

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: National Parks Association of NSW

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The Hon Natasha Maclaren-Jones MLC
Chair, General Purpose Standing Committee No 3
Parliament House
Macquarie Street
Sydney 2000

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RE: Inquiry into tourism in local communities

Introduction

The National Parks Association of NSW (NPA) was formed in 1957 to promote the concept of a network of national parks in NSW under specialist national parks and wildlife legislation and managed by a professional agency. Today NPA continues to build on this work through a network of 18 regional branches and over 10,000 supporters. NPA has a strong interest in protecting the health and integrity of high conservation value land and biodiversity across NSW, within national parks and also beyond them on travelling stock routes, private land and many other land tenures. NPA is also involved in tourism by providing our members with over 1000 guided bushwalks throughout the state each year.

Overview

NPA welcomes the opportunity to make a submission to the Legislative Council's Inquiry into tourism in local communities.

The nature based tourism sector contributes \$23 billion to the Australian economy each year and are increasingly important aspect of regional communities in NSW. Nature based tourism is also a crucial aspect of Australia's reputation as a 'clean, green' tourism destination. Our natural assets give us a unique competitive advantage in the global market – but they must be appropriately protected, managed and developed.

There is little doubt that well managed national parks and other conservation areas are the cornerstone of international efforts to conserve nature and the world's biodiversity. However, our national parks are also a critical source of ecological service that supports our economy and quality of life. In fact, our tourism industry has largely been built on the brand Australia image of our vast and iconic natural areas. In deed nature-based tourism contributes nearly 7% of Australia's total exports (in foreign exchange). Most of this comes from visits to national parks and other public-access protected areas where 40% of all international visitors include a trip to a national park. In NSW alone our national parks received more than 35.5 million visits in 2012 up from 22 million in 1994.

Value of tourism to New South Wales communities

The income generated from nearly 36 million visits per year is significant with much of that generated in regional gateway communities located outside national park boundaries. Although the Australian tourism industry has always promoted national parks as vital in campaigns to encourage more in-bound tourism, it has arguably failed to protect its "golden egg" and their natural values from the mounting threats of over exploitation and reduced protection.

Over the past few years, the debate over national parks has intensified, triggered by unprecedented changes in the approach to managing national parks by east coast State Governments, with moves to open them to logging, grazing horse riding and recreational shooting. There is a perception that national parks do not offer any economic benefits if they are not put to work for recreational and commercial purposes. This, however, is grossly over exaggerated. Many studies have been conducted showing national parks produce large benefits to local and regional economies.

Individuals, business and communities derive socio-economic benefits from national parks and other reserves – known collectively as protected areas (PAs) – in a variety of ways. These benefits include recreational experiences from visiting PAs, direct and indirect income from goods and services sold to park visitors, biophysical functions (ecosystem services) occurring in PAs, and healthy environments protected by PAs.¹ The establishment and management of national parks generates expenditure on capital works and park management services. This

attracts visitors who generate demand of accommodation, meals, souvenirs and other entertainment.

The Department of Environment, Climate Change and Water NSW (DECCW)'s management of PAs involves significant purchases of local goods and services. Expenditure on major capital works such as the upgrading or construction of roads and infrastructure in PAs generates local economic activity when local contractors and locally purchased goods and services are used. Local business activity is stimulated by continuing expenditure on goods and services required for park management, generating further expenditure throughout the economy and creating local jobs.

Protected areas attract visitors into these regions who buy goods and services such as accommodation, food and beverages, souvenirs, transportation, and recreational activities that have a major positive direct impact on local businesses, and those businesses providing inputs to these suppliers. Businesses that directly and indirectly provide services to park managers and park visitors also employ labour and make payments to households. These households then also purchase local goods and services. Thus expenditure on goods and services made by park managers and park visitors has direct and flow-on impacts on the economies around national parks.

Impacts of PAs on the regional economy of north-east NSW

In 2006, DECCW commissioned Gillespie Economics to carry out a study of the impacts of PAs on the regional economy of north-east NSW. This study used input-output analysis to assess the direct and indirect contribution of park management expenditure and park visitor expenditure to the regional economy. This study area comprised the coast and tablelands south from the Queensland border to Coffs Harbour, encompassing 167 national parks and reserves. It was estimated that close to six million people visit these PAs each year. The estimated economic contribution resulting from park management and park visitor spending is shown below

Table 1: Summary of economic impacts of PAs on the north-east NSW region¹

	Regional activity associated with:	
	DECC expenditure (p.a.)	Visitor expenditure (p.a.)
Regional value-added activity	\$17m	\$107m
Household income	\$13m	\$59m
Employment	265 jobs	1,650 jobs

The study found that DECCW expenditure contributed \$17 million per year in direct and indirect income to the regional economy. About \$13 million a year of this comprised household income. DECCW expenditure also directly and indirectly generated the equivalent of 265 jobs in the region.

Impressively, the study suggested that visitors to parks and reserves contributed about \$107 million per year in regional value-added activity, which included \$59 million as household income. Visitor spending represented the equivalent of 1650 jobs in the region. In total, national parks in north-east NSW helped generate the equivalent of more than 1900 jobs. Another study was conducted by The Sustainable Tourism Cooperative Research Centre examining the local economic impact of a suite of seven national parks in north-eastern New South Wales: Yuraygir, Nightcap, Border Ranges, Boonoo Boonoo, Bald Rock, Gibraltar Range and Washpool National Parks.² This study also focused on the expenditures by visitors to PAs sites and NPWS for associated management of park sites impact on local economies.

Table 2a: Expenditure by NPWS in the National Parks²

Expenditure Component	National Parks						
	Border Ranges	Nightcap	Washpool	Gibraltar Range	Bald Rock + Boonoo Boonoo	Yuraygir	TOTAL \$
Labour/salaries	48,000	65,000	200,000	200,000	220,000	489,375	1,222,375
New infrastructure	47,000	190,000	140,000	200,000	60,000	470,744	1,107,744
Recurrent infrastructure	99,000	16,000	55,000	55,000	10,000	457,039	692,039
Office	2,000	4,000	50,000	50,000	5,000	38,000	149,000
Vehicles	30,000	30,000			30,000	36,220	126,220
Other	15,000	12,990					27,990
TOTAL	241,000	317,990	445,000	505,000	325,000	1,491,378	3,325,368

Data provided by NPWS (2001)

Table 2b: Total direct expenditure in north-east NSW²

Park	Unadjusted Average Daily Expenditure Per Visitor \$	Annual Number of Visitors	Total Estimated Annual Expenditure \$
Yuraygir	17.80	450,000	8,010,000
Nightcap	80.75	87,289	7,048,587
Border Ranges	27.38	37,691	1,031,980
Boonoo Boonoo	89.57	18,000	1,612,260
Bald Rock	98.55	20,000	1,971,000
Gibraltar Range	46.51	20,000	930,200
Washpool	54.29	8,000	434,320
Total	-	640,980	21,038,347

It is clear that from this study that both the expenditure undertaken by the NPWS and visitors to national parks have considerable local economic impacts. The NPWS undertook direct expenditure of \$3.3m in managing the seven national parks. The annual total expenditure in the north-eastern NSW economy by visitors was estimated to be \$21.0m. The total direct expenditure was estimated to be \$24.3m. In addition to these direct benefits, there were also flow-on or multiplier effects estimated to be in the range from \$17.1m to \$22.4m. The total economic effect of the seven national parks were estimated to be in the range of \$41.4m to \$46.6m. These figures are an underestimate of the total expenditure undertaken in the north-east NSW because only a limited number of towns were listed for each park as 'local' and it is very likely there would have been substantial expenditure undertaken in other towns within the region.

It was estimated that the direct NPWS expenditure accounted for between 40 and 97 jobs, while visitor expenditure effects were between 38 and 68 jobs. The total effects accounted for 151 to 263 jobs.

The economic impact of PAs on the NSW Far South Coast

This area includes the coast and escarpment south of Durras Lake to the Victorian border, and contains 27 PAs which provide a range of visitor facilities and recreational opportunities. It was estimated that these PAs are visited by around 972,000 people a year.¹

The estimated economic contribution from DECCW park management and visitor spending is show below.

Table 3: Summary of economic impacts of PAs on the NSW Far South Coast region¹

	Regional activity associated with:	
	DECC expenditure (p.a.)	Visitor expenditure (p.a.)
Regional value-added activity	\$8m	\$54m
Household income	\$4.8m	\$19.5m
Employment	108 jobs	813 jobs

The study found that DECCW expenditure contributed \$8 million per year in direct and indirect regional value-added activity and generated the equivalent of 108 jobs. Visitors contributed \$54 million per year in direct and indirect regional value-added activity helping to generate the equivalent of 813 jobs in the region. In total, more than 920 local jobs were generated.

A study done by the Centre for Agricultural and Regional Economics (CARE) also analysed the economic impact of PAs on the South Coast of NSW, specifically the areas of Bega Valley and Eurobodalla. The strength of these economics lies in those activities that service visitors and the population.³ This means that residential construction and activities related to property development and its use are strong. Services to consumers are also strong, such as retail trade, restaurants, and a range of personal and recreational services. Visitor expenditure was a significant item and amounted to \$54m, generating an estimated 813 jobs and provided \$19m in wages and salaries to household incomes. Around 56% of these impacts occurred in Eurobodalla. In Eurobodalla, these impacts were 3.5% of the total economy while in Bega Valley it was 2.3% in 2005-06.³

Many natural forest values cannot be readily replaced or substituted. Some forest values, such as oldgrowth forest, rainforest, wilderness and endangered species, are considered to be irreplaceable by the community and are in effect priceless. Therefore, it is necessary to protect them through the creation of national parks. These studies illustrate that national parks are an important attraction for visitors to the region and they provide substantial economic benefits. National park visitors are generally well educated and earn relatively high incomes.² These are important characteristics that local businesses and organisations should be cognisant of when considering the development of tourist facilities and attractions. The benefits gained from tourism may suggest that increasing visitation will provide even greater benefits in the future.

Our tourism industry has largely been built on the brand Australia image of our vast and iconic natural areas. In deed nature-based tourism brings in \$19.5 billion a year in foreign

exchange (nearly 7% of our total exports). Most of this comes from visits to national parks and other public-access protected areas where 40% of all international visitors include a trip to a national park. In NSW alone our national parks received more than 35.5 million visits in 2012 up from 22 million in 1994.

In addition to economic benefits, national parks and reserves also have a range of social benefits for both residents and visitors to NSW, by providing locations for passive, environmentally sensitive recreation and allowing people to connect with nature and our cultural heritage.

One example is Sturt National Park which receives around 35,000 visitors each year, has generated 97 jobs in management and visitor-related roles, and has contributed approximately \$3.2 million to the local economy.

Conclusion

The National Parks Association of NSW strongly supports the ecologically sustainable development of nature based tourism through partnerships between the tourism industry, government, regional communities and the conservation sector. However, the resulting initiatives must ensure that protected areas are not over exploited by the tourism sector as this could compromise the conservation value of these areas and devalue their wild natural image.

We also are of the view that local communities that facilitate tourism access to our protected areas need species consideration by the government. We are not advocating for any particular type of support. However, it has become clear from our work that the transition by local communities from forestry dependant economies to ecotourism as a result of tenure change to a national park can be challenging. It can take several years for to achieve a successful outcome for local communities; however, the long term benefits are sustainable long term.

We believe that governments must work in close partnership with the effected communities to develop strategies that are locally designed and driven. This approach will ensure that the local character and passion for their region is incorporated in to local tourism plans.

Yours sincerely

Kevin Evans

CEO, National Parks Association of NSW

References

1. Department of Environment, Climate Change and Water NSW. (2009) *Economic benefits of national parks and other reserves in New South Wales Summary Report.*
2. Buultjens, Jeremy, Luckie, Katrina. (2004) *Economic impact of selected national parks in North-eastern New South Wales.*
3. Centre for Agricultural and Regional Economics. (2006) *Impact of national parks on the regional economies of the NSW Far South Coast.*