

**NORFOLK ISLAND GOVERNMENT TOURIST BUREAU SUBMISSION TO THE
JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES
Inquiry into economic development on Norfolk Island 28 – 30 April 2014**

Submitted on 16 April 2014

The Norfolk Island Government Tourist Bureau (NIGTB) is a Territory Authority whose role includes advice to government, evaluation of tourism markets, stakeholder communication, strategic planning, promotions and marketing, industry education and the island's Visitor Information Centre.

The General Manager is responsible to both the Minister for Tourism and an Advisory Board and works with overseas representation, media, Air New Zealand, travel providers, government agencies, suppliers and community groups. The NIGTB is currently working towards the outcomes outlined in the *Norfolk Island Tourism Strategic Plan 2013-2023*.

This submission is in response to the terms of reference for the inquiry into economic development on Norfolk Island and addresses the three items that the Committee will inquire and report on.

- **Redressing barriers to tourism, with particular regards to air services, facilities for cruise ships, roads and other infrastructure;**

INFRASTRUCTURE

Air Services

Since the commencement of the Air New Zealand Australian air services contract in March 2012 Norfolk Island has experienced a period of airline stability in schedules, service consistency and industry policy which has not been present for a number of years. (See figure 1.)

The result of this stability has shown:

- Positive growth in visitor numbers, from low numbers, over the last 10 months (See Figure 2.);
- Traditional Travel Agent distribution partners have been prepared to reinvest in marketing;
- New Online Travel Agent distributions have been motivated to invest in the destination;
- More regular Public Relations opportunities have been able to be realised; and
- Seasonality and Niche market opportunities have been able to be focused on in planning.

Stability, service and consistency should be seen as the key outcomes for RPT air services to Norfolk Island. Norfolk Island is at a very critical growth period in the current tourism industry cycle which could be significantly impacted by substantial changes in RPT services.

The current contracted service does have some barriers to overall industry growth. If these were addressed, it would assist with growth whilst also ensuring stability. Issues to resolve include:

- Heavy dependency on NIGTB marketing funds for tactical/sales promotion;
- Limited destination/route marketing by the Airline;
- Through-connection limitations for Domestic airline partnerships;
- Limited cross Tasman through-connection opportunities;
- Limited ability for seasonal or annual capacity growth;
- Inclusion of Norfolk Island in the Pacific Islands fare structure for commission (not the Tasman);
- Restricted alliance with major industry retail partners for Norfolk Island; and
- Budget investment.

The regular Air Services provided by the Air New Zealand do not have to be the only option available as a solution for capacity growth by Air. Charter services for specific market purposes could provide an

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opportunity for growth and not compete with the service underwritten by the Commonwealth. The private sector could be encouraged by governments to explore these options, which could include;

- Charter services from New Caledonia.
- Special event charter services.
- Alternate Australian or NZ port charters on a seasonal basis
- Specific target market charters

Figure. 1

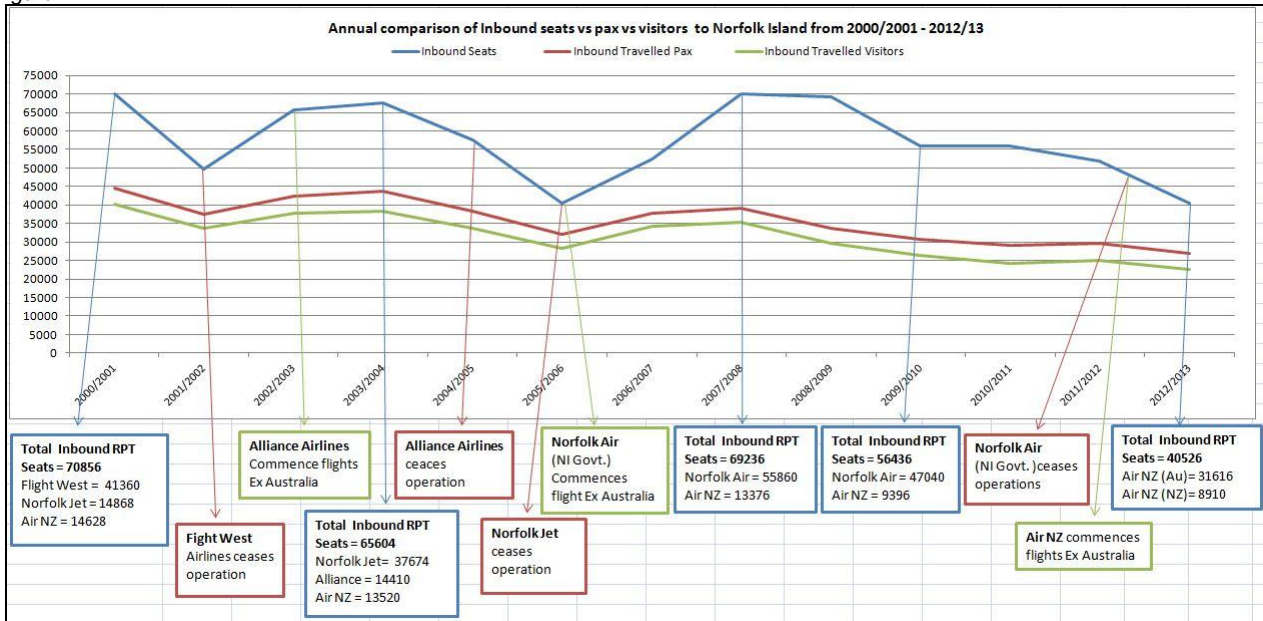


Figure. 2

Visitor Statistics 2005/06 - 2013/14 (Financial Year)
Total Visitor Numbers

Financial Year	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	% Difference on previous year
July	1786	2726	2223	2035	1578	1538	1915	1216	1298	7%
August	2108	3066	2866	2456	2100	1827	2151	1353	1660	23%
September	2281	2586	3111	2620	2103	2169	2695	2143	2280	6%
October	2875	3167	3338	3160	3055	2467	2565	2280	2393	5%
November	2625	3070	3431	2571	2488	2229	2137	2161	2528	17%
December	2405	3133	2857	2462	2228	2238	2290	2071	2179	5%
January	1779	2215	2516	2143	2128	1698	2044	1834	1829	0%
February	2245	2809	3032	2220	2242	1807	2026	1937	1917	-1%
March	2459	3386	3178	3247	2757	2344	2296	2235	2694	21%
April	2613	2995	3617	2373	2246	2296	2030	2349		
May	2500	2685	2674	2409	1963	2021	1666	1652		
June	2543	2480	2556	1943	1451	1634	1318	1453		
TOTAL	28,219	34,318	35,399	29,639	26,339	24,268	25,133	22,684		
% of Average	100%	121%	125%	105%	93%	86%	89%	80%		
YTD								17230	18778	9%

B = Lowest Year

Cruising
<p>The support for a cruise industry to Norfolk Island is outlined in the <i>Norfolk Island Tourism Strategic Plan 2013-2023</i>. The cruise industry is seen as Norfolk Island's best option for tourism diversification and is supported by the Norfolk Island Government, community and industry.</p>
<p>The biggest barrier to the growth of the cruise industry is port facilities on the island. Although attempts have been made in the past to provide better landing facilities via a portable solution, more permanent solutions are required for long term success.</p> <p>A full cruise industry solution would, over time, need to address the following infrastructure requirements:</p> <ul style="list-style-type: none">• Cascade port facilities;• Heavy lift crane;• Locally based Barges;• Upgrade of Kingston port facilities;• Bridge work in the Kingston area; and• Alternate western side coast port facilities.
<p>Whilst an announcement by the Federal Government for funding for the Commonwealth owned Cascade Pier was welcomed by the tourism industry, and seen as a real commitment to the progression of this industry. It was disappointing that in the finalisation of the funding commitment the funding was tied to objectives within the reform process that were not related to the cruise industry or the tourism industry.</p>
<p>The main focus of the cruise industry development, discussion and planning has been targeted toward the larger cruise ships.</p> <p>Opportunities are also available within the smaller cruise ship operators (less than 500 pax) which may have the potential to grow frequency at a faster rate as infrastructure is developed. In turn this would assist to fund the long term infrastructure requirements. Government and private enterprise partnerships could examine this market to define potential benefits.</p>

Telecommunications
<p>The progression of telecommunications infrastructure and mobile services are seen as a key requirement for the necessary digital capabilities required in marketing and distribution as well as satisfying most visitor market demands.</p> <p>Development in this area will provide opportunities for new Meetings, Incentives, Conference and Events markets as well as maximise visitor social media interaction and consumer endorsement for promotions.</p>
<p>The Norfolk Island Government has announced a new partnership with O3b Networks for the delivery of high speed broadband services. This should provide a positive solution to internet requirements.</p>
<p>The next step of the telecommunication infrastructure development should be a focus on mobile services, and the soon to be obsolete 2G network currently available. A minimum requirement for a new mobile service should be the ability to allow data roaming.</p>

Roads
<p>Road conditions do feature as one of the common visitor complaints and impact negatively on the touring service delivery through shortening bus life, diminishing passenger experience and additional maintenance costs.</p>
<p>Town Centre beautification is something which should also be considered in conjunction with the upgrade. There have been a number of private businesses who have invested in, updated or upgraded their properties. Without government commitment to a longer term upgrade plan, the value of this investment is diminished.</p>

As a priority road infrastructure improvements should focus on:

- Taylors Road - from the Airport through to the Norfolk Island Central School;
- Unsealed roads (i.e. Hibiscus Drive, Bumboras Road, Crystal Pool Road and Prince Phillip Drive); and
- Roads in conjunction with cruise ship infrastructure requirements (i.e. Pier Street bridge).

Kingston and Arthur's Vale Historic Area

The Kingston and Arthur's Vale Historic Area (KAVHA) is a jointly owned asset by the Commonwealth and Norfolk Island which has the potential to play a significantly larger role in the marketing of Norfolk Island as well as enhancing the visitors experience.

The KAHVA area is a world heritage listed convict site. There is currently a review of KAVHA's Conservation Management Plan underway.

The KAHVA site could increase its role in attracting visitors through a stronger commitment in:

- Historical significance awareness;
- Creating linkages to federal heritage programs;
- Providing for more pre-trip information;
- A website and Social Media strategy;
- Imagery and video;
- Information databases;
- Heritage group linkages; and
- Collaboration with the NIGTB for PR, marketing services and shared assets.

The visitor experience could be enhanced through product and service delivery with the:

- Development of partnerships and commercial arrangements approved by the KAVHA Board to allow development of unique experiences including food and beverage, accommodation, leisure activities and touring options;
- Restoration programs for select sites;
- Delivery of a site interpretation plan;
- Tour guide training and endorsement strategy; and
- Information communication strategy.

Norfolk Island National Park

The Norfolk Island National Park (NINP) plays an essential role in the visitor experience in providing visitor access and environment preservation together, this role could be enhanced with a greater connection to the marketing, promotions and on island tourism industry.

The NINP is a Commonwealth asset managed by Parks Australia.

The NINP could increase its marketing contribution through stronger investment in:

- Linkages to federal environmental programs;
- Environmental group linkages;
- Collaboration with the NIGTB for PR, marketing services and shared assets; and
- Information communication strategy.

The opportunities in product are all linked with the development of the tourism services available including:

- Interpretation and signage plans;
- Creation of additional circuit walking tracks;
- Mountain biking facilities;

- Establishing better access to natural assets; and
- Partnerships with the private sector to develop unique tourism experiences.

Tourism Australia linkages

Christmas Island, Cocos (Keeling) Islands and Norfolk Island have partnered as members of Australia's Island Territories, which, are currently excluded from the traditional tourism structures which operate on the mainland. These structures provide a range of opportunities for promotion, exposure, investment and planning to assist tourism organisations and operators – all of which would greatly benefit our tourism industries.

The local tourism organisations for Christmas Island, Cocos (Keeling) Islands and Norfolk Island work together under a Memorandum of Understanding established in 2012.

Additionally, our products and services are not included in the Australian Tourism Data Warehouse (ATDW). This is a key digital distribution channel for tourism operators and distributors developed by Tourism Australia and the State and Territory Tourism Organisations: "to fill an identified need to market a comprehensive range of Australian tourism products without limitations of geographical boundaries, hence developing a digital content and distribution platform." (www.atdw.com.au)

Key deliverables required:

- Inclusion of these Island territories on the Tourism Australia website;
- Inclusion of these Island territories in the available resources from Tourism Australia; and
- Inclusion of these Island territories in the Australian Tourism Data Warehouse.

Other identified barriers to tourism growth

The NIGTB receives feedback from a wide variety of stakeholders who provide feedback on current barriers to tourism through investment and infrastructure. An overview of this feedback is provided:

New tourism investment

- Lack of clarity on future governance for Norfolk Island
- Inconsistent regulatory environment
- Uncertainty on taxation regime
- Limited corporate governance plans
- No business development incentives
- Restricted Commonwealth tourism grant access
- High duty on capital items
- High air and sea freight costs
- Limited private sector industry group leadership
- Lack of available industry and business statistics

Development of new tourism markets

- Reduced tourism budget allocations
- Lack of suitable Convention, Entertainment or Sports Centres
- Limitations in skilled workforce
- Need for Australians to have valid passports
- Inability of Australian visitors to utilise Medicare rebates on island
- Insurance costs
- Longer term Air Service stability
- Waste management practices
- Private/Government partnership policy
- Outdated legislative regulations

- **Complements to tourism, such as agriculture, other industry or small-medium enterprises;**

Agriculture
<p>Norfolk Island has received a lot of publicity and positive consumer feedback about food on island. Seasonal, fresh and island grown food is a powerful commodity in the tourism world and any development within the Agriculture Industry will have tourism benefits.</p> <p>If realised, this industry has the greatest potential to return value to land and provide a niche export market to Australia and New Zealand of both fresh and processed product.</p> <p>This ability to export goods could provide producers with the supplementary income to ensure profitability, consistency and sustainability to deliver a quality on island product which would enhance the tourism experience and benefit the whole community.</p>
<p>An AQIS study is currently underway to determine the ability for produce to be exported or imported into Norfolk Island and that is essential to any progression in this area.</p>
<p>The Norfolk Island primary producers could benefit from the establishment of a recognised 'food hub' to deal with the aggregation, storage, processing, distribution or marketing of all locally produced food.</p> <p>The market for food production is so small on island it doesn't have room for a traditional wholesalers role so a food hub would really assist in getting this size market working more efficiently. With more coordination of the industry and the change in quarantine laws there is much room for growth</p> <p>This would have positive outcomes for the island visitors and community and provide the best platform to build any export market.</p>
Sustainability
<p>The tourism industry on island recognises the need to have a low impact on the environment whilst also respecting local culture whilst they continue to build the industry to provide a financial future for all stakeholders. In building the industry this way, sustainable tourism is created.</p> <p>It is however, the associated research, testing, implementing, trialling of various sustainable infrastructure in a 'petri dish' type environment that could build an Alternative Energy Production & Services Industry which would complement tourism.</p>
<p>Associated benefits from sustainable research includes:</p> <ul style="list-style-type: none">• Destinalional awareness;• Eco tourism;• Infrastructure development;• Financial investment; and• Conventions and meetings.

- **Proposals and opportunities for niche industries;**

<p>The following niche industries are seen as possible to be developed. These would have positive outcomes for the tourism industry;</p> <ul style="list-style-type: none">• Agriculture• Alternative Energy Production & Services• Banking and Finance• Gaming• Education• Alcoholic Beverages• Medical• Fishing
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The above is a summarised response to the terms of reference for the inquiry into economic development on Norfolk Island.

I look forward to the opportunity to discuss the content of this submission during my allocated time at the inquiry, and am available to meet at any additional time if the Joint Standing Committee believes it would be beneficial.

Yours sincerely

Glen Buffett

General Manager

Norfolk Island Government Tourist Bureau

- Destination Management
- Norfolk Island Tourism
- Visitors Information Centre