

**Submission
No 50**

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: Orana Regional Organisation of Councils (OROC)

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28th June 2013

The Hon Natasha MacLaren-Jones MLC
Committee Chair
General Purpose Standing Committee No 3
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Committee Chair

Re: Inquiry into tourism in local communities.

The Orana Orana Regional Organisation of Councils (OROC) would like to thank the Standing Committee the opportunity to offer a submission to the inquiry into tourism in local communities.

About the OROC Region

The Orana Regional Organisation of Councils (OROC) comprises the Shires of Bogan, Bourke, Brewarrina, Cobar, Coonamble, Gilgandra, Narromine, Walgett, Warren, Warrumbungle and Dubbo City Council.

These councils are located in the Central West, Northwest and Far West sectors of NSW. The OROC region covers approximately 20% of the geographical area of NSW and comprises a diverse landscape that covers approximately 190,000 square kilometres. ABS Population statistics indicate that there are 88,000 people residing in the Orana region.

There are many "Orana" boundaries that are not consistent with the OROC geographic boundary; this provides confusion in defining the Orana region. In this instance OROC does not take in Wellington Shire Council or Midwestern Regional Council.

The OROC region has a significantly higher indigenous population of 20 % (average) as compared to the NSW state average of 2%.

The vast distance of the region makes travel difficult across the region, especially since the cessation of regional airline services to western ports. For instance, to travel by road from Lightning Ridge, Bourke, Brewarrina or Cobar to Dubbo is 355kms, 369kms, 374kms and 296kms respectively with travel time equating between 3 ½ hours to 4 ½ hours.

The region is economically and socially reliant on its strong agricultural and mining foundations and is subject to economic variations driven by climatic conditions.

Geography presents a challenge with the diverse issues affecting the region – larger communities are expanding, experiencing growth and development (Dubbo) yet the majority of OROC's communities have declined in population and withdrawn under the social and financial strain after 9 years of drought and subsequent sustainability challenges and uncertainties. As seasonal conditions have been more favourable the past 24 months, these declines have started to reverse.

OROC councils are members of the Regional Tourism Organisation known as Inland NSW Tourism. There are two representatives from local government and two from industry that represent the OROC region on the Inland NSW Tourism Board.

Tourism in the OROC region accounts for 1 million visitors per annum to the region.

There are many other businesses and industry sectors in the region that play an important role as tourism operators within the visitor economy.

Please find following OROC's response to the terms of reference.

Further information should be directed to Belinda Barlow OROC Executive Officer.

Yours faithfully

Clr Bill McAnally
Chair
OROC

TERMS OF REFERENCE

1. The value of tourism to New South Wales communities and the return on investment of Government grants and funds.

Tourism continues to be a major economic driver for rural and regional communities, with 46 cents in every dollar of tourism expenditure spent in regional Australia.

The NSW government has identified that:

‘Visitor expenditure in NSW alone contributes over \$20 billion to the State’s economy supports more than 159,000 jobs and over 96,200 businesses.’

NSW share’s Tourism Australia’s goal of doubling visitor economy by 2020, but there is no clear plan on how to achieve this goal.

The focus of Commonwealth and State governments is on international markets despite approximately 98% of visitation to rural and regional communities being domestic.

The Value of Tourism to NSW

The value of the visitor economy should not be measured only in economic terms. Social and community values are very important, especially to this region.

There are other businesses and industries in the broader visitor economy make a significant contribution to the social environmental and economic health of NSW communities.

Visitation provides important employment opportunities for rural and regional communities and visitor expenditure is used to help pay for amenity e.g. parks and gardens to be enjoyed by residents and visitors alike

Rural and remote communities rely on visitation to support community cultural, educational, natural heritage and lifestyle activities. Visitation ensures retailers remain economically viable.

Visitor Information Centres in towns like Brewarrina, Tibooburra, Bourke, Lightning Ridge and Gilgandra provide a central place to house and showcase the cultural and historic features of the community and the region.

National Parks provide an opportunity to leverage visitation to generate income and awareness that will in turn support protection of these environmental assets for future generations.

The return on investment of Government grants and funds

All future investment and funding to grow the visitor economy should be strategic and include whole of Government –*inclusive Commonwealth and State governments* – and whole of community approach that requires collaboration between stakeholders, based on the outcomes of a best practice destination management process that is informed by consumers (*visitors*) through adequate consumer research.

Return on investment of grants and funds have been limited by lack of funding towards infrastructure and product development for rural and regional communities.

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

A broader perspective should be taken when considering the value of tourism to communities in NSW. The issues and opportunities are more complex and stem from having sufficient population to make communities and services viable. As could be expected, the states with the largest proportion of total businesses in June 2011 (as defined as the main state of

operation) were those with the highest populations. The same is true for small businesses, with the largest number of small businesses in the two most populated states being New South Wales (33.2 per cent) and Victoria (25.6 per cent).

The differences of NSW from other States are more complex in regional areas and depend upon three factors – Location, Population and Access.

Communities which struggle to afford investment in visitor services have the greatest need for these services. Small and remote communities rely on visitation to support the local economy and the provision of other community cultural, natural heritage and lifestyle activities.

In these communities visitation is a catalyst for building and showcasing community pride. Expenditure from visitors helps to ensure community amenity and meeting places such as parks and gardens, local cafes and shops remain viable. Visitor Information Centres (VIC) are more than places to “share brochures with tourists” they are art galleries and heritage centres where community can share and showcase its creativity, their history and their stories.

Visitation can help provide the impetus to drive a community and government agencies to restore, rehabilitate and protect environmental and heritage assets.

3. The impacts of tourism on Local Government Areas

Tourism and visitation can have either a positive or negative impact on regional communities. Management and understanding of the visitor economy in regional communities can provide the impetus or catalyst for increased employment and a range of community renewal, infrastructure and social activities.

If managed properly visitation can positively impact the social, environmental and economic well-being of a regional community. It can build community and social values and help regions be self-sustaining and afford amenity to be enjoyed by residents and visitors alike.

If managed badly, the visitor segments that arrive may not be complementary to the culture, goals and the vision set by the community.

Marketing must be recognised as just one of the components needed to grow visitation in regional communities and “tourism” must be recognised as just one of the stakeholders of the visitor economy.

a) Infrastructure services provision and asset management.

In the past 20 years much of the burden of providing and funding essential services and infrastructure (e.g. Visitor Information Centres (VIC), roads, parks, dump points and airports; product development and events) has shifted from State Government onto to local government. These assets and services become an integral part of the ongoing expectation of the local community and visitors alike.

Local government is also expected to maintain delivery, upkeep and access to these investments and the management of related operations with limited funding.

Local government has absorbed much of the cost of development and maintenance of infrastructure and services even if the ongoing viability and operations are questionable.

b) Social impacts

Tourism can contribute to the social wellbeing of a regional community including funding for shared amenity and creating harmony between residents and visitors alike and this can offer real value for a community.

To manage the social impacts of visitation regional communities must attract those visitor segments who best empathise with the community.

Communities need to consider the size and scale of visitation and the destinations ability to sustainably manage the impacts during peak visitation.

c) Unregulated tourism

N/A

d) Employment opportunities

Regardless of industry there are significant skills and staff shortages in rural and regional communities across the OROC region. This region supports and encourages a co-ordinated commitment from State and Federal Governments to attract a workforce to rural and regional NSW through well funded, strategic and innovative strategies.

4. The marketing and regulation of tourism

Local government is expected to contribute funding for marketing activities and events in their own communities and across the region.

More strategy and innovation based on the outcomes of consumer insight and destination management is required not more regulation or cost shift onto local government or a community.

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

Special Rate variations are not a solution to support local tourism initiatives; this is not supported by local government in the OROC region.