

Southern Highlands Tourism Strategy

Detailing the Strategic Approach to Maximising Tourism's Contribution to the Southern Highlands' Economy over the period 2012 - 2016



DOCUMENT INFORMATION:

Document: Final draft

Target Audience: Project Executive.

Project Executive Action: Review amendments

Consultant Team: Hand over document

Waples &

Tourism Strategy Development Services

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1. INTRODUCTION

1.1 BACKGROUND

1.1.1 GEOGRAPHIC COVERAGE AND STRATEGY NAME

“In the case of the Wingecarribee, the area is generally better known as the Southern Highlands.”

This Strategy relates to the Local Government Area (LGA) of Wingecarribee. The Wingecarribee LGA is located approximately 110km South-West of Sydney, 160km North East of Canberra and 70km from Wollongong. This location makes the area readily accessible to one quarter of Australia's population

The LGA covers an area of 2,700 square km at an altitude that ranges from 500m – 900m above sea level. The Australian Bureau of Statistics estimate Wingecarribee's population as of 2010 at 46,960. As with many LGAs in Australia the LGA name is not the name used when people in general refer to it. In the case of the Wingecarribee, the area is generally better known as the Southern Highlands. This is particularly the case from a tourism perspective. This Strategy, therefore, uses the name Southern Highlands throughout the document despite its 'official' LGA name.

1.1.2 IMPORTANCE OF TOURISM

“Each year the Southern Highlands hosts an average of 1.3 million visitors that spend approximately \$200 million during their stay.”

Tourism has long been recognised as an extremely important element of the economy of the Southern Highlands. Each year the Southern Highlands hosts an average of 1.3 million visitors that spend approximately \$200 million during their stay on a wide range of goods and services. It is estimated that this expenditure supports somewhere in the order of 2,300 full time equivalent jobs (which means the total people that have jobs dependent upon tourism expenditure is higher). Around one-third of these jobs are indirectly dependent upon tourism expenditure and in many cases this dependence will not be recognised.

“It is estimated that this expenditure supports somewhere in the order of 2,300 jobs. Around one-third of these jobs are indirectly dependent upon tourism expenditure.”

Tourism is highlighted as an important contributor to the Southern Highlands Shire in Council's *'Economic Development Strategic Plan 2008 – 2016'* and more recently in *'Southern Highlands 2031+ our future our choice.'*

The latter, which included significant input from the community, identifies tourism as a sector with significant employment and economic

benefits. Specific goal related to tourism in the economic theme is one of the key building blocks for this strategy:

“Goal 5.2 The ‘Southern Highlands’ is a recognised tourist destination throughout Australia.

5.2.1 Develop and implement a compelling and competitive brand identity for the Southern Highlands, based on our distinctive lifestyle factors of climate, horticulture, recreation, landscape and heritage

5.2.2 Develop and implement a comprehensive Tourism Strategy for the Southern Highlands, based on the unique Southern Highlands brand of climate, horticulture, recreation, landscape and heritage” (p26)

“Tourism-related messages not only influences the ‘destination image’ ... but also influences the image of a place in general”

“Image plays a fundamental role in the ‘place-buying’ decision making process - be it tourism related or for other reasons.”

“Tourism is the only sector that can be utilised to influence broader place image.”

Tourism is not just important from an expenditure and jobs perspective. Tourism – both the experience of visiting a place and distributing messages about it – influences a place’s overall image. In other words, the experience of visiting for tourism purposes and the act of distributing tourism-related messages not only influences the ‘destination image’ (i.e. place image from a tourism perspective) but also influences the image of a place in general. The marketing of Tourism Southern Highlands, for example, influences people’s overall image of the Southern Highlands – irrespective of whether or not this relates to tourism. Image plays a fundamental role in the ‘place-buying’ decision making process – be it tourism related or for other reasons. Examples of other decisions influenced by the image of the Southern Highlands include those related to establishing or relocating a business and choosing a place to live.

The word ‘place’ and phrase ‘place image’ are used throughout this document despite the tourism focus. This not only reflects the overlap and relationship that exists between destination and place image but in itself is a contribution to this strategy. Place image influences destination image; and destination image influences overall place image. Both influence decisions relating to whether people choose the Southern Highlands over other places. Tourism is the only sector that can be utilised to influence broader place image. This relationship is shown below in Diagram 1.

Tourism also has the potential to contribute to an extremely important and valuable community asset: “local pride”. Whilst very difficult to measure in dollars and cents terms, local pride clearly contributes to the overall wellbeing and functioning of a place. Its importance is perhaps best seen when it is absent. The benefit of contributing to local pride is particularly evident when a destination is successful – a concept central to this Strategy.

Destination success, however, and the benefits that come with it, does not come without investment. This Strategy recognises the fiscal pressures faced by Local Governments across Australia and that Council cannot do and pay for everything. This reality highlights the importance of a Strategy such as this.

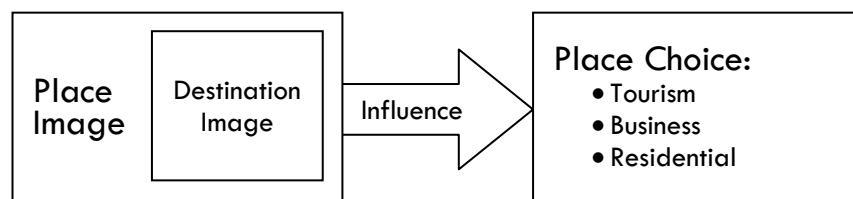


Diagram 1: Place and Destination Image and influence upon place choice

Source: Valerio

1.2 STRATEGY PURPOSE & CONTEXT

This Strategy is not a Masterplan, marketing strategy or plan. It is a Strategy designed to play a significant role in contributing to the success of tourism in the Southern Highlands and covers a range of subject areas that relate to this. It aims to increase focus, clarity, consistency and understanding and in doing so help decrease conflict and confusion. Although the Strategy timeframe is the next five years, it has been developed to address both this period and beyond with the view to the Southern Highlands being a successful destination over the long term.

1.2.1 BEING A SUCCESSFUL DESTINATION

To be a successful destination requires more than appealing tourism product and good marketing. A successful destination requires a range of other attributes and characteristics – many of which the visitor will be completely unaware of. These include the tangible (such as signage) to intangible (such as the organisational and managerial approach).

Destinations, however, are not like organisations – especially when it comes to decision-making and organising.

Destinations have a vast range of stakeholders with an equally vast range of goals and methods they use to achieve them. They have an extremely wide range of opinions about how tourism should be dealt with in their destination spanning subjects such as product, target markets and marketing.

Accommodating all stakeholder opinions – although often attempted in tourism strategies - is both unrealistic and unlikely to lead to an effective strategy. Even strategies that accommodate a large number of opinions cannot hope to include them all. The result is the inevitable withdrawal of stakeholders whose ideas have been left out or, as they may well see it as 'ignored'. Withdrawal on these terms often comes with open criticism, adding further challenge to strategy support and implementation.

These and other differences between destinations and organisations are both an extremely challenging dimension of tourism strategy development and also a major barrier to destination success. A major challenge must be overcome for a tourism strategy to genuinely influence destination success. This challenge is developing a strategy and an associated plan that – when it comes down to choices - does not cause stakeholders to withdraw if their choice or idea is not accommodated. Such a challenge, to our knowledge, is rarely identified in tourism strategies. In fact, extensive search efforts have been unable to identify any examples in the public domain.

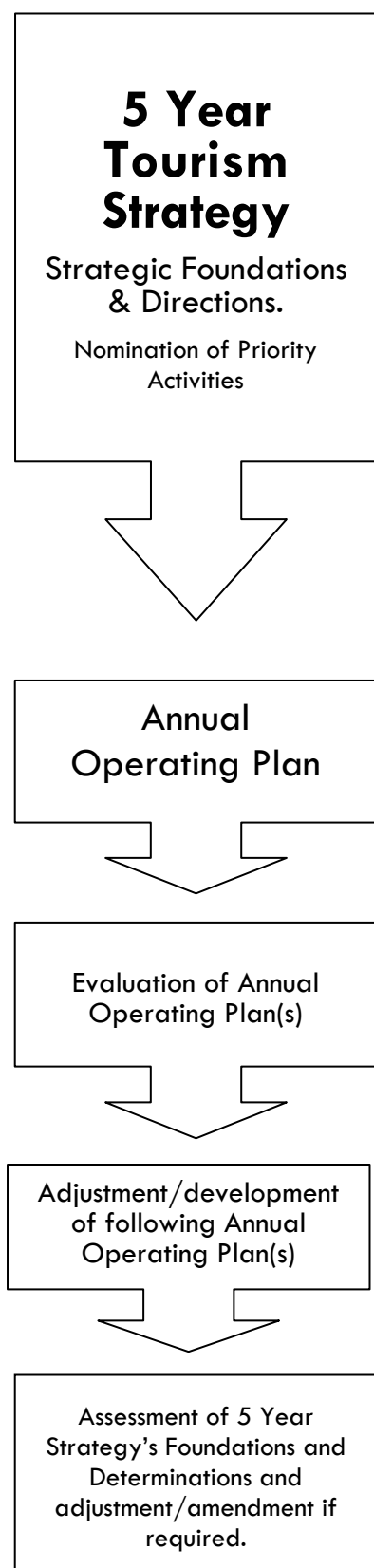


Diagram 2: Strategy context, connections and implementation

1.2.2 A KEY PURPOSE – TACKLING COMPLEX STRATEGIC ISSUES

If there is a purpose of this strategy that stands out above all others it is to recognise this challenge and address its causes head on. The purpose of this strategy, therefore, extends beyond the 'typical' tourism strategy which presents various marketing activities and product development ideas. In some respects, these are not strategies but more like plans or a list of actions.

This strategy places a high value on the influence of significant strategic determinations that will guide and help make the myriad of decisions that will need to be made over the course of the Strategy period. For this value to be realised, stakeholder involvement in shaping these determinations is essential. With genuine stakeholder understanding at the strategic 'front-end', decisions that flow from them are far more likely to be understood and accepted, whether or not they happen to align with individual opinions.

The type of strategic determinations that have such value include reaching agreement on the logic that underpins Government (versus private sector) roles and responsibilities, the approach relating to positioning and branding, how resources should be allocated and how performance will be measured. Decisions related to these subjects are not influenced by changes in the marketplace and therefore, as long as genuine understanding is achieved and maintained, will have value beyond the timeframe of this strategy.

“This strategy is not a compendium or wish list of all the possible actions that will occur over the course of the next five years. It does, however, intend to directly influence and shape them”

Wingecarribee Shire Council has made a conscious decision to tackle these issues as a core part of the Strategy. Apart from the logical case for doing so, the fact that very few other Councils appear to be aware of their importance provides – in itself – a source of competitive advantage. Taking this innovative approach will challenge traditional thinking, but it will set the foundations for a strong tourism industry in Southern Highlands over the long term.

This strategy does not limit itself to the type of subjects noted above. Other decisions that lay further along the 'strategic scale' are included. This strategy is not a compendium or wish list of all the possible actions that will occur over the course of the next five years. It does, however, intend to directly influence and shape them.

1.2.3 ANNUAL OPERATING PLAN

In a destination context, strategy should relate to factors that are within the control of those responsible for initiating the strategy and, in addition, are likely to remain within their control over the strategy period.

The content should also relate to the time period over which destination choices are made. These choices, depending on the trip type, often span many years. An example of a strategic decision relates to “what role Council should play” – backed up with rationale. Once these and other major decisions have been made, choices still remain.

To carry on the role example, having agreed Council did have a role to play in a certain area of activity, determining the level/degree of Council involvement and the duration of this support still needs to be worked out. This 'next level' of decision (see Diagram 2) is recommended to be addressed in an Annual Operating Plan (AOP).

This plan would consider specific choices which have been shaped by the strategy and make decisions relating to them. Unlike the strategy, it would consider factors outside the control of the Southern Highlands and make decisions with these as a backdrop. The AOP should also include detail related to the decisions made – including rationale, financial aspect, timing, confirmation of responsibility, evaluation methodology and a review of the previous year's AOP.

1.2.4 DESTINATION/PLACE CONNECTION

Whilst tourists choose “places” to “go to”, those responsible for and involved in the development of tourism strategies and related plans typically use the word “destination” to highlight the tourism element of the choice of places. The use of the word place in a tourism strategy context is important, however, as it highlights the fact that the tourist's experience in a place, and their choice of the place initially, is affected by a range of factors that extend beyond obvious tourism product such as hotels and attractions. The “product” that a tourist buys includes these but it also includes a wide range of other factors that contribute to their overall experience.

- A destination - and related visitor experience - is made up of a number of elements of "the place". In fact, the two terms (destination and place) can be and are used interchangeably.
- Delivering the visitor experience, therefore, extends well beyond "frontline" tourism industry operators.
- Failure to appreciate the importance of the destination/place connection means that the return on the efforts of all place stakeholders could be so much more.
- There are many organisations and businesses in Southern Highlands that a significant interest in how the area is portrayed, marketed and promoted. This is known as having a “place interest” and major business, the education sector, recruiters and so on share this interest. Understanding and utilising the destination/place connection enables a “place marketing organisation” to engage with these organisations in the marketing of the city.

1.3 HOW THE STRATEGY WAS DEVELOPED

Tourism Southern Highlands (TSH) have been aware of the increasing challenges associated with destination marketing for several years. This was not only due to market reasons, but also related to organisational, managerial and financial decisions made within destinations. Whilst the market was well beyond the

control of Council, it recognised that choices in organisational and financial aspects of how tourism was seen and managed within the Wingecarribee were choices that could be controlled.

The Southern Highlands Tourism Strategy 2012-2016 has not followed the 'standard' has included a stage that is not a part of the 'standard' tourism strategy development processes. The standard approach involves consultants following a brief - typically written by one person. Stakeholders are consulted in the standard approach – but this activity relates to the subjects identified in the brief.

The development of Southern Highlands Tourism Strategy – in a logical yet innovative approach - provided a project executive and a range of other stakeholders the opportunity to indicate what they believed to be essential strategic subject areas that should be included in a five year tourism strategy. In other words, stakeholders were given the opportunity to shape the brief. A summary of the elements of the Strategy Development Process is shown below in Table 1.

“Stakeholders were given the opportunity to indicate essential subject areas to be included in the strategy”

It is believed that this is the first time in Australia that a Council has included this opportunity as a formal part of the strategy development process. The fact that it was a significant, up-front and integral part of the process almost certainly confirms this as a first for Local Government (or for that matter Regional and State Tourism Strategies).

The importance of this stage of the process is related to the fact that the term “tourism strategy” means very different things to different people. In fact, the difference is so great that to carry on without reaching a reasonable level of agreement guarantees lower level of strategy support, adoption and implementation.

“It is believed that this is the first time in Australia that a Council has included this opportunity”

It also serves to compound the fragmentation of destination stakeholders which is an underlying characteristic of the tourism industry. It is believed that this Strategy addresses subjects that are genuinely strategic, as opposed to literally jumping to what can legitimately be called ‘tactics and actions’ associated with decisions made without solid strategic foundation.

Why has this been done? Without reaching a reasonable level of agreement about what a five year tourism strategy should address, hope for genuine engagement across a broad range of stakeholders is impossible. The following table summarises the main elements of the strategy development process. Although it is presented in a ‘step by step’ approach, it is important to note that in reality there was considerable cross-over between elements.

PROCESS ELEMENT	OVERVIEW
Preliminary	<ul style="list-style-type: none"> • Top line review of various aspects including past strategy, organisational approach, outcomes, past and current tourism issues, internal and external relationships, finance, visitor profile, assets • Discussions with project executive relating to the planned approach including the involvement of stakeholders in contributing to the Strategy scope • More detailed discussions with Tourism Manager concerning the above
Defining Strategy Scope	<ul style="list-style-type: none"> • Opportunity for stakeholders to “define the brief” by nominating subject areas that should be addressed in a 5 year tourism strategy. This included the project executive, the Economic and Tourism Development Working Group (ETDWG) and members of the tourism industry • Assembly and assessment of above views and comparison against consultants recommended topics • Release of both stakeholder compilation and consultants recommendations (the latter in the form of proposed ‘Table of Contents’). • Discussion relating to variations and rationale for consultant recommendations with the view to equalising these views (ie attempting to establish as high a level of agreement and understanding as possible) • Finalisation of Table of Contents which formed the Strategy scope
Research, Analysis & Diagnostics	<ul style="list-style-type: none"> • More detailed review of the range of elements considered at a top line level in the preliminary stage. Discussion with individuals relating to specific issues (including Tourism Manager, other Council personnel and stakeholder(s) that raised the issue • Expanded discussion with tourism industry members via telephone, face to face (group and one-to-one) and email (dedicated strategy input email address provided) including the opportunity to both offer and consider strategy coverage.
Major Determination Short-listing	<ul style="list-style-type: none"> • Drafting strategic options and recommendations related to major components of the Strategy • Discussion related to recommendations and in-depth consideration by consultants of responses. Adjustment as deemed appropriate.
Strategy Expansion	<ul style="list-style-type: none"> • Expansion of Strategy detail • Addition of priority actions • ‘Back-checking’ against defined scope and research/analysis • Review and discussion with Project Executive. Final adjustment.
Confirmation	<ul style="list-style-type: none"> • Final Review by Project Executive
The following process element is an integral part of the overall process although is not accommodated in the strategy development budget.	
Adoption & Understanding	Communication efforts to maximise the level of genuine strategy understanding by as many stakeholders as possible. This is seen as a constant requirement across the five year ‘life’ of the Strategy.

Table 1 – Overview of the Strategy Development Process

1.3.1 THE CONSULTING TEAM

The selection of an independent consultant team, Waples Marketing and Peter Valerio, to develop this strategy was based on recognition of the number of tourism strategies and plans that they have been involved in developing and three other key factors:

1. The length of unbroken time they have worked in this 'zone' (ie since 1990) and the related benefit of seeing the outcome of strategy development efforts
2. The knowledge derived from this experience in terms of what hampers destination success and, conversely, what helps it
3. Their involvement with Government AND the private sector

The work of the consultants has also been characterised by originality and innovation including: direct involvement in the development of destination branding, resource allocation, evaluation, the role of Government vs the private sector and various aspects of marketing strategy. Their clients span the destination spectrum from small towns to countries.

1.4 TOURISM MARKET CONTEXT

Tourism, and therefore tourism strategy, is influenced by a wide range of factors both in-market and in the destination. Some of these factors, for example, relate to market demand for certain types of activities and experiences and others relate to the way tourism is addressed organisationally and managed within the destination.

“This Strategy has specifically avoided the ‘copying and pasting’ of the wide range of readily available general market research”

This Strategy has specifically avoided the ‘copying and pasting’ of the wide range of readily available general market research. It has not attempted to cover the vast range of market research and analysis that would be required to consider the equally wide range of opportunities and possibilities for the Southern Highlands. This doesn’t suggest that this research and investigation is unimportant. On the contrary, research and analysis is recognised as a vital component of detailed consideration and assessment of opportunities and ideas.

Following the strategic foundation and direction set out in this document, detailed research and analysis should be included as a part of both an Annual Operating Plan and on a case by case basis as ideas and opportunities are identified by Council and stakeholders.

It is considered far more important for a five year Strategy to create awareness and understanding of the research and data that is available and the fact that customised ‘data-mining’ of relevant data-bases is possible and affordable. Custom data-mining is considered particularly important given its power to increase the level of

relevance to the Southern Highlands. The primary databases referred to include the National and International Visitor Surveys administered by Tourism Research Australia. These surveys cover a vast range of detail relating to domestic and international travellers and their trip behaviour. Given the long time series available and consistency over this timeframe, valuable trend analysis is possible.

A small example of the type of data that can be extracted includes:

- Trip activities
- Purpose of trip
- Type of travel party
- Information sources used
- Mode of transport
- Type of accommodation
- Length of trip
- Number of stopovers
- Expenditure items

This data can be customised so that it relates to particular source markets (eg Sydney) or destination(s) and further customised so that it can focus on particular market segments (such as adult couples or families).

It is also important to recognise that overall market trends do not affect destinations in the same way. For example, reductions in the overall size of the domestic overnight holiday market due to financial pressures may be favourable more closer-to-home destinations.

It is envisaged that several customised data-mining efforts will be undertaken in the course of the preparation of the Annual Operating Plan and as they arise throughout the course of the strategy period.

With the limitations of general or overall tourism research and data in mind, the following range of 'top line' points has been assembled to provide a base level of awareness:

“It is envisaged that several customised data-mining efforts will be undertaken in the course of the preparation of the Annual Operating Plan”

1.4.1 DOMESTIC OVERNIGHT MARKET

Historical significance to the Southern Highlands: around half of all visitors, 90% of nights and around half of all visitor expenditure. Little change over time.

- The size of the domestic overnight market has decreased modestly over time, but it remains an extremely large market – especially for regional Australia.
- In any given 12 month period since 1998, Australians have undertaken an average of 72 million overnight trips. Even at its low point (66 million) it is clearly a market of significant size.
- Domestic overnight travellers spent an average of 280 million nights on these trips - around 4 nights per trip.
- Holiday/leisure (HL) trips consistently rank first in terms of purpose of trip followed by visiting friends and relatives (VFR).

The size of the holiday/leisure market is stable at around 30 million trips p.a. The size of the VFR market has averaged around 23 million trips in recent years.

- Regional Australia captures around 25 million domestic overnight holiday/leisure visitors that account for around 112 million nights.

Source: Tourism Research Australia; National Visitor Survey

“Destinations will have to compete for their share of market, focus on visitor satisfaction and convincing potential visitors to ‘switch’ destinations”

The implications of a domestic overnight market that is not growing is that destinations such as the Southern Highlands will not be able to ‘automatically’ benefit from this market growth. Destinations will have to compete for their share of market, focus on visitor satisfaction and convincing potential visitors to ‘switch’ destinations. This is particularly relevant for destinations outside the capital cities and other major urban destinations such as the Gold Coast given the level of importance related to domestic overnight tourism.

Destinations will therefore need to ‘think outside the square’ in this context and look to areas of tourism strategy where competitive advantage can be achieved – ideally areas that other destinations will not address.

1.4.2 DOMESTIC DAY VISITOR MARKET

“It is vital that Southern Highlands recognise both the significance of day visitors and their importance in terms of destination loyalty.”

Historical significance to the Southern Highlands: around three quarters of all visitors and around 45% of all visitor expenditure. Little change over time.

- In any given 12 month period since 1998, Australians have undertaken an average of 145 million day trips.
- An average of 55 million of these trips are to Regional Australia
- Around 25 million of the Regional Australia day trips, 25 million are typically for the main purpose of Holiday/Leisure and almost 18 million for Visiting Friends & Relatives

Source: Tourism Research Australia; National Visitor Survey

It is vital that Southern Highlands recognise both the significance of day visitors and that day visitors can be the same people as overnight visitors. Day visitors have been ignored and even discouraged by destinations showing a lack of awareness of this connection. They are an important element in a destination’s visitor ‘portfolio’. Day visitation is an important aspect of destination loyalty

1.4.3 INTERNATIONAL VISITOR MARKET

Historical significance to the Southern Highlands: It is not possible to obtain reliable data for international day visitors however broad estimates put this at around 34,000 p.a. The following points therefore relate to international visitors that spent at least one night in the Southern Highlands. International visitors typically count for a very small percentage of total visitors. This is not unlike the majority of Local Government Areas in Regional Australia. The contribution to total nights is far more significant, accounting for around 13%. Contribution to expenditure is around 3.5% p.a. (reminder this excludes day visitors).

- For Australia as a whole, the average overnight visitors for any 12 month period since 1999 is 4.9 million.
- After rising above the 5 million mark for the first time in 2005, Australia has seen modest growth in inbound visitation (5.4 million in 2010 and virtually identical in 2011).
- Given the nature of a long haul overseas trip, international visitor trips average around 30 nights over the long term (145 million nights).
- In recent years, this average has increased. The year 2011 represented a high point in nights of almost 200 million – around 36 nights per visitor.
- Compared to domestic overnight trip numbers, international visitor numbers are a relatively small market for Regional Australia. The highest potential related to attracting international visitors to travel beyond the capital cities is generally regarded as that related to special interests

Source: Tourism Research Australia; International Visitor Survey

1.5 TOURISM ASSETS

Like many destinations, Southern Highlands Shire has a range of tourism- relevant assets. From a marketing and product strategy perspective the challenge is to identify those assets, in relation to specific markets *and* competitors, so that Southern Highlands can claim some form of competitive advantage. In addition to this basic context, three other considerations need to be included in this assessment:

1. The assets used cannot breach the values of those who live and work in the Southern Highlands
2. The affordability of communicating effectively with related target markets
3. The impact upon the resource allocation balance

As this Strategy aims to contribute to the Southern Highlands's competitive advantage by tackling strategic subjects at a deeper level than the 'average' tourism strategy, it is recognised that asset strengths are subjective assessments made by the market. This Strategy, therefore, recognises that whether or not an asset is regarded as a strength will vary depending upon:

1. The target market
2. The trip type
3. Competitor standing

“Assets that are strengths for one target market may be irrelevant to another.”

For example, a potential visitor whose destination choice revolves around a particular activity will clearly evaluate the Southern Highlands based on this specific activity. Mountain biking enthusiasts will obviously consider fire trails and 'single track' trails in State Forests a strength whereas a visitor seeking a venue for a romantic weekend getaway is unlikely to see these trails as strengths and will obviously look for other destination strengths relevant to this type of trip.

Whilst tourism strategies regularly include product 'wish-lists', the focus adopted in this strategy is that success should be achievable via

utilising existing assets (ie not depend upon other assets becoming a reality). This does not mean that additional assets should be ignored or discouraged. On the contrary, additional assets should be a key activity over the course of the next five years.

As indicated in the following section, 'pairing' of target markets with assets needs to be undertaken on a case by case basis alongside the target market and product selection criteria set out in this strategy to determine if the asset is a usable strength..

A range of destination assets stand out as potential sources of actionable points of difference and competitive advantage. These are presented in alphabetical order in the table below. As noted above, their rating as a strength will vary. A destination asset list such as this can never be complete given the sheer diversity of most destinations and that of the market.

Asset
Atmosphere associated with climactic variation/altitude and geographic positioning (eg mist, occasional snow, log fires etc)
Award winning Visitor Information Centre and Mittagong.
Defined short bushwalks and walking trails in and within close proximity to towns
Equestrian facilities
Established network of fire trails and other trails in State Forests and other public land
Extent of and availability of local food and produce
Extent of exotic and native flora and associated open gardens (including tulips)
Extent of low/moderate traffic level roads along scenic routes
Farms/Agriculture (specialist and best practice)
Fauna and relative ease of sighting (particularly platypus, wombats, kangaroos)
History & heritage and associated character/landscape and buildings (particularly English and Scottish) such as Berrima Historic Village
Illawarra Fly Tree Top Walk
International Cricket Hall of Fame
National Park coverage area
Night sky (low level of light pollution)
Number of cool climate vineyards and cellar doors
Range of accommodation including large choice of 'holiday homes' and cottages in scenic and private settings
Range of destination specific events over the course of the year (eg Tulip Time, Brigadoon, Art Studio Trail)
Scenic quality – green 'rolling hills'
Scenic vantage points
Solid rock features within close proximity to Mittagong and Bowral
Volume of antique, book stores and art galleries – boutique and speciality shopping
Waterfalls (Fitzroy, Belmore, Carrington) – some of the most accessible and visited falls in NSW

Table 2 – Selection of assets with potential to contribute to Southern Highlands's product and experience competitive advantage

Important notes: a destination asset list cannot include all possible asset strengths. This list is presented in alphabetical order.

1.6 ORGANISATION & STRUCTURE

From the local government perspective the tourism function rests within the Corporate and Strategic Division structure of Wingecarribee Shire Council. An Executive Manager has the responsibility for destination marketing and promotion, product development, visitor information centre and events among other things. The day to day interaction with the tourism industry is conducted through a Council business unit – Tourism Southern Highlands (TSH).

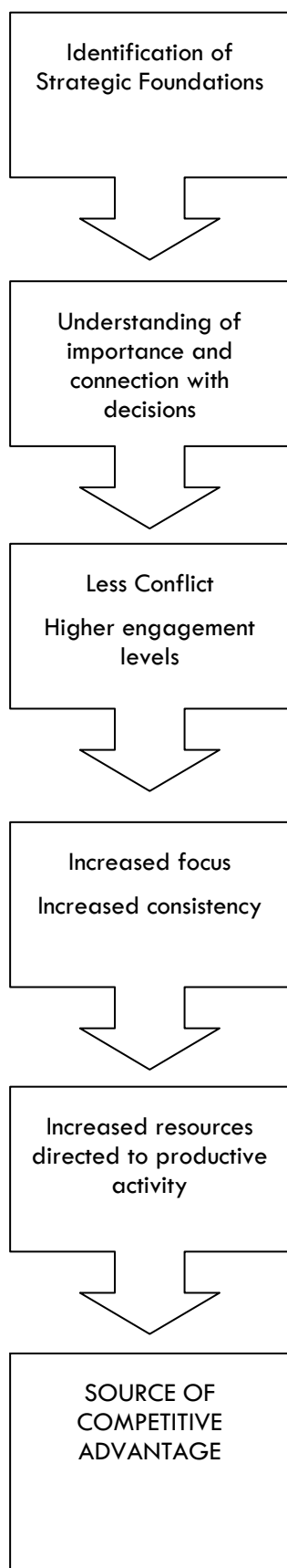
Tourism Southern Highlands operates with a membership structure such that tourism operators pay a fee to access a range of benefits. It is necessary to pay the “membership” fee and agree to pay commission in order to enable that operator’s product can be booked through the Southern Highlands Visitors Information Centre (VIC) at Mittagong. The VIC is a Council asset operated by the business unit. Income from the activities conducted by the business unit contributes to the tourism funding base.

Furthermore a Committee of Council, the Economic Development and Tourism Advisory Committee, has been formed to provide guidance to Council. Council has sought to recruit external stakeholders for the Committee that can assist with the following:

- *Provide industry advice to Council on Economic Development and Tourism related issues;*
- *Assist Council to achieve its Economic Development objectives;*
- *Inform industry of Council’s Economic Development and Tourism plans/actions;*
- *Provide a forum for discussion of local Economic Development and Tourism related issues;*
- *Encourage the development of a positive investment climate in the Shire.*

Tourism Southern Highlands maintains an active working relationship with a range of industry bodies, chambers of commerce and peak tourism bodies such as Tourism Australia and Destination NSW. TSH actively participates in the NSW regional tourism structure and is a member of the Inland NSW region (formerly Capital Country). From time to time TSH also partners with neighbouring tourism bodies such as Wollongong, Kiama and Shellharbour.

2. STRATEGIC FOUNDATIONS



Setting strategic foundations are a core part of this Strategy. They address subject areas that will directly contribute to destination success for the Southern Highlands. They are elements of strategy in their own right and they also have direct influence upon other elements of the Strategy.

Establishing these foundations will provide Tourism Southern Highlands with a basis to influence strategic choices and decision making beyond the Strategy timeframe. Significant changes to key strategic decisions should not occur if they conflict with the foundations.

The Strategic Foundations cover seven vital areas of strategic choice and are listed below:



List 1 – Strategic Foundation Subject Areas

The diagram to the left displays the benefit flow of identifying and addressing strategic foundations. Given they are rarely identified in Local Government tourism strategies; they can become a source of competitive advantage to supplement the advantages derived from tourism assets.

Diagram 3: Benefits of strategic foundations

2.1 ROLES AND RESPONSIBILITIES

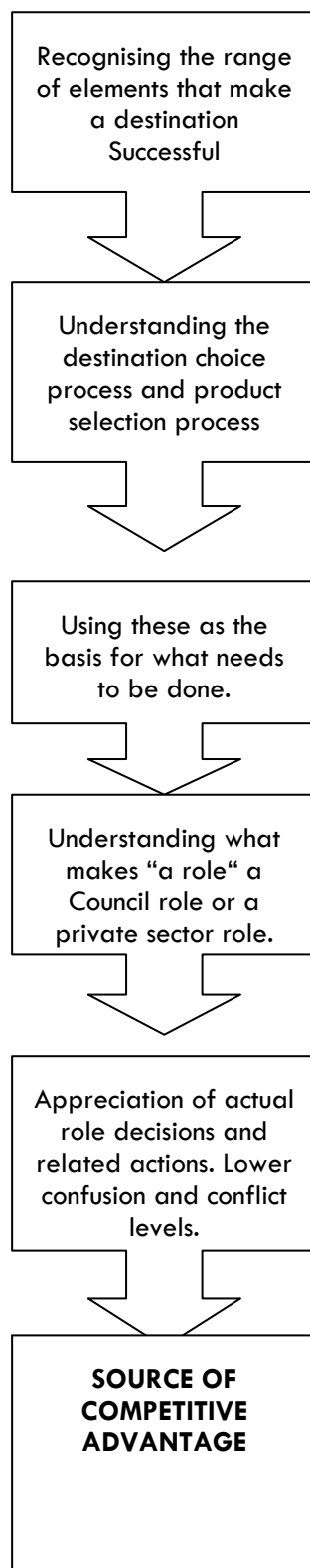


Diagram 4: Role contribution to competitive advantage

Clear roles and responsibilities are essential for a destination to be successful. Whilst decisions about “who should do what” can be easily made, they will be of little practical value without an understanding of why these decisions have been made. Even with the why part included, the decisions will still be of little practical value unless a wide range of destination stakeholders genuinely understand the reasoning.

The consultation process suggested that a role and responsibility rationale had been briefly touched upon a number of years ago by a small group of Council staff and Councillors. In this Strategy it will be given detailed consideration as an early strategy priority. It will draw upon specific knowledge related to the subject and lead communications efforts across a wide range of stakeholders.

The communications function will be kept ‘alive’ throughout the strategy so that this understanding, and its benefits, will not be restricted to current stakeholders.

The objectives of this are:

1. To maximise clarity and understanding
2. Because of this clarity and understanding, reduce the likelihood that confusion may arise
3. Maximise focus and resources in a productive direction for the benefit of tourism businesses, the community and the place as a whole.

STRATEGY

This strategy recognises that decisions of who does what should be shaped by a number of factors. These factors are not only “touchstones” for decisions made in this strategy but will also serve the same purpose in the consideration of future decisions that arise. These include:

- **Destinations require a range of characteristics and attributes to be successful. These include product, marketing, management, organisation, structure. The full range of these factors needs to be recognised in determining what roles are required.**
- **How people choose destinations must be understood and considered in role determination with an emphasis on what the private sector can and cannot do to influence destination choice.**
- **How people choose specific tourism product within a destination is a different decision-making processes to choosing a destination. It must be understood that the ‘right’ marketing strategy for specific product is not necessarily right for destination level strategy.**
- **The fundamentals that make a role “a Council role” will remain unchanged, but as Southern Highlands’ relationship**

with a market or product initiative evolves, the level of Council involvement can and should adjust.

2.2 STRUCTURE & RELATIONSHIPS

Ensuring the tourism structure and relationships in the Southern Highlands are clearly defined and logical, in the context of the travel decision-making process, will maximise the conversion of potential to actual visitors.

INTERNAL

Whilst this strategy is a tourism strategy, it is recommended that the promotion of the Southern Highlands rests within a structure encompassing efforts related to economic development and other place-level promotional activities. The following recommendations primarily refer to tourism and equally apply to a broader promotional structure.

STRATEGY

- **Destination level tourism functions should be performed within as a 'standard' unit of Council structure. Council has roles related to tourism that exhibit clear market failure characteristics and require it to make decisions with the destination as a whole in mind. Ultimately it must have strategic control and accept responsibility for related decisions.**
- **Tourism is incorporated within the economic development function in Council in the role of Council's Marketing and Communications Unit.**
- **A formal relationship should be established between Tourism and Council's Planning unit with the view to maximising benefits that flow from a co-operative approach to destination image management**
- **The distinction between industry organisations (whose primary objective is related to maximising member-benefits) and Council's tourism 'unit' must be understood. This does not infer a reduction in co-operation and clearly defined relationships with such organisations should be forged. It will reduce confusion particularly in the misperception that Tourism Southern Highlands is an incorporated association.**
- **The strict application of private sector business principles to Council's tourism roles and responsibilities can skew the focus on destination-level benefit. Some activities lend themselves to this model but many do not. This needs to be recognised. This reduces potential conflict between destination related and cost recovery decisions. This does not preclude a fee for service approach.**
- **The concept of "membership" related to a destination-level organisation is out of alignment with the objective of**

maximising the benefit of tourism to the destination as a whole. Ideally this should be a function of industry associations rather than local government. However, where a destination's focus is tactical a "membership" base provides a level of confirmed engagement and a pool of funds for activities. Operators and others who live and work in Southern Highlands are "members" by default – providing inclusion and the "industry voice" benefits. A fee for service principle can exist irrespective of Tourism's status as a standard unit of Council structure.

EXTERNAL

External relationships have in the past been heavily influenced by structures and funding programs devised by the State Tourism Organisation for NSW (currently known as Destination NSW). These have been restrictive and have potentially 'forced' Local Government tourism organisations to accept strategies and approaches that may or may not be optimal for them. The NSW Government's approach continues to change as it continues to seek an approach to regionalisation that is sustainably effective.

STRATEGY

- **External partnerships be actively sought out and developed with a wide range of potential 'place' stakeholders.**
- **These partnerships should not be constrained to marketing, particularly if the "all-of-place" approach is adopted.**
- **External partnerships should not be constrained only to destination structures forced upon the Southern Highlands (such as Tourism Regions) where this calls for the allocation of resources to support this structure at the expense of potentially effective partnerships. Leverage of the regional framework both as part of the Inland NSW region and independent of it is clearly an opportunity.**
- **Where alignment with the state level approach, strategy, language or nomenclature is appropriate or delivers long term advantage it should be considered.**
- **Marketing partnerships (including product partnerships) with other destinations, associations and events should be considered on a target market by target market basis. Potential destination partners should, therefore be considered from the total 'destination pool' including towns, LGAs and Regions.**
- **Public and private organisations that are likely investors in tourism product should be identified and relationships with these organisations should be developed and maintained**
- **Partnerships between industry members and external parties may be viable, but will not eventuate due to lack of an awareness of an organisation or related partnership opportunity. Council is in a position to 'broker' the possibility of such 'business-to-business' partnerships.**

2.3 MARKET COMMUNICATIONS

Choices related to marketing strategy should consider the full range of strategic options available. Marketing decisions then must be ultimately guided by the potential benefit to the destination as a whole. Similarly product development must be assessed and considered as a part of the overall “marketing statement”.

STRATEGY

- All stakeholders to be made aware of the differences between destination marketing strategy and product-specific marketing strategy. This will include the need to look at the relationships between each travel-decision making process so that strategic destination choices are *understood* as opposed to being a source of ongoing debate and, at times, conflict.
- Destination image is arguably the Shire's most valuable asset and forms the basis for destination and destination-product decision making alike. Destination image management should be formalised as a key element of Southern Highlands's marketing strategy.
- Southern Highlands should position itself in a manner it determines is optimal on a market by market basis irrespective of whether or not there is stylistic similarity in chosen positions
- It is recommended that various segmentation methods be explored and consideration be given to using more than one method. It is common for LGA Tourism Organisations to use popular segmentation methods as a result of their promotion by State Tourism agencies or research firms. These are often complex so-called psychographic approaches that not only influence the selection of target markets but can also prevent logical destination marketing efforts aimed at targets that fall outside the segment definition. A commitment to one segmentation approach, particularly where it coincides with calls for co-operative marketing, means less funds are available to target (say) activity based segments such as cycling, bird watching, antique and collectables shoppers, book enthusiasts etc.
- It is recommended that marketing decisions include considerable emphasis upon the intangible characteristics of Southern Highlands – particularly those which are inextricably linked to the destination and are a source of competition advantage (ie unique, higher quality etc). These elements have “non-transferable demand” characteristics.
- Whilst technology-based forms of marketing are many and varied, the importance of traditional forms of marketing – particularly in the context of destination marketing – should continue to be utilised and play a major role in the overall destination marketing effort.
- Full use is made available of the range of research and data available to Council to support marketing decisions. The

tourism data in Australia is amongst the best in the world and custom data-mining can be performed relatively inexpensively.

2.4 PRODUCT DEVELOPMENT

Destinations are continually under pressure to develop new tourism product. Addressing the supply side of tourism should principally be an issue for private sector investment and stimulating and demonstrating a growth in demand for tourism product will inevitably lead to those investment decisions. New tourism product should be consistent with community values (social, cultural, environmental, economic) and local government has a critical role to play in that respect.

The depth of existing destination assets in the Southern Highlands Shire suggests that there is considerable latent potential for packages and products of “new” offers. Of course these need to take into consideration market and visitor trends.

STRATEGY

- **‘Product’ should be recognised as not being limited to built assets but also includes natural and intangible/“experiential” assets.**
- **Existing product should form the basis for marketing strategy – particularly where this product is intangible and has non-transferable demand characteristics noted above. This ‘forces’ tourism marketing to look deeply at its existing assets and potential matches with target markets.**
- **Identify the many “potential” tourism products exist in the Shire that currently may not be aware of their tourism potential.**
- **Highlight the opportunities for industry to link their products/experiences exist across the Southern Highlands and with operators outside of the area where appropriate.**
- **Grow the understanding that the relationship of product to destination image is powerful.**
- **Product should meet the values of the local residents or it should be considered with utmost caution.**
- **Planning instruments exist to provide a framework for development assessment. These regulations apply equally to tourism developments. There is a clear role for Council’s Economic Development Unit assisting in this area.**
- **Establishing an “investor ready” approach to attracting appropriate tourism investment is an important role for local government. There is a clear role for Council’s Economic Development and Strategic Planning Units.**

2.5 RESOURCE ALLOCATION

Although elements of a tourism strategy may be agreed upon, a failure to allocate resources appropriately can undermine strategy without it being obvious. As with the other Strategic Foundations, this is a subject that needs to be brought 'out in the open' and discussed among a wide range of stakeholders. Although almost all destination stakeholders acknowledge that resources – especially financial – are limited and finite, this doesn't prevent discontent when available resources are allocated in a manner that doesn't fit with individual stakeholder opinion, despite being designed to maximise the benefit to the destination overall.

The approach to resource allocation across all areas – especially those related to target markets and marketing - *must be defined*. Not only is this a vital element of the tourism strategy but its linkages with several other elements of the Strategy further increase its importance.

STRATEGY

- **Resources should be allocated with benefit to the destination as a whole over the long term as the main frame of reference**
- **Allocation decisions should be relatively *stable over time* and, when set and adjusted in the Annual Operating Plan should be based on the strategic foundations and decisions set out on in this Strategy.**
- **Changes should, ideally, be pre-planned & whilst changes related to 'opportunities' should not be ignored they should be reviewed and backed by evidence that warrants a change in allocation.**
- **Allocation decisions should *acknowledge the evaluation challenges* associated with destination level activity (refer Evaluation section). Difficulties in quantifying ROI related to a particular activity should not rule out the allocation of resources to it.**
- **Avoiding wide and frequently changing approaches to resource allocation is recommended. These are common in destinations and are a result of efforts to accommodate diverse stakeholder views. Whilst 'spread of risk' is a recommended approach to resource allocation spreading resources too widely risks diluting effectiveness.**
- **Certain standard investment portfolio principles apply to resource allocation in a destination context and should be considered (eg: allocation of percentages to risk/return categories)**
- **The resources allocated to an activity must consider the level of leverage achievable in a given market. Leverage is**

influenced by a number of factors including the power of the existing image/position and level of competition.

2.6 RESEARCH AND KNOWLEDGE

Strategic decisions (and tactical decisions) in tourism, ranging from target market selection, marketing choices to asset & product decisions need to be based on reliable and relevant information and market intelligence.

A wealth of accessible data exists to guide and inform destination decision makers, as well as individual operators. This can be a source of competitive advantage and ensure that funds are directed to maximum effect. Unfortunately, the situation in Australia is such that despite the excellent tourism research and data that is available the awareness of this is very low and the understanding of how it can be 'data-mined' and customised is even lower. This situation has existed for many years and there is no sign that it will change over the strategy period.

This means that, if existing and prospective tourism industry members of the Southern Highlands are to be made aware of and use the research and data that is available, it will not be the result of those State and Federal Departments and agencies that control it. Similarly, Councillors and Council staff will not be made aware of research and data that may assist in decision making if left to third parties. Given the ongoing challenges and changes facing Regional Tourism Organisations, and the fact that the private sector have a very low awareness of the research and data inventory, the only logical entity to bridge this gap is Council.

Given this relates to existing research and data – the high costs associated with undertaking primary research is avoided and therefore becomes both a realistic as well as fundamental aspect of strategy. The fact that very few Councils or their Tourism Organisations will adopt the following strategic recommendations is another source of competitive advantage for the Southern Highlands.

STRATEGY

- **Tourism Southern Highlands to take the lead role in terms of establishing and maintaining an awareness and understanding of what tourism research and data exists. This includes generally published research and data and that which can be generated as a result of customised 'data-mining'**
- **Tourism Southern Highlands to increase and maintain the awareness and understanding of industry members, potential industry members, Councillors and Council staff of the subject coverage of the research and data on an ongoing basis and position itself as the 'first point of**

contact' in relation to tourism research and data requests

- **Tourism Southern Highlands to monitor tourism in the Wingecarribee LGA on an ongoing basis (i.e. each quarter) via the main data sources taking due care in considering the strengths and weaknesses that may be associated with the data. This should be benchmarked against the market and shared with those involved in the decision making and planning that forms a part of the Annual Operating Plan.**
- **Tourism Southern Highlands to monitor the main visitor markets to the Southern Highlands and to communicate this to industry members on an ongoing basis (i.e. each quarter). This data should be customised to reflect the main type of visitor to the Southern Highlands including origin, travel party type and purpose of trip. Other aspects of the market should also be considered for ongoing monitoring purposes.**
- **Should customised data requests be required, Tourism Southern Highlands should, if practical and low cost, attempt to fulfil these requests. Should more complex or detailed requests be received, the inquiry should be passed to the data source organisations or consultants who specialise in data-mining and analysing this data.**
- **Both Council and Tourism Southern Highlands should ensure this research and data is utilised internally for the development of the Annual Operating Plan and addressing specific issues as they may arise.**

2.7 EVALUATION

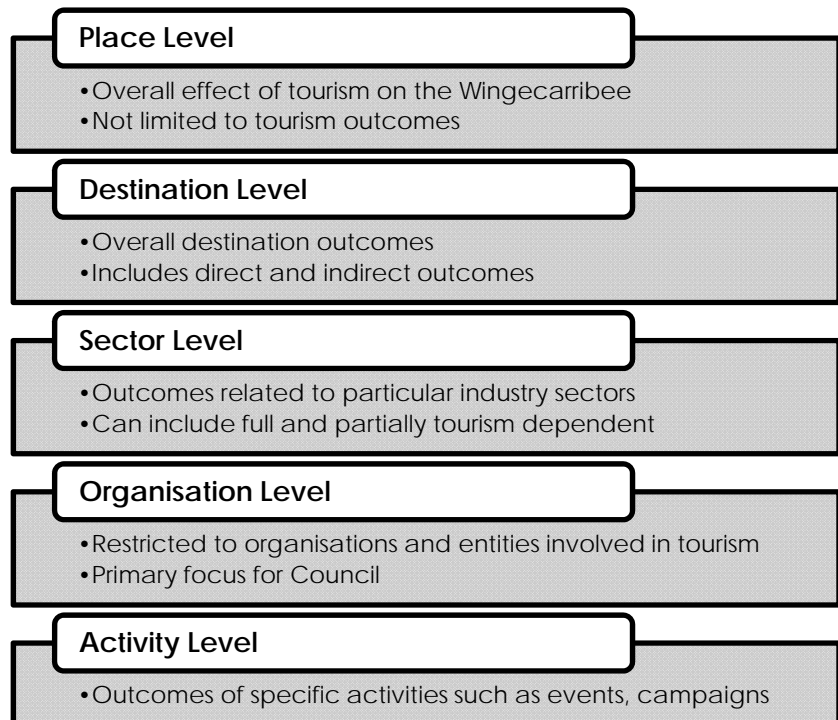
It is essential for a destination to use appropriate evaluation methods and performance indicators for the various elements of the tourism effort. Destinations, and their stakeholders, typically fail to break their evaluation efforts down and restrict the efforts to a small number of indicators. These may, or may not, be relevant and the effects of this can have serious negative consequences. This Strategy identifies the various elements of the tourism effort and recommends appropriate evaluation approaches to them.

This Strategy introduces the concept of an evaluation hierarchy. The purpose of this hierarchy is to minimise the use of inappropriate or irrelevant key performance indicators or other measures and metrics.

This is extremely common and results in important decisions being made based on what can amount to largely irrelevant information or data. Recommendations related to this hierarchy are included in the Strategic Directions and Recommendations section. As Strategic Foundations, the following are the key recommendations:

- Establishing an awareness of the different levels and components of a place that can be evaluated
- Working to ensure the appropriate indicators are 'paired' with the appropriate levels and components is essential given the impact of getting this 'pairing' wrong can have significant negative consequences on planning decisions.

The following diagram (List 2) sets out the levels of the evaluation hierarchy.

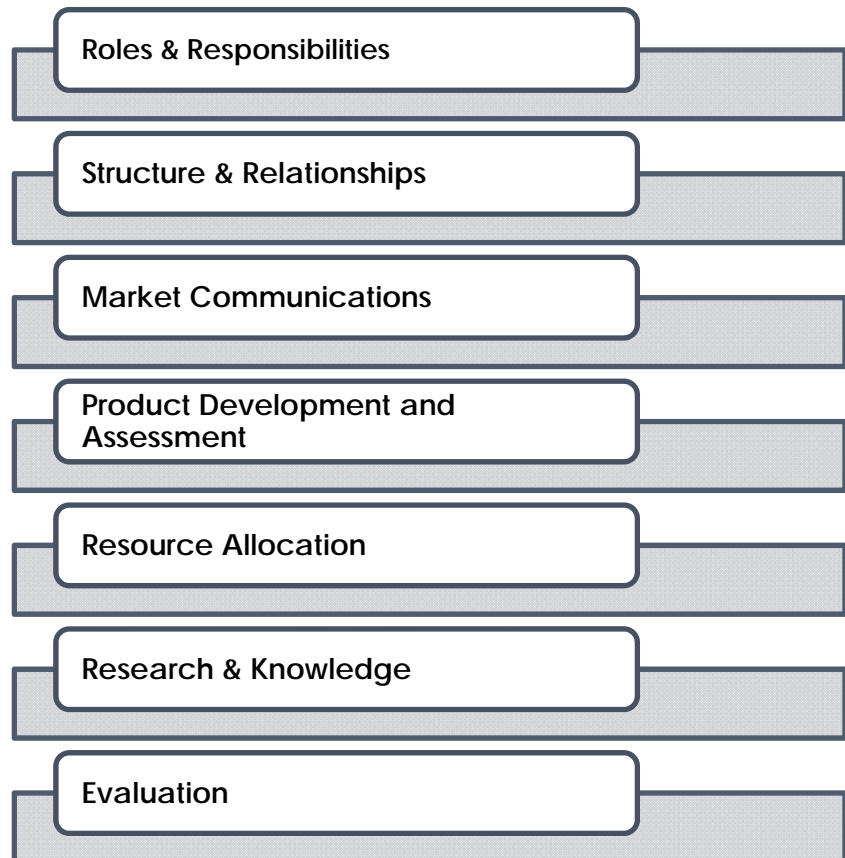


List 2 – Levels of Evaluation

3. STRATEGIC DIRECTIONS

2012 -2016

Several strategic determinations have been made. They represent significant decisions which should not be adjusted over the course of the Strategy implementation without considerable deliberation and ‘back-checking’ against the foundations. Whilst setting things in concrete for the sake of it does not make sense, too frequent changes to these determinations leads to inconsistency and confusion both within a destination and the marketplace.



List 3 – Groupings of Strategic Directions

3.1 ROLES & RESPONSIBILITIES RECOMMENDATIONS

Roles and Responsibilities, for the purpose of this Strategy, have been broken down into Council or the private sector. The latter includes private sector organisations such as Chambers of Commerce and individual businesses.

Table 3 represents a list of responsibilities that Council will take lead responsibility for over the next five years. As noted throughout the Strategy, roles and responsibility decisions need to be genuinely understood by a wide range of stakeholders.

3.1.1 COUNCIL

RESPONSIBILITY	ROLE OVERVIEW
Strategic Leadership and Destination Decision Making	<ul style="list-style-type: none"> • Council has overall responsibility for the Southern Highlands • Tourism related decisions that affect the Southern Highlands as a whole are ultimately the responsibility of Council • This leadership responsibility spans a range of subjects (such as planning, resourcing, public amenity). • Inform and educate the community about the importance and benefits of tourism.
Place Image	<ul style="list-style-type: none"> • Place image is arguably every destination's most valuable asset yet it is typically left unmanaged • Place image is a fundamental factor that influences a range of tourism and other decisions • The only logical 'custodian' of place image on behalf of its residents and businesses is Council
Research & Knowledge: Acquisition and Communication	<ul style="list-style-type: none"> • Tourism businesses, members of the community and others (including potential investors) have very low awareness or understanding of tourism research or data. This applies to most destinations & Southern Highlands is no exception. • The result is that valuable information concerning trends, opportunities and threats are not considered or used in decision making or planning. • Council should play a key role in facilitating information for decision making.
Destination Marketing & Information Servicing	<ul style="list-style-type: none"> • Destination level marketing at the awareness and interest levels then crossing over into desire • Includes destination positioning & branding • Servicing of consumer and trade information requests
Product & Asset Marketing	<ul style="list-style-type: none"> • Explore and identify initiatives, opportunities and methods for private sector product marketing opportunities and communicate these to industry. Participate in these marketing initiatives where in the interests of Southern Highlands. • Explore and identify initiatives, opportunities and methods for public assets (including natural assets) and implement as

	determined viable. Co-operative efforts with internal and external partners as appropriate.
Assets & Product identification and management	<ul style="list-style-type: none"> • Explore and identify existing and possible tourism assets/product (including tangible, intangible, man-made & natural) • Facilitate and assist with operationalising where in the interests of the Southern Highlands, partnering with industry where required (particularly if Council initiative/concept) • Monitor status of overall assets and product through an ongoing product/inventory audit process
Product Approval	<ul style="list-style-type: none"> • Determine suitability of product utilising appropriate research and product assessment criteria set out in this Strategy
Amenities	<ul style="list-style-type: none"> • Provide and maintain adequate visitor amenities
Evaluation	<ul style="list-style-type: none"> • Undertake evaluation relevant to the destination as a whole, Council initiatives and other key tourism indicators

Table 3 – Overview of Council or Council-led Roles

3.1.2 PRIVATE TOURISM OPERATORS

“A business is far more likely to be successful operating in a successful destination”

It is extremely important for the private sector to acknowledge that a business is far more likely to be successful operating in a successful destination.

It is equally important that the private sector is aware of and understands that destination success is not simply the sum of successful businesses in a place and that other elements are required. These ‘other elements’ include marketing activities that influence destination choice, market research, information servicing and the provision of destination amenities. These are included as part of Councils responsibilities given the recognised ‘market failure’ associated with their delivery.

As these elements of destination success require considerable expense, the private sector should look to co-operate with Council wherever possible. This should include the involvement of Tourism Southern Highlands in the reservations, booking and ticketing process to contribute to offsetting Council’s investment towards being a successful destination.

The following represents a list of primary responsibilities that the private sector has responsibility for over the next five years.

- **Participate in Council-led communications activities to develop a sound level of understanding of this Strategy**
- **Business viability responsibility**
- **Investment in own marketing and product improvement**
- **Identify and research product possibilities (considering the criteria set out in this Strategy)**
- **Seek collaborations and partnerships with other operators and Council**

- **Maintain an awareness of all Council-led marketing and other opportunities (ie should not be left completely up to Council) and participate in cooperative programs where appropriate.**

3.1.3 LOCAL BUSINESS GROUPINGS

- **Represent the interests of its members**
- **Assist in channelling Council's tourism communications to members including that related to the understanding and rationale of this Strategy**
- **Drive the customer focus/customer service agenda and initiatives**
- **Encourage information exchange between businesses and council**
- **Engage in the adoption of this strategy and seek to leverage its directions**

3.1.4 SECTOR GROUPINGS

- **Encourage information exchange between groups and council**
- **Seek collaborations and partnerships to leverage marketing expenditure – such as “new” product offers/packages, joint promotions.**

3.2 STRUCTURE AND RELATIONSHIPS RECOMMENDATIONS

The strategic approach to Roles and Responsibilities is linked to that relating to structure and relationships as it provides an initial breakdown between Council and the private sector. Putting this into a structural context at the next level is also a necessary and important part of this Strategy.

Whilst agreement and understanding concerning the breakdown at this level may be achieved, there is a similar need for how roles and responsibilities are allocated within Council and within the private sector.

3.2.1 INTERNAL

Confusion relating to tourism roles and responsibilities is common both at the primary Council vs private sector level and at the next level. A common example is Local Tourism Organisations that operate as a

cross between a destination marketing organisation and an industry association.

This Strategy clarifies this. Council's roles and responsibilities in relation to tourism are not the same as those of a tourism industry association. By definition, an industry association must put the interests of its members first and foremost. These may, or may not, align with the interests of the overall place as a tourism destination. Clearly there are times when this is the case, but it is equally clear where the two do not align. This same issue relates to other organisations such as segment specific associations such as those related to the wine industry, meetings and events and special interest groups. It also applies to chambers of commerce.

Whilst this Strategy clearly recognises the existence of other groups, the level of support provided to the objectives and initiatives of these groups must be evaluated by Council on a case by case basis.

A combined Economic Development and Tourism Unit is a logical and effective structural way to fulfil Council's tourism responsibilities. This structural option has been agreed by Council and decisions regarding the timeframe for introduction are expected early in the Strategy period.

Tourism will operate within the structure of Council and report directly to the Deputy General Manager Corporate and Strategic Services.. As a result tourism will establish vital linkages with Council's planning and community liaison functions.

A small panel with representatives of the tourism industry and community is seen as a useful way of communicating with industry and community alike and such a representative body would be required to adopt a destination-level perspective in terms of their input to decision making as opposed to promoting the interests of those who they represent. Final decisions that have a destination-level impact or influence will be made by Council.

3.2.2 PRIVATE SECTOR TOURISM OPERATORS AND BUSINESS GROUPS

Whilst Council can control its structure, it cannot force other organisations to behave in a particular way. If Council considers other organisations would benefit from input concerning their role, Council will need to liaise with the organisations and share the rationale for adjustment. Irrespective, it is important Council make its approach very clear as this will help define the role and structure of other organisations.

Ultimately the private sector must make its investment and operating decisions based on its own assessment of the market, its operating framework and risk appetite. Council is NOT responsible for the establishment, management and financing of sector groups nor the investment decisions and business plans of the private sector.

By strategically developing the destination, its image and market positioning Council will aid the sector.

3.3 MARKET COMMUNICATIONS RECOMMENDATIONS

Destination level communications are the foundations for product and experience specific communications. Building the awareness of the Southern Highlands contributes to a desire to visit the Southern Highlands.

This type of communication is not the sum of individual business marketing efforts. This type of communication has 'public good' characteristics by communicating on behalf of all place stakeholders.

3.3.1 POSITIONING & BRANDING

"Destination branding" is a common term which is generally seen as referring to the destination logo and tagline. This strategy understands that branding a destination involves far more than a logo and tagline and that branding is a suite of methods used to achieve a desired 'position' in the minds of the consumer. It is also common to develop a single 'brand proposition' which is seen as a 'master brand'. Typically efforts are directed at applying this generic approach to all markets.

The established Tourism Southern Highlands branding and positioning strategy provides a platform

A key determination of this Strategy is to acknowledge that:

- **Branding a destination requires much more than a logo and tagline**
- **Branding strategy exists to achieve a desired positioning in the minds of potential visitors**
- **Market-specific approach to positioning and branding are necessary where it is possible to do so without confusing the target market(s)**
- **The ability to position must consider the level of market knowledge about the destination obtained from non-commercial or uncontrolled image influencing sources**

The alternative is a single positioning and branding approach applied generically – irrespective of the target market. Whilst this approach is common, it has a considerable downside as it risks not using an optimal approach for the specific market.

There may be close relationships between the positioning and branding chosen, however this will be determined on a case by case basis. Decisions will initially be grouped using the following framework as shown below in Table 4:

VISITOR CATEGORY	POSITIONING AND BRANDING APPROACH
Domestic Overnight	<ul style="list-style-type: none"> • Will depend upon the scale of the related marketing efforts and the assessment of whether or not customised approaches will confuse the targets. • As a general rule, the further away the source market the greater the ability to vary the approach. • Varying approaches are possible within the same source market – particularly where special interest and highly targeted communications are used
Domestic Day	<ul style="list-style-type: none"> • As this trip is typically activity driven, varying approaches are possible particularly where highly targeted communications can be used
International	<ul style="list-style-type: none"> • Individual country by country approach to be applied in all cases.

Table 4 – Positioning and branding framework by visitor category

3.3.2 TARGET MARKET SELECTION

Over the next five years, targets market selection and related communications will not be limited by a single segmentation method.

Whilst so-called psychographic segmentation has driven the marketing strategy of many destinations, this has been typically related to co-operative/co-funding incentives ‘tie-ins’ to Regional and State tourism programs. Whilst this style of segmentation is undoubtedly an effective approach, there can be downsides for a Local Government if it is used as the main driver of target market selection and related communications.

This strategy recommends target marketing through an approach that is not dominated by a single market segmented approach. The approach to be adopted will be to target logical target markets with, if required, logical partners. These targets could be, for example, relate to a particular special interest, a particular experience or a particular type of traveller.

Locking in target markets and communications approaches for a five year period is of little value because of volatile market conditions and rapidly evolving communications methods. If anything, it is more likely to cause a destination to miss opportunities as well as lower the engagement levels of stakeholders whose opinions concerning target markets may be different (appropriately) and do not appear in the strategy document.

It is much more valuable to have an agreed and understood process related to target market selection in place with appropriate research to support it. Such a framework can accommodate changes in the market, competitor activity and the Southern Highlands’s tourism assets. Target market selection process over the next five years will utilise the following criteria shown in Table 5.

Resident Values

- The degree to which a target visitors behaviour, or their product/experience requirements, would align with the values of the residents of Wingecarribee
- This includes consideration of environmental and amenity impacts

Destination Image

- Absence of significant negative aspects relating to destination image

Demand

- Evidence of adequate demand for what is to be presented to the target
- The direction of the level of demand (ie increasing/decreasing)

Asset Significance

- The objective significance of the asset to be presented to the target (ie external not internal assessment)

Level of Competition

- What level of competitor activity is directed at the target

Communication Channels

- What communication channels are available?
- How well to they directly 'speak' to the target?

Cost

- Can effective communications be directed at the target from a cost perspective?

Return Timeframe

- Is the return on investment timeframe acceptable?

Impact on Resource Allocation Balance

- Would efforts to gain a share of the target result in unbalanced resource allocation (ie overdependence)

Table 5 – Framework/criteria for target market selection

3.3.3 PRODUCT MARKETING

Having set a platform of awareness and desire for the destination, the traditional tourism marketing activity has the role of soliciting specific buy decisions once a destination or holiday type is selected.

This is product specific communication and the full range of marketing tactics are available to drive “sales”, visitor nights or other specific measures.

For specific product and operators there is a tendency to look to the destination marketing body to do their marketing for them. While this is a flawed view there is clearly a benefit of combining marketing resources in a coordinated or campaign basis to maximise results. Council can assist operators with economy of scale benefits and demonstrate leadership on packaging and experience promotion.

Product marketing activities should be developed for specific target markets.

3.4 PRODUCT DEVELOPMENT AND ASSESSMENT RECOMMENDATIONS

3.4.1 PRODUCT DEVELOPMENT

Product includes natural and intangible/experiential assets and it is recommended that product development incorporate this broader definition.

Many “products” exist in the Southern Highlands that may not currently be aware of their tourism potential. These include businesses that can be linked with specialist or so-called ‘niche’ markets. It may also relate to expertise associated with certain residents of the Shire. It is seen as essential that a broad tourism asset audit be undertaken that extends beyond the ‘typical’ audit and considers the wide range of demand in the market.

This will identify strengths, potential and gaps and form the basis of a product development strategy.

The recommended approach for Council is taking what already exists from the audit stage and aligning with market opportunities. The key is generating awareness of strengths, potential and gaps. . This strategy does NOT advocate that Council become a tourism operator with the exception of areas of clear market failure, such as the visitor information centre.

The contribution of product to destination image is powerful. Decisions related to support for product, or otherwise, must be judged in conjunction with the level of alignment with the Southern Highlands’s image. Clearly scale and location is a variable in this equation however support for product that directly contravenes the desired image is not recommended.

3.4.2 PRODUCT ASSESSMENT

Product that clearly ‘breaches’ the values of the residents should be considered with utmost caution.

The issue of land zoning has clear implications for product development and is a subject of consideration in a number of Local Government Areas. Case-specific recommendations are well beyond the scope of this strategy and would provide little ongoing strategic value. This should be undertaken at a higher level through the development of a “Tourism Masterplan”.

However, recommendations made with respect to this issue are that calls for changes to permit certain developments must be accompanied by evidence of past, current and future demand for such development. Research and relevant databases are available to assist in this assessment and it is recommended both Council and development proponents make full use of these sources. The above recommendations (such as impact upon image and potential resident value breaches) should also be considered.

A dedicated project focused specifically on this issue is an approach taken by other Councils and is recommended for the Southern Highlands. Pending such a project, the above recommendations are proposed as the strategic focus in terms of product development. Also in this vein Council can review current land use for tourism opportunities.

This strategy advocates an approach to tourism asset development and assessment that recognises the complexity of product decisions. It also attempts to reconcile the tendency of stakeholders to identify the need for “new” built assets as the “solution”. This is the domain of private sector investment.

It is much more valuable to have an agreed and understood process related to suitable tourism assets in place with appropriate research to support it. Such a framework can accommodate changes in the market, competitor activity and the Southern Highlands’s target markets. The criteria for the framework is shown in Table 6.

Resident Values

- The degree to which a target visitors behaviour, or their product/experience requirements, would align with the values of the residents of the Southern Highlands
- This includes consideration of environmental and amenity impacts

Destination Image

- Absence of significant negative aspects relating to destination image
- Geographically linked to the destination

Demand

- Evidence of adequate demand for what is to be presented to the target market
- Ability to contribute to the demand for the destination

Asset Significance

- Its ability to contribute to the destination image
- Value to the community
- Competitive strength
- Utilisation of existing assets and destination strengths

Economic

- Sustainable cost base
- Positive economic impact - employment generations
- Contributions to destination promotion (membership, fees, commissionable)

Return Timeframe

- Is the return on investment timeframe acceptable?

Table 6 – Framework/criteria for desired tourism product

This strategy also advocates an approach to product that commences with ensuring that existing assets are effectively utilised and consistent

with community values. Accordingly it is recommended that packaging opportunities and grouping of operators to create new product is seen as a priority.

Council's role as an investor/tourism operator should be limited. It should be restricted to areas of market failure, should not expose Council to recurrent operating costs and ensure it provides benefit to local residents as well as visitors.

3.5 RESOURCE ALLOCATION RECOMMENDATIONS

Competing destination needs and varied stakeholder expectations frequently give rise to conflict in the determination of priorities in tourism strategies. Simply put it is impossible with finite resources, both time and money, to be all things to all stakeholders or all markets. This emphasises the need to focus on the destination as a whole. It also means that the Annual Operating Plan will need to be similarly focussed.

Continued effort in growing the funding base and/or income options will contribute to an increase in resources available. This needs to be considered in the context of the opportunity cost of the investment of the time and resources required.

- **Resources should be allocated with the *destination as a whole* as the frame of reference and relate to the relevant travel-decision-making process.**
- **Allocation decisions should be relatively *stable over time* and, when adjusted, should be based on strategic foundations (in particular those defined in this strategy). They should, ideally, be pre-planned. Changes related to 'opportunities' presented should be treated with caution.**
- **Allocation decisions should *acknowledge the evaluation challenges* associated with destination level activity (refer Evaluation section but include, for example, difficulties quantifying ROI). These unavoidable evaluation challenges should not prevent related allocation decisions.**
- **Whilst 'spread of risk' is a recommended approach to resource allocation spreading resources too widely risks diluting effectiveness. Wide and frequently changing approaches to resource allocation are common in destinations and are a result of efforts to accommodate diverse stakeholder views.**
- **Certain standard investment portfolio principles apply to resource allocation in a destination context and should be considered (eg: allocation of percentages to risk/return categories)**

- **The resources allocated to an activity must consider the level of leverage achievable in a given market. Leverage is influenced by a number of factors including the power of the existing image/position and level of competition.**

3.6 RESEARCH AND KNOWLEDGE RECOMMENDATIONS

This strategy makes it clear that there is a significant opportunity to gain competitive advantage from the excellent tourism research and data that is available. This situation stems from very low levels of awareness of the key sources, their content, and the potential that exists to initiate custom 'data-mining' efforts. Two of the main sources are organised and run by State and Federal Government. The low levels of awareness are long-standing and it is unlikely that this situation will change over the medium to long term. It is considered highly unlikely that it will change over the course of this Strategy.

The impact of this situation is that Councils, existing industry and potential industry members are unaware of the research and data that is available and therefore do not utilise it in their planning or monitoring efforts. Increasing this awareness and understanding within the Southern Highlands is unlikely to be achieved by the private sector or private sector associations. Individual operators may improve their awareness and understanding but this will not add much to the overall Southern Highlands tourism effort. It is a logical role for Council, via Tourism Southern Highlands to the benefit of existing industry, potential industry operators and Council alike. As indicated in the Strategic Foundations section, given the fact that awareness and understanding is so low at a Local Government and Industry level across the country, taking action to correct this in the Southern Highlands is a form of competitive advantage.

The main recommendations have been alluded to in the Strategic Foundations section by way of example. They are partially repeated and expanded upon below.

It is recommended that Tourism Southern Highlands position itself as the first point of contact for questions relating to whether or not tourism research or data exists, or could be generated, to help in general planning or in considering specific issues. This position should be established with industry, potential industry, Councillors and Council staff as possible inquirers and target-appropriate methods used to achieve this position.

As a part of this lead role, a number of specific deliverables and outputs are recommended:

- **Establishing and maintaining an awareness and understanding of what tourism research and data exists, particularly that available via the National and International Visitor Surveys. This should extend beyond the material that is generally published but what subjects these surveys cover and how they can be 'data-mined'. This awareness and understanding should cover both a destination (ie Southern Highlands) perspective and a market perspective.**
- **It is strongly recommended that Tourism Southern Highlands *maintain* efforts to increase research and data awareness and understanding throughout the strategy period and beyond and that efforts utilised to position itself as the first point of contact are effective in reaching the target audience as opposed to efforts dependent upon the audience becoming aware of it as a part of other communications. In other words, it should be a specific, proactive communications activity. Given the high value attached to the outcomes of widespread increases in awareness and understanding of research and data availability a budget commensurate with the benefit should be allocated to this function.**
- **It is not suggested or recommended that Tourism Southern Highlands attempt to service all inquiries it receives. It may well be able to address some in a timely and affordable manner but in many cases it is anticipated that the inquirer will be informed whether or not such research or data exists, or could be generated, and how to go about organising this. This may take the form of providing contact details of the source or specialist consultants that have expertise data-mining the sources.**
- **It is recommended that Tourism Southern Highlands produce specific ongoing monitors or reports. Visitor volume in the Wingecarribee LGA on a rolling 12 month basis, updated each quarter, broken down into the categories of domestic day visitors, domestic overnight visitors, domestic visitor nights, international overnight visitors and international visitor nights is recommended as mandatory. It should also monitor the availability of day visitor estimates that are provided from time to time. These volumes should be compared against relevant benchmark groups of other LGAs. The latter will vary for each category of visitor and should comprise a collection other LGA's deemed appropriate to serve as a benchmark group. For example, the LGAs that form the domestic day visitor benchmark group may include Wollondilly, Wollongong, Gosford, Blue Mountains whereas the group for domestic overnight visitors will include some of these and other, more distant, LGAs. The primary use for this monitor and associated metrics is seen as those involved in the formation of the Annual Operating Plan. It is highly recommended that a specialist data analyst be retained for the production of this monitor. Broad distribution is not suggested given the need**

to understand issues relating to sample survey error associated with data at a Local Government Area level

- The other main recommended ongoing output is a monitor of the visitor volume being generated by the main source markets for the Southern Highlands - again broken down by the visitor categories of domestic day visitors, domestic overnight visitors and international visitors. Data 'filters' should be applied to these sources to increase their relevance (for example ex-Sydney domestic overnight data should be restricted to car/private vehicle based travellers). This information will be valuable for the Annual Operating Plan but will also be of high value for tourism industry members as it will enable them to gauge whether their own performance is 'as per market' or varies from it. The use of the above-mentioned surveys are not only a cost-effective way of obtaining this data, but they are also its only source. As with the Wingecarribee LGA Monitor it is highly recommended that a specialist data analyst be retained for the production of these reports and that this specialist include relevant commentary.
- An annual visitor profile report should be commissioned utilising the above mentioned sources for each visitor category for each of the main source markets. This profile should include main visitor and trip characteristics (eg: age, lifecycle, travel party type) as well as trip behaviour (eg: activities, expenditure). The visitor profile report is recommended to be undertaken from both a visitor source perspective (eg: ex-Sydney domestic overnight car-based irrespective of destination) and from a Southern Highlands perspective. This will enable an assessment of the generating markets and an assessment of the Southern Highlands visitors from the main generating markets. It is noted that a Southern Highlands profile will need to include more than one year of data to increase the accuracy of the estimates. This is not necessary for the generating markets. It is recommended that the same specialist be contracted to produce the annual profile report and the ongoing monitors.
- Some ad-hoc requests for assistance may be able to be accommodated by Tourism Southern Highlands or – should the recommendation be adopted to appoint a data-mining specialist to generate the ongoing reports described above – this role should be included in the contracted services and referred to this contractor. It may eventuate that the scope and scale of the requested information extends beyond the contractors agreement with Tourism Southern Highlands and separate work may need to be undertaken to adequately service the request. These requests may emanate from industry in the Southern Highlands, potential industry members, Councillors or Council staff. It is emphasised that Tourism Southern Highlands should take a pro-active and appropriate stance with regards to ensuring decisions made by Council, it's own unit, existing industry and potential industry are aware of and utilise information

which can help guide the decision-making and planning process.

- **Throughout the course of the next five years, it is likely to become obvious that certain subject areas are of common interest for a number of stakeholders. What information sources are being used by tourists and how fast this is changing is an example. Another likely subject of interest is the role of mobile devices (in-car-navigators and smartphones). Special subjects such as these should be considered as a part of the Annual Operating Plan in a given year.**

The destination image of the Southern Highlands has been noted in this strategy as fundamental to the selection of the Southern Highlands for tourism and other purposes. Unlike the above recommendations, this will require original (primary) research and will be more costly than data-mining of secondary sources such as the National Visitor Survey.

Nonetheless, given the importance of image, Council needs to strongly consider allocating funds to undertake an initial image benchmark in year 1 of the strategy, an annual update (via a smaller research) and a repeat of the year 1 benchmark in year 5 of the strategy with appropriate comparisons.

Whether or not this is a responsibility of Tourism Southern Highlands is a matter for consideration as it should, ideally, cover the overall image of the Highlands. The advent of online research panels have made this type of research more affordable over recent years and it is strongly recommended that Council make some attempt to monitor image.

GETTING IT WRONG

There are numerous examples of getting evaluation wrong. Some of the major examples include:

- Use of Australian Bureau of Statistics Survey of Tourist Accommodation (STA) data to evaluate the performance of a destination.
- Survey of Tourist Accommodation's coverage is limited to a defined range of commercial accommodation establishments and ignores those commercial establishments not within the defined scope and also ignores all non-commercial forms of accommodation & day visitors.
- Despite this, it has often been used (and still is) as a proxy for overall tourism volume and significant strategy & policy changes have occurred based on this data
- Whilst more comprehensive sources of tourism volume at an LGA level are available, the use of overall visitor volume numbers to evaluate the performance of a destination fails to consider market directions over which a destination has no control.
- Ignoring the overall market direction – and focussing on visitor volume – has resulted in major personnel changes and assumptions that the current approach, and/or the tourism organisation, has failed

Diagram 5: Getting evaluation wrong

3.7 EVALUATION RECOMMENDATIONS

The evaluation of tourism in destinations is a critical subject and the importance of understanding that various levels and components of a place need to be evaluated with appropriate indicators is a clear recommendation in the Strategic Foundations section. An example of getting it wrong is shown in the adjacent breakout box.

The concept of an evaluation hierarchy was recommended in the Strategic Foundations section. The following diagram builds on this approach and includes recommendations for key performance indicators at each level. The importance of the following should be seen as a 'given' at all levels:

- **Considering whether cause and effect can be adequately identified**
- **Considering the impact of external factors**
- **Recognising that travel decision making relating to destinations are extremely complex and that many of the variables are hard (or impossible) to convert into a number.**
- **Understanding that some activities are logical, despite the fact that they cannot be measured in traditional ROI terms**
- **Recognising that time lags apply to decisions and these may span many years**

This will require a combination of qualitative and quantitative indicators and resisting to over-play the significant of those which can be quantified. It is appreciated that some of the points in the following list may not be easily obtained or may not be affordable on an ongoing basis. They have been included, nonetheless, given the importance of RECOGNISING them as indicators. Some of the indicators are readily available at modest expense (eg visitor volume and share indicators at the destination level).

3.7.1 PLACE LEVEL

These relate to the Southern Highlands Overall & Tourism's Contribution to this.

- Overall image of the Southern Highlands
- Level of awareness and understanding of attributes of the Southern Highlands
- Impact that image has upon other 'place purchase' decisions
- Estimate of tourism's contribution to local economy
- Estimate of jobs directly and indirectly dependent upon tourist expenditure
- Benefits to residents (eg facilities, services, leisure options, events) available as a result of tourism

- Contribution to place atmosphere

3.7.2 DESTINATION LEVEL

These relate to the Southern Highlands as a tourist destination and should not be confused with overall place indicators.

- Image of the Southern Highlands as a tourism destination
- Awareness of the Southern Highlands as a destination
- Inclusion of the Southern Highlands in the "consideration set" of potential visitors
- Intention of visitors to visit the Southern Highlands in a defined time period
- The percentage visitor volume represents of a defined benchmark group for each visitor category (ie domestic day visitors, domestic overnight visitors and international overnight visitors)
- Number of visitors that visit the Southern Highlands
- Online search volume for specific locations and attractions
- Level of visitor satisfaction

3.7.3 SECTOR LEVEL

These relate to specific sectors and should not be confused with destination indicators as is commonly done. Sources are becoming more limited and efforts to generate these indicators internally rarely succeed).

- Accommodation establishment occupancy rates
- Average room night revenue of accommodation operators
- Tour operator utilisation rates (ie actual vs potential participants)
- Attraction visitation levels
- Event visitation levels
- Conference and meeting uptake rates
- Retail sales volume (that can be allocated to tourists)

3.7.4 ORGANISATIONAL LEVEL

These relate to specific organisations and should be restricted to those things which the organisation can control. Destination level indicators are regularly and incorrectly used to evaluate the performance of destination marketing organisations such as Tourism Southern Highlands. The following list is limited to Tourism Southern Highlands although it is acknowledged that other organisations exist and will have other indicators that are relevant to them.

- Traceable positive contribution to place image
- Traceable positive contribution to destination image

- The influence it has had upon internal tourism related decisions be these Council decisions, industry decisions or potential industry member decisions
- Testimonials from those assisted in a positive manner
- Other indicators that the organisation can be held accountable for and a cause:effect established

3.7.5 ACTIVITY LEVEL

Several specific activities are undertaken by organisations that are hard to link to final outcomes but are typically an important part of the 'destination sales process'. These can often be overplayed given they are easy to quantify but are nonetheless important and necessary building blocks in the hierarchy.

- Change achieved in how Southern Highlands portrayed by third parties
- The volume of positive publicity generated and value attributed to the source
- Number of information requests serviced
- Number of brochures distributed
- Responses to specific campaigns and initiatives
- Number of familiarisations hosted
- Web site activity (excluding outmoded metrics such as hits)
- Other activity-specific volume measures

4. *PRIORITY ACTIONS*

This section sets out the Priority Actions over the next five years. These are major actions judged fundamental to the Strategy.

These, along with other actions, are to be documented in the Annual Operating Plan – outlining specific market and tactics.

Communications is not separated out as a priority action area given it is considered vital across all categories. It is vital that communication methods are genuinely audience-appropriate and not limited to online ‘broadcast’ style communications that may or may not be picked up by the target audience.

A range of methods will be utilised including one-to-one face-to-face discussion, small group discussion, telephone discussion, traditional print, newspaper, television, radio, online, social networking, public relations and other specific methods be it online or traditional. It will not be assumed that the audience either seen or understood the communications.

Note that the recommendations contained in this strategy do not preclude other marketing or communications activities being undertaken. However the core guiding principles and the recommended strategic directions must be applied to the assessment of those opportunities. If there is no clear fit they should be considered low priority. This is particularly relevant for partnership proposals.

4.1 ENGAGEMENT & PARTNERSHIPS

OVERALL GOAL

Achieve awareness and genuine understanding of the Tourism Strategy across as many Southern Highlands stakeholders as possible to maximise engagement, support and participation.

“Stakeholders” are not limited to direct tourism industry operators only but includes those organisations for which tourism accounts for a portion of their business and the Southern Highlands community.

Recognise that this strategy is a change to the traditional/typical approach to tourism strategy and will require a concerted effort to engage stakeholders in understanding change.

MAIN DESIRED OUTCOMES:

- Deeper awareness and understanding of the Strategy and rationale – especially relating to roles and responsibilities
- Greater focus on significant strategic decisions
- Grow support for tourism across the community
- Increased engagement and involvement of tourism-dependent industry organisations and individuals
- Reduction in conflict and confusion via increased understanding
- Contribute to an increase in tourism assets
- Contribute to increased community involvement in providing tourism product and experiences
- Increased utilisation of locally produced and provided products and services
- Build the appreciation of local residents of their role as “tourism ambassadors”

ACTION CATEGORY	KEY ACTIONS
Overall Strategy Understanding	<ul style="list-style-type: none"> • Ongoing explanation, through audience-appropriate communications methods, of the Strategy - especially the strategic foundations and directions.
Strategy Component Understanding	<ul style="list-style-type: none"> • Focussed communication about critical elements of the Strategy to key stakeholders – again using audience-appropriate methods. • Compilation and communication of further relevant information to support key decisions – especially if stakeholder influence and issue is significant. • Ensuring Council departments functionally align/recognise tourism in their annual plans.
Organisational	<ul style="list-style-type: none"> • Review the current membership-based model to confirm the logic and viability of moving towards a non-membership based model. This should consider the quantitative and qualitative aspects of a membership vs non-membership model and include the placing of a value on levels of engagement, fragmentation, assets utilisation and leakage to other destinations. • Change the name of Tourism Southern Highlands to Destination Southern Highlands to align with a broader role that incorporates promotion for economic development purposes.
Stakeholder Communications	<ul style="list-style-type: none"> • Maintain a program of stakeholder communication to highlight progress and successes. Particularly reporting to the community on the Annual Operating Plan and its outcomes.

Services	<ul style="list-style-type: none"> • Expand the range of stakeholder-relevant services that have the potential to broaden engagement, increase existing engagement and strengthen the engagement bond. These can include a mix of user-pays and generally available services. These may require a 'trade-off' against existing services. • Priority examples for consideration are social media content syndication hubs and the use of an accommodation/tour meta-search engine.
Management	<ul style="list-style-type: none"> • Destination/place related strategic decisions and actions will be facilitated and managed by Council. A representative panel should be maintained that is separate from but influences Council to lead the destination. In parallel with the goal of increasing engagement, consultation and communication across the range of stakeholders, such a panel should not be at the expense of broader communications.
Opportunity Identification	<ul style="list-style-type: none"> • Prepare and deliver information in relation to the tourism market including that which relates to niche/specialist market segments that could utilise existing skills/assets with low/modest investment. • Prepare specific communications approaches for the above that relate existing and potential tourism industry members. • Respond to requests for information and assistance that relate to the tourism market – particularly where they relate to a potential expansion in tourism assets.
Funding Assistance	<ul style="list-style-type: none"> • Subscribe to appropriate grant-monitoring services and channel those identified as relevant to appropriate stakeholders. • Assist and guide in grant application where possible and refer to appropriate specialists as required to assist securing funding.
Information Services	<ul style="list-style-type: none"> • Expand the options available for stakeholders to convey their information to the market (user pays and non-user pays options/levels) • Change the name of the Visitor Information Centre to Southern Highlands Information Centre and encourage its use by industry and residents as well as visitors. • Expand the information available beyond tourism to include that related to economic development.
Local products and services	<ul style="list-style-type: none"> • Develop a register of relevant local product and service providers and make this information available to tourism sector organisations and individuals. Similarly, develop a register of potential tourism sector users of local products and services and make this available to suppliers.

4.2 MARKETING & RELATED COMMUNICATIONS

OVERALL GOAL

Undertake market-specific, destination level communications to ensure the foundations for product-specific communications efforts are in place.

MAIN DESIRED OUTCOMES:

- Building destination image is central to all marketing activity.
- Target market selection is determined utilising a selection criteria
- Marketing decisions are based on sound research and market knowledge
- An annual marketing plan outlines focus and resource allocation for the upcoming period
- Marketing partnerships are formed with a target market alignment.

ACTION CATEGORY	KEY ACTIONS
Destination and Place Image	<ul style="list-style-type: none"> • Undertake internal audience-appropriate communications efforts to explain the importance of the image of the Southern Highlands to tourism, business and residential decision making. • Undertake efforts to make overall place image a high priority ongoing Council agenda item. • Formally assess the image of the Southern Highlands in the two most significant domestic source markets to clarify what “the market” thinks of the destination. • Use this research to shape messaging. • Create an inventory of “image influencers” (such as media) and undertake efforts to bring these more in line with the desired image – subject to the ability to control changes, the significance of the source and the cost to achieve the change. • Create an image and content ‘bank’ which is made freely available to image influencers
Market Intelligence	<ul style="list-style-type: none"> • Provide relevant market research for main source markets to industry on a regular and ongoing basis to increase their awareness and understanding of tourism trends related to these markets assist them with decision-making. • Keep industry informed on a regular basis of the Southern Highlands’s visitor profile (eg origin, purpose, activities etc) broken down by domestic overnight, domestic day and international overnight visitors. • Process ad-hoc requests for information relating to subjects not covered in the regular market or destination communication efforts. • Maintain a high level of awareness of relevant research and data and where appropriate either obtain or refer industry to these resources.
Target Markets	<ul style="list-style-type: none"> • Undertake a detailed assessment of current target markets and determine if the current role of Council and the private sector in relation to them is appropriate. • Identify other target markets that align with the target market selection criteria • Undertake an assessment of the target market penetration levels and consider implications/opportunities acting upon these where appropriate.
Positioning and Branding	<ul style="list-style-type: none"> • Determine desired positioning for each key target markets and segments • Develop a brand style guide that includes guidelines and collateral with appropriate market variations
Resource Allocation	<ul style="list-style-type: none"> • Review the current resource allocation relating to marketing and evaluate to increase alignment with the resource allocation criteria. Specifically, ensure resources are not

	spread across too many markets.
Partnerships	<ul style="list-style-type: none"> • Identify and form relevant destination marketing partnerships with other Local Government Areas and Associations irrespective of partnerships that may be formed at a Regional or State level. These partnerships will be based on the relevance of destination partner and target market pairing. A clear example of this is the partners marketing under the Grand Pacific Drive initiative. • Establish and maintain strong working relationships with public and private organisations where there is a mutual benefit from doing so. These partnerships should extend beyond traditional tourism partners to include organisations with a clear interest in Southern Highlands being a successful place. • Identify and alert industry to potential B2B partnerships, particularly with relevant organisations in the distribution channel (for example technical/agri tourism wholesalers, or industry associations).
Communication Channels	<ul style="list-style-type: none"> • Monitor and report on the usage of existing communication channels and the emergence of new ones as they relate (separately) to destination choice and specific tourism product choice. This annual compilation should be used to help shape Council's Annual Plan and should be circulated to tourism organisations and individuals. • Explain how various communications channels are being used by existing and potential visitors
Marketing Options	<ul style="list-style-type: none"> • Prepare a consolidated register of marketing and communication opportunities that include those organised by Southern Highlands and other organisations such as Regional Tourism Organisations. • This 'prospectus' should include a range of no cost, co-operative and full user pays options.
"My Southern Highlands" Program	<ul style="list-style-type: none"> • Continue to develop the visit friends and relatives and local community program "My Southern Highlands" as a community pride, buy local/shop local and ambassador program • Continued execution and evolution of the integrated local resident program.
Destination "App"	<ul style="list-style-type: none"> • Develop a destination application suitable for all major smart-phone operating systems aimed at visitor trip planning and in-destination information provision
Location Technology and Devices - GPS and POI	<ul style="list-style-type: none"> • Provide guidance and assistance to maximise the inclusion of tourism and tourism-related assets in Global Positioning System (GPS) point of interest (POI) databases and other location-based mapping tools. • Google Places is a primary example however assistance should be provided to ensure maximum inclusion in other major POI databases (eg those used by Garmin, Tom Tom etc)

4.3 PRODUCT DEVELOPMENT & MANAGEMENT

OVERALL GOAL

Encourage the appropriate growth and utilisation of the Southern Highlands's tourism asset base.

MAIN DESIRED OUTCOMES:

- Create an environment that encourages investment in tourism assets.
- Council is not an investor in tourism product but is investor ready.
- Ensure that existing tourism assets are effectively packaged to create new product offerings
- Appreciate the value of intangible assets in attracting visitors to the area.
- Encourage partnerships among products to align offers with target markets.

ACTION CATEGORY	KEY ACTIONS
Inventory	<ul style="list-style-type: none"> • Expand the current asset inventory via a detailed product audit to include niche and special-interest assets, intangible assets, non-commercial assets irrespective of the current level of utilisation. The inventory should be 'graded' with reference to the target market criteria. • Council will facilitate asset development where multiple organisations are involved, are on Council managed land or where they do not lend themselves to private investment.
Market Research	<ul style="list-style-type: none"> • Assist existing and potential asset owners or proponents in obtaining research and data to aid in the assessment of market demand. • Monitor key source market activity uptake on a regular basis and share with industry
Suitability Guidance	<ul style="list-style-type: none"> • Provide proponents of suggested assets with clear and basic guidelines summarising the characteristics that would be more likely to be assessed favourably (eg: alignment with resident values, dispersal of benefit).
Council Assessment	<ul style="list-style-type: none"> • Play an active role in Council's assessment of asset development initiatives particularly via the assembly of relevant research and data in relation to the levels of demand.
Monitor and Manage Impact	<ul style="list-style-type: none"> • Consider, monitor and manage the impact of visitor activity upon residents from both a positive and negative perspective
Funding Assistance	<ul style="list-style-type: none"> • Subscribe to appropriate grant-monitoring services and channel those identified as relevant to appropriate stakeholders. • Assist and guide in grant application where possible and refer to appropriate specialists as required to assist securing funding.
Events	<ul style="list-style-type: none"> • Events have a significant capacity to contribute to the image and awareness of a destination as well as repeat visitation. Identify the key events that contribute to destination image and develop a marketing plan to leverage destination marketing around those core events in the Annual Operating Plan. Given resource constraints focus on 2 – 3 key events each year. • Develop an event strategy for Southern Highlands.
Packaging	<ul style="list-style-type: none"> • Encourage operators to work together develop product packages based on knowledge of market trends and that contribute to destination image. • Bring together operators to market under a destination banner for a particular target

	market. As an example, stakeholders identified opportunities in nature, health/wellbeing, business tourism, food and wine, agriculture and arts/culture. These decisions require detailed and specific due diligence.
Partnerships	<ul style="list-style-type: none"> • Investigate and identify potential destination grouping/market combinations • Identify a range of logical potential partnerships (including the option of other LGAs) that 'match' with particular source markets and trip types. Increase the level of detail of these potential 'matches' to include more detail in terms of target segment and messaging with the view to creating a list of viable destination and target market pairings.
Investor readiness	<ul style="list-style-type: none"> • Develop support material to assist those seeking to invest in tourism in the Southern Highlands with detail of market and visitor trends. Provide a designated point of contact within Council's tourism business unit to coordinate and facilitate interaction with council, access to relevant personnel and information
Review of the issues relating to Local Environment Plan (LEP)	<ul style="list-style-type: none"> • Engage an appropriate specialist to investigate the issue related to what were described 'obstacles' with the current LEP.

4.4 RESEARCH & KNOWLEDGE

OVERALL GOAL

Contribute to the competitive advantage of the Southern Highlands by establishing, maintaining and communicating and providing tourism research and data to the tourism industry, Council staff, Councillors and potential industry members.

MAIN DESIRED OUTCOMES:

- Marketing and resource allocation decisions are based on the best available information.
- Develop the understanding of tourism, its associated economic and social benefits with Councillors and Council staff
- Provide quality information to support the Council assessment process
- Ensure tourism operators have access to current market and visitor trends to inform decision making.

ACTION CATEGORY	KEY ACTIONS
Visitor Volume Monitor	<ul style="list-style-type: none"> • Engage an appropriate tourism data specialist to monitor visitors to the Southern Highlands on a rolling 12 month basis, to be updated quarterly. Known secondary sources should be used. • Compare outcomes on the same timescale against a benchmark group of other Local Government Areas, and mainland regional NSW. Percentage share comparisons should be included • Limitations associated with the survey data should be considered and distribution limited given the explanation required to accompany such data. Audience-specific communication should be compiled as needed.
Visitor Profile Monitor	<ul style="list-style-type: none"> • Require the same specialist to produce an annual visitor profile in a format suitable for distribution to a wide range of stakeholders. • Profile variables should include travel party type, purpose of trip, activities undertaken, accommodation used, information sources used, use of the internet, length of stay, age, lifecycle segment
Market Monitors	<ul style="list-style-type: none"> • Require the same specialist to compile relevant source market monitors utilising data filters that increase the relevance to the Southern Highlands. These will focus on source market changes irrespective of destination to keep stakeholders informed of how the markets are changing. It will also allow a degree of business performance benchmarking. • These should be broken down into three visitor categories: 1.domestic overnight 2. Domestic day and international overnight
Putting the research to work	<ul style="list-style-type: none"> • Seek data to support the target market selection process. Utilise this information to determine product and market fit. It should also be used in determining positioning decisions for target markets.
Share the knowledge	<ul style="list-style-type: none"> • Identify the information needs of key stakeholders and supply in a readily consumed manner on a regular basis. • Develop an increased understanding of relevant source markets within tourism operators. • Conduct an annual industry briefing to disseminate information and insight. Utilise a range of communication methods to disseminate information.

4.5 INFORMATION SERVICING

OVERALL GOAL

Ensure the availability of quality destination and product information, meeting the needs of the individual visitor for their purpose of visit, when, where and how it is most useful.

MAIN DESIRED OUTCOMES

- Provide ease of access to information about products and services
- Maximise the conversion of consumers from interest to booking
- Maximise the economic value of a visit to the Southern Highlands by providing information and offers in a range of formats and locations
- Support marketing campaigns with provision of quality information tailored to the objectives of the campaign
- Monitor information provision and consumer behaviour to improve visitor information collateral and distribution

ACTION CATEGORY	KEY ACTIONS
Best practice information delivery	<ul style="list-style-type: none"> • The provision of visitor information is likely to continue to change dramatically over the next 10 years. Information will be communicated to visitors in many different ways. Analysing consumer behaviour and providing intelligence to operators and understanding visitor information needs will enable the Southern Highlands to adapt and respond to these changes. • Utilise appropriate and cost effective technologies (such as smart phone applications) to build length of stay and maximise visitor spending.
Information Centre	<ul style="list-style-type: none"> • Face to face information and advice will continue to be important to visitors once in the destination. Maintain a network of information nodes that aid a visitor's knowledge of available experiences. • Reposition the VIC as the Southern Highlands Information Centre and broaden its purpose to support information provision for a range of needs including business, visitors and community. • Develop the understanding that the key currency of an information centre is information. • Upgrade facilities and systems to keep pace with new technology and information services.
Product information	<ul style="list-style-type: none"> • Analyse consumer usage of visitor information and monitoring the rate of adaption of the sector. • Provide guidance on best practice in product information for tourism operators.
Partnerships	<ul style="list-style-type: none"> • Identifying opportunities to collaborate with partners in the private and public sectors to deliver economies of scale benefits • Ensure the development/availability of information as fulfilment for marketing campaigns. The aim is to drive bookings.
Online	<ul style="list-style-type: none"> • Improve the Southern Highlands online presence with fresh and up to date content that contributes to destination image and aligns with the needs of selected target markets. • Implement an online strategy that includes multiple domain names and landing pages specific to the activity/lead assets.

	<ul style="list-style-type: none">• Integrate marketing activities to drive traffic to online information.
My Southern Highlands	<ul style="list-style-type: none">• Ensure the provision of information into the hands of community members and ambassadors in support of the VFR based program.

4.6 FUNDING TOURISM IN THE SOUTHERN HIGHLANDS

OVERALL GOAL

Establish a broad base of funding that will support the continuing growth in the range and value of tourism activities undertaken by Southern Highlands Shire Council.

MAIN DESIRED OUTCOMES:

- Increase the resources available for tourism marketing.
- Expectations of community and stakeholders to match the resources available.
- Leverage local funding commitments by seeking grants from other levels of government
- Budgets for core activities are detailed in the Annual Operating Plan.
- Seek industry investment in destination marketing projects.
- Build on the fee for service offer to tourism operators and organisations with a place interest – grow the number of organisations and businesses that are investing in tourism.
- Shift focus from membership to customers
- Continue to operate with a prudent and responsible approach to the management of tourism funding.

ACTION CATEGORY	KEY ACTIONS
Council budget	<ul style="list-style-type: none"> • Appreciating the resource allocation challenges of Council generally, develop an annual submission for Council funds based on the Annual Tourism Action Plan. Report against the plan to demonstrate effective management of funds and return on investment for the community. • Encourage Council business units to identify their role in tourism and allocate resources accordingly.
Funding assistance	<ul style="list-style-type: none"> • Foster and develop relationships with local state and federal members and government agencies. Access regional state and federal programs in support of the projects identified in the Annual Operating Plan. • Identify and explore new funding sources as they emerge.
Fee for service	<ul style="list-style-type: none"> • Provide valued destination management and marketing services that are beyond the scope of individual operators. Maintain a commission based booking system that can be accessed by those operators willing to participate. • Develop economies of scale benefits that can be accessed by operators for a fee - such as tourism research. • Position WSC's tourism unit as the key marketing agency for the Shire and provide opportunities for "non-tourism" organisations to participate in marketing activities for a participation fee.
Partnerships	<ul style="list-style-type: none"> • Leverage Council's investment in tourism by partnering with the private sector and appropriate other partners (eg Inland NSW RTO, Tourism Wollongong, South Coast RTO etc) to build scale into marketing and promotion activities where target markets align. • Identify organisations not traditionally seen as tourism businesses that benefit from marketing of the destination and provide opportunity to participate in activities that will benefit them

5. NEXT STEPS

By creating and adopting a tourism strategy that is distinct from the traditional model the Southern Highlands has the opportunity over the five year life of the strategy to make maximum effect of resources available for implementation.

Committing to the course of the strategy is essential. The key next steps are outlined below

5.1 IMMEDIATE ACTIONS

The project executive group should continue to have carriage of the project through this period.

5.1.1 Strategy adoption and engagement

- Communicate with the community and stakeholders
- Build coalitions of support
- Build strategy appreciation
- Production and distribution of a 'public' version of this strategy that is specifically designed and has the aesthetics to assist with the adoption objective.

5.1.2 Development of the Annual Operating Plan

The Annual Operating Plan (AOP) will include specific detail relating to the operating activities of Tourism Southern Highlands and the linkages to this Strategy. It is important to note that in the context of available resources the prioritisation of activity is critical.

The AOP is the annual control document and is in an action plan format. It can include: objectives, actions, budget (where appropriate), resource, timing, responsibility, measures of success. A sample is shown below which can be adjusted to Council's specific needs.

STRATEGIC PRIORITY	Engagement & partnerships		EXAMPLE ONLY	
GOAL	Achieve awareness and genuine understanding of the Tourism Strategy across as many Southern Highlands stakeholders as possible to maximise engagement, support and participation.			
Key Actions	Deliverable (Activity/Project)	Timeframe	Responsibility	Measure
1. Develop audience specific communication material	Tourism strategy fact sheets	Q1 2012/13	TSH	Completed on time
	Issue media release	Q1 2012/13	TSH	Media coverage obtained