

General Purpose Standing Committee No. 3

Tourism in local communities

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Terms of reference

That General Purpose Standing Committee No 3 inquire into and report on the value and impacts of tourism on local communities, and in particular:

1. the value of tourism to New South Wales communities and the return on investment of Government grants and funds
2. the value of tourism to regional, rural and coastal communities
3. the impacts of tourism on Local Government Areas, including:
 - (a) infrastructure services provision and asset management
 - (b) social impacts
 - (c) unregulated tourism
 - (d) employment opportunities
4. the marketing and regulation of tourism
5. the utilisation of special rate variations to support local tourism initiatives.

These terms of reference were referred to the Committee by the Legislative Council on 2 May 2013.¹

¹ *Minutes*, Legislative Council, 2 May 2013, p 1660.

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The Hon Niall Blair MLC	The Nationals	<i>Deputy Chair</i>
The Hon Jan Barham MLC	The Greens	
The Hon Paul Green MLC	Christian Democratic Party	
Mr Scot MacDonald MLC	Liberal Party	
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Chair's foreword

Tourism plays a vital role in our State's economy. Recently the tourism sector has undergone significant reform to secure future growth and ensure that tourism in New South Wales is operating at a world class standard.

These reforms have changed the way that government funding for regional tourism is delivered and have created a new strategic platform for the growth of tourism and visitation in regional New South Wales, to achieve the State's goals of doubling overnight visitor expenditure by 2020.

This Inquiry has given stakeholders the opportunity to provide feedback on how they are adapting to the reforms, including their experiences with the introduction of destination management plans, changes to funding for regional tourism organisations and the implementation of the new Regional Visitor Economy Fund. While destination management plans have generally been well received by stakeholders, some concerns were raised regarding the enormity of the task and difficulties achieving a collaborative approach in developing these plans. A range of concerns were also raised regarding the Regional Visitor Economy Fund.

The Committee appreciates that the destination management planning system was only introduced in 2013 and that implementing a new system is challenging and can reveal issues which may not have been anticipated. We have therefore recommended a review of the destination management planning system and Regional Visitor Economy Fund in five years' time to assess the effectiveness of the reforms. In addition, we have made a number of recommendations to address stakeholder concerns regarding Regional Visitor Economy Fund eligibility and assessment criteria.

A key theme raised throughout the Inquiry was the relationship between tourism and infrastructure. This includes the impact of increased visitation on tourism and community infrastructure (such as public toilets, sewerage and parks), and the need for adequate transport infrastructure to support increased visitation to New South Wales. The report considers different options available for infrastructure funding, including special rate variations. The Committee believes that special rate variations can be a valuable and effective source of additional income to fund tourism initiatives that can be of mutual benefit to local communities and visitors.

The Committee also received a range of evidence regarding holiday letting, recreational vehicles, national parks, fossicking and rail trails. We are pleased to support a number of suggestions from stakeholders to further develop tourism opportunities in these areas – particularly national parks and rail trails.

On behalf of the Committee I extend my gratitude to the people who made written submissions to this Inquiry, gave evidence before the Committee and attended site visits in Ballina and Dubbo. We appreciate your efforts to provide the Committee with the benefit of your experiences and expertise.

Finally, I wish to thank each of my fellow Committee members for their hard work throughout this Inquiry. On their behalf, I would also like to thank the Committee secretariat, Teresa McMichael, Natalie Udovicic, Emma Rogerson, Christine Nguyen and Lynn Race.



The Hon Natasha Maclaren-Jones
Committee Chair

Executive summary

The New South Wales tourism strategy has recently undergone significant reform.

These reforms came about after an extensive review of the tourism sector by the Visitor Economy Taskforce during 2011-12, which recommended large scale changes to the delivery of government funding for regional tourism in New South Wales. The reforms were viewed as being necessary to enable the tourism sector to contribute to the goal of doubling overnight visitor expenditure, as set out in the NSW Government's ten year strategic business plan, *NSW 2021, A Plan to Make NSW Number One*.

In response to the Taskforce's report, the NSW Government developed the Visitor Economy Industry Action Plan to implement the majority of the Taskforce's recommendations, including the introduction of destination management plans and the removal of the requirement for all funding to be delivered through regional tourism organisations. The NSW Government also implemented a new funding scheme for regional tourism called the Regional Visitor Economy Fund.

The reforms also include a new focus on the 'visitor economy', which encompasses all businesses and communities that benefit from the direct and indirect economic activity generated through the provision of goods and services to overnight visitors, including leisure, business, events, arts/cultural, nature and student visitors.

The impact of these reforms will be considered in detail throughout this report.

Funding and special rate variations (Chapter 2)

Chapter 2 examines the newly implemented destination management planning system and the Regional Visitor Economy Fund.

The introduction of the destination management planning system in New South Wales was a key recommendation of the Visitor Economy Taskforce. During the course of the Inquiry the Committee heard from local government, regional tourism organisations and other stakeholders that had recently completed or were in the process of developing a destination management plan. Stakeholder responses to this newly implemented process varied. Many had positive feedback regarding the collaboration the process engendered in what many would argue has been a fragmented industry. However, stakeholders also commented on the enormity of the task of developing these plans and the intensive resources required to complete them.

Stakeholders also provided feedback on the newly implemented Regional Visitor Economy Fund, raising a number of issues including the assessment of applications, yearly application requirements and the minimum matched funding threshold.

The Committee appreciates that the reforms were only introduced in 2013, and that implementing a new system is challenging and can reveal issues which may not have been anticipated. The Committee has therefore recommended that the NSW Government commission a review of the destination management planning system and Regional Visitor Economy Fund in five years' time, which would enable a more accurate assessment of the effectiveness of the system.

Chapter 2 also considers the divergent views of stakeholders regarding the utilisation of special rate variations to support local tourism initiatives. While some inquiry participants were in favour of using special rate variations, others felt it was an extra burden which the business and greater community would not view as justified.

The Committee acknowledges the limited sources of revenue available to local governments and believes special rate variations can be a valuable and effective source of additional income to fund projects that can be of mutual benefit to local communities and visitors.

Infrastructure (Chapter 3)

Adequate infrastructure is an essential component of growing the visitor economy and ensuring a positive visitor experience. Chapter 3 examines concerns regarding ageing tourism infrastructure and the impact of visitation on community infrastructure, such as parking, public toilets, water, sewerage, parks and other public spaces.

Stakeholders expressed concern that the burden of maintaining and improving community infrastructure has been left on local communities, and discussed different funding options to support local tourism and visitation infrastructure. We have therefore recommended that the NSW Government consider additional funding for local government projects that are specifically related to visitor economy infrastructure.

The chapter also considers the adequacy of the State's transport infrastructure, including roads, airports, ports, trains and public transport. The Committee notes the transport constraints outlined by inquiry participants and the potential impact to visitors and the wider visitor economy caused by limited transport infrastructure.

The need for a whole-of-government approach to infrastructure to support the visitor economy now and into the future is also discussed. Several inquiry participants felt that there is a lack of coordination of various government agencies in regard to tourism infrastructure and considered this to be a significant impediment to growing the visitor economy.

Tourism and local communities (Chapter 4)

This chapter looks at the impacts of tourism and visitation on local communities. The general view among stakeholders during the Inquiry was that tourism is an avenue of potential advantage and opportunity for local communities. It is a way of diversifying and growing the economy, and can also provide social opportunities that benefit the host community. In many regional areas, tourism is an important factor in the future viability of a community.

Increased visitation through tourism can lead to increased employment, however, numerous stakeholders raised concerns regarding the impact of penalty rates on tourism and hospitality businesses.

Inquiry participants also expressed concern about the limited availability and accessibility of training and education in regional areas and the impact of this on the visitor economy. A related issue is the skills shortage in the hospitality industry. Participants expressed the view that improvements in these areas would benefit both the visitor economy and regional communities by providing more career options for residents.

While tourism and visitation generally benefits local communities, the Committee acknowledges that local residents of areas that experience extreme seasonal peaks in population can be adversely affected through strains on infrastructure, overcrowding, vandalism, higher cost of living and alcohol related violence.

Unregulated holiday letting and recreational vehicles (Chapter 5)

A significant issue raised throughout the Inquiry was the practice of short term holiday letting. While the practice of holiday letting was seen as an accepted practice by some stakeholders as a necessary supplement to other types of tourism accommodation, others were opposed to the practice primarily due to the impact on the amenity of permanent residents arising from the anti-social behaviour of some temporary occupiers. The Committee also heard about tensions felt by regulated accommodation providers toward unregulated providers and concerns about the impact of reduced numbers of permanent residents in communities. The chapter considers options for addressing issues with short term letting including holiday letting precincts, development approval, self-regulation or a statewide policy or regulation.

Chapter 5 also examines unregulated camping, which has emerged as a significant issue in recent years as a result of the growth of the recreational vehicle (RV) tourism market. Representatives of the RV market emphasised greater freedom of choice and identified the need for clearer regulations or policy directives to recognise the unique needs of RV travellers. Representatives from the Caravan and Camping Industry Association, on the other hand, emphasised the impact of unregulated camping in unapproved, non-compliant sites on existing tourism infrastructure such as caravan parks. The Industry Association expressed concern that some local governments are encouraging unregulated camping at the expense of established businesses in their communities.

The increasing incidence of illegal camping in non-self-contained vehicles, often at beaches, on roadsides and on residential streets was also raised by inquiry participants, who were of the view that this type of illegal camping should not be tolerated.

National parks, fossicking and rail trails (Chapter 6)

Chapter 6 examines outdoor recreational tourism opportunities in New South Wales. National parks are a key asset in the visitor economy, which some stakeholders suggested are underutilised. Suggestions were made to develop further tourism opportunities such as accommodation and camping facilities, bike trails and walking trails.

Regulatory impediments to growing the alpine tourism industry were also raised by stakeholders who recommended that ski resorts and snow fields within the Kosciuszko National Park should be re-zoned to recognise the land use as being primarily for tourism rather than conservation purposes. Stakeholders noted that ski resorts and fields only occupy a small percentage of Kosciuszko National Park and are already highly developed.

The chapter considers the views of recreational fossickers who identified restrictions and difficulties in accessing suitable fossicking areas in New South Wales, which they saw as a key limitation in the promotion and growth of fossicking tourism.

The development of rail trails is also discussed. Rail trails reuse disused or abandoned rail corridors to develop multi-use, outdoor recreation tracks for walking, cycling and/or horse riding. Inquiry

participants identified that rail trails can offer a number of opportunities for tourism and visitation for local communities.

The Committee has made several recommendations to address the issues raised in this chapter, including investigating further opportunities for tourism development in national parks, streamlining the operation of planning approvals within the lease areas for New South Wales ski resorts, and allowing disused rail corridors in New South Wales to be developed into rail trails.

Marketing and regional tourism organisations (Chapter 7)

Chapter 7 examines the marketing of tourism and visitation in New South Wales. Evidence shows that effective tourism marketing and promotion drives visitation by increasing consumer awareness of the different experiences and products a destination has to offer. Stakeholders suggested that the effective promotion of regional New South Wales requires consumer-focused destination marketing, a clear State brand, collaborative marketing and digital marketing.

The chapter considers some of the marketing structures and strategies of regional tourism organisations and explores other marketing strategies which have been run by local governments more independently of regional tourism organisations.

Opportunities for Aboriginal tourism in New South Wales are also discussed. The NSW Government released the Aboriginal Tourism Action Plan 2013-2016 which details its commitment to growing Aboriginal tourism in partnership with the Aboriginal community. Stakeholders identified areas of potential growth as well as current impediments to this growth.

The chapter then considers the role of visitor information centres in New South Wales and the role of Surf Life Saving NSW in improving and promoting beach safety.

Summary of recommendations

- Recommendation 1** **16**
That the NSW Government commission a review of the effectiveness of the New South Wales destination management planning system and Regional Visitor Economy Fund by March 2019.
- Recommendation 2** **17**
That Destination NSW consider offering destination management workshops in more locations throughout regional New South Wales and more actively involve councils as the recognised local infrastructure providers.
- Recommendation 3** **19**
That Destination NSW review the Regional Visitor Economy Fund application process for quarantined funds in order to simplify the application process and consider allowing for longer term operational funding.
- Recommendation 4** **21**
That Destination NSW review the assessment criteria for contestable funding applications to allow for holistic assessment of the merits of a project or initiative.
- Recommendation 5** **23**
That Destination NSW consider providing Regional Visitor Economy Fund grants for periods longer than 12 months.
- Recommendation 6** **26**
That Destination NSW consider reducing the minimum matched funding threshold for Regional Visitor Economy Fund grants.
- Recommendation 7** **29**
That Destination NSW articulate to the tourism industry an update on the strategic vision and actions as outlined in the Visitor Economy Industry Action Plan.
- Recommendation 8** **35**
That the NSW Government provide assistance, where requested by local councils, to examine the possible use of a special rate variation to renew and expand visitor economy infrastructure outside of the standard rate cap.
- Recommendation 9** **39**
That Destination NSW consider allocating Regional Visitor Economy Fund grants to existing tourism assets.
- Recommendation 10** **43**
That the NSW Government consider providing additional funding for local government projects that are specifically related to visitor economy infrastructure.
- Recommendation 11** **45**
That the NSW Government request the Federal Government to investigate a more effective method of measuring populations when determining Financial Assistance Grants, that takes into account peak population figures.

- Recommendation 12** 54
That the NSW Government investigate implementing an appeals process for the National Parks and Wildlife Service to address difficulties with inter agency or stakeholder outcomes.
- Recommendation 13** 74
That the NSW Government develop an information program for backpackers/itinerant workers similar to the Snowy River Shire Council's 'The Little Black Book'.
- Recommendation 14** 76
That the NSW Government promote that other communities experiencing alcohol related violence and anti-social behaviour are able to request the provisions provided by the *Crimes and Other Legislation Amendment (Assault and Intoxication) Act 2014* and the *Liquor Amendment Act 2014* to curb these impacts.
- Recommendation 15** 86
That the NSW Government publish the results of the trial of the Holiday Rental Code of Conduct.
- Recommendation 16** 95
That the NSW Government develop guidelines around camping in self-contained recreational vehicles and non-self-contained vehicles on public land.
- Recommendation 17** 105
That the NSW Government investigate further opportunities for tourism development in national parks including accommodation, camping, mountain bike trails and fossicking.
- Recommendation 18** 105
That the NSW Government seek to streamline the operation of planning approvals within the lease areas for New South Wales ski resorts to ensure that important infrastructure improvements, such as upgrades to lifts and other facilities, are not hampered by unwarranted red tape.
- Recommendation 19** 110
That the NSW Government investigate opportunities for fossicking in national parks, a single access fee for state forests and linking information for fossicking activities on the Destination NSW website.
- Recommendation 20** 112
That the NSW Government allow disused rail corridors in New South Wales, or land immediately adjoining the rails that belong to the Government, to be developed into rail trails.
- Recommendation 21** 112
That the NSW Government report on the potential for disused rail corridors to be restored to provide rail based tourism to regional areas and establish a rail travel tourism sector.
- Recommendation 22** 139
That the NSW Government ensure that the Aboriginal Tourism Action Plan 2013-2016 specifically addresses skills issues which prevent broader take up and marketing of Indigenous tourism products.
- Recommendation 23** 143
That the NSW Government review its lease/rent/licencing fees for land that includes visitor information centres and consider the reduction of fees to acknowledge the important role of these centres in enhancing the visitor economy.

Recommendation 24

146

That Destination NSW include a surf safety message on its website.

Recommendation 25

146

That the NSW Government review and report on current surf safety messages and their distribution throughout airlines, cruise ships and accommodation providers.

Glossary

Centroc	Central NSW Councils
IPART	Independent Pricing and Regulatory Tribunal
NAPFA	NSW & ACT Prospectors and Fossickers Association
NPWS	National Parks and Wildlife Services
RV	Recreational Vehicle
YHA	Youth Hostel Association

Chapter 1 Introduction

This chapter provides an overview of the inquiry process, including the methods used by the Committee to gather evidence from stakeholders. It also provides a brief overview of the recent reforms to tourism in New South Wales, the federal and state agencies responsible for driving tourism, the value of tourism and the visitor economy. The chapter ends with a brief outline of the structure of the report.

Terms of reference

- 1.1 The Inquiry terms of reference were referred by the Legislative Council on 2 May 2013 and required the Committee to inquire into and report on the value and impacts of tourism on local communities.
- 1.2 The full terms of reference can be found on page iv.

Conduct of the Inquiry

Submissions

- 1.3 The Committee invited submissions by advertising in the *Broken Hill Barrier Daily Truth*, *Cooma Monaro Express*, *Dubbo Daily Liberal*, *Illawarra Mercury*, *The Land*, *Lismore Northern Star* and the *Newcastle Herald* on 16 May 2013 and in the *Sydney Morning Herald* and *The Daily Telegraph* on 22 May 2013. A media release announcing the Inquiry and a call for submissions was sent to all media outlets in New South Wales. The Committee also sought submissions by writing directly to individuals and organisations with a likely interest in the inquiry, including state government agencies, local governments, regional tourism organisations and other industry stakeholders.
- 1.4 The Committee received a total of 91 submissions and one supplementary submission from a range of stakeholders. A list of submissions is contained in **Appendix 1**.

Hearings and roundtable discussions

- 1.5 The Committee held three public hearings at Parliament House on 9 August, 26 August and 13 September 2013, and one hearing at Queanbeyan on 8 November 2013.
- 1.6 The Committee also held two roundtable discussions with stakeholders on 9 and 10 October 2013 in Ballina and Dubbo respectively.
- 1.7 A list of hearing witnesses and individuals who participated in these roundtable discussions is set out in **Appendix 2** and published transcripts are available on the Committee's website.² A list of documents tabled at these events is provided in **Appendix 3**. A list of witnesses who

² The Committee's website can be found at <www.parliament.nsw.gov.au/gpsc3>.

provided answers to questions taken on notice during the hearings and/or supplementary questions is provided in **Appendix 4**.

- 1.8 The Committee would like to thank everyone who participated in the Inquiry for their valuable contributions.

Site visits

- 1.9 On 9 October 2013, the Committee attended the Ballina Visitor Information Centre and was met by Ballina Shire Council's General Manager, Mr Paul Hickey and Tourism Coordinator, Ms Caroline Klose. The Committee was provided with information about the benefits and impacts of tourism in Ballina and surrounding areas, as well as the role of Ballina Shire Council in managing and supporting local tourism.
- 1.10 On 10 October 2013, the Committee attended Taronga Western Plains Zoo and was met by General Manager, Mr Matt Fuller. A tour of the facilities, an explanation of current building projects at the zoo and a general overview of the visitor economy in Dubbo were provided to the Committee.
- 1.11 The Committee is greatly appreciative of the organisations and individuals who facilitated the site visits and would like to thank them for their time and effort.

Reforms to the New South Wales tourism strategy

- 1.12 The New South Wales tourism strategy has recently undergone significant reform.
- 1.13 In September 2011, the NSW Government released a ten year strategic business plan, *NSW 2021, A Plan to Make NSW Number One*. The plan, which replaces the former state plan, sets the Government's agenda for change in New South Wales. The plan contains 32 goals and 180 targets for improving the State's economy, service quality, infrastructure, government accountability and strengthening local environment and communities.³
- 1.14 One of the goals in the plan is to double overnight visitor expenditure by the year 2020.⁴ This goal stems from the federal tourism strategy, *Tourism 2020*, which is supported by all federal, state and territory tourism ministers.⁵
- 1.15 In 2011, the NSW Government established the Visitor Economy Taskforce to review the tourism sector in New South Wales and develop a strategy to achieve the target of doubling overnight visitor expenditure. According to the NSW Government, the review undertaken by the Visitor Economy Taskforce was the largest ever review into the State's tourism and events sectors and involved extensive consultation across industry, community and all levels of

³ NSW Government, *About NSW 2021*, <<http://www.2021.nsw.gov.au/about-nsw-2021>>.

⁴ Submission 76, NSW Government, p 2.

⁵ Tourism Australia, *Tourism 2020*, <<http://www.tourism.australia.com/statistics/tourism-2020.aspx>>.

government.⁶ The Taskforce focused on supply issues, such as industry development and infrastructure, as well as on generating demand.

1.16 The Taskforce presented its final report to the NSW Government in August 2012.⁷ The key recommendations are summarised as follows:

- increasing visitation through developing a brand strategy for Sydney and key New South Wales destinations, focusing on priority target markets and making greater use of digital marketing for all promotional activities
- growing physical capacity of accommodations, Sydney Airport, regional airports and cruise ship capacity and developing a better integrated transport planning
- renewing and revitalising destinations through the implementation of a destination management planning system in New South Wales and providing additional revenue to support visitor economies (including tourism)
- enhancing visitor experience by improving the visitor information, booking, access and transport services and developing a distinctive and appealing experience for visitors
- increasing visitor spend by increasing retail shopping, enhancing food and wine dining experiences, expanding the education market to attract more international students and having on-going assessments of other high-yield segments such as medical tourism and international convention delegates
- making New South Wales more competitive by providing a better investment environment and increasing funding to Destination NSW and the industry, and
- implementing a whole-of-government approach to visitor economy policy-making, working closely with industry and providing more support for regional development.⁸

1.17 In December 2012, the Government released the Visitor Economy Industry Action Plan. The Action Plan is the NSW Government's response to the Taskforce's report and 'outlines the whole-of-government commitment to the New South Wales visitor economy'.⁹ The Plan supports the majority of recommendations made by the Taskforce.¹⁰

1.18 Through the Visitor Economy Industry Action Plan, significant reforms were made to the funding framework for regional tourism, including the development of destination management plans as a mandatory funding prerequisite and the removal of the requirement that all funding must only be provided through the Regional Tourism Organisation Network, allowing destinations that have developed a destination management plan to apply directly for funding.¹¹ The new funding framework and destination management plans will be examined in detail in chapter 2.

⁶ Submission 76, NSW Government, p 2.

⁷ Submission 76, NSW Government, p 2.

⁸ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012.

⁹ Evidence, Ms Sandra Chipchase, Chief Executive Officer, Destination NSW, 9 August 2013, p 1.

¹⁰ Submission 76, NSW Government, p 2.

¹¹ Submission 76, NSW Government, p 4.

Regulatory framework

- 1.19** This section outlines the key federal and state agencies responsible for driving visitation in Australia and New South Wales.

Federal – Tourism Australia

- 1.20** Tourism Australia is the Federal Government statutory authority responsible for international and domestic tourism marketing as well as the delivery of research and forecasts for the sector. Its main objectives are to ‘influence people to travel to Australia, visit more places, encourage Australians to see their own country, and help build a more sustainable and profitable industry’.¹²
- 1.21** Australia’s national tourism strategy is *Tourism 2020*. It comprises the research and targets of two key documents: the National Long-Term Tourism Strategy and the 2020 Tourism Industry Potential. The National Long-Term Tourism Strategy was published in December 2009 and is the overarching Australia tourism industry strategy supported by federal, state and territory tourism ministers.¹³ The 2020 Tourism Industry Potential was published in November 2010. It focuses on developing and setting targets for tourism in Australia and estimates the potential of the Australian tourism industry to be between \$115 billion and \$140 billion in overnight expenditure by 2020. \$140 billion represents a doubling of overnight expenditure from \$70 billion in 2009.¹⁴

State – Destination NSW

- 1.22** Destination NSW is a NSW Government statutory authority with responsibility for devising and implementing strategies to grow the visitor economy. It was established in July 2011 to support growth in the state’s tourism and events sectors. The functions of Tourism NSW, Events NSW, the Homebush Motor Racing Authority and the Greater Sydney Partnership were encompassed into the new state body.¹⁵
- 1.23** Destination NSW focuses on driving tourism and acquiring and developing major sporting and cultural events for Sydney and regional New South Wales. It is also the major investor in Business Events Sydney which aims to secure more international conventions, incentive travel reward programs, corporate events and exhibitions for Sydney and regional New South Wales.¹⁶

¹² Destination NSW, *Our Industry*, *Federal Network*, <http://archive.tourism.nsw.gov.au/Federal_Network_p569.aspx>.

¹³ Tourism Australia, *Tourism 2020*, <<http://www.tourism.australia.com/statistics/tourism-2020.aspx>>.

¹⁴ Tourism Australia, *2020 Tourism Industry Potential... A scenario for growth*, <http://www.tourism.australia.com/documents/corporate/2020_Tourism_Industry_Potential.pdf>.

¹⁵ Destination NSW, *About Us*, <<http://www.destinationnsw.com.au/about-us>>.

¹⁶ Submission 76, NSW Government, p 10.

- 1.24 Destination NSW's current tourism strategy is based on the Visitor Economy Industry Action Plan.¹⁷ The NSW Government outlined the vision and key objectives of Destination NSW:

Its vision is to make Sydney and NSW one of the world's most successful tourism and events destinations and maximise the benefits of the visitor economy for NSW. Its key objective is to achieve the NSW Government's target of doubling overnight visitor expenditure in NSW by 2020.¹⁸

- 1.25 Destination NSW administers the majority of government grants and funds for tourism, which include the Regional Visitor Economy Fund, Regional Flagship Events Program and International Business Development Program.¹⁹ These programs focus on facilitating the delivery of projects that work towards achieving the strategic imperatives identified in the Visitor Economy Industry Action Plan,²⁰ funding significant events in regional New South Wales that have the capacity to draw and grow visitation from outside of their regions,²¹ and providing financial support to New South Wales product suppliers and destination promoters.²²

The value of tourism in New South Wales

- 1.26 Tourism makes a significant contribution to the New South Wales economy. NSW Tourism Research Australia recently released a report showing that the State is performing strongly in key economic indicators for visitor expenditure and jobs growth in the tourism sector.²³

Economy

- 1.27 The Tourism Satellite Accounts, prepared by Tourism Research Australia, show that in 2010/11 the direct value of tourism to the New South Wales economy was \$10.5 billion, representing a 33.3 per cent share of the national level. The direct value of tourism has risen by \$0.5 billion in the latest year. Domestic tourism contributed 69 per cent and international tourism contributed 31 per cent to the State's direct tourism value.²⁴

¹⁷ Destination NSW, *Strategies and Plans*, <<http://www.destinationnsw.com.au/about-us/strategies-and-plans>>.

¹⁸ Submission 76, NSW Government, p 10.

¹⁹ Destination NSW, *Funding and Grants*, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants>>.

²⁰ Destination NSW, *Regional Visitor Economy Fund: Program Guidelines*, p 2, <http://www.destinationnsw.com.au/__data/assets/pdf_file/0017/230840/RVEF-Program-Guide-2.pdf>.

²¹ Destination NSW, *Fact Sheet: Regional Flagship Events Program*, <http://www.destinationnsw.com.au/__data/assets/pdf_file/0003/74739/Regional-Flagship-Events-Factsheet-1.pdf>.

²² Destination NSW, *International Business Development Program*, <<http://www.destinationnsw.com.au/tourism/industry-opportunities/trade/international-business-development-program>>.

²³ Submission 76, NSW Government, p 3.

²⁴ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 2.

- 1.28** In 2010/11, the tourism industry directly contributed \$11.5 billion to the New South Wales economy's Gross State Product. When both 'direct and indirect factors' are included, the New South Wales tourism industry can be considered to have contributed \$24.3 billion (or 5.5 per cent) of the total New South Wales Gross State Product in 2010/11.²⁵

Employment

- 1.29** The NSW Government advised that the total number of people directly and indirectly employed in the tourism sector in New South Wales increased in 2010/11 to 279,000, which is the highest annual increase in the last four years.²⁶ In addition, the Visitor Economy Industry Action Plan stated that visitor expenditure in New South Wales supports over 96,500 businesses and accounts for one in every 22 jobs in New South Wales.²⁷

Visitor nights

- 1.30** The NSW Government provided results from the International Visitor Survey for the Year Ending March 2013, undertaken by Tourism Research Australia, which show that New South Wales achieved its highest volumes of visitor numbers, nights and expenditure since the survey commenced in 1999. New South Wales continues to lead all other states in terms of visitor numbers and nights for domestic visitation. According to the survey, 33 per cent of all visitors to Australia visited New South Wales. The State also recorded the largest share of visitor nights at 31 per cent.²⁸

The visitor economy

- 1.31** Where 'tourism' is commonly used to describe activities associated with leisure and sightseeing, the term 'visitor economy' more broadly encompasses travel for a wide range of activities. According to the NSW Government, '[t]he term "visitor economy" includes businesses and communities that benefit from the direct and indirect economic activity generated through the wide range of activity that supports the provision of goods and services to overnight visitors including, but not limited to, leisure, business, events, arts/cultural, nature and student visitors.²⁹
- 1.32** The Visitor Economy Taskforce stated that the NSW Government has created a significant opportunity to be at the forefront of a global shift away from the concept of 'tourism' to that of the visitor economy.³⁰

²⁵ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 2.

²⁶ Submission 76, NSW Government, p 3.

²⁷ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 2.

²⁸ Submission 76, NSW Government, p 3.

²⁹ Submission 76, NSW Government, p 2.

³⁰ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 10.

Structure of the report

- 1.33** The new funding scheme and destination management planning system for tourism in New South Wales is examined in **Chapter 2**, along with a discussion about the use of special rate variations to support local tourism initiatives.
- 1.34** The adequacy of infrastructure at both a state and local level is reviewed in **Chapter 3**.
- 1.35** The impacts of tourism on local communities are assessed in **Chapter 4**, which includes consideration of tourism and employment opportunities, the impact of penalty rates on businesses, and the impact on the visitor economy from having limited availability and accessibility to training and education in regional areas.
- 1.36** **Chapter 5** considers the regulation of tourism in regard to holiday letting and Recreational Vehicles (RVs).
- 1.37** **Chapter 6** examines outdoor recreational opportunities for tourism, including regulations in national parks and impediments to growing the alpine tourism industry. Opportunities for fossicking tourism and the development of rail trails are also considered.
- 1.38** The report concludes with **Chapter 7**, which considers the marketing of tourism and how it could be improved for better outcomes in regards to growing tourism and improving destination awareness in regional areas. Regional tourism organisations and local marketing strategies are also considered, along with elements of successful marketing strategies. Finally, the value of visitor information centres and the delivery of key surf lifesaving messages through marketing activities are discussed.

Committee members visiting the Big Prawn, Ballina



Committee members touring Taronga Western Plains Zoo, Dubbo



Chapter 2 Funding and special rate variations

This chapter examines the new funding scheme for tourism in New South Wales. Firstly, it provides an overview of the new funds and the destination management planning system. Secondly, it considers feedback from stakeholders regarding their experiences of working within this new system. Finally, it discusses the utilisation of special rate variations to support local tourism initiatives.

NSW Government grants and funds

- 2.1 The NSW Government has two tourism related funding programs for regional New South Wales. These are the Regional Visitor Economy Fund (RVEF) and the Regional Flagship Events Program. Both programs are administered by Destination NSW.

Regional Visitor Economy Fund

- 2.2 The Regional Visitor Economy Fund is the new tourism funding scheme launched by the NSW Government in April 2013. The fund is divided into a quarantined funding pool and a contestable pool of funds. The quarantined funds are available to existing regional tourism organisations only. The contestable pool of funds is available to regional tourism organisations, individual businesses and local governments for either marketing or product development. Ms Sandra Chipchase, Chief Executive Officer of Destination NSW illustrated who may be eligible to apply for the contestable pool of funds:

The people who can apply for those funds include regional tourism organisations. It might be a promotional group, such as a wine promotion association. It might be a group of like-minded individuals that could be around caravan parks or camping. It could be around an event they already have and they want to do some additional activity.³¹

- 2.3 The total value of the Regional Visitor Economy Fund is \$21.6 million over three years, which the NSW Government stated is ‘a record level of funding for the promotion of regional tourism in NSW’.³² In 2013/14 the NSW Government will contribute more than \$7.2 million dollars to the two funding streams: \$3.7 million in regional tourism organisation quarantined funds and \$3.5 million in the contestable pool of funds.
- 2.4 The Regional Visitor Economy Fund provides funding grants of between \$50,000 and \$500,000 on a matched dollar-for-dollar basis. This means that funding applicants must be able to raise a minimum of \$50,000 in order to obtain one of these grants.³³
- 2.5 Regional Visitor Economy Fund projects and initiatives must be able to demonstrate a return on investment and show that they will contribute to achieving the NSW Government’s target of doubling overnight visitor expenditure in New South Wales by 2020.³⁴

³¹ Evidence, Ms Sandra Chipchase, Chief Executive Officer, Destination NSW, 9 August 2013, p 6.

³² Submission 76, NSW Government, p 4.

³³ Destination NSW, Regional Visitor Economy Fund, *Frequently Asked Questions*, p 2, <http://www.destinationnsw.com.au/__data/assets/pdf_file/0009/185967/RVEF-FAQs-1.pdf>.

³⁴ Submission 76, NSW Government, p 4.

- 2.6 All applications have to be supported by a destination management plan. Destination management plans are discussed later in this chapter.

Regional Flagship Events Program

- 2.7 The Regional Flagship Events Program is available for events in regional New South Wales that have tourism potential and which may serve as flagships for the region in raising the profile and image of an area and boosting visitation.³⁵ Some examples of events that have received funding through this program are the Byron Bay International Film Festival, The Winter Magic Festival in Katoomba, Bathurst Autofest and the Eden Whale Festival.³⁶
- 2.8 Destination NSW funds a \$10,000 per event Annual Program and a \$20,000 per event Triennial Program to help events that can demonstrate their significance for local tourism. The Regional Flagship Events Program has been running since 1996 and has funded 186 events, totalling \$4.2 million.³⁷

Federal Government funds

- 2.9 The tourism industry in New South Wales is also able to access federal government funding. Below are some recent and current federal grants which were raised in evidence by stakeholders:
- Tourism Industry Regional Development Fund (TIRF) Grants - grants of between \$50,000 and \$250,000 on a fund matching basis for regional tourism businesses.³⁸ Round one of the TIRF Grants program opened in October 2012 with the successful applicants announced in March 2013. However, before the second round began, the program was assessed as part of a federal government spending review of all discretionary grants and it was decided that there would be no further rounds of this program.³⁹

³⁵ Destination NSW, Tourism, Funding and Grants, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants>>.

³⁶ Destination NSW, Regional Flagship Events Listing 2013, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants/regional-flagship-events-program/regional-flagship-events-listing-2013>>.

³⁷ Destination NSW, Tourism, Funding and Grants, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants>>.

³⁸ Destination NSW, Tourism, Funding and Grants, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants>>.

³⁹ Australian Trade Commission, Tourism and Business, Tourism Industry Regional Development Fund Grants, <<http://www.austrade.gov.au/Tourism/Tourism-and-business/TIRF>>.

- T-QUAL Grants - competitive merit based grants program with two types of funding available.⁴⁰
 - T-QUAL Tourism Quality Projects Funding provides grants of between \$15,000 (plus GST) and \$100,000 (plus GST) on a matched funding basis for smaller-scale projects to support collaborative tourism industry development projects, particularly those which stimulate private sector investment.⁴¹
 - T-QUAL Strategic Tourism Investment Grants: provides funding for up to \$1 million to fund a small number of larger scale projects to support Indigenous tourism and/or economic development/tourism employment.⁴²
- Federal Financial Assistance Grants – grants provided to states and territories on a per capita basis to be distributed among local governments to spend according to local priorities. These grants are considered further in chapter 3.

Destination management plans

2.10 The introduction of the destination management planning system in New South Wales was a key recommendation of the Visitor Economy Taskforce, which identified the need for a new approach to the delivery of funding support to the New South Wales tourism industry. The Taskforce recommended developing uniform destination management plans in identified visitor economy destinations across the State in partnership with the industry, the community and all three levels of government.⁴³ This need became apparent after consultation with industry stakeholders which ‘adamantly conveyed the position to the Taskforce that the current structures for Government funding and development of Regional Tourism in NSW are inconsistent and dysfunctional and ... significant reform was needed if there was to be any improvement’.⁴⁴

2.11 Destination management plans, which were originally a federal initiative, are a mandatory component of the grant application process. Funding can be allocated directly to tourism operators, tourism organisations and local governments that have developed a destination management plan. This does not mean that each applicant is required to have an individual destination management plan, but they at least need to be represented in a regional destination management plan in order to access Regional Visitor Economy Fund grants.⁴⁵

⁴⁰ Destination NSW, Tourism, Funding and Grants, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants>>.

⁴¹ Destination NSW, Tourism, Funding and Grants, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants>>.

⁴² Destination NSW, Tourism, Funding and Grants, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants>>.

⁴³ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 78.

⁴⁴ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

⁴⁵ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 60.

2.12 The destination management planning system puts the onus on each region for the growth and development of its visitor economy (the concept of the visitor economy is outlined in chapter 1 at 1.31 – 1.32). The purpose is for destination management plans to form the overarching strategy for visitor economy growth and provide a framework towards which all investment is driven in a cohesive way. According to the NSW Government, destination management plans were designed to ‘facilitate local leadership’ and encourage collaboration between industry, local government and operators.⁴⁶

2.13 Destination management plans focus on the visitor economy as a whole rather than solely on tourism and leisure. This is to ensure that communities can maximise their growth potential by building on other types of visitation such as business or sporting events. According to the NSW Government, the destination management planning system ‘is a holistic approach to planning to support the sustainable management and growth of destinations, taking into account current and future visitor markets and requirements’.⁴⁷

Destination Management Planning considers all aspects of the visitor economy in relation to current and future planning for the destination, including for example, identifying essential tourism infrastructure needs such as accommodation and transport links, development of local attractions, for instance, entertainment precincts and coordination and alignment of tourism and events promotion and marketing.⁴⁸

2.14 Ms Chipchase described the process as undertaking a ‘swat analysis’ for each region, giving people a tool to identify what they already have in the way of experiences and facilities. Ms Chipchase highlighted that in undertaking the destination management planning process communities are also able to establish if they are indeed a tourism destination or if their main source of visitation is for other purposes such as business or sport:

... many people that think they are a tourist destination suddenly have found out they are not a tourist destination, they are actually a visitor destination. People do not go there for a holiday they go there for business reasons. There is nothing wrong with that—that is great. So let us really concentrate on that area and try to grow it.

Or it might be that they come to the realisation that the best way that they can drive overnight visitation is to use their sporting fields, because they have got great sporting facilities ... actually their market is the school or national sports competitions. So then they can start to focus on those.⁴⁹

2.15 Ms Chipchase advised that once communities have undertaken ‘an audit of ... assets’ they are able to focus and direct future planning and apply for funding accordingly.⁵⁰

Stakeholder feedback on destination management plans

2.16 During the course of the Inquiry the Committee heard from local government, regional tourism organisations and other stakeholders that had recently completed or were in the

⁴⁶ Submission 76, NSW Government, p 4.

⁴⁷ Submission 76, NSW Government, p 4.

⁴⁸ Submission 76, NSW Government, p 5.

⁴⁹ Evidence, Ms Chipchase, 9 August 2013, p 5.

⁵⁰ Evidence, Ms Chipchase, 9 August 2013, p 5.

process of developing a destination management plan. Stakeholder responses to this newly implemented process varied. Many had positive feedback regarding the collaboration the process engendered in what many would argue has been a fragmented industry. However, stakeholders also commented on the enormity of the task of developing these plans and the intensive resources required to complete them.

- 2.17** Ms Lucy White, Executive Officer of Central NSW Tourism, commented that the destination management planning process was a ‘really good exercise’ which encouraged collaboration and enabled members of Central NSW Tourism to gain a clear picture of the experiences and products they had and were able to offer visitors. She noted that a destination management plan is a tool that members can refer to and use when considering projects and initiatives for the visitor economy.⁵¹ Mr Garry Styles, Economic Development Sponsoring General Manager of Central NSW Councils, agreed that developing a destination management plan has been beneficial, however, he questioned whether the volume of work required to complete the plan was necessary, remarking, ‘the destination management plan was quite a challenge ... it has been a fair task and I do not know if it needed to be that hard’.⁵²
- 2.18** Ms Robyne Abernethy, Chief Executive Officer of Central Coast Tourism, commented that the requirement to have a destination management plan is ‘wonderful’ as it gives ‘people a focus to move forward’.⁵³ Mr Rob Pollock, Chairman of Regional Development Australia, Far South Coast praised ‘the degree of autonomy that the development of those plans has created’.⁵⁴
- 2.19** Ms Tracey Valenzisi, Executive Officer of the Australian Regional Tourism Network, expressed the view that the development of destination management plans has enabled many communities to gain a clearer understanding of their visitor economy and to establish whether they are indeed a destination or are part of a larger destination in which they can play a targeted role:
- There has been an impact ... The positive is that it is causing local government areas and smaller towns that are not necessarily tourism destinations to look at why they may not be a destination. The destination management process is really important ... It is making areas focus more on the destination itself.⁵⁵
- 2.20** Mr Bill Tatchell, Chief Executive Officer of Destination Tweed Inc., expressed the view that destination management plans can create cohesion between regional tourism organisations and local governments in articulating a clear path for growth and investment and providing a practical, shared framework which aligns the roles of local government, regional tourism organisations and industry with visitor economy priorities:

⁵¹ Evidence, Ms Lucy White, Executive Officer, Central NSW Tourism, 10 October 2013, p 21.

⁵² Evidence, Mr Garry Styles, General Manager, Orange City Council and Economic Development Sponsoring General Manager, Central NSW Councils, 10 October 2013, p 16.

⁵³ Evidence, Ms Robyne Abernethy, Chief Executive Officer, Central Coast Tourism, 26 August 2013, p 47.

⁵⁴ Evidence, Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast, 13 September 2013, p 27.

⁵⁵ Evidence, Ms Tracey Valenzisi, Executive Officer, Australian Regional Tourism Network, 10 October 2013, pp 29-30.

Most local governments do not really ascertain the true impact of tourism because it is not a direct expenditure or investment. A [destination management plan] will bridge that gap. It will say, “This is where we’re heading in tourism and these are the type of numbers that we’re pushing through. This is the investment we need from council.” Rather than us pushing, it sits over the top and it becomes part of their capital works program.⁵⁶

- 2.21** On the other hand, Cessnock City Council contended that the destination management planning process did not encourage collaboration between their Council and regional tourism organisation, as the destination management plan developed by the regional tourism organisation ‘was not necessarily done in collaboration with our lower destination management plan’.⁵⁷ Ms Jane Holdsworth, Economic Development Manager of Cessnock City Council, expressed the view that ‘local government is not recognised as a crucial stakeholder’ in the new funding model despite being ‘a key provider and driver of infrastructure ... which are core foundations for the visitor economy’.⁵⁸ She argued that this was creating a ‘disconnect with local government’.⁵⁹
- 2.22** Bombala Council had a similar experience in being excluded from the development of their regional tourism organisation’s destination management plan. Representatives from Bombala Council informed the Committee that under the regional tourism organisation network they are represented by Tourism Snowy Mountains, but have not been a member for several years as they are unable to afford the \$20,000 membership fee. As a result, Bombala Council ‘had absolutely no input into the destination management plan’ developed by Tourism Snowy Mountains.⁶⁰ Ms Karen Cash, Economic Development Manager of Bombala Council, advised the Committee that Bombala Council had developed its own destination management plan, however, she noted that it may not be aligned with the destination management plan developed by Tourism Snowy Mountains.⁶¹

Destination management workshops and support tools

- 2.23** Destination NSW offers various levels of support to stakeholders who are developing a destination management plan or applying for a grant. For example, it provides a free destination management plan template and fact sheet on its website, as well as a link to a template provided by the Australian Government which was developed by the Australian Regional Tourism Network. The templates are not compulsory but are designed to assist stakeholders understand the minimum level of information that is required.⁶²

⁵⁶ Published in camera evidence, Mr Bill Tatchell, Chief Executive Officer, Destination Tweed Inc., 9 October 2013, p 3.

⁵⁷ Evidence, Ms Jane Holdsworth, Economic Development Manager, Cessnock City Council, 9 August 2013, p 45.

⁵⁸ Evidence, Ms Holdsworth, 9 August 2013, p 42.

⁵⁹ Evidence, Ms Holdsworth, 9 August 2013, p 45.

⁶⁰ Evidence, Ms Karen Cash, Economic Development Manager, Bombala Council, 8 November 2013, p 33.

⁶¹ Evidence, Ms Cash, 8 November 2013, p 33.

⁶² Evidence, Ms Chipchase, 9 August 2013, p 5.

- 2.24** Destination NSW offers free workshops throughout New South Wales to inform industry, community and government stakeholders about destination management planning and enable stakeholders to access support while they develop their destination management plans. Workshops were held in 16 different locations around New South Wales between June and August in 2013.⁶³ Several workshops were delivered in 2013 and will continue to be offered in 2014.⁶⁴
- 2.25** Destination NSW also provides a Regional Visitor Economy Fund fact sheet to assist with funding applications. This includes frequently asked questions and a range of scenarios to illustrate who can apply and what types of projects or campaigns may be eligible.⁶⁵
- 2.26** Mr Wayne Hart, Chair of Tourism Snowy Mountains, commented very positively on the support he has received from Destination NSW staff:
- ... I am relatively new into the process. I am working closely with Destination NSW on this and quarantined grant applications at the moment. I would say that the staff have been extremely helpful and willing to accommodate my newness into the process, and been available to talk over small issues or strategies at any time. I guess my experience is really of an organisational interaction and it is very positive.⁶⁶
- ... I am very aware of their very active program. Destination NSW staff have offered to come to our board meeting to give us the seminar rather than having to drag all of our board along to one of their seminars. They are very proactive and very helpful, and that is much appreciated.⁶⁷
- 2.27** One concern was raised by Ms Leanne Barnes, Acting General Manager of Bega Valley Shire Council, who advised that Destination NSW workshops for the south coast are held in Bateman's Bay, which she stated is 'quite a drive' from her region and are consequently poorly attended by operators from the Bega Valley Shire.⁶⁸ By comparison, Ms Barnes highlighted that tourism workshops organised and run locally by the Bega Valley Shire Council have had 'a hundred local participants'.⁶⁹ She suggested the difference in the levels of participation indicates that access and travel is a significant issue, and that more people would likely attend workshops run by Destination NSW if they were held in more regional areas.⁷⁰

⁶³ Destination NSW, Tourism, Business Development Resources, <<http://www.destinationnsw.com.au/tourism/business-development-resources/industry-workshop-program-2013-2014>>.

⁶⁴ Submission 76, NSW Government, p 5.

⁶⁵ Destination NSW, Destination Management Planning, <<http://www.destinationnsw.com.au/tourism/business-development-resources/destination-management-and-marketing/destination-management-planning>>.

⁶⁶ Evidence, Mr Wayne Hart, Chair, Tourism Snowy Mountains, 8 November 2013, p 3.

⁶⁷ Evidence, Mr Hart, 8 November 2013, p 10.

⁶⁸ Evidence, Ms Leanne Barnes, Acting General Manager, Bega Valley Shire Council, 8 November 2013, p 35.

⁶⁹ Evidence, Ms Barnes, 8 November 2013, p 35.

⁷⁰ Evidence, Ms Barnes, 8 November 2013, p 35.

Committee comment

- 2.28** The Committee believes that the destination management planning model is a positive initiative, and notes that it was introduced after the Visitor Economy Taskforce identified the need for a new approach to the delivery of funding support to the New South Wales tourism industry.
- 2.29** The Committee believes that destination management plans are a valuable tool to assist communities identify what their key attractions and facilities are in order to establish whether they are a tourist destination or if they have a different visitor market. This enables communities to then target future funding and marketing strategies accordingly.
- 2.30** We note that destination management plans were introduced to ‘facilitate local leadership’ and encourage collaboration between industry, local government and operators. However, we also note the concerns of some stakeholders that they have found it difficult to achieve a collaborative approach to the development of these plans. Under the current system, it appears that the ability of stakeholders to develop separate destination management plans may, in some circumstances, have undermined the purpose of developing comprehensive regional plans with the collaboration of stakeholders. In particular, some councils expressed the view that some plans were developed by regional tourism organisations without their involvement and not recognising that they are key providers of vital infrastructure.⁷¹
- 2.31** The Committee also notes the feedback from stakeholders regarding the significant amount of work required to develop destination management plans.
- 2.32** We appreciate that the destination management planning system was only introduced in 2013, and that implementing a new system is challenging and can reveal issues which may not have been anticipated. We therefore recommend that the NSW Government commission a review of the destination management planning in five years’ time, which would enable a more accurate assessment of the effectiveness of the system. This review should also include an assessment of the effectiveness of the new Regional Visitor Economy Fund.
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Recommendation 1

That the NSW Government commission a review of the effectiveness of the New South Wales destination management planning system and Regional Visitor Economy Fund by March 2019.

- 2.33** The Committee commends the work of Destination NSW in providing training and support to stakeholders in developing destination management plans. However we note that some stakeholders have had difficulty in accessing these workshops. The Committee recommends that Destination NSW consider offering destination management workshops in more locations throughout regional New South Wales to improve stakeholder access.

⁷¹ Evidence, Ms Holdsworth, 9 August 2013, p 45 and Evidence, Ms Cash, 8 November 2013, p 33.

Recommendation 2

That Destination NSW consider offering destination management workshops in more locations throughout regional New South Wales and more actively involve councils as the recognised local infrastructure providers.

Issues with the Regional Visitor Economy Fund

- 2.34** Many stakeholders provided feedback on the newly implemented Regional Visitor Economy Fund and raised a number of issues affecting quarantined and contestable funds, including the assessment of applications, yearly application requirements and the minimum matched funding threshold.

Quarantined funds

- 2.35** A number of inquiry participants highlighted that one of the major challenges of the Regional Visitor Economy Fund has been the application process to access the quarantined funds. Several noted that the purpose of creating a quarantined pool of funding was to provide certainty for regional tourism organisations, but felt that instead, the process has proven difficult to navigate and has created a drain on already limited resources.
- 2.36** Ms Belinda Novicky, Executive Officer of North Coast Destination Network, highlighted that under the new scheme separate applications must be completed for each project, unlike the previous system where regional tourism organisations could submit one application to allocate where the quarantined funds would be spent:

For a number of projects then we were able to put in one application to allocate where that money was going to be spent. Now every project that we want to access with the \$693,000 that is being matched with \$693,000 has to have its own application. ... we still have to complete the same 50-page document that then has to be approved by Destination NSW, come back to us and go back and forth to get the actual funding that has been quarantined to us.⁷²

- 2.37** Some inquiry participants expressed the view that the new funding application process was unclear and criteria inconsistent.⁷³
- 2.38** Inquiry participants also noted that under the new funding scheme, regional tourism organisations no longer receive capacity funding. This is a change from previous funding arrangements where regional tourism organisations were able to access funding to cover administrative and operational costs. They can, however, apply for funding from the quarantined funds to use for operational purposes. Mr Garry Styles, General Manager, Orange City Council and Economic Development Sponsoring General Manger, Central NSW

⁷² Published in camera evidence, Ms Belinda Novicky, Executive Officer, North Coast Destination Network, 9 October 2013, p 5.

⁷³ Evidence, Ms White, 10 October 2013, p 21; Published in camera evidence, Ms Novicky, 9 October 2013, p 8 and Published in camera evidence, Mr Cameron Arnold, Co-chair, North Coast Destination Network, 9 October 2013, p 8.

Councils, commented that it ‘becomes a bit of a challenge when the funding is not available like it used to be ... for the ongoing operation of the RTO [which] has put the focus back on the councils to fund it’.⁷⁴

2.39 The North Coast Destination Network noted that the quarantined pool of funds is not guaranteed beyond a certain deadline, after which, funds which have not been successfully approved are moved into the contestable pool of funds. Mr Arnold highlighted the potential consequences of this on stakeholders, asserting that ‘if we are unsuccessful with that quarantined funding and that goes back to the competitive pool we do not have an organisation’.⁷⁵ He also expressed the view that quarantined funding was intended to provide a level of certainty for regional tourism organisations, and by extension, for regional tourism in general, but that the difficulty in accessing it is undermining that original intention.⁷⁶

2.40 Riverina Regional Tourism also raised concerns regarding the changes to tourism funding and the new application process. While it commended the provision of quarantined funds as ‘positive recognition of the capacity of Regional Tourism Organisations to grow and develop visitation’,⁷⁷ it contended that ‘limited funding and difficulty in accessing it’ is preventing the Riverina from realising the visitor opportunities that are available.⁷⁸ Like other stakeholders, they raised concerns with accessing quarantined funds for operational purposes. Riverina Regional Tourism informed the Committee that when the new funding scheme was announced they were advised that regional tourism organisations that currently receive funding for operational costs could apply solely for an operational funding grant through the quarantined funds. However, they were later informed by Destination NSW that applications for operational funding could not be applied for separately and would have to be part of a project application.⁷⁹ Mr Ken Murphy, Chair of the Riverina Regional Tourism Organisation, contended that applying the same process to operational funding applications as for project applications is not appropriate as you cannot apply the same criteria. He explained the difficulty his organisation has had in making an application:

... when we went to actually apply ... we found that we could not apply for that separately. The way we applied for it would be the same as if we applied for a normal project which you would expect key performance indicators [KPIs] ... It is very difficult to put this application for operational funding.⁸⁰

Committee comment

2.41 The Committee notes the feedback from stakeholders regarding the process involved in the quarantined fund application process. We acknowledge that completing a 50-page application for every project is a considerable task for many tourism organisations due to limited resources.

⁷⁴ Evidence, Mr Styles, 10 October 2013, p 16.

⁷⁵ Published in camera evidence, Mr Arnold, 9 October 2013, p 6.

⁷⁶ Published in camera evidence, Mr Arnold, 9 October 2013, p 5.

⁷⁷ Submission 57a, Riverina Regional Tourism, p 2.

⁷⁸ Submission 57a, Riverina Regional Tourism, p 3.

⁷⁹ Submission 57a, Riverina Regional Tourism, p 3.

⁸⁰ Evidence, Mr Ken Murphy, Chair, Riverina Regional Tourism, 10 October 2013, p 41.

- 2.42** The Committee recommends that Destination NSW simplify the application process for quarantined funds to better enable regional tourism organisations to access funds that have been quarantined for their use and recognise the administrative and operational needs of regional tourism organisations.

Recommendation 3

That Destination NSW review the Regional Visitor Economy Fund application process for quarantined funds in order to simplify the application process and consider allowing for longer term operational funding.

- 2.43** The Committee also notes the comments from stakeholders regarding unclear and inconsistently applied funding criteria and the operational uncertainty they face by no longer having capacity funding. We believe that these issues should be considered as part of the 2019 review at Recommendation 1.

Assessment criteria

- 2.44** Another area of concern raised by some inquiry participants is the assessment process and criteria for Regional Visitor Economy Fund grants. In order to apply for one of these grants, applicants must complete an application form and either have developed a destination management plan or at least prove that their application is aligned with an existing destination management plan. According to Destination NSW, applications are measured against a range of key criteria or result indicators depending on the activity. These include but are not limited to:

- ability to contribute to the NSW Government's target of doubling overnight visitor expenditure in New South Wales by 2020
- number of domestic and international visitors received in New South Wales
- number of nights spent in New South Wales
- number of room nights sold
- number of website hits for sydney.com and visitnsw.com
- number of leads to industry
- tickets sold (events, airline)
- event economic impact.⁸¹

- 2.45** Representatives from the alpine ski industry were critical of the assessment process and funding criteria. They argued that the assessment criteria are 'far too strict'⁸² and are unable to assess the value of an investment that 'does not fit one of the boxes'.⁸³

⁸¹ Answers to questions on notice, Ms Sandra Chipchase, Chief Executive Officer, Destination NSW, 3 September 2013, p 9.

⁸² Evidence, Mr Peter Brulisauer, Chief Executive Officer, Perisher Ski Resort, 8 November 2013 p 54.

- 2.46** Mr Rodgers and Mr Peter Brulisauer, Chief Executive Officer, Perisher Ski Resort, explained that in their case, the ski resorts had applied for funding for a marketing campaign called Snow Australia, which is a joint campaign with Victoria.⁸⁴ Mr Brulisauer said their application was unsuccessful because ‘we could not demonstrate the exact return from the Snow Australia funding into the dollar value of bookings that was made through the campaign’.⁸⁵ He argued that the criteria are too narrow to properly assess the value of such a campaign:

Snow Australia, by its name, is a broad-based branding campaign which Destination NSW is aware of and signed up to. It is not a booking engine. It is to say to Australians, “Hey, we have the Snowy Mountains. We have the snow fields of Victoria. You need to come and experience this. It is just in your backyard.” The resorts that sit underneath that have a range of offers and their own campaigns that sell direct to the consumer. Because we did not fit that strict criteria for Destination NSW of being able to essentially translate dollars into bookings—we made some assumptions to try to satisfy that. We did not get the money.⁸⁶

- 2.47** While Mr Brulisauer acknowledged that accountability criteria to show transparency on the allocation of government funds is important, he argued that it is ‘very, very difficult to gauge the return on branding investments’ and there is no ‘rigid science to determine which dollars are working and which ones are not’.⁸⁷ He recommended a ‘relaxation on the criteria with regards to the reporting on the value of investment’, especially with regard to marketing applications. Further, he argued that Destination NSW should distinguish between mature and emerging stakeholders when assessing applications:

In our case I would encourage you to remember that we have a very mature industry that understands its market very well and that invests a significant amount of money in marketing—an amount far greater than what it is asking the Government to contribute.⁸⁸

- 2.48** Mr Brulisauer also highlighted that the current assessment process has no scope to factor in the benefit of long term industry investment, which he contended is particularly important in the ski industry which is in the unique position of being dependent on snow, which can vary year to year:

Our industry does rely on snow. Some winters are great and others are poor. We cannot demonstrate continual growth from a Destination NSW marketing campaign because by nature if you have a bad winter snow-wise then you are going to report a reduction in visitors. You might actually have two bad winters in a row. How do you then report to Destination NSW as to how the spend was effective in growing visitor numbers? It is a long-term investment in the market.⁸⁹

⁸³ Evidence, Mr Jordan Rogers, General Manager, Kosciuszko Thredbo, 8 November 2013, p 56.

⁸⁴ Evidence, Mr Rogers, 8 November 2013, p 56 and Evidence, Mr Brulisauer, 8 November 2013, p 54.

⁸⁵ Evidence, Mr Brulisauer, 8 November 2013, p 54.

⁸⁶ Evidence, Mr Brulisauer, 8 November 2013, p 54.

⁸⁷ Evidence, Mr Brulisauer, 8 November 2013, p 54.

⁸⁸ Evidence, Mr Brulisauer, 8 November 2013, p 55.

⁸⁹ Evidence, Mr Brulisauer, 8 November 2013, p 56.

- 2.49** Other inquiry participants also raised concern that there is a lack of funding for existing tourism assets or projects and argued that eligibility criteria should not be limited to new initiatives. For example, Ms Jane Holdsworth, Economic Development Manager at Cessnock City Council, stated that available funding ‘tends to be for new and innovative’ projects and does not support existing assets such as the wine industry, which is a major draw card for visitors to the Cessnock region.⁹⁰ Ms Holdsworth advocated for a balance between supporting new and existing products, emphasising that new products can have greater risk, while appropriately supported existing products can have greater growth potential:

When you talk about funding, when it is new, they are risky, they are not tried and true ... We believe the funding should be a balanced approach with new and a balanced approach with existing because they are the ones that ultimately could generate that doubling of visitor expenditure by 2020. They are the ones already in play and are very significant.⁹¹

- 2.50** Funding for existing tourism assets is considered further in chapter 3.

Committee comment

- 2.51** The Committee notes feedback from stakeholders that the assessment criteria for contestable funding is very strict and may not take a holistic view when assessing the merits of an application and its potential return on investment.
- 2.52** The Committee believes that accountability for the investment of government funds needs to be appropriately balanced with a holistic approach to the assessment of funding applications. We recommend that the application assessment process be reviewed to include a holistic assessment of the merits of an application for contestable funds and that assessment criteria be reviewed to ensure that prescriptive criteria does not unnecessarily exclude worthy or valuable initiatives.

Recommendation 4

That Destination NSW review the assessment criteria for contestable funding applications to allow for holistic assessment of the merits of a project or initiative.

Timeliness of assessment and yearly application requirement

- 2.53** Under the Regional Visitor Economy Fund, grants are provided for 12 months only with applicants required to apply for funding each year. As outlined earlier, two rounds of funding were provided in 2013/14 for these grants. Applicants who were unsuccessful in the first round had to wait to reapply for the second round of funding. Concerns were raised by several stakeholders regarding the timeliness of these funding assessments and the yearly application requirement.

⁹⁰ Evidence, Ms Holdsworth, 9 August 2013, p 44.

⁹¹ Evidence, Ms Holdsworth, 9 August 2013, p 44.

- 2.54** Mr Rob Pollock, Chairman of Regional Development Australia, Far South Coast told the Committee that the assessment of grant applications, particularly for marketing, is slow and has at times hindered the optimal investment of funds, which in turn reduces the potential return on investment of state and industry funds:

There is a definite problem with getting marketing plans formally ticked off on in a timely manner. We know what we want to do and we know when we want to be in the market with those programs ... There needs to be a much quicker and more agile situation for us to effectively maximise the bang we are going to get with our dollars and the State dollars.⁹²

- 2.55** Mr Brulisauer contended that the yearly application requirement limits the ability to appropriately and effectively fund marketing campaigns, due to the uncertainty of knowing if future funding will be available:

In our view, we are a significant industry and we are investing in capital infrastructure in tourism in regional areas I think like no other tourism industry. We do not think we should have to go through a grant program every year to try to get access for a marketing campaign next year ... You cannot come up with decent marketing programs to build brands and build visitation if you have to go through constant rounds for grants and be unsure whether you are going to be successful. It is simply not sustainable.⁹³

- 2.56** Mr Matthew Fuller, General Manager, Taronga Western Plains Zoo, Taronga Conservation Society, also raised the importance of having a long-term view to the growth of tourism. While he praised the Visitor Economy Industry Action Plan for having 'some very good recommendations' he argued that the key to shaping the future of tourism in regional New South Wales is to create a 'strategic platform with a longer-term view than 12 months and ad hoc grants':⁹⁴

To date, each program initiated in New South Wales has been made available on an annual or one off basis. For any sustained growth or change to be brought about through visitation and its effect on local communities investment must be considered more strategically and allow for multiple year/mid to long term projects which can in time build market awareness, brand presence and sustain visitation growth and provide the responding return on investment.⁹⁵

- 2.57** Mr Fuller argued that '[t]he current framework, by default, encourages discreet projects with a very short term view or narrow results focus'.⁹⁶

⁹² Evidence, Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast, 13 September 2013, p 27.

⁹³ Evidence, Mr Brulisauer, 8 November 2013, p 45.

⁹⁴ Evidence, Mr Matthew Fuller, General Manager, Taronga Western Plains Zoo, Taronga Conservation Society, 10 October 2013, p 1.

⁹⁵ Answers to questions on notice, Mr Matthew Fuller, General Manager, Taronga Western Plains Zoo, Taronga Conservation Society, 7 November 2013, p 3.

⁹⁶ Answers to questions on notice, Mr Fuller, 7 November 2013, p 3.

Committee comment

- 2.58** The Committee acknowledges the concerns of stakeholders regarding the yearly application process and its impact on investment certainty. We agree that providing funding on an annual basis may limit the scope and effectiveness of some projects and initiatives.
- 2.59** The Committee therefore recommends that the NSW Government consider offering funding grants on a longer term basis.

Recommendation 5

That Destination NSW consider providing Regional Visitor Economy Fund grants for periods longer than 12 months.

Matched funding

- 2.60** As outlined at paragraph 2.4, the Regional Visitor Economy Fund provides funding on a matched dollar-for-dollar basis, with a minimum investment of \$50,000. Numerous inquiry participants expressed the view that \$50,000 is a relatively high cost for some stakeholders and may prove prohibitive, effectively excluding smaller stakeholders from applying for funding.
- 2.61** Ms Abernethy explained to the Committee that the capacity of Central Coast Tourism to match funding is limited as many of their members are small business operators.⁹⁷ Similarly, Ms Tracey Valenzisi, Executive Officer of the Australian Regional Tourism Network expressed the view that '[h]aving a threshold of \$50,000 to get the matching funding is going to restrict a lot of people from going for contestable funding', and contended that 'some of the local governments may not be able to fund some of their priorities'.⁹⁸ Riverina Regional Tourism shared this view and highlighted that this threshold may indeed prevent some of its members from achieving the goals of their destination management plans.⁹⁹
- 2.62** Representatives from the Tumut Shire Council and Snowy River Shire Council agreed that in smaller communities where most businesses are small to medium enterprises, raising \$50,000 in matched funding is very difficult. Mr Glen Waterhouse, Economic Development Officer of Tumut Shire Council said that securing financial contributions from local business is very resource intensive:

At the Tumut and Tumbarumba end someone has to go doorknocking trying to explain the value to each and every [small to medium enterprise] who then wants for \$300 or \$500 their name at the front of the advertising campaign, and moulding all that together is a challenge due to our resources.¹⁰⁰

⁹⁷ Evidence, Ms Abernethy, 26 August 2013, p 47.

⁹⁸ Evidence, Ms Valenzisi, 10 October 2013, p 30.

⁹⁹ Submission 57a, Riverina Regional Tourism, p 3.

¹⁰⁰ Evidence, Mr Glen Waterhouse, Economic Development Officer, Tumut Shire Council, 8 November 2013, p 23.

- 2.63** Mr Wayne Hart, Chair of Tourism Snowy Mountains described the threshold for grants as ‘high’ and told the Committee that meeting this requirement is ‘[p]robably the biggest issue that we as an organisation have had to adapt to’ as it ‘effectively excludes small to medium enterprises’.¹⁰¹ Further, he highlighted the difficulty of bringing operators together to invest jointly in an area where the tourism industry is highly competitive:

We have to work out ways of bringing together small businesses to get over the \$50,000 threshold so they can put in an application ... There is a huge number of independents and they are not used to necessarily working cooperatively, particularly at the small and medium enterprise level ... We have a long way to go actually to find mechanisms and vehicles in which local small operators will come together and work cooperatively when they are so intensely competitive on the field and on the ground.¹⁰²

- 2.64** Mr Greg Lawrence, Manager of Tourism and Economic Development at Griffith City Council, also expressed the view that \$50,000 was too high a figure, particularly for smaller local government areas, and further contended that imposing a minimum threshold does not take into account the differences among communities in New South Wales:

... the new threshold of \$50,000 that councils or operators have to come to is another impost on ever-shrinking funds that people have available. I worry that we have taken a one-size-fits-all approach ... \$50,000—is a big, tall ask for some of us small councils.¹⁰³

- 2.65** Clr Sharon Tapscott, from Bega Valley Shire Council, argued that matched funding excludes smaller communities, limiting those areas most in need of investment and growth from investing in larger projects:

... we do not have the money to apply for the dollar for dollar ... We need to have the ability to apply for money as per the project and the value of the project, not the value of what we can put up.¹⁰⁴

- 2.66** Cessnock City Council commented that the minimum matched funding requirement places tourism grants ‘outside the budgetary range of the majority’ of stakeholders.¹⁰⁵ They contended that it excludes smaller scaled projects that ‘can contribute very effectively to doubling overnight visitation with minimal risk’ and further, that ‘current programs encourage high budget, high risk expenditure that may or may not realise measurable outcomes’.¹⁰⁶

- 2.67** Riverina Regional Tourism highlighted the potential disadvantages of having to collaborate to raise funds, especially with regard to marketing expenditure. It advised the Committee that it has developed three distinct destinations as part of its new structure necessitated by the change to regional tourism organisation funding. Each region has a distinct and unique

¹⁰¹ Evidence, Mr Hart, Chair, 8 November 2013, p 3.

¹⁰² Evidence, Mr Hart, 8 November 2013, p 3.

¹⁰³ Evidence, Mr Greg Lawrence, Manager, Tourism and Economic Development, Griffith City Council, 10 October 2013, p 41.

¹⁰⁴ Evidence, Clr Sharon Tapscott, Sapphire Coast Tourism Delegate, Bega Valley Shire Council, 8 November 2013, p 36.

¹⁰⁵ Submission 73, Cessnock City Council, p 2.

¹⁰⁶ Submission 73, Cessnock City Council, p 3.

identity they wish to promote. However, the organisation fears that these identities may get lost when smaller communities and areas, that are unable to market their destination due to the minimum matched funding requirement, have to pool resources with other destinations:

... the minimum funding level of \$50,000 under the recent Regional Visitor Economy Fund will limit the effectiveness of marketing campaigns as the areas within the regions three Destination Management Plans will not have the capacity to match the minimum requirement in each of their areas and will have to compromise on combined campaigns.¹⁰⁷

2.68 Mr David Sheldon, Chair of the Australian Regional Tourism Network, expressed a contrary view, supporting the stakeholder collaboration encouraged through the destination management plan process:

... a lot of people are worried about that ceiling. They cannot see how they can get involved and get together. Whereas the destination management plan, if they read it and understand it fully, should bring the operators and the regions together to realise that if we are going to approach this in a positive and holistic way we have to band together and do a group marketing thing, which makes the bottom line ceiling quite affordable for most regions.¹⁰⁸

2.69 Mr Joseph Vescio, General Manager of Snowy River Shire Council suggested that the figure be reduced to \$25,000, which would make the investment by smaller industry players much more manageable:

... I believe the Destination NSW threshold of \$50,000 is too high. I believe it should be halved ... it is a lot easier for the four councils to come up with \$5,000 for a campaign than ... coming up with \$10,000. Getting \$5,000 from the small to medium enterprises meets the threshold, whereas getting that \$50,000 is just a little bit too far.¹⁰⁹

Committee comment

2.70 The Committee acknowledges the concerns of inquiry participants that the minimum matched funding requirement may be prohibitive for many stakeholders. While we believe the destination management planning process can encourage a collaborative approach to raising funds, we also note the evidence earlier in this chapter that stakeholders have had difficulties collaborating with other organisations, and acknowledge that as such the current \$50,000 threshold may place funding out of reach for many smaller stakeholders. As such, we recommend that Destination NSW consider reducing the minimum matched funding threshold.

¹⁰⁷ Submission 57a, Riverina Regional Tourism, p 4.

¹⁰⁸ Evidence, Mr David Sheldon, Chair, Australian Regional Tourism Network, 10 October 2013, p 30.

¹⁰⁹ Evidence, Mr Joseph Vescio, General Manager, Snowy River Shire Council, 8 November 2013, p 23.

Recommendation 6

That Destination NSW consider reducing the minimum matched funding threshold for Regional Visitor Economy Fund grants.

Doubling overnight visitor expenditure

2.71 The key eligibility requirement for Regional Visitor Economy Fund grants is for all projects and initiatives to demonstrate that they will help achieve the State's objective of doubling overnight visitor expenditure.¹¹⁰

2.72 Some inquiry participants questioned whether every destination has the capacity to meet this objective, and feared that they may be excluded from funding for otherwise viable projects which would enhance visitation to their area, but which may not be centred on overnight stays. Ms Abernethy from Central Coast Tourism told the Committee that this was a particular concern for the Central Coast and potentially for other areas close to Sydney which are more likely to be a day trip rather than an overnight destination:

The problem that I have and as a destination that we have is that one of the key imperatives is to increase overnight visitation. I wonder if the capacity for regions close to Sydney ... to actually affect that has been considered. We certainly have a high visitation from day trippers; it is just under 3.8 million. They spend about \$70 a day. We do not want to lose that. Our overnight visitation is about 1.3 million and they spend \$143. So it is a clear avenue for us as a destination to focus on that overnight visitation but the capacity for us to actually deliver on that will be primarily part of the result of how well Sydney is able to deliver on attracting that visitation as well, because it is dispersal into the regional areas that is the key.¹¹¹

2.73 Ms Tracey Squire, Director of Economic Development and Tourism at Albury City Council expressed a similar view that not all destinations will have the ability to assist doubling overnight visitor expenditure and highlighted that investment in other worthy tourism products is being excluded from funding applications as a result:

One of the biggest challenges with that particular program and the way it is structured is that one of the critical selection criteria is that you must be able to demonstrate that your project can drive the achievement of the 2 per cent growth in New South Wales visitor number target. As I have outlined in our submission, that can be quite challenging for a regional community because we are not a Gold Coast and we are not a Sydney. Certainly there are other benefits that come from investment in tourism and product development that tend not to be considered as part of the overall assessment process. I understand the reasoning for that but it does make it difficult for regional areas to compete for that funding when the key performance indicator targets are so high.¹¹²

¹¹⁰ Evidence, Ms Chipchase, 9 August 2013, p 6.

¹¹¹ Evidence, Ms Abernethy, 26 August 2013, p 47.

¹¹² Evidence, Ms Tracey Squire, Director, Economic Development and Tourism, Albury City, 13 September 2013, p 3.

Adequacy of funding

2.74 As noted at paragraph 2.3, the NSW Government stated that the Regional Visitor Economy Fund provides a record level of funding for tourism in New South Wales.¹¹³ Nonetheless, some inquiry participants questioned the adequacy of the funding, particularly compared with other jurisdictions involved in cross-border projects.

2.75 For example, Ms Squire from Albury City Council advised that in the current financial year Tourism Victoria is providing \$300,000 in direct operational support to Murray Regional Tourism. By comparison, Destination NSW is providing \$90,000. She remarked:

From that perspective, at a range of different levels, there certainly does appear to be a case that Tourism Victoria and the Victorian State Government is providing a higher level of support.¹¹⁴

2.76 Mr Brulisauer from Perisher Ski Resort similarly highlighted the difference in the level of government fees and investment in the ski resorts of Victoria and New South Wales:

Perisher ... pays about \$5 per skier a day in rent to the New South Wales Government. In Victoria the resorts pay about \$1 per skier. In New South Wales there is no investment by the New South Wales Government in the type of resort infrastructure that the Victorians invest in; for example, snow-making dams and a whole range of infrastructure that benefits the industry. All that happens in New South Wales is park use fees go into consolidated revenue to Treasury and so too do lease fees and taxes ... It is all self-funding.¹¹⁵

2.77 While acknowledging the increase in funding under the new scheme, Shoalhaven City Council stated that ‘the allocation of \$3.5 million for the whole State is too little and will be spread too thin’.¹¹⁶

Strategic vision for tourism

2.78 As discussed at paragraph 2.12, the new funding scheme places the responsibility for the growth of regional tourism and visitation on regional New South Wales. Through destination management plans, stakeholders are required to identify areas of growth which will assist in doubling overnight visitor expenditure, and apply for funding based on fulfilling those goals and targets.

2.79 Some inquiry participants expressed the view that competitive funding, without direction from the State Government, is too fragmented and impacts on the ability to take a collaborative approach. For example, Ms Holdsworth from Cessnock City Council highlighted that the current funding scheme has ‘different entities within our own area competing for funding’.¹¹⁷ She argued that the State Government needs to provide more guidance to drive a more strategic and targeted approach to growing the visitor economy:

¹¹³ Submission 76, NSW Government, p 4.

¹¹⁴ Evidence, Ms Squire, 13 September 2013, p 3.

¹¹⁵ Evidence, Mr Brulisauer, 8 November 2013, p 45.

¹¹⁶ Submission 23, Shoalhaven Tourism Board, Shoalhaven City Council, p 2.

¹¹⁷ Evidence, Ms Holdsworth, 9 August 2013, p 44.

At the moment it seems to us that funding comes in and it is a bit here and a bit there. The problem with that is that we believe the State Government should be driving a strategy for the whole of the State and funding those areas already providing massive return and looking at how we can drive that through, instead of us sitting there going, “Oh, we better try for this and better try for that” when there does not seem to be any connectivity, if you like, between growing the whole of the tourism economy. It should not be competitive.¹¹⁸

- 2.80** State leadership was also raised by Mr Tatchell who was of the opinion that the introduction of destination management planning, without a clearly articulated vision from the NSW Government for the state as a whole, is a considerable change from the previous system and that a middle ground would be better:

... you have to look at a State tourism organisation that has been absolutely dictatorial—“This is what we want, this is the way it is going to be”—to having the [destination management plans], which is pushing it back to the regions, going “You tell us what you want.” It does not work that way to go from one end right to the other. There is a middle ground, and that middle ground is about saying “This is what the State believes its unique positioning point is. These are the experiences that we want to take as a State and position ourselves.” Once you have that leadership and that statement saying, “These are the areas that we want to grow”, you can then filter down and support and provide resources and funding.¹¹⁹

- 2.81** Mr Tatchell contended that ‘having these pillars that identify this is what the State believes ... is how we can drive more targeted and more direct expenditure with a better and more discernible return on investment than fragmenting it’.¹²⁰

- 2.82** Inland NSW Tourism stated that the current funding scheme is fragmented and expressed the view that this has been compounded the lack of an articulated direction by the NSW Government:

The funding provided (i.e. for product development, infrastructure, events and regional marketing) is fragmented and facilitated through different funding programs that often leave it up to the applicant (Local government and/or industry) to consider the need and the project. This fuels parochialism and creates a disconnection between stakeholders involved in delivering and growing tourism at every level (National, State and Local) and all types (Government and industry). Important policy and operational decisions are often tactical rather than strategic and focused on “tourism” in isolation rather than the broader visitor economy. This causes applicants for funding to act tactically and independently with little linkage between projects.

When government investment is strategic, it enables industry to leverage and add value.¹²¹

- 2.83** Representatives from Broken Hill advocated the need for strong direction from the State Government to support communities that ‘are going to really carry forward this tourism message’.¹²²

¹¹⁸ Evidence, Ms Holdsworth, 9 August 2013, p 44.

¹¹⁹ Published in camera evidence, Mr Tatchell, 9 October 2013, p 2.

¹²⁰ Published in camera evidence, Mr Tatchell, 9 October 2013, p 2.

¹²¹ Submission 15, Inland NSW Tourism, p 4.

Committee comment

- 2.84** The Committee acknowledges the leadership role of government in growing the visitor economy and notes the concerns of some stakeholders that placing the onus on regions to identify areas of visitor growth, without also providing guidance regarding the State's overarching vision for tourism, may result in a fragmented approach to tourism development. We recommend that Destination NSW articulate to the tourism industry an update on the strategic vision and actions as outlined in the Visitor Economy Industry Action Plan.

Recommendation 7

That Destination NSW articulate to the tourism industry an update on the strategic vision and actions as outlined in the Visitor Economy Industry Action Plan.

Special rate variations

- 2.85** In addition to government grants, councils can apply for special rate variations to increase their general income. Special rate variations impose an extra rate charge on businesses as a 'means of providing additional funding to councils to deliver services and infrastructure that the community has requested and the council is unable to fund within its existing revenue'.¹²³
- 2.86** Under the provisions of the *Local Government Act 1993*, councils apply for a special rate variation through the Independent Pricing & Regulatory Tribunal (IPART).¹²⁴
- 2.87** The guidelines used by IPART do not include tourism as an eligible purpose for special rate variations.¹²⁵ However, the Visitor Economy Taskforce recommended that these guidelines be amended to include such expenditure.¹²⁶ Indeed, the Taskforce identified special rate variations as a sustainable source of revenue for local governments wishing to invest in the visitor economy:

A new sustainable source of revenue, derived from a special rate variation for investment in visitor economy initiatives, should be available to Local Councils. Destinations should be able to invest this revenue in critical visitor infrastructure and experience development activities necessary to achieve the 2020 target, subject to full

¹²² Evidence, Ms Andrea Roberts, Manager of Economic Development, Broken Hill City Council, 10 October 2013, p 54.

¹²³ Department of Premier & Cabinet, Guidelines for the preparation of an application for a special variation to general income, <<http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Information/Guidelines%20for%20the%20preparation%20of%20an%20application%20for%20a%20special%20variation%20to%20general%20income%20-%20October%202012.pdf>>.

¹²⁴ Independent Pricing & Regulatory Tribunal, Special Variations and Minimum Rates, <http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Special_Variations_and_Minimum_Rates>.

¹²⁵ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

¹²⁶ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 82.

transparency, accountability and governance requirements through new special purpose entities.¹²⁷

2.88 Further, the Visitor Economy Taskforce argued that special rate variations would remove ‘the current ‘free-rider’ problem under which most businesses in a destination benefit from the visitor economy but do not contribute to the costs of development of the public infrastructure or marketing which underpins continued visitation’.¹²⁸

2.89 The NSW Government supported the Taskforce’s recommendation in principle, however, it did not consider it necessary to alter the guidelines as it was of the view that the guidelines do not preclude councils from applying for special rate variations to support visitor economy initiatives. The NSW Government instead gave an undertaking to provide information to assist councils to apply for special rate variations for the purposes of the visitor economy:

As NSW councils are able to apply for a special rate variation, it is not considered necessary to alter the current Guidelines for Special Rate Variations.

The NSW Government will develop information specifically tailored to assist councils who wish to apply for a special rate variation to support visitor economy initiatives.¹²⁹

2.90 Stakeholders had divergent views on the utilisation of special rate variations to support local tourism initiatives. While some inquiry participants were in favour of using of special rate variations, others felt it was an extra burden which the business and greater community would not view as justified.

Relationship to the visitor economy

2.91 Support for the utilisation of special rate variations for tourism initiatives, for many stakeholders, is entrenched in the concept of the visitor economy, which was outlined in chapter 1 at 1.31 – 1.32. The visitor economy refers to the benefits received by all businesses, even those not directly involved in the tourism industry, from visitors to the region. A range of views regarding the relationship between special rate variations and the visitor economy were canvassed during the Inquiry and are set out below.

2.92 Mr Andrew Jefferies, Executive Officer of the Tourism Industry Council, emphasised that many businesses that are not directly involved in the tourism industry benefit from visitors to a region. He illustrated how special rate variations can be levied on businesses in a town centre or main street which are likely, due to their location, to benefit from increased visitation:

I think the whole idea of the SRVs is that it is a broader aspect of those businesses that are actually benefitting from tourists locally. What we talk about in terms of the visitor economy is, for example, the local cafe owner in Tamworth who is obviously providing a service to tourists when the country music festival is on there. They are

¹²⁷ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 6.

¹²⁸ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 79.

¹²⁹ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 34.

part of the broader visitor economy. So what we are saying here with the SRVs is that it would be a town centre or a main street and the kind of operations there. It is about all those businesses that are going to be benefiting from having a greater number of tourists and visitors come to their area and their vicinity. They should be a part of this ... Terrigal is one example where they had a Terrigal business levy. So essentially it covers those businesses which are on the main street across the road from the beach strip there.¹³⁰

- 2.93** Mr Bob Diaz, Chairman of Central Coast Tourism, advised that Wyong Shire Council uses a similar model where a rate to develop the Entrance is only applied to businesses located at the Entrance. He highlighted that initially businesses were reluctant to pay an extra rate, but are now happy to contribute as they recognise the benefits they have received.¹³¹
- 2.94** Clarence Valley Shire Council advised that it has had a special levy for tourism in place since 1991, which is applied to commercial rates and generates \$177,000 annually. It is used to co-fund payment to the local tourism association, which is run independently of the Council. Clr Richie Williamson remarked that the levy is widely accepted by the business community.¹³²
- 2.95** Bega Valley Shire Council also expressed support for the use of special rate variations, advising that it currently has three several special rate variations, two of which are applied to businesses only, and another which is applied across the whole community. These include a levy that is directed to tourism infrastructure assets, another that funds the local lifeguard service, and a third for tourism and promotion and developing the Merimbula airport.¹³³ Ms Leanne Barnes, Acting General Manager of Bega Valley Shire Council, advised that there have been some issues with the business levy 'because a number of our businesses would say they are not directly related to tourism, and we would say tourism is everybody's business'.¹³⁴
- 2.96** Some inquiry participants expressed the view that the business community is more likely to support a special rate variation for tourism related initiatives if they are included in the planning and consultation process for the expenditure of those funds. Ms Lyndel Gray, Chief Executive Officer of the Caravan & Camping Industry Association, stated that special rate variations are a positive resource when properly utilised and expended on targeted tourism projects agreed upon by stakeholders:

There are some examples where these sorts of variations have been in place in various places around the State. [In the] Shoalhaven there is one for example where it is agreed with the local businesses and the industry. They have got a great resource then to be able to go out and do some great marketing and promotion and infrastructure development ... but it all depends on making sure that councils are working very closely with their stakeholders and having an agreed plan and an agreed usage of whatever funding is collected.¹³⁵

¹³⁰ Evidence, Mr Andrew Jefferies, Executive Officer, Tourism Industry Council, 9 August 2013, p 14.

¹³¹ Evidence, Mr Bob Diaz, Chairman, Central Coast Tourism, 26 August 2013, p 42.

¹³² Evidence, Clr Richie Williamson, Mayor, Clarence Valley Shire Council, 9 October 2013, pp 30-31.

¹³³ Submission 28, Bega Valley Shire Council, p 7.

¹³⁴ Evidence, Ms Barnes, 8 November 2013, p 39.

¹³⁵ Evidence, Ms Lyndel Gray, Chief Executive Officer, Caravan & Camping Industry Association, 26 August 2013, p 21.

- 2.97** Similarly, Mr Jefferies asserted that businesses that contribute to special rate variations should have some input in how the fund is used, rather than it being left to the sole discretion of the local council:

The main point about the SRVs is that it is not just an overall tax on business ... The idea is that it is a model whereby the business community—so it could be the local chamber, for example—have a say in this process. So they are the ones who would be essentially saying, “Okay, there is a separate amount of funds raised through this levy. It is separate from the council’s own resources. It is a separate fund.” The business community would then be able to say, “Okay we need to spend X amount of dollars on this particular piece of infrastructure or X amount of dollars here in order to improve the overall experience of visitors coming into the area.” That is essentially where we are heading with this.¹³⁶

- 2.98** Albury City Council advised the Committee that while they do have a special rate in place which they have utilised for capital projects, their preference is that special rates would not just target businesses but instead be shared by the whole community:

... our view is very much that everybody in the community benefits from tourism, whether that is infrastructure investment or marketing and promotion ... we would certainly be happy to contemplate the future application for a special variation rate but our preference would be for those to be applied across the whole of the community on an equitable basis. That then does not place all of the financial burden on the business community.¹³⁷

- 2.99** Other stakeholders contended that the visitor economy is poorly understood by many communities, which may consequently impact on the ability of local governments to gain support for special rate variations for tourism related initiatives. For example, representatives from the Australian Regional Tourism Network contended that many communities are unlikely to support a special rate variation because they do not see tourism as having value for their community. They said this reflects a general failure to understand how communities and businesses are all part of the visitor economy, how they influence it and how they can benefit from it:

Some of the issues surrounding a SRV [special rate variation] for tourism relates to the misunderstanding of what is tourism and what assets and infrastructure in the local communities are associated with the tourism industry. Unfortunately, many regional LGAs don't have tourism on the agenda as a priority, especially in relation to a SRV.¹³⁸

- 2.100** Ms Tracey Valenzisi, Executive Officer of the Australian Regional Tourism Network, suggested that this attitude is prevalent in many inland communities:

I think the more west you go you get the least likelihood that councils understand the importance of tourism and how it all works in with the community. In particular, one of the comments came from the general manager in Wagga Wagga who said: “Why would we be worried about a special rate variation for tourism when I have to build new levy banks? “It is getting that whole destination happening again, getting them to understand how everything works in together. I think the further west you go the least

¹³⁶ Evidence, Mr Jefferies, 9 August 2013, p 14.

¹³⁷ Evidence, Ms Squire, 13 September 2013, p 4.

¹³⁸ Submission 32, Australian Regional Tourism Network, p 12.

likelihood there would be of a special rate variation being requested by a local government.¹³⁹

- 2.101** Mr David Sheldon, Chair of Australian Regional Tourism Network, expanded on Ms Valenzisi's example to illustrate the scope of the visitor economy and to highlight the importance of a whole of community approach:

I agree with special rate variation but it has to be a holistic approach, not just necessarily to a business area. Tracey spoke about the Riverina and the levy banks. That levy bank impacts on the visitor economy because if the town floods the visitors cannot come. So it is right the way across the board. Being an accommodation provider we have seen our guests use doctors, dentists and tyre repair places. Everyone is impacted. So the visitor does have a huge impact on the overall economic and social development of a community.¹⁴⁰

- 2.102** Ms Val Schaefer, Marketing and Communications Officer, Aurora Research and Development, also agreed that while critical infrastructure is of a higher priority than funding tourism for many communities, this fails to grasp the interconnectedness of the visitor economy to the broader community:

I have a background in local government and tourism management as well and with a lot of local councils if you were to put a community consultation out there for special rate variations I do not think tourism would be top of mind; it would be more like critical infrastructure such as roads and bridges. But once again if you do not have that critical infrastructure—which they are confronting a huge backlog—then that is also going to impact on visitors if roads become impassable.¹⁴¹

- 2.103** Some stakeholders raised the issue of capturing unregulated holiday letting in the application of special rate variations.¹⁴² Unregulated holiday letting is discussed in detail in chapter 5.

Opposition to special rate variations for tourism

- 2.104** Several stakeholders were opposed to the utilisation of special rate variations to fund local tourism initiatives because of the additional financial pressure it places on businesses and communities. Others contended that it represents a cost shift from the State Government who should be appropriately funding infrastructure that is heavily impacted by tourism instead of expecting communities to find the funding.

- 2.105** Inland NSW Tourism advised the Committee that none of the local government areas they represent support the utilisation of special rate variations. The Chair of Inland NSW Tourism, Mr Roger Powell, commented:

... local governments ... are all trying extremely hard to reduce their costs. Our 37 local governments would think it remiss of me if I did not communicate on their

¹³⁹ Evidence, Ms Valenzisi, 10 October 2013, p 34.

¹⁴⁰ Evidence, Mr Sheldon, pp 34-35.

¹⁴¹ Evidence, Ms Val Schaefer, Marketing and Communications Officer, Aurora Research and Development, 10 October 2013, p 35.

¹⁴² Evidence, Mr Luke Aitken, Senior Manager Policy and Advocacy, NSW Business Chamber, 9 August 2013, p 15 and Evidence, Ms Barnes, 8 November 2013, p 39.

behalf that 37 of the 37 will not be introducing a special rate variation. Their view is why would they do that for tourism and disadvantage some ratepayers over others? Why would they do it for tourism and no other industry?¹⁴³

- 2.106** Several other local governments were also opposed to the use of special rate variations for tourism. Tumut Shire Council argued strongly against the use of special rate variations to support the tourism industry in its community, stating that '[s]upporting tourism in any local government area should be justified on an economic development basis—that is, employment creation, population growth and long-term expansion of the region.'¹⁴⁴ Tumut Shire Council advised that there are several industries that contribute more to its economy and therefore a special rate would not be justifiable.¹⁴⁵
- 2.107** Cessnock City Council stated that it is 'opposed to inflicting further special rate variations on both businesses and the community'.¹⁴⁶ It outlined that four special rate variations have already been raised to fund road maintenance, which is an ongoing issue due to the high volume of heavy traffic. It contended that variations for tourism funding 'could be perceived as cost shifting from the State Government to the Local Government, already under pressure to meet rising community expectations and increasing costs of core services'.¹⁴⁷ Cessnock City Council argued that rather than imposing further levies on the community, appropriate levels of funding from both state and federal governments are urgently needed 'for the provision of necessary and adequate infrastructure'.¹⁴⁸
- 2.108** Inland NSW Tourism also felt that the view of its local government members is that introducing a special rate variation to support tourism initiatives 'would represent cost shifting from the State Government to local government'.¹⁴⁹
- 2.109** Similarly, Byron Shire Council contended that 'the problem with raising the funds through special rate variations is once more our base community is funding all of the infrastructure upgrade and renewal'.¹⁵⁰
- 2.110** Snowy River Shire Council was opposed to a special rate variation on the basis that in order to be effective, it would have to be quite significant, and would not be supported by the community:

From a Snowy River Shire Council point of view we do not believe a rate levy is the answer. Our rate base is about 25 per cent of our total income. We raise about \$5.5 million a year from rates. To get a reasonable budget for the Regional Tourism Organisation [RTO] you are looking at a minimum 50 to 60 per cent rate increase in one hit. That is on the total rate base. How are you going to convince a farmer that he

¹⁴³ Evidence, Mr Roger Powell, Chair, Inland NSW Tourism, 9 August 2013, pp 60-61.

¹⁴⁴ Evidence, Mr Waterhouse, 8 November 2013, p 12.

¹⁴⁵ Evidence, Mr Waterhouse, 8 November 2013, p 12.

¹⁴⁶ Submission 73, Cessnock City Council, p 8.

¹⁴⁷ Evidence, Ms Holdsworth, 9 August 2013, p 47.

¹⁴⁸ Submission 73, Cessnock City Council, p 8.

¹⁴⁹ Evidence, Mr Powell, 9 August 2013, pp 60-61.

¹⁵⁰ Evidence, Mr Ken Gainger, General Manager, Byron Shire Council, 9 October 2013, p 13.

should be paying a levy on his rates to support tourism when every time they sell wool or cattle they are getting a levy to support the marketing of that product?¹⁵¹

2.111 Mr Joseph Vescio, General Manager of Snowy River Shire Council, advised that businesses in his region already pay a 'higher rate in the dollar than anybody else'.¹⁵² Clr Stewart-Beardsley of Snowy River Shire Council, also highlighted that the impost of a special rate variation would be too great on business especially given the seasonal nature of their economy, with many businesses open only in the winter period, remarking, 'That is the whole asymmetric problem of it; they make a lot of money in the winter and nine months of the year they are in trouble'.¹⁵³

2.112 Mr Vescio further pointed out that rates are applied to business properties and therefore would not capture many home businesses:

The problem we have with the tourism industry and who benefits from it is getting that ability to get everybody who benefits from it. There is the plumber who benefits from having to go unblock a toilet in a motel, there are the carpenters, even the hardware shops and bed shops all benefit from that industry, but how do you then levy everybody who benefits from that industry appropriately to help fund the marketing and development of that industry?¹⁵⁴

We do not capture the plumber, electrician, carpenter who works from home because they are living at home and they have the stuff in their garage. We capture the bigger operator that is in our industrial estate.¹⁵⁵

Committee comment

2.113 The Committee acknowledges the limited sources of revenue available to local governments and believes special rate variations can be a valuable and effective source of additional income to fund projects that can be of mutual benefit to local communities and visitors. We recommend that the NSW Government provide assistance, where requested by local councils, to examine the possible use of a special rate variation to renew and expand visitor economy infrastructure outside of the standard rate cap.

2.114 The Committee also notes the opposition of some stakeholders to the use of special rate variations for tourism purposes. We believe that this stems from a lack of understanding of the visitor economy and encourage local governments to provide greater education to communities in this regard.

Recommendation 8

That the NSW Government provide assistance, where requested by local councils, to examine the possible use of a special rate variation to renew and expand visitor economy infrastructure outside of the standard rate cap.

¹⁵¹ Evidence, Mr Vescio, 8 November 2013, p 13.

¹⁵² Evidence, Mr Vescio, 8 November 2013, p 20.

¹⁵³ Evidence, Clr Colin Stewart-Beardsley, Snowy River Shire Council, 8 November 2013, p 20.

¹⁵⁴ Evidence, Mr Vescio, 8 November 2013, p 20.

¹⁵⁵ Evidence, Mr Vescio, 8 November 2013, p 21.

Chapter 3 Infrastructure

This chapter discusses the impact of visitation on tourism infrastructure and community infrastructure (such as parks, sewerage and public toilets), and highlights issues with funding for the maintenance and upgrades of this infrastructure at both a state and local level. The chapter also considers the adequacy of the State's transport infrastructure, then concludes with a discussion of the need for a whole-of-government approach to infrastructure to support the visitor economy now and into the future.

Ageing tourism and visitation infrastructure

- 3.1** A number of inquiry participants identified existing tourism or visitation infrastructure that requires significant funding for maintenance and upgrades in order to remain competitive in the visitor market. They noted that while funding is available through the Regional Visitor Economy Fund for new developments, existing assets that require investment and upgrades are not eligible.
- 3.2** For example, Albury City Council told the Committee about its significant sporting event market and asserted that its 'capacity to host these events is underpinned by the depth, breadth and quality of its public sports and recreation facilities'.¹⁵⁶ Ms Tracey Squire, Director of Economic Development and Tourism at Albury City Council, advised that an investment of \$7.5 million is needed to upgrade the Lavington Sports Ground, but that it is ineligible for funding under the current funding scheme.¹⁵⁷
- 3.3** Ms Squire also discussed Albury's conference market, which is being affected by ageing infrastructure. She identified that as other areas upgrade and build newer facilities, they attract clients away from Albury's ageing tourism infrastructure:

The business market represents ... 20, 25, 30 per cent of our travel. We have found it quite difficult over probably the last 18 months to really pull particularly the larger conference market out to the regional areas ... what we are finding is that there has been significant investment in product, particularly convention facilities and the like, and our product is ageing.¹⁵⁸

- 3.4** Albury City identified that a range of council funded tourism infrastructure underpins the visitor economy in regional communities, and argued that the importance of maintaining these facilities to a quality standard is critical to the visitor economy and should be appropriately recognised by all levels of government:

Any failure of this public infrastructure to meet the needs and expectations of visitors will have a direct impact on the quality of their experience and their willingness to promote or return to a destination, regardless of the quality of the private sector offer.

¹⁵⁶ Submission 11, Albury City, p 5.

¹⁵⁷ Evidence, Ms Tracey Squire, Director, Economic Development and Tourism, Albury City, 13 September 2013, p 6.

¹⁵⁸ Evidence, Ms Squire, 13 September 2013, p 8.

State and Federal Governments must start to recognise the critical contribution Local Government makes to the achievement of regional, state and national tourism objectives, and to find mechanisms to increase their contribution to the creation or enhancement of this infrastructure to ensure it remains market competitive.¹⁵⁹

- 3.5** Representatives from Byron Shire also highlighted the importance of high quality infrastructure to the visitor economy, pointing out that ageing infrastructure detracts from the visitor experience and has a direct impact on the perception of an area and thus the visitation and revisitation rates. Mr Cameron Arnold, President of the Visitor Industry Association Byron, contended:

If the infrastructure is failing and people are not coming or the quality of the tourist is decreasing then you are not going to get that spend, you are not going to achieve that goal, so therein lies the issue. If a town or accommodation outlet is starting to decrease in its value then people are not going to come back.¹⁶⁰

- 3.6** This point was illustrated by Mr Neil Alchin, Director of Corporate and Business Services at Gilgandra Shire Council, who informed the Committee that ageing attractions such as Gilgandra's museum and historical and cultural centre are currently impacting the town's ability to attract visitation. He asserted that upgrading these facilities is essential to 'to improve the number of people we stop' and contended that 'to get the quality of exhibition we need, we must have more significant capital input'.¹⁶¹

- 3.7** The need to upgrade essential tourism infrastructure was also raised by Eurobodalla Shire Council which advised that 'many accommodation businesses are in severe need of upgrading their facilities'.¹⁶²

- 3.8** Ms Natasha Comber, Manager of City Development and Communications at Dubbo City Council, argued that 'ongoing funding should be made available so that they [existing tourism assets] can be maintained at a high standard'.¹⁶³ Ms Comber explained that councils struggle to strike a balance between community expectations, maintaining facilities and developing new ones:

It is the challenge of not only upgrading the facilities, for example, the Old Dubbo Gaol and the historic site, but also continuing to build on something so that it is significant and we do not end up with a lot of mediocre experiences. That is obviously a challenge for councils because we are trying to meet the needs of a diverse range of people in our local communities and also visitors. Some tough decisions need to be made. We cannot simply keep developing new experiences.¹⁶⁴

¹⁵⁹ Submission 11, Albury City, p 6.

¹⁶⁰ Evidence, Mr Cameron Arnold, President, Visitor Industry Association Byron, 9 October 2013, p 14.

¹⁶¹ Evidence, Mr Neil Alchin, Director, Corporate and Business Services, Gilgandra Shire Council, 10 October 2013, p 7.

¹⁶² Submission 45, Eurobodalla Shire Council, p 2.

¹⁶³ Evidence, Ms Natasha Comber, Manager, City Development and Communications, Dubbo City Council, 10 October 2013, p 6.

¹⁶⁴ Evidence, Ms Comber, 10 October 2013, p 6.

Committee comment

- 3.9** The Committee acknowledges that many regions have existing tourism assets which are ageing and may no longer meet visitors' expectations. We believe that some tourism funding would be better spent by investing in existing, proven products rather than taking risks with all new products and experiences.
- 3.10** Therefore, in cases where upgrades to existing infrastructure may assist in achieving the State target of doubling overnight expenditure, we recommend that these assets be eligible for funding grants under the Regional Visitor Economy Fund.

Recommendation 9

That Destination NSW consider allocating Regional Visitor Economy Fund grants to existing tourism assets.

Community infrastructure

- 3.11** In addition to infrastructure specifically related to tourism, such as attractions and facilities, a significant proportion of inquiry participants pointed out that all community infrastructure, encompassing roads, parking, water, sewerage, parks, public toilets and other public spaces, services the needs of visitors and is impacted by their use, particularly where visitation rates are high. As such, community infrastructure plays a crucial role in the visitor economy.
- 3.12** Submissions also referred to the cost of providing services such as community safety and associated impacts.¹⁶⁵
- 3.13** During the Inquiry, stakeholders identified that the burden of maintaining and improving community infrastructure has been left on local communities.

Burden of funding on ratepayers

- 3.14** Community infrastructure is the responsibility of local government in terms of both provision and maintenance. Local governments pay for this infrastructure through the rates collected from residents and businesses within their local government area. Visitors to a region or community also use this infrastructure, and while their spending may indeed inject funds into the local economy, there is little to no opportunity for local governments to recover the costs associated with increased usage of community infrastructure.
- 3.15** Ms Sandra Chipchase, Chief Executive Officer of Destination NSW, advised that infrastructure such as roads and sewerage are the responsibility of other government departments, and confirmed that councils are responsible for funding infrastructure within their communities.¹⁶⁶

¹⁶⁵ Submission 66, Surf Life Saving NSW, p 1 and Submission 84, Last Drinks at 12, p 2.

¹⁶⁶ Evidence, Ms Sandra Chipchase, Chief Executive Officer, Destination NSW, 9 August 2013, p 6.

- 3.16** The City of Wagga Wagga stated that while visitation makes a valuable and welcome contribution to its economy, ‘the cost to maintaining infrastructure services and assets is ongoing and increases each year’, which puts ‘stress on many Local Government Areas’.¹⁶⁷
- 3.17** The National Sea Change Taskforce noted that coastal communities in particular experience a peak influx of visitors in summer and school holiday periods, placing additional strain on community amenity and services, including ‘traffic congestion, impact on the environment and high levels of demand for services included water, sewerage treatment and waste collection’.¹⁶⁸ It highlighted that while visitors generate revenue for businesses, they ‘do not contribute to the cost of public infrastructure’ and that the ‘burden of expanding the capacity of infrastructure to meet the increasing demand of tourism inevitably falls on local ratepayers’.¹⁶⁹
- 3.18** This point was illustrated by a number of inquiry participants from coastal areas. For instance, Shellharbour City Council discussed the contribution of tourism visitation to its economy and employment industry, which brings in \$59 million per annum and 400 full time equivalent jobs. However, it commented that the nature of visitation to its region is ‘seasonal with very high peaks’ which ‘whilst good for business, place a great strain on local infrastructure’, the costs for which are borne by Council representing the local community.¹⁷⁰
- 3.19** Likewise, Kiama Tourism acknowledged that ‘tourism is an enormous contributor to the local economy’ but stated that it ‘places great strains on local infrastructure and services, particularly during the peak tourism season where visitor numbers triple’.¹⁷¹ It also highlighted that the burden for the provision and upkeep of facilities that tourists enjoy rests with Kiama Council.
- 3.20** Representatives from Byron Bay also talked about the importance of tourism to their area, with tourism being the ‘principal driver of Byron Shire’s economy’.¹⁷² However, they noted that the popularity of Byron Bay as a tourist destination also has a significant impact on the Shire’s infrastructure, which has to cater for the needs of 1.4 million visitors each year.¹⁷³ Byron Shire Council stated that a number of critical infrastructure assets are currently ‘stretched to breaking point’ as a result of high visitor numbers, including roads, public toilets, water and sewerage and parks and gardens.¹⁷⁴ Mr Ken Gainger, General Manager of Byron Shire Council stated: ‘like most local councils; we are struggling with our long-term financial sustainability’.¹⁷⁵
- 3.21** Byron Shire Council advised that its current revenue base ‘is not sufficient to adequately provide for any new or upgraded infrastructure, which would be required to cater for visitor numbers’.¹⁷⁶ It demonstrated that in 2011/12 the Council incurred an operating loss in excess

¹⁶⁷ Submission 36, City of Wagga Wagga, p 1.

¹⁶⁸ Submission 31, National Sea Change Taskforce Inc., p 1.

¹⁶⁹ Submission 31, National Sea Change Taskforce Inc., p 1.

¹⁷⁰ Submission 69, Shellharbour City Council, p 1.

¹⁷¹ Submission 24, Kiama Tourism, p 1.

¹⁷² Submission 22, Byron Shire Council, p 5.

¹⁷³ Submission 22, Byron Shire Council, p 5.

¹⁷⁴ Submission 22, Byron Shire Council, pp 5-6.

¹⁷⁵ Evidence, Mr Ken Gainger, General Manager, Byron Shire Council, 9 October 2013, p 13.

¹⁷⁶ Submission 22, Byron Shire Council, p 11.

of \$10 million before the inclusion of capital revenue, highlighting that financial sustainability is indeed a significant issue for the Byron Shire.¹⁷⁷

- 3.22** Many local government stakeholders argued that the State Government should provide more funding to assist local governments pay for the costs of upgrading community infrastructure, or to help offset the impact of peak usage by visitors.
- 3.23** The National Sea Change Taskforce asserted that while coastal communities do not wish to discourage visitors to their communities, ‘they do need help to provide the infrastructure and services required to meet tourism demand and to ensure that local residents continue to support tourism in their areas’.¹⁷⁸
- 3.24** This was supported by Kiama Tourism, which contended that the ‘NSW Government should give greater support to those Councils whose areas incur significant costs in hosting large visitor numbers yet have no means of deriving benefit from those visitors’.¹⁷⁹
- 3.25** Clr Sharon Tapscott from Bega Valley Shire Council agreed that infrastructure is a critical area where government support is needed, highlighting that for her community the increased pressure on community infrastructure is complicated by the size and composition of their rate base.¹⁸⁰ Clr Tapscott outlined that compared to the size of the area the Shire has a very small rate base and that most ratepayers are retired and therefore get a ‘considerable reduction in their rates’.¹⁸¹ She explained that in her community, these are the people ‘paying for peak load infrastructure’.¹⁸²
- 3.26** Clr Tapscott added that community infrastructure is an essential component of the visitor economy, without which the visitors would not come:

We have to provide infrastructure. Whilst we are doing all this great work and inviting people to come and it is working, they are coming, we have to provide the infrastructure, we have to provide peak load sewerage, water and all those things that our ratepayers would ordinarily provide for themselves are now providing for other people. Then there are your jetties, parks and gardens—the reason people come. If we do not have those things, they are not going to come back.¹⁸³

- 3.27** Byron Shire Council similarly argued that the difference between its resident population of fewer than 30,000 in comparison with the annual number of visitors demonstrates that that ‘the community is bearing a significant part of the burden’.¹⁸⁴ The Council advised that it has a significant backlog of infrastructure needs and commented that ‘an injection of additional revenue funding would be required to enable Council to redress its current infrastructure

¹⁷⁷ Submission 22, Byron Shire Council, p 11.

¹⁷⁸ Submission 31, National Sea Change Taskforce Inc., p 1.

¹⁷⁹ Submission 24, Kiama Tourism, p 2.

¹⁸⁰ Evidence, Clr Sharon Tapscott, Bega Valley Shire Council and Delegate, Sapphire Coast Tourism, 8 November 2013, p 36.

¹⁸¹ Evidence, Clr Tapscott, 8 November 2013, p 36.

¹⁸² Evidence, Clr Tapscott, 8 November 2013, p 36.

¹⁸³ Evidence, Clr Tapscott, 8 November 2013, p 36.

¹⁸⁴ Evidence, Mr Gainger, 9 October 2013, p 13.

issues' and that given its current limited financial capacity, catering for additional visitors would require 'additional external funding'.¹⁸⁵

- 3.28** Infrastructure backlogs were also raised by Port Macquarie-Hastings Council, which informed the Committee that the cost of bringing its existing community infrastructure 'back to a satisfactory standard only' is currently around \$187 million.¹⁸⁶ It pointed out that visitation 'generates demand on physical infrastructure such as roads, water supply, waste water systems, public toilets, signage, car parks and other public utilities' and that the growth targets set by the State Government will 'put additional pressure on local infrastructure which is already facing serious and significant challenges'.¹⁸⁷ It contended that '[l]ocal Councils are simply not in any position to fund the infrastructure required for the projected increase in visitors' and that funding from the State Government is essential:¹⁸⁸

... without State government financial assistance to address outstanding infrastructure backlogs the real impact will be to further burden community infrastructure, with the cost being carried by the local communities.¹⁸⁹

- 3.29** The significant cost of upgrading sewerage infrastructure in particular was also raised during the Inquiry. Mr Joseph Vescio, General Manager of Snowy River Shire Council, advised that the Jindabyne sewerage treatment plant will soon have to be replaced, at an estimated cost of around \$50 million.¹⁹⁰ Similarly, Clarence Valley Council advised that it is currently upgrading the sewerage system for Iluka and has plans to upgrade the system for Yamba, at a cost of \$42 million and \$50 million respectively. Clarence Valley Council advised that while it has received a subsidy from the State Government, the Government 'did not recognise tourism peaks as a legitimate part of the subsidy calculation', which they claim has 'cost Council over \$6 million in forgone subsidy'.¹⁹¹ It highlighted that the impact of summer peaks on infrastructure is significant with coastal towns such as Yamba almost doubling population at peak holiday periods.¹⁹²
- 3.30** The costs of local road infrastructure were also raised during the Inquiry and will be considered later in this chapter under 'Transport'.

Committee comment

- 3.31** The Committee acknowledges and appreciates the critical role that local governments play in the provision of infrastructure services to the visitor economy, and recognises that while visitation injects funds into the economy which benefits business, there are limited opportunities to recover costs incurred to infrastructure assets and services. We encourage a whole-of-government approach to continue providing as much support as possible to local

¹⁸⁵ Submission 22, Byron Shire Council, p 12.

¹⁸⁶ Submission 42, Port Macquarie-Hastings Council, p 3.

¹⁸⁷ Submission 42, Port Macquarie-Hastings Council, p 3.

¹⁸⁸ Submission 42, Port Macquarie-Hastings Council, p 3.

¹⁸⁹ Submission 42, Port Macquarie-Hastings Council, p 3.

¹⁹⁰ Evidence, Mr Joseph Vescio, General Manager, Snowy River Shire Council, 8 November 2013, p 18.

¹⁹¹ Submission 29, Clarence Valley Shire Council, p 2.

¹⁹² Submission 29, Clarence Valley Shire Council, p 2.

councils to assist with the costs of community infrastructure. As such, we recommend that the NSW Government consider additional funding for local government projects that are specifically related to visitor economy infrastructure.

Recommendation 10

That the NSW Government consider providing additional funding for local government projects that are specifically related to visitor economy infrastructure.

Alternative options for infrastructure funding

- 3.32** In addition to Regional Visitor Economy Fund grants and revenue raised through ordinary rates, inquiry participants discussed alternative options for infrastructure funding to support tourism in local communities.

Bed tax

- 3.33** Some inquiry participants suggested introducing a bed tax or levy as a sustainable source of revenue that councils could utilise for infrastructure costs.
- 3.34** The potential value of a bed levy was illustrated by the Snowy River Shire Council whose community recorded over 2.8 million visitor nights in 2012:

If you look at the annual report from Tourism Snowy Mountains [TSM] last year there was over \$2.8 million visitor nights within the Snowy Mountains. A \$1 levy would raise \$2.8 million. Say you allow 10 per cent for collection that is about \$2.5 million that the RTO would have available to them for their budgeting, their operations and their marketing. From a council perspective we would argue that you make it \$2 and the other \$2.5 million can come to council to help maintain the infrastructure that we have to maintain to support tourism such as the appearance of our parks and the appearance of our public toilets.¹⁹³

- 3.35** Byron Shire Council have also investigated a range of options for increasing revenue, including a bed tax, which it identified as potentially the '[e]asiest and most direct way to collect income from tourists'.¹⁹⁴ The Council acknowledged that currently there is no provision for a bed tax under the *Local Government Act 1993*, but expressed the view that if the legislation was to change, a bed tax could provide a valuable additional source of revenue for infrastructure services and maintenance. Byron Shire Council calculated that based on 2011 overnight visitor figures, a bed tax of \$1 per visitor night would return \$2,712,000, or a tax of \$2 per visitor night would return \$5,424,000. It identified that a limitation to this option is that it only captures the accommodation sector and not day-trippers, who account for a large proportion of visitors to the area and who rely heavily on public infrastructure.¹⁹⁵

¹⁹³ Evidence, Mr Vescio, 8 November 2013, pp 13-14.

¹⁹⁴ Answers to questions on notice, Byron Shire Council, 7 November 2013, p 5.

¹⁹⁵ Answers to questions on notice, Byron Shire Council, 7 November 2013, p 5.

- 3.36** Mr David Sheldon from the Australian Regional Tourism Network advised that a bed tax is used in Queensland.¹⁹⁶

Special rate variations

- 3.37** Special rate variations are another potential source of funding for infrastructure. The Visitor Economy Taskforce found that '[t]here is a lack of sustainable, alternative revenue sources for destinations that wish to invest in the critical infrastructure and initiatives which are demanded by visitors and that also benefit residents' and suggested that special rate variations could address this issue.¹⁹⁷
- 3.38** Clarence Valley Council expressed a different view, stating that although it does currently raise a special rate variation to fund its local tourism organisation, it should not be assumed that a special rate for tourism would be sustainable for communities.¹⁹⁸
- 3.39** The use of special rate variations was considered in detail in chapter 2.

Federal Financial Assistance Grants

- 3.40** Local governments are also able to access federal Financial Assistance Grants to help fund tourism and visitation infrastructure.¹⁹⁹ These grants are distributed to states and territories on a per capita basis. The grants have a general component and a roads component, and may be used by local governments according to their respective local priorities.²⁰⁰
- 3.41** Some inquiry stakeholders, such as Central Coast Tourism, expressed concern that Financial Assistance Grants are calculated based on population figures which are taken from the Census and contended that this method disadvantages communities that experience peak populations during key seasonal visitation periods.²⁰¹
- 3.42** Eurobodalla Shire Council argued that using population figures obtained through the Census to determine government funding is disadvantaging coastal communities whose peak populations far exceed the level of the normal residential population. It demonstrated that a 'recent survey commissioned by 9 local government areas in coastal communities showed that

¹⁹⁶ Evidence, Mr David Sheldon, Chair, Australian Regional Tourism Network, 10 October 2013, p 34.

¹⁹⁷ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 5.

¹⁹⁸ Submission 29, Clarence Valley Council, p 5.

¹⁹⁹ Australian Government, Department of Infrastructure and Regional Development, Financial Assistance Grants to Local Government, *Financial Assistance Grants to Local Government* (29 January 2014), <<http://www.regional.gov.au/local/assistance/>>.

²⁰⁰ Australian Government, Department of Infrastructure and Regional Development, Financial Assistance Grants to Local Government, *Financial Assistance Grants to Local Government* (29 January 2014), <<http://www.regional.gov.au/local/assistance/>>.

²⁰¹ Evidence, Mr Eddie Love, Interim Director, Environment and Planning, Gosford City Council, 26 August 2013, p 44.

the population in Eurobodalla on average exceeds Census levels by 11,295' which 'represents a 30% increase on Census population numbers'.²⁰²

- 3.43** The National Sea Change Taskforce also commented on the impact of Census data on these funding grants, contending that 'meeting community needs for basic infrastructure and services is a critical function of local government' and that Census data is a 'barrier to coastal councils achieving an equitable share of resources to meet demand associated with coastal tourism'.²⁰³ The Taskforce recommended a more accurate method of measuring non-resident populations and assessing community impact:

There is a clear need to establish an accurate and consistent method of measuring the impact of tourists and other non-resident populations groups in Australian coastal areas to enable planners and decision-makers to better match resources with demand association with peak population levels.²⁰⁴

Committee comment

- 3.44** The Committee acknowledges the strain that peak populations place on critical infrastructure and that the calculation of federal Financial Assistance Grants, which are distributed on a per capita basis, does not adequately account for these fluctuations. We believe that peak populations need to be considered when allocating these grants.
- 3.45** We therefore recommend that the NSW Government request the Federal Government to investigate a more effective method of measuring populations when determining Financial Assistance Grants, that takes into account peak population figures.

Recommendation 11

That the NSW Government request the Federal Government to investigate a more effective method of measuring populations when determining Financial Assistance Grants, that takes into account peak population figures.

Transport

- 3.46** A key component of supporting and increasing visitation and visitor expenditure in New South Wales is the capacity to both receive visitors into the State and disperse visitors out into the regions.

Roads

- 3.47** Many inquiry participants raised concerns regarding the maintenance of roads and the impact of poor road conditions on both visitors to the regions and on the local community. While some participants expressed concerns about major arteries requiring state development, most

²⁰² Submission 45, Eurobodalla Shire Council, p 2.

²⁰³ Submission 31, National Sea Change Taskforce Inc., p 2.

²⁰⁴ Submission 31, National Sea Change Taskforce Inc., p 3.

stakeholders were concerned with roads within their local government area that require investment beyond the financial capacity of their communities.

- 3.48** The issue of major arteries was raised by Centroc, which highlighted that ‘road access into Sydney is key to its region’s visitor economy’ and expressed concern that congestion on both the Great Western Highway and the Bells Line of Road ‘is a growing deterrent for the Sydney visitor’.²⁰⁵ Centroc contended that the problem is exacerbated by a lack of public transport.²⁰⁶
- 3.49** Centroc also identified a need for safety works on the Newell Highway and for management of the roads west of the Centroc region ‘experiencing the significantly growing conflict between high productivity vehicles and recreational vehicles’ due to the differences in speed at which they travel.²⁰⁷
- 3.50** Several stakeholders identified community roads as a critical issue impacting both their visitor economy and their local residents.
- 3.51** For example, Bombala Council advised that its community has a small rate base and a high proportion of unrateable land in state forests and national parks within its local government area. They advised that there is ‘huge damage’ to road infrastructure that they have to pay for which diverts money away from developing and maintaining other infrastructure.²⁰⁸ Mr Grantley Ingram, Director of Regulatory Services at Bombala Council, stated that ‘providing infrastructure for the State forests and private plantations consumes an enormous amount of the general rate revenue stream’.²⁰⁹ Bombala Council advised that in order to address the current backlog cost for roads in its area, an investment of \$8.5 million to bring them up to a satisfactory standard is required.²¹⁰
- 3.52** The issue of road infrastructure was also raised by Cessnock City Council, which stated that roads in the Cessnock local government area are highly impacted by visitation to the region, with the Hunter Wine Country attracting approximately 2.8 million visitors each year. The Council informed the Committee that it is responsible for over 900 kilometres of roads, including 140 kilometres of roads in the Wine Country area, of which 50 kilometres are unsealed. It stated that the cost of maintenance and repair has increased significantly with this year’s budget allocation exceeding \$10 million.²¹¹
- 3.53** Cessnock City Council advised that while it is ‘most appreciative’ of a recent State Government grant of \$20 million for road improvement, this will only cover the cost of upgrading 13 kilometres of critical road in Wine Country. It estimated that funding of \$105

²⁰⁵ Submission 39, Central NSW Councils (Centroc), p 9.

²⁰⁶ Submission 39, Central NSW Councils (Centroc), p 9.

²⁰⁷ Submission 39, Central NSW Councils (Centroc), p 9.

²⁰⁸ Evidence, Ms Karen Cash, Economic Development Manager, Bombala Council, 8 November 2013, p 36.

²⁰⁹ Evidence, Mr Grantley Ingram, Director, Regulatory Services, Bombala Council, 8 November 2013, p 37.

²¹⁰ Answers to questions on notice, Bombala Council, 22 January 2014, p 16.

²¹¹ Submission 73, Cessnock City Council, p 4.

million is required to bring the roads up to a standard that will support current and future traffic.²¹²

- 3.54** Byron Shire Council advised that its community is also burdened with a very high road infrastructure backlog, highlighting that the cost to restore the road infrastructure alone is estimated at over \$207 million. Further, in a restored condition, the required annual road maintenance expenditure is estimated at nearly \$9 million. By contrast, Byron Shire Council advised that currently the allocation of council funds to roads is \$3.528 million.
- 3.55** Aurora Research and Development, the manager of the NSW Visitor Information Centre Network, highlighted the importance of sound road infrastructure to the visitor economy of a local community stating, ‘if critical roads into a destination are inferior, visitors will opt to travel along another path, thereby cutting potential income to the local community’.²¹³

Airports and air travel

- 3.56** Inquiry participants suggested that air travel in New South Wales could be improved through measures to increase the capacity of major airports and address issues concerning cost, competition and capacity of smaller regional airports.

Sydney airport

- 3.57** The Visitor Economy Taskforce identified that in order for New South Wales to achieve a higher rate of visitation, capacity at Sydney airport would have to be increased. The Taskforce report outlined the key role of Sydney airport in visitation to New South Wales, highlighting that it is the primary gateway for the entry of international visitors to the State:

Sydney airport is one of the key pieces of infrastructure underpinning Sydney’s competitive strength. It is a gateway airport for international visitors arriving in Australia and NSW, catering for 35 million passengers annually ... Forecasts demonstrate that international visitors will account for a majority of visitor economy growth in NSW by 2020. Nearly all these international visitors will arrive by air, with the majority of direct international flights into NSW expected to arrive at Sydney Airport.²¹⁴

- 3.58** The Visitor Economy Taskforce recommended that the Commonwealth Government ‘relax the current restrictions on aircraft movements at Sydney Airport to facilitate growth in visitor arrivals’.²¹⁵ This included increasing landings in the morning shoulder curfew period from 24 to 35, and increasing the hourly cap during peak periods from 80 to at least 90. It also included a recommendation to address constraints on air capacity at Sydney and key regional airports such as Newcastle and near New South Wales borders, such as Canberra and

²¹² Submission 73, Cessnock City Council, p 5.

²¹³ Submission 56, Aurora Research and Development, p 6.

²¹⁴ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 56.

²¹⁵ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 20.

Coolangatta, to accommodate increased visitation.²¹⁶ These recommendations were supported in principle by the NSW Government.²¹⁷

- 3.59** The issue of airport infrastructure was raised by some stakeholders who agreed that improvements to the capacity of Sydney airport are essential to increasing visitation to New South Wales. For example, Mr Richard Munro, Chief Executive Officer of the Accommodation Association of Australia, contended that ‘airline capacity is ‘the number one issue’²¹⁸ concerning tourism growth:

We cannot get enough people through our gates at Sydney airport. We have got slots that are only used 80 per cent, so there is 20 per cent sitting there that if another five planes per hour were allowed in those peak times, we would see an increase of something like 10 per cent of visitor numbers coming through.²¹⁹

- 3.60** Shoalhaven Council expressed the view that the ‘NSW Government should proceed with the construction of the Second Airport to relieve the pressure on Mascot’ and contended that without improvement ‘NSW will lose market share to other states and to competing overseas destinations’.²²⁰

Regional airports

- 3.61** The Visitor Economy Taskforce recommended that the NSW Government undertake an audit to assess regional airport infrastructure needs in light of increased security requirements, increase in aircraft size and the inadequate funding available to local councils to expand and maintain key regional airports. The NSW Government gave in principle support to this recommendation, outlining that the recommendation will be considered as part of the longer term work on an aviation strategy.²²¹
- 3.62** A number of stakeholders raised concerns about the availability of flights, cost and capacity to travel to regional destinations by air in New South Wales.
- 3.63** For example, representatives from Broken Hill City Council advised that Broken Hill airport is not equipped to cater for the leisure tourism market. Clr Wincen Cuy, Mayor of Broken Hill, stated that Broken Hill’s airport master plan identified that an investment of \$19 million in infrastructure development would be required in order for the airport to receive larger jets.²²²

²¹⁶ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 5.

²¹⁷ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 20.

²¹⁸ Evidence, Mr Richard Munro, Chief Executive Officer, Accommodation Association of Australia, 26 August 2013, p 28.

²¹⁹ Evidence, Mr Munro, 26 August 2013, p 28.

²²⁰ Submission 23, Shoalhaven Tourism Board, Shoalhaven City Council, p 3.

²²¹ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 21.

²²² Evidence, Clr Wincen Cuy, Mayor, Broken Hill City Council, 10 October 2013, pp 55-56.

He contended that such an investment would have to be complemented by the development of a major tourism asset such as a golf course resort.²²³

3.64 A number of inquiry participants expressed the view that the cost of flights into regional airports is prohibitively high for visitor markets other than business, and highlighted the consequent difficulty in being able to generate sufficient consumer demand to attract competition and impact the cost of flights.²²⁴

3.65 For example, representatives from Bega Valley Shire Council noted that flying into Merimbula airport is expensive as they only have one carrier service:

... one of the critical things for a whole range of the tourism things that we have for Merimbula is that it is extremely expensive. We only have Rex flying. It is regulated between Sydney and Merimbula, unregulated between Merimbula and Melbourne, but you can get to Ballina for \$49 sometimes, or \$59. You cannot get to Merimbula for that.²²⁵

3.66 Ms Leanne Barnes expressed the view that while regulation of regional airports brings a certain level of security to the service, it also leads to high costs of flights through limiting competition.²²⁶ She advised that Bega Valley Shire Council is investigating the potential to open up the unregulated Merimbula to Melbourne route to try to build capacity and attract a level of competition that would make the flights more affordable.²²⁷

3.67 Airfare affordability is also an issue for the Snowy Mountains, which competes with New Zealand and Victoria in the snow season. Mr Jordan Rodgers, General Manager of Kosciusko Thredbo, contended that currently transport is a key factor in the competitive advantage of New Zealand in attracting Australian skiers to its fields. He remarked that '[i]f you are in Brisbane you can fly direct in three hours to Queenstown for \$99 or get in the car and drive for 14 hours and come to the New South Wales Snowy Mountains'.²²⁸ Like other inquiry participants, however, he acknowledged that available flights are determined by commercial forces in terms of airlines willingness to schedule flights into the region.²²⁹

Ports

3.68 Improvements to regional ports and the Overseas Passenger Terminal in Sydney were also identified by the Visitor Economy Taskforce as requiring improvement to assist the growth of the New South Wales visitor economy. The NSW Government supported these

²²³ Evidence, Ms Andrea Roberts, Manager, Economic Development, Broken Hill City Council, 10 October 2013, p 56.

²²⁴ Evidence, Mr Ken Murphy, Chair, Riverina Regional Tourism, 10 October 2013, p 50; Evidence, Clr Cuy, 10 October 2013, p 55; Evidence, Ms Leanne Barnes, Acting General Manager, Bega Valley Shire Council, 8 November 2013, p 38 and Evidence, Mr Julian Ledger, Chief Executive Officer, Youth Hostel Association, 26 August 2013, p 78.

²²⁵ Evidence, Ms Barnes, 8 November 2013, p 38.

²²⁶ Evidence, Ms Barnes, 8 November 2013, p 42.

²²⁷ Evidence, Ms Barnes, 8 November 2013, p 42.

²²⁸ Evidence, Mr Jordan Rodgers, General Manager, Kosciusko Thredbo, 8 November 2013, p 46.

²²⁹ Evidence, Mr Rodgers, 8 November 2013, p 46.

recommendations and outlined several projects to improve cruise ship capacity and increase the length of stays in its Visitor Economy Industry Action Plan.²³⁰

- 3.69** The role that regional ports can play a role in increasing visitation to regional areas and dispersing visitor spending outside capital cities was recognised by some inquiry participants. However, they noted that having tourism infrastructure at those ports and cities is important in order to attract visitation and provide spending opportunities. Ms Carol Giuseppi, Director of Tourism Accommodation Australia, contended that without appropriate tourism infrastructure, encouraging cruise ships to stop at regional ports, such as Newcastle, will fail as visitors will not want to stop there. Ms Giuseppi advised that Newcastle is working on developing a visitor economy model that is more tourism focused, involving restaurants and retailers.²³¹
- 3.70** The importance of ports was also raised by Bega Valley Shire Council which detailed some of the development planned for the Port of Eden, which is being upgraded to accommodate cruise ships. Ms Barnes informed the Committee that the Council is working on having a 'shelf-ready product' in preparation for the sale of 2016 cruises, to entice visitors. This includes developing product links to enable visitors to experience the natural attractions of the area, such as the Bundian Way, Green Cape and national parks. The aim is to provide opportunities for visitors on land and to encourage travel through the region. Ms Barnes highlighted that the opportunities for the region are significant, with the potential for the arrival of 50 ships in a 52-week cycle, bringing with them 2,000 shore visitors and 1,000 crew members. Ms Barnes advised that the cruise ships will also be re-provisioning in Eden, opening opportunities for a whole range of industry.²³²

Trains

- 3.71** The NSW Government released the NSW Long Term Transport Master Plan in December 2013. Under the Master Plan, a Country Passenger Rail Services Strategy is being developed to improve regional New South Wales rail connections and visitor experiences.²³³ Mr Timothy Reardon, Deputy Director General of Policy and Regulation Division at Transport for NSW, advised that the consultation process for this strategy is currently underway.²³⁴ The Master Plan also commits to undertaking regional transport plans for each region across the State, which are also currently underway.²³⁵
- 3.72** NSW Trains has partnerships with industry to develop packages and serve and promote events in regional New South Wales.²³⁶ Mr Robert Mason, Chief Executive of NSW Trains,

²³⁰ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, pp 24-26.

²³¹ Evidence, Ms Carol Giuseppi, Director, Tourism Accommodation Australia, 26 August 2013, p 27.

²³² Evidence, Ms Barnes, 8 November 2013, p 33.

²³³ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 40.

²³⁴ Evidence, Mr Tim Reardon, Deputy Director General, Policy and Regulation Division, Transport for NSW, 13 September 2013, p 9.

²³⁵ Evidence, Mr Reardon, Transport for NSW, 13 September 2013, p 9.

²³⁶ Answers to questions on notice, Mr Rob Mason, Chief Executive, NSW Trains, 13 October 2013, p 1.

gave the example of the Elvis Express for the festival in Parkes as perhaps the most famous service to arise from such partnerships.²³⁷

- 3.73** Some inquiry participants expressed the view that rail services in New South Wales, particularly those connecting Sydney with regional areas, are in need of improvement in either infrastructure or marketing. Mr Ledger from the Youth Hostel Association asserted that investment in CountryLink has been minimal and has impacted on available services.²³⁸ Ms Roberts from Broken Hill expressed the view that while the CountryLink service to Broken Hill offers packages for visitors, it is currently not achieving its potential as there is no marketing strategy to support it.²³⁹
- 3.74** A number of other stakeholders expressed their support for a very fast train between Sydney and Melbourne. For example, Shoalhaven City Council, Shellharbour City Council and the South Coast Regional Tourism Organisation contended that a very fast train service would be an asset of 'huge benefit to the State's Visitor Economy'.²⁴⁰ Similarly, Ms Barnes from Bega Valley Shire Council asserted that a very fast train service 'would be great for the region'.²⁴¹

Public transport

- 3.75** Several stakeholders expressed concern that limited, or in some cases no, available public transport in their communities is a hindrance to the growth of their visitor economy.
- 3.76** For example, Snowy River Shire Council informed the Committee that there is no public transport into Jindabyne, which is the main town and commercial centre for visitation to the Snowy Mountains. Mr Vescio explained that public transport in the Snowy River Shire consists of a CountryLink bus service which follows the old railway line and completely bypasses Jindabyne. Mr Vescio contended that this impacts visitors' ability to travel to Jindabyne and to access the national park. He advised that it is possible to alter the route in order to incorporate Jindabyne and that the Snowy River Shire Council has been lobbying for this change unsuccessfully for years.²⁴²
- 3.77** Mr Vescio contended that a lack of public transport also affects transport within the area, particularly for the itinerant working community that travels to the Snowy Mountains for the ski season. Mr Vescio explained that most workers live outside the resorts in Jindabyne or surrounding areas such as Berridale and Dalgety. While the resorts provide a bus service for workers from Jindabyne, those who are unable to access this often resort to hitchhiking.²⁴³

²³⁷ Evidence, Mr Robert Mason, Chief Executive, NSW Trains, 13 September 2013, p 10.

²³⁸ Evidence, Mr Ledger, 26 August 2013, p 78.

²³⁹ Evidence, Ms Roberts, 10 October 2013, p 54.

²⁴⁰ Submission 23, Shoalhaven Tourism Board, Shoalhaven City Council, p 3; Submission 69, Shellharbour City Council, p 2 and Submission 7, South Coast Regional Tourism Organisation Inc., p 2.

²⁴¹ Ms Barnes, 8 November 2013, p 42.

²⁴² Evidence, Mr Vescio, 8 November 2013, p 13.

²⁴³ Evidence, Mr Vescio, 8 November 2013, p 13.

3.78 Representatives from Bombala Council similarly advised that public transport in their region is limited with ‘no public transport down to the coast’.²⁴⁴ Ms Karen Cash, Economic Development Manager at Bombala Council, stated that Bombala is remote, and that the limitation of public transport means it is also fairly isolated. She contended that this is adversely impacting the growth of tourism markets and will continue to impact growth into the future, as it restricts Bombala’s visitor market to self-driving visitors:

... people have to drive to us. They cannot hop on a bus or that sort of thing. That is a real handicap and will be a handicap as the Bundian Way and Australia's Coastal Wilderness also rolls out.²⁴⁵

Committee comment

3.79 The Committee acknowledges the transport constraints outlined by participants to this Inquiry, and the potential impact to visitors and the wider visitor economy caused by limited transport infrastructure. The Committee recognises that transport plays a critical role in enhancing the visitor economy and we support the commitment of the NSW Government to finding solutions to transport issues in New South Wales through the NSW Long Term Transport Master Plan.

3.80 With regard to air services, the Committee notes that the NSW Legislative Council’s State Development Committee is currently conducting an inquiry into regional aviation services. We look forward to the outcomes of that inquiry into this important matter.

Whole-of-government approach to infrastructure

3.81 One of the findings of the Visitor Economy Taskforce was ‘a lack of a true whole-of-government approach to developing and facilitating growth of the State’s visitor economy’ which the Taskforce stated ‘inhibits investment opportunities and support for visitor-related services and restricts overall revenue growth’.²⁴⁶

3.82 Several inquiry participants agreed that there is a lack of coordination of various government agencies in regard to tourism infrastructure and considered this to be a significant impediment to growing the visitor economy.

3.83 For instance, the Committee heard from representatives from the Shoalhaven City Council and the Shoalhaven Tourism Board who explained that a whole-of-government approach is required to secure the development of a major tourism asset in their region, the Shaolin Temple.

3.84 Ms Catherine Shields, Chair of the Shoalhaven Tourism Board, and Mr Craig Milburn, Group Director of Corporate and Community Services at Shoalhaven City Council, informed the Committee that the project for the construction of the Shaolin Temple has a projected

²⁴⁴ Ms Cash, 8 November 2013, p 34.

²⁴⁵ Ms Cash, 8 November 2013, p 34.

²⁴⁶ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

economic impact of \$300 million.²⁴⁷ It is estimated that the temple will attract 300,000 domestic visitors and 150,000 international visitors to the region. The project is a mixed development comprising a 500-room hotel, a golf course, the temple, a wellness centre and a component of a housing development. Ms Shields described it as a ‘game-changer for the Shoalhaven region’.²⁴⁸

3.85 Mr Milburn explained that the Roads and Maritime Services advised that a grade separation is required [bridge], but contends that in his view a less expensive option would be adequate. He stated that the ‘the cost of a graded separation ... is very significant’ and is ‘a show stopper to the project’.²⁴⁹ Ms Shields was concerned that the issue is time sensitive and contended that if the problem is not resolved soon, the Shoalhaven is likely to lose this opportunity as investors will pursue the development elsewhere.²⁵⁰

3.86 Centroc also expressed concern regarding the coordination of government agencies in the development of key tourism infrastructure and its impact on the visitor economy:

The concern is though that the management of high value tourism destinations is being hampered by other levels of government where it is required that the State assist with the facilitation of mechanism to deliver the sustainable growth of the visitor economy in this region.²⁵¹

3.87 Lithgow City Council highlighted that most of the outdoor visitation assets in its area, such as national parks and state forests, are controlled by government agencies, for which tourism is a cost rather than core business, and that this situation is hampering growth of the visitor economy. It expressed the view that State Government policy is not being supported by appropriate funding:

While it is Government policy to use these assets to build visitation to and within regional NSW, the managing agencies are not being adequately funded or resourced to effectively manage their assets nor deliver the facilities and services needed to grow visitation.²⁵²

3.88 Some inquiry participants commented specifically on communication with the National Parks and Wildlife Service. For example, Mr Garry Styles, General Manager of Orange City Council told the Committee that it was ‘very difficult’ to gain support with NPWS and work together towards common goals for tourism in the Orange area.²⁵³ Mr Bruce Marshall, Owner and Director of Lake Crackenback Resort and Spa said he found NPWS to be a ‘difficult organisation to work with’.²⁵⁴ He suggested that there were problems with communication and

²⁴⁷ Evidence, Mr Craig Milburn, Group Director, Corporate and Community Services, Shoalhaven City Council, 13 September 2013, p 30.

²⁴⁸ Evidence, Ms Catherine Shields, Chair, Shoalhaven Tourism Board, 13 September 2013, p 30.

²⁴⁹ Evidence, Mr Milburn, Shoalhaven City Council, 13 September 2013, p 31.

²⁵⁰ Evidence, Ms Shields, 13 September 2013, p 30.

²⁵¹ Submission 39, Central NSW Councils (Centroc), p 9.

²⁵² Submission 65, Lithgow City Council, p 4.

²⁵³ Evidence, Mr Garry Styles, General Manager, Orange City Council, 10 October 2013, p 25.

²⁵⁴ Mr Bruce Marshall, Owner and Director, Lake Crackenback Resort and Spa, 8 November 2013, p 58.

that in his experience there was ‘no hierarchical appeals process’, which caused some difficulty in liaison with the agency:

There is no hierarchical appeals process. If you go to the local council, as I do for developments I am involved in, at first you work with council staff. If you have a problem you might go to the department head and then gradually address the whole council in an attempt to get a decision turned around. There is no such system in the national parks.²⁵⁵

- 3.89** The Resort Operators Group, comprising the four major ski resorts in the Snowy Mountains, argued that a lack of government coordination and a failure to appreciate the value of the visitor economy and opportunities for development that exist through rezoning land currently used for snow skiing to allow the development and utilisation of snow infrastructure, such as snow guns, is hampering the resorts from maximising the full potential of ski tourism. This issue is discussed further in chapter 6.

Committee comment

- 3.90** The Committee agrees that a whole-of-government approach to the growth of the visitor economy is essential to achieving the goals articulated in NSW 2020. We commend the NSW Government for supporting the Visitor Economy Taskforce’s recommendation to adopt a proactive whole-of-government approach to the visitor economy to improve consistency in policy and processes and cut red tape to drive innovation, investment and growth.²⁵⁶ We recommend that the NSW Government investigate implementing an appeals process for the National Parks and Wildlife Service to address the difficulties with inter agency or stakeholder outcomes.

Recommendation 12

That the NSW Government investigate implementing an appeals process for the National Parks and Wildlife Service to address difficulties with inter agency or stakeholder outcomes.

²⁵⁵ Mr Marshall, 8 November 2013, p 58.

²⁵⁶ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the final report of the Visitor Economy Taskforce*, December 2012, p 56.

Chapter 4 Tourism and local communities

This chapter looks at the impacts of tourism and visitation on local communities, including economic and social benefits such as employment and community pride. The chapter also considers access to training and education in regional communities and the effect of this on the visitor economy. Adverse impacts of tourism, such as the pressure of peak visitor populations and the serious issue of alcohol related violence, are also discussed.

Economic benefit and diversification

4.1 The general view among stakeholders during the Inquiry was that tourism is an avenue of potential advantage and opportunity for local communities. It is a way of diversifying and growing the economy, and can also provide social opportunities that benefit the host community. In many regional areas, tourism is an important factor in the future viability of a community.

Key economic driver

4.2 In some communities, tourism and visitation is the dominant driver of the economy, surpassing other industries in economic output and sometimes in employment.

4.3 For example, alpine tourism is one of the key economic drivers in the Snowy Mountains. Based around the winter snow ski season, Tourism Snowy Mountains advised that tourism is ‘disproportionately important in the Snowy Mountains region with 17 per cent of the region’s total economic output attributed to tourism expenditure’.²⁵⁷ Tourism Snowy Mountains outlined that direct visitor spending is ‘almost half a billion dollars a year’ and that based on their estimated resident population, direct visitor spending represents ‘\$13,144 for every man, woman and child in the region’.²⁵⁸ It highlighted that per capita, this expenditure is ‘more than double anywhere in NSW, including Sydney’.²⁵⁹

4.4 Tourism is also a key economic driver for the Bega Valley Shire, with all facets of tourism accounting for over 60 per cent of the region’s economic output in 2008.²⁶⁰ The Council advised that the contribution of tourism over the last few decades has been growing, with the economy transforming ‘from one dominated by agriculture to one in which tourism plays the major role’.²⁶¹ This is likely to increase with the development of the Port of Eden, which was discussed in chapter 3.

4.5 Byron Shire also advised that tourism is the principal driver of its economy, with tourism expenditure estimated at \$382 million in 2011. Employment arising from this expenditure is estimated at approximately 2,500 full time equivalent jobs.²⁶²

²⁵⁷ Submission 68, Tourism Snowy Mountains, p 2.

²⁵⁸ Submission 68, Tourism Snowy Mountains, p 3.

²⁵⁹ Submission 68, Tourism Snowy Mountains, p 3.

²⁶⁰ Submission 28, Bega Valley Shire Council, p 4.

²⁶¹ Submission 28, Bega Valley Shire Council, p 4.

²⁶² Submission 22, Byron Shire Council, p 5.

- 4.6 Eurobodalla Shire Council advised that the tourism industry in Eurobodalla is worth \$324 million per year in direct expenditure and is ‘easily the biggest [industry] in the region’.²⁶³ Tourism is also heavily represented in employment, with between 4,150 to 5,295 people directly or indirectly employed from a total employed workforce of 12,529. Eurobodalla Shire Council contended that ‘the health and the growth of the tourism industry are fundamental to the economic wellbeing’ of the community.²⁶⁴
- 4.7 Employment benefits arising from tourism and visitation are discussed in more detail later in this chapter.

Diversification

- 4.8 Tourism, and more broadly the visitor economy, can offer economic strength through diversification, which is especially important for regional communities which may have traditionally been reliant on one or two major industries. Several inquiry participants from inland regional New South Wales identified the importance of tourism to the economic resilience of their communities.
- 4.9 Mr Neil Alchin, Director of Corporate and Business Services, Gilgandra Shire Council, attributed the ability of Gilgandra to survive the drought on the contribution of visitation to the economy and to the community:

We certainly see tourism as a drought proofing exercise to us in our country areas. We relied on farming, very much so we rely on that highway now ... We had something like nine years of drought there. For a farming community that is significant. During that time I do not think it is appreciated by the farming community but certainly tourism by way of our location has kept us as a vibrant community during that time coming on ahead, and we certainly did not go backwards during that time.²⁶⁵

- 4.10 The Long Paddock, a touring route committee established by the Murray, Deniliquin, Conargo, Hay and Central Darling Shires, also contended that tourism has been instrumental in enabling these communities to survive the drought, commenting that ‘without the strength of the tourism sector the impacts of the drought would have been greater across the whole region’.²⁶⁶
- 4.11 Central NSW Councils (Centroc) observed that tourism helps to insulate regional economies against ‘economic shocks like the GST and drought’ as well as provide opportunities for diversity on a more individual level, for example, by ‘adding a dimension to existing income streams be it farm stay, bed and breakfast, pick your own, wine or olive oil tasting’.²⁶⁷ Mr Garry Styles, General Manager, Orange City Council and Economic Development Sponsoring General Manager, Central NSW Councils, reflected on the variable nature of some traditional industries and the diversification offered by tourism:

²⁶³ Submission 45, Eurobodalla Shire Council, p 1.

²⁶⁴ Submission 45, Eurobodalla Shire Council, p 1.

²⁶⁵ Evidence, Mr Neil Alchin, Director, Corporate and Business Services, Gilgandra Shire Council, 10 October 2013, p 2.

²⁶⁶ Submission 59, The Long Paddock, p 2.

²⁶⁷ Submission 39, Central NSW Councils (Centroc), p 7.

As you would appreciate, in some of our regional areas there are some great challenges with the variable nature of agriculture and things like that. We look to get a more diverse economy and tourism is important to it.²⁶⁸

- 4.12** Similarly, Riverina Regional Tourism highlighted that tourism plays a ‘vital role in rural communities when other industries such as agriculture and mining are in a low period’.²⁶⁹
- 4.13** Tumbarumba Shire Council shared the view that tourism can provide economic support to a community when a traditional industry is under pressure, specifically highlighting the impact of recent redundancies in the timber industry and the general recognition of the community ‘that tourism is an increasingly important component of our economic mix’.²⁷⁰
- 4.14** Representatives from Broken Hill attributed the strength of their economy and community to the diversification provided by tourism. Clr Wincen Cuy, Mayor of Broken Hill, commented:

Broken Hill was privileged in that 30 or 35 years ago we had a very good council that saw the advantage of diversification, away from mining and into tourism. We now have had a very strong tourism industry and a strong tourism presence. Over those years, the Council has been a great advocate for tourism and making sure that we try to diversify away from our core roots, which is mining.²⁷¹

- 4.15** Ms Andrea Roberts, Manager of Economic Development at Broken Hill City Council, argued that tourism gives regional communities the opportunity to ‘transform ... towards a viable future’.²⁷²

Employment

- 4.16** The significance of the visitor economy in creating employment opportunities in New South Wales is immense. The Visitor Economy Taskforce noted that the State’s visitor economy is ‘a major contributor to regional economies with 47 per cent of tourism jobs in regional NSW’.²⁷³ The report found that over 160,000 people are directly employed by the tourism industry of which ‘almost one quarter are employed by cafés, restaurants and takeaway food services’, after which people are employed in retail services, accommodation, transport-related services and education and training services respectively.²⁷⁴

²⁶⁸ Evidence, Mr Garry Styles, General Manager, Orange City Council and Economic Development Sponsoring General Manager, Central NSW Councils, 10 October 2013, p 13.

²⁶⁹ Submission 57a, Riverina Regional Tourism, p 3.

²⁷⁰ Submission 52, Tumbarumba Shire Council, p 1.

²⁷¹ Evidence, Clr Wincen Cuy, Mayor, Broken Hill City Council, 10 October 2013, p 53.

²⁷² Evidence, Ms Andrea Roberts, Manager, Economic Development, Broken Hill City Council, 10 October 2013, p 53.

²⁷³ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 11.

²⁷⁴ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 11.

- 4.17 The Tourism & Transport Forum advised that there are over 96,500 tourism businesses operating in the State, with over a third located in regional New South Wales. A breakdown of tourism businesses in regional New South Wales is provided in the table below.

TOURISM BUSINESS COUNT BY TOURISM REGION

Tourism regions	Tourism businesses
SYDNEY	61,380
REGIONAL NSW	35,180
Snowy Mountains	590
North Coast NSW	4,330
Northern Rivers Tropical NSW	3,990
The Murray	1,390
Outback NSW	580
South Coast	5,240
Central NSW	3,150
New England North West	2,210
Blue Mountains	1,210
Riverina	1,750
Central Coast	2,970
Hunter	5,550
Capital Country	2,220
TOTAL NSW	96,550

Figure 1 Tourism business count in regional New South Wales 2012²⁷⁵

- 4.18 As is evident from the above table, the top five regional areas that have the largest number of tourism businesses are the Hunter, South Coast, North Coast, Northern Rivers and Central New South Wales.
- 4.19 The NSW Business Chamber claimed regional tourism allows ‘for more businesses to develop that might not have arisen based on the resident population alone’, offering greater prospects for employment.²⁷⁶
- 4.20 SEPIA Consulting outlined the importance of tourism employment to communities via the variety of people employed and the nature of employment. It argued that employment in the tourism industry offers a range of flexible employment options with tourism ‘employing part time and casual workers across a range of skills, thus creating employment for those unable to undertake full time employment’.²⁷⁷ Similarly, the NSW Business Chamber observed that the irregular hours of the tourism industry creates ‘many opportunities for a diverse workforce’.²⁷⁸
- 4.21 SEPIA Consulting noted that the tourism industry provides jobs for people in their local area and offers opportunities for ‘groups that are vulnerable to unemployment, such as women, youth, unskilled women and our indigenous peoples’.²⁷⁹

²⁷⁵ Submission 74, Tourism & Transport Forum, p 7.

²⁷⁶ Submission 60, NSW Business Chamber, p 2.

²⁷⁷ Submission 30, SEPIA Consulting, p 3.

²⁷⁸ Submission 60, NSW Business Chamber, p 4.

²⁷⁹ Submission 30, SEPIA Consulting, p 3.

- 4.22** SEPIA Consulting further pointed out that youth employment is becoming a critical issue in many rural and regional areas of New South Wales and stated that ‘if an area has a vibrant tourism industry there is less likelihood that the young people will have to leave home to find employment’.²⁸⁰
- 4.23** Ms Roberts from Broken Hill City Council agreed that the tourism industry has the potential to provide opportunities for young people to stay in their own community if properly managed:

It is not just about how many visitor numbers we are going to get through but how do we create meaningful futures and dialogues for these communities, particularly communities where the young people are feeling that there is no hope for them.²⁸¹

Penalty rates

- 4.24** Many employees in the tourism industry are paid penalty rates for working overtime, weekends and public holidays. Numerous inquiry participants expressed the view that current industrial relations laws are unfair to businesses in the visitor economy. While several stakeholders advocated for reform to appropriately recognise the regular working hours of the hospitality and tourism industries, others argued that penalty rates are necessary incentives for employment.
- 4.25** Employment award rates or penalty rates are regulated by the *Fair Work Act 2009*. Fair Work Australia stipulates that employees working ‘late nights, early mornings, weekends or public holidays’ should be paid penalty rates regardless of whether these form their regular working hours.²⁸² The table below outlines the penalty rates for weekend and public holidays for all levels of employed staff in the three main tourism industries.

Table 1 Penalty rates in the hospitality industry, including accommodation and gaming²⁸³

Type of employment	Saturday %	Sunday %	Public holiday %
Full - time and part - time	125	175	250
Casual (inclusive of 25% casual loading)	150	175	275

²⁸⁰ Submission 30, SEPIA Consulting, p 3.

²⁸¹ Evidence, Ms Roberts, 10 October 2013, p 59.

²⁸² Australian Government, Fair Work Ombudsmen, *Pay, penalty rates, overtime & allowances* (31 October 2013), <<http://www.fairwork.gov.au/pay/pay-penalty-rates-overtime-andallowances/pages/default.aspx>>.

²⁸³ Australian Government, Fair Work Ombudsmen, *Hospitality Industry (General) Award 2010*, Section 32 Penalty Rates, <<http://www.fairwork.gov.au/awards/a-z-modern-awards-list/pages/default.aspx>>.

Table 2 Penalty rates in the restaurant industry²⁸⁴

Type of employment	Saturday %	Sunday %	Public holiday %
Full-time and part-time	125	150	250
Casual (inclusive of 25% casual loading)	150	175	250

Table 3 Penalty rates in the retail industry²⁸⁵

Type of employment	Saturday %	Sunday %	Public holiday %
Full-time and part-time	125%	200%	250%
Casual	110%	200%	250%

4.26 As is evident from the information above, employment overheads for businesses operating on weekends and public holidays are significant with employers paying up to double time and a half for each employee on duty, or even higher rates for casual workers.

Impact of penalty rates on businesses

4.27 The Committee heard from several stakeholders who reported that many businesses in regional areas are forced to close during peak penalty times as they simply cannot afford to pay staff. Indeed, the final report of the Visitor Economy Taskforce noted the ‘inflexibility’ of current awards and conditions and reported that they ‘substantially reduce economic viability, competitiveness and the quality of the visitor experience’.²⁸⁶

4.28 Mr Rob Pollock, Chairman of Regional Development Australia, Far South Coast, strongly criticised the industrial relations framework describing the impact of penalty rates on the tourism industry as ‘murderous’.²⁸⁷ He contended that penalty rates ‘are prohibitive due to the extreme nature of the penalty (double/triple time for Public Holiday)’ which impacts on the ability of many businesses to trade as any profit is lost in wages.²⁸⁸ Mr Pollock expressed the view that this is a barrier to business growth and a lost opportunity for the local visitor economy, as with nothing open, there is nowhere for visitors to spend their money.²⁸⁹ Mr Pollock argued that reform would improve employment opportunities for young people, contending that ‘inflexibility’ of current awards and penalty rates is a ‘huge impediment’ to the employment of young people in the industry,²⁹⁰ because when faced with having to pay

²⁸⁴ Australian Government, Fair Work Ombudsmen, *Restaurant Industry Award 2010*, Section 34 Penalty Rates, < <http://www.fairwork.gov.au/awards/a-z-modern-awards-list/pages/default.aspx>>.

²⁸⁵ Australian Government, Fair Work Ombudsmen, *General Retail Industry Award 2010*, Section 29 Overtime and penalties, < <http://www.fairwork.gov.au/awards/a-z-modern-awards-list/pages/default.aspx>>.

²⁸⁶ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 68.

²⁸⁷ Evidence, Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast, 13 September 2013, p 27.

²⁸⁸ Answers to questions on notice, Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast, 18 October 2013, p 1.

²⁸⁹ Answers to questions on notice, Mr Pollock, 18 October 2013, p 1.

²⁹⁰ Evidence, Mr Pollock, 13 September 2013, p 28.

penalty rates, employers are likely to seek older, more experienced workers than young people.²⁹¹

- 4.29** For the hospitality and restaurant industries, where late nights and weekends constitute regular operating hours, many inquiry participants agreed current industrial relations laws were unreasonable and hurting businesses. Mr Luke Aitken, Senior Manager of Policy and Advocacy at the NSW Business Chamber, agreed that penalty rates were a barrier to business growth as they had ‘forced many business to choose to close on Sundays’ because it had ‘become much more difficult’ to pay the required penalty rate for staff.²⁹²
- 4.30** This view was supported by Ms Jane Holdsworth, Economic Development Manager of Cessnock City Council, who observed that the amount of wages spent on weekends and public holidays proved to be a struggle for a lot of smaller tourism operators.²⁹³
- 4.31** Mr Bruce Marshall, Owner and Director of Lake Crackenback Resort and Spa, said that current penalty rates ‘discourage us from employing on weekends’.²⁹⁴ Further, Mr Marshall told the Committee that it was ‘extremely difficult’ to pay penalty rates at holiday times especially when whole weekends were assigned public holiday status, such as the 2013 Easter weekend.²⁹⁵ Mr Marshall highlighted that during these periods no profit is gained as all the money goes into paying staff ‘two-and-a-half times the normal rate for the entire holiday period’.²⁹⁶ He argued that this poses a ‘real problem for holiday destinations relying on weekend visits’²⁹⁷ in an industry which is ‘heavily skewed towards weekend holiday experiences’.²⁹⁸
- 4.32** Inland NSW Tourism observed that in small regional areas the expense of award rates has led to reduced opening hours of business and warned this is negatively impacting upon visitors’ experience of a destination.²⁹⁹

Impact of penalty rates on the visitor economy

- 4.33** Business closures and reduced trading times on weekends and public holidays adversely impact the visitor economy and the visitor experience of a destination. The Visitor Economy Taskforce stated that the visitor economy is a ‘seven-day week industry sector’ and that ‘visitors do not distinguish between business work days and weekend days in shaping their

²⁹¹ Answers to questions on notice, Mr Pollock, 18 October 2013, p 1.

²⁹² Evidence, Mr Luke Aitken, Senior Manager Policy and Advocacy, NSW Business Chamber, 9 August 2013, p 23.

²⁹³ Evidence, Ms Jane Holdsworth, Economic Development Manager, Cessnock City Council, 9 August 2013, p 49.

²⁹⁴ Tabled document, Mr Bruce Marshall, *Briefing notes*, 8 November 2013, p 2.

²⁹⁵ Evidence, Mr Bruce Marshall, Owner and Director, Lake Crackenback Resort and Spa, 8 November 2013, p 61.

²⁹⁶ Evidence, Mr Marshall, 8 November 2013, p 61.

²⁹⁷ Evidence, Mr Marshall, 8 November 2013, p 61.

²⁹⁸ Tabled document, Mr Marshall, *Briefing notes*, 8 November 2013, p 2.

²⁹⁹ Submission 15, Inland NSW Tourism, p 7.

expectations of service'.³⁰⁰ The Committee heard from several local governments and regional tourism operators that a visitor's experience of a destination could be 'tarnished'³⁰¹ if cafes, galleries and other stores and attractions were not open on a weekend or public holiday.³⁰²

- 4.34** Mr Andrew Jefferies, Executive Officer of the Tourism Industry Council, questioned the 'kind of message' sent to visitors about a destination if – on days when penalty rates were at their highest (such as Sundays and public holidays) – 'half the shops are closed because they literally cannot afford' to trade.³⁰³
- 4.35** Similarly, Port Macquarie-Hastings Council reported that 'current wages and penalty rates limit the ability of local businesses in regional areas to adopt an "open-for-business approach"'.³⁰⁴ It observed that this not only affected visitors and local tourism but argued that it impacts upon 'local employment and continues to have knock-on effects throughout the community'.³⁰⁵
- 4.36** Central Coast Tourism argued that for any destination, big or small, the visitor experience must be a 'memorable one' but cautioned it must be memorable for the right reasons.³⁰⁶ It contended that for this to occur, 'attractions, restaurants and function centres' must be open at peak times and be able to 'deliver a quality experience with skilled employees'.³⁰⁷ However, this cannot always be achieved due to the difficulties penalty rates create for businesses during these periods. To overcome this problem, Central Coast Tourism suggested that 'support or compensation in this area' would be beneficial to 'greatly increase our destination appeal'.³⁰⁸
- 4.37** On the other hand, Clr Marianne Saliba, Mayor of Shellharbour City Council, expressed the view that without penalty rates in these industries, where a large portion of young people work, a situation may arise 'where we may not have the staff to be able to cover those' positions.³⁰⁹ She contended that without the incentive of penalty rates, young people could be persuaded against working weekends as they would weigh up their options of whether to go out or 'work on a Saturday night for the same amount of money that they would earn on a Tuesday morning'.³¹⁰ Clr Saliba expressed the view that regardless of age, penalty rates were needed to keep people 'working long hours or late nights' in the hospitality industry, contending that a 'flat rate across the board' would not entice people to work late nights and weekends.³¹¹

³⁰⁰ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 69.

³⁰¹ Submission 42, Port Macquarie-Hastings Council, p 5.

³⁰² Submission 42, Port Macquarie-Hastings Council, p 5; See also Submission 64, Tumut Shire Council, p 7; Submission 40, Central Coast Tourism, p 2; Submission 15, Inland NSW Tourism, p 7.

³⁰³ Evidence, Mr Andrew Jefferies, Executive Officer, Tourism Industry Council, 9 August 2013, p 23.

³⁰⁴ Submission 42, Port Macquarie-Hastings Council, p 5.

³⁰⁵ Submission 42, Port Macquarie-Hastings Council, p 5.

³⁰⁶ Submission 40, Central Coast Tourism, p 2.

³⁰⁷ Submission 40, Central Coast Tourism, p 2.

³⁰⁸ Submission 40, Central Coast Tourism, p 2.

³⁰⁹ Evidence, Clr Marianne Saliba, Mayor, Shellharbour City Council, 13 September 2013, p 47.

³¹⁰ Evidence, Clr Saliba, 13 September 2013, p 47.

³¹¹ Evidence, Clr Saliba, 13 September 2013, p 47.

- 4.38 The Fair Work Commission is currently conducting a review of the awards system in Australia and is due to report by mid-2015.³¹²

Committee comment

- 4.39 It is clear to the Committee that tourism and visitation can bring significant economic benefits and opportunities to regional communities. We congratulate the efforts of stakeholders to embrace visitation as an important component of a healthy and resilient local and regional economy.
- 4.40 The Committee acknowledges the concern raised by inquiry participants that penalty rates disadvantage tourism and hospitality businesses where normal working hours often include late nights, weekends and public holidays. We note that the NSW Government has supported in principle the recommendation of the Visitor Economy Taskforce that the Federal Government ‘provide greater flexibility within the *Fair Work Act 2009* to lessen the constraints of higher penalty rates on the accommodation sector’.³¹³
- 4.41 The Committee notes that the Fair Work Commission is currently conducting a review of the awards system.

Itinerant worker communities

- 4.42 The impact of itinerant workers on employment in the visitor economy was also discussed during the course of the Inquiry. The majority view among stakeholders who provided evidence on itinerant workers was that most are filling vacancies for positions that local residents cannot or do not want to fill.
- 4.43 Mr Andrew Jefferies, Executive Officer of the Tourism Industry Council, for example told the Committee ‘that in many instances the jobs that backpackers are taking on are jobs that locals do not want to do’.³¹⁴
- 4.44 Similarly, Ms Tracey Valenzisi, Executive Officer of the Australian Regional Tourism Network argued that ‘in a lot of cases the backpackers fill that market for jobs that the operators are unable to fill locally’.³¹⁵ Ms Valenzisi contended this was typical for regional areas like Leeton which ‘without the backpackers’, faced difficulties in filling positions in ‘harder type labour work in agriculture such as picking oranges and working on cereal crops’.³¹⁶ She observed that the temporary nature of these jobs was more suited to backpackers than local residents who often required longer term employment.³¹⁷

³¹² James Massola and Matthew Knott, ‘Abbott targets penalty rates in submission’, *Sydney Morning Herald*, 5 February 2013, <<http://www.smh.com.au/federal-politics/political-news/abbott-targets-penalty-rates-in-submission-20140204-31zil.html>>.

³¹³ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government Response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 19.

³¹⁴ Evidence, Mr Jefferies, 9 August 2013, p 18.

³¹⁵ Evidence, Ms Tracey Valenzisi, Executive Officer, Australian Regional Tourism Network, 10 October 2013, p 31.

³¹⁶ Evidence, Ms Valenzisi, 10 October 2013, p 32.

³¹⁷ Evidence, Ms Valenzisi, 10 October 2013, p 31.

- 4.45** This sentiment was also shared by Mr Cameron Arnold, Co-chair of North Coast Destination Network who stated the employment of itinerant workers, as a ‘transient population’, was advantageous in ‘fill[ing] the gaps’ when there are labour shortages, particularly during high seasonal visitation peaks.³¹⁸
- 4.46** Mr David Sheldon, Chair of the Australian Regional Tourism Network told the Committee the working backpacker has been around in Australia since the 1980s and had been influential in bringing foreign youth to visit Australia.³¹⁹ Mr Sheldon stated that large numbers of backpackers travel for fruit picking in the Batlow and Tumut regions and work on the snowfields during winter.³²⁰
- 4.47** The YHA highlighted that in particular regional areas of Australia where hospitality positions are difficult to fill, such vacancies are filled through the working holiday visa program.³²¹ The YHA observed that ‘working holiday makers ... also bring money into communities’ and that the ‘working holiday visa program is a net creator of employment’.³²²
- 4.48** Tumbarumba Shire Council stated that itinerant workers contribute positively to the social fabric of the community as well as provide much needed seasonal labour.³²³
- 4.49** Byron Bay Shire Council was the only stakeholder to express concern that local residents were being adversely impacted by itinerant workers. While it acknowledged the opportunities that tourism and visitation provides, such as job creation and business diversity, it stated that Byron Shire has a high unemployment rate and that currently ‘many jobs are secured by international and domestic visitors’ which is ‘causing angst amongst residents’.³²⁴ Byron Bay Shire Council advised that one of the key strategies in its tourism management plan is to improve access to employment in the tourism industry for local residents.³²⁵ This includes training and internship opportunities and encouraging local tourism businesses to provide meaningful employment opportunities for local people (including young people).³²⁶

Committee comment

- 4.50** The Committee notes that itinerant workers can play a valuable role in filling labour shortages in communities where that the local resident population is either unable or unwilling to fill those positions.
- 4.51** The Committee also notes the concerns of Byron Bay Shire Council that high unemployment may be exacerbated by itinerant workers and commends the efforts of the Council to address this issue in its community.

³¹⁸ Evidence, Mr Cameron Arnold, Co-chair, North Coast Destination Network, 9 October 2013, p 49.

³¹⁹ Evidence, Mr David Sheldon, Chair, Australian Regional Tourism Network, 10 October 2013, p 31.

³²⁰ Evidence, Mr Sheldon, 10 October 2013, p 31.

³²¹ Submission 51, YHA Ltd, p 6.

³²² Submission 51, YHA Ltd, p 6.

³²³ Submission 52, Tumbarumba Shire Council, p 1.

³²⁴ Submission 22, Byron Bay Shire Council, p 9.

³²⁵ Submission 22, Byron Bay Shire Council, p 9.

³²⁶ Submission 22, Byron Bay, Attachment 2, Tourism Management Plan, p 30.

Training and education

- 4.52** Numerous inquiry participants raised concerns about the limited availability and accessibility of training and education in regional areas and the impact of this on the visitor economy. Of particular concern was the skills shortage in the hospitality industry. Participants expressed the view that improvements in this area would benefit both the visitor economy and regional communities by providing career options for young people.

Skills shortage

- 4.53** The Federal Government's 2011 Australian Labour Force Report estimated a nine per cent vacancy rate (or 35,800 vacant jobs) in the visitor economy across Australia, which is expected to increase to a shortage of 56,000 workers by 2015.³²⁷ In New South Wales the total number of vacancies in the visitor economy is estimated at seven per cent.³²⁸
- 4.54** The Visitor Economy Taskforce identified that two challenges faced by a majority of tourism businesses in New South Wales are employees lacking experience followed by an inability to gain experience. It concluded that the only way to fill these vacancies is to 'increase the number and skills of Australian residents'.³²⁹ The Federal tourism plan, *Tourism 2020*, outlined strategies to increase supply of labour, skills and indigenous participation in the visitor economy through several priority actions. These included:

... working holiday maker reforms; tourism employment plans; the seasonal worker program trial; workforce futures fund; careers promotional campaign; template labour agreement; and improved coordination and delivery of programs which develop indigenous business and product.³³⁰

Hospitality

- 4.55** The 2011 Australian Labour Force Report identified that there is a high skills shortage in the hospitality industry across New South Wales.³³¹
- 4.56** Ms Carol Giuseppi, Director of Tourism Accommodation Australia, noted that in particular, 'one of the greatest areas of skill shortages across New South Wales overall in terms of accommodation, restaurants, pubs, et cetera is chefs'.³³²

³²⁷ Submission 76, NSW Government, p 7.

³²⁸ Deloitte Access Economics, Labour and Skills Working Group, *Australian Tourism Labour Force Report 2011* (2014), Australian Trade Commission, p 36, <http://www.austrade.gov.au/Tourism/Policies/National-long-term-strategy/Working-groups/Labour-and-Skills>.

³²⁹ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visit Economy Taskforce*, December 2012, p 68.

³³⁰ Answers to questions on notice, Ms Sandra Chipchase, Chief Executive Officer, Destination NSW, 3 September 2013, p 5 referring to Australian Government *Progress report on Tourism 2020 priorities for 2013*, Austrade, p 6, <http://www.austrade.gov.au/Tourism>.

³³¹ Deloitte Access Economics, Labour and Skills Working Group, *Australian Tourism Labour Force Report 2011*, 'Labour Force Profile (part 1)', pp 53, 59 and 65, Australian Trade Commission, <<http://www.austrade.gov.au/Tourism/Policies/National-long-term-strategy/Working-groups/Labour-and-Skills>>.

- 4.57** Similarly, the NSW Business Chamber recognised a severe skills shortage for chefs, wait staff, hospitality workers, and customer service for ‘multiple businesses’ in the Central Coast, Central West, Hunter, Murray-Riverina and Northern Rivers regions.³³³
- 4.58** Other inquiry participants highlighted the high turnover of staff in the hospitality industry. For example Mr Matt Fuller, General Manager of Taronga Western Plains Zoo, Taronga Conservation Society, informed the Committee that in regard to hospitality positions at the zoo, there was ‘a considerable turnover’ of employees.³³⁴ Likewise, Mr Glenn Caldwell, Tourism Manager of Coffs Coast Marketing, observed the hospitality industry as having an ‘unnaturally ... high turnover of staff’ and claimed it was ‘a common issue’ for the visitor economy in general.³³⁵

Availability and access to training and education

- 4.59** Stakeholders agreed that a key reason for the skills shortage was the limited availability and accessibility of appropriate training and education courses. Several inquiry participants highlighted the importance of TAFE NSW and other training providers in addressing the current skill shortages and the need for better access to these institutions.
- 4.60** Clr Marianne Saliba, Mayor of Shellharbour City Council, affirmed that TAFE was important ‘for training young people to enable them to take up employment’.³³⁶ She advised that ‘a number of the hotel [local] providers and smaller business operators are working with TAFE to give training opportunities to people who are going through the TAFE system.’³³⁷
- 4.61** Clr Sharon Tapscott, from Bega Valley Shire, emphasised how critical TAFE was to the local community and surrounding areas in providing local opportunities for young people to gain skills and engage in the visitor economy, for example, through interacting with visitors at the Port of Eden:

They greet the passengers, give them show bags, get on the buses with them and take them around. They are only young kids. They are 18. It gives the children a lot of interaction, and it is great for the customers to see that our local children are interested.³³⁸

- 4.62** The Committee heard that Dubbo City Council is another organisation that hosts a range of programs for all businesses involved in the visitor economy,³³⁹ such as the program ‘Your

³³² Evidence, Ms Carol Giuseppi, Director, Tourism Accommodation Australia, 26 August 2013, p 37.

³³³ Answers to questions on notice, NSW Business Chamber, 26 August 2013, p 3.

³³⁴ Evidence, Mr Matt Fuller, General Manager, Taronga Western Plains Zoo, Taronga Conservation Society, 10 October 2013, p 9.

³³⁵ Evidence, Mr Glenn Caldwell, Tourism Manager, Coffs Coast Marketing, Coffs Harbour City Council, 9 October 2013, p 49.

³³⁶ Evidence, Clr Saliba, 13 September 2013, p 44.

³³⁷ Evidence, Clr Saliba, 13 September 2013, p 47.

³³⁸ Evidence, Clr Sharon Tapscott, Sapphire Coast Tourism Delegate, Bega Valley Shire Council, 8 November 2013, p 38.

³³⁹ Evidence, Ms Natasha Comber, Manager, City Development and Communications, Dubbo City Council, 10 October 2013, p 9.

Dubbo' which runs training courses on various aspects of the visitor economy.³⁴⁰ Natasha Comber, Manager of City Development and Communications at Dubbo City Council, advised that these courses are offered in connection to courses run by major training suppliers, such as TAFE.³⁴¹

- 4.63** The Committee was also informed about the Hospitality Training Network, a leading industry based training program that encourages people into regional communities to uptake and retain hospitality positions. The network currently employs approximately four hundred apprentice chefs and hospitality trainees throughout New South Wales and the ACT.³⁴²
- 4.64** Some inquiry participants stated that external training and education is difficult for young people to access in regional areas with many having to travel long distances or move away to attend courses.
- 4.65** Ms Valenzisi observed that in the Riverina region a lot of young people 'disappear to the cities, because they go on to TAFE and a career path'.³⁴³ Mr David Sheldon, Chair of Australian Regional Tourism Network, added that 'it is hard for local operators to keep in regional Australia a lot of experienced people or young individuals coming through' as to get 'that basic training [and] consistency of employment, they tend to gravitate to major areas'.³⁴⁴ Ms Cash highlighted the significant loss to a community noting that this trend has a 'flow-on effect to the rest of the community and the businesses'.³⁴⁵
- 4.66** Ms Robyne Abernethy, Chief Executive Officer of Central Coast Tourism, claimed that even if communities have training facilities, like in the Gosford area where 'good schooling' is trying to address the skills shortage, many communities still lose 'skilled workers and those that are not trained up' due to a majority of them commuting or moving elsewhere.³⁴⁶ The result, according to Ms Abernethy was a 'transient skill base' for businesses in the visitor economy.³⁴⁷

Tourism careers

- 4.67** Some stakeholders highlighted that employment in tourism and hospitality is often seen as a stepping stone between careers or as a temporary position while studying. They contended that significant career opportunities in tourism and the visitor economy are available but that current misconceptions can influence people, particularly young people, away from the industry or from gaining the required skills.

³⁴⁰ Evidence, Ms Comber, 10 October 2013, p 9.

³⁴¹ Evidence, Ms Comber, 10 October 2013, p 9.

³⁴² Answers to questions on notice, Ms Carol Giuseppi, Director, Tourism Accommodation Australia, 25 September 2013, p 2.

³⁴³ Evidence, Ms Valenzisi, 10 October 2013, p 29.

³⁴⁴ Evidence, Mr Sheldon, 10 October 2013, p 29.

³⁴⁵ Evidence, Ms Karen Cash, Economic Development Manager, Bombala Council, 8 November 2013, p 37.

³⁴⁶ Evidence, Ms Robyne Abernethy, Chief Executive Officer, Central Coast Tourism, 26 August 2013, p 51.

³⁴⁷ Evidence, Ms Abernethy, 26 August 2013, p 51.

- 4.68** Mr Cameron Arnold, Co-chair of North Coast Destination Network, stated that tourism offers a broad range of opportunities for people, and should be thought of as more than just retail and hospitality:

There are so many careers that can be built out of tourism or the visitor economy. A focus based on that from a training perspective would be really advantageous. I have used school trainees and brought them through the ranks. They can go on to have a good career within the visitor industry.³⁴⁸

- 4.69** Mr Arnold expressed the view that greater awareness at ‘school level’ of the various career opportunities available within the visitor economy would be ‘advantageous’ in building up the number of young people employed in the industry on a long term basis.³⁴⁹

- 4.70** Likewise, Ms Valenzisi stated that training within schools for industries in the visitor economy was important as young people are more likely to ‘take up that employment within their regional areas while they are still there and when they come back’.³⁵⁰ As such, greater education and training is required to ensure people are aware of the opportunities offered by any range of jobs in the service industry.

Committee comment

- 4.71** The Committee notes that there is a skills shortage in the tourism and hospitality industries, which has been exacerbated by issues with access to training and education in regional areas. We commend organisations such as TAFE NSW, Dubbo City Council and the Hospitality Training Network for providing and encouraging training opportunities in regional areas, and particularly commend Dubbo City Council for running training courses on various aspects of the visitor economy.

- 4.72** The Committee notes the vital importance of TAFE as the basis for hospitality industry skills development in regional New South Wales.

- 4.73** The Committee is concerned to see reports that TAFE in some regional centres is cutting hospitality programs.

Social and community benefits

- 4.74** Several inquiry participants expressed the view that tourism and visitation can also benefit local communities through both the social opportunities it provides and also through access to goods and services.

Community pride

- 4.75** Several inquiry participants expressed the view that tourism and visitation contributes to building community pride, through offering opportunities for communities to showcase

³⁴⁸ Evidence, Mr Arnold, 9 October 2013, p 49.

³⁴⁹ Evidence, Mr Arnold, Co-Chair, 9 October 2013, p 49.

³⁵⁰ Evidence, Ms Valenzisi, 10 October 2013, p 29.

various cultural, community and heritage attributes, as well as providing important opportunities for social exchange with visitors and within communities themselves.

- 4.76** The Australian Regional Tourism Network expressed the view that tourism fosters a ‘sense of community pride’, and that well-presented towns and well-maintained facilities benefit the local community and help visitors feel welcome.³⁵¹
- 4.77** Tumbarumba Shire Council highlighted the benefits of ‘social capital for small and isolated communities’ including providing opportunities for new connections with people from different ethnic backgrounds.³⁵² It pointed to the positive contribution of its itinerant worker community who ‘contrast with and add flavor to the culture of the local community’.³⁵³ Further, Tumbarumba Shire Council felt that tourism helps to reinforce and define community identity which ‘can encourage local communities to maintain their traditions and identity’.³⁵⁴
- 4.78** The Long Paddock expressed the view that when communities have the opportunity to contribute towards developing tourism assets or are involved in community events, they have a sense of ownership and pride which benefits the community and gives greater authenticity to the experiences of the visitor, which in turn benefits the visitor economy. The Long Paddock outlined the exhibition of ‘large scale public artworks’ and ‘The Long Paddock Sculptures’ which represent the history of the area, as examples of significant tourism assets ‘which are a source of pride for the local community’.³⁵⁵
- 4.79** Leeton Shire Council highlighted that visitation brings social benefits to a community by ‘drawing communities together to run events’, and allowing communities to ‘showcase what they have to offer’.³⁵⁶ It also pointed to the added benefit of heritage protection in ‘drawing communities together regarding historical and environmental assets and promoting them long term’.³⁵⁷
- 4.80** Other stakeholders also shared the view that tourism promotes the protection of cultural, historical and environmental assets. For example, the Australian Regional Tourism Network contended that tourism ‘can boost the preservation of cultural and historical traditions’ and can contribute to ‘the conservation and sustainable management of natural resources’.³⁵⁸

Increased provision of services

- 4.81** Several stakeholders identified that a tangible benefit of tourism is in improving the livability of a region by offering a range of goods, services and activities that may not ordinarily be available to a resident population without the demand from tourism.

³⁵¹ Submission 32, Australian Regional Tourism Network, p 2.

³⁵² Submission 52, Tumbarumba Shire Council, p 1.

³⁵³ Submission 52, Tumbarumba Shire Council, p 1.

³⁵⁴ Submission 52, Tumbarumba Shire Council, p 1.

³⁵⁵ Submission 59, The Long Paddock, p 4.

³⁵⁶ Submission 47, Leeton Shire Council, p 1.

³⁵⁷ Submission 47, Leeton Shire Council, p 1.

³⁵⁸ Submission 32, Australian Regional Tourism Network, p 7.

- 4.82** Mr Garry Styles, General Manager of Orange City Council and Economic Development Sponsoring General Manager of Central NSW Councils, commented that the growth of the visitor economy in Centroc member councils brings significant benefits to its communities through retail, food and events:

I do not think we should underestimate how important the tourism offering is in our communities in terms of bringing good stuff for our whole community to enjoy ... restaurants, wineries, cafes, retail offerings and then some great events. It is all the sort of thing that goes to make a very good lifestyle for people in our areas. It is like it has a knock-on effect. You do not see it directly, but the range of goodies it brings to our communities is very important to us for the lives our people live.³⁵⁹

- 4.83** Albury City Council agreed that tourism brings a diverse range of activities, products and services to local communities, stating that the ‘social benefits of tourism flow strong through all aspects of community life’.³⁶⁰

The diverse range of events on offer; the quality and variety of sports, recreation and leisure facilities available; the retail, dining, entertainment experiences options available; and the public and private capital investment that contributes to improving the city’s aesthetic appeal and liveability would not be achieved to the same level were it not for tourism.³⁶¹

- 4.84** Centroc highlighted that these factors are particularly beneficial for smaller communities who have reported that ‘as shops respond to the needs of tourists, so the level and breadth of service to community members improves’.³⁶²

- 4.85** Mr Rob Pollock, Chair of Regional Development Australia, Far South Coast, advised that tourism provides additional services to a community that the local population may not ordinarily enjoy, such as the size and scale of a shopping centre, availability of public transport and the degree of improvement to roads.³⁶³ This view was shared by Bega Valley Shire Council which outlined that through related services and projects, tourism ‘provides access for local communities to activities that would not be sustainable for the local population only’.³⁶⁴

- 4.86** Byron Shire Council highlighted that tourism provides opportunities in the way of events and performances to its locals that are directly attributed to the high number of visitors to the area. It commented that touring acts and performers often add Byron Bay to their touring program due to ‘reputation and knowing there is a reasonable sized audience’.³⁶⁵

³⁵⁹ Evidence, Mr Styles, 10 October 2013, pp 13-14.

³⁶⁰ Submission 11, Albury City, p 6.

³⁶¹ Submission 11, Albury City, pp 6-7.

³⁶² Submission 39, Central NSW Councils (Centroc), p 7.

³⁶³ Evidence, Mr Pollock, 13 September 2013, p 22.

³⁶⁴ Submission 28, Bega Valley Shire Council, p 5.

³⁶⁵ Submission 22, Byron Shire Council, p 5.

Committee comment

- 4.87** The Committee acknowledges the important contribution that tourism and visitation can make to the livability of a community by providing additional goods and services which the local resident population may not ordinarily be able to support.
- 4.88** Tourism and visitation can offer opportunities for communities to showcase historical, cultural and natural assets, which in turn engender community pride and facilitate positive social encounters both within a community and with visitors to the area. The Committee commends communities in New South Wales that have embraced the opportunities that visitation provides.

Adverse impacts of tourism

- 4.89** The majority of stakeholders to this Inquiry held positive views of tourism and of growing a strong visitor economy. However, some highlighted that in addition to the associated benefits of tourism, communities that attract large seasonal influxes of visitors can also experience adverse consequences that impact the local resident population.

Impact of peak populations

- 4.90** Significant differences exist between the experiences of coastal communities compared to inland communities with regard to tourism and visitation. Where inland communities generally struggle to attract visitors and are less likely to experience extreme population peaks (with the exception of communities that host large events), coastal communities generally attract a high number of visitors, especially during warmer months and holiday periods, who are drawn to their beaches.
- 4.91** The Australian Regional Tourism Network commented that overcrowding, as a result of peak visitor populations, can lead to feelings of intrusion on daily life and a loss of privacy. It also contended that ‘inappropriate tourism development’ can adversely impact locals including development that reduces the amenity of local communities or which infringes on public spaces and alienates communities from their local assets.³⁶⁶
- 4.92** Bega Valley Shire Council noted that vandalism increases in holiday periods, as do the cleaning requirements for public amenities.³⁶⁷
- 4.93** Byron Shire Council also stated that vandalism increases during holiday periods and outlined other impacts on local residents, including increased noise in residential areas and an impact on the local culture which becomes ‘lost in the large numbers of tourists’.³⁶⁸ Byron Shire Council also reported that the ‘cultural identity is becoming “sanitised” and generic’ as some of the unique creative retail outlets are being pushed out due to the high cost of rent in the Byron CBD.³⁶⁹

³⁶⁶ Submission 32, Australian Regional Tourism Network, p 8.

³⁶⁷ Submission 28, Bega Valley Shire Council, p 5.

³⁶⁸ Submission 22, Byron Shire Council, p 7.

³⁶⁹ Submission 22, Byron Shire Council, p 7.

Management strategies

- 4.94** Inland NSW Tourism highlighted the importance of good management in developing tourism and visitation that aligns with the values of the host community. It expressed the view that when managed properly, ‘visitation can contribute to the social wellbeing of a regional community including funding for shared amenity and creating harmony between residents and visitors’, which can ‘drive real value for the community’.³⁷⁰
- 4.95** Indeed, Byron Shire Council advised that it has created a new brand strategy for Byron Bay to reduce the emphasis of the ‘party-town’ image and to ‘create and maintain a positive image for the Shire that reflects unique and authentic visitor experiences’.³⁷¹ Byron Shire Council stated that it is ‘seeking to change the visitor mix to high yield, low-impact visitors who love and respect the Shire as much as the locals do’.³⁷²
- 4.96** Byron Shire Council also outlined a strategy to improve traffic congestion and parking issues during peak periods for the amenity of local residents and visitors. Clr Simon Richardson, Mayor of Byron Shire, advised that a ‘park and ride’ system would be trialled over the summer period:³⁷³

It will be very similar to the European model where people will park out of town and we will bus them in. For example, we have got a great double-decker psychedelically painted bus that begins the visitor experience before they even get into town. We have got a train track that we will be looking at. One of our businesses has already leased two carriages and we might be able to work with them to get people into town. Again, if we can get all the approvals, we find that will be a way that we can mitigate our parking.³⁷⁴

Peak worker populations

- 4.97** In the Snowy River Shire there is not only a peak influx of tourists to the area, there is also a peak working population. Every winter a high influx of itinerant workers travel to the area to work at the resorts and in the ski fields, the majority of whom find accommodation in Jindabyne for the duration of their stay. Representatives from the Snowy River Shire commented that the influx of workers ‘affects the local economy and the social fabric of our community’.³⁷⁵ Of particular concern to locals is the behaviour of workers on pay day when a large number expend their income on alcohol. Mr Vescio explained that there is a ‘payday party that occurs in Jindabyne on a Wednesday night that affects amenity for the long-term residents’.³⁷⁶

The issue with alcohol is that following most nights our street cleaners are picking up beer bottles and residents pick them up out of their front yards. There is a path of

³⁷⁰ Submission 15, Inland NSW Tourism, p 6.

³⁷¹ Submission 22, Byron Shire Council, p 9.

³⁷² Submission 22, Byron Shire Council, p 9.

³⁷³ Evidence, Clr Simon Richardson, Mayor, Byron Shire Council, 9 October 2013, p 12.

³⁷⁴ Evidence, Clr Richardson, 9 October 2013, p 12.

³⁷⁵ Evidence, Mr Joseph Vescio, General Manager, Snowy River Shire Council, 8 November 2013, p 11.

³⁷⁶ Evidence, Mr Vescio, 8 November 2013, p 11.

where they generally live and if you walk that path the next morning you just pick up beer bottles. There are regular residents who will ring in and tell me how “It was a bad night last night. Can you get your guys out before someone steps on broken glass?”³⁷⁷

- 4.98** Clr Colin Stewart-Beardsley, from Snowy River Shire Council, described the adverse impact of seasonal workers as ‘a cost to council and the community both in economic and social terms’.³⁷⁸
- 4.99** The Snowy River Shire Council nonetheless recognised the importance of seasonal workers to winter ski tourism in the Snowy Mountains, and as a strategy to help itinerant workers settle into their new surroundings, it has produced a ‘survival kit’ called ‘The Little Black Book’.³⁷⁹ The book has been in print since 2010. In addition to providing helpful information about the area, the book contains information about safe partying, including alcohol, warnings about drink spiking, drug use, drink driving, and personal safety.³⁸⁰

Higher cost of living

- 4.100** In some communities, particularly in coastal areas, stakeholders identified that the demand created by visitation can impact prices, driving up the cost of living for local residents.
- 4.101** Byron Shire Council stated that the popularity of the area has resulted in an increase in housing prices, making it less affordable for residents.³⁸¹
- 4.102** Similarly, Bega Valley Shire Council observed that tourism has forced up rental prices, ‘which impacts low socio economic families’.³⁸² It also highlighted that access to permanent rental properties is limited due to the number of rental properties that are ‘offered at very high rates over holiday periods’.³⁸³
- 4.103** Cessnock City Council advised that higher costs associated with the visitor economy are also a factor for its community and are creating a social divide in the community.³⁸⁴

Committee comment

- 4.104** The Committee believes that providing information to itinerant workers to help them settle into a community can be of mutual benefit to both individual workers and the wider community. Information such as the ‘Little Back Book’ provided by the Snowy River Shire Council is a good example. We recommend the NSW Government develop an information program for backpackers/itinerant workers similar to the Snowy River Shire Council’s ‘The Little Back Book’.

³⁷⁷ Evidence, Mr Vescio, 8 November 2013, p 22.

³⁷⁸ Evidence, Clr Colin Stewart-Beardsley, Snowy River Shire Council, 8 November 2013, p 22.

³⁷⁹ Evidence, Clr Stewart-Beardsley, 8 November 2013, p 21.

³⁸⁰ Answers to questions on notice, Mr Joseph Vescio, General Manager, Snowy River Shire Council, 2 December 2013, Attachment 1, *The Little Black Book*.

³⁸¹ Submission 22, Byron Shire Council, p 7.

³⁸² Submission 28, Bega Valley Shire Council, p 5.

³⁸³ Submission 28, Bega Valley Shire Council, p 5.

³⁸⁴ Submission 73, Cessnock City Council, p 6.

Recommendation 13

That the NSW Government develop an information program for backpackers/itinerant workers similar to the Snowy River Shire Council's 'The Little Black Book'.

Alcohol related violence

- 4.105** Alcohol related violence was identified by stakeholders from Byron Shire as an issue of great concern to the community, and one which they contend relates to visitation, particularly during times of high seasonal peaks in population.
- 4.106** Byron Shire Council advised that in a community survey conducted by police, respondents identified underage drinking, speeding, dangerous driving, vandalism, drunks, offensive behaviour and street fights as a major problem for the community.³⁸⁵
- 4.107** One local resident, Mr Duncan Dey advised the Committee that he no longer visits Byron Bay at night and no longer feels safe 'due to the danger of being attacked by hooligans drawn to the bay by its image as an easy-going drinking and drug mecca'.³⁸⁶
- 4.108** Last Drinks at 12 is a community group which was formed as a result of three public forums held in Byron Bay in 2013 to address the issue of increased violence in the town, especially at New Year's Eve. According to Dr Blake Eddington, member of Last Drinks at 12, 'alcohol related violence was the number one issue that people wanted addressed' at the forums. He contended that Byron Bay is 'confronting a real crisis' with alcohol related violence 'severely damaging our young people, our community and the lifestyle we love'.³⁸⁷ He explained:

Ugly drunken brawls have become a constant feature of weekend nights. People are seriously hurt, sexual assaults regularly occur and residents, some who've lived here all their lives, are afraid to go into town on weekend nights. Our health services are being stretched to their limits.³⁸⁸

- 4.109** Further, Last Drinks at 12 highlighted that these are not merely community perceptions, but that statistics on alcohol related violence and crime prove that this is indeed a real and troubling issue for the community:

Byron Bay is the sixth most violent place in NSW as far as alcohol related street violence is concerned. The number of assaults is three times the State average. The number of young women being sexually assaulted is double the average. People are having their lives ruined by actual and feared violence, injury and criminal convictions.³⁸⁹

³⁸⁵ Submission 22, Attachment 4, Byron Shire Council, p 18.

³⁸⁶ Submission 5, Mr Duncan Dey, p 1.

³⁸⁷ Submission 84, Last Drinks at 12, p 1.

³⁸⁸ Submission 84, Last Drinks at 12, p 1.

³⁸⁹ Submission 84, Last Drinks at 12, p 1.

- 4.110** The Police Association of NSW stated that ‘Byron Bay is the third most violent place in NSW, behind the Sydney CBD and Kings Cross’.³⁹⁰
- 4.111** The Police Association of NSW argued that alcohol related violence and crime do not only affect the people involved, but can have far reaching consequences for individuals, communities and for visitation to a region. Mr Scott Weber, President of the Police Association of NSW explained:
- ... we know, when someone is a victim of crime, that is something that stays with them for the rest of their life; something that permeates through not only their family but through their entire community and taints their decisions in regards to contributing to tourism in New South Wales. It taints their decisions in regards to coming here and actually adding to the economy.³⁹¹
- 4.112** The Police Association of NSW further contended that improving the quality of the night time experience through measures that are aimed at reducing alcohol related violence and crime will have a beneficial impact on the night time visitor economy of a town or region. Mr Peter Remfrey, Secretary of the Police Association of NSW, highlighted that alcohol plays a minimal role in the night time economy in comparison to food and entertainment, and that encouraging visitors who will contribute to the economy through means other than primarily through alcohol will benefit both the economy and the culture of the area:
- Three quarters of the night time economy ... is about those issues of food and entertainment. Less than a quarter is alcohol, so the modest changes that we are suggesting you ought to make are not going to negatively impact on tourism. In fact, I would argue that if you make the public domain safer at night, with less alcohol related violence, you would have a better situation with entertainment. You can afford to have open air concerts and whatever else you want to do, as well as better food; then you are going to encourage a different sort of tourist and one that is hopefully going to spend more money in our economy.³⁹²
- 4.113** The Police Association of NSW suggested that measures to reduce alcohol related violence be introduced, such as shorter trading hours, lockouts and restrictions on high-content drinks.³⁹³

Committee comment

- 4.114** The Committee acknowledges that while tourism and visitation generally benefits local communities, local residents of areas that experience extreme seasonal peaks in population can be adversely affected.
- 4.115** We note with concern the increased incidence of alcohol related violence in Byron Bay and its impact on the local community. This is part of a bigger issue that is being faced across the State, and we note that the NSW Legislative Council’s Standing Committee on Social Issues recently conducted an inquiry into strategies to reduce alcohol abuse among young people in New South Wales, in which it made a number of recommendations to the NSW Government aimed at reducing alcohol related violence.

³⁹⁰ Submission 80, Police Association of NSW, p 17.

³⁹¹ Evidence, Mr Scott Weber, President, Police Association of NSW, 26 August 2013, p 80.

³⁹² Evidence, Mr Peter Remfrey, Secretary, Police Association of NSW, 26 August 2013, p 92.

³⁹³ Submission 80, Police Association of NSW, p 33.

- 4.116** The Committee acknowledges that recent steps have been taken by the NSW Government to reduce alcohol related violence in the Sydney CBD and Kings Cross by introducing new laws that impose 1.30am lockouts and 3am last drinks for venues that serve alcohol in these areas.³⁹⁴
- 4.117** We note that during the debate on the Crimes and Other Legislation Amendment (Assault and Intoxication) Bill 2014 and the Liquor Amendment Bill 2014, the NSW Government identified that the provisions as defined for Sydney and Kings Cross could be available for other ‘hot spot’ communities.

Recommendation 14

That the NSW Government promote that other communities experiencing alcohol related violence and anti-social behaviour are able to request the provisions provided by the *Crimes and Other Legislation Amendment (Assault and Intoxication) Act 2014* and the *Liquor Amendment Act 2014* to curb these impacts.

³⁹⁴ Sean Nicholls, ‘Alcohol: Barry O’Farrell announces Sydney lockouts from February 24’, *Sydney Morning Herald*, 6 February 2014, <<http://www.smh.com.au/nsw/alcohol-barry-ofarrell-announces-sydney-lockouts-from-february-24-20140205-320dm.html>>.

Chapter 5 Unregulated holiday letting and recreational vehicles

This chapter examines the impact of unregulated short term holiday letting on communities, including issues caused by anti-social behaviour of temporary occupants, tensions felt by regulated accommodation providers toward unregulated providers, and concerns about reduced numbers of permanent residents in communities. The chapter then discusses recreational vehicles, particularly in regard to the regulation of this fast-growing market.

Holiday letting

- 5.1** A significant issue raised throughout the inquiry is the practice of short term holiday letting, where people temporarily rent out their private dwelling as a holiday house for short terms (less than 90 days³⁹⁵), or continuously rent out investment properties for short term stays.
- 5.2** Inquiry participants noted that holiday letting has become increasingly easier through the advent of internet sites such as stayz.com and airbnb.com, as well as through improved roads which have extended the range of weekend getaway locations.³⁹⁶
- 5.3** The practice of holiday letting was seen as an accepted practice by some inquiry participants but not others. For example, Central Coast Tourism asserted that holiday letting is necessary in their region as there is not enough commercial accommodation to cater for visitors, especially during peak periods.³⁹⁷ This was reiterated by Gosford City Council which suggested that not only do many people rely on the practice of holiday letting, but it is ingrained in the culture of many coastal communities:

Short term holiday letting of dwellings has, for a number of generations, been a source of vacation accommodation for many Australian families. The activity provides a source of income for owners as well as providing economic support through tourism for many towns and villages.

Use of apartments and dwelling houses for this activity has generally been seen by local communities as a land use that, due to its historic status, is part of the living environment of seaside locations such as Gosford.³⁹⁸

- 5.4** The Committee heard that councils along the south coast, such as Shoalhaven, support the practice of holiday letting in their communities.³⁹⁹

³⁹⁵ Submission 53, Holiday Rental Solutions Pty Ltd, p 41.

³⁹⁶ Evidence, Mr Luke Aitken, Senior Manager, Policy and Advocacy, NSW Business Chamber, 9 August 2013, pp 14-15; Evidence, Mr Eddie Love, Interim Director, Environment and Planning, Gosford City Council, 26 August 2013, p 42; Submission 51, YHA Ltd, p 4.

³⁹⁷ Submission 40, Central Coast Tourism, p 2; Evidence, Ms Robyne Abernethy, Chief Executive Officer, Central Coast Tourism, 26 August 2013, p 40.

³⁹⁸ Submission 54, Gosford City Council, p 2.

³⁹⁹ Evidence, Mr Neil McGaffin, Executive Director, Rural and Regional Planning, Department of Planning and Infrastructure, 13 September 2013, p 60.

- 5.5** Other inquiry participants were opposed to short term holiday letting for a range of reasons – the primary reason being anti-social behaviour of the temporary occupiers. The Committee heard that a number of holiday homes are regularly rented to groups who use the properties as venues for parties or functions, such as hens and bucks weekends, resulting in issues which include noise disturbances and drunken behaviour.⁴⁰⁰
- 5.6** For example, the Committee heard from Mr John and Mrs Rosemary Dobrohotoff regarding issues they had experienced with a short-term holiday rental property next door to their house. The Dobrohotoffs told the Committee how their family had been significantly affected by the noise and behaviour of temporary occupiers of the house that often held late night or weekend long parties.⁴⁰¹
- 5.7** The Dobrohotoffs eventually took their neighbours to court on the basis that the property was not being used for the purposes of a “dwelling house” (as required by the Gosford City Council’s planning provisions for the residential zone) because of the transient nature of the guests.⁴⁰²
- 5.8** The court agreed and ruled that short term holiday letting was prohibited in the residential 2(a) zone of the Gosford Planning Scheme Ordinance. Pepper J stated:
- [I]t could not be fairly said, looking at its use as a whole as short term holiday accommodation, that ... the property was being occupied in the same way that a family or other household group in the ordinary way of life would occupy it. A tenancy granted to persons who are residing in a group situation for periods of a week or less for the purpose of bucks and hens nights, parties or for the use of escorts or strippers, is, in my opinion, not consistent with a use or occupation by a family or household group in the ordinary way of life, and therefore, not consistent with the use of the property as that of a “dwelling-house”.⁴⁰³
- 5.9** The court’s decision will also apply in other local government areas if their local environment plans are similar.⁴⁰⁴ The Committee was informed that Gosford City Council is now seeking to amend its local environment plan to enable the continued use of short term holiday letting.⁴⁰⁵
- 5.10** Similar problems to those experienced by the Dobrohotoffs in regard to anti-social behaviour have been faced in other areas. For instance, Victims of Holiday Letting, Byron Bay stated:

Our members have had their lives continually disrupted, often over many years. The impacts include: noise at any or all hours, drunkenness of guests, sleep deprivation, litter and garbage, large numbers of motor vehicles spilling on to neighbouring areas, arrivals and departures at unsocial hours, verbal abuse, physical abuse, intimidation from occupants and some owners.⁴⁰⁶

⁴⁰⁰ Submission 54, Gosford City Council, p 2; Evidence, Mr Eddie Love, Interim Director, Environment and Planning, Gosford City Council, 26 August 2013, p 41.

⁴⁰¹ Submission 82, Mr John and Mrs Rosemary Dobrohotoff, p 1.

⁴⁰² Submission 60, NSW Business Chamber, p 3.

⁴⁰³ Submission 60, NSW Business Chamber, p 4.

⁴⁰⁴ Anthony Whealy, Jodie Wauchope and Danielle Slimnicanovski, ‘Many holiday-house lettings unlawful’ (2013) Vol 51 No. 7 Law Society Journal, p 54.

⁴⁰⁵ Submission 54, Gosford City Council, p 3.

⁴⁰⁶ Submission 49, Victims of Holiday Letting, p 1.

- 5.11** Mr Donald Maughan, Vice President of Suffolk Park Progress Association, told the Committee that there was little residents could do to stop these problems. Giving an example from Suffolk Park in the Byron Shire, he said:

The police action in Byron Bay on Friday and Saturday nights is central business district. They cannot and do not have the resources to come out to Suffolk Park or any of the other little outlying streets. They concentrate all their effort in there. As a result, those who are suffering have got no regress at all. You cannot get anyone to ring and say, "Listen, it is three o'clock in the morning. Can you do something about these people?" because they do not answer phones. It is very difficult to find out who owns what accommodation. Sometimes you can get it through the real estate, but they will not give you another name beyond that point, and you cannot get them until Monday morning, so when the action is happening, there is no activity. It is very intimidating.⁴⁰⁷

- 5.12** Another issue raised during the Inquiry is the tension felt by legitimate accommodation operators toward people operating the holiday lets. The Committee heard that legitimate business operators resent competing with these unapproved, unregulated tourism operations in residential zones, which generally⁴⁰⁸ do not contribute toward rates.⁴⁰⁹

- 5.13** General Manager of the Snowy River Shire Council, Mr Joseph Vescio, pointed out that ordinary ratepayers are in effect subsidising holiday letting, which is a non-residential activity, and suggested that holiday lettings should be classified as business rather than residential in line with hotels and motels.⁴¹⁰

- 5.14** Concerns were also raised that holiday letting has reduced the number of permanent residents in some communities, which has had a negative impact on those communities. One example was given of a beachfront street in Byron Bay which is more than 75 per cent owned by investors from outside the area.⁴¹¹ The Committee heard that some members of that community 'feel isolated by not having the normal social interaction with permanent residents', and that this has had a 'grinding down effect' on residents.⁴¹² Clr Simon Richardson, Mayor of Byron Shire, speculated:

... in 10 years' time we could get to a situation where no-one actually lives in Byron – that would mean that no-one is volunteering, no-one has their kids joining surf lifesaving clubs and no-one has enrolled their kids in our schools.⁴¹³

⁴⁰⁷ Evidence, Mr Donald Maughan, Vice President, Suffolk Park Progress Association, 9 October 2013, pp 24-25.

⁴⁰⁸ The Committee heard an exception to this with Gosford City Council, which has a Tourism/Business Special Development Rate which is payable by all business properties in the Terrigal area, including short term rental properties that are rented for less than three months (Answers to questions on notice, Gosford City Council, 25 September 2013, p 6).

⁴⁰⁹ Submission 22, Byron Shire Council, pp 8-9; Submission 49, Victims of Holiday Letting, p 2; Evidence, Ms Robyne Abernethy, Chief Executive Officer, Central Coast Tourism, 26 August 2013, p 40.

⁴¹⁰ Tabled document, Mr Joseph Vescio, General Manager, Snowy River Shire Council, *Opening statement*, 8 November 2013, p 3.

⁴¹¹ Evidence, Mr Maughan, 9 October 2013, p 24.

⁴¹² Submission 49, Victims of Holiday Letting, p 1.

⁴¹³ Evidence, Clr Simon Richardson, Mayor, Byron Shire Council, 9 October 2013, p 10.

- 5.15** Mr Sheldon, Chair of the Australian Regional Tourism Network, raised concerns regarding unregulated tourism. He emphasised the importance regarding ‘waiting for another hostel fire to happen like those that occurred in Childers and Gin Gin’ and stated that ‘something has to be done about this, because it is going to create a ripple effect through the industry.’⁴¹⁴ He also noted the importance of word-of-mouth and that if a person goes and stays in unregulated or non-compliant accommodation and has a bad experience then they do not go back to that region. Mr Sheldon also raised the issue of the ‘lack of insurance of these non-compliant accommodation providers.’⁴¹⁵

Precinct model

- 5.16** One option for addressing issues with short term letting, being canvassed in the Byron Shire, is to create holiday letting precincts. Under this proposal, areas which already have a significant amount of holiday letting would be turned into holiday letting precincts, leaving the remaining suburban areas for residents only.
- 5.17** Clr Richardson suggested that a precinct model would provide ‘clarity, surety and fairness for everybody’.⁴¹⁶ He advised that only areas with over a certain percentage of holiday lets would be turned into precincts:

The holiday letting precinct would obviously be in some of the more touristy areas – for example, places like Wategos Beach. I think there are only 15 people who actually live at Wategos Beach...⁴¹⁷

- 5.18** Clr Richardson submitted that this would simply acknowledge what the situation already is and provide certainty in permanent residential areas so that ‘people there can have an expectation that they will get to know their neighbours.’⁴¹⁸ He then went on to outline how precincts could address many of the issues that arise from current holiday letting practices:

Within those precinct areas, we can then work on some of the behaviour management aspects – for example, how many people we want in these houses, the paying of commercial rates and how they ensure the fire safety measures are of an appropriate level et cetera.⁴¹⁹

- 5.19** Clr Richardson acknowledged that a precinct model was a compromise which would not be supported by everyone in the community.⁴²⁰ This point was illustrated by Mr Maughan from Suffolk Park Progress Association, who declared: ‘[I]f you are in that precinct, it is a death sentence to their community.’⁴²¹ However, to help overcome this issue, Clr Richardson suggested that people could be given a reasonable opportunity to move before precincts were created:

⁴¹⁴ Evidence, Mr David Sheldon, Chair, Australian Regional Tourism Network, 10 October 2013, p 32.

⁴¹⁵ Evidence, Mr Sheldon, 10 October 2013, p 32.

⁴¹⁶ Evidence, Clr Richardson, 9 October 2013, p 10.

⁴¹⁷ Evidence, Clr Richardson, 9 October 2013, p 10.

⁴¹⁸ Evidence, Clr Richardson, 9 October 2013, p 10.

⁴¹⁹ Evidence, Clr Richardson, 9 October 2013, p 10.

⁴²⁰ Evidence, Clr Richardson, 9 October 2013, p 10.

⁴²¹ Evidence, Mr Maughan, 9 October 2013, pp 24-25.

We could have a couple of years of leeway so that those who want to invest in holiday letting could move into that designated area and those who want to live in an area where they are not surrounded by people they do not know can also move.⁴²²

- 5.20** The Committee was informed that Byron Shire Council proposed the precinct model to the State government five years ago but is yet to receive a response.⁴²³

Development approval

- 5.21** Another suggestion for addressing issues with holiday letting is to require development approval. This was raised for example by YHA Ltd., which asserted: ‘There is a need for development approval to be a requirement to operate a holiday let with the maximum number of lodgers to be specified.’⁴²⁴ The Association suggested that some properties could be made exempt if they ‘are only let for say less than eight weeks per year’, however properties that are let year round should require development approval.⁴²⁵

- 5.22** As noted in paragraph 5.9, Gosford City Council is currently working on amending its local environment plan to enable the continued use of short term holiday letting. Under the draft plan, residential properties with five or six bedrooms would require development consent to be utilised for short term letting. Residential properties with four bedrooms or less would be exempt development and anything over six bedrooms would not be permitted.⁴²⁶ Mr Love advised that the council is also seeking to amend the plan’s short term rental provisions to enable the council to intervene if there are noise or behavioural issues with otherwise exempt properties:

The local environmental plan provisions also have some developmental control provisions which even a development that has four bedrooms or less, if there are some triggers within the development control plan that says that if there are three complaints from the previous 12 months, then the exempt development provisions no longer apply. So a development application needs to be considered by council.⁴²⁷

- 5.23** The approach of Gosford City Council to their draft local environment plan was supported by Central Coast Tourism and Mr Rosen from Holiday Letting Organisation (HLO) Byron.⁴²⁸ In particular, Mr Rosen supported the notion of properties with four bedrooms or less being exempt development, rather than requiring development approval for all holiday lets:

That is the sort of thing, having exempt development with a ceiling, that HLO very much would support. One of the main reasons why it is extremely difficult to have development approval for all holiday lets – this is not like any other normal development approval category because there is a remarkable movement and always has been in which particular properties at which point in time are holiday let. There is

⁴²² Evidence, Clr Richardson, 9 October 2013, p 10.

⁴²³ Evidence, Clr Richardson, 9 October 2013, p 10.

⁴²⁴ Submission 51, YHA Ltd, p 4.

⁴²⁵ Submission 51, YHA Ltd, p 4.

⁴²⁶ Evidence, Mr Love, Gosford City Council, 26 August 2013, p 41.

⁴²⁷ Evidence, Mr Love, Gosford City Council, 26 August 2013, p 41.

⁴²⁸ Evidence, Ms Abernethy, 26 August 2013, p 40; Evidence, Mr Robert Rosen, Vice President, HLO Byron Inc., 9 October 2013, p 18.

a constant mix between them being owner occupied residences, permanent residential and holiday let, and over years these are constantly changing. That creates an incredible disincentive and difficulty in equity to have conventional development consent conditions with all the fees and charges and regulations normally levied.⁴²⁹

- 5.24** Mr Vescio from the Snowy River Shire Council informed the Committee that under his region's local environment plan, holiday lets in the Snowy River Shire do require development approval. As part of the approval process the council puts conditions on the number of beds permitted at each property, and an environmental compliance officer inspects the properties to monitor compliance.⁴³⁰

Self-regulation

- 5.25** The Committee heard that the holiday rental industry has attempted to address issues faced by short term letting through self-regulation. However some stakeholders argued that such self-regulation has been ineffective. For example, in regard to Byron Bay, Mr Doug Luke, Coordinator of Victims of Holiday Letting observed:

The Holiday Letting Organisation supposedly self regulates. It has a hotline that is answered by the president of the organisation, but no-one uses it because nothing happens. You get through to Mr Gudgeon, but you have already been woken up and disturbed. He will send a security man, but he may not turn up. The security people do not get out of their car because they feel intimidated. There may be a group of 30 young men in a house and they do not say anything because they feel threatened. Effectively there is no regulation.⁴³¹

- 5.26** On 31 May 2012 the short term holiday rental industry commenced a self-regulation trial involving a Holiday Rental Code of Conduct. The two year trial, voluntarily established by industry stakeholders,⁴³² was developed in conjunction with the NSW Department of Planning and Infrastructure, Destination NSW and Local Government and Shires Associations.⁴³³

- 5.27** The objectives of the Code of Conduct are:

- a) To establish acceptable standards of behaviour for Holiday Rental Guests and Visitors to minimise any adverse social or environmental impacts;
- b) To assist Owners and Managers of Holiday Rental accommodation to meet the needs of all stakeholders including Guests, neighbours, local communities, local councils and government authorities; and

⁴²⁹ Evidence, Mr Rosen, 9 October 2013, p 18.

⁴³⁰ Evidence, Mr Joseph Vescio, General Manager, Snowy River Shire Council, 8 November 2013, pp 15-16.

⁴³¹ Evidence, Mr Doug Luke, Coordinator, Victims of Holiday Letting, Byron Bay, 9 October 2013, p 24.

⁴³² The Holiday Rental Code of Conduct industry group comprises the Real Estate Institute of NSW; HLO Byron; Stayz Pty Ltd and rentahome.com.au.

⁴³³ Destination NSW, *Holiday rental industry unites to launch Code of Conduct* (28 March 2012), <<http://www.destinationnsw.com.au/news-and-media/latest-news/holiday-rental-industry-unites-to-launch-code-of-conduct>>.

c) To inform the community of the standards of conduct expected from Holiday Rental Owners, Managers, Guests and Visitors so as to effectively minimise amenity impacts.⁴³⁴

- 5.28** One inquiry participant, Holiday Rental Solutions Pty Ltd., expressed support for industry self-regulation, however, suggested that ‘fundamental changes’ need to be made to the Code of Conduct’s governance structure in order to effectively address ‘stakeholder challenges’.⁴³⁵
- 5.29** According to Holiday Rental Solutions, the ‘most pressing self regulation challenge’ has been the ‘inability of the industry to institutionalise the Code of Conduct’.⁴³⁶ It attributed this to a number of reasons including an ‘ineffective implementation system’ and a ‘[l]ack of governance and administration accountability, transparency and credibility’.⁴³⁷
- 5.30** Holiday Rental Solutions made a number of recommendations to address these issues, including a recommendation to adopt a co-regulatory approach to self-regulation using a combination of Government and industry regulation with third party oversight.⁴³⁸
- 5.31** Gosford City Council was also critical of the Code of Conduct, contending that it ‘does not provide any policy support for the continued operation of this important economic activity in coastal areas like Gosford’.⁴³⁹

Statewide policy

- 5.32** Some stakeholders suggested that the NSW Government should issue a statewide policy or regulation on short term letting. Mr Luke Aitken, Senior Manager, Policy and Advocacy, NSW Business Chamber said:

I think there should be some flexibility there for the local councils but a bit of a stronger hand in terms of guidance on where this [holiday letting] might be appropriate or where it might not be.⁴⁴⁰

- 5.33** Byron Shire Council submitted that the State Government should develop a planning and approval process to regulate holiday letting, stating: ‘Both Council and the Industry agree that there is a need for the current situation to be addressed by the State Government, so to provide planning certainty to Operators and a framework for Councils to be able to regulate the activity’.⁴⁴¹

⁴³⁴ REINSW, *Holiday rental code of conduct*, <<http://www.reinsw.com.au/default.aspx?ArticleID=10373>>.

⁴³⁵ Submission 53, Holiday Rental Solutions Pty Ltd, p 26.

⁴³⁶ Submission 53, Holiday Rental Solutions Pty Ltd, p 9.

⁴³⁷ Submission 53, Holiday Rental Solutions Pty Ltd, p 9.

⁴³⁸ Submission 53, Holiday Rental Solutions Pty Ltd, p 23.

⁴³⁹ Submission 54, Gosford City Council, pp 2-3.

⁴⁴⁰ Evidence, Mr Aitken, 9 August 2013, pp 14-15.

⁴⁴¹ Submission 22, Byron Shire Council, p 9.

- 5.34** The need for a consistent, statewide approach to holiday letting was also raised by Mr Rosen from HLO Byron Inc., who said:

We have been asking the State Government for some years to create that level of certainty about holiday letting – basically, one principle across the State. It is not possible to have one rule for holiday letting in residential areas and a different rule in another area, because that would have major ramifications for the holiday-letting industry across the State. There are variations in systems. We are talking about a billion-dollar industry.⁴⁴²

- 5.35** Gosford City Council told the Committee that in response to different councils taking different approaches to holiday letting, it approached the State Government in 2009 to request a government policy direction to ‘provide the opportunity for a consistent Local Government approach in dealing with the issues associated with permitting short term holiday letting.’⁴⁴³

- 5.36** According to Gosford City Council, it was informed by the then NSW Department of Planning that a statewide policy in relation to short term holiday letting of residential dwellings was being prepared. However, this policy was not created.⁴⁴⁴ Instead (as mentioned above), in 2012 industry stakeholders developed a voluntary Holiday Rental Code of Conduct, which the NSW Government supported.

- 5.37** Gosford City Council advised that it recently wrote to the NSW Minister for Planning and Infrastructure to again request an official statewide policy approach to holiday letting, and was still awaiting a response.⁴⁴⁵

Concerns about regulating holiday letting

- 5.38** While numerous stakeholders supported better regulation of short term holiday letting, some inquiry participants cautioned against encroaching too far onto people’s private property rights.

- 5.39** The NSW Business Chamber, referring in particular to the recent Dobrohotoff case (see page 2), commented:

While the Chamber appreciates that there are broader community concerns about the impact that unregulated holiday letting can have on a particular area, recent decisions by the Land and Environment Court encroach unfairly on landowners fundamental rights to utilise and gain value from their land ... This issue should be examined in more detail as holiday letting plays a key role in many regional economies and needs to be managed appropriately to ensure a balance is struck between community amenity and private property rights.⁴⁴⁶

⁴⁴² Evidence, Mr Rosen, 9 October 2013, p 9.

⁴⁴³ Submission 54, Gosford City Council, p 2.

⁴⁴⁴ Submission 54, Gosford City Council, p 2.

⁴⁴⁵ Submission 54, Gosford City Council, p 3.

⁴⁴⁶ Submission 60, NSW Business Chamber, pp 2-3.

5.40 Mr Luke Aitken, Senior Manager of Policy and Advocacy at the NSW Business Chamber added: '[W]e have to be careful of limiting someone's ability to deal with their private property as they wish.'⁴⁴⁷

5.41 Mr Rob Pollock, Chairman of Regional Development Australia, Far South Coast and member of the South Coast Regional Tourism Organisation, asserted that holiday letting is part of the Australian culture, and that while there are 'clearly situations of abuse',⁴⁴⁸ the majority of people act responsibly and should not be punished:

... to colloquially slam the bags on the whole show for the sake of one or two or a very small percentage of people who do not take community responsibility or due care for the amenity of their neighbours I think would be a huge mistake.⁴⁴⁹

5.42 Mr Pollock also felt that the regulation of holiday letting is too difficult to enforce and suggested it would be a waste of resources to try:

I can tell you that we have enough trouble keeping dogs off the streets with rangers and things, let alone running around knocking on doors saying, "Are you renting? You are making too much noise." There are other means of controlling it and I think it would be a huge mistake to attempt it.⁴⁵⁰

Committee comment

5.43 The Committee acknowledges that many communities rely on the practice of short term holiday letting to meet accommodation demands, provide a source of income for owners and provide economic support to towns. Indeed in many areas holiday rental is a vital part of the local economy and any restriction on holiday rental would seriously impact local business.

5.44 However, the Committee is cognizant of the fact that holiday letting in some areas has led to issues and disturbances caused by anti-social behavior, resulting in significant distress for many residents. We also note the concerns raised by some inquiry participants regarding the impact on communities from a lack of permanent residents and the unfair competition concerns raised by businesses.

5.45 Various suggestions have been made which aim to address these issues, such as establishing holiday letting precincts, requiring development approval, development of a statewide government policy or industry self-regulation.

5.46 The Committee notes the two-year industry self-regulation trial involving a Holiday Rental Code of Conduct, which has been supported by the NSW Government. We look forward to the outcomes of that trial, which we understand will end in May this year, and recommend that the NSW Government publish the results of that trial.

⁴⁴⁷ Evidence, Mr Aitken, 9 August 2013, pp 14-15.

⁴⁴⁸ Evidence, Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast, 13 September 2013, p 22.

⁴⁴⁹ Evidence, Mr Pollock, 13 September 2013, p 22.

⁴⁵⁰ Evidence, Mr Pollock, 13 September 2013, p 22.

Recommendation 15

That the NSW Government publish the results of the trial of the Holiday Rental Code of Conduct.

Recreational vehicles

- 5.47** Unregulated camping has emerged as a significant issue in recent years as a result of the growth of the recreational vehicle (RV) tourism market. The Committee received evidence from consumer groups representing RV and caravan owners, and also from the Caravan and Camping Industry Association (hereafter referred to as ‘the Industry Association’) representing caravan and holiday parks. Representatives from consumer groups emphasised freedom of choice in camping and advocated for clear regulation and policy directives to provide clarity and certainty for travellers and for local governments wanting to attract and accommodate this market. Conversely, the Industry Association argued that providing unregulated, free or heavily subsidised camping areas outside of existing caravan parks posed a threat to the industry, existing businesses and potentially to local communities.
- 5.48** The Campervan and Motorhome Club of Australia and Australian Caravan Club, representing RV and caravan owners, outlined that the majority of their members are over 55 years of age and are usually retired,⁴⁵¹ and that most members are looking for a ‘social, cultural and environmental adventure that is unique to regional Australia’.⁴⁵² Representatives advised that the RV market is seeking a greater ‘freedom of choice’ to stop and camp in natural areas or in towns through the provision of basic facilities.
- 5.49** On the other hand, the Industry Association argued that freedom of choice is a ‘guise’ for a large group of consumers who want ‘something for free’ and who do not want the laws to apply to them.⁴⁵³ Representatives from the Industry Association emphasised that the problem is not with compliant, free sites that are legal, but rather the issue lies with non-compliant sites that do not have any formal approval:

We want to clearly make the point that compliant and free sites exist in locations across the State and we have no problem with those. Our issue is where areas of land are being used or promoted as campsites but without any formal approvals for that type of use. In many instances these free services to visitors appear to be sanctioned by council through their lack of enforcement of the land use requirements.⁴⁵⁴

⁴⁵¹ Submission 8, Australian Caravan and Camping Club Ltd, p 1 and Correspondence from Mr Rudi Fuhrmann, Chief Executive Officer, Campervan & Motorhome Club of Australia Ltd, to Director, 6 September 2013, Opening Statement to the Committee, p 1.

⁴⁵² Submission 8, Australian Caravan and Camping Club Ltd, p 1 and Submission 43, Campervan & Motorhome Club of Australia Ltd, p 2.

⁴⁵³ Evidence, Mr Theo Whitmont, President, Caravan & Camping Industry Association, 26 August 2013, p 17.

⁴⁵⁴ Evidence, Mr Whitmont, 26 August 2013, p 17.

Regulations affecting caravan parks

- 5.50** Commercial caravan parks are required to comply with strict regulations affecting health and safety and environmental protection. Compliance with these regulations comes at a cost to the operator, which is recovered through fees paid by the consumer.
- 5.51** The concern of the Industry Association is that local governments who offer non-compliant sites, with no health and safety or environmental provisions, and which are offered free at or non-commercial rates, have created an unequal situation where caravan parks (which must provide a mandated level of service, safety and amenity) are operating in direct competition with sites which do not comply with the same regulations or indeed with existing land use requirements. Mr Theo Whitmont, President of the Caravan and Camping Industry Association, highlighted the inequality of this situation and the disadvantage to commercial operators:
- We have got councils going around and saying to park operators you must provide this level of service; you have to provide it. We do not get a choice. We cannot pull out our fire extinguishers and our fire hose reels, and nor would we seek to. Yet four kilometres closer to the town centre there is a showground and they are saying come on in. Not only come on in, come on in for free or at a heavily subsidised rate.⁴⁵⁵
- 5.52** Mr Whitmont contended that ‘it is not simply possible for a compliant business to compete when services are being provided free of charge or at a rate that is not commercial.’⁴⁵⁶ He stated that the industry does not ‘wish for special protection’, but are seeking ‘an equal playing field to ensure the long term viability of this important piece of tourism infrastructure in New South Wales.’⁴⁵⁷
- 5.53** Both the Campervan and Motorhome Club of Australia and the Australian Caravan Club stated that travellers in self-contained RVs do utilise caravan parks, often staying in a caravan park one night in every three.⁴⁵⁸ However, they highlighted that the full suite of facilities and services offered by caravan parks is not always required by RV travellers whose vehicles are fully self-contained, and stated that RV travellers object to having to pay for services they do not require.⁴⁵⁹
- 5.54** Mr Whitmont from the Industry Association advised that some caravan parks that have a ‘simplified site system’ and highlighted that the Campervan & Motorhome Club of Australia and many park operators are in negotiations to provide more of these sites for RV travellers within caravan parks. However, he reiterated the point that even a simplified site must comply with health and safety provisions when supplied inside a caravan park. He contended that the ‘difficulty is where the council is already providing it and not requiring of themselves the same standard of health and safety environment protection.’⁴⁶⁰

⁴⁵⁵ Evidence, Mr Whitmont, 26 August 2013, p 18.

⁴⁵⁶ Evidence, Mr Whitmont, 26 August 2013, p 17.

⁴⁵⁷ Evidence, Mr Whitmont, 26 August 2013, p 17.

⁴⁵⁸ Submission 8, Australian Caravan Club Limited, p 3 and Evidence, Mr Vincent Moran, Chairman of Directors, Campervan & Motorhome Club of Australia, , 26 August 2013, p 10.

⁴⁵⁹ Submission 43, Campervan & Motorhome Club of Australia, p 3 and Submission 8, Australian Caravan Club Limited, p 4.

⁴⁶⁰ Evidence, Mr Whitmont, 26 August 2013, p 18.

Regulations for RV travellers

- 5.55** Consumer representatives identified the need for clearer regulations or policy directives to recognise the unique needs of RV travellers. Mr Kipping contended that ‘a vacuum in policies and legislative frameworks’ is the ‘most pressing concern’ for RV travellers.⁴⁶¹ He explained that the activities of RV travellers ‘do not appear to easily fit into established policies and frameworks for recreational vehicles’.⁴⁶²

Camping on public land

- 5.56** The Campervan and Motorhome Club of Australia outlined sections of legislation that affect, but do not clarify, camping or staying overnight in RVs on public land:

The *Local Government Act 1993* has provisions relating to the *installation* of campervans and the operation of caravan parks and camping grounds. However, as self-contained RVs are not *installed*, and the definitions of caravan parks and camping grounds also rely on the concept of installation, they fall outside of these provisions.

Similarly, the *Crown Lands Act 1989* prohibits *residing* on public land, and the erection and use of *structures* on public land under certain circumstances. However, short term use of RVs does not amount to *residing*, and RVs fall outside of the definition of *structure*. There is no positive statement that the transient use of the public land is permissible.

Finally, the *National Parks and Wildlife Act 1974* permits the Minister to remove a *structure* erected, placed or maintained on prescribed land without authority, but does not address vehicles which are not structures.⁴⁶³

- 5.57** The Campervan and Motorhome Club of Australia highlighted that although these regulations do not necessarily prohibit RV activities, they do not expressly permit them, which is confusing for travellers and makes it difficult for them to negotiate with local authorities, as well as making it difficult for local government to develop parameters around RV camping. Mr Rudi Fuhrmann, Chief Executive Officer of the Campervan and Motorhome Club of Australia, explained:

In the absence of any positive entitlement to park on public roads, park on public land, negotiate with local councils for the use of showgrounds and similar facilities ... or low cost parks, CMCA [Campervan and Motorhome Club of Australia] and its Members have difficulty responding to local authorities or police who object to these activities. Similarly, the lack of policies and legislative frameworks may leave local councils unsure of their parameters in dealing with the CMCA.⁴⁶⁴

⁴⁶¹ Evidence, Mr Ken Kipping AM, Director, Campervan & Motorhome Club of Australia, 26 August 2013, p 2.

⁴⁶² Evidence, Mr Kipping AM, 26 August 2013, p 2.

⁴⁶³ Correspondence from Mr Fuhrmann, 6 September 2013, Opening Statement to the Committee, p 1.

⁴⁶⁴ Correspondence from Mr Fuhrmann, 6 September 2013, Opening Statement to the Committee, p 1.

- 5.58** The Campervan and Motorhome Club of Australia stated that it would welcome a task force to investigate and develop a clear regulatory framework for RV travellers.⁴⁶⁵
- 5.59** The Australian Caravan Club also expressed the view that a clear regulatory framework would benefit consumers and regional communities. Mr Tom Smith, Chairman of the Australian Caravan Club, stated that providing regulations and laws and minimising restrictions on business will allow communities that want to attract RV travellers to develop basic facilities to enable them to capture this market.⁴⁶⁶

Rest stops

- 5.60** The Australian Caravan Club expressed the view that overnight use of road side rest stops by RV travellers requires clarification. It contended that RV travellers should be permitted to use these stops overnight to manage fatigue, stating that it sees ‘no difference in someone “resting” overnight in a motor vehicle, heavy motor vehicle (an OH&S requirement) or an RV’.⁴⁶⁷ The Club advised that it has developed a resting policy to guide members who may need to use roadside rest stops. It includes an 18 hour limit on the use of rest stops in order to distinguish between camping and resting.⁴⁶⁸
- 5.61** In evidence, Mr Graeme Tree, Policy Manager of the Australian Caravan Club stated that roadside rest stops are usually only used overnight when travelling between destinations, when it is more convenient to pull over at a safe rest stop than it is to use a caravan park.⁴⁶⁹

Facilities outside of caravan parks

- 5.62** As mentioned earlier, RVs are predominantly self-contained, reducing the need for owners to access the full suite of facilities provided by caravan parks. Accordingly, RV travellers are calling upon local governments to provide cheaper or free alternatives through the provision of primitive campsites at locations such as showgrounds, racecourses and reserves.⁴⁷⁰ The Australian Caravan Club stated that basic facilities at primitive campsites would include access to water, power and a dump point.⁴⁷¹
- 5.63** The Campervan and Motorhome Club suggested that RV travellers would be prepared to pay a small fee of between \$5 to \$10 per night to stay in rest areas that provided basic facilities such as access to water, rubbish bins and a toilet.⁴⁷²
- 5.64** The Campervan and Motorhome Club have also developed the ‘RV Friendly Town Scheme’, which is aimed at assisting regional areas to attract RV tourists. The Club stated that when RV

⁴⁶⁵ Evidence, Mr Moran, 26 August 2013, p 11.

⁴⁶⁶ Evidence, Mr Tom Smith, Chairman, Australian Caravan Club, 26 August 2013, p 1.

⁴⁶⁷ Submission 8, Australian Caravan Club Limited, p 6.

⁴⁶⁸ Submission 8, Australian Caravan Club Limited, Attachment A, p 4.

⁴⁶⁹ Evidence, Mr Graeme Tree, Policy Manager, Australian Caravan Club, 26 August 2013, p 11.

⁴⁷⁰ Submission 8, Australian Caravan Club Limited, pp 4-5 and Submission 43, Campervan & Motorhome Club of Australia Ltd, p 3.

⁴⁷¹ Submission 8, Australian Caravan Club Limited, p 5.

⁴⁷² Submission 43, Campervan & Motorhome Club of Australia Ltd, p 4.

tourists enter a town with an RV Friendly sign, they know they will be able to access facilities and that they will be welcome to stay overnight.⁴⁷³ Minimum criteria for towns to be listed as an RV friendly town include:

- provision of appropriate parking within town centre with access to a general shopping area with groceries or fresh produce
- provision of short term (24/48 hour) parking for self-contained vehicles. No more than **5kms** from the post office or agency
- access to potable water
- access to a **free** dump point, within town precinct.⁴⁷⁴

5.65 The Campervan and Motorhome Club advised that towns are able to apply for RV friendly status and are promoted in the Club's magazines and on its website in return for providing basic facilities.⁴⁷⁵

5.66 In addition, the Club has developed a Dump Point subsidy program to expand the free dump point network throughout Australia.⁴⁷⁶

5.67 However, the Industry Association argued that there is no such thing as a free dump point. It pointed out that there is 'a cost for the installation, monitoring, maintenance and insurance of dump point and water facilities used by travellers' and that these costs 'need to be funded by someone.'⁴⁷⁷ The Association highlighted that where dump points are provided by councils, the associated ongoing costs are essentially funded by ratepayers.⁴⁷⁸

5.68 The Industry Association asserted that keeping dump points inside caravan parks reduces the potential for misuse of the facilities, particularly the dumping of dangerous chemicals and pollutants:

Dump points within a secure caravan park environment provide added vigilance to guard against the potential misuse of facilities, which can lead to environmental degradation. The dumping of substances such as formaldehyde is extremely damaging to the waste systems as well as the wider environment.⁴⁷⁹

5.69 Some inquiry participants expressed concern that if communities do not provide free services to RV travellers they will be disadvantaged. For example, the Australian Regional Tourism Network stated that '[s]ome LGAs (local government areas) turn a blind eye to unregulated tourism/camping due to threats of boycotts of town services.'⁴⁸⁰

⁴⁷³ Correspondence from Mr Rudi Fuhrmann, 6 September 2013, The Self Contained Recreational Vehicle Market, p 16.

⁴⁷⁴ Correspondence from Mr Fuhrmann, 6 September 2013, RV Friendly Town, p 1.

⁴⁷⁵ Correspondence from Mr Fuhrmann, 6 September 2013, RV Friendly Town, p 1.

⁴⁷⁶ Correspondence from Mr Fuhrmann, 6 September 2013, The CMCA/KEA Campers Dump Point Subsidy Scheme, p 1.

⁴⁷⁷ Tabled document, Caravan and Camping Industry Association, Position paper, *Free camping and public access dump points*, 2013, pp 1-2.

⁴⁷⁸ Tabled document, *Free camping and public access dump points*, 2013, pp 1-2.

⁴⁷⁹ Tabled document, *Free camping and public access dump points*, 2013, p 3.

⁴⁸⁰ Submission 32, Australian Regional Tourism Network, p 8.

- 5.70** Aurora Research and Development stated that ‘LGAs are forced to upgrade a range of visitor facilities such as waste dump points for caravans and motorhomes, and if they don’t then this sector will choose to visit elsewhere, impacting on the overnight visitor spend at local shops, accommodation, food and fuel outlets.’⁴⁸¹
- 5.71** Indeed, the Australian Caravan Club stated in its submission that RV travellers ‘will not utilise a caravan park in those instances where local authorities do not address the requirements for “budget” facilities they will simply move on to a town or region that does provide the type of facilities they want.’⁴⁸²
- 5.72** Similarly, the Campervan and Motorhome Club of Australia stated that RV travellers ‘begrudge having to pay for services they do not require and will go further out of town to find a low or no cost alternative.’⁴⁸³ It contended that ‘[c]ouncils and caravan park operators must therefore consider the impact and loss of trade on other local businesses from self-contained RV tourism bypassing a town which does not provide a low cost or freedom camping alternative.’⁴⁸⁴

Economic benefits

- 5.73** Representatives of industry and consumers each asserted that their market benefits the visitor economy, particularly in regional communities.

Industry view

- 5.74** The Caravan and Camping Industry Association illustrated the direct and flow-on benefits that caravan parks bring to a local community.
- 5.75** The Association provided evidence that on average, commercial campers spend \$576 per location excluding the cost of accommodation, compared with \$213 by non-commercial campers.⁴⁸⁵ This means that commercial campers inject 2.7 times more money into the local town than free campers.⁴⁸⁶ Per day, the average spend of commercial campers is \$73 compared with \$53 for non-commercial campers.⁴⁸⁷
- 5.76** For the wider visitor economy, the Industry Association stated that excluding accommodations, commercial campers directly spend \$2 billion in Australian each year (with 90 percent of this spend in regional areas) and create \$5.4 billion of economic activity.⁴⁸⁸

⁴⁸¹ Submission 56, Aurora Research and Development, p 6.

⁴⁸² Submission 8, Australian Caravan Club Limited, p 7.

⁴⁸³ Submission 43, Campervan & Motorhome Club of Australia Ltd, pp 3-4.

⁴⁸⁴ Submission 43, Campervan & Motorhome Club of Australia Ltd, pp 3-4.

⁴⁸⁵ Tabled document, Caravan and Camping Industry Association NSW, Economic Benefit Report – Commercial & Non-Commercial Camper Spend Patterns, p 1.

⁴⁸⁶ Submission 16, Caravan and Camping Industry Association NSW, p 2.

⁴⁸⁷ Tabled document, Economic Benefit Report – Commercial & Non-Commercial Camper Spend Patterns, p 1.

⁴⁸⁸ Tabled document, Economic Benefit Report – Commercial & Non-Commercial Camper Spend Patterns, p 1.

- 5.77** In addition, the Association expressed the view that caravan parks are very important small businesses in regional towns, as they employ local people, pay local rates and buy goods and services locally. It stated that ‘every dollar spent in a caravan park is then churned back into the local economy with a spend of \$1.38 by that business’ and highlighted that this figure is ‘above and beyond any money that the consumer may spend in the town.’⁴⁸⁹ Mr Whitmont also outlined that caravan parks ‘add to the appeal of the local township and refer their guests to other local businesses such as restaurants, attractions and tours’, which benefits other businesses in the local community.⁴⁹⁰
- 5.78** The Caravan and Camping Industry Association cautioned that ‘the continued use of these non-compliant facilities is having a detrimental effect on existing parks and compliant caravan parks, and if it is not addressed, it will lead to withdrawal of caravan park infrastructure throughout the State’.⁴⁹¹ The Association contended that the impact of this on local communities would be significant, stating ‘[e]mployees will also lose their jobs and the economic benefit that would otherwise have flowed through to the local economy ... will be lost.’⁴⁹²

Consumer view

- 5.79** The Campervan and Motorhome Club of Australia and the Australian Caravan and Camping Club provided evidence that RV travellers also make a significant contribution to the local economy.
- 5.80** The Australian Caravan and Camping Club stated that data collected from its members indicate that they ‘will spend in excess of \$100 per day’ when travelling.⁴⁹³ Similarly, the Campervan and Motorhome Club stated that its research shows that members ‘spend an average of \$572 per week when on the road.’⁴⁹⁴
- 5.81** Both clubs stated that, when on the road, RV travellers purchase a range of household items, require vehicle maintenance and repairs, purchase petrol and patronise local shops.⁴⁹⁵
- 5.82** The Campervan and Motorhome Club also highlighted that RV travellers bring important social benefits to communities through volunteer work or providing labour in regional areas with seasonal demands for workers or skills shortages.⁴⁹⁶

⁴⁸⁹ Evidence, Mr Whitmont, 26 August 2013, p 17.

⁴⁹⁰ Evidence, Mr Whitmont, 26 August 2013, p 17.

⁴⁹¹ Evidence, Mr Whitmont, 26 August 2013, p 17.

⁴⁹² Submission 16, Caravan and Camping Industry Association NSW, p 2.

⁴⁹³ Submission 8, Australian Caravan Club Limited, p 2.

⁴⁹⁴ Submission 43, Campervan & Motorhome Club of Australia Ltd, p 3.

⁴⁹⁵ Submission 8, Australian Caravan Club Limited, p 2 and Submission 43, Campervan & Motorhome Club of Australia Ltd, p 3.

⁴⁹⁶ Submission 43, Campervan & Motorhome Club of Australia Ltd, p 3.

Other views

- 5.83** A number of inquiry participants expressed the view that RV travellers have the potential to bring significant economic benefits to their community and indicated that they supported the provision of approved, low-cost or free camping facilities.⁴⁹⁷
- 5.84** On the other hand, other inquiry participants expressed the view that because RV travellers are fairly self-sufficient they do not spend a significant amount of money in a town, making it important for communities to consider the potential advantages to the community of attracting RV travellers in comparison with the cost to the community of installing, upgrading and maintaining facilities for this market.⁴⁹⁸

Non-self-contained vehicles

- 5.85** Another form of unregulated camping affecting local communities is the use of non-self-contained vehicles to camp illegally, often at beaches, on roadsides and on residential streets. Inquiry participants were of the view that this type of illegal camping should not be tolerated.
- 5.86** The Campervan and Motorhome Club of Australia advised the Committee that non-self-contained vehicles, such as ‘Wicked, Spaceship and Juicy’ vans only comprise around ‘five per cent of the entire recreational vehicle market’ and that over 80 per cent of all hires, from around 5,500 vehicles, are by international travellers.⁴⁹⁹ Mr Fuhrmann, from the Campervan and Motorhome Club of Australia, argued that this type of camping in non-self-contained vehicles is an issue ‘which needs policing’.⁵⁰⁰ He advocated for the development of an accreditation process to enable regulation and policing of primitive camping by non-compliant vehicles.
- 5.87** The Youth Hostel Association stated that it, and operators like it, are being affected by this type of unregulated camping as vehicle users ‘try to access ablution facilities without paying for them’.⁵⁰¹ It advised that increased security in hostels has been necessary to address this problem.⁵⁰² The Youth Hostel Association expressed the view that many users of these vehicles are ‘being given an expectation that they need not pay for further accommodation’, which it contends may arise from the marketing of those vehicles.⁵⁰³ The Association argued that ‘[c]ampervans should not be allowed to overnight in rest stops, Council or other parking

⁴⁹⁷ Published in camera evidence, Mr Bill Tatchell, Chief Executive Officer, Destination Tweed Inc., 9 October 2013, p 4; Evidence, Mr David Morrison, Manager, Strategic and Economic Planning, Clarence Valley Council, 9 October 2013, p 31; Evidence, Mr Greg Lawrence, Manager, Tourism & Economic Development, Griffith City Council, 10 October 2013, p 46 and Evidence, Clr Wincen Cuy, Mayor, Broken Hill City Council, 10 October 2013, p 57.

⁴⁹⁸ Evidence, Mr Neil Alchin, Director of Corporate and Business Services, Gilgandra Shire Council, 10 October 2013, pp 2-3; Submission 62, Temora Shire Council, pp2-3 and Evidence, Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast, 13 September 2013, p 25.

⁴⁹⁹ Evidence, Mr Rudi Fuhrmann, Chief Executive Officer, Campervan & Motorhome Club of Australia Ltd 26 August 2013, p 9.

⁵⁰⁰ Evidence, Mr Fuhrmann, 26 August 2013, p 9.

⁵⁰¹ Submission 51, YHA Ltd, p 5.

⁵⁰² Submission 51, YHA Ltd, p 5.

⁵⁰³ Submission 51, YHA Ltd, p 5.

areas or residential streets just as they are not allowed to in other countries around the world'.⁵⁰⁴ It recommended that council powers to 'wheel clamp and fine driver be reviewed, including fines being payable by the leasing company where they are persistent offenders'.⁵⁰⁵

- 5.88** The Clarence Valley Council also identified non-self-contained campervans as a problem as community complaints are beginning to emerge around popular tourist areas such as Yamba, where 'up to 50 vans would use Council car parks overnight'.⁵⁰⁶ Clarence Valley Council stated that it does not support free overnight camping and that council endorsed RV camping is in authorised caravan parks or in 'primitive camping areas where a fee between \$15-20 is applied for self-contained vehicles'.⁵⁰⁷ It contended that a statewide solution is needed 'which would involve regulating at the industry level'.⁵⁰⁸

Self-accreditation

- 5.89** The development of an accreditation scheme to regulate non-commercial camping by RV travellers was discussed by consumer representatives. Both the Australian Caravan Club and the Campervan and Motorhome Club of Australia advised the Committee that they have each developed an accreditation process for self-contained camping in non-commercial and primitive camping areas.
- 5.90** The accreditation process of both clubs involves the voluntary declaration of compliance with a code of conduct and requires participants to display an accreditation sticker on their vehicle, as well as produce the code of conduct if requested by police or local government authorities. The Australian Caravan club has developed the 'ACCESS Code of Conduct'.⁵⁰⁹ ACCESS stands for Australian Caravan Club Environmentally Safe Scheme. The Campervan and Motorhome Club's code of conduct is the Leave No Trace Scheme, which Mr Rudi Fuhrmann described as a demonstration to councils and other authorities that 'self-contained vehicles need not have a negative impact on the environment, even if a campsite had no facilities'.⁵¹⁰
- 5.91** The Campervan and Motorhome Club and the Australian Caravan Club expressed different views on whether a statewide accreditation process should be introduced as a means of clearly identifying fully self-contained vehicles and enabling a system of regulation of non-commercial camping on that basis. Mr Tom Smith, Chairman of the Australian Caravan Club, argued that environmentally responsible camping is the ultimate goal of accreditation and expressed the view that this can be achieved through education rather through a statewide accreditation scheme for self-contained vehicles.⁵¹¹

⁵⁰⁴ Submission 51, YHA Ltd, p 5.

⁵⁰⁵ Submission 51, YHA Ltd, p 5.

⁵⁰⁶ Submission 29, Clarence Valley Council, p 3.

⁵⁰⁷ Submission 29, Clarence Valley Council, p 2.

⁵⁰⁸ Submission 29, Clarence Valley Council, p 3.

⁵⁰⁹ Submission 8, Australian Caravan Club Limited, Attachment A, p 3.

⁵¹⁰ Correspondence from Mr Rudi Fuhrmann, 6 September 2013, Leave No Trace Self Containment Code of Conduct, p 1.

⁵¹¹ Evidence, Mr Smith, 26 August 2013, p 9.

- 5.92** However, the Campervan and Motorhome Club strongly supported the introduction of a statewide accreditation scheme, asserting that accreditation is the only clear way to regulate self-contained camping and to ensure an unambiguous application of the rules. He also emphasised that this is particularly important in order to regulate non-compliant campers who stay in vehicles which are not self-contained:

I just want to say in order to police it, we have to have a law; we have to have accreditation otherwise we have a grey area and the judgment could go either way or be up to interpretation at the end of the day, I think we should have accreditation. That is absolutely essential because we want to weed out these international tourist problems which we have in the Kombi vans, because then the police or the ranger, whoever, the council, can enforce what the law says.⁵¹²

Committee comment

- 5.93** The Committee recognises the growing significance of the RV market and acknowledges that it presents opportunities for numerous communities to increase overnight visitor spending. We acknowledge the evidence from stakeholders that there needs to be clearer regulations or policy directives regarding camping or overnighting in RVs on public land. The Committee recommends that the Government establish a clear regulatory framework in this regard.

Recommendation 16

That the NSW Government develop guidelines around camping in self-contained recreational vehicles and non-self-contained vehicles on public land.

- 5.94** In regard to issues associated with non-self-contained vehicles, we believe that councils should be encouraged to wheel clamp and fine drivers of non-self-contained vehicles who camp illegally in their local government area.

⁵¹² Evidence, Mr Fuhrmann, 26 August 2013, p 13.

Chapter 6 National parks, fossicking and rail trails

This chapter examines outdoor recreational tourism opportunities in New South Wales. It provides an overview of tourism in national parks and discusses regulatory impediments to growing the alpine tourism industry. The chapter then considers issues faced by the fossicking tourism industry before exploring potential opportunities for tourism growth through the development of rail trails.

National parks

6.1 National parks are a key asset in the visitor economy. While a number of stakeholders expressed the view that there are significant opportunities yet to be realised in national parks, others identified specific regulatory impediments to the growth of tourism in these areas.

Visitation and tourism management

6.2 New South Wales national parks receive a high number of both domestic and international visitors. Results from the National Parks and Wildlife Service (NPWS) biennial domestic visitation survey in 2012 found that park visitation was estimated at 35.5 million visits comprising of 28.7 million adults and 6.8 million child visits.⁵¹³ This represented an increase of 5 per cent on 2010 results.⁵¹⁴

6.3 The survey results also found that half of all domestic visits to New South Wales in 2012 were to national parks within the Sydney metropolitan and Snowy Mountain regions. In addition, New South Wales national parks receive an estimated 3 million international visitors each year.⁵¹⁵

6.4 Visitation to national parks and the associated flow-on effects to regions make a significant contribution to visitor economies. This is summarised in the table on the next page.

6.5 The NPWS is responsible for planning and prioritising tourism strategy, experience development and marketing of national parks in New South Wales.

6.6 The Committee was informed that tourism opportunities in national parks are carefully managed through branch and regional operation plans as well as park plans of management. These plans set out the framework for how individual parks should be managed into the future while taking into account specific values of a protected area and a sustainable approach to tourism and visitation within that context.⁵¹⁶

⁵¹³ Submission 76, NSW Government, p 13.

⁵¹⁴ Submission 76, NSW Government, p 13.

⁵¹⁵ Submission 76, NSW Government, p 13.

⁵¹⁶ Submission 76, NSW Government, p 10.

Table 4 Economic contribution of national parks⁵¹⁷

Summary of key economic contributions of the national parks system, by region	Annual contribution of NPWS expenditure to regional value-added activity	Annual contribution of park visitor expenditure to regional value-added activity	Equivalent jobs generated in the region
North East	\$17.00 m	\$107.0 m	1915
Far South Coast	\$8.00 m	\$54.0 m	921
Far West	\$6.25 m	\$6.1 m	203
Wheat Sheep Belt	\$7.50 m	\$8.8 m	295

- 6.7 The NPWS manages a portfolio of over 400 leases for visitor facilities and a further 800 sub-leases relating to the alpine resorts. Revenue from commercial leases totaled more than \$14 million in 2011/12, an increase of 30 per cent from 2007/08.⁵¹⁸

Regulation of tourism in national parks

- 6.8 There are several instruments that regulate the development of tourism opportunities, activities and infrastructure in New South Wales national parks.

National Parks and Wildlife Act 1974

- 6.9 The NPWS is governed by the *National Parks and Wildlife Act 1974*. Under that Act, the NPWS is responsible for the care, control and management of all national parks, historic sites, nature reserves, Aboriginal areas and state game areas.⁵¹⁹
- 6.10 A key aim of the Act is to facilitate opportunities for people to appreciate and enjoy New South Wales national parks and foster life-long connection with the environment and support for conservation.⁵²⁰
- 6.11 Through working closely with other government agencies, private sector and community based organisations, NPWS is able to encourage new developments in tourism and recreational experiences showcasing nature and heritage in New South Wales.⁵²¹
- 6.12 The NSW Government stated that the Act contains ‘important checks and balances’ in leasing provisions to ensure that the natural and cultural values of the State’s park system are protected, and that the community has a say in what happens in their local parks.⁵²²

⁵¹⁷ Submission 76, NSW Government, p 14.

⁵¹⁸ Submission 76, NSW Government, p 18.

⁵¹⁹ Office of Environment and Heritage, *National Parks & Wildlife Act 1974*, <<http://www.environment.nsw.gov.au/legislation/NationalParksAndWildlifeAct1974.htm>>.

⁵²⁰ Submission 76, NSW Government, p 9.

⁵²¹ Submission 76, NSW Government, p 9.

- 6.13 In addition to the *National Parks and Wildlife Act*, heritage and environmental impacts are considered in accordance with the *Environmental Planning and Assessment Act 1979* and the *Heritage Act 1977* when new developments are proposed in national parks.⁵²³

Parks Eco Pass licensing system

- 6.14 The NPWS manages a licensing system for commercial tour operator businesses in national parks. The Parks Eco Pass program, which was introduced in 2009, is a comprehensive, centralised licensing system for commercial recreation and tour operators who offer guided tours, instructional or educational courses and other leisure activities in New South Wales parks and reserves.⁵²⁴

- 6.15 The NSW Government advised that the Parks Eco Pass program ‘recognises the role played by commercial tour operators, in partnership with NPWS, in promoting the State’s parks and encouraging visitors to appreciate and understand and enjoy them’.⁵²⁵

- 6.16 The program encourages accreditation through relevant industry bodies to support improvements to performance, professionalism and standards by commercial tour operators. Mr Carl Solomon, Acting Director, Park Experiences Branch of National Parks and Wildlife Service, told the Committee that:

... accreditation is required for tourism operators with licences that are for a period of more than a year. The requirement is to get a 10 year licence also known as advanced eco-certification. It is a good thing for nature-based tourism, particularly in the context of protected areas.⁵²⁶

- 6.17 In addition, the NSW Government highlighted that tourism operators must comply with legislation pertaining to their specific area of business as well as submit to the high environmental standards in order to obtain leases and licenses to operate in national parks.⁵²⁷

- 6.18 Over 180 businesses hold long-term licenses to deliver tours in protected areas within New South Wales.⁵²⁸

National Parks and Wildlife Amendment (Visitors and Tourists) Act 2010

- 6.19 The *National Parks and Wildlife Amendment (Visitors and Tourists) Act 2010* was introduced to stimulate change and improve accessibility and infrastructure opportunities within New South Wales national parks. A key aim of the amendment act was to strike a balance between

⁵²² Submission 76, NSW Government, p 24.

⁵²³ Submission 76, NSW Government, p 10.

⁵²⁴ Office of Environment and Heritage, *Eco Parks Pass*, <<http://www.environment.nsw.gov.au/parksecopass/>>; Submission 76, NSW Government, p 24.

⁵²⁵ Submission 76, NSW Government, p 10.

⁵²⁶ Evidence, Mr Carl Solomon, Acting Director, Park Branch Experiences, NSW National Parks and Wildlife Service, 9 August 2013, p 28.

⁵²⁷ Submission 76, NSW Government, p 9.

⁵²⁸ Submission 76, NSW Government, p 24.

connecting people to nature, while maintaining ongoing conservation of natural and cultural values.⁵²⁹

6.20 According to the NSW Government, this legislation ‘created a simple, single provision that sets out purposes for which leases and licenses can be granted’ to tourism operators in national parks.⁵³⁰ It also sets ‘high environmental standards for leases and licences’, which include a requirement for the Minister for Environment and Heritage to ‘take into account sustainability criteria before granting any lease or licence’.⁵³¹

6.21 Mr Kevin Evans, Chief Executive Officer of the National Parks Association cautioned that as the legislation includes factors relating to tourism and infrastructure, it is essential to keep the balance between conservation and tourism in national parks. He commented:

... if we overexploit or “over love” our national parks then we will end up with the core conservation values of these areas diminishing, and we will end up with national parks and protected areas that are trying to do too many things for all stakeholders who require or are seeking access to those areas.⁵³²

6.22 Mr Carl Solomon, Acting Director of the Park Experiences Branch of the NPWS, noted that while the Act permits activities such as walking tours to occur in wilderness areas, there had not been a large increase in these activities.⁵³³

Further opportunities for tourism

6.23 Several witnesses suggested that national parks were underutilised and that there should be further development opportunities for tourism, such as accommodation and camping facilities, to encourage more visitors into New South Wales national parks.

6.24 Mr Rob Pollock, Chairman of Regional Development Australia, Far South Coast, argued that national parks should be made more accessible, expressing the view that visitation would increase if there was a potential for overnight stay.⁵³⁴

6.25 Similarly, Mr Heatley, Managing Director of Selwyn Snowfields advocated the opening of blocked roads and wilderness areas in Mount Kosciuszko National Park, noting that many areas are still largely inaccessible to visitors:

Back in the days of the Labor Government, huge areas of wilderness were put in to places where people were pretty much forbidden to go, except for probably a minute part of the population who are super fit and can hike for two or three days to get in

⁵²⁹ Submission 76, NSW Government, p 9.

⁵³⁰ Submission 76, NSW Government, p 9.

⁵³¹ Submission 76, NSW Government, p 9.

⁵³² Evidence, Mr Kevin Evans, Chief Executive Officer, National Parks Association, 9 August 2013, p 34.

⁵³³ Evidence, Mr Solomon, 9 August 2013, p 24.

⁵³⁴ Evidence, Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast, 13 September 2013, pp 24-25.

and enjoy these areas. Kosciuszko National Park is locked up, except for those areas, which are the resort areas, principally, and the main roads.⁵³⁵

6.26 Increased access to national parks was supported by Coonamble Shire Council which felt that opportunity for tourism growth was 'lessened' in their area due to the lack of visitor access to key natural attractions such as the Pilliga State Forest, Warrumbungle National Park, Macquarie Marshes Nature Reserve and the private Ramsar Wetlands.⁵³⁶

6.27 Ms Jennifer Bennett, Executive Officer of Central NSW Councils, suggested that the development of tourism infrastructure such as bike tracks could enhance the visitor experience and increase visitor numbers, but expressed uncertainty as to how this could be achieved:

I fantasise about a fantastic downhill bike track through a few of our national parks, but I do not know how we would achieve that... [t]he number of push bikes are increasing - it is the fastest growing mode of transport. People ask how it will work and say that we will have to go through a long process.⁵³⁷

6.28 Another suggestion, made by Mr Wayne Hart of Tourism Snowy Mountains, is to grow summertime visitation to the Snowy Mountains through educational tours in Mount Kosciuszko National Park. Mr Hart advised that NPWS used to have 'quite a strong education program', but that this seems to have disappeared with no apparent plans to reintroduce it. He expressed concern that this was great opportunity being overlooked by NPWS.⁵³⁸

6.29 Tourism in the Mount Kosciuszko National Park was also raised by Mr Peter Brulisauer, Chief Executive Officer of Perisher Ski Resort, who stated there is a lack of facilities and tourism products in the park. Mr Brulisauer asserted that conservation and tourism can work hand in hand and asserted that the Park should offer the same type of low impact tourism infrastructure as some other national parks such as Cradle Mountain in Tasmania:

One has only to look at Cradle Mountain National Park or the national parks of New Zealand where there are fantastic overnight touring and walking groups with serviced huts and a whole range of facilities. There is no product at all in Kosciuszko National Park along that line. Nothing. There are signs saying, "Here are some tracks." If you have a GPS and you are good at navigating, good luck, but there is no good product. That is really as a result of how the legislation has been framed and how the agency has been tasked with conservation rather than production of tourism. I honestly think that you can have both.⁵³⁹

6.30 A similar suggestion was made by Clr Wincen Cuy, Mayor of Broken Hill, who stated that national parks are a key tourism asset and suggested that more could be done to provide opportunities for camping within these areas.⁵⁴⁰ He suggested that setting up 'primitive camping' facilities inside the parks could be advantageous as consumers 'really ... want that

⁵³⁵ Evidence, Mr Robert Heatley, Managing Director, Selwyn Snowfields, 8 November 2013, p 51.

⁵³⁶ Submission 21, Coonamble Shire Council, p 2.

⁵³⁷ Evidence, Ms Jennifer Bennett, Executive Officer, Central NSW Council, 10 October 2013, p 26.

⁵³⁸ Evidence, Mr Wayne Hart, Chair, Tourism Snowy Mountains, 8 November 2013, p 3.

⁵³⁹ Evidence, Mr Peter Brulisauer, Chief Executive Officer, Perisher Ski Resort, 8 November 2013, p 50.

⁵⁴⁰ Evidence, Clr Wincen Cuy, Mayor, Broken Hill City Council, 10 October 2013, pp 60-61.

authentic experience'.⁵⁴¹ At the same time, however, he acknowledged that too much commercialisation may detract from a natural experience.⁵⁴²

Alpine tourism

- 6.31** The Visitor Economy Taskforce identified the Snowy Mountains as an area which is particularly restricted by an excess of regulation which is impeding the growth of tourism:

There exists an excess of regulation and bureaucratic red tape in the system, particularly in the investment and development approval areas. This severely restricts the ability of the private sector to respond to and cater for the growing need for more accommodation in Sydney and in key visitor areas, for example, the Snowy Mountains.⁵⁴³

Regulations affecting ski resorts

- 6.32** The Committee heard from a number of stakeholders from the Snowy Mountains who agreed that the snow ski industry is currently restricted in its ability to develop key tourism products due to the legislation and regulations that affect their operations.
- 6.33** Ski fields and ski resorts in New South Wales are located within Kosciuszko National Park, which captures the whole alpine region of New South Wales. Consequently the regulations affecting ski fields and resorts have a conservation focus rather than a tourism focus.
- 6.34** Representatives asserted that this is a major impediment to tourism as they are restricted in their ability to invest in development and infrastructure that would grow visitation and mitigate losses from poor snow seasons. Mr Brulisauer contended that ski resorts and fields should be classed as tourist zones to reflect the nature of their industry:

We are managed under the *National Parks and Wildlife Act* and under that Act there is insufficient focus on tourism. We are a tourism industry, it is as simple as that. We are not nature conservation ... but there is a whole lot of environmental legislation in New South Wales that governs what we do—the *Threatened Species Conservation Act*, the *Water Act* and every other Act that governs what we do. That governs our environmental impact. We need some sort of zoning within national parks or some sort of legislation that says this is an important tourism industry, like the Victorians have, let us figure out how we can look after them. Let us figure out how we can encourage them to invest and adapt to climate change, whether it is through summer tourism or through snow making, let us make sure that they are responsible environmentally and let us make sure of the right outcomes for the snow ... [currently we are] zoned as national park and there is no real government agency that really understands what we do, nor has the capacity to try to plan good strategies for our sustainable future.⁵⁴⁴

⁵⁴¹ Evidence, Clr Cuy, 10 October 2013, p 53.

⁵⁴² Evidence, Clr Cuy, 10 October 2013, p 53.

⁵⁴³ NSW Trade & Investment, Visitor Economy Taskforce, *Final report of the Visitor Economy Taskforce*, June 2012, p 24.

⁵⁴⁴ Evidence, Mr Brulisauer, 8 November 2013, p 50.

6.35 In its submission the Resort Operators Group, which represents Charlotte Pass Village Pty Ltd, Selwyn Snowfields Pty Ltd, Kosciuszko Thredbo Pty Ltd and Perisher Blue Pty Ltd, also outlined the benefits to tourism of rezoning the areas occupied by snow fields within the national park:

... NSW Alpine Resorts should be zoned with objectives that are more focussed on tourism and less focussed on nature conservation ... Such a change in zoning would allow the resorts to remain under the care, control and management of the NSW National Parks and Wildlife Service and the *National Parks and Wildlife Act 1974*, but a zoning different to the current National Park zoning that is more focussed on achieving best practice tourism outcomes to improve guest experiences, the economic benefit to local communities and regional employment opportunities.⁵⁴⁵

6.36 Representatives also pointed out that the snow fields only take up a tiny proportion of the national park and they are already highly developed. Mr Jordan Rodgers, General Manager of Kosciuszko Thredbo Pty Ltd., stated that the ‘snow fields occupy such a small part of the park and they are largely disturbed, yet they are pretty well treated as if they are pristine, undisturbed environments in the way any development is approached.’⁵⁴⁶ Mr Heatley, from Selwyn Snowfields, reiterated this point stating that ‘[t]he footprint of the resorts on Kosciuszko National Park is 0.6 to 1 per cent of the total area ... they are highly developed areas that are pretty much in conflict with the surrounding area.’⁵⁴⁷ As such he argued that rezoning would not result in any adverse impacts, rather it would appropriately recognise the existing, approved activities for which these small areas of land are already used, and enable better utilisation of the land for tourism purposes.

6.37 The current regulations affecting ski resorts are also impacting the development of non-winter tourism activities such as the development of mountain bike tracks. Mr Rodgers outlined that Thredbo operates all year round and is trying to grow visitation outside of the winter ski season. He identified that high adrenaline summer sports to match the winter activities in the Snowy Mountains are needed to attract a wider visitor market:

... we need to become more than attractive for old people to walk through and look at wild flowers. We need to have more iconic activities that, from my point of view, are more adrenalin based that match with the position of skiing and have this year-round place where there is always something happening. Mountain biking is one high-adrenalin sport we are investing in.⁵⁴⁸

6.38 Mr Rodgers advocated an easing of the restrictions to allow for mountain bike trails, commenting:

We are not talking about invasive development; we are talking about a one-metre bike track through some beautiful country, which then would be an epic trail by world standards linking up with National Parks’ valley trail.⁵⁴⁹

⁵⁴⁵ Submission 37, Perisher Ski Resort (Resort Operators Group), p 5.

⁵⁴⁶ Evidence, Mr Jordan Rodgers, General Manager, Kosciuszko Thredbo Pty Ltd, 8 November 2013, p 51.

⁵⁴⁷ Evidence, Mr Heatley, 8 November 2013, p 51.

⁵⁴⁸ Evidence, Mr Rodgers, 8 November 2013, p 51.

⁵⁴⁹ Evidence, Mr Rodgers, 8 November 2013, p 51.

- 6.39** The development of accommodation facilities at Selwyn Snowfields is also restricted under current regulations. Mr Heatley explained that under Selwyn's current land lease it is restricted to operating ski lifts,⁵⁵⁰ is prohibited from doing any other type of adventure tourism,⁵⁵¹ and cannot develop its own accommodation facilities. Mr Heatley stated that the lack of accommodation is a disadvantage because 'we cannot round up a core base of visitors, so we just have to rely on surrounding towns.'⁵⁵² He also highlighted the potential impact of restrictions on the wider visitor economy stating that currently, even though Selwyn is one of the smallest resorts in New South Wales, it still contributes around '\$35 million to \$50 million in Gross State Product.'⁵⁵³
- 6.40** Selwyn is in negotiations with the Office of Environment and Heritage to secure a new lease with extended tenure, which would provide the security it needs 'to be able to invest and continue to operate the resort.'⁵⁵⁴ However, Mr Heatley advised that negotiations began five years ago and '[w]e are still no closer to having a new lease'.⁵⁵⁵

Regulations affecting ski lodges

- 6.41** The Committee also heard from the Ski Lodge Organisation of Perisher, Smiggins and Guthega (SLOPES) which raised concerns regarding changes to leasing arrangements and management of ski lodges in Mount Kosciuszko National Park. Ski lodges are an alternative type of accommodation to ski resorts, available to visitors of the Snowy Mountains. They are membership based whereby members pay an up-front joining fee which assures a place to stay when visiting the Snowy Mountains. Ski lodges raise finances through buy-in fees as well as annual fees and levies of their individual members.⁵⁵⁶
- 6.42** SLOPES advised that recent changes to leasing arrangements have adversely affected ski lodges and their members. Mr Gerard Lynch, Member of SLOPES, stated that ski lodge organisations no longer own the buildings which are now owned by the National Parks and Wildlife Service.⁵⁵⁷ This has caused problems for ski lodges in raising capital for improvements. Mr Lynch outlined ski lodges cannot apply for loans, as they cannot leverage funds against an asset they do not own.⁵⁵⁸ SLOPES contended that ski lodges are an important component of alpine tourism infrastructure and make a valuable contribution to the ski industry and argued that this status should be reviewed.⁵⁵⁹

⁵⁵⁰ Evidence, Mr Heatley, 8 November 2013, p 49.

⁵⁵¹ Evidence, Mr Heatley, 8 November 2013, p 47.

⁵⁵² Evidence, Mr Heatley, 8 November 2013, p 46.

⁵⁵³ Evidence, Mr Heatley, 8 November 2013, p 47.

⁵⁵⁴ Evidence, Mr Heatley, 8 November 2013, p 47.

⁵⁵⁵ Evidence, Mr Heatley, 8 November 2013, p 47.

⁵⁵⁶ Evidence, Mr Gerald Lynch, Member, Ski Lodges Organisation of Perisher, Smiggins and Guthega (SLOPES), 8 November 2013, p 25.

⁵⁵⁷ Evidence, Mr Lynch, 8 November 2013, p 25.

⁵⁵⁸ Evidence, Mr Lynch, 8 November 2013, p 25.

⁵⁵⁹ Evidence, Mr John Pinkerton, Treasurer, Ski Lodges Organisation of Perisher, Smiggins and Guthega, (SLOPES), 8 November 2013, p 25.

Committee comment

- 6.43** The Committee agrees with stakeholders that improved access to national parks, including development of tourism infrastructure to facilitate visitor access, is needed to maximise the visitor potential of national parks in New South Wales. We therefore recommend that the NSW Government investigate further opportunities for tourism development in national parks including accommodation, camping, mountain bike trails and fossicking (fossicking is discussed in the following section).
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Recommendation 17

That the NSW Government investigate further opportunities for tourism development in national parks including accommodation, camping, mountain bike trails and fossicking.

- 6.44** The Committee also recognises the significant contribution that ski resorts make to the visitor economy in New South Wales, and notes that current regulations are frustrating efforts of ski resort operators to develop and grow visitation to the region.
- 6.45** While the Committee is sympathetic to the calls from ski resorts we believe it remains appropriate to govern the activity within long term lease arrangements.
- 6.46** The Committee does agree that in governing the relationship the State's environment authorities need to ensure that resorts are not prevented from undertaking legitimate maintenance and improvement to facilities by excessive regulation. We therefore recommend that the NSW Government seek to streamline the operation of planning approvals within the lease areas for New South Wales ski resorts to ensure that important infrastructure improvements such as upgrades to lifts and other facilities are not hampered by unwarranted red tape.
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Recommendation 18

That the NSW Government seek to streamline the operation of planning approvals within the lease areas for New South Wales ski resorts to ensure that important infrastructure improvements, such as upgrades to lifts and other facilities, are not hampered by unwarranted red tape.

Fossicking

- 6.47** The Committee heard from a number of inquiry participants regarding fossicking in New South Wales, particularly in regard to the restrictions and difficulties currently experienced by recreational fossickers.
- 6.48** Fossicking, or prospecting, is a recreational pursuit where individuals use hand held tools such as gold pans, metal detectors, sluices and sieves to search for and collect gold, gemstones and minerals.⁵⁶⁰
- 6.49** The NSW & ACT Prospectors and Fossickers Association Inc. (NAPFA) informed the Committee that access to suitable fossicking areas is seen as a key limitation in the promotion of fossicking tourism in New South Wales. NAPFA stated that fossicking tourism could be better supported if access to land were made easier:⁵⁶¹

The most important infrastructure requirement for fossickers is suitable land that can be easily accessed, without having to jump through administrative hoops or relying on the generosity of private landholders.

Limitation of access goes to the heart of the cause of NSW prospectors and fossickers and a major impediment to growing fossicking tourism.⁵⁶²

Rules and regulations

- 6.50** There are a range of restrictions currently in place that limit where fossicking can be undertaken. NAPFA raised concerns that accessing suitable fossicking land in New South Wales has been made increasingly complex through the imposition of numerous different rules and regulations that govern fossicking:

In NSW our prospecting areas are made difficult to use by complex rules and regulations and failure to recognise that fossicking and prospecting is not an industrial mining activity.⁵⁶³

- 6.51** NAPFA identified that suitable fossicking land may be found in areas classified as national parks, state conservation areas, state forest, private land, fossicking districts or land subject to an exploration lease. NAPFA commented that each classification of land is governed by a different set of rules which makes it very difficult for average citizens 'to be sure of access arrangements' and has resulted in some fossickers reportedly being 'verbally challenged and abused' when fossicking in some areas.⁵⁶⁴

⁵⁶⁰ NSW Industry & Investment, *Fossicking: A guide to fossicking in New South Wales*, <http://www.resources.nsw.gov.au/__data/assets/pdf_file/0007/363544/A-Guide-to-Fossicking-in-New-South-Wales.PDF>.

⁵⁶¹ Answers to questions on notice, Mr Stephen Dangaard, President, NSW & ACT Prospectors and Fossickers Association Inc., 26 September 2013, p 4.

⁵⁶² Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 8.

⁵⁶³ Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 3.

⁵⁶⁴ Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 9; Evidence, Mr Dangaard, 26 August 2013, pp 56-57, 59 and 61.

Environmental impact

- 6.52** A key reason for the restrictions to fossicking in New South Wales is concern about the impact to the environment.
- 6.53** Mr Evans from the National Parks Association told the Committee ‘[t]here is significant evidence to suggest that in some remote areas it is having a massive impact on freshwater streams⁵⁶⁵ due to the fragile nature of these waterways:

The fragile river systems, especially in upland areas where gold has been found in the past, are extraordinary fragile. Stirring up the silt and changing the geology or ecology of the river systems has significant downstream impact. Local pollution could cause the extinction of some aquatic invertebrates and it will certainly have a downstream pollution impact.⁵⁶⁶

- 6.54** The Committee was informed that under the NPWS’s *Mining & Fossicking Policy Statement*, ‘all forms of exploration and extraction, including fossicking (or gold prospecting), have the potential to adversely affect the environment’, and as such, fossicking is generally not allowed in parks, with the typical exception of reserves where fossicking was allowed prior to the adoption of the policy in July 2007.⁵⁶⁷
- 6.55** However, NAPFA insisted that fossicking is a low environmental impact activity, arguing that it causes minimal impact to the environment as the use of metal detectors, small picks, pans, small sluices do very little to dislodge or disrupt the ground. Both NAPFA and the Prospectors & Miners Association of Victoria Inc. asserted that fossicking in fact has environmental benefits through the removal of rubbish, reporting of feral animals and illegal dumping and clearing of fire trails through regular use.⁵⁶⁸

National parks and state conservation areas

- 6.56** Fossicking is currently prohibited in New South Wales national parks.⁵⁶⁹ However, Mr Dangaard argued that this prohibition should be lifted, asserting that fossicking has minimal and temporary environmental impacts which are reinforced by limits imposed by the NSW Department of Industry and Investment Fossicking Guidelines.⁵⁷⁰
- 6.57** Mr Dangaard added that ‘opening of national parks to fossickers will not result in thousands of people suddenly descending onto areas and destroying the environmental and heritage

⁵⁶⁵ Evidence, Mr Evans, 9 August 2013, p 40.

⁵⁶⁶ Evidence, Mr Evans, 9 August 2013, p 40.

⁵⁶⁷ Answers to supplementary questions, Office of Environment and Heritage, p 2.

⁵⁶⁸ Submission 41, Prospectors & Miners Association of Victoria Inc., p 8; Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., pp 12 and 15.

⁵⁶⁹ NSW Government Industry & Investment, ‘Fossicking: A guide to fossicking in New South Wales’, October 2010, accessed 14 October 2013, <http://www.resources.nsw.gov.au/__data/assets/pdf_file/0007/363544/A-Guide-to-Fossicking-in-New-South-Wales.PDF>.

⁵⁷⁰ Answers to supplementary questions, NSW & ACT Prospectors and Fossickers Association Inc., p 3.

values of those areas'.⁵⁷¹ Rather, he suggested that if national parks were made available to fossickers 'the relative impacts on all areas will be lessened as there will be a larger area to absorb the number of fossickers'.⁵⁷²

6.58 Mr Dangaard also advised the Committee that there is a default prohibition for fossicking in state conservation areas, but that these areas can consent to fossicking in their plan of management.⁵⁷³ He advised that Torrington State Conservation Area is the only New South Wales state conservation area that currently permits fossicking in its plan of management,⁵⁷⁴ and argued that the default position should be changed to permit recreational fossicking in all of these areas.

6.59 This was supported Mr Michael Leonard, a gold fossicker, who commented:

As a general rule 'consent to fossick' has been excluded from the plans of management because fossicking is not considered compatible with conservation. This, despite the very low level of environmental impact of panning, electronic metal detecting and sluicing.⁵⁷⁵

6.60 Mr Douglas Stone, Member of NAPFA and Manager of Outdoor Press, further noted that some state conservation areas have already been extensively mined, some of which include some of New South Wales' earliest goldfields. He recommended that these areas in particular should be made available for fossicking activities.⁵⁷⁶

State forests

6.61 Fossicking is permitted in New South Wales state forests if a special purpose permit is obtained by an individual. Permit applications must be made to the relevant regional office, with each individual regional permit costing \$20 plus GST.⁵⁷⁷

6.62 An issue raised by NAPFA is that separate permits are required for each state forest. Therefore if people wish to fossick in more than one forest they will incur multiple fees, which NAPFA stated can be financially prohibitive for many individuals and families.

6.63 The Committee also heard that there are inconsistencies in the application of the rules relating to the issuing of the permits. According to Mr Dangaard, 'depending which office of the state

⁵⁷¹ Answers to supplementary questions, NSW & ACT Prospectors and Fossickers Association Inc., p 4.

⁵⁷² Answers to supplementary questions, NSW & ACT Prospectors and Fossickers Association Inc., p 4.

⁵⁷³ Evidence, Mr Dangaard, 26 August 2013, p 62.

⁵⁷⁴ Evidence, Mr Dangaard, 26 August 2013, p 62.

⁵⁷⁵ Submission 6, Mr Michael Leonard, p 2.

⁵⁷⁶ Evidence, Mr Douglas Stone, Member, NSW & ACT Prospectors and Fossickers Association Inc., and Manager, Outdoor Press, 26 August 2013, p 58.

⁵⁷⁷ Forestry Corporation 'Fossicking', 24 July 2012, accessed 14 October 2013, < <http://www.forestrycorporation.com.au/visiting/activities/fossicking>>.

forest you ask, you will get a permit for a particular forest or you get a permit for the whole State'.⁵⁷⁸

- 6.64** Mr Stephen Reilly, a recreational fossicker, suggested that a consequence of the current permit system is that fossickers are discouraged from visiting state forests, and that communities are consequently missing out on the economic benefits that fossicking tourists could otherwise bring to small, regional towns:

The permit system gains very little revenue and is reducing greatly the income to a region which [could be] injected by fossickers if they were freely allowed to fossick in lands managed by the Forestry Corporation.⁵⁷⁹

- 6.65** NAPFA recommended that the permit system in relation to fossicking should be 'abolished or made much more practical than it currently is'.⁵⁸⁰ Mr Dangaard suggested that a single permit should be issued which provides access to all state forests within New South Wales, similar to the approach taken with fishing licences.⁵⁸¹

Benefits of fossicking tourism to the visitor economy

- 6.66** NAPFA highlighted that fossickers will stay in regional towns for 'weeks or even months' while fossicking and 'contribute to the local economy during that time'.⁵⁸² It asserted that the economic benefits of fossicking tourism to regional towns can be considerable, contending that the towns of Milparinka and Tibooburra 'have all had a decline in trade since fossickers have crossed the area off their destination list'.⁵⁸³
- 6.67** This was supported by Mr Stone, who indicated that fossickers are likely to stay weeks in a location, in comparison to other tourists who may stay for considerably shorter periods of time or may only pass through a town.⁵⁸⁴
- 6.68** Mr Dangaard noted that fossicking has the added benefit of not being a seasonal form of tourism such as 'school holidays or the snow season'. Rather, fossickers will 'visit throughout the year and often make multiple visits to areas that they know'.⁵⁸⁵
- 6.69** Mr Dangaard gave an example of the economic benefit of fossicking tourism in Western Australia, where it is particularly well promoted:

I have an estimate based on figures that the Western Australian association put together and this takes into account the gold recovered by fossickers, the expenditure they put into getting to where they go to and so forth. They estimate in Western

⁵⁷⁸ Evidence, Mr Dangaard, 26 August 2013, p 64.

⁵⁷⁹ Submission 63, Mr Stephen Reilly, p 3.

⁵⁸⁰ Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 15.

⁵⁸¹ Evidence, Mr Dangaard, 26 August 2013, p 64.

⁵⁸² Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 7.

⁵⁸³ Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 7.

⁵⁸⁴ Evidence, Mr Stone, 26 August 2013, p 55.

⁵⁸⁵ Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 5.

Australia that recreational prospectors contributed over \$350 million per annum into the economy, through recreational prospecting and metal detecting alone.⁵⁸⁶

- 6.70** NAPFA stated that due to restrictive rules and regulations which limit or prohibit access to suitable fossicking areas in New South Wales, fossickers tend to go interstate. The Association contended that New South Wales is losing out on a valuable visitor market which can provide economic benefits to regional communities:

The brutal reality is that they spend their money elsewhere and in doing so provide diversity of economic opportunity for interstate regional towns that often don't have a lot of other attractions.⁵⁸⁷

Committee comment

- 6.71** The Committee notes the concerns raised by the fossicking community regarding accessing suitable land for fossicking.
- 6.72** While we note the conflicting views regarding the environmental impact of fossicking activities, we also acknowledge the potential benefits of fossicking tourism to the visitor economy. We recommend that the NSW Government investigate opportunities for fossicking in national parks, a single access fee for state forests and linking information for fossicking activities on Destination NSW's website.

Recommendation 19

That the NSW Government investigate opportunities for fossicking in national parks, a single access fee for state forests and linking information for fossicking activities on the Destination NSW website.

Rail trails

- 6.73** The Committee heard from a number of inquiry participants who advocated for the development of rail trails in New South Wales. Rail trails reuse disused or abandoned rail corridors to develop tracks for walking, cycling and/or horse riding. Inquiry participants highlighted that rail trails offer a number of opportunities for communities through increased visitation to their area and the potential services visitors require.

Visitation

- 6.74** Rail trails appeal to a wide range of visitors by offering outdoor recreational experiences as well as heritage experiences.
- 6.75** Rail Trails Australia stated that rail trails in Victoria's north east attract around 40,000 people each year.⁵⁸⁸ A visitor survey of the Fernleigh Track Rail Trail in Newcastle, which was

⁵⁸⁶ Evidence, Mr Dangaard, 26 August 2013, p 63.

⁵⁸⁷ Submission 44, NSW & ACT Prospectors and Fossickers Association Inc., p 4.

developed on a former private coal line, showed that this rail trail received 898 visitors on Sunday 28 January 2007 and 590 visitors on Wednesday 31 January 2007.⁵⁸⁹

- 6.76** Bicycle NSW expressed its support for the development of rail trails and the opportunities they provide for the visitor economy and for people of all ages who enjoy outdoor activities such as cycling. It also endorsed the work of Rail Trails Australia in championing the development of rail trails in New South Wales.⁵⁹⁰

Economic benefits

- 6.77** Advocates of rail trails contended that they have the potential to bring significant economic benefits to local communities. For example, Rail Trails Australia highlighted the economic contribution of visitors to rail trails in Victoria and New Zealand. It advised that Easter visitors to rail trails in north east Victoria spent on average, \$244 per day.⁵⁹¹ The Otego Central Rail Trail in New Zealand has a direct economic benefit of over \$8 million.⁵⁹²
- 6.78** Inquiry participants also highlighted the estimated benefits of proposed rail trail sites in New South Wales. For example, Gundagai Shire Council commissioned a study in 2009 to assess the feasibility of a Murrumbidgee Valley Rail Trail, which estimated the direct additional expenditure as a result of a rail trail development in the region to be in the order of \$1.006 million per year.⁵⁹³
- 6.79** Northern Rivers Rail Trail Inc. stated that rail trails ‘encourage a wide range of businesses and services to cater for users and visitors.’⁵⁹⁴ It proposed a rail trail for the northern rivers on the line that runs from Casino to Murwillumbah, with an initial development between Bangalow or Lismore and Mullumbimby.⁵⁹⁵ Northern Rivers Rail Trail Inc. estimated that ‘between 800 to 1200 jobs could be eventually created’ by the development of this trail.⁵⁹⁶ It also suggested that development would create demand for new services such as tour operators for walking or cycling groups, rail memorabilia, accommodation services and food outlets.⁵⁹⁷
- 6.80** The Tumbarumba Shire Rail Trail Steering Committee stated that rail trails provide a ‘boost to local economies through a steady stream of tourist traffic.’⁵⁹⁸ It contended that this would help ensure the viability of small towns along the trail that are in decline.⁵⁹⁹

⁵⁸⁸ Submission 90, Rail Trails Australia, p 3.

⁵⁸⁹ Submission 90, Rail Trails Australia, p 4.

⁵⁹⁰ Submission 91, Bicycle NSW, p 1.

⁵⁹¹ Submission 90, Rail Trails Australia, p 3.

⁵⁹² Submission 90, Rail Trails Australia, p 3.

⁵⁹³ Submission 90, Rail Trails Australia, p 3.

⁵⁹⁴ Correspondence from Northern Rivers Rail Trail Inc., to Chair, 14 October 2013, p 3.

⁵⁹⁵ Correspondence from Northern Rivers Rail Trail Inc., 14 October 2013, p 3.

⁵⁹⁶ Correspondence from Northern Rivers Rail Trail Inc., 14 October 2013, p 3.

⁵⁹⁷ Correspondence from Northern Rivers Rail Trail Inc., 14 October 2013, p 7.

⁵⁹⁸ Submission 88, Tumbarumba Shire Rail Trail Steering Committee, p 4.

⁵⁹⁹ Submission 88, Tumbarumba Shire Rail Trail Steering Committee, p 4.

Proposed sites

- 6.81** Rail Trails Australia highlighted a number of potential sites for the development of rail trails in New South Wales. Some examples are provided below.
- Molong to Dubbo.
 - Culcairn to Corowa.
 - Monaro, between Queanbeyan and Bombala.
 - Goulburn to Crookwell.
 - Pioneer Rail Trail, between Tarana and Oberon.
- 6.82** A number of other inquiry participants identified an opportunity to develop a rail trail in their community. For example, Tumbarumba Shire Council strongly supported ‘development of a multi use rail trail’.⁶⁰⁰ Tumbarumba Shire Council stated that it sees a rail trail as ‘not only providing community benefits but as the ideal activity for our visitors who are seeking outdoor recreational opportunities in a scenic environment. It also stated that a rail trail could link with food and wine producers to provide a farmer’s market experience.’⁶⁰¹
- 6.83** The New England Rail Trail Committee proposed a rail trail for the New England area which, if developed, would be the longest and highest rail trail in Australia. It outlined that the proposed trail would encompass four regional councils, four major towns and seven smaller communities. It also includes seven railway stations that are in pristine condition and offer significant opportunities for heritage visitation as well as the development of new services such as cafes and craft shops.⁶⁰²

Committee comment

- 6.84** The Committee acknowledges the potential benefits offered by the development of rail trails to local communities and the wider visitor economy in New South Wales and believes that the Government should review the feasibility of allowing disused rail corridors in New South Wales to be developed into rail trails.

Recommendation 20

That the NSW Government allow disused rail corridors in New South Wales, or land immediately adjoining the rails that belong to the Government, to be developed into rail trails.

Recommendation 21

That the NSW Government report on the potential for disused rail corridors to be restored to provide rail based tourism to regional areas and establish a rail travel tourism sector.

⁶⁰⁰ Submission 52, Tumbarumba Shire Council, p 3.

⁶⁰¹ Submission 52, Tumbarumba Shire Council, p 3.

⁶⁰² Submission 89, New England Rail Trail Committee, p 1.

Chapter 7 Marketing and regional tourism organisations

This chapter examines the marketing of tourism and visitation in New South Wales. It looks at some of the different regional tourism organisations across the State and considers how the structure of these organisations can impact upon the success of their marketing strategies. The chapter then looks at some other marketing strategies which have been run by local governments more independently of regional tourism organisations. Aboriginal tourism is then examined, as is the role and value of Visitor Information Centres in regional communities. Finally, the delivery of key surf lifesaving messages through marketing activities is discussed.

Marketing

- 7.1 Effective tourism marketing and promotion drives visitation by increasing consumer awareness of the different experiences and products a destination has to offer. This section highlights some key issues identified by the Visitor Economy Taskforce with regard to the marketing of regional destinations and outlines some of the strategies being implemented by the NSW Government to address these issues. The importance of consumer-focused destination marketing, a clear State brand, collaborative marketing and digital marketing are also examined.

Findings of the Visitor Economy Taskforce

- 7.2 The review undertaken by the Visitor Economy Taskforce into tourism and visitation in New South Wales found that poor marketing and low destination appeal were significant issues for regional destinations and for New South Wales as a whole, and that existing processes for targeting and delivering funding and developing marketing strategies had failed to deliver results.
- 7.3 The Taskforce commissioned research to assess the appeal of New South Wales destinations to potential domestic visitors, which focused on 16 regional destinations across the State. The key finding was that many regional destinations are not perceived as unique or appealing to domestic visitors.
- 7.4 In particular, the Taskforce found that ‘many NSW destinations are seen as too generic and are lacking in visitor appeal particularly in key domestic interstate markets’ and that ‘all regions are not equally appealing’.⁶⁰³ It concluded that ‘sharper destination positioning is required’ and that ‘destinations with the highest potential consumer appeal should be the priority to promote to increase visitation and visitor spend’.⁶⁰⁴

⁶⁰³ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

⁶⁰⁴ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

7.5 The Taskforce concluded that regional destinations are currently not achieving full visitor potential and that the existing regional tourism organisations funds and marketing structures must be reformed.⁶⁰⁵

7.6 With regard to the State as a whole, the Taskforce found that '[a] lack of long-term, consistent and strong destination branding has limited the effectiveness of past promotions and has prevented the brand potential of Sydney and NSW from being achieved.'⁶⁰⁶

Marketing strategies in the Visitor Economy Industry Action Plan

7.7 The Visitor Economy Industry Action Plan outlines some key strategies (as recommended by the Taskforce) to deliver more effective marketing strategies for the State as a whole and for regional New South Wales.

7.8 These include finalising 'a long-term, compelling and consistently delivered brand strategy for key identified NSW destinations, and ensur[ing] joint marketing with Industry support'⁶⁰⁷ by:

- building a comprehensive brand positioning framework for New South Wales destinations, utilising current data on visitor preferences for key State destinations and experiences
- linking brand positioning with destination management plans and working with destinations to identify key features and promote key strengths
- integrating major events and festivals, arts and culture, natural heritage and other relevant positioning into the New South Wales destinations brand strategy
- establishing a systematic theming approach to regional destination promotion for use by all key industry marketing partners.⁶⁰⁸

7.9 The NSW Government also supported a recommendation by the Taskforce to 'focus all Government visitor marketing on the top target markets and market segments identified by research for NSW',⁶⁰⁹ and as such will be:

- concentrating all future Destination NSW promotional effort, marketing, visitor servicing and product development solely on the top target markets identified through research: China UK, South Korea, USA, New Zealand, Japan, Singapore, India, Malaysia, Germany and Indonesia
- identifying the best market segment opportunities within or across these markets, for example, leisure, VFR [visiting friends and relatives], education and business

⁶⁰⁵ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 128.

⁶⁰⁶ NSW Trade & Investment, Visitor Economy Taskforce, *Final Report of the Visitor Economy Taskforce*, June 2012, p 23.

⁶⁰⁷ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 13.

⁶⁰⁸ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 13.

⁶⁰⁹ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 14.

- undertaking regular updates of target market and segment analysis to determine how best to attract and service the highest potential yielding visitor markets in terms of spend
- promoting New South Wales destinations that have the highest demonstrated consumer appeal and potential to grow visitor expenditure to target markets and incorporate events and festivals that are proven visitation drivers (e.g. the Tamworth Country Music Festival) into the domestic target market strategy.⁶¹⁰

Consumer-focused destination marketing

7.10 By understanding the consumer perceptions of a destination and their preferences of product and experience, destinations can better position themselves to respond to consumer needs and drive demand. Consumer-focused destination marketing places the consumer at the heart of planning and marketing and, at times, can challenge traditional local perceptions of what a region has to offer visitors.

7.11 Ms Sandra Chipchase, Chief Executive Officer of Destination NSW, illustrated the importance of consumer-focused destination marketing in enabling regional communities to understand their market and grow the visitor economy. She cited the findings of the Visitor Economy Taskforce that many areas of regional New South Wales do not have tourism appeal, either because visitors are not aware of the area or because it does not have a unique product that sets it apart from other destinations. Ms Chipchase highlighted that communities with limited tourism appeal have the opportunity to grow the visitor economy by readjusting their focus away from tourism to visitation and examining what they have to offer other visitor markets:

... these areas need to adjust their thinking from being a tourist destination to being a visitor destination and, therefore, looking at what are their local industries. Is there a way they can create a new market for conferencing? Is there a way they can create a new festival? Is there some other aspect regarding their particular area that would be of appeal perhaps for geological associations coming to have a look because they have fabulous rock formations? What is it that sets them apart?⁶¹¹

7.12 Ms Chipchase advised that through destination management plans, Destination NSW is helping regions to identify their visitor market segments. She stated that by targeting the right market, regions are able to focus their money, attention and activity to deliver a better result.⁶¹² Destination management plans were discussed in chapter 2.

7.13 Also raised in chapter 2 were destination management workshops. Ms Chipchase advised that these workshops also assist regions with marketing skills and strategies:

... we have been ... running a series of New South Wales first workshops. That has been around building capacity and capability of operators in regional New South Wales ... We have taken regional experts along as well as our own team to talk to

⁶¹⁰ NSW Trade & Investment, Visitor Economy Industry Action Plan, *The NSW Government response to the Final Report of the Visitor Economy Taskforce*, December 2012, p 14.

⁶¹¹ Evidence, Ms Sandra Chipchase, Chief Executive Officer, Destination NSW, 9 August 2013, p 7.

⁶¹² Evidence, Ms Chipchase, 9 August 2013, p 7.

people about how to generate ... more publicity for your destination, your product or your service. The Australian Business Woman of the Year, Robbie Sefton, who is based in Tamworth, has come along and spoken to people on basically how to do it—how to utilise web marketing, how to get your product or service promoted for free using our websites and Tourism Australia websites, and how to run a campaign.⁶¹³

7.14 A number of inquiry participants shared their views regarding the importance of consumer-focused destination management approach to marketing.

7.15 Inland NSW Tourism argued that a consumer led approach to marketing is critical, but cautioned that destinations should be identified by consumer research rather than geographical or jurisdictional boundaries:

A consumer led approach to marketing is needed to ensure that consumers understand what the different destinations represent and have to offer. These consumer destinations must be identified by consumer research not geopolitical boundaries of RTOs [regional tourism organisations] or Local or State Governments.⁶¹⁴

7.16 Broken Hill City Council contended that consumer-focused destination marketing is essential to enhance visitation growth in regional New South Wales.⁶¹⁵ Further, they argued that consumers do not treat all regions equally, and contended that having a strong consumer focus should be reflected in the prioritisation of marketing and promotion activities.⁶¹⁶ Ms Andrea Roberts, Manager of Economic Development at Broken Hill City Council expressed the view that the NSW Government has a role to play in making marketing priorities between regions clear:

Strategically I think it takes braveness and it is quite heroic to dampen the clutter and [be] really clear on where they [i.e. different regions] all fit within the tourism landscape at this point in time. We probably have an opportunity there from a State perspective.⁶¹⁷

7.17 Representatives from Central NSW Tourism highlighted that consumer-focused destination marketing has delivered significant results in increased visitation and expenditure in its region, but argued that more consumer research and accurate statistics are needed for continued success.⁶¹⁸

Need for a clear State brand

7.18 As mentioned earlier, the Visitor Economy Taskforce found that previous marketing strategies failed to articulate a clear, consistent brand for New South Wales. A number of

⁶¹³ Evidence, Ms Chipchase, 9 August 2013, p 7.

⁶¹⁴ Submission, 15, Inland NSW Tourism, p 8.

⁶¹⁵ Evidence, Clr Wincen Cuy, Mayor, Broken Hill City Council, 10 October 2013, p 54.

⁶¹⁶ Evidence, Clr Cuy, 10 October 2013, p 57.

⁶¹⁷ Evidence, Ms Andrea Roberts, Manager, Economic Development, Broken Hill City Council, 10 October 2013, p 57.

⁶¹⁸ Evidence, Ms Lucy White, Executive Officer, Central NSW Tourism, 10 October 2013, p 15.

inquiry participants raised the importance of addressing this issue to promote the State as a destination and to provide a marketing platform for regional New South Wales.

- 7.19** For example, Taronga Conservation Society stated ‘it is clear that New South Wales needs a clear brand heading for the State’.⁶¹⁹ It argued that enabling regional communities to leverage off a strong state brand improves the effectiveness of marketing strategies, particularly for areas with limited resources to invest in marketing.⁶²⁰
- 7.20** Tourism Snowy Mountains also advocated for a ‘holistic and effective brand platform’ for the State, highlighting that ‘New South Wales tourism marketing has historically been the most fragmented of the main Australian states’.⁶²¹ It expressed the view that more funding should be committed to marketing regional New South Wales in state led campaigns.⁶²²
- 7.21** The Youth Hostel Association Australia argued that ‘historically New South Wales has seriously underfunded tourism’, and that consequently, marketing campaigns have struggled ‘to create a clear brand identity’.⁶²³ It expressed the view that government funding for marketing tourism should be increased.⁶²⁴
- 7.22** Funding for tourism was considered in chapter 2.

Roles of government and industry

- 7.23** The roles and responsibilities of industry and different levels of government to market tourism and visitation in New South Wales were raised by stakeholders who expressed a range of views.
- 7.24** A number of inquiry participants argued that the responsibility for promoting New South Wales as a destination rests with the State Government. For example, Mr Bill Tatchell, Chief Executive Officer of Destination Tweed Inc., insisted that promoting destinations is the role of Destination NSW and that regions should only be responsible for marketing the products within them. He contended the difference lies in ‘destination marketing versus product marketing’.⁶²⁵

In the commercial world we look at product. It is product that sells; that is what you transact. Raising awareness of the destination is the role of the State Tourism Organisation.⁶²⁶

- 7.25** Similarly, the Accommodation Association of Australia stated that ‘Destination NSW should have responsibility for promoting NSW as a whole as a tourism destination and local government should have the responsibility for promoting its region’.⁶²⁷

⁶¹⁹ Submission 70, Taronga Conservation Society Australia, p 10.

⁶²⁰ Submission 70, Taronga Conservation Society Australia, p 10.

⁶²¹ Submission 68, Tourism Snowy Mountains, p 4.

⁶²² Submission 68, Tourism Snowy Mountains, p 4.

⁶²³ Submission 51, YHA Ltd, p 2.

⁶²⁴ Submission 51, YHA Ltd, p 2.

⁶²⁵ Evidence, Mr Bill Tatchell, Chief Executive Officer, Destination Tweed Inc., 9 October 2013, p 5.

⁶²⁶ Evidence, Mr Tatchell, 9 October 2013, p 5.

7.26 Mr Roger Powell, Chair of Inland NSW Tourism, agreed that the State Government has a critical role to play in marketing tourism and providing leadership, contending that the tourism industry is unable to achieve this on its own:

... one of the challenges is that tourism as an industry comprises 95 per cent small businesses and struggles therefore to act collectively on its own and act in its own interests so marketing is the classic example; it cannot market the way a mining company, for example, could. There is a critical role for government to play in helping facilitate that collective behaviour.⁶²⁸

7.27 Representatives from the alpine ski industry argued that the State Government should actively promote New South Wales to ensure that the State does not lose market share in areas with intense competition such as snow skiing. In particular they pointed to the success of the Snow Australia marketing campaign. This was a joint campaign with Victoria funded by state governments and industry which encouraged Australians to ski at home rather than travel overseas. Representatives were disappointed that the campaign will not be running in 2014 as the NSW Government has not contributed funding for the program, and contended that this may impact on visitor numbers to the Snowy Mountains.⁶²⁹

7.28 Others expressed the view that there can be successful marketing of regions when there is significant input from local government. For example, Mr Andrew Jefferies, Executive Officer of the Tourism Industry Council, stated that marketing regional destinations 'is not all about the one marketing spot in Destination NSW; it is also about the local councils being involved and proactive'.⁶³⁰ He gave the example of the Shoalhaven where the local government has implemented a sports tourism program beginning with soccer events for young players with a view to attracting larger, professional events. He emphasised that programs such as this 'are increasingly successful in delivering visitor numbers and in delivering boosts to local businesses'.⁶³¹

7.29 Representatives from Griffith City Council and Wagga Wagga City Council advised that they are very active in promoting and funding events that bring visitation to their communities, which they felt was a key role of local government. Mr Greg Lawrence, Manager of Tourism and Economic Development at Griffith City Council and member of Riverina Regional Tourism, recently coordinated businesses in his community for a soccer event. Although the Council did not directly benefit financially from the event, Mr Lawrence highlighted that facilitating that operation to ensure the visit was smooth and successful benefited local businesses, which ultimately benefited his community.⁶³² Ms Sally Nolan, Manager of Events at Wagga Wagga City Council and Deputy Chair of Riverina Regional Tourism, stated that for the past ten years Wagga Wagga has focused on events, which are funded by the Council. She

⁶²⁷ Submission 75, Accommodation Association of Australia, p 7.

⁶²⁸ Evidence, Mr Roger Powell, Chair, Inland NSW Tourism, 9 August 2013, p 58.

⁶²⁹ Evidence, Mr Peter Brulisauer, Chief Executive Officer, Perisher Ski Resort, 8 November 2013, pp 44-45.

⁶³⁰ Evidence, Mr Andrew Jefferies, Executive Officer, Tourism Industry Council, 9 August 2013, p 13.

⁶³¹ Evidence, Mr Jefferies, 9 August 2013, p 13.

⁶³² Evidence, Mr Greg Lawrence, Manager, Tourism and Economic Development, Griffith City Council and Member, Riverina Regional Tourism, 10 October 2013, p 48.

said it is a 'reflection on how Wagga sees visitors and the value of visitors to the city', and also the value of skilled staff.⁶³³

Collaborative marketing

- 7.30** Collaborative marketing was raised by several inquiry participants who felt that pooling resources delivered better results than individual campaigns. For example, SEPIA Consulting expressed the view that while local government plays an important role in marketing and promotion, '[i]ndividually councils cannot influence the market'.⁶³⁴ For this reason, SEPIA Consulting suggested that councils 'should give consideration to providing both financial and in-kind support to regional initiatives', arguing that '[c]ollectively, marketing can have a much stronger impact at the regional level'.⁶³⁵ It stated that the challenge is to overcome 'parochialism and establish mechanisms to pool marketing and communications resources'.⁶³⁶
- 7.31** The importance of cooperative marketing was also raised by the Taronga Conservation Society which outlined the benefits it has derived from its membership with Inland NSW Tourism and its cooperative marketing initiatives. The Society stated that cooperative marketing has 'lead to two recent years of positive growth in visitation'.⁶³⁷
- 7.32** While recognising the important role of local governments in the marketing of regional New South Wales, Inland NSW Tourism argued that greater investment in marketing by industry is required. It suggested that the 'broader range of industries and businesses comprising the visitor economy need to be incentivised to participate and contribute funds'.⁶³⁸
- 7.33** Ms Carol Giuseppi, Director of Tourism Accommodation Australia, also highlighted the importance of cooperative marketing strategies with contributions from industry, not just local government. However, she emphasised that it is important to develop a marketing model that invites industry to contribute and praised the initiatives of Inland NSW Tourism in this regard:
- If you look at what inland tourism is doing and you look at the statistics coming out of inland tourism and the visitation to that area; that demonstrates they have actually got their act together. They have actually got a structure working with Destination NSW, working with Government to actually drive visitation. They have got the businesses within that region working with them and contributing because they see the results.⁶³⁹
- 7.34** Clr Wincen Cuy, Mayor of Broken Hill, expressed the view that cooperative marketing would be better achieved in his area if there was better coordination of the different government agencies that run their own marketing campaigns:

⁶³³ Evidence, Ms Sally Nolan, Manager, Events, Wagga Wagga City Council and Deputy Chair, Riverina Regional Tourism, 10 October 2013, p 51.

⁶³⁴ Submission 30, SEPIA Consulting, p 5.

⁶³⁵ Submission 30, SEPIA Consulting, p 5.

⁶³⁶ Submission 30, SEPIA Consulting, p 5.

⁶³⁷ Submission 70, Taronga Conservation Society Australia, p 10.

⁶³⁸ Submission 15, Inland NSW Tourism, p 8.

⁶³⁹ Evidence, Ms Carol Giuseppi, Director, Tourism Accommodation Australia, 26 August 2013, p 27.

For instance, in our area we have what was the CountryLink train which is Trains NSW now and also National Parks and Wildlife have campaigns. We have campaigns. What we are saying is that there seems to be no co-ordination of those departments ... If we can actually have a greater co-ordination of agencies marketing destinations and regional destinations I think that would actually work. Collaboratively together that would work much better as well. So it is not one little pile over here and one little pile over there ... rather than having a \$100,000 campaign, we actually have a million dollar campaign because that is what makes the difference.⁶⁴⁰

Digital marketing

7.35 A need for stronger digital marketing was raised by some inquiry participants, who felt that New South Wales was not taking full advantage of the opportunities offered by digital media.

7.36 For example, Mr Julian Ledger, Chief Executive Officer of the Youth Hostel Association, expressed the view that Destination NSW could improve its use of social media and digital marketing. He contended that having a strong digital presence is important to have a competitive advantage:

We all spend our evenings online now researching destinations rather than sitting watching television ads. The world is changing quite rapidly. There are also some new threats out there. Some of the major booking channels, the online travel agents, they are offshore owned, they are very, very powerful, they are very large and sucking up everybody's attention so it is making destination marketing agencies like New South Wales have difficulty getting any traction.⁶⁴¹

7.37 Similarly, Ms Roberts expressed the view that more needs to be done at a statewide level to improve digital marketing and contended that strong state leadership is required to bring New South Wales fully into the digital age:

I think there is also a huge opportunity around digital, that no-one is really strategically looking at it on a statewide basis ... How are we going to transform into the new world? Individually, you are not going to get that level of leadership out of all the local government areas. There needs to be a statewide review, directive, direction on what we need to do next. It is actually right now ... There is a whole transition. If New South Wales grabbed a hold of it, I think it would be a really big bold move.⁶⁴²

Committee comment

7.38 The Committee notes that an extensive review of tourism marketing, including the effectiveness of past campaigns and strategies, was undertaken by the Visitor Economy Taskforce.

7.39 The Committee also notes that the Taskforce made a number of recommendations which have been supported and are being implemented by the NSW Government which focus on

⁶⁴⁰ Evidence, Clr Cuy, 10 October 2013, pp 53-54.

⁶⁴¹ Evidence, Mr Julian Ledger, Chief Executive Officer, Youth Hostel Association, 26 August 2013, p 77.

⁶⁴² Evidence, Ms Roberts, 10 October 2013, pp 62-63.

improving marketing strategies for New South Wales regions and for the State as a whole. We commend the NSW Government for undertaking this commitment.

Regional tourism organisation structures and marketing strategies

7.40 The structure, boundaries, products and partnerships of a regional tourism organisation are a statement of what a region has to offer and who it is going to target. The focus on consumer driven destination marketing, as well as the changes to the funding of regional tourism organisations and the introduction of destination management plans, has had a significant impact on the way in which tourism and visitation is marketed and administered throughout regional New South Wales.

7.41 In addition to assessing the destination appeal of regional New South Wales, the Visitor Economy Taskforce examined the effectiveness of regional tourism organisations in developing marketing strategies and driving visitor growth. The Taskforce found that regional tourism organisations were dysfunctional and that they focused tourism and marketing strategies on jurisdictional boundaries rather than on promoting destinations:

The Taskforce believes that the current RTO [regional tourism organisation] model is dysfunctional and RTOs are no longer an effective conduit between Destination NSW and Industry ... The current model fails to deliver adequate results and tangible benefits to the NSW visitor economy. The attempt to treat all areas equally, whether a tourism area or not, has failed. Business and organisations outside the RTO cannot access Government funds through the current Regional Tourism Partnership Program (RTPP) and the reporting of results through the RTPP has been often sporadic and of inconsistent quality. The focus has been driven by administrative boundaries rather than destinations.⁶⁴³

7.42 With these findings in mind, some stakeholders and regional tourism organisations have restructured the organisational model under which they operate to drive growth and better market tourism and visitation to their area.

7.43 For many stakeholders, this has been a time of significant reform. Some have implemented a complete change of structure and others have chosen to amalgamate with other tourism organisations. This next section looks at some of the different regional tourism organisation structures and marketing strategies across the State.

North Coast Destination Network

7.44 The North Coast Destination Network is the regional tourism organisation that represents all stakeholders from the Great Lakes in the south to Tweed in the north. Its financial members include 14 councils and 14 local tourism associations. The North Coast Destination Network represents and provides 'a united voice for more than 3,500 tourism operators, mostly small businesses'.⁶⁴⁴ Executive Officer, Ms Belinda Novicky, stated:

⁶⁴³ NSW Trade & Investment, Visitor Economy Taskforce Report, *Final Report of the Visitor Economy Taskforce*, June 2012, p 80.

⁶⁴⁴ Evidence, Ms Belinda Novicky, Executive Officer, North Coast Destination Network, 9 October 2013, p 44.

We work in partnership with our members, Destination NSW and the industry to influence people to travel to the North Coast and to create a sustainable tourism industry to increase the economic and social benefits to our community.⁶⁴⁵

7.45 Mr Cameron Arnold highlighted that the organisation enables close local collaboration with industry through industry membership of the local tourism associations, which are members of the North Coast Destination Network.⁶⁴⁶ Ms Novicky highlighted that these relationships with industry are key as the ‘principal purpose of the North Coast Destination Network is to ensure that the visitor economy provides local businesses and communities across the North Coast with economic and social benefits through tourism.’⁶⁴⁷

7.46 The North Coast Destination Network coordinated and developed the destination management plan for its region in consultation with its stakeholders. Ms Novicky stated that this process enabled them to identify the strengths and weaknesses within individual areas and across the region:⁶⁴⁸

The destination management plan involved more than 200 stakeholders in the development process ... we held 11 workshops in each local area in partnership with the tourism managers, chambers and other organisations. Other stakeholders were also invited to attend and to provide input ... we were able to identify the gaps that were similar across the North Coast. We also identified those that were particular to an area ... It is not a one-size-fits-all scenario; we actually looked at different needs not only on the Mid North Coast and in the Northern Rivers area but also at different destinations across the North Coast.⁶⁴⁹

7.47 The North Coast Destination network is responsible for marketing and promoting the region, which it does under the unified, cooperative brand, ‘The Legendary Pacific Coast’.⁶⁵⁰ This role is outlined in its destination management plan, which specifies that the Network ‘is to create large-scale collaborative marketing opportunities both domestically and internationally through a commitment to growing the legendary Pacific coast umbrella.’⁶⁵¹ Ms Novicky highlighted that this brand has existed for a number of years and therefore provides a consistent marketing platform for the region. It is substantially supported through member and industry buy-in, and is a self-sustainable marketing model with international recognition and a strong digital presence:

It had got a lot of attraction in the international marketplace and there was a lot of opportunity to collaborate under that Pacific Highway. 89 per cent of our visitors access our destinations along the Pacific corridor via their self-drive vehicle, so it made sense for us to do this. We put together a T-Qual application—that famous word—and we received half a million dollars to come up with the brand, implement it in the marketplace, develop the collateral, which included an iApp, website, et cetera. We have nearly 400 industry operators who financially buy into the program, so

⁶⁴⁵ Evidence, Ms Novicky, 9 October 2013, p 44.

⁶⁴⁶ Evidence, Mr Cameron Arnold, Co-chair, North Coast Destination Network, 9 October 2013, p 53.

⁶⁴⁷ Evidence, Ms Novicky, 9 October 2013, p 44.

⁶⁴⁸ Evidence, Ms Novicky, 9 October 2013, p 44.

⁶⁴⁹ Evidence, Ms Novicky, 9 October 2013, p 44.

⁶⁵⁰ Evidence, Ms Novicky, 9 October 2013, p 44.

⁶⁵¹ Evidence, Ms Novicky, 9 October 2013, p 44.

marketing is self-sustainable. National Parks is a financial member, and the 21 Local Government Associations are financially buying into the Legendary Pacific Coast.⁶⁵²

- 7.48** The North Coast Destination Network also works collaboratively with industry partners to build ‘The Legendary Pacific Coast’ brand in both domestic and international markets. Ms Novicky stated that domestic partnerships have been particularly effective in building infrastructure along the route, emphasising the investment and support of Roads and Maritime in particular:

Roads and Maritime Services have also invested into our brand. We have two welcome signs now: one at the Gosford interchange that welcomes you to the Legendary Pacific Coast and one at Tweed as you cross the border. We have 11 information bays ... shaped like a big wave and they are four big panels. Two panels are dedicated to local information ... On the other side, it is a whole panel dedicated to the Legendary Pacific Coast, the iApp, where you are on the map, the experiences we have on offer, and the other one is dedicated to the local Aboriginal history ... The Roads and Maritime Services have committed the next 11 to go in this financial year, so we will have 22 in total. All the blue and white advanced warning signs for this information bay carry our logo now, which is a colourful heart, so as you are driving the highway, you will constantly see this heart that represents our tourist information.⁶⁵³

- 7.49** Mr Arnold also outlined to the Committee the collaboration with Scoot Airlines to promote and use their brand in the international marketing sphere:

An example of how it is now being used, we are promoting it through Scoot Airlines. Scoot Airlines are flying to South-East Asia. They are doing a fly into the Gold Coast, drive the Legendary Pacific Coast, fly out of Sydney, or vice-versa. They are the advantages we have with that particular product.⁶⁵⁴

Riverina Regional Tourism

- 7.50** Riverina Regional Tourism has 18 member councils in the Riverina region.⁶⁵⁵ In order to adapt to the recent reforms Riverina Regional Tourism created a new organisational structure, with a board which is responsible for major strategy and grant funding applications, and three destination management areas (Eastern, Western and Southern Riverina) built around the distinct components of the region.⁶⁵⁶
- 7.51** Mr Ken Murphy, Chair of Riverina Regional Tourism, advised that before deciding on the current structure, Riverina Regional Tourism had considered several different options, including seeking NSW Government approval to be a subcommittee of Regional Development Australia – Riverina (which was not supported), approaching Murray Regional Tourism (which was not supported), or accepting an offer to amalgamate with Inland NSW Tourism. Mr Murphy advised that the board felt that joining Inland was ‘not really in the best

⁶⁵² Evidence, Ms Novicky, 9 October 2013, p 47.

⁶⁵³ Evidence, Ms Novicky, 9 October 2013, p 47.

⁶⁵⁴ Evidence, Mr Arnold, 9 October 2013, p 47.

⁶⁵⁵ Evidence, Mr Ken Murphy, Chair, Riverina Regional Tourism, 10 October 2013, p 40.

⁶⁵⁶ Submission 57a, Riverina Regional Tourism, p 5.

interests of our member councils'.⁶⁵⁷ Mr Lawrence expressed the view that being part of a larger organisation would not enhance the destination identity of the Riverina as 'we have enough trouble getting people to understand what the Riverina is all about'.⁶⁵⁸

7.52 Mr Murphy highlighted that the current structure was designed to have greater contact with industry, which the board identified as a key factor for success. Because the Riverina is so large with 18 member councils, Mr Murphy stated that the model of having three destination management regions will enable Riverina Regional Tourism 'to have a closer connection with industry'.⁶⁵⁹

7.53 Representatives from Riverina Regional Tourism identified that one of the strengths of the area is a strong network of councils. Mr Murphy illustrated that this has been key to the success of the recent 'Taste Riverina' initiative.⁶⁶⁰ Ms Nolan pointed to the Riverina Visitor Information Network, which facilitates interaction between stakeholders in the area, resulting in 'incredible interaction' and the 'sharing of ideas'.⁶⁶¹ She said it is particularly useful in enabling larger more well-resourced towns to engage with smaller towns, commenting that in recent years 'Riverina, have really cemented our relationships'.⁶⁶²

Central NSW Tourism

7.54 Central NSW Tourism is the regional tourism organisation for the Central Region of New South Wales. The region includes the government areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Mid Western, Parkes, Orange and Wellington.⁶⁶³

7.55 Mr Gary Styles, General Manager of Orange City Council and Economic Development Sponsoring Manager of Central NSW Councils (Centroc), stated that Centroc has worked collaboratively with Central NSW Tourism to establish the current organisational model.

7.56 Mr Styles outlined that Centroc wanted a model which would allow 'local tourist organisations to grow and flourish', recognising that in several areas the local tourism organisation is very strong.⁶⁶⁴ He explained that Central NSW Tourism also had the opportunity to join with Inland NSW but did not think it would be a positive step to amalgamate. In reaching that decision Central NSW Tourism considered what type of offerings its region had and felt that there are key differences between its region and regions further west. He stated that while there is some collaboration with Inland NSW, Central NSW Tourism collaborates more with the Blue Mountains as 'the market segment ... comes from there', travelling by road through the Blue Mountains.⁶⁶⁵ Mr Styles did, however, advise that while the collaboration with Inland

⁶⁵⁷ Evidence, Mr Murphy, 10 October 2013, p 42.

⁶⁵⁸ Evidence, Mr Lawrence, 10 October 2013, p 45.

⁶⁵⁹ Evidence, Mr Murphy, 10 October 2013, p 42.

⁶⁶⁰ Evidence, Mr Murphy, 10 October 2013, p 49.

⁶⁶¹ Evidence, Ms Nolan, 10 October 2013, p 44.

⁶⁶² Evidence, Ms Nolan, 10 October 2013, p 44.

⁶⁶³ Central NSW Tourism, About Us, <<http://www.centralnswtourism.com.au/about-us>>.

⁶⁶⁴ Evidence, Mr Garry Styles, General Manager, Orange City Council and Economic Development Sponsoring Manager, Central NSW Councils, 10 October 2013, p 13.

⁶⁶⁵ Evidence, Mr Styles, 10 October 2013, p 16.

NSW at a regional tourism organisation level is not strong, there is a significant amount of collaboration between tourism operators and local governments across both regions. For example, Orange and Bathurst have an alliance with Dubbo City Councils, and operators will often refer visitors on to attractions such as the zoo.⁶⁶⁶

- 7.57** Central NSW Tourism is focused on ‘providing authentic experiences’ focused on the offerings of the region which are ‘food and wine, nature, cultural heritage, Banjo Paterson, Henry Lawson and events’ that flow on from these areas.⁶⁶⁷ The regions represented by Central NSW Tourism also have a very strong visiting friends and relatives visitor economy.⁶⁶⁸
- 7.58** Ms Lucy White, Executive Officer of Central NSW Tourism, advised that Central NSW Tourism has a strong consumer driven focus, which is reflected in its current marketing strategy. Central NSW Tourism has developed ‘Discovery Trails’ which involves 30 visitor maps with six different themes across the entire central region. Examples include art, science, nature, gold rush and food and wine.⁶⁶⁹

Inland NSW Tourism

- 7.59** Inland NSW Tourism is a new organisation, formed with funding assistance from the previous government to help amalgamate regional tourism organisations in a bid to make them more efficient. It includes 37 local government areas and covers approximately 40 per cent of New South Wales.
- 7.60** Representatives from Inland highlighted that the strength of the organisation’s marketing strategy lies in its consumer focus. Mr Roger Powell, Chair of Inland NSW Tourism, emphasised that Inland NSW Tourism is not a regional tourism organisation as such, but rather a destination management organisation:

Inland is in fact a destination management organisation ... which is consumer focused to deliver a benefit to local communities via a number of destinations or experiences or different marketing activities to attract groups of consumers not necessarily to one location or another but to spend time in local communities generally.⁶⁷⁰

- 7.61** Inland NSW Tourism undertook rigorous visitor research which revealed that there were ‘only eight key destinations that resonated with the consumer’ in the region.⁶⁷¹ Consequently, Inland used the research to develop eight destination management plans, a process which it funded and led.
- 7.62** Inland NSW Tourism advised that it has implemented a ‘hub and spoke’ approach to destination marketing, whereby campaigns will be based on the consumer recognised destinations, and smaller communities which may not be destinations or have attractions in their own right will benefit through flow-on effects to the visitor economy. Mr Graham Perry,

⁶⁶⁶ Evidence, Mr Styles, 10 October 2013, p 24.

⁶⁶⁷ Evidence, Ms White, 10 October 2013, p 15.

⁶⁶⁸ Evidence, Ms Jennifer Bennet, Executive Officer, Central NSW Councils, 10 October 2013, p 14.

⁶⁶⁹ Tabled document, Central NSW Councils, *Central NSW Discovery Trails*.

⁶⁷⁰ Evidence, Mr Roger Powell, Chair, Inland NSW Tourism, 9 August 2013, p 51.

⁶⁷¹ Evidence, Mr Powell, 9 August 2013, p 51.

Chief Executive Officer of Inland NSW Tourism, illustrated that even smaller stakeholders who cannot participate financially in specific marketing campaigns can ‘be involved in being referenced in the website’, and commented, ‘[t]hat is why it is better to focus on eight destinations from a marketing product development and customer perspective than 37’.⁶⁷²

7.63 Mr Perry outlined the approach of Inland NSW Tourism to the roles of the regions and the organisation. He explained that the role of the regions is ‘marketing development and making sure the customer experience is a good one’.⁶⁷³ The role of Inland NSW Tourism ‘is to be the consumer advocate’, to ensure regions are informed of up-to-date insights on the consumer and ensure brands are differentiated and understood by the consumer.⁶⁷⁴

7.64 Mr Powell highlighted that a clear benefit of having a large organisation was the ability to employ expert staff with a level of skill that a typical regional tourism organisation could not afford. He contended that this has also been the key to engaging stakeholders and educating them in the new destination management process, and enabling people who may traditionally have been competitors to work together. He explained:

The answer to getting all the people engaged is to be expert and inspirational. We invested a lot of money to get a chief executive officer in Graham Perry, who was formerly the head of See Australia, a fairly substantial person in his own right who could do exactly that—apply expertise and inspiration. He uses contractors that regional tourist organisations could not afford as employees with the level of skill that regional tourist organisations typically could not afford. Those people have the capability to bring ... difficult local government people to the table with sometimes quite intransigent tourism operators and vastly different skill levels and get them to work together.⁶⁷⁵

7.65 Representatives from the organisation contended that the success of Inland NSW Tourism’s model is evident in the return on investment to its members, which they illustrated as follows:

The Outback membership fee was \$49,000 and the return was \$1 million; the Central and Dubbo membership fee was \$87,000 and the return was \$955,000; the New England membership fee was \$183,000 and the return was \$1.3 million; and the Southern Highlands/Southern Inland membership fee was \$60,000 and the return was \$922,000.⁶⁷⁶

7.66 The return on investment figures include a conservative valuation of research, the development of destination management plans and the facilitation of workshops which were part of the consultation and collaboration process:

The total cost to date of destination management has been about \$500,000. We secured some of that funding from Destination NSW on the basis that it matched funds dollar-for-dollar with industry. Our membership dollars provided that matched funding. We did not go back to our members and ask for a subsidy for destination

⁶⁷² Evidence, Mr Graham Perry, Chief Executive Officer, Inland NSW Tourism, 9 August 2013, p 59.

⁶⁷³ Evidence, Mr Perry, 9 August 2013, p 52.

⁶⁷⁴ Evidence, Mr Perry, 9 August 2013, p 52.

⁶⁷⁵ Evidence, Mr Powell, 9 August 2013, p 57.

⁶⁷⁶ Evidence, Mr Perry, 9 August 2013, p 55 and Tabled document, Mr Graham Perry, Chief Executive Officer, Inland NSW Tourism, ‘Inland NSW Tourism Scorecard’.

management. That means a local government area that is a financial member of Inland Tourism pays its membership fee and for that it receives a destination management plan in which it has participated.⁶⁷⁷

7.67 The success of Inland NSW Tourism's marketing strategy is also evident in the success it has had with the new Regional Visitor Economy Fund, where it was awarded three grants, as well as a grant for Taronga Western Plains Zoo, which is also a member of Inland NSW Tourism:

- Inland NSW Tourism: The Best of Outback - Destination Appeal Program - \$394,745
- Inland NSW Tourism: Tamworth and New England Destination Appeal Program - \$233,500
- Inland NSW Tourism: Dubbo and Surrounds - Destination Appeal Program - \$323,250
- Taronga Conservation Society of Australia - Taronga Western Plains Zoo: Safari Eco Cabins - \$250,000.⁶⁷⁸

Committee comment

7.68 The Committee acknowledges the steps taken by regional tourism organisations to adapt to the funding and destination management reforms introduced by the NSW Government. We note that some regional tourism organisations have tailored their organisation's structure and marketing strategies around the destination management planning system, and commend these organisations for their efforts.

7.69 The effectiveness of these organisations new structures and strategies, however, will only become apparent over time. As such, we recommend that the effectiveness of regional tourism organisations in their implementation of destination management plans should be assessed as part of the 2019 review at Recommendation 1.

Local marketing strategies

7.70 In addition to tourism marketing strategies developed by regional tourism organisations, the Committee also heard from a number of stakeholders who have had successful marketing and growth strategies for visitation to their area which are more locally focused and less dependent on the direction of their regional tourism organisation. Three examples are Tweed Shire, Bega Valley Shire and Bombala.

Tweed Shire

7.71 The Tweed Shire is located near the border of Queensland on the New South Wales coast in the Northern Rivers region. The Committee heard from representatives from Tweed Shire Council and Destination Tweed Inc., a not-for-profit organisation that is contracted by the

⁶⁷⁷ Evidence, Mr Perry, 9 August 2013, p 56.

⁶⁷⁸ Destination NSW, Tourism, Business Recourses Development, Funding and Grants, <<http://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants/regional-visitor-economy-fund-rvef/rvef-contestable-funding-program>>.

Tweed Shire Council to promote and develop products for tourism and visitation to the area.⁶⁷⁹

- 7.72** Destination Tweed Inc. has a collaborative relationship with its regional tourism organisation, the North Coast Destination Network, but also runs and administers a group for the Northern Rivers region which operates independently of the Network. Mr Tatchell explained that while Tweed Shire plays a part in the regional tourism organisation and is able to work cooperatively and join its marketing programs, some smaller communities in the Northern Rivers region do not have the money to contribute to the larger regional tourism organisation, and consequently do not have a voice, despite having ‘some great product to offer’.⁶⁸⁰
- 7.73** Working closely with the Northern Rivers group allows the Tweed to focus on its unique nature-based product offerings and the potential offered by its proximity to Queensland’s Sunshine and Gold Coasts. Mr Tatchell identified that this is particularly important as the regional tourism organisation is ‘huge’, running from Port Stephens to the Queensland border, and as such the ‘depth and diversity of experience in product offering there is immense’.⁶⁸¹
- 7.74** For example, Tweed Shire works collaboratively with the Northern Rivers group on marketing campaigns by pooling resources without the assistance of Destination NSW. Mr Tatchell explained that ‘it is often cheaper for us to do it that way’ than to join cooperative marketing campaigns,⁶⁸² but also expressed the view that the marketing from Destination NSW is heavily focused on Sydney as a destination and a gateway to regional New South Wales, which does not reflect the position or the market of the Northern Rivers region. He asserted that the Northern Rivers group is a good model of collaborative and independent regional marketing:

We band together to do promotional regional marketing where we pool our resources without the assistance of Destination NSW. In this way, I believe that our tourism management group in the Northern Rivers is a good model of organisations coming together using our own resources and, where we can, we tap our regional tourism organisation on the shoulder to see if there is any funding available to cooperatively go into it. We are very much about trying to do it on our own. The reason for that is ... [t]he focus out of Sydney is out of Sydney. It is not necessarily to the regions straight on the border of Queensland.⁶⁸³

Bega Valley Shire

- 7.75** Bega Valley Shire is located on the south east coast of New South Wales close to the Victorian border. Representatives from Bega Valley Shire Council advised the Committee that while they are a member of the South Coast Regional Tourism Organisation, they have a very different market focus to that organisation, and for that reason have chosen to work more independently.

⁶⁷⁹ Evidence, Mr Tatchell, 9 October 2013, p 5.

⁶⁸⁰ Evidence, Mr Tatchell, 9 October 2013, p 5.

⁶⁸¹ Evidence, Mr Tatchell, 9 October 2013, p 5.

⁶⁸² Evidence, Mr Tatchell, 9 October 2013, p 5.

⁶⁸³ Evidence, Mr Tatchell, 9 October 2013, p 5.

- 7.76** Ms Leanne Barnes, Acting General Manager of Bega Valley Shire Council, told the Committee that ‘the South Coast Regional Tourism Organisation focuses most of their marketing on weekend trips from Sydney’, which does not include destinations such as Bega Valley Shire, which are too far away. She stated that in order to be successful in growing its visitor economy, Bega Valley Shire has ‘to be really targeted’ and has ‘to pick [its] point of difference’, remarking, ‘[i]t is not about tacking onto the end of the South Coast Regional Tourism Organisation’.⁶⁸⁴
- 7.77** To this end, the Bega Valley Shire Council established Sapphire Coast Tourism Ltd as its peak tourism management body in 2006.⁶⁸⁵ The Council provides funding to Sapphire Coast Tourism to undertake tourism activities, specifically tourism marketing. Ms Barnes explained that Bega Valley Shire Council is a member of the South Coast Regional Tourism Organisation through Sapphire Coast Tourism, which represents it. She stated that the relationship with the South Coast Regional Tourism Organisation ‘has been strained and a bit difficult in the early days ... because we are operating in a different model, but I think we are starting to get more into a way of working together’.⁶⁸⁶
- 7.78** Ms Barnes and Clr Sharon Tapscott, delegate on the Sapphire Coast Tourism Board, contended that the importance of proactive and independent marketing led by Sapphire Coast Tourism and the Council has been made more apparent by a lack of marketing support from Destination NSW. Ms Barnes stated that it has been difficult to gain support from Destination NSW with regard to developing and marketing the Bundian Way and Australia’s Coastal Wilderness.⁶⁸⁷ Clr Tapscott stated that with regard to marketing, ‘Sapphire Coast tourism has identified that if you want it done you do it yourself’.⁶⁸⁸
- 7.79** Representatives from Bombala Council who are also involved in these projects agreed. Mr Grantley Ingram, Director of Regulatory Services, Bombala Council, commented that Destination NSW has been the least active of all key marketing stakeholders.⁶⁸⁹

Bombala

- 7.80** Unlike Tweed Shire and Bega Valley Shire, Bombala Council is not a member of its regional tourism organisation, and instead, for several reasons, has chosen to work independently of the regional tourism organisation structure.
- 7.81** Bombala advised the Committee that under the regional tourism organisation network, it is designated as part of Tourism Snowy Mountains. Representatives stated that this ‘has never

⁶⁸⁴ Evidence, Ms Leanne Barnes, Acting General Manager, Bega Valley Shire Council, 8 November 2013, p 40.

⁶⁸⁵ Submission 28, Bega Valley Shire Council, p 6.

⁶⁸⁶ Evidence, Ms Barnes, 8 November 2013, p 32.

⁶⁸⁷ Evidence, Ms Barnes, 8 November 2013, p 35.

⁶⁸⁸ Evidence, Clr Sharon Tapscott, Bega Valley Shire Council and Delegate, Sapphire Coast Tourism, 8 November 2013, p 36.

⁶⁸⁹ Evidence, Mr Grantley Ingram, Director of Regulatory Services, Bombala Council, 8 November 2013, p 36.

been very successful for us', with one of main reasons being that membership costs \$20,000, which is a sizeable sum for a Council that has 'only got a small tourism budget'.⁶⁹⁰

- 7.82** Representatives advised that the other key reason influencing Bombala's decision to work independently is that Bombala does not 'fit into a scheme or profile' of Tourism Snowy Mountains 'in any way shape or form' and that its 'tourism businesses are at a different level' to those in the Snowy Mountains.⁶⁹¹ Ms Karen Cash, Economic Development Manager at Bombala Council, explained:

We cannot offer packages because we still do not have operators who are offering canoe rides, bicycle hire and that sort of thing. So that limits us in being able to take part in any of their advertising campaigns. They are pitched at a really different level, and it is too expensive for the small number of operators we have to join in. So the current structure certainly does not suit Bombala.⁶⁹²

- 7.83** Further, Mr Ingram and Ms Cash expressed the view that promoting the ski fields of the Snowy Mountains would not bring visitor growth to their community. Consequently, Bombala Council has chosen to work independently and target a visitor market that would be focused on the strengths of their region.

Committee comment

- 7.84** The Committee acknowledges that the larger marketing strategy of a regional tourism organisation may not work for all of its members, particularly where its strategic focus may not have included or adequately represented the product offering of all of its members.
- 7.85** We note that as such, some communities – such as Tweed Shire, Bega Valley Shire and Bombala – have considered it more beneficial to develop their own, more localised tourism marketing strategies.

Elements of successful marketing and investment strategies

- 7.86** During the course of the Inquiry a number of examples emerged of communities successfully marketing their regions, or successfully investing in products that have grown the visitor economy. The strategies of these communities share several key elements, including knowing one's product and market, strategic local government investment, strong local leadership and collaborative relationships.

Knowing your product

- 7.87** Communities that had a strong visitor economy demonstrated that they had clearly identified the key tourism and visitation products they had to offer.

⁶⁹⁰ Evidence, Ms Karen Cash, Economic Development Manager, Bombala Council, 8 November 2013, p 33.

⁶⁹¹ Evidence, Ms Cash, 8 November 2013, p 41.

⁶⁹² Evidence, Ms Cash, 8 November 2013, p 41.

- 7.88** Both Albury and Clarence Valley identified that their strengths were both in hosting sports events and in promoting the natural attractions of their respective areas. For example, Ms Tracey Squire, Director of Economic Development and Tourism at Albury City Council stated that Albury's key strengths are sports and recreation events, and the natural attractions and opportunities provided by the Murray River and Lake Hume:

We attract State championships, national championships and some international. We work very hard at attracting some major league games across a whole range of different spectrums into the region to provide regional Australians the opportunity to attend and participate in those things and drive visitation into the city. Sport and recreation events are certainly a priority for us and one of our existing strengths. The other is around the Murray River and Lake Hume. You are probably aware that Lake Hume holds something like seven times more water than Sydney Harbour so the size of the lake provides a vast range of opportunities for recreational activities. They would be, in terms of products and drivers to the region, some of the critical components for the purpose of visits.⁶⁹³

- 7.89** Clr Williamson outlined that the key attractions and strengths of Clarence Valley's visitor are ecotourism, adventure tourism, and sports and events tourism, underpinned by the coastline and the river systems.⁶⁹⁴ Adventure and sports tourism in particular are major growth areas for the Clarence Valley which are identified in its destination management plan and earmarked for significant investment in both infrastructure and marketing:

Since 2009 \$4.8 million of investment has been made to underpin the Clarence River Way Master Plan. These investments have included new pontoons and jetties at Iluka, Harwood, Ulmarra and Cowper/Brushgrove, a streetscape redevelopment for Skinner Street South Grafton, the Grafton waterfront plan, the Maclean Riverside precinct Plan, the longest white water canoe trail and five new primitive campsites, and a cruising and sailing guide. Importantly council's investment of \$1.5 million has netted a return of \$3 for every dollar invested from a combination of the Australian Government, State Government, agencies and partners.⁶⁹⁵

- 7.90** Natural attractions are also the key strengths of the Tweed Shire. Mr Tatchell observed that understanding and embracing the natural products the region has to offer has allowed the Tweed to develop and grow its visitor economy in sustainable low impact tourism and develop a range of products to offer visitors in this nature-based setting. This has resulted in a multi-layered offering and the ability to target a wider market, and consequently, the growth of a strong visitor economy:

The Tweed has a very good tourism industry, but it is layer on layer on layer. I use the example: if you go to Uluru you get off the bus and there are about 30 or 40 other coaches. It is an amazing experience as you look forward to the rock, but if you look left or right you are one of many. The Tweed has many tourists, but we are all doing different things there. You get the beautiful feeling of being alone. You may be there for the Margaret Ollie, the art. You may be there to paint. You may be there as a

⁶⁹³ Evidence, Ms Tracey Squire, Director, Economic and Tourism Development, Albury City, 13 September 2013, p 2.

⁶⁹⁴ Evidence, Clr Richie Williamson, Mayor, Clarence Valley Council, 9 October 2013, p 30.

⁶⁹⁵ Submission 29, Clarence Valley Council, p 1.

botanist or a bushwalker or a mountain biker, a kayaker, a fisher, a surfer, a body-boarder. Add them all up and you have a healthy, robust tourism industry.⁶⁹⁶

- 7.91** Broken Hill has a strong outback identity and brand that it has marketed for several years and which it continues to offer under the destination management guidance of Inland NSW Tourism.⁶⁹⁷ This has provided a clear and consistent marketing platform for the region. Ms Roberts highlighted Broken Hill's success in being a finalist in the upcoming tourism awards for its Discover the Lost World campaign.⁶⁹⁸
- 7.92** Bega Valley Shire Council is another example of a region that knows its product. As mentioned in chapter 3 at paragraph 3.19, the Council has identified growth potential in the development of the Port of Eden to accommodate international cruise ships. Ms Barnes advised that the Council and Sapphire Coast Tourism have accordingly been developing a targeted marketing strategy focused on international cruises, in partnership with Carnival Cruises.⁶⁹⁹
- 7.93** The Committee also heard from Bombala Council which advised that the Bombala region has marketed itself as "Platypus Country" due to the high numbers of platypus in the local rivers and streams. The Council commented that ecotourism has been identified as a potential area of growth which they are working towards developing in partnership with the local branch of the national parks and wildlife service.⁷⁰⁰ In addition, Bombala Council has been focusing on growing motorcycle tourism. Ms Cash stated that when the Council considered the strengths and limitations of the region they noted that Bombala had no public transport down to the coast, which they saw as a 'real handicap'.⁷⁰¹ Therefore they identified that targeting a self-driving market was very important. They also realised that Bombala has great roads, where 'riders can travel on three different mountains in one day', which is very appealing to riders.⁷⁰² Further, Ms Cash highlighted the potential for motorcycle tourists to patronise community businesses, stating that 'riders have to stop every hour or so, they need petrol and they need food'.⁷⁰³ Ms Cash illustrated the success of the recent 'Snowy Ride' and its impact on the local economy:

The most noticeable economic development benefits come from the motorcycle market. We have just had the Snowy Ride in the area and we had hundreds of bikes coming into Bombala from the Thursday through until the Monday. I was in town on the Sunday for 15 minutes and there were 27 bikes in the main street. They would have contributed at least \$40 each to our local economy. As those bikes were leaving, there was another whole 27-odd coming into the local area. That is very encouraging for our region.⁷⁰⁴

⁶⁹⁶ Evidence, Mr Tatchell, 9 October 2013, p 7.

⁶⁹⁷ Evidence, Clr Cuy, 10 October 2013, p 56.

⁶⁹⁸ Evidence, Ms Roberts, 10 October 2013, p 56.

⁶⁹⁹ Evidence, Ms Barnes, 8 November 2013, p 33.

⁷⁰⁰ Submission 9, Bombala Council, p 1.

⁷⁰¹ Evidence, Ms Cash, 8 November 2013, p 34.

⁷⁰² Evidence, Ms Cash, 8 November 2013, p 34.

⁷⁰³ Evidence, Ms Cash, 8 November 2013, p 34.

⁷⁰⁴ Evidence, Ms Cash, 8 November 2013, p 31.

- 7.94** Mr Ingram highlighted that Bombala's strategy to target areas 'which have the greatest growth potential' has also led to their involvement in the Commonwealth National Landscapes program, which includes the development of the Bundian Way.⁷⁰⁵ Ms Cash outlined the program and its potential for her community:

... the most exciting opportunity for sustained and significant growth within our tourism sector comes from a project of the Eden Local Aboriginal Land Council, which is called the Bundian Way. It is the ancient walking track that links the coast to the mountains. It is older than the Silk Road. I think you can probably imagine that it is a very exciting project for the council to be involved in. It offers huge potential not only for the Indigenous community but also for towns such as Eden, Bombala and Delegate. These towns have suffered a lot of hardships and are doing it pretty tough at the moment, but this project really does offer significant opportunities for economic and community growth.⁷⁰⁶

Knowing your market

- 7.95** Identifying a region's key target markets is another common element in communities with successful marketing strategies.
- 7.96** Ms Squire advised that Albury's target visitor market is primarily domestic, with the majority of visitors from Melbourne, Sydney, regional Victoria and regional New South Wales. Ms Squire highlighted that focusing on these markets enables Albury to utilise and build on its existing strengths rather than expend money and energy chasing international markets they may not be resourced to adequately provide for:

It is definitely a domestic focus at this stage. One of the challenges with the international market, particularly moving into the Asian market, is that you have to be able to deal with that client base to make sure that they have a quality experience. That obviously takes a lot of industry development work to bring the operators up to speed. You also need to have a product offer that is significant enough to drive international visitation. Albury-Wodonga is not a Gold Coast, an Ayers Rock or a Great Barrier Reef, and not all destinations can be those things. We try very much to work within the realms of reality and make sure that we can deliver an experience that meets people's need and expectations.⁷⁰⁷

- 7.97** Mr Morrison stated that Clarence Valley has targeted its marketing to attract visitors most likely to enjoy its nature and adventure products. He highlighted that this allows the Clarence Valley to distinguish itself from neighbouring regions and maximise its return on investment:

The ones [visitors] we have been trying to attract work for us, we think. We have a river and mountains. We are not trying to provide what everyone else is doing. They do that better than us. Let them do that. We think they are our strong initiatives and where our best bang for our buck comes from.⁷⁰⁸

⁷⁰⁵ Evidence, Mr Ingram, 8 November 2013, p 40.

⁷⁰⁶ Evidence, Ms Cash, 8 November 2013, p 31.

⁷⁰⁷ Evidence, Ms Squire, 13 September 2013, p 2.

⁷⁰⁸ Evidence, Mr David Morrison, Manager, Strategic and Economic Planning, Clarence Valley Council, 9 October 2013, p 40.

- 7.98** Tweed Shire has also targeted its market, based on its close proximity to Queensland which has allowed it to target the ‘enormous market in South-East Queensland’.⁷⁰⁹ The Committee was informed that this has influenced both Tweed’s marketing campaigns and partners.⁷¹⁰

Strategic investment

- 7.99** Strategic investment in products to grow the visitor economy was another successful strategy in communities such as Albury, Clarence Valley and Broken Hill.

- 7.100** Albury City Council has made significant investments in community and visitor infrastructure that benefits locals and visitors alike. Ms Squire provided the example of Oddies Creek Playspace, which has added value for the family visitor market and improved the liveability of the town:

The effect that had on the quality of the experience in the city has been considerable. Certainly, while much of the infrastructure that we provide is delivered for the community, if we make sure that in our long-term strategic planning we are developing infrastructure that serves both markets—so it meets the local community needs and also provides us with an opportunity to drive tourism and the visitor economy—then there are significant benefits.⁷¹¹

- 7.101** Clarence Valley Council has invested in local sport infrastructure to grow its sports events market. In particular, hockey events bring significant returns to the local community. With joint investment in infrastructure between state, federal and local governments, as well as industry, Clarence Valley has secured infrastructure capable of hosting state title events. Mr Morrison outlined the justification for and benefits of this significant investment:

... part of the funding, \$400,000 came from the Commonwealth and over a couple of years about \$370,000 was from council and the balance to get near a \$1 million to build a second water base facility came from the hockey playing association itself. A large part of the justification of the council for that was that it gave them two fields that could then qualify to be a track for State titles. We have since done a deal with NSW Hockey to be guaranteed State titles for the next three years. The terms of reference, that return in investment was that we could see for the broader community a return coming back in on that investment ... last year we had three State titles ... bringing in something like \$500,000 ... You get that return for the full three years and that was part of the conscious decision-making whether that was an area to invest in or whether it should be invested somewhere else. Also you get your sporting infrastructure to a high-quality standard.⁷¹²

- 7.102** Clr Williamson stated that state titles are ‘a huge economic boost to the Clarence’s economy’ and that hockey is ‘one of those potential areas to grow for the Clarence.’⁷¹³

⁷⁰⁹ Evidence, Mr Tatchell, 9 October 2013, p 6.

⁷¹⁰ Evidence, Mr Tatchell, 9 October 2013, p 6.

⁷¹¹ Evidence, Ms Squire, 13 September 2013, p 4.

⁷¹² Evidence, Mr Morrison, 9 October 2013, p 38.

⁷¹³ Evidence, Clr Richie Williamson, Mayor, Clarence Valley Council, 9 October 2013, p 36.

7.103 Broken Hill City has also made a recent strategic investment in its community. With support from the State Government, the Council invested in Broken Hill Studios which offers opportunities for digital art and media. As well as being a product to attract visitation and tourism, it also offers opportunities for young people in the community.⁷¹⁴ In addition, the studios have attracted visiting students, who make a very positive contribution to the visitor economy:

... the film studio had 22 students come out, 11 architectural students and 11 business students that work in groups collaboratively together to build up business ideas about the film precinct. They stayed for two weeks and that is the type of initiative and incentive that we are trying to follow through on and actually look at how we can do it better because it benefits the community.⁷¹⁵

Strong local leadership

7.104 Another element that has contributed to the success of communities' marketing and investment strategies is strong local leadership.

7.105 For example, the Mayor of Broken Hill, Clr Wincen Cuy, attributed the current strength of Broken Hill's visitor economy on the vision of its local government several decades ago:

Broken Hill was privileged in that 30 or 35 years ago we had a very good council that saw the advantage of diversification, away from mining and into tourism. We now have had a very strong tourism industry and a strong tourism presence. Over those years, the Council has been a great advocate for tourism and making sure that we try to diversify away from our core roots, which is mining.⁷¹⁶

7.106 Clr Cuy commented on Broken Hill's famous desert sculptures, emphasising that 'good strong leadership' and 'people with vision' were behind the creation of these sculptures, which are now 20 years old.⁷¹⁷ He highlighted that the sculptures 'would be the biggest single thing that has driven extra visitation and extra nights and dollars spent into our community ... Over that 20-year period it has put wealth untold into the area.'⁷¹⁸ In addition, the sculptures have provided a platform for the growth of Broken Hill's art and film market, which includes key assets such as the Brushmen of the Bush⁷¹⁹ and the oldest regional art gallery in New South Wales.⁷²⁰

7.107 The Committee also heard that leadership of the local government in Tweed in its vision for the Shire has had a considerable impact on the growth of its visitor economy. This has been particularly important for the Tweed to distinguish itself from popular nearby Queensland destinations, and allow it to develop an alternative, rather than competitive, tourism offering. Mr Tatchell explained:

⁷¹⁴ Evidence, Ms Roberts, 10 October 2013, p 59.

⁷¹⁵ Evidence, Ms Roberts, 10 October 2013, p 62.

⁷¹⁶ Evidence, Clr Cuy, 10 October 2013, p 53.

⁷¹⁷ Evidence, Clr Cuy, 10 October 2013, p 60.

⁷¹⁸ Evidence, Clr Cuy, 10 October 2013, p 60.

⁷¹⁹ Evidence, Clr Cuy, 10 October 2013, p 58.

⁷²⁰ Evidence, Clr Cuy, 10 October 2013, p 60.

We have a council that had the vision to lop the building height to three stories a number of years ago. You have this enormous juxtaposition between urban massive built infrastructure on the Gold Coast and 10 minutes in a car down south you can stand on a beach, turn around and see trees. You are in a natural environment. It is that position that is our strength. That is the area that we focus on.⁷²¹

Collaborative regional relationships

- 7.108** Collaborative regional relationships are another key element of successful marketing strategies that became apparent during the Inquiry.
- 7.109** Albury City Council advised that strong collaborative regional relationships with Murray Regional Tourism and the Riverina and Murray Regional Organisation of Councils [RAMROC] are an important component of its success in growing a strong visitor economy. Ms Squire highlighted that these relationships provide opportunities to work ‘in collaboration with our local government area partners on both sides of the river’ and to pool resources in order to ‘leverage off public relations and marketing opportunities’.⁷²² In addition, Albury is a member of the Riverina Regional Cities Group, which includes the councils of Wagga Wagga, Griffith and Albury, where representatives meet to share information and work collaboratively on specific projects. Ms Squire stated it also provides ‘a platform for advocacy and promotion when they are needed as well’.⁷²³
- 7.110** Bega Valley Shire Council has also developed strong regional relationships. Ms Barnes explained that Bega Valley Shire Council and Sapphire Coast Tourism work closely with Bombala Council and East Gippsland Shire in Victoria. They are involved in the federal National Landscapes program, in which they are particularly focused on developing the Bundian Way and the Australian Alps.⁷²⁴ They are also key members of the Australia’s Coastal Wilderness National Landscapes steering committee which they stated has ‘contributed significant marketing and promotion opportunity for tourism in the area’.⁷²⁵ Ms Barnes highlighted that these local and cross-border relationships have been very positive, commenting, ‘[t]he three councils work really closely together and we are all on message’.⁷²⁶ Similarly, Ms Cash from Bombala Council highlighted that these partnerships are the key factor in the successful cross-border promotion of the destination:

I think the key is the fact that East Gippsland Shire Council works so well with Bombala Council and Bega Valley Council. We also work with land managers from Parks Victoria and the National Parks and Wildlife Service here. I think it is really important that partnering with those different organisations does not take into account State boundaries. It is really going to be the way forward. Tourists do not know where the council boundaries finish. There is a sign which says, “You are now

⁷²¹ Evidence, Mr Tatchell, 9 October 2013, pp 6-7.

⁷²² Evidence, Ms Squire, 13 September 2013, pp2-3.

⁷²³ Evidence, Ms Squire, 13 September 2013, p 7.

⁷²⁴ Evidence, Ms Barnes, 8 November 2013, p 41.

⁷²⁵ Submission 28, Bega Valley Shire Council, p 6.

⁷²⁶ Evidence, Ms Barnes, 8 November 2013, p 41.

entering New South Wales,” but it does not make any difference to the tourists. There needs to be more of that partnering across borders being done, in my view.⁷²⁷

Committee comment

- 7.111** The Committee commends the excellent work of these communities in developing strategies to grow the visitor economy and having clear marketing and investment strategies that complement the natural offerings of the area and the values of their respective communities. We are particularly impressed with the strong leadership demonstrated by the local governments in these areas, which has been a key component of these communities’ success.

Aboriginal tourism

- 7.112** The Aboriginal Tourism Action Plan 2013-2016 was released by the NSW Government in August 2013. The Plan was developed in response to a recommendation of the Visitor Economy Taskforce that the NSW Government ‘[r]aise the profile of NSW’s Aboriginal heritage and contemporary culture and further develop and sustain visitor attractions and experiences which tell the story of Indigenous Australia.’⁷²⁸
- 7.113** The vision of the Aboriginal Tourism Action Plan 2013-2016 ‘is to support the existing and emerging NSW Aboriginal tourism experiences, products and businesses that will lead to economic and social benefits for Aboriginal people, both as operators and employees.’⁷²⁹ In addition it is anticipated that the implementation of the Plan will ‘foster greater understanding and appreciation among non-Aboriginal people of the diversity and richness of Aboriginal culture.’⁷³⁰
- 7.114** The Plan was developed in consultation with Aboriginal tourism businesses and Aboriginal organisations, the tourism industry and all levels of government.⁷³¹ Consultation revealed that visitors do not readily associate New South Wales with Aboriginal Tourism experiences, but that there is potential to develop and support an Aboriginal tourism product offering and market positioning in New South Wales.⁷³² As a result, the Plan identified the following three goals.

Goal 1: Increased market awareness of NSW as a destination where Aboriginal culture is strong, vibrant and diverse.

Goal 2: Sustainable market-ready and export-ready Aboriginal tourism products and experiences.

Goal 3: Increased awareness, understanding and appreciation of Aboriginal culture in NSW by Government, the tourism industry and visitors.⁷³³

⁷²⁷ Evidence, Ms Cash, 8 November 2013, p 41.

⁷²⁸ NSW Trade and Investment, *Visitor Economy Industry Action Plan*, December 2012, p 40.

⁷²⁹ Destination NSW, *Aboriginal Tourism Action Plan 2013-2016*, August 2013, p 2.

⁷³⁰ Destination NSW, *Aboriginal Tourism Action Plan 2013-2016*, August 2013, p 2.

⁷³¹ Destination NSW, *Aboriginal Tourism Action Plan 2013-2016*, August 2013, p 7.

⁷³² Destination NSW, *Aboriginal Tourism Action Plan 2013-2016*, August 2013, p 7.

⁷³³ Destination NSW, *Aboriginal Tourism Action Plan 2013-2016*, August 2013, p 14.

- 7.115** The Plan recognises that Aboriginal leadership and ownership is critical to the successful implementation of these goals and identified a number of actions to achieve these goals through a partnership model over the next three years.⁷³⁴

Opportunities for Aboriginal tourism in New South Wales

- 7.116** A number of inquiry participants identified opportunities for Aboriginal tourism in their area.
- 7.117** For example (and as mentioned on several occasions throughout this report), inquiry participants from Bega Valley, Bombala and the Snowy Mountains are involved in developing the Bundian Way, which is an ancient Aboriginal trade route that runs from Eden to the top of Mount Kosciuszko.⁷³⁵ It was an initiative of the Eden Local Aboriginal Land Council⁷³⁶ and is also a key component of the federal National Landscapes program.⁷³⁷ Inquiry participants, such as Ms Karen Cash, Economic Development Manager at Bombala Council, were enthusiastic about this project, and highlighted its ‘huge potential not only for the Indigenous community but also for [surrounding] towns’.⁷³⁸
- 7.118** Albury City Council advised that it has developed the Wagirra Trail in partnership with the local Aboriginal community. The trail was constructed by an Aboriginal work crew which was engaged by the Council and was provided with a three year training and development program. Ms Tracey Squire, Director of Economic and Tourism Development at Albury City Council, stated that the Wagirra Trail tells a story of the local Aboriginal culture, and in addition has provided employment, training and education opportunities for young Aboriginal people in the community.⁷³⁹
- 7.119** Arts Northern Rivers advised that it runs an outreach service to Aboriginal visual artists across the Northern Rivers region. This service includes an Indigenous arts development officer who helps artists with pricing, accessing galleries and developing their work ‘for more commercial ends of the market ... targeted towards tourists in the region’.⁷⁴⁰ Mr Peter Wood, Chief Executive Officer of Arts Northern Rivers, advised that the organisation also promoted artists at the Boomerang Festival,⁷⁴¹ an indigenous festival held in Byron Bay in 2013.⁷⁴²
- 7.120** However, some stakeholders stated that low consumer awareness and a shortage of skilled indigenous tourism operators are hampering a number of these opportunities. For example, Mr Glen Caldwell, Tourism Manager of Coffs Coast Marketing, advised that Coffs Harbour has a number of Aboriginal tourism products including the Rugby Ella 7s, the Saltwater

⁷³⁴ Destination NSW, *Aboriginal Tourism Action Plan 2013-2016*, August 2013, p 8.

⁷³⁵ Evidence, Clr Colin Stewart-Beardsley, Snowy River Shire Council, 8 November 2013, p 22.

⁷³⁶ Evidence, Ms Cash, 8 November 2013, p 31.

⁷³⁷ Evidence, Ms Barnes, 8 November 2013, p 31.

⁷³⁸ Evidence, Ms Cash, 8 November 2013, p 31.

⁷³⁹ Evidence, Ms Squire, 13 September 2013, p 5.

⁷⁴⁰ Evidence, Mr Peter Wood, Chief Executive Officer and Regional Arts Development Officer, Arts Northern Rivers, 9 October 2013, p 33.

⁷⁴¹ Evidence, Mr Wood, 9 October 2013, p 33.

⁷⁴² Boomerang Festival, accessed 20 February 2013, <<http://www.boomerangfestival.com.au/events/?EventGroupID=1>>.

Freshwater Festival and several cultural heritage walks. He argued that maximising the potential of these products requires investment in marketing and promotion as well as skills development for operators.⁷⁴³ Ms Belinda Novicky, Executive Officer of North Coast Destination Network, agreed, stating that currently there is a gap in developing the existing Aboriginal tourism products of the north coast into commercially accessible experiences for tourists.⁷⁴⁴

- 7.121** Similarly, inquiry participants from Dubbo identified that the opportunities for Aboriginal tourism in their area are immense, but are hampered by a shortage of skilled indigenous operators to drive and deliver these experiences.⁷⁴⁵ For this reason, inquiry participants welcomed the Aboriginal Tourism Action Plan 2013-2016, as a holistic, partnership approach including skills development and a strong community and social focus.⁷⁴⁶

Committee comment

- 7.122** The Committee commends the NSW Government for its commitment to growing Aboriginal tourism in New South Wales in partnership with the Aboriginal community. We note feedback from stakeholders identifying areas of potential growth as well as current impediments to this growth, which we anticipate the Aboriginal Tourism Action Plan 2013-2016 will seek to address. However, we believe the Aboriginal Tourism Action Plan 2013-2016 should specifically address skills issues which prevent broader take up and marketing of indigenous tourism products.

Recommendation 22

That the NSW Government ensure that the Aboriginal Tourism Action Plan 2013-2016 specifically addresses skills issues which prevent broader take up and marketing of Indigenous tourism products.

Visitor information centres

- 7.123** During the course of the Inquiry the value and contribution of visitor information centres to the growth of the visitor economy was discussed and considered. There are currently 178 accredited⁷⁴⁷ visitor information centres in New South Wales.⁷⁴⁸ Visitor information centres provide a range of services, and are the traditional information portals for intra and interstate travel.

⁷⁴³ Evidence, Mr Glenn Caldwell, Tourism Manager, Coffs Coast Marketing, Coffs Harbour City Council, 9 October 2013, p 46.

⁷⁴⁴ Evidence, Ms Belinda Novicky, Executive Officer, North Coast Destination Network, 9 October 2013, p 46.

⁷⁴⁵ Evidence, Mr Matthew Fuller, General Manager, Taronga Western Plains Zoo, Taronga Conservation Society, 10 October 2013, p 7.

⁷⁴⁶ Evidence, Ms Natasha Comber, Manager, City Development and Communications, Dubbo City Council, 10 October 2013, p 7.

⁷⁴⁷ Accreditation of visitor information centres is administered by Destination NSW as a means of establishing industry standards.

⁷⁴⁸ Submission 56, Aurora Research and Development, p 1.

Benefits of visitor information centres

- 7.124** Inquiry participants held divergent views on the value of visitor information centres to the visitor economy. Mr Greg Lawrence, Manager of Tourism and Economic Development at Griffith City Council expressed the view that visitor information centres are an ‘incredible organisation’, but was disheartened by the fact that ‘people misunderstand what the visitor information centre does ... It is not just about handing out brochures’.⁷⁴⁹ Rather, visitor information centres provide assistance in planning holidays, creating itineraries, booking accommodation and tickets for attractions, and promoting a region and its products.⁷⁵⁰
- 7.125** The value of visitor information centres, particularly in regional areas, is reflected by the visitation rate. For example, in Gilgandra the Council recently completed a large review of the number of people visiting the Gilgandra visitor information centre. Mr Neil Alchin, Director of Corporate and Business Services at Gilgandra Shire Council said the review found that ‘over the past 15 years’ numbers to the visitor information centre ‘have increased to around about, on average, just over 20,000 visitors into the centre each year’.⁷⁵¹
- 7.126** Mr Norm Mann, Chairman of Central NSW Tourism, spoke of the Bathurst visitor information centre collecting data via a door counter, which although not entirely accurate did provide some ‘perspective’ as to the numbers entering. By subtracting staff and halving the total amount ‘because people go in and out obviously’ the Bathurst visitor information centre calculated the number of visitors entering the centre as ‘between 200 and 300 per day, seven days a week’ with the number probably dropping to ‘about 150 per day’ during the winter.⁷⁵²
- 7.127** Destination NSW stated that visitor information centres are valuable due to the ‘significant economic contribution’ they make to tourism, ‘particularly in regional areas’.⁷⁵³ The Committee heard that staff at visitor information centres can encourage visitors to stay an extra night, leading to increased spending. This point was highlighted by Mr Graham Perry, Chief Executive Officer of Inland NSW Tourism:
- ... when consumers and visitors get to a region they want to interact with real people who have real stories and the best place to get that in the first place is the visitor information centre. If they do their job well ... it can actually extend a stay which is vitally important to achieve the goal of doubling visitation.⁷⁵⁴
- 7.128** Similar evidence of the impact upon visitors of face-to-face contact at visitor information centres was shared by the Australian Regional Tourism Network and SEPIA Consulting. Both organisations stated that ‘the first hand recommendations of visitor centre staff’ was

⁷⁴⁹ Evidence, Mr Lawrence, 10 October 2013, p 46.

⁷⁵⁰ Evidence, Ms Val Schaefer, Marketing and Communications Officer, Aurora Research and Development, 10 October 2013, p 34.

⁷⁵¹ Evidence, Mr Neil Alchin, Director of Corporate and Business Services, Gilgandra Shire Council, 10 October 2013, p 2.

⁷⁵² Evidence, Mr Norm Mann, Chairman, Central NSW Tourism, 10 October 2013, p 14.

⁷⁵³ Destination NSW archive, *Accredited Visitor Information Centres* <http://archive.tourism.nsw.gov.au/Accredited_Visitor_Information_Centres_p615.aspx>.

⁷⁵⁴ Evidence, Mr Perry, 9 August 2013, p 58.

‘invaluable to visitors’ and that ‘in many cases visitors will spend an extra day in an area, based on the advice of visitors information staff’.⁷⁵⁵

- 7.129** The significant influence of visitor information centres in enticing visitors to stay longer in a location has been illustrated by several research studies, including one by Destination NSW (*Brand Health Tracking 2012*) and another by Aurora Research and Development (*Northern Rivers 2012 Study*).⁷⁵⁶
- 7.130** The *Brand Health Tracking Survey 2012* found that 30 per cent of respondents who visited a visitor information centre extended their stay to one night or more, and 56 per cent spent extra money after visiting a visitor information centre with an ‘average additional spend [of] \$131’.⁷⁵⁷ Similarly, the results of the *Northern Rivers Study 2012* showed that of visitors who went to a visitor information centre: ‘22 per cent stayed an extra night; 72 per cent increased their duration of stay; [and] 22 per cent spent more than budgeted’.⁷⁵⁸
- 7.131** The economic contribution made by visitor information centres is largely dependent upon the level of training and support offered to visitor information centre staff and volunteers. However, one issue raised by Aurora Research is that the ‘ageing demographic’ of volunteers at visitor information centres is not ‘compatible with the emerging use of new technologies’.⁷⁵⁹ It suggested that greater training and education is required if volunteers are to ‘better engage with their visitors’ and meet consumer expectations.⁷⁶⁰

Operational costs

- 7.132** Despite the contribution that visitor information centres can make to the economy, the Committee heard that some stakeholders have questioned the return on investment of the centres, especially when operational costs were considered.
- 7.133** For example, Aurora Research contended that some local governments are unaware or unappreciative of the ‘economic value of tourism and the role that Visitor Information Centres play in their local economies’.⁷⁶¹ Ms Val Schaefer, Marketing and Communications Officer, Aurora Research and Development, told the Committee that resourcing and funding visitor information centres is often a lower priority for local governments which have growing infrastructure backlogs.⁷⁶²
- 7.134** Even if a local government does appreciate the value of a visitor information centre and treats it as a priority, it may not necessarily be appreciated by the community. This was illustrated by

⁷⁵⁵ Submission 32, Australian Regional Tourism Network, p 3 and Submission 30, SEPIA Consulting, p 4.

⁷⁵⁶ Submission 56, Aurora Research and Development, pp 2-3.

⁷⁵⁷ Destination NSW, *Brand Health Tracking Survey update, 2012* <<http://www.lgnsw.org.au/files/imce-uploads/48/1%20Theresa%20Mejia.pdf>>.

⁷⁵⁸ Submission 56, Aurora Research and Development, p 3; Tabled document, *Northern Rivers Regional Visitor Services Strategy*, November 2012, p 10.

⁷⁵⁹ Submission 56, Aurora Research and Development, p 4.

⁷⁶⁰ Submission 56, Aurora Research and Development, p 4.

⁷⁶¹ Submission 56, Aurora Research and Development, p 2.

⁷⁶² Evidence, Ms Schaefer, 10 October 2013, p 31.

Mr Alchin, who told the Committee that Gilgandra spends '\$260,000 a year of our net budget on our visitors' information centre [and that] ... for a shire of 5,000 people in a town of 2,500 people that is a significant contribution'.⁷⁶³

7.135 Ms Schaefer advised that limited access to funding and grants provided by state and federal government meant local governments are left to shoulder 'the lion's share of funding the physical infrastructure and the resourcing for these centres'.⁷⁶⁴

7.136 Limited funding for visitor information centres has led to a 'scaling back' of paid staff due to payroll costs placed upon local governments. This has placed greater pressure on volunteers and staff who remain to deliver the same level of services.⁷⁶⁵ Yet, as Ms Schaefer declared, these reductions do not indicate in any way that visitor information centres are redundant: 'It does not mean the work has stopped, the phones have stopped ringing or the visitors have stopped coming through the door'.⁷⁶⁶

Impact of digital technology

7.137 Inquiry participants also had mixed views about the enduring nature and value of visitor information centres in an increasingly digital world.

7.138 One inquiry participant, Ms Jane Holdsworth, the Economic Development Manager of Cessnock City Council, told the Committee that 'visits to visitor information centres are declining because visitors are so connected these days through apps, mobiles and all of those sorts of things'.⁷⁶⁷

7.139 Ms Andrea Roberts, Manager of Economic Development at Broken Hill City Council, questioned the amount of money local governments invest into tourism which 'goes to people working at a counter at a visitor information centre, or the basic infrastructure of a visitor information centre' when travellers were now becoming 'one of the most heaviest users of online booking and research'.⁷⁶⁸ Ms Roberts proposed that instead of putting money into brochures and visitor information centres, local governments should invest in online advertising, promotion and booking portals as part of the transition from the 'old world' to the 'new world'.⁷⁶⁹ As SEPIA Consulting described, the challenge now faced by visitor information centres is 'how to extend this "influencing" relationship between visitor and potential visitor and the "local expert" from the built environment of a visitor information centre into the online world'.⁷⁷⁰

⁷⁶³ Evidence, Mr Alchin, 10 October 2013, p 2.

⁷⁶⁴ Evidence, Ms Schaefer, 10 October 2013, p 31.

⁷⁶⁵ Evidence, Ms Schaefer, 10 October 2013, p 36.

⁷⁶⁶ Evidence, Ms Schaefer, 10 October 2013, p 36.

⁷⁶⁷ Evidence, Ms Jane Holdsworth, Economic Development Manager, Cessnock City Council, 9 August 2013, p 47.

⁷⁶⁸ Evidence, Ms Roberts, 10 October 2013, p 63.

⁷⁶⁹ Evidence, Ms Roberts, 10 October 2013, p 63.

⁷⁷⁰ Submission 30, SEPIA Consulting, p 4.

- 7.140** Mr Perry agreed that the use of mobile devices was essential to complementing and enhancing the role of visitor information centres.⁷⁷¹ The recent launch of the AppnGo application for mobile devices by Aurora Research is a prime example of the way in which visitor information centres can integrate digital technology as a means to offer an effective and modern source of information to visitors.⁷⁷² Aurora Research's 'bricks and clicks' strategy (of which AppnGo is a part of) aims to incorporate 'existing physical channels and internet and digital technology to ensure that information delivery is modernised, highly accessible, inspirational and consumer focused'.⁷⁷³
- 7.141** Despite the growing reliance in digital technology, Mr Lawrence insisted 'there is a lot of importance' for visitor information centres to be in operation as 'there are still people who want to come in and get the information', regardless of the growing notion that we should 'get rid of all the information centres'.⁷⁷⁴

Committee comment

- 7.142** The Committee acknowledges the valuable role of visitor information centres in local communities and the visitor economy.
- 7.143** However, we also acknowledge the challenges experienced by visitor information centres to provide a high level of service delivery with limited funding and resources. The transition to digital technology to deliver information and services is essential for visitor information centres to remain relevant. The Committee notes that some visitor information centres are already moving into the digital age with strategies such as AppnGo, and we commend the visitor information centres that are embracing this transition.
- 7.144** We note that at a site visit to Ballina Visitor information Centre the Committee was informed that the centre was located on Crown Land and that recent increased rent/licence fees by the Crown had placed additional pressure on the council to fund the centre. We recommend that the NSW Government review its lease/rent/licencing fees for land that includes visitor information centres and consider the reduction of fees to acknowledge the important role in enhancing the visitor economy.

Recommendation 23

That the NSW Government review its lease/rent/licencing fees for land that includes visitor information centres and consider the reduction of fees to acknowledge the important role of these centres in enhancing the visitor economy.

⁷⁷¹ See Evidence, Mr Perry, 9 August 2013, p 58.

⁷⁷² See Aurora Research and Development, *Appngo*, 2013, <http://www.appngo.com.au/>.

⁷⁷³ Tabled document, *Northern Rivers Regional Visitor Services Strategy*, November 2012, p 40.

⁷⁷⁴ Evidence, Mr Lawrence, 10 October 2013, p 46.

Surf lifesaving

7.145 New South Wales beaches are an important and popular tourist attraction. Surf Life Saving NSW stated that New South Wales beaches are in the top four areas in Australia visited by international tourists. It is estimated that over 6.3 million people visited beaches in New South Wales in the 2012-13 summer season.⁷⁷⁵

7.146 Surf Life Saving NSW stated that many tourists visiting New South Wales beaches are unfamiliar or inexperienced with the potentially hazardous conditions of beaches. In particular, Surf Life Saving NSW highlighted the risks faced by international visitors:

... tourists and international students have been identified by the Australian Water Safety Advisory Council as communities at an increased risk of drowning and aquatic injury compared to the rest of the Australian population.

Tourists, both domestic and international, are often unaware of the hazards and risks that they can face on our beaches and inland waterways. The *AWSS 2012-15* states that in the 2010-11 financial year there were 19 international tourists who drowned in Australia.⁷⁷⁶

7.147 Surf Life Saving NSW observed that in 2011-12, 28 per cent of drowning deaths were people known to be of a foreign ethnicity and 11 per cent were international visitors.⁷⁷⁷

Education campaigns and training programs

7.148 Surf Life Saving NSW advised that they have a number of campaigns and programs aimed at reducing drownings and injuries at New South Wales beaches.⁷⁷⁸

7.149 Ms Michelle Bainbridge, Government Relations Manager at Surf Life Saving NSW, informed the Committee about the Beachsafe website and mobile phone application, which is available in 72 different languages, and provides real time information on beach safety:

People look up the app to see if beaches are patrolled, where is the closest patrolled beach in the region, hazards, watch a demonstration of the hazard signs and life saving times, and information about water temperature and swells.⁷⁷⁹

7.150 Surf Life Saving NSW also launched the 'If we can't see you we can't save you' campaign in partnership with Virgin Australia and News Limited in September 2012. As part of this campaign 'beach safety videos were shown on Virgin Australia's in-flight system across all international and domestic flights' promoting the core safety message of swimming between the red and yellow flags. Print advertisements were also run in the airline's in-flight magazine.

⁷⁷⁵ Evidence, Mr Phillip Vanny, Chief Executive Officer, Surf Life Saving NSW, 13 September 2013, p 48; Submission 66, Surf Life Saving NSW, p 3.

⁷⁷⁶ Submission 66, Surf Life Saving NSW, p 13.

⁷⁷⁷ Submission 66, Surf Life Saving NSW, p 12.

⁷⁷⁸ Submission 66, Surf Life Saving NSW, pp 4-11; Evidence, Mr Vanny, 13 September 2013, pp 51-53; Evidence, Ms Michelle Bainbridge, Government Relations Manager, Surf Life Saving NSW, 13 September 2013, pp 48-49.

⁷⁷⁹ Evidence, Ms Bainbridge, 13 September 2013, pp 48-49.

Mr Phillip Vanny, Chief Executive Officer of Surf Life Saving NSW, commented that this message is not available on all airlines which means that not all incoming visitors to Australia receive the safety message.⁷⁸⁰ He recommended that beach safety messages should be mandatory for all inbound flights to Australia. This would make the most of a prime opportunity to reach a captive audience of target individuals, such as international visitors.⁷⁸¹

Reaching target audiences

- 7.151** Despite the number of campaigns and programs implemented, Surf Life Saving NSW has expressed concern that the beach safety message is not always reaching the key target audience. For example, Surf Life Saving NSW reported that almost 80 per cent of the drownings that occurred in 2011-12 took place within 5km of Surf Life Saving facilities, while during the 2012-13 season 38 coastal drownings occurred outside patrolled areas on New South Wales' beaches.⁷⁸²
- 7.152** Mr Vanny contended that this demonstrates that despite efforts to promote the public safety message about swimming between the red and yellow flags, 'some tourists still don't know these represent the safest place to swim' or that the 'flagged areas of the beach are patrolled for the safety of all visitors to the beach'.⁷⁸³
- 7.153** Surf Life Saving NSW recommended that water safety and risk management plans should be implemented in resorts, hotels and caravan parks to improve education and the circulation of core messages to target audiences.⁷⁸⁴
- 7.154** It also recommended that water safety education 'should be a mandatory part of student orientation' for international students particularly where educational institutions are exposed to potential water hazards.⁷⁸⁵
- 7.155** Additionally, Surf Life Saving NSW recommended that the tourism industry generally 'should actively promote to tourists that they visit www.beachsafe.org.au for all beach safety information' or 'download the new Beachsafe Application on their smartphones' to ensure core water safety messages are being received.⁷⁸⁶

Committee comment

- 7.156** The Committee recognises that beaches are an important and popular component of tourism in New South Wales. We commend Surf Life Saving NSW on the many valuable programs they run to limit loss of life on New South Wales beaches. However, the Committee also notes that the number of people still treated for first aid and coastal drownings that continue

⁷⁸⁰ Submission 66, Surf Life Saving NSW, p 4; Evidence, Mr Vanny, 13 September 2013, pp 52-53.

⁷⁸¹ Evidence, Mr Vanny, 13 September 2013, p 52.

⁷⁸² Submission 66, Surf Life Saving NSW, pp 3 and 12.

⁷⁸³ Submission 66, Surf Life Saving NSW, p 16.

⁷⁸⁴ Submission 66, Surf Life Saving NSW, p 19.

⁷⁸⁵ Submission 66, Surf Life Saving NSW, p 20.

⁷⁸⁶ Submission 66, Surf Life Saving NSW, p 20.

to occur indicates that the surf safety message is not being received by those beachgoers who are most at risk.

- 7.157** The Committee believes there needs to more promotion of the beach safety message to reduce the number of rescues and coastal drownings at beaches in New South Wales. To this end, we recommend that a surf safety message be included on the Destination NSW website. We also recommend that the NSW Government review and report on current surf safety messages and their distribution throughout airlines, cruise ships and accommodation providers.

Recommendation 24

That Destination NSW include a surf safety message on its website.

Recommendation 25

That the NSW Government review and report on current surf safety messages and their distribution throughout airlines, cruise ships and accommodation providers.

Appendix 1 Submission list

No	Author
1	Mr Ross Langlands
2	Lake Jindabyne Village
3	Name suppressed
4	Mr Philip Thompson
5	Mr Duncan Dey
6	Mr Michael Leonard
7	South Coast Regional Tourism Organisation Inc.
8	Australian Caravan Club Ltd
9	Bombala Council
10	Mr Matt Baskerville
11	AlburyCity
12	Regional Development Australia – Far South Coast Inc.
13	Community Automotive Sport and Recreation Park (CASAR) Park
14	Mr Robert Walker
15	Inland NSW Tourism
16	Caravan and Camping Industry Association NSW
17	Gunnedah Shire Council
18	Backpacker Operators Association NSW Inc.
19	Destination Port Stephens (Partially confidential)
20	Mr Joost Heymeijer
21	Coonamble Shire Council
22	Byron Shire Council
23	Shoalhaven Tourism Board Shoalhaven City Council
24	Kiama Tourism
25	Australian Hotels Association NSW
26	Narrabri Shire Council
27	Mr David Sheldon
28	Bega Valley Shire Council
29	Clarence Valley Council
30	Sepia Consulting
31	National Sea Change Taskforce Inc.
32	Australian Regional Tourism Network

No	Author
33	Tourism Coffs Coast
34	Gloucester Shire Council
35	Ms Lynda Newnam
36	City of Wagga Wagga
37	Resort Group Operators
38	Mr Geoff Bensley
39	Central NSW Councils (Centroc)
40	Central Coast Tourism
41	Prospectors and Miners Association of Victoria
42	Port Macquarie-Hastings Council
43	Campervan and Motorhome Club of Australia Ltd
44	NSW and ACT Prospectors and Fossickers Association Inc.
45	Eurobodalla Shire Council
46	Name suppressed
47	Leeton Shire Council;
48	Griffith City Council
49	Victims of Holiday Letting
50	Orana Regional Organisation of Councils (OROC)
51	Youth Hostel Association (YHA) Ltd
52	Tumbarumba Shire Council
53	Holiday Rental Solutions Pty Ltd
54	Gosford City Council
55	Urana Shire Council
56	Aurora Research and Development
57	Riverina Regional Tourism
57a	Riverina Regional Tourism
58	The Ski Lodges Organisation of Perisher, Smiggins and Guthega Inc.(SLOPES)
59	The Long Paddock
60	NSW Business Chamber
61	Goulburn Mulwaree Council
62	Temora Shire Council
63	Mr Stephen Reilly
64	Tumut Shire Council
65	Lithgow City Council
66	Surf Life Saving NSW

No	Author
67	Bland Shire Council
68	Tourism Snowy Mountains
69	Shellharbour City Council
70	Taronga Conservation Society of Australia
71	Tourism Industry Council NSW
72	Snowy River Shire
73	Cessnock City Council
74	Tourism and Transport Forum (ITF)
75	Accommodation Association of Australia
76	NSW Government
77	Department of Resources, Energy and Tourism, Australian Government
78	National Parks Association of NSW
79	Outdoor Press
80	Police Association of NSW
81	Mr Des Hartree
82	Mr John Dobrohotoff and Mrs Rosemary Dobrohotoff (Partially confidential)
83	Mr Joachim Karsch and Mrs Ursula Karsch
84	Last Drinks at 12
85	Arts Northern Rivers
86	Wellington Council
87	William Blue College of Hospitality Management
88	Tumbarumba Shire Rail Trail Steering Committee
89	New England Rail Trail Committee
90	Rail Trails Australia
91	Bicycle NSW

Appendix 2 Witnesses

Date	Name	Position and Organisation	
9 August 2013 Parliament House	Ms Sandra Chipchase	Chief Executive Officer, Destination NSW	
	Mr Craig Milton	Policy Analyst and Regional Affairs Adviser, NSW Business Chamber	
	Mr Luke Aitken	Senior Manager, Policy and Advocacy, NSW Business Chamber	
	Mr Andrew Jefferies	Executive Officer, Tourism Industry Council	
	Ms Anne King	Deputy Chief Executive, Office of Environment and Heritage and NSW National Parks and Wildlife Service	
	Mr Carl Solomon	Acting Director, Park Experiences Branch, NSW National Parks and Wildlife Service	
	Mr Kevin Evans	Chief Executive Officer, National Parks Association of NSW	
	Mr Stephen Glen	General Manager, Cessnock City Council	
	Ms Jane Holdsworth	Economic Development Manager, Cessnock City Council	
	Mr Graham Perry	Chief Executive Officer, Inland NSW Tourism	
	Mr Roger Powell	Chair, Inland NSW Tourism	
	26 August 2013 Parliament House	Mr Tom Smith	Chairman, Australian Caravan Club
		Mr Graeme Tree	Policy Manager, Australian Caravan Club
Mr Rudi Fuhrmann		Chief Executive Officer, Campervan and Motorhome Club of Australia	
	Mr Vincent Moran	Chairman of Directors, Campervan and Motorhome Club of Australia	

Mr Ken Kipping AM	Director, Campervan and Motorhome Club of Australia
Ms Lyndel Gray	Chief Executive Officer, Caravan and Camping Industry Association NSW
Mr Theo Whitmont	President, Caravan and Camping Industry Association NSW and Manufactured Housing Industry Association
Mr Paul Nicolaou	Chief Executive Officer, Australian Hotels Association
Mr Richard Munro	Chief Executive Officer, Accommodation Association of Australia
Ms Carol Giuseppi	Director, Tourism Accommodation Australia NSW
Mr Stephen Fairnham	Manager, Property and Economic Development, Gosford City Council
Mr Eddie Love	Interim Director, Environment and Planning, Gosford City Council
Mr John Moulard	Manager, Customer Services and Communications, Gosford City Council
Ms Robyne Abernethy	Chief Executive Officer, Central Coast Tourism
Mr Bob Diaz	Chairman, Central Coast Tourism and local tourism operator
Mr Stephen Dangaard	President, NSW and ACT Prospectors and Fossickers Association
Mr Douglas Stone	Member, NSW and ACT Prospectors and Fossickers Association and Manager, Outdoor Press
Mr Robert Henke	Honorary Secretary, Backpacker Operators Association
Mr Nathan Folkes	Member, Backpacker Operators Association, Owner Mojo Surf
Mr Julian Ledger	Chief Executive Officer, Youth Hostel Association (YHA)
Mr Gregory Chilvers	Director of Research and Resource Centre, Police Association of NSW
Mr Scott Weber	President, Police Association of NSW

13 September 2013 Parliament House	Mr Peter Remfrey	Secretary, Police Association of NSW
	Ms Tracey Squire	Director, Economic Development and Tourism, Albury City
	Mr Rob Mason	Chief Executive, NSW Trains
	Mr Tim Reardon	Deputy Director General, Policy and Regulation Division, Transport for NSW
	Mr Rob Pollock	Chairman, Regional Development Australia, Far South Coast, and member of South Coast Regional Tourism Organisation Incorporated
	Mr Craig Milburn	Group Director, Corporate and Community Services, Shoalhaven City Council
	Ms Catherine Shields	Chair, Shoalhaven Tourism Board, Shoalhaven City Council
	Mr Carey McIntyre	Director, City Outcomes, Shellharbour City Council
	Clr Marianne Saliba	Mayor, Shellharbour City Council
	Mr Phillip Vanny	Chief Executive Officer, Surf Life Saving NSW
9 October 2013 Ballina RSL Club Ballina	Ms Michelle Bainbridge	Government Relations Manager, Surf Life Saving NSW
	Mr Neil McGaffin	Executive Director, Rural and Regional Planning, Department of Planning and Infrastructure
	Mr Neil Selmon	Director, Planning Coordination and Support, Planning Operations and Regional Delivery, Department of Planning and Infrastructure
	Mr Richard Adams	Manager, Business and Economic Development, Tweed Shire Council
	Mr Bill Tatchell	Chief Executive Officer, Destination Tweed Incorporated
	Mr Cameron Arnold	President, Visitor Industry Association Byron and Co-Chair, North Coast Destination Network
	Mr Mark Arnold	Executive Manager of Corporate Management, Byron Shire Council
	Mr Ken Gainger	General Manager, Byron Shire Council

Mr Ben Kirkwood	Vice President, Visitor Industry Association Byron
Clr Simon Richardson	Mayor, Byron Shire Council
Mr Robert Rosen	Vice President, Holiday Letting Organisation (HLO) Byron Inc.
Mr Doug Luke	Coordinator, Victims of Holiday Letting, Byron Bay
Mr Donald Maughan	Member, Victims of Holiday Letting, Byron Bay and Vice-President, Suffolk Park Progress Association
Mr David Morrison	Manager, Strategic and Economic Planning, Clarence Valley Council
Clr Richie Williamson	Mayor, Clarence Valley Council.
Mr Peter Wood	Chief Executive Officer and Regional Arts Development Officer, Arts Northern Rivers
Ms Belinda Novicky	Executive Officer, North Coast Destination Network
Mr Cameron Arnold	President, Visitor Industry Association Byron and Co-Chair, North Coast Destination Network
Mr Glenn Caldwell	Tourism Manager, Coffs Coast Marketing, Coffs Harbour City Council
10 October 2013 Taronga Western Plains Zoo Dubbo	Ms Natasha Comber Manager, City Development and Communications, Dubbo City Council
Mr Matthew Fuller	General Manager, Taronga Western Plains Zoo, Taronga Conservation Society
Mr Neil Alchin	Director of Corporate and Business Services, Gilgandra Shire Council, Member of Orana Regional Organisation of Councils
Ms Belinda Barlow	Executive Officer, Orana Regional Organisation of Councils
Ms Lucy White	Executive Officer, Central NSW Tourism
Mr Norm Mann	Chairman, Central NSW Tourism
Ms Jennifer Bennett	Executive Officer, Central NSW Councils

Mr Garry Styles	General Manager, Orange City Council, and Economic Development Sponsoring General Manager, Central NSW Councils
Mr David Sheldon	Chair, Australian Regional Tourism Network
Ms Tracey Valenzisi	Executive Officer, Australian Regional Tourism Network
Ms Val Schaefer	Marketing and Communications Officer, Aurora Research and Development (Manager of Accredited Visitor Information Centres)
Mr Greg Lawrence	Manager, Tourism and Economic Development, Griffith City Council and Board member of Riverina Regional Tourism
Mr Ken Murphy	Chair, Riverina Regional Tourism
Ms Sally Nolan	Manager, Events, Wagga Wagga City Council and Deputy Chair, Riverina Regional Tourism
Ms Andrea Roberts	Manager, Economic Development, Broken Hill City Council
Clr Wincen Cuy	Mayor, Broken Hill City Council
8 November 2013 RB Smith Community Centre Queanbeyan	Mr Wayne Hart Chair, Tourism Snowy Mountains
Mr Joseph Vescio	General Manager, Snowy River Shire Council
Clr Colin -Beardsley	Snowy River Shire Council
Mr Glen Waterhouse	Economic Development Officer, Tumut Shire Council
Mr Gerald Lynch	Committee member, Ski Lodges Organisation of Perisher, Smiggins and Guthega Inc. (SLOPES)
Mr John Pinkerton	Treasurer, Ski Lodges Organisation of Perisher, Smiggins and Guthega Inc. (SLOPES)
Mr Grantley Ingram	Director of Regulatory Services, Bombala Council
Ms Karen Cash	Economic Development Manager, Bombala Council
Clr Sharon Tapscott	Bega Valley Shire Council and

Ms Leanne Barnes	Delegate, Sapphire Coast Tourism Board Acting General Manager, Bega Valley Shire Council and Chair, Australia's Coastal Wilderness and Australia's National Landscapes
Mr Peter Brulisauer	Chief Executive Officer, Perisher Ski Resort
Mr Robert Heatley	Managing Director, Selwyn Snowfields
Mr Jordan Rodgers	General Manager, Kosciuszko Thredbo Pty Ltd
Mr Bruce Marshall	Owner and Director, Lake Crackenback Resort and Spa

Appendix 3 Tabled documents

Friday, 9 August 2013

Public Hearing, Macquarie Room, Parliament House, Sydney

- 1 Tourism and Recreation Study: Southern CRA Region', Draft Report, Hassall and Associates, November 1999, *tendered by Mr Kevin Evans, Chief Executive Officer, National Parks Association of NSW.*
- 2 'Tourism and Protected Area Management: Sustaining resources', Sustainable Tourism Cooperative Research Centre, 2008, *tendered by Mr Kevin Evans, Chief Executive Officer, National Parks Association of NSW.*
- 3 'Sustainability Guidelines for visitor use and tourism in NSW national parks', The Department of Environment, Climate Change and Water NSW, 2011, *tendered by Mr Kevin Evans, Chief Executive Officer, National Parks Association of NSW.*
- 4 Statistics of visitation and funding to inland regions with a case study of Broken Hill, *tendered by Mr Graham Perry, Chief Executive Officer, Inland NSW Tourism.*
- 5 Three hand-drawn diagrams of relationships between Inland NSW Tourism and Local Government Areas in the development of consumer driven Destination Management Plans, *tendered by Mr Graham Perry, Chief Executive Officer, Inland NSW Tourism.*

Monday, 26 August 2013

Public Hearing, Waratah Room, Parliament House, Sydney

- 6 Opening statement, Mr Whitmont, Caravan and Camping Industry Association, *tendered by Ms Lyndel Gray, Chief Executive Officer, Caravan and Camping Industry Association NSW.*
- 7 Holiday Touring and Products Guide 2013, Caravan Camping and Touring Industry and Manufactured Housing Industry Association of NSW, *tendered by Ms Lyndel Gray, Chief Executive Officer, Caravan and Camping Industry Association NSW.*
- 8 Selection of position papers as follows, *tendered by Ms Lyndel Gray, Chief Executive Officer, Caravan and Camping Industry Association NSW.*
 - Position paper 2013 – Free camping and public access dump points, Caravan and Camping Industry Association of NSW and Manufactured Housing Industry Association of NSW Ltd
 - Trends affecting our Industry over the next decade and beyond, The Caravan, Camping and Touring Industry Association and Manufactured Housing Industry Association of NSW Ltd
 - Economic Benefit of a Commercial Caravan Holiday Park to a Local Community, Caravan RV and Accommodation Industry of Australia
 - Economic Benefit Report – Commercial and Non-Commercial Camper Spend Patterns, Caravan RV and Accommodation Industry of Australia
 - Land and Property Management Authority Crown Land Division Position Paper February 2010.
- 9 Hotel news, vol. 27, no. 7, August 2013, Australian Hotels Association, *tendered by Mr Paul Nicolaou, Chief Executive Officer, Australian Hotels Association.*
- 10 Hill End Gold and Relic Map, 2011, NSW and ACT Prospectors and Fossickers Association and Outdoor Press, *tendered by Mr Douglas Stone, Member, NSW and ACT Prospectors and Fossickers Association and Manager, Outdoor Press.*

- 11 Doug Stone's Gold Atlas of Victoria, Outdoor Press, 2011, NSW and ACT Prospectors and Fossickers Association and Outdoor Press, *tendered by Mr Douglas Stone, Member, NSW and ACT Prospectors and Fossickers Association and Manager, Outdoor Press.*
- 12 Doug Stone's Gold Atlas of Western Australia, Outdoor Press, 2013, NSW and ACT Prospectors and Fossickers Association and Outdoor Press, *tendered by Mr Douglas Stone, Member, NSW and ACT Prospectors and Fossickers Association and Manager, Outdoor Press.*
- 13 Doug Stone's Gold Atlas of New South Wales, Outdoor Press – Prototype, NSW and ACT Prospectors and Fossickers Association and Outdoor Press, *tendered by Mr Douglas Stone, Member, NSW and ACT Prospectors and Fossickers Association and Manager, Outdoor Press.*
- 14 Outdoor Press Catalogue 'Gold and Metal Detecting Books and Maps, NSW and ACT Prospectors and Fossickers Association and Outdoor Press, *tendered by Mr Douglas Stone, Member, NSW and ACT Prospectors and Fossickers Association and Manager, Outdoor Press.*
- 15 Introduction document – The Amalgamated Prospectors and Leaseholders Association of WA (APLA), *tendered by Mr Stephen Dangaard. President, NSW and ACT Prospectors and Fossickers Association.*
- 16 Spread sheet – Prospecting statistics, NSW and ACT Prospectors and Fossickers Association, *tendered by Mr Stephen Dangaard. President, NSW and ACT Prospectors and Fossickers Association.*
- 17 Map of NSW Fossicking Districts, NPWS Estate and Mineral Titles, NSW and ACT Prospectors and Fossickers Association, *tendered by Mr Stephen Dangaard. President, NSW and ACT Prospectors and Fossickers Association.*
- 18 Surfing Australia brochure 'Support Activity and Experience Operators, Backpacker Operators Association, *tendered by Mr Nathan Folkes, Member, Backpacker Operators Association, Owner Mojo Surf.*
- 19 Letter dated 19 June 2013, from Surfing Australia, *tendered by Mr Nathan Folkes, Member, Backpacker Operators Association, Owner Mojo Surf.*
- 20 Letter dated 3 July 2013, page 1 from Byron Shire Council to Mr Folkes, Backpacker Operators Association, *tendered by Mr Nathan Folkes, Member, Backpacker Operators Association, Owner Mojo Surf.*
- 21 Letter dated 14 August 2013, page 1 from Ballina Shire Council, Backpacker Operators Association, *tendered by Mr Nathan Folkes, Member, Backpacker Operators Association, Owner Mojo Surf.*

Friday, 13 September 2013

Roundtable Discussion

- 22 Five train travel destination package brochures, *tendered by Mr Rob Mason, Chief Executive, NSW Trains.*
- 23 Background information on tourism to the Shellharbour Local Government Area, including a report by consultants, *tendered by Mr Carey McIntyre, Director, City Outcomes, Shellharbour City Council.*
- 24 A collection of beach safety brochures, *tendered by Ms Michelle Bainbridge, Government Relations Manager, Surf Life Saving NSW.*

Wednesday, 9 October 2013

Roundtable Discussion

- 25 Byron Shire Council Section 94 Contributions Plan 2014, Byron Shire Council, *tendered by Mr Robert Rosen, Vice President, Holiday Letting Organisation (HLO) Byron Inc.*
- 26 Opening statement, *tendered by Mr Doug Luke, Coordinator, Victims of Holiday Letting.*

Thursday, 10 October 2013

Roundtable Discussion

- 27 Destination Management Plan June 2013, Central NSW Tourism, *tendered by Ms Jennifer Bennett, Executive Officer, Central NSW Councils.*
- 28 Growing the visitor economy, Central NSW Tourism, *tendered by Ms Jennifer Bennett, Executive Officer, Central NSW Councils.*
- 29 Central NSW Discovery Trails – Art, Invention, Nature, Country Folk, Gold Rush, Food and Wine, *tendered by Ms Lucy White, Executive Officer, Central NSW Tourism.*
- 30 Northern Rivers Regional Visitor Services Strategy November 2012, *tendered by Ms Val Schaefer, Marketing and Communications Officer, Aurora Research and Development (manager of Accredited Visitor Information Centres).*

Friday, 8 November 2013

Roundtable Discussion

- 31 Opening statement, *tendered by Mr Joseph Vescio, General Manager, Snowy River Shire Council.*
- 32 Opening statement, *tendered by Councillor Colin Stewart-Beardsley, Snowy River Shire Council.*
- 33 Bombala and Beyond, Platypus Country, Bombala Council tourist information brochure, *tendered by Mr Grantley Ingram, Director of Regulatory Services, Bombala Council.*
- 34 The Economic significance of the Australian Alpine Resorts, Summary Report, *tendered by Mr Peter Brulisauer, Chief Executive Officer, Perisher Ski Resort.*
- 35 Briefing notes, *tendered by Mr Bruce Marshall, Owner and Director, Lake Crackenback Resort and Spa.*

Appendix 4 Answers to questions on notice

The Committee received answers to questions on notice from:

- Albury City
- Australian Hotels Association
- Backpacker Operators Association NSW
- Bega Valley Shire Council
- Bombala Council
- Byron Shire Council
- Campervan and Motorhome Club of Australia
- Caravan & Camping Industry Association
- Central NSW Councils
- Central Coast Tourism
- Cessnock City Council
- Clarence Valley Council
- Destination NSW
- Department of Planning and Infrastructure
- Gosford City Council
- Inland NSW Tourism
- NSW and ACT Prospectors and Fossickers Association, Mr Stephen Dangaard
- NSW and ACT Prospectors and Fossickers Association and Outdoor Press, Mr Douglas Stone
- NSW Business Chamber
- NSW Trains
- Office of Environment and Heritage
- Orana Regional Organisation of Councils
- Perisher Ski Resort
- Police Association of NSW
- Regional Development Far South Coast
- Shellharbour City Council
- Shoalhaven City Council
- Ski Lodges Organisation of Perisher, Smiggins and Guthega (SLOPES)
- Snowy River Shire Council
- Taronga Western Plains Zoo, Taronga Conservation Society
- Tourism Accommodation Australia (NSW)
- Youth Hostel Association (YHA)

Appendix 5 Minutes

Minutes No. 23

Wednesday 8 May 2013

General Purpose Standing Committee No. 3

Members' Lounge, Parliament House, at 2.18 pm

1. Members present

Mrs Maclaren-Jones, *Chair*

Mr Blair, *Deputy Chair*

Mr Ajaka

Ms Barham (*Ms Faehrmann*)

Mr Green

Ms Voltz (*Ms Sharpe*)

Mr Whan (*Mr Veitch*)

2. Substitutions

The Chair advised the following substitutions:

Ms Barham for Ms Faehrmann

Ms Voltz for Ms Sharpe

Mr Whan for Mr Veitch.

3. Minutes

Resolved, on the motion of Mr Ajaka: That Draft Minutes No. 22 be confirmed.

4. Correspondence

The Committee noted the following correspondence:

Received

- Email from Mr Chris Tola, Communications, National Surfing Reserves, City of Newcastle Council, to Chair, providing information on the World Surf Cities Network and National Surfing Reserves for the inquiry into tourism in local communities.

5. Inquiry into tourism in local communities

The inquiry was referred to the Committee by resolution of the House on 2 May 2013.

5.1 Proposed timeline

Resolved, on the motion of Mr Whan: That the Committee adopt the following timeline for the management and administration of the inquiry.

- 16 May 2013 – Advertise in major Sydney daily newspapers and in regional and coastal newspapers
- 28 June 2013 – Closing date for submissions to the inquiry
- August 2013 – Two hearings to be held on Friday 9 August and Monday 26 August, with a reserve hearing on Friday 13 September
- September 2013 – Site visits, possibly to Byron Bay, the Illawarra and either Orange or Broken Hill
- 21 November 2013 – Report to be furnished to the House.

5.2 Advertising

Resolved, on the motion of Mr Ajaka: That,

- advertisements calling for submissions be placed in, for example, the Sydney Morning Herald, Daily Telegraph, the Newcastle Herald, the Land, and in major regional weekly newspapers, such as Liberal Daily, Northern Star, Barrier Daily Truth, Illawarra Mercury and the largest newspaper in the Snowy Mountains regions
- a media release announcing the inquiry and calling for submissions be issued on 9 May 2013.

5.3 Closing date for submissions

Resolved, on the motion of Mr Blair: That the closing date for submissions be 28 June 2013.

5.4 Stakeholders

Resolved, on the motion of Mr Blair: That the Secretariat email members with a list of stakeholders, including all the Regional Tourism Organisations (RTOs), to be invited to make written submissions, and that members have until 5.00 pm two days later to nominate additional stakeholders.

5.5 Number of hearings/site visits

Resolved, on the motion of Mr Ajaka: That,

- the Committee hold two Sydney hearings on Friday 9 August and Monday 26 August, with a reserve hearing date of Friday 13 September 2013
- site visits take place on dates to be determined by the Chair after consultation with members regarding their availability, and the destinations for the site visits be determined after reviewing submissions received.

5.6 Inquiry name

Resolved, on the motion of Mr Ajaka: That the short name for the inquiry be: 'inquiry into tourism in local communities'.

5.7 Submission publication

Resolved, on the motion of Mr Blair: That the Committee authorise the publication of all submissions to the inquiry into tourism in local communities, subject to the Committee Clerk checking for confidentiality, adverse mention and other issues.

6. Adjournment

The Committee adjourned at 2.30 pm, *sine die*.

Merrin Thompson

Clerk to the Committee

Minutes No. 25

Friday 9 August 2013

General Purpose Standing Committee No. 3

Macquarie Room, Parliament House, 9.05 am

1. Members present

Mrs Maclaren-Jones, *Chair*

Mr Blair, *Deputy Chair*

Ms Barham (9:14am)

Mr MacDonald

Mr Whan

Ms Voltz (9.16 am)

2. Apologies

Mr Green (until 9.12 am)

3. Advice of substitute members

The Chair advised that Ms Barham would be substituting for Dr Faruqi for the duration of the inquiry into tourism in local communities.

4. Advice of new member

The Chair advised that Mr MacDonald would be replacing Mr Ajaka as a substantive member of the Committee. The Chair welcomed Mr MacDonald to the Committee.

5. Previous minutes

Resolved, on the motion of Mr Blair: That draft Minutes No. 24 be confirmed.

6. Correspondence

The Committee noted the following items of correspondence:

Received

- 6 May 2013 – From Mr Chris Tola, Communications, National Surfing Reserves, City of Newcastle Council, to Chair, providing information on the World Surf Cities Network and National Surfing Reserves
- 6 August 2013 – From the Hon Michael Gallacher, to Clerk of the Parliaments, advising that Mr Scot MacDonald would be replacing Mr Ajaka as a substantive member of the committee.

7. Inquiry into tourism in local communities**7.1 Submissions*****Public submissions***

The Committee noted that Submission Nos 1-2, 4-45 and 47-78 were published by the Committee Clerk under the authorisation of an earlier resolution.

Partially confidential submissions

Resolved, on the motion of Mr Blair: That the Committee note that Submission Nos 3 and 46 were published by the Committee Clerk under the authorisation of an earlier resolution, with the exception of the names of the authors. Further, that the Committee keep the names of the authors confidential.

7.2 Answers to questions on notice and supplementary questions

Resolved, on the motion of Mr Blair: That for the duration of the inquiry into tourism in local communities, supplementary questions may be lodged with the secretariat up to two days following the receipt of the hearing transcript and witnesses be requested to provide answers to questions on notice and supplementary questions within 21 days of the date on which the questions are forwarded to the witness.

7.3 Public hearing

Witnesses, the public and the media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was sworn and examined:

- Ms Sandra Chipchase, Chief Executive Officer, Destination NSW

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Craig Milton, Policy Analyst and Regional Affairs Adviser, NSW Business Chamber

- Mr Luke Aitken, Senior Manager, Policy and Advocacy, NSW Business Chamber
- Mr Andrew Jefferies, Executive Officer, Tourism Industry Council

The evidence concluded and the witnesses withdrew.

The following witnesses from the Office of Environment and Heritage were sworn and examined:

- Ms Anne King, Deputy Chief Executive
- Mr Carl Solomon, Director, Park Experiences Branch

The evidence concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Kevin Evans, Chief Executive Officer, National Parks Association

Mr Evans tendered the following documents:

- 'Tourism and Recreation Study: Southern CRA Region', Draft Report, Hassall & Associates, November 1999.
- 'Tourism and Protected Area Management: Sustaining resources', Sustainable Tourism Cooperative Research Centre, 2008.
- 'Sustainability Guidelines for visitor use and tourism in NSW national parks', The Department of Environment, Climate Change and Water NSW, 2011.

The evidence concluded and the witness withdrew.

Resolved, on the motion of Ms Voltz: That the Committee accept and publish the following documents tendered during the public hearing:

- 'Tourism and Recreation Study: Southern CRA Region', Draft Report, Hassall & Associates, November 1999, tendered by Mr Kevin Evans.
- 'Tourism and Protected Area Management: Sustaining resources', Sustainable Tourism Cooperative Research Centre, 2008, tendered by Mr Kevin Evans.
- 'Sustainability Guidelines for visitor use and tourism in NSW national parks', The Department of Environment, Climate Change and Water NSW, 2011, tendered by Mr Kevin Evans.

The following witnesses from Cessnock City Council were sworn and examined:

- Mr Stephen Glen, General Manager
- Ms Jane Holdsworth, Economic Development Manager

The evidence concluded and the witnesses withdrew.

The following witnesses from Inland NSW Tourism were sworn and examined:

- Mr Graham Perry, Chief Executive Officer
- Mr Rodger Powell, Chair

Mr Perry tendered the following documents:

- Statistics of visitation and funding to inland regions with a case study of Broken Hill.
- Three hand-drawn diagrams of relationships between Inland NSW Tourism and Local Government Areas in the development of consumer driven Destination Management Plans.

The evidence concluded and the witnesses withdrew.

Resolved, on the motion of Ms Voltz: That the Committee accept and publish the following documents tendered during the public hearing:

- Statistics of visitation and funding to inland regions with a case study of Broken Hill, tendered by Mr Perry.
- Three hand-drawn diagrams of relationships between Inland NSW Tourism and Local Government Areas in the development of consumer driven Destination Management Plans, tendered by Mr Perry.

7.4 Site visits

Resolved, on the motion of Mr Blair: That the Committee conduct a site visit to Dubbo on 10 October 2013 and Jindabyne on 5 November 2013.

Resolved, on the motion of Ms Voltz: That the Committee conduct a site visit to Ballina on 9 October 2013.

8. Adjournment

The Committee adjourned at 3.56 pm until 8.45 am on Tuesday 13 August 2013, Macquarie Room (Budget Estimates: Tourism, Major Events, Hospitality and Racing, The Arts).

Natalie Udovicic

Clerk to the Committee

Minutes No. 30

Monday 26 August 2013

General Purpose Standing Committee No. 3

Waratah Room, Parliament House 8.56 am

1. Members present

Mrs Maclaren-Jones, *Chair* (9.04 am)

Mr Blair, *Deputy Chair*

Ms Barham

Mr Green

Ms Voltz (9.00 am)

Mr Whan (9.00 am)

2. Apologies

Mr MacDonald

3. Previous minutes

Resolved, on the motion of Mr Green: That draft Minutes Nos. 26, 27 and 28 be confirmed.

4. ***

5. Inquiry into tourism in local communities in NSW

5.1 Submissions

The Committee has received 80 submissions to date.

Public submissions

The Committee noted that Submission Nos. 79 and 80 were published by the Committee Clerk under the authorisation of an earlier resolution.

5.2 Public hearing

Witnesses, the public and the media were admitted.

The Deputy Chair made an opening statement regarding the broadcasting and webcasting of proceedings and other matters.

The following witnesses were sworn and examined:

- Mr Tom Smith, Chairman, Australian Caravan Club
- Mr Graeme Tree, Policy Manager, Australian Caravan Club
- Mr Rudi Fuhrmann, Chief Executive Officer, Campervan & Motorhome Club of Australia
- Mr Vincent Moran, Chairman of Directors, Campervan & Motorhome Club of Australia
- Mr Ken Kipping AM, Director, Campervan & Motorhome Club of Australia.

Mrs Maclaren-Jones took the Chair.

The witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Lyndel Gray, Chief Executive Officer, Caravan & Camping Industry Association
- Mr Theo Whitmont, President, Caravan & Camping Industry Association.

Ms Gray tendered the following documents:

- Opening statement, Mr Whitmont
- Holiday Touring and Products Guide 2013
- Selection of position papers as follows:
 - Position paper 2013 – Free camping and public access dump points
 - Trends affecting our Industry over the next decade and beyond
 - Economic Benefit of a Commercial Caravan Holiday Park to a Local Community
 - Economic Benefit Report – Commercial & Non-Commercial Camper Spend Patterns
 - Land and Property Management Authority Crown Land Division Position Paper February 2010.

The witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Richard Munro, Chief Executive Officer, Accommodation Association of Australia
- Mr Paul Nicolaou, Chief Executive Officer, Australian Hotels Association
- Ms Carol Giuseppi, Director of Accommodation, Tourism Accommodation Australia, Australian Hotels Association.

Mr Nicolaou tendered the following document:

- Hotelnews, vol. 27, no. 7, August 2013, Australian Hotels Association.

The witnesses withdrew.

Mr Blair left the meeting at 11.33am.

The following witnesses were sworn and examined:

- Mr Stephen Fairnam, Manager, Property and Economic Development, Gosford City Council
- Mr John Moulard, Manager, Customer Services and Communications, Gosford City Council
- Mr Eddie Love, Interim Director, Environment and Planning, Gosford City Council
- Ms Robyne Abernethy, Chief Executive Officer, Central Coast Tourism
- Mr Bob Diaz, Chairman, Central Coast Tourism.

The witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Stephen Dangaard, President, NSW & ACT Prospectors and Fossickers Association
- Mr Douglas Stone, Member, NSW & ACT Prospectors and Fossickers Association and Manager, Outdoor Press.

Mr Stone tendered the following documents:

- Hill End Gold & Relic Map, Outdoor Press, 2011
- Metal Detecting for Gold in Australia, Outdoor Press, 2011
- Doug Stone's Gold Atlas of Victoria, Outdoor Press, 2011
- Doug Stone's Gold Atlas of Western Australia, Outdoor Press, 2013
- Doug Stone's Gold Atlas of New South Wales, Outdoor Press - Prototype
- Outdoor Press Catalogue 'Gold and Metal Detecting Books and Maps'.

Mr Dangaard tendered the following documents:

- Introduction document – The Amalgamated Prospectors and Leaseholders Association of WA (APLA)
- Spreadsheet – Prospecting statistics
- Map of NSW Fossicking Districts, NPWS Estate and Mineral Titles.

The witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Robert Henke, Honorary Secretary, Backpacker Operators Association
- Mr Nathan Folkes, Member, Backpacker Operators Association
- Mr Julian Ledger, Chief Executive Officer, Youth Hostel Association.

Mr Folkes tendered the following documents:

- Brochure - 'Support Activity and Experience Operators'
- Letter dated 19 June 2013, from Surfing Australia,
- Letter dated 3 July 2013, page 1 from Byron Shire Council to Mojosurf Pty Ltd
- Letter dated 14 August 2013, page 1 from Ballina Shire Council to Mojosurf Pty Ltd.

The witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Greg Chilvers, Director of Research and Resource Centre, Police Association of NSW
- Mr Scott Weber, President, Police Association of NSW
- Mr Peter Remfrey, Secretary, Police Association of NSW.

Mr Blair returned at 3.43 pm.

The evidence concluded and the witnesses withdrew. The public and media withdrew.

5.3 Tendered documents

Resolved, on the motion of Mr Blair: That the Committee accept and publish the following documents:

- Opening statement by Mr Whitmont, tendered by Ms Lyndel Gray, Caravan and Camping Industry Association
- Holiday Touring and Products Guide 2013, tendered by Ms Lyndel Gray, Caravan & Camping Industry Association
- Selection of position papers as follows, tendered by Ms Lyndel Gray, Caravan & Camping Industry Association:
 - Position paper 2013 – Free camping and public access dump points

- Trends affecting our Industry over the next decade and beyond
- Economic Benefit of a Commercial Caravan Holiday Park to a Local Community
- Economic Benefit Report – Commercial & Non-Commercial Camper Spend Patterns
- Land and Property Management Authority Crown Land Division Position Paper February 2010.
- Hotel news, vol. 27, no. 7, August 2013, tendered by Mr Paul Nicolaou, Australian Hotels Association
- Hill End Gold & Relic Map, 2011, tendered by Mr Douglas Stone, NSW & ACT Prospectors and Fossickers Association and Outdoor Press
- Metal Detecting for Gold in Australia, Outdoor Press, 2011, tendered by Mr Douglas Stone, NSW & ACT Prospectors and Fossickers Association and Outdoor Press
- Doug Stone's Gold Atlas of Victoria, Outdoor Press, 2011, tendered by Mr Douglas Stone, NSW & ACT Prospectors and Fossickers Association and Outdoor Press
- Doug Stone's Gold Atlas of Western Australia, Outdoor Press, 2013, tendered by Mr Douglas Stone, NSW & ACT Prospectors and Fossickers Association and Outdoor Press
- Doug Stone's Gold Atlas of New South Wales, Outdoor Press – Prototype, tendered by Mr Douglas Stone, NSW & ACT Prospectors and Fossickers Association and Outdoor Press
- Outdoor Press Catalogue 'Gold and Metal Detecting Books and Maps', tendered by Mr Douglas Stone, NSW & ACT Prospectors and Fossickers Association and Outdoor Press
- Introduction document – The Amalgamated Prospectors and Leaseholders Association of WA (APLA), tendered by Mr Stephen Dangaard, NSW & ACT Prospectors and Fossickers Association
- Spreadsheet – Prospecting statistics, tendered by Mr Stephen Dangaard, NSW & ACT Prospectors and Fossickers Association
- Map of NSW Fossicking Districts, NPWS Estate and Mineral Titles, tendered by Mr Stephen Dangaard, NSW & ACT Prospectors and Fossickers Association
- Brochure - 'Support Activity and Experience Operators', tendered by Mr Nathan Folkes, Backpacker Operators Association
- Letter dated 19 June 2013, from Surfing Australia, tendered by Mr Nathan Folkes, Backpacker Operators Association
- Letter dated 3 July 2013, page 1 from Byron Shire Council to Mojo Surf, tendered by Mr Nathan Folkes, Backpacker Operators Association
- Letter dated 14 August 2013, page 1 from Ballina Shire Council to Mojo Surf, tendered by Mr Nathan Folkes, Backpacker Operators Association.

6. Adjournment

The Committee adjourned at 4.19 pm until Friday 13 September 2013 (public hearing).

Natalie Udovicic

Clerk to the Committee

Minutes No. 31

Friday 13 September 2013

General Purpose Standing Committee No. 3

Macquarie Room, Parliament House, 9.05am

1. Members present

Mrs Natasha Maclaren-Jones

Ms Jan Barham

Mr Paul Green

Mr Scot MacDonald
Mr Steve Whan (until 3.25 pm)
Ms Lynda Voltz (from 10.00 am)

2. Apologies

Mr Niall Blair

3. Previous minutes

Resolved, on the motion of Mr MacDonald: That draft Minutes Nos 29 and 30 be confirmed.

4. Correspondence

The Committee noted the following items of correspondence:

Received

- 23 August 2013 – Letter from Inland NSW Tourism to Committee Secretariat providing answers to questions on notice taken during the hearing and transcript corrections.
- 26 August 2013 – Letter from NSW Business Chamber to the Committee Chair providing answers to questions on notice taken during the hearing and transcript corrections.
- 27 August 2013 – Letter from YHA Ltd to the Committee Chair providing answers to questions on notice taken during the hearing and transcript corrections.
- 2 September 2013 – Letter from Destination NSW to Director, Committee Secretariat providing answers to questions on notice taken during the hearing and transcript corrections.
- 6 September 2013 – Letter from Campervan & Motorhome Club of Australia Ltd to Committee Secretariat providing additional information to the Committee including policies.
- ***
- ***
- 9 September 2013 – Letter from Outdoor Press to Director, Committee Secretariat providing answers to questions on notice taken during the hearing.

5. Inquiry into tourism in local communities

5.1 Submissions

The Committee has received 84 submissions to date.

Public submissions

The Committee noted that Submission Nos 81, 83 and 84 were published by the Committee Clerk under the authorisation of an earlier resolution.

Partially confidential submission

Resolved, on the motion of Mr MacDonald: That Submission No. 82 be published with the exception of one section which contains adverse mention.

5.2 Public hearing

Witnesses, the public and media were admitted.

Resolved, on the motion of Mr Whan: That the Chair table the opening statement with Hansard.

The following witness was sworn and examined via teleconference:

- Ms Tracey Squire, Director, Economic Development and Tourism, Albury City.

The witness withdrew.

The following witnesses were sworn and examined:

- Mr Rob Mason, Chief Executive, NSW Trains
- Mr Tim Reardon, Deputy Director General, Policy & Regulation Division, Transport for NSW.

Mr Mason tendered the following documents:

- Five train travel destination package brochures.

Ms Lynda Voltz joined the meeting.

The witnesses withdrew.

The following witness was sworn and examined:

- Mr Rob Pollock, Chairman, Regional Development Australia, Far South Coast and Director, South Coast Regional Tourism Organisation Inc.

The witness withdrew.

The following witnesses were sworn and examined:

- Ms Catherine Shields, Chair, Shoalhaven Tourism Board, Shoalhaven City Council.
- Mr Craig Milburn, Group Director, Corporate and Community Services, Shoalhaven City Council.

The witnesses withdrew.

The following witnesses were sworn and examined:

- Cllr Marianne Saliba, Mayor, Shellharbour City Council
- Mr Carey McIntyre, Director, City Outcomes, Shellharbour City Council.

Mr Carey tendered the following documents:

- Background information on tourism to the Shellharbour Local Government Area including a report by consultants.

The witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Phillip Vanny, Chief Executive Officer, Surf Life Saving NSW
- Ms Michelle Bainbridge, Government Relations Manager, Surf Life Saving NSW.

Ms Bainbridge tendered the following documents:

- A collection of beach safety brochures.

The witnesses withdrew.

Mr Whan left the meeting.

The following witnesses were sworn and examined:

- Mr Neil Selmon, Director, Planning Coordination and Support, Planning Operation and Regional Delivery, Department of Planning and Infrastructure
- Mr Neil McGaffin, Executive Director, Rural and Regional Planning, Department of Planning and Infrastructure.

The witnesses withdrew.

6. Correspondence

The Committee noted the following additional item of correspondence:

Received:

- 6 September 2013 – Letter from Campervan & Motorhome Club of Australia Ltd to Committee Secretariat providing a document which is commercial-in-confidence.

Resolved, on the motion of Ms Barham: That the commercial-in-confidence document provided in a letter from the Campervan and Motorhome Club of Australia Ltd remain confidential.

7. Tended documents

Resolved, on the motion of Ms Voltz: That the Committee accept and publish the following documents:

- Five train travel destination package brochures
- Background information on tourism to the Shellharbour Local Government Area including a report by consultants
- A collection of beach safety brochures.

8. Adjournment

The Committee adjourned at 4.09 pm until Tuesday 17 September 2013, at 2.15 pm in the Members' Lounge.

Natalie Udovicic

Clerk to the Committee

Minutes No. 34

Wednesday 9 October 2013

General Purpose Standing Committee No. 3

Function Room Two, Ballina RSL Club, 10.07 am

1. Members present

Mrs Natasha Maclaren-Jones, *Chair*

Mr Niall Blair, *Deputy Chair*

Ms Jan Barham

Mr Paul Green

Mr Scot MacDonald

Mr Steve Whan

Ms Lynda Voltz

2. Previous minutes

Resolved, on the motion of Mr MacDonald: That draft Minutes No 31 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 12 September 2013 - Letter from Caravan & Camping Industry Association to Committee Chair providing answers to questions on notice taken during the hearing and transcript corrections.
- 16 September 2013 – Letter from Mr Douglas Stone, Outdoor Press, providing transcript corrections and answers to supplementary questions.
- 20 September 2013 - Email from Campervan and Motorhome Club of Australia Ltd to Committee Secretariat providing answers to supplementary questions.

- 23 September 2013 – Email from Mr Ken Kipping AM to Committee Secretariat providing additional information for inquiry.
- 23 September 2013 – Letter from Police Association of New South Wales to Committee Secretariat providing answers to questions on notice taken during the hearing, transcript corrections and answers to supplementary questions.
- 24 September 2013 – Letter from Backpacker Operators Association NSW to Committee Secretariat providing answers to supplementary questions and transcript corrections.
- 25 September 2013 – Letter from Ms Carol Giuseppi, Tourism Accommodation Australia, providing answers to questions on notice taken during the hearing and transcript corrections.
- 25 September 2013 – Letter from Gosford City Council providing answers to supplementary questions and transcript corrections.
- 26 September 2013 – Email from Central Coast Tourism providing answers to supplementary questions and transcript corrections.
- 26 September 2013 – Letter from Mr Stephen Dangaard, NSW & ACT Prospectors and Fossickers Association Inc. providing answers to supplementary questions and transcript corrections.
- 26 September 2013 – Email from Office of Environment and Heritage providing answers to supplementary questions.

Sent

- 19 September 2013 – From Chair to Mr Troy Grant MP advising of the upcoming roundtable discussions to be held in Dubbo on Thursday 10 October 2013.
- 19 September 2013 - From Chair to the Hon Donald Page MP advising of the upcoming roundtable discussions to be held in Ballina on Wednesday 9 October 2013.

4. Inquiry into tourism in local communities

4.1 Roundtable discussions

The following witnesses were admitted:

- Mr Bill Tatchell, Chief Executive Officer, Destination Tweed Inc.
- Mr Richard Adams, Manager Business and Economic Development, Tweed Shire Council.

Resolved, on the motion of Mr Green: That the Committee proceed to take evidence from Mr Bill Tatchell in camera.

Mr Adams left the meeting.

The Committee proceeded to take in camera evidence.

Persons present other than the Committee: Teresa McMichael, Natalie Udovicic, Emma Rogerson, and Hansard reporters.

Resolved, on the motion of Mr Green: That the roundtable discussion resume in public.

Mr Adams rejoined the meeting and was examined.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Clr Simon Richardson, Mayor, Byron Shire Council
- Mr Ken Gainger, General Manager, Byron Shire Council
- Mr Mark Arnold, Executive Manager of Corporate Management, Byron Shire Council

- Mr Cameron Arnold, President, Visitor Industry Association Byron
- Mr Ben Kirkwood, Vice President, Visitor Industry Association Byron
- Mr Robert Rosen, Vice President, HLOByron Inc.

Mr Rosen tendered the following document:

- Byron Shire Council Section 94 Contributions Plan 2014, Byron Shire Council.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Mr Doug Luke, Coordinator, Victims of Holiday Letting
- Mr Donald Maughan, Member, Victims of Holiday Letting.

Mr Luke tendered the following document:

- Opening statement.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Mr David Morrison, Manager, Strategic and Economic Planning, Clarence Valley Council
- Clr Richie Williamson, Mayor, Clarence Valley Council
- Mr Peter Wood, Chief Executive Officer and Regional Arts Development Officer, Arts Northern Rivers.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Mr Cameron Arnold, North Coast Destination Network
- Ms Belinda Novicky, Executive Officer, North Coast Destination Network
- Mr Glenn Caldwell Tourism Manager, Coffs Coast Marketing, Coffs Harbour City Council.

Resolved, on the motion of Mr Green: That the Committee proceed to take evidence from Mr Cameron Arnold and Ms Belinda Novicky in camera.

Mr Caldwell withdrew.

The Committee proceeded to take in camera evidence.

Persons present other than the Committee: Teresa McMichael, Natalie Udovicic, Emma Rogerson, and Hansard reporters.

The evidence concluded and the witnesses withdrew.

4.2 Tended documents

Resolved, on the motion of Mr MacDonald: That the Committee accept and publish the documents tendered during the roundtable discussion:

- Byron Shire Council Section 94 Contributions Plan 2014, Byron Shire Council, tendered by Mr Rosen
- Opening statement, tendered by Mr Luke.

4.3 In camera evidence

Resolved, on the motion of Mr Whan: That in camera transcripts be sent by registered post to witnesses for mark up of corrections.

5. Other business

5.1 Questions to submission authors

Resolved, on the motion of Mr Blair: That written questions to any inquiry participants be sent to the Secretariat by Friday 18 October.

5.2 Tourism training organisations – Approach for submissions

Resolved, on the motion of Mr Blair: That the Committee approach tourism training organisations for written submissions to the inquiry.

6. Adjournment

The Committee adjourned at 4.00 pm until Thursday 10 October 2013, Taronga Western Plains Zoo, Dubbo (roundtable discussions).

Natalie Udovicic

Clerk to the Committee

Minutes No. 35

Thursday 10 October 2013

General Purpose Standing Committee No. 3

Taronga Western Plains Zoo, Dubbo, 10.15 am

1. Members present

Mrs Natasha Maclaren-Jones, *Chair*

Mr Niall Blair, *Deputy Chair*

Ms Jan Barham

Mr Paul Green

Mr Scot MacDonald

Mr Steve Whan

Ms Lynda Voltz

2. Inquiry into tourism in local communities

2.1 Roundtable discussions

Witnesses were admitted.

Resolved, on the motion of Mr Blair: That the Chair table the opening statement.

The following witnesses were sworn and examined:

- Mr Matt Fuller, General Manager Taronga Western Plains Zoo, Taronga Conservation Society
- Ms Natasha Comber, Manager, City Development and Communications, Dubbo City Council
- Mr Neil Alchin, Director of Corporate and Business Services, Gilgandra Shire Council, Member of OROC
- Ms Belinda Barlow, Executive Officer, OROC.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Mr Gary Styles, General Manager, Orange City Council
- Ms Jennifer Bennett, Executive Officer, Central NSW Councils
- Mr Norm Mann, Chairman, Central NSW Tourism
- Ms Lucy White, Executive Officer, Central NSW Tourism.

Ms Bennett tendered the following documents:

- Destination Management Plan June 2013, Central NSW Tourism
- Growing the visitor economy, Central NSW Tourism.

Ms White tendered the following documents:

- Central NSW Discovery Trails – Art, Invention, Nature, Country Folk, Gold Rush, Food and Wine.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Mr David Sheldon, Chair, Australian Regional Tourism Network
- Ms Tracey Valenzisi, Executive Officer, Australian Regional Tourism Network
- Ms Val Schaefer, Marketing and Communications Officer, Aurora Research and Development (manager of Accredited Visitor Information Centres).

Ms Val Schaefer tendered the following document:

- Northern Rivers Regional Visitor Services Strategy November 2012.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Ms Sally Nolan, Manager Events, City of Wagga Wagga
- Mr Ken Murphy, Chair, Riverina Regional Tourism
- Mr Greg Lawrence, Manager, Tourism & Economic Development, Griffith City Council.

Mr Ken Murphy tendered the following document:

- Supplementary submission.

The evidence concluded and the witnesses withdrew.

The following witnesses were examined:

- Clr Wincen Cuy, Mayor, Broken Hill City Council
- Ms Andrea Roberts, Manager, Economic Development, Broken Hill City Council.

The evidence concluded and the witnesses withdrew.

2.2 Tendered documents

Resolved, on the motion of Mr Whan: That the Committee accept and publish the following documents tendered during the roundtable discussions:

- Destination Management Plan June 2013, Central NSW Tourism, tendered by Ms Bennett
- Growing the visitor economy, Central NSW Tourism, tendered by Ms Bennett.
- Central NSW Discovery Trails – Art, Invention, Nature, Country Folk, Gold Rush, Food and Wine, tendered by Ms White

- Northern Rivers Regional Visitor Services Strategy November 2012, tendered by Ms Schaefer
- Supplementary submission, tendered by Mr Murphy.

3. Adjournment

The Committee adjourned at 4.46 pm until Friday 8 November 2013, Queanbeyan (site visit and public hearing).

Natalie Udovicic

Clerk to the Committee

Minutes No. 36

Friday 8 November 2013

General Purpose Standing Committee No. 3

Harry Hesse Room, R.B. Smith Community Centre, Queanbeyan, 8.57 am

1. Members present

Mrs Maclaren-Jones, *Chair*

Mr Blair, *Deputy Chair*

Ms Barham

Mr Green

Mr MacDonald

Mr Whan

Ms Voltz

2. Previous minutes

Resolved, on the motion of Mr MacDonald: That draft Minutes Nos. 34 and 35 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 4 October 2013 – Email from Mr Rob Mason, NSW Trains to Committee Secretariat providing answers to questions on notice taken during the hearing.
- 13 October 2013 – Email from Ms Tracey Squire, Albury City Council to Committee Secretariat providing answers to questions on notice taken during the hearing.
- 14 October 2013 – Email from Shellharbour City Council to Committee Secretariat providing answers to questions on notice taken during the hearing.
- 14 October 2013 – Email from Northern Rivers Rail Trail Inc to Committee Secretariat providing additional info to Committee members for the inquiry.
- 18 October 2013 – Email from Ms Pagan Morgan to Committee Chair providing views about holiday letting in Byron Bay.
- 24 October 2013 – Email from Department of Planning and Infrastructure to Committee Secretariat providing answers to questions on notice taken during the hearing.
- 28 October 2013 – Letter from Cessnock City Council to Committee Secretariat providing answers to questions on notice taken during the hearing.
- 1 November 2013 – Email from Ms Belinda Barlow, Executive Officer, Orana Regional Organisation of Councils to Committee Secretariat providing answers to questions on notice taken during the hearing.

Sent

- 22 October 2013 – Letter from Chair to Mr John Barilaro MP, Member for Monaro, advising that the Committee will be conducting a public hearing in Jindabyne on Friday 8 November 2013.
- 24 October 2013 – Letter from Committee Secretariat to Department of Planning and Infrastructure seeking further information to the inquiry.
- 24 October 2013 – Letter from Committee Secretariat to Ballina Shire Council inviting them to make a submission to the inquiry and provide specific information to the inquiry.
- 24 October 2013 – Letter from Committee Secretariat to various submission authors (Shellharbour Council; Gosford City Council; Shoalhaven Council; Mr and Mrs Dobrohottoff; Holiday Rental Solutions; Byron Shire Council; National Seachange Taskforce; Victims of Holiday Letting) seeking further information to the inquiry.
- 28 October 2013 – Letter from Committee Secretariat to various tourism training organisations (TAFE NSW; Tourism Training Australia; Service Skills Australia; William Blue College of Hospitality Management; International College of Management Sydney) inviting them to make a submission.
- 29 October 2013 – Letter from Committee Secretariat to various submission authors (Surf Life Saving NSW; Tourism Coffs Coast; Tourism and Transport Forum) seeking further information to the inquiry.
- 31 October 2013 – Letter from Chair to Mr John Barilaro MP, Member for Monaro, advising that the location of the public hearing on Friday 8 November 2013 has changed from Jindabyne to Queanbeyan.

4. Inquiry into tourism in local communities**4.1 Submissions**

The Committee noted that Submission No. 86 was published by the Committee clerk under the authorisation of an earlier resolution.

4.2 Public hearing

Witnesses, the public and media were admitted.

The following witness was sworn and examined:

- Mr Wayne Hart, Chair, Tourism Snowy Mountains.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Clr Colin Stewart-Beardsley, Councillor, Snowy River Shire Council
- Mr Joseph Vescio, General Manager, Snowy River Shire Council
- Mr Glen Waterhouse, Economic Development Officer, Tumut Shire Council.

Mr Vescio tendered the following document:

- Opening statement.

Clr Stewart-Beardsley tendered the following document:

- Opening statement.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr John Pinkerton, Treasurer, SLOPES
- Mr Gerald Lynch, Committee Member, SLOPES.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Karen Cash, Economic Development Manager, Bombala Council
- Mr Grantley Ingram, Director of Regulatory Services, Bombala Council
- Clr Sharon Tapscott, Sapphire Coast Tourism Delegate, Bega Valley Shire Council
- Ms Leanne Barnes, A/General Manager, Bega Valley Shire Council.

Mr Ingram tendered the following document:

- Bombala and Beyond, Platypus Country, Bombala Council tourist information brochure.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Peter Brulisauer, Chief Executive Officer, Perisher Ski Resort
- Mr Jordan Rodgers, General Manager, Kosciuszko Thredbo
- Mr Bob Heatley Managing Director, Selwyn Snowfields.

Mr Brulisauer tendered the following document:

- The Economic significance of the Australian Alpine Resorts, Summary report.

The evidence concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Bruce Marshall, Owner and Director, Lake Crackenback Resort and Spa.

Mr Marshall tendered the following document:

- Briefing notes.
-

The evidence concluded and the witness withdrew.

The public hearing concluded and the public and media withdrew.

4.3 Tendered documents

Resolved, on the motion of Mr Blair: That the Committee accept and publish the documents tendered during the public hearing:

- Opening statement, tendered by Mr Vescio
- Opening statement, tendered by Clr Stewart-Beardsley
- Bombala and Beyond, Platypus Country, Bombala Council tourist information brochure, tendered by Mr Ingram
- The Economic significance of the Australian Alpine Resorts, Summary report, tendered by Mr Brulisauer
- Briefing notes, tendered by Mr Marshall.

5. Other business

Resolved, on the motion of Ms Voltz: That the Committee hold a deliberative meeting on Monday 3 March 2014 to consider the Chair's draft report.

6. Adjournment

The hearing adjourned at 3.43 pm until Monday 3 March 2014.

Natalie Udovicic

Clerk to the Committee

Draft Minutes No. 42

Monday 3 March 2014

General Purpose Standing Committee No. 3

Room 1153, Parliament House, 9.36 am

1. Members present

Mrs Maclaren-Jones, *Chair*

Mr Blair, *Deputy Chair*

Ms Barham

Mr Green

Mr MacDonald

Mr Whan

Ms Voltz (9.45 am)

2. Previous minutes

Resolved, on the motion of Mr Green: That draft Minutes No. 37 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 6 May 2013 – Email from The Hon Amanda Fazio MLC to Committee Secretariat advising that Mr Steve Whan would be replacing Mr Mick Veitch and Ms Lynda Voltz would be replacing Ms Penny Sharpe as substantive members of the Committee
- 7 May 2013 – Email from The Hon Cate Faehrmann MLC to Committee Secretariat advising that Ms Jan Barham would be replacing Ms Cate Faehrmann as a substantive member of the Committee
- 31 July 2013 – Email from Dr Mehreen Faruqi to Committee Secretariat authorising The Hon Jan Barham MLC to substitute Dr Faruqi as a member of the Committee the duration of the Inquiry
- 18 October 2013 – Letter from Mr Rob Pollock, Regional Development Far South Coast, to Committee Secretariat providing answers to supplementary questions
- 18 October 2013 – Letter from Mr Paul Nicolaou, Australian Hotels Association to Committee Secretariat providing answers to supplementary questions
- 7 November 2013 – Letter from Mr Matt Fuller, Taronga Western Plains Zoo to Committee Secretariat providing answers to questions on notice taken during the hearing
- 7 November 2013 – Email from Byron Shire Council to Committee Secretariat providing answers to questions on notice taken during the hearing
- 12 November 2013 – Letter from Ballina Shire Council to Committee Secretariat providing responses to additional questions
- 13 November 2013 – Letter from Holiday Rental Solutions to Committee Secretariat providing responses to additional questions
- 14 November 2013 – Email from Byron Shire Council to Committee Secretariat providing responses to additional questions

- 14 November 2013 – Email from Shellharbour City Council to Committee Secretariat providing responses to additional questions
- 14 November 2013 – Letter from Mr and Mrs Dobrohotoff to Committee Secretariat providing response to additional questions
- 15 November 2013 – Email from Clarence Valley Council to Committee Secretariat providing answers to questions on notice taken during the hearing
- 15 November 2013 – Email from Ms Leanne Barnes, Acting General Manager, Bega Valley Shire Council to Committee Secretariat providing answers to questions on notice taken during the hearing
- 18 November 2013 – Email from Ms Jennifer Bennett, Executive Officer, Central NSW Councils to Committee Secretariat providing answers to questions on notice taken during the hearing
- 18 November 2013 – Letter from Mr Sam Haddad, Director General, Department of Planning and Infrastructure to Committee Secretariat providing responses to additional questions
- 19 November 2013 – Letter from Mr Phillip Vanny AM, Chief Executive Officer, Surf Lifesaving New South Wales to Committee Secretariat providing responses to additional questions
- 25 November 2013 – Email from Mr Alan Stokes, Executive Director, National Sea Change Taskforce to Committee Secretariat providing responses to additional questions
- 2 December 2013 – Letter from Snowy River Shire Council to Committee Secretariat providing answers to questions on notice taken during the hearing
- 3 December 2013 – Email from Mr Peter Brulisauer, Perisher Ski Resort to Committee Secretariat providing answers to questions on notice taken during the hearing
- 5 December 2013 – Letter from Snowy River Shire Council to Committee Secretariat providing copies of ‘The Little Black Book’ as part of answers to questions on notice taken during the hearing
- 11 December 2013 – Email from Mr John Pinkerton, SLOPES to Committee Secretariat providing answers to questions on notice taken during the hearing
- 20 December 2013 – Letter from Gosford City Council to Committee Secretariat providing responses to additional questions
- 21 January 2014 – Email from Shoalhaven City Council to Committee Secretariat providing responses to questions taken on notice during the hearing
- 22 January 2014 – Email from Bombala Council to Committee Secretariat providing responses to questions taken on notice during the hearing
- 28 January 2014 – Letter from Bega Valley Shire Council to Committee Secretariat providing responses to questions taken on notice during the hearing
- 14 February 2014 – Letter from Minister Souris to Committee Chair forwarding a request from Minister Piccoli that a ‘tourism in local communities roundtable discussion’ be convened in West Wyalong by the Bland Shire Council.

Resolved, on the motion of Mr Green: That the letter from Mr and Mrs Dobrohotoff dated 14 November 2013 and its attachments remain confidential.

4. Inquiry into tourism in local communities

4.1 Submissions

The Committee noted that Submissions Nos. 87 -91 were published by the Committee Clerk under the authorisation of an earlier resolution.

4.2 In camera transcripts

Resolved, on the motion of Mr Green: That the Committee:

- authorise the partial publication of the in camera transcripts of Mr Bill Tatchell and Mr Cameron Arnold of 9 October 2013, as requested by the witnesses, and
- authorise the publication of the transcript of in camera evidence given by Ms Belinda Novicky on 9 October 2013, as requested by Ms Novicky.

4.3 Consideration of the Chair's draft report

The Chair submitted her draft report entitled *Tourism in local communities* which, having previously been circulated, was taken as being read.

Resolved, on the motion of Ms Barham: That a new paragraph be inserted at the end of paragraph 2.30 to read:

'In particular, some councils expressed the view that some plans were developed by regional tourism organisations without their involvement and not recognising that they are key providers of vital infrastructure.'

Ms Barham moved: That Recommendation 1 be amended by inserting the words 'immediately regarding the lack of clarity and consistency of application processes' after 'review'.

Question put and negatived.

Resolved, on the motion of Ms Barham: That Recommendation 2 be amended by inserting at the end the words 'and more actively involve councils as the recognised local infrastructure providers'.

Resolved, on the motion of Ms Barham: That paragraph 2.36 be amended by inserting the word 'Novicky, Executive Officer of North Coast Destination Network' after the word 'Ms'.

Resolved, on the motion of Ms Barham: That paragraph 2.42 be amended by inserting at the end the words 'and recognise the administrative and operational needs of regional tourism organisations.'

Resolved, on the motion of Ms Barham: That Recommendation 3 be amended by inserting at the end the words 'and consider allowing for longer term operational funding'.

Resolved, on the motion of Mr Blair: That paragraph 2.84 be amended by omitting the last sentence: 'We recommend that the NSW Government articulate to the tourism industry a clear strategic vision for tourism in New South Wales'.

Resolved, on the motion of Mr Blair: That Recommendation 7 be amended by omitting the words 'That the NSW Government articulate to the tourism industry a clear strategic vision for tourism in New South Wales' and inserting instead 'That Destination NSW articulate to the tourism industry an update on the strategic vision and actions as outlined in the Visitor Economy Industry Action Plan'.

Resolved, on the motion of Ms Barham: That the following paragraph be inserted after paragraph 3.11:

'Submissions also referred to the cost of providing services such as community safety and associated impacts.'

Resolved, on the motion of Mr Blair: That paragraph 3.30 be amended by omitting the words 'to local to' and inserting instead the words 'to local councils to'.

Ms Barham moved: That the following paragraph be inserted after paragraph 3.50:

'The Committee notes that some councils with NPs and SF in their council area receive no land rates but do have the added pressure on their road networks from the traffic generation from these lands.'

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald, Ms Voltz, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Mr Blair: That paragraph 3.30 on page 52 be omitted: 'The Committee also acknowledges stakeholder views regarding Canberra airport, however, note that Canberra airport is outside of New South Wales' jurisdiction'.

Ms Barham moved: That the following recommendation be inserted after paragraph 3.30 on page 42:

'As such, we recommend that the NSW Government consider additional funding for local government projects that are specifically related to visitor economy infrastructure.'

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald.

Question resolved in the affirmative.

Resolved, on the motion of Mr Green: That the following recommendation be inserted after paragraph 3.40 on page 54:

'That the NSW Government investigate implementing an appeals process for the National Parks and Wildlife Service to address difficulties with interagency or stakeholder outcomes.'

Mr Whan moved: That paragraph 4.41 be amended by omitting the words 'supports the position of the NSW Government as outlined in the Visitor Economy Industry Action Plan, and' after the words 'The Committee', and omitting the last sentence: 'We look forward to hearing the outcomes of that review.'

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald.

Question resolved in the affirmative.

Ms Barham moved: That the following paragraph be inserted after paragraph 4.21:

'Some submissions noted that whilst the tourism industry provides jobs they are predominantly casual employment and in some areas, such as Byron Bay, are taken up by backpackers or transient workers.'

Question put.

The Committee divided.

Ayes: Ms Barham

Noes: Mrs Maclaren-Jones, Mr Blair, Mr Green, Mr MacDonald, Ms Voltz, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Ms Voltz: That paragraph 4.24 be amended by omitting the words 'working late nights' and inserting instead 'overtime'.

Mr Whan moved: That the following paragraphs be inserted after paragraph 4.71:

'The Committee notes the vital importance of TAFE as the basis for hospitality industry skills development in regional New South Wales.

The Committee is concerned to see reports that TAFE in some regional centres is cutting hospitality programs.'

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald.

Question resolved in the affirmative.

Mr Whan moved: That the following recommendation be inserted after paragraph 4.71:

‘The Committee recommends that the Government reverse cuts to TAFE funding and reject moves to expose TAFE to further competition which could result in regional TAFE services further decreasing.’

Question put.

The Committee divided.

Ayes: Ms Barham, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr Green, Mr MacDonald.

Question resolved in the negative.

Resolved, on the motion of Ms Barham: That the following recommendation be inserted after paragraph 4.103:

‘That the NSW Government develop an information program for backpackers and itinerant workers, similar to the Snowy River Shire Council’s ‘The Little Black Book’.

Resolved, on the motion of Mr Whan: That paragraph 4.113 be amended by omitting the last sentence: ‘If effective, the NSW Government could also consider introducing the same measures to other areas such as Byron Bay.’

Resolved, on the motion of Ms Barham: That the following paragraph be inserted after paragraph 4.113:

‘We note that during debate on the Crimes and Other Legislation Amendment (Assault and Intoxication) Bill 2014 and the Liquor Amendment Bill 2014, the Government identified that the provisions as defined for Sydney and Kings Cross could be available for other ‘hot spot’ communities.’

Ms Barham moved: That the following new recommendation be inserted after paragraph 4.113:

‘That the NSW Government promote that other communities experiencing alcohol related violence and anti-social behaviour are able to request the provisions provided by the *Crimes and Other Legislation Amendment (Assault and Intoxication) Act 2014* and the *Liquor Amendment Act 2014* to curb these impacts.’

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald.

Question resolved in the affirmative.

Resolved, on the motion of Ms Barham: That paragraph 5.4 be amended by omitting the words ‘and Kiama, also’ after the words ‘such as Shoalhaven’.

Ms Barham moved: That the following paragraph be inserted after paragraph 5.14:

‘Mr Sheldon, Chair, Australian Regional Tourism Network, raised concerns regarding unregulated tourism. He emphasised the importance regarding ‘waiting for another hotel fire to happen like those that occurred in Childers and Gin Gin’ and ‘something has to be done about this, because it is going to create a ripple effect through the industry’. He also noted the importance of word of mouth and that ‘if a person goes and stays in unregulated or non-compliant accommodation and has a bad experience then they do not go back to that region’. Mr Sheldon also raised the issue of ‘lack of insurance of these non-compliant accommodation providers’.

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald.

Question resolved in the affirmative.

Resolved, on the motion of Mr Blair: That paragraph 5.42 be amended by omitting the word 'coastal' after 'many'.

Resolved, on the motion of Mr Whan: That paragraph 5.42 be amended by inserting at the end: 'Indeed in many areas holiday rental is a vital part of the local economy and any restriction on holiday rental would seriously impact local business.'

Ms Barham moved: That paragraph 6.29 be omitted:

'A similar suggestion was made by Clr Wincen Cuy, Mayor of Broken Hill, who stated that national parks are a key tourism asset and suggested that more could be done to provide opportunities for camping within these areas. He suggested that setting up 'primitive camping' facilities inside the parks could be advantageous as consumers 'really... want that authentic experience'. At the same time, however, he acknowledged that too much commercialisation may detract from a natural experience.

Question put.

The Committee divided.

Ayes: Ms Barham

Noes: Mrs Maclaren-Jones, Mr Blair, Mr Green, Mr MacDonald, Ms Voltz, Mr Whan.

Question resolved in the negative.

Ms Barham moved: That: Paragraph 6.42 be omitted: "The Committee agrees with stakeholders that improved access to national parks, including development of tourism infrastructure to facilitate visitor access, is needed to maximise the visitor potential of national parks in New South Wales. We therefore recommend that the NSW Government investigate further opportunities for tourism development in national parks including accommodation, camping, mountain bike trails and fossicking (fossicking is discussed in the following section) and the following paragraph be inserted instead: "The Committee recognises the important role National Parks contribute to attracting visitors to NSW and note that investigation of additional accommodation on land adjacent to or near those protected areas could be beneficial."

The following new recommendation be inserted after paragraph 6.42:

'That the NSW Government investigate how it can encourage additional accommodation on land adjoining or near National Parks to take advantage of the attraction of the protected areas.'

Question put.

The Committee divided.

Ayes: Ms Barham

Noes: Mrs Maclaren-Jones, Mr Blair, Mr Green, Mr MacDonald, Ms Voltz, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Ms Barham: That a new paragraph be inserted after paragraph 6.6 to read 'NPWS manages a portfolio of over 400 leases for visitor facilities and a further 800 sub-leases relating to the alpine resorts. Revenue from commercial leases totalled more than \$14 million in 2011/12, an increase of 30% from 2007/08'.

Mr Whan moved: That Recommendation 13 be amended by inserting the sentence 'where those activities are consistent with the long term goals of the National Parks as expressed in its plan of management and the conservation objectives of National Parks' after the word 'fossicking'.

Question put.

The Committee divided.

Ayes: Ms Barham, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr Green, Mr MacDonald.

Question resolved in the negative.

Resolved, on the motion of Mr Whan: That paragraph 6.44 be omitted and replaced with a new paragraph to read:

'While the Committee is sympathetic to the calls from ski resorts we believe it remains appropriate to govern the activity within long term lease arrangements.

The Committee does agree that in governing the relationship the State's environment authorities need to ensure that resorts are not prevented from undertaking legitimate maintenance and improvement to facilities by excessive regulation'.

Mr Whan moved: That Recommendation 14, which reads 'That the NSW Government rezone the land used for ski resorts and snow fields which currently operate in Kosciuszko National Park to focus on tourism' be omitted and replaced with a new recommendation to read 'That the NSW Government seek to streamline the operation of planning approvals within the lease areas for NSW ski resorts to ensure that important infrastructure improvements such as upgrades to lifts and other facilities are not hampered by unwarranted red tape'.

Question put.

The Committee divided.

Ayes: Mrs Maclaren-Jones, Mr Blair, Mr Green, Mr MacDonald, Ms Voltz, Mr Whan

Noes: Ms Barham.

Question resolved in the affirmative.

Mr Whan moved: That a new recommendation be inserted after paragraph 6.70 to read: 'The NSW government undertake a strategic plan for tourism related fossicking in NSW including consideration of a single access fee for State Forests, linking information on fossicking opportunities on Destination NSW websites and consideration of National Parks in which fossicking under some conditions might be allowed'.

Question put.

The Committee divided.

Ayes: Mr Whan

Noes: Mrs Maclaren-Jones, Ms Barham, Mr Blair, Mr Green, Mr MacDonald, Ms Voltz.

Question resolved in the negative.

Resolved, on the motion of Mr Green: That a new recommendation be inserted after paragraph 6.70 to read: 'That the NSW Government investigate opportunities for fossicking in national parks, single access fees for State forests and linking information on fossicking opportunities on Destination NSW websites'.

Resolved on the motion of Ms Barham: That paragraph 6.82 be amended by inserting the words 'review feasibility of' before 'should'.

Mr Green moved: That Recommendation 15 be amended by omitting the words 'consider allowing disused rail corridors in New South Wales to be developed into rail trails' and inserting 'allow disused rail

corridors in New South Wales, or land immediately adjoining the rail that belongs to the Government, to be developed into rail trails.’

Question put.

The Committee divided.

Ayes: Mrs Maclaren-Jones, Mr Blair, Mr Green, Mr MacDonald, Ms Voltz, Mr Whan

Noes: Ms Barham

Question resolved in the affirmative.

Moved by Mr MacDonald: That paragraph 6.82 be amended by omitting the words ‘should consider’ and replacing with ‘be encouraged to allow.’

Question put.

The Committee divided.

Ayes: Mr MacDonald

Noes: Mrs Maclaren-Jones, Ms Barham, Mr Blair, Mr Green, Ms Voltz, Mr Whan

Question resolved in the negative.

Ms Barham moved: That a new recommendation be inserted after paragraph 6.82 to read ‘That the NSW Government report on the potential for disused rail corridors to be restored to provide rail based tourism to regional areas and establish a rail travel tourism sector.’

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green, Ms Voltz, Mr Whan

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald.

Question resolved in the affirmative.

Resolved, on the motion of Ms Barham: That a new paragraph be inserted after paragraph 7.143 to read ‘At a site visit to Ballina visitor information centre the Committee was informed that the centre was located on Crown Land and that recent increased rent/licence fees by the Crown had placed additional pressure on the council to fund the centre.’

Resolved, on the motion of Ms Barham: That a new recommendation be inserted after paragraph 7.143 to read ‘That the NSW Government review its lease/rent/licencing fees for land that includes visitor information centres and consider the reduction of fees to acknowledge the important role of these centres in enhancing the visitor economy.’

Resolved, on the motion of Mr Whan: That a new recommendation be inserted after paragraph 7.121 to read ‘That the NSW Government ensure that the Aboriginal Tourism Action Plan 2013-2016 specifically address skills issues which prevent broader take up and marketing of indigenous tourism products.’

Ms Barham moved: That a new recommendation be inserted after paragraph 7.156 to read ‘That the NSW Government consider providing funding for surf life saving where it operates a holiday park adjacent to beaches that require surf life saving.’

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald, Ms Voltz, Mr Whan.

Question resolved in the negative.

Mr Green moved: That a new recommendation be inserted after paragraph 7.156 to read ‘That the NSW government allow funds collected from Crown Lands to be used by Local Government for the furthering of surf life saving measures, in particular education.’

Question put.

The Committee divided.

Ayes: Ms Barham, Mr Green

Noes: Mrs Maclaren-Jones, Mr Blair, Mr MacDonald, Ms Voltz, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Ms Voltz: That the draft report as amended be the report of the Committee and that the Committee present the report to the House.

Resolved, on the motion of Mr Blair:

That the transcripts of evidence, submissions, tabled documents, answers to questions on notice, minutes of proceedings and correspondence relating to the Inquiry be tabled in the House with the report;

That upon tabling, all transcripts of evidence, submissions, tabled documents, answers to questions on notice, minutes of proceedings and correspondence relating to the Inquiry not already made public, be made public by the Committee, except for those documents kept confidential by resolution of the Committee;

That the Committee Secretariat correct any typographical, grammatical and formatting errors prior to tabling;

That the Committee Secretariat be authorised to update any committee comments, where necessary to reflect changes to recommendations or new recommendations resolved by the Committee;

That dissenting statements be provided to the Secretariat within 24 hours after receipt of the draft minutes of the meeting;

That the report be tabled on Thursday 6 March 2014.

5. **Adjournment**

The Committee adjourned at 12.45 pm *sine die*.

Teresa McMichael

Clerk to the Committee