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## **NSW Tourism Survey Highlights Alignment to NSW Tourism Associations Advocacy Pillars**

In response to the latest survey insights highlighting mounting financial and operational challenges within the NSW tourism sector, the NSW Tourism Association is leading critical advocacy efforts to bolster industry resilience and growth.

The survey data for the September Quarter 2024 underscore the pressures facing tourism businesses, with an average 16% increase in operational costs since last quarter and 21% of businesses reporting staff reductions due to financial strain. Additionally, 85.5% of respondents noted weaker or stagnant market conditions, with 42% experiencing declines in business from key tourism markets, particularly in interstate and leisure travel.

These findings reinforce the NSW Tourism Association's commitment to targeted advocacy that addresses three core pillars essential to supporting and sustaining the industry: addressing skilled worker shortages, protecting NSW's unique tourism inventory, and amplifying marketing efforts to promote NSW as a premier destination for both interstate and international visitors.

### **Advocacy Pillars Aligned with Industry Needs**

1. The NSW Tourism Association is advocating for initiatives that streamline pathways to attract, train, and retain a skilled workforce in tourism, ensuring that businesses can deliver high-quality services and experiences despite financial constraints.



2. As the financial burden increases, maintaining and protecting tourism assets across NSW has become essential. The Association’s advocacy emphasises the importance of safeguarding the natural, cultural, and recreational assets that form the foundation of NSW’s tourism appeal. With operational costs surging, the Association is calling for government support and resources to help businesses maintain these assets, ensuring they remain accessible and sustainable for future visitors.
  
3. Enhanced Marketing Efforts: The survey indicates subdued demand across the sector, with notable declines from interstate and leisure markets. Recognising this, the NSW Tourism Association is pushing for funding allocated to Destination NSW to allow for expanded marketing campaigns to re-energise interest in NSW’s destinations and attractions. Increased promotional efforts are critical to repositioning NSW as a top choice for interstate and international travellers, driving visitation and revenue growth across regions.

### **Call for Collaboration and Targeted Support**

The NSW Tourism Association is working closely with industry stakeholders and government partners to champion the support needed to address these challenges head-on.

Natalie Godward, CEO of the NSW Tourism Association, noted, “The survey results underscore the urgency of our advocacy efforts. Now more than ever, we must unite in support of our tourism businesses to weather the current challenges and position NSW as a leader in tourism excellence.”

These advocacy efforts reflect a proactive approach to fostering resilience within NSW’s tourism sector and highlight the Association’s role as a vital voice for industry needs.



## **SURVEY BACKGROUND**

The latest survey from the Australian Tourism Industry Council in partnership with its state tourism bodies released the New South Wales data for the September Quarter 2024. It highlighted key trends and challenges facing the sector. The data, drawn from a diverse sample of tourism businesses, reveals regional distributions, sector diversity, workforce dynamics, and challenges around sustainability and accreditation.

### **Regional Highlights:**

Tourism operators are dispersed across NSW, with significant representation in the **South Coast Region** (23.8%), **North Coast Region** (19.1%), and **Sydney and Surrounds** (14.3%). These findings underscore the wide-ranging nature of tourism operations, extending across NSW's vibrant landscapes and communities.

### **Sector Composition and Business Structures:**

The survey reflects diversity from the various sectors ranging from **Accommodation** (14.3% in hotels, resorts, and self-catering) to **Local Government** and **Retail/Services** (each 14.3%). This diversity is supported by various business structures, with **33.3% structured as for-profit companies** and a notable presence of **sole traders** and **partnerships**. This mix highlights both entrepreneurial activity and institutional support within the industry.

### **Financial Scale:**

Business turnover varied widely in the responses, with **23.8% of businesses earning less than \$50,000 annually**, while others report revenues up to **\$50 million**, reflecting the varied scale of operations. This distribution emphasises the dual nature of NSW's tourism economy—comprising both small, community-rooted ventures and large-scale operators.



### **Workforce and Accreditation:**

Tourism businesses predominantly operate on a smaller scale, with **57.1% employing between 1 to 5 full-time equivalent (FTE) staff**. The survey also underscores a commitment to quality, with **47.6% of businesses listed on ATDW (visitnsw.com, australia.com) and 42.9% being members of the NSW Tourism Association**. Additionally, **28.6% hold sustainable or quality tourism accreditations**, demonstrating a sector-wide commitment to responsible tourism practices.

### **Financial and Market Challenges**

The survey also sheds light on the financial strain impacting tourism operators across NSW. Tourism businesses have recorded an average **16% increase in costs across the board since last quarter**, compounding pressures on operational expenses. In response to these rising costs, **21% of businesses reported having to reduce their staff**, reflecting the ongoing challenges in maintaining workforce levels under financial constraints.

Market conditions also remain subdued, with **85.5% of respondents indicating either weaker or stagnant demand** compared to the previous quarter. Of those, **42% reported a noticeable decline in business from key tourism markets**, primarily driven by decreased **interstate travel (63.2%)** and lower participation in the **holiday and leisure segments (57.9%)**.

These findings highlight the need for targeted support to help NSW tourism businesses weather these market fluctuations and sustain their workforce and services.

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