

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: Taronga Conservation Society Australia
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Thursday, June 27, 2013

Chair, The Hon Natasha Maclaren-Jones MLC

Standing Committee No. 3

Parliament House

Macquarie Street

Sydney NSW 2000

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Zoo Dubbo
Taronga Foundation
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Submission - Inquiry into tourism in local communities

Dear Madam Chair and members of the committee,

Thank you for the opportunity to provide this correspondence, which serves to act as a submission to the General Purpose Standing Committee No. 3 – Inquiry into tourism in local communities. In doing so, we will address the terms of reference in two parts:

- 1) Specific information regarding the direct impact, value, and involvement of Taronga Western Plains Zoo on our local community or visitor economy.
- 2) Broader information pertaining to the regional visitor economy landscape in line with the terms of reference.

It is worth stating up front that our organisation has a very strong relationship with Regional Australia and the important value of tourism in local communities, due to our Dubbo location and proud history of welcoming over 8 million visitors to our site at Taronga Western Plains Zoo. To emphasize this value, today the NSW Minister for Tourism, Major Events, Racing is quoted in the press as stating - *"The importance of tourism in regional NSW should not be underestimated. With visitor expenditure in*

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regional NSW worth more than \$12.8 billion in 2012, and overnight visitation increasing to 73 million visitor nights, it is vital to our economy,” Mr Souris said.

It is evident that tourism, or visitor activities, which make up our states visitor economy are an incredibly important element of our overall economic well being as a state, and very importantly in individual regional and local communities.

In Dubbo, which is part of the Central and Inland NSW Visitor Economy, we enjoy a strong contribution to Gross Regional Product by way of tourism, or visitor activities. The Dubbo LGA enjoys direct visitor expenditure of over \$175million¹ annually and benefits year round from NSW’s largest regional attraction, the Taronga Western Plains Zoo.

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Part 1: The following information represents an outline of some high level value propositions the Zoo provides to our local community through its involvement in tourism and the visitor economy:

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Visitor Economy - Direct Financial and Regional Economic Contribution:

TWPZ recurrent operating Budget is almost entirely spent locally within Dubbo and Central NSW accounting for approximately \$12.5 million contribution (excluding Depreciation)
Direct Visitor Spend within the Dubbo LGA - \$175 millionⁱⁱ
70% of Leisure Tourists visiting Dubbo are motivated by a trip to Taronga Western Plains Zoo ⁱⁱⁱ
78% of Leisure Tourists that visit Dubbo patronise the zoo ^{iv}
As at December 2012 the Central New South Wales Visitor Economy was estimated at \$1,136,000,000 in annual value. ^v
A significant local employer with 99 permanent staff and 180 casual staff (full time equivalent 120), and a retention rate of 95.1%.

Visitation:

TWPZ has over 220,000 visitors annually and has seen over 8million visitors pass through its gates over 36 years of operation.
Over 11,500 visitors undertook overnight programs within the zoo in the 2012 year.
TWPZ ensures that the region benefits from significant intra and inter- state visitation with around 89% of visitors from outside the local regional area including 26% from the Sydney Metropolitan area during 2012.

Industry Leadership, Mentoring and Participation:

TWPZ General Manager, Matthew Fuller is;

* A Director of Inland NSW Tourism, benefiting the Zoo and local visitor economy via strategic direction and direct involvement in collaborative activities such as coop marketing, destination management, research and product development.

* A member of the Dubbo Economic Development Advisory Committee (DCC), influencing programs such as SP3(Tourism) Zoning restructure within the Dubbo Local Environment Plan, ensuring tourism and the visitor economy are entrenched in strategic objectives of Council and funded accordingly.

* Has been a Member of the NSW Visitor Economy Taskforce Regional Advisory Group, contributing to recommendations calling for significant regional tourism reform in NSW. The VET report has lead to recent announcements of increased funding and other strategic benefits for Regional Tourism within NSW.

The zoo plays host to, and participates in many local, state and national industry functions / workshops and events assisting the capacity of local tourism operators and industry. Examples include; Australian Tourism Exchange, Destination NSW, Tourism Australia, Inland NSW Tourism, Local Government.

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Investment:

Ongoing investment in tourism facilities and new product development such as approximately **\$6.5 million** in unique overnight accommodation based experiences within the next twelve months, including the opening of Billabong Camp in April 2013.

Participation in NSW Government Tourism Product Development Program leveraging a **\$100,000** grant ten times toward the overall \$1million development of Billabong Camp.

Participation in the DNSW Cooperative Marketing Program through Inland NSW Tourism matching funding of **\$120,000** in NSW Govt support to extend reach of marketing and advertising programs and contribute to two successive years of positive growth in visitation.

Investment in Strategic Partners such as Qantaslink, and the creation of a unique Taronga

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Western Plains Zoo branded Q400 Aircraft promoting Dubbo as a regional Destination Nationally.

Community / Social:

TWPZ provides volunteering opportunities for 77 adult volunteers and 30 Youth At The Zoo (YATZ) volunteers representing over **6000 hours** year to date this financial year.

TWPZ is an accredited provider for Community Service placement through the Dept of Correctional Services NSW and has provided over **2915 hours** of work placement year to date this financial year.

TWPZ with DOCS undertakes the 'Walanmara' program for high risk aboriginal children under the care of the state. This program is carried out by our dedicated Aboriginal Education Officer.

TWPZ has provided opportunities for four identified Aboriginal Discovery Hosts in the current year providing work opportunities in frontline tourism services delivery.

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As you can see in the above tables, the Taronga Western Plains Zoo plays an enormous role in the Visitor Economy of Dubbo, Central, and Inland NSW. These benefits have a direct impact on the local and regional communities surrounding the zoo and extend to outer lying townships by way of benefit from passing visitor traffic the zoo generates. Around 89% of visitors come from outside the local area, of which 97% travel by motor vehicle and frequent other regional centre's as part of their zoo visit.

Part 2: The following information responds to the committee's terms of reference and comments more broadly on the Regional Visitor Economy of NSW:

1) ***The value of tourism to NSW communities and the return on investment of Government grants and funds:***

The Value of tourism to NSW communities is significant and as outlined above, is quoted as being worth some \$12 Billion. For our community Dubbo, direct expenditure by visitors to our city equates to over \$175 million.

Government grants generally speaking in tourism / visitor economy related areas require at least matched funding with operators responsible for 50% as a minimum for program qualification. The Zoo in recent years has participated in a number of government programs and remains actively involved in the pursuit of such funding. Our most recent example included \$100,000 from the Tourism Ministers Regional Product Development Fund, which has been leveraged or multiplied 10 times for a project of \$1 million in value. This project 'Billabong Camp' has been operational since April 13th 2013, and since its opening, the first two months of trading generated around \$100,000 in revenue and just under 1000 visitor nights. This result displays the extent to which value can be realized in projects of which Government grant funding contributes.

The zoo has submitted a current project application for the Regional Visitor Economy Fund Program whereby that funding request will be multiplied / leveraged some 14 times if successful.

2) ***The value of tourism to regional, rural and coastal communities***

This point is largely covered previously in the above information; however it is worth noting that tourism provides many communities with their major source of revenue for

the city or township, particularly some rural and remote communities where other industry has dwindled in recent times.

3) ***The impacts of tourism on Local Government Areas including:***

e) ***Infrastructure services provision and asset management***

It is clear that Local Government plays a large role in developing and maintaining certain visitor economy infrastructure. In the main, the provision of such specialized services such as Visitor Centres, Airports, Coach Terminals, Mobile Home and Caravan Service Points, service largely visitor activities. With this, obviously many other infrastructure provisions are required by regional communities who want to remain competitive in the overall visitor economy. These can include the operation of Holiday Parks, Cultural Facilities, and even attractions can be included under the umbrella of responsibilities some Local Government Areas can take on. Dubbo City Council has within its scope of operation all of the above and plays an enormous role in the provision of infrastructure which directly benefits the visitor economy. This provision should be highly valued by State and Federal Governments.

f) ***Social impacts***

Visitor economy activities have an enormous social impact on regional communities, some relying heavily on tourism related activities to provide social and community benefits not otherwise available to their community. Volunteering is prolific across tourism in local communities whether in Visitor Centres, or in operations such as our own. These opportunities provide enormous positive social benefit, and in our case extend to meaningful programs such as working with marginalized Aboriginal youth, the Orana Juvenile Justice Centre, or those allocated community service through the criminal justice

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system. Tourism and the visitor economy provide the means to service these contributions.

g) ***Unregulated Tourism***

The modern visitor economy has any number of regulative and legislative requirements, and in NSW it seems unfortunate that some of these are controlled more heavily than in other states of Australia. Our operation sees this in areas relating to the display and exhibit of animals, through to planning department exemptions required due to a lack of authority of Local Government to approve certain elements of a development. For small to medium enterprise this can hamper investment and development, and limit growth in regional centres.

There is also a very heavy element of elective regulation, such as accreditation and ratings organisations, which operators may elect to participate within or not. Our operation is TQUAL accredited, Advanced Eco Tourism Accredited, Zoo and Aquarium Association Accredited among others, which for large organisations requires an enormous level of work to achieve, but for many smaller operations this is not possible.

Perhaps the most significant, and in many ways most appropriate form of regulation is that of self regulation or consumer regulation occurring in the industry at present. Social Media and Web based booking and travel organisations now motivate many of the decisions made by consumers. TWPZ spends a great deal of time ensuring that we respond to visitor feedback on sites such as Trip Advisor, and influences decisions we make on how we present and operate our facility. I would suggest that we will see a much greater importance placed on these types of consumer regulation examples by those who have not already embraced their importance and the influence it can have on a business.

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h) **Employment Opportunities**

The Visitor economy of NSW, according to Destination NSW, employs more than 267,450 people in direct and indirect tourism related business. TWPZ employs 99 permanent staff and 180 casual staff (full time equivalent 120), with a retention rate of 95.1%. Employment across the sector is a very important factor in many regional centres.

4) **The marketing and regulation of tourism**

Marketing and regulation are two quite separate areas, of which regulation has been covered previously in this submission. In terms of marketing it is clear that NSW needs a clear brand heading for the state which may be able to be leveraged by regional communities to ensure greater effect of minimal investment, which in many cases is what is available.

In our case the zoo has utilised and benefited from its membership of Inland NSW Tourism to cooperatively market the Zoo and leverage funds made available by Destination NSW. In the Zoo's case this has lead to two recent years of positive growth in visitation. This method of utilising cooperative investment is critical in ensuring that regional destinations and individual operators are able to penetrate in the current market place. It is also clear that NSW needs to market its destinations and products in a packaged way that is accessible and easy to acquire for the consumer. This will be key to the future success of many destinations and operators in the current very competitive environment.

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5) ***The utilisation of special rate variations to support local tourism initiatives***

This initiative appears on the surface to have great potential and be effective in achieving greater investment in the visitor economy. In operation and execution it appears to be somewhat fraught. There are very few good examples of where a rate variation has worked well, probably the Gold Coast providing the most successful example.

It is evident that industry needs to participate more in investment of visitor economy initiatives, but perhaps methodology should be decided upon through the Destination Management Planning (DMP) process. For DMP to be successful it requires considerable local level stakeholder and industry involvement. With this level of collaboration it can provide an opportunity to incorporate industry participation in investment and funding for visitor economy activities.

The recent DMP process undertaken by Inland NSW Tourism provides a platform which may be utilised as an effective model for others to follow. Inland NSW Tourism's methodology with a critical first stage of consumer research ensures the consumer drives the outcomes, not individuals or parochialism, assisting in ensuring an effective result. This type of framework could be extended to pursue means to encourage and motivate industry participation in other ways than a rate variation.

6) ***Any other related matter***

Lastly, we would encourage this committee to consider the Visitor Economy Taskforce report, and the subsequent Visitor Economy Industry Action Plan (VEIAP). Both documents set out some very clear recommendations for regional tourism's structure and position within the broader NSW Visitor Economy. Consolidation of Regional Tourism

Organisations is one aspect yet to be fully realised since the creation of the VEIAP, and one that requires further attention to ensure that NSW is able to achieve its objective to double overnight visitor expenditure by 2020.

Thank you for the consideration of the above information in your review of tourism in local communities. Please feel free to contact myself or our Director and Chief Executive, Mr Cameron Kerr, if you require anything further in relation to the information we have presented.

Sincerely,

Matthew Fuller
General Manager
Taronga Western Plains Zoo

Cc; Mr Cameron Kerr – Director and Chief Executive Taronga

ⁱ Source DNSW – Travel to Dubbo Local Government Area Four Year Average to September 2011 (This is latest available data collation and is compiled from NVS data)

ⁱⁱ Source DNSW – Travel to Dubbo Local Government Area Four Year Average to September 2011 (This is latest available data collation and is compiled from NVS data)

ⁱⁱⁱ Source: National Visitor Survey, Tourism Australia Dubbo LGA Visitor Profile

^{iv} Source: National Visitor Survey, Tourism Australia Dubbo LGA Visitor Profile

^v Source; National Visitor Survey – Tourism Australia

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