Report: 2024

Cultural Tourism in Regional NSW

ran REGIONAL ARTS NETWORK

NSW GOVERNMENT | Create NSW Arts, Screen & Culture

PATTERNMAKERS

Acknowledgements

This report was prepared for the NSW Regional Arts Network by research agency Patternmakers, with support from Create NSW.

The authors would like to acknowledge the many people and organisations involved in the cultural tourism sector in regional NSW.

Patternmakers acknowledges the traditional owners of the regions on which cultural tourism takes place. We recognise the role and contribution of Aboriginal and Torres Strait Islander peoples across time.

About the Regional Arts Network

The Regional Arts Network is a group of fifteen Regional Arts Development Organisations (RADOs), developed over the past 30 years with core funding from the NSW Government and through local Council support.

They exist to inform and promote arts and cultural activity within regional NSW, including creating opportunities for creative professionals in the regions. They include:

- Arts Mid North Coast
- Arts North West
- Arts Northern Rivers
- Arts OutWest
- Arts Upper Hunter
- Eastern Riverina Arts
- Murray Arts
- Orana Arts
- Outback Arts
- South Coast Arts
- South East Arts
- South West Arts
- Southern Tablelands Arts
- West Darling Arts
- Western Riverina Art

About Patternmakers

Patternmakers is a research agency specialising in culture, creativity and community. We believe in the power of insight to help good causes grow.

For any questions, please contact info@thepatternmakers.com.au.

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Front cover image: Aerial performance by the Flying Fruit Fly Circus at Arbour Festival
Photo: Matt Beaver, sourced from Eastern Riverina Arts.

About


Image: Saltwater Freshwater Festival
Photo: Jay Black, sourced from Arts Mid North Coast

Background

In 2024, the NSW Regional Arts Network commissioned a new analysis of cultural tourism in regional NSW.

In light of the NSW Government's focus on 'experience tourism', and greater coordination occurring between Destination NSW and Create NSW, this report provides insights into the scale of regional cultural tourism and opportunities to support its development.

Method

Research agency Patternmakers conducted a scan of the literature and interviewed stakeholders involved in cultural tourism, including government agencies, industry bodies and operators.

It collated available tourism listings from various sources into a new database for analysis.

Sources included the Australian Tourism Data Warehouse (ATDW), Music NSW regional venue map, National Parks listings, and regional culture maps. Regional Arts Development Organisations (RADOs) were invited to manually review the listings and add missing experiences active in their region.

The resulting database of over 3,200 cultural tourism experiences across regional NSW provides the largest picture of cultural tourism to date, and enables analysis of its scale, component parts and direction.

Key finding #1

There are over 3,200 cultural tourism experiences on offer in regional NSW – three times as many as previously estimated.

Cultural tourism is often underestimated

Based on a data gathering exercise performed as part of this research, there are at least 3,200 cultural tourism experiences in regional NSW, three times the number of experiences listed in the Australian Tourism Data Warehouse (ATDW).

155 Indigenous cultural experiences

Although only 36 are listed in the ATDW, research shows that a further 119 exist around regional NSW, including experiencing Aboriginal art, craft and cultural displays, going on a tour with an Aboriginal guide, or visiting an Aboriginal site or community.

2,570 arts and heritage experiences

NSW is rich with arts and heritage activities like attending a live performance, visiting a museum or gallery, or visiting a heritage building, site or monument.

518 cultural experiences embedded within other types of tourism

Contemporary forms of 'embedded' tourism include public art (e.g. murals, outdoor sculptures, street art), creative retail (including artisan markets and gift stores) and cultural activities embedded within food, sporting, wine and outdoor events (e.g. a musician performing at a winery or farmer's market).

Key finding #2

Cultural tourism visitors spend over $6bn while travelling in regional NSW, but the contribution to the state's economy is likely much larger than the statistics suggest.

Regional NSW leads cultural visitation

Cultural tourism activities generated around 5.8 million visitors to regional NSW in 2023, more than metro NSW or any other regional area in Australia, according to Tourism Research Australia's (TRA) visitor surveys.

Cultural tourists spend big

Visitors who engaged in cultural activities in regional NSW spent an estimated $6.2bn, confirming the economic importance of the industry.

Cultural tourism has a hidden economic impact

The full extent of the value added by cultural tourism is likely much larger, due to the role that cultural experiences play within other types of tourism and in destination marketing.

Cultural tourism is socially and culturally important

It enables visitors to learn and engage with Australian communities in a deeper way, and for communities to strengthen their identities by showcasing their unique heritage and culture.

Key finding #3

The drivers of visitation are not well understood, and policy and funding mechanisms can do more to support authentic and distinctive experiences.

This research analysed the cultural tourism experiences that attract visitors to particular regions ('attractors'), and compared these to the experiences that add value for visitors once they have arrived in the region ('value-adders'). It also compared the number of experiences in different areas to visitation statistics. It shows:

Strong demand for Indigenous cultural experiences

Despite limited availability, Indigenous cultural experiences attract visitors to regional NSW at high rates. There is strong interest in expanding these offerings, particularly around arts and crafts, but operators need support.

Rethinking key visitor drawcards

Attractions open year-round, such as museums and galleries, tell unique stories and work well for communities. However, their contribution to the market may be overlooked in favour of major events and festivals which generate measurable bursts of activity.

Authentic experiences hold strong visitor appeal

Visitors are increasingly looking for authentic, distinctive experiences, however current funding models often favour large-scale events.

Cultural visitors want to spend on unique souvenirs

Cultural tourists are seeking handmade and unique local goods. However, cheap, mass-produced and inauthentic products are often easier for retailers to procure.

Key finding #4

Tourism is still recovering from the pandemic and operators need support to rebuild visitation and adapt to new conditions.

Cultural tourism has not yet returned to pre-pandemic levels

In 2023, estimated cultural tourism visitation to regional NSW remained around -9% below peak 2019 levels.

Operators face resource and coordination challenges

Cultural tourism operators are struggling with a lack of financial resources, a reliance on volunteer labour, limited cross-sector coordination and siloed activity, limiting their opportunities for development.

Coastal areas attract high volumes of visitors

Coastal areas have a relatively smaller number of key cultural experiences relative to the number of visitors and have scope for further product development, but battle with higher property prices, staffing shortages and costs.

Inland areas are rich with experiences to share

Inland communities have significant numbers of cultural experiences on offer, but lack marketing cut-through and need support to overcome the challenges of geographic isolation and grow visitation.

Key finding #5

Cross-sector collaboration will be important to grow this promising industry.

Increasing interest from visitors

Regional NSW visitors are showing a growing interest in cultural experiences, highlighting a need for better access to information about authentic and unique offers.

Marketing continues to evolve

The digital marketing landscape is changing rapidly, and some operators are struggling to keep pace with changes in platforms and the need for engaging digital content.

Longer stays could drive industry growth

Cultural tourists are known to stay longer and travel further from major cities than other visitors. There are signs that growth of the tourism industry in future will rely on inducing longer stays and higher spending, rather than growing visitor numbers alone.

Cultural tourism deserves a coordinated approach

Collaboration across Government departments, with peak bodies and the private sector will help address barriers to participation and grow the industry sustainably.

Areas of opportunity

Five areas to support the development of cultural tourism in regional NSW include:

1. Visitor insights:

Conducting visitor research to help the tourism industry understand visitor interests and fulfil increasing demand for cultural experiences while travelling in regional NSW.

2. Marketing support:

Developing support tailored programs to strengthen marketing and ensure operators of cultural experiences connect with visitors before, during and after visits, online and offline.

3. Product development:

Investing seed funding to grow new tourism experiences and help promising operators grow their activities further.

4. Coordination and collaboration:

Convening a cross-portfolio working group to bring Departments and peak bodies together regularly, and convening regular meetings in each region among cultural professionals, tourism operators and peak bodies, to improve sector resilience and growth.

5. Supportive policy and funding:

Advocating for changes to policy and funding mechanisms, to embrace a deeper understanding of culture's central role in tourism and support sustainability and distinctiveness across the sector.

Conclusion

Supporting regional cultural tourism is of great interest and benefit to communities, visitors and the Australian economy.

With strong prospects for growth, this analysis indicates the industry deserves stronger understanding and support, particularly in regional and remote areas where experiences are more dispersed.

The success of this work could be measured by:

- Presence of an export-ready cultural tourism experience in regional NSW
- Increasing the number of cultural experiences listed in ATDW, and tracking the number of bookable experiences on offer
- Tracking the proportion of tourists engaging in cultural experiences with greater accuracy – and seeing this number rise over time
- Growing the number of Aboriginal owned and led operators in NSW.

Image: Cementa22 Salon exhibition at WAYOUT Artspace in Kandos
Photo: Gus Armstrong, sourced from Arts OutWest

Key facts

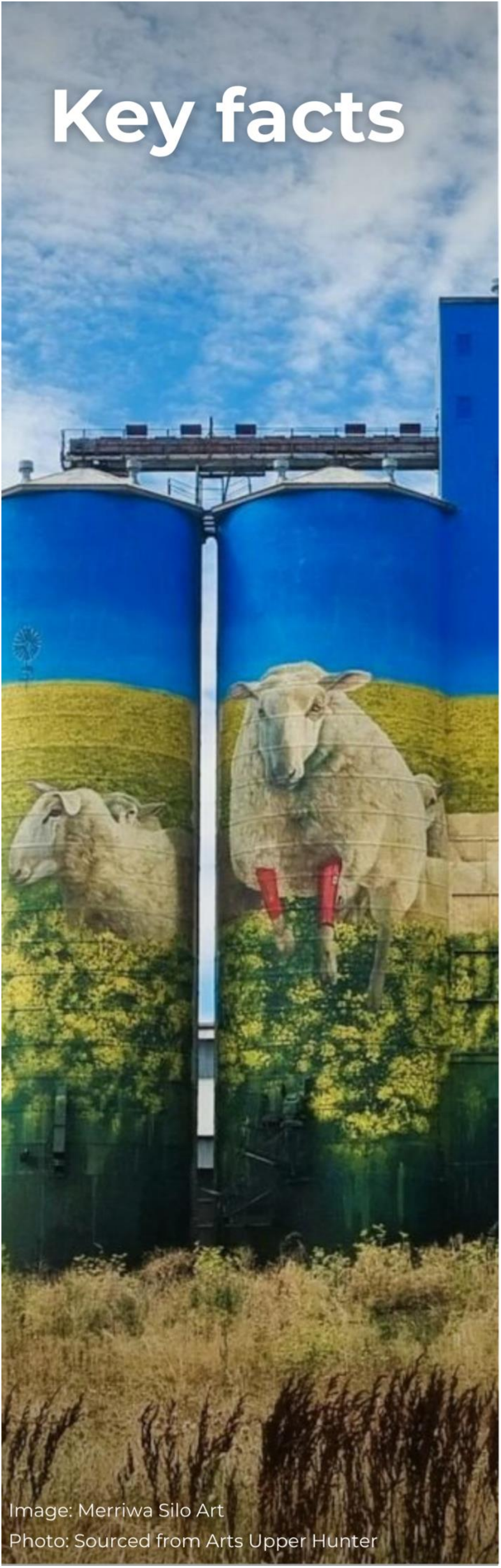


Image: Merriwa Silo Art
Photo: Sourced from Arts Upper Hunter

5.8M

estimated cultural tourism visitors to regional NSW in 2023, according to Tourism Research Australia

13M

estimated nights spent by visitors who engaged with cultural tourism in regional NSW in 2023

$6.2Bn

estimated visitor expenditure in the state by cultural tourists to regional NSW in 2023

1 in 8

visitors (12.6%) participate in cultural tourism in NSW, including 7% of day-trippers, 16% of domestic overnight visitors and 77% of international tourists

1 in 100

visitors (1%) to NSW participate in Indigenous cultural experiences, including 0.2% of day-trippers, 0.8% of domestic overnight visitors and 8% of international tourists

Key facts

Image: Art on Bundjalung Market
Photo: Kate Holmes, sourced from Arts Northern Rivers

2,744

cultural tourism experiences on offer in regional NSW, based on traditional definitions of art, heritage and Indigenous cultural experiences

518

other contemporary experiences have a major cultural component, suggesting the extent of cultural tourism in regional NSW could be at least 16% larger than visitation statistics suggest

-9%

estimated change in regional NSW cultural visitors from 2019 to 2023, suggesting that like tourism generally, cultural tourism is still recovering from the pandemic and has more potential to grow.

89%

of spending by cultural tourists to NSW is from domestic overnight visitors, making this a priority segment to target

1 Introduction

Context

Regional New South Wales is home to vibrant and unique cultural experiences that hold value for visitors, operators and the state economy

For tourists and visitors, regional cultural experiences influence decisions about where to go. At a destination, arts and cultural offerings enrich the visitor experience. They also provide the visitor with insight into the distinctive identity and stories of the community and region.

For regional communities, cultural experiences generate income for the local economy. They also provide a sustainable way for regional and remote creatives to practice their craft, and to reach audiences with their work.

In recent years, the cultural and tourism sectors in regional NSW have each faced challenges and disruption from multiple extreme weather events, the COVID-19 pandemic, and rising costs of living.

Operators of cultural tourism experiences in regional NSW deserve more understanding and support, to recover and thrive into the future, delivering benefits for all.

The NSW and Australian Governments have made commitments about cultural tourism in their new cultural policies

In January 2023, the Australian federal government's National Cultural Policy was released. The policy, *Revive: a place for every story, a story for every place (Revive)*, consists of a "five-year plan to revive the arts in Australia." *Revive* comes ten years after the previous 2013 cultural policy *Creative Australia,* itself the only cultural policy since *Creative Nation* in 1994.

Revive specifically acknowledges the growing contribution of cultural tourism outside of metropolitan centres, highlighting that "cultural tourism is increasingly important for Australia's regions and First Nations communities."

According to Prime Minister Anthony Albanese, the policy marks a new beginning for the arts and culture industry in Australia: "after a decade of neglect and funding cuts, today we start a new chapter in Australia's art and culture sector. Our new cultural policy *Revive* will provide the support Australian artists need to thrive and grow."

The NSW Arts, Culture and Creative Industries Policy 2024-2033, *Creative Communities: Putting culture at the heart of the state* (*Creative Communities*), was released in December 2023.

Creative Communities envisages a similar future to *Revive,* where "NSW will become home to a First Nations cultural centre and enhanced cultural tourism." The policy also acknowledges the importance of NSW's "culturally-rich and vibrant communities" across both metro and regional areas, asserting that "the tourism story NSW tells the world needs to evolve beyond the Sydney Harbour Bridge. It needs to better promote the living, breathing patchwork of neighbourhoods, towns, and cities, each with their own stories, creative activity, and personalities."

NSW is formalising an experience tourism policy focus, and looking to showcase distinctive local experiences across the state

According to *Creative Communities,* the shift in NSW's 'tourism story' will involve a move towards 'experience tourism.'

This evolution will include "showcasing First Nations cultural heritage and experiences, the rich calendar of festivals, our world-class cultural institutions, beautiful places and unique natural wonders. This is experience tourism – a focus not just on bringing people here, but thinking about what they do when they arrive and encouraging them to come back over and over again."

To support this move, the Minister for Jobs and Tourism, John Graham, has issued a formal direction to the NSW Government tourism body, Destination NSW, to formalise the state's experience tourism policy focus. This direction explicitly commits to support for the arts, culture, and creative experiences across NSW.

Simultaneously, the Government will review the Visitor Economy Strategy and align it with the policy direction articulated in *Creative Communities*.

“The tourism story NSW tells the world needs to evolve beyond the Sydney Harbour Bridge.

It needs to better promote the living, breathing patchwork of neighbourhoods, towns, and cities, each with their own stories, creative activity, and personalities.”

NSW Arts, Culture and Creative Industries Policy 2024-2033, *Creative Communities: Putting culture at the heart of the state*

The NSW Government will promote NSW arts and cultural venues and activities, including local festivals and events, alongside major international and national experiences. Destination NSW marketing funding will be refocused, and state-wide calendars optimised to show local events and programs.

Destination NSW has set a target of $25 billion in total visitor expenditure in regional NSW by 2030

Emerging from the pandemic years, the arts/culture and tourism industries have undergone unprecedented changes.

With domestic housing prices surging across the country, an increase in the number of people able to work from home, and people looking to make a lifestyle change, population growth has peaked in regional areas across Australia.

Additionally, many Australians are travelling closer to home given the increasing expenses of overseas travel, leading to growth in domestic visitation to regional areas. International visitors are also increasingly interested in 'authentic' and 'unique' experiences, leading to travel outside of traditionally popular locations and metropolitan areas (Cultural Attractions of Australia).

According to Destination NSW, Regional NSW is key to the future of the state's visitor economy and is a focus of the NSW Visitor Economy Strategy 2030.

The strategy's target is $65 billion in total visitor expenditure by 2030, with regional NSW contributing $25 billion – equivalent to 38% of the State's tourism.

Cultural tourism is a hot topic of great interest to regional communities, visitors and governments, but needs more definition and understanding

With the changing landscape in mind, the time has come to take a comprehensive look at cultural tourism in regional NSW.

Development of the cultural tourism sector in regional NSW holds promise – in economic, cultural and social terms. However, there is relatively little detailed understanding of this area or measurement of its extent or value.

This is important now, to pinpoint and examine the state of affairs in the current moment, whilst also providing a benchmark to measure future developments against.

Research objectives

In 2023, the NSW Regional Arts Network commissioned research agency Patternmakers to build a picture of cultural tourism in regional NSW

The Regional Arts Network of fifteen Regional Arts Development Organisations identified cultural tourism as a key focus area for 2024 and 2025. They agreed that cultural tourism is relevant across all areas of NSW, and that it would be timely to develop a state-wide regional strategy.

The Network commissioned Patternmakers to collate existing information and data on the current level of cultural tourism activity in Regional NSW and produce a report. Patternmakers was also asked to investigate the extent of cultural tourism experiences not captured by other datasets.

The intended outcomes of the research are to provide:

- A broader definition of cultural tourism, particularly relevant to regional NSW, that encompasses the range of cultural tourism experiences generated through the arts and culture sector
- Quantitative data that identifies current cultural tourism activity and sets benchmarks to use as a measure for future development of the sector
- A report that highlights the importance and potential of cultural tourism, including economic impact, in regional NSW
- An advocacy tool for RADO Boards, Councils, Regional Destination Networks and Destination NSW
- Information that allows the 15 RADOs in NSW to set priorities and support strategic cultural tourism initiatives in their region

This report is the major project output. It provides an overview of cultural tourism in regional NSW. It offers measurement of the sector, it highlights key cultural tourism trends and insights, as well as identifying barriers and opportunities for regional NSW cultural tourism going forward.

Methodology

A scan of relevant literature was conducted

Several studies, reports and policy documents provided insight into the current landscape of cultural tourism in regional NSW, including:

- The Australian Government's National Cultural Policy, *Revive: a place for every story, a story for every place* (*Revive*), Jan 2023
- The NSW Government's Arts, Culture and Creative Industries Policy 2024-2033, *Creative Communities: Putting culture at the heart of the state* (*Creative Communities*), Dec 2023
- *Aboriginal and Torres Strait Islander visual arts and crafts*, 2022, The Productivity Commission
- *NSW Visitor Economy Strategy 2030*, 2021, Destination NSW
- Destination Network Management Plans
- *Domestic Arts Tourism: Connecting the Country*, 2020, Creative Australia
- *International Arts Tourism: Connecting Cultures*, 2018, Creative Australia
- Regional Economic Development Strategies (REDS)
- Other relevant stakeholder reports and literature
- Academic literature

A database of cultural tourism experiences was developed, with input from five key sources of industry listings

Data sources used to measure cultural tourism activity in this report include:

- **Tourism Research Australia (TRA)** - visitor numbers, expenditure, and nights stayed across Australia are measured through surveys conducted by TRA. Results are segmented by domestic overnight, domestic daytrip, and international visitors, state and tourism region, and activity category.
- **Australian Tourism Data Warehouse (ATDW)** - the national platform for digital tourism marketing in Australia, the ATDW's digital database consists of over 40,000 tourism listings across eleven product categories. NSW ATDW data harvested from the Attraction, Event, Tour and Journey categories formed a baseline for this research.
- **RADO review and data collection** - ATDW listings were examined and manually supplemented by Regional Arts Development Organisations in order to produce a detailed and comprehensive picture of cultural

tourism in each region of NSW. Many RADOs drew from their existing data throughout this process, such as digital 'culture maps' which provide visitors with detailed information about the region's cultural offerings
- **Additional sources** – other cultural tourism data including Music NSW's regional venue map and the NSW National Parks and Wildlife Service's online listings were also consulted to supplement the database

In addition to quantitative analysis, several interviews were conducted with relevant stakeholder as part of the research process, along with workshops with RADO representatives.

Despite its global significance, 'cultural tourism' encompasses numerous definitions that have evolved in different contexts

Cultural tourism is a major global industry, however the vocabulary and parameters used to define it can vary across the culture and tourism industries.

In 2017, the United Nations World Tourism Organisation (UNWTO) defined cultural tourism broadly as:

"a type of tourism activity in which the visitor's essential motivation is to learn, discover, experience and consume the tangible and intangible cultural attractions/products in a tourism destination. These attractions/products relate to a set of distinctive material, intellectual, spiritual and emotional features of a society that encompasses arts and architecture, historical and cultural heritage, culinary heritage, literature, music, creative industries and the living cultures with their lifestyles, value systems, beliefs and traditions" (UNWTO, 22nd session of the General Assembly, 2017).

Existing definitions of cultural tourism in Australia centre on visitor participation in Arts and Heritage and Aboriginal culture

In Australia, visitor numbers and their participation in certain 'cultural' activities inform the national understanding of the extent and value of cultural tourism.

These activities are defined by TRA in particular categories such as Arts and Heritage, e.g. 'attending theatre, concerts or other performing arts,' 'visiting museums or art galleries,' and Indigenous Culture Activities e.g. 'visiting an Aboriginal site or community' – see Figure 1 for the full list.

Visitation numbers at these activities, obtained from extensive visitor surveys, are also used to define the number of nights stayed by and expenditure produced from cultural tourists.

In investigating the full extent of cultural tourism in regional NSW, this report explores a broader definition

In addition to traditional definitions of cultural tourism, cultural experiences are known to play a role in other types of tourism, such as sightseeing, shopping and food/wine tourism.

Popular contemporary forms of this 'embedded' tourism include public art (e.g. murals, outdoor sculptures and street art), creative retail (including artisan markets and gift stores) and cultural activities embedded within food, sporting, wine and outdoor events (e.g. a musician performing at a winery or farmer's market).

Building on existing TRA categories, a proposed expanded definition will also analyse other visitor activities, to the extent that they have a cultural focus.

Figure 1 – Forms of cultural tourism, based on Tourism Research Australia visitor surveys, and forms of embedded cultural tourism included in this report

	Existing definition of cultural tourism		**Expanded definition**
Categories	**Arts/Heritage experiences**	**Indigenous culture activities**	**Cultural experiences embedded within other activities:**
Sub-categories	• Attending theatre, concerts or other performing arts • Visiting museums or art galleries • Visiting art, craft workshops or studios • Attending festivals, fairs, or cultural events • Visiting historical heritage	• Experiencing Aboriginal art, craft and cultural displays • Visiting an Aboriginal site or community • Attending Aboriginal performances • Go on a tour with an Aboriginal guide • Participate in traditional activities • Having an Aboriginal food experience	• Go to markets – featuring art, culture or history • Go on guided tours or excursions – featuring art, culture or history • Go shopping for pleasure – at creative retail stores • Go on a daytrip to another place – to experience art, culture or history • Sightseeing/looking around – to

	buildings, sites or monuments	‣ Having a camping experience on Aboriginal land	experience art, culture or history ‣ Eat out / dine at a restaurant and/or café (to experience art, culture or history)

The findings of this report should be interpreted with caution, noting the varying definitions of cultural tourism across different sources

There are several limitations of this report which may impact the validity and applicability of its findings:

- As previously noted, what constitutes 'cultural tourism' is variable in different contexts, and definitions may vary across some of the data sources utilised in this report. While this report attempts to forge a standardised definition, there may also be fluctuation across the activities included in the cultural tourism database, depending on individual perceptions and understanding of cultural tourism.
- Comprehensiveness of RADO data in the cultural tourism database varies from region to region, depending on the individual capacity of each RADO at the time of research. Given this work involved manual addition of listings to the database, it was time consuming work and some RADOs were limited in their ability to contribute a complete picture of their region. As such, variability across the number of experiences in each region may not entirely reflect the true distribution of cultural tourism experiences across regional NSW.
- The study's timeframe and resources may limit the breadth of the research. It may have overlooked emerging trends or long-term shifts in cultural tourism patterns over time, or trends in comparison with regional areas in other states.

These limitations underscore the need for ongoing research and continuous data collection to update these findings, and to inform ongoing policy and strategic development regarding cultural tourism across regional NSW.

2 Extent of cultural tourism in regional NSW

Cultural tourism experiences

This section of the report offers a detailed look at the scale and extent of cultural tourism activity in regional NSW in 2023.

There are over 3,200 cultural tourism experiences in regional NSW – three-times as many as previously estimated by the ATDW

The scale of regional NSW's cultural tourism offering is substantial.

The regional NSW cultural tourism database developed through this project contains a total of 3,262 cultural tourism experiences. Just over one-third of these are listed in the ATDW (37% or 1,200), while the remainder (63% or 2,062) were identified from other sources, including manual identification by RADO representatives.

Encapsulating attractions, events, tours and journeys, ranging from small-scale to extensive attendance estimates and across all corners of the state, the assortment of cultural tourism experiences brought together for the first time in the database paints a picture of the size and diversity of the sector.

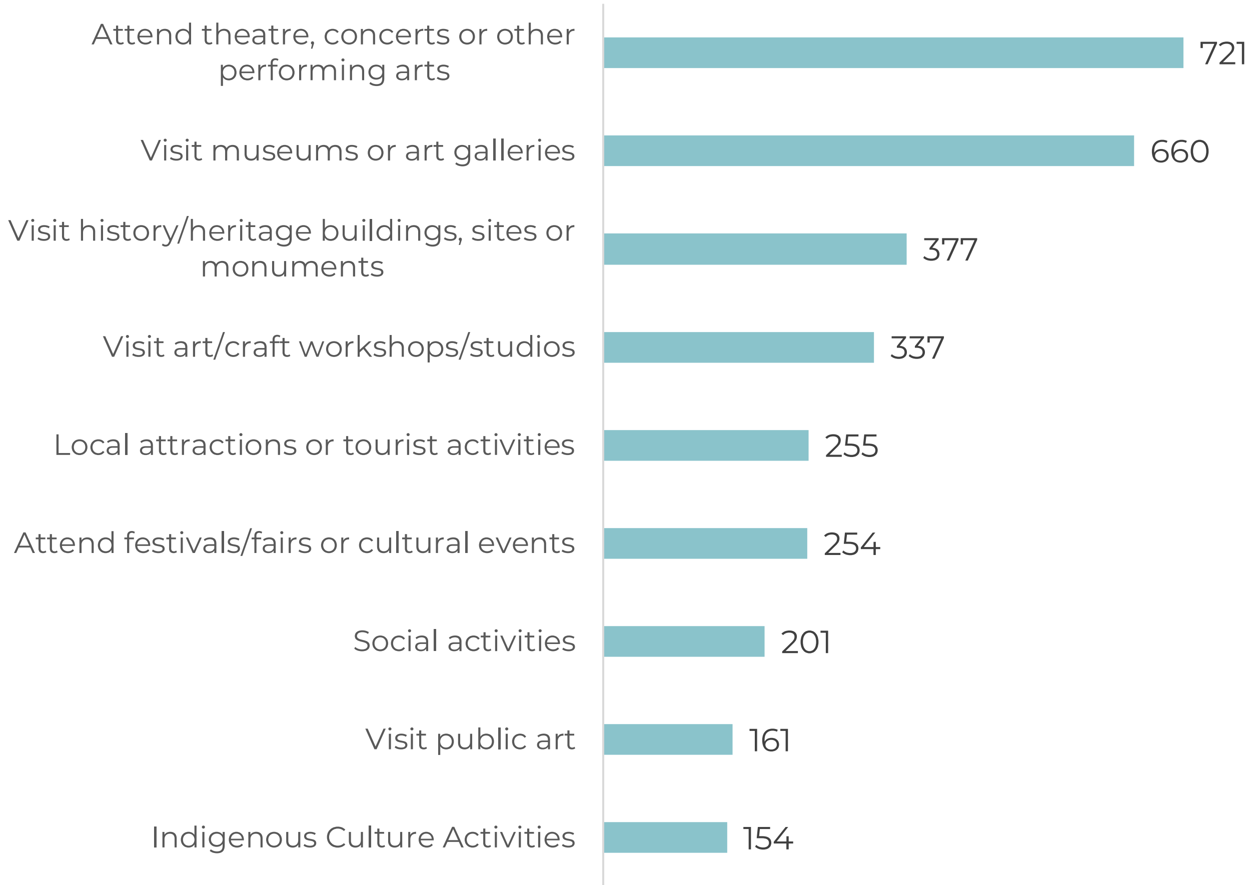
Live performances and museums/galleries each make up about one-fifth of all cultural tourism experiences on offer in regional NSW – but they offer very different experiences

Of the 3,262 cultural tourism listings in the database, almost half (48% or 1551) were classified as 'attractions', and a slightly smaller number as 'events' (41% or 1353). A further 25 were 'tours' and 18 were classified as 'journeys', while 163 remained un-categorised.

By TRA category and sub-category, one fifth (22% or 721) of the database listings were classified as live performances (attending theatre, concerts, or other performing arts), and another fifth (20% or 660) as museums or art galleries. Despite making up a similar proportion of the experiences – they offer very different experiences, with events often being transitory in nature, taking place over one or a series of days. Museums and galleries meanwhile are more permanent, generally open year round.

A further 12% (377) were classified as history/heritage buildings, sites or monuments, 10% (337) as art/craft workshops or studios, 8% (255) as local attractions or tourist activities, another 8% (254) as festivals/fairs or cultural events, 6% (201) as social activities, 5% (161) as public art, and another 5% (154) as indigenous culture activities.

Figure 2 - Cultural tourism database listings by category/sub-category (top 9)



Arts and craft workshops and studios, Indigenous cultural experiences, live events/performances, and low-traffic experiences are often not listed in the ATDW

Examination of different TRA visitor activity categories reveals that Indigenous culture activities were particularly poorly represented on the ATDW, with 119 of 154 listings (77%) added by the RADOs. Meanwhile, local attractions or tourist activities were better represented on the ATDW, with less than half of 255 listings (49% or 124) added by RADOs.

At the TRA sub-category level, a notably large proportion of arts and craft workshops and studios (77% or 258 of 337), Aboriginal art, craft and cultural displays (78% or 63 of 81), and festivals, fairs or cultural events (74% or 187 of 254) were RADO additions to the database, indicating a particular gap on the ATDW when it comes to these types of cultural tourism experiences.

In addition, more than 4 in 5 (83% or 798 of 967) of the listings in the cultural tourism database with an estimated attendance of ‘less than 500’ were added by the RADOs, indicating a possible gap in the ATDW when it comes to the inclusion of small-scale or low-traffic activities.

Cultural tourism experiences appear to represent 8% of the regional NSW visitor economy, but arts and culture also help to fuel other types of tourism activity

According to TRA data, in the YE 2022 around 5.2 million visitors to regional NSW engaged in cultural tourism, out of a total 62.1 million regional NSW visitors. This means that 8% of visitors to regional NSW were officially designated cultural tourists in 2022.

However, elements of arts and culture can also be important for visitor experiences that are excluded under the conventional definitions of cultural tourism used by TRA and other official sources. The cultural tourism database put together for this project has included these additional experiences, which represent a more complete picture of regional NSW’s cultural tourism offering.

Additional experiences include public art, creative retail, and arts/cultural experiences that fall within the context of sporting, food, wine, hospitality and nature/outdoor experiences. Listings that fall under these categories are also cultural tourism experiences, aligned to a more wholistic vision of cultural tourism, and the previously mentioned definition from the United Nations World Tourism Organisation.

Cultural tourism visitation

Regional NSW attracts more than 5 million domestic cultural tourists per year – more than NSW metro areas

According to research conducted by Creative Australia into international and domestic arts tourism in Australia, 'arts tourists' (tourists who engaged in an arts or cultural activity during their trip) are more likely than other tourists to travel to regional areas.

Tourism Research Australia (TRA) data shows that in the year ending (YE) December 2022, 9.1 million domestic visitors engaged in cultural tourism in NSW – more than any other state. Over half (57% or 5.2 million) of these were overnight visitors, while 4 million were day-trippers. International visitor data obtained by TRA is limited since 2019, throughout the years impacted by the pandemic, but makes up around 1% of total visitor numbers.

Regional NSW attracted more than half (57% or 5.2 million) of the 9.1 million cultural tourists in 2022, including two thirds (65%) of NSW' overnight cultural visitors and half (48%) of NSW' cultural day-trippers.

Tourism generally is still in recovery, and new visitor patterns are still emerging

Over the last few years, regional NSW, along with other regional areas across Australia and the world, has been buffeted by the COVID-19 pandemic and multiple natural disaster events.

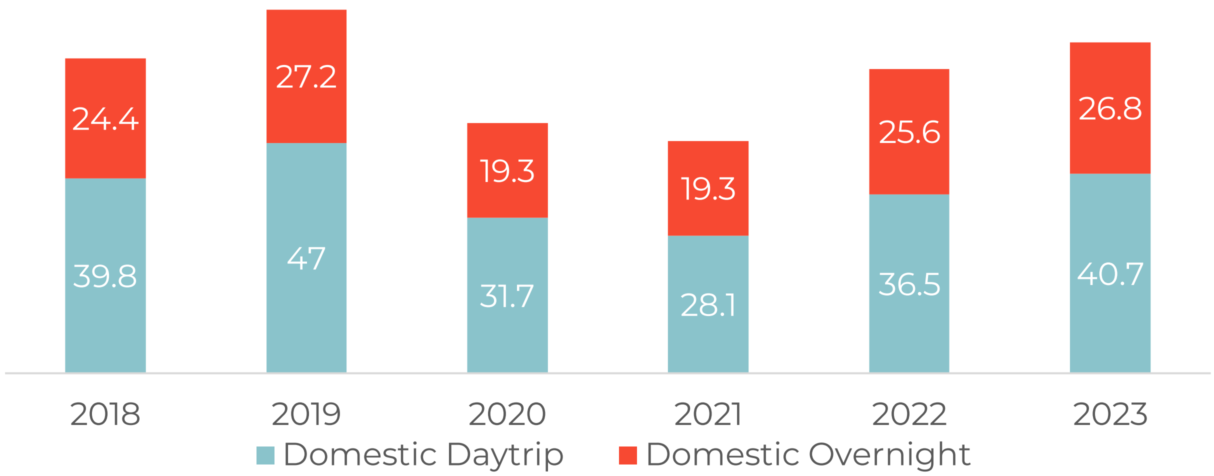
These events cut deep in regional communities, and the effects are long-lasting, severely impacting many regional industries. The tourism industry is particularly susceptible.

As highlighted by Georgia Rivers – Director, Visitor Engagement & Revenue at NSW National Parks & Wildlife Service, **"for the last five years it has been difficult to identify trends. With fires, then the pandemic, then flooding, there hasn't been a 'normal year' for a while."**

Visitor data indicates regional NSW's ongoing recovery from the pandemic, with 2023 visitation at 91% of 2019 levels

Total visitor numbers to regional NSW at YE 2023 (68.2 million) had improved from 2022 (62.1 million) but still had a way to go to reach 2019 levels (75 million).

Figure 3 - Domestic visitors to regional NSW, by trip type, year ending 2018 to 2023 (millions)



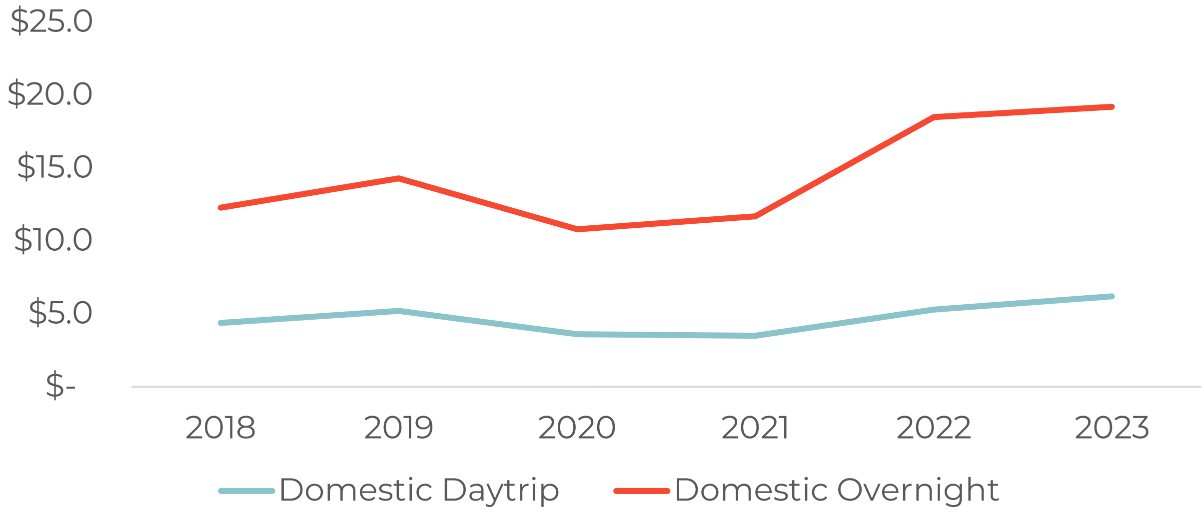
The total number of visitor nights stayed in regional NSW at YE 2023 (100.3 million) was also still recovering but had almost returned to pre-pandemic (2019) levels (102.1 million).

Although visitor numbers are still recovering, expenditure rebounded faster, but inflationary pressures are impacting growth so far in 2024

As visitor numbers and bed nights continue to recover, visitor expenditure in regional NSW at YE 2023 ($25.4 billion) has surpassed 2019 pre-pandemic levels ($20.5 billion), having increased by $8.6 billion between 2021 and 2022 alone.

However, despite this brisk recovery, expenditure in regional NSW also appears to have begun to plateau, growing by a more modest $2.6 billion between 2022 and 2023 – less than the annual growth from 2018-19 ($2.8 billion). Recent forecasts are noting a softening in the domestic tourism market in 2024 as cost-of-living pressures impact travel budgets.

Figure 4 - Regional NSW domestic visitor expenditure, 2018 to 2023 ($ billion)



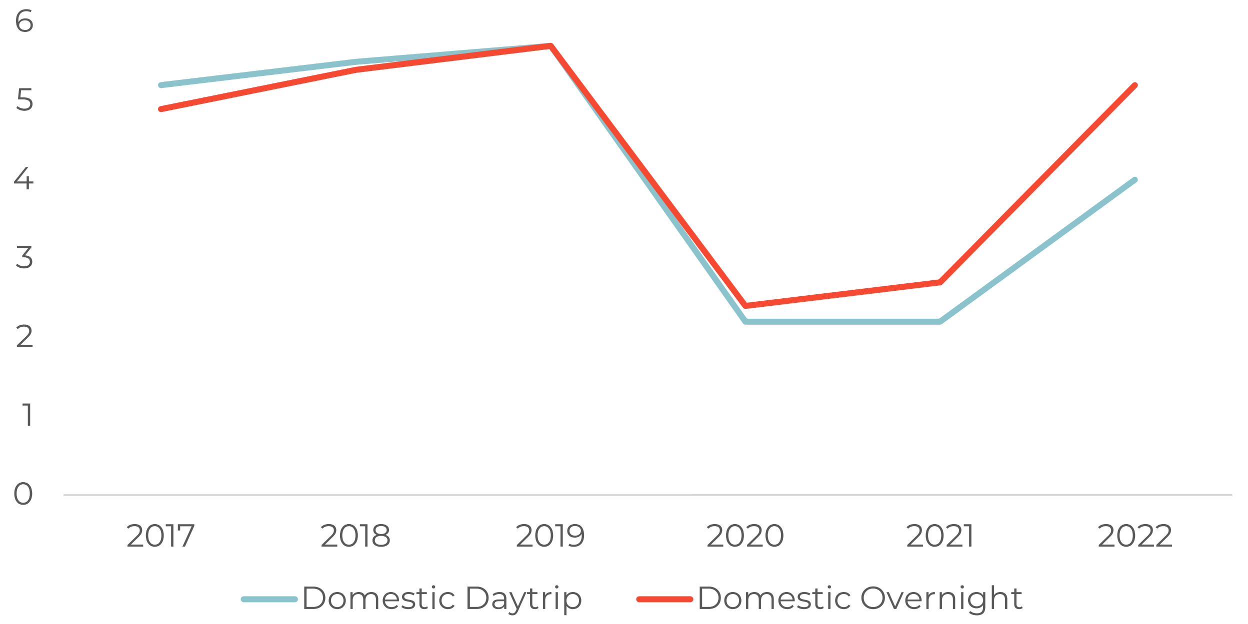
While international visitors accounted for only 1% of total regional NSW visitation in 2023, they also contributed 4% of total visitor expenditure, and 14% of total nights stayed. This is consistent with 2019 levels, where international tourists made up 1% of total visitation numbers, 5% of visitor expenditure, and 16% of night stayed.

Similar to tourism generally, cultural tourism across NSW is recuperating from the pandemic, but overnight visitation has led the recovery effort

Cultural tourism in NSW has followed similar recovery trends to regional NSW. Domestic visitor numbers at YE 2022 (9.1 million) had yet to surpass 2019 levels (11.4 million), although overnight visitation has recovered much faster than day-tripper visitation.

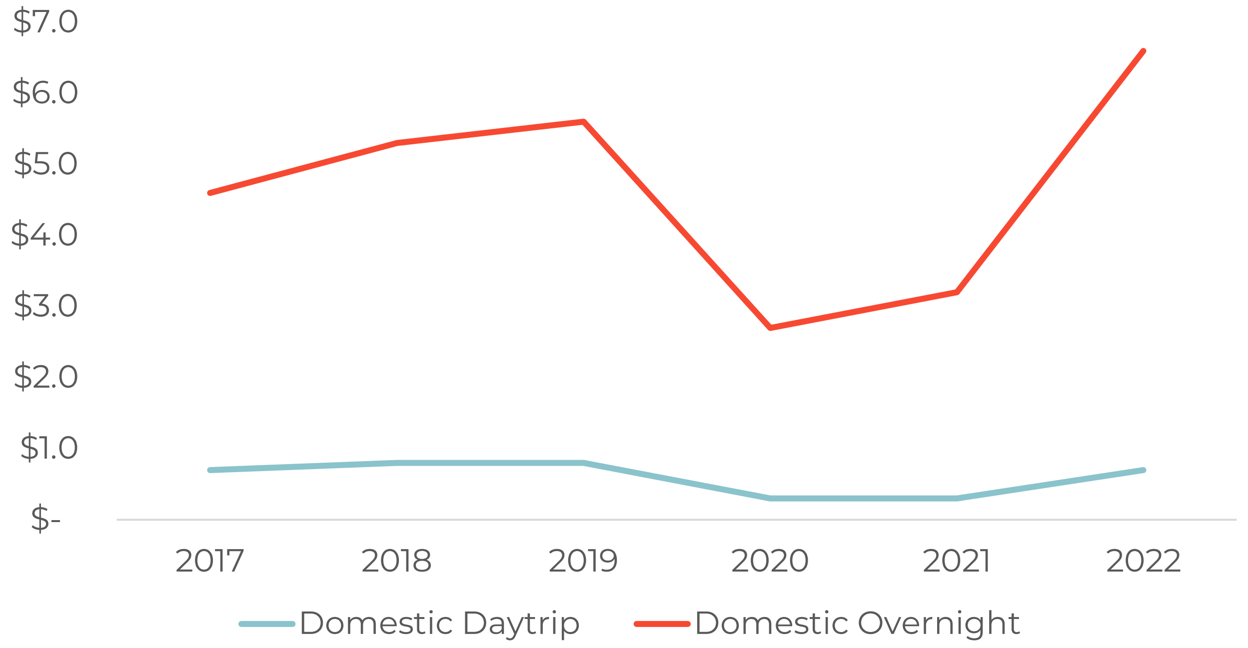
In 2019, both overnight and daytrip cultural tourism visitation to NSW reached a peak of 5.7 million. This fell in 2020 to 2.4 million overnight visitors and 2.2 million day-trippers. Yet, while daytrip visitation had grown to 4 million by YE 2022, overnight visitation had grown significantly faster to 5.2 million, nearing its 2019 level.

Figure 5 – Domestic cultural tourism visitation in NSW, 2017-2022 (million trips)



Visitor expenditure trends also reflect this mis-matched overnight/daytrip recovery trajectory. While daytrip expenditure in 2022 ($0.7 billion) remained slightly below 2019 levels ($0.8 billion), overnight visitor expenditure in 2022 ($6.6 billion) had already soared well above 2019 levels ($5.6 billion).

Figure 6 - Domestic cultural tourism expenditure in NSW, 2017-2022 ($ Billion)



Cultural tourism operators

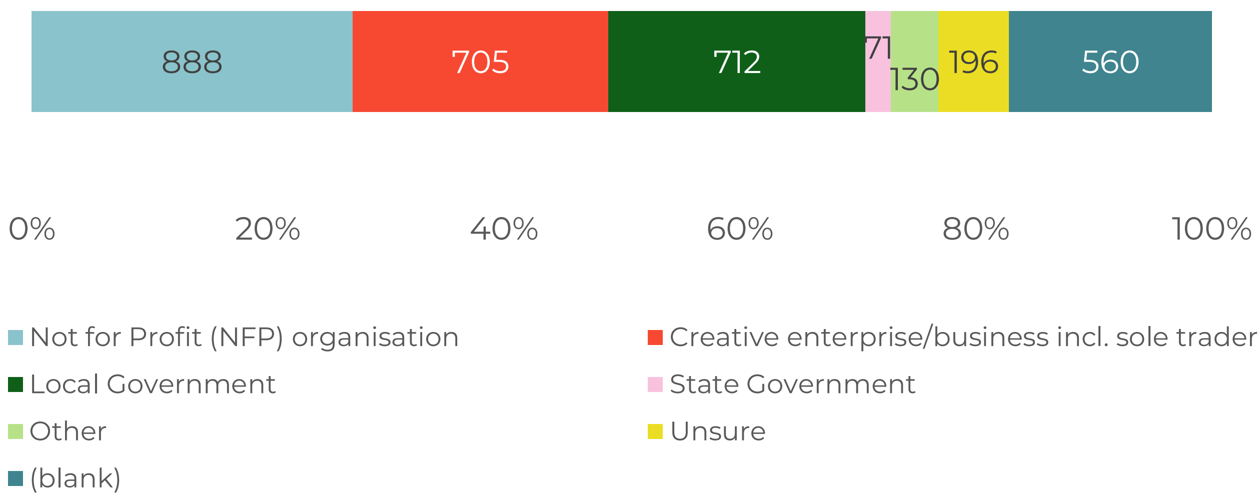
A majority of cultural tourism experiences in regional NSW are operated as not-for-profit (NFP) organisations (27%), but local government and creative enterprises also play significant roles

Over a quarter (27% or 888 of 3262) of all cultural tourism activities recorded in the database were operated as NFPs.

Experiences operated as NFPs were followed by those operated by local government (22% or 712) and those operated as a creative enterprise/business incl. sole trader (22% or 705).

Just 2% of activities were operated by state government (71), 4% were operated in an 'other' capacity (130), 6% were 'unsure' as to operator type (196), and 17% remained blank (560).

Figure 7 – Regional NSW cultural tourism database listings by operator type



Guided tours and excursions and heritage sites in regional NSW tend to be government-operated, while more museums and galleries, art/craft workshops/studios, and live events are NFPs

Local and state governments were significantly more likely to operate guided tours or excursions (featuring art, culture or history), heritage buildings, sites or monuments, or public art.

Almost half (47% or 41 of 88) of guided tours or excursions (featuring art, culture or history) were local government-operated, while a further 13% (11) were state government-operated. A third (33% or 123 of 377) of heritage listings are operated by local government, and 10% (36) by state government. In addition, just under a third of public art experiences (30% or 48 of 161) were operated by local government, and 8 (5%) by state government.

Meanwhile, museums and galleries followed the overall operator type trend in the database, with 4 in 10 (40% or 263 of 660) operating as NFPs, 22% (143) operated by local government, and 16% (106) operated as a creative enterprise/business incl. sole trader.

Festivals/fairs or cultural events were even more likely to be operated as NFPs (49% or 125 of 254) or by local government (23% or 58 of 254).

Art/craft workshops/studios, however, skewed more heavily towards being operated as a creative enterprise/businesses incl. sole trader at a rate of 45% (150 of 337), with high numbers also operating as NFPs (35% or 118 of 337).

A majority of theatre, concerts or other performing arts were also operated as a creative enterprise/business incl. sole trader (32% or 231 of 721) while smaller numbers were operated by local government (27% or 193) and as NFPs (23% or 169).

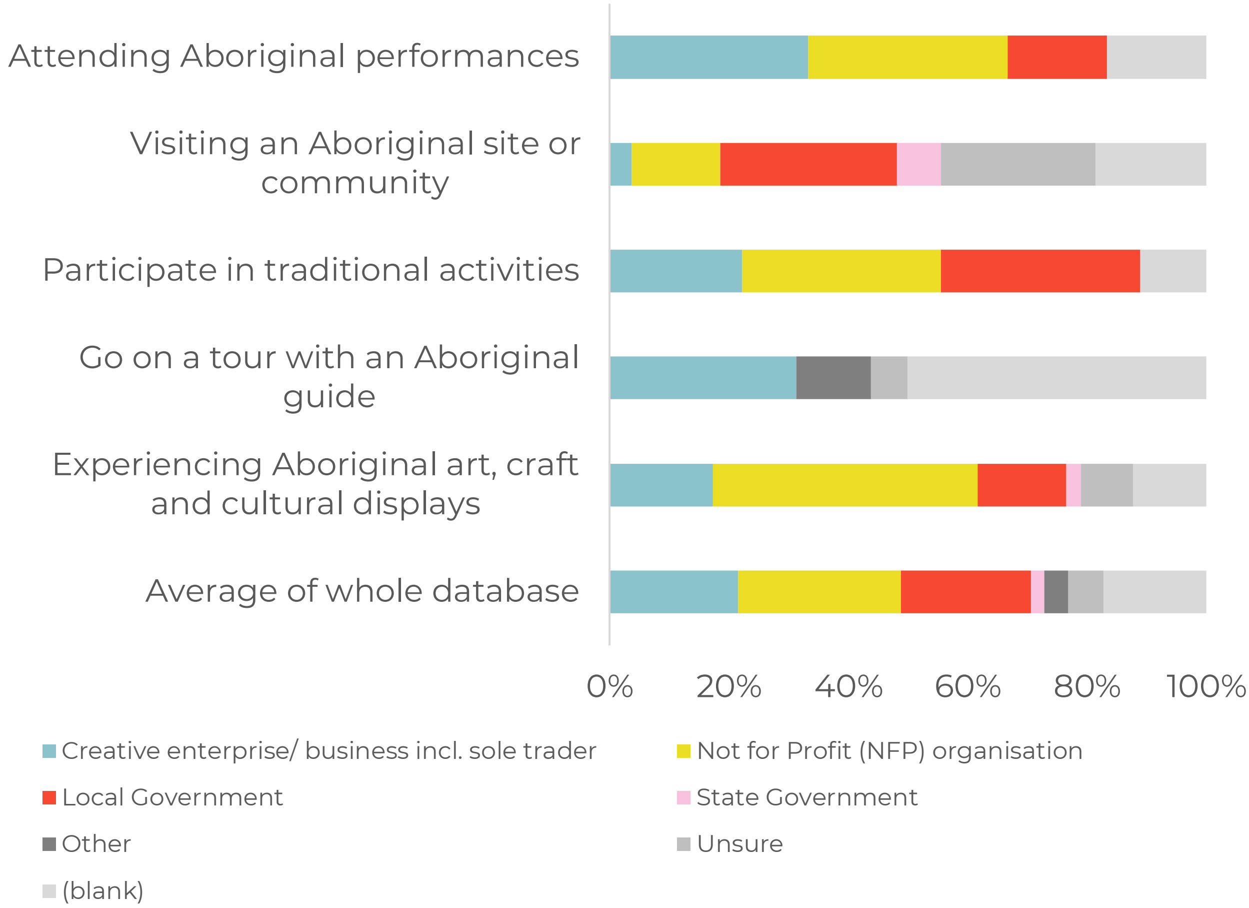
Operation and ownership of Indigenous cultural experiences varies – with significant government involvement

Of the 3262 cultural tourism experiences in the database, the majority (63% or 2045) were not Aboriginal owned or operated. Just 3% employed Aboriginal people (97), while a further 2% (65) were fully or partially Aboriginal owned or operated.

Of the 154 Indigenous cultural experiences recorded in the database, 14% (21) were not Aboriginal owned or operated. A large portion (38% or 59) were classified as ‘unsure’ or were left blank.

Aboriginal art, craft and cultural displays were most likely to be operated as NFPs (44% or 36 of 81), while Aboriginal sites or community experiences were most likely to be operated by local or state government (37% or 10 of 27), at a rate higher than the overall average (24%).

Figure 8 – Indigenous culture experiences, by operator type



3 Drivers of cultural tourism in regional NSW

From First Nations rock art and outdoor sculpture walks to multi-day festivals and artist-led workshops, a range of arts and cultural experiences exist across NSW's regional areas.

While a diverse portfolio exists, general understanding by the public and decision-makers of what kinds of experiences are on offer, what is most valuable and successful for the regions, and how to market them, is limited.

This section of the report examines the types of cultural tourism experiences on offer in regional NSW, in conjunction with variables such as attendance, operator type and cost of admission, to provide a picture of what is out there.

Major attractors of cultural tourists

'Attractor'/'value-adder' analysis, developed for this report, identifies which cultural tourism experiences draw in the most visitors to regional NSW

This approach to analysis involved categorising each cultural tourism experience in the database as either an 'attractor' or a 'value-adder.'

- **Attractors** are cultural tourism experiences that act as primary drawcards or motivating influences for visitors when they are deciding where to go and are often the most well-known experiences outside of the region with some of the largest rates of attendance.
- **Value-adders** are cultural tourism experiences that are not as well-known outside of the region, but once the visitor has arrived in the region, their trip is enriched by participating in these experiences. They are usually smaller-scale or less attended experiences.

Despite widespread belief to the contrary, events may provide value as an 'add-on' for visitors, and aren't always the primary drawcard for regional cultural audiences

Live events like festivals are often perceived as 'catalysts' of cultural visitation to regional areas in NSW, while the role of year-round, permanent attractions like museums and galleries is less well understood.

Tracey Callinan, CEO of Regional Arts NSW echoes this idea: **"For people working in tourism, there's often a misunderstanding when it comes to cultural tourism. They often talk about it in terms of events, festivals, one-offs. This does work, but it's not the day-in-day-out work that really serves the regions."**

Brett Adlington, CEO at Museums & Galleries of NSW also noted that "from a government perspective, cultural tourism seems to only really be understood as events and festivals. Exhibitions don't seem to be acknowledged, but people do travel to be at galleries and museums, and to see particular exhibitions."

He added that "exhibitions, which are generally on display for multiple months, are inherently less visible from a cultural tourism perspective, because visitors are not condensed to a window of a few days. However, the economic impact is no less – and should be understood."

Museums and galleries attract the most cultural visitors to regional NSW

While one-off events like festivals can certainly bring tourists to regional area and significantly boost the local economy (Soundcheck report, 2024), RADO data indicates that museums and galleries provide the motivation for visitors to travel to regional areas more often.

This aligns with Creative Australia's *Domestic Arts Tourism* finding that "museums and art galleries are the most popular arts activities on domestic trips" and their *International Arts Tourism* finding, that "visiting museums and galleries is the most popular form of international arts tourism."

“Exhibitions, which are generally on display for multiple months, are inherently less visible from a cultural tourism perspective, because visitors are not condensed to a window of a few days.

However, the economic impact is no less – and should be understood.”

Brett Adlington, CEO at Museums & Galleries of NSW

The cultural tourism database shows that of the 514 listings categorised as 'attractors,' almost one third (29% or 150) were museums or art galleries, compared to one fifth being festivals/fairs or cultural events (21% or 107).

Meanwhile, theatre, concerts or other performing arts accounted for a particularly high proportion of the 'value-adders' listings (28% or 612 of 2,168), indicating that, more often, live performances are a supplement to the cultural visitor experience, rather than the motivating factor to visit a regional area.

Figure 9 – Cultural tourism database listings by TRA category/sub-category (top 9) and tourism role (attractor/value-adder)

Meeting demand for First Nations experiences

Interest in First Nations cultural experiences like arts and craft workshops and studios is growing, but the sector is limited in regional NSW

According to Creative Australia's *Domestic Arts Tourism* report, interest and engagement in First Nations arts and craft is on the rise, and arts/craft workshops are especially popular in regional areas.

The Productivity Commission's 2022 report on Aboriginal and Torres Strait Islander visual arts and crafts found that First Nations visual arts/crafts reached $250 million in sales in Australia in 2019–20, and that around 19,000 First Nations people earned an income from these sales.

The production of visual arts/crafts is particularly important for remote First Nations communities in Australia, as **"about 10% of working-age Aboriginal and Torres Strait Islander people in remote areas earn an income from arts and crafts sales."**

The cultural tourism database recorded 81 listings in regional NSW for 'experiencing Aboriginal art, craft and cultural displays,' in addition to 3 Aboriginal owned and operated art/craft workshops or studios, and another 6 that employ Aboriginal people.

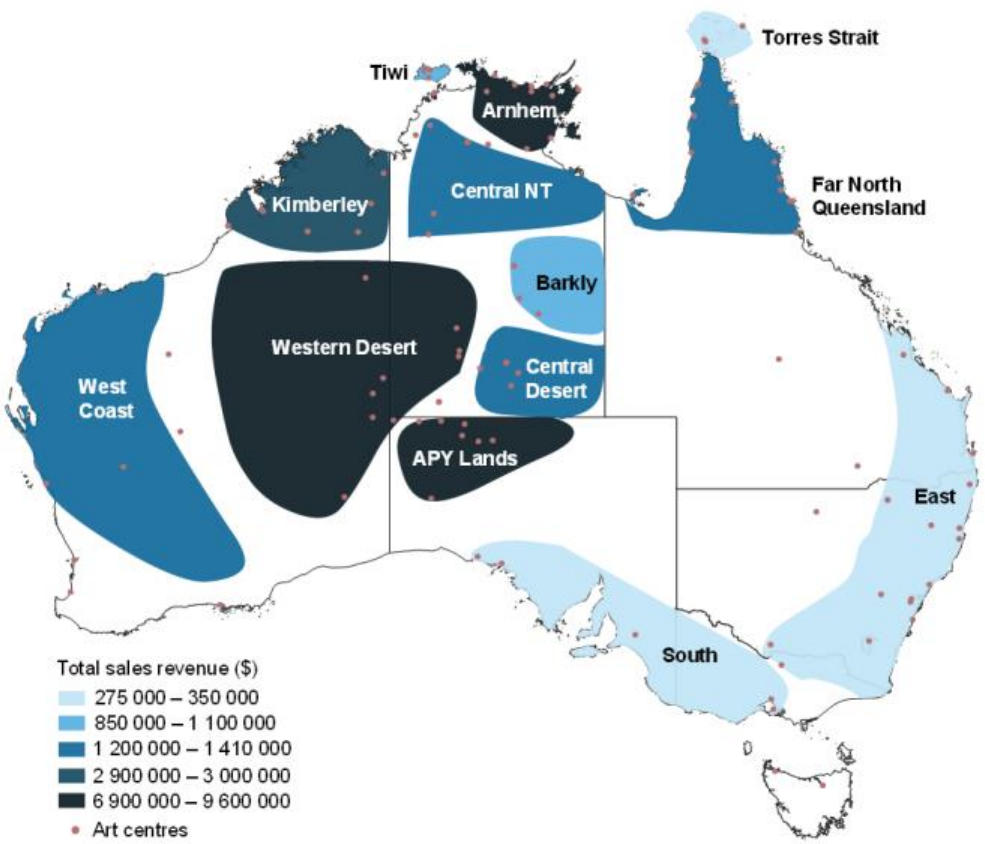
Aboriginal art centres are an under-utilised resource in regional NSW

Across the country, Aboriginal art centres are an important support for Australian First Nations artists. These centres are "Aboriginal owned and operated not-for-profit corporations…" and "at Art Centres, artworks made by Aboriginal people are made and sold. Art Centres sell directly to visitors at the centre and they also freight artworks to galleries and buyers all over the world. Some art centres have a gallery space for visitors to buy art directly, most have a studio space for artists to make artworks and all have some sort of office space for the administration side of the business" (Aboriginal Contemporary).

Artists working in Aboriginal arts centres produce "a substantial share" of total First Nations artworks in Australia. However, support for First Nations arts and crafts in regional NSW appears limited, attaining one of the lowest average sales revenues from art centres out of all regions across the country.

Figure 10 – Map showing the distribution of revenue from Aboriginal arts centres, from the Productivity Commission report, *Aboriginal and Torres Strait Islander visual arts and crafts*, 2022

Figure 3 – The scale of art sales varies greatly between art regions[a,b,c,d]
Revenue from art centres



Despite making up a small proportion of the total database, Indigenous cultural experiences attract audiences to regional NSW at high rates

There is limited data on visitor engagement with Indigenous cultural experiences in regional NSW. However, according to TRA data, nationally, less than 1% of all domestic visitors engaged in an Indigenous Cultural Activity in 2019.

However, international visitors were more likely to engage in an Indigenous Cultural Activity, with 1 in 10 (11%) international visitors doing so in 2019.

In addition, in 2019, visitors who engaged in an Indigenous cultural experiences were likely to have spent the most money across their trip. This correlation could indicate that those with more disposable income, linked to socio-economic advantage and higher education levels, are more likely to have attended an Indigenous cultural experience.

While Indigenous cultural experiences only make up 5% of the total cultural tourism database with 154 listings, 1 in 5 (19%) of those listings are categorised as 'attractors.' This includes experiences such as visiting an Aboriginal site or community, experiencing Aboriginal art, craft and cultural displays, or Attending Aboriginal performances.

In comparison, only 14% of history/heritage buildings, sites or monuments were listed as 'attractors', despite making up 12% of the total database. This indicates that while they are limited in quantity, a high proportion of Indigenous cultural experiences on offer are attractive to visitors and may act as a motivation to visit regional NSW.

Meeting demand for authenticity

Visitors to regional NSW are seeking authentic local experiences

Cultural tourists want to engage with the genuine, unique, and local. This is apparent for both the experiences they participate in, as for the souvenirs and products they buy to take home.

Brett Adlington, CEO at Museums & Galleries of NSW, notes, "with cultural tourism, visitors want to get a feel for what a community is really like."

This desire for authenticity is particularly strong for tourists visiting regional communities. The physical distance from big cities and the unique identities of smaller communities creates a sense of a more genuine, localised and unique experience for a visitor.

Successful cultural tourism development in regional communities is a long-term investment which requires strengthening the cultural fabric of the community and focusing on local stories

However, meaningful connection between local communities and the tourism industry involves long-term and deep-seated development work, and a significant financial investment is required to develop the community's capacity, tailored to the location in question.

As Jenny Bennett, Executive Officer at Central NSW Joint Organisation (CNSWJO) explains, it's important to "invest in the cultural fabric – it's got to be real. You have to build the destination before marketing it... Building the cultural fabric of a community is about integrating and celebrating the art and culture of that community and the artistic inspiration from its children all the way through to its old people."

The connection between tourism and community can also be bolstered by centring local voices and talent. As Brett Adlington notes, "place-based storytelling is a rich area. If cultural institutions focus more on local storytelling – that's where cultural tourism can connect with the local community."

Inauthentic arts and cultural souvenirs are a persistent concern in regional NSW, but there is strong interest from visitors in buying unique local products

Alongside the importance of authentic cultural experiences, visitors are also interested in purchasing authentic, locally produced or handmade products and souvenirs as keepsakes of their trip. This interest presents a key opportunity for regional creatives to engage with the tourist market.

While some creatives prefer to sell their goods on their own (whether in a store front, at markets or online), others have their products stocked in museum or gallery gift shops, or other collaborative creative stores.

However, as Tracey Callinan, CEO of Regional Arts NSW points out, **"handmade product is huge with visitors, and yet some gallery owners are stocking their shops with things not made in the region - bringing things in from Sydney or from online catalogues!"**

This concern indicates that there is an opportunity to improve the connection and communication processes between regional creatives and regional stockists such as museums and galleries, to ensure that local creatives can have their products stocked and sold by popular local institutions, and that the institutions themselves can benefit from the place-based authenticity that local creatives bring with their products.

More than 50% of First Nations arts and crafts products sold are fake or re-produced without permission

The Productivity Commission report into First Nations arts and craft (2022) highlights the significant finding that in Australia, over half of the purchases of merchandise/souvenirs featuring First Nations art and designs are inauthentic, or were created without gaining the Traditional Owners' permission to use Indigenous Cultural and Intellectual Property.

Therefore, while interest in Aboriginal art and craft, and authentic and handmade products in general, is on the rise, inauthentic operators continue to sell fraudulent products to cultural tourists, coopting an income stream that could be supporting local and regional creatives.

It is also important to ensure that the economic and cultural benefits from tourist purchases go directly to the First Nations people that created them.

4 Cultural tourism trends around regional NSW

There are different needs and opportunities in coastal, country and remote regions across regional NSW, and different operators face different types of barriers.

This section will highlight some of the different distribution dynamics of cultural tourism experiences across regional NSW.

Distribution of cultural tourism in regional NSW

Coastal regions brought in approx. half of regional NSW cultural visitation in 2016 to 2019

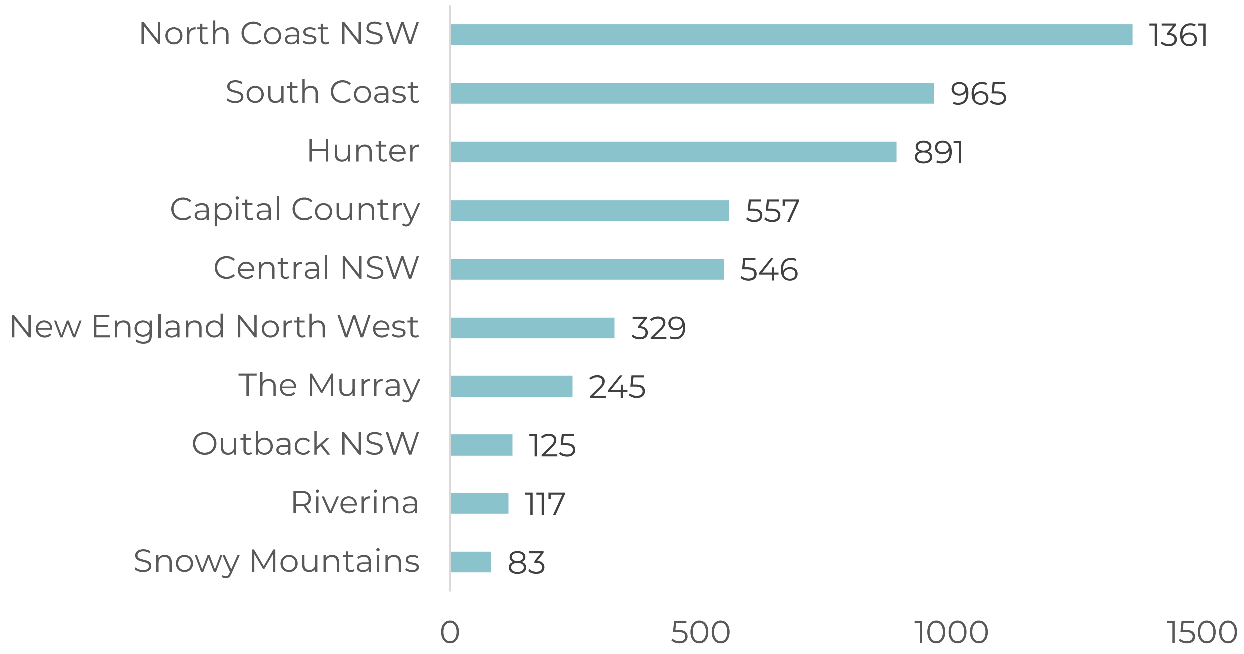
Coastal RADO regions in NSW include four of the fifteen RADO regions: Northern Rivers, Mid North Coast, South Coast and South East.

Using TRA data for tourism regions, an estimate of cultural visitor numbers to these four RADO regions can be attained. While not a precise geographic match, the tourism regions of North Coast NSW and South Coast match well with the coastal RADO regions.

Of the domestic cultural tourists who visited regional NSW between 2016 and 2019, North Coast NSW and South Coast were the most popular regions to visit, each attracting 24% of all regional NSW cultural visitors. They were followed by the Hunter and Capital Country (each 11%).

Together, visitation to coastal regions (the North Coast and South Coast) made up almost half (48%) of total regional NSW cultural visitation across the four-year period.

Figure 11 – Distribution of domestic arts/heritage (cultural) visitors by regional NSW Tourism Region (4-year average 2016 to 2019) ('000s)



Coastal regions accounted for only one fifth (19%) of cultural tourism experiences identified in the database, suggesting different challenges exist for coastal and inland NSW

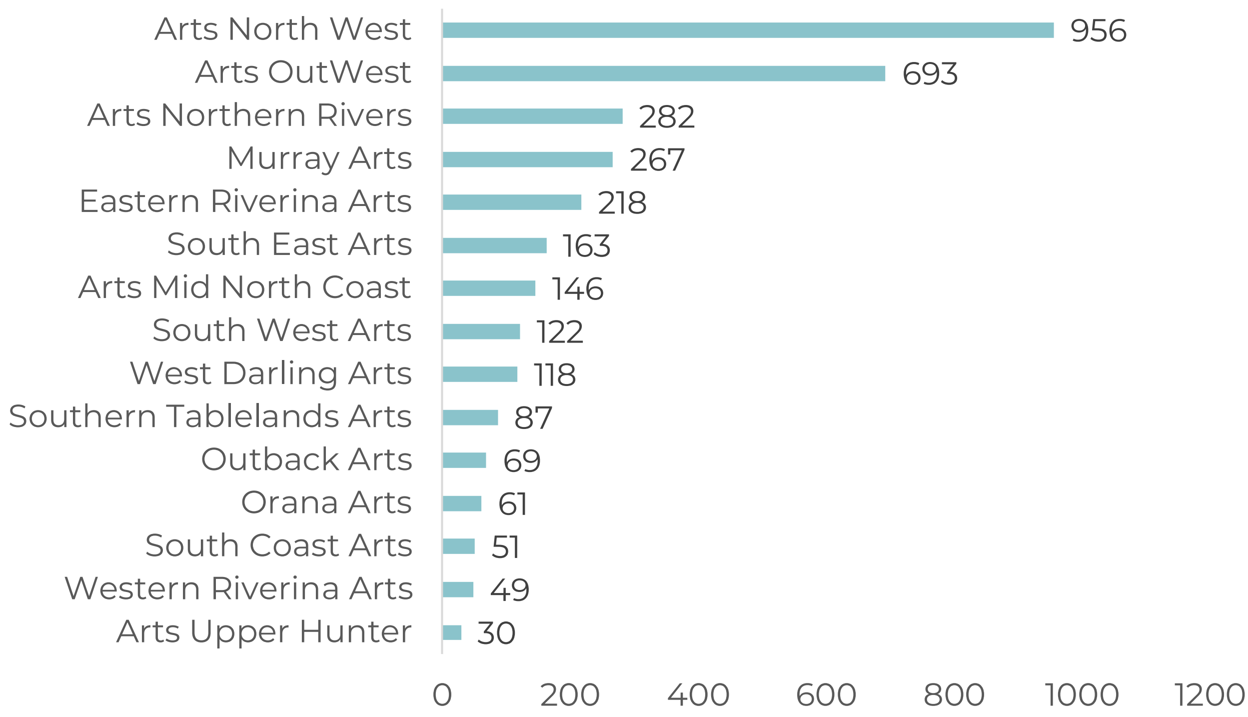
However, despite contributing almost half of regional visitation, coastal RADO regions made up only one fifth (19% or 630) of the total cultural tourism experiences recorded in the database.

This dynamic suggests different strategic areas of importance for coastal and inland regions.

A priority for coastal regions, attracting lots of visitation but with fewer experiences on offer, is product development – creating more options for visitors when it comes to cultural tourism experiences. A key challenge for tourism operators in coastal NSW is the property market, and accessing space.

Meanwhile, a priority for inland regions, where there are fewer visitors but a substantial cultural offering, is marketing and promotion – getting the word out about the variety of existing experiences. A key challenge for inland regions is the geographic distances between experiences, the difficulties of transport and drawing visitation from Sydney and more densely populated coastal areas.

Figure 12 - Number of cultural tourism database listings by RADO region



Some regions rely on a small number of key experiences to attract cultural visitors, while others rely more on the breadth of their offering

Some RADO regions had a particularly high proportion of ‘attractor’ listings in their area compared to ‘value adders’, with particularly high levels reported by South West Arts (69%), Western Riverina Arts (55%), and Orana Arts (44%).

This may indicate that these regions rely on the breadth and variety of their cultural offering to attract cultural tourists to their regions, with visitor interest spread across a range of smaller experiences.

Meanwhile, other regions reported a lower proportion of ‘attractors’ and more ‘value adders.’ Murray Arts (8%), Arts OutWest (7%), Arts Mid North Coast (7%), and Arts Northern Rivers (6%) all reported a relatively small proportion of ‘attractors.’

This may indicate that for these regions, a small number of key, particularly well-known and attractive experiences draw in the majority of visitors to the area, rather than a variety of smaller-scale offerings.

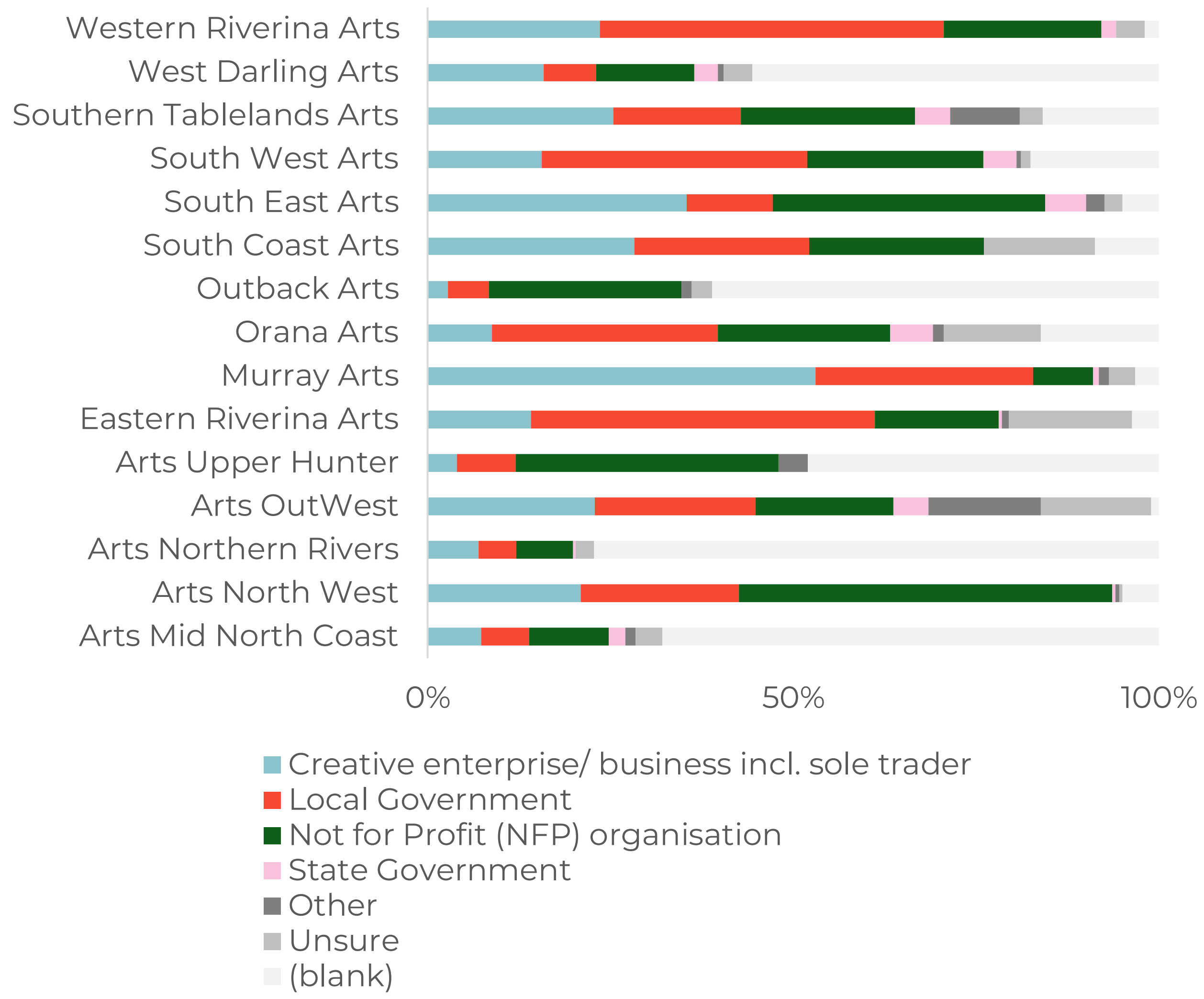
Dominant operator types vary from region to region

Examining the differences in operator type across the RADO regions highlights some findings that could hold implications for regional policymaking.

For instance, Murray Arts has a particularly high rate of cultural tourism experiences that are operated as creative enterprises or businesses including sole traders (53%), well above the average across all regions of 19%.

Meanwhile, Eastern Riverina and Western Riverina Arts both have a particularly high rate of local government-operated experiences (both 47%), above the average of 21%, and Arts North West has a high rate of experiences operated as NFPs at 51% – well above the 23% average.

Figure 13 - Operator type of cultural tourism experiences, by RADO region



5 Challenges for industry development

Issues affecting the sector

There appears to be siloed activity, with a lack of coordination and support across the sector. Operators have different approaches to product development and marketing, but there is a desire for collaboration

Across the cultural tourism sector in regional NSW there are a variety of approaches regarding how to market, develop, and generally engage with cultural tourism experiences, depending on the operator or groups involved in managing the experience.

Limited collaboration and a sense of isolation amongst stakeholders and operators has also led to a further lack of cohesion across the sector.

Some of these complexities were captured by stakeholder interview participants:

- "Everyone is trying to do everything in their individual silos." - Jenny Bennett, Executive Officer, Central NSW Joint Organisation (CNSWJO)
- "Cultural tourism knowledge in councils often comes down to individual interest, rather than organisational level interest in the arts." - Tracey Callinan, CEO of Regional Arts NSW

Conversations about cross-sectoral opportunities are also limited across the broader tourism industry in regional NSW, but stakeholders are looking for opportunities and ways to collaborate.

As Georgia Rivers, Director - Visitor Engagement & Revenue at NSW National Parks & Wildlife Service notes, "for our campgrounds and accommodation, people want to know what they could do if they went and stayed there for three days. NPWS [NSW National Parks & Wildlife Service] can't promote off-park attractions, but Destination NSW and local council tourism websites can."

Few cultural organisations see themselves as cultural tourism experiences

Across regional NSW there is a limited understanding of cultural tourism. Some operators are more likely to view their offerings as cultural tourism experiences, while others may not see tourism as a priority area or may feel that their experience is more community or locally focused.

Festivals and live events have often developed their connection to cultural tourism more than other types of experiences like galleries, museums, workshops/studios, and markets.

For instance, Brett Adlington, CEO at Museums & Galleries of NSW, notes that "with the Elvis festival in Parkes, their first thought, I would imagine, is 'we are putting on a cultural tourism event,' whereas usually the first thought for a gallery or museum putting on an exhibition is 'we are creating an event to enrich the local community'."

Regional creatives and smaller organisations have a limited understanding of the value of listing their cultural experiences on the ATDW

Anecdotally, a common theme that emerged from the research is that many regional creatives do not want to list their cultural experiences on the ATDW.

A variety of factors have contributed to this stance, including creatives not seeing the value in the listing, finding it too hard to do, or a waste of time – particularly given that it is necessary to update your ATDW entry each year.

Superficially, the ATDW does not appear to provide extensive value through online exposure for creatives. It is not a widely disseminated asset in itself. However, the ATDW's value lies in its links to other organisations and networks that draw on information from the ATDW as their source material and share this with their audiences.

Once a listing is added to the ATDW, it is automatically added to its state or territory's tourism organisation consumer-facing website and Tourism Australia's website, australia.com. According to the ATDW, each listing is also "made available to ATDW's network of over 250 distribution partners… These distributor websites, generating over five million pageviews per month, may engage in digital marketing activity from time to time which as a result, can achieve increased exposure for your ATDW listing."

This has created a situation where businesses who source information from the ATDW (i.e. hotels, pubs, tourism information centres etc.) are promoting a range of experiences to tourists which do not include individual local artists or cultural operators, small businesses/artist-run-initiatives, independent shops, and experiences.

There is interest in building visitation and developing regional communities through tourism, but understanding is limited

At the same time, many regional arts and culture organisations also want to increase visitation to their region and continue to develop their local community.

Cultural tourism offers a potential avenue, however there is a disconnect in many local operators' understanding of how cultural tourism, local visitation and development can work hand in hand.

Tracey Callinan, CEO of Regional Arts NSW comments that **"it varies depending on the area, but people selling their art clearly struggle with the tourism aspect of what they do. Almost all of them still need help with their marketing. They can often struggle to identify who their audience is and how to best get their message to them."**

Some stakeholders are looking for alternative ways to engage tourists with cultural experiences

Limited knowledge about key audiences, their interests and motivations, as well as limited capacity and marketing know-how are imposing barriers for many regional creatives and cultural tourism operators.

However, there are opportunities to expand product development into different areas, bringing together key areas of interest to visitors. In particular, there is an opportunity for cultural tourism operators to get more involved with other industries linked to tourism in regional NSW, like food and wine, and national parks.

“Building the cultural fabric of a community is about integrating and celebrating the art and culture of that community and the artistic inspiration from its children all the way through to its old people.”

Jenny Bennett, Executive Officer at Central NSW Joint Organisation (CNSWJO)

As Tracey Callinan, CEO of Regional Arts NSW notes, **"there's such synergy between food and wine and the arts. The links are good, but we need to look more at how to capture food and wine within arts platforms."**

In addition, according to Georgia Rivers, Director - Visitor Engagement & Revenue at NSW National Parks & Wildlife Service, "national parks are vital to regional tourism in NSW and deliver significant economic impact. NPWS has been delivering major new infrastructure that will increase tourism and is looking to the tourism industry to provide guidance on what else would make a difference regionally."

Marketing capacity

With tourists searching for things to do online, the lack of digital visibility of cultural experiences in regional NSW may be limiting audiences

For smaller cultural tourism operators that are interested in building their audiences, visibility is a central issue.

The digital marketing landscape is central for the tourism industry, and a limited or misplaced presence online can limit the number of visitors engaging with an offering. Other types of cultural experiences may not have a direct operator to support their presence online. As Tracey Callinan, CEO of Regional Arts NSW notes, "people are googling things like 'public art' in different places and nothing is coming up."

With cultural tourists increasingly using online platforms like google maps and TripAdvisor to search for places and experiences to visit, ensuring a presence and utilising the correct key words to appear in visitors' searches is critical.

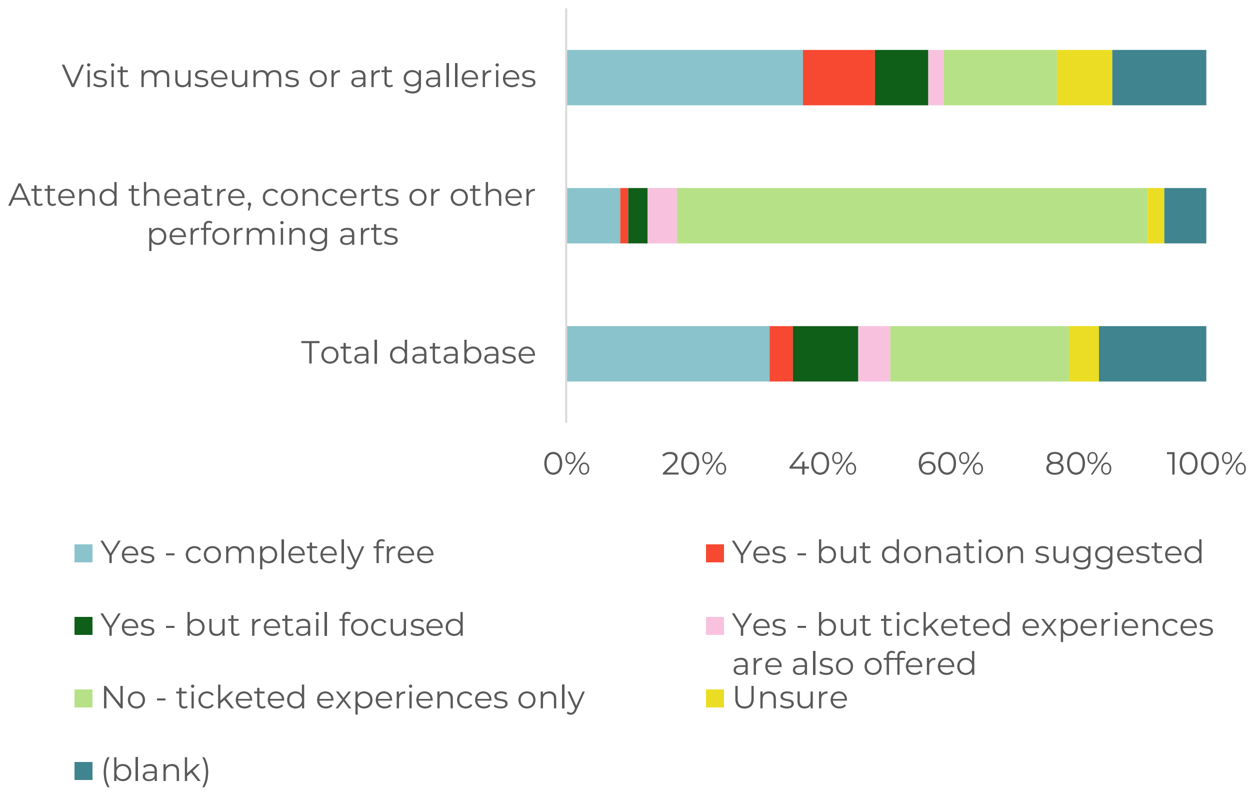
Small regional museums and galleries are an important regional asset – but may need support to reach larger audiences with their unique local stories

As previously discussed, museums and galleries may be drawing in the largest numbers of visitors to regional NSW.

Meanwhile, more than one third (36% or 239 of 671) of museums and galleries in the regional NSW cultural tourism database were classified as completely free to attend. A further 21% of museums and galleries were somewhat free to attend, with 11% (74) free to attend with a donation suggested, 8% (55) free but retail focused, and 2% (16) free but also offered ticketed experiences. Only 18% (119) of museums and galleries offered ticketed experiences only.

In comparison, the vast majority of theatre, concerts or other performing arts offered ticketed experiences only (73% or 567 of 775), with just 10% (77) being completely free to attend.

Figure 14 – Proportion of regional NSW cultural tourism database listings (two sub-categories and total), by cost of entry



Therefore, while visitation to museums and galleries appears to be strong, operators may not be seeing much/any financial returns from this significant visitor interest. This could limit the sustainability of some museum and gallery offerings in regional NSW moving forward.

Financial capacity

Museums and galleries rely heavily on volunteers, which may limit their capacity to develop cultural tourism engagement

In 2022, the Museums & Galleries of NSW census highlighted the importance of volunteers for the successful functioning of museums and galleries across the state.

The vast majority of NSW museums and galleries rely on volunteer work to some extent (93%). Only 7% operated solely with paid staff, while more than half (58%) operate entirely with volunteers. Volunteers were most likely to fill a front of house/front desk or tour guide position (source: M&G census, 2022).

The reliance on volunteer work for the functioning of arts and culture organisations and experiences can have an impact on their ability to put new programs or initiatives in place. Volunteer-run organisations are consequently limited in their capacity to focus on and develop cultural tourism.

Brett Adlington, CEO at Museums & Galleries of NSW highlights that "It's hard for institutions to see themselves as becoming 'bookable' for tourism purposes - unless there's lots of money given to it. Many museums and galleries are run by volunteers, and it's a capacity equation weighing up the strain on resources. The priority is often focusing on the local community."

Cultural tourism operators are working in challenging economic conditions and anecdotally, stakeholders are observing a level of 'churn'

Factors including the rising costs of living and the increased precarity around travel and in-person attendance at events and attractions during the pandemic have impacted regional cultural tourism operators and the stability of their offerings.

Trends like a high rate of last-minute ticket-buying in the days before an event have extended well past the height of the pandemic, with half of 2023 audiences booking their tickets less than two weeks out from an event, and 12% on the day of the event (Patternmakers, Audiences 2023+). Last minute ticket purchasing makes it difficult for organisers to confirm that there is enough interest in their event or initiative to go ahead, or to receive adequate funding commitments.

Smaller experiences in particular are susceptible to cancellation or closure if they are not able to secure guaranteed and ongoing attendance. This has a de-stabilising effect on the cultural tourism industry as a whole, where a lack of consistency in what's on offer can incite further confusion and a lack of cohesion across the sector.

Sector 'churn' can also have a negative impact on marketing and development approaches. Jenny Bennett, Executive Officer, Central NSW Joint Organisation (CNSWJO) notes that **"Marketing cultural tourism is challenging because there's so much transience in the experiences. Some things hang around, many come and go."**

Festivals appear particularly challenged, and the sustainability of this sector presents difficulties for regional communities

Live events including festivals, fairs and performances have been particularly impacted by the effects of cancellations and instability brought about by COVID-19, extreme weather conditions including bushfires and floods, and other financial and regulatory challenges (Soundcheck report, 2024).

These recent challenges have required organisers to employ creative new approaches to ensure ongoing success of their festivals and events.

Nevertheless, given the large proportion of live events and festivals in the cultural tourism database, there is a clear appetite for the persistence of live entertainment in regional NSW.

“It’s hard for institutions to see themselves as becoming ‘bookable’ for tourism purposes - unless there’s lots of money given to it.

Many museums and galleries are run by volunteers, and it’s a capacity equation weighing up the strain on resources. The priority is often focusing on the local community.”

Brett Adlington, CEO at Museums & Galleries of NSW

6 Areas of opportunity

This section covers the five key areas of opportunity to support development of cultural tourism in NSW: visitor insights, marketing support, product development, coordination and collaboration and supportive policy and funding.

Visitor insights

Gathering data about visitor needs and interests will help the industry meet visitor expectations and fulfil demand

This project has gathered a great deal of information about the supply of experiences, but there is a gap in understanding visitor behaviour and attitudes.

There is a need for development and promotion of insights on:

- Key types of visitors and how they differ in their attitudes and behaviours
- How visitors plan their trips, and what specifically draws visitors to places and experiences
- Unmet or future needs of visitors in relation to cultural tourism.

Gathering data, identifying insights and sharing knowledge about visitors is vital for the health and sustainability of the industry.

Marketing support

Digital marketing is a rapidly changing field and cultural tourism operators need targeted support

Across regional NSW there are a range of quality cultural experiences on offer. However, many stakeholders believe that there is greater potential to attract and serve more visitors.

Many providers of cultural tourism experiences do not have marketing training and may lack capacity to promote their attractions, events and tours.

The areas of need for operators include:

- Supporting content creation, including vibrant imagery and video content for web and social media
- Best practice email marketing (including list development), social media, websites - along with traditional marketing approaches
- Improving the 'discoverability' of cultural tourism experiences through search engine optimization (SEO), geotagging and hashtagging

Operator needs vary widely and there is a case for workshops, mentoring, networking and shared-services

- Upskilling through workshops is one way to build marketing capacity, and mentoring can help participants follow through on their learnings
- There may be ways to provide some services at discounted rates through shared service models
- Networking among tourism operators may help spur the collaboration and cross-promotion needed between operators to build a critical mass of experiences and catalyse higher visitor numbers
- Ensuring that resources and capacity building programs use the language of arts and culture, and balance commercial and creative goals.

Improving the ability for operators to showcase experiences on online platforms

Few operators understand the role and importance of platforms like ATDW, TripAdvisor, Google and Wikicamps – and work is needed to get these working for the cultural tourism sector. Opportunities include:

- Improving the extent and quality of cultural tourism listings in the ATDW
- Liaising with ATDW to enable more cultural tourism experiences to be listed, maintained and disseminated
- Directly supporting operators to create and maintain listings that benefit their communities
- Helping operators understand how to make their listings standout.

Product development

Bringing new cultural tourism products to market that engage visitors in different ways and create greater value

There is potential to see more experiences developed by artists and cultural organisations – but support is needed to help them get it right.

Experiences that are unique and full of character are more likely to provide understanding, meaning and create memorable, shareable moments that people want to re-live.

Opportunities include:

- Understanding local markets trends, gaps and opportunities
- Identifying promising tourism ideas: including ideation, prototyping, testing and refining
- Creating 'experiences' and retail products that tourists love, and want to pay for (noting key price points)
- Finding resources and getting advice when launching new tourism experiences and products.
- Creating bookable experiences that visitors can learn about and plan ahead to participate in
- Developing an 'export ready' cultural tourism product in regional NSW.

Coordination and collaboration

Facilitating collaboration will help strengthen tourism ecologies that benefit everyone

There is a lot to gain from tourism, but systemic work is needed to ensure the tourist dollar goes further, and that tourism ecologies are sustainable and benefit regional communities. This includes:

- Investing in regional storytelling and the 'cultural fabric' of regional communities

- Developing tours, itineraries and trails
- Serving visitors and locals alike
- Supporting local creatives by stocking local products and hiring local creatives.

Improving communication among tourism industry players will help support sector resilience and growth

- Operators involved in food/beverage and outdoor/nature tourism can be better informed about the benefits of programming art, culture or history at their sites
- Operators from different sectors could be encouraged and facilitated to collaborate on stronger destination marketing and cross-promotion

Supportive policy and funding

There is need and interest to see stronger coordination between agencies involved in cultural tourism

A large number of agencies play a role in cultural tourism, including Create NSW, Destination NSW, Regional NSW, National Parks.

Peak bodies are also engaged, including Regional Arts Network, Regional Arts NSW, MGNSW and Aboriginal Culture, Heritage & Arts Association Inc (ACHAA).

Bringing this group together on a regular basis would allow for:

- Regular information sharing
- Coordination on collectively reaching operators with offers and support
- Sharing ideas for policy and programs
- Collaborating on initiatives.

Policy and funding approaches must evolve to support distinctive experiences

With funding of major events centering on bed nights, regional events are struggling with sustainability. There are opportunities for ensure tourism operators are being actively supported to create and maintain distinctive, not necessarily large or popular, experiences, for instance:

- New criteria included in decision-making to allow for distinctiveness, cultural significance, and ability to create meaningful experiences for visitors
- New event funding streams for small scale events that may catalyse fewer bed nights but contribute to place branding
- Adjusting policy settings and investing in tourism branding that spreads the benefit of tourism across the State, including to smaller communities

7 Appendix

Secondary data analysis

There is no single source of information about cultural tourism activities and experiences. However, there are a number of data sets which partially capture cultural tourism activity in Australia:

Tourism Research Australia (TRA)

Tourism and visitor numbers, expenditure, and nights stayed across Australia are measured through visitor surveys conducted by TRA. The measurements can be broken down by domestic overnight, domestic daytrip, and international visitors, as well as by state and 'tourism region.' Visitor activity participation is measured across six categories:

- Outdoor/Nature
- Active outdoor/sports
- Arts/Heritage
- Indigenous Culture Activities
- Local attractions/Tourist activities
- Social activities.

International visitor data is only available at a national level, and the most recent available data is from YE 2019.

Given the available data, it is helpful to use 2019 as a baseline year to contrast activity data between international and domestic visitors.

Australian Tourism Data Warehouse

Established in 2001, the Australian Tourism Data Warehouse (ATDW) is the "national platform for digital tourism marketing in Australia." ATDW is co-owned and operated by the eight official tourism bodies of all Australian state and territory governments, i.e. Destination NSW, Visit Victoria etc.

The ATDW consists of a digital database where Australian tourism operators can list and promote their businesses. The database is made up of over 40,000 Australian tourism listings, spanning eleven product categories:

- Accommodation
- Attraction
- Destination Information
- Event
- Food & Drink
- General Services
- Hire
- Information Services
- Journey
- Tour
- Transport

ATDW is also made accessible to distributors, wholesalers and retailers for use in their websites and booking systems. According to Destination NSW, “by having your listing information sent to ATDW, your information will also appear on australia.com (Tourism Australia’s consumer website) and over 50 other websites such as about-australia.com.au and planbooktravel.com.au.”

NSW ATDW data harvested from the Attraction, Event, Tour and Journey categories formed a baseline for this research.

RADO review and data collection

Amalgamated into a ‘cultural tourism database’ spreadsheet, the above-mentioned ATDW listings were examined and supplemented in order to produce a detailed and comprehensive picture of cultural tourism across regional NSW.

Each of the RADOs reviewed the ATDW listings in the database for their region. Firstly, they clarified whether or not each listing was, or was not, a cultural tourism activity. The RADOs then added additional listings to the database for cultural tourism activities that were not already present amongst the ATDW listings.

RADOs were then able to add in detailed information for each listing to further nuance this analysis. This information was input into database fields including:

- Activity category (using TRA-defined categories and sub-categories)
- Tourism Role (is it an ‘attractor’ or ‘value-adder’ for visitors)
- Estimated attendance in 2023

- Operator type (local government, not-for-profit etc.)
- Aboriginal owned/operated organisation?
- Cost of entry (free, donation suggested, ticketed only etc.)

A small number of additional listings that were not present in the ATDW or added by the RADOs were also incorporated into the database from sources including Music NSW and NSW National Parks and Wildlife Service.

Stakeholder interviews

Several stakeholder interviews were conducted as part of the research process for this project. Interviews were conducted with:

- Tracey Callinan – CEO at Regional Arts NSW
- Jenny Bennett – Executive Officer at Central NSW Joint Organisation (CNSWJO)
- Georgia Rivers – Director, Visitor Engagement & Revenue at NSW National Parks & Wildlife Service
- Brett Adlington – CEO at Museums & Galleries of NSW
- Peter Wood - Senior Manager, Arts Funding & Development at Create NSW
- Representatives of Destination New South Wales (DNSW)

Definitions

Cultural tourism is a major global industry. In 2023, the world saw more than 1.2 billion tourism arrivals, and in 2022 the tourism industry directly contributed at least 2.5% of global GDP (UNWTO, n.d.). While estimates vary, around 40% of global tourists were either motivated to travel by culture or undertook a cultural activity as part of their trip (UNWTO, 2018, p. 21).

However, despite its global significance, 'cultural tourism' and related terms encompasses numerous definitions that have evolved in different contexts. The vocabulary and parameters used can vary across the Arts and Culture and Tourism industries, however it is useful for the purposes of this research to look at some relevant examples.

In 2017, the United Nations World Tourism Organisation (UNWTO) defined cultural tourism as:

"a type of tourism activity in which the visitor's essential motivation is to learn, discover, experience and consume the tangible and intangible cultural attractions/products in a tourism destination. These attractions/products relate to a set of distinctive material, intellectual, spiritual and emotional features of a society that encompasses arts and architecture, historical and cultural heritage, culinary heritage, literature, music, creative industries and the living cultures with their lifestyles, value systems, beliefs and traditions" (UNWTO, 22nd session of the General Assembly, 2017).

While the UNWTO definition focuses on visitor motivation, others focus on visitor numbers or participation in certain activities. It is important to note the UNWTO finding that countries or locations using a 'narrower' definition of cultural tourism based on motivation tend to report lower levels of cultural tourism, while those using a 'broader' definition based purely on visitation numbers or participation in certain activities tend to report much higher numbers (UNWTO, 2018, *Tourism and Cultural Synergies,* p.20).

In Australia, definitions of cultural tourism centre on visitor numbers and participation in specified activities, defined by categories from Tourism Research Australia (TRA).

The Australian Bureau of Statistics utilises Tourism Research Australia categories to define people as 'Cultural and heritage visitors' if they 'participate in at least one of the following activities or experiences during their trip:

- attend the theatre, a concert, or other performing arts event
- visit a museum or art gallery
- visit art and/or craft workshop or studio
- attend a festival, fair or similar cultural event
- experience Aboriginal art, craft or cultural display
- visit an Aboriginal site or community
- visit an historical and/or heritage building, site or monument.

For Destination NSW, "Culture and Heritage tourism is a market segment based around arts, historical and cultural experiences."

It includes activities such as:

- attending theatre, concerts or other performing arts
- visiting museums or art galleries

- visiting art, craft workshops or studios
- attending festivals, fairs, or cultural events
- experiencing Aboriginal art, craft and cultural displays
- visiting an Aboriginal site or community
- visiting historical heritage buildings, sites or monuments
- attending Aboriginal performances
- go on a tour with an Aboriginal guide
- participate in traditional activities
- having an Aboriginal food experience
- having a camping experience on Aboriginal land.

Both ABS and DNSW definitions use sub-category data drawn from the TRA categories of Arts/Heritage and Indigenous Culture Activities.

This report will follow the same approach, using participation in specific activities to measure cultural tourism activity, however we have proposed to include an expended list of activity categories that encapsulates a slightly broader definition of cultural tourism.

We believe this definition better encompasses the variety of activities and experiences on offer in Regional NSW.

This report will include activities coded across the following TRA categories and sub-categories:

Arts/Heritage

- Attending theatre, concerts or other performing arts
- Visiting museums or art galleries
- Visiting art, craft workshops or studios
- Attending festivals, fairs, or cultural events
- Visiting historical heritage buildings, sites or monuments

Indigenous culture activities

- Experiencing Aboriginal art, craft and cultural displays
- Visiting an Aboriginal site or community
- Attending Aboriginal performances
- Go on a tour with an Aboriginal guide
- Participate in traditional activities
- Having an Aboriginal food experience

- Having a camping experience on Aboriginal land

Other activities with a cultural focus

- Go to markets – featuring art, culture or history
- Go on guided tours or excursions – featuring art, culture or history
- Go shopping for pleasure – at creative retail stores
- Go on a daytrip to another place – to experience art, culture or history
- Sightseeing/looking around – to experience art, culture or history
- Eat out/dine at a restaurant and/or café (to experience art, culture or history).

It will also draw from ATDW listings across the following categories and sub-categories (classifications):

Attraction

- Historical Sites and Heritage Locations
- Galleries, Museums and Collections
- Entertainment venues
- Landmarks and buildings
- Shopping and markets

Event

- Festivals and Celebrations
- Classes, Lessons, Workshops and Talks
- Exhibitions and shows
- Concert or Performance
- Markets
- Community Events

Tour

- Cultural and Theme Tours
- Nature and Wildlife
- Food and Wine Tours

Journey

- Itineraries
- Day trips
- Trails

Limitations

There are several limitations of this report into cultural tourism in regional NSW that may impact the validity and applicability of the findings.

Firstly, as noted in the above 'definitions' section, what constitutes 'cultural tourism' is variable in different contexts and definitions may vary across some of the data sources utilised in this report.

While this report has attempted to forge a standardised definition, there may also be fluctuation in the cultural tourism database depending on individual perceptions and understanding of certain activities.

Further, RADO data varies from region to region depending on the individual capacity of each RADO at the time of research. Given this work necessitated manual addition of new listings to the database, it was time consuming work and some RADOs may not have been able to contribute a full picture of their region. As such, there is variability across the numbers of attractions in each region which may not accurately reflect the true distribution of cultural tourism activity across regional NSW.

Additionally, the study's timeframe and resources may limit the breadth of the research, potentially overlooking emerging trends or long-term shifts in cultural tourism patterns overtime, or trends in comparison with regional areas in other states.

These limitations underscore the need for ongoing research and continuous data collection to update and inform policy and strategic development regarding cultural tourism across regional NSW.