



Australian Government



TOURISM
AUSTRALIA

11 June 2014

Mr Luke Simpkins MP
Chair
Joint Standing Committee on the National Capital & External Territories
PO Box 6021
Parliament House
CANBERRA ACT 2600

JE . **Submission No. 33**
Norfolk Island Economy
Date: 12/06/2014

Dear Mr Simpkins

Thank you for the opportunity to provide a written submission to the Joint Standing Committee on the National Capital and External Territories' (JSCNET) inquiry into economic development on Norfolk Island.

I understand that both Tourism Australia and Austrade's Tourism Division, which has responsibility for tourism policy, programs and research, have engaged with Norfolk Island in recent years in regard to the development of its tourism sector and in regard to tourism marketing and distribution issues.

The information below has been compiled in consultation with Austrade and the Department of Foreign Affairs and Trade.

Engagement with Norfolk Island

Since 2010 TA has also met with representatives of Norfolk Island, including the Hon. Andre Nobbs, Norfolk Island Minister for Tourism, Industry & Development and Mr Glenn Buffet, General Manager, Norfolk Island Tourism, to discuss opportunities for engagement and cooperation on tourism promotion. In 2011, the then Department of Resources, Energy and Tourism's Tourism Division and Tourism Australia provided a joint submission on the second stage of the *Norfolk Island Reform: Strategy paper for discussion within Commonwealth Departments*.

Similarly, Norfolk Island has observer status on the Australian Standing Committee on Tourism (ASCOT) and the Tourism Ministers' Meeting (TMM) and through this has the opportunity to participate in the implementation of the national long-term tourism strategy, *Tourism 2020*.

Tourism Australia programs

TA does not currently undertake specific marketing activities for Norfolk Island.

There is no part of the Tourism Australia Act 2004 which would prevent Norfolk Island being included in TA programs, however administrative measures, such as a ministerial directive, would be required to facilitate this. Inclusion in marketing programs would be subject to negotiation between the Norfolk Island Government and Tourism Australia.

It is worth noting that the cooperative marketing campaigns TA undertakes with State and Territory Tourism Organisations (STOs) are paid for from TA's appropriation from government, with direct monetary contributions from STO partners – all sourced from Australia's taxpayers. Further, that Tourism Australia's focus is now on international rather than domestic tourism marketing may narrow the scope for Norfolk Island to participate in such joint marketing opportunities.

To participate in cooperative marketing campaigns with TA and / or the states and territories, Norfolk Island would need to contribute funds to the campaigns and become a “shareholder” in the Australian Tourism Data Warehouse (ATDW). Participation would also be under the proviso that Norfolk Island would be subject to the Australian taxation system in the medium term. This would help manage potential criticism that Norfolk Island should not gain the benefits of TA’s marketing budget without contributing to it, both directly and through taxes.

TA’s current campaign, Restaurant Australia, focuses on Australia’s food, wine and tourism experiences and is open to submissions from Norfolk Island. The campaign provides relevant businesses with the opportunity for their product to be listed on the Restaurant Australia content hub at australia.com/restaurantaustralia. Further Tourism Australia’s social media channels: Facebook, Google+ and Instagram are open to submissions and posts from Norfolk Island and provide a useful leverage opportunity given the extensive fan bases these Tourism Australia channels have attracted.

Norfolk Island has also participated in the Australian Tourism Exchange, the southern hemisphere’s largest tourism trade show, and TA also holds a small collection of Norfolk Island images in its online image library, accessed via www.tourism.australia.com/Image-and-Video.aspx.

Factors Impacting on Tourism in Norfolk Island

Tourism 2020 identifies a number of factors that are relevant to achieving the *Tourism 2020* Potential of increasing overnight visitor expenditure in Australia to between \$115 billion and \$140 billion by 2020. These include:

- Growing demand for Asia;
- Building competitive digital capacity;
- Encouraging investment and implementing the regulatory reform agenda;
- Ensuring tourism transport environment supports growth;
- Increasing supply of labour skills and Indigenous education; and
- Building industry resilience, productivity and quality.

In addition to these factors, Tourism Ministers agreed on four national tourism policy principles at the 11 October 2013 Tourism Ministers’ Meeting. These principles were:

- i. Encourage high quality tourism experiences, including indigenous tourism
- ii. Limit the tax, red tape and other regulatory burden industry faces
- iii. Undertake coordinated and effective marketing campaigns to drive demand
- iv. Work with industry to support the development of tourism Infrastructure that can drive demand

These are also relevant to Norfolk Island’s tourism industry, which exists in an intensely competitive global market place. Norfolk Island’s distance from major markets means that effective transport access is critical to the industry’s sustainability. Similarly, investment in product development provided by appropriately skilled labour is required to provide consumers with a value for money experience.

Consistent with *Tourism 2020*’s focus on building the industry’s productive capacity by removing the barriers to growth, Ministers affirmed their support to cooperate through the *Tourism 2020* framework to address the industry’s supply-side weaknesses such as red tape, low investment, skills and labour shortages, and insufficient transport capacity.

The *Tourism 2020* framework can provide the Norfolk Island Government and Norfolk Island tourism industry with a template to address the supply factors affecting the competitiveness of the Norfolk Island tourism industry. *Tourism 2020* has provided a number of tools that can assist the Norfolk Island Government and Norfolk Island tourism address these factors. Further information on these tools is available at <http://www.austrade.gov.au/Tourism/Policies/National-long-term-strategy/Tourism-2020>.

Norfolk Island Tourism Strategy and KAVHA

We note that the Kingston Arthur Vale Heritage Area (KAVHA), as the pre-eminent cultural tourism attraction on the Island, needs to be integrated into the revised Norfolk Island Tourism Strategy. We understand that local sensitivities have meant that Norfolk Islanders may reference the KAVHA as English or Australian heritage, rather than Norfolk Island heritage because it is not linked to the Bounty/Pitcairn story. A collaborative marketing plan between all Australian Convict World Heritage sites including KAVHA would assist in branding and raising awareness of this site with the Australian domestic tourism market and niche international markets seeking World Heritage experiences.

The Department of Environment could draw on the best practice examples of a range of iconic mainland World Heritage sites to assist in this process.

Cruising, Ports and becoming a “Green Destination”

There also appears to be potential for enhanced cruise visitation to Norfolk Island. Any improvements to Norfolk Island port facilities would have a three-fold benefit to the Island for cruise shipping, freight handling and fuel delivery. Austrade recommends investigating infrastructure requirements and costs for a port facility to facilitate a switch to container-based rather than cargo net freight. Beyond easing difficulties in landing cruise passengers in rough seas (large cruise ships must anchor offshore and ferry in passengers on small boats due to Norfolk Island’s lack of harbour facilities), rubbish and recyclables can be more easily removed by container, assisting the island in establishing its credentials as a ‘green destination’. There is a range of examples from other island destinations in the Great Barrier Reef with similar remoteness and access issues from which Norfolk Island can learn.

Research and statistics

Given that the Island does not participate in Australia’s International Visitors’ Survey (IVS), nor the National Visitors’ Survey (NVS), there is no primary source of data for Norfolk Island available to TRA.

There is the opportunity for the Norfolk Island Government to provide their existing visitor and immigration data to TRA for consideration into future reporting and analysis. This would be an additional benefit in the development of marketing strategies and planning, including as measurements for key performance indicators for such initiatives.

There is a multitude of research on small island tourism that the Committee may wish to look into, including best practice responses to issues commonly faced by small islands in accommodating tourists. For example, the United Nations World Tourism Organization (UNWTO) report *Challenges and Opportunities for Tourism Development in Small Island Developing States* (2012) provides examples of policies, guidelines and other tools. The APEC Tourism Working Group (TWG) report *Best Practice Management of Visitor Carrying Capacity Issues for Cultural, Heritage and Natural Sites in the APEC Region*, may be useful in the context of the World Heritage Sites on Norfolk.

Thank you for the opportunity to provide this submission to the Joint Standing Committee on the National Capital and External Territories,

Yours sincerely

John O’Sullivan
Managing Director

