

**Submission
No 29**

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: Clarence Valley Council

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Submission to the Inquiry into the Value of Tourism in NSW –Clarence Valley Council

1. Introduction and Value of Tourism

Clarence Valley Council is situated 3 hours south of Brisbane, 2 hours from the Gold Coast and 7 hours north of Sydney. It is the largest east coast Council in NSW having a land area of 11,000 square kilometres. It has also the largest river on the east coast of NSW the mighty Clarence, is surrounded by world heritage rainforest, has the longest undisturbed area of coastal national park in NSW and some of the best beaches in Australia around Yamba, Iluka, Brooms Head, Woolli and Minnie Water. It also has a world class surfing reserve at Angourie. Inland the towns, villages and cities which developed along the Clarence with the steam boat trade are major tourism attractions in their own right due to their heritage past which is been carefully preserved. In addition the area has a number of world class events and festivals, the main ones been the Grafton July Racing Carnival, the Jacaranda festival, the Maclean Highland gathering, the Gate to Plate food event, the Bridge to Bridge ski race, the Head of the River rowing regatta and the Grafton to Inverell cycle classic.

Tourism is valued at over \$280 million in the Clarence Valley, 15% of the \$2 billion GDP. The valley hosts 1.7 million tourists a year, 1.6 million domestic and 100,000 international tourists. The main source of domestic tourism is from south east QLD contributing 42 %, regional NSW 32 % and Sydney 14%. Adventure and sports tourism are major growth areas for the valley and are increasing the international tourism growth. Recent substantial growth has occurred in the skiing/wakeboarding sector, kayaking/canoeing, sailing and cruising, cycling and mountain biking, hockey, tennis and a new major triathlon is scheduled for Yamba in October. In addition RV tourism has been identified as a major growth area with Grafton now obtaining RV Friendly Town status and Maclean to follow shortly.

Despite a downward trend in domestic tourism in Australia the Clarence Valley continues to have strong growth mainly due to its geographic position close to the major developing south east QLD market which is becoming closer in a time sense as the Pacific Highway is upgraded. In addition Yamba has tourism numbers only bettered by Byron Bay in the Northern Rivers and Yamba is now voted regularly as the number one tourism destination in Australia (by various tourism magazines).

The Clarence River is also now underpinning adventure/experience based tourism growth which is supported by a major tourism destination development plan the Clarence River Way Master Plan. 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 River side precinct Plan, the longest white water canoe trail and 5 new primitive camp sites, 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. Council obtained TQUAL funding to firstly develop the CRW master plan and secondly the maximum grant of \$500,000 for developing the product. NSW Maritime has made a major contribution to the pontoon/jetty developments.

2. The impacts of tourism on Local Government areas

Infrastructure services and provision and asset management –

Tourism especially in the coastal towns (eg Yamba) almost doubles the population at peak holiday periods and does lead to large additional costs in providing services and infrastructure. Many of these costs can be recouped by Council though attention to zoning and rating detail, and strategic use of revenues as the Crown Lands Reserve Trust Manager does allow some of these costs to be recouped through user pay.

The Clarence Valley Council is in the fortunate situation that it is trust manager, the Clarence Coast Reserve Trust, for three very viable caravan parks at Iluka, Yamba and Brooms Head which allows some of the excess revenue (after Park maintenance/capital upgrades) produced from tourist accommodation charges to be spend in maintaining the surrounding crown reserves and for surf lifesaving operations. Without this revenue source Council would need to find around another \$1 million per annum to maintain these predominately tourism assets.

In addition Council has zoned the Yamba Hill as the predominant tourism accommodation area in the valley which means extra waste services, sewerage services and water services can be recouped by way of extra charges for commercial rental holiday units/houses, similar rating practices have been applied in other rental areas where data is available. Rating structures reflect to some degree the higher land values in this zone also.

However, in the design of the near completed \$42 million sewerage system for Iluka and the \$50 million upgrade proposed for Yamba, the state Government did not recognise tourism peaks as a legitimate part of the subsidy calculation and has cost Council over \$6 million in forgone subsidy. It may be also in the future the water pipe line to Yamba may need to be upgraded just to cater for the tourism peak for a few days in summer.

Council cancels leave for it Rangers in the peak holiday periods and assigns them to predominately parking and beach vehicle control over peak holiday periods. This means the upper valley area has very little Ranger presence especially over the peak Christmas holiday period. This will become a problem as tourism growth continues especially in the up river areas around primitive camping, kayaking and water skiing.

Developing servicing issues

'Wicked' campers a wicked problem

Council has endorsed the North Coast Destination Networks resolution and the NSW Government Premiers guideline, that we do not support free overnight camping. Note the Council endorsed RV camping in the valley is in authorised caravan parks or primitive camping areas, where a fee of between \$15-20 is applied for the self contained vehicles.

The illegal camping by non self contained camper vans, as epitomised by the 'wicked camper' been the most successful company, goes against the above policies. These non self contained campers very rarely use regulated camping areas and mostly camp in Council car parks or worst still streets. Although, not a major area of conflict yet for Clarence Valley Council, more community complaints are starting to emerge especially around Yamba, where anything up to 50 vans would use Council car parks overnight.

It is impossible for Council to regulate this type of illegal camping or to have the resource to regulate this camping. A state wide solution is needed which would involve regulating at the industry level. There are pros and cons on both sides of this debate. Arguably the predominately back packer clientele that use this cheap form of accommodation use their financial resources to consume adventure tourism services and lots of alcohol, which do help underpin economies all year round not just at peak seasons.

Conflict with skiing/wakeboarding and landholders along the river

The Clarence River is arguably now the best skiing river in Australia. The river has hosted over the last five years the Queensland ski championships yearly and the nationals twice, it also hosts yearly the Bridge to Bridge ski race which has now over 300 boats competing (and now some international) and has been twice hosted a round of the world wakeboarding championship in the last three years and regular rounds of the Australian formula power boat championship. The Seelands River caravan park has now become a major nation wide mecca for water skiing and regularly has over 700 people and up to 50 power boats operating from there.

Since the major floods in early in 2013 many kilometres of the river bank in the Clarence has had land slips. Adjoining landholders are now blaming the power boats, especially the wake boarders, and the wake boarders blaming the landholders for impacts due to clearing and livestock. Council, NSW RMS, and the Catchment Management Authority are now working jointly to develop solutions and a river plan.

This is a whole new area of conflict resolution and river studies which Council is not resourced for.

Social Impacts- Clarence Valley council hasn't suffered the social impacts that Byron has suffered for what appear are some key differences, firstly Byron has the reputation as the 'party capital' for SE QLD especially at weekends, secondly it has a huge number of back packing tourist who go there to party and thirdly they have nights clubs and pubs that close very late. Compare this to Yamba where the predominant tourist are family, the backpackers are fewer and know Yamba is not party central, and the fact that the latest opening pub and club is 1 pm leads to a different result all together very little violence.

In addition the liquor accords in the Clarence work closely with the police and Council to put a safety by design approach around major events. Eg the Grafton July Racing carnival which attracts 15,000 race goers on the Gold Cup day and 30,000 for the week of events, has very controlled liquor service at the races, coaches put on to transport racegoers home or back to town and early closing of pubs and clubs.

The Clarence Valley does not also have the problem of party tourism houses in residential zones as is the case in Byron, where tourism is mixed within residential zones. In the Clarence the tourism zones are separated mostly from the residential zones.

Unregulated tourism- the biggest issue around unregulated tourism relates to the 'wicked' camper issue outlined in (a).

Employment opportunities- the number of people working in tourism is always hard to find as the Bureau of Statistics does not collect data as jobs in tourism but across a wide range of input industries eg food and accommodation, transport etc. Secondly employment in the industry is very seasonal and has a high casual component.

However in the Clarence valley the towns of Yamba, Iluka, Brooms Head, Wooli and Minnie water predominately exist because of the tourism industry and rely heavily on it for employment.

Marketing and regulation- The Clarence Valley Council has funded a stand alone Tourism Board which existed before amalgamation to provide services for the previous 5 general purpose Councils. Current funding for the Board is around \$500,000, with \$176,000 raised by a special tourism rate on business's. The board is responsible for marketing tourism in the valley. The board runs two visitor information centres one at Grafton and one at Maclean

Council has taken on leadership roles in recent years in developing the Clarence River way destination development plan, with funding mainly through the TQUAL grants from the Federal Government. Council with state and federal partners and some private sector investment has funded the \$4.5 million tourism infrastructure development program in addition.

The Tourism Board arrangements are currently under review and Council will be letting a consultancy shortly, to review what's the best way to deliver tourism destination and marketing programs into the future. This includes the impact of Pacific highway upgrades, the growth of the 'e' tourism sector and the appropriate structures to deliver services into the future.

Council is heartened by the recognition by Destination NSW that the regions actually exist outside Byron Bay and are positive about the new approach to funding the North Coast Destination Network.

What the Council knows that won't work in our region is a reliance on totally self funded tourism promotion, as we have not got the large hotel chains and major airline to underpin such tourism in the valley. Our focus need to be on growing the successful product from South east QLD and on sports participation tourism, and on the international adventure/ experience based sector when we finish developing the Clarence River Way product.

Conclusion

1. The Clarence Valley Council on sheer numbers is one of the most popular regional tourism destinations in NSW behind Coffs Harbour, Port Macquarie, Byron and Tweed. Tourism is a very important economic mainstay in the valley. We achieve the high number of tourism visitation despite not having a major tourism airport and no major 4-5 star resort hotels. Our tourism is mainly domestic and we have become the preferred holiday destination for south east QLD families. In many ways the Clarence product is similar to the boutique nature based tourism of Tasmania and its important that tourism bodies recognise the appeal of this type of tourism in NSW, and not only promote the 5 star resort towns as identified by destination NSW as their preferred promotion vehicles. After all, the world is full of four to five star resorts and this product is hard to sustain.
2. The income that Clarence Valley receives as caravan park trust manager is an important source of income to only maintain the parks but helps to maintain the crown land park resource and beaches in the peak tourism areas of Yamba, Iluka, Brooms Head and Minnie water. There is some concern that the State Government could privatise these assets and then leave Council to find another million dollars to maintain the states Crown Land assets without a funding source.
3. It is crucial to recognise that product differentiation is important and recognise that it is a temptation for the tourism funding bodies to invest in the areas with large airports and resort chains, and ignore boutique village and nature based tourism areas, such as the Clarence Valley. Clarence's tourism figures show the folly of this approach only.
4. Participation sports tourism is a growth area and needs promoting in regional areas.
5. It should not be assumed a special rate for tourism is sustainable (even though Clarence does raise one presently) given that the recent local Government review and the treasury financial sustainability assessment rated the Clarence and most north coast Councils as 'weak' with a negative trend. The reasons that Councils were rated this way is that they will struggle in the future to fund their infrastructure decline, and hence any new rate rise would need to be prioritised towards these ageing assets. To expect a special rate to fund tourism promotion at the expense of basic infrastructure eg roads which tourist also get around on maybe unrealistic.

Thanks for the opportunity for submitting.

For more information please contact

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