

Norfolk Island Tourism

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FIVE YEAR TOURISM STRATEGY 2007/2008 – 2011/2012

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1. EXECUTIVE SUMMARY

After consultation and stakeholder input the following Vision, Positioning Statement and Objectives have been adopted to direct and drive the following Five Year Norfolk Island Tourism Strategy.

Vision Statement

Norfolk Island will become the preferred holiday destination in the Pacific region for high yield visitors by providing high quality visitor experiences which will;

- protect and promote the unique natural, social and cultural environment
- more substantially contribute to the economy of the community
- ensure industry profitability and the capacity to invest in quality improvement and professional development
- exceed visitor expectations and enhance the Island's appeal
- encourage wide community support and involvement.

Positioning Statement:

Norfolk Island is a special place. Unique, serene, fragile, beautiful, welcoming – a tiny South Pacific outpost - a green ark. A community created by a colourful, living history and culture. A place to reconnect with nature, with history, with real values and with yourself.

Key Objectives:

- Targets of 350,000 commercial visitor nights per year and a 50% average increase in per visitor expenditure be achieved by June 30th 2012.
- Norfolk Island's image and experiences become more appealing and consequently a wider and increasingly a higher yielding market be attracted to the Island.
- Increased unification of the tourism industry and involvement by the community in tourism leads to greater professionalism, consistency and general elevation of service standards, cooperative development of the industry and the experiences it provides.
- Development of tourism in Norfolk Island is undertaken in a way and within limits to ensure the sustainability of the Island's fragile and unique natural and social balance, environment and heritage.
- Development of experiences, products and services, and marketing and distribution strategies be undertaken in accord with and through a greater understanding of changing customer desire and aspirations.
- Reliability, competitiveness and expansion of air services to Norfolk Island be further assured as a foundation for the further development of tourism.

In order to achieve these objectives and fulfil the vision many changes will need to be undertaken in tourism in Norfolk Island;

- In the customers it attracts
- The image they have of Norfolk Island
- The amount of revenue they spend on the Island
- The value and quality of tourism product they buy and the experience they have.
- And the way in which it markets the destination and distributes its tourism product.

The world of tourism is changing rapidly, driven by changing customer values, motivations and aspirations; by information technology that has taken the control of the way tourism does business from the travel industry and given it firmly to the customer – tourism and travel is now the most highly sourced and transacted item traded on the internet; image is increasingly important to be noticed in the marketplace, but authenticity, presentation and engagement are now the important factors in the increasing quest for delivering personal and memorable experiences.

Customers have more money to spend, but the options they have on which to spend it have expanded enormously; they have become more discerning, and selective. If some place is perceived not to provide them with the experience they seek, or match the values they have, they will go somewhere else.

If Norfolk Island is to further develop the benefits it seeks from tourism in an increasingly competitive, changing and demanding marketplace, it has no alternative but to change. The alternative will be a slow, lingering and painful decline of its tourism industry and of Norfolk Island's future.

This strategy document discusses the issues that need to be addressed and the recommends changes that need to be made. It proposes twenty one strategies, each one accompanied by specific actions. The implementation plan recommends the chronological order, the time frame and the assigned responsibility for each of the actions and the key performance indicators to measure and monitor its progress.

While Norfolk Island has immense tourism appeal and potential, it will not be realised without a planned approach to the advancement and development of its tourism industry and infrastructure.

Furthermore Norfolk Island is first and foremost home to its citizens; representatives of a unique culture and a colourful heritage. Both the culture and ecology of Norfolk Island are fragile and rare. It is therefore a role of this strategy to ensure that tourism develops on Norfolk Island at a pace and in a way that not only preserves and protects those values that make it such a special place, but which promotes greater understanding and appreciation of them through tourism.

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2. INTRODUCTION

Success in tourism is crucial for Norfolk Island. Tourism is not only the largest industry and employer on Norfolk Island, but it contributes directly and indirectly to over 90% of the Island's economy. Without tourism there would be few jobs, little income and the Norfolk Island Government and the community it serves would suffer severe cut backs of services and amenities. In short, tourism is the life-blood of Norfolk Island. It therefore follows that if tourism is under-performing, then so too is Norfolk Island's economy and livelihood.

There are four key factors involved in the success or failure of tourism to and in Norfolk Island. They are:

- Its customers
- Its reliable and competitively priced access
- Its product and experience
- Its marketing and distribution

Norfolk Island's Customers

The Island's customers come overwhelmingly from New Zealand (30.1%*) New South Wales (25.1%*) and Queensland (23.6%*) and are in the over 55 year old age range (55-65 y/o = 30.0%; 65 y/o + = 36.8%*). Source: NIT Visitor Survey 1 July 05 – 30 June 06.

Traditionally Norfolk Island has been most successful in attracting the 'retired' market or people who has given up full time employment. While on the one hand this segment of the market has the benefit of significant time availability, they, relative to the generation following, have limited disposable income and being 'children of the depression' have been characterised somewhat conservative spending habits.

Furthermore, as each year passes the pre baby boomer (or 'silent') generation who have to date comprised the mainstay of Norfolk Island's tourism market, are experiencing both noticeable declines in available numbers and their physical and financial ability to travel.

To maintain numbers from this generational sector over the next few years will require increased marketing dollars and reduced prices.

Today's emerging retirement market, the Baby Boomers, are an entirely different market (see further details: 3.1. *Need for Change* p.9; 3.2. *Norfolk Island Best Prospect Tourism Markets* p.16) with significantly different characteristics, spending power and spending habits, travel requirements and patterns, and even different motivations to travel. In many ways today's 60 year olds are yesterday's 40s. On the one hand, the new retirement generation provides a potential threat to Norfolk Island, if its positioning and promise fail to excite their holiday aspirations. On the other hand, the next generation – the baby boomers – offer great opportunities for destination development, tourism earnings and industry profitability, if successfully engaged, attracted and satisfied.

As well as seeking different experiences, different levels and styles of accommodation, shopping and entertainment than the earlier generation, the emerging baby boomer market will utilise significantly different booking arrangements (see further details; 3.1.5. *Need to Expand Distribution Options* p.12). Currently the vast majority of visitors to Norfolk Island purchase fully packaged holidays. By comparison, an analysis of the New Zealand market to Australia, which has a wider

spectrum of market segments, shows that of the entire market, only 11.8% book fully or semi packaged holidays.

Norfolk Island's Access

Without reliable and competitively priced air services and seat capacity linking Norfolk Island to its key markets, the prospects of further developing tourism to and within the Island are limited. Indeed, as shown during the many changes to air services, operators and the consequent lack of reliability experienced during 2005, significant declines in visitor numbers, the Island's reputation and industry profitability were direct consequences for the market from Australia.

In addition a number of wholesalers 'walked away' from the Norfolk Island market as unsatisfactory and unreliable air services in turn impacted on their workload, profitability and reputation.

The decision of the Norfolk Island Government to enter into a wet lease arrangement with OzJet to establish Norfolkair and undertake a code share and distribution arrangement with Qantas appears to have provided a more reliable and competitive air service. Furthermore, a broader and more equitable sales distribution model appears to have had positive results for the market from Australia.

The market from New Zealand has had the benefit of regular and reliable air services operated by Air New Zealand. Consequently the market from New Zealand has been more consistent and reliable.

Notwithstanding the current return to reliability of the Australian services and the longer term consistency of the New Zealand services, continuing suitable air services comprise one of the greatest potential risks that needs to be managed by the Norfolk Island Government and tourism industry.

Norfolk Island's Tourism Product and Experience

For tourism to be successful the tourism product or experience presented by a destination must match the expectations and aspirations of its customers. Without such a match, demand will decline or revenue will suffer in an attempt to increase demand by way of price incentives. In either case the returns from tourism to the destination and its industry will be eroded.

To date it is fair to say that there has been a reasonable match between the product and experience offered by Norfolk Island and its prime market segment. To an extent over time, the product and the market defined each other.

However, as discussed above, the nature of people increasingly populating the prime market segment – the 45+ year age group – the baby boomers have significantly different expectations, aspirations and choice than those of a generation before them.

In 2004, Professor Bruce Prideaux, Professor of Marketing and Tourism Management, James Cook University wrote *A Time of Generational Change: Will Norfolk Island's Tourism Industry be Ready?* In it he made the following statement. "If the Island fails or is slow to change its products and method of presentation there is some danger that baby boomers will seek other, more relevant destinations".

In the study, he also suggests; "It is apparent that all generations have shared interests in specific tourism resources including heritage, nature, shopping and gastronomy, however the manner in which the needs of the different generations are

met often differs. The manner in which experiences are viewed or even consumed will differ according to a range of factors including life cycle stage, generation membership, and socio demographic characteristics”.

In short, it is apparent that whilst the core tourism assets of Norfolk Island remain relevant and attractive to the new baby boomer market, the way in which they are presented and projected, however, needs considerable review and change.

Norfolk Island’s Tourism Marketing and Distribution

Marketing and distribution are the means by which an effective connection is made between the appeal and delivery of a destination’s tourism product and experience and those people within the market who are seeking such experiences.

Furthermore, the success of tourism marketing and distribution is determined by the success with which the projected values and benefits of a holiday and their associated purchasable products can be most effectively conveyed to and matched by the aspirations and needs of the people most likely to be seeking such values and benefits.

Not unlike many other smaller destinations, the resources available to Norfolk Island Tourism to undertake marketing programs are extremely limited. Therefore there is further reason why such marketing programs and activities, that are able to be undertaken, are targeted upon both those most likely to be seeking the sorts of experiences the Island can provide and are likely to provide the highest possible revenue return from their visit.

The marketing program must have the specific role of

- Creating interest
- Generating demand
- Converting demand

Distribution of tourism has been undergoing major changes as information technology and the ability it has given consumers to bypass or intersect the distribution process as they choose increasingly manifests itself. It is likely that traditional distribution channels such as travel agents and wholesalers will be important to the distribution of Norfolk Island tourism product for some time, but it is also important that Norfolk Island also takes on board other channels as increasingly demanded by the customer.

The following five-year strategy specifically addresses these four factors and proposes solutions and strategies for Norfolk Island to maximise both its potential as a generator of increased tourism revenue and the development of demand from targeted consumers most likely to generate such demand and revenue.

In addition to specifically developing strategies to be undertaken within the next five years, the document is also designed to provide a longer-term direction through a ten- year vision and a positioning that both emphasises Norfolk Island’s unique and competitive strengths and capitalises upon them.

Above all, however, this strategy document recognises that Norfolk Island is home to and represents the values, heritage and culture of its residents. In addition the Island represents a somewhat isolated and fragile socio and ecological outpost, which in turn creates the uniqueness and authenticity that provides much of the Island’s appeal. The strategy recognises the constraints and sensitivities required to sustain

these social, historic and ecological values and, where possible, adds to their further promotion and preservation.

3. PLAN FRAMEWORK AND BACKGROUND

3.1. The Need for Change

There are a number of key factors indicating the need for change if Norfolk Island is to increase the value it derives from tourism, let alone maintain its already sub-optimal performance levels.

While many of the issues discussed below may be addressed in specific strategies or actions, the purpose of the discussion of the main areas where change is required, is to provide a context in which the strategies are developed and understood. In addition broad recommendations are made as to the nature of the change required. The strategies developed further in the document will carry these recommendations forward.

The discussion and recommendations result from broad consultation with key stakeholders, a review of available data and relevant studies, visitor feedback and observations made during several visits to Norfolk Island extending over the past five years.

3.1.1. Need to Refocus the Target Market.

Norfolk Island has been successful in attracting the 'retired' market or people who have given up full time employment. While on the one hand this segment of the market has the benefit of significant time availability, they, relative to the generation following, have limited disposable income and being 'children of the depression' have been characterised somewhat conservative spending habits.

Furthermore, as each year passes the pre baby boomer generation who have to date comprised the mainstay of Norfolk Island's tourism market, are experiencing both noticeable declines in available numbers and their physical and financial ability to travel. To maintain numbers from this generational sector over the next few years will require increased marketing dollars and reduced prices to gain a greater share of a diminishing market with continuing declines in spending power.

Norfolk Island has severe limitations on the volume of tourism it can handle at any one time. Air access to the Island from key markets is limited and in order to protect the fragile social and natural environment, limits have been appropriately applied by the community on the maximum amount of public accommodation.

There are broadly two ways to increase revenue from tourism. The first is to significantly increase tourism arrivals, or the alternate option is to increase yield and expenditure by visitors. Where limitations on visitor arrivals imposed either by circumstance or community preference, only one alternative remains – to increase spend per visitor.

It is therefore clear that Norfolk Island needs to attract a higher spending market, with its existing core appeals of nature, culture and history. In so doing it should also seek to retain its existing, albeit declining market

RECOMMENDATION

It is therefore recommended that Norfolk Island expand its market target focus as a key priority.

3.1.2. Need to Change Image

Images of destinations result either from carefully managed brand development strategies or evolve from the cumulative perceptions gathered by potential customers or people with some interest in the destination.

The image, and therefore the appeal of Norfolk Island held by the majority of its potential customers has been garnered from a range of impressions people have come across. Some of these images are positive and have often been generated by the somewhat limited efforts of Norfolk Island Tourism. Other, and often counter images are also gathered from word of mouth comments, an impression of the type of people who currently travel to a destination (“are they people I associate – or would like to associate with?”), or a review of generally available tourism product or experiences.

In the case of Norfolk Island, in spite of efforts to date, the main image of Norfolk Island has been largely forged by the predominance of the current market and the range and type of tourism product designed to attract and satisfy them and seen to be generally available.

RECOMMENDATION

It is therefore recommended that to attract a wider segment of the market the image of Norfolk Island among newly targeted sectors needs to be changed significantly

It should be noted that the brand strategy development previously undertaken by Norfolk Island Tourism, was not in fact a brand development exercise, but a logo redesign.

So what is a Brand? Perhaps it is better first of all discussing what it is not. A Brand is not a logo, an advertising tag line or an advertising campaign; they are merely the outward representations, symbols or associations of the perceived personality, values or character which we call brand. It's just the same as someone's face, their voice or their signature are not the sum total of somebody's personality, but an integral part and an outward representation of their character or personality.

There are a lot of definitions of Brand around. Regardless of what definition is used, however, most suggest Brand is about feelings, perceptions and values (both tangible and intangible) held by customers about products or destinations - and which they ideally find believable and appealing.

Brand is fundamentally about what people think about a product or a destination and the affinity and connection they make to its perceived values. Ideally it is those values that set it apart from its competitors.

Put another way: A product without an image is like a person without a personality. They meld into the background, they don't stand out in a crowd, they become part of the mob.

Without a strong and credible brand which at the same time both differentiates and adds appeal, a number of outcomes are likely:-

- There will be little or no differentiation.
- Potential customers will develop their own perceptions of the product or brand.

- In the absence of a perceived value (to the customer) the product will need to compete on price.
- A destination or product becomes a commodity.
- Competitors with a stronger and more positive brand will win.

A key issue with a successful brand program is that the experience enjoyed by the customer must fulfil the promise of the brand. Otherwise the value and relevance of the brand will be eroded and become meaningless.

RECOMMENDATION

It is therefore recommended that a proper brand development program be planned and that it be the key driver of the marketing, distribution and product/experience development programs for Norfolk Island.

3.1.3. Need to Change Experiences

Younger market segments, including Baby Boomers increasingly seek actively engaging, unique, informative and memorable experiences. In many cases it is the presentation, the interpretation, the opportunity to appreciate and understand through personal engagement, and an understanding of the customer's values and aspirations that takes 'something to see or do' and turns it into an experience.

For example a walk in the National Park is 'something to do'. However an enhanced engagement with the National Park through a greater understanding of the great work being undertaken to preserve unique and endangered species and even a chance to participate in some of the programs being undertaken in the Park is an experience.

To a large extent, existing tourism programs in Norfolk Island have been somewhat passive or primarily targeted at the existing predominant market segment. As such, to date they have been adequate and suitable for this market, however, with the need to broaden the market, tourism experiences need to be made more relevant, engaging and meaningful for a different segment of the market.

RECOMMENDATION

It is recommended that tourism experiences available on Norfolk Island be enhanced and enriched to meet the aspirations and interests of a broader and more demanding market segment.

3.1.4. Need to Sell Norfolk Island on Value, Not Price

As a part of the image change for Norfolk Island and the need to increase average spend by visitors to the Island, it needs to increasingly move from an over-reliance on price driven sales and marketing to one where the strength and the quality of the appeal and experience increasingly becomes the driver.

Norfolk Island is a jewel in the South Pacific, offering potentially high quality and unique experiences. It therefore undermines the value of that experience, if its promotion is tagged consistently with bargain basement pricing.

RECOMMENDATION

It is recommended that in line with a refocusing of the targeted markets identified by Norfolk Island, the adoption of a appealing image and the creation of more relevant experiences, more marketing emphasis be placed on the Norfolk Island value proposition, rather than the cheapest available price.

3.1.5. Need to Improve Industry Standards and Consistency

Norfolk Island has some excellent tourism accommodation, product and enterprises that well serve the current market. However there are a number of issues that need to be addressed.

The standard of operation or service is not consistent and there are operations that adversely effect the reputation and image of Norfolk Island in general.

Whilst accommodation rating is undertaken annually by AAA, wholesalers believe that ratings are elevated above their estimates.

The quality of service in shops is inconsistent, and in some cases, below the standard of professionalism and competency expected by the current market segment, let alone the more discerning and generally more demanding higher value visitor.

A general lack of basic service training is evident in some operations and again reflects badly on the total Norfolk Island reputation and experience.

RECOMMENDATION

It is recommended that Norfolk Island Tourism, the Chamber of Commerce and the Norfolk Island Tourism Industry seriously address the issue of service and operational quality and adopt strategies to improve them.

3.1.6. Need to Expand Distribution Options

The main means of distribution and sales of Norfolk Island tourism product is through the traditional distribution channels. Increasingly the market is choosing to access other means of tourism purchases (including direct to supplier or accessing the distribution chain at the level the customer chooses). Since the development and now the wide spread adoption of Information Technology as a prime means of accessing tourism information or purchases there are now many channels connecting the customer that provide effective ways of distributing product, facilitating sales and enhancing the word of mouth endorsement of products or experiences.

While traditional distribution methods have been adequate and even ideal for the existing predominant market segment, the issue now and in the future must be “How does the new customer want to do business with us”?

It needs to be understood that any distribution system, or any portion of the distribution system is only a means to an end. The ‘end’ and the reason for choosing any form of distribution is; “what are the ways to most effectively contact and do business with the consumer”?

Clearly, the rapid increase in the use of the internet to transact tourism business with the supplier, wholesaler, consolidator, the retailer and by customers over a wide range of segments and demographic groupings has considerably changed the way the distribution system must be viewed.

We can also derive insights from nearby and competing markets and destinations. For example, of the almost 1 million New Zealand visitors who travelled to Australia

in 2006, only around 0.7% chose to purchase a fully inclusive package and a further 7.7% chose a semi inclusive package.

RECOMMENDATION

To optimise effective tourism product distribution and the yield the Norfolk Island Tourism Industry is able to achieve, **it is recommended that Norfolk Island Tourism adopt a multiple channel distribution strategy and the focus of such a strategy be on the most affective means of connecting with the customer.**

3.1.7. Need to Achieve Greater Industry Unity and Cooperation

In meeting the challenges of attracting new and bigger spending visitors, it is important that the tourism industry works together as one with the support and involvement of the wider community.

In lifting the appeal, creating experiences that exceed expectations and developing a concept of a 'total Norfolk Island experience', there needs to be broad and cooperative involvement from across the industry and community.

It is clear that no single operation or service can offer or provide the total needs or the Norfolk Island experience to its visitors and that each industry participant or community member is either a shareholder or stakeholder in delivering the best possible 'Norfolk Island Experience'.

RECOMMENDATION

It is therefore recommended that Norfolk Island Tourism and the tourism industry develop ways of encouraging greater industry and community involvement and cooperation in the development of tourism on the Island.

3.1.8. Need to Increase Marketing and Information Services

With very limited resources, it has been difficult to make a significant impression even on key markets in the light of strong competition from many other destinations and spending options. The effective use of limited resources has been additionally eroded by a relatively significant amount of the marketing budget being devoted to supporting wholesaler brochure development or advertising. At best, use of limited funds in such a way concentrates only on the existing predominant market segment and reinforces the existing image. At worst it uses limited funds to maintain the distribution status quo to the exclusion of the development of new markets and information dissemination.

Norfolk Island needs to more strongly appeal to a wider customer base and needs increased resources to be able to make an impression.

With limited availability of additional funds from the Norfolk Island Government's current account, additional funding may be sought from a direct percentage of departure tax revenues, and/or direct co-operative contributions to marketing activities by individual operators or groups of operators. Other funding sources should also be considered.

RECOMMENDATION

It is recommended that additional funds be sourced to increase the marketing and information services of Norfolk Island Tourism and that the NIT Board enter into discussions with the NI Government, Tourism Industry and Chamber of Commerce to seek additional funding sources and cooperative marketing solutions.

3.1.9. Need to Increase Investment and Product Revitalisation

According to the Norfolk Island Administration (as at 30 April 2007) 57% of all accommodation units available in Norfolk Island are of designated three and a half star rating or below (including 13 units not rated). The same figures also indicate that only one hotel or resort property is of above the designated four-star rating.

Furthermore the style of accommodation may not suit the need to change the focus of the targeted market for Norfolk Island. According to 31 July 2006 figures, there were:

- 57 self-contained houses, cottages or apartments of 331 units, capable of housing a maximum number of 912 guests, with an average of 5.9 units per property.
- 5 hotels of 184 units capable of housing a maximum of 371 guests, with an average of 37 units per property
- 3 Guest Houses or Lodges of 70 units, capable of housing a maximum number of 142 guests, with an average of 23 units per property.

Self-contained accommodation therefore accounts for 56% of all units and 64% of all beds on the island. Hotels account for 31% of all units and 26% of all beds and Guest House/lodge or B&B accommodation accounts for 12% of units and 10% of beds.

Many properties are in need of updating or upgrading, however, reduced revenue in recent years along with the somewhat marginal viability of some accommodation businesses, make reinvestment somewhat difficult and daunting.

This problem appears to be exacerbated by the accommodation licences provided by the Government under the *Tourism Accommodation Act 1984* in two particular ways. Firstly the distribution of the 590 units across 65 properties renders many of the properties at the smaller end of the accommodation range either partly involved in tourism or of a marginal business situation where professional service training and investment in upgrading and updating are very difficult. Even at the larger end of the accommodation range, the returns achievable make substantial investment less attractive than prospects available elsewhere.

Secondly, the absence of tradability of accommodation licences makes consolidation and expansion of successful accommodation operations, or the development of an accommodation range more suitable for the new market segments that need to be attracted to Norfolk Island, difficult, if not impossible to achieve.

While accommodation has been the focus on the commentary on the need for new investment in revitalising the Norfolk Island tourism plant, as it is the most crucial sector at this stage, other tourism product and services also need further investment, upgrading, revitalisation and adjustment to the new market realities.

RECOMMENDATION

It is recommended that current impediments to investment in upgrading tourism accommodation and services be removed and that where possible incentives be provided for upgrading product and service standards.

3.1.10. Need to Maintain and Expand Long-term Air Links to Key Markets

It appears that the current situation whereby the NI Government has entered into a business arrangement with Ozjet to provide air services between Norfolk Island and Sydney, Brisbane and now Newcastle, has provided significant relief to the debilitating impact of unreliable and uncompetitive air services have had on the

market from Australia in recent years. Furthermore the new arrangement places an important strategic marketing mechanism in the hands of Norfolk Island Tourism and the Norfolk Island Government.

It should be noted that regular services from New Zealand operated by Air New Zealand have provided the basis for a stable and sustained market from New Zealand to Norfolk Island over many years, but at any time, the Norfolk Island route as any other route within the Air New Zealand network, is subject to review.

The potential for major disruption to or the cessation of air services between Norfolk Island and its key markets is the greatest threat to the future of tourism in Norfolk Island. On the other hand a further limited expansion of air services or the increased flexibility to allow easier access by international visitors beyond Australia and New Zealand to Norfolk Island air services through the gateways of Sydney, Brisbane and Auckland would provide access to a broader and higher yielding market.

A five-year contract has now been signed with Ozjet to provide services between Australian ports and Norfolk Island. The current aircraft type does not have sufficient range capability to undertake direct flights to ports such as Melbourne and Canberra, however, within the scope of the contract now in place, the replacement of the current aircraft by 2009, provides the opportunity for the deployment of an aircraft with greater range capabilities. Currently only 9% of Norfolk Island's visitors are from Victoria, compared to 25% from New South Wales and 24% from Queensland.

It is noted that the current operation of Norfolkair provides the Island with an important strategic mechanism that it should use to best advantage and in close relationship with Norfolk Island Tourism's marketing strategies. It is further noted that currently, whilst NIT is established under an Act of the Norfolk Island Assembly, the existing relationship between Norfolkair and Norfolk Island Tourism is extremely loose and not subject to any formal agreement or arrangement.

RECOMMENDATION

It is therefore recommended that when the opportunity under the contract arises, the acquisition of an aircraft with greater range capabilities be undertaken.

RECOMMENDATION

It is also recommended that a formal relationship between Norfolkair and Norfolk Island Tourism be established.

3.1.11. Need to Develop Mechanisms and Management Systems to Minimise Environmental Impacts from Tourism

As has been recognised, Norfolk Island is a fragile environment that can be irreversibly damaged by overexploitation of limited resources or mismanagement of visitors and their impact on the Island. It is therefore crucial that the very qualities and values that provide foundation of the Island's uniqueness and tourism appeal, are not destroyed in the name of the industry they support.

While new investment in accommodation and other tourism plant and services has been advocated (above), new developments must comply to the highest quality of development and operational standards available internationally in order to ensure their visual, social, and environmental harmony and minimise their adverse impact.

There are effective, relevant and internationally recognised guides, benchmarking and accreditation programs available which would ensure sustainable development

and operation, but would also add enhanced appeal to an increasingly environmentally aware market that is prepared to pay more in order to be satisfied that their visit is of minimum adverse impact and that they are contributing to a more sustainable future of the destination they are visiting.

Such programs also include minimisation of the use of water, power and the recycling of sewage

RECOMMENDATION

It is therefore recommended that the Norfolk Island Government adopt world's leading best practice to ensure low impact and harmonious tourism development and minimise adverse tourism impacts, and that the adoption of such measures be used to positively promote Norfolk Island.

3.1.12. Summary of Need for Change

In identifying eleven areas where change is needed in order to achieve the objectives and fulfil the vision that guide this strategy, they are not presented as a wish list of options that may be implemented in isolation or discrete from each other.

Clearly, in order to achieve the objectives, change in all areas indicated is not optional, nor can the particular aspects be addressed separately from each other. Each of the issues addressed above is interrelated and the change required must be integrated in a whole of government, whole of industry and whole of community approach to tourism

3.2. Norfolk Island Best Prospect Tourism Markets

In selecting best prospect tourism markets or segments, a number of factors need to be taken into consideration.

Proximity to the destination

Ease of access

Ease of targeting

Compatibility with the values and experiences offered by the destination

In addition to the regular factors to be considered, when there are logistical or regulatory restrictions on the numbers of visitors who can visit, maximising yield per passenger becomes an important additional factor.

Geographic Targeting:

Australia and New Zealand continue to present themselves as the prime geographic source markets for Norfolk Island, supported by direct air access, shorter flying time and less cost of travel than other markets, a reasonable appreciation and knowledge of the destination, strong cultural and heritage links, and cost of targeting and marketing in Australia and New Zealand are relatively inexpensive compared to most other markets.

RECOMMENDATION

With the increased use of the internet, access to information and product purchasing facilities are now available for interested potential customers world wide. With improved website information and booking capabilities there may be increases in numbers of visitors from a wider sphere, it is however strongly recommended that the main geographic target for visitors for Norfolk Island remain Australia and New Zealand, even if there were an increase in available marketing resources.

At the same time, market trade development activity and consumer information services may be undertaken at limited cost in the markets of UK, North America and Europe. Activities should be focused on networking with New

Zealand and Australian based Inbound Tour Operators, networking through ATEC and attendance at ATE and Bula South Pacific Travel Market.

Demographic/Lifestage Targeting:

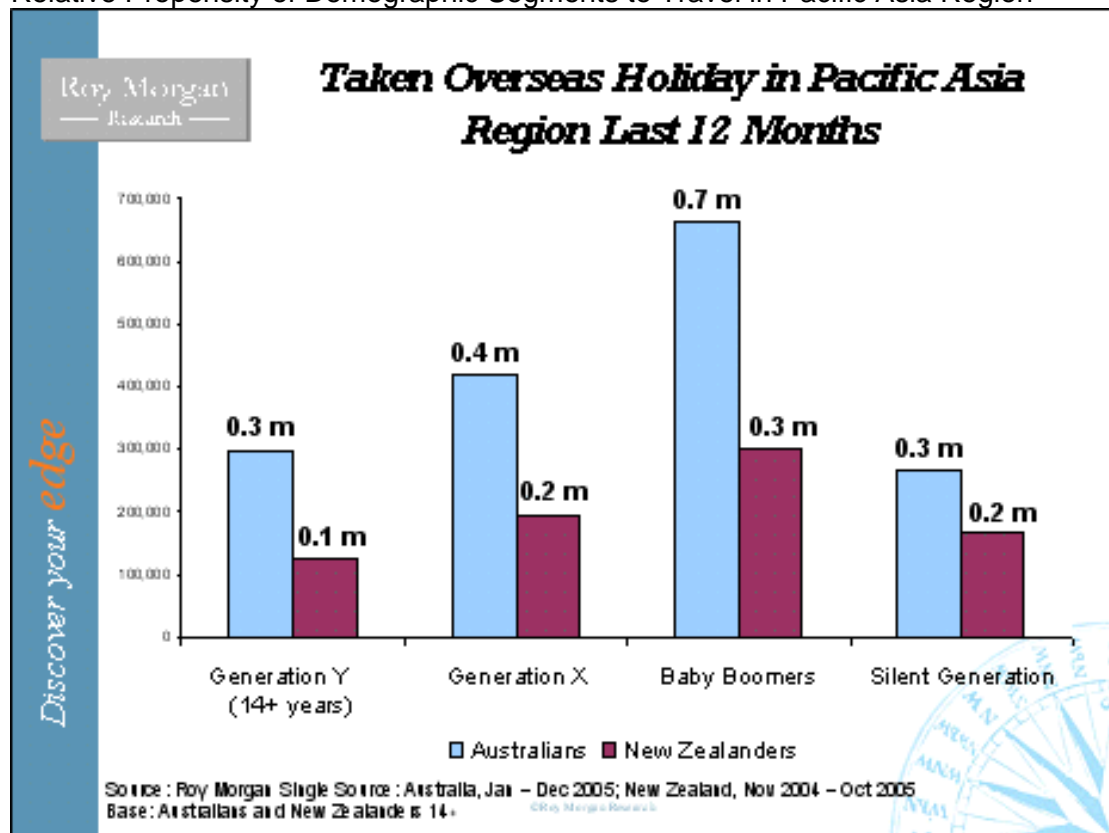
“Baby Boomers are a lucrative source market for the Pacific Asia region. They represent a large chunk of the Australia and New Zealand population and some of them are spending big dollars when travelling in the region. Baby Boomers are more sedate and risk averse than the younger Generation X and Y, but it would be a mistake as they age to treat them the same as the Silent Generation that came before them. They will want different holiday experiences; in particular, Baby Boomers want to immerse themselves in a destination – experience its shopping, restaurants, history, culture, parks and bushland. The smartest marketers in the Pacific Asia region will be those who know and understand most about the baby boomers and how to connect with them”.

*Roy Morgan Research presentation to Pacific Asia Travel Association
April 2006*

RECOMMENDATION

It is recommended that the principle target for visitors to Norfolk Island be Baby Boomers in Australia and New Zealand, while the secondary target remain the pre-war generation.

Relative Propensity of Demographic Segments to Travel in Pacific Asia Region

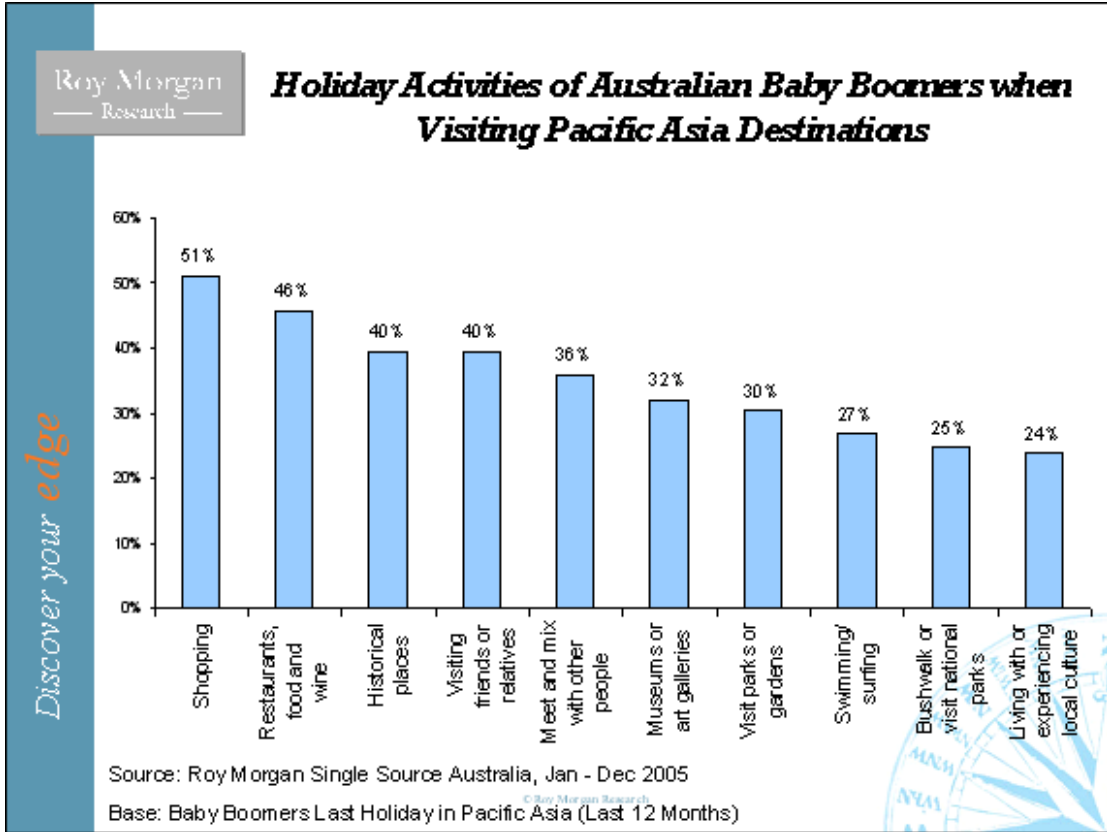


Approximately 40% of Australians or New Zealanders who are taking holidays in the Pacific Asia region are Baby boomers. In 2005, 664,000 Australian Baby Boomers

and 302,000 New Zealand Baby Boomers took a holiday in the region, spending AUD\$4.1 billion and AUD\$1.2 billion respectively. There are another 1,718,000 Australian Baby Boomers and 623,000 New Zealand Baby Boomers who would like to holiday in the region. Roy Morgan Research 2006

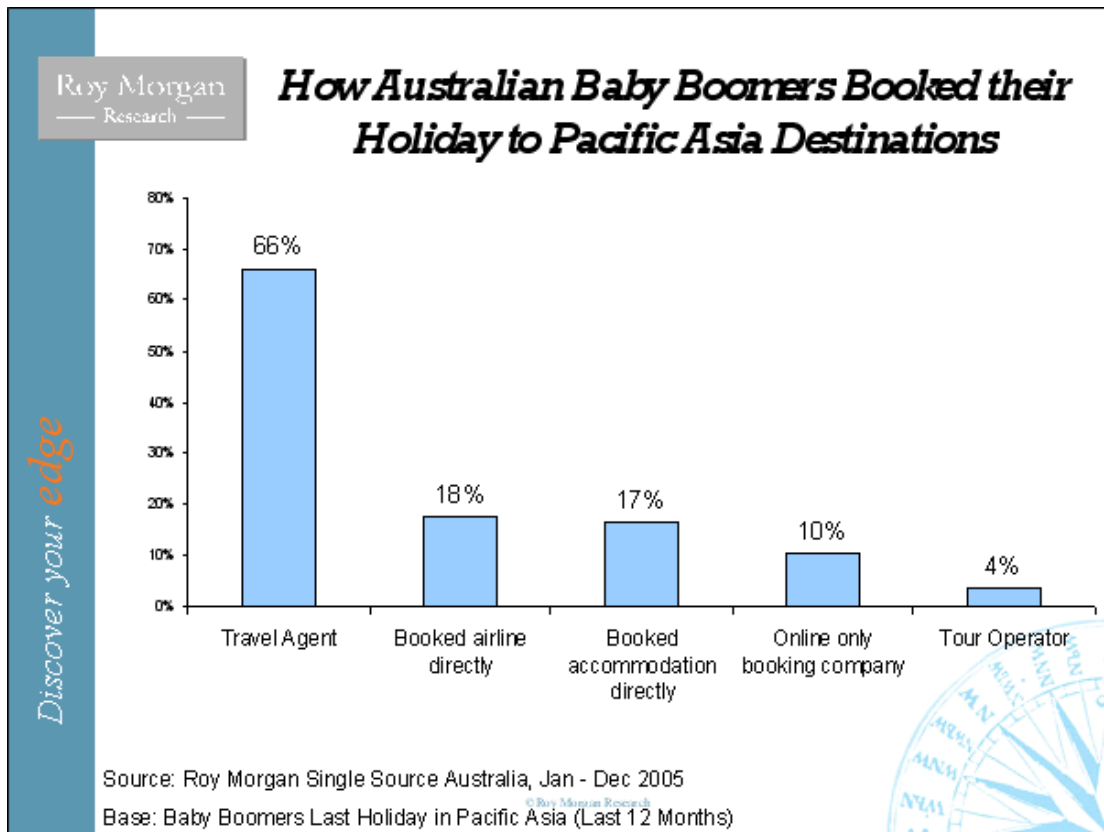
Key Characteristics of Australian and New Zealand Baby Boomers

- People born between 1946 and 1965. (Generation X born 1966-80)
- Many Baby Boomers are budget travellers, however there are 21% of Australian Baby Boomers spending between AUD\$200-AUD\$299 per person per day and a further 22% spending more than AUD\$300 per person per day.
- Although not a homogenous group, they are more risk averse than younger generations, as well as more sedentary and less tolerant of crowds and stress.
- Becoming more attracted to new things and becoming increasingly progressive
- Baby Boomers do not want the same sort of holiday experiences as the Silent Generation before them.
- As the name suggests, the Silent Generation would tolerate whatever is dished up to them, Baby Boomers will not.
- Baby Boomers most prefer English speaking overseas holiday destinations with well developed tourism infrastructure.
- For Australian and New Zealand Baby Boomers UK is popular because of cultural ties. For Baby Boomers in each country, travel to either Australia and New Zealand is most popular because of close proximity, relatively cheap air fares, offers the opportunity 'to do your own thing', absence of crowds, and is considered 'safe' from terrorism, natural disasters and diseases such as Bird flu.
- Although the preference rate for many Pacific Asia destinations is relatively low among Australian Baby Boomers, the conversion rate is much higher than for longer haul destinations – accordingly 70% of Australian Baby Boomers taking a holiday in 2005 visited or at least stopped over in the region



When holidaying in the region Baby Boomers tend to immerse themselves in the culture of a destination by shopping, dining, visiting historical sites, museums or art galleries, mixing with locals, and experiencing local culture.

Although 30% of Baby Boomers say they like tough physical activity (almost twice the level of the Silent Generation), they are less likely than younger generations to undertake sporting, hard adventure or tough physical activities, although they do like swimming and surfing and bush walking.



Two thirds of Australian Baby Boomers are currently 'playing it safe' by booking through a travel agent, only 4% are booking with a tour operator, while 18% are booking directly with an airline, 17% booked accommodation directly and 10% booked through an online booking agency. There is however a significant trend toward booking direct and online.

Of all main demographic segments, Baby Boomers are less likely to want to be with a crowd of people – they would rather be on their own (couples or small groups) than travelling in organised parties. This has major implications for tour groups. Characteristic Descriptions taken from Roy Morgan Research of Baby Boomers Australia & New Zealand 2006.

Special Interest Targeting:

Another characteristic of Baby Boomers is that they tend not to regard the cessation of full time employment as 'retirement', but as a new life-stage. Consequently they take on new interests and learning, self development and self actualization are becoming more important. On holidays gathering knowledge, seeking out 'life changing moments' and to live a life 'less ordinary' are increasingly becoming motivators.

Consequently there is great scope to develop and to match activities and interests to appeal to particular Baby Boomers.

Increasingly such interest groups congregate on the internet and provide easy access for targeting.

RECOMMENDATION

It is also recommended that a range of special interest groups within the broad Baby Boomer demographic be targeted with particular events, activities and experiences.

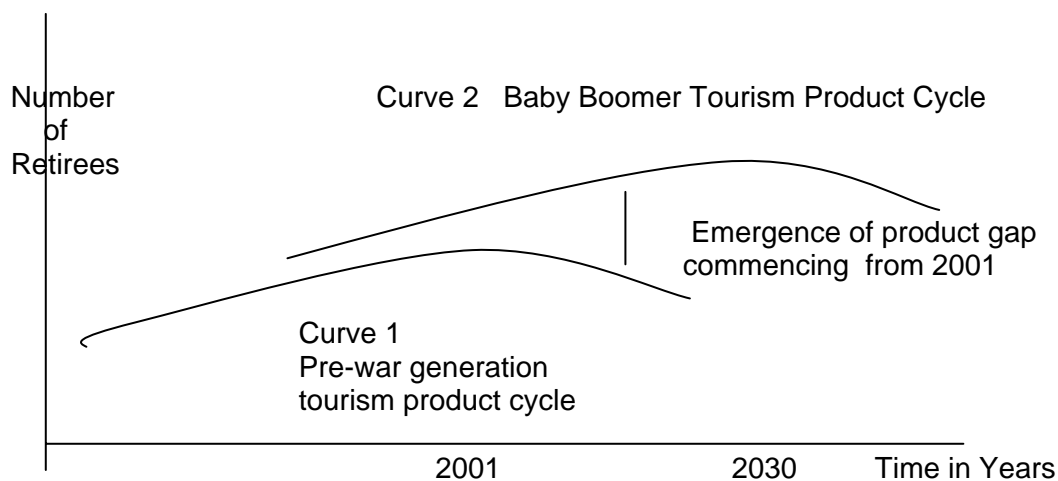
“A Time of Generational Change – Will Norfolk Island’s Tourism Industry be Ready”
This was the title of a study undertaken by Professor Bruce Prideaux, Professor of Marketing and Tourism Management at James Cook University in 2004.

As a result of the study, he observed; “It is apparent that all generations have shared interests in specific tourist resources including heritage, nature, shopping and gastronomy, however the manner in which the needs of the different generations are met often differs. The manner in which experiences are viewed or even consumed will differ according to a range of factors, including life cycle stage, generation membership and socio-demographic characteristics”.

In 2004, he observed there was a clear need for destinations to develop transitional strategies designed to attract existing generation based markets whilst simultaneously developing new products and experiences for the new generation market. On Norfolk Island there is evidence that the current product mix has been heavily influenced by the needs of the pre war generation, a result of the large representation of this group in the current market mix.

He further predicted that the pre-war generation will continue to decline in overall numbers as well as actual numbers able to travel, with the rate of decline accelerating during the decade 2001-2010. He went on to warn; *“If the Island fails or is slow to change its products, experiences and methods of presentation, there is some danger that baby boomers will seek other, more relevant destinations”*.

Professor Prideaux developed a graph to show the emergence of a product/experience gap from 2001. Curve 2 represents the growth path of the baby boomer product cycle, while curve 1 represents the growth path of the pre-war generation tourism product cycle.



“From 2001 there will be a decline in demand for pre-war generation tourism products and experiences and a potential increase in demand for baby boomer oriented experiences and products. At this point the Island should attempt to prevent the development of a product gap by refreshing or rejuvenating its tourism product and create a heterogenous tourism product that appeals to both generations, thus avoiding the difficulties faced by a product in the declining stage at the end of its product cycle. A product gap will emerge if the Norfolk Island tourism industry is not able to satisfy the demand for baby boomer tourism products and experiences”.
Prof. Bruce Prideaux 2004.

Best Prospect Target Markets	Primary	Secondary
By Geographic Source	Australia (East Coast – with good NorfolkAir connections) New Zealand	Australia (Remainder)
By Demographic Source	Baby Boomers (b. 1946 – 1965)	Silent Generation (b. pre 1946)
By Niche & Special Interest	Events. Corp Meetings & Incentives. Interests based on. Nature Arts Health & wellness Learning & self devel. History & culture Golf & walking	Diving Fishing Cycling Walking Adventure activities Volunteer tourism backpackers

3.3. Developing Best Prospect Tourism Experiences:

In line with the selection of Baby Boomers as the best prospect visitors, and an acceptance that they want different holiday experiences, presented in different ways than the generation before them, there is a need to look to the development of a range of new experiences.

Development of new product, new and more engaging experiences and increased standards will have the effect of increasing the appeal for the baby boomer market, while at the same time retaining the interest of the current pre war generation market.

What is an Experience?

The difference between an experience and an activity.

An activity is generally physical in nature. There is little engagement with or understanding of the surrounding area, its values or significance. Activities include swimming, sightseeing, etc. An experience is more than a physical activity. It includes mental or spiritual aspects. There is generally a higher level of engagement with or understanding of the surrounding area and its relative significance.

GT&L Kakadu Repositioning Report 2005

What is a "Tourism Experience?"

Tourism trends indicate that most contemporary travellers do not visit places simply to see the sites, but rather to 'engage' with the destination by interacting with its people, places, traditions, etc. They want a personal 'experience' of that destination which will remain significant to them long after they have left. Destinations therefore must focus on building unique 'visitor experiences' around their key attributes in order to set themselves apart from other places and attract visitors. Experiences can be developed through bundling complementary activities in such a way that engages the visitor's senses and allows them to learn about and participate in a place's 'life story'.

Developing Experiences: A Change in the Way We Do Business
 Previously we delivered services; today we stage experiences
 The nature of the offering we used to provide was intangible, today it must be memorable.
 At its best the services we used to deliver were customised, now the experiences must be personal
 We used to supply services on demand, now the experiences need to be revealed over the duration of our contact
 With services, we were the provider, with experiences, we are the stager
 Our customer was known as our client, now they are our guest
 Previously the factors of demand were benefits, today the outcomes driving demand are sensations
 Pine & Gilmore 2002

However, the core ingredients and the foundation for such experiences remain the same;

- Nature
- Heritage
- Culture
- Scenery

In addition, activities such as

- Shopping
- Dining
- Bush-walking
- Community engagement
- Health and wellness

take on new importance and need to be elevated to become much more a key part of the Norfolk Island experience.

To add strength to the appeal of Norfolk Island and to fulfil the promise it makes to its customers, experiences it develops must be;

- Of interest
- Relevant - especially to the target customers
- Engaging - allowing understanding and participation
- Informative - providing appropriate interpretation to assist appreciation
- Appropriately presented – appealing to the range of senses
- Consistent – the experience cannot be allowed to be interrupted or eroded
- Memorable – exceeding expectations
- Unique – where possible

Norfolk Island Best Prospect Tourism Experiences

Norfolk Island Experience	Based on NI's Unique Assets	Actions Required to Further Develop
Primary Experience Total Norfolk Island Experience	Nature (including Nat Park) History & Heritage Culture	More appropriate interpretation, presentation & engagement. More and better quality people to people involvement.

	Natural beauty & scenery Community Shopping	More bundling of complementary products & activities. Improved presentation, product range & service standards. Infrastructure enhancements and upgrades
Secondary Experiences		
Nature	Unique & endangered species Unique environment National Park	Improved interpretation & presentation Accredited eco tour guides Opportunity for engagement and involvement Range of nature based physical activities.
Arts	Scenic beauty/intriguing history & culture Resident artists/writers	Professional artists/writers to act as teachers/presenters. Galleries/presentations/festivals. Suitable premises
Health, fitness & wellness	Clean air & environment. Natural beauty & scenery. Location.	Designated walking tours (e.g. with maps, ipod commentaries etc.) Professional personal trainers. High quality spa resort with professional operators.
History & culture	Many well preserved historic sites. Intriguing and colourful history. Living and unique culture Unique language	Improved interpretation & presentation Accredited history tour guides Opportunity for greater engagement and involvement Range of history & culture based individual activities.
Activities	Fishing, diving, ocean canoeing, surfing	Already operators in place, however there is a high level of unreliability due to weather and lack of accessible alternative sheltered areas.

RECOMMENDATION

It is recommended that NIT in conjunction with the Norfolk Island tourism industry, Chamber of Commerce, National Parks and KAVHA undertake a comprehensive experience development program.

3.4. Existing Policies and Principles Guiding Tourism Development

Whilst the Norfolk Island Government strongly supports tourism and acknowledges its significance to the economic sustainability of both the Government and the wider

community, it also recognises that there needs to be limits on the size and growth of tourism.

With strong community support, it has appropriately determined that unbridled development or development that changes the character and social fabric of Norfolk Island should not occur. It holds to the view that tourism should be a creature of the community and that its development should not endanger the social, cultural or natural environment that in turn underpins its uniqueness and tourism appeal.

Further to any potential damage tourism may cause if unrestricted development were to be allowed, there are current limitations to water supply, sewage capacity and power generating capacity. To limit development and visitor numbers, the Government has imposed a ceiling on the number of public accommodation beds it licences. This figure currently stands at 1425 beds (with a further 20 allocated but not yet operating).

Whilst this strategy recognises and supports the need to maintain limits for the reasons mentioned above, it also recognises that if tourism is to contribute more strongly to the Island's economic sustainability, provide investors with a more satisfactory return and create more employment for Island residents, greater average expenditure from each visitor is required. Currently, however, the nature of the accommodation licences and the lack of ability to trade such licences, limits the investment opportunity to consolidate and upgrade accommodation in order to lift average expenditure. (As discussed in 3.1.8. above).

A combination of the current mix of accommodation and the emphasis on bed rather than room occupancy, suggests a significant under-utilisation of the limited bed stock available. It is noted that it is general practice to quote room occupancy figures, which would have been higher, however a significant availability of room stock remains under utilised.

Norfolk Island Average Monthly Bed Occupancy 2001/02 to 2006/07 Financial Year

Month	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Jul	33%	32%	39%	33%	28%	43%
Aug	36%	36%	41%	42%	32%	48%
Sep	50%	49%	49%	50%	36%	43%
Oct	46%	54%	57%	53%	48%	50%
Nov	45%	49%	57%	45%	45%	49%
Dec	49%	46%	51%	42%	35%	46%
Jan	28%	42%	34%	28%	28%	33%
Feb	44%	46%	43%	41%	40%	48%
Mar	50%	56%	52%	44%	40%	52%
Apr	44%	52%	42%	48%	45%	
May	39%	44%	48%	42%	38%	
Jun	41%	44%	39%	32%	40%	
Average	42%	46%	46%	42%	38%	46%*

(Average monthly bed occupancy rates are obtained by calculating information supplied by the Immigration Section in their end of month arrivals Statistics Report, against the total number of public beds as at the last day of each month – Source Norfolk Island Administration).

Note: Most occupancy figures are based on room, rather than bed occupancy, however the NI Administration has no information, nor the means of collecting room/unit occupancy. It would therefore be safe to assume that the average actual occupancy rate is somewhat higher than the figures below when measuring against industry wide occupancy rates.

In addition to limiting the opportunity of upgrading and consolidating, an inflexible licensing system also limits the opportunity of developing the level and type of accommodation appropriate to demand. For example, in the pursuit of bigger spending baby boomers, it was found a market exists for a 'health and wellness' resort, it would be difficult under current circumstances to develop such a facility. At the other end of the scale, where it was determined that there was a market for backpackers and an additional benefit from such a market in the form of short term labour in the service sector.

By allowing a more flexible licensing arrangement, accommodation providers and developers could provide a better fit with the changing opportunities and demands of the market and hence increase utilisation of limited capacity available.

3.5. Norfolk Island Infrastructure & Product Development Needs & Opportunities

Norfolk Island, especially considering its relative remoteness, size and population base, is reasonably well served for its infrastructure needs. However, limitations in the areas of water supply, sewerage capacity, waste disposal and power generating capacity do exist. Design and development of new or upgraded tourism facilities should take these limitations in to consideration and utilise all means of best practice in design and operational plans to minimise adverse impacts and reliance on community based services, increase self sufficiency and reduce energy consumption.

There are, however, infrastructure and development needs specifically as they relate to the quality of tourism services, meeting visitor expectations (particularly with different expectations of and wider discretionary options available to the new primary market segments) and the need to generate greater revenue from visitors to Norfolk Island. These needs provide new opportunities for development and investment. In particular, the following areas indicate need and opportunity for new and upgraded development:

Accommodation

- Greater demand for quality hotel and self contained accommodation – tending more to 4 – 5 star standards, generally boutique style, where possible allowing the unique Norfolk Island experience to become a part of the accommodation experience.
- Less demand for guest house or lower level accommodation particularly catering and styled for the group market.
- Some accommodation needs in areas of specific niche/special interest; e.g. eco lodge or health spa/mini resort.
- At a later stage and only where short term employment opportunities, particularly in the hospitality and service industries are made available, there may be an opportunity to develop purpose-built backpacker accommodation.

Tours

- As the new market increasingly emerges, the need for a different style of tour operation will emerge – tour groups will most likely become smaller, tour presentation style will need to change and will need to engage with tour participants at a higher level, a broader range of more in depth tours will be

able to be developed. These include activity based tours such as diving, cycle and walking tours, etc.

- Increasing numbers of people will be wanting to do their own thing, by car, scooter, cycling or walking. (Baby boomers like less to travel or tour in groups than all other lifestages), thereby the opportunities for personalised tour guides for couples or small discrete groups, development of electronic or ipod based guiding systems and other options increase.
- In relation to professional tour guides of nature, history, heritage and culture, there should be a requirement that they achieve a required level of competency and knowledge to ensure the appropriate standard of interpretation and presentation.

Transport

- In line with changing needs and opportunities in tours, there is likely to be a greater demand for smaller and more comfortable tour vehicles.
- Norfolk Island appears well served by rental cars and it is likely that demand from the developing market segment will increase.
- New opportunities will develop for rental scooters and bicycles.
- As the current NorfolkAir aircraft reaches the end of its service life (expected in 2009) there will be an opportunity to consider a replacement aircraft with larger capacity, increased range (to take in Melbourne) and improved ETOPS capability to increase reliability of services.

Information Servicing

- There will be a need for improved and more integrated information and interpretive servicing as a part of the development of the overall tourism experience on the Island.
- There is an opportunity to develop a centrally located, consolidated and integrated tourism information and interpretive centre.

Shopping

- On the one hand the competitive advantage of shopping on Norfolk Island is diminishing due in part to decreasing price differential with the key markets of Australia and New Zealand and the imminent change of mix of tax and duty imposts on purchases. On the other hand, the emerging baby boomer generation is more disposed to shopping as an important holiday activity than the generation before them. It is important therefore to maintain the attraction of shopping on Norfolk Island.
- The Chamber of Commerce and individual shop owners need to work on a strategy to increase the attractiveness, promotion and revenue from shopping on Norfolk Island
- Issues that need to be addressed, include;
- Ways to improve the entire Norfolk Island shopping amenity and experience.
- In-store presentation and service quality.
- Cooperative shopping promotions.
- Identification of gaps and opportunities in the range of merchandise offered.
- Opening times.

Dining

- The quality of the dining experience on Norfolk Island will become even more important to the overall Norfolk Island Tourism Experience.
- It is likely that an increase in the range of dining options and quality will be required as tastes and holiday expenditures expand with the changing market.

- Increased association with key themes of the Norfolk Island experience should be considered, such as historic locations (e.g. one of the Quality Row residences, or a traditional settlers residence), and nature related location, scenic location etc.
- Dishes related to traditional Norfolk Island/Polynesian fare could be further developed and expanded.
- Increased growing, use and promotion of local (and possibly organically grown) fresh produce would increase freshness and the revenue retained from dining on the Island.

3.6. Tourism Industry Management Structure

The tourism industry is basically managed by the Government of Norfolk Island through the Minister for Tourism and Norfolk Island Tourism. Norfolk Island Tourism is established under an Act of Parliament and is subject to a range of statutory obligations and duties. Members its Board are appointed by the Government for a one year term comprising tourism operators or related business people and the date of expiration of their term of appointment is determined by their original commencement date.

Whilst Norfolk Island Tourism is a statutory government body, by its nature, it is required to provide leadership to and serve the needs of the tourism industry and stakeholders, as well as providing tourism servicing activities. Its funding is mainly met from an annual allocation from the Government's budget. From time to time it is able to supplement its budget by special one-off allocations or grants and a small amount of industry revenue through cooperative advertising.

The Chamber of Commerce largely represents the interests of the retail sector, which has a significant involvement and interest in the success of the tourism industry. There is also an Accommodation and Tourism Association (ATA) that in the past has mainly represented the interests of tourism accommodation sector, but in recent times has sought to broaden its membership base and to become more active.

In spite of this, however, there appears to be significant dislocation within the tourism industry and disengagement by many participants in the general direction and affairs of the industry. This situation is represented by many reports of disunity and lack of cooperation within the industry received during the consultation process and observed during various visits. Furthermore, the tourism industry has developed a strong dependence upon government to accept and undertake almost total responsibility for its direction and future.

Furthermore, it was expressed by a number of representatives of the tourism industry that where the current NIT Board members are appointed for a one year term, combined with relatively short tenures for Ministers for Tourism, there tends to be lack of continuity, consistency and corporate memory in the administration of tourism.

RECOMMENDATION

To overcome the lack of representation and direct involvement of the industry, to increase industry cooperation, engagement and direct participation, it is recommended that the Board of Norfolk Island Tourism and the Government of Norfolk Island consider the following restructuring of Norfolk Island Tourism within the following format:

Norfolk Island Tourism become a jointly owned and operated organization between the government and the Norfolk Island tourism industry.

NIT membership be sought from tourism industry operators and other stakeholders and beneficiaries.

Half the members of the Board (3 members) of NIT be appointed by the Government and half (3 members) elected by the members (possibly from a range of industry categories), with the Government appointing an independent Chairman.

That the members of the board elected or appointed initially for a one, two or three year term, and from then on for a three year term, a third of the Board would retire at the end year. The independent Chairman would serve a three-year term.

Government funding would be provided in two separate allocations; the first to cover the statutory administrative and operational requirements currently included in the act, and the second tranche to cover budgeted marketing, promotion and distribution costs.

Additional funding would be derived from the industry through membership fees and in addition cooperative advertising and promotional vehicles and opportunities would also add to marketing resources.

Under the terms of the formal agreement (yet to be undertaken – see 3.1.9. above) with Norfolkair, an agreed percentage of profits be returned NIT in payment for specific airline marketing services and towards the promotion of the destination.

3.7. Marketing and Promotion Needs

The 2006–2008 Norfolk Island Tourism Marketing Plan provides the strategic direction and framework for all marketing activities to be undertaken or led by NIT throughout the period. It generally fits the marketing needs identified by this overall strategy in terms of

- Geographic market priorities.
- Key targeted demographic segments and the need to increasingly focus on Baby Boomers as the primary market.
- The need to develop the meetings and incentives, events, sports and niche or special interest markets
- The need to move beyond an almost total reliance on and subsidy of the traditional distribution channel.
- The need to move from price driven to value led marketing and promotion.
- The need for a strong destination marketing campaign.
- The need to further develop and strengthen the role of the internet and NIT's website as a key marketing and distribution tool.

Minor amendments are required to allow the Norfolk Island Tourism Strategy and the NIT Marketing Plan to synchronise.

RECOMMENDATION

It is recommended that

The positioning statement be altered to that of the overall strategy

Greater emphasis be placed on the customer as the driver of business to Norfolk Island, with reducing emphasis on the distribution channel.

Subsidies for wholesalers brochures and distribution support be progressively reduced and devoted to consumer marketing and internet development.

For the foreseeable future, the destination marketing campaign be concentrated only on the Australia and New Zealand markets, with development of other beyond markets undertaken through website marketing

and distribution and working with Australian and New Zealand based inbound tour operators and other networking opportunities.

The role of the Norfolk Island Tourism Marketing Plan is to identify the factors likely to effect the growth and development of tourism to Norfolk Island, to identify the markets and segments of those markets which offer the best prospects for tourism growth, to gather together the product, the marketing, communications and distribution strategies and the necessary resources to optimise tourism growth and development in Norfolk Island.

Its principal focus is to:-

- Create appeal
- Generate demand
- Convert demand

In doing so, the plan must recognise the processes potential customers negotiate in deciding to undertake a particular type of holiday trip and selecting one destination over another. Having recognised the key stages in that process, the strategy must plan to address each of those stages and to move the potential customer from one stage to the next and closer to the conversion of that customer to actually travelling to Norfolk Island.

Below (see fig. 1) the various stages of the conversion process and the order in which they occur are identified. Each stage indicates the points at which the marketing strategy needs to intervene to ensure the visit occurs, and that as a result of the visit others are introduced to the conversion process through word of mouth promotion.

The second diagram (see fig. 2) indicates the role of a marketing strategy in encouraging the progress of a potential customer towards conversion. A complete marketing plan must lead the potential customer from the point of initial awareness, to the point of conversion and beyond. If there is a weakness in the chain where a marketing activity does not carry the customer forward from the previous stage, the effectiveness of the entire marketing program is jeopardised as the progress toward conversion is broken. In providing a useful checklist to ensure a marketing program is complete, it also demonstrates the importance of building each stage of a complete marketing program on the effects of the preceding stage.

Fig 1. *The Eight Stages of Consumer Conversion to Travel*

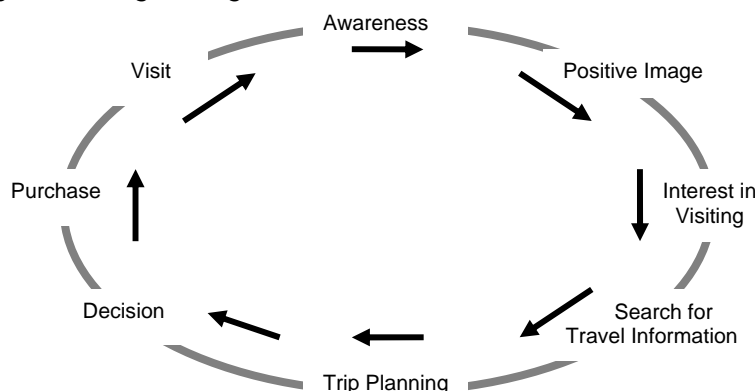
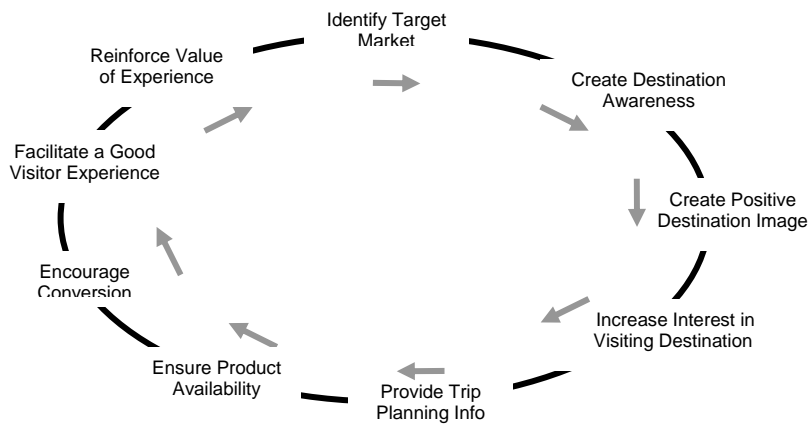


Fig 2. *The Nine Marketing Stages Necessary to Effect Conversion*



While in recent years the marketing techniques and mix and distribution channels have changed dramatically, the customer still undertakes the same process and therefore the need for an integrated marketing program to intervene at the same stages remains completely relevant.

4. VISION, POSITIONING STATEMENT AND OBJECTIVES

Vision Statement:

Norfolk Island will become the preferred holiday destination in the Pacific region for high yield visitors by providing high quality visitor experiences which will;

- protect and promote the unique natural, social and cultural environment
- more substantially contribute to the economy of the community
- ensure industry profitability and the capacity to invest in quality improvement and professional development
- exceed visitor expectations and enhance the Island's appeal
- encourage wide community support and involvement.

Positioning Statement:

Norfolk Island is a special place. Unique, serene, fragile, beautiful, welcoming – a tiny South Pacific outpost - a green ark. A community created by a colourful, living history and culture. A place to reconnect with nature, with history, with real values and with yourself.

Key Objectives:

- Targets of 350,000 commercial visitor nights per year and a 50% average increase in per visitor expenditure be achieved by June 30th 2012.
- Norfolk Island's image and experiences become more appealing and consequently a wider and increasingly a higher yielding market be attracted to the Island.
- Increased unification of the tourism industry and involvement by the community in tourism leads to greater professionalism, consistency and general elevation of service standards, cooperative development of the industry and the experiences it provides.
- Development of tourism in Norfolk Island is undertaken in a way and within limits to ensure the sustainability of the Island's fragile and unique natural and social balance, environment and heritage.
- Development of experiences, products and services, and marketing and distribution strategies be undertaken in accord with and through a greater understanding of changing customer desire and aspirations.
- Reliability, competitiveness and expansion of air services to Norfolk Island be further assured as a foundation for the further development of tourism.

4.1. Objectives Rationale

OBJECTIVE 1.	Targets of 350,000 commercial visitor nights per year and a 50% average increase in per visitor expenditure be achieved by June 30 th 2012.
RATIONALE	It is important to have specific targets; arrival figures are meaningless. 350,000 commercial visitor nights equates to a 70% occupancy of available beds and would be at the upper end of the practical average occupancy levels. This will require greater utilisation of available bed stocks and less seasonal fluctuation than previously experienced. Average visitor expenditure is the most relevant measure as it relates to industry profitability, economic contribution to the community and the Island's financial sustainability

OBJECTIVE 2.	Norfolk Island's image and experiences become more appealing and consequently a wider and increasingly higher yielding market be attracted to the Island.
RATIONALE	The prevailing image is a 'turn-off' for many potential customers. The current prime market generational segment is in decline and spending is also declining. Norfolk Island needs to target new market segments to lift yield and sustainability, for which it needs a revitalised image and experiences that attract, satisfy and engage such new customers.
OBJECTIVE 3.	Increased unification of the tourism industry and involvement by the community in tourism leads to greater professionalism, consistency and general elevation of service standards, cooperative development of the industry and the experiences it provides.
RATIONALE	To provide the best tourism experiences for visitors and the best economic outcomes from tourism, all stakeholders need to work together. To satisfy new market segments general standards of professionalism, service, presentation and visitor experiences need to improve. The tourism industry needs to take more collective responsibility for its own destiny and success.
OBJECTIVE 4.	Development of tourism in Norfolk Island is undertaken in a way and within limits to ensure the sustainability of the Island's fragile and unique natural and social balance, environment and heritage.
RATIONALE	Fragile ecosystems and preservation of the basic lifestyle and culture of Norfolk Island require that limits be imposed upon tourism growth and development. Limited water and power resources and waste disposal issues also place limits on development and consumption. Tourism development and management practices need to reduce impact and consumption of scarce resources. Tourism should not be allowed to develop in such a way as would impair the uniqueness and values, that in turn make the Island such a special and appealing place. Tourism should remain a creature of and be controlled by the community.
OBJECTIVE 5.	Development of experiences, products and services, and marketing and distribution strategies be undertaken in accord with and through a greater understanding of changing customer desire and aspirations.
RATIONALE	New market segments will want different experiences and will book and take their holidays differently than previous prime market segments. As we seek new markets and segments, we need to understand their different holiday needs, holiday motivations and the way they want to seek information and book. The Norfolk Island tourism needs to be prepared to change the way it markets, distributes and presents its products and tourism experience.

OBJECTIVE 6.	Reliability, competitiveness and expansion of air services to Norfolk Island be further assured as a foundation for the further development of tourism.
RATIONALE	Reliable and competitive air services from key markets are crucial for tourism industry survival and viability. New services (e.g. Melbourne) will expand markets and demand. New aircraft capabilities would assist air service reliability

5. STRATEGIES AND ACTIONS

OBJECTIVE 1.	Targets of 350,000 commercial visitor nights per year and a 50% average increase in per visitor expenditure be achieved by June 30th 2012.
Strategy 1.1.	Refocus target markets on Baby Boomers and high yielding niche markets.
Actions	
1.1.1.	Undertake focus group research of Baby Boomers on the East Coast of Australia , and NZ to determine key perceptions, motivations, experience/travel preferences, special interests, information and booking needs, as the basis of a focused, concerted product/experience development, marketing and distribution strategy.
1.1.2.	Undertake a product and experience development program to meet the needs of new higher yielding market
1.1.3.	Encourage and enable the development of accommodation of a standard to meet the needs of the baby boomer and higher yielding niche market segments

<p>Strategy 1.2.</p> <p>Actions</p> <p>1.2.1.</p> <p>1.2.2.</p> <p>1.2.3.</p>	<p>Monitor the expenditure and occupancy levels of visitors to Norfolk Island</p> <p>Include on the exit survey a self estimate of visitor expenditure, including pre-visit and on-island spending within broad spending categories.</p> <p>Develop a reliable survey of accommodation establishments to monitor and report occupancy levels on a monthly basis.</p> <p>An annual report of visitor expenditure and occupancy levels, relative to the 2012 targets be submitted to the Legislative Assembly as a key performance indicator of tourism on Norfolk Island</p>
<p>Strategy 1.3.</p> <p>Actions</p> <p>1.3.1.</p> <p>1.3.2.</p>	<p>Encourage greater reporting of accommodation availability to on-line bed banks and participation in consumer direct sites to ensure greater room utilisation during times of high demand.</p> <p>Undertake an information program to all accommodation operators to encourage them to report accommodation availability to enable increased occupancy.</p> <p>Promote to availability of on-line bed banks to the trade and relevant consumer direct sites through the NIT website.</p>
<p>Strategy 1.4.</p> <p>Actions</p> <p>1.4.1.</p> <p>1,4.2.</p> <p>1.4.3.</p> <p>1.4.4.</p>	<p>Develop a program of events, special interest activities, meetings and corporate programs combined with special fare and accommodation deals to encourage greater off-season travel.</p> <p>Work with event organisers to try to move events, where possible, to non-peak periods.</p> <p>Develop special interest activities that can be held during non-peak periods</p> <p>Encourage meetings and corporate activities during non-peak periods.</p> <p>Encourage Norfolkair and Air New Zealand and accommodation operators work closely with organisers of events, special interest activities and meetings and corporate programs to develop incentive or value added propositions to maximise attendance of higher yielding visitors during off-season periods.</p>

OBJECTIVE 2.	Norfolk Island's image and experiences become more appealing and consequently a wider and increasingly higher yielding market be attracted to the Island.
Strategy 2.1. Actions 2.1.1. 2.1.2. 2.1.3. 2.1.4. 2.1.5. 2.1.6.	A focused brand and marketing campaign targeting best prospect customers and special interest niches within the broad baby boomer demographic be developed and undertaken. Findings from the best prospect customer focus groups be used as a basis to devise a brand and marketing campaign. A comprehensive brand assessment and review be undertaken as a part of the focus group study. A brand development program be undertaken and a comprehensive strategy be developed with broad stakeholder involvement. The brand communication program include all advertising, promotions, promotional and information images and collateral, public relations, websites, information services and communications with stakeholders in a coordinated campaign. An integrated campaign be devised and appropriately funded, focusing on the best prospect/baby boomer sector in the New Zealand, South East Queensland, NSW and Victorian markets Below the line market development activities be undertaken in the UK, European, and North American markets through Australian and New Zealand based inbound tour operators and through existing channels such as Australian Tourism Export Council activities, Bula Fiji, and ATE.
Strategy 2.2. Actions 2.2.1. 2.2.2. 2.2.3. 2.2.4.	A product/experience development program be undertaken to ensure the experiences and product and service quality meet the needs and expectations of best prospect customers. Findings from the best prospect customer focus groups be used as a basis to determine experience gaps and opportunities. A product/experience plan be produced clearly indicating current gaps, development opportunities, opportunities to link individual quality standards Workshop sessions be held in Norfolk Island to provide assistance in experience development and operation, and to highlight experience development opportunities linking NI assets and values with target customer aspirations and preferences. Individuals and companies seeking to develop experiences in line with product/experience plan, be provided support by way of advice, research information and marketing assistance.
Strategy 2.3.	An integrated, centrally located tourism/cultural/community complex be developed to provide 'one stop' tourism centre for interpretation activities, information, tours, conference facilities, exhibitions, lectures, and special interest activities

<p>Actions 2.3.1.</p>	<p>A working group comprising representatives of the Norfolk Island Government, Norfolk Island Tourism, Norfolk Island Chamber of Commerce, Australian National Parks Service/DEWR, KAVHA be formed to develop the concept and oversee its development.</p>
<p>2.3.2.</p>	<p>The centre to include an introduction to the total Norfolk Island experience and incorporate Individual interpretive and display centres for Norfolk Island National Parks and Norfolk Island Historic areas (not just Kingston & Arthur's Vale) A tourism information and booking centre for tours and other activities (e.g. cycle hire, electronic guide hire etc) A tour centre, for booking, tour pick up and termination A large flexible conference/community/cultural/exhibition centre with performance and catering facilities. Smaller lecture rooms for special interest activities, lectures on NI nature, culture, history etc.</p>

<p>OBJECTIVE 3.</p>	<p>Increased unification of the tourism industry and involvement by the community in tourism leads to greater professionalism, consistency and general elevation of service standards, cooperative development of the industry and the experiences it provides.</p>
<p>Strategy 3.1.</p> <p>Actions 3.1.1.</p> <p>3.1.2.</p> <p>Strategy 3.2.</p>	<p>A concept of a 'Total Quality Norfolk Island Experience', aimed at improving service and presentation standards and consistency, requiring broad commercial and community involvement, be developed and promoted to Norfolk Island commerce and community.</p> <p>A joint NIG, NIT, ATA and Chamber of Commerce initiative be undertaken to develop and promote the concept of a 'Total Quality Norfolk Island Experience', including service and presentation standards at all tourism and commercial operations, service and presentation training, and the implementation of a formal benchmarking and accreditation/certification program (e.g. the New Zealand Kiwi Host and Qualmark programs).</p> <p>Once operational with a sufficient critical mass of participants, the details and membership program be highlighted in promotions and information services.</p> <p>Consideration be given to the restructuring of Norfolk Island Tourism to provide greater direct industry participation and responsibility, in association with Government, for industry development and direction within the following format:</p>

Actions 3.2.1.	Norfolk Island Tourism become a jointly owned and operated organization between the government and the Norfolk Island tourism industry.
3.2.2.	NIT membership be sought from tourism industry operators and other stakeholders and beneficiaries.
3.2.3.	Half the members of the Board (3 members) of NIT be appointed by the Government and half (3 members) elected by the members (possibly from a range of industry categories), with the Government appointing an independent Chairman.
3.2.4.	That the members of the board elected or appointed initially for a one, two or three year term, and from then on for a three year term, a third of the Board would retire at the end year. The independent Chairman would serve a three-year term.
3.2.5.	Government funding would be provided in two separate allocations; the first to cover the statutory administrative and operational requirements currently included in the act, and the second tranche to cover budgeted marketing, promotion and distribution costs.
3.2.6.	Additional funding would be derived from the industry through membership fees and in addition cooperative advertising and promotional vehicles and opportunities would also add to marketing resources.
Strategy 3.3.	A planned campaign quoting specific economic impact figures and the flow on effects for the community, linked to a tourism support promotion, be undertaken on an annual basis. (e.g. ‘Smile, your future could depend on it’)
Actions 3.3.1.	A planned campaign quoting specific economic impact figures and the flow on effects for the community, linked to a tourism support promotion, be undertaken on an annual basis. (e.g. ‘Smile, your future could depend on it’)
3.3.2.	The Minister for Industry and Commerce be encouraged to support this program.

OBJECTIVE 4.	Development of tourism in Norfolk Island is undertaken in a way and within limits to ensure the sustainability of the Island's fragile and unique natural and social balance, environment and heritage.
<p data-bbox="225 327 488 461">Strategy 4.1.</p> <p data-bbox="225 461 488 730">Actions 4.1.1.</p> <p data-bbox="225 730 488 931">Strategy 4.2</p> <p data-bbox="225 931 488 976">Actions 4.2.1.</p> <p data-bbox="225 976 488 1021">4.2.2.</p> <p data-bbox="225 1021 488 1066">4.2.3.</p> <p data-bbox="225 1066 488 1111">4.2.4.</p> <p data-bbox="225 1111 488 1312">Strategy 4.3.</p> <p data-bbox="225 1312 488 1357">Actions 4.3.1</p> <p data-bbox="225 1357 488 1402">4.3.2.</p>	<p data-bbox="488 327 1369 461">Limits on accommodation capacity for Norfolk Island be retained, but be made more flexible to encourage appropriate accommodation development and improvement to take place.</p> <p data-bbox="488 461 1369 730">That the current 'accommodation licences' be made tradable to allow for greater accommodation viability and an incentive for investment in more appropriate, higher standard accommodation and environmental impact mitigation.</p> <p data-bbox="488 730 1369 931">Norfolk Island become an accredited 'Green Globe' destination, or other similar program as assessed and agreed by the people of Norfolk Island and which provides guidance, benchmarking and accreditation for a total destination planning and operational approach to community and environmental sustainability of tourism.</p> <p data-bbox="488 931 1369 976">Review available programs such as Green Globe, Global Footprint etc. to ensure best fit with Norfolk Island and which provides a suitable benchmarking and accreditation facility and which is widely recognised by consumers and the trade.</p> <p data-bbox="488 976 1369 1021">A program be designed in association with appropriate provider to develop a suitable strategy and program for inclusion as an accredited destination</p> <p data-bbox="488 1021 1369 1066">Support and involvement be sought from the Department of Environment and Water Resources to assist in the adoption and implementation of the benchmarking and accreditation program.</p> <p data-bbox="488 1066 1369 1111">Once established, sustainable accreditation by an internationally recognised program be made a major part of Norfolk Island's market positioning.</p> <p data-bbox="488 1111 1369 1312">In association with the National Parks Service and local operators, develop ecotourism experiences and volunteer programs to increasingly engage visitors in the unique natural environment of Norfolk Island and its preservation programs.</p> <p data-bbox="488 1312 1369 1357">National Parks in association with selected and qualified operators develop engaging nature based experiences and activities.</p> <p data-bbox="488 1357 1369 1402">Operators selected by National Parks be accredited through the Australian Ecotourism Guides program, be thoroughly conversant with the unique Norfolk Island environment, and be formally approved by National Parks.</p>

4.3.3.	Develop an ecotourism lodge in a suitable location adjacent to the National Park, where appropriate nature based tourism activities may be included in the overall guest experience.
4.3.4.	Develop nature based volunteer tourism programs to assist with nature or endangered species restoration and protection activities.

OBJECTIVE 5.	Development of experiences, products and services, and marketing and distribution strategies be undertaken in accord with and through a greater understanding of changing customer desire and aspirations.
Strategy 5.1.	A greater understanding of the characteristics, needs and desires of the baby boomer segment be developed and conveyed to the Norfolk Island tourism industry and broader community.
Actions 5.1.1.	Relevant information gained from the Focus Group surveys (see Action 1.1.1.) be compiled and circulated widely to the tourism industry and wider community.
5.1.2.	Additional information relating to the baby boomer market be sourced, distributed and used in the development of marketing, distribution, product and experience development plans.
5.1.3.	Through an enhanced website, two way communication be established with customers as a part of the web marketing, information servicing and distribution strategies, thereby allowing constant monitoring of issues and desires among best prospect customers.
Strategy 5.2.	In addition to Strategy 2.2., regular monitoring of visitors responses to and satisfaction of experiences provided in Norfolk Island be undertaken.
Actions 5.2.1.	The exit survey system be redesigned to allow more qualified responses to satisfaction levels and input on experiences provided.
Strategy 5.3.	Special interest activities be developed in line with Norfolk Island key values and targeted communication be undertaken with relevant groups and market segments.
Actions 5.3.1.	Build on current special interest activities and events, with new activities of interest to special interest segments of the best prospect market sector.

5.3.2.	Direct communication to be established through websites, publications, organised groups, or specialist travel agents associated with selected special interest segments to promote special interest activities on Norfolk Island.
5.3.3.	Special interest and interactive web-pages be developed as a part of the Norfolk Island Tourism Site, with associated chat room or blog site capabilities to allow exchange of ideas and experiences.
Strategy 5.4.	Norfolk Island to expand the channels of distribution of tourism product in line with changing customer demand and preference.
Actions	
5.4.1.	NIT to consolidate and distribute the findings of the best prospect customer focus groups survey related to the way they want to do business, receive information and book travel arrangements.
5.4.2.	As well as maintaining business relationships with currently preferred tour operators and wholesalers, relationships with travel agency groups, on line travel agencies or intermediaries and other emerging distribution channels be established.
5.4.3.	Opportunities for direct on line booking of accommodation and activities on the Island be encouraged and facilitated.

Objective 6.	Reliability, competitiveness and expansion of air services to Norfolk Island be further assured as a foundation for the further development of tourism.
Strategy 6.1	Interlining and interconnectability from flights from beyond Australia and New Zealand to flights to Norfolk Island be made easier and more seamless
Actions	
6.1.1.	NIT and Norfolkair undertake discussions with Qantas and other key carriers, particularly from UK, Europe and North America to facilitate easy booking and connections with Norfolk Island flights.
6.1.2.	NIT to encourage Norfolkair and Qantas to amend websites to contain information regarding booking and accessing flights through key gateways to Norfolk Island.

6. KEY PERFORMANCE INDICATORS AND STRATEGIC MEASURES.

Objective 1. Targets of 350,000 commercial visitor nights per year and a 50% average increase in per visitor expenditure be achieved by June 30 th 2012.	
Strategies: Refocus target markets on Baby Boomers and high yielding niche markets. Monitor the expenditure and occupancy levels of visitors to Norfolk Island. Encourage greater reporting of accommodation availability to on-line bed banks to ensure greater room utilisation during times of high demand. Develop a program of events, special interest activities, meetings and corporate programs combined with special fare and accommodation deals to encourage greater off-season travel.	
KPI 1.1. Visitor night and visitor expenditure targets are met.	Measure: 350,000 v/ns and 50% increase in per visitor expenditure per year by June 30, 2012 (Based on June 2007 base)
KPI 1.2. Expenditure and occupancy levels are monitored	Measure: Expenditure and occupancy levels are monitored and reported to legislative assembly and industry annually.
KPI 1.3. Off season travel grows	Measure: June & July occupancy increases to 55%
Objective 2. Norfolk Island's image and experiences become more appealing and consequently a wider and increasingly a higher yielding market be attracted to the Island.	
Strategies: A focused brand and marketing campaign targeting best prospect customers and special interest niches within the broad baby boomer demographic be developed and undertaken. A product/experience development program be undertaken to ensure the experiences and product and service quality meet the needs and expectations of best prospect customers. An integrated, centrally located tourism/cultural/community complex be developed to provide 'one stop' tourism centre for interpretation activities, information, tours, conference facilities, exhibitions, lectures, and special interest activities	
KPI 2.1. Baby boomer market to NI increases.	Measure: Baby boomer market comprises 60% of NI market by June 2012.
KPI 2.2. Visitor satisfaction among targeted segment increases.	Measure: Visitor satisfaction and repeat visitation increases.
KPI 2.3. Tourism/cultural/community centre developed.	Measure: Centre successfully operating.
Objective 3. Increased unification of the tourism industry and involvement by the community in tourism leads to greater professionalism, consistency and general elevation of service standards, cooperative development of the industry and the experiences it provides.	
Strategies: A concept of a 'Total Quality Norfolk Island Experience', aimed at improving service and presentation standards and consistency, requiring broad commercial and community involvement, be developed and promoted to	

<p>Norfolk Island commerce and community. Norfolk Island Tourism be restructured to provide greater direct industry participation and responsibility, and in association with Government, for industry development and direction. The role, economic impact and importance of tourism, and the need for broad commercial and community support and involvement be promoted within the community of Norfolk Island.</p>	
KPI 3.1. Service standards increase	Measure: Visitor satisfaction with service standards increases
KPI 3.2. NIT restructured and greater industry involvement	Measure: 30% of marketing funds comes directly from industry
KPI 3.3. Increased community support for tourism activities.	Measure: Tourism as undertaken on NI is supported by 75% of the residents.
<p>Objective 4. Development of tourism in Norfolk Island is undertaken in a way and within limits to ensure the sustainability of the Island's fragile and unique natural and social balance, environment and heritage.</p>	
<p>Strategies: Limits on accommodation capacity for Norfolk Island be retained, but be made more flexible to encourage appropriate accommodation development and improvement to take place. Planning approvals for tourism accommodation be made more stringent to ensure minimal adverse visual, environmental or resource impacts. Norfolk Island become an accredited 'Green Globe' destination, which provides guidance, benchmarking and accreditation for a total destination planning and operational approach to community and environmental sustainability of tourism. In association with the National Parks Service, develop ecotourism experiences and volunteer programs to increasingly engage visitors in the unique natural environment of Norfolk Island and its preservation programs.</p>	
KPI 4.1. Achievement of key targets while retaining development limits	Measure: Targets are met
KPI 4.2. World Heritage & Green Globe accreditation is achieved	Measure: World Heritage and Green Globe provisions supported by majority of residents
KPI 4.3. Increased visitor involvement in preservation programs	Measure: 400 volunteer visitors per year participating in preservation programs
<p>Objective 5. Development of experiences, products and services, and marketing and distribution strategies be undertaken in accord with and through a greater understanding of changing customer desire and aspirations.</p>	
<p>Strategies: A greater understanding of the characteristics, needs and desires of the baby boomer segment be developed and conveyed to the Norfolk Island tourism industry and broader community. Regular monitoring of visitors responses to and satisfaction of experiences provided in Norfolk Island be undertaken. Special interest activities be developed in line with Norfolk Island key values and targeted communication be undertaken with relevant groups and market segments. Norfolk Island to expand the channels of distribution of tourism product in line with changing customer demand and preference.</p>	
KPI 5.1. Successfully convey	Measure: Tourism industry

baby boomer requirements.	understand and develop experiences to attract baby boomers.
KPI 5.2. Increase in special interest visitor activity.	Measure: Identified special interest activities comprise 25% of reasons for visiting NI.
KPI 5.3. Customers feel confident to book direct	Measure: 50% of booking made directly by 2012.
Objective 6. Reliability, competitiveness and expansion of air services to Norfolk Island be further assured as a foundation for the further development of tourism.	
<p>Strategies: Because of the crucial importance of reliable air services from key markets, contingency plans be developed for immediate implementation in the event of major interruption to, or cessation of air services. When the current Norfolkair aircraft is phased out, seek a replacement aircraft with increased capabilities for improved range and ETOPS capabilities. Interlining and inter-connectability from flights from beyond Australia and New Zealand to flights to Norfolk Island be made easier and more seamless</p>	
KPI 6.1. Develop suitable contingency plans	Measure: General plan is completed and understood by key agencies and personnel.
KPI 6.2. Reliable and competitive services contribute confidence to NI tourism industry.	Measure: Air services have enabled the achievement of key targets for the tourism industry by June 2012.

