

INQUIRY INTO MUSEUMS AND GALLERIES

Organisation: Tourism & Transport Forum Australia (TTF)
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The Hon. Robert Borsak, MLC
Chair, General Purpose Standing Committee No. 4
c/o Merrin Thompson
Via email: gpscno4@parliament.nsw.gov.au

Dear Mr Borsak

Re: Inquiry into Museums and Galleries

I write to make a submission on behalf of the Tourism & Transport Forum Australia (TTF) to the General Purpose Standing Committee No. 4 inquiry into museums and galleries. TTF commends the Committee on undertaking this Inquiry.

TTF is the peak national body for the tourism, transport and aviation sectors across Australia. We are a CEO forum representing some of the leading institutions and corporations in the Australian visitor economy.

Within the creative, heritage and cultural sector, TTF members comprise art galleries, museums, performing arts companies, performing arts centres, theatres, and other visitor attractions. More broadly, TTF members also include organisations that work with, or have a keen interest in, the sector, such as state tourism organisations, business and major events companies, accommodation and transport providers, airlines and airports, restaurants and retailers, property developers, investors and land managers, other attractions, universities, local councils and professional services.

TTF utilises its expertise and networks to develop and advocate public policy for the sustainable long-term growth of the visitor economy. Cultural, creative and heritage tourism¹ is a vital part of the visitor economy and a fundamental component of a destination's identity not only for visitors, but also residents.

TTF continues to advocate for Governments at all levels to recognise the economic, social and environmental benefits that stem from development and promotion of cultural, creative and heritage tourism. TTF is of the belief that a great destination to live in, is also a great destination to visit, and museums and galleries play a vital role in the liveability and 'loveability' of a destination.

¹ Reference to 'cultural, creative and heritage tourism' in this submission includes all those activities classified as 'cultural activities' in Tourism Research Australia's International and National Visitor Surveys.

TTF strongly believes that cultural, creative and heritage tourism also plays a significant role in supporting community, social, employment and economic outcomes, and should be supported by the NSW Government through a competitive level of investment and greater collaboration with the private sector. TTF also believes that the Government should not only focus on NSW's cultural and heritage tourism within the context of the State, but also its place within the national and international competitive landscape.

Value and importance of the creative and cultural sector

Economic value

NSW's cultural and heritage offerings form a significant component of our destination brands, acting as a critical demand driver within the State's \$31 billion visitor economy. Tourism patronage also underpins the viability of our cultural institutions and major events, providing high-yielding visitors who typically stay longer and spend more. However, while the current value and importance of cultural and heritage tourism is impressive, it could be much greater, especially in terms of its economic and employment outcomes.

In the year ending December 2015, NSW received over 11.4 million international and domestic cultural and heritage visitors – up by 8.1 per cent on year ending December 2014. Visitors spent over 74.4 million nights and an estimated \$11.2 billion in NSW – up by 12 per cent and 15.4 per cent on the previous year, respectively.

Of all international visitors, 65 per cent participate in cultural and heritage tourism when visiting NSW. This is a significant number of visitors, and testament to the importance of culture and heritage in supporting NSW's visitor economy. From a national perspective, NSW received 60 per cent of all cultural and heritage travellers to Australia. Again, this is not only testament to NSW's status as a cultural and heritage destination, but the importance of this type of tourism in contributing to the State's visitor economy. Given the NSW Government's ambitious aspiration to double overnight visitor expenditure to \$36.6 billion by 2020, cultural and heritage tourism is able to assist us in meeting this target.

Domestic visitors are also keen cultural and heritage tourists. NSW received over 4.6 million domestic overnight cultural and heritage visitors – up by 10.2 per cent on year ending December 2014 – and stayed nearly 16.3 million nights in the State – up by 9.8 per cent on the previous year. Domestic overnight cultural and heritage visitors to NSW spent an estimated \$4.4 billion during their trip – up by 9.8 per cent on the previous year.

The most popular activity for NSW international cultural visitors was to visit history, heritage buildings, sites or monuments (68.9 per cent), followed by visiting a museum or art gallery (57.7 per cent). The situation was reversed for NSW domestic overnight visitors, with visiting a museum or art gallery the most popular activity (37 per cent), closely followed by visiting a history, heritage building, site or monument (34.7 per cent).

Most importantly however, cultural visitors stay longer and therefore spend more at a destination, making them a lucrative high-yield market for the visitor economy. The average length of stay for cultural international visitors to NSW in the year ending December 2015 was 26.3 nights, compared to an average of 25.1 nights for all international visitors to NSW.

Domestic cultural and heritage visitors stayed, on average, 3.5 nights in NSW. This was longer than the average for all visitors to the State (3.2 nights). Further, international cultural and heritage visitor expenditure was an estimated \$6.1 billion in NSW (up 23.1 per cent on the previous year), or \$2,777 per visitor; higher compared to the average spend of all international visitors at \$2,415 per trip.

Fourteen of NSW's top 20 international visitor markets demonstrate a greater propensity for cultural tourism, led by South Korea, France and Taiwan. The key emerging markets of China and India both have a higher-than-average propensity to visit cultural and heritage sites when in NSW, which again highlights the importance of cultural and heritage tourism in attracting international visitors to the State. China was the largest individual source market of international cultural and heritage visitors (18.2 per cent) and nights (16.6 per cent) to NSW, which is a fantastic outcome given Chinese visitors have by far the highest average visitor expenditure per visitor out of all source markets.

Cultural and heritage tourism is also a considerable employer. Taking into account only the provision of cultural, sports and recreational services, 8,740 people were employed across these fields in NSW in the year ending June 2015, representing 27.9 per cent of total employment in these areas across Australia².

Social and cultural value

Beyond its economic and jobs contribution, cultural, creative and heritage tourism has inherent importance in adding broader social and cultural value. Domestic and international visitors experiencing art and culture, and participating in the creative industries, has far-reaching educational, community and diplomatic benefits that extend beyond State and national borders. The sector plays an important role in facilitating dialogue and debate, which addresses the social issues and challenges, both of today and the future.

Further, a thriving creative and cultural sector adds to the liveability, 'loveability' and attractiveness of a destination. Liveable destinations attract great talent – creative individuals, businesses and visitors – because a great place to live is also a great place to visit either for leisure, business, study or work. Creative and cultural activities also add to the vibrancy of precincts, and help to reinvigorate places, lifting community pride, learning and interaction with their local area.

The strength of NSW's cultural and heritage tourism

International visitors to NSW have a higher propensity than the Australia-wide average to visit cultural and heritage attractions (65 per cent versus 54 per cent). Cultural and heritage tourism growth has significantly outpaced general tourism growth to NSW, for both international visitors (13.8 per cent cultural and heritage tourism growth versus 6.6 per cent overall tourism growth) and domestic overnight visitors (11.4 per cent cultural and heritage tourism growth versus 4.4 per cent overall tourism growth).

² State Tourism Satellite Account 2014-15, Tourism Research Australia, 2016

Over the five years to December 2015, the overall propensity for international visitor to engage in cultural tourism in NSW has also increased by 3.5 per cent, peaking at 64.8 per cent in 2015. The proportion of international visitors who participate in cultural and heritage activities has also increased significantly in many key markets over the past five years, particularly for Japan, Hong Kong, Indonesia, South Korea and the Philippines. For the emerging markets of China and India, the proportion of visitors who participate in cultural and heritage tourism activities has increased by 0.6 per cent and 10.3 per cent respectively, over the past five years.

Cultural and heritage tourism is therefore a significant part of the visitor economy as it not only provides a unique reason to travel in itself but also forms the daily tapestry and visitor offering of a destination, complementing other sectors of the visitor economy. This in turn helps to fill beds, restaurants, shops and transport seats, spreading the economic benefit beyond the creative and cultural sector. The visitor economy, and museums and galleries are therefore intrinsically intertwined, with the tourism industry playing a key role in supporting visitation to cultural institutions and organisations, and museums and galleries providing depth, breadth and vibrancy to the tourism offering of a destination.

“Cultural tourism is one of the largest and fastest-growing global tourism markets. Culture and creative industries are increasingly being used to promote destinations and enhance their competitiveness and attractiveness. Many locations are now actively developing their tangible and intangible cultural assets as a means of developing comparative advantages in an increasingly competitive tourism marketplace, and to create local distinctiveness in the face of globalisation.

Tourism and culture have together become major drivers of destination attractiveness and competitiveness. Based on recent case studies that illustrate the different facets of the relationship between tourism, culture and regional attractiveness, and the policy interventions which can be taken to enhance the relationship, it is clear there is a strong link between tourism and culture which can be fostered to help places become more attractive to tourists, as well as increasing their competitiveness as locations to live, visit, work and invest in.”

- The Impact of Culture on Tourism, OECD, 2009

The strength of NSW’s cultural and heritage tourism reflects the visitor drawcard power of the State’s cultural institutions, including the iconic Sydney Opera House, the Art Gallery of NSW, Australian Museum, Powerhouse Museum, Sydney Living Museums and the State Library of NSW, but also cultural attractions based in NSW such as the Museum of Contemporary Art Australia and the Australian National Maritime Museum. It also alludes to the importance of continuing to deliver on the NSW Government’s arts and cultural policy framework being led by Arts NSW, *Create in NSW*.

While NSW is well-positioned in terms of cultural and heritage tourism, the NSW Government cannot afford to become complacent and should focus on better leveraging its cultural and heritage tourism offering through greater investment in marketing and infrastructure. Other destinations such as Melbourne, Perth, Canberra and Brisbane are strongly vying for high-yield domestic and international cultural visitors through increased Government investment in an effort to capture a larger number of these lucrative visitors. NSW risks losing visitors and market share if the Government does not increase funding for arts and cultural institutions, performing arts companies and other creative industries, and importantly maintains this competitive level of investment moving forward.

It is also paramount to recognise that NSW is competing with not only other Australian cities, but other global cities, for talent and visitors. Internationally, the State is competing with cultural destinations such as New York, London, Paris and Hong Kong. In order to realise the greatest social and economic benefits that its creative and cultural industries can deliver, NSW must aim to compete on the global stage, rather than being content with cultural strength on a national stage. A global focus should therefore be at the heart of the NSW Government's policy, funding and support strategy for museums and galleries.

Driving the growth of creative, heritage and cultural industries

TTF has identified a number of priorities that can help support and drive the growth of NSW's cultural and heritage tourism, increasing its economic, social and cultural contribution to the State as well as NSW's cultural stature on the domestic and international stage. The NSW Government needs to take the lead in this regard, as an advocate, investor, funder and facilitator of support and investment in cultural and heritage tourism.

All priorities outlined below centre on the key theme of the Government's appreciation of the importance of the creative and cultural sector supporting cultural and heritage tourism as an economic driver, and Government support through a competitive level of investment and greater collaboration with the private sector.

Communicate the importance of the sector

The NSW Government needs to place more value on the existence of the creative and cultural sector and its importance to the economic, cultural and social fabric of the State. While the development of *Create in NSW* was a step in the right direction and work is underway to deliver actions from the Strategy, the Government should also identify the sector as one of its core industry priorities in which NSW is ready to lead the world.

One way of doing this is to increase the promotion of the creative and cultural sector in NSW's destination marketing efforts. The Government, through Destination NSW and Arts NSW, should continue to pro-actively pursue increasing the profile of the State, domestically and internationally, as a world-class destination for cultural tourism, alongside major events, business events and sport.

This needs to be matched with an ongoing commitment to properly resourcing destination promotion programs, for both Sydney and regional NSW, to allow Destination NSW and Arts NSW to expand its activities in growth markets and be crucial to growing awareness of Sydney and NSW as preferred cultural and heritage destinations.

Another way of communicating the importance of the sector is to support Destination NSW, Arts NSW, Business Events Sydney, cultural institutions and other cultural organisations in securing creative and cultural events, performances, exhibitions and integrating them into incentive travel itineraries. Due to their longevity as opposed to the limited timeframe of major sporting or theatre events, cultural exhibitions, events and performances can encourage a more manageable stream of visitors, avoiding transport and accommodation bottlenecks and providing a steady and sustained income for the local economy.

As a case in point, the Sydney Opera House is one of the world's busiest performing arts centres, welcoming over 8 million people to the site each year and hosting 1900 shows, seen by almost 1.4 million people. In addition to the major blockbusters, the Opera House has an almost daily schedule of different performances and events accessible to domestic and international visitors, ensuring a largely 365 day visitor offering. While major events and blockbusters are indeed an important visitor drawcard, it is often the daily offering that adds to a positive visitor experience and may help to encourage visitors to extend their trips.

An aspect of communicating the importance of the sector involves the cultural, heritage and creative industry identifying itself as a key part of the visitor economy. In addition, it also needs to become better at informing the Government of the sector's successes and undertaking collaborative marketing to leverage investment, not only at a state-level, but also nationally. The measures currently used by the Government to track the success of the cultural and creative sector also may not accurately reflect the sector's true contribution to the visitor economy. This is not only frustrating for the industry but also dilutes the message presented to Government of the sector's potential as an economic driver for the State. Government should work with industry to identify the measures and methodology best suited to capturing the sector's economic, social, community and cultural impact.

Continue to invest in creative, heritage and cultural industries

Due to the social and community benefits as well as economic value stemming from the creative and cultural sector, the Government should be actively involved in funding and supporting investment to drive the growth of the industry. The sector needs to be recognised for its true status as an economic driver, rather than continue to be seen as simply discretionary funding for community benefit that can constantly be subject to the application of Government efficiency dividends.

Understanding the restrictions of a tight fiscal environment, the Government should actively identify existing and new infrastructure and activities that are a priority for NSW's creative and cultural sector as well as provide the greatest social, cultural and economic return on investment. This includes looking to increase opportunities for cultural organisations with existing high-quality products and collections to expand their scope for delivery through marketing funding, infrastructure development and maintenance, as well as collaborative partnerships.

Maintenance funding is a significant constraint for the cultural and heritage sector as increasingly limited Government resources are available to invest in the maintenance of ageing buildings. The ramifications of this constraint broaden when the substantial investment into museums and galleries within the Asia Pacific is taken into account and compared with the investment into the sector by the NSW Government. The Government needs to ensure that cultural institutions have access to adequate funding to maintain their premises, buildings and facilities to a world-class standard expected by international visitors, and a standard that maintains, and ideally excels, NSW's competitiveness on a global stage.

Many collecting institutions in NSW are also restricted in their ability to showcase their collections due to capacity constraints. Not only does this diminish access by visitors and locals to some of Australia's cultural and heritage masterpieces, but also prevents the Government from realising the full potential of highly valuable collections – collections that could be attracting a return on investment given the desire of visitors and locals to engage, participate and experience a destination's culture and heritage.

The Government should look to identify aspirational initiatives and invest in new projects that will contribute to positioning NSW as an international arts, creative, cultural and heritage leader. In addition to delivering the actions identified in *Create in NSW*, other examples of transformational initiatives include:

- Art Gallery of NSW's Sydney Modern project
- Sydney Opera House's Renewal
- Australian Museum's Barrabuwari Muru Masterplan
- Relocation of the Powerhouse Museum to Western Sydney
- 'Story of Sydney' and 'Shoreline' projects by Sydney Living Museums, and
- Delivery of priorities in the Australian National Maritime Museum's Corporate Plan.

Not only will these projects significantly contribute to the State's cultural, creative and heritage sector, reaching more audiences, in more places, more often, but they will also ensure NSW remains competitive with other destinations, elevating its national and global identity as well as growing its visitor economy.

As well as direct funding, the Government should diversify investment in the creative and cultural industries. A means of doing this is by facilitating both Federal Government and private investment as well as encouraging cultural institutions to implement strategies that reduce their sole reliance on public funding. The Government should also support state-based institutions and agencies in increasing their engagement with the private sector through collaborative partnerships. Establishing and sustaining longer-term partnerships, especially those with an international focus, and helping to facilitate private sector investment and collaboration with the industry, will enable the Government to better leverage its investment.

Further to funding products, promotion and infrastructure, the Government should also focus investment into innovative technologies that encourage interactivity, accessibility and connectivity solutions allowing large-scale public participation in events, exhibitions and activities. Such technologies would also help in the integration of the cultural and creative offering of the State, further supporting access, engagement and participation of visitors in the sector. Moreover, these technologies could be used for consumer monitoring and research, to better measure, understand and leverage the needs of visitors as well as support investment decisions.

Increase accessibility, participation and engagement

Accessibility is an important factor in cultural and heritage tourism. The Government needs to explore new ways to reach and appeal to audiences anywhere, from all different backgrounds and of different ages, ability and skill. Efforts to make the sector more accessible help to increase demand for cultural and heritage tourism experiences. Increased demand naturally promotes an increase in the supply of such activities, which leads to the creation of more jobs as well as social and economic returns for the State.

One way of increasing participation in the sector is to continually develop and nurture its audience, especially from a young age. Many of NSW's cultural and creative agencies already provide opportunities for young people to participate in, and experience, a diverse range of creative and cultural activities through school and youth programs. These can be further utilised and leveraged by Government and private sector investment.

On the flipside, the Government should ensure it supports the creation of content and services that can be experienced and consumed by the audience. Again, many organisations within the sector already strive to achieve this and the role of Government should be to identify opportunities where it can leverage and build on existing efforts.

Participation and accessibility of Aboriginal arts and culture is also paramount. Australia, and by extension NSW, tends to underestimate the true visitor attraction and appeal of its Aboriginal and Indigenous culture and heritage as well as its multiculturalism; frequently considering that the country falls short in comparison to the classical heritage of European and American cities. This is not correct. Many of the key visitor markets at our doorstep, such as China, are fascinated by Australia's heritage and culture, and seek opportunities to engage with it. This presents a rich opportunity that the Government needs to become better at realising, showcasing and promoting. While this has been somewhat achieved throughout the State, the Government's aim should be to make it even easier for visitors to connect with and experience Aboriginal culture as well as for Indigenous people to participate in, and communicate, their own art form.

While it is important to develop, and raise the profile of NSW's unique Aboriginal arts and culture as distinct from other parts of Australia, there also needs to be concerted and complementary effort to showcase the State's Aboriginal heritage and culture within Australia's broader indigenous story. The NSW Government should work in unison with the Federal Government and other State and Territory Governments, to elevate the profile, appreciation and participation in Aboriginal culture on a national and international level. TTF commends the work already done through the Aboriginal Tourism Action Plan as well as the NSW Aboriginal Arts and Cultural Strategy 2015-2018.

The Government should also consider participation and engagement of a broader range of businesses in the creative and cultural industries, utilising other tourism operators to help promote NSW's cultural offering and strengthening the unified voice of the State's creative identity. For example, there is an opportunity to better incorporate arts and culture into hotel guest experiences, leveraging hotel communication channels to reach new audiences in both domestic and international markets as well as hotel brand positioning. Tourism industry operators are always looking for opportunities to diversify their offering from their competitors, and arts and culture is a great way of doing this.

A key consideration in terms of accessibility is also visitor transport, and integrated ticketing plays a significant role in this regard. TTF commends the NSW Government for successfully rolling out the Opal card ticketing system to all transport modes and eliminating paper tickets. It is now time to consider extending the benefits of the Opal card to the visitor market.

Domestic destinations such as Adelaide and Brisbane and overseas destinations such as Hong Kong, Singapore, Stockholm and London have smartcard ticketing options specifically designed for visitors, which also integrate information and sometimes access to visitor and cultural attractions. NSW should, at a minimum, have a dedicated Opal card for visitors to encourage visitor use of public transport.

As an extension to this, the industry encourages a commitment from the NSW Government to explore how the Opal card technology can be used either by the Government or private operators such as tourism attractions, hotels, natural attractions and cultural institutions, to enhance the offering of an Opal visitor product. TTF is of the understanding that the Opal technology has broad capabilities, and is therefore supportive of the NSW Government exploring this further, in consultation with industry, for the benefit of streamlining and improving the visitor experience in Sydney.

The appetite for cultural and heritage experiences in NSW is evident with the continued and projected growth in visitor numbers. People will travel distances to experience something different to their everyday, and there is no doubt that a destination's creative, cultural, arts and heritage offering has a major influence on its ability to attract visitors and residents. Sydney and NSW have a very strong cultural and heritage sector that with the right strategy and investment from Government can become an even greater economic, social, cultural and environmental powerhouse.

Should you have any questions or wish to discuss this submission in further detail, we remain available at your convenience. /

Margy Osmond
Chief Executive Officer