

June 2024

## **Re: Visitor Economy Strategy 2030 Review**

Thank you for the opportunity to comment on the review of the Visitor Economy Strategy 2030 (VES2030).

The Committee for Sydney is an urban policy think tank. We are advocates for the whole of Sydney, focused on developing solutions to the most important problems we face. We are proud to have over 160 members that represent key business, academic and civic organisations across Sydney.

The opportunity to review the Visitor Economy Strategy, and align it strongly with the Creative Communities policy, is welcomed by the Committee, and we would like to provide specific proposals for change to the strategy:

### **1. Adjust the scale from a 'visitor economy' strategy to an 'attraction' strategy**

By recognising that attraction – of visitors, capital, talent, students, migrants and investments are all intertwined, we can achieve a much stronger visitor economy that benefits from, and contributes to, the success of related attraction sectors – international education, innovation and future-facing industries reliant on in-bound capital and labour.

### **2. Update the goal of the VES2030 to have a 10-year focus on becoming a top-5 global destination**

Sydney – and by extension NSW – is a regional destination of note, but lacks a global presence reflective of its underlying strengths. For example, Sydney ranks 22nd in the world in the Euromonitor and 20th in the world in the Mori Foundation's 2023 index for Cultural Interaction and Tourist experience.

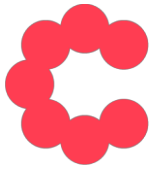
A renewed visitor economy strategy should set a goal of Sydney being a top five destination globally, and the premier visitor destination in the Asia-Pacific region.

### **3. Reorient our visitor economy investment towards local culture**

The visitor economy is NSW's second largest service export, after international education. But there is huge potential to expand this market, with a more consistent brand narrative and visitor attraction investment approach founded in the city's identified strengths.

The phenomenal cultural events that captivate Sydneysiders – Ramadan night markets, electric Sydney Fringe shows, Mardi Gras – are also the events that drive word of mouth, attract visitors and keep them coming back. Instead of bringing in tentpole headliners, we should be celebrating more of this local culture, with benefits accruing both in terms of supporting the local culture to grow and thrive, and branding our city in a way that encourages visitors to come back time and again.

This does not mean never investing in events without a local flavour. Major events that lack a local flavour can still deliver value. But recognising that local cultural output – and the people that make that culture – are core to our long-term success, will deliver benefits to NSW.



#### **4. Update the NSW and Sydney brands to include other attraction goals**

We should focus the state's visitor attraction investment on achieving long-term return visitation and building on our state's identified strategic strengths, for example, education, business investment and so on.

While the NSW Government spends tens of millions on marketing to visitors, this represents a small portion of 'share of voice' when considering the marketing of Sydney and NSW across different audiences and groups, alongside promotion by:

- cultural, visitor economy and sporting organisations to attract visitors
- universities to attract international students
- companies seeking to attract staff
- startups and companies seeking capital investment
- cultural products – e.g. films and TV shows based here
- citizens via their own networks and social media – including celebrities who choose to live here or visit.

Each promotional activity brings economic benefit to Sydney and the state, but they are typically uncoordinated and lacking in a shared 'brand narrative.' To maximise these efforts, the NSW Government should play a greater role in coordinating the marketing of Sydney and NSW by ensuring flagship campaigns more strongly align with the captivating experiences and real attractions that Sydneysiders delight in. This will support a consistent story being told across the many types of promotional activity.

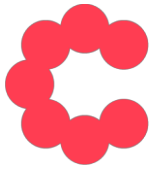
The current state brand, 'Feel New,' is focused specifically on the visitor economy – and delivers against a strategic priority of dispersing visitation to regional areas of NSW. We recommend that Feel New should be integrated into a new brand, as it is not sufficient alone in achieving our broader attraction aims, including attracting more international students, attracting talent and capital, and so on. This is not a criticism of Destination NSW, which developed the campaign, as the campaign delivers against their legislated aims – but a recognition of the need for an integrated attraction approach to Sydney and NSW's relationship with the world.

#### **5. Include international education as a larger component of the strategy**

Given international students and their families represent 40% of visitors to NSW, the level of consideration they are given in the current VES2030 is insufficient. There should be a clear set of goals related to the attraction of international students, and how our marketing and promotion of NSW can support the health of the international education sector.

#### **6. Include a review of the Destination NSW Act 2011 as part of this review**

Many of the above recommendations could be added to a new Attraction Strategy for NSW relatively easily. However, Destination NSW's ability to deliver against these goals is constrained by its legislation. Changes to the organisation's legislation, including updating the Principle Object and General Functions of the organisation, will deliver an organisation able to better deliver against government objectives.



## 7. Create a 10-year plan to deliver on the above objectives

The VES2030 over-indexes the impact of Covid-19 on the state's visitor economy. This is completely understandable, given the context and circumstances in which it was developed, but it requires updating.

Instead, the VES should extend 10 years into the future from today – becoming a Visitor Economy Strategy 2034 – and reflect current challenges and opportunities – the emergence of a second International Airport in Sydney in 2026, the Brisbane Olympics of 2030, and the ongoing challenges of decarbonisation.

We propose an update to the three-phase model of the VES:

- **Phase 1: Transition (2024-2026)**
  - Align our visitor economy strategy with other government strategies, including the 24-Hour Economy Strategy, the Innovation Blueprint, those related to attracting industry, trade or international students .
  - Reform the Destination NSW legislation to align the objectives of the organisation with this strategy.
  - Focus the efforts of Destination NSW towards life-long relationships with the world through cultural and festival-based experiences.
  - Identify infrastructure and programmatic funding required to invest in the take-off phase.
- **Phase 2: Take-off (2026-2029)**
  - Use the launch of Western Sydney Airport as an opportunity to launch a new brand for Sydney and NSW aligned with this phase.
  - Target a selection of key global benchmarks that track consumer sentiment, aiming to have Sydney achieve interim rankings by 2029 on track to being a top-5 global destination by 2034.
- **Phase 3: Top Table (2030 - 2034)**
  - Sydney is a top-5 destination globally and as the premier visitor destination in the Asia-Pacific, and a city that everyone must visit in their lives.

Thank you for the opportunity to provide these thoughts. If you have any questions or would like to discuss further, we are more than happy to do so.

Kind regards,



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