

**Submission
No 31**

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: National Sea Change Taskforce Inc.

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

Dear Ms Maclaren-Jones,

Re: Inquiry into tourism in local communities

This submission to the General Purpose Standing Committee No 3 Inquiry into tourism in local communities is made by the National Sea Change Taskforce, an association that represents councils in Australia's coastal areas. In particular, the submission addresses point 3 in the terms of reference – *the impacts of tourism on Local Government Areas*.

High levels of tourism demand in regions such as the NSW North Coast, Mid North Coast, Central Coast, Illawarra and the South Coast is having a noticeable impact on local communities in these areas, including traffic congestion, impact on the environment and high levels of demand for services including water, sewerage treatment and waste collection.

Tourism brings an economic benefit to local commercial operators and helps to generate employment opportunities. But while visitors generate revenue for accommodation, meals and local retail outlets they do not contribute to the cost of public infrastructure required for their use, such as roads, water, sewerage treatment, waste collection and recreation facilities. The burden of expanding the capacity of infrastructure to meet the increasing demands of tourism inevitably falls on local ratepayers.

Coastal councils do not wish to discourage tourists from visiting their communities, but 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. One barrier to coastal councils achieving an equitable share of resources in order to meet this demand related to tourism is the current timing and methodology for collecting Census data in these communities.

Non-resident population research project

Coastal councils report discernible differences between the number of people in coastal communities in winter, when the Census is conducted, and at other times of the year when many people such as absentee property owners and larger numbers of tourists are present. In some coastal areas the difference between population peaks and the official permanent population data, as indicated in the annual Australian Bureau of Statistics Cat.no. 3218 Estimated Regional Population data, is substantial. It is for this reason that the National Sea Change Taskforce commissioned a research project to apply robust scientific analysis to the task of analysing data on the impact of temporary populations associated with holiday homes and tourism in these areas.

Attached with this submission is the final report of the research project that was commissioned by the Taskforce and undertaken by a research team headed by Professor Graeme Hugo at The University of Adelaide. The objective of the project was to develop and assess methodologies for counting temporary populations, other than permanent populations, in Australia's non-metro coastal council areas. The project involved investigating the extent to which existing data collections, including Census data, tourism data and information on properties owned by absentee ratepayers could be used to estimate the scale of temporary populations in these areas. The final report of the project, titled *Time and tide: moving towards an understanding of temporal population changes in coastal Australia* by Graeme Hugo and Kevin Harris, is attached and forms part of this submission.

As indicated in the final report of the research project: Sea change areas arguably experience the largest seasonal fluctuations in population of any areas in Australia. In southern Australia, especially, the Census is taken at a time which is the extreme trough of those variations. Accordingly, in the interests of equity it is important to have a measure of the size of temporary residents in order to better plan the provision of utilities, infrastructure and services in those areas.

Local government authorities in coastal areas need to plan infrastructure and services, such as water, sewerage treatment, waste collection, drainage, and other local services, to meet the demand of their peak populations. Collecting data on peak populations is therefore of critical importance to these councils in order to meet community demand for these facilities. The lack of accurate data on peak populations places communities in coastal areas at a disadvantage because it means the allocation of funds through programs such as Financial Assistance Grants is based in part on the permanent populations rather than peak populations. As indicated previously the permanent populations in these areas are often substantially lower than the peak populations.

One of the key tasks of the research project was to make an estimate of the numbers of additional non residents who were missing from data collected in the Census. The methodology used in the research based this estimate on the numbers of absentee property owners who had indicated in a survey that they were not at their coastal property on the night of the Census. The survey indicated that at the

aggregate level two thirds of non resident properties would have been unoccupied on the night of the Census. The researches also estimated the temporary populations generated by tourism in each of the participating local government areas. These estimates, which were based on analysis of Australian Bureau of Statistics information on tourist use of hotels, motels, apartments, caravan parks and rental holiday houses, found that at the aggregate level tourist numbers represented 7.5% of the 2011 population in each of the LGAs. In the NSW local government areas of Eurobodalla and Shoalhaven the analysis showed that tourist numbers accounted for more than 11% of the permanent population.

The data on non resident property owners and tourists were combined to produce the following table. This indicates the estimate of the number of persons who use the services and facilities in nine coastal councils that participated as case study areas in the University of Adelaide research project, who were not captured in data collected on the night of the Census. It also indicates the percentage of the permanent population in each area that these additional 'missing' persons represent.¹

LGA	Combined Estimated Population of unoccupied dwelling and tourists	Combined Estimated Population as a percentage of population at 2011 Census
Busselton	8,429	27.8
Byron	5,254	18.0
Cairns	28,655	18.3
East Gippsland	8,595	20.4
Eurobodalla	11,296	31.6
Mandurah	11,971	17.1
Mornington Peninsula	30,391	21.0
Shoalhaven	22,721	24.5
Surf Coast	8,848	34.2

As indicated in the table the percentage of population missing from Census data, and therefore not included in the figures for permanent population in these coastal areas, is substantial.

Adequately meeting community needs for basic infrastructure and services is a critical function of local government. The lack of accurate data on peak populations is a major barrier to accurately assessing the current or projected level of demand for infrastructure and services. It is also a barrier to coastal councils and their communities receiving an equitable share of resources for infrastructure and services to meet demand associated with coastal tourism.

There is a clear need to establish an accurate and consistent method of measuring the impact of tourists and other non-resident population groups in Australian coastal areas to enable planners and decision-makers to better match resources with demand associated with peak population levels. The absence of accurate data on holidaymakers and other visitors to coastal areas means that existing demand for infrastructure and services in these communities is consistently understated.

⁴ Hugo G and Harris K, (2013) 'Time and tide: moving towards an understanding of temporal population changes in coastal Australia', Adelaide p.15

Recommendations

There are several ways in which the current levels of demand for infrastructure and services related to tourism in coastal areas can be more equitably met, including the following:

- Amend the methodology of the national Census to more accurately reflect the impact of non-resident property owners and tourists. The National Sea Change Taskforce made a submission to this effect to the review of the Census methodology recently conducted by the Australian Bureau of Statistics.
- Amend the formula for calculating the distribution of Financial Assistance Grants to take into account the level of demand for infrastructure and services related to tourism in coastal areas.
- Distribute a proportion of GST revenues derived from tourism consumption to assist councils in areas experiencing high levels of tourism to meet growth in demand for public infrastructure and services in coastal areas associated with tourism.

In conclusion I would like to thank you on behalf of our member councils for the opportunity to make this submission to the Inquiry. We would welcome the opportunity to be heard in relation to this matter at one of the proposed public hearings to be held by the Committee.

Yours faithfully,

Alan Stokes
Executive Director