

## **INQUIRY INTO TOURISM IN LOCAL COMMUNITIES**

**Organisation:** Riverina Regional Tourism

**Date received:** 10/10/2013

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## **NSW GOVERNMENT INQUIRY INTO TOURISM IN LOCAL COMMUNITIES**

### **Background**

The General Purpose Standing Committee number 3 has been asked to inquire and report into the value and impacts of tourism on local communities, and in particular focussing on -

- 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 service supervision 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
- 6) Any other related matter

### **About Riverina Regional Tourism**

Riverina Regional Tourism (RRT) is one of 13 Regional Tourism Organisations in NSW and is recognised as the peak Regional Tourism Organisation in the Riverina. The key role of the organisation is as a tourism marketing body for the Riverina.

The role of Riverina Regional Tourism includes:

- Providing regional tourism marketing and promotion
- Working in a united manner to increase tourism numbers and yield
- Facilitating product development
- Providing leadership and guidance for the regional tourism industry
- Linking with industry to ensure the region is able to deliver on the promise
- Managing Riverina branding

RRT is a member-based organisation consisting of membership from 18 Local Government Areas (LGA) within the Riverina.

LGA's that are members of RRT include Shires of:

- Carrathool
- Cootamundra
- Coolamon
- Griffith
- Gundagai
- Hay (Note Hay has since elected to align with Outback which is addressed in the

Destination Management Plan for the Riverina)

- Junee
- Leeton
- Lockhart
- Narrandera
- Temora
- Wagga Wagga
- Deniliquin
- Bland
- Jerilderie
- Conargo
- Murrumbidgee
- Urana

The organisation operates from a Board of nine skills-based Directors from across the region and an Executive Officer. Directors from industry and local Government backgrounds

### **New Structure**

Riverina Regional Tourism has adopted a new structure based around more effective marketing and greater potential for involvement of industry.

The structural changes have been based around the establishment of three Destination Management Organisations across the Riverina. These Destination Management Organisations will play a more active role in the involvement of industry and the development of programs to more effectively market each of these sub regions as a Destination.

The recently developed Destination Management Plan has been developed to complement and support this role.

The major role of the revised Riverina Regional Tourism Board will be to coordinate the RVEF applications and manage whole of region strategies.. The Board will also retain the direct relationship with Destination NSW This new structure will commence as from 1<sup>st</sup> January 2014.

### **Response**

Riverina Regional Tourism submits this submission to the inquiry on behalf of its 18 Local Government Members.

#### **1) The value of tourism to New South Wales Communities and the return on investment of Government grants and funds**

Riverina, being of large area, with mostly small rural Councils, and relatively small tourism businesses, cannot be expected to generate the same revenues as larger tourism regions.

The NSW Government is to be commended on the increased funding for Tourism in NSW particularly the Regional Visitor Economy Fund. The Quarantined Funds for Regional Tourism is also a positive recognition of the capacity of Regional Tourism Organisations to grow and develop visitation.

**One aspect of the program which should be reviewed is the minimum funding requirement of**



**\$50,000.** Not all regions are the same and in the case of the Riverina member Councils and industry do not have the capacity in many instances to match this funding limit of \$50,000 which will inhibit the three Destination Management Organisations within the region in addressing different needs of their respective Destination Management Plans

Riverina has immense opportunities as visitor and tourism destinations, however with the limited funding and difficulty in accessing it we are not realising these opportunities. With a focus on product and industry development funding directed into our region there will be great ROI figures for all levels of government and industry.

The other aspect which we would raise is the linking of access to capacity funding to project funding.

In the program guide issued by Destination NSW for the Regional Visitor Economy Fund it was stated in regard to RTO Quarantined Funds that ;

“RTO’s that currently receive funding for operational costs (eg Salaries and rent) can again elect to access a proportion of the quarantined funds for operational purposes. However under the new program , RTO’s must match any funds requested on a dollar for dollar basis”

Our Board has since been advised that if such applications are to be successful then they should be part of a project application. This is not practical in our circumstances as the organisation needs to operate with more certainty and not be part of individual project applications. No doubt other RTO’s would have the same issue. At present to complete an application for operational funding the same form needs to be used as for an RVEF project. Furthermore the \$50,000 minimum limit is not practical. In summary there needs to be a separate application process for operational funding as against project funding and the minimum limit reduced to say \$30,000.

Regional Tourism by its very nature provides an extremely high return on investment. The Board members are skill based volunteers and are only recouped for travel to meetings. The Executive officer works from home and the one vehicle is leased. Some tasks are contracted out eg finance and if the region comprising 18 local government areas was administered by a regional office the cost would be many times greater.

Each member Council is issued a Return on Investment statement each year and the ratio has been as high as 28:1 based on fees paid against benefits.

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

Tourism is not a stand alone economic driver; it is intertwined with lifestyle, livability and economic development. Tourism is often the first point of contact that an individual has with the local community, and presents an opportunity to showcase the community as a place to live and invest. If we do a good job with tourism, we can see flow on effects for other local economies.

Tourism plays a vital role in rural communities when other industries such as agriculture or mining are in a low period. The Deniliquin Ute Muster which attracts 20,000 visitors is a good example of economic benefit.

Tourism injects new dollars in communities.

Events are great tourism drivers and our Destination Management Plan has identified over 140 events across the Riverina.

### **3) The impacts of tourism on Local Government Areas, including –**

#### **a) Infrastructure service supervision and asset management**

The Development of Destination management Plans will identify areas where infrastructure development is necessary to build visitation in the local and regional economy. The availability of funds from the Regional Visitor Economy Fund will assist in addressing this need

#### **b) Employment opportunities**

Tourism is a vital employment source for local communities. The benefits range from accommodation, cafes and restaurants, vehicle repair outlets and general retail. The Riverina receives approximately 2,500,000 visitors a year . On average 53% of these have been day trips and 40% domestic overnight trips with 7% international visitors .During the 2011/12 period tourism generated \$555 million in expenditure in the region. This impacts significantly on employment and economic development in the region.

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

As earlier mentioned 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 comprise on combined campaigns.

It is important that the Regional Tourism Organisations retain their entity and funding as they have the capacity to reflect the real priorities and needs of their operators and Local government areas. State managed campaigns do not always reflect understanding of regional needs priorities and timing.

Riverina Regional Tourism has recognised major opportunities for the further development of Agritourism as a means to generate increased visitation to the region and value adding opportunities for producers.

The board has also developed partnerships with Regional Development Australia-Riverina, TAFE Riverina and ABC Riverina. The current "Taste Riverina" event is an excellent example of achievement through partnerships.

The Riverina 's Agricultural tourism opportunity is due to the strength of this industry sector. The region produces more than \$1 billion in agricultural and horticultural production each year. The Riverina is Australia's largest producer of wine and also has a large food processing industry. Regional Development Australia summarises the strength of Riverina Agriculture as it accounts for;

- Over 25% of NSW fruit and vegetable production
- 90% of NSW citrus fruit products
- 80% of NSW wine/grape production



- Livestock feedlots, sales and processing facilities
- Almond and walnut production and
- Nearly 20% of all NSW crop production and two thirds of its total value.

The Destination Management plan has identified this strength in food production, from paddock through to product. This provides opportunities to generate visitation through industry and education tours.

However the scale of the industry does create opportunities for the general tourism experience of agricultural and horticultural produce.

One of the competitive advantages of the Riverina's agritourism is the diversity of methods and produce in the region. This is highlighted by the distinct offer of each of the DMO's

- Eastern Riverina-broad acre cropping and livestock
- Southern Riverina-Rice, large stations and merinos
- Western Riverina-intensive irrigation and production facilities

As earlier mentioned a proposal to undertake a Riverina Regional Food and Agritourism Development project to develop paddock to plate connections has been prepared. The project would create networks and systems for the trading of produce within the Riverina and would be a significant step towards the promotion of agritourism and local produce in the region

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

Whilst the regions raise funds from Local Government and operators our member Councils generally do not support the use of special rate variations.

The eighteen member councils currently contribute funding of approximately \$72,000 which is matched dollar for dollar on strategic marketing campaigns.

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

Duration of Reviews- Our Board would raise the need for future reviews into the Visitor Economy to be completed in a timely manner. The Visitor Economy Task Force took far too long to release a report and left Regional Tourism in "limbo". The deadline of an interim report by February 2012 did not occur and the final report programmed for June 2012 was not released until August 2012. Future reviews should be conducted within committed dates.

**7) Venues for hearings**

It would be appreciated if future hearing could select a venue in the southern part of the state

**Our Board thanks the Committee for the opportunity to make a submission**

**Ken Murphy**  
**Chair**  
**Riverina Regional Tourism Board**  
**28<sup>th</sup> June 2013**