South Australia's Strategic Plan

Tourism Implementation Action Plan

Foreword

South Australia's Strategic Plan provides the vision and framework for building a prosperous, healthy and sustainable State (see www.SAplan.sa.org.au).

It contains 6 objectives and 84 measurable targets to be achieved over the next ten years, one of which is a tourism target and a number to which tourism will contribute.
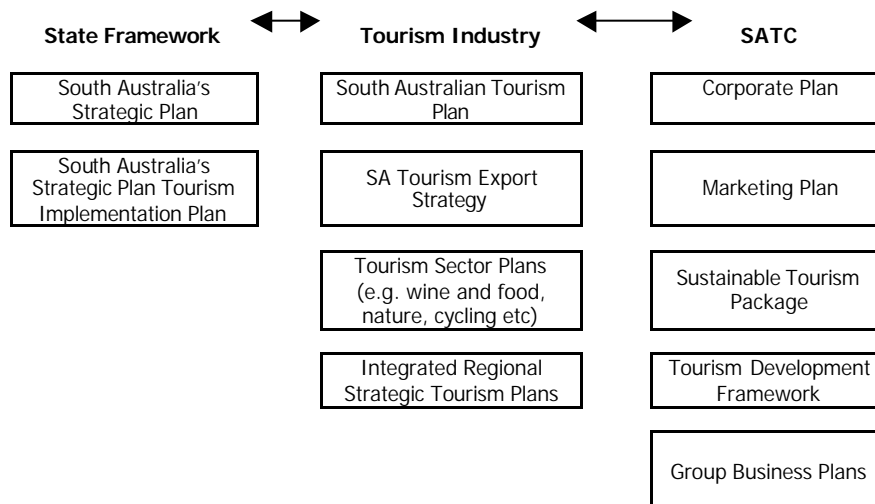
Owned and supported by all South Australians, these objectives and targets will drive State decision-making and resource allocation and therefore represent in effect the highest level of Government policy and priority.

In this regard, the Executive Committee of Cabinet has required all agencies to develop implementation action plans for those targets for which they have a lead responsibility.

This *South Australia Strategic Plan Tourism Implementation Action Plan* is therefore designed to demonstrate how to accelerate progress in achieving the tourism target under the SA Strategic Plan.

The *Tourism Implementation Action Plan* outlines the Critical Success Factors that must be addressed if the tourism industry is to achieve the current tourism target of increasing visitor expenditure from $3.4 billion in 2001 to $5 billion in 2008 (T1.13).

The chart below shows the relationship between the SA Strategic Plan and key tourism planning initiatives. While each of these has a different purpose and application, they are inter-related and aligned with a focus on the tourism industry Critical Success Factors.

State Framework	⟷	**Tourism Industry**	⟷	**SATC**
South Australia's Strategic Plan		South Australian Tourism Plan		Corporate Plan
South Australia's Strategic Plan Tourism Implementation Plan		SA Tourism Export Strategy		Marketing Plan
		Tourism Sector Plans (e.g. wine and food, nature, cycling etc)		Sustainable Tourism Package
		Integrated Regional Strategic Tourism Plans		Tourism Development Framework
				Group Business Plans

This South Australian Strategic Plan Implementation Plan constitutes SATC's pre-eminent Strategy. The SATC Board, Executive and each relevant Group will give priority to focusing on the Critical Success Factors and achieving the Key Performance Indicators identified herein.

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OBJECTIVE: Growing Prosperity

TOURISM TARGET (T1.13)

OVERVIEW

CRITICAL ISSUE
Tourism tracking and forecasts show that the Tourism Industry will not reach its growth target of $5 billion in visitor expenditure by 2008, as is stated in the South Australian Strategic Plan (T1.13).

BACKGROUND
This is largely due to external factors influencing domestic demand, that are outside the control of the industry, but which are exacerbated by several clear competitive constraints.

To address this, the *SA Tourism Plan* and *SA Tourism Export Strategy* identifies five critical success factors to increase the State's competitiveness in tourism. These critical success factors, discussed in greater detail in the SA Strategic Plan Tourism Implementation Strategy, are summarized below:

DISCUSSION

Critical Success Factor 1: SA Brand
The State brand is one of the keys to South Australia's business growth strategy in terms of positioning the State in the global marketplace. A recent key achievement has been the development of the collegiate *South Australia. A brilliant blend* brand. This collegiate approach is potentially a significant competitive advantage over other States.

Business and consumer recognition and association of the *brilliant blend* brand with SA is critical. This will be a function of media exposure and execution. The previous *Secrets* brand achieved 37% recognition (only 18% association). The new collegiate brand, because it is new, starts with 0% recognition and association.

The SA Strategic Plan Tourism Implication Plan sets a brand KPI of 60% recognition and 80% association by 2013. However, this will not just happen. To accelerate the new brand impact on the marketplace crowded with competing messages, will require an initial thrust and sustained effort. Among other things, a strong and appealing brand is essential to underpinning the success of recently increased direct flights to SA.

Critical Success Factor 2: Air Access
Air access is critical to tourism. If the growing international market to Australia is motivated to visit SA, but can't get here, then marketing effort is inefficient. In addition, airlines are powerful marketing partners that can contribute to brand strength.

Although the most recent data shows SA has experienced strong growth in the buoyant international market, on average over the medium term, SA has lost considerable share of national international tourism growth.

While international air access to SA will increase by 34% between the January 2006 and April 2006 schedules, the State still has less than 2% of total Australian inbound seat capacity. Maintaining and increasing the recent gains will be critical to future performance.

It is essential that the recently increased Singapore, and recently introduced NZ flights, be supported in stimulating demand for these services. If these services fail, then not only will SA lose inbound seat capacity, but it will be even more difficult to attract increased services and new entrants in the future. Growing international air capacity will benefit all SA business sectors, but is dependent on the appeal of the destination.

Critical Success Factor 3: Product Development
Like any business sector, tourism cannot market static product in a highly competitive and changing marketplace. The SA Brand must be strengthened by new fresh and exciting experiences, holiday 'product' and events to keep pace with interstate competitors.

Research shows that SA is the least preferred destination of all Australian states (in the domestic market). Given the generally acknowledged respect for SA's marketing programs, this result is a combination of marketing media weight and the appeal and quality of South Australian tourism product. This highlights the need for substantial private sector investment in tourism.

In addition, recent data demonstrates that it is largely regional destinations that are suffering declines in tourism numbers and hence expenditure. The SA Strategic Plan Tourism Implementation Plan contains a KPI to increase regional dispersal of tourism expenditure to 50% (it is currently 35% - down from 40%).

As an integral part of its *Sustainable Tourism Package*, SATC is currently encouraging the preparation of integrated regional strategic tourism plans in partnership with regional stakeholders. These will identify key development gaps and opportunities for growth as well as recommending changes to planning policies to facilitate the vision for growth.

However, a crucial barrier to growth is the reluctance of the financial sector to engage in tourism development in regional areas. The Minister's Tourism Round Table has investigated this issue in *The Barriers to Tourism Investment in Regional South Australia* paper and recommends options for breaking the impasse that exists in this regard. This is arguably tourism's biggest challenge to creating a more competitive and vibrant industry.

Critical Success Factor 4: Positive Policy Framework
Another related critical constraint is the prevailing policy framework within which potential new tourism development operates. There is a need for a far more positive policy framework where the 'rules' are aligned with the vision for tourism.

Much of SA's Development Plan, against which development is assessed, was developed in an era before the contemporary tourism industry. An audit of this Plan reveals that more often than not, tourism development and tourism value-adding development, is a 'non-complying' use, meaning that the hurdles are a disincentive to developers, or blow out costs, thus making them unviable.

 In addition to this, there is generally a negative, problem focused inertia, or stringent 'control' approach within Government agencies, rather than an innovative, solutions focused approach to tourism. Tourism could benefit from a mandated whole-of-Government approach to policy reform for the realization of the tourism vision.

This is no more so evident than in the area of nature-based tourism. Experience of nature is a major motivation for travel. However, research clearly shows that SA is the State least associated with having nature experiences (not because it doesn't have the natural resources, but because it has a paucity of iconic products that facilitate the experience of nature).

The *South Australian Tourism Plan 2003-2008*, the *Sustainable Tourism Package*, Regional Strategic Planning for Tourism program and the *Design Guidelines for Sustainable Tourism Development* have all been designed to help address this situation in an environmentally responsible manner.

Within this context, the proposed **Southern Ocean Lodge**, a proposed high quality development on Kangaroo Island, is one key issue that must be mentioned. This development is currently being assessed for planning approval under the Major Development provisions of the Development Act (notwithstanding that it is only 25 rooms with associated facilities). This is because this is the only avenue under the Native Vegetation Regulations whereby the development could be even considered for assessment.

It can't be stressed enough what a watershed this 'iconic' development will be for tourism. This is a highly strategic tourism development with all the right factors for success (i.e. it is a priority within the State's tourism strategy – an innovative medium scale nature-based development; it has superb site qualities; it is proposed by a proven owner/operator with a strong environmental ethic; it was designed by an award winning locally born architect; this kind of development is envisaged in the KI Development Plan; and the proponent has access to finance – an unprecedented combination of attributes).

It is not an overstatement to say that if this development is not granted planning approval, then it will send a devastatingly negative message to the business and development sector that SA is not serious about tourism – from which it will be exceedingly difficult to recover – bearing in mind SA already has a poor reputation in terms of being a place to undertake tourism development. SATC is of the view that there are no issues with this development that are not surmountable with innovative thinking and approaches. The net benefits of this development to KI and the State is substantial.

Critical Success Factor 5: Industry Maturity
The tourism industry comprises mostly small to medium scale businesses, which are fragmented across the State. Unlike most large industries, it does not have an effective body that serves the industry as whole (such as retailing, farming, mining etc). One of the key drivers identified in the South Australian Tourism Plan 2003-2008 was the need to build tourism industry capacity and capability.

There is a need to stimulate the establishment of a strong and sustainable industry body that can reduce the reliance of the industry on the public sector (SATC) in terms of capacity building. In doing so, it should deliver services and assistance to tourism businesses i.e. by addressing industry issues (e.g. public liability, workforce planning, industrial relations), undertaking business training, maintaining accreditation programs etc. This body must have a critical mass of professional resources and ideally bring together the disparate industry associations. Other State jurisdictions are known to provide support to their tourism industry body.

Tourism Implementation Action Plan
While South Australia's Strategic Plan (SASP) contains one target for tourism (T1.13), the successful achievement of this target will contribute to the higher performance of a broad range of other SASP targets (e.g. Jobs; Economic growth; Investment; Exports; Regional population levels, unemployment and infrastructure; Quality of life; Healthy South Australians etc).

Tourism will not succeed unless five critical success factors are addressed through the thirteen strategies outlined in this Implementation Plan. This is an investment in all business sectors as successfully marketing South Australia as a destination will position the State in the global marketplace.

The following Implementation Plan provides an outline of the drivers of tourism demand; provides a structured and detailed account of how the SATC and tourism industry will address the industry's critical success factors; identifies priorities and budget requirements; identifies links to other targets and how progress will be monitored to ensure key actions contribute to the recommended new tourism expenditure growth target of $6 billion by the year 2013. Note: If the funding to address the critical success factors is not achieved then the recommended target will change from one of growth, to one of defending market share, which would equate to a target of $5 billion by 2013).

South Australian Strategic Plan
Implementation Action Plan

OBJECTIVE: Growing Prosperity

TOURISM TARGET (T1.13)

| Lead Agency	South Australian Tourism Commission		
Chief Executive	Bill Spurr	Last Revised	10 April 2006
Agency Contact	David Crinion	Version	2

TARGET T1.13:
Increase visitor expenditure in South Australia's tourism industry from $3.4 billion in 2001 to $5 billion by 2008 by increasing visitor numbers and length of stay and more importantly by increasing tourist spending (see page 8).

Note: There is now a new benchmark of $3.77 billion. This is based on improved methodology and consistent data series and aligns with the beginning of the actual planning period (2002).

PERFORMANCE AND FORECAST:
South Australia achieved a 6.6% growth in tourism expenditure between Sept. 2002 and Sept. 2004 (i.e. 3.3% per annum). Latest figures show expenditure fell by 7% between Sept. 2004 and Sept. 2005, resulting in a growth rate of 0.4% p.a. since 2002. Overall, tourism expenditure has not been growing sufficiently to reach the target by 2008. Expenditure is forecast to grow by 7% to Sept. 2008, leaving the industry about $1 billion short of the target.
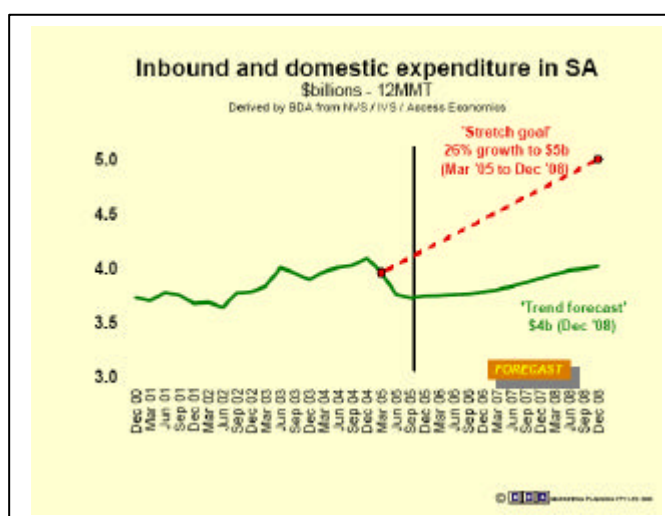
ACHIEVABILITY OF TARGET (DRIVERS):
A scan of the business environment shows a number of significant trends in the demand drivers for tourism.

Domestic Tourism
Domestic tourism comprises 94% of South Australia's visitors and 79% of visitor nights.

Data shows that at the **national** level there has been a progressive decline in domestic leisure travel for virtually all groups since the year 2000. People are taking fewer trips and spending fewer nights away. People are also spending less per trip. (Source: Domestic Overnight Leisure Travel – Recent Trends and Challenges, Tourism Research Australia, October 2005)

A summary of the significant factors that are currently having an impact on holiday travel trends include –
- Higher levels of personal and household debt (especially Sydney and Melbourne – the main sources of domestic travel)
- Changing household consumption patterns (increases in spending on communications, household goods, home entertainment systems, furnishing, renovations and health)
- Increased overall costs of domestic travel (including the impact of GST, but excluding airfares) reducing affordability and competitiveness compared with consumables mentioned above
- Australians travelling outbound more (particularly Sydney and Melbourne markets) i.e. there has been a 43% growth in Australians travelling overseas rather than in their own country between Sept 2003 and Sept 2005. A better exchange rate and an increase in seat capacity and holiday deals to NZ and South East Asia have made travel overseas more affordable
- Changes in the labour market making travel more difficult, including increasing casualisation of the work force, long working hours and people not taking their holiday leave – the Australian working population has around 70–90 million days of unused leave, with 30% of the population taking no leave in the past 12 months (Source: Unused Leave and Travel Intentions Study, AC Neilson, June 2005 and September 2005).

Regional Implications
In addition to the factors above, there are others that will impact more particularly on **regional** destinations further away from capital cities. These include:
- The growth in low cost air carriers (i.e. Virgin Blue and Jetstar) offering city-to-city travel at more affordable prices (increasing seating capacity between capital cities and major tourism regions). At the same time there is considerable instability in SA's regional airline sector

- The rising price of petrol, which if it continues, will suppress demand in the up till now strong touring market (this touring market was strong post September 11, Bali and SARS as Australian's travelled at home more. However, this trend has started to reverse since around December 2003)
- In terms of accommodation supply, nationally, the strongest growth has occurred in 4-star accommodation (52% between June 2001 and December 2004) with guest nights i.e. demand up by 46% (Source: ABS Survey of Tourist Accommodation). Regions that aren't competitive in terms of this product are likely to suffer.

This trend is already evident at the national level as illustrated in the Figure below. This shows a greater and more sustained decline in regional Australia compared to city gateways.
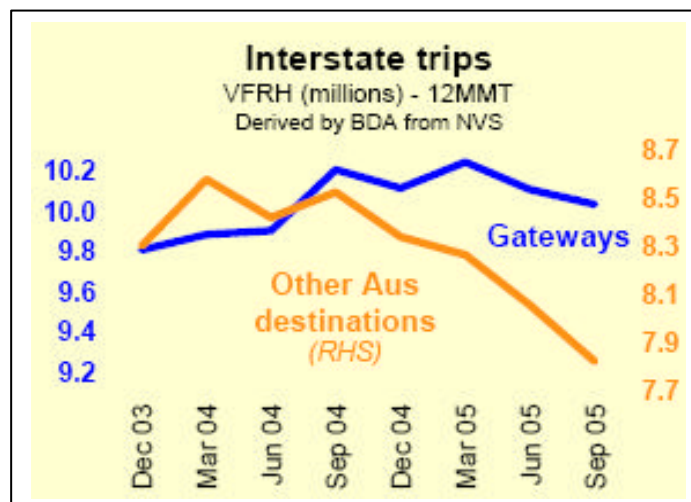
Overseas Market

Following the multiple demand "shocks" such as September 11 2001 and the Bali bombings 2002, international tourism to Australia has recovered and grown consistently. However, South Australia's recovery has lagged behind the national growth with visitor numbers and nights not yet reaching those achieved in the year 2001. Australia remains one of the top three 'aspirational' destinations in major source markets, with its potential primarily constrained only by the long haul nature of travel from many markets.

TOURISM OUTLOOK:

The national Tourism Forecasting Council (Oct 2005) has forecast long-term average annual growth in **domestic** visitor <u>nights</u> to 2014 of 0.9% p.a. and in **overseas** visitor nights of 5.6% pa (both likely to be revised downward).

Should there be any new 'shocks' to the travel market (i.e. terrorism, disease outbreaks, natural disasters etc) then there may be an adjustment in the growth prediction between the international market and the domestic market (e.g. the former may decline with the latter perhaps benefiting from the downturn in outbound travel).

The Commonwealth Government's new IR Policies may impact further on the 'stockpile' of unused leave if employees cash in leave entitlements (given high levels of household debt this may take priority over holidays).

The Figures below, illustrate South Australia's declining shares of the international and interstate markets (export markets). Unless the critical success factors identified in this paper are comprehensively addressed to improve South Australia's competitiveness, it is unlikely to make progress on the tourism target.
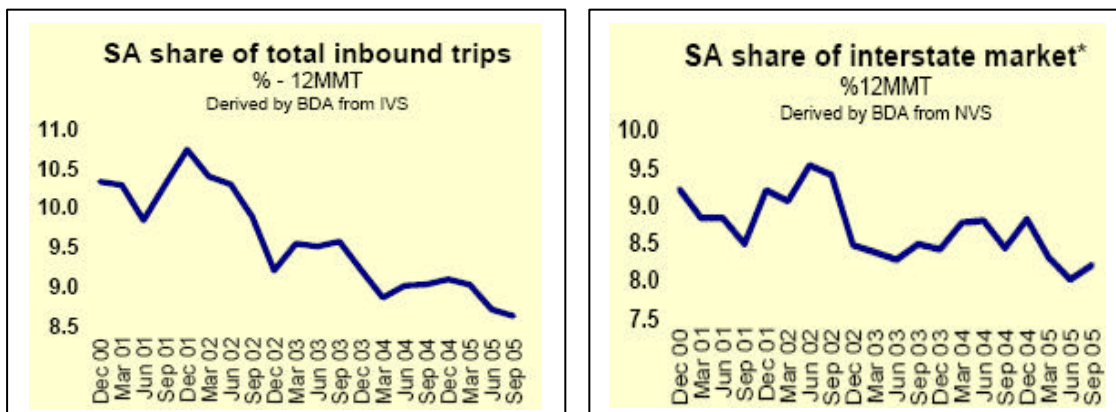
Although anecdotal evidence suggests stronger performance in the Adelaide region in Q2 and Q3 of 2005-2006, the indicators suggest that there will be some challenging times ahead for the tourism industry. This will fuel an aggressive competitiveness between tourism destinations. However, there are also opportunities for those that recognise and work with the trends to pursue focused and cohesive strategies.

MILESTONES

South Australia's tourism industry target was set in the *South Australian Tourism Plan 2003-2008* when it was prepared in 2002. This was expressed as an *aspirational target* (see page 4 of Plan) premised on tourism industry and Government commitment to implementing the directions contained in the Plan.

For South Australia to achieve the target from here, it would require an average annual growth in tourism expenditure of around 8.4% p.a. to Sept. 2008 (*cf* 0.4% p.a. achieved since Sept. 2002). In this regard, significant notional end of year milestones to reach the target over the planning period would be:

Dec. 2004 – $3.99 billion (actual)
Dec. 2005 – $3.72 billion (actual)
Dec. 2005 – $4.18 billion
Dec. 2006 – $4.45 billion
Dec. 2007 – $4.73 billion
Dec. 2008 – $5.0 billion.

In light of the challenging external drivers discussed above (over which the industry has no control) and that 79% of SA's tourism nights come from an, at best, forecast flat domestic market, something significant will have to change in terms of the State's tourism competitiveness to achieve these milestones.

Despite the considerable external barriers to growth and the modest growth to date, it is considered possible to achieve stronger growth if we work smarter – through focus and collaboration and by addressing the critical success barriers identified in the SA Tourism Plan and State's Tourism Export Strategy.

It is recommended that the tourism target be aligned with the SA Strategic Plan's general planning period of 2013 (and in particular the Export target timeframe) and that a revised realistic, but stretch target be set i.e. the target be made $6 billion by the year 2013. Allowing for lead times for this implementation strategy to achieve 'traction', the new indicative milestones would be:

New Target Milestones   **Compared with Forecast**
Dec. 2004 – $3.99 billion (actual)   **Growth***
Dec. 2005 – $4.04 billion   ($4.08 billion)
Dec. 2006 – $4.21 billion   ($4.16 billion)
Dec. 2007 – $4.35 billion   ($4.25 billion)
Dec. 2008 – $4.60 billion   ($4.34 billion)
Dec. 2009 – $4.85 billion   ($4.43 billion)
Dec. 2010 – $5.10 billion   ($4.52 billion)
Dec. 2011 – $5.40 billion   ($4.62 billion)
Dec. 2012 – $5.70 billion   ($4.71 billion)
Dec. 2013 – $6.00 billion   ($4.81 billion)

* Assumes forecast growth as stated on page 7; constant SA share of forecast; constant 2005 visitor night expenditure values for each market; constant day trip performance; and an average inflation rate of 2.1% pa.

CRITICAL SUCCESS FACTORS:

Critical success factors identified in the South Australian Tourism Plan and South Australian Tourism Export Strategy are:

- **Build the brand** (including leveraging Brand Australia)
- **Develop new product** (attract investment capital into regional SA)
- **Improve air access** (particularly direct inbound flights)
- **Ensure a positive policy environment** (to facilitate development) and
- **Build industry capability** (reduce reliance on Government).

None of these critical success factors can be addressed in isolation. Because of their inter-dependency they must be tackled together. The strategy in this regard is illustrated in Table 1 below. Table 2 shows the growth strategies for major markets given current market forecasts.
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Table 1: Tourism Growth Strategy

Brand + Air Access	Positive Policy + Product
↓	↓
Sustain and grow demand ←→	Develop and grow supply
↑ **Underpinned by strong Industry Capability**	
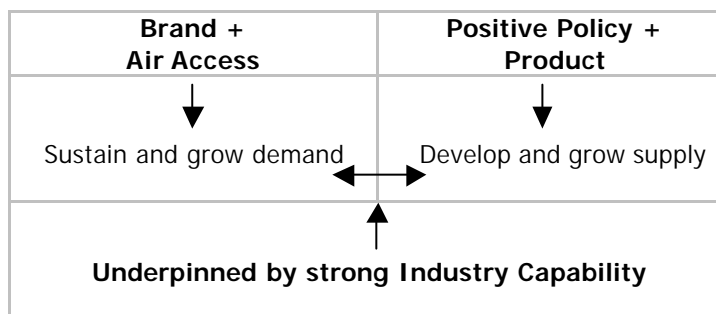
Table 2: Tourism Market Strategy

Market	Outlook	Strategy
Intrastate	Moderate Growth	Grow market
Interstate	Decline	Defend share
International	Moderate growth	Develop market

Specific actions to address each of the above critical success factors are detailed in the following Tables. Existing priority actions that complement these initiatives are briefly identified on page 26. A summary of key performance indicators is shown on pages 28-31.

Achieving the revised target will require an all out assault to establish a competitive position in the marketplace. This will require appropriate funding. Given the drivers outlined, the revised **growth** target must be conditional upon having the capacity to take action to address the critical success factors. In the event resources are not allocated to address these, the overall target and related KPIs will need to be reviewed from growth to **maintenance of market share**.

Critical Success Factor: BRAND SA

Strategy 1:
Develop a strong collegiate Brand SA.

Action:
- Review current brand SA
- Develop a clearly articulated collaborative brand strategy and policy; and
- Establish a brand custodian.

Context:
The destination brand is how we want people to recognize and what we want them to know, think, or feel about South Australia. A strong destination brand is critical to positioning the State in the global marketplace in terms of all economic activity and exports (including tourism), investment attraction and migration. South Australia. A brilliant blend launched January 2006.

Issues to Address:
The brand is *South Australia*. We must develop a credible and compelling campaign strategy and tools that achieve both brand recognition and unequivocal positive associations with South Australia.

Imperative:
We must achieve longevity (consistency) in our brand and ensure it is capable of being leveraged by all sectors and SA stakeholders.

Deliverables:
A brand strategy as a business tool. A reinvigorated, or new, brand proposition and brand creative capable of being leveraged by all sectors. Brand campaign.

Budget:
Development of the brand was achieved within existing budget allocations. However, implementation of a brand campaign to achieve a competitive media weight and impact in order to achieve the target and KPIs below, will require additional resources.

Timeframe:
Brand policy; revitalized, or new brand creative; and brand custodian arrangements established by March 2006. New and sustained campaign implemented July 2006.

Other Agencies/Partners/Stakeholders:
DTED, PIRSA (Food SA), Wine Industry, Education Adelaide, Premier and Cabinet, Capital City Committee, Regional Tourism Associations.

Key Performance Indicator: Brand recognition >60%. Brand Association >70% by 2013 (from Roy Morgan Tracking Survey). Note: Assumes effective media weight achieved (see Budget section above).

Links to other SASP Targets:
Jobs (T1.1), Interstate migration (T1.8), Overseas migration (T1.9), Exports (T1.12), Share of overseas students (T1.14), Regional population levels (T5.8).

Critical Success Factor: BRAND SA

Strategy 2:   Strengthen the nexus and joint initiatives between wine, food and tourism sectors.
Actions: • Ensure mutually beneficial co-branding and marketing activities especially with an export focus (e.g. trade missions, hosting visiting writers, leveraging events etc)   • Encourage regional investment to strengthen and differentiate the wine-food-tourism supply chains.
Context: Research consistently shows that SA is most associated with wine. The SA Tourism Plan seeks to strengthen the nexus between wine, food and tourism. The Wine Tourism Advisory Board has developed the Wine Tourism Strategy, which among other things seeks to maintain SA's mantle as the premier wine and food state and to enrich the wine and food experience.
Impediments: Given SA's strengths and emerging strengths in these areas it is immensely unproductive for the different sectors to work in silos. While this has improved significantly in recent times there is still much to be done. In addition to the potential missed opportunities there is intense competition from other sectors nationally and other producers internationally.
Imperative: SA must defend and further develop SA's competitive advantage into a winning partnership. SA wine and food industry should leverage one-another's marketing initiatives and leverage event opportunities. Encourage the wine industry to engage in tourism and align supply chains to achieve critical mass and quality of experience. Empower small to medium business operators.
Deliverable: Stronger brand and marketing presence achieving mutual benefits. Stronger leverage of Tourism Australia international promotion. Greater cooperation and funding between stakeholders for staging of major wine/food/tourism focused events such as Tasting Australia.
Budget: To be largely achieved within existing budget by mobilising and using resources efficiently. Wine Tourism marketing program funding that runs outs in June 2006 should be maintained. Budget allocations on a case-by-case basis to be made for specific opportunities/initiatives.
Timeframe: Major thrust 2006-2009.
Other Agencies/Partners/Stakeholders: Premier's Wine Council, PIRSA (including Food SA), DTED, Wine Tourism Advisory Board, regional wine, food and tourism stakeholders
Key Performance Indicators: State's Brand Health Monitor association with wine and food tourism to increase from 64% (2005) to 80% by 2013. Implementation of Wine Tourism Strategy.
Links to other SASP Targets: Jobs (T1.1), Economic growth (T1.5), Investment (T1.6), Productivity (T1.10), Exports (T1.12), Regional population levels (T5.8).

Critical Success Factor: BRAND SA

Strategy 3: Broaden South Australia's target markets (including the family market).
Actions: • Review SATC Marketing Plan and broaden target markets • Research SA market segments (motivation and behaviour) • Identify existing family friendly product • Develop strategy to build family market (including marketing collateral and infrastructure).
Context: The family opportunity is related to the leave stockpile opportunity. The largest portion of those deferring leave are the *visible achiever* and *socially aware* lifestyle market segments who are also the most significant proportion of the most profitable travel prospects, 'preferrers' of SA and are generally in the family life-stage. SATC soon to receive updated market segmentation research.
Impediments: SA has not traditionally targeted the family market as research has shown that SA tends to convert older couples and younger couples better than the family market. This is because research has also shown that SA is not seen as family friendly and because the long drive to SA is a disincentive (bored children).
Imperative: The children of today are the travellers of tomorrow. SA must break down current negative perceptions of the State or these negative perceptions will be carried through to the adults of the future and perpetuate the problem. SA needs to devise a strategy to develop more family oriented product consistent with the SA brand's primary audience (appreciative traveller) and brand strategy.
Deliverable: Identification of broader target markets in line with the development of SATC's new Marketing Plan. In the family market, this is a longer-term strategy in terms of full pay-off. Requires a Family Market Strategy. Some specific actions can commence in 2006 i.e. marketing collateral targeting children linked with leave stockpile initiatives and drive campaign.
Budget: This initiative is not a substitute for SA's current productive segments, such as the growing mature couples market (consistent with the greying of the population). To target additional markets such as the family market and develop an integrated program including campaign, collateral and infrastructure will require additional funding.
Timeframe: Intrastate and Victorian marketing focus 2006-2007. Product development 2007-2013.
Other Agencies/Partners/Stakeholders: Regional Tourism Associations. Local Government (product and infrastructure).
Key Performance Indicator: To be determined. Demonstrated increase in other key segments (e.g. the family segment) in terms of visitor group and nights (from National Visitor Survey) e.g. increase SA's share of family visitors from 7% to 10% by 2013. Assumes funding to implement Family Strategy.
Links to Other Targets: Interstate migration (T1.8).

Critical Success Factor: BRAND SA

Strategy 4:
Tap the pool of unused domestic market recreation leave to increase holiday nights and expenditure (especially to benefit regional SA).

Action:
Consistent with the brand campaign, develop a campaign focusing on the health (individual) and productivity (corporate) benefits of taking breaks and holidays (scope and nature of campaign to be determined).

Context:
The national stockpile of unused recreation leave (at least 70 million days) is both a problem and an opportunity. Tourism Australia (TA) has identified this to be the case and in conjunction with the business community is developing a campaign to 'unlock' these days. Following the new brand launch, SATC will work with TA and other stakeholders to ensure SA benefits from this opportunity.

Impediments:
The reasons for this accumulation of unused recreation leave are varied and a reflection of the larger societal trends. Among other things research has shown that people perceive that taking annual leave is harder than it used to be with increasing work pressures.

Imperative:
SA must leverage the proposed TA *No leave. No life* initiative and develop complementary SA campaign initiatives. Need for key stakeholder workshop to get buy-in from major players. Also target key SA employers as champions and models. Make it easier to plan holidays and take breaks. Contrast 'how life is' with 'how people would like their life to be'.

Deliverables:
Targeted campaign appealing to peoples' aspirations and emotional needs and focusing appropriately on the critical psychological and physical health benefits of taking holidays and breaks, and the productivity benefits to employers.

Budget:
Contingent upon Tourism Australia Strategy. May require additional cooperative dollars to leverage.

Timeframe:
Planning will commence immediately with SA initiatives being aligned with TA proposals. Implemented in the marketplace in 2006 (dependent on TA program).

Other Agencies/Partners/Stakeholders:
Tourism Australia, key tourism industry players, Business SA, key SA businesses, Regional Tourism Committees.

Key Performance Indicator:
Degree of buy-in by participating businesses. Increase in visitor nights above national average trend (benchmarks required based on nature of program).

Links to other SASP Targets: Productivity (T1.10), Quality of life (T2.1), Healthy South Australians (T2.2), Regional infrastructure (5.11).

Critical Success Factor: AIR ACCESS

Strategy 5: Target existing airlines to expand number of flights.
Actions: • Encourage daily flights by Singapore Airlines and then Malaysian Airlines • Encourage daily flights to New Zealand (Qantas & Air NZ).
Context: A joint DTEI/DTED/SATC Working Group has completed the State Aviation Strategy. Singapore Airlines has grown from three services a week in 2003 to five services a week in 2005. From Singapore, Singapore Airlines has non-stop direct services to major destinations in Asia, UK, Europe, the USA and Africa. Qantas and Air New Zealand have services to Auckland three times a week each (Air New Zealand has non-stop connections to Los Angeles/San Francisco).
Impediments: Without a critical mass of flights, airlines currently see SA as a fringe player. There is no panacea measure. SA must focus on the fundamentals and invest in stimulating a critical mass of inbound flights. Airlines will only consider commercially viable opportunities.
Imperative: SA must win support of local airline offices then work with head offices. A compelling business case and demonstration of aggressive global positioning of SA products and services is essential. The business case and cooperative marketing are key factors.
Deliverable: Successful business case based on SA's trade opportunities and business and leisure demand, supported by collaborative public relations opportunities. Propose joint cooperative marketing opportunities. A joint cooperative marketing approach is a win-win, in that it helps both the airline to shore up loads and the destination to promote itself and increase visitors.
Budget: Preparation of business case within existing budgets.
Timeframes: Daily flights from Singapore and Malaysian each by end 2006 Daily flights to New Zealand by end 2006.
Other Agencies/Partners/Stakeholders: Singapore Airlines, Malaysian Airlines, Qantas, Cathy Pacific, Air New Zealand, Adelaide Airport Limited, DTED, DTEI.
Key Performance Indicator: Assist existing direct Adelaide services to achieve average annual load factors in excess of 80% to ensure sustainability (through cooperative marketing). Along with Strategy 6 contribute to positive tracking to 12,000 seats by 2013 (see Appendix KPI no. 3).
Links to other SASP Targets: Exports (T1.12).

Critical Success Factor: AIR ACCESS

Strategy 6: Target new airlines.
Action: • Target airlines already operating to the other major Australian cities e.g. Emirates Airlines; Thai Airways • Raise the business profile of South Australia internationally • Align trade and investment shows with destination brand in countries where airline head offices are based.
Context: Emirate Airlines are looking to secure a foothold in Australia. Bangkok is another major SE Asian city not served directly from ADL.
Impediments: Airlines currently have a poor knowledge of SA and see SA as a fringe player. This is a 'chicken and egg' problem – because there are a lack of airline services, airlines are ambivalent hence there is a lack of direct air traffic etc. Again, there is no panacea measure. SA must focus on the fundamentals.
Imperative: Airlines are attracted to States with a strong economy and business climate. Break the nexus between lack of existing services and lack of traffic and therefore, lack of interest from other airlines. Ensure airlines do not play one State off against another (e.g. Emirates, Jetstar). Work with WA. Seek stronger support from the Commonwealth (DOTaRS and DITR) for promoting secondary gateways such as Adelaide.
Deliverable: Need to financially incentivise major existing airlines to step up services in order to obtain interest from new airlines. Set up route development fund to incentivise airlines through joint marketing cooperation (as per strategy 5).
Budget: Additional budget required for cooperative marketing similar to that secured to attract additional direct flights from NZ, Singapore and Kuala Lumpur.
Timeframes: Following consolidation of existing airlines target Emirates to start flying to Adelaide by 2008 and Thai Airways by 2010.
Other Agencies/Partners/Stakeholders: DTED, DTEI, Adelaide Airport Ltd, key industry sectors and companies.
Key Performance Indicator: 2 new airline services by 2010 (see Appendix KPI No.3).
Links to other SASP Targets: Economic Growth (T1.5), Exports (T1.12).

Critical Success Factor: AIR ACCESS

Strategy 7:
Help ensure increased passenger loads on the existing direct international services to Adelaide.

Actions:
- Engage government, business community and other groups in SA to travel on the direct services to Adelaide (SA outgoing loads)
- Similarly encourage overseas visitors to travel on the direct services to Adelaide – through SATC and SA Trade Offices (SA inbound loads).

Context:
The key factor in any airlines' decision is the commercial viability of services – therefore need high passenger carriage and high content of business travel (at least 20-30%) on ADL direct services. Must support loads each way. Existing airlines must see load factors on their Adelaide services growing to justify increasing the number of flights. Other airlines in turn must see opportunities to consider ADL as a major gateway and potentially viable route from their analysis of the route passenger load figures.

Impediments:
Qantas' preference is to promote its services via MEL or SYD – which does not help Adelaide. Many SA businesses and passengers tend to book flights via Melbourne or Sydney instead of the direct Adelaide services. Statistics confirm that a significant proportion of SA origin and destination traffic is routed via Melbourne and Sydney. This works against SA's case because it overstates the Melbourne and Sydney routes traffic carriage and conversely understates the carriage on the Adelaide route.

Imperative:
Help ensure the viability and success of the existing airlines direct no-stop Adelaide services

Deliverable:
Work with DAIS, Business SA and Adelaide Airport Limited to develop practical means to achieve this. Work with overseas representatives and include KPI in contracts to boost demand for direct Adelaide flights.

Budget:
Within existing budget (SATC's existing international trade and consumer marketing capability is crucial in this regard).

Timeframes:
Develop strategy and initiate action in 2006.

Other Agencies/Partners/Stakeholders:
Whole of government, Business SA, EDB, SA Travel Agents, Education Adelaide.

Key Performance Indicator:
Number of travel bookings made on ADL direct flights vs those made via Melbourne or Sydney (benchmarks required).

Links to other SASP Targets:
Economic Growth (T1.5), Exports (T1.12).

Critical Success Factor: INVESTMENT IN NEW PRODUCT

Strategy 8:
Grow existing events and festivals and attract, develop new major events and festivals and provide leveraging opportunities for business.

Action:
- Re-badge Australian Major Events (AME) to *Events South Australia* to support the SA brand and the Adelaide - Australia connection for international broadcast coverage
- Bid for new major events and festivals consistent with State's positioning themes
- Seek specific winter oriented events and festivals to strengthen industry profitability.

Context:
The State Tourism Plan contains an objective to grow this opportunity by developing a balanced program of events and festivals. SA currently achieves a 28% association factor in the consumers' mind as a place with great events and festivals. As the third highest association factor among all the States (behind Victoria [78%] and NSW [65%] and well ahead of the next State Queensland at 16%, this is a sound platform to build upon.

Impediments:
Strong competition from other countries and Australian States, especially Victoria, which is striving for the mantle of Events Capital of Australia. Bidding for events is highly competitive where success tends to breed further success as one becomes known for delivering quality events and festivals.

Imperative:
Events give people a specific reason to come. Importantly, they significantly support SA's brand proposition of being *a vibrant and welcoming place that celebrates the good things in life*. It is important to build a perception that anytime is a good time to visit SA, because there's always something exciting going on. Business to leverage events opportunities.

Deliverable:
Deliver new events and festivals consistent with SA's brand positioning and particularly those that can spread event activity across the year. Raise SA's export profile through marketing and PR support to the State's major events and festivals. Build existing successful events e.g. *Tour Down Under, Tasting Australia, Outback Cattle Drive.*

Budget:
Additional funding, allowing for lead times, would be required for new events on an opportunity-by-opportunity basis through cases presented in separate Cabinet Submissions with additional funding required for growing existing events (e.g. *Tour Down Under*).

Timeframe:
2006/07 – 2012/13

Other Agencies/Partners/Stakeholders:
Corporation of the City of Adelaide, Arts SA, Regional Tourism Associations, DTED, ORS.

Key Performance Indicators:
Achieve three new regular winter events in Adelaide by 2010 and one major new event every two years on average. Increase event-specific visitors by 5% per annum. Increase Event Brand Health Monitor scores from 28% association (in 2005) to 40% association in 2013.

Links to other SASP Targets:
Economic growth (T1.5), Investment (T1.6), Exports (T1.12), Quality of Life (T2.1), Healthy South Australians (T2.2),

Critical Success Factor: INVESTMENT IN NEW PRODUCT

Strategy 9: Build stronger regional destinations.
Action: • Prepare and implement SA Tourism Development Framework • Focus event and infrastructure funding in priority areas.
Context: Market research clearly shows that Australian (and even more likely international) consumers have little knowledge of regional SA. They have no clear 'mental map' of the places and attractions outside of Adelaide and the Barossa and see it as a vast, barren and arid landscape with little of interest. The EXPERIENCE is the key to successful tourism. Much of SA's regional product is not in tune with contemporary market needs with some notable exceptions. There is a clear need to focus resources to achieve the greatest impact rather than spreading them too thinly.
Impediments: SA has competitive attributes, but there has been a paucity of investment in product that facilitates the experience. There is potential for political backlash from those areas that are not within the priority areas identified (although others benefit from flow-on effects).
Imperative: Efficient and effective use of limited resources to develop product that underpins the brand. Stimulate investment by the private sector. Priority areas must be the areas with right critical mass of attributes and potential to build brand strength.
Deliverable: Short term: A Development Framework Strategy. Longer term: New product and infrastructure developed in priority areas.
Budget: This can be progressed within existing budget, although acceleration of creating stronger destinations would benefit from dedicated additional funding.
Timeframe: Development Framework to be finalized by April 2006. Focus on priority areas for period of three years and review.
Other Agencies/Partners/Stakeholders: DTED, Regional Development Boards and Local Councils in priority areas, industry operators and financial institutions, Regional Communities Consultative Committee, Area Consultative Committees.
Key Performance Indicator: Market research results that show lift in regional preference, especially for priority areas identified in framework (benchmarks to be established).
Links to other SASP Targets: Economic growth (T1.5), Investment (T1.6), Regional population levels (T5.8), Regional infrastructure (T5.11).

Critical Success Factor: INVESTMENT IN NEW PRODUCT

Strategy 10: Engage the financial sector in tourism investment

Action:
Implement the recommendations of the Minister's Tourism Round Table report on regional investment.

Context:
Consumer research shows clearly that SA lacks competitiveness in product and needs new investment especially in regional SA. The South Australian Tourism Plan identifies the broad opportunities for tourism that will help build the brand. Other strategic planning work, including the joint SATC/DEH *Responsible Nature-based Tourism Strategy* and *Regional Tourism Strategy Plans* identify more specific opportunities.

Impediments:
The Minister's Tourism Round Table Working Party report *'Removing the barriers to tourism investment in regional South Australia"* identified the risk factors that impede regional investment in tourism. It also identified processes for supporting high priority and low risk tourism developments in a prudential manner. Stakeholders are frustrated that the Working Party report, which was strongly endorsed by the Tourism Round Table has not been taken more seriously by Government.

Imperative:
There can be no healthy regional tourism industry without investment. Like any industry it's all about risk. The challenge is to forge an appropriate partnership to mitigate the risk within a prudential framework. A workable solution must be found and committed to as has been done in other States.

Deliverable:
Economic Development Board to work with SATC to devise workable and acceptable *Regional Tourism Investment Incentives Package* for Cabinet approval, as exists in other sectors e.g. Government funding for projects under its Plan for Accelerating Exploration in the mining sector.

Budget:
To be determined – the 'Barriers' report recommended a menu of options including: quarantined contingency support (15% of licensed valuation project cost); incentives such as staggered taxes and charges; and infrastructure support (the latter predominantly within existing funding), as is provided in other jurisdictions. These 'incentives' would be sufficient to engage the financial sector and break the current investment impasse.

Timeframe:
By June 2006.

Other Agencies/Partners/Stakeholders:
EDB, DTED, Minister's Tourism Round Table Working Party.

Key Performance Indicator:
At least six new high priority (brand building) strategic investments by 2013 (those that score > 80 pts on SATC's Strategic Project Assessment Matrix).

Links to other SASP Targets:
Investment (T1.5), Regional population levels (T5.8), Regional unemployment (T5.9), Regional infrastructure (T5.11).

Critical Success Factor: INVESTMENT IN NEW PRODUCT

Strategy 11: Support serious development proposals consistent with the State's tourism strategy.
Proposed Action: Provide case management support for the proposed Kangaroo Island Southern Ocean Lodge.
Context: The proposed Southern Ocean Lodge is a high yield, nature-based retreat of 25 rooms, to be developed in an outstanding natural coastal setting on freehold land, west of Hanson Bay on KI. The proposal scores an 'exceptional' rating on SATC's Strategic Project Assessment Matrix.
Impediments: Due to Native Vegetation constraints the only way this development could be assessed was under the Major Development exemption of the Native Vegetation Regulations. Being in a remote area it will also require infrastructure assistance, which is not unusual for developments in places that are not served by infrastructure. There has been some opposition both within Government and the local community.
Imperative: This development will be a watershed for SA. It has all the right credentials: consistent with the State's tourism strategy; respected and proven developer/operator; right environmental ethic; high yield product; will lift brand image; consistent with Development Plan (considered on merit); and has access to finance (which is rare). In light of these extraordinary factors, if this proposal is not approved, the message it will send to the investment community will set the State back considerably in terms of being seen as a place to do business in tourism. This will seriously jeopardize SATC's capacity to accelerate progress on achieving the target.
Deliverable: SATC can't guarantee delivery as this is in the hands of a statutory assessment process. However, it can support the project with coordination and advice acting in a case manager role. This is consistent with its charter.
Budget: Undertaken within existing resources.
Timeframe: Decision is expected by the end of July 2006.
Other Agencies/Partners/Stakeholders: DTED, Planning SA, DEH (State), DEH (Commonwealth), DLWBC, proponent.
Key Performance Indicator: Proponent is satisfied with level of SATC and other Government agency support provided to help facilitate the proposal.
Links to other SASP Targets: Investment (T1.6), Exports (T1.12), Native Vegetation – net benefit (T3.6), Regional unemployment (T5.9), Regional infrastructure (T5.11).

Critical Success Factor: POSITIVE POLICY FRAMEWORK

Strategy 12:
Implement *Sustainable Tourism Package* and target key Government policy and planning policy constraints to tourism development (align the 'rules' with the vision).

Actions:
- Ensure the State's Development Plan facilitates priority sustainable tourism development (e.g. wine – food – nature – tourism value-adding development).

Context:
SATC's *Sustainable Tourism Package* – an aligned series of initiatives to achieve sustainable tourism development – is designed to provide inspirational leadership in innovative and sustainable tourism. Regional Strategic Tourism Plans and the *Design Guidelines for Sustainable Tourism Development* is a key initiative in this regard.

Impediments:
The Native Vegetation Regulations are a major impediment to achieving the target of at least three nature retreat style accommodation developments by 2009 (Source: *Responsible Nature-based Tourism Strategy).* There is no avenue to consider tourism development (except through the Major Development exemption, which is a time consuming and expensive process – and hence disincentive for medium scale development).

Imperative:
Research shows South Australia currently ranks easily the least of all States for being associated with nature-based tourism experiences (a key motivator for tourism). There is a need to facilitate nature-based tourism where the accommodation is part of the experience – especially for the international market. Developments should occur to provide a net benefit to native vegetation, or other biodiversity conservation programs. Tourism 'could become a sustainability leader since it is the destination of so many production chains' (Source: Balancing Act: A Triple Bottom Line Analysis of 135 Sectors of the Australian Economy, CSIRO, April 2005).

Deliverable:
An appropriate and useful exemption for tourism under Native Vegetation Regulations and a positive and facilitative Better Development Plan in terms of tourism development.

Budget:
Within existing budget.

Timing:
Better Development Plan (determined by Planning SA processes). Ongoing

Other Agencies/Partners/Stakeholders:
Planning SA, DWLBC, DEH, DTED, Local Government.

Key Performance Indicator:
Realistic opportunity created for medium scale and value-adding tourism development to be assessed. All SA regions have Regional Tourism PARs developed at 80% utility rating by 2013.

Links to other SASP Targets:
Competitive business climate (T1.4 but broadly applied), Investment (T1.6), Exports (T1.12), Public sector – quick decision-making (T1.19), Native Vegetation – net benefit (T3.6), Regional unemployment (T5.9), Regional infrastructure (T5.11).

Critical Success Factor: INDUSTRY CAPABILITY

Strategy 13: Mature the industry by building capacity and capability.
Action: Support the establishment of a strong industry body that can deal with industry related issues and needs.
Context: The tourism industry comprises mostly small to medium scale business, which are fragmented across the State. Unlike most large industries, it does not have an effective body that serves the industry (e.g. retailing, farming, mining etc). One of the key drivers identified in the South Australian Tourism Plan 2003-2008 was the need to build tourism industry capacity and capability. Larger states have the critical mass to support effective industry bodies. In SA the *Tourism Alliance* is a small organisation with no dedicated secretariat or resources and does not represent regions.
Impediments: SA is one of few States that does not have an effective industry capacity and capability. Due to market failure, the industry is thus heavily reliant on the Government, through SATC, to deal with all matters relating to tourism. This breeds a dependency within the industry and retards its growth.
Imperative: There is a need to stimulate the establishment of a strong and sustainable industry body that can deliver services and assistance to industry participants i.e. addressing industry issues (e.g. public liability, workforce planning, industrial relations), undertake business training, maintain accreditation program etc. This body must have a critical mass of professional resources and ideally bring together the disparate industry associations.
Deliverable: Short term: Report recommending approach. Long term: Industry Body.
Budget: This will require Government seed funding over an initial three years establishment phase based on business plan and clearly articulated KPIs – reducing over time as the organisation becomes more self sufficient.
Timing: Final paper by the end of June 2006. Recommendations implemented in 2007/08.
Other Agencies/Partners/Stakeholders: Industry participants and Associations.
Key Performance Indicator: Industry Body's delivery on Business Plan KPIs (tied to funding). Number of contributing industry membership.
Links to other SASP Targets: Public sector productivity (T1.18).

PRIORITY EXISTING ACTIVITIES

Successful tourism marketing involves aligning and coordinating a complex set of inter-related tasks, including:

- **Researching** market trends, attitudes and behaviour for sound decision-making
- Developing a sound **policy and strategic** framework for sustainable industry development
- Establishing and maintaining a **brand** that will form the cornerstone of the region's business strategy
- **Developing** and enhancing **the destination** experience
- Encouraging **synergies and linkages** between tourism and other activities
- Attracting the **investment** to implement tourism strategy
- Providing **access** and **infrastructure** to facilitate the experience
- Identifying and connecting with the travel **distribution** network (including emerging on-line distribution channels)
- Seeking positive **publicity** to raise awareness of the destination
- **Promoting** the destination to motivate the market to come and stay
- Ensuring the consumer has access to **information and booking services**
- **Building capacity** and **influencing** other relevant parties to complement the strategy
- **Delivering** on the promise – professionalism and standards
- Jointly **monitoring and managing** tourism with other stakeholders to ensure sustainability.

Priority projects within this aligned set of tasks, that underpin or support the critical success factor strategies contained in this implementation strategy, include the following:
- Shorts Break Campaign (or replacement initiative)
- Co-operative retail marketing programs
- Targeted consumer segments/campaigns (e.g. Eventful Adelaide)
- Existing major events and festivals
- Support for regional marketing and product development
- International representation and trade and consumer marketing
- Australian Tourism Exchange (ATE) 2006
- Visiting Journalist Program and PR activities
- ConnectSA (online booking service)
- Revitalised www.southaustralia.com
- Niche market/Product development (e.g. dive, cruise shipping etc)
- Infrastructure program
- Support for business tourism (conferences, conventions and meetings).

SUMMARY OF KEY PERFORMANCE INDICATORS

The fundamental tourism indicator that most influences the expenditure target is the size of the domestic 'demand pool' for SA (i.e. SA preferrers). The aim is to grow SA's domestic market preference level to four million people by the end of the year 2013. Note: As the Figure below shows, SA is currently the least preferred State destination in the domestic market (i.e. fewer people have SA in their 'consideration set' of places to holiday) although it does achieve greater visitation than the States in its cohort. (See Scorecard 1)
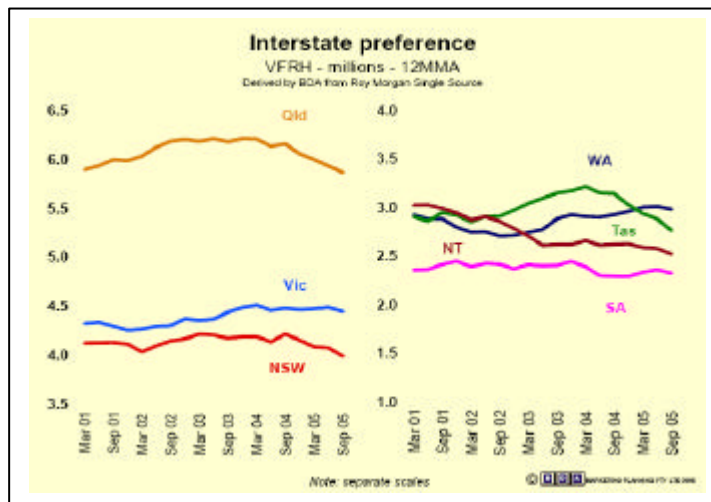
No.	Other Key Indicators	Measure	Benchmark
2	Improvement in SA brand recognition/association (See Scorecard 2)	>60% Recognition >70% Association by 2013	37% and 18% respectively (*Secrets* 2005)
3	Increase in air access (See Scorecard 3)	12,000 inbound seats by 2013	4,620 (Nov 2005)
4	Increase regional dispersal (See Scorecard 4)	50% share of SA tourism expenditure by 2013	44% (2004)
5	Improved policy environment (See Scorecard 5)	All regions completed Tourism Plan Amendment Reports (PARs) by 2013	0 (2005)
6	New 'signature' development (See Scorecard 6)	At least six signature developments by 2013	0 (2005)

APPENDIX 1 (work in progress)

Key Performance Indicator Scorecards

1

CRITICAL SUCCESS FACTOR: Brand and Product

INDICATOR: Increase in number of domestic 'preferrers'

MEASURE: > 4 million people by 2013

Making Progress?
NO

Summary:
People in the domestic market (80% of SA tourism business) that indicate a preference for SA as a potential holiday destination have remained relatively static over the monitoring period, with a small decline evident in recent times. SA is the least preferred State as a holiday/VFR destination (see page 23).

Trend:

SA Preference
Total Domestics
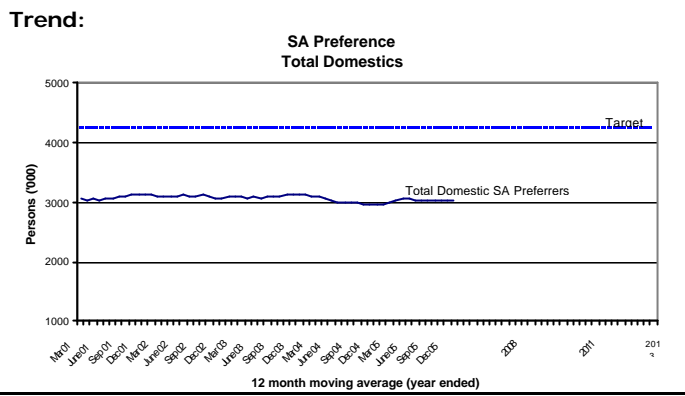
Partners:
o SA Tourism Commission
o Regional Tourism Associations
o Tourism Industry
o Regional Development Boards
o Local Councils
o Private Sector
o Area Consultative Committees

Resources Required:
Movement in this indicator is largely a function of brand strength and product appeal (critical success factors 1 and 3)

Resources Acquired?
(See scorecard 2 and 6)

Comparisons:
Overall, 240,000 less people in the domestic market prefer an interstate holiday (at the same time larger numbers are travelling outbound). All States have experienced declines in preference with Queensland, NSW and WA being the most sustained and significant. SA's fall is not as dramatic in relative terms.

2

CRITICAL SUCCESS FACTOR: Brand

INDICATOR: SA Brand recognition and association

MEASURE: 60% recognition / 70% association by 2013

Making Progress?
TOO EARLY

Summary:
With the launch of the new *South Australia. A brilliant blend* brand in January 2006 there is no tracking data to report. It should be noted that being a new brand the benchmark is 0 on both counts. The previous *Secrets* brand achieved 37% and 18% respectively (March 05).

Trend:

Brand Awareness
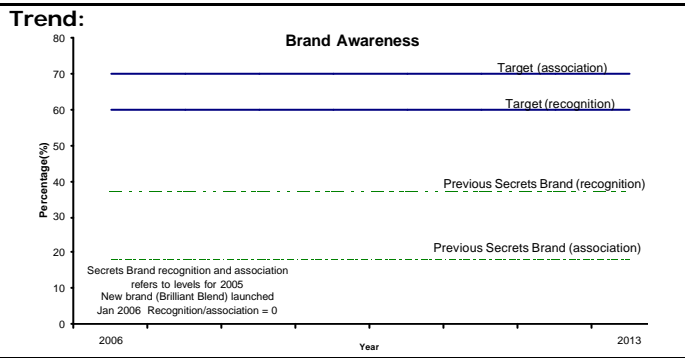
Partners:
o SA Tourism Commission
o Tourism Industry
o Other Government Agencies (e.g. Arts, National Parks, DTED)
o Food SA
o Education Adelaide
o Adelaide City Council

Resources Required:
To achieve new brand recognition will require a major thrust in the marketplace. 06/07 Budget Bid.

Resources Acquired?
PENDING

Comparisons: Queensland's *'Beautiful One day, Perfect the Next'* achieves recognition and association of 73% and 91% respectively (Source: Roy Morgan Single Source Survey, March 05)

3	**CRITICAL SUCCESS FACTOR**: Air Access **INDICATOR: Increase in weekly inbound seat capacity** **MEASURE:** 12,000 seats by 2013	**Making Progress?** YES

Summary:
Seat capacity has recovered strongly following declines after 1995 (i.e. since 2002 capacity has grown 84% off a low point of 2974). This is now tracking more positively in terms of achieving the Tourism ExportPlan target for 2013

Trend:
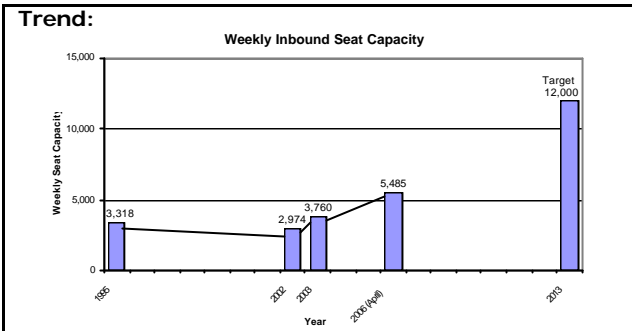
Partners:
o SA Tourism Commission
o Department of Transport Energy and Infrastructure
o Department of Trade and Economic Development
o Adelaide Airport Limited
o State Export Council

Resources Required:
Resources are required to enter into cooperative marketing arrangements with the airlines to ensure new flights are successful.

Resources Acquired?
YES
(Once off allocation in 05/06)

Comparisons:
Despite healthy growth in capacity, South Australia currently has less than 2% share of Australia's inbound weekly seat capacity. This represents a severe competitive disadvantage in having less capacity than every other State, but Tasmania.

4	**CRITICAL SUCCESS FACTOR**: Brand and Product **INDICATOR: Share of regional tourism expenditure** **MEASURE:** > 50% share of State tourism expenditure by 2013	**Making Progress?** NO

Summary:
The regions share of State visitor expenditure has declined from 40% in June 2004 to 35% in Sept. 2005. This is a disturbing trend for regional community development.

Trend:
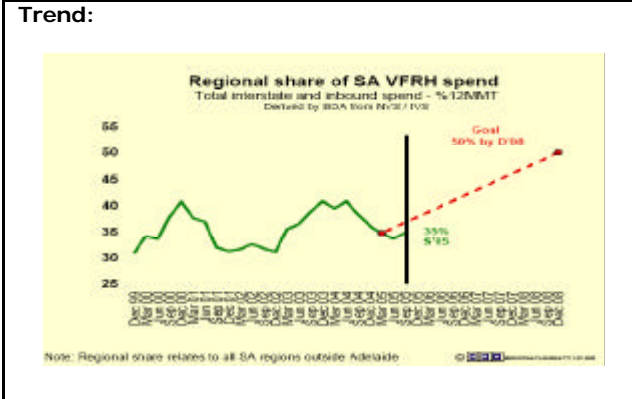
Partners:
o SA Tourism Commission
o Regional Tourism Organisations
o Tourism Australia
o Regional Development Boards
o Local Councils

Resources Required:
Related to need for a major campaign thrust to raise the State's brand profile. In the long-term, significant product development is required to improve competitiveness.

Resources Acquired?
(See scorecard 2 and 6)

Comparisons:
SA has reflected the trend at the national level where regional shares of visitor expenditure have declined as result of factors such as increased outbound travel, low cost airlines resulting in city-to-city deals and perhaps the impact of rising petrol prices.

5	**CRITICAL SUCCESS FACTOR**: Positive Policy Framework **INDICATOR: Improved policies for tourism** **MEASURE:** Development Plans containing tourism policy	**Making Progress?** YES, BUT

Summary:
Regional Strategic Plans are the key to effective policy change at the local level.
The Clare Barossa region is the first region to complete a Regional Strategy Plan (the basis for making policy changes). Work on the Tourism PAR will commence Q2 2006.
Eleven more strategies must be completed. Riverland and KI are near completion. Fleurieu Peninsula about to commence.

Partners:
- Government Agencies (e.g. Planning SA, DEH, DWLBC, CFS)
- Local Government

Trend:
This is a difficult factor to measure as it is of largely a qualitative nature. It relates to satisfactorily addressing critical policy constraints that ensure overall sustainable outcomes. Priority tasks include: Better Development Plan Policy, Regional Tourism PARS, coastal tourism policies, native vegetation regulations. (Possible graph to show what % of the Development Plan has been reviewed).
However, it is one thing to do this work and another for it to have satisfactory utility i.e. policy where negotiations do actually provide greater certainty and opportunity. There is an need for some measure of tourism satisfaction with outcomes in each instance (i.e. aim for satisfaction of 7.5/10)

Resources Required:
Within existing budgets at one per year. Accelerated progress would require additional commitment e.g. additional $250,000 over five years).

Resources Acquired?
For one region per annum

Comparisons: While other jurisdictions undertake regional planning for tourism no other State is known to be pursuing policy reform on such a systematic and integrated basis as SA.

6	**CRITICAL SUCCESS FACTOR**: Product Development **INDICATOR: Construction of new 'signature' development** **MEASURE:** At least six 'signature' developments by 2013	**Making Progress?** BARELY

Summary:
The most strategic current development issue is the need for the proposed Southern Ocean Lodge on KI to receive planning approval. This may well be a watershed for the State's reputation in tourism development.

Partners:
- Private sector
- Financial institutions
- Other Government agencies
- Local Government

Trend:
Key developments being proposed, planned or currently under construction include:
- Rawnsley Park (three eco huts almost completed)
- Southern Ocean Lodge (proposed)
- McLaren Vale Tree and Vines (proposed).
Possible graph showing progress toward achieving $50 million of strategic investment (committed or under construction) i.e. in strategic development that rates greater than 71 pts on SATC's Strategic Project Assessment Matrix.

Resources Required:
Advice and policy assistance within existing resources. Incentives required to encourage financial sector engagement is a priority.

Resources Acquired?
NO (Incentives)

Comparisons: Other States are continuing to develop new product, especially in nature-based tourism. SATC brand health research shows SA is the State least associated with having experiences of nature (only 17% association in 2005). This is largely a product quality and development issue.

APPENDIX 2

Tracking of Expenditure Variables
## (Visitor Numbers, Length of Stay and Yield)

The South Australian Strategic Plan's tourism expenditure target comprises a combination of variables, which are dependent on the industry's (public and private sector) marketing and product development capability (see Figure below).

WAYS TO ACHIEVE THE TOURISM TARGET

| ACHIEVING TOURISM TARGET	PREREQUISITES
1. More Visitors	**Promotion/Destination Development** By sound positioning and branding, communicating effectively with prospects and delivering a memorable experience
2. Longer Stays	**Destination Development/Promotion** By providing plenty to see and do and sufficient information about the experiences available
3. More Expenditure	**Destination Development** By providing more things for people to enjoy and happily spend money on
4. Repeat Visits	**Destination Development** By ensuring satisfaction with the experience and being left with a desire to do it again or the feeling that there is still more to see and do

The key variables are (1) the number of tourism visitors, (2) length of stay of visitors and (3) yield (normally expressed as the expenditure per visitor per night, but at this stage is expressed as SA's share of national visitor expenditure in respect to the primary markets). These variables are tracked to give a better understanding of the changes in target performance (see pages 29-31).

**1. Numbers of Visitors** (and Visitor Nights) by Main Markets

South Australia - Intrastate

Source: TRA NVS
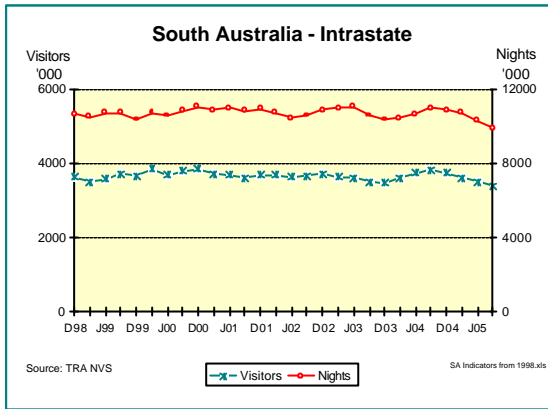
Comment:
Relatively flat cyclical pattern in both visitors and nights with little overall change. Recent downturn in both variables.

South Australia - Interstate
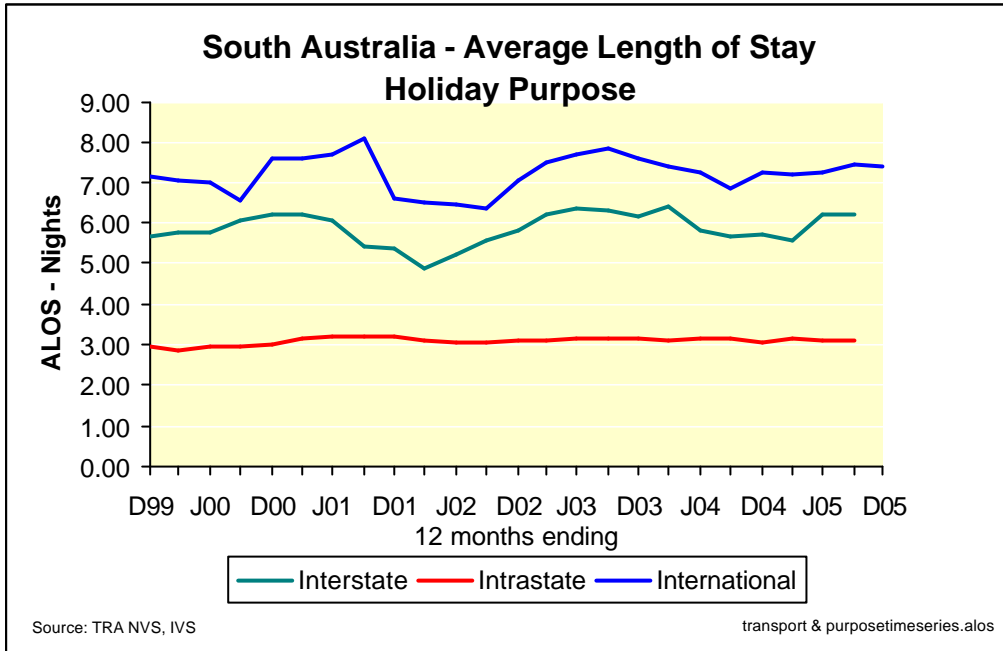
Source: TRA NVS
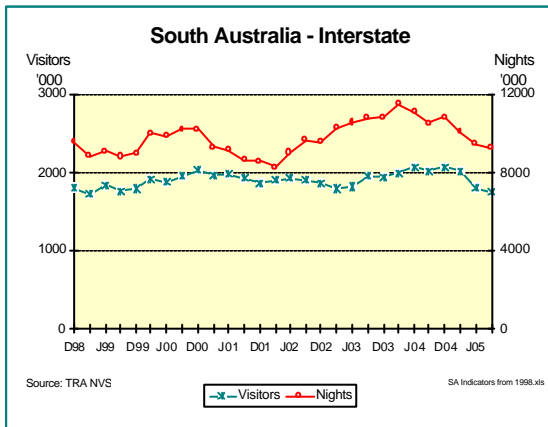
Comment:
Strong growth in visitor nights from March 2002 to March 2004. Marked decline in visitor nights since March 2004 with number of visitors also declining since March 2005. High growth capabilities possible, but not sustained to new levels.

South Australia - International

Source: TRA IVS
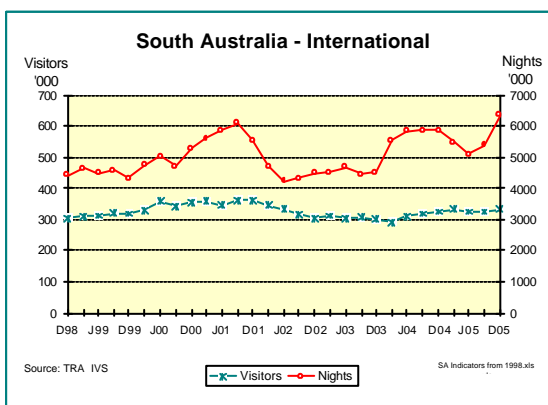
Comment:
Influence of Sept 11 2001 and other demand 'shocks' evident. Number of visitors showing small growth with nights growing strongly since March 2005. Numbers of visitors shown only marginal growth over period. (Numbers of nights tend to be volatile influenced by survey timing of long-term education tourism nights).

2. **Length of Stay** (no. of visitor nights divided by no. of visitors)

South Australia - Average Length of Stay
Holiday Purpose

Source: TRA NVS, IVS

transport & purposetimeseries.alos
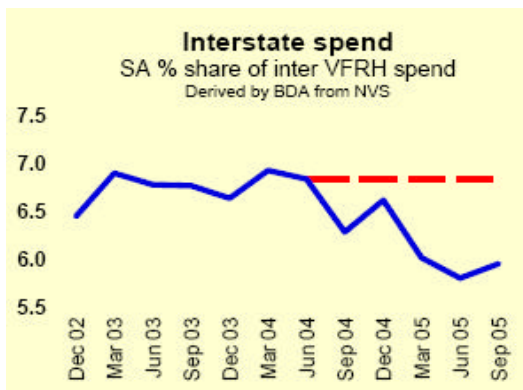
Comment:

Intrastate lengths of stay are flat
(reflecting short break travel).
International visitors have the
highest length of stay, but as with
interstate visitors, overall length of
stay has only grown marginally.

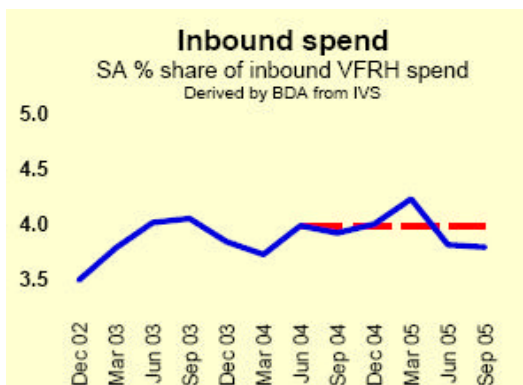**3. Yield** (expressed as share of national spend in key markets)
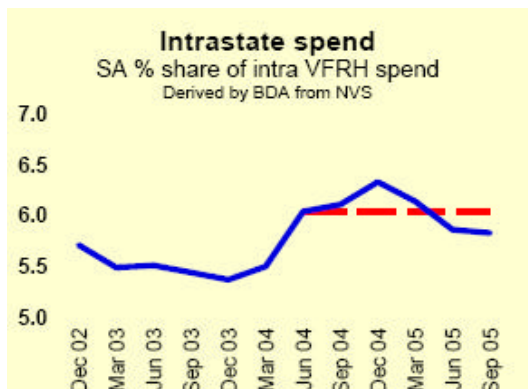
Comment:
South Australia has seen shares fallen in all markets. Intrastate has now fallen back as well.

Comment:
Interstate is well below Q2 2004 mark. Function of the decline in numbers and nights.

Comment:
Inbound (international market) has fallen back but still above Dec 2002 levels.

Further Information:
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