

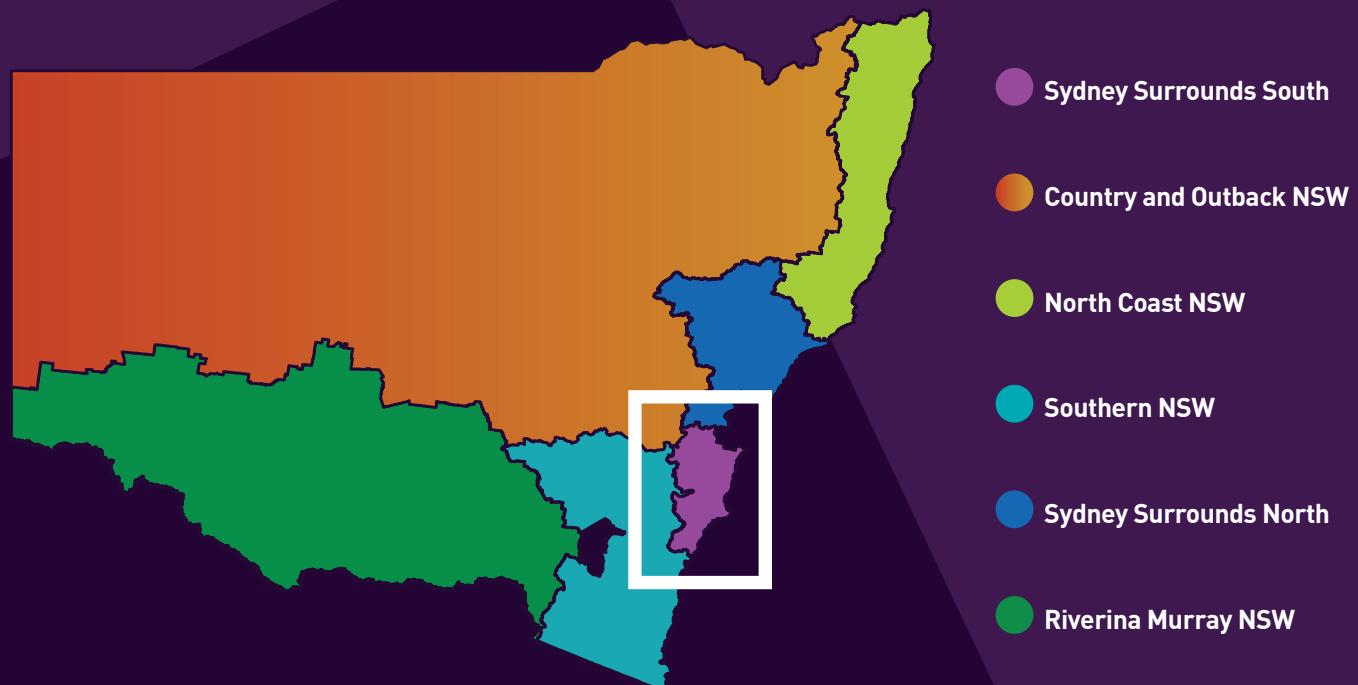
Destination
Sydney Surrounds South

Destination Management Plan



2018 -
2022

Destination Sydney Surrounds South Zone



Wollondilly

Southern Highlands

Shoalhaven

Wollongong

Shellharbour

Kiama

Foreword

We live and work in a region of great beauty – a largely unspoilt coastline and hinterland with dramatic escarpment, clean and picturesque beaches and world-renowned national parks. An area rich in diversity and a growing cultural and experience palette with food and beverage trails, characterful towns and historic villages and a calendar of music, sporting and cultural events. All of this with a unique advantage – close proximity to Sydney and Canberra, their airports both existing and planned.

When financial experts Deloitte Access Economics talk about where global growth and Australian advantage intersects, where the drivers for our prosperity will come from in the next 20 years, tourism comes up as a star performer. In a regional area like ours, where traditional industries like manufacturing are under pressure, it becomes more vital that we take the visitor economy on like never before with a well-informed, strategic view.

Pleasingly the Sydney Surrounds South overnight visitor economy is in good shape, largely due to the efforts of local stakeholders. With average annual growth of 4% per annum since 2013, \$1.77 billion was injected by overnight visitors into the local economy in 2016/17. While outperforming the state average there is however more we can do to take advantage of global growth predictions for the tourism sector.

Building on the solid foundations already in place, this Destination Management Plan, the first from the Destination Network Sydney Surrounds South, reviews the emerging trends, our capabilities and capacity, and analyses available measures of how we have performed as a region to provide future directions and actions needed to achieve our stated goal of \$2.10 billion in overnight expenditure by 2022.

The Potential

We will take a borderless approach in line with visitor behaviour, encourage collaboration from within, with neighbouring regions and interstate. With the biggest potential to lift the region's growth trajectory over the next 20 years, we are positioning the visitor economy from various angles to ensure we will be ready to make the most of:

- Growing populations of Sydney and Canberra (Western Sydney is a big hotspot);
- The focus on regional dispersal out of metropolitan markets and the high growth trajectory of Asian visitors coming through Sydney and Melbourne;
- The dynamic nature of technology and how people will research, book and travel in coming years;
- Private investment in major developments such as Willinga Park, the Silkari Avondale project and upgrades to Illawarra Regional Airport.



The Way Forward

- Regional Industry Skills and Pathways - address staff and skills shortages in all areas of hospitality. University training pathways to graduate status for tourism and hospitality;
- Certainty of investment in tourism development - whole of government approach to planning and funding by local, state and federal governments;
- Transport & Connectivity - road and rail upgrades to meet future demand;
- Food & Beverage Trails - build on our growing trails including wine, craft beer and cider and paddock to plate and others;
- Aboriginal Experiences - we have an enviable range of indigenous talent in food, story-telling, dance and cultural experiences;
- The Trends – Sharing Economy, Experiences, involvement by locals (Localhood), Back to Nature; and
- Drives - develop the untapped drive market, particularly between our two biggest cities and nation's capital.

This document is our first venture into the future of our visitor economy but it should be emphasised that it is a dynamic process and it can and will be updated on a regular basis during its life span.

On behalf of the board I want to thank stakeholders for their contributions and participation in the workshops that informed this plan.

The next phase in delivering on our goal is a collective alignment of our plans and actions.

We hope you will join us in this quest for what may well be our region's biggest opportunity for growth in the next 20 years.

Colin Waller

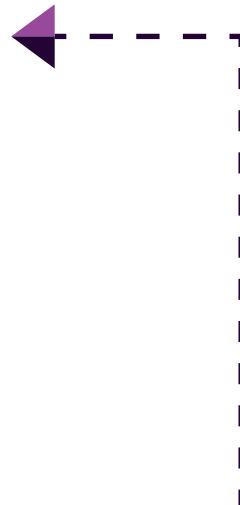
Chair, Destination Sydney Surrounds South

Executive Summary

The Destination Sydney Surrounds South (DSSS) Destination Management Plan provides a practical, evidence based strategic framework to guide collaboration towards the target of doubling the value of the region's overnight visitor economy by 2022.

2022 Target

Double 2012 overnight visitor expenditure to \$2.01 billion; this requires 5% year-on-year growth between 2017 and 2022.



2022 Vision

Be the #1 overnight short break destination for our target markets.



Enablers of Success

- Industry partnerships and collaboration
- Improved transport and digital connectivity to create a seamless visitor experience.
- Ensuring Government Planning Schemes provide certainty for tourism investment and future infrastructure needs.
- Adaption to market demands led by consumer insights and market intelligence.
- State Government funding programmes align with Destination Network Zones and enable participation by smaller LGAs

Measures & KPIs

- Value of tourism
- Job creation (esp. youth employment)
- Market awareness of USPs and conversion
- Visitor Dispersal (off-peak, mid-week, geographic)
- Investment in tourism businesses



Strategic Imperatives

- 1 Cohesive Destination Management
- 2 Destination Infrastructure
- 3 Collaborative Approach to Destination Marketing
- 4 Support Product and Experience Development
- 5 Events & Conferencing
- 6 Industry Skills Development



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Disclaimer

The information and recommendations provided in this document are made on the basis of information available at the time of preparation and the assumptions outlined throughout the document. While all care has been taken to check and validate material presented in this report, independent research should be undertaken before any action or decision is taken on the basis of material contained in this report. This report does not seek to provide any assurance of project viability and EarthCheck accepts no liability for decisions made or the information provided in this report.

Images courtesy of Destination New South Wales (Anson Smart, Dee Kramer Photography, Mark Jessop and Wings over Illawara, Beardy McBeardy, Alpesh Parshotam), Jann Tuxford, Destination Southern Highlands, Wollondilly Shire Council, NSW Train Museum, Destination Wollongong, Discover Jervis Bay.



Abbreviations

DMP	Destination Management Plan
DNs	Destination Networks
DNSW	Destination NSW
DSNSW	Destination Southern NSW
DSSS	Destination Sydney Surrounds South
FIT	Free Independent Traveller
LGA	Local Government Area
LTO	Local Tourism Organisation
MICE	Meetings, Incentives, Conferences, Exhibitions
NPWS	National Parks & Wildlife Service
OTA	Online Travel Agent
RMS	Roads & Maritime Services
SWOT	Strengths, Weaknesses, Opportunities, Threats
TRA	Tourism Research Australia
USP	Unique Selling Proposition
VFR	Visiting Friends and Relatives
VIC	Visitor Information Centre

Introduction

Destination Sydney Surrounds South Zone

DSSS encompasses 6 local government areas - Kiama, Shellharbour, Shoalhaven, Wollongong, Wingecarribee (Southern Highlands), and Wollondilly, each with their respective vision for the future, and projects and priorities which are relevant to the success of the DSSS as a whole. Regional organisations such as Illawarra-Shoalhaven Joint Organisation and Regional Development Australia also play important roles.

The DSSS zone is home to over 500,000 residents, a figure which is set to grow to over 550,000 residents by 2025 based on historic growth rates.

Local Governments are required to plan for a sustainable future with a focus on infrastructure maximisation, economic diversification and the maintenance of quality of life. The visitor economy is recognised as an important contributor with regard to each of these areas. The collective themes of diversity, inclusion, economic and environmental sustainability and safeguarding future prosperity underpin policy direction across DSSS zone.

The DSSS zone has three distinct visitor offerings; urban, coastal areas and inland hinterlands, each with their own variations in seasonality. This results in a diverse range of experiences and visitation that require consideration with overall destination management and planning.

Objective of the DMP

The Destination Management Plan is designed as a high level framework to guide the delivery of the tourism sector's economic and social benefits and positions DSSS as an active advocate and facilitator for the region.

This DMP takes a borderless view to identify and quantify regional level strategies and actions for the DSSS zone and exists to:

- Inform the development of the Destination NSW state-wide DMP as to priority strategies and actions as they relate to regional tourism and specifically the DSSS zone;
- Build upon existing frameworks;
- Be a resource for the development of local DMPs;
- Be a reference point for industry for the purposes of pursuing funding opportunities;
- Act as a tool to encourage industry to adopt a consistent approach to tourism product development and promotion of the destination and be a reference point for industry for the purposes of pursuing funding opportunities; and
- Identify investment and product development needs in the DSSS region.

This document is an adaptable plan that will be reviewed as required by DSSS in consultation with industry stakeholders.

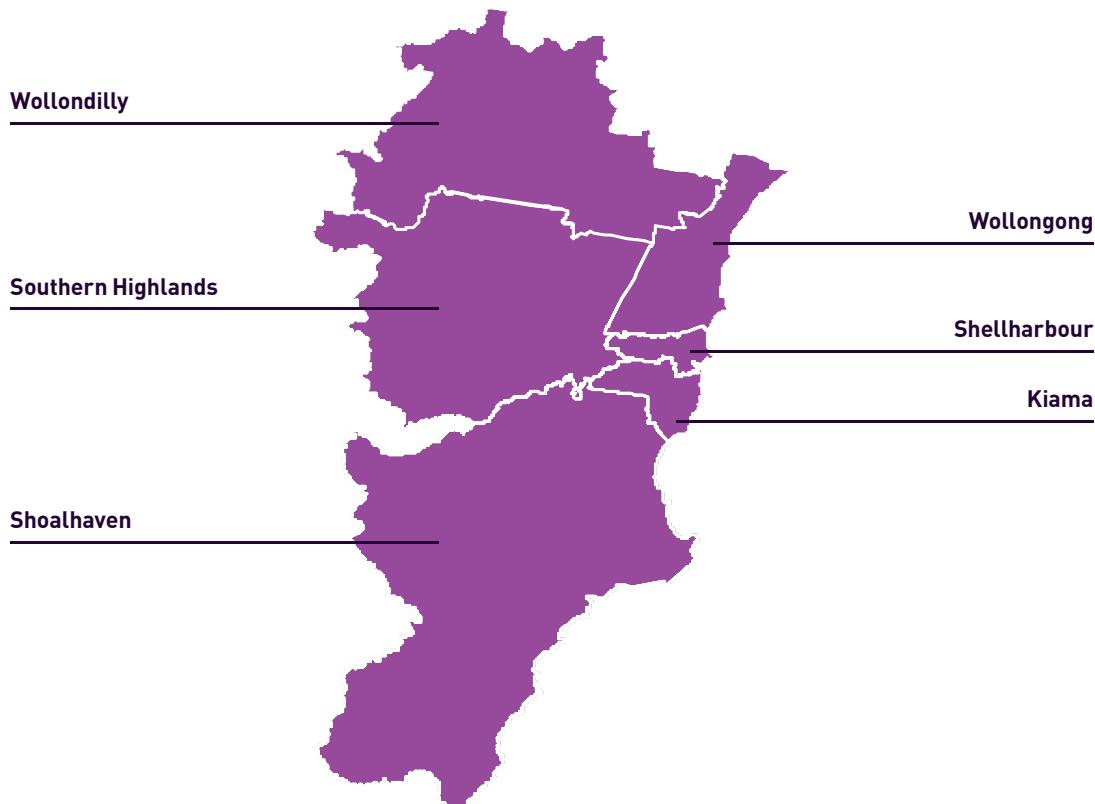


Figure 1: LGAs within the DSSS zone.

Destination Snapshot

The current trends provide a strong platform for growth, however, achieving the potential of this opportunity towards the vision of doubling the value of the region's visitor economy (from 2012 baseline) relies on well-managed growth.

DSSS received 11.3 million visitors in 2016-2017, increasing by 8% p.a. since 2012/13

Over 11 million visitors nights in 2016/17, growing an average of 6% p.a since 2012/13.



The total value of the visitor economy in 2016/17 was \$2.28 billion

- International Visitor expenditure was worth over \$269 million.
- Domestic Overnight Visitor expenditure was worth \$1.308 billion.
- Domestic Day Visitor expenditure was worth \$704 million.

Domestic Short Break visitors have increased by 25% since 2012, and now make up 73% of all domestic overnight visitors to DSSS

67% of Domestic Overnight Visitors originate from Sydney.



Source: All data courtesy of Tourism Research Australia and Destination New South Wales.

Top Line Analysis

Destination Sydney Surrounds South (DSSS) zone is growing above the state average in the domestic market. However, the region is lagging in gaining its share of the fast growing International markets.

DSSS received a total of **11,270,980 visitors** in 2016/17, a number which has grown at an average of 8% per annum since 2012/13, a rate which is above the national average.

Figure 2, below, illustrates the changes in the individual market segments of domestic day, domestic overnight and international visitation.

The overnight visitor market (domestic overnight and international) is worth \$1.577 billion in 2016/17 with the potential to grow to \$2.01 billion by 2022.

A detailed destination analysis can be found in Appendix 1.



Figure 2: Visitation by market to DSSS (2012/2013 and 2016/2017).

Source: Tourism Research Australia National Visitor Survey (NVS) and International Visitor Survey (IVS) Y/E June 2017.

Goals

The NSW Government set a target doubling overnight visitor expenditure by 2020.

In line with this objective the goal for the DSSS visitor economy is to:

Double 2012 overnight visitor expenditure to \$2.01 billion in 2022. Achieving this target requires 5% year-on-year growth between 2017 and 2022.

Figure 3, below, illustrates the significance of developing strategies that will achieve this goal and sourcing an **additional \$236.1 million in overnight visitor expenditure above baseline growth in 2022.**

Achieving an additional \$236.1 million in overnight visitor expenditure above baseline in 2022 relies on thoughtful identification of strategic projects that will contribute to growth towards this goal, and enable local government area plans to visualise an achievable set of objectives.

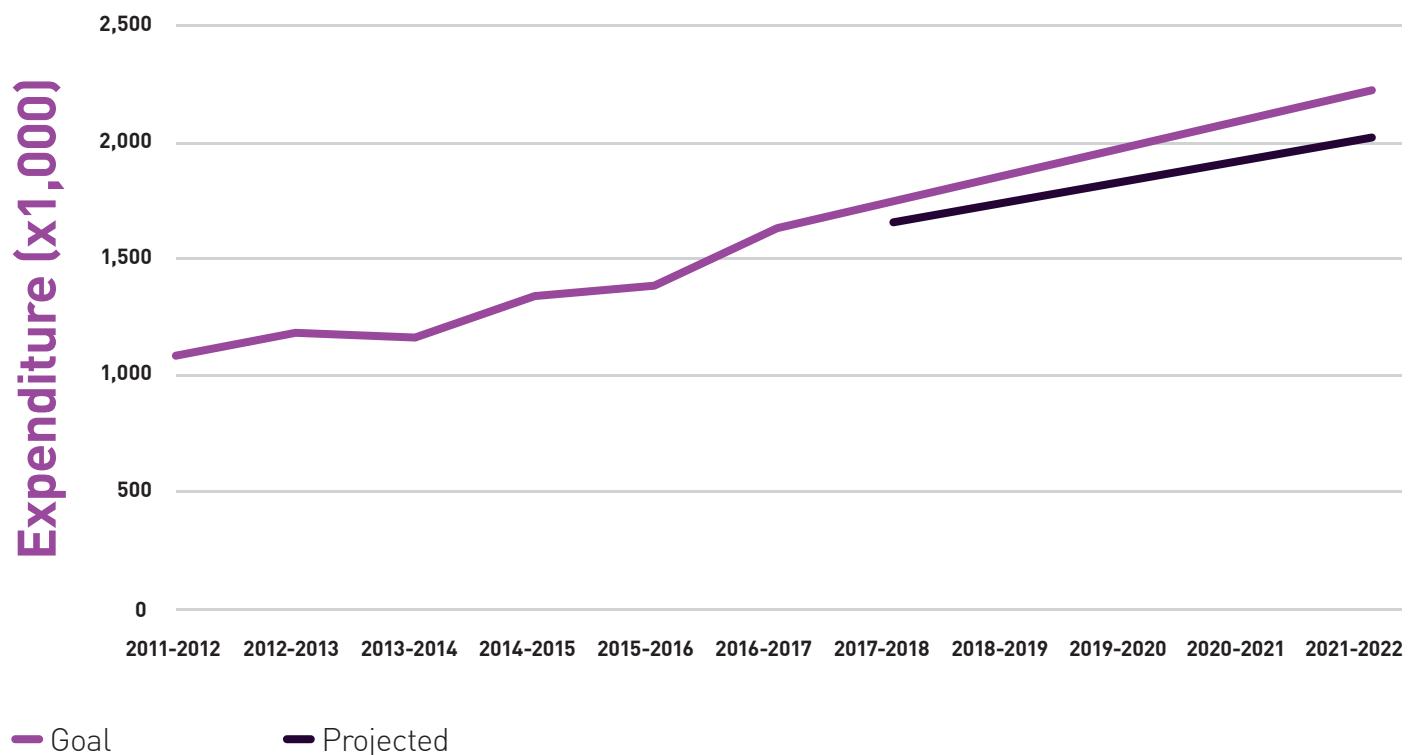


Figure 3: The 2022 target above baseline growth.

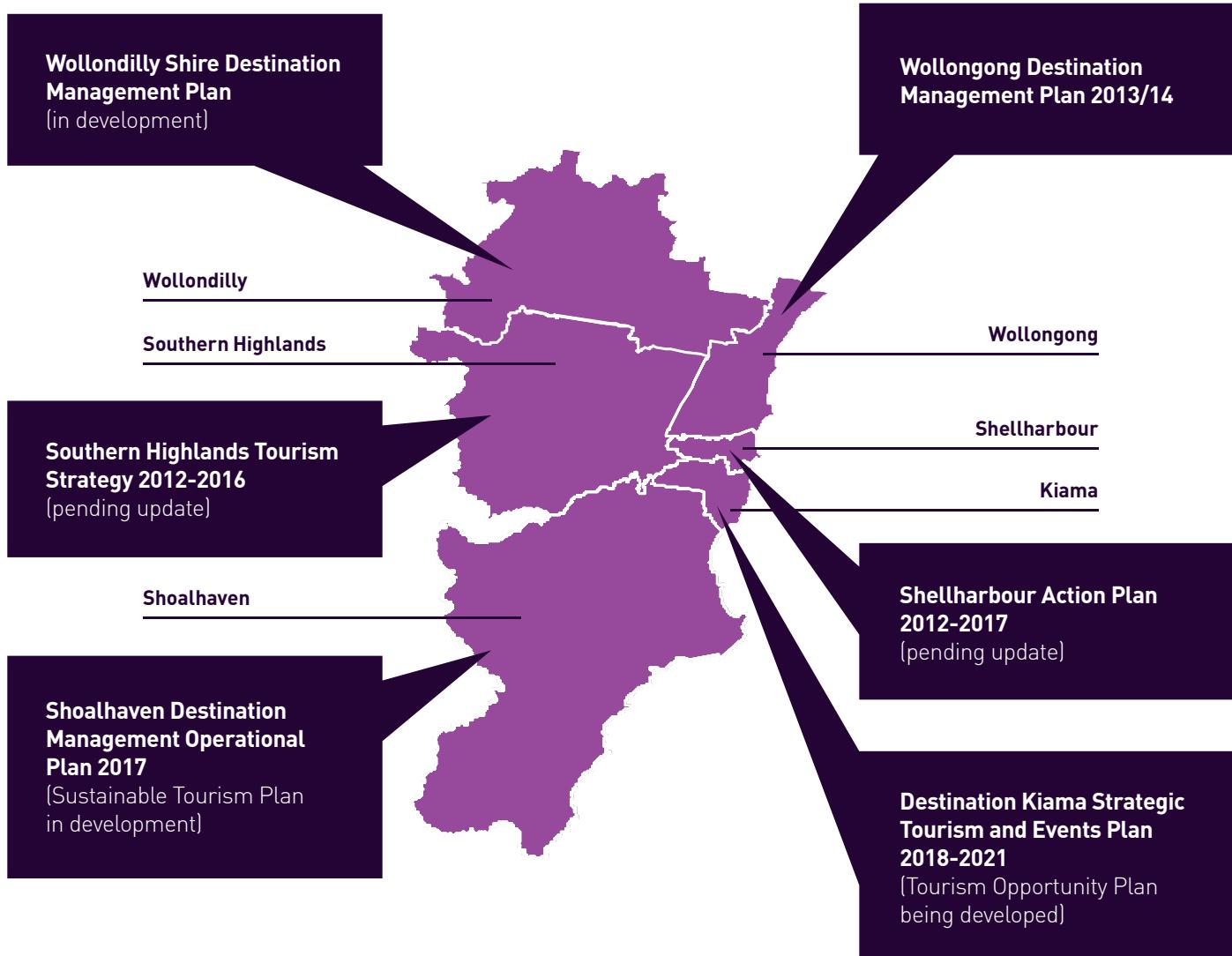
Industry Consultation

The DSSS Destination Management Plan provides a coordinating framework for LGA DMPs and focuses on the actions required at the regional level to encourage and facilitate product, infrastructure and market development that will deliver sustainable growth in the DSSS Zone Visitor Economy.

Delivering the recommendations of this plan requires a whole of industry approach; this includes local, state and federal government and commercial operators. With this in mind, the DMP references a number of existing plans at local and state level, each with recommendations and actions to support these recommendations.

Local Government Plans

The directions, strategies, actions and projects identified in the LGA-based Destination Management Plans are supported by the DSSS DMP and form part of the DSSS DMP documentation. These Plans include;



An overview of these plans can also be found in Appendix 2.

Industry Consultation

Regional and State Plans

Key regional and state plans relevant to the DSSS zone include;

NSW Visitor Economy Strategy / Action Plan

Released in 2012 this plan is currently under review; the outcomes and recommendations of which will need to be referenced in future reviews of this plan. The existing plan states as toplines objectives;

- Embrace the broader Visitor Economy
- Double the value of the visitor economy by 2020 (Target \$36.6B)
- Regain competitive position through visitor experiences.

Illawarra - Shoalhaven Regional Plan 2015

Applying to the local government areas of Kiama, Shellharbour, Shoalhaven and Wollongong, this plan identifies tourism as one of six priority growth sectors and highlights regional assets such as Illawarra Regional Airport, Shell Cove Marina, Wollongong Entertainment Centre, Lake Illawarra and Jervis Bay as assets that can deliver growth opportunities.

The recommended Directions and Actions contained within this plan are supported by the DSSS Destination Management Plan, in particular;

- The development of a stronger marine-based tourism industry
- The development of aeronautics tourism at Illawarra regional airport.
- Better connecting tourism areas in Kiama, Nowra/Bomaderry and Ulladulla.

South East & Tablelands Regional Plan

Wingecarribee Shire Council is within the geographic area of this plan and as such, references in this plan should be read in the context of the DSSS zone. This Regional Plan identifies Tourism as a priority growth sector to diversify the economy. Directions within the plan include;

Direction 5: Promote agricultural innovation, sustainability and value-add opportunities.

Direction 9: Grow tourism in the region.

And in particular reference to Wingecarribee;

- Promote the Shire as a destination and encourage visitors to Canberra to also visit Wingecarribee Shire.

The 360 Illawarra-Shoalhaven Economic Outlook

It is important that the region looks outward to see how it can build on its existing strengths and capabilities by connecting with the immense economic activity that is occurring in its immediate surrounds. The 360 Illawarra-Shoalhaven Economic Outlook has been developed with this objective in mind.

The region's proximity to Australia's largest city Sydney, the rapidly expanding Western Sydney area and the nation's capital Canberra means it is strategically positioned to connect to some of the fastest growing labour markets and economies in the country.

Leveraging this locational advantage is critical if the region is to continue diversifying, innovating and driving economic growth in New South Wales.

The Outlook provides a snapshot of developments and economic opportunities in surrounding regions including Western Sydney, South East NSW and ACT, Metropolitan Sydney and through the Port Kembla International Trade Gateway.

Importantly, this snapshot highlights opportunities that can enhance the economic growth of the Illawarra-Shoalhaven due to their alignment with the region's existing skills base, economic assets and industry capabilities.

From the construction of Sydney's second international airport at Badgerys Creek, to increased tourism opportunities emerging from the development of the cruise ship industry at Port Kembla, the Outlook highlights how connecting to external opportunities can help the Illawarra-Shoalhaven to grow jobs and diversify.

Industry Consultation

To inform preparation of this plan a series of workshops were held within the DSSS zone. Representatives from the following organisations attended either one or a number of workshops.

Kiama Municipal Council	Stay at Kiama	Symbio Wildlife Park
Wollondilly Shire Council	Jamberoo Action Park	Links Shell Cove
Shoalhaven City Council	Bundanon Trust	Discover Jervis Bay
Department Premier & Cabinet	Tourism Shellharbour	Skydive Australia
National Parks & Wildlife Service	Kiama Tourism Advisory Group	Kiama Transport
Shellharbour City Council	Shoalhaven Tourism Advisory Group	Paperbark Camp
Wingecarribee Shire Council	Caravan and Camping Industry Association NSW	Barrengarry Hideaway
RMS - Maritime Division	Mowbray Park Farm	Polo Cottage
Wollongong City Council	NSW Business Chamber	Nattai Creek Wines
Booderee National Park	Stockland	Peppers Craigieburn
Destination Southern Highlands	Albion Park Show	Feast at Berrima
Destination Wollongong	Why Documentaries	Joadja Estate
University of Wollongong	Cuttaway Hill Wines	Wildfest
Destination Sydney Surrounds South	Southern Secrets	Kombi Capers
Destination NSW	Mount Ashby Estate	Peppers Craigieburn
RDA Illawarra	Herd Southern Highlands	Chevalier College
	Simmer / The Loch	ImaginArta
	The Pines Pastoral	Centennial Vineyard
	Highlands Food & Wine Tours	Wollondilly Tourism Association
	Southern Highlands Chamber of Commerce & Industry	Southern Food & Wine Association
	Fitzroy Falls Visitor Centre	Minnamurra Rainforest Centre

Table 1: Consultation Stakeholders

Destination SWOT

Strengths <ul style="list-style-type: none">• Visitation above the state average• Strong growth forecast• High consumer recognition• Location in relation to major markets; Sydney and Canberra• Visiting Friends and Relatives• University of Wollongong international profile• Calendar of events – variety• Regional conferencing sector• Food and beverage scene• Established co-operative marketing campaigns eg: Unspoilt, Grand Pacific Drive, Sydney to Melbourne Touring• Engaged with international markets e.g. Asia• Multiple Visitor Centres spread across the region• Strong social media presence• Variety of seasons across the network• Natural environment• Industry engagement at local level• Australia regarded as a 'safe' destination• Strong online presence on distribution channels	Weaknesses <ul style="list-style-type: none">• International lagging behind• Average length of stay below state average• Visitor expenditure below state average• High volume vs lower value visitation• Workforce availability• Leisure businesses with limited hours of operation• Perception that the south is 'cold'• Underachieving in aquatic, coastal, nature and wildlife sectors• New tourism experiences – adventure, aboriginal• Locals knowledge of tourism products• Industry membership models at LGA level• Limited hotel accommodation• Overspend on outdated VIC facilities• Competition at local level inhibits greater collaboration e.g. between LGAs, between sectors e.g. Food & Wine• Access to digital and mobile connectivity• Limited night time economy limits overnight growth• Some LGAs excluded from funding programmes• Limited infrastructure for major business events	Opportunities <ul style="list-style-type: none">• Short Break destination (2-3hr from Sydney & Canberra)• Deeper engagement with international market• Extend the average length of stay• Regional conferencing (mid week)• Higher yielding events• Increase yield of day and overnight visitation• Activity development: nature-based, agritourism and adventure• Food and beverage Sector• National Parks and State Forests• Golf packages• Heritage tourism• Lake Illawarra• Mid Week – Feb/May & September• Grand Pacific Drive – expand and activate• Sydney – Melbourne touring; coastal and inland• Illawarra Regional Airport Expansion• Equine industry and centres• Southern Highlands and Wollondilly partnering• Growth of South Western Sydney corridor• Badgerys Creek Airport	Threats <ul style="list-style-type: none">• Planning and development issues• Community understanding of tourism benefits• Over-crowding of coastal destinations• Congestion on road networks, connectivity• Lack of collaboration• Duplication of visitor services• Mixed marketing messages• Limited air access• Bidding for events• Ageing tourism stock• Destination Sydney Surrounds North• Greater Western Sydney• Domestic cruise market ex-Sydney• Low cost international airfares• Reduction of current investment by local gov't• Currency fluctuations• Domestic Economy• Major geopolitical events• Market dominance of international online booking platforms• Environmental hazards/weather events/climate change• Fuel prices
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Guiding Principles and Strategic Imperatives

Guiding Principles

The development of this Destination Management Plan and the recommended strategic directions are based on the following guiding principles:

- Protecting the region's environmental, cultural and community values to deliver authentic experiences;
- Growing the value and levels of shoulder/off-peak travel over a focus on volume alone;
- Encouraging dispersal across the destination geographically and across the year;
- Encouraging public and private sector investment in quality experiences; and
- Evidence-based decision making (evaluation and data).

Strategic Imperatives

Through industry consultation, a wide-range of activities with potential to drive regional visitor economy growth have been identified. These have been grouped into six Strategic Imperatives, each with recommended actions that will drive outcomes.

- 1 Cohesive Destination Management
- 2 Destination Infrastructure
- 3 Collaborative Destination Marketing
- 4 Product and Experience Development
- 5 Events & Conferencing
- 6 Industry Skills Development.

Information on each of these Strategies and the recommended actions to support their implementation are set out in the following sections of this document, including example catalyst projects that have the ability to significantly impact the visitor economy.

Role of DSSS

The operations of DSSS are wholly funded by the NSW Government and Destination NSW until June 2020. The key function of DSSS is regional destination management focused on building industry capability, facilitating experience and product development and influencing decisions on important infrastructure and developments that will support the growth of the visitor economy. DSSS will take a lead role in facilitating and coordinating the partnerships required to deliver on the recommendations identified in each of the Strategic Imperative action plans that follow.

Measurement and Evaluation

In delivering on the objectives of this plan, industry measures of success will include:

- Visitor expenditure and jobs (especially youth);
- Visitor dispersal (off-peak, mid-week and geographic);
- Awareness of the destination brands and conversion of interest to overnight visitation; and
- Investment in tourism businesses delivering quality experiences.

Capturing these measures will rely on the availability of data from a variety of sources including but not limited to; Tourism Research Australia, Destination NSW, Australian Bureau of Statistics, Tourism Accommodation Australia, Tourism Transport Forum and Local Council Tourism and Economic Development departments.

Strategy Imperative 1 - Cohesive Destination Management

Industry stakeholders acting cohesively and with a common purpose are integral to the success of a destination. Aligning governance processes with goals and a culture which promotes industry partnerships and maximises the use of available resources can enable the realisation of long term goals and objectives for the benefit of all visitor economy stakeholders. Community support for tourism is also vital in providing an overall complete positive visitor experience to all visitors, and in growing tourism to encourage higher yield, expenditure and in turn, local jobs.

Key to unlocking the value and benefits of a successful visitor economy is achieving buy-in from local councils, state and federal government agencies, direct and in-direct tourism operators and local communities. It is therefore vital that the DSSS zone be managed in a coordinated, cohesive way as it is the sum of the parts of the visitor experience working in tandem that will deliver a high quality visitor experience, create a sustainable business environment and protect amenity for local communities into the future.

Strategic Imperative 1 - Recommended Actions

Action No.	Action	Partners
1.1	Industry advocate for a coordinated whole of government approach at federal, state and local levels.	DSSS, Councils, NSW Government, Destination NSW
1.2	Promote the direct and in-direct benefits of the visitor economy to the community and advocate for the needs of the tourism industry at all levels of government and industry.	DSSS, Councils, LTOs, Industry, Destination NSW
1.3	Destination NSW and other government funding programmes align with Destination Network Zones and programmes enable participation by smaller LGAs and industry operators.	DSSS, DNSW, Councils, NSW Government
1.4	Industry advocate for and work with Federal, State and Local Government Planning Schemes to provide certainty for tourism investment.	DSSS, Industry, Destination NSW, NSW Government, Federal Government
1.5	Appropriate stakeholders contribute to the development of strategic plans related to the visitor economy; e.g. Southern NSW Marine Tourism Strategy, NSW Tourism Transport Strategy.	DSSS, DNs, local councils, industry, Destination NSW
1.6	Engagement with industry includes operators who are not financial members of local LTOs or Council Tourism programmes.	DSSS, Local Council, LTO
1.7	Ensure that relevant visitor economy data is released in a timely manner for use by all industry stakeholders.	Destination NSW, Tourism Research Australia

Strategy Imperative 2 - Destination Infrastructure

As a predominately short-break and day-trip destination for those from Sydney (both domestic and international visitors), dealing with the issues of peak-demand, dispersal and connectivity are central to future success.

The destination needs to build a critical mass of new visitors to support the feasibility of new connectivity as well as adapting to the evolving needs of the visitor market for transport, digital connectivity and the delivery of visitor information. This critical mass is most likely to come from growth in visitation to the DSSS zone as a result of:

- Population growth in Sydney, particularly in the Western Sydney corridor;
- Forecast growth in international visitation; particularly from Asia;

- The second Sydney airport at Badgery's Creek and increased in-bound international arrivals; via Canberra Airport;
- Improvements and upgrades to the Princes Highway, M7 & M9 Motorway & F6 Freeway, Appin Rd, Picton Road, MR92.

Visitors expect seamless connections to and within the destination in terms of transport and digital connections as such it is vital that continued improvements to transport links and digital infrastructure is planned for and implemented.

Strategic Imperative 2 - Recommended Actions

Action No.	Action	Partners
Destination Infrastructure		
2.1	Work with all 3 tiers of government to identify and prioritise infrastructure that will deliver best outcomes; e.g. Marine Tourism Strategy, NSW Tourism Transport Plan, Wollongong Convention Centre.	DSSS, Councils, NSW and Federal Government
2.2	Advocate for improved road connections and public transport connectivity from Sydney, particularly beyond Kiama and to the Southern Highlands.	DSSS, Councils, NSW Government, Industry, Federal Government
2.3	Advocate for improved digital infrastructure to meet future demand from digital native generations such as the Millennials.	DSSS, Councils, NSW Government, Industry
2.4	Support and advocate for public space infrastructure (e.g. WiFi).	DSSS, Councils, LTOs, Industry
2.5	Support and advocate for the development of infrastructure that supports community and visitor needs.	DSSS, LTO, Councils, NSW Government
2.6	Support infrastructure project plans with evidence based insights related to visitor economy impact.	DSSS, Destination NSW TRA

Strategy Imperative 2 - Destination Infrastructure

While not an exhaustive list, major identified infrastructure projects that have the potential to significantly impact on the visitor economy at a regional level include;

ALL:

- Badgerys Creek Airport (In Progress)
- NSW Marine Tourism Master Strategy (In Progress)
- F6 Freeway Extension (In Planning)
- NSW Tourism Transport Strategy (In progress)
- Maldon Dumbarton or SWIRL Rail (Feasibility Studies Complete)

Wollondilly

The Wollondilly DMP is currently being prepared -infrastructure projects will be added on completion of the DMP.

Southern Highlands

- Mittagong to Moss Vale Cycleway (Planned)
- Moss Vale Sports Centre redevelopment
- Bowral and Moss Vale Bypass (Planned)
- Bowral Memorial Hall Redevelopment
- Indoor Equine Centre Werai Racecourse

Shoalhaven

- Princes Hwy upgrade - Berry to Bomaderry (In Progress)
- Nowra Bridge (Planned)
- Round the Bay Walk, Jervis Bay (In Progress)
- Ulladulla Harbour Expansion (planned)
- MR92 upgrade – Canberra (on-going)
- Nowra River Precinct Masterplan (planned)
- The Great South Coast Walk (planned)
- Shoalhaven Indoor Sports Stadium (under construction)
- Huskisson Masterplan (Planned)

Wollongong

- Wollongong Convention Centre (Proposed)
- Port Kembla Cruise Terminal (Proposed)
- Grand Pacific Walkway (Under Construction)
- Mt Kiera Summit Park (Planned)
- Picton and Appin Rds Upgrades (In Progress)

Shellharbour

- Shell Cove Marina and precinct development
- Princes Hwy Albion Park
- Illawarra Regional Airport Upgrade (Proposed)
- Bass Point Aboriginal Cultural Centre (Feasibility Complete)

Kiama

- Jerrara Dam Development (Concept)
- Kiama Harbour Masterplan (concept)
- Kiama Coastal Walk Extension (concept)
- Kiama to Southern Highlands Walking Trail (Concept)

Strategy Imperative 3 - Collaborative Destination Marketing

Regional partners need to combine their efforts to increase investment in targeted marketing through an evidence based, insight led approach to project selection and development. This should include seeking grant funding from Local, State and Federal agencies as well as seeking to create brand alliances via commercial partnerships to stretch marketing investment further.

A detailed analysis of the region's visitor markets can be found in Appendix 1, the key takeouts from this assessment are:

- Growth needs to be managed to achieve year-round dispersal of the benefits of the Visitor Economy
- While outperforming regional competitors in terms of growth in the domestic market, both average length of stay and overnight expenditure are lower than state averages
- While international visitation is the fastest growing segment for the zone, this is from a much smaller base.

As is evidenced by the Destination Analysis in Appendix 1, DSSS is competing well with comparable visitor economies but is not maximising its industry potential. Without proactive industry collaboration and action, there is a real possibility that DSSS may fall behind.

Due to the region's strong attributes and awareness, additional marketing spend through targeted cooperative campaigns (such as Unspoilt and Grand Pacific Drive) has tangible and significant benefits when paired with promotion of the unique visitor experiences. This is evidenced via the catalyst project case studies presented in the latter part of this document.

This approach will;

- 1 Increase visitor preference
- 2 Increase intention to visit
- 3 Increase leads for local businesses
- 4 Increase visitor conversion

The destination brands of South Coast and Southern Highlands have gained market and industry traction, however more is needed to cement brand values and lift awareness of the experiences on offer to the appropriate target markets.



Strategy Imperative 3 - Collaborative Destination Marketing

Strategic Imperative 3 - Recommended Actions

Action No.	Action	Partners
Collaborative Destination Marketing		
3.1	Secure timely and relevant insights and data from sources including Destination NSW, Tourism Research Australia and other sources.	DSSS, Councils, Industry, Destination NSW, TRA
3.2	Develop business cases to secure additional marketing funds for Southern Highlands, South Coast and Grand Pacific Drive campaigns through evidence-based analysis of unmet / pent-up demand.	DSSS, DNs, Councils, LTO's, Industry
3.3	Support and inform the development of short-break campaigns targeting mid-week and longer stay markets.	DSSS, Councils, Industry, Destination NSW
3.4	Work with Inbound Tour Operators, Self-drive tour companies, Sydney Hotel concierges and ride-sharing services such as Uber to encourage more mid-week international trips from Sydney.	Councils, Destination NSW, Industry
3.5	Work with Sydney and Canberra Airport on cooperative marketing programs to drive interstate and international visitors.	Councils, Destination NSW
3.6	Promote the value of digital platforms encompassing the sub destinations of South Coast and Southern Highlands to rationalise resources and align with consumer behaviour.	DSSS, Destination NSW, Councils, Industry
3.7	Support and advocate for the expansion of the Grand Pacific Drive into a Sydney-Melbourne touring route and support the Sydney-Melbourne Coastal and Heritage Drives.	DSSS, DSNSW, Councils, NSW Government, Destination NSW Federal Government
3.8	Partner with Tourism Australia to gain recognition for signature experiences that can be promoted to the international audience.	Councils, Destination NSW, Industry, Tourism Australia
3.9	Align activities with DNSW and Tourism Australia target segments and campaigns.	Councils, Industry, Destination NSW, Tourism Australia
3.10	Align and rationalise investment in visitor information service delivery in line with consumer insights.	Councils, LTO, Destination NSW
3.11	Align marketing activity with consumer demand trend to experience destinations 'like a local'.	Destination NSW, Councils, LTO, Industry

Strategy Imperative 4 - Product and Experience Development

While the region has an enviable blend of city, coastal and hinterland offerings and strong natural assets, opportunities for visitors to spend money on experiences and attractions are not as prevalent as in other regions.

To attract and support investment and reinvestment in new products and experiences and accommodation offerings local councils and state government need to create an investor-friendly environment where commercial operations are provided the mechanisms and support to invest in an environment of certainty.

Local councils are arguably the most significant asset owner in regions with community facilities, parks, beaches, walkways, cycleways and in some cases waterways under their control. Councils need to embrace the opportunity to monetise these assets for the community via more readily allowing commercial tourism business operators access to these assets.

With large areas of national and state parks, state forests and areas of crown land, each of the relevant landowners need to further develop the required infrastructure and in turn encourage access to these areas to meet the growing interest in nature, aquatic and outdoor experiences and activities.

To effectively grow the overnight market the region needs destination accommodation of the types and styles that encourage visitation and match consumer tastes and trends – not just provide for accommodation to meet the current demand. Boutique and high quality rural accommodation, pop-up and remarkable eco-tourism accommodation and resort-style coastal accommodation that create demand and drive awareness and preference. To support this need and an audit of hotel/motel accommodation and future demand can be found in appendix 3.

Local councils need to encourage accommodation investment through the removal of barriers and the creation of enablers such as priority development areas and incentives.

Tourism Australia segments tourism activities into six broad categories:

- Aquatic and Coastal
- Food and Wine
- City
- Sport and Adventure
- History and Culture
- Nature and Wildlife

Consumer interests will drive visitation and the onus is on industry to identify and support the development of niche and special interest offerings across the range of product categories. Tourism is a dynamic industry driven by changing consumer interests and technology so some products that may not fall neatly into these categories. These new attractions and experiences should be supported and encouraged to keep pace with industry evolution.

A key driver to increasing visitor length of stay and in turn expenditure will be to:

- Support and encourage new and diverse products, attractions and experiences into market;
- Increase operator skills in the areas of packaging and value-adding;
- Support operators to be export ready to meet the projected growth in the international in-bound market; and
- Develop touring routes and trails that promote extended stay itineraries and complimentary experiences and attractions.

Strategy Imperative 4 - Product and Experience Development

Strategy Imperative 2 (page 18) notes a number of infrastructure projects such as walkways and trails and marine infrastructure that will support new products and experiences. Separate to these are at the time of writing a number of major commercial developments that have the potential to drive growth at a regional level. While not an exhaustive list, these include;

Project	LGA	Status
Shaolin Temple – Staged Development	Shoalhaven	DA Approved
Jamberoo Action Park Expansion	Kiama	Planned
Bundanon Riversdale Masterplan	Shoalhaven	Planned
Silkari Resort Avondale	Wollongong	DA Submitted
Worrowing Heights Hotel	Shoalhaven	DA Submitted
Southern Highlands Wines Hotel	Wingecarribee	Wingecarribee
Calderwood Golf Resort	Shellharbour	DA Approved
Yerriyong Motorsport Complex	Shoalhaven	Planned
Bendooley Estate Berrima Function Centre and Cottages	Wingecarribee	Under Construction
Mt Ashby Estate Winery Function Centre	Wingecarribee	Planned
Indoor Equine Centre at Werai Racecourse	Wingecarribee	Planned
Willinga Park Equestrian Centre	Shoalhaven	Part Complete

Detailed information on the status of these developments should be sought from the project proponent.



Strategy Imperative 4 - Product and Experience Development

Strategic Imperative 4 - Recommended Actions

Action No.	Action	Partners
Product and Experience Development		
4.1	Advocate for State and Local Government Planning Schemes to provide certainty for tourism investment.	DSSS, Destination NSW, Councils, Industry
4.2	Advocate for local councils and related approval authorities to create an investor friendly environment.	DSSS, Industry, Destination NSW, LTOs
4.3	Work with local councils, National Parks and Wildlife Service, Forestry Corporation of NSW, Crown Lands and Waterways NSW to identify and secure sites for future industry needs and allow greater access for commercial tourism activities.	DSSS, Councils, Destination NSW, LTO, NPWS, Crown Lands, NSW Government
4.4	Support industry to secure funding for product development via Destination NSW and other funding sources.	DSSS, Councils, LTO
4.5	Promote Destination NSWs market readiness programmes; particularly in relation to Asian market readiness.	DSSS, Councils, LTO
4.6	Work with NPWS and Councils to develop a 'pop-up' accommodation policy for on and near park locations.	DSSS, Destination NSW, Councils, NPWS
4.7	Support the development and promotion of local Indigenous tourism experiences utilising the insights and resources available through Destination NSW and other agencies. E.g. Aboriginal Tourism Plan 2017-20.	DSSS, LTO, Councils, Destination NSW, Crown Parks, NPWS
4.8	Support and encourage the development of niche and special interest product offerings including Golf, Adventure, Food & Beverage, Aquatic, Equine, Arts & Culture, Heritage, Outdoor, Nature.	DSSS, Councils, LTOs Destination NSW
4.9	Support and advocate for the Southern NSW Marine Tourism Strategy being developed by the Department of Premier & Cabinet, in particular the opportunities this presents for marine based experience operators and attractions.	DSSS, Councils, Destination NSW, NSW Dept Premier & Cabinet
4.10	Promote and support industry to be 'export ready' for international growth via Destination NSW readiness programmes and multi-lingual visitor information.	DSSS, Councils, LTO, Destination NSW, Tourism Australia

Strategy Imperative 5 - Events and Conferencing

Events and festivals are integral to the visitor economy and provide significant tourism, trade and investment opportunities for regional NSW. In line with Destination NSW's mission, the DSSS zone needs to identify, attract and nurture events that will increase overnight expenditure and stimulate visitation in off peak periods. Events are a key pillar of the visitor economy and have the ability to:

- Reinforce the brand of a destination
- Provide the impetus to visit 'now'
- Reach new markets
- Reduce seasonality
- Increase the products and experiences on offer
- Drive overnight and mid week visitation
- Stimulate repeat visitation
- Increase overnight expenditure

The term events covers a broad range of activities that significantly contribute to the visitor economy. These include but are not limited to events classified as;

- Arts and Culture
- Heritage
- Sport
- Weddings
- Music
- Car, Motorcycle, Air
- Agricultural Shows and Fields Days
- Race Meetings; Horse, Dog, Vehicular
- Equine
- Nature e.g. birdwatching, whalewatching
- Aquatic; sailing, fishing, surfing
- Outdoor Pursuits; cycling, walking, mountain biking.

Events stimulate both direct and indirect contributions to the economy. Direct benefits include employment creation and revenue generation.

The destination needs to maintain, develop and secure investment in the infrastructure required to hold events whether they be major, minor or niche.

While the responsibility for securing and hosting events rests with individual local councils, they need the support and assistance of all levels of government to create and nurture events in a positive regulatory environment.

Business Conferencing

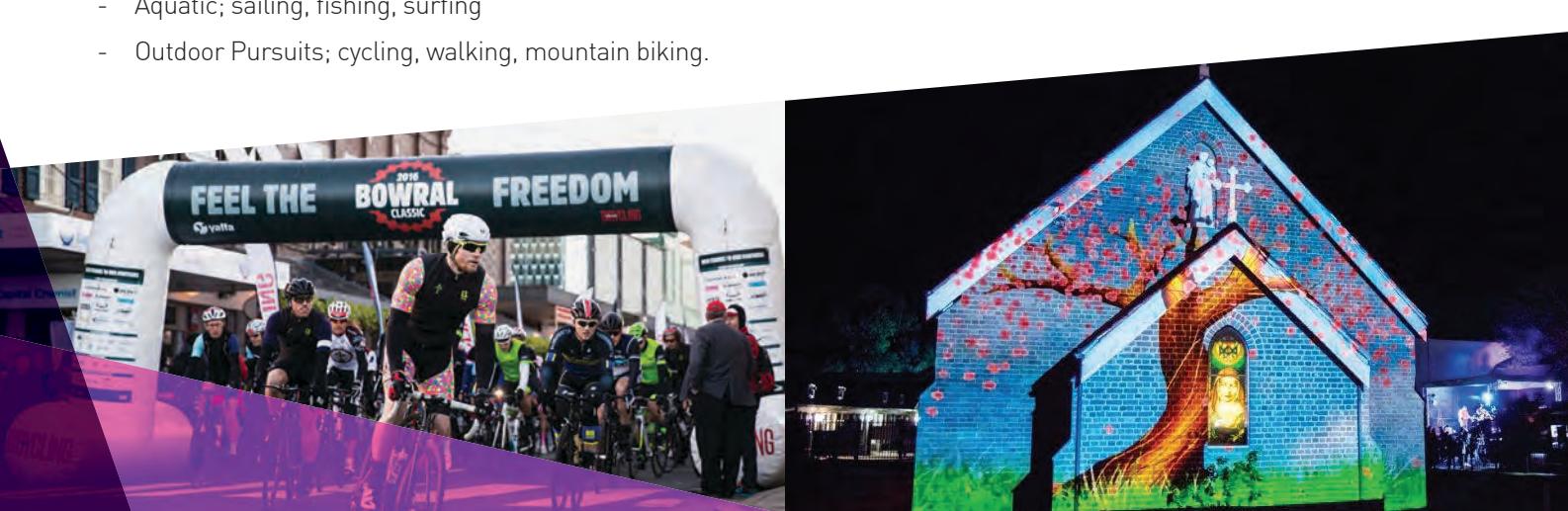
Business events and conferences from large to small have the ability to drive visitation, particularly mid-week and out of peak season and;

- Are generally high yield
- Fill mid week accommodation vacancies
- Encourage repeat visitation
- Enable packaging of experiences for attendees to extend stays pre and post event

The continued growth of the business events market in the zone requires a considered approach to targeting events that match supply, and developing infrastructure that supports growth, in particular;

- Development of the Wollongong Convention Centre and surrounding accommodation
- Establishment of branded hotel / serviced apartment accommodation in Nowra to support the Shoalhaven Entertainment Centre

In line with existing conference facilities within the DSSS zone, the focus is to stimulate MICE sector growth needs to match supply.



Strategy Imperative 5 - Events and Conferencing

Strategic Imperative 5 - Recommended Actions

Action No.	Action	Partners
Events and Conferencing		
5.1	Assist event organisers in preparing submissions to the NSW Event Funding and other grant programs.	DSSS, Councils, LTOs Destination NSW
5.2	Assist event promotion via Destination NSW publicity and marketing channels.	DSSS, Councils, Destination NSW
5.3	Support the development of local events into high profile signature events for the region.	DSSS, Councils, Destination NSW
5.4	Provide a positive regulatory environment for event organisers.	Councils, NSW Government
5.5	Target and/or develop events to drive visitation in the shoulder and off season.	Councils, Destination NSW, Industry
5.6	Work with council departments advocating for investment in facilities that attract major events.	DSSS, Councils, NSW Government, Destination NSW Industry
5.7	Support event organisations with as needed skills training and development; promote event management pathways via the MEA scholarship programme.	DSSS, Councils, NSW Government, Destination NSW
5.8	Improved coordination, packaging, marketing and promotion of MICE events in consultation with the Destination NSW Regional Conferencing Unit.	DSSS, Councils, LTO Destination NSW
5.9	Assist conference event organisers via Destination NSW event funding programmes.	DSSS, Councils, Destination NSW
5.10	Assist proponents in securing support for the development of major infrastructure to host events.	DSSS, Councils, Destination NSW, NSW Government
5.11	Develop pre and post conference packages to stimulate extended stays.	Council, LTO

Strategy Imperative 6 - Industry Skills Development

Operator Skills Support

The quality of a visitor's experience of a destination relies heavily on the service delivery across all stages of travel, from trip inception and planning to in-destination experience and post visit experience sharing.

The tourism industry in regional NSW is made up primarily of small business operators, a characteristic which is also reflected in the DSSS Zone. With limited internal resources, industry operators need support to develop and continue to update their organizational skills and knowledge to deliver the quality experience that will encourage repeat visitation and experience sharing.

Industry Pathways

Industry needs support to address current and forecasted skills shortages, particularly in the hospitality and accommodation sectors, this as a result of the lack of acknowledgement of tourism as a career pathway.

Innovation Models

The region has a range of natural strengths and a growing market, both domestically and internationally. The region's average spend per visitor and mix of activities participated in suggest an opportunity to encourage new start-up businesses offering value-added experiences. To foster innovation within the tourism industry, develop partnerships and enhance the development of creative initiatives, a Hub for tourism product development should be explored. This would have many benefits:

- Fosters local partnerships and collaboration
- Facilitates cross industry learnings
- Strengthens confidence and ability of local operators
- Promotes the development of new product
- Enhances the visitor experience
- Allows needs, demand and supply to be investigated and projects developed to meet future needs and aspirations of the region.



Strategy Imperative 6 - Industry Skills Development

Strategic Imperative 6 - Recommended Actions

Action No.	Action	Partners
Industry Skills and Development		
6.1	Work with industry and training service providers to identify skills gaps and the type of training programs needed and develop strategy / approach to deliver appropriate programs.	DSSS, Councils, Industry, Destination NSW, Training Organisations
6.2	Educate and inform industry on relevant insights on market and consumer trends, emerging opportunities, best practice and inspirational tourism industry initiatives.	DSSS, Councils, Destination NSW, Tourism Australia
6.3	Promote Destination NSW's market readiness programmes.	DSSS, Councils, LTOs, Destination NSW
6.4	Promote Destination NSW's NSW First programme.	DSSS, Councils, LTOs Destination NSW
6.5	Work with industry education providers and member bodies to develop ways to enable smaller accommodation providers to better compete in the online booking environment.	DSSS, DNs, Illawarra ITEC, Industry, TAFE, Destination NSW
6.6	Champion education pathways through universities and TAFE to address the staff shortages and foster the perception of hospitality as a viable long-term career.	DSSS, DNs, Destination NSW, NSW Government, TAFE NSW
6.7	Work with universities and TAFE to develop and deliver graduate level courses relevant to the tourism industry.	DSSS, DNs, Destination NSW, NSW Government
6.8	Collaborate with industry and University of Wollongong to identify, encourage and support tourism enterprises via a product incubator / mentoring programme.	DSSS, DNs, Destination NSW, Industry, University of Wollongong

Analysis: Target Markets and Growth Potential

Through the consultation process the following target market segments were identified. These markets will be explored as part of the strategic directions and case study projects, as stakeholders have identified them as having an existing market preference which is able to be leveraged in order to achieve the region's goal.

Primary Target Markets

- 200km drive market (Southern and Western Sydney, Canberra, South Coast) families young couples and singles / millennials) looking for nature, culture and well-being (inc. food and wine)
- International markets in Sydney.

Secondary Target Markets

- Travel for a purpose drive market
- Leisure Events (inc. Weddings)

- Business Events / MICE
- Sydney - Melbourne touring route travellers (nature-lovers)
- Arts & Cultural visitors
- Cruise.

To test the value of each market a Shift Share analysis has been undertaken. That is where the share of the market is increased to a benchmark above the 'business as usual' share. Table 4 below shows the potential shift share of each segment above, while Table 5 on the following page illustrates the potential value of target international markets.

Through development of projects inspired by the case studies, the series of example shift shares in the following sections can achieve 86% of the 2020 goal. Please note that some of these markets are expected to overlap, and as such to avoid duplication these should not be considered as independent, cumulative markets.

Market Segment	Current Share	Target Share	2022 Value	Increase in Value
100km - 200km drive market families, couples and young singles	19.19%	19.49%	\$4.3B	\$67.4M
International visitors to Sydney* (inc. touring)	5.2%	5.5%	\$427M	\$30M
Travel for a purpose (self-drive):				
Leisure Events	14.6%	15%	\$1.37B	\$13.1M
Business Events (with a Convention Centre)	6.3%	8%	\$2.4B	\$9.2M
Cultural visitors	8.6%	9%	\$196M	\$11.9M
Cruise	0.6%	2%	\$2.21M	\$633K

Table 4: Shift-share analysis of key target markets

Note: the Cruise category was extrapolated from a series of assumptions based on the 2016-2017 Wollongong port activity and as such should be used as a baseline indicator and not as an accurate overview of impact: In 2016-2017 financial year, 3 ships made port, with passengers and crew numbering between 2,900 and 5,400, half of which it is assumed disembarked as based on general cruise visitor activity.

Additionally, direct visitor spend exclusive of ship operating costs was sourced from a report completed by Tourism Research Australia and Tourism Western Australia which stated that direct visitor expenditure for day-tripping cruise visitors was \$63. Market share was developed based on these assumptions against cruise activity outlined in the Australian Cruise Association Economic Impact Assessment of the Cruise Industry 2015-16 report and a day visitor forecasting rate was applied. Achieving the target shares within these international target markets has the potential to achieve 20% of the target 2022 goal.

Analysis: Target Markets and Growth Potential

Market Segment	Current Share	Target Share	2022 Value	Increase in Value
Asian (Collective)	3.2%	3.5%	\$225M	\$15.4M
China	2.6%	3%	\$115M	\$12M
UK	7.7%	8.1%	\$51M	\$3M
USA	4%	4.5%	\$45M	\$19M
Korea	6.2%	6.8%	\$27B	\$2.5M
New Zealand	3.9%	4.5%	\$18M	\$2.3M
Total				\$54M

Table 5: Shift-share analysis of key target international markets

Sydney Market

Currently, NSW residents take almost 9.7 million interstate trips per year, and almost 18.4 million trips within NSW. DSSS receives 1.84million of these intrastate trips, amounting to an 10% share of the NSW market. In meeting the guiding principles of managed growth, one of key focus areas for the next five years must be converting a greater proportion of visitors to overnight stays and dispersing those stays across the year, to mid-week and geographically across the region.

This approach not only makes sense in managing growth, but as Table 6 below shows it makes good economic sense. Of the Sydney Short Break Market (1-3 days), DSSS hold 11.6% of the market, while neighbouring Destination Sydney Surrounds North (DSSN) holds a 17.6% share.

Currently, the destination has only two locations in the Top 10 destinations for overnight domestic trips from the Sydney short-break target market (Appendix 4). There is an opportunity that industry activities in line with the case studies can increase the number of areas within the DSSS zone which are in the Top 10 in 2022, making DSSS the #1 destination for overnight short breaks from Sydney.

Market Segment	Current Share	Target Share	2022 Value	Increase in Value
Sydney Overnight	23%	1.5%	\$921M	\$85M
Sydney Day	23%	1%	\$606M	\$46M

Table 6: Shift-share analysis of Sydney source market

Catalyst Project Case Studies

In development of this Destination Management Plan, positive and achievable catalyst projects were sought out to inform an evidence based approach to identify strategic priorities. Sourcing proven and successful examples hold lessons which would benefit project development by industry towards the goal of doubling overnight expenditure by 2022.

The following case study exemplars were selected as being illustrations of catalyst projects and investment areas which have relevance to the region's growth priorities.

DSSS will actively advocate on behalf of proponents and support and facilitate collaboration during projects which will contribute to the goal and strategic imperatives that further the region as a whole, rather than focusing on the delivery of individual projects.

As part of supporting analysis, the DSSS zone performance against a peer group of Destination Sydney Surrounds North (DSSN), Sunshine Coast and Great Ocean Road Region (GORR) was undertaken to illustrate the opportunity/ scope arising from successful implementation for the DSSS region.

This section is supported by an analysis of target markets and growth potential which could be achieved through projects similar to the following case studies.

List of Catalyst Case Studies:

- 1 Collaborative Destination Marketing
- 2 Product and Experience Development
- 3 Events and Conferencing -Wollongong Convention Centre
- 4 Accommodation Investment
- 5 Asian Inbound Market Growth Potential
- 6 Grand Pacific Drive Expansion



Catalyst Project: Increase Investment in Cooperative Marketing

Regional partners need to continue to combine their efforts to increase investment in targeted marketing through industry development and advocacy. This should include seeking grant funding from Local, State and Federal agencies as well as seeking to create brand alliances to gain maximum value for marketing investment.

Opportunity Analysis:

The Unspoilt Campaign has been a clear success in increasing visitation to the South Coast, and was awarded a Gold PATA (Pacific Asia Tourism Association) Award in 2015 for exceptional performance. The campaign focussed on promoting the region's key strengths to the domestic market, and is believed to have developed 1.39 million leads to industry between 2012 and 2015.

The campaign was the first "whole of region" marketing campaign, the success of which has been underscored as the collaboration and cooperation of various tourism bodies, municipal councils and local tourism industries across the 5 local government bodies of Shellharbour, Kiama, Shoalhaven, Eurobodalla and Sapphire Coast/Bega Valley, and has thought to have been more impactful and successful than 5 independent marketing campaigns would have been. It has been attributed to record numbers of domestic visitors, particularly short-break visitors from Sydney.

The result is that South Coast is a leader in regional destination marketing, maintaining a #2 ranking for overnight visits amongst Regional NSW destinations.

The Campaign has also had a measurable impact on travel intention: amongst those who had been exposed to or recognised the campaign, 66% were extremely likely visit the South Coast for a short break or holiday within the next 3 months, and 76% of campaign recognisers were extremely likely to do so within the next 6 months, as opposed to 39% with the next 3 months and 50% within the next 6 months of non-recognisers. In pure bookings numbers, DNSW estimates that this has resulted in a further 30,430 holidays booked.

The ability of the campaign to continue delivering visitor growth despite a decline in budget is attributed to intelligent planning and allocation of resources; utilising the most effective parts of the campaign as based on previous performance, strengthening industry partnerships, scheduled effective advertising to build off-peak visitation and leveraging baseline digital media presence.

Based on the results of the South Coast 'Unspoilt' Campaign worth \$720k, using the same conversion rate, a further \$500,000 invested could generate up to \$39M in additional visitor expenditure.



Catalyst Project: Development of New Experiences

The region attracts the majority of its visitors with its natural beauty. Emerging are; its arts and culture scene and an overarching health and well-being segment seeking the combination of the two; an escape from the busy city life in Sydney or internationally. The region's food, wine and emerging brewing and distilling producers also offer an opportunity to connect with the regions story.

Nature-based and cultural experiences were the lowest ranking experiences reported by overnight travellers to DSSS by Tourism Research Australia, with a cumulative market reach of 2.7 million activities undertaken in 2016/17. Food and wine activities had a market reach of 1.4 million, while there were almost 40,000 reported activities relating to wellness and health spa usage.

Achieving a 1.5% shift share in Agri-tourism could deliver an additional 26,000 overnight visitors in 2022, with a potential additional 84,800 visitor nights in the region above baseline. Nature-based tourism promises further benefits, as a 1.5% shift share in this market could bring an additional 64,000 overnight visitors to the region in 2022, with a potential additional 202,000 nights between both domestic and international visitors.

Tourism Australia segments tourism activities into six broad categories:

- Aquatic and Coastal
- Food and Wine
- City
- Sport and Adventure
- History and Culture
- Nature and Wildlife

These categories encompass the range of activities and attractions which are available to tourists (and residents). Table 3, below, outlines the number of activities (rounded) undertaken by visitors for each peer group destination to each of these market segments in 2016/17.

A 3% shift share in the Food & Wine / Agri-tourism market could generate an extra \$18M above baseline in 2022. This represents almost 7% of the additional expenditure needed to 2022 to meet the goal. **A 2% share shift in nature-based tourism could be worth and additional \$42M in 2022 above baseline.** This represents almost 16% of the additional expenditure needed in 2022 to meet the goal.

Market Segment	DSSS	DSSN	Sunshine Coast	GORR
Coastal and Aquatic	4.1m	4m	16m	6.7m
Food and Wine	1.9m	1.5m	5.2m	3.2m
City	17m	35m	67m	17m
Sports and Adventure	1.6m	1.7m	4.6m	1.4m
History and Culture	1.9m	2.6m	6.2m	5.2m
Nature and Wildlife	4.2m	4.8m	13m	6.3m

Table 3: A peer group comparison between activities undertaken within Tourism Australia's activity segments.

Catalyst Project: Wollongong Convention and Exhibition Centre

The Business Events, Meetings, Incentives, Convention and Exhibition (MICE) market is ideal for growing the off-peak and mid-week visitation to the region.

Business visitors in particular are a high-value market segment which exhibit different dispersal behaviour to leisure market segments. Business visitation is greater in the second half of the week, as evidenced by Figure 4, below, and is susceptible to slower business periods such as start of Financial Year (July) and the Christmas period (December through mid February). Through an active pre/post and incentive market program these visitors can also be dispersed across the region.

Opportunity Analysis:

The ease of a daytrip to the northern parts of the region, and the rapid visitor and population growth in Sydney could see the communities reach or exceed sustainable peak demand on summer weekends. There is a need to look at encouraging geographic, off-peak and mid-week dispersal.

Additionally, business visitors generate mid-week visitation peaks, as illustrated by Figure 4, below. This indicates that there is an existing mid-week market which may have potential for growth should there be an increase in opportunity for business events.

The region needs a major investment in a modern, flexible, multi-use convention and exhibition centre, supported by an event attraction and marketing fund, to drive visitation and **support an additional \$19M in spend through a 2% share shift, a total of \$85M in additional spend over five years.**

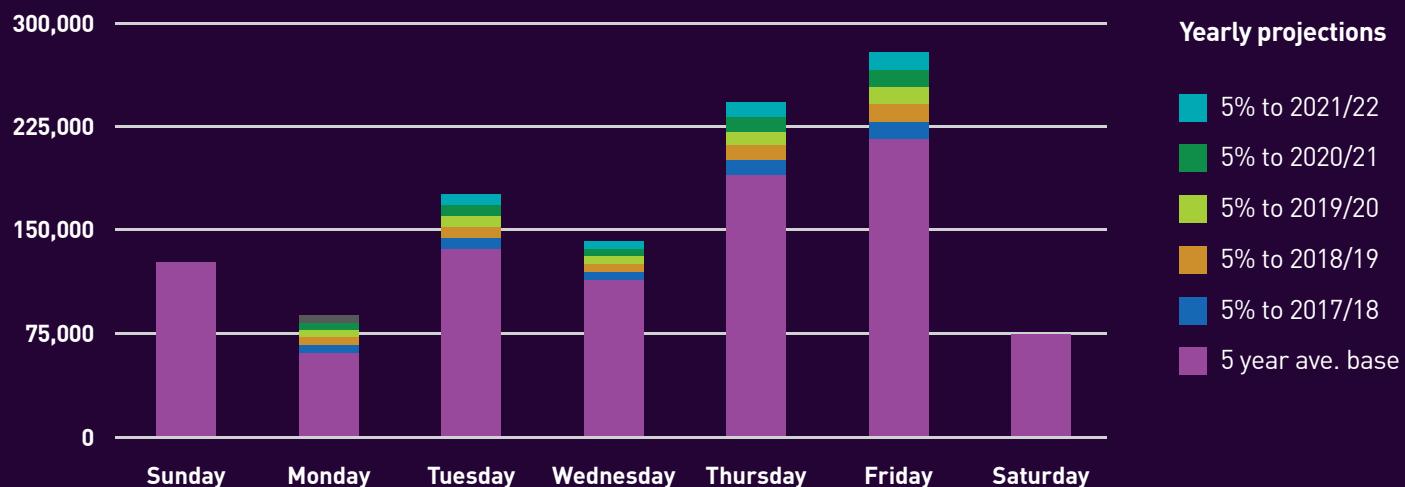


Figure 4: A representation of 5% year-on-year growth on mid-week business visitation.



Catalyst Project: Accommodation Investment

To effectively grow the overnight market the region needs destination accommodation: that is accommodation types and styles that encourage visitation – not just provide for accommodation which meets the current demand. Based on 2022 projections, DSSS is expected to exceed the minimum accommodation development threshold by 10%. Properties such as; boutique and high quality rural accommodation, pop-up and remarkable eco-tourism accommodation and resort-style coastal accommodation can create demand and drive awareness and preference.

Encouraging new accommodation investment can be facilitated through the removal of barriers and the creation of enablers such as Priority Development areas and incentives.

Opportunity Analysis:

A number of regional areas (including Ipswich, Rockhampton, Logan City Council and the Redlands) have incentivised accommodation investment with the intention of increasing and encouraging visitation. A common theme across these areas are the deliberate reduction in infrastructure costs to promote commercial investment in a variety of land uses, but particularly investment in 4-5 star hotel construction.

An accommodation audit of DSSS (see Appendix 3) indicates that there is a lack of accommodation providers in a number of LGAs, a gap which is being filled by market disruptor AirBnB. Additionally, it reveals an opportunity for new accommodation in order to meet demand in a baseline growth scenario, as DSSS currently is approaching the threshold where new accommodation capacity and development is necessary. This indicates that there may be scope to develop a range of quality accommodation options and the possibility for policy measure to limit unregulated competition in the accommodation sector.

Figure 5, below, outlines current room occupancy of rooms in DSSS throughout the year (for 2015/16). If room stock remains unchanged, there will be a demand of an additional 800,000 room nights in 2022 which current supply may not provide for.

At a 75% occupancy of current room stock in 2022, there is over 300,000 room night available for new accommodation providers. This would indicate that a further 981 rooms would be required in 2022 above current room stock.

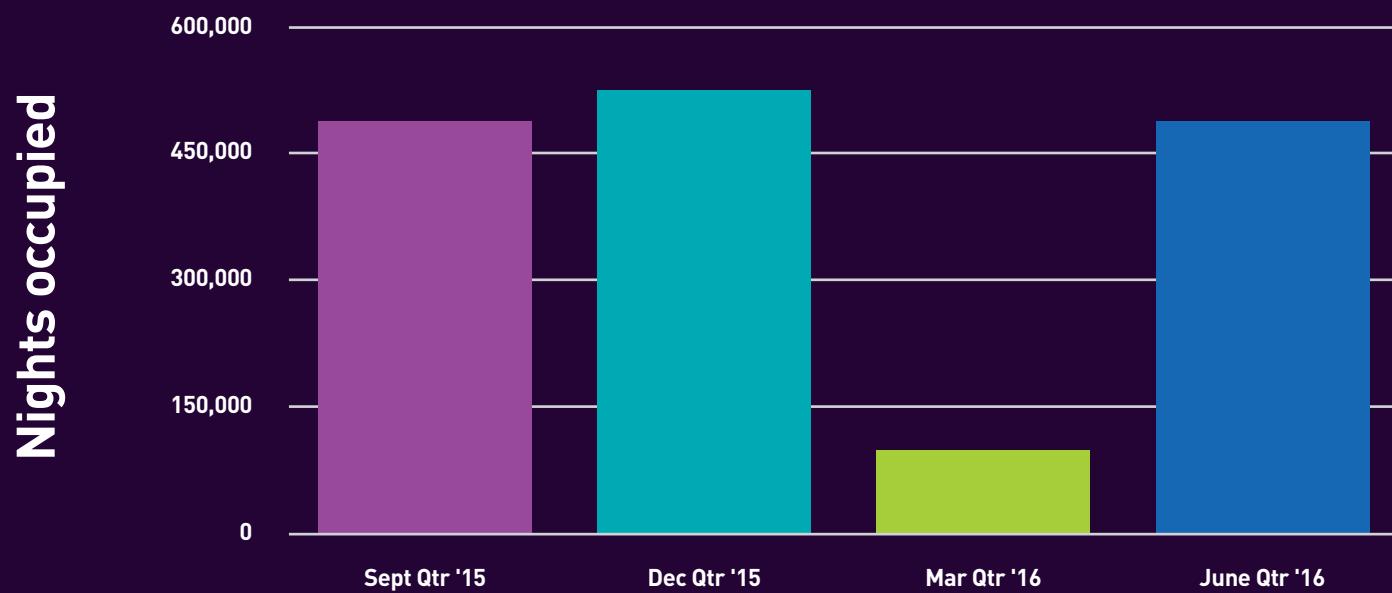


Figure 5: Room occupancy 2015/2016.

Catalyst Project: Grow Asian Inbound Market

Collaboration and marketing are integral to establishing effective strategies for increasing growth in target markets in tailored and relevant approaches. As illustrated in the Target Markets and Growth Potential, the international market is experiencing a significant growth from a small base, and is particularly active in the Asian market, where small shifts in market share will have a significant contribution towards DSSS's regional goal.

The Asian market is a high-value market segment, with a preference for luxury items and package experiences. Targeting this market segment has been successfully undertaken by other regional areas which have identified a product suitable for this market within their existing offerings. DSSS has a range of existing offerings centred around nature experiences, wildlife, landscapes and food and wine; this is an opportunity for creative product development and marketing.

Opportunity Analysis:

Building a clear USP and set of market ready experiences which meet with Asian visitor market expectations is essential if the region is to grow its share of this rapidly expanding market.

In the Margaret River region (WA), facilitation of cooperative branding between the food & wine, and tourism sectors, accompanied by creative marketing has allowed the region to make its mark in targeting Asian visitor markets.

The collaborative project aimed to increase both wine exports as well as increase visitation from the Singaporean market. The project was a result of a memorandum of understanding between the local tourism organisation (Margaret River Busselton Tourism Association (MRBTA)) and the regional development agency (South West Development Commission) and resulted in a Food and Wine Promotion Plan, which incorporated both wine export volumes and trade opportunity development alongside visitor targets.

Recent collaborative activities include the "First Class in a Glass" international marketing campaign, which targeted Singaporean visitors, and the establishment of a Margaret River branded wine shop opening in Beijing. Close collaboration between partners and clarity on complementary target markets between the two sectors were key enablers.

The region's diverse assets have the potential to lend themselves to similar collaborative international marketing initiatives.



Catalyst Project: Expand Grand Pacific Drive Programme

Regional Dispersal across the state is a key strategic initiative for Destination NSW and the State Government. The Illawarra, South Coast and Southern Highlands offer a fabulous opportunity to support this initiative through the cross regional well established, drive tourism product, Grand Pacific Drive (GPD).

The drive connects Sydney, via the 2nd oldest national park in the world to Wollongong, Shellharbour, Kiama and Shoalhaven regions on the South Coast of NSW. The extension of 'beyond' to other destinations such as Jervis Bay, Southern Highlands, Canberra or through to Melbourne via the coast or inland road provides consumers with a series of itineraries, driven only by the consumers preferences, time available and travel requirements.

The drive integrates with the current South Coast 'Unspoilt' Campaign encompassing the majestic coastline with fine white sands to the green hinterland. The drive is a popular day and overnight holiday touring route that is world renowned according to research undertaken by Tourism Australia and DNSW.

Since its creation in 2005 financial investment from local government tourism bodies has supported marketing activity, however limited activity has been done in the development of new product and experiences to create the necessary future investment in accommodation and small business, creating jobs and providing the social and economic benefits to the communities.

Opportunity Analysis:

With Sydney and Melbourne receiving 75% of all inbound international arrivals Grand Pacific Drive has the potential to become a key driver of international regional dispersal by expanding the route to become a Sydney → Melbourne touring drive.

Linking our two Olympic cities will deliver mid-week longer stay visitation outside peak holiday periods delivering jobs and community benefits.

Partnerships between industry and government stakeholders at Federal, State and local levels need to be established and developed to achieve growth in the visitor economy.

DSSS is well placed to play a lead role in leading advocacy for this game-changing opportunity.



Industry Funding Programmes

The NSW Government, through Destination NSW, makes contestable funding available to the regional Visitor Economy through a number of programmes, at present these include;

Regional Cooperative Tourism Marketing Program

Available for local government, Destination Networks, tourism and sector organisations (GST registered), located or representing industry within the six new Destination Networks to undertake a Cooperative Tourism Marketing Program which will be led by Destination NSW.

Regional Tourism Product Development Program

Offers between \$15,000 and \$150,000 for eligible projects that satisfactorily meet the assessment criteria. The funding must be, at least, matched dollar-for-dollar and is open to local government, tourism and sector organisations, including Destination Networks, and industry (GST registered), located or representing industry within the six Destination Networks.

Events stimulate both direct and indirect contributions to the economy. Direct benefits include employment creation and revenue generation.

The destination needs to maintain, develop and secure investment in the infrastructure required to hold events whether they be major, minor or niche.

While the responsibility for securing and hosting events rests with individual local councils, they need the support and assistance of all levels of government to create and nurture events in a positive regulatory environment.

Regional Events Program

Identifies and supports events in Regional NSW that have the potential to act as flagship tourism events by attracting overnight visitation and delivering long term benefits to their region. The program comprises three funds:

- Incubator Event Fund
- Flagship Event Fund
- Event Development Fund

Regional Event Investment Program

Destination NSW identifies, attracts and nurtures events that provide strategic and/or community benefits to Sydney and regional NSW. Events that provide substantial economic impact, provide opportunities for marketing and promoting NSW nationally and internationally and enhance NSW's international brand are eligible to apply.

Other Funding Sources

There is a variety of other funding programmes at local, state and federal level that relate to the tourism industry with each having specific eligibility requirements.

To support industry, DSSS will promote the availability of these funding opportunities and where requested provide advice and assistance in the preparation of programme applications.



Appendix 1: Destination Analysis

Destination Sydney Surrounds South (DSSS) is growing above the State average in the domestic market, but is lagging in its share of the fast growing International markets. DSSS received a total of 11,270,980 visitors in 2016/17, a number which has grown an average of 8% per annum since 2012/13, a rate which is above the national average. Figure 6, below, illustrates the changes in the individual market segments of domestic day, domestic overnight and international. The overnight visitor market (domestic overnight and international) is worth \$1.577 billion in 2016/17 with the potential to grow to \$2.01 billion by 2022.

Achieving the goal of doubling 2012 overnight visitor expenditure requires an additional \$236.1 million of overnight expenditure above baseline projections.

As overnight markets have been identified as key markets for growth, it is integral to understand the current behaviours and preferences of these markets in order to develop effective strategies to encourage growth.

Domestic Market

There were 7.750 million domestic day visitors to DSSS, accounting for 67% of total visitation. The market is growing more slowly than other sectors, but due its large size, day visitors have increased by 942,000 visitors in that time, resulting in an average increase of 3.5% per annum. However, domestic day markets have a significantly lower visitor expenditure than overnight markets, averaging just \$91 per day trip.

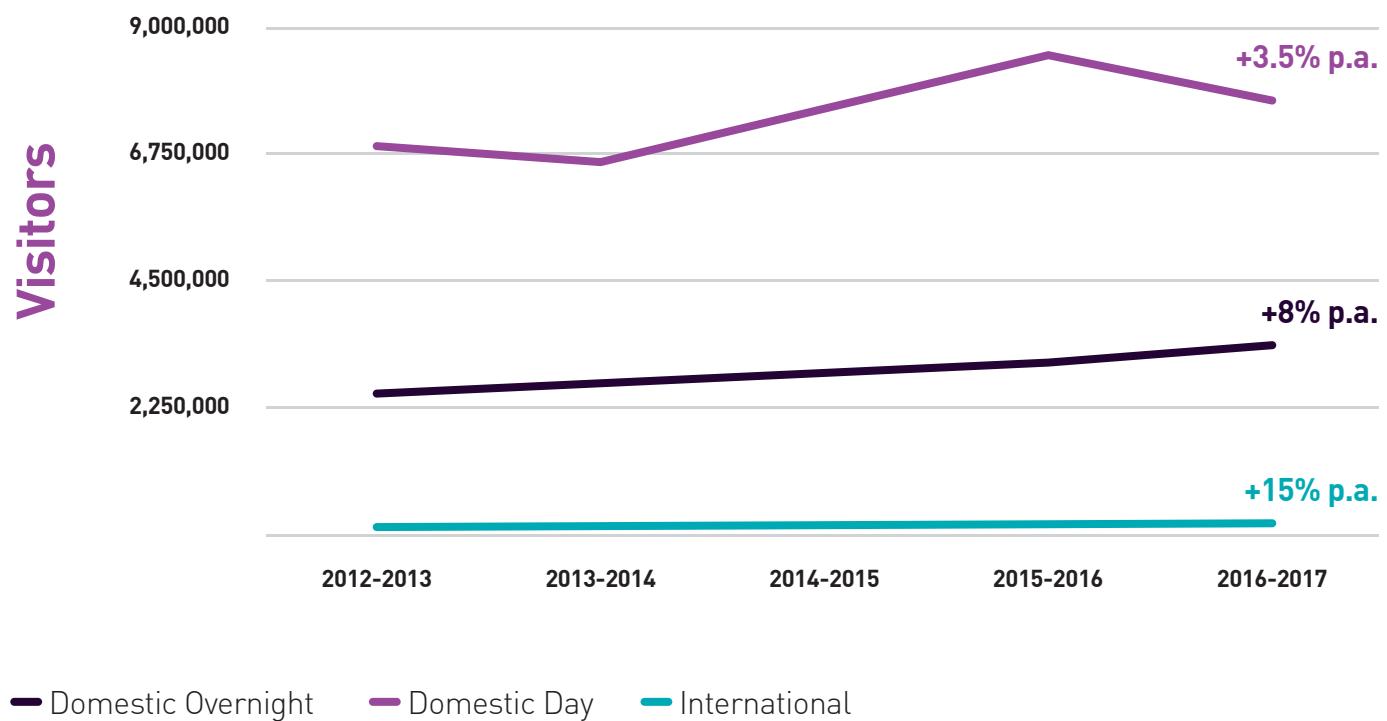


Figure 6: Visitation by market to DSSS (2012-2013 and 2016-2017).

Appendix 1: Destination Analysis

Domestic overnight visitors make up 30% of all visitation, a market segment which has grown steadily by 4.8% per annum since 2012/13. In 2016/17, there were 3.34 million domestic overnight visitors who spend on average \$392 per trip. This resulted in expenditure worth \$1.3 billion in 2016/2017. Domestic overnight visitors largely originate in New South Wales (81%), 67% of which originated from Sydney (see Figure 7 for State origin breakdown). 73% of domestic overnight visitors stay for 1 to 3 nights, indicating that the “short break” market segment is one of the most significant to the DSSS visitor economy. The average length of stay (ALoS) for domestic overnight visitors is 2.6 nights, which is slightly below the state average of 3.1 nights. Domestic overnight visitors usually travel as an adult couple (32%), a family group (24%) or friends and relatives (21%), and less often solo (20%).

The benchmarks provided in Figure 9, (Appendix 1) are indicative of DSSS's performance against coastal areas of similar profiles and offerings such as Great Ocean Road Region (GORR) Destination Sydney Surrounds North (DSSN) and Sunshine Coast (SUN). Figure 10 (Appendix 1) demonstrates DSSS's performance against areas known for hinterland landscapes and rural activities, and have been abbreviated as such (Atherton Tablelands as Ath T, Daylsford as Dayls, and Margaret River as M Rvr). Each of these areas have specialised offerings which can align to various sub-regions within DSSS, and cater for a range of different visitor types.

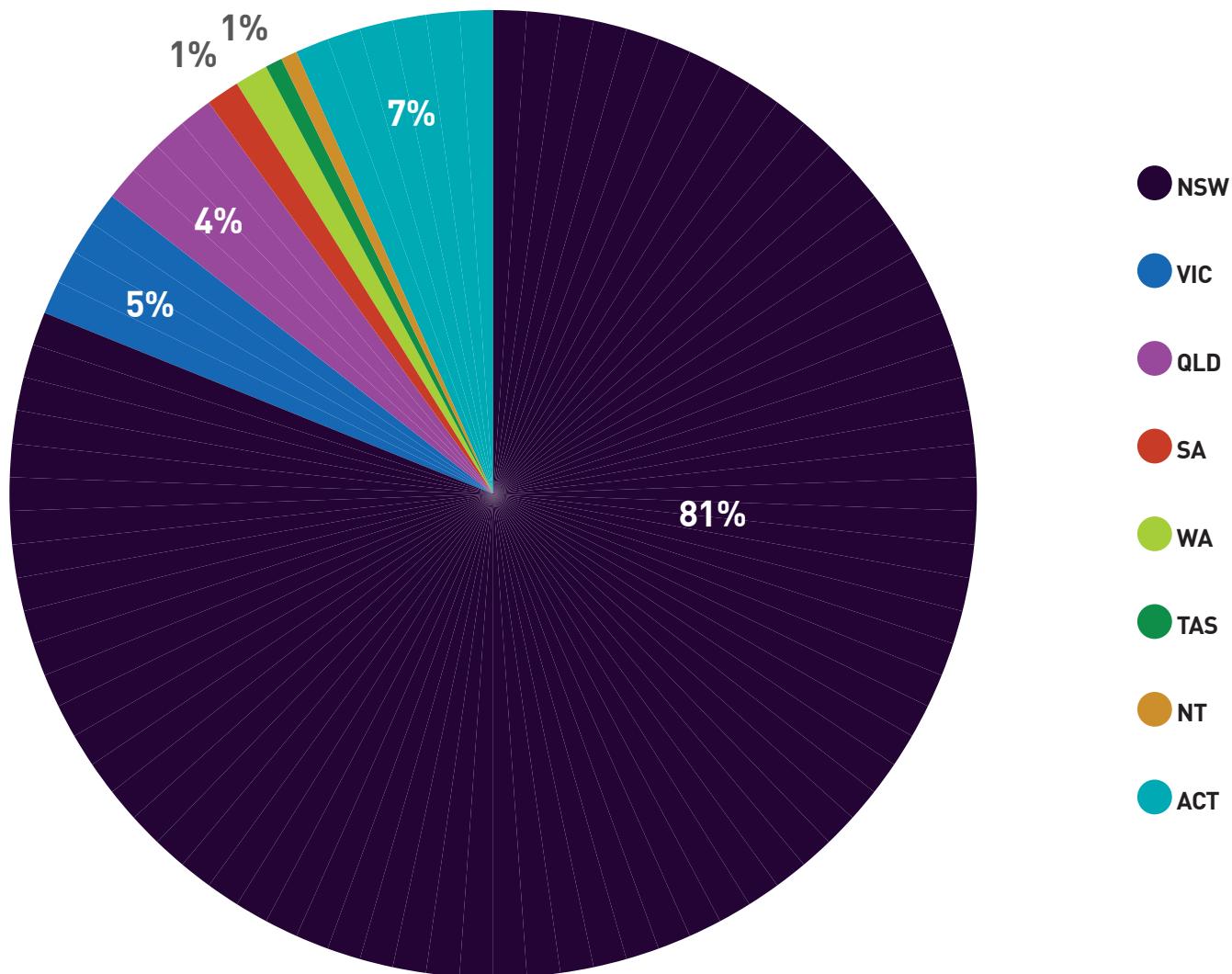


Figure 7: Proportion of Domestic Overnight Visitor Origins.

Appendix 1: Destination Analysis

International Market

International visitation has grown fastest (15% per annum since 2012), but has a much smaller market share (2%), resulting in an additional 70,000 international visitors to the region since 2012.

Internationally, key markets are sourced from **Asia (33%)**, with Chinese (10%) and Korean (7%) markets as the majority, and UK (16%), USA (10%) and New Zealand (9%) and Germany (6%) making up the 186,500 visitors in 2016/17.

International visitors travel to DSSS on **Holiday (66%)** and while visiting friends and relatives (24%), usually travelling alone (49%), as an adult couple (22%) and less often as a family group (15%) or on business (12%). Average length of stay for international visitors to DSSS is 14.8 nights, below the State average of 23 nights.

The international education market is growing across Australia, and DSSS holds 5% of NSW's international education market in comparison to neighbouring Destination Sydney Surrounds North (4%). This represents just fewer than 10,000 international students visiting DSSS in the last financial year.

Additional Visitors since 2012/13				
Source Market	DSSS	DSSN	Sunshine Coast	Great Ocean Road
UK	+6,200	+9,200	+9,300	+2,400
USA	+6,400	+7,900	+4,300	+12,000
China	+9,600	+5,100	+4,500	+28,000
Korea	+10,000	+1,700	+2,600	+750
New Zealand	+5,200	+6,200	+16,700	+3,660

Table 8: Comparisons between peer group regions.

Market Segment	Share of NSW Market	Current Worth (rounded)	2022 BAU worth (rounded)
New Zealand	3.9%	\$8.2M	\$15M
Asian (Collective)	3.2%	\$125M	\$239M
China	2.6%	\$53M	\$103M
Korea	6.2%	\$12M	\$24M
USA	4.1%	\$13M	\$25M
UK	7.7%	\$25M	\$48M

Table 9: Current and BAU forecasts of key international markets.

Appendix 1: Destination Analysis

Cruise Market

Offering a highly-desirable experience for both the domestic outbound market and international visitors to Australia cruising is one of Australia's fastest growing sectors.

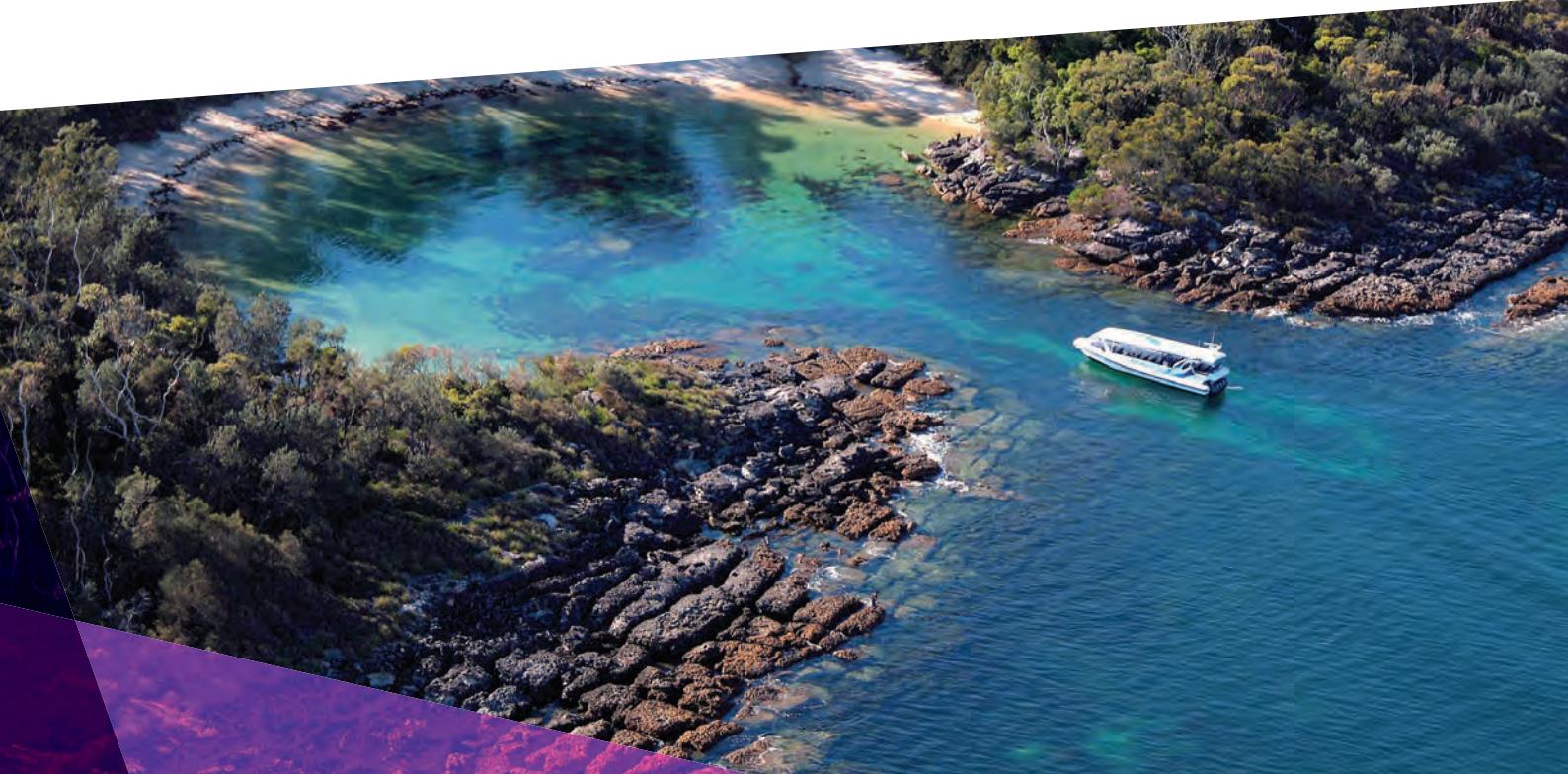
Table 3, below, outlines the current number of passenger days that arrive in ports to the north and south of the region. This is a growing market which DSSS is may be able to leverage. The region needs improved cruise infrastructure to continue to grow this market and deliver visitor satisfaction as well as offering a greater range of shore excursions to drive up visitor spend per day.

Additionally, NSW residents are the biggest source of cruise passengers in Australia, representing 40.8% of the outbound Australian cruise market.

Currently, NSW residents (excluding DSSS residents) take almost 28 million trips within Australia each year, 18.4 million of those are within NSW, and 9.6 million of which are outbound to other Australian states. DSSS currently received 2.7 million NSW resident visitors, which indicates a potential for growth.

Port	Passenger Days in Port	Crew Days in Port
Eden	7,027	436
Newcastle	14,727	3,593
Wollongong	12,000	Not provided
Sydney	1,290,813	260,874
Total	1,324,567	264,903

Table 10: Cruise Port Days.



Appendix 1: Destination Analysis

Visitor Expenditure

The average visitor spend per trip is below the State average, suggesting a higher volume lower value destination profile. Addressing this imbalance is key to the future success of the destination.

Table 11, below shows the average spend per trip and the total value to the destination (figures courtesy of DNSW). This clearly shows that domestic overnight visitors are worth twice as much to the destination, despite being half the number of visitors due to their higher spend. International visitors have the highest spend per trip; however this is shared with Sydney which secures a high percentage of overnight stays.

Comparatively, DSSS has a lower share of all visitors to the State compared to Destination Sydney Surrounds North and Sunshine Coast's share of QLD visitation, demonstrating the potential for growth in share. Average length of stay is comparable as is the share of growth segments such as those international visitors from Asia.

A key focus needs to be on average spend per night both for those visitors to the coastal areas as well as the hinterland compared to the Sunshine Coast, Margaret River and Daylesford.

Market	DSSS visitor spend per trip*	Worth to NSW	Worth to DSSS
Domestic Overnight	\$392	\$17B	\$1.308B
Domestic Day	\$91	\$5B	\$704M
International	\$1,488	\$10B	\$269M

Table 11: Visitor spend and expenditure in DSSS in comparison to NSW.

In terms of forecasting 2022 visitor expenditure, DNSW forecasts are calculated using visitor spend by number of visitors, as opposed to visitor nights by spend per night.



Appendix 1: Destination Analysis

Destination Challenges

DSSS is growing above the State and National average, however unmanaged this growth could undermine the destination's future success. Five emerging issues have been identified through the DMP consultation process driven by forecast visitation growth. The DMP attempts to directly address these issues, which will need to be closely monitored to achieve the vision without compromising the guiding principles of sustainable growth.

Implications for Future Growth

Based on the Tourism Forecasting Reference Panel (a Panel of experts advising Tourism Research Australia) forecasts DSSS is expected to gain an additional **1.035 million visitors** across all markets (see Figure 8, below). While this visitation will drive the destination towards its goal of driving the visitor economy, it could come at the cost of community support for tourism unless the focus begins to shift towards higher value, off-peak, and lower volume visitor segments. The largest segment of growth is forecast in the Domestic Day market, which typically travels on weekends in summer.

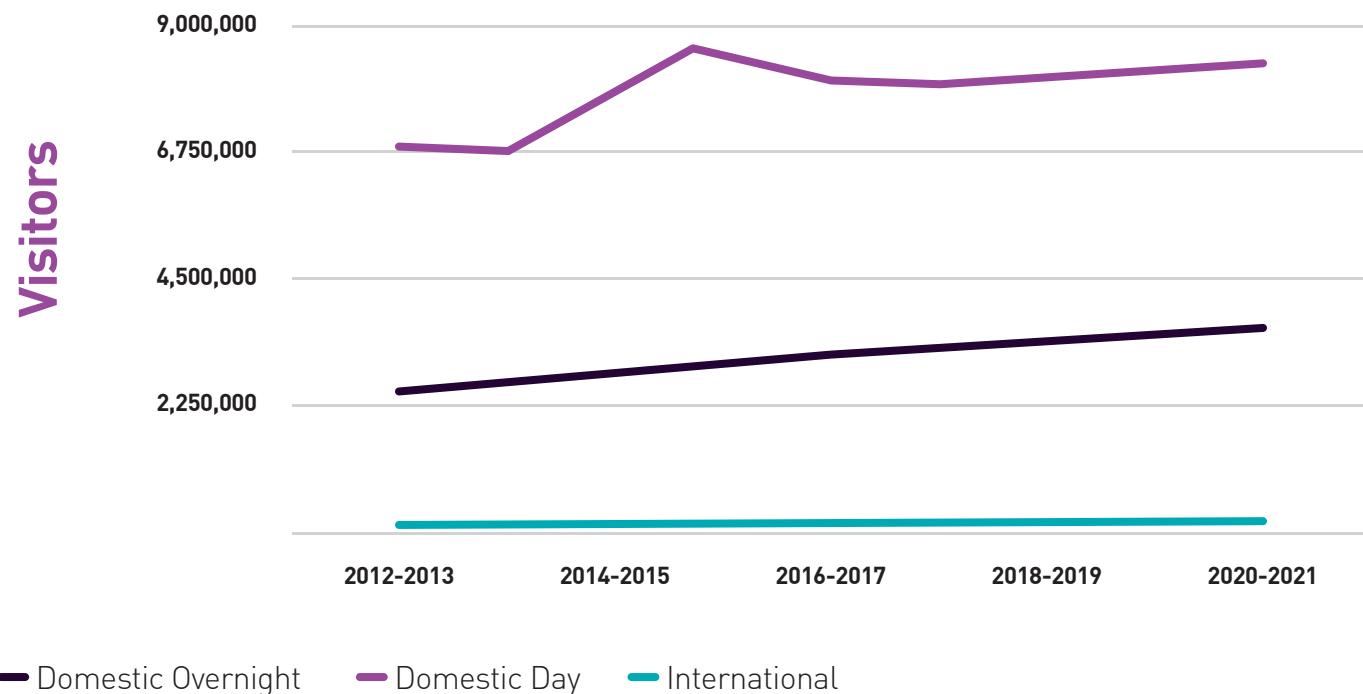


Figure 8: Forecast visitor numbers to DSSS based on 'business as usual' scenario.



Appendix 1: Destination Analysis

Benchmarking

Comparatively, DSSS (see Figure 9 & 10 below) has a lower share of all visitors to the State compared to Destination Sydney Surrounds North, and Sunshine Coast's share of the Queensland market, demonstrating the potential for growth in share. Average length of stay is comparable

as is the share of growth segments such as those international visitors from Asia.

A key focus needs to be on growing average spend per night both for both coastal and hinterland areas.

How does DSSS compare?

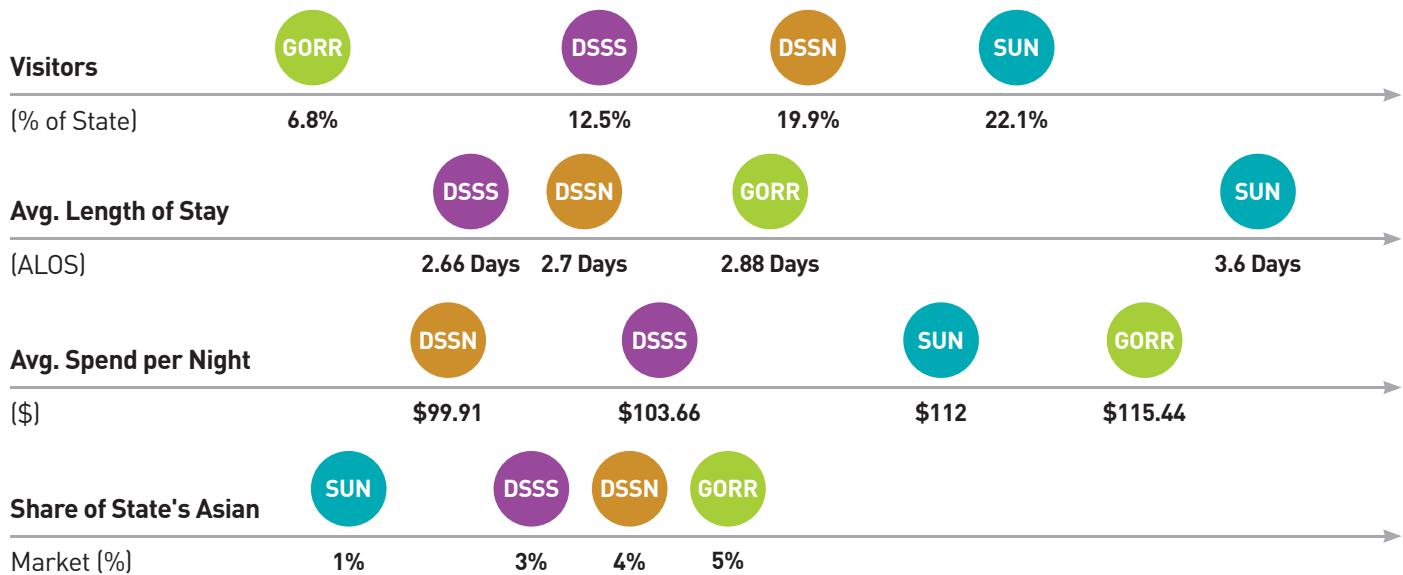


Figure 9: An overview of how DSSS compares with benchmarked peer group.

How does DSSS compare?

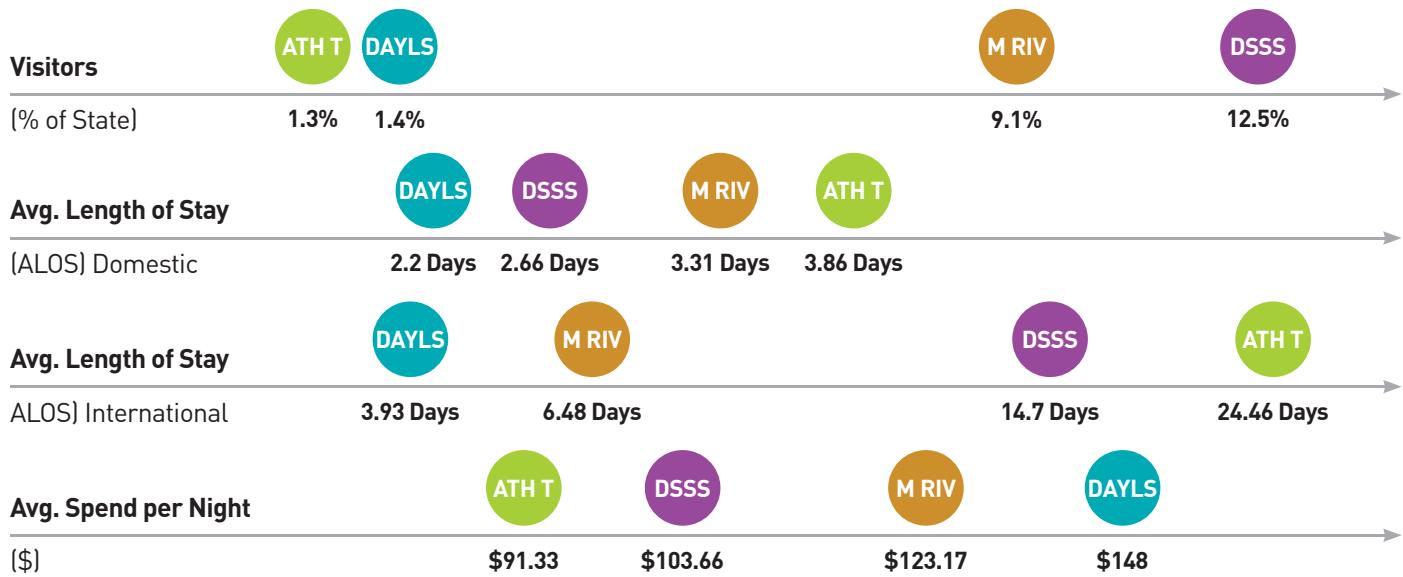


Figure 10: Alternative Peer-Group Comparisons.

Appendix 1: Destination Analysis

Market Segments and Activities

With over 1 million additional visitors forecast by 2022, it is essential the region looks at these segments through a range of lenses. The first is to better understand what activities and interests will drive future visitation. Table 11, below, outlines the current share of the NSW market that DSSS holds for the Tourism Australia identified market segments, and its worth to the region. It also demonstrates its worth to the DSSS region in 2022 should expected growth rates eventuate and proportions remain consistent.

This data highlights the opportunity to convert a higher proportion of visitors to 'paid' attractions instead of free attractions such as the beach.

Through examination of the market segments it is clear that the destination is predominately a coastal and aquatic attraction (worth \$1.1B) that also offers a range of experiences expected in regional cities including dining, indoor attractions, sightseeing and shopping (\$2.8B). The region's history & culture and food & wine are the next two major segments. Across all markets, popular activities include:

- Going to the beach (12.5% for Domestic Overnight, 8.6% for Domestic Day and 7.2% for International visitors);
- Visiting national parks and public gardens (4.5% for Domestic Overnight, 5.3% for Domestic Day and 6.1% for International);
- Going on bushwalks (5.9% for Domestic Overnight, 5.6% for Domestic Day, 4% for International);
- Domestic Overnight visitors undertake an average of 3.3 activities during their stay; and
- International visitors complete an average of 11.4 activities during their trip to Australia.

Market	Share of NSW Market	Current Worth (rounded)	2022 BAU worth (rounded)
City	10%	\$2.8B	\$3.8B
Coastal and Aquatic	13%	\$1.1B	\$1.4B
Nature and Wildlife	17%	\$1.03B	\$1.4B
Food and Wine	10%	\$587M	\$637M
History and Culture	12%	\$564M	\$755M
Sports and Adventure	16%	\$417M	\$559M
TOTAL	13%	\$6.498B	\$8.551B

Table 12: Visitor spend and expenditure in DSSS in comparison to NSW.

As visitors undertake 2.3 (domestic) and 11.6 (international) activities during each trip, these market segments should not be considered cumulative, and instead should be considered as representative of the worth of the individual standalone activity segment to the local economy (or as key attraction segments where visitors stay in the region for this purpose).

This has been calculated using visitor nights by average nightly spend.

Appendix 1: Destination Analysis

The Sydney Market

Current Market Share of International Markets and their projected BAU worth is outlined in Table 13, below.

Currently, NSW residents take almost 9.7 million interstate trips per year, and almost 18.4 million trips within NSW. DSSS receives 1.84 million of these intrastate trips, amounting to an 11% share of the NSW inbound market.

Of the Sydney Short Break Market (1-3 days), DSSS holds 11.6% of the market, while neighbouring Destination Sydney Surrounds North (DSSN) holds a 17.6% share.

Travel Party and Purpose

The region attracts an above average proportion of Visiting Friends and Relatives (VFR) and relies on self-drive travelers. The focus over the next five years needs to be to shift VFR travelers into commercial activities (with their locals) and to build support for public transport to reduce the car-based congestion the region suffers at peak times.

In terms of **group/party type**, approximately a third (32%) of domestic overnight visitors travel as an adult couple, 26% as friends and relatives travelling as a group, and a further 19% of domestic overnight visitors travelling as a family group.

Preferred transport is a self-drive vehicle, with 95% of Domestic Overnight Visitors travelling to DSSS in that method. While self-drive transport is by far the most popular, visitors do make use of existing transport infrastructure that is available throughout DSSS, as explained in Table 14 below.

Accommodation preference is for Hotels, Motels and similar accommodation – preferred by 47% of domestic overnight visitors, and visitors. As would be anticipated, **domestic day visitors** are predominately from NSW (98%), but only 68% of these originated from Sydney, with 22% visiting from the South Coast. Holiday (60%) and VFR (26%) markets remain the majority, as did self-drive vehicles as a mode of transport with 94% of visitors driving in for the day.

Market	Share of NSW Market	Current Worth (rounded)	2022 BAU worth (rounded)
Sydney Overnight	21.5%	\$671M	\$836M
Sydney Day	21.9%	\$484M	\$559M

Table 13: The Sydney Market worth to DSSS and forecasted.

Transport Type	Domestic Day	Domestic Overnight	International
Railway	5%	3.4%	4.5%
Bus/Coach	1.3%	1.2%	1.2%

Table 14: Transport Usage in DSSS.

Appendix 1: Destination Analysis

In terms of **purpose of visit**, see Figure 11, below the region has a strong holiday market and proportionately smaller business market in comparison with the NSW average. For **Leisure purposes** (Holiday and VFR), there are 68.7 million visitors to NSW in 2016-17. DSSS holds a 36% share of this market, with over 2.9 million Leisure visitors while Destination Sydney Surrounds North (DSSN) as nearby comparator holds a 38% market share, with over 4.3 million Leisure visitors over the same period.

- Business
- Holiday
- Visiting friends & relatives

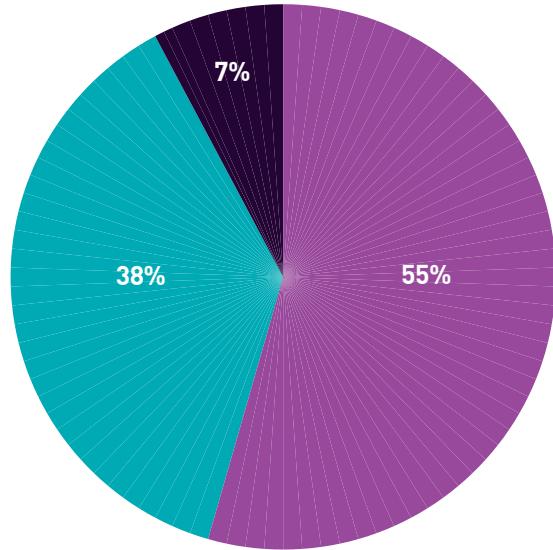
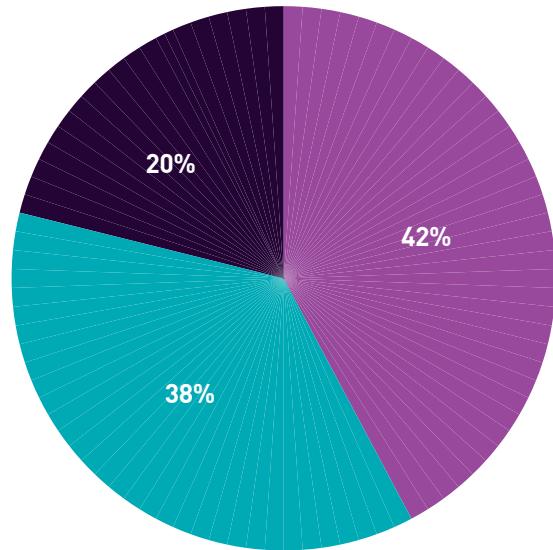


Figure 11: Combined market purpose of visit for NSW and DSSS.

Tourism Workforce

Growth in visitor numbers will drive the need for additional tourism staff. This will create opportunities to address local employment challenges around youth unemployment, but will equally bring new challenges. It will require a focus on creating pathways to employment and matching of industry needs, with education and training programs to ensure there is a suitably skilled local workforce to make the most of the new opportunities.

Throughout NSW, tourism related employment accounts for 5.3% of all employment, and is a key employer of young people (aged 15-24) - with 28.5% of youth employment occurring within tourism-related jobs.

This appears to be a continuing trend (for the information that is available for areas within DSSS), with 10.8% of local young people being employed in tourism-related jobs, while less than 4% of all other age groups work in the sector (see Figure 12).

- DSSS
- NSW

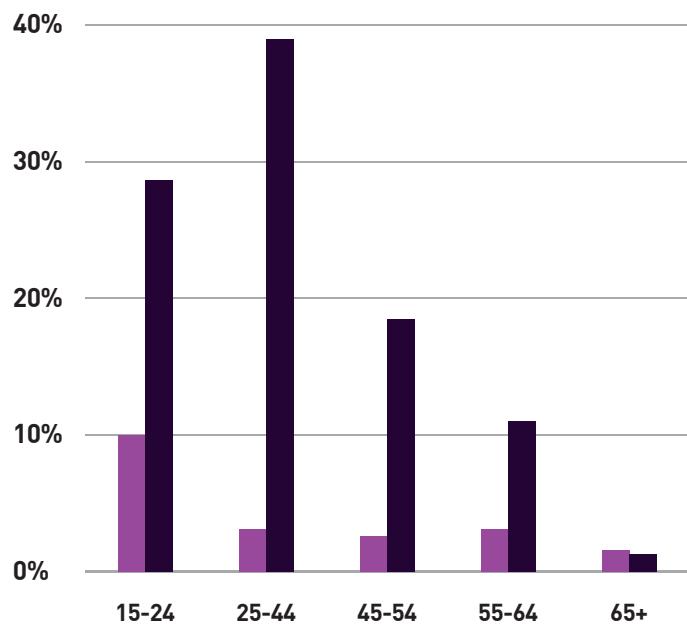


Figure 12: Tourism Industry Age Profile within DSSS.

Appendix 1: Destination Analysis

Destination Awareness

The DSSS region benefits from having a range of attributes which make it an attractive destination to tourists from a range of markets. However, as illustrated in Figure 13, below, while DSSS's destinations are well known to NSW residents, its profile slips in markets outside of NSW.

As Sydney and NSW residents make up a large proportion of visitors to DSSS, this local awareness provides a platform for the development of a new destination brand.

Appendix 4 outlines the top 20 overnight destinations of the Sydney origin market. Within the top 10, DSSS has two locations, with Ulladulla and Jervis Bay in 6th and 7th place. DSSS destinations dominate the latter half of the top 20, exhibiting an existing destination preference which presents an opportunity for DSSS destinations to move into the top 10.

Between Ulladulla, currently ranked #11 and ranked #10 Umina-Booker Bay –Patonga, there is just over a 3,500 visitor difference in 2022, which amounts to an 1% year-on-year increase for Ulladulla to break into the Top 10. For the Blue Mountains – South, currently ranked #12, there is a similar growth required. This indicates that having 4 DSSS destinations within the Top 10 overnight destinations for the Sydney market is achievable.

While the destination offers much of what the domestic and international target markets desire, its awareness by consumers remains relatively low. The focus needs to continue to be on building and reinforcing common messages.

Leading Destination Attributes

- Location of the 3rd largest City in NSW (Wollongong).
- Only 1 hour south of the Sydney CBD and Kingsford Smith International Airport, 1.5 hours east of Canberra airport.
- Only 3 hours' drive north east of the nation's capital Canberra and another international airport.
- Famous attractions (Grand Pacific Drive / Sea Cliff Bridge, Jameroo Action Park, Jervis Bay, Hyams Beach, Kiama Blowhole).
- Growing food and beverage scene (Micro-breweries and cider, small bars, artisan food producers and coffee outlets).
- Natural scenery (significant coastal and inland national and state parks, multitude of beaches and inland waterways).

Regions ranked #1 consumer recognition

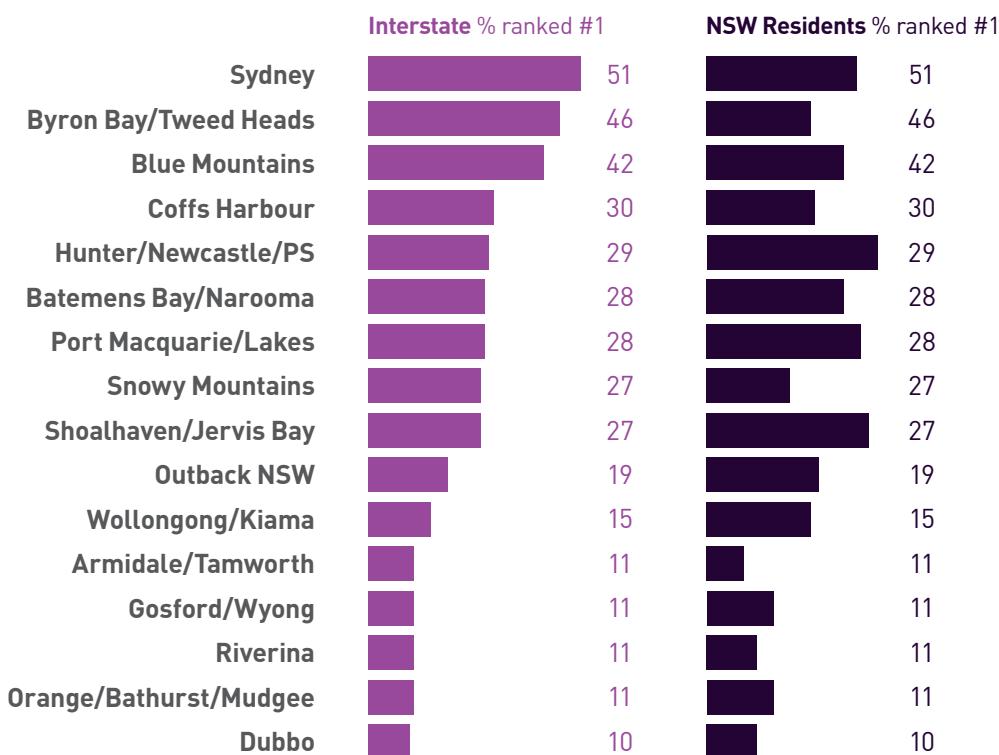


Figure 13: NSW Regions ranked #1 for consumer recognition.

Appendix 2: Strategic Context

Economic Context

DSSS encompasses 6 local government areas, each with their respective vision for the future, and projects and priorities which are relevant to the success of the DSSS as a whole: Kiama Municipal Council, Shellharbour City Council, Shoalhaven City Council and Wollongong City Council, Wingecarribee Shire, and Wollondilly Shire. Regional organisations such as Illawarra-Shoalhaven Joint Organisation and Regional Development Australia Illawarra also play important roles.

There are collective themes of diversity, inclusion, economic and environmental sustainability and safeguarding future prosperity across the region.

The DSSS regions are home to over 500,000 residents, set to exceed 550,000 residents by 2025 based on historic growth rates. Local Governments are required to plan for a sustainable future with a focus on infrastructure maximisation, economic diversification and the maintenance of quality of life to which the visitor economy contributes. These common regional goals provide an insight into destination development opportunities. Local and regional priorities include the following:

NSW Regional Priorities:

- Increase visitation
- Grow physical capacity
- Renew and revitalise destinations
- Improve the visitor experience
- Make NSW more competitive
- Change the mindset
- Whole of government approach
- Removing constraints on the visitor economy

Whole of region projects:

- Princes and Kings Hwy upgrades
- Marine Tourism Strategy
- PPP's – Mt Keira, Shell Cove Marina, Shoalhaven Motorsports Complex
- Equine Industry Region of Excellence
- Broadband / ICT – NBN roll-out and Digital Enterprise Program
- Green Jobs Illawarra
- Education and Skills Development
- Tourism, Arts and Culture – Grand Pacific Walkway
- Infrastructure – Faster Rail to Sydney, Illawarra Regional Airport, Wollongong Convention Centre



Appendix 2: Strategic Context

Shellharbour City Council

Vision: In 2030, Shellharbour is a dynamic city that values and celebrates the unique diversity of our people, places and environment. We are a connected community working together to create a safe, sustainable future that provides opportunities for all to achieve their potential.

- Sustainable and prioritised transport and infrastructure planning
- Economic diversity
- Promote a sense of community and space
- NBN connected

Kiama Municipal Council

Vision: Working together for a healthy, sustainable and caring community.

- Workforce Management Plan
- NBN roll-out underway
- Town planning for employment

Shoalhaven City Council

Vision: We will work together in the Shoalhaven to foster a safe and attractive community for people to live, work, stay and play; where sustainable growth, development and environmental protection are managed to provide a unique and relaxed lifestyle.

- NBN connected
- Retention of distinct character
- Accessibility to major centres
- Cultivation of cultural atmosphere

Wollongong City Council

Vision: In the 21st century Wollongong City Centre will be a people-orientated, sustainable and liveable city.

- NBN roll-out underway
- Burgeoning laneway culture
- Pedestrian prioritised city spine
- Physical and cultural regeneration of city centre, parks and public spaces

Wingecarribee Shire

Vision: In 2031, we will be a healthy and productive community, learning and living in harmony, proud of our heritage and nurturing our environment.

- Carbon neutral economy goal
- Maintenance of rural separation and character between towns towards lifestyle and destination
- Community Learning Initiative
- Agribusiness promotion

Wollondilly Shire

Vision: A place to live and work that values the inherent beauty of the Shire, is proud of its community and supports innovation and inclusiveness.

- Growth Management Strategy
- Maintaining character, rural living
- Building resiliency



Appendix 2: Strategic Context

Illawarra - Shoalhaven Regional Plan 2015

Applying to the local government areas of Kiama, Shellharbour, Shoalhaven and Wollongong, this plan identifies Tourism as one of six priority growth sectors and highlights regional assets such as Illawarra Regional Airport, Shell Cove Marina, Wollongong Entertainment Centre, Lake Illawarra and Jervis Bay as assets that can deliver growth opportunities.

The recommended Directions and Actions contained within this plan are supported by the DSSS Destination Management Plan, in particular:

- The development of a stronger marine-based tourism industry
- The development of aeronautics tourism at Illawarra regional airport
- Better connecting tourism areas in Kiama, Nowra/Bomaderry and Ulladulla.

Wingecarribee City Council

Wingecarribee Shire Council is within the geographic area of this plan and as such references in this plan should be read in the context of the DSS zone. This Regional Plan identifies Tourism as a priority growth sector to diversify the economy. Directions within the plan include;

- Direction 5: Promote agricultural innovation, sustainability and value-add opportunities
- Direction 9: Grow tourism in the region

And in particular reference to Wingecarribee;

- Promote the Shire as a destination and encourage visitors to Canberra to also visit Wingecarribee Shire.

Visitor Economy Industry Action Plan

Released in 2012 this plan is currently under review; the outcomes and recommendations of this plan review will need to be referenced in future review of this plan.



Appendix 2: Strategic Context

Tourism Context

A range of policy frameworks at national, state and local levels provide a context for tourism development, including the following:

Federal:

National Long-Term Strategy for Australia

- The future of tourism is dependent on providing “compelling and sustainable experiences” to consumers
- Need to be innovative in approaches
- Culture of continuous improvement within the tourism industry is necessary
- Development of DMPs to promote integrated planning, development and management of destinations.

State:

NSW Visitor Economy Strategy / Action Plan

- Embrace the broader Visitor Economy.
- Double the value of the visitor economy by 2020 (Target \$36.6 billion)
- Need to regain competitive position through visitor experiences.

Priority international markets:

- China, UK, South Korea, USA, NZ, Japan, India, Singapore, Malaysia, Germany Indonesia
- Cruise.

Regional

South Coast DMP 2013-2020

The previous destination management plan for the entire south coast area, although now being superseded by this plan, and that for Destination Southern NSW still provides a useful strategic context. Priorities include;

- Focus on “Visitor Economy”
- Development of “quality year round” visitor products and experiences
- Infrastructure development which supports the Visitor Economy.

Markets for growth:

- Capitalising on drive market
- Sydney outbound market
- Visiting Friends and Relatives (VFR)
- Experience seekers
- Nature-based tourism
- Cruise market.

Priority markets:

- Double Income-No Kids (DINKS)
- Business/sporting
- Special interest
- Weddings and Functions
- International VFR & Experience Seekers.

Vision: In the 21st century Wollongong City Centre will be a people-orientated, sustainable and liveable city.

- NBN roll-out underway
- Burgeoning laneway culture
- Pedestrian prioritised city spine
- Physical and cultural regeneration of city centre, parks and public spaces.

Appendix 2: Strategic Context

Local Plans

Local destination tourism plans and strategies exhibit a range of common themes across the region which reflect awareness of the current state of tourism and assets for development and project an intention for the sustainability of the region's future. These goals include;

- Consolidation of existing tourist markets
- Identification and attraction of new target markets
- Development of a "brand" or "image"
- Better promotion and utilisation of natural assets and the markets which arise from coastal and rural landscapes
- Developing of experiences, rather than traditional products.

Wollongong Destination Management Plan 2013/14

- Short-term priority is market penetration and market development
- Brand development and positioning
- Implement the China Strategy
- Build Digital Marketing Capability
- Infrastructure (Accommodation, Transport, Community facilities)
- Focus on evidence-based growth
- Priority markets:
- Interstate VFR
- International VFR
- Events market.

Wollongong 2022 Community Strategy

The Community Strategy contains a number of economic strategies in regard to tourism;

- Focus on education market
- Translation of visitors into residents
- Events development
- Safe, affordable and efficient transport networks to Sydney and the broader region.

Tourism Shellharbour Action Plan 2012-2017

Seeks to achieve growth in visitation through the development of infrastructure and experiential product development.

Consolidation of existing key markets and diversification into new target markets.

Markets for growth:

- Families
- Drive market
- Regional markets
- VFR
- Special interest and activity based market
- Conferencing
- Sporting and Events.

Shellharbour City Council Community Strategic Plan 2013-2023

The Community Strategy contains a number of long-term sustainability of community wellbeing, economic security and environmental stewardship;

- Creation of well-connected spaces
- Promotion as a destination as a lifestyle and boating destination
- Marketing as a tourism destination of choice.

Appendix 2: Strategic Context

Shoalhaven Tourism – Destination Operational Management Plan 2017

This Shoalhaven Destination Management Operational Plan (DMP) has been developed internally by the tourism staff in consultation and partnership with the Shoalhaven Tourism Advisory Group recognising that when the Sustainable Tourism Model is completed, there may have to be changes to strategy.

The aim of the strategic tourism planning process is to develop an overarching strategy and direction with measurable Key Performance Indicators (KPI's) to guide the development, management and marketing for tourism in Shoalhaven.

It is envisioned that this framework, in partnership with the Sustainable Tourism Model will:

- Drive tourism visitation and spend in the economy, positively impacting jobs in the region via marketing and events
- Support the industry Attract tourism investment
- Support the needs of the local community
- Put in place tools to monitor and manage the long-term sustainability of the tourism industry.

This plan is designed to be a flexible document developed to identify best practice and strategic opportunities. It is not intended to be a static document and it is assumed that as the industry changes with trends and customer needs, as well as the information gathered from the Sustainable Tourism Model the plan will be adapted and changed.

Southern Highlands Tourism Strategy 2012-2016

Focus on holistic tourism development for the destination as a whole, and encourage connections and partnerships across the region between providers.

Focus on the development of a sense of place and the curation of an “image”.

Assets:

- Natural beauty with scenic experiences
- Waterfalls, popular and accessible bushwalks
- Landscape conducive to dramatic ambience
- Existing emphasis on nature based tourism.

Destination Kiama Strategic Tourism and Events Plan 2018-2021

- Aim to sustainable grown tourism for social and economic benefit
- Focus on overnight markets
- Focus on collaboration and partnerships to achieve goals
- Aims to develop and leverage existing natural, historical and cultural assets into Hero experiences with an emotive message
- Emphasis on industry development, innovation and tourism business support.

Wollondilly Shire Council – Destination Management Plan

At the time of writing, the Wollondilly Shire Destination Management Plan is in development.



Appendix 3: Accommodation Audit

The region needs investment and reinvestment in new products and experiences, including accommodation, attractions and experiences (including marine-based, nature based and adventure). To do this an investor-friendly environment is essential. An analysis of current accommodation offerings throughout DSSS has highlighted a under provision of accommodation throughout the region, as highlighted in Table 15, below.

The growth of overnight stays in the region won't occur through marketing messages alone. A shift is needed in the core product base, including more high quality accommodation that acts as an attraction in its own right, as well as providing for a more seamless experience for those considering the trip.

	Wollondilly	Wollongong	Kiama	Shellharbour	Shoalhaven	Wingecarribee
Hotels/Motels						
Mid-scale	1	16	5	3	31	3
Up-scale	-	6	4	1	10	2
Luxury	-	3	2	-	4	4
Non-rated	-	-	-	-	-	-
Apartments						
Mid-scale	-	-	-	-	10	-
Up-scale	-	3	-	-	8	-
Luxury	-	-	-	-	7	-
Non-rated	-	1	-	-	4	-
AirBnB*						
> 4 stars	-	2	-	-	3	1
4 - 4.4 stars	-	8	3	1	8	5
4.5 - 5 stars	14	173	92	13	239	224
Non-rated	1	62	55	13	36	44

Table 15: Accommodation Audit of DSSS.

Appendix 3: Accommodation Audit

In 2016/2015, room occupancy throughout DSSS was 58%, representing over 7.3 million visitor nights in Hotels/Motels in almost 2.7 million available rooms. It is expected that by 2022, there will be an additional 2.7 million visitor nights in DSSS following current projections.

This indicates that room occupancy in 2020 could exceed 85%, and if visitation trends should continue and room stock remains the same, indicating potential issues with capacity at peak times, despite the offerings of market disruptor, AirBnB (see Tables 15 and 16).

	Wollondilly	Wollongong	Kiama	Shellharbour	Shoalhaven	Wingecarribee
Hotels/Motels						
Mid-scale	\$112.00	\$149.00	\$139.75	\$120.00	\$134.47	\$191.33
Up-scale	-	\$190.67	\$151.00	\$150.00	\$155.00	\$244.50
Luxury	-	\$269.33	\$137.00	-	\$198.50	\$263.25
Apartments						
Mid-scale	-	-	-	-	\$155.80	-
Up-scale	-	\$201.67	\$207.00	-	\$184.00	-
Luxury	-	-	-	-	\$172.43	-
AirBnB*						
> 4 stars	-	\$173.00	\$171.00	-	\$107.00	\$158.00
4 - 4.4 stars	-	\$200.29	\$293.47	\$100.00	\$335.38	\$177.20
4.5 - 5 stars	\$109.00	-	122.50	\$339.25	\$236.00	\$256.30

Table 16: Accommodation Price Audit of DSSS



Appendix 4: Top 20 Visited NSW

Destination by Rank	Visitor numbers (2016/17)	Natural growth (2021/22)	Visitor numbers (2016/17)
Snowy Mountains (Jindabyne – Berridale)	250,619	276,902	#1
Blue Mountains (Katoomba-Leura)	150,775	166,587	#2
North Coast (Nelson Bay Peninsula)	129,931	143,557	#3
Hunter Valley (Branxton – Greta – Pokolbin)	123,590	136,551	#4
Byron Bay	116,189	128,374	#6
DSSS - Ulladulla	111,277	122,947	#5
DSSS - Jervis Bay	106,635	117,818	#7
Hunter Valley (Other Hunter)	98,590	108,929	#10
Newcastle (CBD & Cooks Hill)	94,857	104,805	#11
Central Coast (Umina, Booker Bay – Patonga)	93,821	103,600	#12
DSSS – Remaining Ulladulla region	90,637	100,142	#8
DSSS – Southern Highlands / Blue Mountains South	88,772	98,082	#9
Port Macquarie- East	87,408	96,575	#15
Williamtown- Medowrie - Kaurah	87,161	96,302	#16
Berry – Kangaroo Valley	86,566	95,644	#13
Kiama	82,735	91,412	#14
Coffs Harbour - South	76,610	84,644	#17
Nowra	66,538	73,516	#18
Bateman's Bay	56,921	62,890	#19
Forster	54,944	60,706	#20

Table 17: Top 20 overnight destinations for visitors originating from Sydney

DSSS - Board of Directors



Colin Waller – Chair

Colin Waller is a former accountant in private practice with established networks in domestic and international tourism, hospitality and hotel/accommodation industries and events. Mr Waller owns and runs Shoalhaven Heads Hotel Motel Pty Ltd and is the National /NSW State Secretary Treasurer of the Australian Hotels Association (AHA) and Tourism Accommodation Australia. He is a former member of Shoalhaven City Council's Industrial Development and Economic Committee, former Owner/Operator of the Buckland Hotel in Alexandria, former Chairman/ Director of the ILG (Independent Liquor Group Co-Operative Inc) and HEM (Hotel Employees Mutual Limited). Colin currently chairs Noahs Ark inc, a not-for-profit that a number operates of centres for children with special needs.



Peter "Hugh" Clarke – Director

Hugh Clarke has extensive experience in hotel trade and hospitality consultancy, spanning over 100 hotels, resorts and licensed clubs throughout Australia and has involvement in Agri tourism projects. Mr Clarke owns and runs Aust Leisure Group, which specialises in management solutions for the hospitality and leisure industries. He has also joint ventured and developed a number of award winning hotels including the Imperial Hotel Paddington, Winner of Best Metropolitan Wine List, NSW Wine List Awards, Restaurant & Catering Savour Australia 2015.

Mr Clarke is a Member of Wingecarribee Shire Council's Tourism & Economic Development Committee and the Sydney Cricket Ground Trust Advisory Group. He has also served as a Director of the NSW Tourism Industry Council.



James Blanchett – Director

James Blanchett is a tourism and hospitality sales professional, with significant experience throughout the hotel and accommodation industry. This experience has been acquired through a range of on-property and head office roles with major hotel companies such as IHG, Rendezvous Hospitality Group, Federal Hotels International and most recently with Quest Apartment Hotels. Mr Blanchett is the owner of Quest Nowra, and a member of the Executive of the Shoalhaven Business Chamber.



Frank Howarth PSM – Director

Frank Howarth has worked in senior roles at the Australian Museum, Royal Botanic Gardens and Domain Trust and former Department of Environment and Conservation, where cultural, recreational, environmental and Indigenous tourism were major components. Mr Howarth was the National President of Museums Galleries Australia until 2017 and was the co-founder of the Australian Museum Foundation. A former Board Member of Museums and Galleries NSW, he currently undertakes consulting and advisory work through his business, Frank Howarth and Associates Pty Ltd, in cultural strategy, tourism and philanthropy.



Scott Bridgement – Director B.COM FCPA MAICD FAIM IPAA

Scott Bridgement is an internationally-experienced strategic executive in the private and public sectors. Mr Bridgement is currently the Director of Strategy, Planning & Innovation at the NSW State Emergency Service and Chief Audit Executive of the organisation. Previously he was Chief Financial Officer of Thrifty Car Rental, owned by NRMA. Earlier Scott held Executive Finance, Strategic and Business Development roles with BlueScope Steel Ltd in Australia and the United States. He was the Australian expat Joint Venture Executive at the \$3BN North Star JV manufacturing operation in Ohio, USA. Mr Bridgement is a Board Director of the Housing Trust, a tier one Community Housing Provider and Bendigo Bank in the Illawarra. He is a fellow of CPA Australia, Fellow of the Australian Institute of Management, and member of the Australian Institute of Company Directors and Institute of Public Administration Australia.



Catherine Shields – Director

Catherine Shields is a property and tourism business operator and former Chair of the South Coast Regional Tourism Organisation. Ms Shields has served on a number of boards and committees including most recently as Chair of Shoalhaven Tourism Board. She is also the founder and Vice Chair of Shoalhaven River Festival. She has an extensive history in the magazine industry, working for titles such as Marie Claire, Vogue Australia and Harpers Bazaar and many years experience as a consultant in branding and advertising.

DSSS Management Team



Greg Binskin – General Manager

Greg's leadership experience spans 27 years in tourism both in the private and public sectors working as a General Manager, Destination Wollongong through to senior management roles at Thredbo Ski Resort and Jamberoo Action Park.

Prior to his joining DSSS Greg was the executive officer at the Australian Regional Tourism Network (ARTN) charged with leading the rebuild, reinvigoration and restructuring of the peak national tourism representative body. A key project he recently led and delivered was research into the financial investment on tourism made by over 545 local government areas across Australia.

Innovation in destination management and product development has been central to Greg's career. A stand out example of this was the creation, management and implementation of the domestically and internationally recognised Grand Pacific Drive project. Greg contribution to the tourism industry locally and state wide has been recognised via the presentation of the 2007 NSW Tourism Award for Excellence and the 2007 Illawarra Tourism Awards for Outstanding Contribution by an Individual to Regional Tourism.



Steve Lawson – Director Business Development

Steve Lawson's experience in marketing and business leadership spans 20+ years. Steve has held leadership roles for a range of multi-national corporations in the telecommunications, communications and media sectors, was a founding partner in an international media business and as a consultant has delivered a range of innovative business solutions to major international and national companies and a host of small and medium sized enterprises.

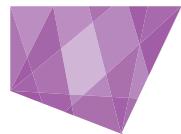
On re-locating to the NSW South Coast Steve firstly led the roll-out of a regional programme for the NSW Business Chamber then joined Shoalhaven City Council as Tourism Manager. Steve's many achievements included the launch of a new destination brand, restructure of both the local industry body and council's tourism unit and the development and delivery of a highly successful marketing programme. As a board member and treasurer of the South Coast Regional Tourism Organisation, Steve led the development and delivery of the award winning Unspoilt South Coast NSW advertising campaign that in 2015 was awarded gold at the NSW Tourism Awards.

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Destination
Sydney Surrounds South

