

**Submission
No 37**

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: Resort Operators Group

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The Hon Natasha MacLaren-Jones MLC
Committee Chair
General Purpose Standing Committee No 3
Parliament of New South Wales
Parliament House
6 Macquarie Street
SYDNEY NSW 2000

via email: gpsc3@parliament.nsw.gov.au

Dear Sir or Madam,

**SUBMISSION BY THE NSW ALPINE RESORT OPERATORS GROUP - INQUIRY
INTO TOURISM IN LOCAL COMMUNITIES**

1. Introduction

- 1.1 The New South Wales Government's Legislative Council inquiry conducted by the General Purpose Standing Committee No. 3 to inquire into and report on the value and impacts of tourism on local communities.
- 1.2 The NSW Alpine Resort Operators Group ('**ROG**') consists of the alpine resort operators of NSW comprising Charlotte Pass Village Pty Ltd, Selwyn Snowfields Pty Ltd, Kosciuszko Thredbo Pty Ltd and Perisher Blue Pty Limited.
- 1.3 The ROG provides this submission on behalf of the NSW Alpine Resorts and is thankful to the General Purpose Standing Committee No 3 for the opportunity to do so.

2. NSW Alpine Resorts

- 2.1 The NSW Alpine Resorts:
 - (a) are geographically located within Kosciuszko National Park ('**KNP**') and operate under leases from The NSW Minister for the Environment and are administered by the National Parks and Wildlife Service ('**NPWS**');

- (b) occupy only 0.42 % or 2,926 hectares of the total 690,000 hectares comprising KNP; representing a fraction of one per cent of the New South Wales National Park estate, totalling approximately 6.8 million hectares;
- (c) are very important to the economy and communities of South East New South Wales. The NSW Alpine Resorts attract over 1 million visitor days annually contributing \$1.2 billion in total gross state product to the NSW economy and create over 9,200 jobs per annum;
- (d) are significant NSW tourism assets that face increasing competition from New Zealand and Victorian resorts, partially due to regulatory arrangements in those locations that do more to encourage the development and operation of alpine resorts as key tourism assets;
- (e) contain hundreds of millions of dollars of investment in tourism infrastructure by the ROG and the NSW Government;
- (f) currently attract their visitation from domestic locations, and mostly from major NSW cities with the main mode of access to the resorts being by road.
- (g) are recognised by the NSW Government as a significant regional economic driver. Key alpine resort developments in the area are frequently described as being of ‘State significance’.¹

3. Addressing the Terms of Reference of the Inquiry into Tourism in Local Communities.

3.1 The ROG makes the following submissions regarding the Terms of Reference as follows:

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

In 2006 the NSW Government together with the ROG and Victorian Government, engaged the National Institute of Economic and Industry Research (NIEIR) to conduct a study into the economic value of the Australian alpine resorts. The study focused on resort visitation and economic activity during the snow sports season through surveys covering some 20,000 visitors, employees and businesses. These surveys also sought answers to employment and business activity outside the snow sports season.

¹ See Schedule 7, Kosciuszko National Park Plan of Management.

The Economic Significance of the Australian Alpine Resorts report provides detail on the value of Alpine Resort tourism to New South Wales and regional South East communities. The first report was completed in 2006 using data from the 2005 winter. The second report was published in 2012 using data from the 2011 winter season.

The 2012 report found that the NSW Alpine Resorts attract over 1 million visitor days annually contributing \$1.2 billion in total gross state product to the NSW economy and create over 9,200 jobs per annum. The Summary and Full Reports are attached to this submission for the information of the General Purpose Standing Committee.

Over recent years the NSW Government has supported the marketing of the NSW Alpine Resorts through its support of the Snow Australia campaign together with the Victorian Government, Tourism Australia and the Australian Ski Areas Association. This campaign provides vital support to the important alpine tourism industry through a successful partnership between State and Federal Governments and Industry. Such collaboration is necessary to achieve effective branding and exposure for the industry, in a competitive domestic tourism environment and against very strong competition from New Zealand and other overseas destinations. To date the funding partners have been satisfied with the return on the investment and continue to fund the program.

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

The key findings of the 2012 *The Economic Significance of the Australian Alpine Resorts* report include the following:

- (a) The existence of the Alpine resorts provides very significant benefits to regional areas adjoining these resorts. Many of the Alpine shires have high levels of structural unemployment so the Alpine industry is very important in improving employment outcomes for residents of these regions.
- (b) The total combined summer and winter benefit for the New South Wales alpine resorts in 2012 was found to be \$1.2 billion for additional gross state product and 9,200 additional annual equivalent employment opportunities.
- (c) The headline gross regional product generated by the Alpine resorts in the Snowy River Shire was \$561.6 million, or 57 per cent of the LGA total.

- (d) Total annual resident employment opportunities generated by the Alpine resorts for the Snowy River Shire were 3698, which is 59.8 per cent of the LGA total.
- (e) The headline gross regional product generated by the Alpine resorts in the Tumut Shire, which serves Selwyn Snowfield, was \$14.1 million, or 1.9 per cent of the LGA total. Total annual resident employment opportunities generated were 281, which is 5 per cent of the LGA total.
- (f) In winter the total gross direct expenditure generated by the New South Wales resorts was \$881 million. These expenditures cover all items of visitor expenditure, from food and drink to lift passes, entry fees and travel from place of residence to the resort.
- (g) The New South Wales Government will receive an additional \$70 million from its own taxes and its share of GST revenue.
- (h) The importance of what currently generates visitation, and therefore income to service those visitors, cannot be overstated. Snow is the unique attribute of the KNP that sets it apart from all other parks in the state. To be more specific, it is not just snow that brings about the quantitative difference in the visitor numbers to this park, it is *activity on snow*. The reason for over 90% of winter visitation to the park is to participate in resort based skiing and snowboarding.

3. The impacts of tourism on Local Government Areas, including:

(i) infrastructure services provision and asset management

Because of the significant increase in seasonal population as a result of winter tourism in local towns such as Jindabyne, Berridale and Adaminaby and the alpine resorts themselves, infrastructure is often strained in peak winter months and under-utilised in the non-winter months. Similar circumstances exist in summer beach tourism destinations throughout Australia.

(j) social impacts

The NSW Alpine Resorts generate a significant influx of seasonal staff and visitors into local towns such as Jindabyne, Berridale and Adaminaby. Social issues result with the mix of transient seasonal populations with year round populations. These issues need to be carefully managed and where possible reduced. However they are,

in the context of the benefits to the region from winter tourism, in the view of the ROG, similar to those that arise in tourism destinations globally. Consideration also needs to be given to the benefits that accrue to year round populations from high quality services, compared to regional areas that do not benefit from a strong tourism economy.

(k) unregulated tourism

Tourism in the NSW Alpine Resorts is highly regulated by the NSW Government and there are few if any issues associated with unregulated tourism.

(l) employment opportunities

The NIER report found that the NSW Alpine Resorts generated 3,698 total annual resident employment opportunities in Snowy River Shire Council, which is 59.8 per cent of the LGA total. The NSW Alpine Resorts are also a significant training facility for the development of hospitality and tourism staff in NSW.

4. The marketing and regulation of tourism

The ROG has made many submissions to the NSW Government indicating that the NSW Alpine Resorts should be zoned with objectives that are more focussed on tourism and less focussed on nature conservation. The ROG would be pleased to provide more detail on this issue by submission or in person to the Standing Committee. Such a change in zoning would allow the resorts to remain under the care, control and management of the NSW National Parks and Wildlife Service and the National Parks and Wildlife Act 1974, but with a zoning different to the current National Park zoning that is more focussed on achieving best practice tourism outcomes to improve guest experiences, the economic benefit to local communities and regional employment opportunities.

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

The NSW Alpine Resorts are all located in Kosciuszko National Park and are not governed by the Local Government Act. However, the ROG understands that the value of tourism to local Government areas such as Snowy River and Tumut is significant and therefore LGA's should have the ability to utilise special rate variations to allow those LGA's to appropriately maintain and invest in the infrastructure necessary to sustain the infrastructure necessary to support the tourism economy.

Yours sincerely

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Jordan Rodgers
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Kevin Blyton
Director
Charlotte Pass Village Pty Limited

Cc: John Barilaro, Member for Monaro