

# GETTING OUT THERE

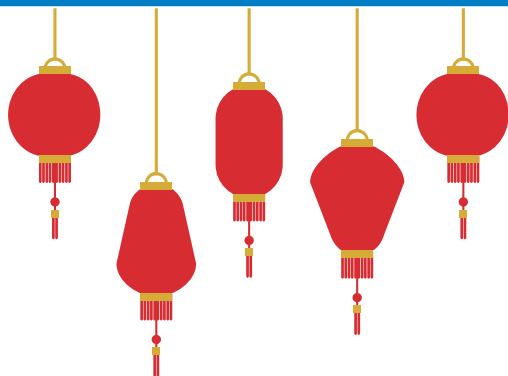
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## Encouraging Chinese Tourism



**RECOMMENDATIONS AND ACTIONS  
TO REACH NSW'S POTENTIAL**

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# The Numbers

Overnight Chinese visitors spent over

## \$3.2BN

in NSW for the year ending (YE) September 2017.

NSW received

## 753,000

overnight visitors from China YE SEP17.

On average, Chinese Visitors spent

## \$4,250

per visitor in NSW.

Visitors from China spent over

## 20.9M

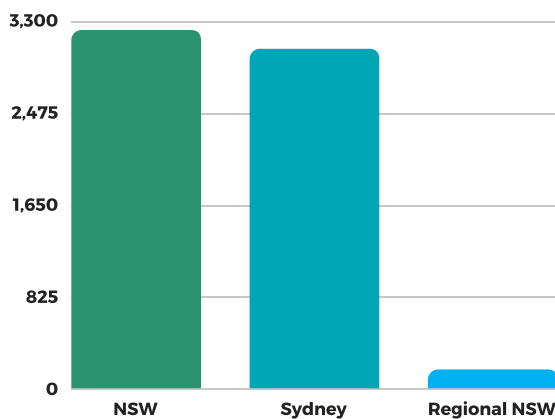
nights in NSW YE SEP17.

Approximately

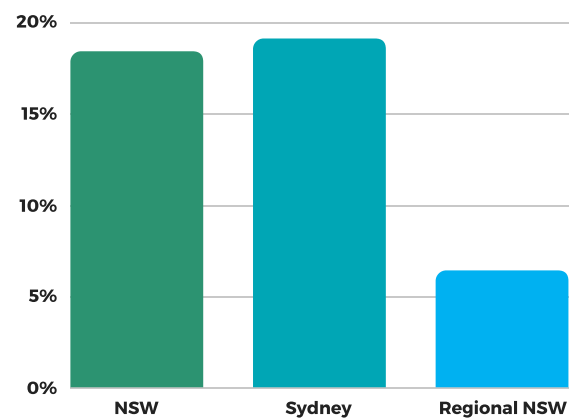
## 1 IN 20

international visitors to regional NSW were Chinese, compared with almost 1 in 5 international visitors to Sydney.

**Spend (\$ million) - Origin: Mainland China YE SEP17**



**% of Total Visitors - Origin: Mainland China YE SEP17**



**Purpose of visit to NSW - Origin: Mainland China YE SEP17**

**Holiday - 66.1%**



**Visiting Friends & Family - 16.3%**



**Education - 10.5%**



**Business - 6.3%**



**Employment - 2.1%**

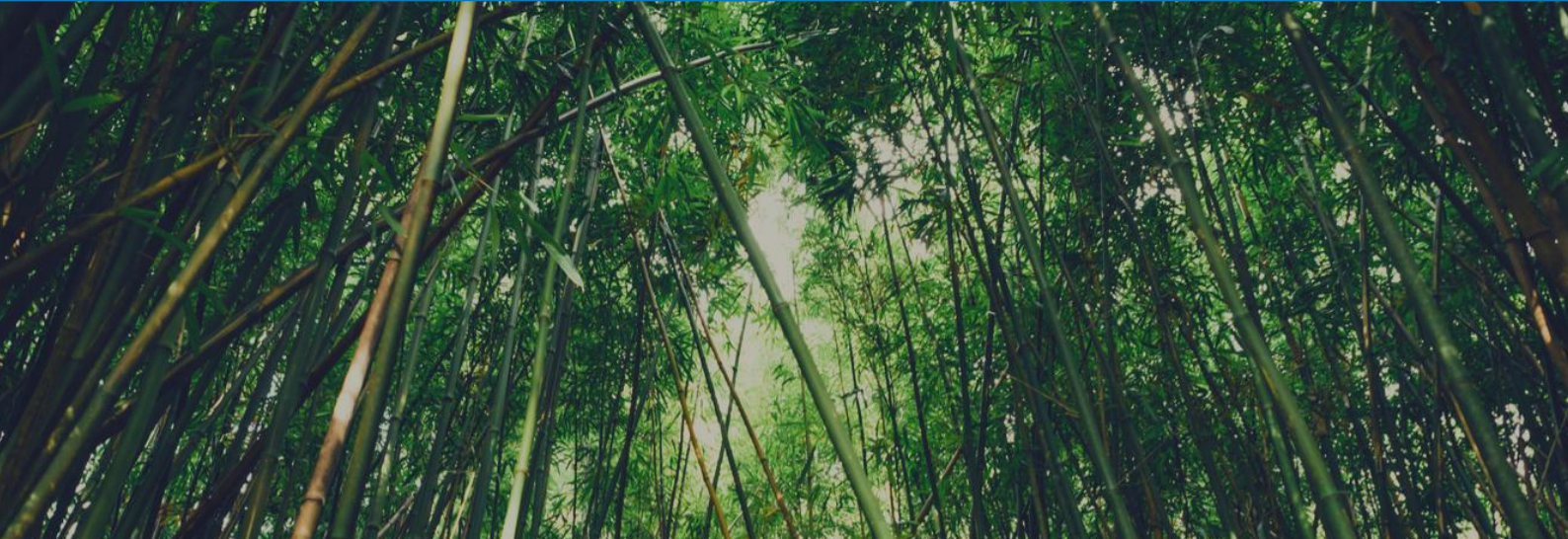


**Other - 2.5%**





# Background



## BACKGROUND

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Australia welcomed some 1.4 million visitors from Mainland China in 2017.

A similar growth trajectory as seen for comparable markets such as South Korea and Taiwan, could see more than 3.3 million Chinese visitors to Australia each year by 2026.

NSW provides the natural and physical assets Chinese visitors are looking for and is perfectly positioned to take advantage of expected growth.

There is, however, a marked disparity between metropolitan and regional overnight visitation. Data suggests regional NSW is missing out despite the interest of Chinese tourists in regional experiences.

**Getting Out There – Encouraging Chinese Tourism,** identifies some of the key issues behind this disparity and puts forward actions for government and industry to encourage more Chinese (and other Asian markets) dispersal and overnight visitation/spend.

In developing this project, the NSW Business Chamber's Tourism Industry Division engaged Mr Richard Beere, Managing Director Fastrak Asian Solutions to facilitate two round-table sessions with tourism stakeholders in the Hunter and Illawarra. These discussions examined the changing nature and needs of the Chinese visitor market; examples of success; and where opportunities are being missed and why.

Research and consultation with industry stakeholders saw the identification of five key areas of focus: Research and Data; Infrastructure; Marketing; Business Capability; and Mobile Connectivity.

The actions and recommendations identified in this report are aimed at increasing Chinese visitor dispersal and leveraging opportunities for businesses engaged in the tourism sector across NSW.

## FROM THE SOURCE

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**"Wine regions and country destinations in NSW have lots to offer Chinese tourists but special language, itinerary, transport and accommodations needs will have to be met, and while in-bound Chinese visitor numbers are growing at our Hunter Valley Cellar Door, much of this comes courtesy of their relatives and contacts already over here".**

**Mark Davidson, Managing Director & Chief Winemaker,  
Tamburlaine Organic Wines**



**"For regions to capitalise on growth in the Chinese visitor market we need investment in infrastructure to connect Sydney and international gateways with regions and regional tourist experiences".**

**Kevin Fallon, Marketing and Creative Services Manager,  
Symbio Wildlife Park**



**"A significant factor in maintaining Australia's desirability in the China market is our ability to offer a diversity of experiences and itineraries that venture further afield into our regional destinations".**

**Lyndel Gray, CEO, Caravan & Camping Industry  
Association (CCIA)**



**"We need to ensure we investigate enabling infrastructure to allow regional airports to be able to open up routes to Asia. In particular, Newcastle Airport is of state and national significance in the context that it services the Hunter, Central Coast, New England, Mid & North Coast regions of NSW".**

**Peter Cock, CEO, Newcastle Airport**

# Recommendations and Actions



## RESEARCH AND DATA

Currently, Destination NSW and tourist businesses rely heavily on data produced from the International Visitors Survey conducted by Tourism Research Australia in conjunction with State Tourism agencies.

Data provided from the International Visitors Survey provides regional overviews and clear historical trends, however, published data from the sample sizes at a local level do not reflect the experience of tourism operators at both the roundtables in the Hunter and Illawarra. The lack of data on daytrips is seen as a key area hampering plans and strategies to increase regional dispersal.

Regional tourism stakeholders do not believe this information alone is sufficient to develop detailed business plans for this segment of the market.

Regional businesses need access to accurate and detailed data at the local level if they are going to make the necessary investments and operational adjustments to attract and service the growing Chinese visitor market.

### Recommendation

Develop more granular, region specific, tourism data to provide operators with the necessary insights to develop new products for Chinese visitors.

### Actions

**1** - Improve alignment and tourist survey data through the addition of alternative sources of information by building state partnerships with other industry data sources e.g. credit card companies, STR Global, etc. The focus of this action would be to enhance NSW data produced by Tourism Research Australia by providing more detailed information on regional spending activity and associated trends.

**2** - Invest in qualitative research capturing the experience of Chinese visitors and observations of regional businesses.

## INFRASTRUCTURE

The lack of reliable, timely and cost effective transport infrastructure was seen by stakeholders as a key barrier to tourism in regions. Transportation from a central hub with a choice of transport options, at regular frequency, and at a reasonable cost is seen as critical to success.

A lack of transport is a challenge for all tourists, with language difficulties and unfamiliar payment systems however, these are seen as even more problematic for Chinese visitors. In addition, the location of stops and poor signage and information is also a constraint to regional dispersal.

As the Chinese tourism market matures, greater numbers of Free and Independent Travellers (FIT) are emerging. The FIT and self-drive market is a critical sector for regional destinations and needs to be better supported.

With such a significant growth trajectory for the Chinese tourism market, stakeholders strongly supported the development of Western Sydney Airport to help manage this growth.

Stakeholders emphasised however, that other airport gateways located outside of NSW such as the Gold Coast (to drive visitation to the Northern Rivers, etc.) and Canberra (Snowy Mountains, Southern NSW, Southern Highlands, South Coast) need greater recognition and more co-op marketing activity to increase dispersal into regional NSW.

### Recommendation

NSW Government target investment in new public infrastructure to improve access to regional tourism destinations.

### Actions

**1** - In addition to making investments in new public infrastructure to better connect regions, invest in new intra-regional connections to tourism destinations.

**2** - Prepare for future tourism growth from China, with NSW government to urgently enable regional NSW airport capacity that can be brought online prior to Western Sydney Airport; and recognise the potential of alternate international gateways to disperse tourists to regional NSW.

**3** - Undertake a pilot of on demand tourism bus services connecting key tourism attractions to locations such as the Illawarra and the Hunter as part of Transport for NSW's On Demand Transport services trial.



# Recommendations and Actions



## MARKETING

While there are considerable marketing efforts undertaken by Destination NSW in market, an extension of activity is required in Australia targeting the Visiting Friends and Relatives (VFR) segments.

A key driver of regional visitation by Chinese tourists is the VFR segments. Students actively seek broader experiences outside the city/their place of residence and often become the decision makers and guides for their visiting family and friends.

Chinese visitors also seek 'Bragging Rights' so the identification, development and promotion of true 'Signature Experiences' (with an emphasis on regional destinations as opposed to individual products) which are both relevant and accessible to the Chinese Visitor is essential. As such, there needs to be clear criteria to help businesses assess their product and/or develop bespoke product for the Chinese market.

### Recommendation

Government and industry target marketing to the Australian Chinese VFR segments and Education Sector, particularly in Sydney.

### Actions

**1** - Align skills and capabilities of Destination NSW and Study NSW to target and market regional tourism to Chinese students and by association the VFR segment.

**2** - Together with industry, put greater focus on signature experiences within regional NSW that truly reflects the Chinese desire for 'bragging rights'. This can be developed in response to bespoke qualitative research.

**3** - Develop partnerships with universities, private colleges, student recruitment agencies and on the ground handling agencies in Australia to increase the promotion of regional destinations.

## BUSINESS CAPABILITY

Business needs to understand the interests of Chinese visitors, what adjustments are needed to existing services, how much it will cost them and who can help with specific elements of new product development.

Currently, a myriad of consultants, trainers and companies offer 'Chinese Expertise', however, advice regarding requirements varies greatly and many programs adopt a 'one-off' or 'one size fits all' approach rather than tailored advice and assistance.

There is a need for a 'one-stop-shop' where business have access to advice on critical business areas individually and assistance on how to move from market entry, market ready, market active and market expansion.

### Recommendation

Greater support needs to be provided to business in understanding the challenges, requirements and potential for success from the Chinese tourism market. This also needs to tie in with existing initiatives to help tourism businesses export products into China to help grow the NSW economy.

### Actions

**1** - Development of a China Development Pathway providing advice to business including information on demand, cultural requirements, case studies and access to subject matter experts to assist in developing and testing new products and provide advice on marketing and promotions activity.

The pathway would be a 'one-stop' shop linking existing programs e.g. Destination NSW First Education Program, The Chamber's Export Ready China Program, Australian Tourism Export Council, China Ready & Accredited and experienced private sector businesses with proven success in marketing to Chinese visitors.

# Recommendations and Actions



## MOBILE CONNECTIVITY

A key issue for all tourists, not only those from China, relates to both the availability of high-speed broadband and the lack of mobile connectivity in many areas.

Nearly all visitors are on mobile devices, accessing online sites via their own carriers, whether it be for directions, reviews or translation.

Mobile devices provide visitors with confidence and comfort to venture further afield using navigation and real-time options. However, this is dependent on strong mobile connectivity, high-speed broadband delivery and low or free costs of access and this remains a key issue for visitors to Australia.

### Recommendation

The NSW visitor economy should act as a platform to expedite the availability of high-speed broadband, improve mobile coverage and increase public Wi-Fi across regional NSW.

### Actions

**1** - Trials of new technology including 5G together with the continued roll-out of the National Broadband Network should be prioritised to assist the growth of tourist dispersal across regional NSW.

**2** - NSW Government establish an advisory panel tasked with examining measures to improve mobile coverage and public Wi-Fi accessibility in key regional tourism hubs as well as report on faults and service interruptions so that these may be addressed to support this key NSW industry. Practical measures to help small businesses and visitors could include providing maps of blackspot coverage.

## FROM THE SOURCE

**"Poor upload speeds in the Blue Mountains do not meet the expectations of international tourists who expect seamless, fast online access to share their travel experiences with friends and family. To meet market demand Scenic World has taken proactive measures to improve connectivity through providing boosters and free public WiFi for all our visitors".**

**Amanda Byrne, Chief Marketing Officer, Scenic World**

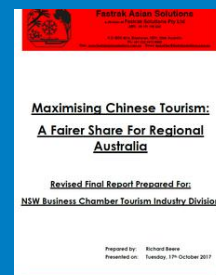
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## Full Report

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