



International Centre for Responsible Tourism - Australia

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Improving the Value of Tourism.

The advantages of Responsible Tourism to the South Coast NSW.

Occasional Paper 2

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Summary Points

- The value of tourism is much more than simply visitor numbers and expenditure.
- The value of tourism is the income generation and its linkage through the community to maximise the export earnings from visiting tourists.
- Through the identification of Local Distinctiveness a strategy can be developed to support the economically disadvantaged and stimulate micro businesses opportunities of produce, crafts and services.
- The value of tourism is to contribute to building better facilities for the local community. The more pleasurable a community's lifestyle the greater the appeal of the destination to visitors.
- The value of tourism is to make direct contribution to the conservation of cultural and natural heritage which visitors come to consume.
- It is too easy to generalise about the economic value of tourism without examining the impact of tourism at a community or precinct level. A Responsible Accommodation experience can be both enriching for the guest and the community.
- Local economic development therefore works hand in hand with identifying the Local Distinctiveness of the destination, the linkage between tourism businesses and suppliers, the creation of opportunities for the community to prosper, the creation of facilities and the active involvement of local government
- Regional and local tourism requires a partnership between local government economic development and planning policy, the communities, tourism operators, national parks and other stakeholders.
- Tourism funding and therefore its focus are all too often concentrating on promotion. The Visitor Economy requires a holistic and integrated strategy at local level to boost the linkage and minimise leakage.
- A five point recommendation list is made.

Good morning, thank you very much for giving me this opportunity of speaking to you today. Everyone in this room, I am sure, is well aware of the importance tourism plays in our local economy. Impressive figures are used frequently to emphasize that the South Coast is an important tourism region. We have 2.1 million overnight visitors, 2.2 million day trippers and a total expenditure of \$2 billion per annum.

Large numbers indeed. But the scale of these figures can easily camouflage the complex issues of tourism. It can be easy to look at just the overall scale of tourism but this will result in broad policy decisions and weak strategies, ignoring deeper issues that do lie beneath.

My aim today is to show you how tourism can build more resilient and prosperous communities. I have used my experience as an accommodation provider which has won seven national awards, president of the Kangaroo Valley Tourist Association, Chair of the Shoalhaven Tourism Board, my master's degree in Responsible Tourism and as a tourism consultant at the International Centre of Responsible Tourism – Australia.

Central to my talk is to argue that we collectively need to start to develop inspiring policy, craft insightful plans, and implement sophisticated strategies so that we can release the true value of tourism for the benefit of our communities and the visitor.

I have decided to read a paper today rather than present a standard PowerPoint presentation, simply because I want to take great care in choosing my words and to be able to leave my paper for your review.

There are images to help illustrate my points and I should be delighted to provide greater detail on any of the issues raised.

Put simply my argument is that we are not releasing the true value of tourism. The only figures promoted by the tourism sector are its volume and expenditure. My case today considers tourism's desirability, appeal and worth to our communities. The current approach of only monitoring volume and expenditure does not release tourism's full potential and if continue will led to a homogenised region offering very much the same experience as other coastal areas of Australia. A destination's competitive edge is built on its ability to outperform others through differences. It must meet the needs of consumers better than other destinations.

Slide Harvey Norman/Bali

As we all know Australian domestic tourism figures are not strong. Factoring in the population growth rate, domestic tourism is finding it hard to compete with other leisure pursuits and international options. Overall we are therefore not as competitive as we once were. We are not meeting the consumer's desire for more sophisticated and authentic experiences. To be competitive destinations must look beneath mere tourism numbers and connect consumer needs, with experiences, with customer satisfaction.

My argument today follows the principles of Responsible Tourism. Responsible Tourism is not a niche market but a mainstream aim to minimise the negative and maximise the positive impacts of tourism. It seeks to make places better for people to live in and better for tourists to visit....in that order. That is the key.

Slide Beach

There are a multitude of reasons why someone might take a holiday. It is dangerous to generalise. But we can say that visitors come to visit the South Coast destinations to enjoy the lifestyle and the natural beauty of our region. These are the same resources and facilities that our communities use. The better we make our facilities and care for our assets the greater the appeal of the destination. To unlock the potential of a tourist destination is therefore to maximise its special qualities that the residents enjoy, so we make a better place to live in and therefore a better place to visit.

However, I believe here on the South Coast we all too often look at tourism from the perspective of the big figures quoted earlier. We equate tourism success by the number of visitors, not the value tourism delivers.

The quality of the economic benefit should be judged by the degree it enriches our communities. Expenditure only records the amount of money visitors spend. The example of a bucket is often used to describe local economics. The tourist expenditure pours into the bucket. The more holes in the local economy the more the expenditure leaks out. By encouraging businesses to connect better and spend within the community you establish linkage and avoid leakage. This requires us now to build stronger connections between tourism businesses and stronger linkage with in-direct business. The stronger the linkage the greater the benefit from the local multiplier, it is economic linkage that is vital not the multiplier.

Slide Night Markets

A good example is Yorkshire Tourism in England, whose strategy is to increase expenditure by 5% a year rather than growth visitor numbers. Their strategy is one of linkage not volume. Linking accommodation, with market towns, with local producers.

This principle of linkage can thus become our foundation to build a competitive destination. Let me now explain how. Today's consumers seek more sophisticated and authentic experiences. Many are tired of mass market options and seek the 'new'. The 'new' essentially means alternative experiences to everyday life that helps to revitalise or rebalance us. The 'new' is therefore an experience which take us away from the mundane and gives us an authentic sense of realness.

Destinations can enhance their appeal by identifying their Local Distinctiveness and projecting this through the connected experiences. Consider Local Distinctiveness like a

mould. It is a special mould for that particular area. The more unique the mould's characteristics the stronger the distinctive qualities. The mould can then be used to shape the individual tourism businesses and public facilities to provide a bond that fits the special personality of the area. This then highlights real authentic difference.

Slide Almalfi/Yorkshire Dales

An example of this would be the Yorkshire Dales in England or the Almalfi Coast in Italy. Their projection of Local Distinctiveness makes them world famous destinations, built from agricultural heritage. But importantly it helps to conserve the cultural values of the area, maintain a way of life for the communities which in turn can be consumed by the visitor. These are strong tourism values.

Slide South Coast Matrix

For the South Coast Local Distinctiveness means considering the physical geography, the agriculture, industrial heritage, maritime heritage, parks, villages and Aboriginal heritage and celebrating their special values through experiences. The linkage would reinforce the distinctive qualities. This linkage greens the supply chain. Consumers do not wish to tour geopolitical boundaries, they seek to explore the genuine experiences that cross our common landscape. Greater linkage between us through themed tours will generate greater local economic development. Currently we only have the Grand Pacific Drive. Common Sense tells us that much more can be created. But currently your RTO has no proposed projects at all on cross board torus or the sharing of visitor information. I say this because I am on the board of the South Coast RTO.

We therefore need to work more closely together on the South Coast to link experiences and supply.

Slide Pamploma/Siena/Hadrian's Wall

But Local Distinctiveness is also the seed for a sense of community and cultural enrichment. There are many unique events around the world that are born from the unique features of the district like Running the Bulls in Pamploma and the Palio Horse Races in Siena and the Line of Light along Hadrian's Wall. Importantly they are celebrated by the community first and foremost. Visitors come to enjoy the experience of the event and local hospitality. We therefore need to be focused on supporting existing and developing new unique events that fit the mould of Local Distinctiveness.

Tourism is often linked with job creation. This can be a very broad measure and not necessarily the strongest way to judge tourism's value. Our seasonal tourism trends offer temporary jobs. Responsible Tourism focuses on ensuring good distribution of the economic potential. It seeks to offer people vocations rather than solely jobs and support micro

businesses which provide produce, crafts and services. These further support the destinations unique qualities.

Slide Sault

The villages of France tell the success of this strategy. Here in this image you see the small town of Sault in Provence which famously promotes lavender through home based production. They have turned their local produce into a genuine agri-tourism experience. Stalls can be seen around the village promoting the lavender, shops sell merchandise embossed with lavender. Postcards, calendars and porcelain promote lavender fields, you can eat lavender honey while enjoying the views and drinking local wine. The economic linkage is built around the area's agricultural heritage, natural beauty and sense of community life. The local economy benefits because the merchandise is made locally and sustains the community. This is an example of authenticity that drives the France's tourism sector. It might look small fry to us but it actively contributes to making France the world's largest tourism market with 70 million visitors a year. City dwellers escape to villages like this to enjoy the 'good life'. Villages like Sault were declared EcoMuseums by the French Government in the early 1970s.

It was recognition that the cultural life of rural communities, their agriculture and landscape were inseparable and should be conserved. By protecting their unique cultural values then, they deliver tourism value today, and offer Responsible Tourism blueprints for the future. It is now very common to see the economic benefits of EcoMuseums across France, Italy and now into India and other countries.

For the South Coast, local government policy should stimulate the economically disadvantaged people and help generate micro businesses that link with tourism. They could provide local produce, crafts and services and this would extend the value of tourism. But the challenge is that our tourism plans **must** integrate concepts which stimulate wider local employment. The plans must encourage participation in tourism and economic linkage. They must appeal to the mainstream tourist so we maximise benefits. Currently many of our tourism plans focus solely on promotion and which does not link with local economic development. It therefore excludes employment opportunities. Tourism and economic development must be married and joined at the hip if we are to create opportunities that release the true value from tourism. Let me illustrate the points I have made.

Slide Cottage

Is there anyone here right now who would rather be in a beautiful cottage with their partner or family than sitting through this presentation? Away from the pressures of business and able to enjoy the outstanding views of Kangaroo Valley. Would you like to escape supermarket queues to buy holiday provisions and instead simply go to the cottage's fridge? There you will discover a gourmet breakfast basket with fresh free range eggs with amazing rich

coloured yolks, taste organic tomatoes, slice freshly baked bread and drink freshly roasted coffee. Or you could sample the afternoon tea set out for your arrival. Your partner has already spied the box of chocolates. Maybe right now you'd choose to recline in your cottage's spa bath with a picture view of the landscape and choose from six aromatherapy spa treats to pour into your bath, recline and relax and dream a little. After all you deserve it!

Your partner calls out that Sophie, the manageress, has booked you both a table at a local restaurant for 6:30. She says to make sure you leave room for the desserts they're glorious. "Why not" you think, for tomorrow you are going on a canoe trip down the river...you'll need your energy.

If the answer is yes you would be enjoying Crystal Creek Meadows free range eggs from chickens fed on the food scraps from your cottage. This has cut their landfill by 50%. The tomatoes are from Berry Mountain Farm, bread for the Kangaroo Valley Bakery, the coffee Jack roasts himself at his cafe in the village. The chocolates beside your decanter of local port are a special selection made just for us by the Treat Factory in Berry. The list goes on. The Aromatherapy spa products are made by Crystal Creek Meadows and even the cleaning products are natural and homemade. The impacts go on. The Treat factory makes its own chocolates and hand packs them using local staff. Jing Jo Restaurant grows its own vegetables. At this particular accommodation provider, 71% of its expenditure (2010/11) was in Kangaroo Valley village. Research carried out identified that over and above the expenditure of the accommodation each guest spent an average of \$183 per night in the direct local community. That means from a small family business in Kangaroo Valley with four B&B style cottages over \$680,000 per annum is poured into the community of 700. This excludes the expenditure in Berry.

This example should be considered against the broad base that the government statistics are calculated, which excludes the impact of holiday homes, free camping sites and smaller sized accommodation like Crystal Creek Meadows (*read ICRT Occasional Paper: Australian Tourism Statistics – a gap in information. Why there is a need to supplement existing statistics for Local Economic Development - 2012*). It emphasises that the visitor numbers and expenditure discussed at the beginning of this paper are not specific enough when it comes to policy and planning at LGA and precinct level. It highlights that we cannot maximise the benefits from tourism if there is insufficient data to develop strategies for economic development at precinct and community level. To develop better places for people to live in and better places for people to visit we need information to help us build tourism from the bottom up (*read ICRT Occasional Paper: Building Tourism From The Bottom Up - 2011*).

Slide Hampden Bridge/Sign

In my example of Kangaroo Valley the impact of Responsible Tourism goes on. Our community has worked with the RTA to change the proposed bridge maintenance

programme into the Restoration of Hampden Bridge. The RTA donated deck timber to enable us to build six benches in the village which continue the style theme of the bridge. Shoalhaven City Council has provided a grant for the construction of the benches just as they have supported the destination's historic walk signs. This project alone is expected to generate an additional \$50,000 per annum from visitors staying to stroll along the walk. We are publishing a stylish 150 page book listing the 96 artisans in the Valley. We are building our Local Distinctiveness out of the cultural assets, produce from the good soil and arts inspired by the landscape. The combination is unique. Efforts are being made to encourage visitors to stay longer, to walk, cycle and explore. It minimises their environmental impacts and maximises the economic benefits. We have a responsible tourism policy and code of ethics which you can read online to guide the voluntary team.

Slide Award

The efforts of many within the community of Kangaroo Valley have been internationally recognised. We have been the first destination in Australia to be commended at the world Responsible Tourism Awards. This picture doesn't just show tourism businesses owners, but it all the key local associations, Koori community and representatives from council and National Parks. Our responsible destination management is a true partnership, the value of tourism in Kangaroo Valley helps to build a better place to live and a better place to visit.

Responsible Tourism is not a niche market, it is simply taking action to improve tourism's positive impacts and to minimise its negatives. By taking responsibility for tourism, its benefits can be harnessed for stronger economic and social advantage, for our communities and provide opportunities for the people that live there. If we ignore the true value of tourism we therefore do not unleash its potential to do good.

Slide Partnership

To benefit from tourism we face many challenges. The government's Visitor Economy Taskforce is going to change the way we get funding. It is going to be performance led, not hand outs. Therefore to reap the real value of tourism we need to re engineer our policies and destination management. I advocate integrating resources to form the South Coast Destination Partnership, a multi stakeholder partnership that links economic development, cultural and natural heritage conservation with community and facilities. I name five initiatives now that would make a difference. Today I urge you to consider the following:

Firstly conduct research that explores the true level of economic linkage on the South Coast at a precinct level not LGA. An audit of products and services will then support localised strategies (*read ICRT Occasional Paper: Australian Tourism Statistics – a gap in information. Why there is a need to supplement existing statistics for Local Economic Development - 2012*).

Secondly establish cross regional experiences and cross regional visitor information centre cooperation. This would link themed tours which target similar segments.

Thirdly encourage micro producers and services providers to participate in tourism to help create that Local Distinctiveness and benefits from the economic potential from tourism. But this must ensure quality produce, consistent supply, volume, pricing and distribution so that tourism businesses can effectively connect with the supply chain.

Fourthly we need to establish a network of community officers to help community volunteers maintain events, encourage new micro businesses and stimulate linkage.

Fifthly undertake a risk management plan and its implementation to prepare the South Coast for extreme climate events and protects visitors and tourism assets. This should be intrinsic with our public hospitality. The plan must include a crisis management communication plan so that tourism has a single voice and adds balance to media coverage.

Slide Responsibility

I have deliberately avoided using the “s” word today. Sustainability is a principle. Taking responsibility is about applying that principle and making it happen. Responsible Tourism on the South Coast can be a method to use our collective resources more efficiently, build greater social resilience, conserve our natural heritage and attract visitors who appreciate our lifestyle. There are already examples of responsible action here. But we are not connecting these dots. We have yet to release the full potential value from tourism. We need to do this now if we are to avoid a homogenised future that leaves tourism businesses fighting each other on price discounting, and some communities’ home only to vacant holiday homes. Considering tourism’s current scale it should be an urgent priority for us all.

You have been very patient, thank you. I would be delighted to answer questions.

Sharing Knowledge to create better tourism

Christopher Warren is the director of the International Centre for Responsible Tourism – Australia, an organisation providing responsible tourism education, research and consultancy. It is linked to sister centres in the UK, Spain, Germany, Ireland, Wales, Canada, West Africa and Belize. Christopher is also a private tourism operator, participates in local, LGA and RTO tourism boards in NSW, a policy advisor to EcoTourism Australia. In 2010 Christopher received the Ecotourism Medal; only the second time this discretionary award has been given.

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