DESTINATION NORTH COAST

TOURISM RESEARCH PROJECT

July 2020

SUMMARY PAPER

AN ASSESSMENT OF THE NORTH COAST'S VISITOR ECONOMY

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FOR: DESTINATION NORTH COAST

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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[1] 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.

[1] 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

2. VISITATION TO THE REGION

2.1. Historic visitor demand

2.1.1. 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 14 LGAs within the region in 2019. It demonstrates the following.

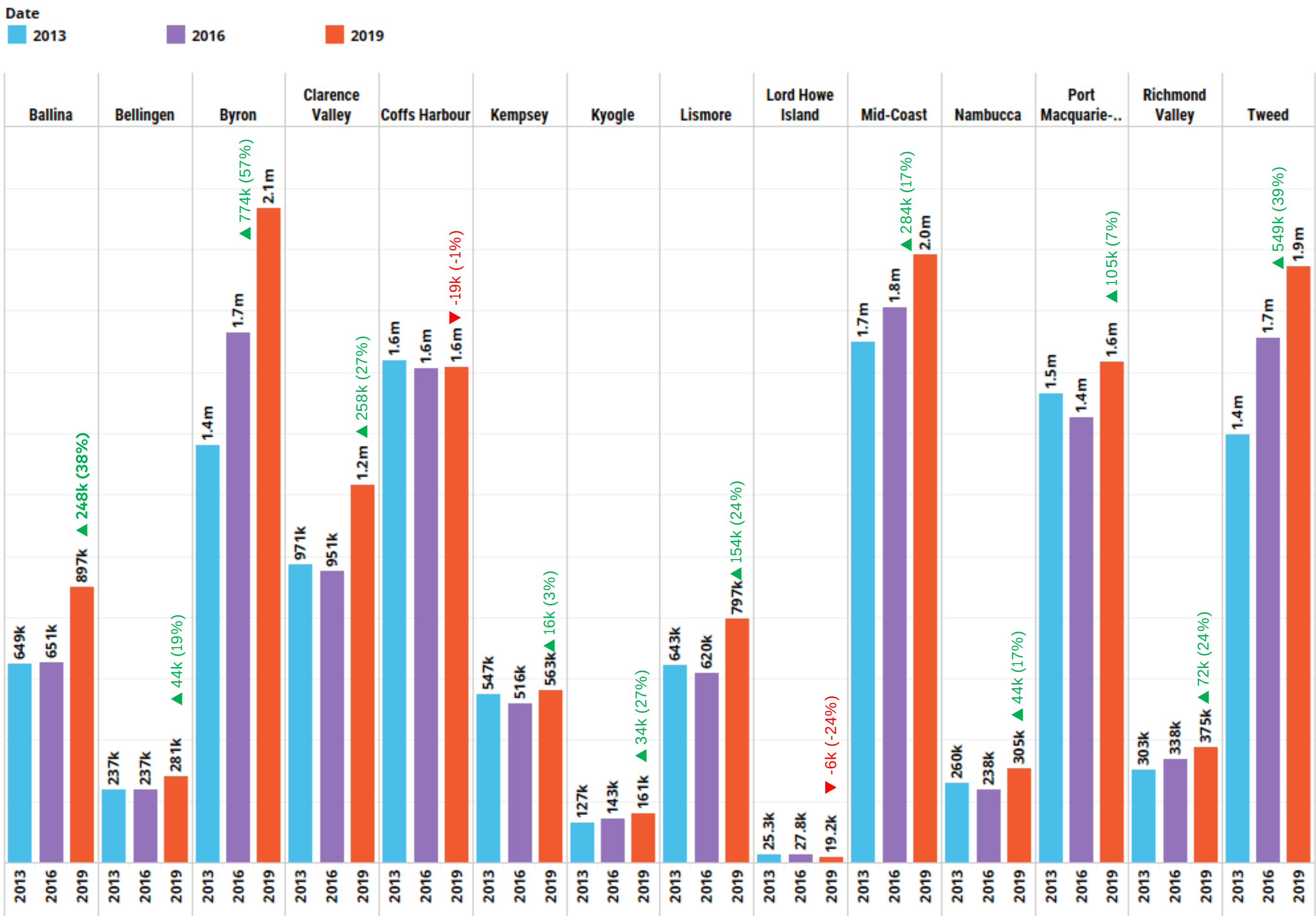
- Byron Shire, which has the internationally recognised "Byron" brand, received the largest number of visitors, comprising just over 15% of all visits to the North Coast region and equating to 2.1m visits.
- This was closely followed by Mid-Coast (14.2%) and Tweed (14%). Each of these LGAs include well-known 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.

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 2: Total Visitation by LGA - 2013, 2016 & 2019[2]



2.1.2. Total Visits by Visitor Type

Figure 3 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.

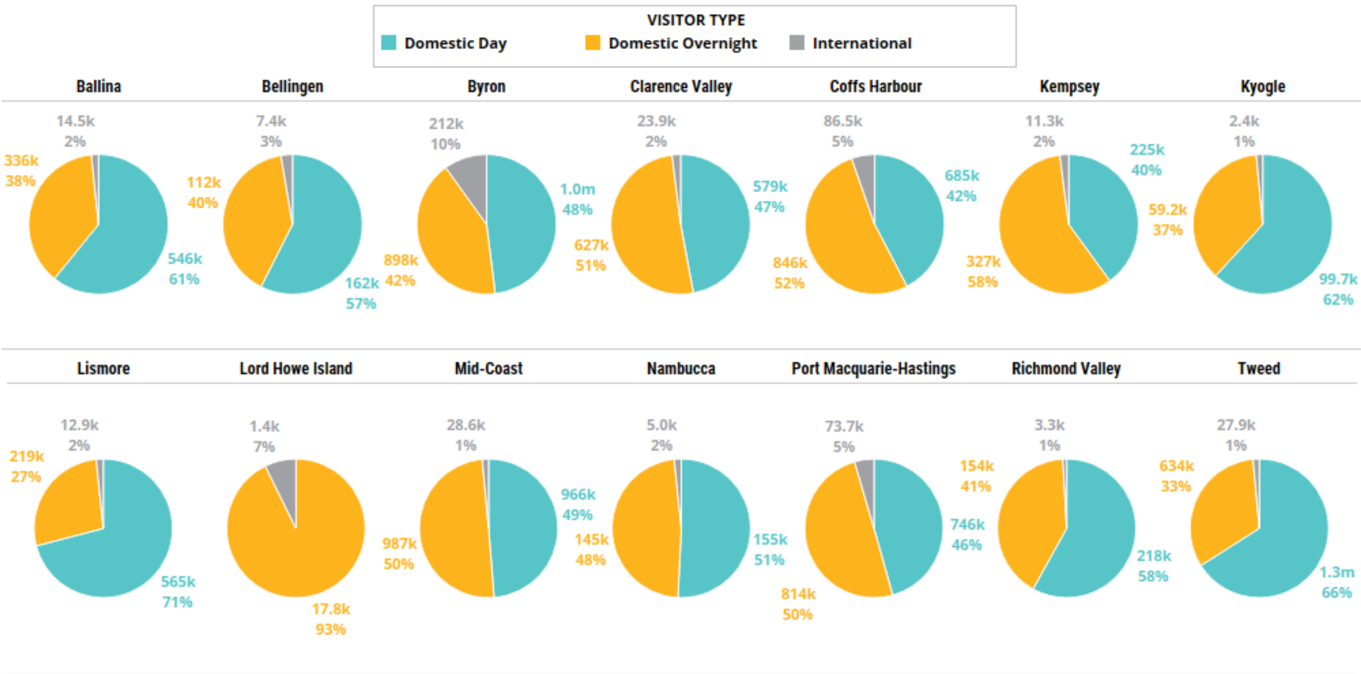
Observations include the following.

- 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.

[2] June YE data: IVS and NVS, Tourism Research Australia

- 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 3: Visitor Type by LGA - 2019[3]



[3] June YE data: IVS and NVS, Tourism Research Australia

2.1.3. Total Visits by Motivation

The North Coast is predominately a leisure-based travel destination (see Figure 4), 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%.

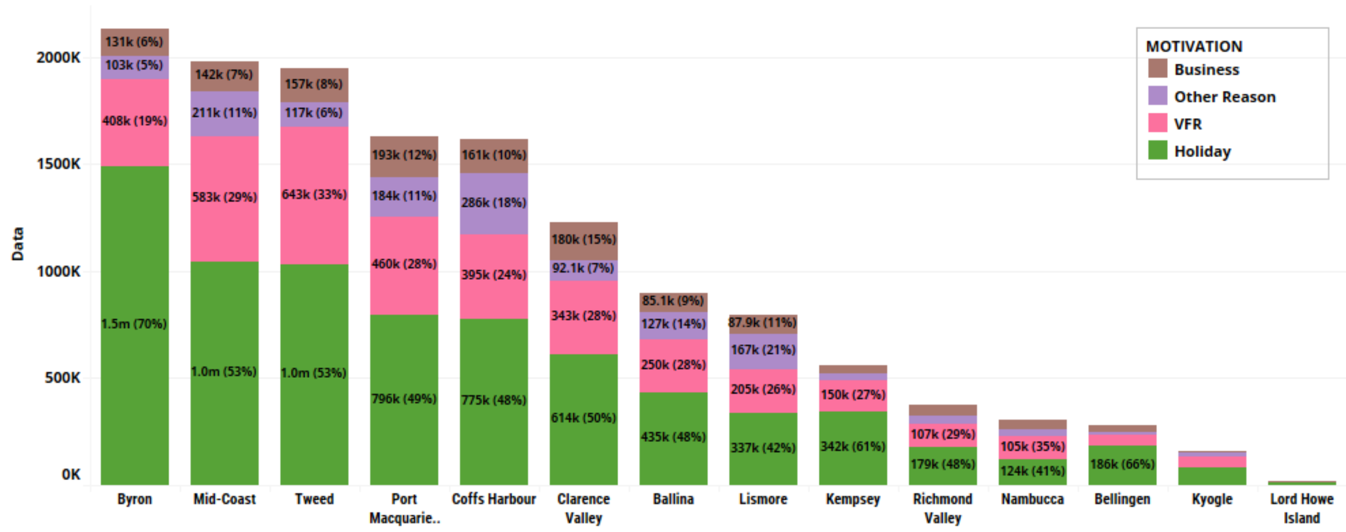
Port Macquarie-Hastings attracts the strongest business visitation, totalling 193k visits in 2019. As a proportion of total LGA visits, however, business visitation is strongest for Clarence Valley, comprising 15% of all visits to the LGA.

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 of 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 4: Total Visits by Motivation - 2019[4]



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%)

[4] June YE data: IVS and NVS, Tourism Research Australia

2.1.4. 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, 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 those from SE 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.

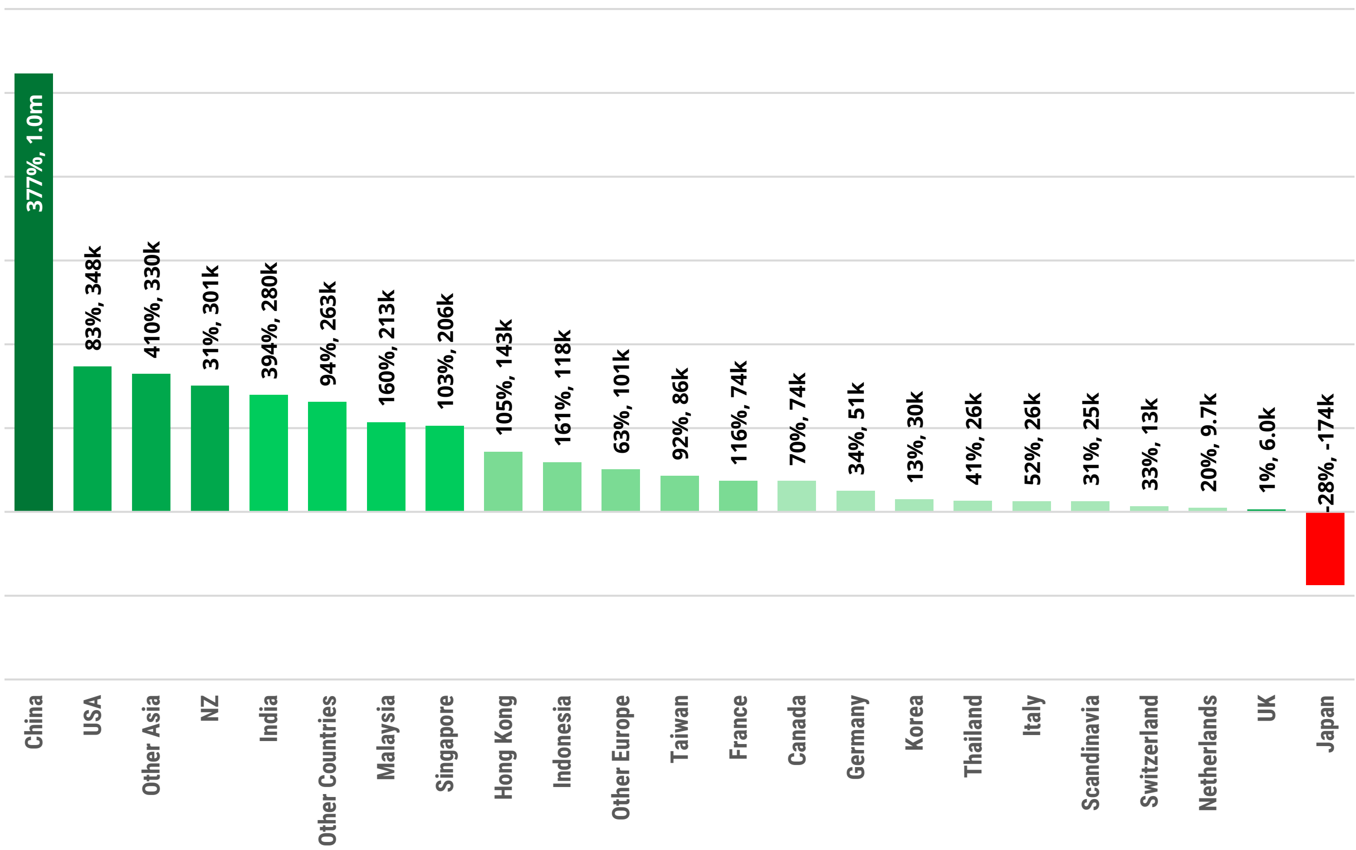
2.1.5. The change in visitor mix

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 5 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 five-fold, with an additional 280k visitors (total growth of 394%); and
- visitation by Hong Kong residents growing by 105% (an additional 143k).

Figure 5: Change in visitation to Australia by key inbound markets (2006 – 2019)[5]



[5] IVS, Tourism Research Australia

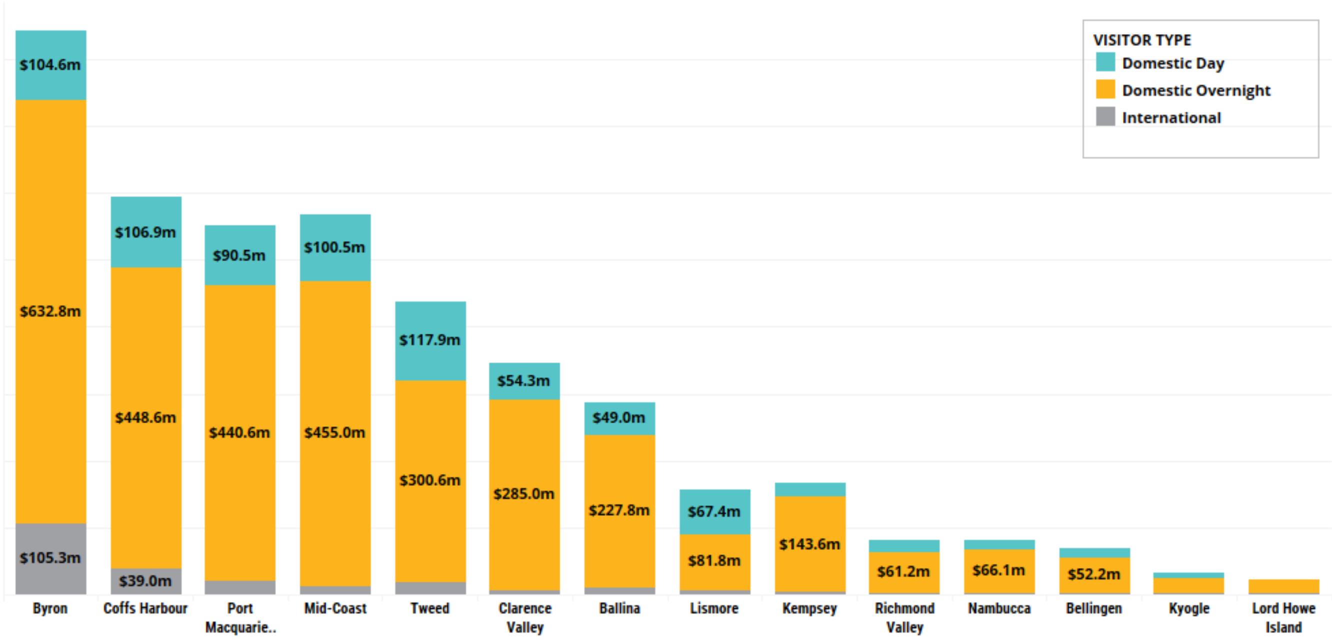
2.2. Historic visitor spend

Figure 6 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 secure a stronger share of visitor spend if possible to support growth in their visitor economies.

Figure 6: Estimated Visitor Spend by LGA – 2019[6]



LGA	Domestic Day	Domestic Overnight	International	Total
Byron	$104.6m - 12%	$632.8m - 75%	$105.3m - 12%	$842.7m - 100%
Coffs Harbour	$106.9m - 18%	$448.6m - 75%	$39.0m - 7%	$594.5m - 100%
Mid-Coast	$100.5m - 18%	$455.0m - 80%	$12.7m - 2%	$568.2m - 100%
Port Macquarie-Hastings	$90.5m - 16%	$440.6m - 80%	$20.4m - 4%	$551.6m - 100%
Tweed	$117.9m - 27%	$300.6m - 69%	$18.1m - 4%	$436.6m - 100%
Clarence Valley	$54.3m - 16%	$285.0m - 83%	$6.1m - 2%	$345.5m - 100%
Ballina	$49.0m - 17%	$227.8m - 80%	$9.7m - 3%	$286.6m - 100%
Kempsey	$21.1m - 13%	$143.6m - 86%	$3.1m - 2%	$167.8m - 100%
Lismore	$67.4m - 43%	$81.8m - 52%	$7.0m - 4%	$156.2m - 100%
Nambucca	$13.3m - 16%	$66.1m - 82%	$1.5m - 2%	$80.9m - 100%
Richmond Valley	$17.8m - 22%	$61.2m - 76%	$1.7m - 2%	$80.7m - 100%
Bellingen	$14.8m - 22%	$52.2m - 76%	$2.0m - 3%	$69.0m - 100%
Kyogle	$8.1m - 25%	$23.6m - 72%	$1.2m - 4%	$32.9m - 100%
Lord Howe Island	-	$20.3m - 93%	$1.6m - 7%	$21.9m - 100%
Total	$766.3m - 18%	$3.2b - 76%	$229.3m - 5%	$4.2b - 100%

[6] June YE data:

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 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 1: Estimated spend per visitor per night - 2019

	Domestic Overnight			International		
LGA	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

2.3. Projected visitor demand

2.3.1. 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 overall. 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).

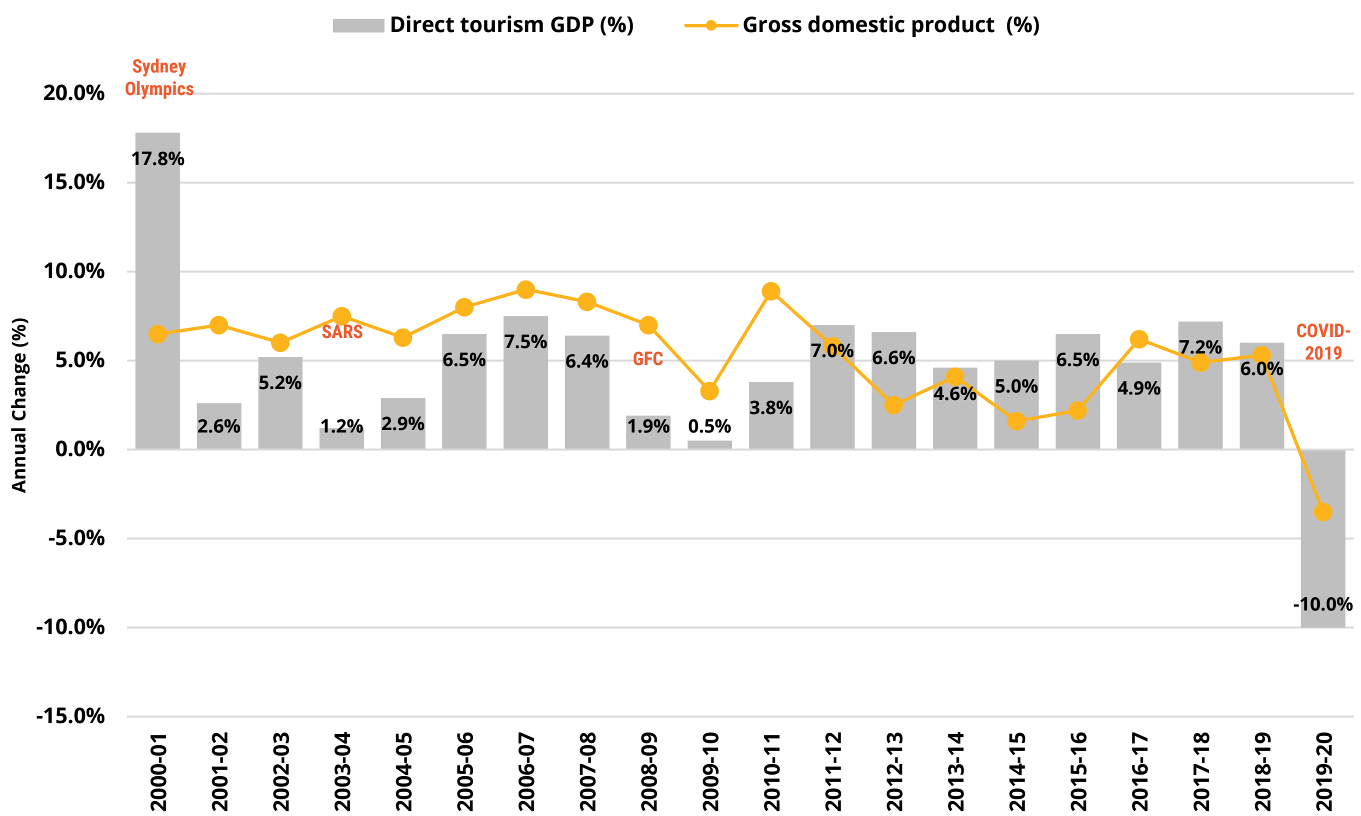
Without a timeframe for when COVID-19 measures may be relaxed, it is difficult to forecast future visitation with a high degree of accuracy. However, it is anticipated that:

- for 2020, international visitation is likely to drop off completely (particularly from March onward when lockdown measures came into effect);
- domestic visitation (particularly overnight visitation) is also likely to drop off significantly 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.

Figure 7 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 7: The change in tourism growth, 2000-01 to 2019-20[7]



[7] Estimated Impact of Coronavirus On The Australian Visitor Economy – March 2020, Tourism Transport Forum. Modelling undertaken by Stafford Strategy.

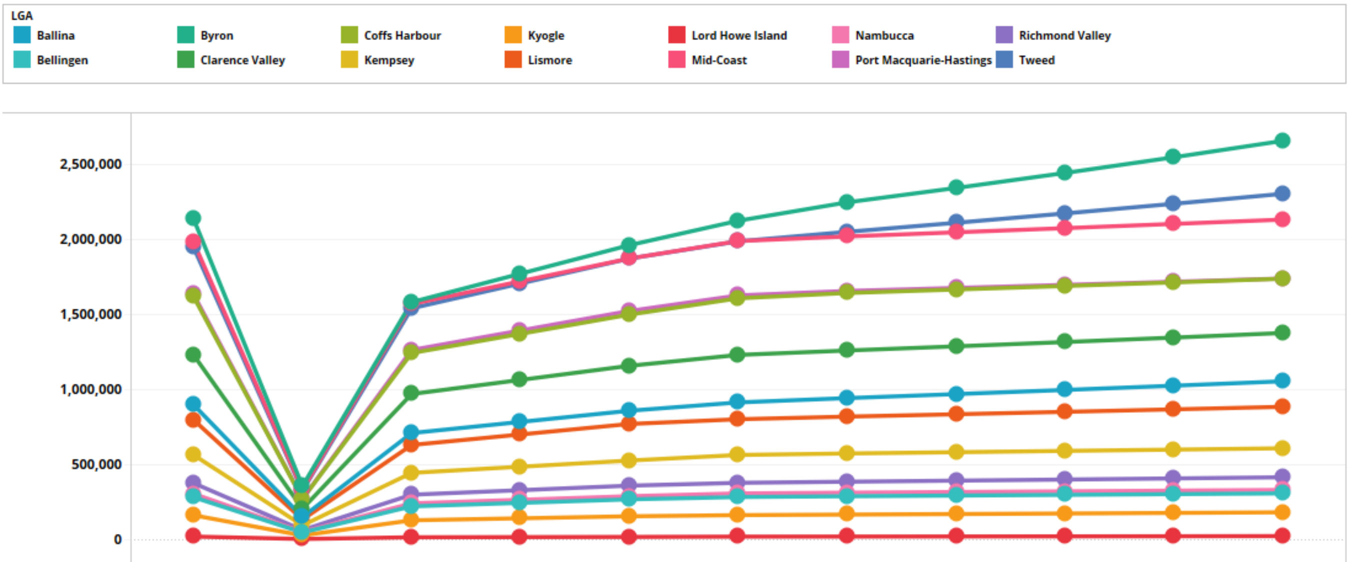
2.3.2. North Coast visitor projections

Total visits forecasted to each LGA within the North Coast region is summarised Figure 8. It is important to note that future externalities, such as major weather and economic events, have not been factored into the growth projections. 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 applied. This allows for visitation that would have occurred before COVID-19 restrictions and the potential uplift in domestic 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 (estimated to reach 2019 levels by 2025-26).
- The only international market which could possibly be activated in a faster timeframe is from NZ. Dependent on border restrictions by both Australia and NZ, with 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 stronger mix of business and leisure travel.
- For the domestic markets, it is projected that by 2021, visitation levels could be approximately 65-80% of 2019 visitation, with the domestic overnight market reaching pre-COVID-19 levels by 2024 and the domestic day market reaching this by 2023. Post these years, visits have been increased by conservative[8] historic compound annual growth rates (CAGR).

Figure 8: Visits projections (all visitor types) by LGA (2019 – 2029)



LGA	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Byron	2.1m	356k	1.6m	1.8m	2.0m	2.1m	2.2m	2.3m	2.4m	2.5m	2.7m
Tweed	1.9m	324k	1.5m	1.7m	1.9m	2.0m	2.0m	2.1m	2.2m	2.2m	2.3m
Mid-Coast	2.0m	330k	1.6m	1.7m	1.9m	2.0m	2.0m	2.0m	2.1m	2.1m	2.1m
Port Macquarie-..	1.6m	272k	1.3m	1.4m	1.5m	1.6m	1.7m	1.7m	1.7m	1.7m	1.7m
Coffs Harbour	1.6m	270k	1.2m	1.4m	1.5m	1.6m	1.6m	1.7m	1.7m	1.7m	1.7m
Clarence Valley	1.2m	205k	969k	1.1m	1.2m	1.2m	1.3m	1.3m	1.3m	1.3m	1.4m
Ballina	897k	149k	709k	783k	858k	913k	942k	969k	996k	1.0m	1.1m
Lismore	797k	133k	630k	700k	770k	801k	818k	834k	850k	867k	884k
Kempsey	563k	93.8k	444k	485k	526k	563k	573k	581k	590k	599k	607k
Richmond Valley	375k	62.5k	298k	328k	359k	377k	385k	392k	399k	407k	414k
Nambucca	305k	50.8k	241k	264k	288k	307k	312k	316k	321k	325k	330k
Bellingen	281k	46.9k	221k	244k	267k	283k	288k	293k	297k	302k	307k
Kyogle	161k	26.9k	128k	141k	154k	162k	166k	169k	173k	177k	181k
Lord Howe Island	19.2k	3.2k	14.5k	15.7k	16.9k	18.9k	19.4k	20.0k	20.7k	21.5k	22.6k

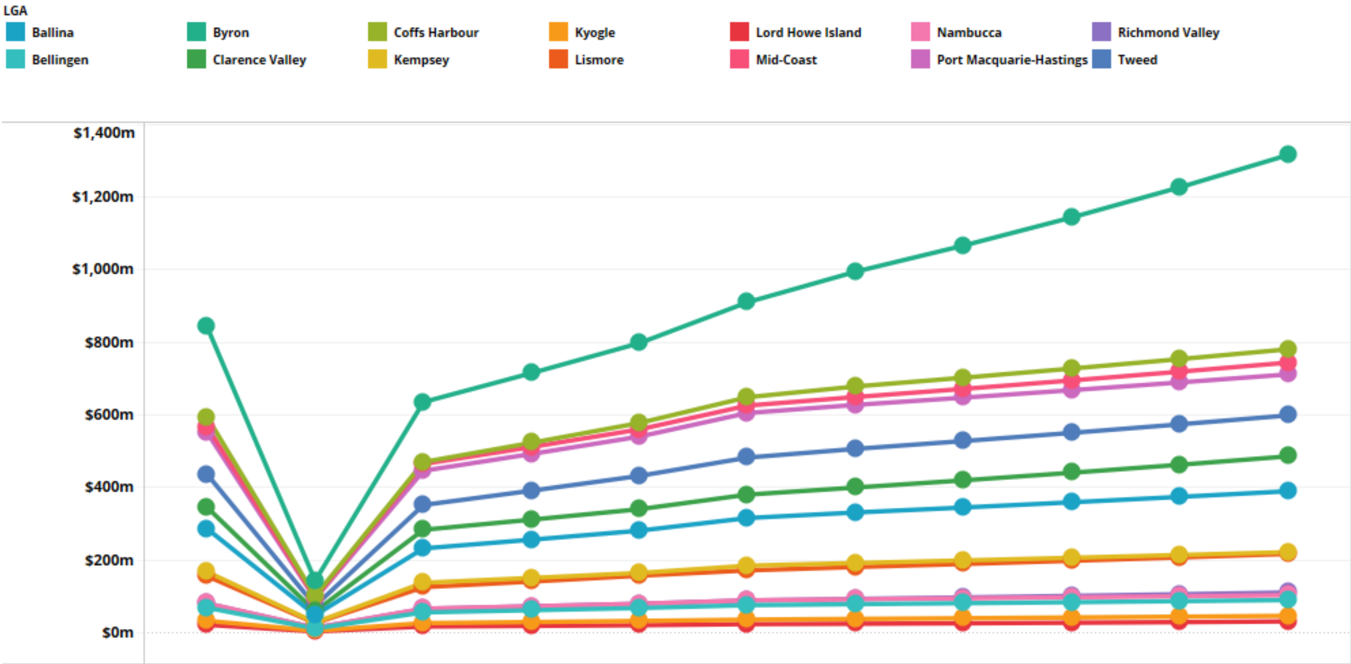
[8] Conservative CAGR reflect historic CAGR divided by two.

2.3.3. North Coast spend projections

Visitor spend projections are based on the projected visits multiplied by an average spend per visitor type[9] in each LGA. Figure 9 provides a summary of total visitor spend by LGA, It demonstrates 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 9: Visitor spend projections (all visitor types) by LGA (2019 – 2029)



LGA	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Byron	$842.7m	$143.3m	$635.6m	$715.4m	$798.0m	$910.6m	$994.9m	$1.1b	$1.1b	$1.2b	$1.3b
Coffs Harbour	$594.5m	$101.1m	$470.5m	$523.3m	$578.1m	$648.9m	$678.6m	$702.8m	$727.9m	$754.0m	$781.1m
Mid-Coast	$568.2m	$96.6m	$465.0m	$511.8m	$560.3m	$625.9m	$649.5m	$672.0m	$695.2m	$719.3m	$744.3m
Port Macquarie-..	$551.6m	$93.8m	$446.4m	$492.6m	$540.5m	$605.5m	$627.9m	$647.8m	$668.4m	$689.7m	$711.8m
Tweed	$436.6m	$74.2m	$352.1m	$391.4m	$432.2m	$482.7m	$506.7m	$528.2m	$550.7m	$574.3m	$598.8m
Clarence Valley	$345.5m	$58.7m	$283.7m	$311.6m	$340.5m	$380.6m	$400.2m	$420.0m	$440.9m	$462.9m	$486.1m
Ballina	$286.6m	$48.7m	$232.5m	$256.5m	$281.3m	$316.1m	$331.4m	$345.1m	$359.5m	$374.4m	$390.0m
Kempsey	$167.8m	$28.5m	$137.7m	$151.0m	$164.7m	$184.8m	$192.2m	$199.3m	$206.6m	$214.2m	$222.1m
Lismore	$156.2m	$26.6m	$125.7m	$141.2m	$157.2m	$171.9m	$181.2m	$189.6m	$198.4m	$207.6m	$217.3m
Richmond Valley	$80.7m	$13.7m	$66.1m	$72.9m	$80.0m	$89.0m	$93.2m	$97.4m	$101.7m	$106.2m	$111.0m
Nambucca	$80.9m	$13.8m	$66.4m	$72.9m	$79.7m	$89.3m	$92.2m	$94.9m	$97.7m	$100.6m	$103.6m
Bellingen	$69.0m	$11.7m	$56.2m	$62.1m	$68.2m	$76.0m	$78.9m	$81.5m	$84.3m	$87.1m	$90.1m
Kyogle	$32.9m	$5.6m	$26.6m	$29.5m	$32.5m	$36.2m	$38.1m	$40.1m	$42.2m	$44.4m	$46.7m
Lord Howe Island	$21.9m	$3.7m	$17.2m	$19.0m	$20.8m	$23.8m	$24.9m	$26.2m	$27.6m	$29.3m	$31.4m
Total	$4.2b	$720.0m	$3.4b	$3.8b	$4.1b	$4.6b	$4.9b	$5.1b	$5.3b	$5.6b	$5.9b

[9] Average spend per visitor projections have been based on historic rates, increased by 2% per annum to account for inflation.

2.3.4. 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 and this is expected to 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 change resulting in higher airfares on many routes (a requirement to achieve profitability) and a need for airports to be more competitive with reduced 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.
- 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 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 distribution of visitation to continue to reflect pre-COVID-19, with some LGAS retaining a much larger share of tourism numbers and associated stronger visitor economy outcomes because of the product on offer.

From a domestic market perspective, it is likely that the current focus on the NSW intrastate market will remain and will need 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 their international 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 July-August 2021, but this is highly dependent on state borders being opened up within Australia first. Until this happens the Federal Government has indicated it will not activate a Trans-Tasman travel bubble.

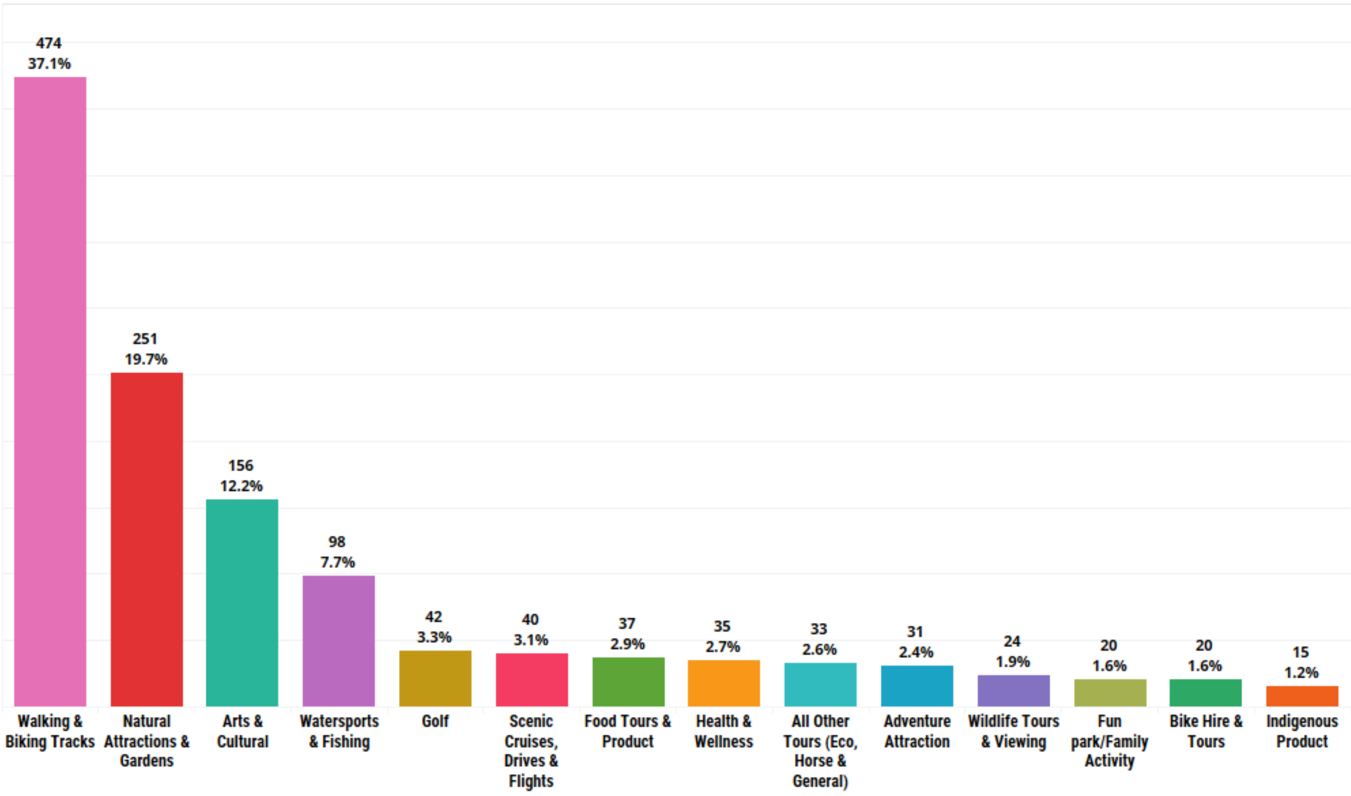
3. TOURISM PRODUCT OFFERING

3.1. Total North Coast Region Attractions & Experiences

Figure 10 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-for 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 10: Attractions Summary - Total



3.2. Attractions & Experiences by LGA

Findings from the attractions and experience audit include 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.
- Bryon 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.

3.3. 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 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 most destinations seek) requires introducing more commissionable tourism product which could be in the form of paid tours, admission prices and packaged product etc.

Figure 11 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. By way of example, 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 11: Attractions Summary (Free vs Paid) – North Coast Region

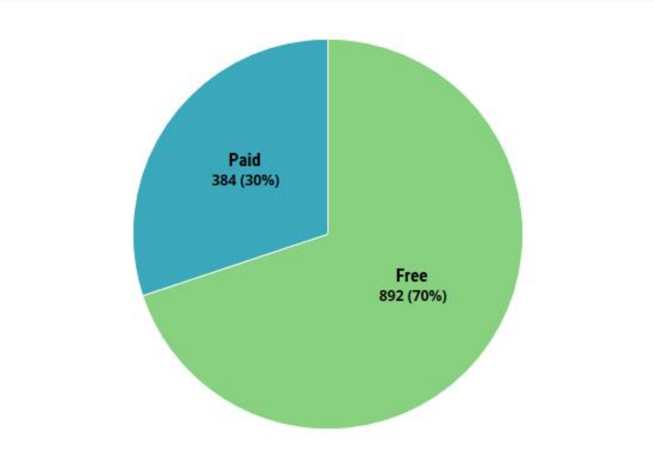
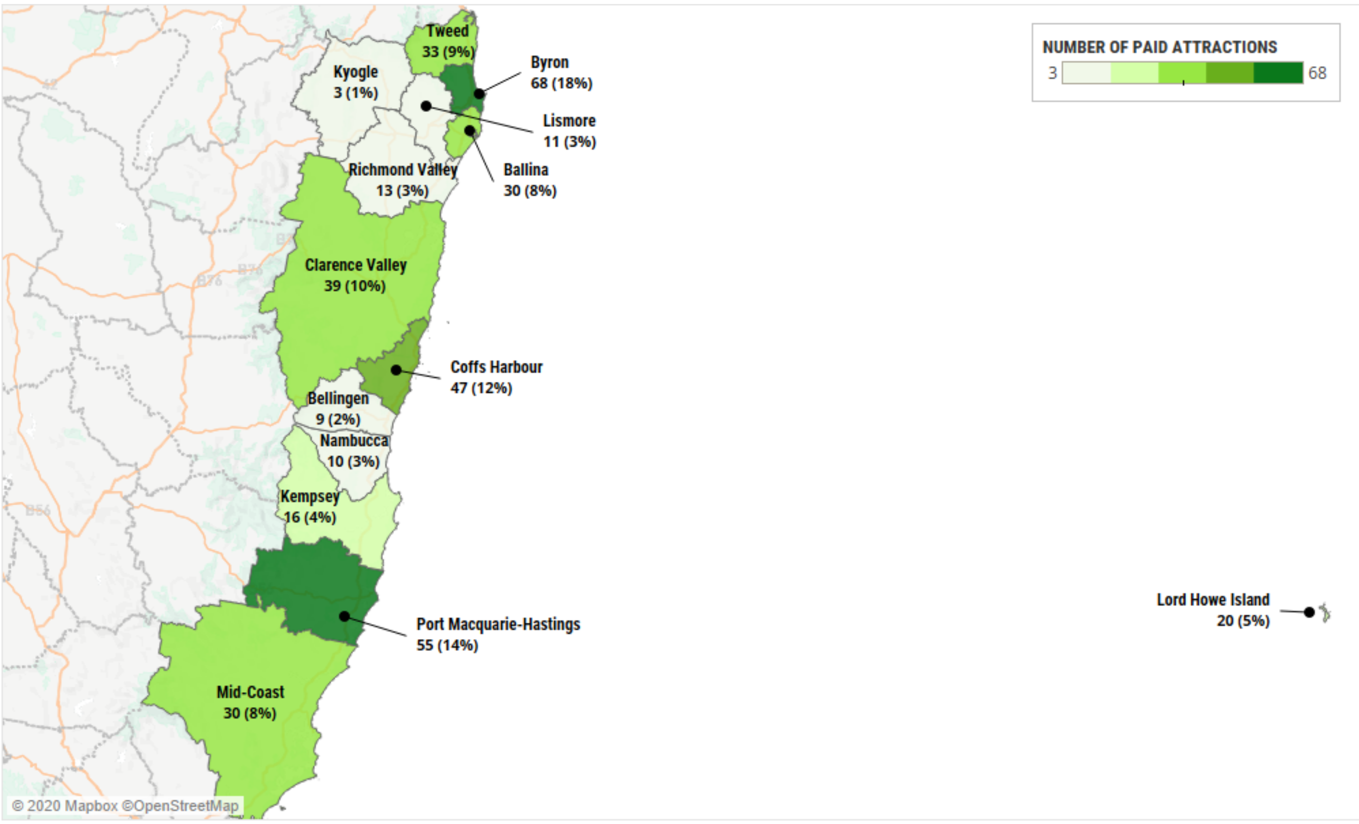


Figure 12 shows the heatmap distribution of paid product throughout the North Coast region. It demonstrates that the more mature destinations including Bryon, Port Macquarie-Hastings, Clarence Valley, Tweed, Ballina and Mid Coast have a larger number of commissionable tourism products within their LGA boundaries.

Figure 12: Paid Product by LGA



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 13, on 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
- 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) by 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 13: Attractions Summary (Free vs Paid) by LGA

4. VISITOR FEEDBACK

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

Figure 14 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 14 indicates 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, however, 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 14: 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

+ Lord Howe Island Walking Trails: *"Amazing everywhere you look! Great mix of easy and challenging nature walks"*

+ John Ward Rainforest Walk: *"The have put in plaques identifying various species and their uses by the indigenous people."*

+ Friends of the Koala: *"Informed, caring staff & volunteers. We learnt so much about the risks to Koalas and what work is done here to help them."*

+ Fisherman's Lookout: *"A prime spot for viewing dolphins in their natural habitat. [Saw] dolphins having a play and chasing fish"*

+ The Coastal Brewing Co: *"Great selection of delicious craft beer. Extremely friendly reception and advice"*

+ Red Tail Wines: *"A nice relaxed atmosphere [to bring] a picnic lunch and have it among the vines"*

+ Wildside Sportfishing: *"Jason's professionalism and fishing skills [were impressive]… always looking for small details that could put us onto the fish."*

	Average scores across all activities	Sights & Landmarks	Nature, Parks & Gardens	Walking, Hiking & Biking Trails	Beaches	Orchards & Farms	Zoos, Aquariums & Animals	Museums	Lookouts	Art Galleries	Breweries/ Distilleries	Visitor Information Centres & Libraries	Farmers & Flea Markets	Shopping	Wineries & Vineyards	Sea & River Sports & Activities	Theatres, Concerts & Shows
Byron	4.6	4.5	4.5	4.5	4.6	4.0			5.0	4.9	4.7	4.5	4.8				4.0
Lord Howe Island	4.6	4.5		5.0	4.6			4.5					4.0				
Mid-Coast	4.6	4.5	4.6	5.0	4.6			4.7	4.5	4.5	5.0	4.5		4.5	5.0		
Lismore	4.6	4.5	4.3				5.0	4.5		4.7		4.5	4.7	4.0			
Kempsey	4.6	4.3	4.5		4.5			4.5								5.0	4.5
Ballina	4.5	4.0	3.5	4.8	4.9			4.5	5.0	4.5		4.5					
Bellingen	4.5	4.5	4.5								4.5		4.5				
Kyogle	4.5		4.0									4.5		5.0			
Nambucca	4.5		4.3													5.0	
Port Macquarie-Hastings	4.4	4.5	4.4	4.5		4.0	4.5	4.4			4.5			4.0	4.5		
Clarence Valley	4.4	4.6	4.4	5.0	4.1			4.7				4.0	4.5	5.0		3.5	4.5
Coffs Harbour	4.4	4.0	4.5	4.5	4.6		4.5	4.3	4.5	4.3		4.5	4.3	4.2			
Tweed	4.3		4.5		4.5	3.3		4.8		4.8		4.6	3.8	4.1			
Richmond Valley	4.2							4.5		4.0		4.5		5.0		3.0	
Number of reviews	33,803	8,316	5,633	3,823	3,793	2,542	2,407	1,688	1,311	810	609	497	442	971	413	380	168
Share of reviews	100%	25%	17%	11%	11%	8%	7%	5%	4%	2%	2%	1%	1%	3%	1%	1%	0.5%

\- Captain Cook Park: *"Not a lot to see, could do more to make it more inviting to spend time there".*

+ Angourie Walking Track: *"The rainforest walk is beautiful. Great infrastructure of boardwalks and wildlife/cultural information boards."*

\- Farm & Co: *"A whole field of weeds and red dirt. 2 sunflowers blooming and the rest dead and sad… some crows and a few chickens. We were really excited to see Hank the vegan pig, but there wasn't any pigs in site."*

+ Ballina Head Lookout: *"A great spot to watch whales migrating. The view up and down the coast is spectacular. A great place to sit and watch the world go by."*

+ Nambucca River Water Ski & Wake Sports: *Whether you're a beginner or quite advanced and want to improve, while having a great time, Dave has you covered."*

Source: TripAdvisor

Based on the data 'scraped' from TripAdvisor, the feedback has been categorised into broadly negative and positive feedback categories. Word clouds have been developed based on those words which occur most frequently (excluding common words[10]) based on negative and positive reviews (see Figure 15 and Figure 16).

- 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 15: Word cloud from negative reviews

Figure 16: Word cloud from positive reviews

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10 Such as "the", "and", "there" etc.

5. PRODUCT GAPS

5.1. Methodology

The following product 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. Attractions & Experiences

Figure 17 provides a gap assessment of the attractions/experiences sector in the region.

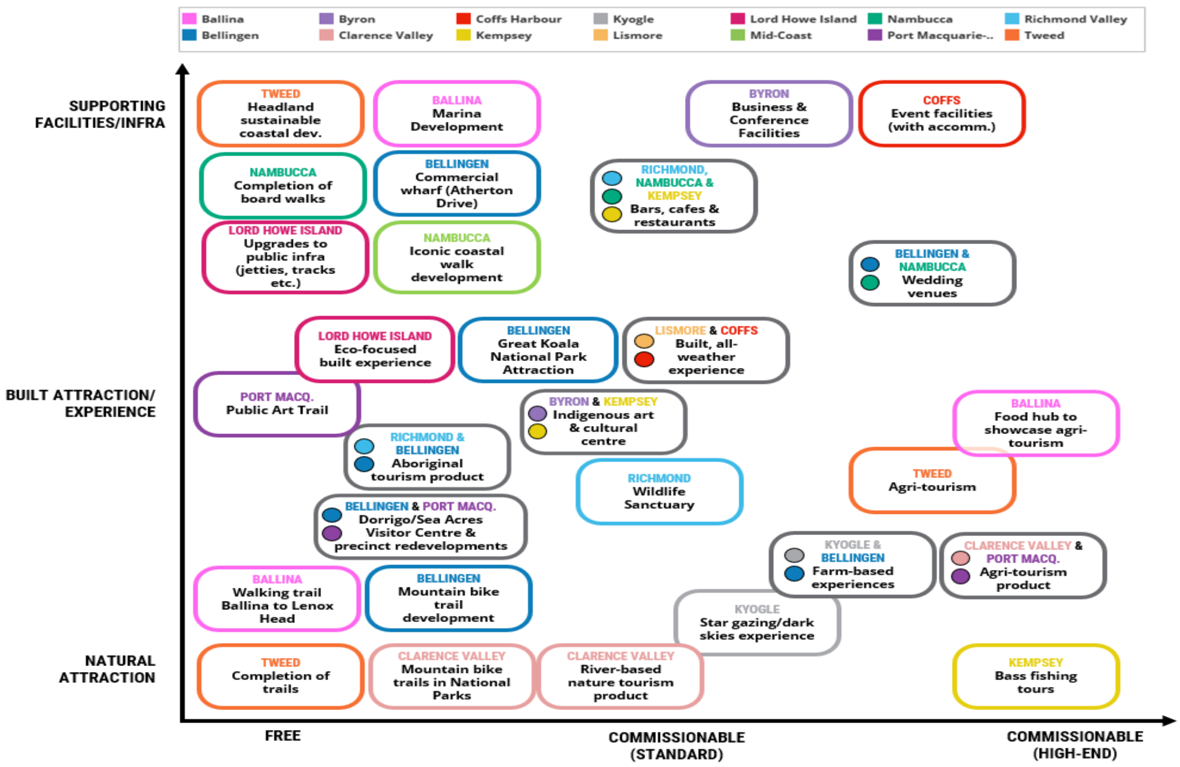
As identified in the product audit, the region currently has a plethora of free product including (but not limited to) walking trails, mountain biking trails, natural sites (such as beaches and lookouts) and cultural/arts-based product, but there is limited:

- 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 17 demonstrates there are many 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 17: Attractions & Experiences Gap Analysis



5.3. Gap analysis commentary

Table 2 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 often a rigid interpretation of these by planning staff tend to limit many agri-tourism opportunities and associated economic and social benefit opportunities.
- Many areas see a need for higher quality accommodation facilities (4-5 star) to encourage higher spending visitor markets and to broaden area appeal.
- 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 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 seeming 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 often seen to be less coordinated in its approach between State Government agencies).

Table 2: 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 movements
Ballina	Marina development, walking trails (Ballina to Lennox Head), arts and	LEP preventing agri-tourism on rural properties, funding sources limited, population	Indigenous cultural interpretation

LGA	PRODUCT GAP	CHALLENGES IDENTIFIED	PUBLIC, PRIVATE OR COMBINED INVESTMENT PRIORITIES
	cultural precinct, food hub (agri-tourism)	demographic skewed toward retirees not wanting to support new business development, no flexibility for changing land zoning, sewage treatment costs very 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, limited 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 limited, 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 constraints, 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 too 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, limited 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

5.4. 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 were seen to often hinder 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 boutique 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 as it is often zoned for conservation and related purposes. In general terms, tourism, as an activity, is often interpreted as a problematic land use to introduce, rather than being viewed as an economic and environmental opportunity, to encourage greater understanding of the environment and allowing for sustainable development to occur.

6. BENCHMARKING

6.1. Comparative Factors

An important consideration in determining what critical 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;
- climatic considerations;
- 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 3 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 3: 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

6.3. 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 18) are considered the critical success factors for comparable destinations.

Figure 18: Destination critical success factors

- A strong correlation between higher quality branded commercial accommodation and a higher-yielding visitor market
- A strong correlation between good quality food and beverage outlets, quality retail generally and a higher-yielding visitor market
- A correlation between agri-tourism product and higher-yielding visitor market demand along with strong local community demand for fresh organic produce
- A correlation between high-quality and accessible natural attractions such as quality beaches, parks and reserves with good supporting infrastructure in the form of signage, seating, car parking and quality trails and safe pedestrian areas, and mid-range to higher-yielding visitor markets.
- A correlation of higher spending visitor markets (mid- and upper-end) if there are commissionable, built attractions and experiences, rather than just freely accessible natural attractions on their own.

In conclusion, and based on the research into a number of coastal regions throughout Australia, the North Coast has an opportunity to adjust 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 and which may be integrated with quality natural assets and amenities;
- a range of internationally rated 4-star (preferably branded) commercial accommodation developments; and
- once these are activated, higher quality food and beverage services and amenities are likely to be motivated 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.