, comprising 14% of all domestic day visits in the region; and
- Mid-Coast: 966k visitors, comprising just over 13% of all domestic day visits in the region.

Figure 6: Total Domestic Day Visits by LGA - 2019<sup>7</sup>

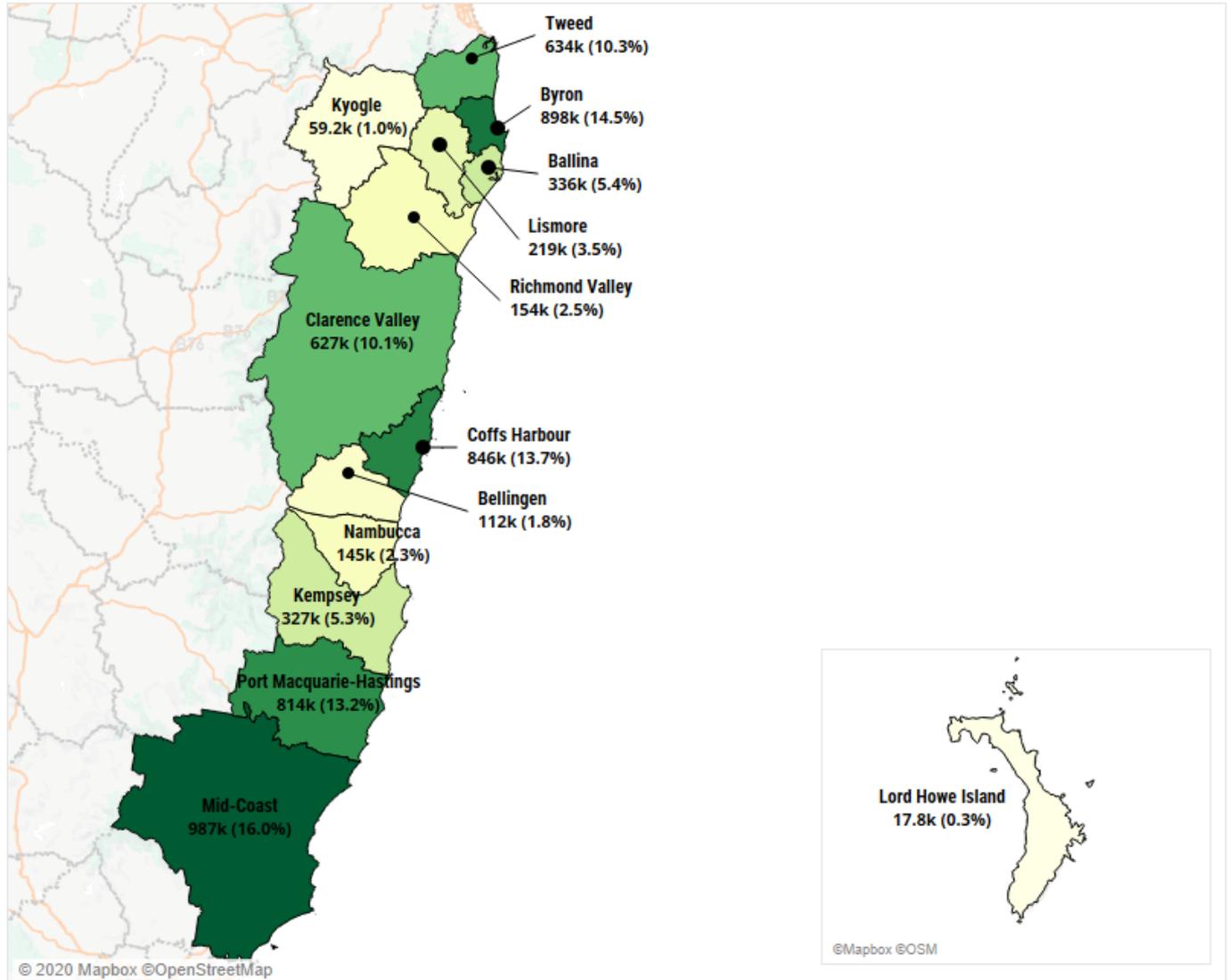


<sup>7</sup> June YE data: IVS and NVS, Tourism Research Australia  
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Figure 7 summarises domestic overnight visits to the region in 2019 and demonstrates that major domestic overnight destinations include:

- Mid-Coast: 987k visitors, comprising 16% of all domestic overnight visits in the region;
- Byron: 898k visitors, comprising 14.5% of all domestic overnight visits in the region;
- Coffs Harbour: 846k visitors, comprising almost 14% of all domestic overnight visits in the region; and
- Port Macquarie-Hastings: 814k visitors, comprising 13.2% of all domestic overnight visits in the region.

**Figure 7: Total Domestic Overnight Visits by LGA - 2019<sup>8</sup>**

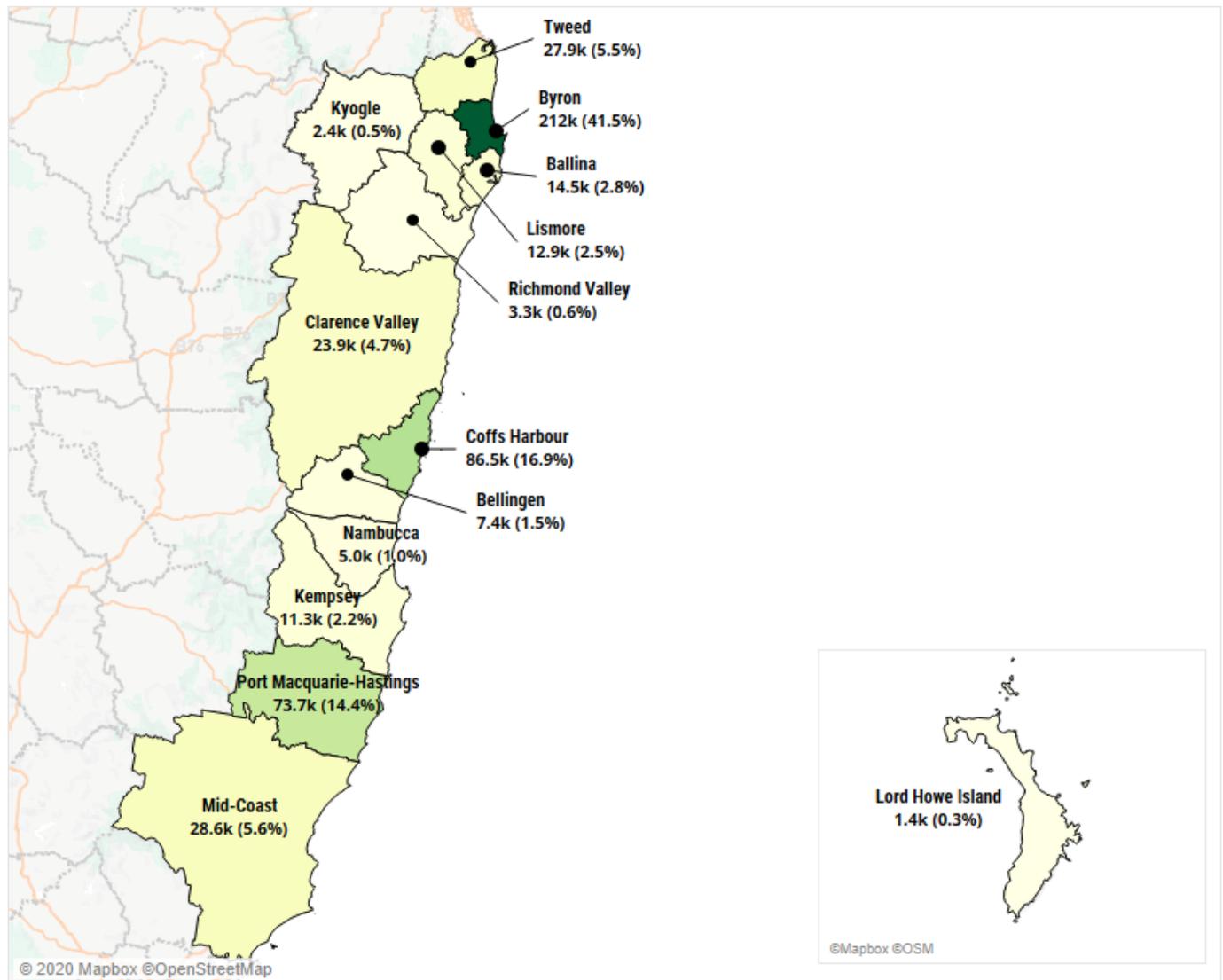


<sup>8</sup> June YE data: IVS and NVS, Tourism Research Australia  
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Figure 8 summarises international overnight visits to the region in 2019 and demonstrates that Byron is, by far, the most popular international destination, making up 42% of all visits in the region.

This is followed by Coffs Harbour (17%) and Port Macquarie-Hastings (14%). Brand Byron has strong international brand cachet and awareness which generates this strong level of international visitation.

**Figure 8: Total International Overnight Visits by LGA - 2019<sup>9</sup>**



<sup>9</sup> June YE data: IVS and NVS, Tourism Research Australia  
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### 2.2.3. Total Visits by Motivation

The North Coast is predominately a leisure-based travel destination (see Figure 9), with the bulk of visitors travelling for a holiday or to visit friends and relatives (VFR). Across the region, holiday travel comprises 53% of all trips, and VFR travel comprises 27%.

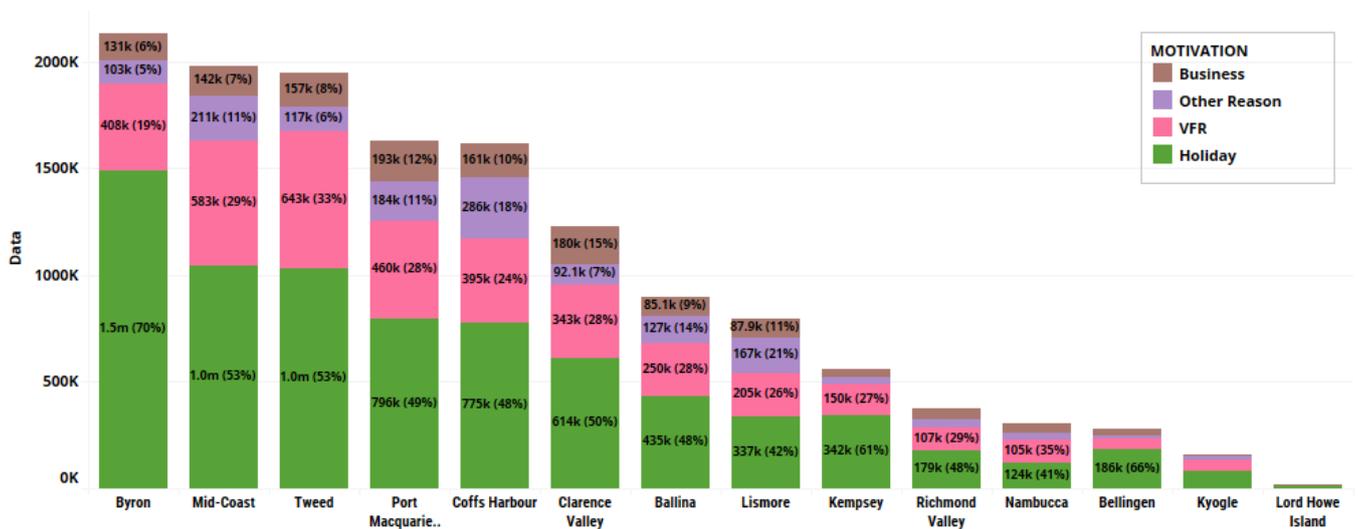
Port Macquarie-Hastings attracts the strongest business visitation, totalling 193k visits in 2019. As a proportion of total LGA visits, however, business visitation is strongest for Clarence Valley, comprising 15% of all visits to the LGA.

The ability to change or alter motivations is highly dependent on the product on offer to entice different niche markets. For example:

- several LGAs do not have major upgraded conferencing or function facilities to encourage the business meetings market though more often, the limitation appears to be the lack sufficient numbers of higher quality hotel/resort rooms to offer onsite accommodation; and
- VFR travel is expected to continue at current rates unless there are major new visitor experiences which may help encourage growth in this sector.

Holiday visitation is highly dependent on the ability to offer new and enhanced product development options including natural and built visitor attractions and experiences, new and enhanced events and festivals, and new and enhanced accommodation options.

Figure 9: Total Visits by Motivation - 2019<sup>10</sup>



LGA	Holiday	VFR	Other Reason	Business	Total
Ballina	435k (48%)	250k (28%)	127k (14%)	85.1k (9%)	897k (100%)
Bellingen	186k (66%)	52.6k (19%)	12.9k (5%)	30.3k (11%)	281k (100%)
Byron	1.5m (70%)	408k (19%)	103k (5%)	131k (6%)	2.1m (100%)
Clarence Valley	614k (50%)	343k (28%)	92.1k (7%)	180k (15%)	1.2m (100%)
Coffs Harbour	775k (48%)	395k (24%)	286k (18%)	161k (10%)	1.6m (100%)
Kempsey	342k (61%)	150k (27%)	31.3k (6%)	39.6k (7%)	563k (100%)
Kyogle	82.8k (51%)	52.9k (33%)	14.6k (9%)	11.0k (7%)	161k (100%)
Lismore	337k (42%)	205k (26%)	167k (21%)	87.9k (11%)	797k (100%)
Lord Howe Island	15.3k (80%)	2.4k (13%)	222 (1%)	1.3k (7%)	19.2k (100%)
Mid-Coast	1.0m (53%)	583k (29%)	211k (11%)	142k (7%)	2.0m (100%)
Nambucca	124k (41%)	105k (35%)	32.8k (11%)	42.9k (14%)	305k (100%)
Port Macquarie-Hastings	796k (49%)	460k (28%)	184k (11%)	193k (12%)	1.6m (100%)
Richmond Valley	179k (48%)	107k (29%)	37.9k (10%)	51.3k (14%)	375k (100%)
Tweed	1.0m (53%)	643k (33%)	117k (6%)	157k (8%)	1.9m (100%)
Total	7.5m (53%)	3.8m (27%)	1.4m (10%)	1.3m (9%)	13.9m (100%)

<sup>10</sup> June YE data: IVS and NVS, Tourism Research Australia  
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### 2.2.4. Total Visits by Origin

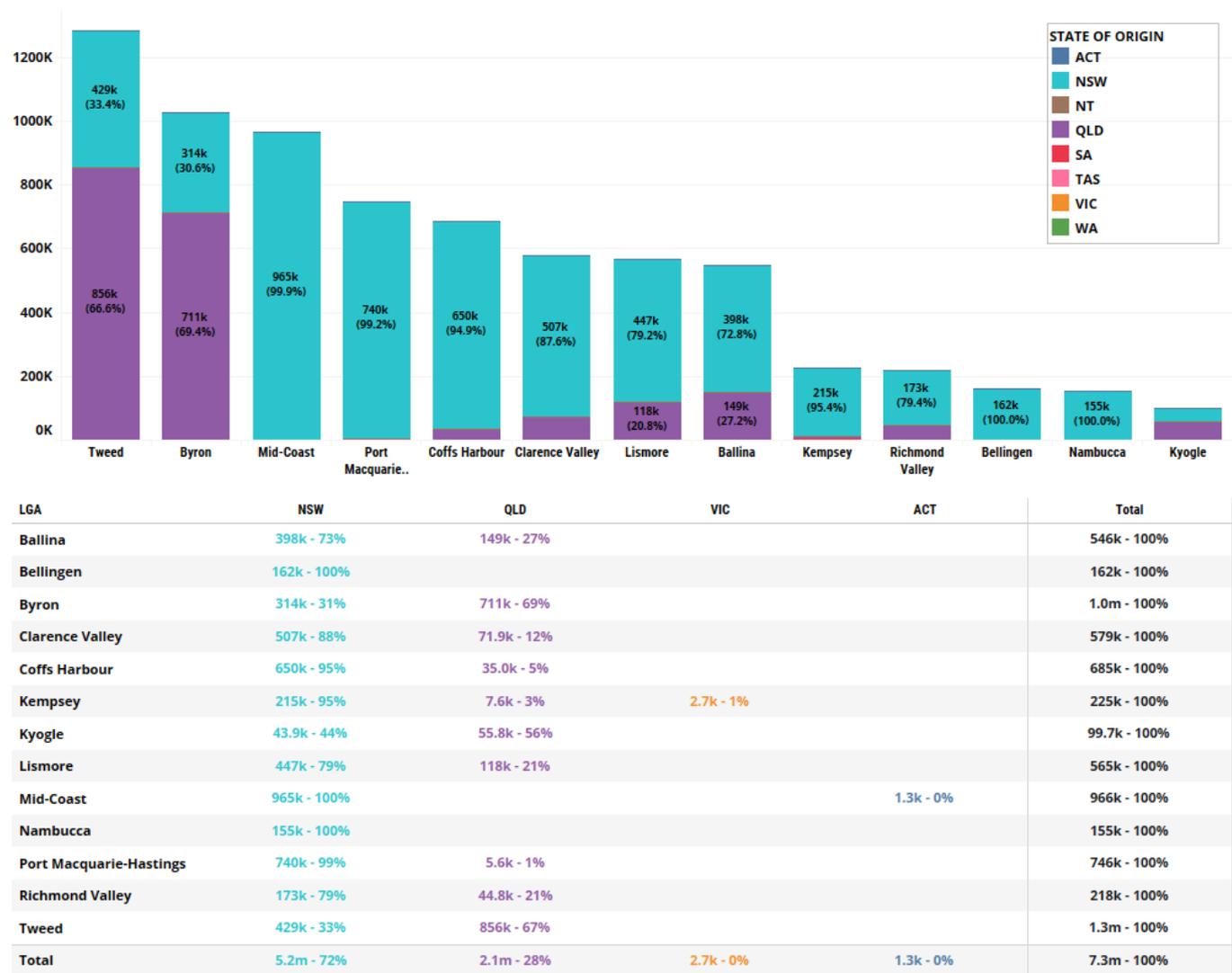
As indicated earlier, the domestic day trip market includes those who travel for a round trip distance of at least 50km and are away for home for at least 4 hours, and who do not spend a night away from home as part of their travel. Same-day travel as part of overnight travel is excluded as is routine travel such as commuting between work/school and home.

Because of the large size of the North Coast Region and its geographic location, there are very few domestic day visitors from states other than NSW and Queensland. Of the

domestic day trips to the region in 2019, 72% were undertaken by NSW residents and 28% by Queensland residents. As expected, for those LGAs which are closer to the Queensland border (Tweed, Byron, Ballina etc.) they receive a higher proportion of Queensland domestic day trippers than those further south (such as Mid-Coast).

Lord Howe Island does not receive any domestic day trip visitors and therefore has not been included in Figure 10.

Figure 10: Total Visits by Origin - Domestic Day - 2019<sup>11</sup>



<sup>11</sup> June YE data: IVS and NVS, Tourism Research Australia  
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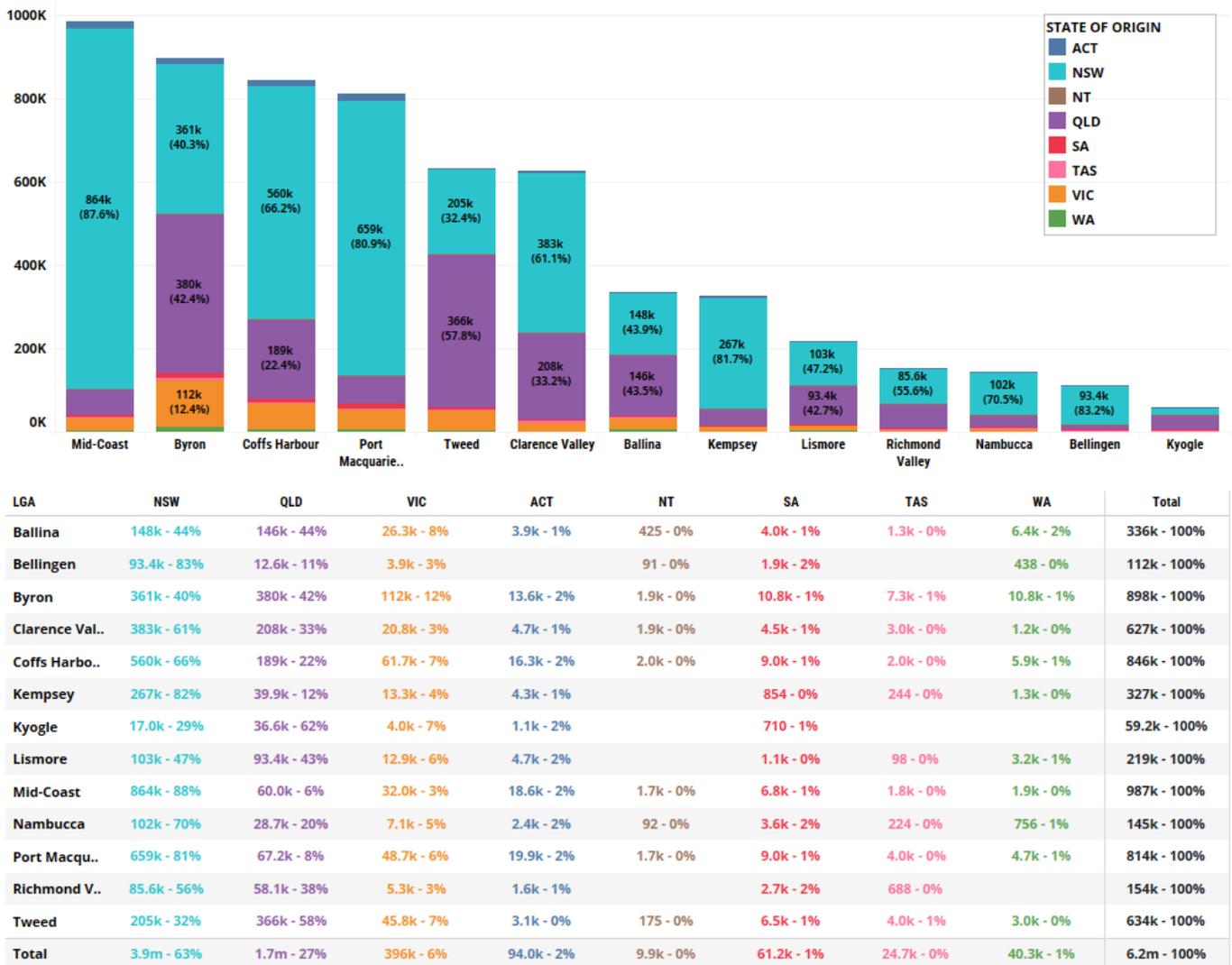
Figure 11 summarises visitation to each LGA by domestic overnight visitors. It demonstrates that:

- there is a far greater distribution of visitors from different states of origin than for the domestic day market;
- NSW and Queensland visitors still, however, comprise the bulk of travel, representing 62.5% and 27% of all domestic overnight trips undertaken respectively;
- while Victorians represent only 6.4% of domestic overnight travel to the region, they comprise 14.5% of all domestic overnight travel to Lord Howe Island

(representing a greater share than Queensland) and 12.4% of travel to Byron.

- the proximity to the Queensland State border has a major impact on overnight visitation for those LGAs within the Northern Rivers region with Tweed, Byron Clarence Valley, Richmond Valley and Ballina all highly dependent on attracting a Queensland visitor market; and
- other than Victorian visitors, other state and territory visitors are very small in number to the North Coast visitor economy.

Figure 11: Total Visits by Origin – Domestic Overnight - 2019<sup>12</sup>



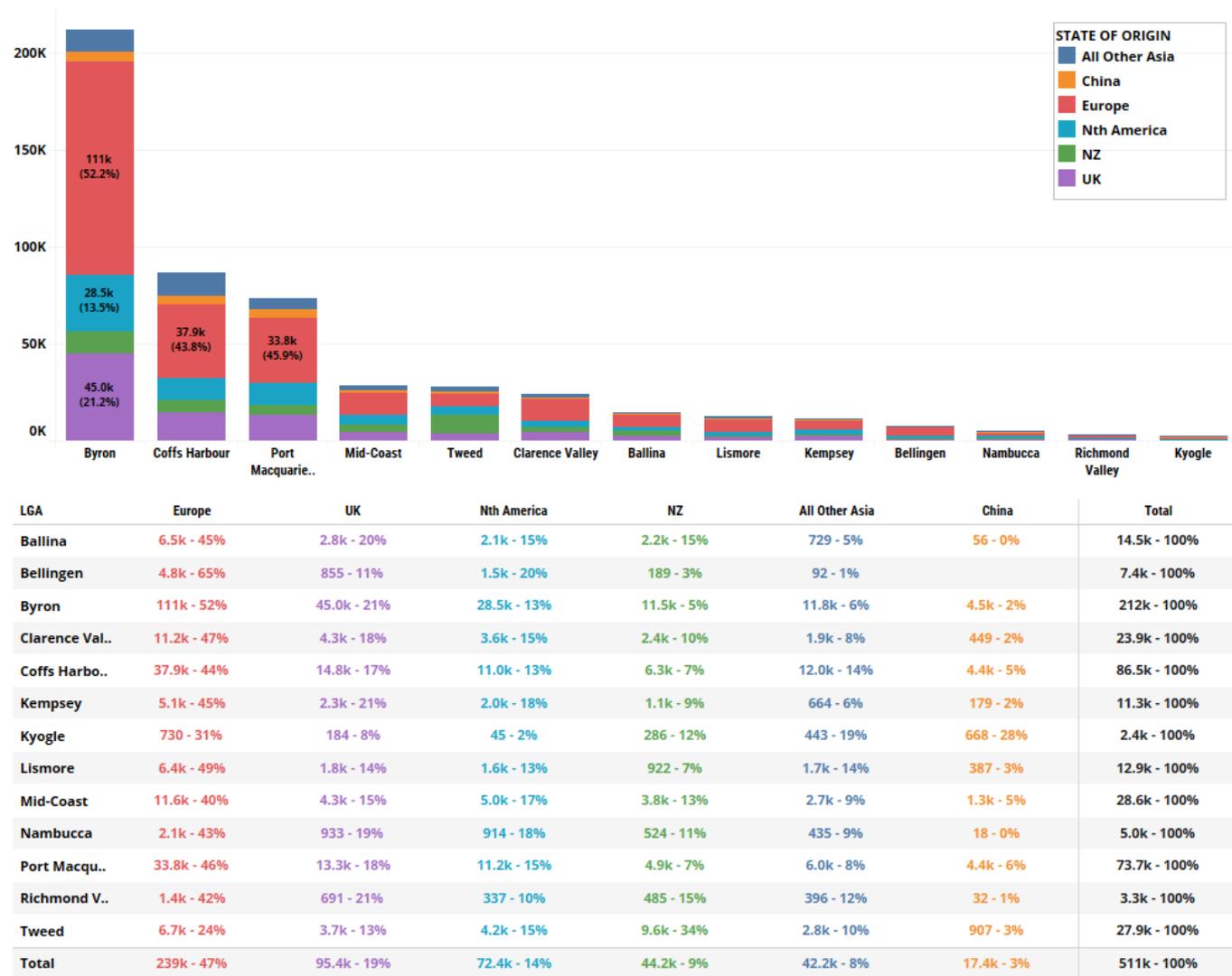
<sup>12</sup> June YE data: IVS and NVS, Tourism Research Australia  
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Overseas travel to the region has been grouped according to major overseas markets (see Figure 12). The data demonstrates that:

- Europeans are, by far, the largest visitor market to the region, comprising almost half (47%) of all international travel;
- this is followed by the UK (19%), North America (14%) and NZ (9%);
- most international visitors to the region travel to Byron, comprising 42% of all international travel reflecting the

- positioning of Byron over many years as the quintessential Australian holiday destination;
- this is followed by Coffs Harbour (17%) and Port Macquarie-Hastings (14%);
- for “All Other Asia” and the China market, there is a smoother distribution between Byron, Coffs Harbour and Port Macquarie-Hastings as top destinations for these visitors, while for Europe, the UK and North America, Byron is by far the strongest destination;

Figure 12: Total Visits by Origin – International Overnight - 2019<sup>13</sup>



<sup>13</sup> June YE data: IVS and NVS, Tourism Research Australia  
 DESTINATION NORTH COAST TOURISM RESEARCH PROJECT

## 2.2.5. The change in visitor mix

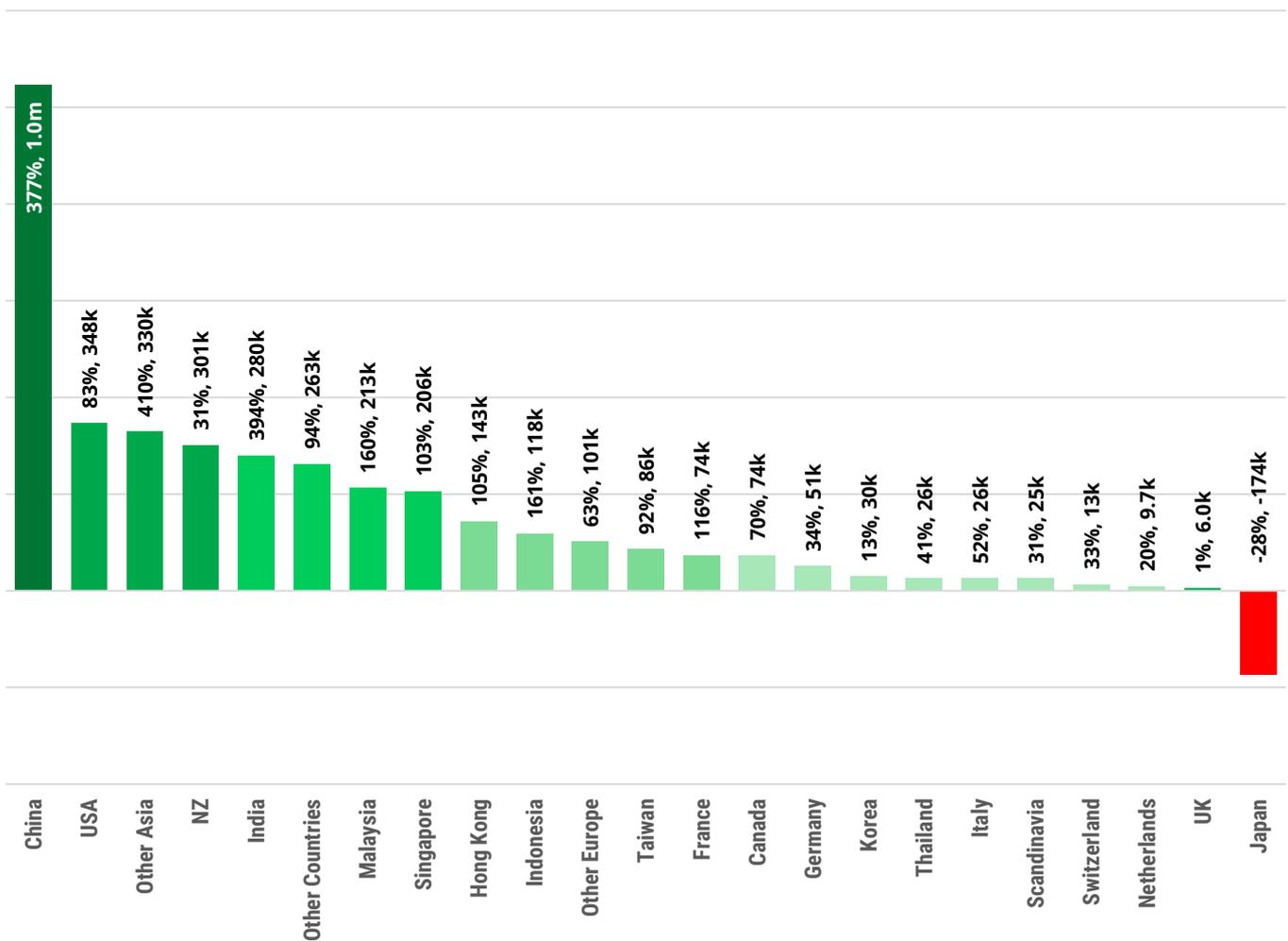
The type and origin of international visitors to the North Coast are changing. This is in line with changes being experienced at a national level.

Figure 13 summarises the change in visitation to Australia by key inbound markets since 2006. It demonstrates that the majority of growth in inbound visitation has originated from eastern rather than western markets, with:

- visitation by Chinese residents increasing by five-fold, growing by 377% - far outstripping the growth experienced in any other inbound markets;

- visitation by "Other Asia" residents growing by 330k (410%);
- visitation by Indian residents also increasing by five-fold, with an additional 280k visitors (total growth of 394%); and
- visitation by Hong Kong residents growing by 105% (an additional 143k).

Figure 13: Change in visitation to Australia by key inbound markets (2006 - 2019)<sup>14</sup>



<sup>14</sup> IVS, Tourism Research Australia

When inbound visitation by country of origin is segmented into broad eastern and western categories (Figure 14), it further demonstrates the strong growth which has occurred and is anticipated to continue to occur, from those visitors from eastern markets. Since 2006, inbound travel to Australia by this market has grown by 117% (2.3m visits) compared with 43% (1.3m) from western markets.

The impact of the growth particularly out of mainland China is clear in the significant change in visitor growth from eastern generating markets over this period (see Figure 15). This is coupled with growth from India, Taiwan, Malaysia and Singapore along with other Asian markets to the North Coast over this period. The challenge post-2020 however, will be the ability to attract back (post-COVID-19) these stronger growing Asian visitor markets who have dominated growth for some time.

Figure 14: Change in visitation to Australia by Eastern and Western Markets (2006 - 2019)<sup>15</sup>

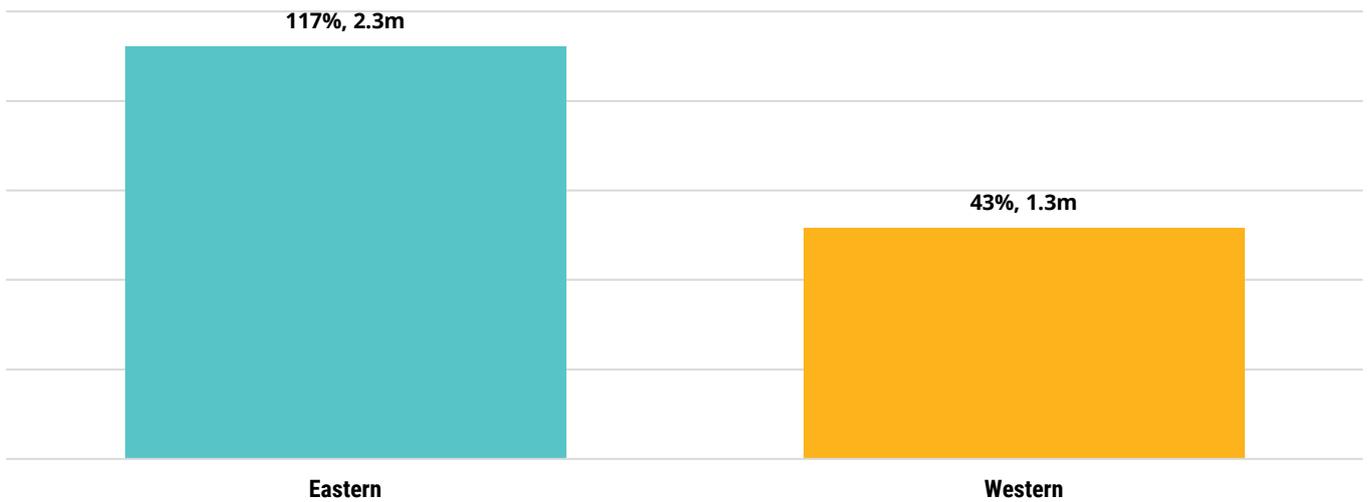


Figure 15: Change in visitation to the North Coast by Eastern and Western Markets (2006 - 2019)<sup>16</sup>



<sup>15</sup> IVS, Tourism Research Australia

<sup>16</sup> IVS, Tourism Research Australia

### 2.3. Historic visitor spend

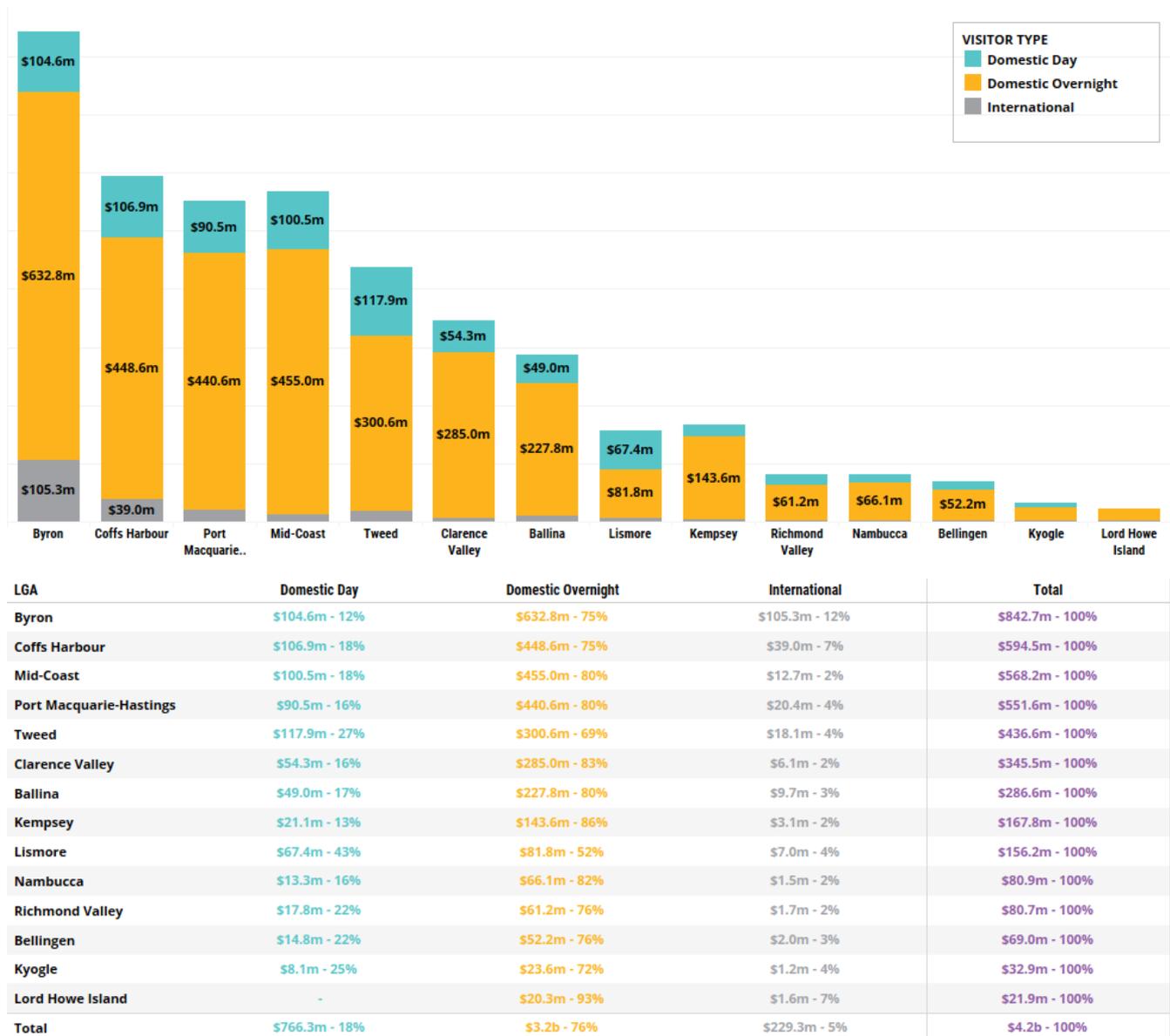
Figure 16 demonstrates the visitor spend in each LGA by visitor type. It demonstrates that in 2019:

- an estimated \$4.2b was spent by visitors in the North Coast region;
- Byron received the highest visitor spend, totalling \$843m and comprising 20% of all spend in the region, followed by Coffs Harbour (14%) and Mid-Coast (13%); and

- Lord Howe Island received the smallest level of visitor spend, estimated at \$21.9m (this is not surprising because visitor numbers to Lord Howe Island are smaller than other LGAs in the North Coast region).

What needs to be recognised is the disproportionate share of visitor spend which Byron, Coffs Harbour, Port Macquarie-Hastings, Mid-Coast, Tweed, Clarence Valley and Ballina hold but the desire of all LGAs to grasp a stronger share of visitor spend.

Figure 16: Estimated Visitor Spend by LGA – 2019<sup>17</sup>

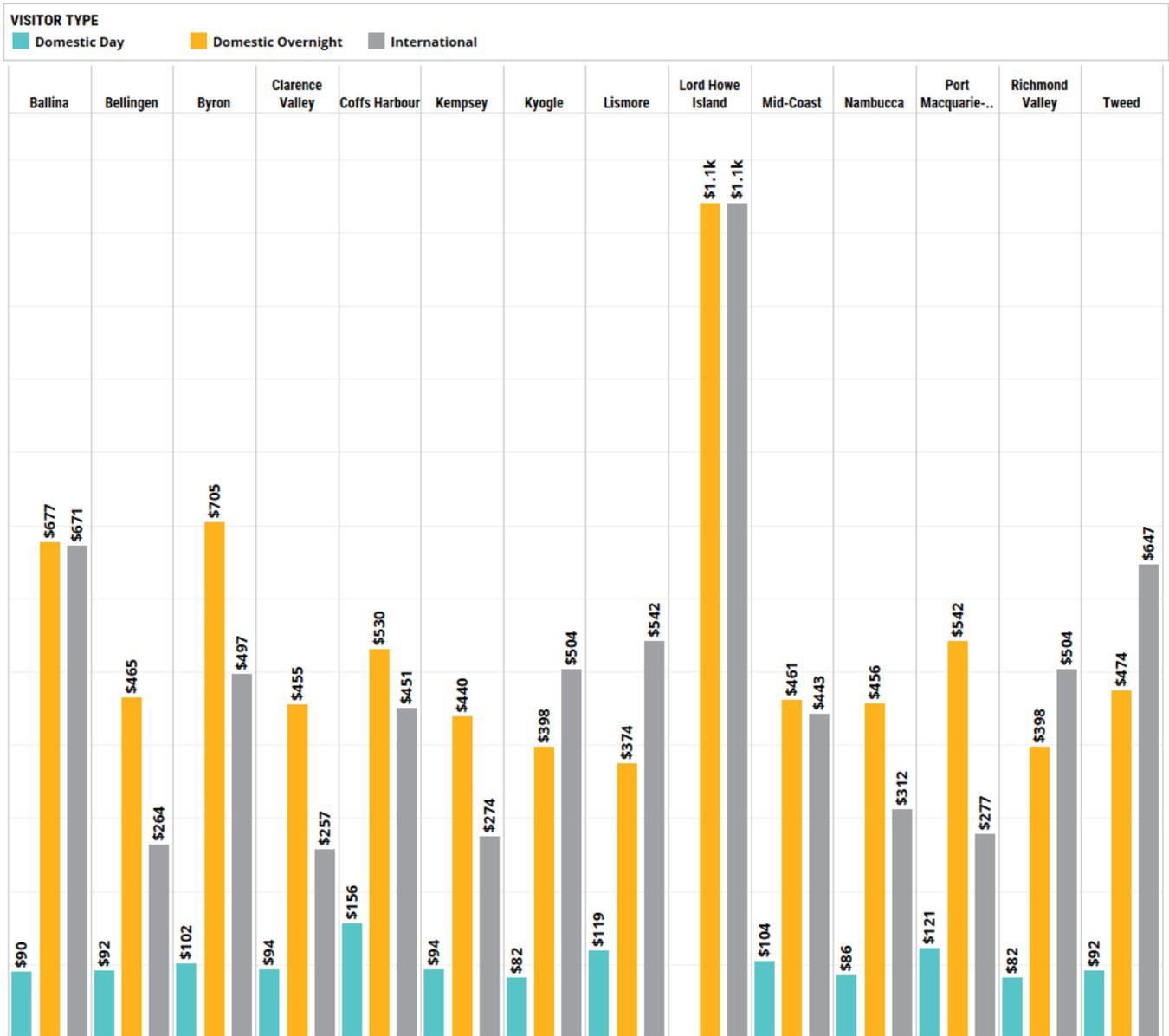


<sup>17</sup> June YE data:

Estimated spend by visitors per trip to each LGA is indicated in Figure 17. Data is based on LGA profiles released by TRA (where spend per visitor is indicated) and inflated by 2% to obtain 2019 values. For those LGAs where a TRA profile has not been released, an estimate was included based on LGAs within the region which have similar profiles and product availability.

The disproportionate average spend of Lord Howe Island is accounted for by the packaged accommodation, meals and flights which dominate and the island's isolation. For the other LGAs, the average spend reflects the quality and range of tourism product available and associated marketing activity (especially the use of online technology) by many operators.

Figure 17: Estimated spend per visitor per trip - 2019



The following table provides a summary of estimated domestic and international visitor spend per night. This utilises average spend per trip as well as the estimated average length of stay of domestic and international visitors to each LGA. It demonstrates the following.

- For 2019, the highest average spend per domestic visitor per night was achieved in Ballina, at \$218, followed by Byron at \$201.
- For international visitors, the highest spend per night was Lord Howe Island at \$228. It is important to recognise that international spend figures are often heavily skewed by international workers who stay longer in certain areas due to visa and work requirements. While most LGAs in the

North Coast are likely to receive a large number of international workers, Lord Howe Island is not as influenced by this and, as a result, the spend levels achieved reflect spend by holiday/leisure markets.

- Visitor spend levels are also highly influenced by visitor average length of stay and purpose of visit.
- For leisure visitors, the attractions and experiences available in an LGA also have a major bearing on visitor spend patterns, so those areas with commissionable (fee-paying attractions) along with a good range of better quality eateries and bars, are often better positioned to attract stronger visitor spend patterns, as long as this is supported by good quality local accommodation to attract an overnight visitor market.

**Table 2: Estimated spend per visitor per night - 2019**

LGA	Domestic Overnight			International		
	ALOS	Total Trip Spend p/Visitor	Avg Spend p/Visitor p/Night	ALOS	Total Trip Spend p/Visitor	Avg Spend p/Visitor p/Night
Ballina	3.1	\$677	\$218	9.2	\$671	\$73
Byron	3.5	\$705	\$201	7.3	\$497	\$68
Coffs Harbour	3.1	\$530	\$171	8.3	\$451	\$54
Port Macquarie-Hastings	3.3	\$542	\$164	5.0	\$277	\$55
Kyogle	2.5	\$398	\$159	12.1	\$504	\$42
Tweed	3.5	\$474	\$136	10.0	\$647	\$65
Lismore	2.8	\$374	\$134	12.1	\$542	\$45
Mid-Coast	3.5	\$461	\$132	9.8	\$443	\$45
Nambucca	3.5	\$456	\$130	9.2	\$312	\$34
Clarence Valley	3.7	\$455	\$123	5.6	\$257	\$46
Lord Howe Island	9.7	\$1,139	\$117	5.0	\$1,139	\$228
Bellingen	4.4	\$465	\$106	6.9	\$264	\$38
Kempsey	4.2	\$440	\$105	4.3	\$274	\$64
Richmond Valley	3.9	\$398	\$102	11.9	\$504	\$42

## 2.4. Peak travel time assessment

Figure 18 provides a summary of visitation by quarter and visitor type to the North Coast region. This analysis is focused only on leisure-based visitation (holiday and visiting friends and relatives) as business travel tends to be more consistent throughout the year and therefore smooths the results of the seasonality assessment. The data is based on a five-year average and demonstrates the following.

- Across the North Coast region, the Summer Period (October – March) is the most popular time to visit the region. Over the last five years (2014-2018<sup>18</sup>), visitation across this period has averaged 53% of all visitation to the region.
- Although domestic day visitation occurs fairly evenly throughout the year, the domestic overnight and

international markets have a far stronger propensity to visit during summer which coincides with school holidays. 55% of the domestic overnight market and 61% of the international market travel to the North Coast during the summer period.

The coastal nature of much of the North Coast region and its reputation as having some of NSW's best beaches means it is naturally positioned as a summer destination. While this means the region is busy over summer periods and, in particular, school holiday periods, feedback indicates that there are challenges in maintaining demand over the winter months especially, unless this can be supported by a broad range of events and festivals, sporting and cultural activities, and elements of hinterland agri-tourism product.

**Figure 18: Leisure travel to the North Coast by Quarter by Visitor Type (5-year average, 2014-2018)**



<sup>18</sup> 2019 has not been included because the December Quarter data is not yet available via TRA.

Figure 19 and Figure 20 demonstrate leisure visitation to each LGA in the region by summer/winter periods and by visitor type. It illustrates the following.

- Bellingen and Kyogle are the only LGAs where winter visitation exceeds summer visitation (based on the five-year average), comprising 54% and 64% of visitation respectively. For both LGAs, this is primarily influenced

by the domestic day market rather than domestic overnight and international visitation.

- Across each LGA, international visitation is far more seasonal, comprising 55% or more of total visitation to each LGA. This is particularly the case for Lord Howe Island (making up 90% of international visitation) and Nambucca (66%).

Figure 19: Leisure travel to North Coast LGAs (B-K LGAs) by Quarter (5-year average, 2014-2018)



Figure 20: Leisure Travel to North Coast LGAs (L-T LGAs) by Quarter (5-year average, 2014-2018)



## 2.5. Projected visitor demand

### 2.5.1. The Implications of COVID-19

The Coronavirus Disease (COVID-19) pandemic will result in significant changes to visitation levels not only for the North Coast but for Australia more broadly. At the time of writing this report (April 2020), Australia has implemented Stage 2 lockdown measures. As a result, all international travel to Australia is restricted and Australian residents are being told to remain at home and to only leave to access essential services (such as medicine and food).

Without a timeframe for when COVID-19 measures may be relaxed, it is difficult to forecast future visitation with a high degree of accuracy. However, it is anticipated that:

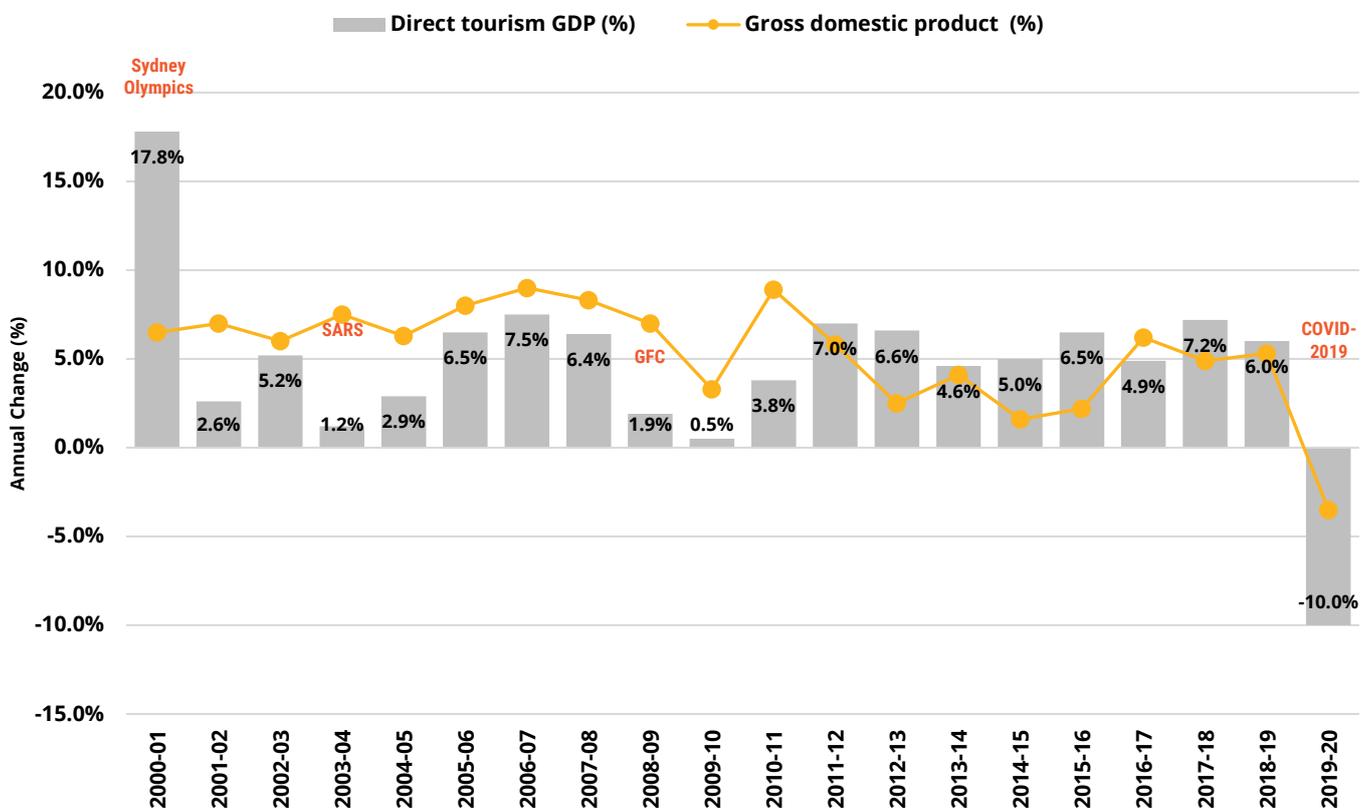
- for 2020, international visitation is likely to drop off completely (particularly from March on when lockdown measures came into effect);
- domestic visitation (particularly overnight visitation) is also likely to drop off as well as a result of lockdown measures; and

- while the domestic market may be quicker to rebound once lockdown measures are reduced, it may take a longer period to restimulate international visitor demand.

While the previous sections on visitor demand focused on historic visitation (i.e. on the years leading up to and including 2019, before COVID-19) this section is focused on forecasting visitor data to understand potential demand for the region going forward. The implications of COVID-19 have been factored into the demand forecasts included.

Figure 21 includes modelling undertaken at a national level on the potential impact of COVID-19 on tourism growth levels through the percentage change year-on-year for both direct tourism GDP in Australia and compared to the percentage change each year for total Australian GDP overall. It shows the major impact of COVID-19 on tourism growth compared with other major historic events such as SARS and the GFC.

Figure 21: The change in tourism growth, 2001-01 to 2019-20<sup>19</sup>



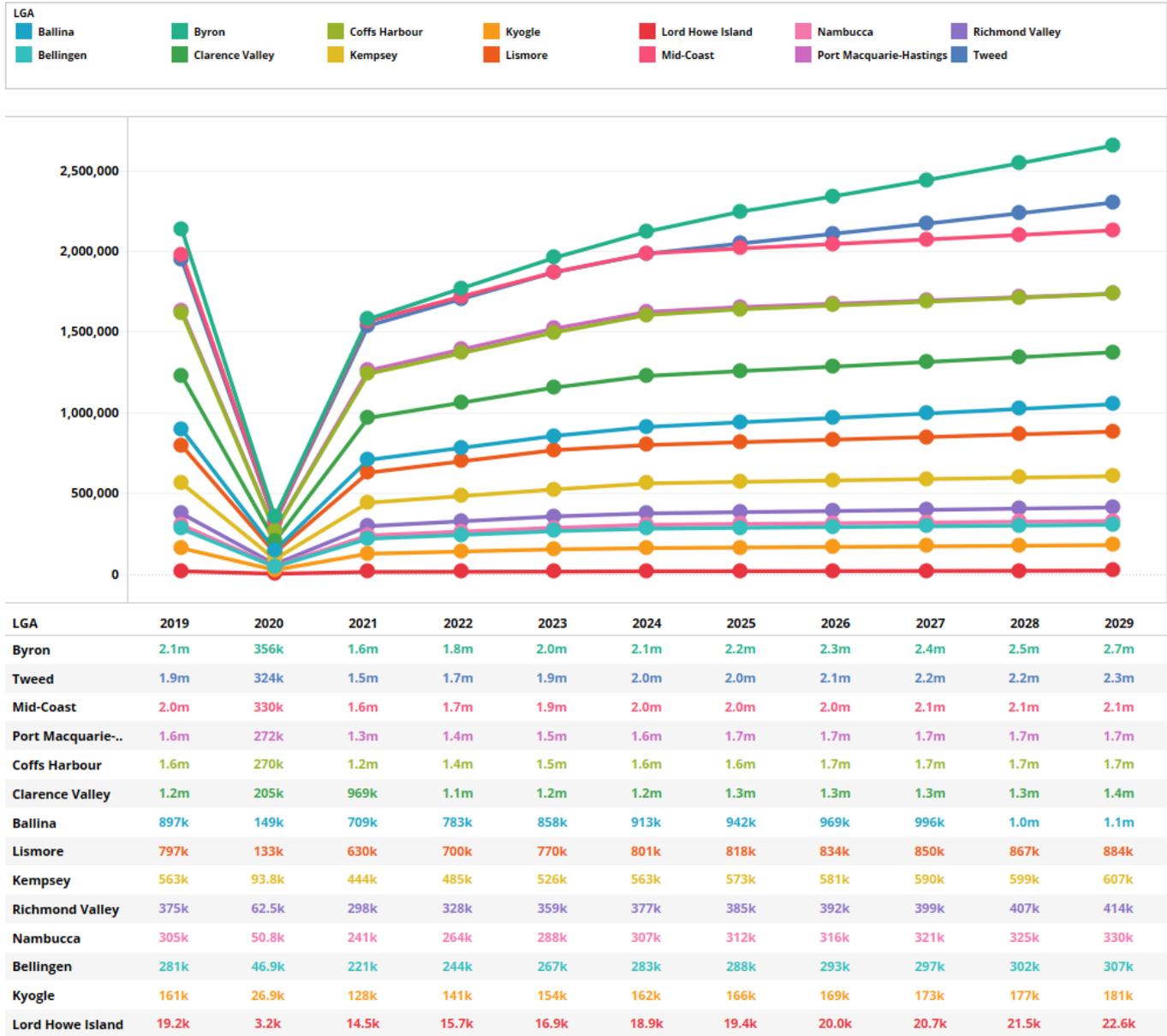
<sup>19</sup> Estimated Impact of Coronavirus On The Australian Visitor Economy – March 2020, Tourism Transport Forum. Modelling undertaken by Stafford Strategy.

### 2.5.2. North Coast visitor projections

Total visits forecasted to each LGA within the North Coast region is summarised Figure 22.

It is important to note that future externalities, such as major weather and economic events, have not been factored into the growth projections.

Figure 22: Visits projections (all visitor types) by LGA (2019 – 2029)



The sharp drop in visitation in 2020 is forecast as a result of COVID-19 where visitation by both domestic and international visitors to each LGA is anticipated to decline significantly.

The forecasts have been based on the following assumptions.

- In 2020 it is anticipated that visitation by all markets is likely to decline by potentially 80%. To model this, the equivalent of two months of 2019 visitation has been modelled. This allows for visitation that would have occurred before COVID-19 restrictions and the potential

uplift in visitation anticipated towards the end of 2020 (when it is forecast that major COVID-19 restrictions could potentially be eased).

- For international visitors, it is projected that it will take some time for visitation levels to reach pre-COVID-19 levels. It is projected that it will potentially take until 2025 for international visitation to return to pre-COVID-19 levels being 2019.
- The only international market which could possibly be activated in a faster timeframe is from New Zealand.

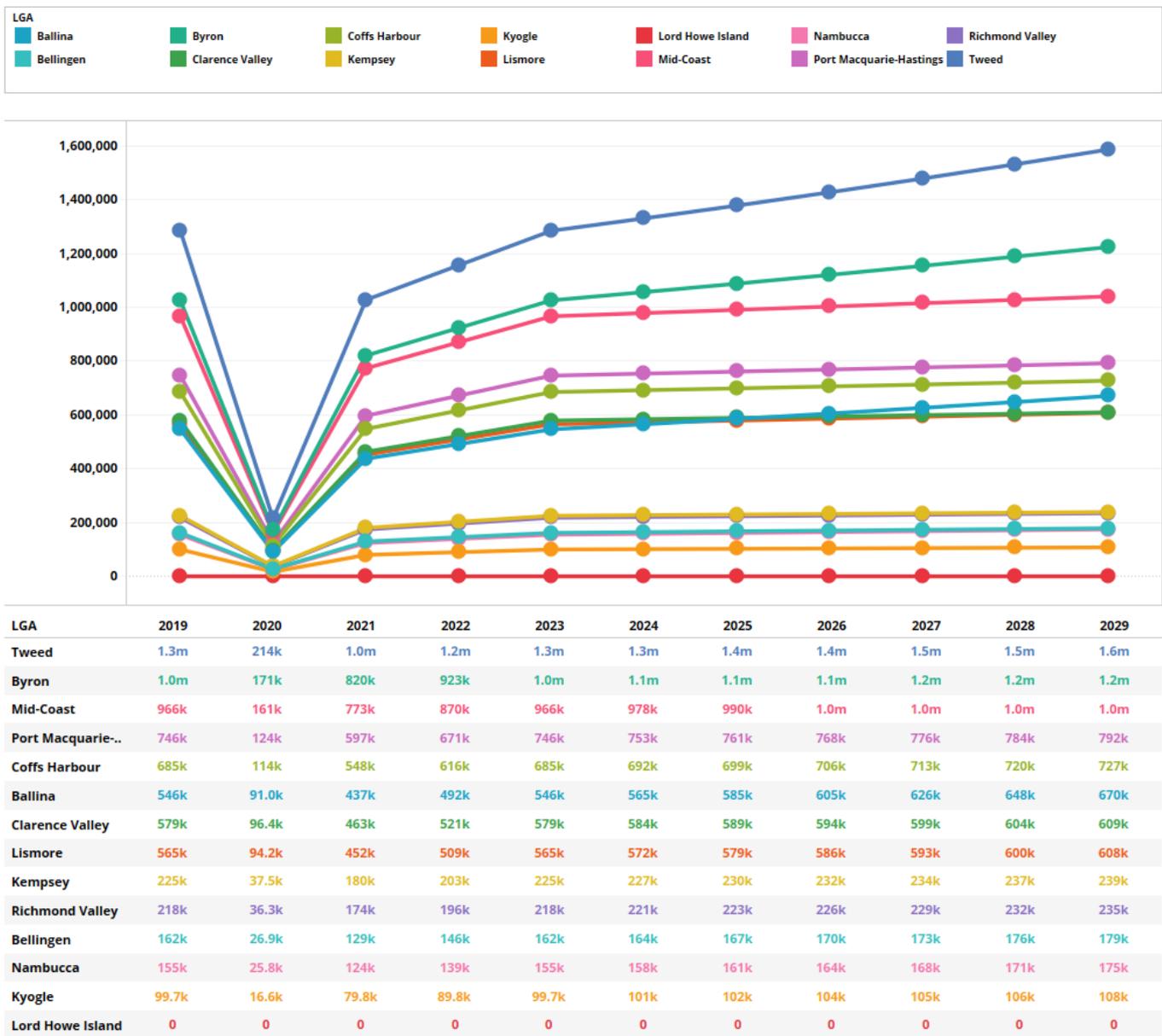
Dependent on border restrictions by both Australia and New Zealand, this might free up a start of the recommencement of air services in 2021 though it is uncertain whether inbound hubs such as the Gold Coast will get activated this quickly, compared to Brisbane, Melbourne and Sydney which are more likely to activate first due to a mix of business and leisure travel.

- For the domestic markets, it is projected that by 2021, visitation levels could be approximately 80% of 2019 visitation, with the domestic overnight market reaching pre-COVID-19 levels by 2024 and the domestic overnight

reaching this by 2023. Post these years, visits have been increased by conservative<sup>20</sup> historic compound annual growth rates (CAGR).

Figure 23 - Figure 25 provides visits projections for the domestic day, domestic overnight and international markets. They demonstrate the differing rebound periods anticipated post-2020. As indicated previously, while it is projected that the domestic markets will rebound within a quicker timeframe, it will likely take some time for the international market to build back up to pre-2020 levels.

Figure 23: Domestic day visits projections by LGA (2019 - 2029)



<sup>20</sup> Conservative CAGR reflect historic CAGR divided by two.

Figure 24: Domestic overnight visits projections by LGA (2019 - 2029)

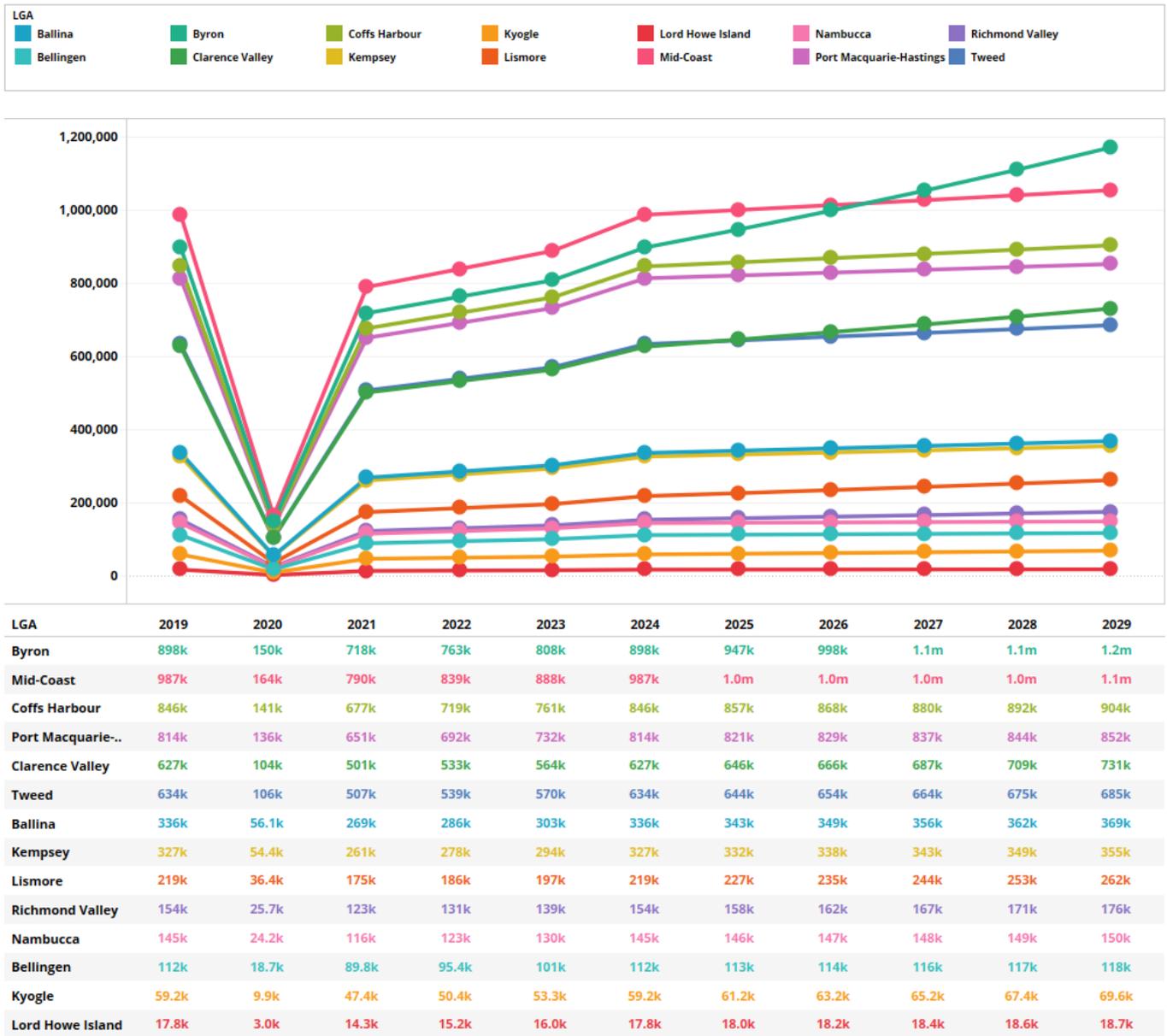
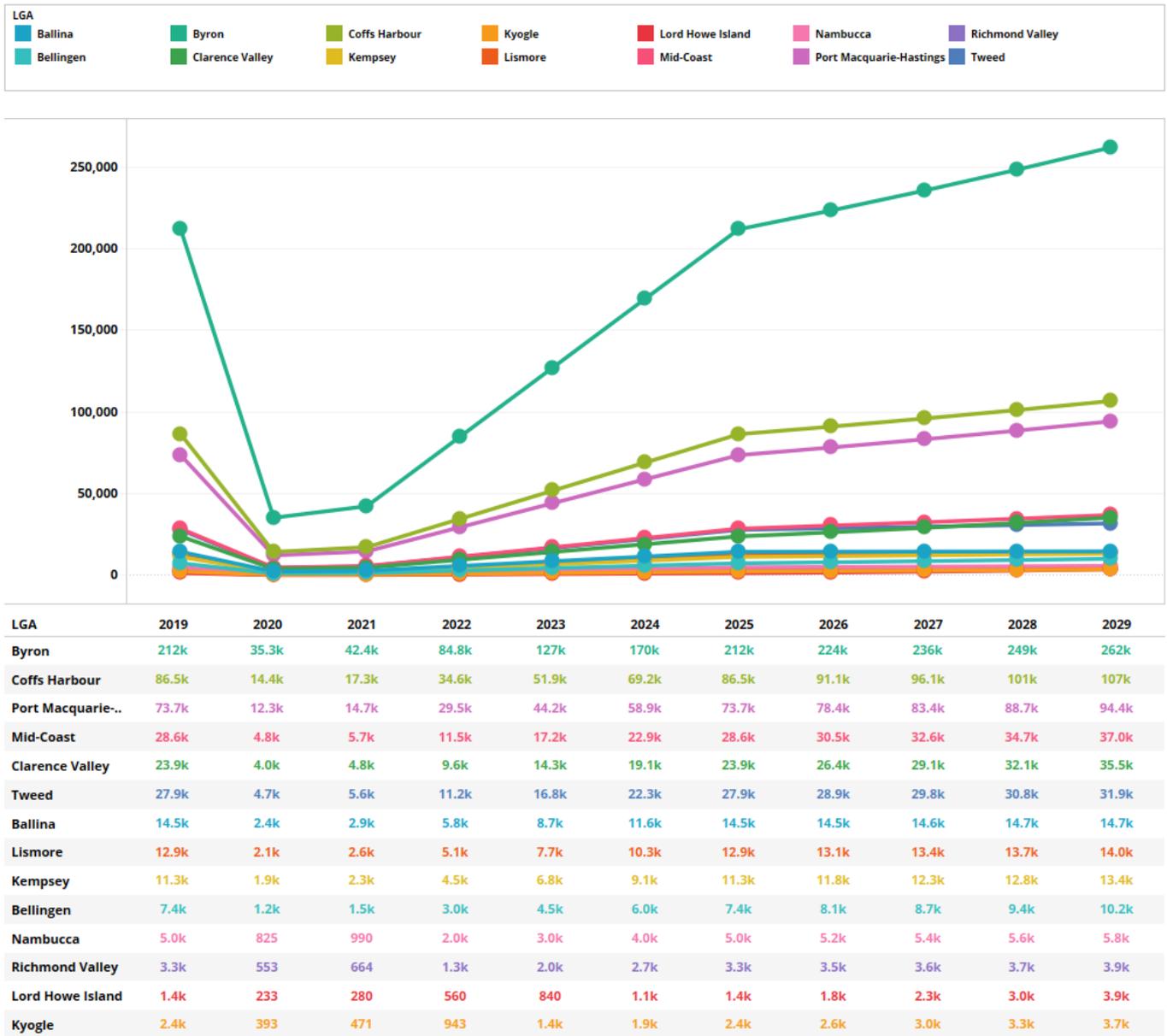


Figure 25: International overnight visits projections by LGA (2019 - 2029)



### 2.5.3. North Coast spend projections

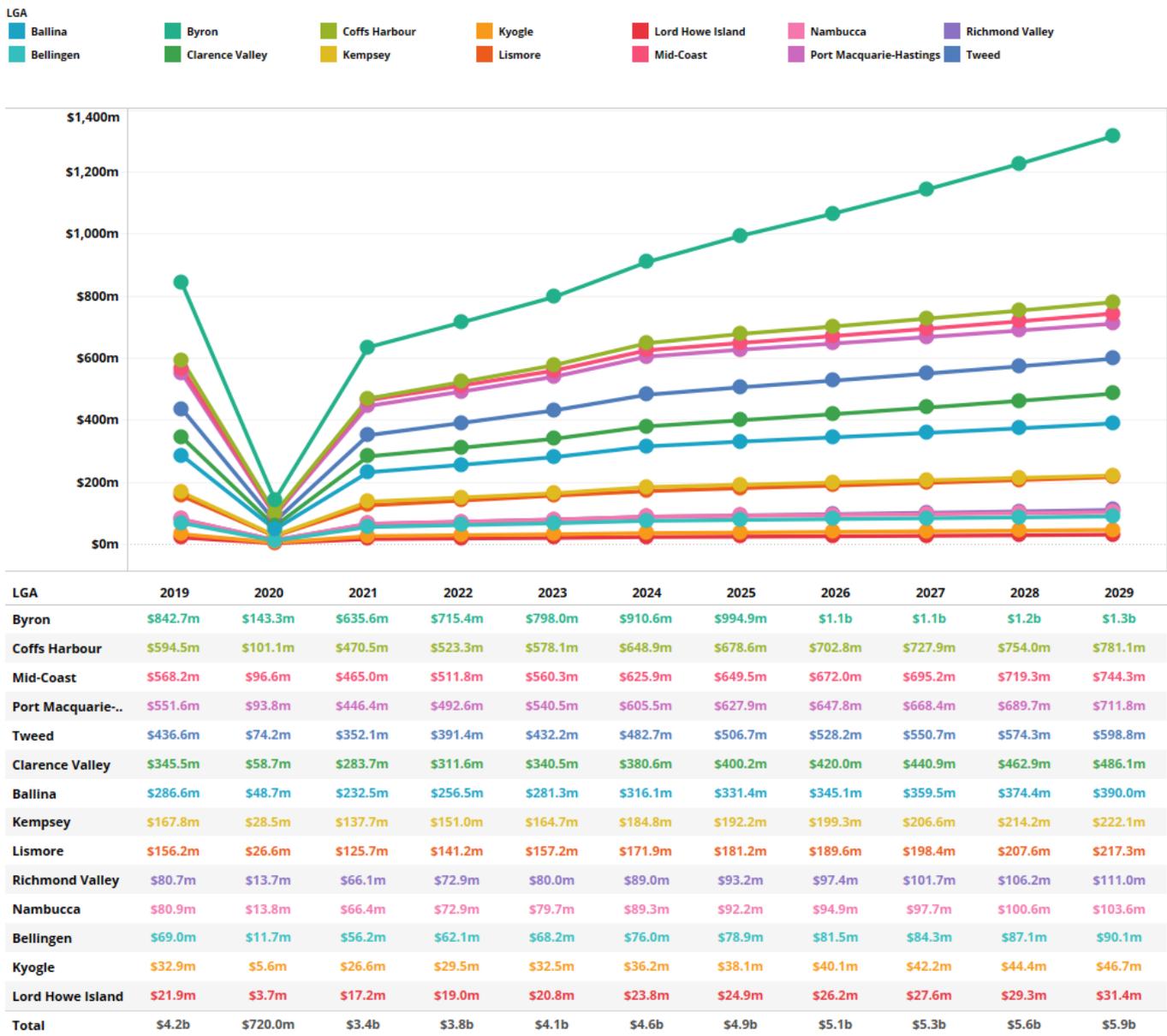
Visitor spend projections are based on the projected visits multiplied by an average spend per visitor type<sup>21</sup> in each LGA. Figure 26 provides a summary of total visitor spend by LGA, followed by Figure 27 - Figure 29 which break down visitor spend by visitor type.

They demonstrate the following.

- Due to COVID-19, total visitor spend is forecast to experience a sharp decline in 2020, falling from \$4.2b in 2019 to an estimated \$720m. This is a total decline of -\$3.52b or 83%.

- The most significant contributor to this decline is the drop in domestic overnight visitation and, as a result, spend by this market is projected to decline by -\$2.69b. This demonstrates the significance of the domestic overnight market to the North Coast's economy.
- By 2021, visitor spend levels are projected to grow to \$3.4b, primarily due to the rejuvenation of the domestic market.
- Total visitor expenditure is not anticipated to re-stabilise (back to 2019 levels) until 2023-2024.

Figure 26: Visitor spend projections (all visitor types) by LGA (2019 - 2029)



<sup>21</sup> Average spend per visitor projections have been based on historic rates, increased by 2% per annum to account for inflation.

Figure 27: Domestic day visitor spend projections by LGA (2019 - 2029)

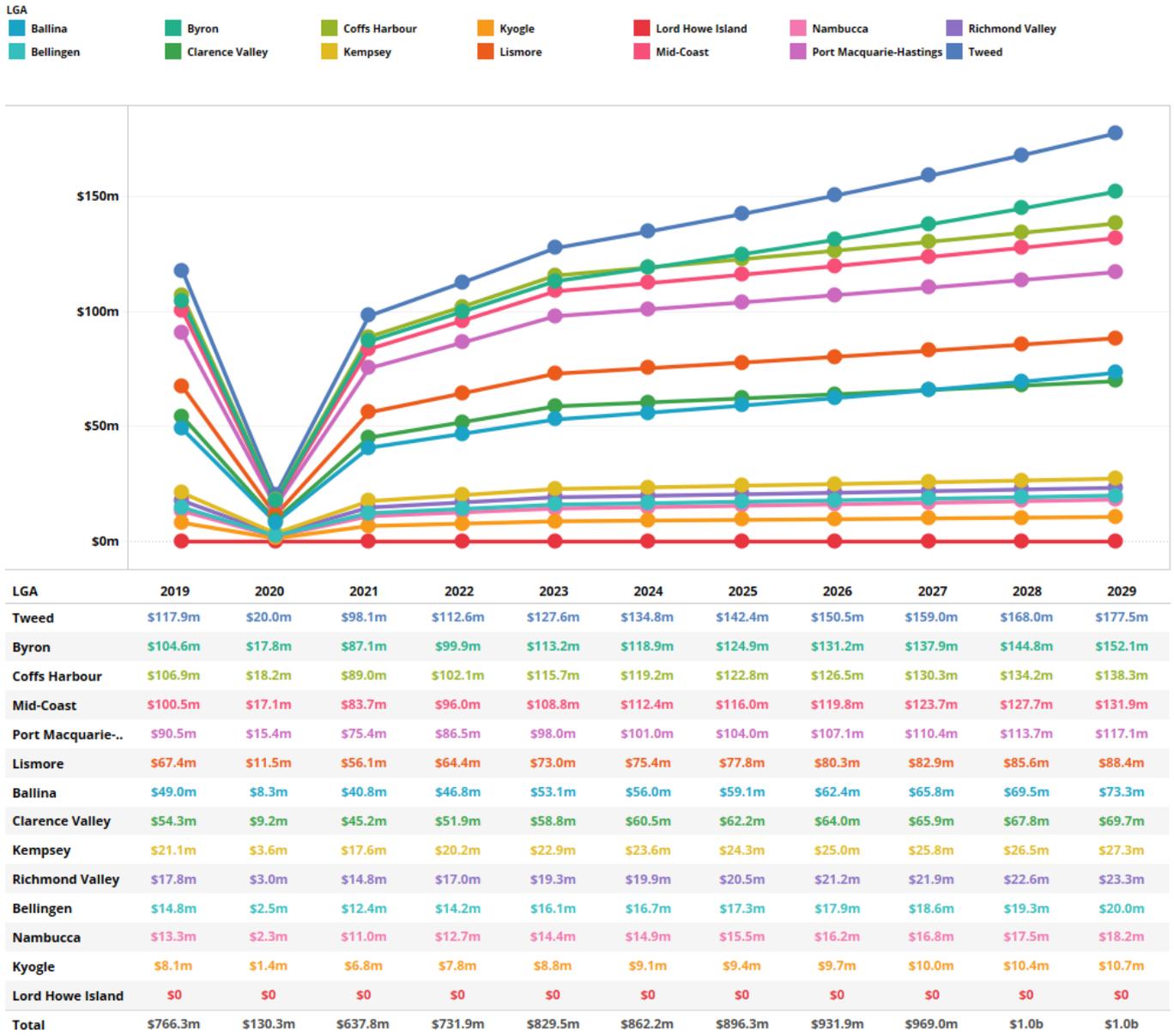


Figure 28: Domestic overnight visitor spend projections by LGA (2019 - 2029)

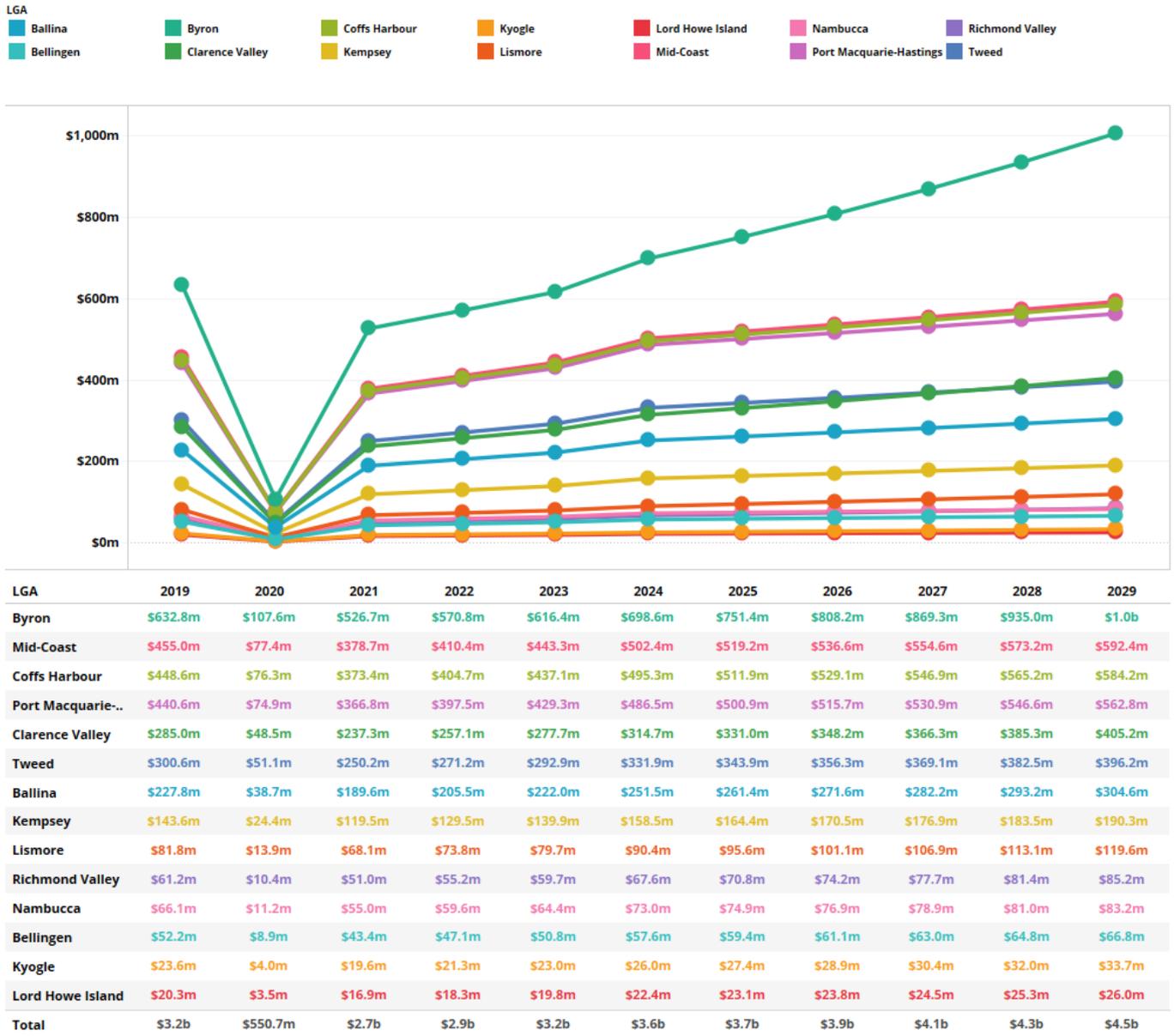
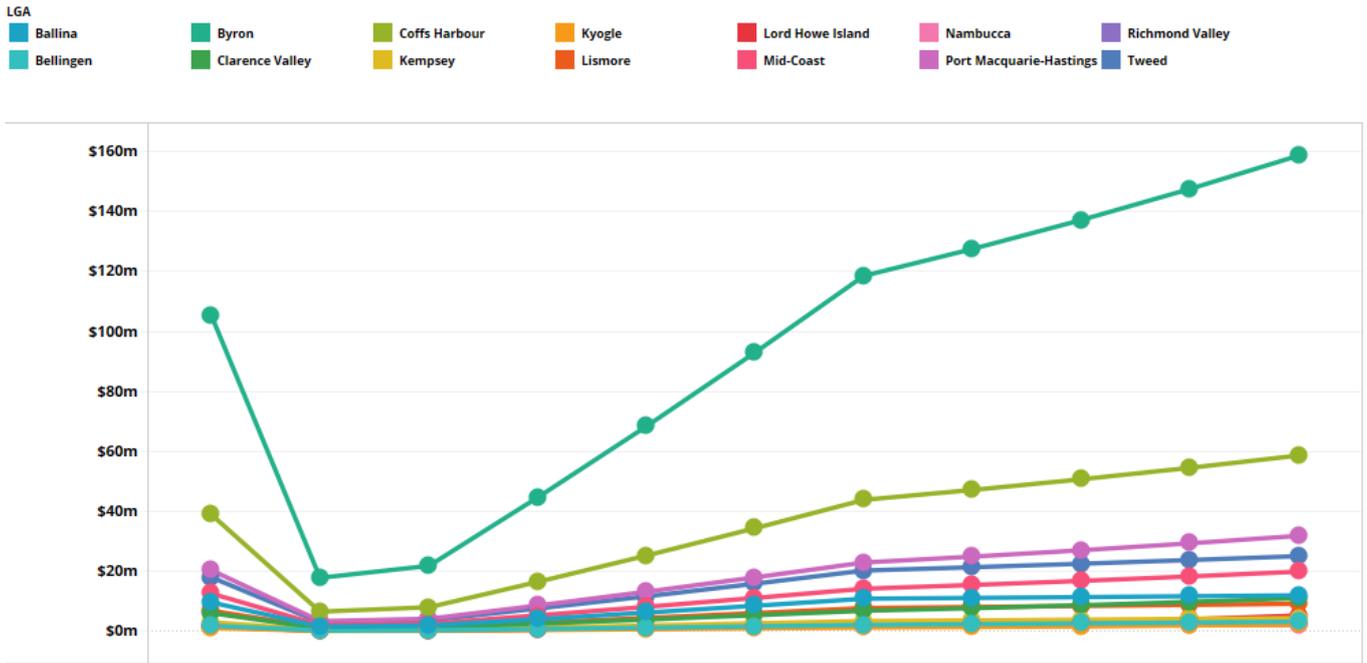


Figure 29: International overnight visitor spend projections by LGA (2019 - 2029)



LGA	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Byron	\$105.3m	\$17.9m	\$21.9m	\$44.7m	\$68.4m	\$93.0m	\$118.6m	\$127.5m	\$137.2m	\$147.5m	\$158.7m
Coffs Harbour	\$39.0m	\$6.6m	\$8.1m	\$16.5m	\$25.3m	\$34.4m	\$43.9m	\$47.2m	\$50.8m	\$54.6m	\$58.7m
Port Macquarie-..	\$20.4m	\$3.5m	\$4.3m	\$8.7m	\$13.3m	\$18.0m	\$23.0m	\$25.0m	\$27.1m	\$29.4m	\$31.9m
Tweed	\$18.1m	\$3.1m	\$3.8m	\$7.7m	\$11.7m	\$15.9m	\$20.3m	\$21.4m	\$22.6m	\$23.8m	\$25.1m
Mid-Coast	\$12.7m	\$2.2m	\$2.6m	\$5.4m	\$8.2m	\$11.2m	\$14.3m	\$15.5m	\$16.9m	\$18.4m	\$20.0m
Ballina	\$9.7m	\$1.7m	\$2.0m	\$4.1m	\$6.3m	\$8.6m	\$10.9m	\$11.2m	\$11.5m	\$11.8m	\$12.1m
Clarence Valley	\$6.1m	\$1.0m	\$1.3m	\$2.6m	\$4.0m	\$5.4m	\$6.9m	\$7.8m	\$8.8m	\$9.9m	\$11.1m
Lismore	\$7.0m	\$1.2m	\$1.4m	\$3.0m	\$4.5m	\$6.1m	\$7.8m	\$8.2m	\$8.5m	\$8.9m	\$9.3m
Lord Howe Island	\$1.6m	\$271k	\$332k	\$677k	\$1.0m	\$1.4m	\$1.8m	\$2.4m	\$3.1m	\$4.1m	\$5.4m
Kempsey	\$3.1m	\$529k	\$647k	\$1.3m	\$2.0m	\$2.7m	\$3.5m	\$3.7m	\$4.0m	\$4.2m	\$4.5m
Bellingen	\$2.0m	\$334k	\$409k	\$835k	\$1.3m	\$1.7m	\$2.2m	\$2.4m	\$2.7m	\$3.0m	\$3.3m
Richmond Valley	\$1.7m	\$284k	\$348k	\$710k	\$1.1m	\$1.5m	\$1.9m	\$2.0m	\$2.1m	\$2.3m	\$2.4m
Kyogle	\$1.2m	\$202k	\$247k	\$504k	\$771k	\$1.0m	\$1.3m	\$1.5m	\$1.8m	\$2.0m	\$2.3m
Nambucca	\$1.5m	\$263k	\$322k	\$656k	\$1.0m	\$1.4m	\$1.7m	\$1.8m	\$2.0m	\$2.1m	\$2.2m
<b>Total</b>	<b>\$229.3m</b>	<b>\$39.0m</b>	<b>\$47.7m</b>	<b>\$97.4m</b>	<b>\$148.9m</b>	<b>\$202.6m</b>	<b>\$258.3m</b>	<b>\$277.8m</b>	<b>\$298.9m</b>	<b>\$321.9m</b>	<b>\$346.9m</b>

## 2.5.4. North Coast visitor mix projections

The impact of COVID-19 is expected to have a significant and lasting impact on a number of visitor markets to the North Coast. There are many externalities (factors beyond the control of local industry and government) which will impact this future visitor mix. What is most likely to occur, however, is projected as follows:

- A day visitor market from South East Queensland for a mix of business, VFR and leisure will activate into the Northern Rivers region and support visitation to Byron Bay, Tweed, Ballina particularly.
- A similar day visitor market from Sydney to Taree, Forster, Port Macquarie for business, VFR and leisure should be activated as an earlier visitor mix.
- Internal local day visitor trips generated from within the North Coast region should be the first niche market to be activated with trips for business and VFR especially followed by leisure travel.
- Overnight business and leisure domestic travel from mostly Sydney and environs is likely to occur after day trip travel is activated though this may be heavily influenced by self-drive visitation initially rather than scheduled air services ex Sydney.
- With a significant reduction in regional domestic air services initially, resulting in reduced flight frequency and capacity to the North Coast (Port Macquarie, Coffs Harbour and Ballina), a far higher reliance on self-drive options should be expected. Over time, the opening up of greater frequency and scheduling of scheduled air services may occur though it is suspected that the pricing structure of air services generally will dramatically change resulting in higher airfares (a requirement to achieve profitable routes) and a need for airports to be more competitive with landing fees and other charges to help support air services.
- The development of the traditional leisure/holiday travel market particularly from Sydney and other southern NSW regional areas up through the North Coast to Queensland or the Northern Rivers region will activate relatively quickly when overnight travel is encouraged by Government. The ability to stimulate a far stronger domestic leisure market to stay overnight in various locations throughout the North Coast will be predicated on effective marketing campaigns to stimulate this opportunity.
- The market-based research previously outlined highlights the significant dominance of the NSW visitor market to the North Coast, followed by Queensland and then to a much lesser extent Victoria, ACT and South Australia. We could expect to see a solid overnight visitor market coming back into key North Coast leisure nodes where Queenslanders are a major visitor niche market such as Yamba, Tweed and Byron by way of example.
- Dependent on the lifting of border restrictions, one could then eventually see Trans-Tasman travel into the North Coast with New Zealanders flying into Brisbane especially (and eventually into the Gold Coast) and then travelling down particularly to the Northern Rivers region, and others flying into Sydney and driving up into the North Coast region. The ability to attract this New Zealand market, who traditionally have gone in solid numbers to the Gold Coast, Noosa, Sunshine Coast and Byron, will be dependent on a coordinated marketing campaign to get more of them to travel and explore different parts of the North Coast region, than previously.
- As previously indicated, other international visitor markets are expected to take longer to activate as the Government is expected to take a more cautious approach to opening up Australia's borders. Coupled with reduced airline frequency and capacity, this may result in a far slower activation as predicted.
- Normally it would have been assumed that the exception to this inbound market consolidation, due to the reduction in airline capacity and flight frequency, might be the backpacker markets from offshore who are keen travellers and less likely to be hesitant to travel to the region and to major well-known hubs for them such as Byron Bay. However, it is suspected that the cost of airfares overall, the lack of low-cost carriers flying, and a reduction in seasonal work options to support working holiday visas, will reduce the likelihood of a backpacker led recovery in inbound visitation.

Overall, the likely impact of the post-COVID-19 era will reflect far stronger domestic visitation patterns and a demand by interstate and intrastate visitors to see more branded accommodation options (3-5-star range) along with a stronger mix of commissionable and free visitor attractions and experiences. Without new products being offered in the North

Coast region, the tendency will be for the existing share of visitation to continue to reflect the status quo pre-COVID-19, with some LGAS retaining a much larger share of tourism numbers and associated stronger visitor economy outcomes.

From a domestic market perspective, it is likely that the current focus on the NSW intrastate market will remain and needing to be strengthened to take up the slack from a greatly reduced international visitor market. The interstate market from South East Queensland is also equally important especially for the Northern Rivers region of the North Coast where they are a dominant market.

From an international market perspective, it is likely that a strong focus on the New Zealand market will be required from 2021-2024 until activation of other international markets is possible. We note that New Zealand and Australian government officials are currently assessing a “trans-Tasman travel bubble,” allowing residents of both countries the opportunity to travel with few restrictions across the Tasman only. This, however, is predicated on both countries not opening up their borders to any other inbound travellers so it is a strict inter country only initiative. Such an initiative may be able to be activated at the earliest in the final quarter of 2020 or the first quarter of 2021.



## 3. TOURISM PRODUCT OFFERING

### 3.1. 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 as a whole. 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 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 operators<sup>22</sup>) 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.

### 3.2. Attractions & Experiences Audit

Because the tourism sector is so far-reaching, there are many products, experiences and assets which can be considered tourism based. This audit, has, however, focused in on those which are considered primary tourism experiences, that is, those which are marketed and positioned as "things to do" when visitors travel to each LGA in the North Coast region. Those products which are primarily utilised by the local community have been excluded.

Because of the significant size of the North Coast region and its different landscapes (coastal, farming, hinterland, mountainous etc.), there is a diversity of product on offer. To be able to derive qualitative and meaningful findings from the product audit, product has had to be listed within product categories. Product was originally sorted into detailed sub-categories and then summarised into major categories (the audit has used major categories to demonstrate findings). Table 3 summarises the major and subcategories used.

**Table 3: Tourism Experiences & Attractions Product Categories**

MAJOR CATEGORY	DETAILED SUB-CATEGORY	COLOUR CODE
Adventure Attraction	Adventure Attraction	■
All Other Tours (Eco, Horse & General)	Eco Tours	■
	General Tours	■
	Horse Riding Tours	■
Arts & Cultural	Arts & Art Gallery	■
	Museum & Historical	■
Bike Hire & Tours	Bike Hire	■
	Biking Tours	■
Food Tours & Product	Food Tours & Product	■
Fun park/Family Activity	Fun park/Family Activity	■
Golf	Golf	■
Health & Wellness	Health & Wellness	■
Indigenous Product	Cultural Centre/Experience & Tours	■
Natural Attractions & Gardens	Gardens	■
	Lookout	■
	Natural Attraction (ex beaches)	■
	Picnic Area	■
Scenic Cruises, Drives & Flights	Scenic Cruise Tours	■
	Scenic Drive	■
	Scenic Flight Tours	■
Walking & Biking Tracks	NPWS Walking or Cycling Track	■
	Walking/Biking Track	■
Watersports & Fishing	Boat Hire	■
	Diving Tours	■
	Fishing Tours	■
	Kayak/SUP/Kiteboarding Tours & Trails	■
	Surfing School	■
	Watersports Hire	■
Wildlife Tours & Viewing	Wildlife Tours & Viewing	■

When reading the audit findings, it is important to note:

- beaches and non-major lookouts are excluded from the audit because of the sheer number of these throughout the region which would skew the findings;
- general food and beverage (cafes, restaurants, bars) are excluded from the audit, rather, the audit only focuses on

<sup>22</sup> Based on a top line assessment

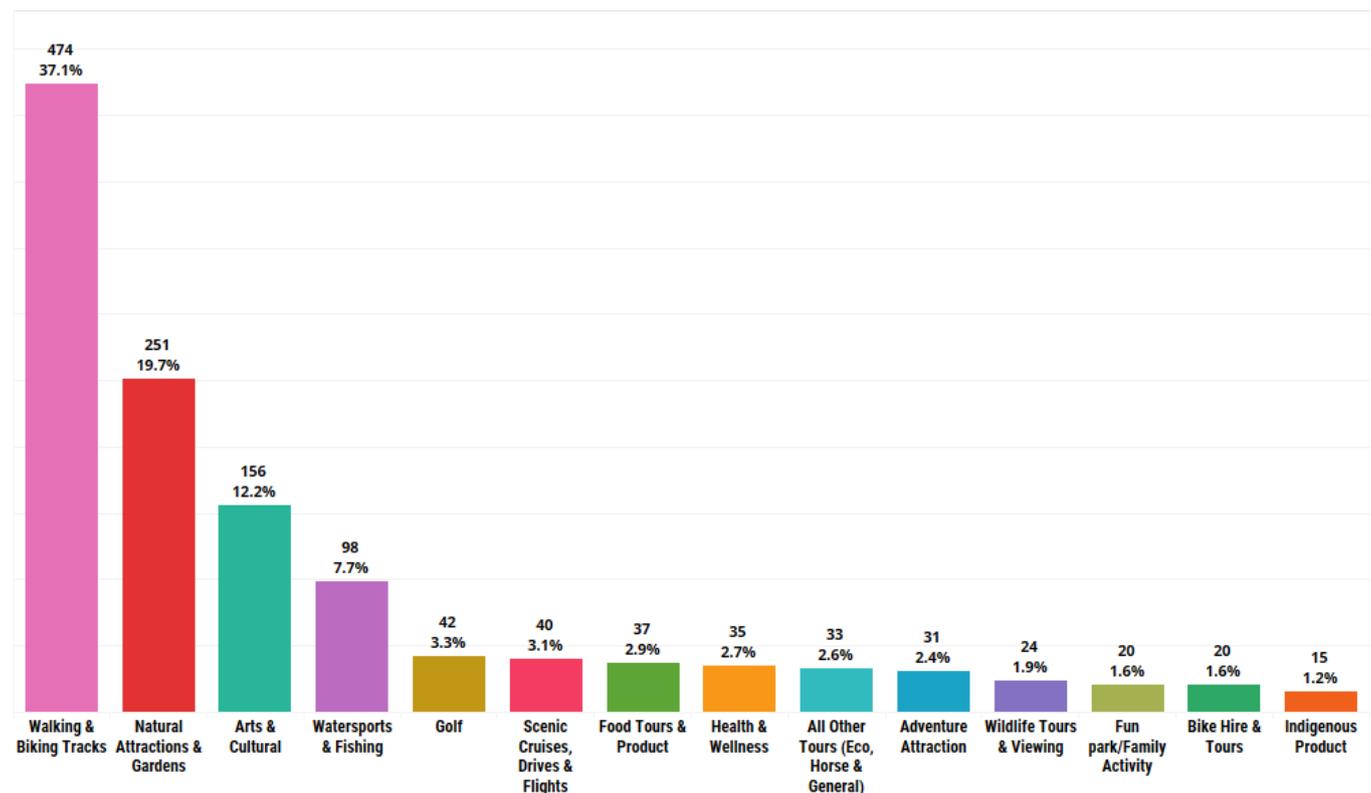
- unique food experiences such as distilleries, food tours, cooking classes etc; and
- the audit does not provide an assessment on the quality of the product as this would require visiting each product which was not possible within the scope of this exercise.

### 3.2.1. Total North Coast Region Attractions & Experiences

Figure 30 provides a summary of the tourism attractions and experiences within the North Coast region, segmented according to the type of attraction. It demonstrates the following.

- In total, the audit identified 1,276 tourism attraction and experiences across the North Coast region. The ATDW currently lists 834 attractions in the region. This means that an estimated 37% of attractions identified through this audit are not currently listed on the ATDW.
  - Most experiences (paid or free) are 'walking and biking tracks' which made up 37% of all attractions identified and includes those managed by individual Councils and NPWS. This was followed by 'natural attractions & gardens', representing just under 20% of the product identified.
- With the region's major tourism hubs being largely coastal based, there is a significant number of 'water sports and fishing' product, with almost 100 attractions/experiences. These are all paid experiences.
  - Considering the size of the region, there is relatively few adventure attractions/experiences, making up just 2.4% of the product identified.
  - What is evident is that the North Coast region offers a myriad of free experiences (70% of those assessed are free experiences) and attractions which make it a challenge to derive higher visitor yield with limited commissionable tourism product. This is important to note, as much effort by councils especially, has gone into creating high quality coastal and hinterland walking and cycling trails, mountain biking circuits and supporting infrastructure. However, without the corresponding commissionable product (pop up or permanent cafes and retail, guided experiences and other tour operator product), many LGAs will continue to find it hard to generate stronger visitor yield and better economic outcomes, for their visitor economies.

Figure 30: Attractions Summary - Total



### 3.2.2. Attractions & Experiences by LGA

Table 4 on the following page summarises the attractions and experiences within the region and includes a breakdown by product type and the LGA within which it falls. It illustrates the following.

- Mid-Coast LGA has the largest amount of tourism product, totalling 226 attractions and experiences which equates to 18% of all product identified in the North Coast region. Given the large geographic size of the Mid-Coast (it is the second-largest LGA in the region after Clarence Valley) and its proximity to major generating markets such as Newcastle and Sydney, this is not surprising.
- Those LGAs with comparatively fewer tourism product include Kyogle (33 attractions and experiences), Nambucca (34), Lord Howe Island (35) and Richmond Valley (39). Kyogle and Richmond Valley, in particular, are not as strongly developed as tourism destinations, while Lord Howe Island is constrained by its size and its accessibility.
- Port Macquarie and Coffs Harbour, based on the audit, appear to be the adventure hubs for the region, comprising 23% and 26% of adventure attractions identified.
- 'Art and Cultural' product is a strength of Clarence Valley, comprising 18% of the product of this type identified in the North Coast region.
- Tweed, Ballina and Byron have a strong cluster of 'Food Tours & Product', with food-based experiences in these three LGAs comprising more than half of all food-based experienced identified in the North Coast.
- Port Macquarie-Hastings has the largest proportion of family-based product (including fun parks), totalling 35% of all family experiences identified.
- Byron's reputation as a health and wellness hub is evidenced in the audit, comprising 34% of all 'Health and Wellness' product identified.
- In terms of indigenous sites and experiences, Coffs Harbour has the greatest number, totalling 4 experiences and equating to 27% of this type of product throughout the region which makes Coffs a significant Indigenous tourism hub for the North Coast.
- Byron and Ballina together represent 36% of all scenic cruises, drives and flights identified in the audit.
- Mid-Coast has, by far, the greatest number of 'Walking & Biking Tracks', totally 134 tracks and comprising 28% of all product identified in the region of this type. 104 of these tracks are owned/managed by NPWS.
- Clarence Valley appears to be a hub for 'Watersports & Fishing', with 19 experiences identified. These include boat hire, diving tours, fishing tours, kayak/SUP/kiteboarding tours and hire, surfing schools and general watersports hire. Most of these experiences are situated near Yamba.
- Coffs Harbour and Port Macquarie-Hastings have the largest number of 'Wildlife Tours & Viewing' experiences, with 6 and 4 experiences identified respectively and accounting for 25% and 17% respectively of wildlife product identified. Both destinations have well-known wildlife product including (but not limited to) the Koala Hospital at Port Macquarie and the Dolphin Marine Conservation Park at Coffs Harbour.

Table 4: Attractions Summary by LGA

LGA	Adventure Attraction	All Other Tours (Eco, Horse & General)	Arts & Cultural	Bike Hire & Tours	Food Tours & Product	Fun park/Family Activity	Golf	Health & Wellness	Indigenous Product	Natural Attractions & Gardens	Scenic Cruises, Drives & Flights	Walking & Biking Tracks	Watersports & Fishing	Wildlife Tours & Viewing	Total
Mid-Coast	3 (10%)	1 (3%)	15 (10%)	3 (15%)	2 (5%)	2 (10%)	3 (7%)	1 (3%)	2 (13%)	44 (18%)	3 (8%)	134 (28%)	12 (12%)	1 (4%)	226 (18%)
Port Macquarie..	7 (23%)	5 (15%)	19 (12%)	2 (10%)	5 (14%)	7 (35%)	4 (10%)	6 (17%)		31 (12%)	4 (10%)	64 (14%)	8 (8%)	4 (17%)	166 (13%)
Clarence Valley	2 (6%)	3 (9%)	28 (18%)	1 (5%)	2 (5%)		5 (12%)	3 (9%)	1 (7%)	33 (13%)	1 (3%)	47 (10%)	19 (19%)	2 (8%)	147 (12%)
Coffs Harbour	8 (26%)	5 (15%)	10 (6%)	3 (15%)	3 (8%)	2 (10%)	6 (14%)	3 (9%)	4 (27%)	22 (9%)	3 (8%)	57 (12%)	7 (7%)	6 (25%)	139 (11%)
Byron	4 (13%)	8 (24%)	11 (7%)	4 (20%)	8 (22%)	2 (10%)	3 (7%)	12 (34%)	1 (7%)	15 (6%)	7 (18%)	35 (7%)	16 (16%)	3 (13%)	129 (10%)
Kempsey			11 (7%)		2 (5%)		3 (7%)		2 (13%)	13 (5%)	2 (5%)	39 (8%)	9 (9%)		81 (6%)
Lismore	1 (3%)		17 (11%)			3 (15%)		3 (9%)	1 (7%)	19 (8%)	3 (8%)	20 (4%)	1 (1%)	1 (4%)	69 (5%)
Tweed	1 (3%)	2 (6%)	7 (4%)	2 (10%)	5 (14%)	1 (5%)	5 (12%)	1 (3%)	1 (7%)	12 (5%)	2 (5%)	14 (3%)	10 (10%)	3 (13%)	66 (5%)
Bellingen	1 (3%)		3 (2%)	1 (5%)	2 (5%)		3 (7%)			13 (5%)		31 (7%)	2 (2%)		56 (4%)
Ballina	1 (3%)	2 (6%)	15 (10%)	3 (15%)	6 (16%)	2 (10%)	2 (5%)	3 (9%)	2 (13%)	6 (2%)	7 (18%)	3 (1%)	3 (3%)	1 (4%)	56 (4%)
Richmond Valley	1 (3%)	1 (3%)	8 (5%)			1 (5%)	3 (7%)	1 (3%)		8 (3%)		11 (2%)	3 (3%)	2 (8%)	39 (3%)
Lord Howe Island	1 (3%)	4 (12%)	1 (1%)	1 (5%)			2 (5%)			13 (5%)	3 (8%)	1 (0%)	8 (8%)	1 (4%)	35 (3%)
Nambucca	1 (3%)	1 (3%)	9 (6%)		2 (5%)		2 (5%)	1 (3%)	1 (7%)	8 (3%)	2 (5%)	7 (1%)			34 (3%)
Kyogle		1 (3%)	2 (1%)				1 (2%)	1 (3%)		14 (6%)	3 (8%)	11 (2%)			33 (3%)
Total	31 (100%)	33 (100%)	156 (100%)	20 (100%)	37 (100%)	20 (100%)	42 (100%)	35 (100%)	15 (100%)	251 (100%)	40 (100%)	474 (100%)	98 (100%)	24 (100%)	1,276 (100%)

### 3.2.3. Free vs Paid Attractions & Experiences

For destinations to be successful and sustainable requires a careful balance between free and paid (or commissionable) tourism product. While free having “free things” for visitors (and locals) to do is an important part of any visitor economy, to grow visitor yield (which is a goal many destinations seek) requires introducing more commissionable tourism product which could be in the form of paid tours, admission prices and packaged product etc.

Figure 31 demonstrates that within the North Coast region, 70% of all tourism product identified in the audit is free product. Although this result is influenced by the significant number of walking and biking trails within the region, there may need to be a focus on introducing more paid experiences along these trails or at the start or endpoints. New Zealand is considered a world-leader in the way it manages its national park walking experiences with a wide variety of guided and unguided (but paid) experiences on offer.

The strengthening of the North Coast as a significant visitor destination is likely to be predicated on attracting more pay for attractions and experiences along with new and enhanced product for the entire region. Without this, the region does risk retaining its inequitable current split (across its LGAs) of tourism receipts. As it is understood that the vast majority of

councils wish to grow their visitor economies sustainably, focussing on encouraging and facilitating new commissionable products and experiences is going to be an important outcome for the future.

Figure 31: Attractions Summary (Free vs Paid) – North Coast Region

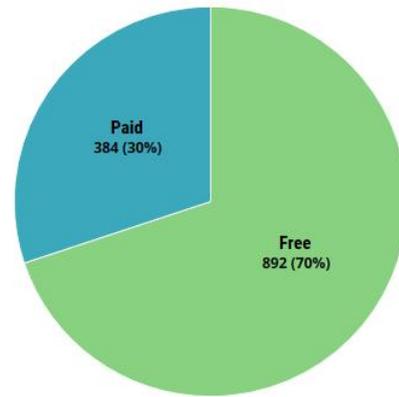


Figure 32 heatmaps distribution of paid product throughout the North Coast region. It demonstrates that the more mature destinations including Bryon, Port Macquarie-Hastings, Clarence Valley, Tweed, Ballina and Mid Coast have a larger number of commissionable tourism products within their boundaries.

Figure 32: Paid Product by LGA

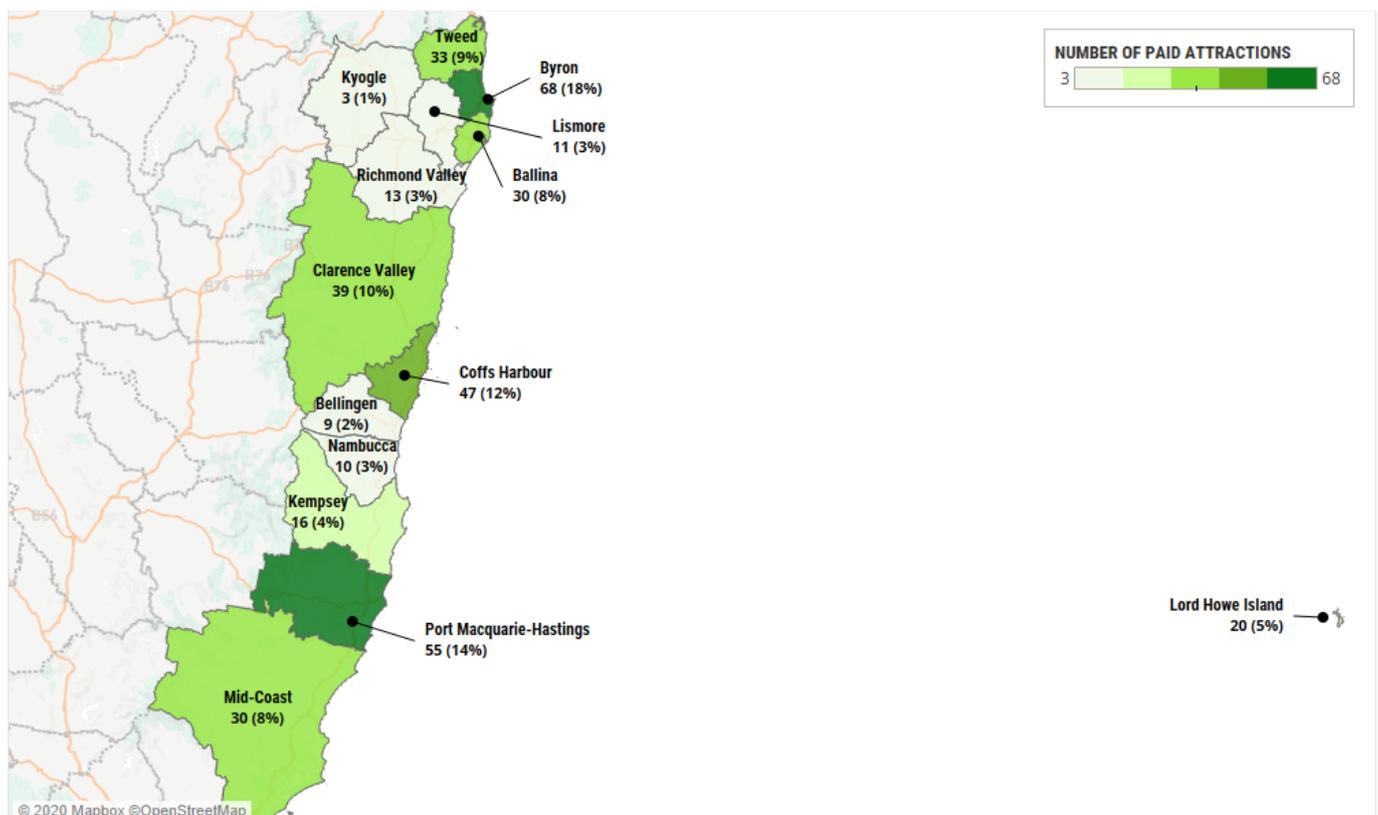


Figure 33 provides greater detail regarding free and paid product, demonstrating this split based on the type of attraction/experiences.

The data demonstrates product categories which primarily comprise paid product, such as 'Adventure Attractions' and 'Health and Wellness' versus those which are predominantly free experiences, including 'Walking & Biking Tracks' and 'Natural Attractions & Gardens'.

**Figure 33: Attractions Summary (Free vs Paid) by Attraction Type**

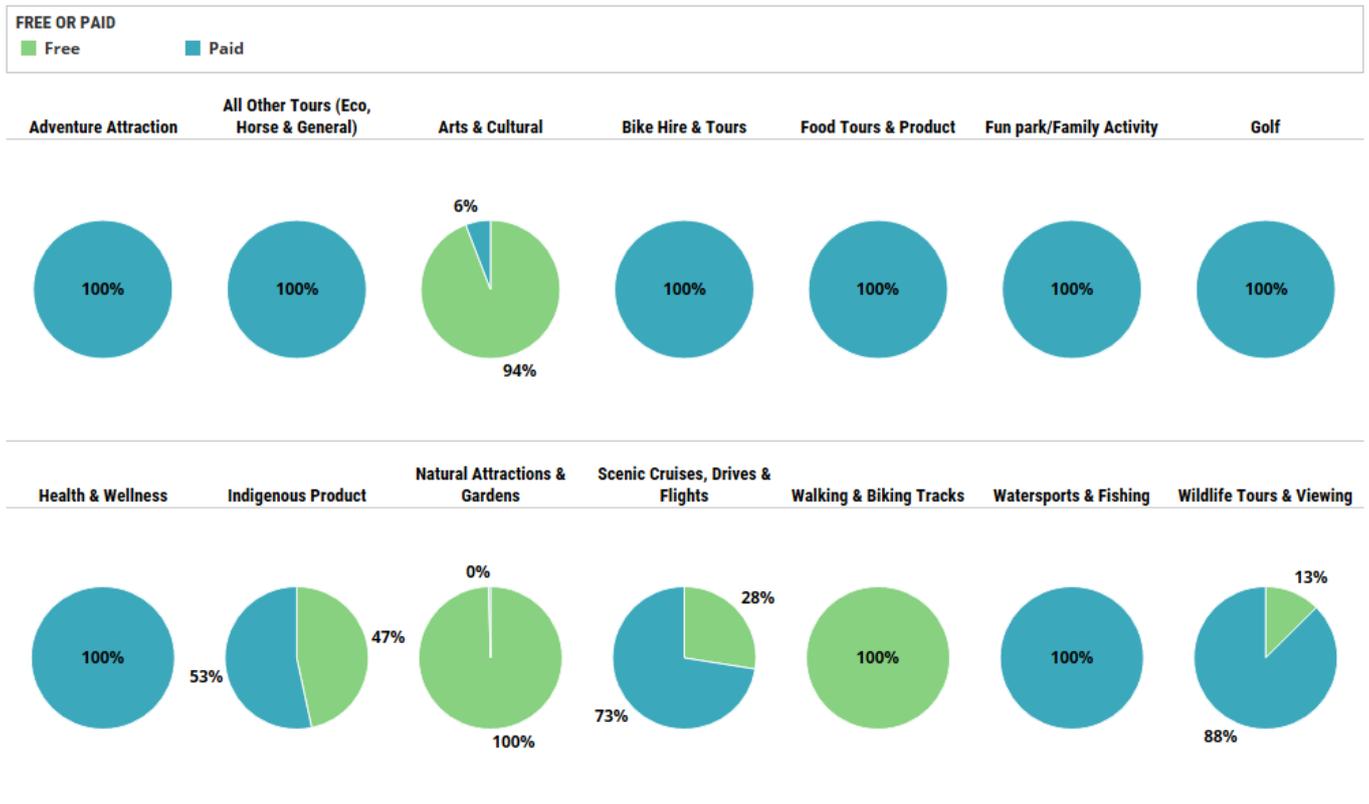


Figure 34 For those LGAs with a much higher ratio of free to paid attractions and experiences, the focus would need to shift to encouraging more paid experiences and attractions if a

stronger visitor economy is to be developed and to support more commercial accommodation development and investment

Figure 34on the other hand, illustrates free versus paid product based on each LGA in the North Coast and demonstrates that:

- Byron, Ballina and Lord Howe Island are the only destinations where paid product exceeds free product;
- Tweed has an even distribution between free and paid product; and
- for destinations such as Kyogle, Mid-Coast, Lismore, Bellingen and Kempsey, free product makes up more than 80% of the product on offer and while this is influenced (in

some cases) but the number of free trails and tracks, there is a need to investigate opportunities to grow the level of commissionable product.

For those LGAs with a much higher ratio of free to paid attractions and experiences, the focus would need to shift to encouraging more paid experiences and attractions if a stronger visitor economy is to be developed and to support more commercial accommodation development and investment

Figure 34: Attractions Summary (Free vs Paid) by LGA



### 3.3. Accommodation Audit

The accommodation audit focused on commercial and non-commercial (often school and church accommodation) forms of accommodation. Table 5 provides a summary of the categories utilised.

Some properties are listed online with multiple categories. Stafford has 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 5: Accommodation product categories**

TYPE	MAJOR CATEGORY	COLOUR CODE
Commercial Accommodation	B&Bs	<span style="color: blue;">■</span>
	Backpackers	<span style="color: orange;">■</span>
	Boutique Cabins, Cottages & Guesthouses	<span style="color: pink;">■</span>
	Farmstay	<span style="color: green;">■</span>
	Holiday Park	<span style="color: magenta;">■</span>
	Hotel	<span style="color: yellow;">■</span>
	Houseboats	<span style="color: cyan;">■</span>
	Motel	<span style="color: darkblue;">■</span>
	Pub accommodation	<span style="color: purple;">■</span>
	Retreats & Resorts	<span style="color: lightcoral;">■</span>
	School & Church Accommodation	<span style="color: darkgreen;">■</span>
Serviced Apartments	<span style="color: magenta;">■</span>	
Non-Commercial Accommodation	Camping Grounds	<span style="color: red;">■</span>
	Holiday Homes & Apartments	<span style="color: grey;">■</span>



#### 3.3.1. Total North Coast Region Accommodation Properties

Figure 35 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 2,002 accommodation properties and 18,572 accommodation rooms<sup>23</sup>. The ATDW currently lists 955 accommodation properties in the region. This means that more than half of accommodation operators are not currently ATDW listed.
- While holiday homes & apartments comprise more than 46% of properties within the North Coast region, the largest category of property by room stock availability is motels, providing an estimated 4,821 rooms (26% 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.

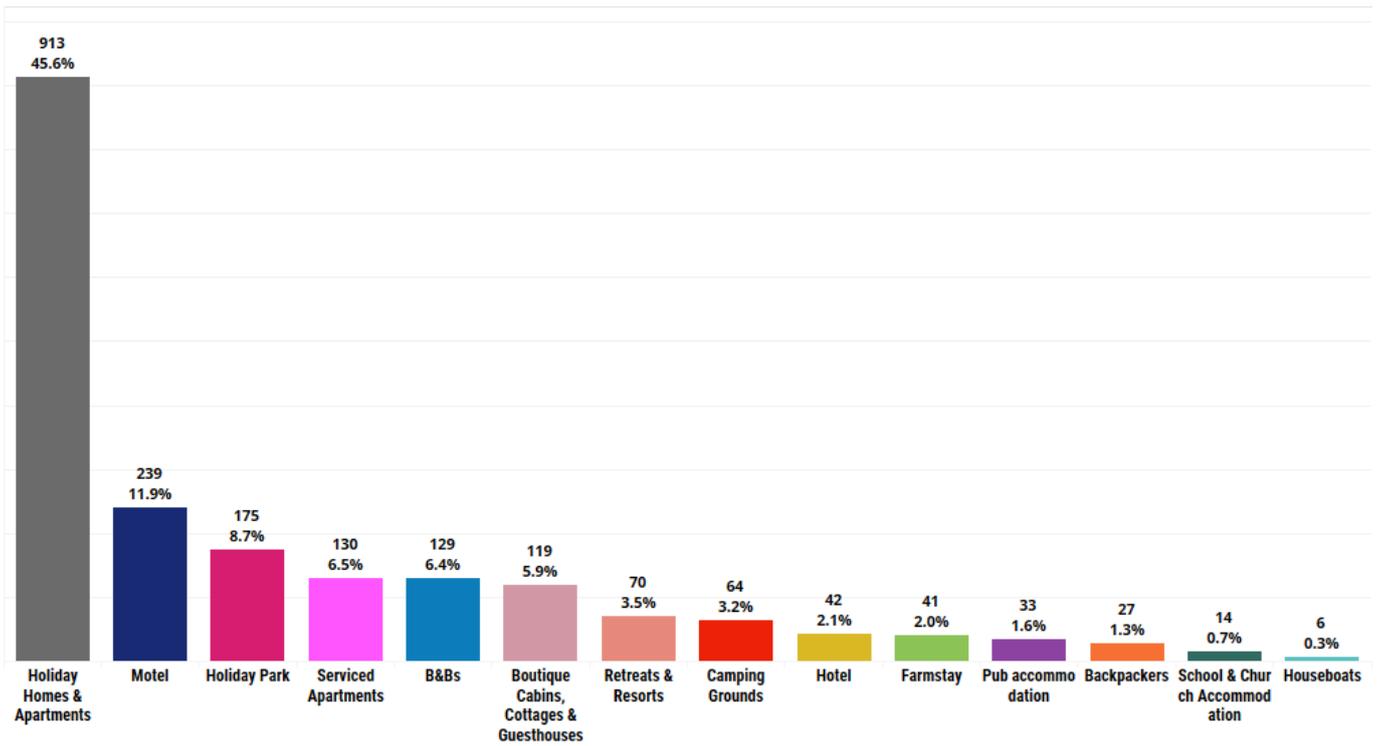
For many LGAs, the predominant observation made by a mixture of tourism and economic development personnel was the lack of branded properties in many locations and recognition that branded properties also could leverage off significant marketing databases to help promote not only their properties but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

<sup>23</sup> 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.

Figure 35: Accommodation Summary by Property Category (Properties and Rooms) - Total

NUMBER OF PROPERTIES



NUMBER OF ROOMS

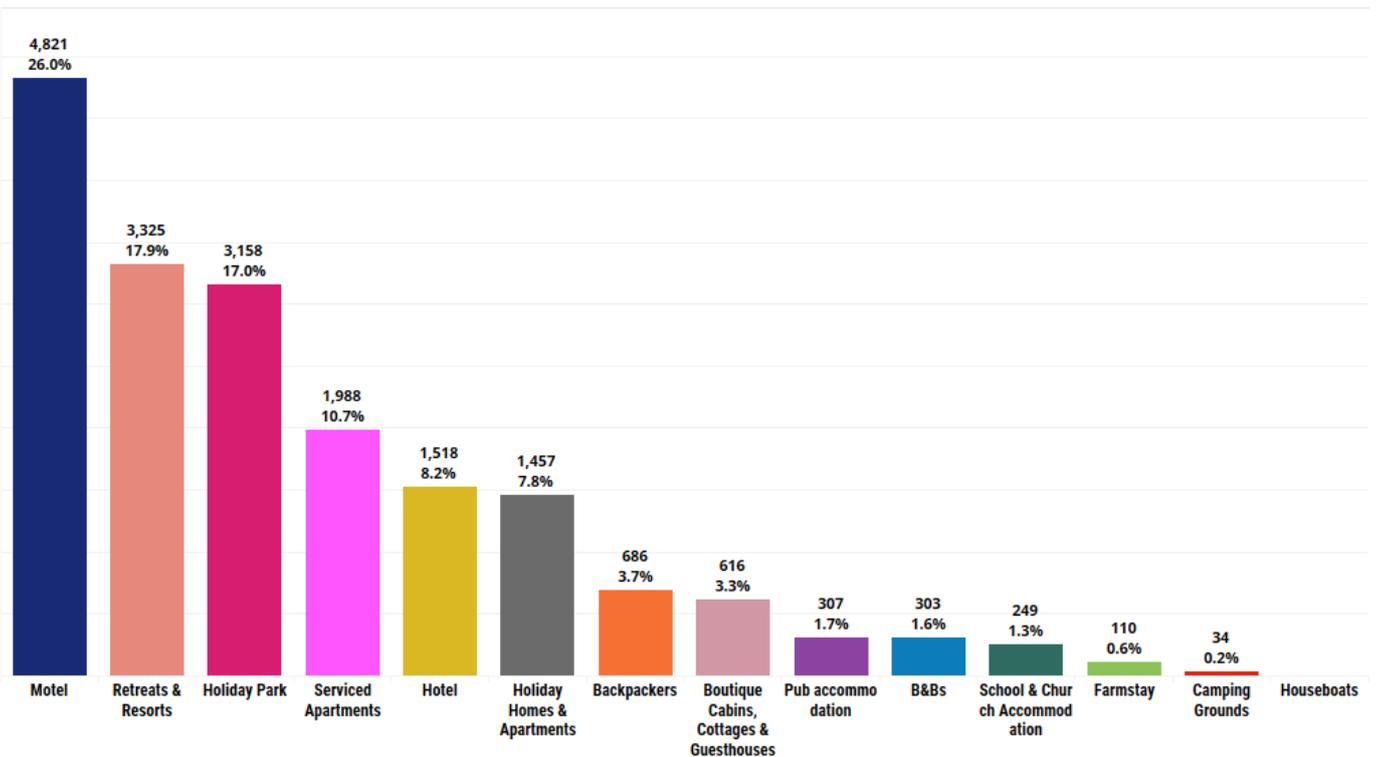
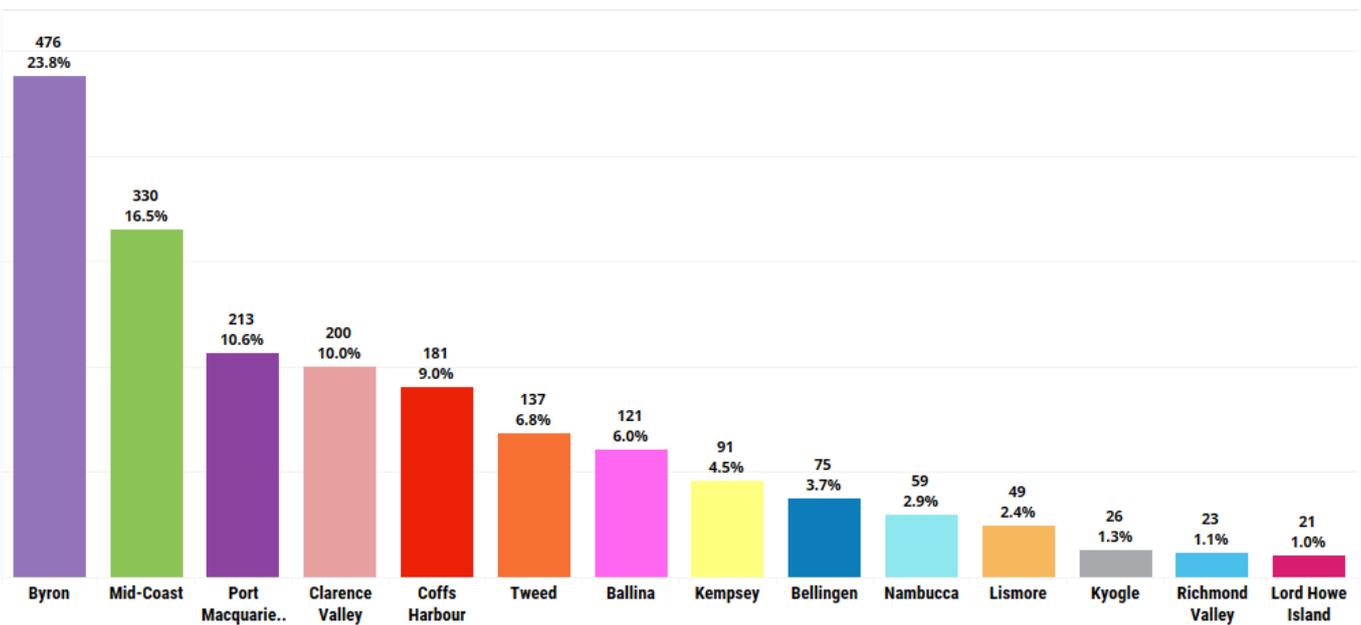


Figure 36 provides a summary of accommodation properties and rooms for each LGA and shows the following.

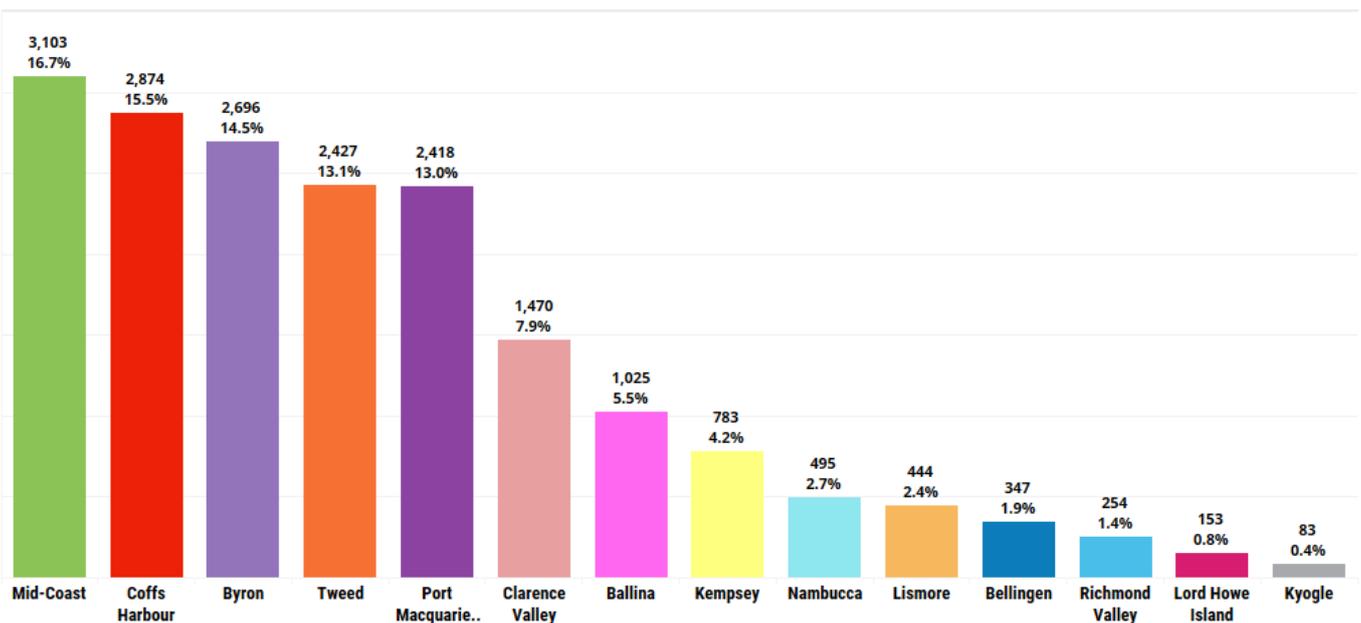
- While Byron has the largest number of properties (476 properties making up just under 24% of all North Coast properties), Mid-Coast has more room stock (3,103 rooms making up almost 17% of room stock in the North Coast) indicating that Mid-Coast accommodation properties have a larger number of rooms 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 (2,850 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 36: Accommodation Summary by LGA (Properties and Rooms) - Total

NUMBER OF PROPERTIES



NUMBER OF ROOMS



### 3.3.2. Accommodation by LGA

Table 6 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 rooms<sup>24</sup> (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 the majority of 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.

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<sup>24</sup> This represents individual cabin units, rather than the number of rooms in each cabin.

Table 6: Accommodation Summary by LGA – Number of Properties and Rooms

## NUMBER OF PROPERTIES

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 A partments	Total
Mid-Coast	25 19.4%		23 19.3%	18 28.1%	10 24.4%	129 14.1%	36 20.6%	1 2.4%	2 33.3%	51 21.3%	3 9.1%	10 14.3%	3 21.4%	19 14.6%	330 16.5%
Port Macquari..	16 12.4%	3 11.1%	9 7.6%	3 4.7%	5 12.2%	91 10.0%	20 11.4%	7 16.7%		29 12.1%	2 6.1%	9 12.9%	1 7.1%	18 13.8%	213 10.6%
Clarence Valley	10 7.8%	2 7.4%	4 3.4%	18 28.1%	2 4.9%	84 9.2%	23 13.1%	1 2.4%	1 16.7%	27 11.3%	12 36.4%	3 4.3%	1 7.1%	12 9.2%	200 10.0%
Coffs Harbour	15 11.6%	6 22.2%	4 3.4%	1 1.6%		64 7.0%	18 10.3%	3 7.1%		34 14.2%	1 3.0%	13 18.6%	3 21.4%	19 14.6%	181 9.0%
Byron	17 13.2%	11 40.7%	32 26.9%	7 10.9%	8 19.5%	320 35.0%	12 6.9%	15 35.7%		13 5.4%		7 10.0%		34 26.2%	476 23.8%
Kempsey	4 3.1%		6 5.0%	7 10.9%	2 4.9%	30 3.3%	11 6.3%	2 4.8%		14 5.9%	3 9.1%	4 5.7%	4 28.6%	4 3.1%	91 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 5.0%		2 2.9%			49 2.4%
Tweed	6 4.7%	2 7.4%	9 7.6%		2 4.9%	49 5.4%	18 10.3%	1 2.4%	3 50.0%	22 9.2%		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 2.4%		3 1.3%	2 6.1%	3 4.3%		2 1.5%	75 3.7%
Ballina	3 2.3%		4 3.4%	1 1.6%	1 2.4%	67 7.3%	10 5.7%	7 16.7%		18 7.5%		4 5.7%	1 7.1%	5 3.8%	121 6.0%
Richmond Valley			2 1.7%	2 3.1%		2 0.2%	5 2.9%			7 2.9%	4 12.1%		1 7.1%		23 1.1%
Lord Howe Island			7 5.9%			6 0.7%		3 7.1%						5 3.8%	21 1.0%
Nambucca	5 3.9%		2 1.7%		1 2.4%	28 3.1%	9 5.1%	1 2.4%		9 3.8%	2 6.1%	1 1.4%		1 0.8%	59 2.9%
Kyogle	7 5.4%		2 1.7%	5 7.8%	2 4.9%	4 0.4%	2 1.1%				4 12.1%				26 1.3%
<b>Total</b>	<b>129 100.0%</b>	<b>27 100.0%</b>	<b>119 100.0%</b>	<b>64 100.0%</b>	<b>41 100.0%</b>	<b>913 100.0%</b>	<b>175 100.0%</b>	<b>42 100.0%</b>	<b>6 100.0%</b>	<b>239 100.0%</b>	<b>33 100.0%</b>	<b>70 100.0%</b>	<b>14 100.0%</b>	<b>130 100.0%</b>	<b>2,002 100.0%</b>

## 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 A partments	Total
Mid-Coast	63 20.8%		167 27.1%		27 24.5%	199 13.7%	842 26.7%	21 1.4%		1,076 22.3%	26 8.5%	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 29.5%		580 12.0%	13 4.2%	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%	26 1.7%		531 11.0%	112 36.5%	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%	131 8.6%		790 16.4%	14 4.6%	912 27.4%	18 7.2%	357 18.0%	2,874 15.5%
Byron	53 17.5%	473 69.0%	142 23.1%		19 17.3%	541 37.1%	247 7.8%	232 15.3%		206 4.3%		338 10.2%		445 22.4%	2,696 14.5%
Kempsey	14 4.6%		33 5.4%		3 2.7%	54 3.7%	166 5.3%	15 1.0%		321 6.7%	45 14.7%	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 6.4%		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 21.1%		410 8.5%		935 28.1%		306 15.4%	2,427 13.1%
Bellingen	25 8.3%	9 1.3%	20 3.2%		15 13.6%	32 2.2%	93 2.9%	28 1.8%		24 0.5%	22 7.2%	74 2.2%		5 0.3%	347 1.9%
Ballina	6 2.0%		14 2.3%		3 2.7%	104 7.1%	163 5.2%	240 15.8%		282 5.8%		107 3.2%	27 10.8%	79 4.0%	1,025 5.5%
Richmond Valley			25 4.1%			2 0.1%	48 1.5%			128 2.7%	39 12.7%		12 4.8%		254 1.4%
Lord Howe Island			42 6.8%			6 0.4%		51 3.4%						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 3.4%	10 3.3%	37 1.1%		13 0.7%	495 2.7%
Kyogle	9 3.0%		3 0.5%		5 4.5%	4 0.3%	36 1.1%				26 8.5%				83 0.4%
<b>Total</b>	<b>303 100.0%</b>	<b>686 100.0%</b>	<b>616 100.0%</b>	<b>34 100.0%</b>	<b>110 100.0%</b>	<b>1,457 100.0%</b>	<b>3,158 100.0%</b>	<b>1,518 100.0%</b>	<b>6 100.0%</b>	<b>4,821 100.0%</b>	<b>307 100.0%</b>	<b>3,325 100.0%</b>	<b>249 100.0%</b>	<b>1,988 100.0%</b>	<b>18,572 100.0%</b>

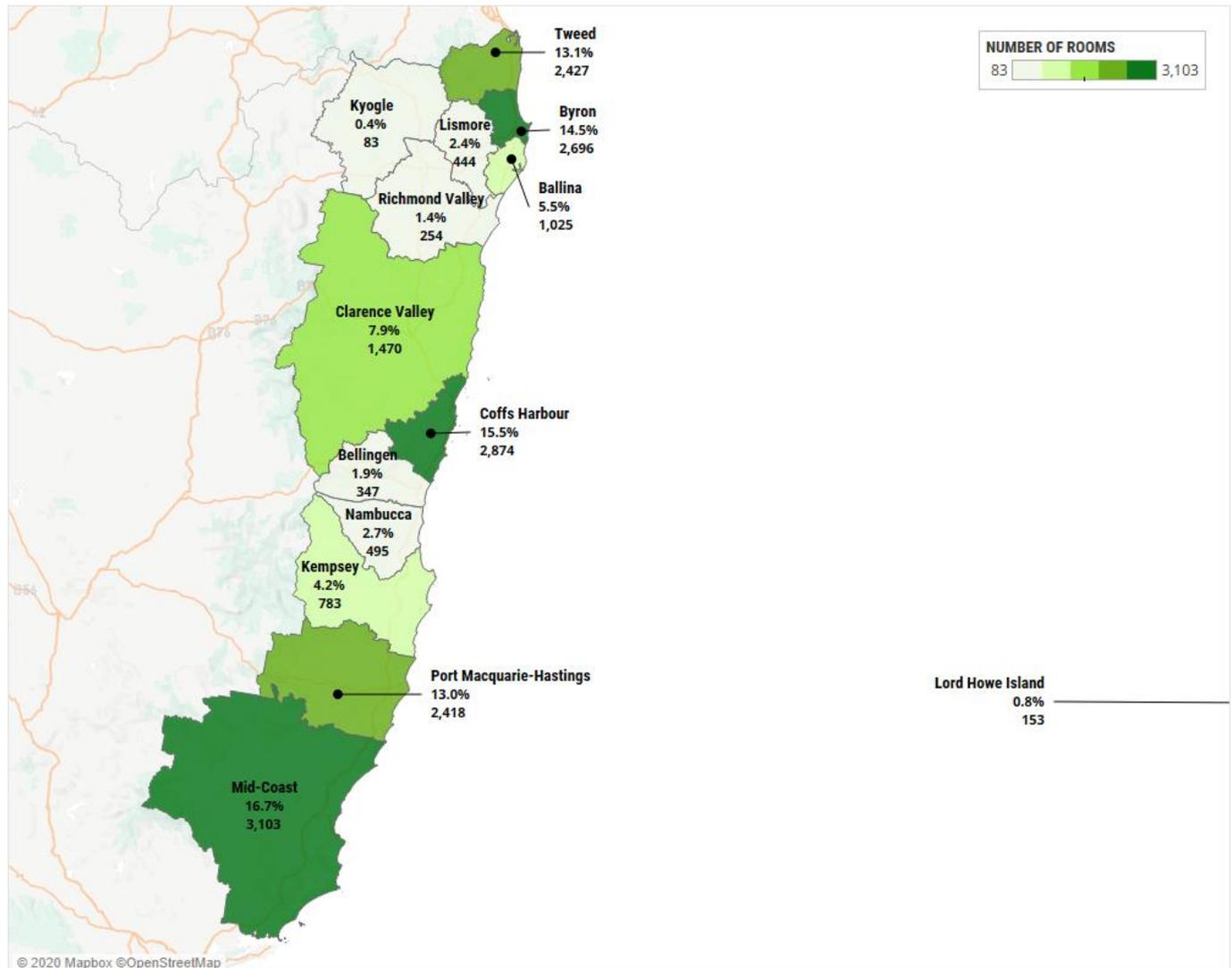
### 3.3.3. Room Stock Analysis

Figure 37 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 generating a scenario of distinct tourism-visitor hubs, due to the concentration of facilities in specific areas.

Figure 37: Room Stock by LGA Mapped

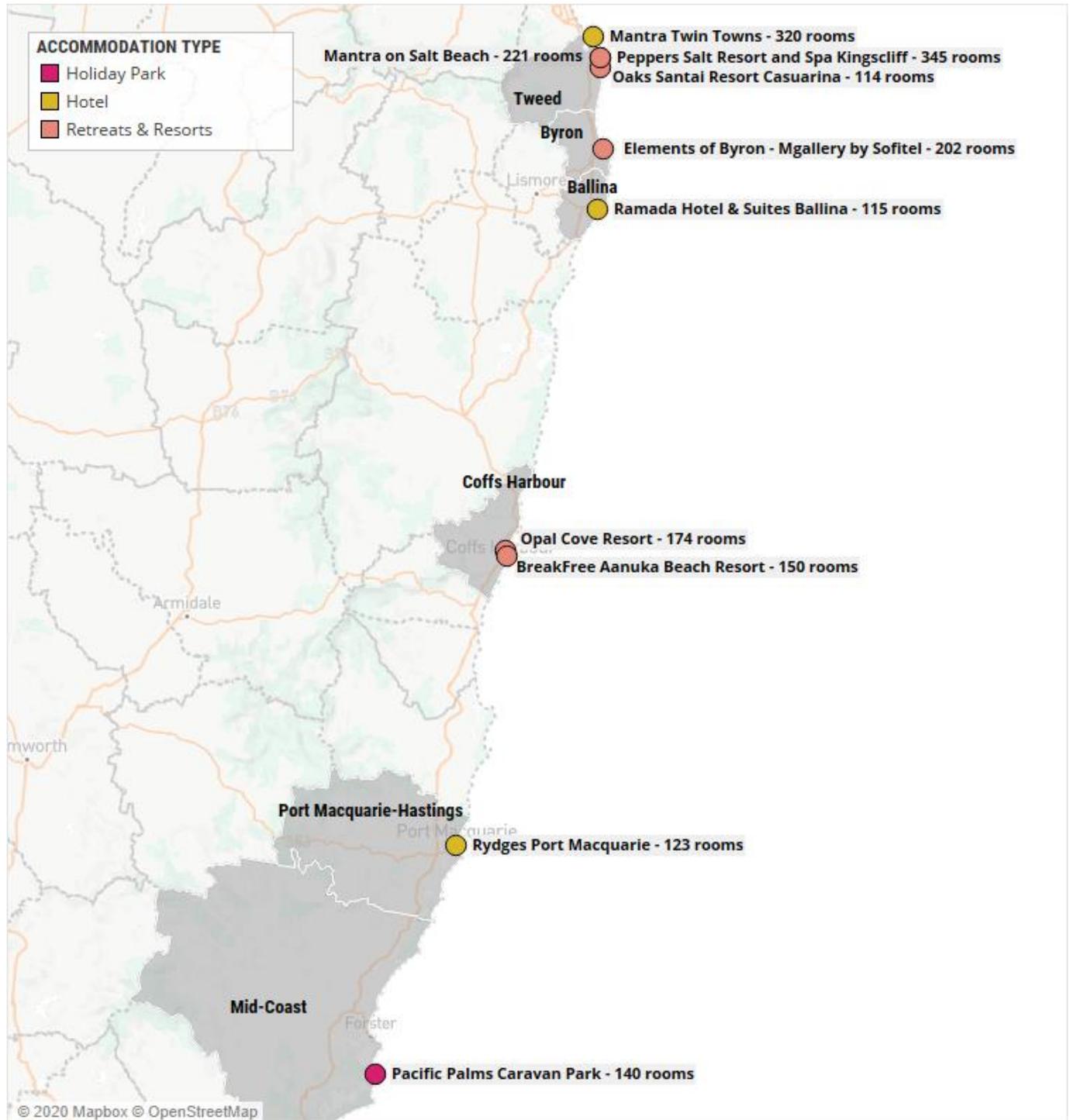


There are several large-scale properties throughout the region. The top 10 largest properties by rooms are included in the figure below.

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 38: Top 10 largest properties (by rooms) in North Coast**



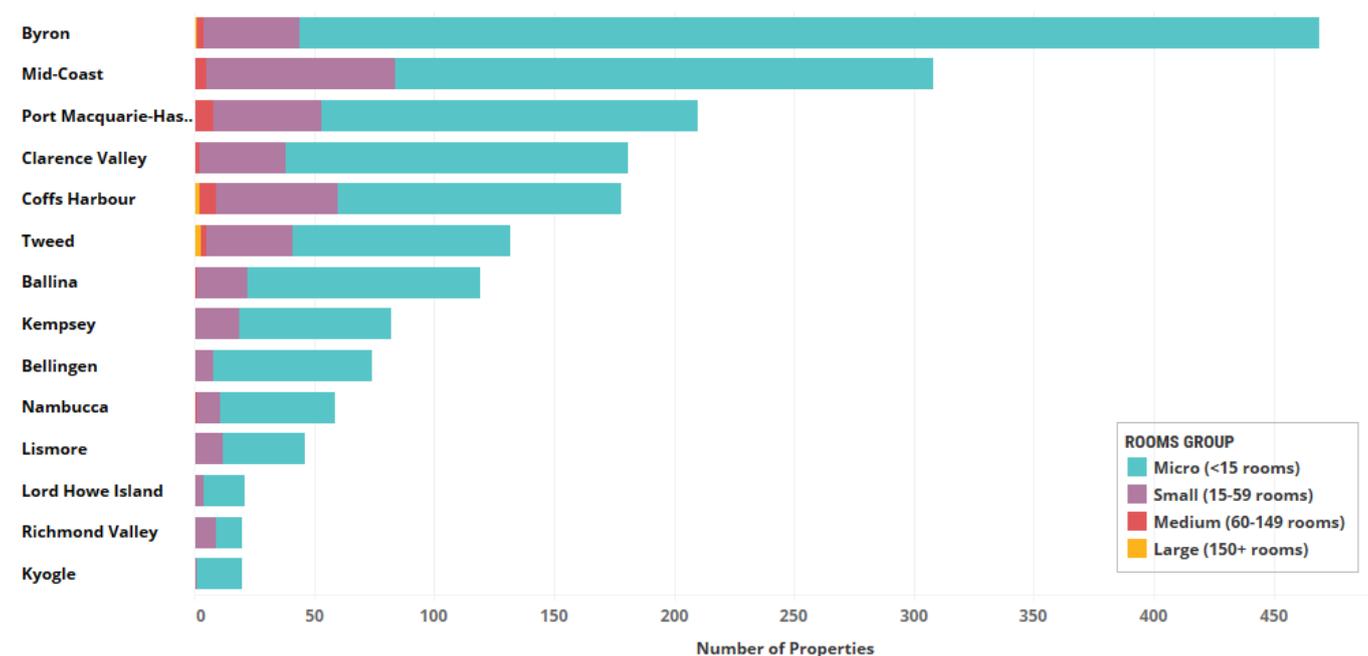
To simplify the analysis of room stock throughout the region, properties have been grouped according to whether they are:

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

Figure 39 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 39: 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%)
<b>Grand Total</b>	<b>1,513 (79%)</b>	<b>371 (19%)</b>	<b>29 (2%)</b>	<b>6 (0%)</b>	<b>1,919 (100%)</b>

### 3.3.4. 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 40 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 high-quality room stock (3,862 rooms).

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

**Figure 40: Number of rooms by quality category - North Coast region**

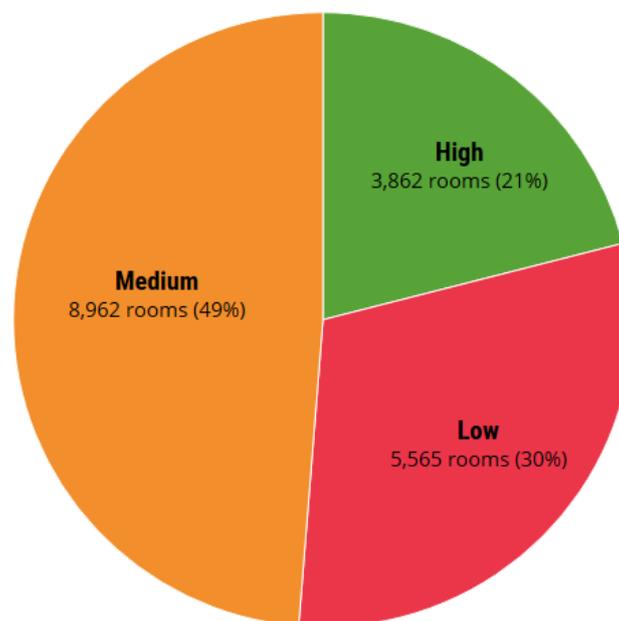


Figure 41 breaks down the room stock quality assessment based on the accommodation category. This is a more robust way of assessing quality because there are some accommodation categories, such as camping grounds, which would virtually never achieve a ranking of medium or above nor would they be expected 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 by 2-3-star accommodation mostly.

Figure 41: Number of rooms by quality category and by type of accommodation



Another way of looking at the quality assessment is by LGA. Figure 42 summarises the findings and demonstrates:

- Richmond Valley is the only LGA within the region which does not have any room stock which falls 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.

Figure 42: Number of rooms by quality category and by LGA



### 3.3.5. 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 can offer and the ability to secure member benefits as part of their brand loyalty programs. These properties also 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. 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 43 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 44 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 45 demonstrates the distribution of properties and room numbers which rank within the medium and high-quality rating only. It illustrates:

- the dominance of Byron and Tweed LGAs holding 59% of room stock for medium-to-high quality facilities; and
- the strength of Byron holding 47% of all medium-to-high quality properties.

Figure 43: Branded Accommodation Product Only and Room Numbers with High-Quality Rating

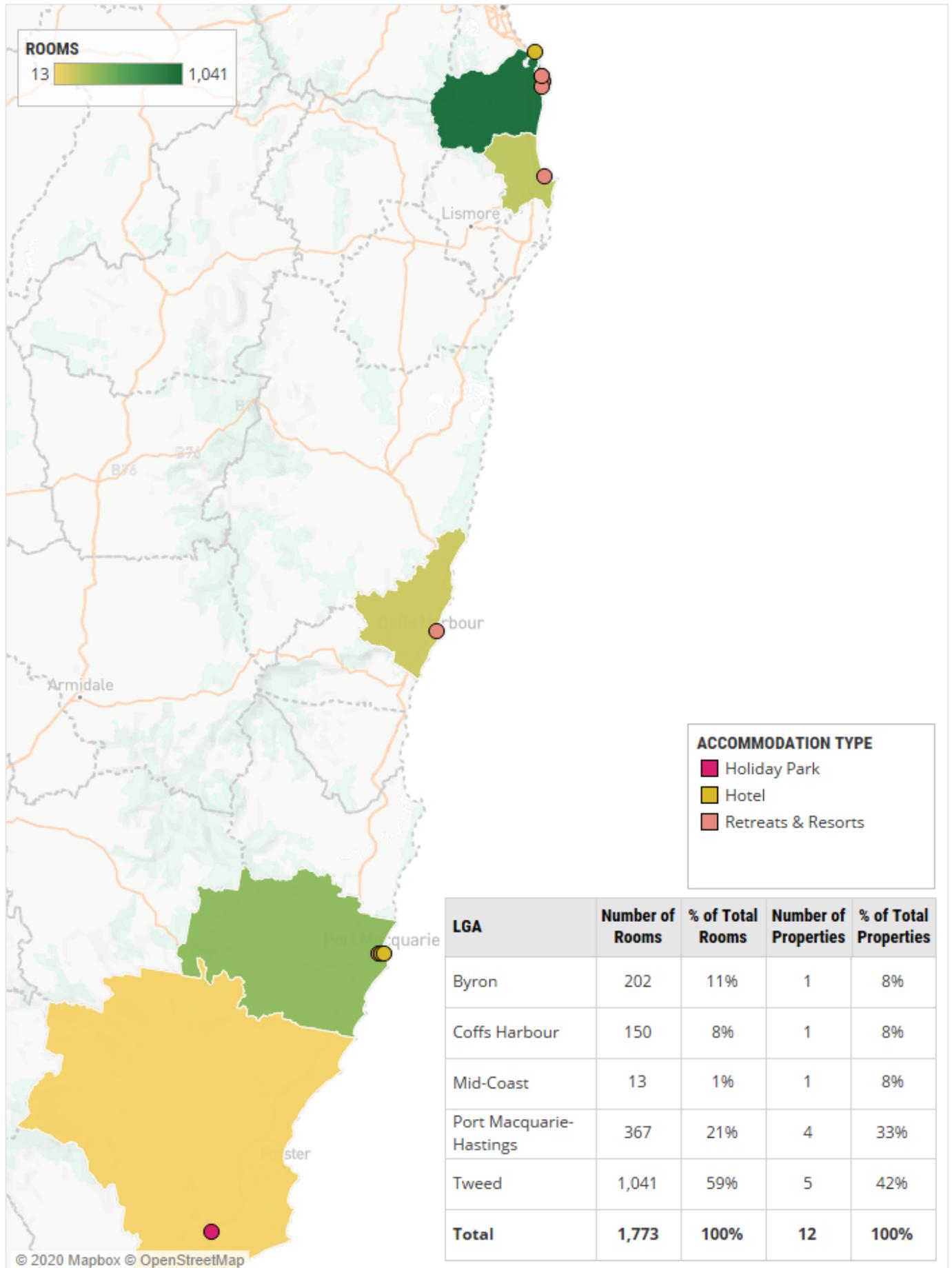


Figure 44: Branded Accommodation Product and Room Numbers with Medium & High-Quality Rating

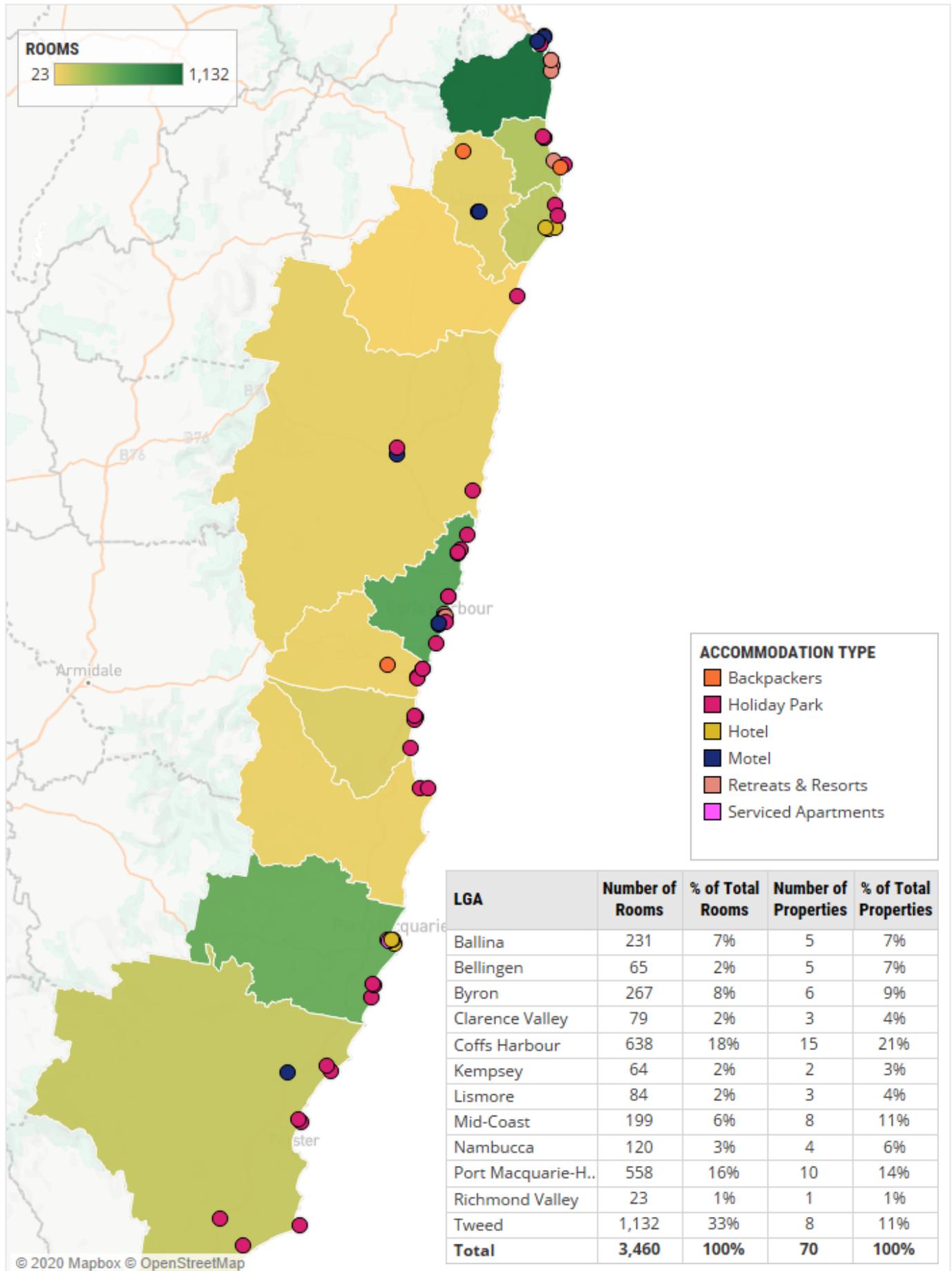
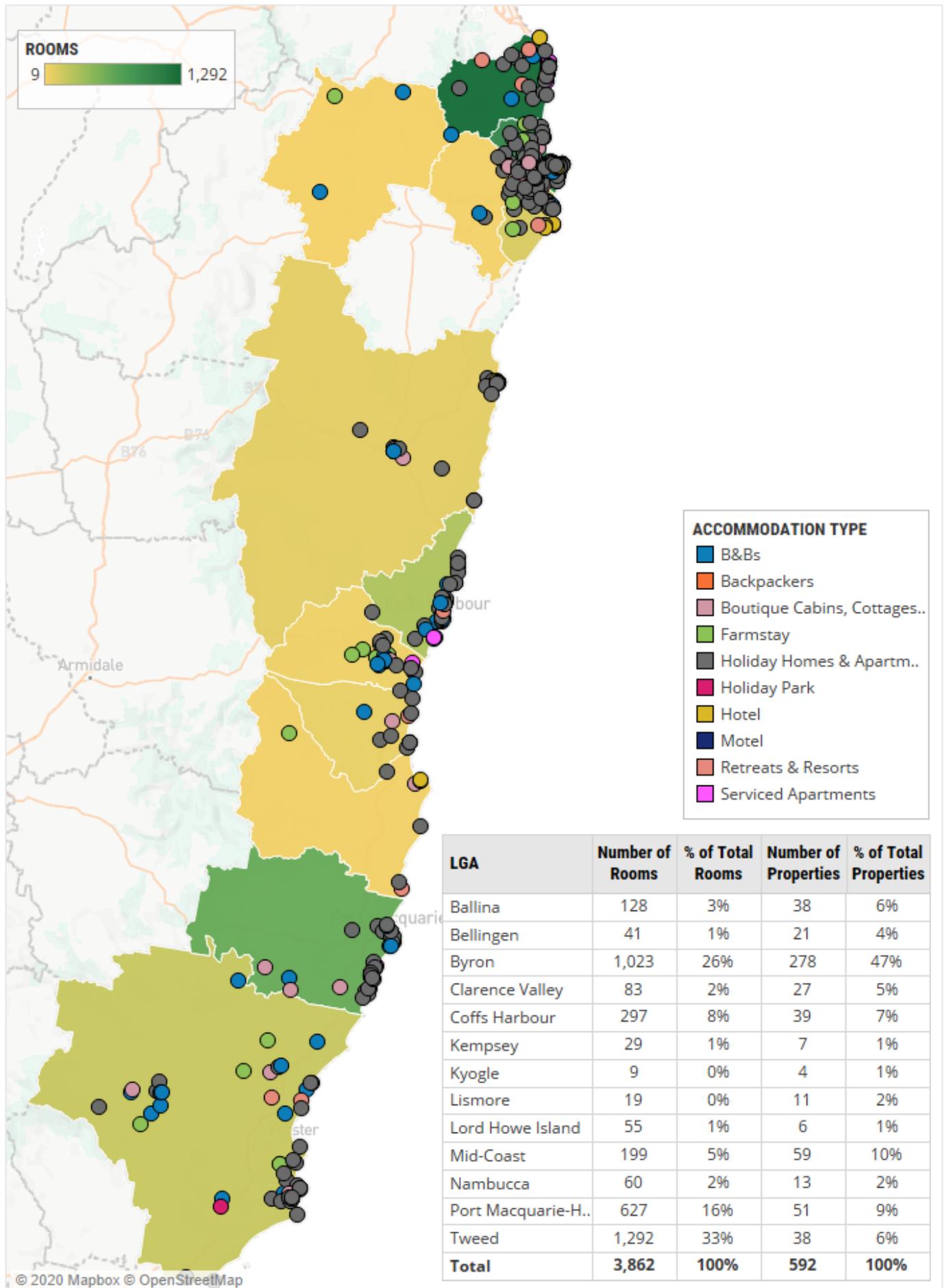


Figure 45: Branded & Unbranded Accommodation Product and Room Numbers with Higher-Quality Rating

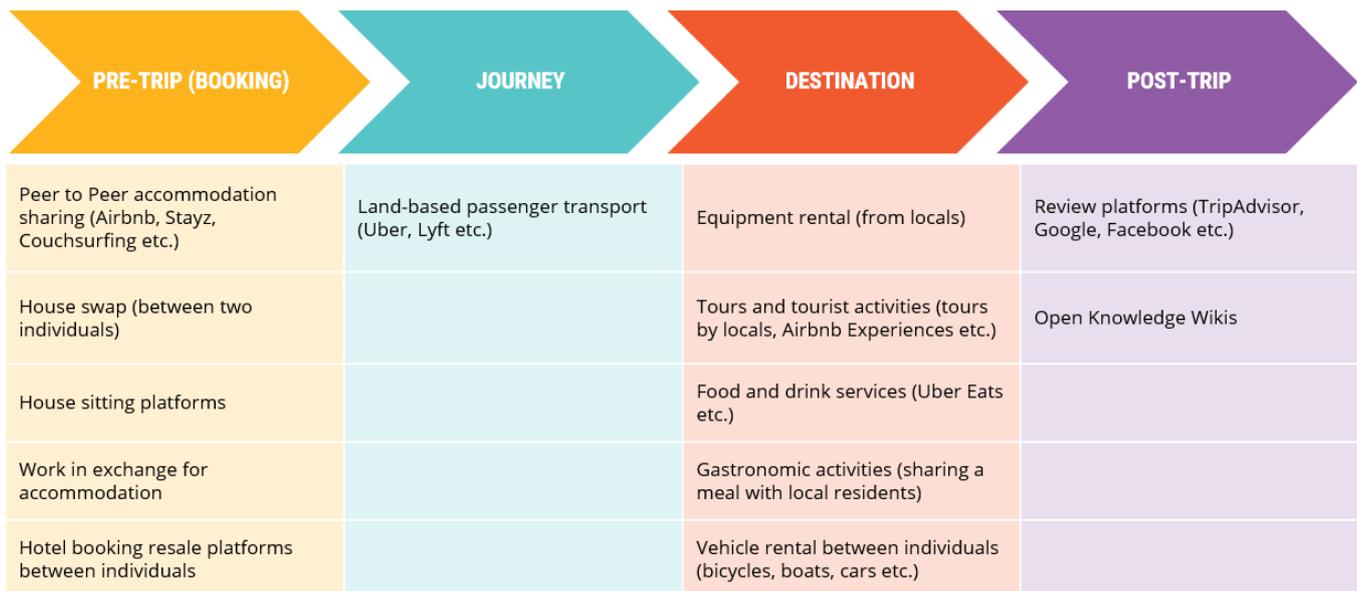


### 3.4. Sharing Economy Implications

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.

Figure 46 provides a summary of how the sharing economy is disrupting the tourism sector throughout all stages of the travel cycle.

**Figure 46: Sharing economy impact on each stage of the travel cycle**



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.

To assess the detailed impact of the sharing economy on the North Coast would require an additional piece of work to be undertaken. However, observations can be made utilising the data gathered for this project.

Airbnb and Stayz etc. (two of the more popular share economy accommodation platforms) guard their data carefully and to obtain any of this is at a significant cost.

The accommodation audit completed for this project, however, included the category of 'Holiday Homes and Apartments'. The vast majority of properties listed within this category are those which are considered to be part of the sharing economy (while noting that some properties are listed on multiple platforms -

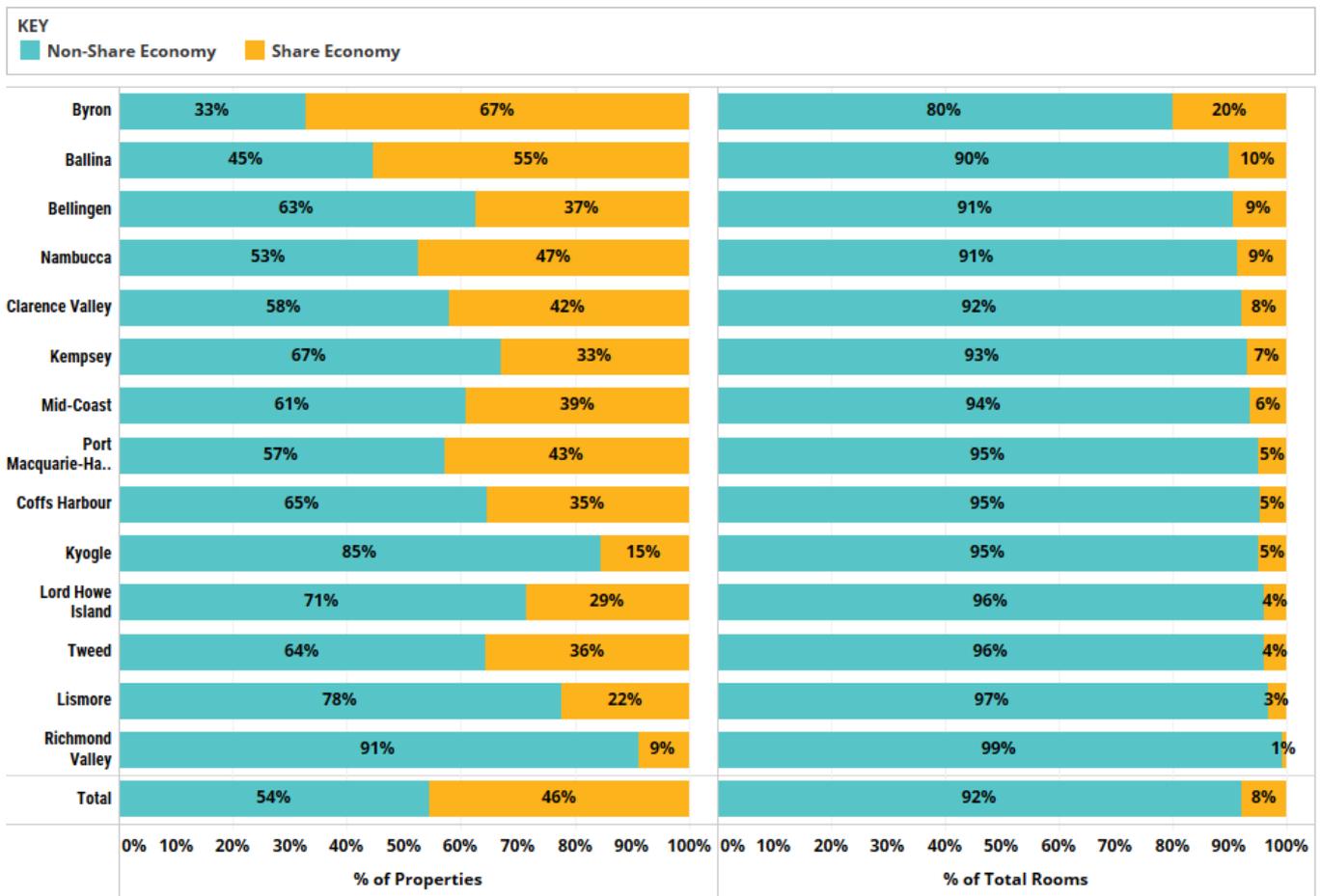
including Airbnb, Expedia, Booking.com etc. - so there may be some discrepancy).

The data is summarised in Figure 47 and demonstrates the following.

- In total, 46% of the region's properties are estimated to be part of the sharing economy, while 54% are considered to comprise more traditional forms of accommodation stock. However, only 8% of the region's room stock is supplied through share economy properties. This is an important finding as it demonstrates the importance of the commercial accommodation sector in supplying the vast bulk of room supply (92%) for the region.
- Not unsurprisingly, Byron Shire has the greatest level of share economy properties, accounting for 67% of all properties and 20% of all room stock (which is more than double the next closest being Ballina with 10% of room stock being share economy stock).
- While Tweed's accommodation sector is one of the largest in the region, the majority of room stock is considered commercial stock, accounting for 96% of all room stock.

- Richmond Valley and Lismore have the smallest level of share economy room stock, accounting for just 1% and 3% of room stock in each LGA respectively.
- Although these share economy 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 benefit is low.

Figure 47: Share Economy Accommodation vs Traditional Commercial Accommodation





## 4. VISITOR FEEDBACK

### 4.1. Methodology

Stafford has utilised a variety of different 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.

Because visitors do not recognise local government boundaries, review websites are based on destinations, rather than Council areas. The visitor feedback assessment has therefore been focused on the major hubs within the region, which are indicated in Figure 1 on page 3.

### 4.2. Accommodation

Figure 48 summarises the top two reviewed accommodation providers as indicated on Booking.com for each hub.

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 49 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 48: Booking.com Top Reviewed properties

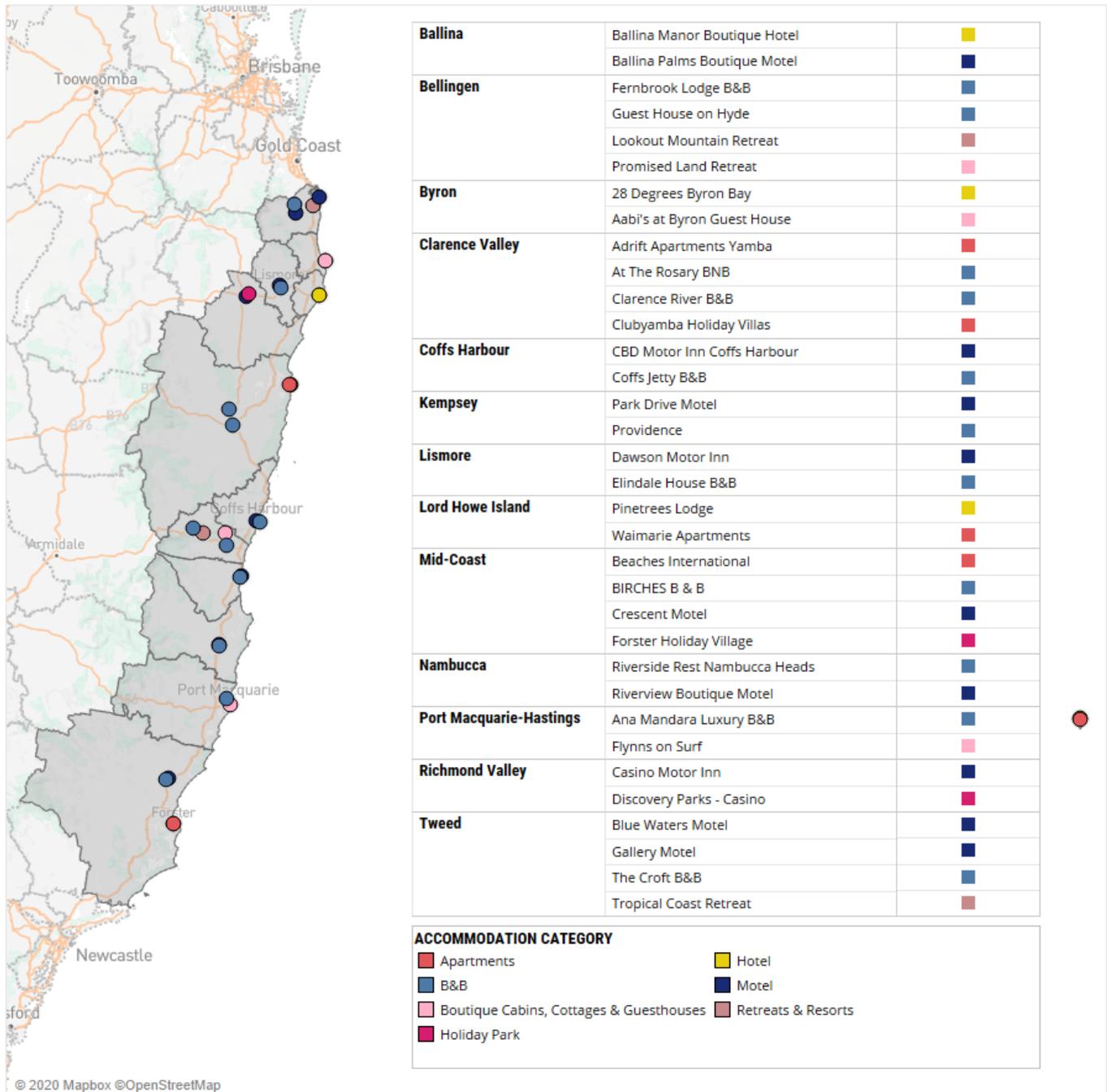
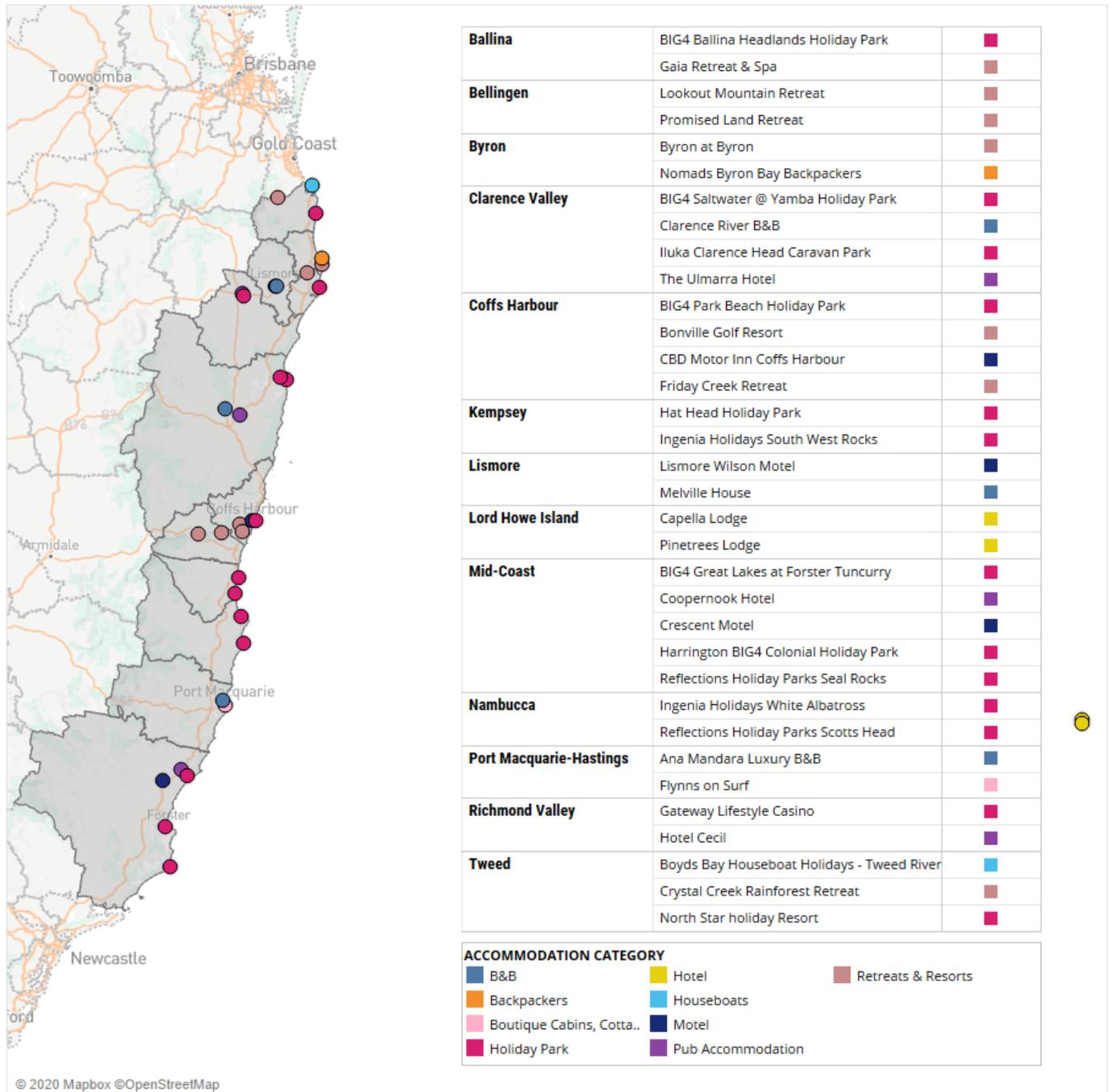


Figure 49: Google Travel Top Reviewed properties

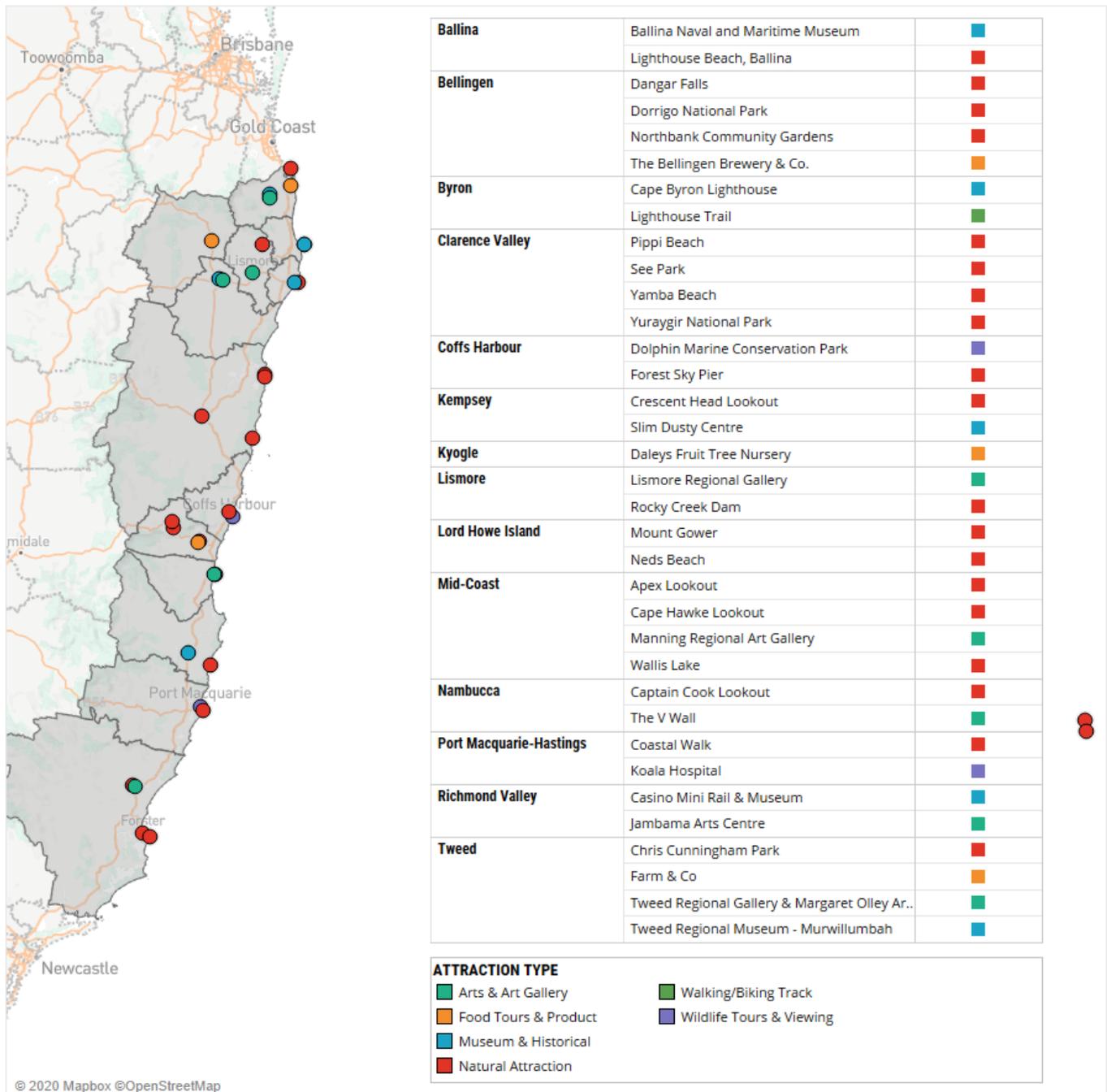


### 4.3. Things to Do

Figure 50 summarises the Top Attractions as listed at TripAdvisor for each hub. Out of the 35 attractions listed, the vast majority (19) are classified as natural attractions, with many being beaches and national park/park areas. Most of these products or experiences are free and non-commissionable.

Figure 51 which follows summarises the Top Attractions as listed at Google Travel for each hub. Similar to the TripAdvisor rankings, out of the 33 attractions listed<sup>25</sup>, the majority (17) are classified as natural attractions, with many being beaches and national park/park areas.

Figure 50: TripAdvisor Top Attractions



<sup>25</sup> There were a number of attractions listed which fell outside the boundaries of the LGAs included within the North Coast region. These have been removed hence why the number identified is smaller than those identified in the TripAdvisor listing.

Figure 51: Google Travel Top Things To Do

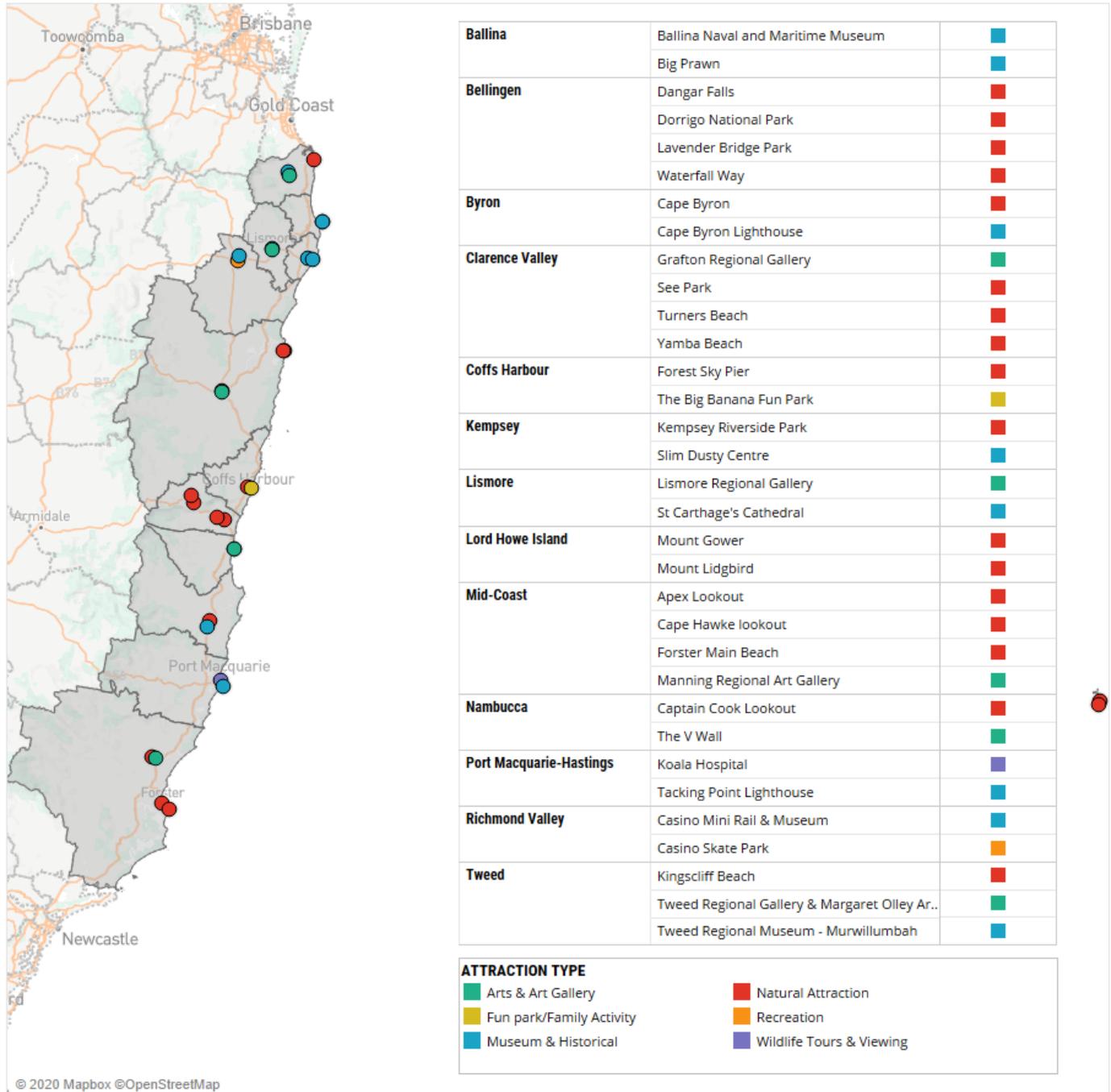


Figure 52 provides a summary of popular sites within the region. It is based on Sightsmap data and shows the places people like, based on the number of photos at each place in the region.

The dark areas have few photos, the red areas have more and the yellow areas have a large number of photos geotagged. The hottest places have markers linking photos, Streetview, Wikipedia, Wikivoyage, Foursquare and Google articles about the location. The place names are selected by the Wikipedia readership numbers and foursquare check-ins.

The data demonstrates that:

- there are a variety of popular sites scattered throughout the whole North Coast region;
- the top the three sites based on the data, however, are Cape Byron, Coffs Harbour and Port Macquarie; and
- the heat mapping shows that a far greater concentration of popular sites along the coastal areas of the region rather than inland.

**Figure 52: Sightsmap for the North Coast**



#### 4.4. Visitor Perceptions on Activities and Things to do in The North Coast

Figure 53 on the following page provides a summary of the results that have been derived from an extensive review of the TripAdvisor platform to ascertain visitor perceptions of areas, attractions and sites within the Destination North Coast region. Over 65k lines of online feedback were 'scraped' from TripAdvisor from this exercise. While TripAdvisor is but one social review platform available, it is the most extensively used and relied upon in the tourism industry.

As more and more visitors are using peer-to-peer travel review sites to provide feedback and comments on a wide mix of free and paid visitor experiences, it is possible to segment online feedback into various common phrases used and product categories and to then test the strength of various experiences and to offer comparisons between locations within the Destination North Coast region.

Figure 53 provides an indication of the most referred to activity elements (which deliberately excludes accommodation feedback) in visitor feedback across each of the LGAs in the region. What this highlights is:

- there are generally positive ratings for most categories of activity and this occurs across all LGAs;
- 'Orchards and Farms' receive the lowest average score across the region of 3.8, followed by Sea & River Sports & Activities (4.1); and
- 'Walking, Hiking & Biking Trails', 'Wineries & Vineyards', and 'Lookouts' receive the highest average score across the region (4.8) – two of these activity categories are predominantly free experiences.

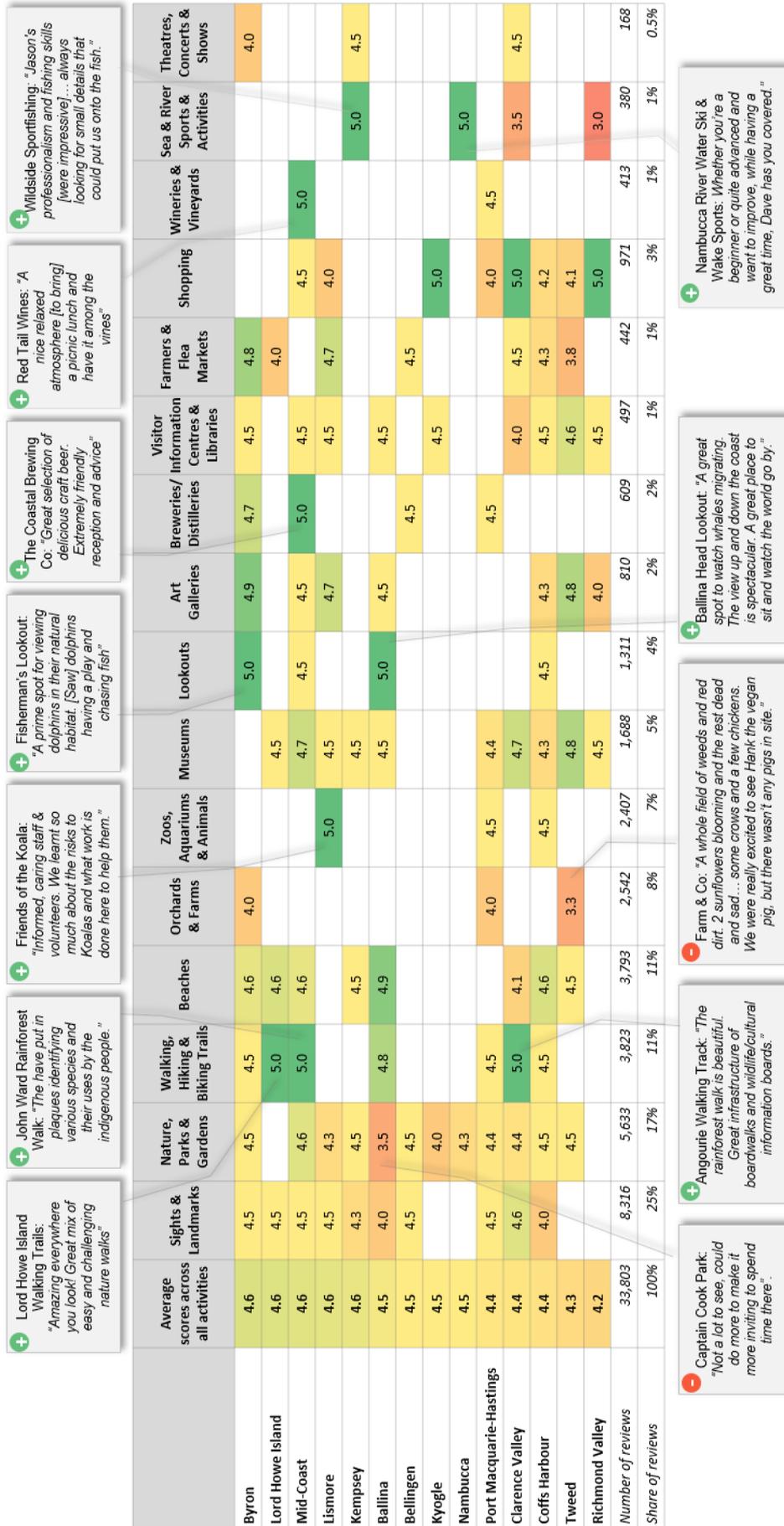
When reviewing the results, it is important to note that:

- not everyone is comfortable in offering online feedback, especially those over 55 who are less inclined to respond online unless they had an exceptionally good or bad experience; and
- the results combine visitor perceptions and those of locals. It would take a far greater amount of time to differentiate local perceptions from those of visitors from intrastate, interstate and overseas.

Figure 53: Analysis of visitor perceptions of activities & things to do in the North Coast

## Analysis of Activities & Things to Do in North Coast

Including example representative sentiment from customer reviews for some select activities



Source: TripAdvisor

Based on the data 'scraped' from TripAdvisor, feedback has been categorised into broad negative and positive feedback categories. Word clouds have been developed based on those words which occur most regularly (excluding common words<sup>26</sup>) based on negative and positive reviews (see Figure 54 and Figure 55).

- Many of the negative words with high frequencies of mention relate to pricing (particularly for F&B), service standards and the quality (particularly with respect to the age) of product.
- Many of the positive words with high frequencies of mention relate to wildlife, native animals, picnic and BBQ areas and the beauty of natural areas.

Figure 54: Word cloud from negative reviews



Figure 55: Word cloud from positive reviews



<sup>26</sup> Such as "the", "and", "there" etc.



# 5. GAP ANALYSIS

## 5.1. Methodology

The following 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.

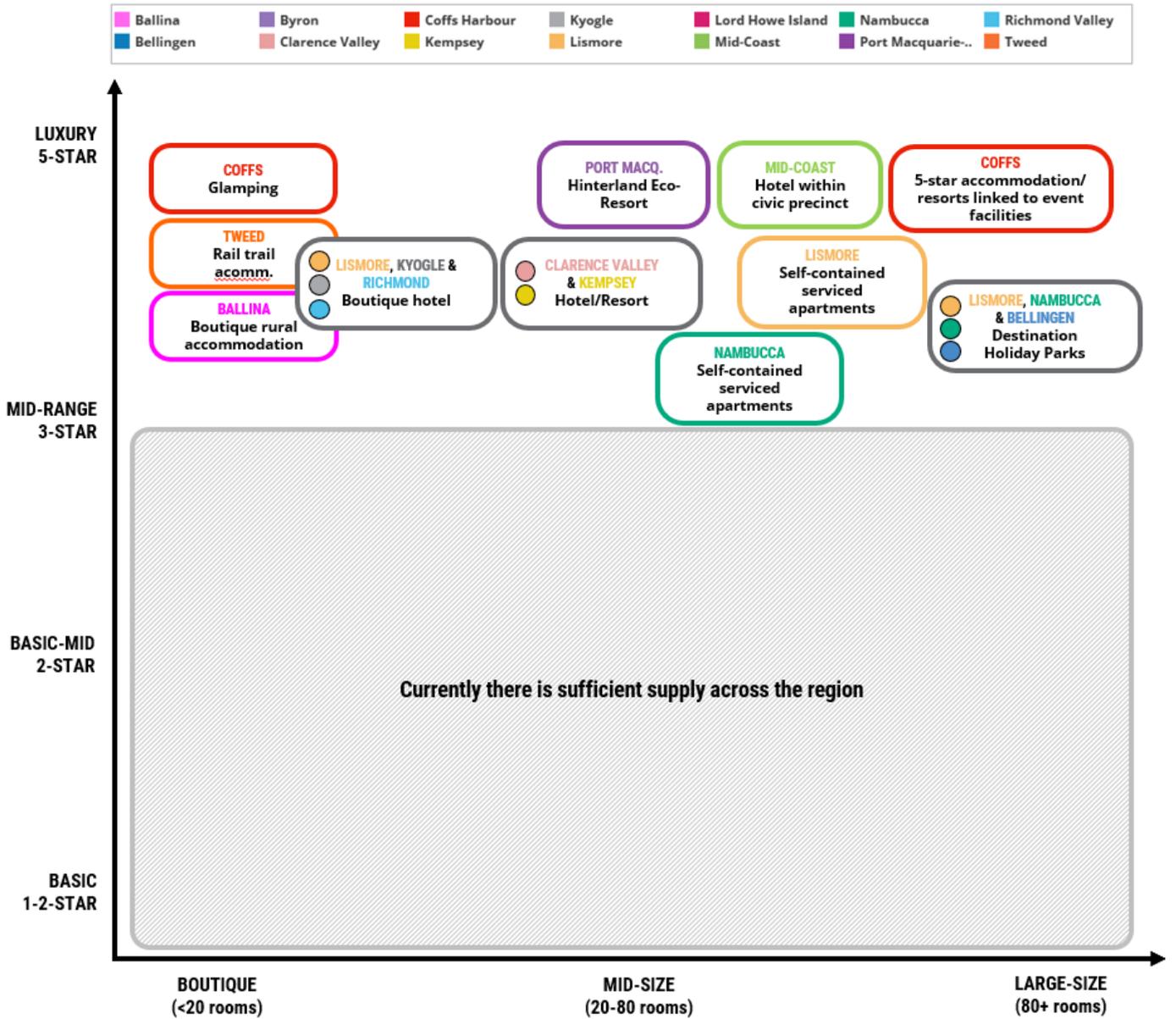
## 5.2. Accommodation

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 nature. 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 high-quality properties, including hotels, resorts and more boutique-style accommodation.

Figure 56 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 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 other attractions including accommodation options in Tweed; and
- agri-tourism product development in Ballina hinterland.

Figure 56: Accommodation Gap Analysis



### 5.3. Attractions & Experiences

Figure 57 provides a gap assessment of the attractions/experiences sector in the region.

As identified in the product audit, the region currently has a plethora of free product including (but not limited to) walking trails, mountain biking trails, natural sites (such as beaches and lookouts) and cultural/arts-based product, there is limited:

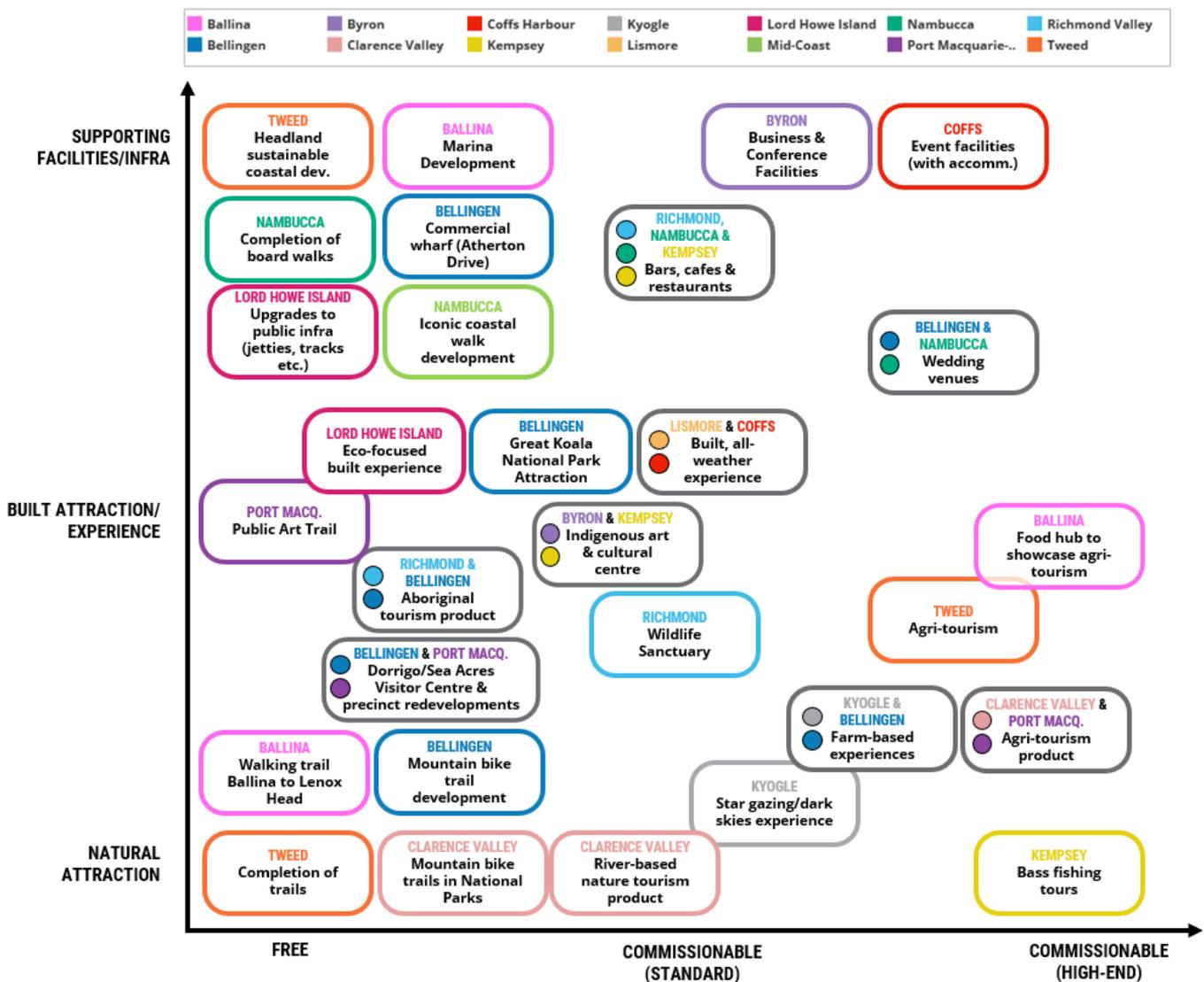
- commissionable (pay-for) product;
- all-weather tourism product and experiences;
- attractions which are focused primarily on families and children;
- evening-based experiences to encourage a longer length of visitor stay and to provide experiences which locals can enjoy;

- higher quality food and beverage offering, particularly in those destinations which are not currently major tourism hubs;
- aboriginal cultural product; and
- agri- and farm-based tourism product.

Nonetheless, Figure 57 demonstrates there are a plethora of attractions and experiences which could be developed throughout the North Coast to enhance the visitor experience, appeal to a broader visitor market and to increase visitor yield.

It is important to note that while some free product (i.e. non-paid product) has been included in the gap analysis, there is the potential/need to introduce commissionable experiences (such as guided tours and pop-ups) as part of these experiences.

Figure 57: Attractions & Experiences Gap Analysis



## 5.4. Gap analysis commentary

Table 7 provides a summary of the gaps identified and some of the factors contributing to these. These are based on the consultation undertaken with local councils. It indicates some similarity across several LGAs for product gaps and related priority projects. These 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 a rigid interpretation of these by planning staff tend to thwart many agri-tourism opportunities and associated economic and social benefit.
  - Many areas see a need for higher quality accommodation facilities (4-5 star) to encourage higher spending visitor markets and to broaden area appeal.
  - 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.
  - Some LGAs noted that they lacked better quality food and beverage outlets which impacted on their ability to position themselves as more attractive visitor destinations to a broader and higher spending visitor market, yet many had extensive agricultural production and food and beverage processing to support a retail experience.
- With respect to challenges, consistent messages included the following.
- There is often a lack of understanding in councils to the value and importance of the visitor economy and its importance in supporting a wide range of retail facilities and the suppliers of goods and services to these.
  - Town and statutory planners within some Councils often struggle with allowing tourism into zones due to lack of understanding of the potential for product such as agri-tourism etc. and a very rigid interpretation of planning rules and regulations.
  - Approximately half of the councils were noted as being pro sustainable forms of tourism development while others often struggled with development generally, which could be unhelpful to the needs of the tourism sector.
  - State Government agencies were often seen as the major blockage to supporting tourism development with a very rigid interpretation of legislation and a seemingly lack of desire to find ways to support eco and other forms of sustainable tourism development (the comment was also expressed by various stakeholders that compared to Victoria and Queensland, NSW was often seen as less supportive of tourism development generally and was seen to be less coordinated in its approach between State Government agencies).

**Table 7: Gap analysis commentary**

LGA	PRODUCT GAP	CHALLENGES IDENTIFIED	PUBLIC, PRIVATE OR COMBINED INVESTMENT PRIORITIES
Tweed	Distillery (agri-food link), low impact eco-resort in Hinterland, completion of rail-trail and hinterland trails, headland sustainable coastal development	High development contribution charges, long DA approval process, pre-approval process not supported by NSW State Govt, LEP rules do not allow for agri-tourism in agriculturally zoned land, State Govt agencies reluctance to support rail-trail development requirements, lack of sufficient understanding of value and importance of the visitor economy in State Govt and council planning teams,	Rail trail, Hinterland trails, glamping experiences, higher quality small-scaled headland area tourism development
Byron	Business and conference facilities, indigenous art and cultural centre,	Community social licence issue leads to anti-development focus, sustainability concerns with peak season visitation levels, wanting to restrict further tourism development, traffic congestion and parking issues major concerns	Aboriginal art and cultural centre, volunteer tourism, rail trail to reduce vehicle flows,
Ballina	Marina development, walking trails (Ballina to Lennox Head), arts and	LEP preventing agri-tourism on rural properties, funding sources limited, population demographic skewed toward retirees not	Indigenous cultural interpretation

LGA	PRODUCT GAP	CHALLENGES IDENTIFIED	PUBLIC, PRIVATE OR COMBINED INVESTMENT PRIORITIES
	cultural precinct, food hub (agri-tourism)	wanting to support new business development, no flexibility for changing land zoning, sewage treatment costs too high, development control issues, access restrictions, water security issues	sites/centre, INXS built attraction centre,
Lismore	Built attractions, 4-5-star accommodation options, self-contained accommodation, destination holiday park,	Limited support of tourism development, amount of regulation and red tape noted as restrictive, no support for fast-tracking projects or pre-approvals, road maintenance issues	4-5-star eco higher-end resort
Kyogle	Limited accommodation capacity, limited higher-end accommodation, farm-based experiences,	Many roads unsealed, cannot use hire cars, access problems for farm and nature-based tourism, limited State Govt /council coordination for tourism development	Stargazing/dark sky sanctuary
Richmond	Higher quality 4-5-star accommodation, limited bars, cafes and restaurants, wildlife sanctuary, Aboriginal tourism product,	Need to negotiate with Native Title holders, council approach noted as pro sustainable tourism development, lack of investment funding a hindrance,	Destination holiday park, 4-star resort, food and beverage outlets
Bellingen	Lack of activation of eco-tourism in Nat Parks or state reserves (54% of LGA), the commercial wharf at Atherton Drive, tourism development on farms, Indigenous tourism, lack of signage and wayfinding, lack of mountain bike trails, outdoor wedding venues,	The coastal region and flood-ways exclude foreshore development, zoning issues on agricultural land, lack of understanding of tourism as a sector, planning process and red tape restricts interest, very rigid interpretation of zones and guidelines, lack of sufficient funding for tourism from Council, inadequate State Govt funding for NPWS and Crown Lands restricts opportunities	Great Koala Nat Park attraction, destination holiday park
Clarence Valley	Higher-end accommodation in Grafton, developing river-based nature tourism product, agri-tourism attractions, mountain biking within national parks,	Funding for private development, Council don't own land to lease for development, low awareness and positioning as a tourism hub, bush fire impacts	4-star accommodation for Grafton, new brewery or similar food-beverage based agri-tourism attraction
Coffs Harbour	Event-based facilities linked to accommodation, indigenous experiences, glamping, resort expansion, national park redevelopment at Dorrigo, NPWS rebuild of burnt-out facilities, no 5-star accommodation, limited built attractions,	State Govt legislation is seen as restrictive, workforce availability, lack of available land for development, waste management issues, Waterfall Way often closed for maintenance repair work	4- 5-star accommodation, expanding Sealy Point attractions cluster, Jetty Foreshore development activation
Nambucca	Wedding venues, serviced apartments, completion of boardwalks, limited quality dining options, destination holiday parks	Low land/property valuations due to low socio-economic profile, hard to attract investment, Council supportive of tourism development but don't own land, limited mobile phone coverage, caravan parks cater to many permanent residents,	4-star Serviced apartments
Kempsey	4-5-star accommodation, higher-end dining experiences, high-end cottages and self-contained accommodation, cannot attract conference market as no larger quality accommodation, cultural centre, Indigenous cultural centre, bass fishing product tours etc.	Sewer facilities issue, investment funding, lower spend visitors, stuck with family drive market, limited investor interest, Council supportive of new tourism development, planners often more hesitant.	5 Headland Track project

LGA	PRODUCT GAP	CHALLENGES IDENTIFIED	PUBLIC, PRIVATE OR COMBINED INVESTMENT PRIORITIES
Port Macquarie - Hastings	Agri-tourism ventures, hinterland specific activations limited, eco-resort, eco attraction experiences, public art trail, Nat Park development activation at Sea Acres, State Forest land easier to activate for tourism	LEP limits hinterland agri-tourism potential, the legacy of the Glasshouse, development and planning processes lack sufficient coordination, town planning limitations, NPWS restrictions and lack of funding, roading congestion issue, the council does not own land, limited flights and high costs, Council is supportive of tourism development	Hinterland eco-resort, upgrades to the coastal walkway
Mid Coast	Glamping operations, upgrades to Manning Art Gallery, Manning Valley produce precinct, Gloucester visitor hub (natural adventure), cultural tourism projects, 4-5 star hotel gap,	S.94 contribution levels very high, lack of event approvals, NPWS lack of resourcing, old infrastructure (caravan park water pipes etc.), limited signage, inflexible standard LEP limits tourism development, Council does not own land	Iconic coastal walk and aquatic trails, 4-5 star accommodation in Forster
Lord Howe Island	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	Managed by a Board with governing legislation which is very restrictive on development potential (400 historic commercial bed limit on the Island), cost of bringing goods and services to the Island is high, limited access and capacity	Upgrades to public infrastructure (walkways, tracks, jetties), all-weather immersive eco visitor experience linked to the existing museum

## 5.5. Infrastructure Requirements

Feedback from the councils across the North Coast region generally indicated that supporting infrastructure was in place and more often of good quality, to assist with tourism development. 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 up 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 supportive of allowing tourism ventures to be established on their land.



## 6. BENCHMARKING

### 6.1. Comparative Factors

An important consideration in determining what success looks like for coastal and hinterland regions is finding comparable areas to benchmark against.

To complete this benchmarking assessment, several coastal areas with attractive hinterlands have been assessed to allow for useful comparative analysis and to help determine a benchmarking criteria for the North Coast overall. For the North Coast, key variables which are considered important factors to benchmark against include the:

- quality of beaches;
- culture and natural landmarks;
- climate;
- civic amenities and supporting infrastructure;
- natural beauty including headlands, natural features, forested areas;
- retail facilities and commercial services and amenities;
- traffic management and lack of congestion;
- public transport services;
- air access;
- range of accommodation facilities;
- range of built attractions;
- environmental sustainability and quality; and
- quality of the urban environment.



### 6.2. Comparative Locations

When considering comparable locations to benchmark against, the following destinations have been assessed:

- the NSW South Coast from Nowra to Eden;
- the NSW Central Coast from Wyong to Port Stephens;
- the Gold Coast from Surfers Paradise northward to Logan;
- the Sunshine Coast and Noosa;
- Fraser Coast to Bundaberg;
- Rockhampton to Mackay and the Whitsundays;
- Bowen to Townsville and Cairns/Port Douglas;
- the Great Ocean Road from Torquay to Lorne, Apollo Bay and on to Port Campbell and the South Australian border; and
- Perth to the Margaret River via Busselton.

Table 8 reflects an assessment of these various coastal areas provided as comparators. It demonstrates that ultimately the closest comparators for the North Coast are seen to be the Sunshine Coast and Noosa.



Table 8: Comparative destination findings

Destination	Visitor markets	Built attributes	Physical attributes	Major strengths	Major weaknesses	Future position and brand
NSW South Coast	Sydneysiders, Canberra, Intrastate dominates	Minimal	Beaches, bays, inlets and hinterland	The natural environment, Hyams Beach	Road infra, minimal market appeal, bush fire impacts	Traditional local holiday market
NSW Central Coast	dormitory suburb for Sydney	minimal	Beaches, inlets, rail services	Close to Sydney	Poor urban design,	Urban catchment for Sydney
Gold Coast	International (Asian markets, NZ) and domestic (interstate)	Theme parks, extensive high-rise apartments, casino	Beaches and hinterland	Facilities and amenities, nightlife	Overdevelopment, quality of urban spaces	International and domestic holiday and conference destination
Sunshine Coast/Noosa	Domestic interstate and international (especially NZ)	Noosa controlled development,	Nat parks, beaches, hinterland	Noosa as a well-designed coastal node	Much is coastal sprawl, poor planning except Noosa	Noosa as a driver of higher spend visitors; strong international brand recognition
Fraser Coast/Bundaberg	Domestic intrastate market	minimal	Beaches, Fraser Island	The appeal of Fraser Island, Bundy Rum association	Overdevelopment, poor planning,	Coastal towns serving agri-hinterland as service centres
Rockhampton/Mackay/Whitsundays	Intrastate market except for Whitsundays with strong interstate and international backpacker hub	Whitsunday major marinas	Islands in Whitsundays	Boating, diving Whitsundays, airport capacity	Most are major service centres on the coast to support resource sector inland	Whitsundays has international brand cache only
Bowen/Townsville/Cairns/Port Douglas	Intrastate market except for Cairns/Port Douglas which is interstate with some international	Cairns tourism infrastructure	Great Barrier Reef, Cairns hinterland	Port Douglas urban design	Most are coastal service centres, average planning	Port Douglas and Cairns gateway to GBR
Great Ocean Road, Torquay/Lorne/Port Campbell	Intrastate market dominates, ex Melbourne	Lorne urban appeal	Hinterland national parks, 12 Apostles	Road infra, vistas as a drive experience	Limited accommodation options, 2-3 star, towns struggling	Development of shipwreck coast brand
Perth/Margaret River	Interstate to Perth and Margaret River, some international	Margaret River design style, beaches	Coastal drive, some history	Road infra, proximity to Perth, air access	Few built attractions, total dominance of wine, limited agritourism mix	Wine brands will dominant

Points to note regarding the comparative findings include the following.

- Noosa especially has managed to continue to attract a very strong interstate visitor market of higher spending 35-70-year-olds from Melbourne and Sydney especially, as well as a regular repeat international visitor market from NZ and to a lesser extent other inbound generating markets.
- The urban design of Noosa matches the needs and look and feel of what a Melbourne and Sydney higher spend market prefers, noting that Noosa was initially designed in the late 1970s/early 80's with input from various Melbourne developers. Greater emphasis was placed on developing a high-quality streetscape, to actively encourage more people to use the public realm outdoors for dining, walking etc. and to avoid the larger inward focussed shopping centres and malls which dominant in many other coastal locations.
- While Byron is the quintessential home of the backpacker holiday hub, Noosa is the same for the affluent higher spend visitor market.
- Noosa has high environmental standards and Noosa is also part of a biosphere, reflecting its community's strong eco aspirations.
- The Sunshine Coast hinterland is a strong agri-tourism region with several food trails and agricultural-based attractions. What it has developed into and created reflects the outcomes which many North Coast councils aspire to for their hinterland areas.
- Noosa has attracted a range of 3-4-star branded properties, nearly all of which are low rise developments which is a theme throughout the LGA.
- The Sunshine Coast and Noosa are "stay and stop" destinations, rather than merely locations on a drive-through road trip further north. This point was noted by many North Coast councils who wanted to break the image that they were predominantly just hubs for a family drive market heading to Queensland and/or the Northern Rivers region.
- As major destination nodes, the Sunshine Coast and Noosa have a range of built and natural visitor attractions along with an abundance of 3-4 plus star accommodation. There is, therefore, more compelling reasons to want to stop and stay in these locations
- Both Noosa and the Sunshine Coast have aimed to achieve a balance of keeping a development pipeline available for only quality and eco-sustainable developments, while maintaining their community ethos for high environmental standards and sustainability protection. Noosa has a biosphere and the Sunshine Coast is actively pursuing one.

Figure 58 on the following page provides aerial imagery of parts of the Sunshine Coast and Noosa. They demonstrate a preference to consolidate development into tighter nodes where-ever possible and to try and reduce the urban sprawl of earlier planning decisions, especially on the Sunshine Coast. The major difference between the Sunshine Coast LGA and Noosa LGA is that the Sunshine Coast is planning for strong population growth from now out to 2040 while Noosa is only prepared for very low population growth and wants to avoid medium to high rise development.

Both Noosa and Sunshine Coast LGAs have a strong emphasis on protecting and enhancing their natural environments (but Sunshine Coast have set aside areas for population growth and associated urban expansion while Noosa has not).

Figure 58: Sunshine Coast and Noosa aerals



### 6.3. Branded Properties Sunshine Coast and Noosa

From an international brand positioning perspective, Table 9 lists the branded properties within the Sunshine Coast and Table 10 lists those within Noosa. In total:

- the Sunshine Coast has 26 higher-quality branded properties (note this excludes smaller motel chains etc.);
- Noosa (which is geographically a much smaller destination) has seven higher-quality branded properties; and
- the North Coast has 12 4.5-5-star branded higher-quality properties (see Section 3.3.5) and 70 medium-higher quality branded properties.

Considering the different geographical sizes of the areas being assessed, it is useful to break these numbers down on a per square kilometre basis. The North Coast covers a far larger area with 14 LGAs (135,298 km<sup>2</sup>), compared with the Sunshine Coast (2,254km<sup>2</sup>) and Noosa (870km<sup>2</sup>). As a ratio:

- the North Coast has one medium-higher quality branded property per 1,993km<sup>2</sup>;
- the Sunshine Coast has one per 87km<sup>2</sup>; and
- and Noosa has one per 97km<sup>2</sup>.

Both the Sunshine Coast and the North Coast have many predominantly 3-star branded commercial accommodation properties. Few of the branded properties are higher-quality, international brands (most are Australian brands).

Interestingly, Noosa has managed to secure higher quality star rated branded properties than the Sunshine Coast which in turn, supports the higher-yielding visitor markets which Noosa is able to attract. Therefore, 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. There are, nonetheless, small pockets in many LGAs on the North Coast where these higher-yielding visitors congregate, but insufficient numbers to activate private

investment. This challenge, unfortunately, 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 the property to a good standard, especially for older properties which often require much more extensive refurbishment to bring them up to a current market standard.

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 dated and require considerable refurbishment.

**Table 9: Sunshine Coast Branded Accommodation**

Properties	International Brand Rating
Best Western Caboolture Central Motor Inn	3
Best Western Caboolture Gateway Motel	3
BIG4 Caloundra Holiday Park	3
BIG4 Maroochy River	3
Direct Hotels - Aquarius Kawana	3.5-4
Direct Hotels - Breeze on Brightwater	3.5-4
Direct Hotels - North Shore Kawana	3.5-4
Direct Hotels - Sea Breeze Mooloolaba	3.5-4
Direct Hotels Brisbane Road Mooloolaba	3.5-4
Mantra Mooloolaba Beach	3.5-4
Mantra Sirocco Mooloolaba	3.5-4
Mantra Zanzibar Mooloolaba	3.5-4
Mercure Sunshine Coast Kawana Waters	3.5-4
Meridian Caloundra	3
Meridian Alex Beach Apartments	3
Nautilus Mooloolaba	3-4
Novotel Sunshine Coast Resort	3-4
Novotel Twin Waters Resort, Maroochydhore	3-4
Ramada By Wyndham Marcoola Beach	4
Ramada Resort by Wyndham Golden Beach	4
Reflections Holiday Apartments	3
Spicers Clovelly Estate	4
Spicers Tamarind Retreat	4
The Sebel Maroochydhore	3.5-4
The Sebel Pelican Waters Golf Resort & Spa	3.5-4
The Sebel Twin Waters	3.5-4

**Table 10: Noosa Branded Accommodation**

Properties	International Brand Rating
BIG4 Ingenia Holidays Noosa	3
Mantra French Quarter Noosa	3
Nautilus Noosa Holiday Resort	3-4
Peppers Noosa Resort & Villas	4
RACV Noosa Resort	3-4
Sofitel Noosa Pacific Resort	4
The Sebel Noosa	3-4

## 6.4. Major Visitor Attractions

Table 11 and Table 12 provide a listing of the major attractions in the Sunshine Coast and Noosa LGAs. These should be read in conjunction with the audit completed for the North Coast in Section 3.2. The primary points to note include the following.

- The Sunshine Coast, which is much smaller geographically than the North Coast, appears to offer a greater proportion of built attractions.
- Many of the attractions in the Sunshine Coast are well-patronised by visitors to Noosa who travel 1-2 hours to visit these, and day visitors from Brisbane and South East Queensland who travel 1-3 hours to the Sunshine Coast.
- As identified in the product gap assessment, the challenge for the North Coast is the lack of all-weather, built visitor attractions and experiences to encourage longer length of visitor stay and higher visitor spend patterns.
- The Sunshine Coast has a wide range of both built visitor attractions and nature-based product (such as national parks and reserve areas for passive recreation). Product in the North Coast, on the other hand, is skewed towards non-commissionable, nature-based product.
- This is an important point to recognise as having quality natural outdoor areas is not enough on its own, to maintain and grow a higher yielding visitor market. It is also recognised that in all states and territories across Australia, national park agencies, crown land and forestry agencies are more often risk-averse to allowing any form of commissionable tourism development to occur. This often means that national parks and reserve areas become positioned as important biodiversity locations and nature-based destinations, offering an attractive visual landscape/backdrop to appeal to locals and visitors.
- By comparison, Noosa has few major attractions other than the natural ones listed below. This demonstrates that a higher-yielding visitor market is in less need of

major, built visitor attractions and if these exist in a neighbouring LGAs (such as the Sunshine Coast) they will visit these as and when required and particularly for family markets. But this doesn't obviate the need for higher quality accommodation options and associated quality food and beverage outlets.

- For Noosa, the market is more evenly split with couples of all ages, a higher-yielding family market and groups of same-sex friends. There is definitely "brag value" associated with a visit to Noosa and the boutique-scale product which is available supports this brand.
- The Noosa Farmers Market is also an important attraction/amenity for the local market primarily as it is the conduit to accessing many organic growers and a wide range of fresh produce. This also provides a base for the agri-tourism focus which higher-yielding visitor markets have a natural affinity with. There is a similar correlation with the agri-tourism focus of Tweed Heads LGA within the North Coast region.

**Table 11: Major Attractions - Sunshine Coast**

Name
Aqua Park Coolum
Aussie World Theme Park
Australia Zoo
Bellingham Maze
Big Kart Track
Caloundra Regional Art Gallery
Ginger Factory
Gowinta Farms - Strawberry Farm
Lazerzone
Montville Christmas Wonderland
Queensland Air Museum
Sea Life Sunshine Coast Aquarium
Seal Encounter
The Original Eumundi Markets
The Sunshine Castle at Bli Bli
The Sunshine Plantation "The Big Pineapple"
TreeTop Challenge
Underwater World
Whale One (and other whale watching operations)
Wildlife HQ (formerly Queensland Zoo)

**Table 12: Major Attractions - Noosa**

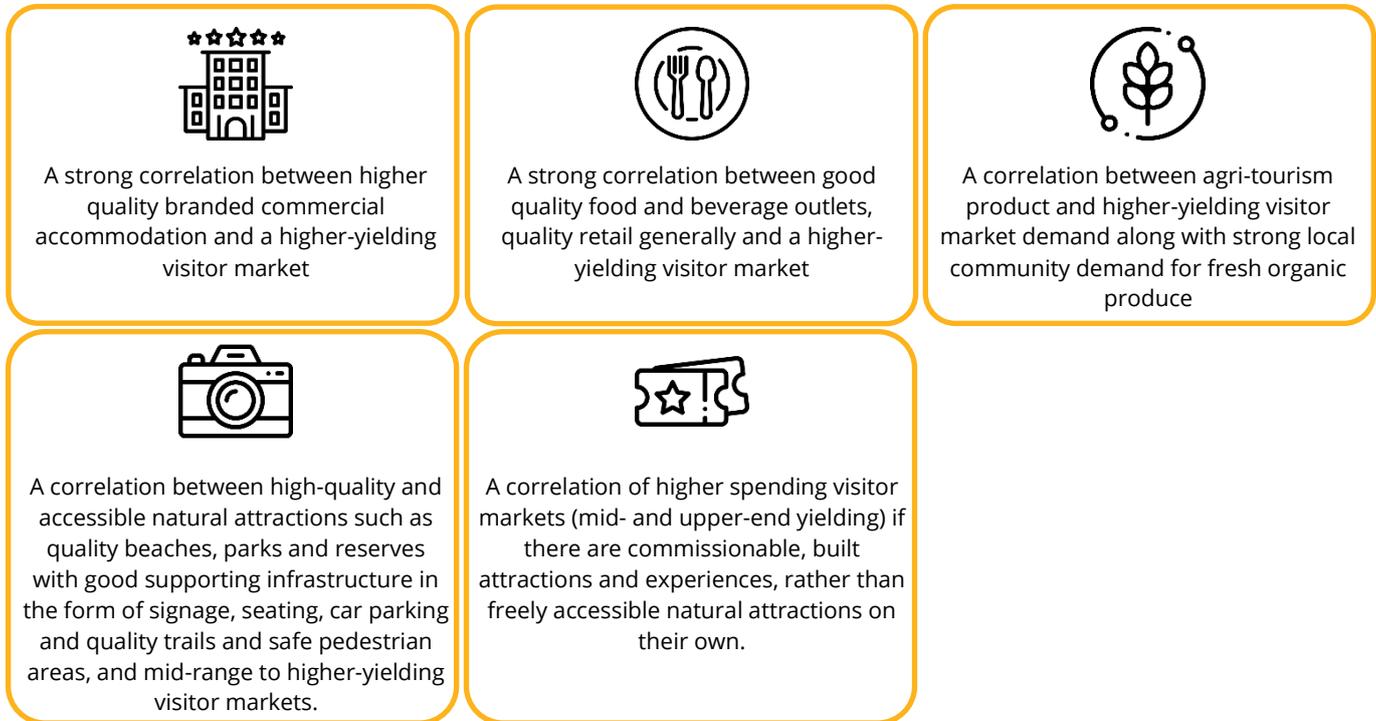
Name
Hastings Street
Noosa Farmers' Market
Noosa Main Beach
Noosa National Park

## 6.5. Attributes of Success

The key to this comparative analysis is the answer to “*what does success actually look like?*”

Applying the benchmarking results from the Sunshine Coast and Noosa, in particular, the following five (Figure 59) are considered the critical success factors for destinations.

**Figure 59: Destination critical success factors**



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

- a series of all-weather, built visitor attractions and experiences which are quality pay for commissionable experiences;
- a range of internationally rated 4-star branded commercial accommodation developments; and
- once these are activated, higher quality food and beverage services and amenities are likely to be encouraged to establish.

Although many North Coast LGAs have indicated their desire to develop and/or complete a range of coastal or hinterland trails, tracks and boardwalks as priority projects, these free (non-commissionable) experiences are unlikely on their own, to stimulate a higher-yielding visitor market which many LGAs aspire to attract, in order to grow and diversify their visitor economies. The possible exception to this would be a major visitor attraction with a nationally significant theme, if it could cut across various LGAs and can potentially link various walking trails, mountain biking tracks, horse trails and drive circuits and tours so stronger economic uplift could be generated from it, to the benefit of a number of local communities, councils and other partner agencies and entities.

