

**Submission
No 45**

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: Eurobodalla Shire Council

Date received: 28/06/2013

Inquiry into tourism in local communities by the NSW Legislative Assembly's General Purpose Standing Committee No. 3

The Committee has determined to inquire into and report on the value and impacts of tourism on local communities, and in particular:

- 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 services provision 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.*

Eurobodalla Shire Council offers the following contribution on behalf of the businesses and organisations in the shire.

THE VALUE OF TOURISM TO EUROBODALLA

Tourism to the South Coast of NSW brings \$2 billion per annum into our local economy and employs directly and indirectly 20,000 people.

The industry in Eurobodalla is worth \$324 million per year in direct expenditure (Destination NSW snapshot data). Using Destination NSW data & Tourism Research Australia report data, indirect expenditure is estimated to be \$689 million making the industry easily the biggest in the region.

According to the 2011 Census, the tourism industry in Eurobodalla directly and indirectly employs 4,150 to 5,295 people out of a total employed workforce of 12,529.

This demonstrates that the health and the growth of the tourism industry are fundamental to the economic wellbeing of Eurobodalla.

THE BENEFITS OF GOVERNMENT GRANTS

Government funding for tourism marketing is welcome. However for an industry worth \$324 million, the marketing allocation from government is only in the region of a \$200,000

The focus has traditionally been on return on investment which may explain why marketing has been the focus. However, many accommodation businesses are in severe need of upgrading their facilities and a return on investment would be difficult to prove in the short term.

Whilst there has been a recent increase in funding for such product development, the minimum investment by the operator is \$50,000 which automatically excludes most small businesses in the region.

THE IMPACT OF TOURISM ON EUROBODALLA

Tourism visitation is seasonal with very high peaks. These peaks, whilst good for business, place a great strain on local infrastructure and services. These costs are borne by the local Councils representing the local community.

Further, the seasonal nature of the industry requires investment from the private sector that is not fully utilised for most of the year. This means that investment in tourism does not generate the returns that other industry sectors enjoy.

A summary of the impact of tourists on Eurobodalla is:

1. they cost money in extra water infrastructure e.g. bigger water treatment plant is required to service the peak period in January when population swells threefold but there is excess capacity for the rest of the year;
2. they cost money in additional road infrastructure;
3. they do not pay rates;
4. they do spend \$324 million in Eurobodalla that might otherwise go overseas.

A recent survey commissioned by 9 local government areas in coastal areas showed that the population in Eurobodalla on average exceeds Census levels by 11,295. These are people who stay either in tourist accommodation or holiday homes and represents a 30% increase on Census population numbers which are often used to determine government funding. The full report is available at:

http://www.esc.nsw.gov.au/media/512055/sea_change_taskforce_report_29_april_2013.pdf

THE MARKETING AND REGULATION OF TOURISM

As a nature tourism destination, it is important that planning regulations support environmentally sensitive Ecotourism.

ANY OTHER RELATED MATTER

Improved international air access via Sydney and Canberra airports will allow the region to develop its international tourism base. In particular, the planned expansion of Canberra airport to accommodate international flights is important to Eurobodalla.

CLOSING COMMENT

For the reasons outlined above, Eurobodalla Shire Council strongly supports the continued development and support of the tourism industry as a key economic driver of regional economies.