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Executive Summary

This report functions as both a background briefing document on local government in Japan and a recommendations paper for promoting greater Australian tourism to Aomori prefecture, Japan. It was prepared for, and in collaboration with Australian and New Zealand state and local government representatives who participated in the *2014 CLAIR Local Government Cooperation and Exchange Seminar* in Aomori prefecture.

The contemporary issues facing local governments in both Australia and Japan are not dissimilar. Financial sustainability is an ongoing concern as the functions and responsibilities of local councils continue to expand in scope in order to meet changing community needs and demands. As such, regional economic development has become a focus area for local government in Japan, with foreign tourism and the expansion of local industry into overseas markets at the forefront of this development.

In 2012, the total number of visitors from Australia to Japan totalled 206,537, a significant increase of 27% from 2011. Much of this increase is due to skiing and the popularity of Japan's ski fields and powder snow to Australian skiers and snowboarders. In January 2013, 31,700 Australians visited Japan (compared to 22,192 in January 2012), a record high. The strong Australian dollar and the corresponding weak yen made Japan an attractive and cost effective travel destination for Australians.

While the number of Australians visiting Japan during the winter months continues to grow, the ski resorts of Hokkaido remain the most frequented by Australian travellers. Around 30,000 Australians visited the Hokkaido ski fields alone in the 2010-11 seasons compared to Aomori prefecture which attracted less than 1,000 Australians annually in 2012. A popular ski destination to the domestic market, Aomori prefecture remains unknown as a resort destination to the Australian skiing and snowboarding markets.

As such, this paper provides a snapshot of the current position of local government in Japan, contemporary issues facing local government and the role of the prefecture in tourism promotion. In developing a set of recommendations for boosting the number of Australian visitors to Aomori prefecture, the report considers:

- the main seasonal attractions, historical and cultural assets and local industries - agriculture, forestry, and fisheries of Aomori prefecture
- a statistical overview of Australian inbound travel to Japan highlighting the average length of stay, average spend per person and annual average spend per nation (note: limited data was available for Aomori prefecture)
- successful Australian and New Zealand tourism strategies and campaigns. Identifying the main enablers to developing a successful strategy/campaign.

The final section of the report brings together some of the statistical data and desktop research on inbound travel to Japan with general observations made by participants of the *CLAIR Seminar*, to develop a set of recommendations and/or considerations for promoting Australian tourism to Aomori prefecture. In particular, it considers:

- the appeal of Japan and Aomori prefecture to the Australian visitor market
- the planning and design requirements of a targeted tourism strategy
- appropriate marketing and communications techniques
- key challenges and limitations to advancing tourism promotion.

1 Local government in Japan & Australia

1.1 A brief overview of the Japanese local government system

Legal status

Local government enjoys Constitutional recognition and specific legal status in Japan's legal framework, specifically through the 'Local Autonomy Law', which was promulgated in 1946. The principles of this law involve a respect for local self-government, the separation of the executive and legislative branches and the definition of local councils and their status in relation to central government.

Local government structure

Local government in Japan is structured along two-tier lines – prefectures (comparable to state governments) and municipalities (comparable to cities and towns). There are 47 prefectural governments, each headed by a directly-elected Governor (elected on a four-year term) and 1,719 municipalities, each headed by a directly-elected Mayor (elected likewise). Prefectures serve a wider region, and the primary local governments are within the prefecture. A city is a form of the primary local government and has the Mayor-council government system.

Within a city, it is usually said that a mayor has more power than a council, as a mayor is supported by bureaucrats and has more legal authority than a council. It is also said that the central government has a strong influence on local government. In the past, the central government checked the activities of local governments in detail. In addition, cities do not have full authority to decide their revenues and tax rates. It is said in this context that the level of autonomy of Japanese local governments should be higher.

Size and number

The populations and areas of prefectures and municipalities vary greatly. There are 47 prefectures of various sizes. By population, these range from Tokyo Metropolitan Government with more than 12,900,000 people to Tottori prefecture with about 590,000. By land area, they range from Hokkaido with an area of more than 80,000 km² to Kagawa prefecture with a little less than 2,000 km². There is even greater variation among the 1,719 municipalities in Japan. By population, these range from Yokohama City with more than 3,600,000 people, to Aogashima Village in Metropolitan Tokyo with about 200. By land area, they range from Takayama City in Gifu prefecture occupying roughly 2,178 km² (almost equal to that of Metropolitan Tokyo) to Funahashi Village in Toyama prefecture with about 3.47km².

Japan's cities, regions and special cities

Of the municipalities, there are several classes of city, with the most basic and numerous class of 'city' broadly enjoying the same powers and status as towns or villages (the designation stemming from its population size, basically more than 50,000 residents). All cities supply residents with water services, waste collection and disposal, public health, social welfare, parks, environmental services, planning/development control, economic development, fire and rescue, elementary and junior high schools.

Forty cities with populations of 200,000 or more are known as 'Special Cities' and are entitled to provide some degree of prefectural services (such as care services, health, environmental services, urban planning, teacher training etc.) locally, while a further 41 of 300,000 or more residents are known as 'Core Cities' and can provide further additional services. The 20 'Designated Cities' each have populations above 700,000 (as well as density requirements and 'regional' status) and carry out most services within their jurisdiction rather than under the prefectural government. They are further required to subdivide themselves into 'wards' in order to carry out basic functions such as resident registration and tax collection on a more local level. All such designations must be approved by the Cabinet of Japan following an application by the relevant municipality and prefecture. Tokyo is today unique within Japan as a *metropolis* ('to') rather than prefecture ('ken') or city level ('shi') government, with Tokyo

Metropolitan Government (headed by a Governor, rather than Mayor) sitting above 23 'Special Wards' in the centre and a further 26 cities, five towns and eight villages in the periphery.

Responsibilities

Japanese local government is tasked with responsibilities that are normally the domain of central or state governments in many other societies. Prefectures and municipalities cover a wide range of public services such as education, public works, health and hygiene, environmental protection, social welfare, social security, agriculture, forestry, commerce and industry. However, not all functions of local government are considered to serve a service role.

Local governments play a regulatory function such as the maintenance of public order, public safety and welfare, including the care and control of juveniles or the prevention of pollution.

Demarcation

Some demarcation takes place between the various tiers. For instance, municipalities are responsible for basic healthcare provision while the prefectures administer hospitals. Roads are designated National Expressways, National Highways, Prefectural Roads and Municipal Roads. Development control is another contrast. While local government has a role to play in strategic planning, development control is considerably more light touch in its approach.

The system of local government in Japan is largely uniform in comparison with the UK or the US, with each of the municipalities being headed by a directly elected executive mayor and also having an elected municipal assembly, with these features being replicated in the case of the prefectures though with different nomenclature. The only exceptions to this are the 20 designated cities, which enjoy more autonomy than basic municipalities and Tokyo, which as the nation's capital has the special arrangement of having an elected Metropolitan Government headed by a Governor and 23 Wards as sub-councils for the central Tokyo area. Under this arrangement, the division of responsibilities that usually take place between prefectures and municipalities is different.

Funding

The activities of Japanese local governments are funded from a basket of varied taxes, with Japanese people having a considerable tax burden for the services they enjoy. For instance, the prefectures are able to levy taxes on tobacco consumption, fuel, car purchases and a general sales tax, while the municipalities can levy property, residency and city planning taxes.

Personnel

The personnel in Japanese local government are known as local civil servants and enjoy the same security of tenure and status as their national counterparts. It is usual for local civil servants to remain with the same local authority for their working lives, which is a direct contrast to the fixed-term contracting taking place in Britain more recently. However, an exchange scheme between central and local government, as well as between the tiers of local government, allows for civil servants to be seconded elsewhere ensuring their working lives are varied to some extent. Japan operates on a three-year cycle whereby every April employees shift between departments in their organisation, with winners and losers in the promotion rounds.

Mayors/ councillors

Those who make up the assemblies at municipal or prefectural level, not to mention mayors and governors, often come from such a background. Councillors are elected for four year terms and are restricted from holding other public office or working as a local civil servant. Although Japanese local government features an absence of party discipline characterised by a comparably high number of independent candidates elected, councillors tend to come from one of the political parties, such as the Liberal Democratic Party or the Democratic Party.

Greater accountability

Today, local government in Japan enjoys the same levels of local autonomy that existed in its constitutional heyday, but in a changed political climate, as is the case in other developed societies. National financial pressures dictate that local services have to become more accountable for the funds they spend. However, the government prefer to couch this in the language of 'decentralisation'. In short, this means more mergers and more reliance on the private sector. Japan has experienced periods of municipal mergers before – in the late 19th century when almost 70,000 municipalities were amalgamated into 15,000 units and in the post-war period referred to earlier. Today they stand at 1,719.

Continuing reform

As part of the so-called 'Trinity Reforms' of the Koizumi administration, while decentralisation was coupled with municipal mergers to achieve more efficiency and economies of scale, the next step envisaged would appear to be more uncertain. Currently the number of upper-tier prefectures is settled and unchanged at 47, though central government is spying the creation of nine to 13 regional-tier governments to handle services currently administered at this level. While the debate is on-going and certainly contentious, the legislation now exists for it to both decentralise and regroup the upper tier along regional lines. The 47 prefectural boundaries are set and accepted across the board, yet creating regions without definite boundaries (other than island groups) will remain an issue.

Other political currents informing debate in Japanese local government

Japan is faced by an ageing population, faster than anywhere else in the world. As such, local government must consider how its welfare capacity and housing policies can take this into account.

Local government is also moving more and more into the cultural services field and the promotion of tourism has become paramount in stimulating the economy, particularly in Tokyo. Japanese local authorities also place great emphasis on their international links, which in an increasingly global society should be of interest to all concerned with the future of local government.

1.2 Contemporary issues and challenges for local government in Japan

1.2.1 General summary

Some of the key challenges currently facing local government in Japan include:

- continuing mergers and amalgamations
- shifting focus on local government to profit from regional economic development activities with tourism – increasing the number of foreign visitors, and promoting local industries (specialities) overseas are at the forefront of this development
- outsourcing and greater reliance on private sector
- dealing with an ageing population and declining birth-rates
- challenges for local government in Japan that are directly linked to this include:
 - the need to take action on health and long-term care issues to respond to rapidly increasing numbers of elderly people needing care-givers
 - rapid population decline caused by the continually declining birth-rate adversely affects the economy as the working age population decreases at the same time that pension, medical and nursing care costs are increasing due to the rapidly aging population

- in depopulated areas, this may bring on serious problems for the functioning of rural communities as they encounter difficulties in carrying out vital local activities such as law enforcement and firefighting, and may even threaten their very existence
- tight financial conditions
 - as a result of the recent global financial crisis, residence tax (individual and corporate) greatly decreased, accelerating the financial difficulties faced by many local governments

1.2.2 Ongoing administrative reform and New Public Management (NPM)

Historically, the push and pull of administrative reforms in local government in Japan have been related to the overarching financial state of the national government, seen with little reform in the local government pre-bubble to massive reform and restricting of local government during the 1990's,

Japan is often accused of being slow to embrace NPM (New Public Management) which has been implemented in the West since the 1980s; it only came to realisation in the late 1990's in Japan because of the fiscal environmental change along with decentralisation. It was introduced scarcely by some "reformist" mayors at the prefecture level. A few governors started reforming the public organisation and procedures according to the NPM theory and it is still common practice today.

There are many local governments which advocate NPM as a symbol of their attitude in tackling administrative reform. Such local governments do not stick rigidly to set reform methods based on NPM, but rather advocate ideas and concepts characteristic of NPM, such as "prioritization of efficiency", "client-based (resident-based) orientation", and "emphasis on results"; in short, they aim to tackle administration reform on the basis of ideas of this kind.

Some of the issues associated with administrative reform for local government include:

- adjustment of staff numbers
- reform of structures and organisational flattening (there are many divisions, bureaus, etc. within Japanese local government with sometimes overlapping roles, as well as unnecessary middle level titles)
- adjustment of salaries and allowances
- reappraisal of local government tasks and projects – core reforms consist of eliminating existing tasks and projects and abolishing or reducing their cost if they are no longer viable
- outsourcing – most recent services outsourced include: provision of school lunches, driving of publicly owned vehicles, the design and management of internet home pages and salary calculations

1.3 Resident participation in local government

Resident participation in Japanese local government can take several forms:

- social participation (through participation in community activities)
- political participation (by exercising the right to vote, to be elected, to engage in political activity)
- participation in administrative processes

A variety of methods are used to guarantee that popular opinion is considered fully when projects or services are planned and implemented: symposiums or informal gatherings are held in each area, questionnaire surveys are undertaken and people are encouraged to voice their opinions and ideas. Municipalities collate such information before discussing particular projects with the mayor and where day-to-day services are concerned they set up resident committees or make suggestions boxes

available so everyone has a chance to comment. Increasingly, local authorities are introducing access to information legislation as a result of public interest in participating in and commenting on for example school education, public safety, pollution and right-to-sunlight issues. By allowing access to information, local authorities are also helping to maintain relations with the public by exposing the mechanics of service provision and letting residents satisfy themselves that everything is in order.

Japanese citizens have extensive powers to demand a local referendum – for example, on important issues such as US military relocation, nuclear sites and construction of industrial waste disposal facilities. They can demand formulation, improvement or elimination of ordinances, audits and even dissolution of the local assembly, as well as the dismissal of the mayor, council members or officials.

Direct demands by citizens

One method of involving citizens is by empowering citizens with the ability of direct demand. Under the current legal provisions a specified number of signatories can demand the approval, amendment or abolition of certain by-laws, special audits and dissolution of local assemblies. Signatures of at one fiftieth of the electorate must support direct demands by citizens for amendment, approval or abolition of by-laws. The Governor or Mayor must call a special meeting of the assembly within 20 days of their receipt, submitting the proposed by-laws along with their comments. The final decision rests with the assembly which is not bound to accept the proposal. The direct demand provisions do not apply to local taxes, fees and charges. With reference to direct demands for special audits, the signatures of a minimum one fiftieth of the electorate must accompany a demand for the Audit Committee to investigate the authority's financials. Once the committee has finished its audit, it must formally publish the results. Regarding the dissolution of the assembly, one-third of all electors must support the demand. On receipt the whole electorate is balloted and a majority vote in favour would result in the dissolution. For the dismissal of Governors, Mayors or Assembly members, one-third of all electors must support the demand and after balloting the electorate, a majority vote in favour would result in dismissal. This system applies to Vice-Governors, Deputy Mayors, Treasurers and Chief Accountants, Election Committee members and Audit and Public Safety Committee members as well. In these cases, however, the demand is referred to the assembly for a decision

Despite the amount of opportunity for community members to participate in local government processes, some cities are struggling as they do not have adequate resources to manage participation of residents.

Source: http://www3.grips.ac.jp/~coslog/activity/01/04/file/Bunyabetsu-1_en.pdf

1.4 Role of mayors and elected members in Japan

Japan's mayoral system

While Japanese mayors are directly elected for four-year terms with no term limits, most candidates prefer to stand as independents and are then backed by local chapters of the main national parties.

Mayors can be subject to recall through residents' petition, provided basic thresholds are met. City mayors are also assisted in their duties by vice mayors, though any appointment must then be ratified by the city assembly, and in some cases mayors have requested vice mayors be seconded from central government to assist them in policy coordination.

Once a mayor is elected, local assemblies are elected in each municipality to keep the mayor in check and pass local ordinances, as well as populate committees in charge of education, policing and elections. But in essence, the powers vested in the mayor as political and organisational head of the municipality affords them considerable control over the local authority.

Local assemblies also ratify the appointment of the vice mayor of each municipality, essentially a service head of the mayor inside the bureaucracy. It's not unusual for larger cities to request national government to second a civil servant to supply this role.

The limited criticism of the relatively stable and settled system of Japanese mayoralties tends to revolve around the belief that assembly members can often act as nothing more than cheerleaders for certain mayors. Relations between mayors and local assemblies have been known to break down however, when talent among assembly members is overlooked.

While there are no term limits for mayors, the local assembly can force them out through a motion of no-confidence, though the threshold is set deliberately high at three-quarters in favour and with a quorum of two-thirds of members in attendance. The mayor is also protected by the ability to dissolve the assembly themselves after receiving a vote of no-confidence.

Attempts at creating a Japan of nine (or 11, or 13) regions rather than 47 prefectures stalled before the end of the last Liberal Democratic party-led administration in 2009, but its re-election in 2012 has seen the policy partially revived. Matters are complicated further by the demands from the governing Osaka politicians for their own second city metropolis of a unified city and prefecture, with the emergence of this political movement almost playing a decisive role in the 2012 national elections.

1.5 Challenges facing local government in Australia

Reference: Revitalising Local Government - Final Report of NSW Independent Local Government Review Panel, October 2013

1.5.1 Diversity and disparity of LGAs – size, population, shortage of skilled personnel

The over-riding characteristic of LGAs is one of extreme diversity in geographical characteristics, population size and density, cultural mix, economic prospects and rates of growth, budgets and functions performed. This makes it difficult to establish over-arching legal and policy frameworks.

Many regional and rural councils are:

- highly dependent on grant support;
- experiencing shortages of highly-skilled personnel. The shortage of engineers, for example, is a significant factor limiting the capacity of councils to deal with infrastructure backlogs.

One major challenge for local governments is declining and ageing of the population. Population shifts will sharpen regional disparities – between Sydney and the rest of NSW; between the coast and inland; between major regional centres and smaller towns; between areas that benefit from mining related growth or agricultural expansion and those that do not.

The way local government is structured and operates will need to change in response to demographic and population shifts. For example,

- declining populations (but not necessarily economies) across most of inland NSW and especially in the far west; and
- an ageing population, with population growth in some areas consisting largely of retirees.

1.5.2 Councils' functions are generic and flexible

There has been a widespread tendency for councils' activities to expand in scope in order to meet changing and growing community needs and demands. Some federal and state grants programs have also encouraged councils to take on additional responsibilities. This trend is placing considerable pressure on council budgets, as council's roles and responsibilities continue to evolve.

There is a need to define local government's 'core' responsibilities and to reduce apparent overlap with the activities of federal and state governments.

1.5.3 Financial sustainability

Linked to the challenge of undefined council functions is the ability of local governments to finance their activities.

The continuation of government grants, rate-pegging, etc are just a number of concerns that impact on the financial stability of local governments.

This is especially the case for rural-remote local governments. An overriding consideration for many of these councils is the weakness of their own source revenue base relative to their service delivery and infrastructure responsibilities. Often those responsibilities have expanded to fill service gaps resulting from the withdrawal of State and federal agencies or a declining private sector. This trend is often linked to static or declining populations.

1.5.4 Council mergers and amalgamations and structural reform

Discussion of structural reform in local government is invariably dominated by strongly opposing views about the merits of amalgamations. Most councils are strongly opposed and campaigns are launched to stave off any perceived threat. More regional cooperation and shared services are usually advanced as the alternative.

The central challenge in structural reform is to balance two seemingly opposed agendas:

- the need for increased scale and capacity that will enable councils to remain sustainable, provide adequate services, and be valued partners in the system of government
- 'keeping the local' in local government so that community identity and local democracy are maintained

1.5.5 Need to build capacity of councillors

The quality of mayor and councillors political leadership and governance practices comes frequently under close scrutiny from constituents.

The under-representation of women, young people and people from diverse cultural backgrounds together with a significant number of candidates who are unaware of, and ill-prepared to take on, what are nowadays onerous responsibilities of being a councillor, are some of the main issues present. Some candidates lack a real understanding of what councils do and how they work. Some are focused on just a small number of issues and express little interest in the broader roles of a councillor.

Refer to Appendix 1 for outline of Local Government in New Zealand.

1.6 Australia – Japan relations today

Australia and Japan continue to share a range of cultural and economic links which are often used as the basis for furthering relations and developing ongoing networks for collaboration between the two countries. Some of the current activities are listed below.

1.6.1 Sister city relations

2013 marked 50 years since the signing of the sister city relationship between Yamatotakada in Nara prefecture and Lismore in NSW. Established in 1963, this is the very first sister city link between Japan and Australia.

There are now 108 sister city and state relationships between Japan and Australia. These sister cities and states are actively engaged in cultural exchange activities.

2013 was designated as 'The Year of Australia-Japan Partner for Tourism Exchange' and as such work will be done to publicise tourism for Japanese local governments.

1.6.2 Australian Centre of Excellence for Local Government - Local Government International Alliances Research

The Australian Centre of Excellence for Local Government (ACELG) and the Australian Local Government Association (ALGA), with the cooperation of CLAIR, have established a new research partnership aimed at enhancing local government Sister Cities and other international alliances. The research will explore the policy context for these relationships and identify the essential elements that underpin successful international arrangements.

The document being prepared is called:

'ACELG Enhancing Local Government Sister Cities and International Alliances Draft Project Scope'

The research will explore the following questions:

1. What is the **policy context** for local government international alliances (eg, Asia White Paper, local governments role)?
2. Who is the audience for this research (local government in Australia and other spheres and agencies of government such as Austrade, AusAid etc)?
3. What is the **current status of local government international alliances** in terms of the number of Australian councils engaged in such relationships and the number and location of the overseas partnering councils?
4. What are the **key features of the various types of alliances** and what is the best typology for categorising these in terms of their rationale, key objectives, structure and governance arrangements and the range of activities undertaken?
5. What **processes have been used to review and monitor the effectiveness of these relationships** and what are the outcomes of these evaluations?
6. In what ways are these **relationships changing and what are the factors influencing these changes**?
7. Does local government have the necessary **capacity** to play a changed or expanded role in response?
8. What do the research outcomes indicate in terms of:
 - the essential elements involved in establishing successful international alliances;
 - the key external factors which inhibit or enhance the development of successful international alliances;
 - the relevance of and best options for developing guidance for councils participating in or establishing international relationships; and
 - the key gaps in the current data and the priority areas for further research?

1.6.3 Australia and Japan partner for tourism exchange year 2013

Australia and Japan's national tourism marketing organisations partnered to encourage two-way tourism between the two nations as part of a new initiative – the Australia-Japan Tourism Exchange Year 2013.

The goal of the initiative was to engage some 650,000 people throughout the year in a number of promotions and hosted events across Australia and Japan including: dedicated branding at cultural/sporting events and an official website educating readers on Japan/Australia sister cities and their activities.

Starting from 1 January 2013, the Australia-Japan Tourism Exchange Year aimed to promote bilateral exchange between the tourism industries of both countries to ensure longer term sustainable growth in their visitor economies. Throughout 2013 a range of promotions and hosted events took place in various regions throughout Australia and Japan, to collectively engage around 650,000 people, with the aim of sparking interest in travel to each nation.

JNTO step up promotional activities targeting **families and skiers, using school trips** as a way of mutual exchange.

The sister city relationships provide a platform for active international cultural exchange, and these are seen as a further opportunity for encouraging travel in the coming year.

Specific activities for the Australia-Japan Tourism Exchange Year 2013 included:

- creating dedicated branding for industry to use at any culture/sport events conducted in Australia and Japan in 2013;
- partnering to deliver content for an official website in both Japanese and English to be hosted by a travel media site, to introduce information of Japan/Australia sister city (www.jnto.org.au/2013) relationship and culture/sports events conducted in both countries; and
- revitalising Australia-Japan sister-city activities as well as sister-school activities through anniversary events.

Source: <http://jnto.org.au/australia-and-japan-partner-for-tourism-exchange-year-2013/>

2 Aomori prefecture at a glance

2.1.1 Brief overview

Aomori is the northernmost prefecture on the main island of Japan and is blessed with diverse culture and magnificent nature, including the Shirakami Sanchi, Sannai-Maruyama World Heritage Site from the Jomon Period, Hirosaki Park, famous as a scenic spot for cherry blossoms, and other beautiful spots such as Lake Towada, Hakkoda Mountain, and Hotokegaura.

There are 10 cities, 22 towns and eight villages, totalling 40 municipalities, with a population of 1,362,820 as of October 1, 2011.

The area covers approximately 9,644.55 km², and it is located at about the same latitude to New York, Beijing, Rome and Madrid, between 40.12 to 41.33 degrees.

The prefecture is surrounded on three sides by ocean, and the Ou Mountains, lying at the centre, divide the prefecture in two, with the two regions differing significantly in culture and weather.

The major difference is the heavy snowfall in the winter of the Tsugaru region and the easterly winds in summer blowing on the side facing the Pacific Ocean. According to 2007 statistics, average temperatures in April, July, October and December were 7.4°C, 20.3°C, 13.5°C and 1.5°C, respectively.

The prefecture has four distinctive seasons, enabling tourists to enjoy unique festivals, historical sites, beautiful nature, and other sightseeing spots and leisure activities whenever or wherever they may decide to visit in Aomori.

Figure 1: Aomori quick facts

Area	9,644.55 km ²
Estimated population (as of October 2011)	1,362,820 (Rank 31 populated prefecture out of 47 total in Japan)
Population density	141.30/km ²
Total no. of municipalities	40 (10 cities, 22 towns and eight villages)
Economy	Similar to the Tōhoku Region, Aomori prefecture remains dominated by traditional industries such as farming, forestry, and fishing.
Agriculture	Aomori prefecture is Japan's largest producer of apples and prides itself on its production quality.
Demographics	Many young people depart Aomori for cities such as Tokyo or Sendai, looking for jobs, entertainment, and higher education (Aomori is one of the only prefectures without a national university). Aomori records its population as having peaked in 1983.

2.1.2 Culture of Aomori

Aomori is made up of three regions, Tsugaru, which include the cities of Aomori and Hirosaki, Nanbu including Hachinohe and Towada, and Shimokita with Mutsu. Each region has its own unique living customs, culture and language resulting from differences in their climates and historical background.

Festivals in each region exhibit strong characteristics. Tsugaru is famous for Aomori Nebuta and Hirosaki Neputa. Shimokita has its Nomai, and Nanbu hosts the Enburi in Hachinohe City. Each of these festivals has been designated as a significant intangible folk cultural asset.

Language differs significantly in the 3 regions, with distinctive dialects spoken in Tsugaru, Nanbu and Shimokita.

2.1.3 History of Aomori

There are over 3,000 Jomon Period ruins scattered throughout Aomori, including the Sannai-Maruyama Site in Aomori City, the Kamegaoka Site in Tsugaru City and the Korekawa Site in Hachinohe City, of which 7 sites are designated as the Historic or Special Historic Sites.

The Sannai-Maruyama Site, in particular, is known as the largest remains of the Jomon Period, dating back approximately 4,000 to 5,000 years, and many remains are being excavated, including a large scale pillar-supported structure and a long house.

With forest environment established during Jomon Period, preserved in Shirakami Sanchi, Aomori aims to be designated as a World Heritage site.



Figure 2: Map of Aomori

2.2 Aomori prefectural government structure

2.2.1 Organization and operations of the Aomori prefectural government

The prefectural government is made up of a decision-making body and an executive body in order to carry out the administration of the prefecture.

The decision-making body is the prefectural assembly, which is comprised of assembly members elected directly by the citizens of the prefecture, and makes decisions regarding important basic policies of the prefecture, including approval of the budget and the enactment of ordinances.

The executive body is made up of the governor and various administrative commissions and they serve to carry out administration of the prefecture in accordance with the decisions made by the prefectural assembly.

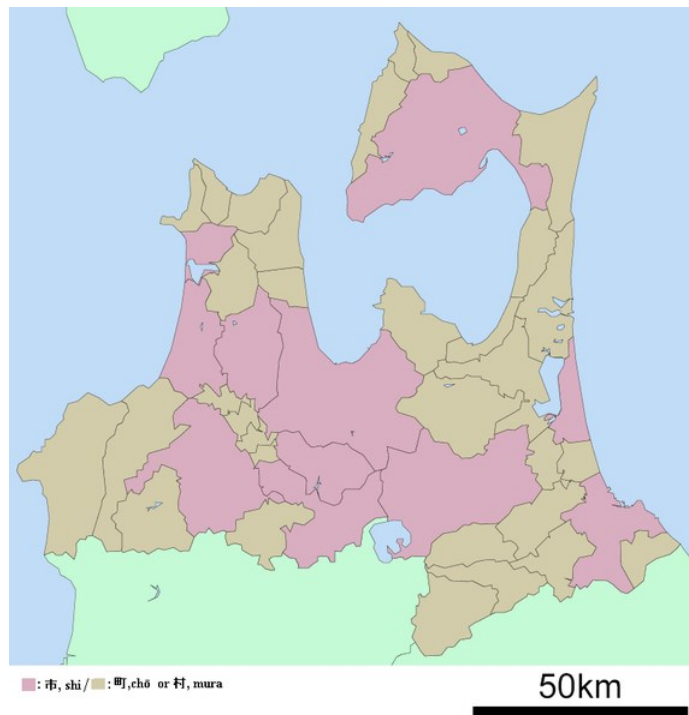
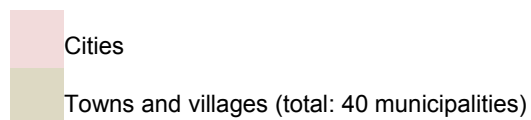


Figure 3: Municipalities of Aomori prefecture



2.2.2 Organization of the prefectural assembly

The prefectural assembly (48 seats) is made up of assembly members that are elected every 4 years from 16 electoral districts in the prefecture, in the same way that the governor is elected. The prefectural assembly convenes to hold regular sessions 4 times a year in June, September, November, and February in addition to additional sessions that may be held.



Figure 4: Organisation of the prefectural assembly

2.2.3 Organization of the governor's administration

The governor carries out administration of the prefecture in accordance to the decisions made by the prefectural assembly, and has vice governors to assist him in this task, and under them there are departments, bureaus, divisions, and offices, etc. which divide up duties and each handle specific responsibilities.

In addition to this, each area of the prefecture has a local district administration office and other local agencies in order to carry out work that is closely involved with the area.

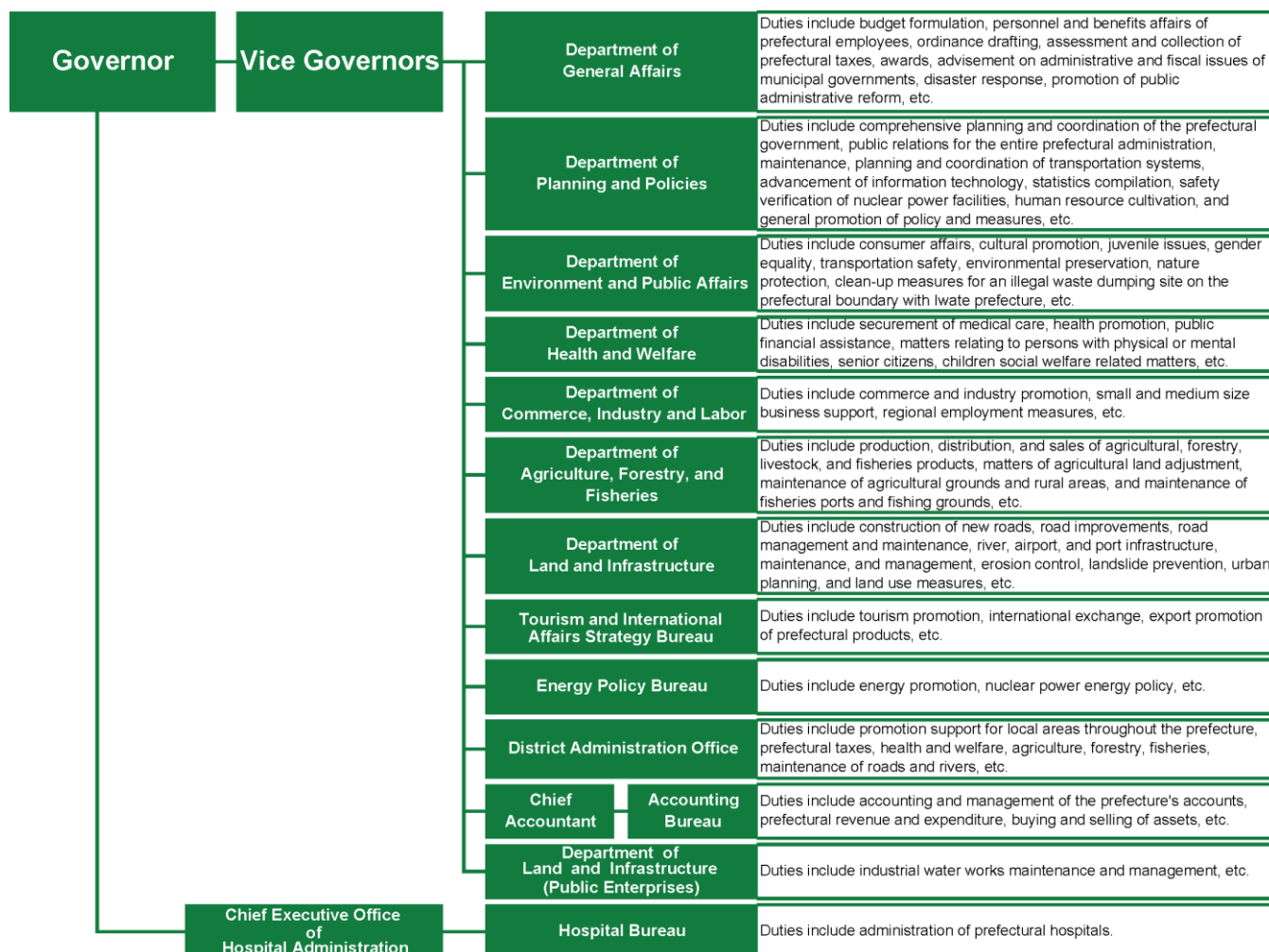


Figure 5: Organization of the governor's administration

2.2.4 Organisation of administrative commissions

In order to promote democratic public administration, various types of administrative commissions are established independently from the governor and are composed of persons from each area that represent the prefectural citizens, and each has its own secretariat.

Board of Education	Board of Education Secretariat Office	Advisement and administration of prefectural schools and special support schools, social education, sports, cultural property preservation, etc.
Public Safety Commission	Aomori Prefectural Police Headquarters	Crime prevention, criminal investigation, traffic enforcement, issuing of driving licenses, disaster rescue, etc.
Personnel Commission	Personnel Commission Secretariat Office	Personnel employment exams, consultation on payroll matters, equity investigation, working conditions, etc.
Labor Relations Commission	Labor Relations Commission Secretariat Office	Mediation of issues between employees and employers.
Prefectural Auditors	Prefectural Auditors Secretariat Office	Auditing and administrative work dealing with fiscal matters of the prefecture.
Election Administration Commission	Election Administration Commission Secretariat Office	Election management work involving gubernatorial, prefecture assembly member, and diet member elections.
Marine Fisheries Adjustment Commission	Marine Fisheries Adjustment Commission Secretariat Office	Democratic management of fisheries, coordination for increased production, etc.
Freshwater Fishing Ground Administration Commission		Licensing of fishing rights for freshwater fishing grounds, arbitration and rulings regarding the use of fishing grounds, etc.
Expropriation Commission		Handles expropriation settlement etc., for land needed in public works projects.

Figure 6: Organisation of administrative commissions

2.3 Main industries of Aomori prefecture

2.3.1 Agriculture

Aomori's agriculture industry utilizes the unique qualities of each region, primarily in the Tsugaru region where rice and apples are cultivated, whereas in the Kennan region in the south-eastern part of the prefecture, vegetable and livestock cultivation is the primary form of agriculture practiced.

Aomori prefecture is one of the foremost agricultural prefectures of Japan, boasting the highest production of apples, nagaimo yam, garlic, and burdock root.

In recent years, in addition to efforts to make Aomori soils the healthiest in Japan and efforts for healthy water cycle securement, etc., Aomori prefecture is making increased efforts in the promotion of produce sales direct from producers, processing of agricultural products and expanded production of agricultural products that are safe, reliable, fresh, and delicious.

Rice

Tsugaru Roman

Debuting in 1997, Tsugaru Roman is planted in the central parts of the Tsugaru region. It was named Tsugaru "Roman" embodying the romantic sentiments and passion of the rice farmers that produce it. Tsugaru Roman is a grandchild of the famous Japanese rice cultivar, Koshihikari. It has a superior flavour and quality, and is the ace of Aomori rice.

Masshigura

Debuting in the fall of 2006, it is primarily planted in the north-western area of Tsugaru and the Kennan area. Loosely translated, "Masshigura" means "direct and straight forward", so named for its producers' pursuit of great taste and high quality, as well as the serious nature of their endeavours. Masshigura is a great-grandchild of the famous Japanese rice cultivar, Koshihikari. It has an excellent flavour, high yield, and with its strong disease resistance, Masshigura is ideal for reduced agricultural chemical cultivation.

Apples

Apples first entered Japan in 1871. In the spring of 1875, the Department of Industry Promotion from the Home Ministry sent three apple saplings to Aomori prefecture. The apples that were grown on the grounds of the Aomori Prefectural Office were the beginnings of Aomori's apples.

There are two types of Fuji apples – Early Fuji and plain Fuji.

Early Fuji Apples are a product of a mutation known as limb sport and cross seedlings. Examples cultivars include: Hirosaki Fuji, Beni Shogun, Korin, Ryoka no Kisetu, etc. Its appearance and flavour are similar to standard Fuji apples; however they are a line of early maturing apples that are ready for harvest approximately 1 month before standard Fuji apples. They are sold in October.

Fuji Apples are the most produced cultivar both in Japan and in the world. They are approximately 350 grams, and have deep crimson stripes.

Aomori Prefectural Industrial Technology Research Centre- Apple Research Institute

The Apple Research Institute of the Aomori Prefectural Industrial Technology Research Centre is located in Kuroishi city and is the only apple experimental research institution in Japan. Established in 1931, the Apple Research Institute carries out experimental research on apples and other fruit trees.

On site at the Apple Research Institute is the Apple Archives Building, the former main building of the institute that was modelled after the East Malling Research Station in the United Kingdom. Currently the

Apples Archives Building serves as a historical museum displaying information about apple cultivars and history.

2.3.2 Forestry

Forests comprise an area of approximately 66% (640,000 hectares) of Aomori prefecture. Each region has trees distinct to its own area, both the Tsugaru and Shimokita peninsulas have the hiba tree (a type of Japanese cypress) and the Hakkoda Mountains and the mountains of the Shirakami Sanchi have beech, while the Kennan area has Japanese red pine, etc. Japanese cedar is found all over the prefecture in an area of approximately 200,000 hectares.

In order to utilise the rich and diverse resources of Aomori's forests in a sustainable way, the prefecture promotes the development of various types of forests by planting hiba (cypress) and broadleaf trees, in addition to the promotion of the utilisation of regional characteristics by the forestry and timber industries, and responsible forestry practices that are kind to residents and the environment alike.

Trees of Aomori prefecture

Beech

Beech grows in great numbers in the Hakkoda Mountains and in the Shirakami Sanchi. Of note, the World Heritage listed virgin beech forest of the Shirakami Sanchi is said to be the largest beech forest in all of East Asia.

With a large water retention capability, beech forests have a highly important public function to help in the conservation of headwaters and preventing ground erosion, as well as providing the beautiful natural environment of Aomori prefecture.

Beech is used in making crafts and premium furniture.

Hiba (Cypress)

Grows prevalently in both the Tsugaru and Shimokita Peninsulas, and the combined amount of this resource is the highest in Japan.

Known for its beautiful wood surfaces and its superior antibacterial properties, the hiba forests of Aomori are counted as one of the top three beautiful forests of Japan.

Besides their use in building homes, Aomori's hiba are also used as a building material for temples and shrines.

Cedar

The most prevalent tree growing in the prefecture. Aomori's artificially planted cedar forests are the 4th largest in Japan. Cedar is used as a construction material and as an interior material in houses, and recently cedar is even made into plywood.

Japanese Red Pine

Grows in the Kennan region of the prefecture in large numbers. Japanese red pines high strength is commonly used for beams and piles for houses, along with its great ability to generate heat makes it often used in ceramics.

2.3.3 Fisheries

Aomori prefecture is surrounded by the sea on three sides, including the sheltered Mutsu Bay. The entire length of the coastline in the prefecture is about 800 km, roughly the same distance from Aomori to Tokyo.

There are a wide variety of marine species to be caught, and large concentrations of plankton occur where the currents interact, resulting in many fish, which feed on this plankton, making the waters surrounding Aomori highly productive.

Surrounded by land on most sides, the calm waters of the Mutsu Bay are home to a flourishing scallop aquaculture industry.

In this way, flourishing fisheries are being carried out utilising the unique qualities of each of these waters in Aomori prefecture, and in order to continue stable fisheries, scallop aquaculture is being carried out along with a wild stock enhancement program which releases salmon, left eye flatfish, and abalone, as well as implements resource management based fisheries that regulate fishing (catch sizes and fishing seasons, etc.) for certain species such as left eye and right eye flatfish.

2.3.4 Commerce

Aomori's commerce sector includes 15,155 retailers, making up 81.2% of the prefectures total commerce industry, with annual merchandise sales totalling at 1.4399 trillion yen, making up 43.5% of the entire commerce industry.

A look at the composition of retailers indicates that food and drink retail was the highest, with 5,643 shops making up 37.2% of the number of retailers, and 32.5% of all retail sales.

Promotion of downtown commercial areas

Following societal changes such as declining birth rates, aging population, and declining population, the importance of the revitalization of city centres, downtown commercial areas, and compact urban planning is increasing as the role expected of these areas to serve as a community space increase. The prefecture is working to enhance and promote downtown commercial areas, as well as implement vacant shop countermeasures.

2.3.5 Industry

Manufacturing, along with agriculture and tourism related industries are "extraterritorial market industries" and are essential in order to acquire external sources of money both from other areas in Japan and overseas, that will serve as capital towards the vitalisation of the regional economy.

The composition of industry in Aomori prefecture according to final product value is as follows, nonferrous metals are the highest at 19.9%, followed by foodstuffs, steel, pulp/paper, and electronic components and these five industries make up a total of 62.7% of the total industry.

Aomori prefecture is promoting strategic measures to attract business to the area, including low-carbon industry, green data centres, hybrid automobile component manufacturers and wind farms. In addition to fostering and strengthening the local industry and the gathering of growing industry sectors centred on manufacturing, Aomori is utilising the potential of the area, including the rich invaluable human resources in Aomori known for their perseverance, as well as the high level of manufacturing expertise and the rich agriculture, forestry, and fisheries products of the region.

Diverse collection of industries

In both of these regions that possess unique industry characteristics, the prefecture is working to promote the potential of the area to become a gathering place of industry, as well as the development of invaluable human resources.

Tsugaru area

The Tsugaru area which includes Aomori city and Hirosaki city, is a gathering place for industries involving semiconductors, electronics components and devices, electro mechanics, precision machinery, information and communication technologies, and medical equipment. It has a particularly large collection of optical related industries involved in the research and development as well as

manufacturing of fibre optics, including optical devices, optical prisms, image processing devices, semiconductor testing equipment, etc. Additionally, the Tsugaru area boasts a rich agricultural, forestry, and fisheries resources and a thriving food products industry. The prefecture is promoting an "Aomori Wellness Land Concept" which aims to create and foster medical, health, and welfare related industries, through cooperation with universities in the prefecture and the creation of food related industries according to the "Aomori Agriculture and Manufacturing Best Mix - New Industry Creation Concept."

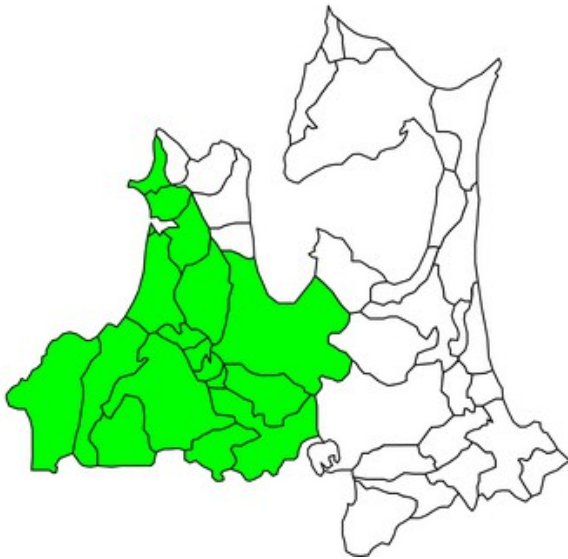


Figure 7: Map of Tsugaru area

Kennan and Shimokita areas

The industries centred in the Hachinohe area include basic materials industries such as steel, nonferrous metals, paper production, and chemical, in addition to semiconductor manufacturing equipment, information and telecommunication devices, automobile and aircraft components, software, and processed food products centred on processed fisheries products.

Located in the Shimokita area are nuclear power related industries, large-scale wind power farms, an international nuclear fusion energy research centre, and an institute for environmental sciences, making the area one of the few leading centres in Japan for energy development and research.

With stable energy supply and global warming countermeasures becoming a global issue, the prefecture is working to create a gathering place of new technologies and new industries in the fields of alternative energy, energy conservation, and environmental recycling through environmental and energy research and development. Demand is expected to expand for these industries.

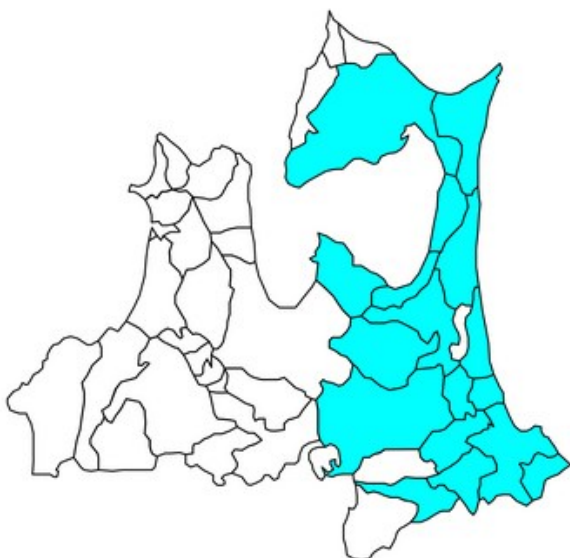


Figure 8: Map of Kennan and Shimokita areas

Key priorities for Aomori prefectural government

Aomori prefecture has created the “Aomori Basic Plan: A Challenge to the Future” as a policy for how the prefectural government will operate from 2009 to 2013. This plan was conceived with a vision of Aomori prefecture in 2030.

Source: <http://www.pref.aomori.lg.jp/soshiki/kikaku/kikaku/files/2009-1020-1334.pdf>

The vision of Aomori prefecture in 2030 as detailed in the Basic Plan includes: (translated from Japanese):

Industry & employment

- increase employment and incomes
- an Aomori with rich international mindedness, that is proactive in global issues such as the global food crisis and energy crisis
- an Aomori renown as one of the few cultural and health resort destinations, with its beautiful natural environment, captivating and unique culture, and health related businesses centered on hot spring bathing therapy and the development of other unique services
- an Aomori home to special education in cutting-edge environment and energy technologies

Aomori strengths leading Japan: energy and food production

- a prosperous Aomori that is the home to a food production industry which delivers rich, safe, reassuring, diverse, and delicious food products from its agricultural, forestry, aquaculture, and food processing industries
- an Aomori that serves as a global accumulation centre of various energy industries

Creative and challenging society

- a balance of unique manufacturing and cutting-edge creative industries which are inspired and stimulated by the natural surroundings of Aomori

Safety, assurance and health

- an advanced prefecture in health and medicine (cancer prevention etc.)
- an optimal place to give birth to and raise children
- a region that is prepared for disasters and is reassuring to live in
- a home to safe food products with a high reputation

Environment – The creation of a low-carbon and sustainable society

- lifestyle integrated with nature
- recycling and reduction of wastes an integral part of daily life
- active efforts towards creation of a low-carbon society
- expansion of environmental understanding and consideration

2.4 Tourism in Aomori

2.4.1 The role of local government in tourism

Local government in Japan plays a leading role in the promotion of local tourism, for both the domestic and international markets as cited in the 'Tourism Nation Promotion Basic Law', and is seen as an important mechanism for invigorating local areas.

In a context in which Japan is characterised in recent years by a rising elderly population and a declining birth rate, there has been a rise in expectations that tourism may be a source of national economic growth. For local and regional areas, there are hopes that tourism can serve as a powerful device for stimulating regeneration and revitalization and that tourism can become a new industrial field which is able to generate high value add.

Local governments generally project plan and finance tourism, while the Tourism Association (present in most prefectures) deals with project operation and implementation.

2.4.2 Aomori prefecture - 2014 tourism budget

Some of the 2014 budget objectives for Aomori in relation to tourism include: (translated from Japanese budget document)

- strategic dissemination of tourism information - appeal to the domestic and international tourism agencies.
- promotion of the Hokkaido shinkansen (bullet train) service, which links Aomori and Hakodate (Hokkaido) and which will open March of 2016
- Linking tourism with agriculture, local food and Aomori's other key local industries
- Development of package tours

2.5 Main sights and attractions in Aomori

Aomori prefecture is home to a rich treasure trove of tourism resources, starting with the rich natural wonders of the Shirakami Sanchi, a natural world heritage site, Lake Towada and the Hakkoda Mountains, and the agriculture, forestry, and fisheries, along with historical and cultural assets like the Sannai Maruyama historical site.

Additionally, with the completion of the Tohoku Shinkansen (bullet train) Line on December 4, 2010, access to Aomori prefecture has improved drastically, the prefecture is working closely together with tourism related parties to utilise this to its maximum potential, in hopes of furthering year-round tourism.

2.5.1 Skiing in Aomori

Aomori boasts many ski areas. Hakkoda Ski area is known for its grand scale and beautiful soft rime, opened for half the year from December to May.

Kamafuseyama Ski area in Mutsu City is the northernmost ski area on Japan's main island. Mutsu Bay spreads before you, and on a clear day, mountains in Hokkaido can be seen from the course. Naqua Ski Resort in Ajigasawa is proud of the great quality of its snow and ski runs covering 3 and 4 kilometers. Try your skill on the 2-kilometer bullet slope at Iwakisan Hyakuzawa ski area. The Moya Hills offers a panoramic nightscape of Aomori City, and Owani Onsen ski area has 2 ski facilities; Ajara Kogen and Kokusai.

The main ski resorts

Moya Hills ski resort (Aomori City) - frequented ski resort located in the suburbs of Aomori City. The ski resort offers various slopes for the enjoyment of skiing according to the levels of skiers.

Hakkoda ski resort (Aomori City) - This ski resort offers extra-long dynamic slopes with natural topographic features incorporated, such as trees glazed with ice, and wavy slopes. Skiers can enjoy skiing from the end of November to the middle of May.

Ajigasawa ski resort (Ajigasawa Town) - This ski resort offers natural powder snow and a long slope running toward the ocean. Moreover, skiers can also enjoy taking a hot spring bath. The ski resort is one of the best ski resorts in the Tohoku area.

Owani hot spring and ski resort (Owani Town) - This ski resort was used as a venue hosting alpine jumping and the like in the 2003 Winter Asian Games. Located in a hot spring resort, the ski resort is the largest ski resort in the prefecture.

Makado ski resort (Noheji Town)- This ski resort offers a variety of slopes for high- and moderate-speed skiing, from slopes for families to slopes through forests. Skiers can enjoy a 360-degree panorama of the vast wilderness.

Towadako hot springs and ski resort (Towada City) - This ski resort is most suitable for beginners and families. The resort is located near Lake Towada, Towadako Onsenkyo, and other scenic spots, so you can enjoy both skiing and taking a hot spring bath.

2.5.2 Cultural and historical attractions

There are many high quality art galleries and museums in Aomori prefecture, including the Aomori Museum of Art, the Aomori Contemporary Art Centre and one entirely devoted to a famous son of Aomori, block printer Munakato Shiko.

The prefecture is also home to many original castles and temples, which have survived relatively intact due to the prefecture's former isolation and because of a lack of bombing raids during World War II. Hirosaki Park, featuring Hirosaki Castle, is spectacular in any season.

In winter, a ride on the historical Tsugaru Stove Train, a former commuter train for villagers bringing their produce from outlying villages into Goshogawara and other larger towns, is a unique experience. There are two potbelly stoves in each carriage which not only keep passengers warm, but are used to warm sake and cook squid and other delicacies to enjoy on the journey.

2.5.3 Hirosaki - the top producer of apples in Japan

Aomori prefecture produces about 500,000 tons of apples annually, many coming from Hirosaki. Hirosaki is the regional commercial centre for southwest Aomori prefecture. The main agricultural crops include apples and rice, with Hirosaki accounting for 20% of the total production of apples in Japan.

Cherry blossom viewing is also another attraction. Each year, the cherry blossoms in Hirosaki attract more than 2 million people from all over Japan and abroad.

2.5.4 Nebuta summer festival

Aomori Nebuta Festival is a world-renowned fire festival which draws 3 million people from both Japan and abroad. A wide variety of floats featuring courageous warrior figures take over the streets during the Nebuta festivals. Nebuta festivals are held around the Tsugaru area including Aomori-City, Hirosaki-City, Kuroishi-City and Goshogawara-City from late July to early August.

2.5.5 Nature walks

Shirakami-sanchi, a World Heritage Site and Lake Towada/Oirase Stream National Park allow you to enjoy hiking in both spring and autumn. The magnificent coast view such as Cape Tappi, located at the northern tip of Tsugaru Peninsula and Hotokegaura, in Shimokita Peninsula are also recommended.

2.5.6 Aomori hot springs

There are 145 hot springs in Aomori prefecture. Hot springs gush out even in the city area, and many public hot spring baths can be found everywhere. Hot springs in Aomori feature many different types of mineral elements such as sodium, iron and sulphur with the colours of black, white and brown.

There are also many hot spring hotels in unique locations like in the middle of the mountains and open-air hot spring baths by the seaside.

2.5.7 Food and other delicacies of Aomori

Aomori prefecture is home to mountain delicacies and various seafood dishes, being surrounded by the sea on all sides. Specialties include - apples, scallops, flounder, tuna, Nagaimo yam, garlic and beef.

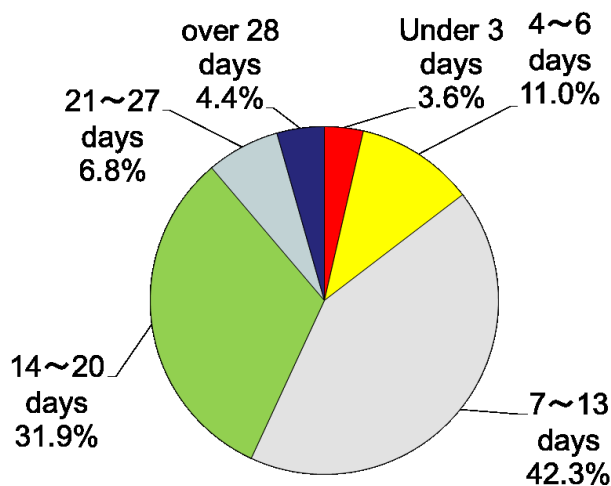
3 Australian/New Zealand inbound travel to Japan

3.1 Key statistics

Data published by the Japan Tourism Agency on inbound travel to Japan for leisure/tourism purposes for 2012 are summarised below. Some of this information is presented in the following tables.

- **Total number of visitors from Australia to Japan** totalled 206,537 which was an increase of 27% from 2011, and 2.5% of total market share
- **Approximately 37,000 New Zealanders visited Japan in 2013** (JNTO statistics to Oct 2013). Given the statistics above, some will be using Japan as a stop-over destination
- A total of 21,840 **New Zealand travellers** listed Japan as their main destination, an increase of 1800 over 2012 (9%) with 6,500 of those travelling for holiday purposes
- **Average length of stay** for Australians inbound to Japan was 12 nights (42.3% stay 7-13 nights)

Figure 9: Nights of stay per visit (Australia)



The following countries were at the top of the chart for the various lengths of stay categorised by number of days:

- *Less than 3 days*: Korea at 40% (Australia – 3.6%)
- *4 – 6 days*: China and Taiwan - approx. 70% (Australia – 11%)
- *7 – 13 nights*: Russia at 69.1% (Australia – 42.3%)
- *21 days – 1 year*: Germany and France at approx. 22%
- The **majority of Australians (32%) travel to Japan with a spouse or partner** (ranked 2 out of 15 countries, following the UK at 33.6%), 26.8% travel alone, 21.9% travel with friends, 20.9% travel with families and a small 0.8% travel for business
- **Main purpose of travel** was tourism and leisure (59.2%) followed by visits to family and friends (14.5%)

- 48.6% of Australians have visited Japan once, 37.4% have visited 2-5 times, 4.4% have visited 6-9 times and 5.3% have visited more than 20 times.
- **Australia has the highest average spend per person totalling Y196,978**, followed by China - Y187,970, Russia - Y185,079 and England - Y162, 572. The breakdown of total average spend per person for the Australian market is as follows:
 - Accommodation – Y88,661 (44% of total spend; India ranked 1 at 52.5% followed by Germany at 50.5%)
 - Food – Y39,855 (20.2% of total spend; Korea spent the most on food at 23.1%)
 - Transport – Y30,263 (15.4% of total spend - Australians spent the most on transport during travel, followed by England, 14.5% and France, 14.1%)
 - Entertainment & General Services – Y6,299 (3.2% of total spend; Korea had the greatest spend in this area amounting to 4.5% of total travel expenditure)
 - Shopping - Y33,562 (17.0% of total spend; China had the greatest spend amounting to 51.2% of total travel expenditure)
- **Australia holds 3.7% of the total market share of travel spending** and is ranked number 6. Total travel spend for Australia is approx. Y40.7 billion. Rank 1 is China - Y268.8 billion (24.7%) followed by Taiwan at Y164.8 billion (15.2%) and Korea at Y148.6 billion (13.5%)
- It is worth noting that the total numbers of tourists to Japan is forecast to increase in the build-up to the 2020 Olympics.

The following tables illustrate some of the above statistics. They show some comparative data of the top five countries with the highest average spend, longest and shortest average length of stay and total number of annual visitors to Japan for the year 2012. The data interestingly highlights that while Australia does not have the greatest annual expenditure; Australian travellers spend one of the longest periods in Japan and spend the most per person.

Figure 10: Total number of persons visiting Japan for leisure/tourism

Total number of persons visiting Japan for leisure/tourism		
Rank	Country	No. persons
1	Korea	2,044,249
2	Taiwan	1,466,688
3	China	1,429,855
4	America	717,372
5	Hong Kong	481,704
6	Australia	206,537

Figure 11: Longest average length of stay (for leisure/tourism purposes)

Longest average length of stay (for leisure/tourism purposes)		
Rank	Country	Av. no of nights
1	France	14.7
2	Germany	13.3
3	Australia	12.1
4	England	10.9
5	India	10

Figure 12: Shortest average length of stay (for leisure/tourism purposes)

Shortest average length of stay (for leisure/tourism purposes)		
Rank	Country	Av. no of nights
1	Korea	3.9
2	Taiwan	5.1
3	Hong Kong	5.2
4	China	5.7
5	Thailand	6.2

Figure 13: Total annual spend per country

Total annual spend per country		
Rank	Country	Av. no of nights
1	Korea	3.9
2	Taiwan	5.1
3	Hong Kong	5.2
4	China	5.7
5	Thailand	6.2
6	Australia	40.7

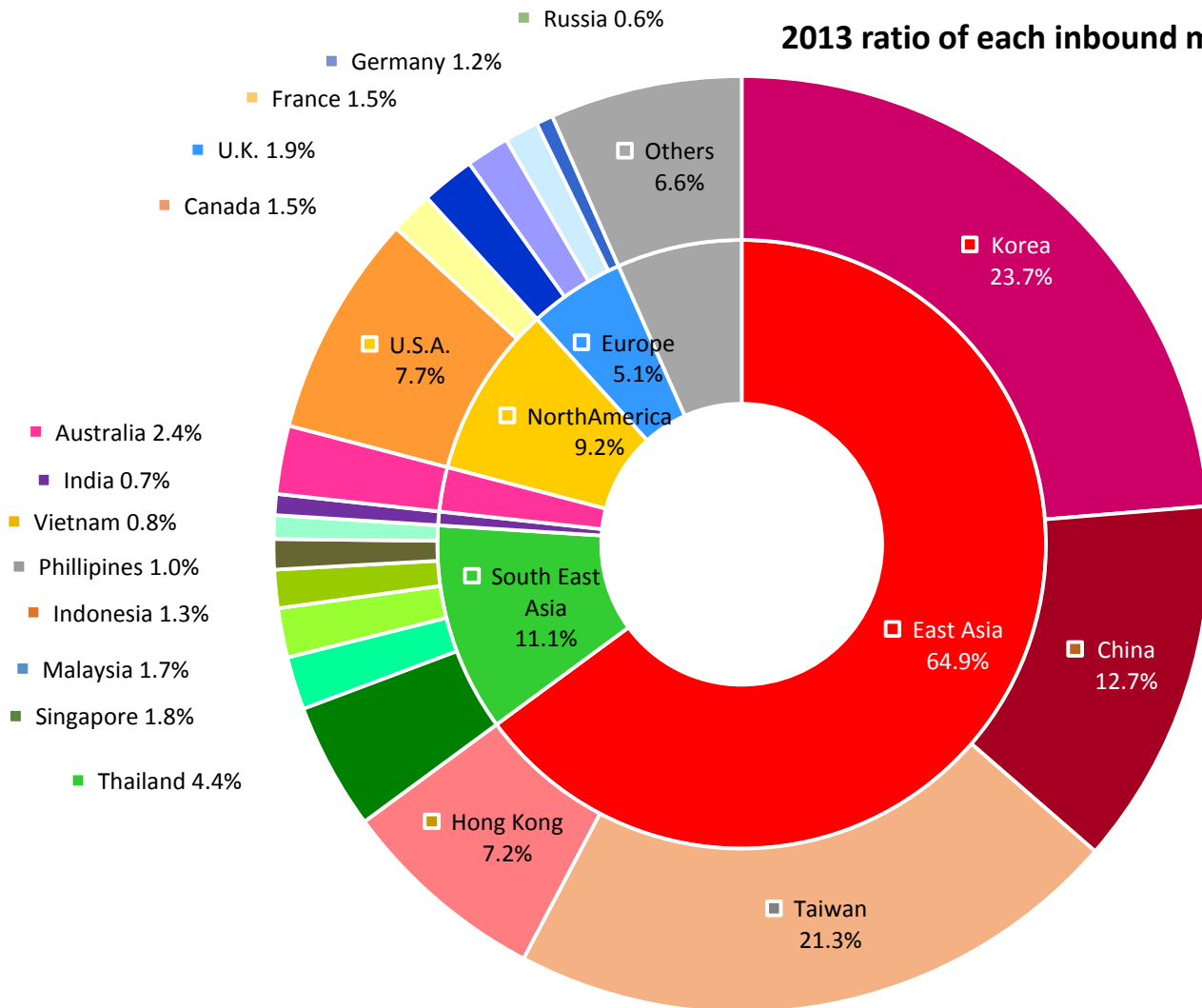
Figure 14: Average total spend per person

Average total spend per person		
Rank	Country	¥
1	Australia	196,978
2	China	187,970
3	Russia	185,079
4	France	165,157
5	England	162,572

Other general statistics and published information show:

- Australian tourism to Japan grew from 150,000 in 2000 to over 225,000 in 2010. Much of this is due to skiing; around 30,000 Australians visited the Hokkaido ski fields alone in the 2010-11 season.
- JNTO estimates that as of the end of November 2013, a total of 214,300 Australians travelled to Japan, an 18.4% increase from 2012.
- 2013 was a great year for Australian arrivals to Japan, with a strong winter season, especially January 2013, which saw a total of 31,700 Australians visit the country (compared to 22,192 in Jan 2012), a record high. The strong Australian dollar and the corresponding weak yen made Japan an attractive and cost effective travel destination for Australians, where they can get more for their dollar.
- In 2013 the Australian market accounted for 2.4% of the total inbound market to Japan.

2013 ratio of each inbound market



Refer to JNTO (Japan National Tourism Organization) Foreign Visitors & Japanese Departures PDF for 2012 and 2013 inbound stats.

2012 - <http://www.jnto.go.jp/eng/ttp/sta/PDF/E2012.pdf>

2013 - <http://www.jnto.go.jp/eng/ttp/sta/PDF/E2013.pdf>

3.2 Future targets for inbound travel to Japan

In 2012, a new “Tourism Nation Promotion Basic Plan” was approved by the Cabinet. This plan, based on the provisions of Article 10 of the Tourism Nation Promotion Basic Law (Act No.117 of 2006), defines a basic plan for realising a Tourism Nation. The approach of the strategies for this basic plan is based on:

- Broadening of the base of tourism, and
- Improvement of the quality of tourism.

By 2016, the Plan aims to achieve 18 million foreign visitors to Japan. In addition, the Plan includes new indexes for “Satisfaction” objectives for foreign visitors to Japan and traveller satisfaction of tourist areas.

Some of the international targets highlighted in the Plan include an expansion/ improvement in the number of foreign visitors to Japan through:

- *Number of foreign visitors* - increase to 18 million by 2016, aiming at the long-term target of increase to 25 million by the beginning of 2020.
(2010 performance: 8.61 million, 2011 estimate: 6.22 million)
- *Satisfaction of foreign visitors to Japan* - Seek to increase, by 2016, the ratio of respondents who answer “Very satisfied” in the foreign visitor consumption trends survey to 45% and the ratio of respondents who answer “Definitely want to visit again” to 60%.
(2011 performance: 43.6% of the respondents answered “Very satisfied” and 58.4% answered “Definitely want to visit again”)
- *Number of international conferences held* - Target a 50% or higher increase by 2016, in the number of international conferences held in Japan, aiming at becoming the number one conference host country in Asia.
(2010 performance: 741 international conferences were held.)

Source: Japan Tourism Agency: 2013

3.3 General facts about Australian/New Zealand outbound travel

3.3.1 Australian outbound travel

- In 2012, Australians aged 15 and over took nearly 7.3 million trips and spent more than 145.0 million nights overseas. On average, Australians were away for 19.9 nights on overseas trips – down by 0.7 nights on YE December 11
- Australians spent \$41.2 billion on outbound travel – down by 0.8% on YE December 11. On average, travellers spent \$5,670 per person and \$284 per night on overseas trips
- Australians’ propensity to travel outbound in 2012 was 39.0 trips per 100 people. Parents with their youngest child aged 15+ had the highest propensity (55.9), followed by young/midlife couples, no kids (53.5) and older working (53.2)
- Australians outbound travel behaviour is influenced by:
 - high exchange value of the Australian dollar (exchange rates)
 - the rapid expansion of low cost carriers
 - strong growth in the number of older Australian couples whose adult children have left home

3.3.2 New Zealand outbound travel

Propensity to travel

- New Zealanders have a relatively high propensity to travel abroad, at 46 trips per 100 people in 2008, compared to an international average of 14 trips per 100 people. This is also higher than other island nations, where Australians had a propensity of 39 trips per 100 people, South Koreans at 25 trips per 100 people and Japanese at 13 trips per 100 people. The propensity to travel is highest amongst the 30 – 69 age group.

Seasonal patterns

- June to September are the most popular months for New Zealanders to travel abroad, with 38% of departures occurring during these months. January through to March are the weakest months.

Length of stay

- The average length of absence for New Zealanders travelling for holidays abroad in 2008 was 17.2 days. The median length of absence was 10 days.

Characteristics

- Those aged 30 – 59 years accounted for over 50% of all holiday travellers. Those aged under 20 also featured strongly at 18%. Those living in Auckland made up 45% of all departures in 2008 and also are more likely to visit North East Asia. This is likely due to the diverse ethnic population in the Auckland region and the proximity to Auckland International Airport.
- New Zealanders spent on average NZ \$2,142 per trip and NZ \$108 per day, excluding international airfares.

3.4 Successful Australian/New Zealand tourism strategies & campaigns

3.4.1 Australia tourism strategies and campaigns

National

Tourism Australia Campaigns: <http://www.tourism.australia.com/campaigns.aspx>

- **There's nothing like Australia**
<http://www.tourism.australia.com/campaigns/theres-nothing-like-australia.aspx>

In May 2010 Tourism Australia launched its global - *There's nothing like Australia* campaign.

The campaign was designed to be a longstanding, flexible campaign that could evolve to remain relevant to Tourism Australia's target audience in a highly competitive and fast-changing global tourism environment.

Research has shown that the campaign is working well and is an excellent platform to communicate with our target consumers that Australia is a must-see destination with some of the world's best tourism experiences.

Tourism Australia is now embarking on the next stage of the campaign, to be launched in June 2012.

This new phase of "There's Nothing Like Australia" builds on the already successful and established platform and takes it a step further by focusing on quality, highlighting some of the very best experiences and products that Australian tourism has to offer.

As with the first phase, the creative will be multi-faceted and multi-platform, with a strong digital, social media and advocacy focus - the primary place today where travellers research their holidays and share their holiday experiences.

The campaign will target both domestic and international audiences with a short film to be broadcast on TV, cinema and online as well as print and digital executions. It will have a comprehensive social media component in order to engage with Tourism Australia's significant social media communities worldwide, including its record three million global Facebook fans.

- **Australia's National Landscapes Program**

<http://www.tourism.australia.com/campaigns/national-landscapes.aspx>

Australia's National Landscapes Program is a long-term strategic approach to regional tourism development and conservation. Since the commencement of the program in 2005, the focus has been on building awareness and setting the foundations. The program is aligned to the industry's *Tourism 2020 Strategy* seeking opportunities for investment, innovation and job creation.

The program was inspired by a realisation that around the world the term 'National Park' is a prime brand name for tourism. For example, the Serengeti National Park, Yellowstone National Park and Kilimanjaro National Park, to name a few, are major tourism draw cards. Around the world National Parks are usually few but significant. While America has 57 National Parks and Canada has 41, Australia has over 600. Australia's large number of national parks and protected areas are impressive yet overwhelming for travellers to navigate and digest.

In recognition of this, Tourism Australia and Parks Australia have formed a partnership between tourism and conservation to identify Australia's iconic landscapes, which capture and promote areas of outstanding natural beauty and cultural significance. This partnership has seen the creation of Australia's National Landscapes Program, an initiative that aims to achieve conservation, social and economic outcomes for Australia and its regions via the promotion of superlative nature-based tourism experiences. The Program will help to ensure that our natural and cultural experiences are protected for our future and enjoyed by locals and visitors in a sustainable manner.

2012 Outcome Report

http://www.tourism.australia.com/documents/corporate/Outcome_Report_-_NL_Program_only.pdf

The Australian Alps National Landscape Tourism Strategy (falls under 'Australia's National Landscape Program')

<http://www.australionalps.environment.gov.au/publications/general/pubs/aanlstrategy2010.pdf>

State-wide

The following is a sample range of tourism strategies with similar contexts to Aomori prefecture:

- Victoria's Nature Based Tourism Strategy
<http://www.tourism.vic.gov.au/images/stories/Documents/StrategiesandPlans/Victorias-Nature-Based-Tourism-Strategy-2008-2012.pdf>
- Victoria's Regional Tourism Strategy 2013-2016
<http://www.tourism.vic.gov.au/about/strategies-and-publications.html>

General tourism campaign and inbound travel resources and toolkits

Tourism Australia

- Planning for inbound success
<http://www.tourism.australia.com/documents/Planning-for-Inbound-Success.pdf>
- Growing Destinations
<http://www.tourismexcellence.com.au/Growing-Destinations/Strategy.html>

3.4.2 New Zealand campaigns

Tourism New Zealand – 100% Pure New Zealand

Tourism New Zealand's marketing campaign is "100% Pure New Zealand". It is used in all of our international marketing work - including advertising, international PR activity and online marketing, event and sponsorship activity.

When "100% Pure New Zealand" was launched in 1999, it was the first time New Zealand had one message in all of its tourism markets around the world. The campaign was developed to be clear and concise: to communicate a single message about New Zealand that captured the imagination of our target market.

"100% Pure New Zealand" tells the story of how this country's unique combination of landscapes, people and activities cannot be found anywhere else in the world - it is a "100% Pure New Zealand" visitor experience.

Over the years it has been used as "100% Pure Relaxation, 100% Pure Welcome, 100% Pure Adrenalin, and 100% Pure You" - all connected back to the core premise of "100% Pure New Zealand".

The latest adaption is "100% Middle-earth, 100% Pure New Zealand", leveraging the huge exposure New Zealand is getting around the world from the first Hobbit movie.

"100% Middle-earth, 100% Pure New Zealand" was named best destination marketing campaign at the 2012 World Travel Awards.

Visit the award-winning 10 Years Young website to read more about the first 10 Years of "100% Pure New Zealand". <http://10yearsyoung.tourismnewzealand.com/>

Read more about the history of the "100% Pure New Zealand" campaign here. <http://www.tourismnewzealand.com/about-us/what-we-do-and-how-we-do-it/campaign-and-activity/>

New Zealand tourism ski promotion

Tourism New Zealand has a similar objective to Aomori prefecture - that of attracting more Australian ski tourists to key ski fields in New Zealand.

Marketing in Australia. March – June ski tourism

- 100% Pure New Zealand "More Magic In Every Day" campaign in partnership with Ski Tourism Marketing Network
- Ski modules developed as part of 100% Pure New Zealand specialist programme
- Ski family in 2014
- PR and Editorial via International media programme
- Snow Show Brisbane

Ski + other products

Ski packages are often promoted alongside other tourism experiences

- Ski and golf package: The ultimate winter experience, it combines the exhilaration of morning skiing with the prestige of golfing at one of New Zealand's most exclusive clubs in one glorious day.
- Other attractions include wineries, restaurants and events
- Queenstown Winter Festival: A 10 day "coolest days" winter festival that combines 75 events celebrating the community, the mountain environment and the start of the winter holiday season

- Example package AUD \$1209. Flights, 7 nights' accommodation, car hire and a two-day lift pass

Flights

- Trans-Tasman passenger arrivals into Queenstown Airport are 281,761 per year. Daily Qantas flights from Sydney are available during the winter season. Flights into Christchurch are numerous.

Other

- Share of outbound tourists from Australia has decreased from 18.45% in 2006 to a current 14.9%.
- Special interest groups are a priority.

3.4.3 Key considerations for a successful campaign

Based on the above national and state-wide tourism campaigns, the following considerations can be given to the design and implementation of a tourism campaign/strategy:

- Adopt a program implementation framework around the “five P’s”
 - partnerships
 - point of difference
 - planning
 - protection and
 - promotion

Refer to: Australia’s National Landscape Program – Experience Development Strategies

<http://www.environment.gov.au/system/files/pages/f5e06426-5374-43cd-9873-fa321355ce9e/files/experience-development.pdf>

- Understand the consumer/target market. Questions to ask include:
 - What is the main purpose of their visit? E.g., food & wine, adventure, language, trade, business
 - What type of experience do they want?
 - What do they desire in a holiday?
 - What is the average length of their stay?
 - How old are they and what life stage are they in? e.g., young families, retired, backpackers, etc.

AUSTRALIAN VISITOR SEGMENT

Tourism Australia has undertaken extensive research to identify the ideal visitor segment for Australia – the global Experience Seeker. They can be found across all ages, income levels and origins but share a common attitude to travel, personal development and everyday life.

Experience Seekers are leaders within their peer groups. They are early adopters of products and services and their value as a market extends to the influence they have on the holiday purchasing behaviour of others. Travel is an important part of their lifestyle and they journey beyond major cities. They have higher than average household income and are well-educated and informed.

What do they desire in a holiday? They search for active engagement and participation and want to get involved with the day-to-day culture of local people and places. Therefore, the wider experience on offer at a destination is critical to its appeal for the Experience Seeker. The Australian Alps is the place where Experience Seekers can connect with the rooftop of Australia through engaging, inspiring and sustainable experiences delivered by a vibrant tourism industry

- Identify the visitor experience. A visitor experience consists of five integrated layers:
 1. **Place** - including the physical characteristics and sense of the mountains
 2. **Infrastructure**
 3. **Services** - that include visitor information as well as food and beverage
 4. **Tours, activities and attractions** and
 5. **Interpretation**, which facilitates and shapes connection, meaning and understanding

Brand development and marketing

Create a positive destination image through a unified regional brand and campaign. The tourism industry, through the Prefectural tourism office, could lead the development of a unified brand story and identity for Aomori. This brand is essential in creating new positive messages for workforce attraction, investment and visitation.

Adopt an integrated campaign of print, digital, television and cinema, social media and public relations activities. Consider working with Australian advertising agencies. Adopting a multi-faceted and multi-platform, with a strong digital, social media and advocacy focus is fundamental as it is the primary place today where travellers research their holidays and share their holiday experiences.

<http://www.tourism.vic.gov.au/marketing-campaigns/domestic-marketing/melbourne-campaign.html>

Partnerships and strategic alliances

Building local and national networks and leveraging development opportunities is an integral component of any successful program or campaign.

Often the most effective way for regions to enter the international market is through partnerships, for example, with other prefectures, neighbouring alpine Councils, tourism agencies, the Chambers of Commerce, events companies who may offer a regional business events program - leveraging on each other's economic development and promotional activities as well as working with industry partners.

Touring routes, for example, may be a practical way of facilitating these partnerships. Touring routes are applicable to well established Asian markets and are critical to long haul markets, particularly the Western markets.

3.5 Case study Japan: Gifu prefecture tourism strategy – A success story

The tourism and promotion strategy of Gifu prefecture highlights the success of how a short to medium term tourism campaign targeting south-east Asian tourists has increased visitation to Gifu prefecture. (summarised from Japanese)

About Gifu prefecture

Gifu is a large, landlocked prefecture in the centre of Honshu. Takayama, a beautiful town in the mountains, and Shirakawa-go, a collection of small villages even deeper in the mountains, are Gifu's main tourist attractions. The prefectural capital Gifu City is famous for cormorant fishing.

Gifu prefecture is endowed with a beautiful natural environment represented by magnificent mountains, limpid streams and traditional culture. A large number of people visit Gifu to enjoy the wide range of attractions it offers. The number of tourists visiting roadside stations and other rest areas accounts for the highest proportion of tourists visiting Gifu prefecture among all destination types, followed by historical and cultural destinations; sports and recreation; urban tourism (shopping and eating); hot springs and health promotion; and natural attractions.

In 2011, Taiwanese tourists accounted for the largest group of foreign overnight visitors to Gifu, accounting for 29.9% of the total market share, followed by Chinese (21.3%) and Koreans (8.9%). Australians accounted for 3.9% of the total market.

Tourism strategy

In 2009, the Tourism Board of Gifu prefecture developed a basic strategy to recreate the identity of Gifu prefecture and develop a 'Gifu Brand' to attract local and foreign tourists to the region. The strategy focused on the various unique aspects of Gifu that would give reason for people to visit the area. One such project was centred on the folklore of Gifu prefecture, local art and produce including food, ceramics and world heritage sites. The target market for the strategy was Asia (Singapore, Malaysia, Thailand, China, etc.).

Under the "Feel Gifu, Japan" slogan, local travel and tourism organisations and businesses of Gifu prefecture participated in various fairs and expos in a number of south-east Asian countries (namely, Singapore, Malaysia and Thailand) to showcase local produce, history and culture and the main attractions of the area. Below is a list of some of the activities that took place:

- promotion of Hida Beef and local sake – three pop up stands (Singapore)
- locally hand-made ceramics – a Gifu corner in an elite lifestyle store (Singapore)
- travel stands in various travel industry events including the National Association of Travel Agents Singapore (NATAS), Thai International Travel Fair (TITF) and the Malaysian Association of Tour & Travel Agents (MATTA)
- "Feel Gifu, Japan", events program and campaign (Singapore): distribution of 12,000 "Feel Gifu, Japan" event brochures, distribution of 2,500 brochures to residential high rise apartments, local press releases and general media coverage

The results of the south-east Asia campaign

- Over the 2 year period from 2008 to 2010, the number of overseas tourists to Gifu increased from 225,473 in 2008 to 292,780 in 2010 (an increase of 1.3 times the 2008 rate)
- The most significant increase in tourism to the area was from Singapore, with a tenfold increase from 504 in 2008 to 5,428 in 2010

- From 2008 to 2012 there has been a steep increase in the number of tourists visiting Gifu from south-east Asia, namely Singapore, Malaysia and Thailand (except for a period in 2011 following the north Japan tsunami). The increase is as follows:
 - Singapore – 2,180 in 2009 to 6,940 in 2012
 - Thailand – 8,880 in 2009 to 22,360 in 2012
 - Malaysia – 930 in 2010 to 2,850 in 2012

Leveraging on broader regional promotional tourism attractions and activities

In addition to the above tourism marketing and promotional activities organised by Gifu prefecture, there have been some broader regional partnerships with neighbouring prefectures and Japan Rail (JR) which have increased tourism to Gifu prefecture. These are briefly detailed below:

- Central Japan Hotel and Rail Excursion Package – travel package includes accommodation (2 nights in Nagoya and 3 nights in Takayama), rail/bus travel and participation in a culture workshop (targets single traveller market)
- Explore Central Japan G- Pass – Central Nippon Expressway Travel Pass (unlimited travel on local toll-ways for 7 days, for example, for rental vehicles hired through Toyota Rent-a-Lease Aichi)
- Participation of neighbouring prefectures (Toyama, Nagano and Nagoya) in promoting tourism to south-east Asian markets
- Private sector initiatives – Participation by Central Nippon Expressway Company Limited (NEXCO), Toyota and Central Japan International Airports Association, etc. in various promotional activities of local infrastructure systems, for example, inviting participation of local industries from Malaysia and Thailand to showcase Japanese industry

4 Recommendations for promoting Australian tourism to Aomori prefecture

This section combines some of the statistical data on inbound travel to Japan, desktop research and general observations made by participants of the *CLAIR Local Government Cooperation and Exchange Seminar*, to develop an approach to promoting Australian travel to Aomori prefecture. In particular, it considers:

- the appeal of Japan and Aomori prefecture to the Australian market
- the planning and design requirements of a targeted tourism strategy
- appropriate marketing and communications techniques
- key challenges and limitations to advancing tourism promotion.

Please refer to table below for details.

Figure 15: Recommendations for promoting Australian tourism to Aomori prefecture

Focus area	Suggested approach
The appeal of Japan and Aomori prefecture to the Australian market	<p>Japan</p> <p>The people</p> <ul style="list-style-type: none"> • Hospitality of the Japanese people • Polite and welcoming of foreigners • Refined and attention to detail • Willingness to offer assistance across the language and cultural barriers <p>History, art, culture and sport</p> <ul style="list-style-type: none"> • Unique and endless cultural experiences that offer a significant regional difference • Regional and historical differences - reflected in scenery, customs and food – different region, new experience • Rural and urban contrasts - experience modern life (Tokyo) and rural life (Aomori) • Endless skiing opportunities across Japan at cheap prices • FACT: 2013 was a great year for Australian arrivals to Japan, with a strong winter season, especially January 2013, which saw a total of 31,700 Australians visit the country (compared to 22,192 in Jan 2012), a record high. <p>Cuisine</p> <ul style="list-style-type: none"> • Organic local produce • Access to fresh and healthy cuisine which is possible to get inexpensively <p>Travel costs</p> <ul style="list-style-type: none"> • Overcoming the myth that Japan is expensive for Australians as the cost of living in Australia is also very high • Many low cost options for accommodation and dining • FACT: The strong Australian dollar and the corresponding weak yen made Japan an attractive and cost effective travel destination for

Focus area	Suggested approach
	<p data-bbox="555 235 1174 264"><i>Australians, where they can get more for their dollar</i></p> <p data-bbox="459 271 695 300">Travel & transport</p> <ul data-bbox="507 309 1394 696" style="list-style-type: none"> <li data-bbox="507 309 1394 398">• Ease of travel to Japan and its regions – direct, overnight air travel to Tokyo from standard and low cost carriers, as well as bullet train access to all regional centres <li data-bbox="507 407 1394 497">• Domestic travel in Japan is easy and cheap. There are various options including the metro and bullet train. JR travel passes are available for foreign travellers only and are of great value <li data-bbox="507 533 1394 593">• No jet lag – 2 -3 hour time difference which compares very favourably with US and Europe for Australians <li data-bbox="507 602 1394 696">• FACT: <i>Australians spent the most on transport during travel amounting to Y30,263 which was 15.4% of total travel spend (2012) followed by England, 14.5% and France, 14.1%</i> <p data-bbox="459 734 695 763"><u>Aomori prefecture</u></p> <ul data-bbox="507 772 1394 1926" style="list-style-type: none"> <li data-bbox="507 772 1394 996">• Easy access by bullet train <ul data-bbox="603 808 1394 996" style="list-style-type: none"> <li data-bbox="603 808 1394 837">○ Fly direct to Tokyo and then 3 hours by bullet train <li data-bbox="603 846 1394 996">○ Access to the slopes in Aomori is easier than many other ski resorts Australians visit. For example, to reach Niseko, most forums recommend flying from Tokyo to Sapporo Chitose International Airport and then getting a ski bus. The distance from the airport to the resort is approx. 115km <li data-bbox="507 1005 1394 1377">• Variety of distinct seasonal attractions, festivals and activities <ul data-bbox="603 1041 1394 1377" style="list-style-type: none"> <li data-bbox="603 1041 1394 1070">○ Cherry blossom viewing in Spring <li data-bbox="603 1079 1394 1108">○ Maple festival (autumn leaves) <li data-bbox="603 1117 1394 1146">○ Snow lantern festival and skiing <li data-bbox="603 1155 1394 1216">○ Nebuta summer festival in August which attracts 4million visitors <li data-bbox="603 1225 1394 1314">○ Hiking and nature walks - Shirakami-sanchi World Heritage Site (world's largest virgin beech forest) and Lake Towada/Oirase National Park <li data-bbox="603 1323 1394 1377">○ Great museums, snow monsters (soft rimes – snow-capped trees), etc. <li data-bbox="507 1386 1394 1680">• Distinct regional differences (compared to larger metropolitan areas) <ul data-bbox="603 1444 1394 1680" style="list-style-type: none"> <li data-bbox="603 1444 1394 1473">○ People are friendly <li data-bbox="603 1482 1394 1512">○ Variety of local organic produce <li data-bbox="603 1520 1394 1581">○ Many local specialities - apples, sake and seafood including scallops, flounder, tuna, yam <li data-bbox="603 1590 1394 1680">○ Traditional craftwork - Tsugaru lacquer ware is a method of coating wood with lacquer, drying, then burnishing with sandstone <li data-bbox="507 1688 1394 1926">• Winter sports (skiing, snowboarding and snow trekking) <ul data-bbox="603 1724 1394 1926" style="list-style-type: none"> <li data-bbox="603 1724 1394 1785">○ Great powder, deepest snow in Japan and possibilities to do backcountry, downhill, cross country <li data-bbox="603 1794 1394 1823">○ Set among nature <li data-bbox="603 1832 1394 1861">○ No crowds (there are very few Australians!) <li data-bbox="603 1870 1394 1899">○ Cheaper compared to other more commercial alpine areas <li data-bbox="603 1908 1394 1926">○ Relaxing and easy to navigate – there are no queues

Focus area	Suggested approach
	<ul style="list-style-type: none"> ○ Hakkoda ski resort has a record of some of Japan's heaviest snowfall and has a fantastic quality of powder snow enabling the more daring and capable skiers to try backcountry skiing on ungroomed and unmarked slopes or pistes.
<p>Considerations in the planning and design of a targeted tourism strategy</p>	<ul style="list-style-type: none"> ● Multiple experience options for travellers with different interests - need to provide attractive options for people who may ski yet want to experience other sightseeing and cultural activities or who have family members or travelling companions who don't ski ● FACT: Festivals (Nebuta Festival), hot springs, hiking and nature walks (Shirakami-sanchi World Heritage Site and Lake Towada/Oirase Stream National Park), coastal retreats such as Cape Tappi, located at the northern tip of Tsugaru Peninsula and Hotokegaura, in Shimokita Peninsula, museums and galleries. ● Family friendly travel experience – a holiday that offers something for the whole family, For example, experience culture, art, food while skiing(i.e., beginner level snow fields, lessons and a whole range of other activities such as the Nebuta museum that are particularly attractive to families) ● Develop an 'Aomori for Kids' guide in English ● FACT: As of 2012, 20.9% of Australians travel to Japan with families ● Greater publicity in Australia - the ski resorts of Aomori are relatively unknown among skiers ● FACT: Less than 1000 Australians visit the region in 2012 ● Leverage on the seasonality of the region and the multiple cultural activities and festivities that take place ● Promote various tour options including: <ul style="list-style-type: none"> ○ local food tours – including sessions with reputable local chefs, sourcing food and seeing how produce is grown and prepared, tastings/degustation at locally rated/Michelin restaurants ○ Sake brewery tours ○ Walking tours ○ Eco-tourism / nature and wilderness tours ● Build on local strengths to promote the region (or successful international personalities from Aomori) – for example, Aomori has a number of well-known writers which could be the basis of an international writer's festival.
<p>Suggested marketing and communications techniques</p>	<p>Print media</p> <ul style="list-style-type: none"> ● In-flight magazines ● Food and culture magazine pieces - regional food tours, highlight local produce (tuna, scallops, apples, sake, cider), unlimited outdoor activities (trekking, diving, fishing) ● Japanese pop culture – Japan as a 'cool' destination will also attract the teen market still travelling with parents ● News articles ● Popular travel guides such as Lonely Planet - review existing material and invite <p>Social media</p> <ul style="list-style-type: none"> ● Actively promote through all social media channels - Facebook,

Focus area	Suggested approach
	<p>Twitter, Pinterest, Instagram, Blogs</p> <ul style="list-style-type: none"> • Social media competitions <p>Assisted media programme</p> <ul style="list-style-type: none"> • Sponsor carefully selected media to visit Aomori and experience ski destinations and complimentary attractions, e.g., national geographic <p>Endorsements</p> <ul style="list-style-type: none"> • Capture video or photos of target market in key ski destinations. Use quotes and good quality photos on marketing material. <p>Internet/website</p> <ul style="list-style-type: none"> • Website marketing and promotion by partnering with reputable Australia-based Japanese travel/tourism agents - the internet is now the main source of all travel and accommodation activities for the Australian travel market. Approx. 70% of all travellers book online and go direct (as opposed to booking through travel agents). There is a need to target sales through reputable website channels, for example, government websites, such as JNTO are a trusted source for Australians. For example, a link on JNTO website that provides an interactive sample itinerary schedule for different demographics and lengths of stay, etc., which once the preferred itinerary is selected the user is linked through to more detail on travel, connections, costs etc. • Trip Advisor – improving the presence, ratings and reviews on trip advisor. For example, implementation of a domestic awareness raising campaign amongst local tourism and hospitality operators in Aomori on the benefits of trip advisor and the need to push the ratings/review networks with guests/clients. • Targeted advertising and branding of Aomori on key websites and blogs that are frequently visited by the Australian market, e.g. snowjapan.com • Ski field operators partner to fund and operate comprehensive websites - with constrained prefecture tourism budgets, Aomori ski field operators can combine to fund and operate comprehensive websites in English that lists information on each ski field including costs, packages, getting to/away and other general tourism and travel services. This would make it easy for people to compare, book and plan a holiday including visits to multiple ski fields. <p>Promotional events</p> <ul style="list-style-type: none"> • Ski expos - focus on most attractive elements as above and distinctive characteristics, e.g., Sydney Snow Travel Show • Food and Wine fairs – CLAIR Sydney may play a role in local promotions • "Aomori Made" branding – promoting "Aomori Made" cider and sake at urban eateries with a Japanese and/or modern Australian flair <p>YouTube – ski Aomori</p> <ul style="list-style-type: none"> • Create an "Ski Aomori" YouTube Channel • Create a promotional video (e.g., promote existing sister city video) • Create good quality short clips of ski facilities in Aomori <ul style="list-style-type: none"> ○ Invite some of New Zealand's and Australia's best young skiers to participate in a ski video or documentary ○ Current search on 'ski Japan' displayed 166,000 results

Focus area	Suggested approach
	<ul style="list-style-type: none"> ○ Current search on 'ski Aomori' displayed 1800 videos, many of which were low quality <p>Existing networks/partnerships</p> <ul style="list-style-type: none"> • Collaboration between the multiple municipalities in Aomori prefecture through joint marketing and promotion activities to increase length of stay and total spend • Use existing sister city relations as the impetus for important way to communicate word of mouth • Promote through established Australia – Japan clubs and societies (e.g., JETAA, Australia-Japan Society)
<p>Challenges and limitations to achieving successful outcomes</p>	<p>Reviewing the collection and analysis of statistical data</p> <ul style="list-style-type: none"> • Weighing the significance of inbound travel statistics to determine the level of promotion and investment. The focus on the total number of visitors to a region in isolation of other key statistics may be misleading in determining the best approach to increase the Australian market share. For example, while there are fewer Australians and New Zealanders visiting Aomori, statistics show that Australians generally visit Japan for longer periods (averaging 13 days compared to stronger markets like Korea, who visit Japan for approx. 3 days) and spend more than other markets. Therefore, the market is potentially bigger and more valuable than head count numbers suggest, and consideration should therefore be given to investing greater time and resources in promoting tourism. • FACT (in 2012): <ul style="list-style-type: none"> ○ <i>Average length of stay for Australians inbound to Japan was 13 nights (42.3% stay 7-13nights)</i> ○ <i>Australia has the highest average spend per person totalling Y196,978. The breakdown of total average spend per person for the Australian market is as follows:</i> <ul style="list-style-type: none"> ▪ <i>Accommodation – Y88,661 (44% of total spend; India ranked 1 at 52.5% followed by Germany at 50.5%)</i> ▪ <i>Food – Y39,855 (20.2% of total spend; Korea spent the highest on food at 23.1%)</i> ▪ <i>Transport – Y30,263 (15.4% of total spend - Australians spent the most on transport during travel, followed by England, 14.5% and France, 14.1%)</i> ▪ <i>Entertainment & General Services – Y6,299 (3.2% of total spend; Korea had the greatest spend in this area amounting to 4.5% of total travel expenditure)</i> ▪ <i>Shopping - Y33,562 (17.0% of total spend; China had the greatest spend amounting to 51.2% of total travel expenditure)</i> <p>Local communications and technologies</p> <ul style="list-style-type: none"> • Improved signage and brochures in English – to reduce language obstacles and make the overall travel experience a relaxing one • Developing tourist information content for smart devices • Greater WiFi access – improved WiFi infrastructure in key tourist locations • Visitor Information Centres – create tourist information points that provide expert local knowledge and bookings throughout the country. For example, I-SITE booths in New Zealand provide:

Focus area	Suggested approach
	<ul style="list-style-type: none"> ○ Itinerary planning and information ○ Bookings nationwide - accommodation, transport, activities, attractions ○ Free maps, weather & mountain safety information ○ Local information - events, attractions, restaurants <p>Reassess methods of marketing to the independent traveller market versus traditional travel agent approach</p> <ul style="list-style-type: none"> ● Unlike Japan, the majority of Australian and New Zealand travellers organise their travels online, including the flight, local transport, accommodation and insurance. Despite this fact, travel agents still appear to be the first point of contact for the marketing and promotion of Japan (and Aomori) in Australia as opposed to online travel agents and related online networks.

Appendix 1 Local government in New Zealand

Local government in New Zealand

Sourced from *www.LGNZ.co.nz*

Local government in New Zealand consists of 78 local, regional and unitary councils.

The elected members of these councils are chosen every three years by voters in their communities to represent them. The elected members employ a Chief Executive to run the everyday business of the council. The Chief Executive employs all other council managers and staff.

Councils typically meet monthly and base their decision-making on the preferences of their communities, the commitments of previous councils, central government requirements and the policy platforms they were voted in on.

Like central government, local government draws its legitimacy from Parliament and operates on the basis of an electoral mandate provided by citizens.

The local government sector consists of:

- 11 regional councils;
- 61 territorial authorities – 11 are city councils and 50 are district councils; and
- Six unitary councils – which are territorial authorities with regional council responsibilities.

The 78 councils have about 1600 elected members. The key elected member's roles are mayors, regional council chairs, councillors, local board and community board members.

Many councils have second tier or sub-municipal bodies which are also elected. These are known as community boards or local boards. There are currently 116 community boards and 21 local boards across the country, with the local boards only operating in Auckland.

While the average population per council is approximately 65,000 residents, the range between the largest and smallest council extends from 1.5 million residents in Auckland to 610 in the Chatham Islands.

The Local Government Act 2002 states that the purpose of local government is:

1. To enable democratic local decision-making and action by, and on behalf of, communities; and
2. To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Council activities

Regional councils are primarily concerned with environmental resource management, flood control, air and water quality, pest control, and, in specific cases, public transport, regional parks and bulk water supply.

Territorial authorities are responsible for a wide range of local services including roads, water reticulation, sewerage and refuse collection, libraries, parks, recreation services, local regulations, community and economic development, and town planning.

Councils, however, can differ widely in relation to activities they undertake, as long as they have consulted their communities in making the decisions. As a result, there is considerable diversity in the range of activities that councils provide, reflecting the different circumstances that cities, towns and communities find themselves in.

Participating in local government

One of the strengths of local government is the opportunity it allows for citizens to be directly engaged in the process of governing their own towns, cities and regions. The practice of self-government enhances our understanding of citizenship while ensuring public services are responsive to the needs of the communities they are designed to serve.

You can have a say in how your community is run by voting in the local government elections, or even standing yourself. For more information about standing for your council, visit the elections section.

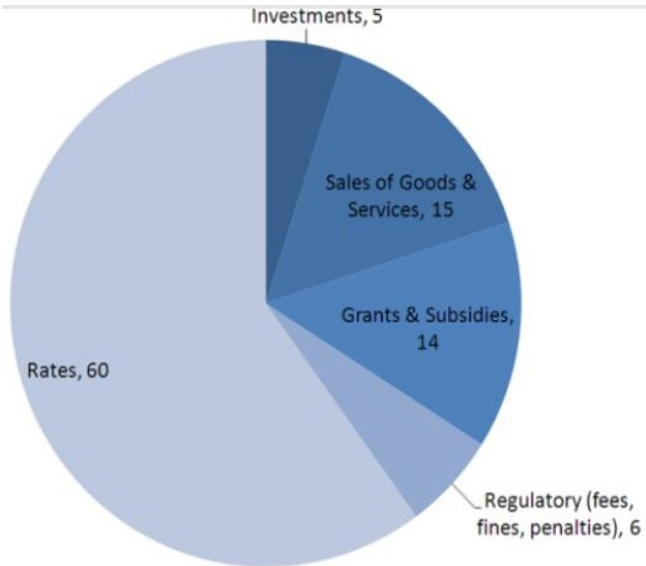
Local government finance and expenditure

Councils provide the local public services and local infrastructure that communities need to survive and prosper. Nothing, however, is free. Local services need to be paid for and local government has a limited range of funding tools by which to meet the expectations and need of not only today's communities but the communities of the future.

How do councils pay for services?

Unlike local governments in many other countries New Zealand councils rely on a single form of tax, property tax. The power to levy a property tax is contained in the Local Government (Rating) Act 2002. In addition to their ability to levy property taxes councils receive income from a range of additional sources, see Fig. 2. These are:

- sale of goods and services, such as swimming pool charges
- regulatory fees, such as parking fines and infringements
- interest earned from investments, including Council Controlled Trading Organisations (CCTOs)
- grants and subsidies, primarily the local government share of road taxes and charges and development contributions.



(www.localcouncils.govt.nz)

Figure 16: Local government income in 2011

Although provided with only a single form of tax, a property tax, councils have a wide range of choices in how they apply that tax. For example property taxes may take the form of:

- general rates – based on the land, capital or rental value of a property (with the exception of Auckland Council which is required to use capital value)
- targeted rates – rates calculated on the basis of a feature of a property and used to fund a specific service, such as funding the cost of a sea wall to halt erosion based on the frontage size of affected sections
- uniform annual general charges (UAGC) – a standard cost per property, not related to property value (only 30% of rates can be made up of UAGCs).

Figure 17: Key financial statistics for New Zealand local government

Key financial statistics for New Zealand's local government	
Share of GDP	3.8%
Share of public spending	11%
Total assets	\$124 billion
Debt as % assets	8.6%
Proportion of household expenditure spent on rates	2.25%
Proportion of revenue spent on debt saving	6.4%
Proportion own-sourced income	90%

Information on what proportion of councils rates are made up of each of these categories can be found in each council's Funding Impact Statement (FIS) and Rating Resolution.

Where does the income go?

Table 7 shows the 2010/11 year councils' expenditure was allocated to the following types of activities:

Allocation of expenditures across services in 2010/11	
Purchasing goods and services	42%
Employee costs	21%
Depreciation	20%
Grants and subsidies	11%
Interest expenses	6%

Figure 18 shows the allocation of expenditure across the different services provided by the local government sector.

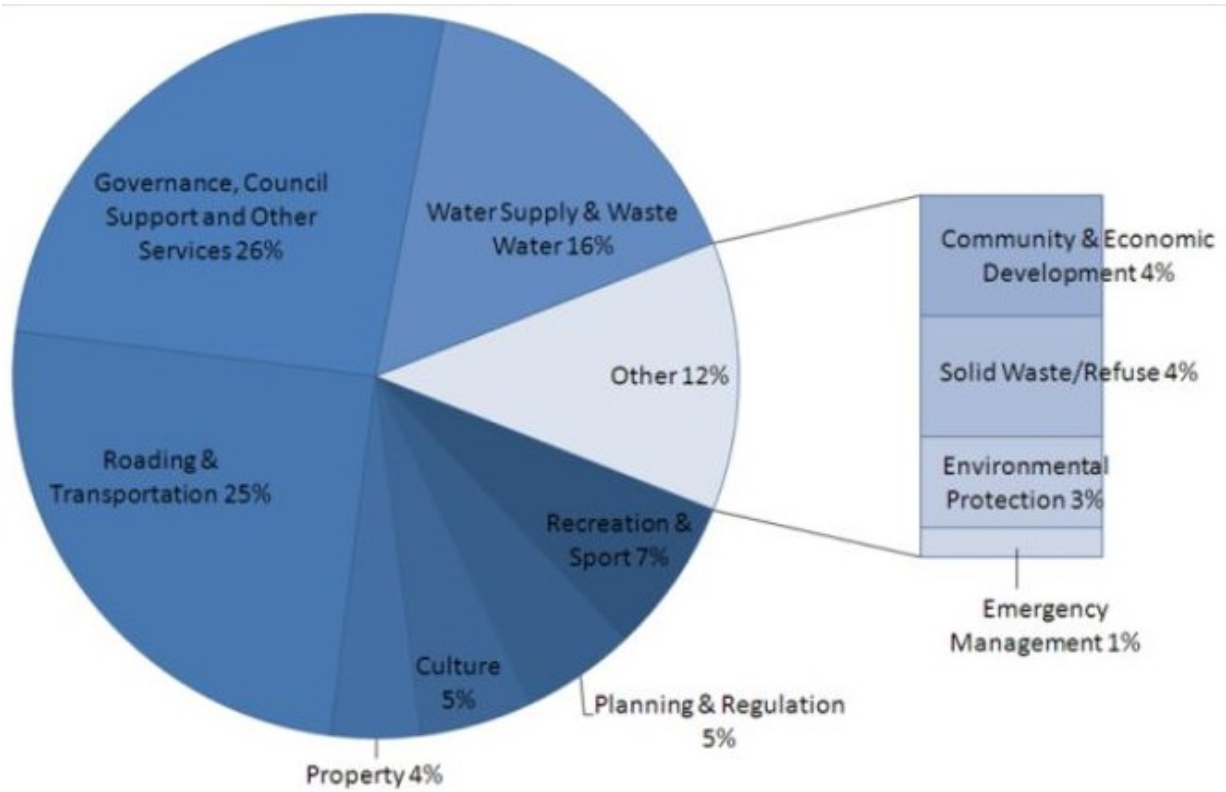


Figure 18: Allocation of expenditure across different services provided by New Zealand local government sector

The single largest expenditure category is governance, which includes council support and other support services, followed by roads and drinking and waste water.

Council operations

Councils in New Zealand do not fit in a one-size-fits-all category. For councils to be efficient, they need to operate in a way that is in the best interests of their community, and this differs from the far North down to the deep South.

While territorial councils are required to have a mayor (elected by the community) and regional councils a chair (elected by councillors), other arrangements will vary.

Territorial authorities have between six and 30 members, including the mayor, while regional councils have between six and 14 members. The average number of members per council is 11.

In terms of political organisation, councils tend to have either a number of standing committees or a portfolio system. They may also contain a number of sub-municipal bodies which bring decision-making closer to communities and/or have a number of services in Council Controlled Organisations (CCOs).

Standing committees

Standing committees enable a council to delegate decision-making on issues to smaller groups of elected members who have the opportunity to investigate issues in more depth and in consultation with citizens. Some committees have decision-making authority while others are purely advisory.

Portfolio systems

As the number of elected members on councils has reduced, there has also been a move away from standing committees to portfolio systems. Portfolio systems mean individual councillors take a leadership role in relation to specific policy issues, such as transport or the arts.

Sub-municipal bodies

Just as councils delegate responsibilities to standing committees, they also have the ability to delegate responsibilities to sub-municipal bodies, such as community boards, and local boards in Auckland. Once again, practice varies between councils, with some delegating significant decision-making powers and others limiting their community boards to an advisory role.

Council Controlled Organisations (CCOs)

CCOs are public companies owned by one or more local authority (or to which a local authority has the right to appoint more than half the directors). Councils that operate trading activities will almost always incorporate them as CCOs which puts the activity at arms-length from the council itself. The Auckland Council has seven CCOs to run a wide range of activities from transport and water to economic development and events.

The question of how to organise themselves, and whether or not to delegate decision-making responsibilities, is one that must be addressed by new councils immediately after their election and is outlined in each council's governance statement. Governance statements can usually be accessed via council websites.

Local government staff

Local authorities employ approximately 30,000 staff, representing a broad range of disciplines, from Arborists and Dog Control Officers to Policy Analysts. Each council, however, directly employs only one staff member, their Chief Executive, who employs the remainder of the staff on behalf of the council.

Staff numbers vary considerably according to the size of the local authority. As an example, Auckland Council employs more than 8,000 staff while Kaikoura District Council operates with fewer than 30 paid employees.

Chief Executives are employed on fixed term contracts which are limited to five years, although the term can be extended for another two years following a formal performance review. The positions must be re-advertised at the end of the negotiated period.

Typically, a Chief Executive will work with a management team, however the organisational structures will vary according to the size of the council and the preferences of the Chief Executive.

Council services tend to be provided by internal departments, stand alone business units or Council Controlled Organisations. Decisions about how services will be operated are usually made by the Chief Executive in consultation with his or her council. The decision to form a CCO, however, can only be made after consultation with the community.

Community boards

Community boards were created by the local government reforms in 1989. Some 108 community boards now operate in both urban and rural areas within local authorities throughout New Zealand. They carry out functions and exercise those powers delegated to them by their councils.

The purpose of a community board is to:

- represent and act as an advocate for the interests of the community;
- consider and report on any matter referred to it by their council, and any issues of interest to the community board;

- make an annual submission to their council on expenditure;
- maintain an overview of services provided by their council within the community; and
- communicate with community organisations and special interest groups in the community, and undertake any other responsibilities delegated by their council.

Membership of a community board

As per the Local Electoral Act 2001, every community board must consist of at least four members but not more than 12 members. It must include at least four elected members and may include appointed members. The number of appointed members is to be less than half the total number of members.

Appendix 2 New Zealand outbound travel

New Zealand outbound travel

2013 YE December

2,193,434 New Zealanders embarked on an overseas trip in 2013, with more than 820,000 of those travelling for holiday purposes. A total 21,840 travellers listed Japan as their main destination, an increase of 1800 over 2012 (9%) with 6,500 of those travelling for holiday purposes.

Approximately 37,000 NZ visitors travelled to Japan in 2013. (JNTO statistics to Oct 2013) Given the statistics above, some will be using Japan as a stop-over destination.

Propensity to travel

New Zealanders have a relatively high propensity to travel abroad, at 46 trips per 100 people in 2008, compared to an international average of 14 trips per 100 people. This is also higher than other island nations, where Australians had a propensity of 39 trips per 100 people, South Koreans at 25 trips per 100 people and Japanese at 13 trips per 100 people. The propensity to travel is highest amongst the 30 – 69 age group.

Seasonal patterns

June to September are the most popular months for New Zealanders to travel abroad, with 38% of departures occurring during these months. January through to March are the weakest months.

Length of stay

The average length of absence for New Zealanders travelling for holidays abroad in 2008 was 17.2 days. The median length of absence was 10 days.

Characteristics

Those aged 30 – 59 years accounted for over 50% of all holiday travellers. Those aged under 20 also featured strongly at 18%. Those living in Auckland made up 45% of all departures in 2008 and also are more likely to visit North East Asia. This is likely due to the diverse ethnic population in the Auckland region and the proximity to Auckland International Airport.

New Zealanders spent on average NZ \$2,142 per trip and NZ \$108 per day, excluding international airfares.

Source: www.Tourismresearch.govt.nz 2008

Appendix 3 Australian ski tourists to New Zealand

MEDIA RELEASE – TOURISM NEW ZEALAND WEBSITE

The Australian 2012 Ski season campaign has been launched with the theme “More In Every Day” positioning New Zealand as the only place to ski this year to drive Australian visitors here over the winter period.

General Manager Australia, Tim Burgess says that the 3.3 per cent growth in visitor arrivals for the year ending December 2011 clearly shows that destination New Zealand provides a very attractive product to Australia - our largest tourism market.

"The New Zealand ski season is the perfect example of the good value and unique product we have to offer that can be quicker to access from Sydney and Brisbane than it is to get to Australian ski fields.

Our 2012 campaign will target both beginner and active skiers who are part of the significant market of more than three million skiers or potential skiers in Australia.

Winter in New Zealand offers visitors more than good quality Après ski, with a variety of activities available in close proximity to the ski fields such as thermal hot springs, wine tasting or golf and fishing. Our activity will really push this - making it clear that there is something for everyone.

Since last year there have also been some new developments in the New Zealand ski offering. "New offers such as the Methven Kids stay, play, and ski for free promotion and the new OnePassNZ, an interchangeable pass that can be used at eight ski fields in the South Island, provide PR opportunities for us to support our advertising campaign," he says.

Running from February through July the campaign will work to maximise visitor numbers right across the ski season. Using a mix of television and online activity, it will target early bird bookings through to March, pre-season bookings in April and last minute bookings in July. This will be supported by partnerships with Flight Centre and Ski Tourism Marketing Network who will reinforce the campaign and its key messages in individual regions and ski areas.

"Our summer season activity, which included the South Island Road Trip, delivered strong referral rates and visitor arrivals. More in every day has been specifically developed to maintain this growth and visitor spend by getting visitors to explore all the experiences on offer during New Zealand's winter season."

With activity driven to a tailored campaign page on Tourism New Zealand's consumer website newzealand.com, now is a great time to update your business listing, or register and create a business listing. This will help visitors get in touch with you as they plan and book their ski trip this year.

The Australian market has been performing really well over the last six months, with excellent growth in holiday arrivals, and forward bookings looking extremely positive. A strong New Zealand ski season compared with a patchy season in Australia saw holiday arrivals from Australia to New Zealand increase by 16.6% in June, 4.3% in July and 9.2% in August 2013 (compared to same months in 2012).

Western Australia has been a stand-out performer and all indicators are that this market will continue to grow considerably, helped by Qantas' Perth-Auckland and Air New Zealand's Perth-Christchurch routes being launched in October and December this year.

Special Interest is a big focus, with the promotion of the new cycleways across New Zealand, the second Hobbit release, and a lot more activity is happening in the Business Events, Luxury, Youth and Cruise markets over the next 12 months as well.

Official New Zealand Government forecasts are for Australian visitor arrivals to reach 1.64 million in 2018 (source: NZIER Tourism forecasts 2012-18). One of the quoted drivers from NZIER is the opportunity to leverage growing middle class incomes in Australia.

There has been a significant shift in where Australian holiday arrivals are entering New Zealand. Christchurch Airport's Australia holiday arrivals have almost been halved by growth in Queenstown and Auckland arrivals in the past four years.

Summer has the highest peak for Australian holiday visitors, but marketing by Tourism New Zealand and other industry players has helped make New Zealand a popular year-round destination. Winter has seen sustained growth in the popularity and accessibility of ski tourism for Australian visitors, so much so that ski months almost provide the same level of visitation as summer months.

New Zealand competes closely with the United States of America and Indonesia in the Australian market, as well as with domestic Australian destinations such as Queensland and Western Australia. The increase in competition for Australia travellers continues to intensify with the Australian outbound market growing at an average 5% p.a. New Zealand remains the number one outbound destination for Australians, but is being challenged to hold its market share in line with the outbound growth.

Tourism New Zealand runs a range of campaign activities in Australia year round, including television advertising, online marketing, and public relations. It also works closely with regional tourism organisations, airlines, operators, and travel sellers to promote New Zealand and develop the market.

Australians are confident researching and booking New Zealand holidays online (see our [distribution channel research](#)) and Tourism New Zealand campaign activity in this market makes the most of digital media channels.

New Zealand has the highest consideration and preference as a holiday destination in Australia. It is perceived to be a destination where you can explore and discover unique places and experiences. Combined with competitive trans-Tasman airfares and a favourable exchange rate, New Zealand is in a good position to maintain visitor numbers.

With Australia continuing to be New Zealand's most important market in terms of visitor numbers, Tourism New Zealand has increased its level of investment in Australia in 2013/14.

Appendix 4 Australian market activity – report by Tourism New Zealand

Tourism New Zealand's Australia activity in 2013/14 has a primary objective of growing value through a focus on high value visitors. The aim is to drive more first time holiday visitors, improve seasonal arrivals and ultimately grow total holiday stay days.

Tourism New Zealand has refined its Active Considerer target market in Australia to focus on three segments and tactical work across campaign, trade and PR has been weighted against each segment. Tourism New Zealand's communications strategy will be delivered in three main 'waves' of activity across the year under the headlines of Touring, Special Interest and Winter Action (ski). All communications will be structured to deliver relevant segment, season and special interest messaging.

The first 'wave' of activity will be broadly themed 'Touring New Zealand' which will include campaigns in partnership with New Zealand's Regional Tourism Organisations (RTOs) to highlight the diversity of landscape and gems to be discovered on a touring holiday in New Zealand. At present Australian holiday tourists visit four regions on average in New Zealand, and the aim is to increase this by extending the average length of stay. Partnerships with RTOs are critically important to extend the reach of Tourism New Zealand's activity and provide a platform for conversion elements. This 'Touring New Zealand' wave of activity is scheduled to run from August to December 2013 to drive bookings for the peak summer season and beyond.

New South Wales, Queensland and Victoria generate the largest numbers of New Zealand holiday arrivals, but Tourism New Zealand has placed extra resources to drive further growth in high value visitor arrivals from Western Australia. Over the last five years growth from Western Australian holiday arrivals has averaged 5 per cent and these tourists stay an average of 14 days in New Zealand. Extra airline capacity forecast for Perth to New Zealand in the year ahead will see Tourism New Zealand continue to increase its activity and investment in Western Australia across all three 'waves' of activity in 2013/14.

Tourism New Zealand is actively targeting higher value visitors through its focus on special interest areas such as hiking, golf and fishing with a specific focus on cycling and the New Zealand Cycle Trails. This second 'wave' of special interest activity is scheduled to run from November 2013 through to March 2014. The special interest work in Australia will see a fully integrated programme, including strong partnership elements that run through campaign, trade, PR and social media placements.

Tourism New Zealand will also aim to increase value from the rapidly growing cruise sector out of Australia by supporting initiatives that grow cruise/coach and cruise/self-drive initiatives.

The third wave of activity from April to June 2014 will continue to evolve the 'more magic in every day' ski proposition used for the 2013 season. This work will be an extension of its success partnership promotions with the Ski Marketing Network (TMN), and airlines and travel sellers in Australia. The ski TMN is a collective of commercial ski areas, RTOs and airports in New Zealand.

Tourism New Zealand will improve its online training of frontline travel trade and its personal training of wholesale and reservation trade partners in line with all three main 'waves' of activity. There will be a continued focus on leveraging off the Hobbit movies to create heightened interest for New Zealand and provide a platform for tactical campaign activity around the second Hobbit movie launch in late 2013.

Australian economy

Key indicators

Against a challenging global backdrop, the fundamentals of the Australian economy remain strong and the outlook remains positive. Economic activity is expected to grow at around three per cent over the next two years, consumer confidence is positive, the unemployment rate is forecast to remain low and inflation is expected to be well contained.

Australia's economic growth prospects are favourable, with real GDP forecast to grow three per cent in both 2013 and 2014, underpinned by growth in new business investment, non-rural commodity exports and household consumption.

Sources:

www.budget.gov.au (GDP Growth)

www.xe.com (Exchange rates)

Exchange Rate vs NZD	AUD1 = NZD1.08 (February 2014)
Expected GDP Growth	+3.0% for 2013 +3.2% for 2014

Australian outbound travel

Total outbound departures are forecast to continue to record solid growth in future years. While the forecast growth rate of outbound departures has been revised up to 6.9 per cent and 5.1 per cent for 2012/13 and 2013/14 respectively - from the previously forecast 6.6 per cent and 4.9 per cent in each year - it does represent a slowing in growth.

Driving the forecasts are the assumed solid consumer economy, sustained high value of the Australian dollar and continued expansion in aviation capacity to many key leisure outbound markets. In the longer term, the annual average growth for outbound resident departures is now expected to be 3.7 per cent with departures reaching 11.6 million by 2021/22 (Source: Australia Tourism Forecasting Committee, TRA 2012 Issue 2).

According to Tourism New Zealand [research](#), its target market in Australia is looking for a holiday destination where they can have fun, learn and experience new things, and feel relaxed, welcome, safe and comfortable.

Those aged over 40 are more likely to value feeling safe and welcome, and less likely to prioritise reducing stress and escaping everyday life; those under 40 are more likely to value personal challenge and getting an adrenalin rush.

Airline update

An alliance between Qantas and Emirates was approved by the New Zealand Government in May 2013. As a result there are two alliances that supply almost all trans-Tasman travel.

Qantas (QF), Emirates (EK) and Jetstar (JQ) make up around 37 per cent of the market and Air NZ/Virgin Australia represent around 60 per cent.

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