

### Slide 1: 'The Value of Tourism to Local Councils and the Role of the Destination Networks'

#### Acknowledgement of Country

Note that First Nations people have been successfully managing destinations and welcoming visitors for millennia.

### Slide 2: 'The Council <> Tourism Disconnect

It's true that tourists don't vote in council elections, or pay rates, or have any input into Special Rate Variation discussions, so it's easy to see why some councillors and staff, faced with limited resources and demanding constituents, may struggle to fully appreciate the value of tourism to their regions.

But let's step back and consider 'What is the core role of council?'

### Slide 3: 'The power of tourism to transform communities'

And I would propose that the core role of council is **to improve the lives of its residents**.

If you agree, then I will use the first part of this presentation to demonstrate the many ways that tourism has the potential to do just that, to show that tourism can improve the lives of your residents. I'll then use the second part to show you how to unlock your region's tourism potential.

Of course, the fact that you are attending this conference shows that you're already engaged in the discussion, so thank you for being here. And I must acknowledge many councils are currently facing the very real impacts of recent natural disasters. So, keep this discussion in context, but do reflect on the value of tourism as you put together your recovery plans.

### Slide 4: Your presenter, Richard Everson'

Before I get started, you might be wondering why I'm the one telling this story. Here are 3 reasons:

1. I've been a tourism industry operator. In 2000, my wife and I bought a bare block of land at Murrumbateman, in the Yass Valley.  
Over the next 15 years, we designed, built, and operated Country Guesthouse Schonegg. We developed it into a 6-room guesthouse, and offered luxury B&B accommodation, a café, a fine dining restaurant, functions, and catering. We employed more than 100 staff, looked after more than 7,000 guests, and won a swag of tourism awards.
2. I've been working in regional economic development for more than a decade. Before joining Destination Southern NSW, I worked with Regional Development Australia Southern Inland and the Commonwealth Government's Entrepreneurs' Program.
3. At Destination Southern NSW, we're currently focused on understanding social impact reporting. We're working with Australian Regional Tourism on two pilot projects to explore community sentiment generally and the impact of mountain biking (MTB) tourism specifically through the social impact lens.

So, let's get into it...

### Slide 5: 'Two messages'

My goal for this presentation is to leave you with 2 very clear messages.

- The first is that tourism delivers enormous value to councils
- The second is to demonstrate that the tourism triangle, comprising your LGA, your local Destination Network, and Destination NSW, is the best approach to unlocking that value.

### Slide 6: 'How do we measure value?'

We're all familiar with the concept of economic value, but that's a one-dimensional approach that doesn't fully capture the many benefits that tourism delivers to councils and your communities.

As I mentioned previously, Australian Regional Tourism recently launched their social impact reporting project. They are using several of the key dimensions of social impact identified by the Australian Social Value Bank. The Bank use these dimensions as part of a rigorous evaluation methodology to accurately calculate social value ROI, these calculations are used in feasibility studies, business cases, and grant applications.

And I'll be using several of these key dimensions today.

### Slide 7: Economy

The first lens is economic.

### Slide 8: Economy business chart

- **Tourism is a growth industry.** Today, Australia is home to the highest number of tourism businesses ever. As an example, tourism in the Eurobodalla Shire has growth at a compounding annual growth rate of 5% over last 10 years.

### Slide 9: Economy Destination iQ

- **Tourism is an export income generator.** Our CommBank Destination iQ data indicates that about 30 % of LGA expenditure comes from non-resident spending. In August of last year, at the peak of the snow season, almost 67% of Snowy Monaro expenditure was from non-residents. And in the same way that export income is extremely valuable for Australia, the regional export income that the visitor economy generates is incredibly valuable for our LGAs.
- **Tourism supports home-grown businesses.** 95% of tourism businesses in Australia are SMEs employing less than 20 people. This strong SME focus keeps money local. SMEs employ locally, spend locally, and invest their profits locally. Tourism sector businesses typically have lower establishment costs and lower barriers to entry, making the tourism sector the perfect for local entrepreneurs.

### Slide 10: Social and community wellbeing

The second lens is that of social and community wellbeing. These are often seen as elements of the triple bottom line, alongside the economic element.

### Slide 11: Social and community wellbeing

- **Tourism creates and places a value on shared community assets.** Tourism drives investment in community amenity, infrastructure, and events. These assets and experiences are available to all, including residents. Tourism places a value on the natural assets, culture, and heritage of a region, encouraging investment into the care, preservation, and sustainability of these incredibly valuable assets.
- **Tourism generates vibrancy.** Tourism is often the catalyst for place activation, with events, festivals, and markets bringing precincts to life. Just look at many state-wide initiatives of the Office of the 24-Hour Economy and their project partners for some great examples of tourism delivering vibrancy to a community.
- **Tourism builds local identity and pride.** The process of creating local brands contributes to the development of a 'sense of place', civic pride, and identity. When Tourism Snowy Mountains launched their 'It's an altitude thing' campaign, it was embraced by locals and visitors alike, because it perfectly captures the unique attributes of that special place.  
The Port of Eden's band of 'Red Shirt' volunteers are celebrated in the international cruise media for their enthusiastic promotion of their region to cruise visitors, supporting local businesses, and encouraging return visitation. I've met dozens of people who have told me their 'treechange' and 'sea change' stories, stories about how they fell in love with not just a place, but the people, and upgraded their holiday destination to their home.

### Slide 12: Education

The third lens is education.

### Slide 13: Education

- **Education drives tourism.** Educational programs often involve travel and tourism. School camps, excursions, international students, and residential educational campuses bring students into our regions. These students, their families, and friends quickly become tourists and make a huge contribution to local expenditure.
- **Tourism drives education.** The strong growth of experiential tourism creates increased opportunities for cultural and place-based education. Visitors contribute to the utilisation of educational and cultural institutions, including libraries, museums, and galleries. There is a strong and accelerating demand from visitors for indigenous cultural education, and this has seen a wave of new operators enter the sector.

### Slide 14: Employment

The fourth lens is employment. Educational and employment opportunities underpin regional sustainability.

### Slide 15: Employment charts

- **Tourism jobs are growing.** Today, we have the highest number of tourism jobs ever. Nationally, tourism employs about 4.4% of the workforce. In Destination Southern NSW, tourism employs almost double that amount at 8.7%, and on the Sapphire Coast, an iconic tourism destination, tourism accounts for more than 11% of all jobs.

### Slide 16: Employment

- **Tourism provides career mobility and flexibility.** Tourism provides opportunities for local career advancement, unlike many other industries that require relocation to metro areas for meaningful career progression. In the cost-of-living squeeze, tourism provides a great source of flexible, casual employment.
- **Tourism creates jobs for humans, not machines.** With its focus on soft skills and a lesser reliance on formal qualifications, tourism can provide a diverse range of job opportunities for people with a diverse range of abilities. And those soft skills make people in the tourism sector less likely to be replaced by automation or AI.

### Slide 17: Health, Sport, and Fitness

The final lens is health, sport and fitness. Tourism delivers benefits across the spectrum, from increasing lifespan and healthspan to nurturing future Olympians.

### Slide 18: Health, Sport, and Fitness

- **Tourism promotes active lifestyles.** Many tourism activities promote physical activity. Investing in sectors that promote physical activity as a form of preventive medicine provides a far higher return on investment (ROI) than treating illness and disease. The infrastructure, spaces, and suppliers that tourists use for their active tourism are also equally available to locals, all year round.
- **Tourism promotes sports.** By embracing sports tourism, a council can justify and underpin investments in sporting infrastructure. Hosting regionally significant events brings athletes, officials, families and spectators to the region, with the legacy benefits impacting local sporting organisations, providing expanded opportunities for competition and training for local athletes, and supporting the local visitor economy. Goulburn Mulwaree is a regional sporting powerhouse, and this has seen the Council commit to upgrades to the Goulburn Regional Hockey Centre and Seiffert Oval. In Destination Central and Outback, Mid-Western Regional Council is investing in the Mudgee Team Training Village. And down on the coast, the Sea Otter Australia mountain biking summit, competition, and expo in October this year is anticipated to attract up to 8,000 mountain bike enthusiasts to the region in its inaugural year, cementing the region as one of Australia's preeminent mountain biking destinations.

### Slide 19: Introducing the Destination Networks

The first part of my presentation was focused on the why - explaining why tourism is valuable to council. This section focuses on **the how** - how you can work with the Destination Networks and Destination NSW to unlock that value.

### Slide 20: The Destination Networks map

The Destination Network model was established by Destination NSW in 2017. Today, there are seven Destination Networks covering all the regional local government areas (LGAs) in NSW. Each DN services between 5 and 25 LGAs. Each DN has a board of skills-based Directors and a small team.

Each DN is a private company limited by guarantee, funded by Destination NSW. We act as the regional shopfronts for Destination NSW.

### Slide 21: The Tourism Triangle

Whilst each DN is fiercely independent, we work collaboratively with each other and with Destination NSW. We also work with our LGA colleagues at many levels.

I call this partnership the tourism triangle. The idea is that as soon as one side of the triangle engages with a tourism operator, we immediately bring in the other 2 'sides' to ensure that the operator gets the maximum support available, and all the organisations in the triangle are on the same page.

### Slide 22: The Role of the Destination Networks

So, let's have a look at what the Destination Networks bring to the group, and how we work with Councils.

This can be summed up as '4 Do's, and 1 Don't Do'

What we do:

- Develop and deliver strategy
- Provide coordination and advocacy
- Build Capacity, and
- Build Capability

What we don't do is marketing or promotion.

Our constitutions and funding agreements required us to be 100% focused on industry development and prevent any public-facing, or B2C, engagement.

Let's run through each of these areas to provide some context.

### Slide 23: Strategy

We work with our LGAs to align your Community Strategic Plans and Destination Action Plans with our region-wide Destination Management Plans, which then roll up into the NSW Visitor Economy Strategy 2030.

You may be aware that an update to the VES2030 is imminent. A summary of the proposed changes was recently released, and we have been working with our LGAs to ensure we are all well-placed to respond to the revised plan when it's released.

### Slide 24: Coordination and Advocacy

The DN network has a combined CRM contact list of more than 20,000 qualified contacts. We use regular e-newsletters to share updates about government programs, events, data, new products, awards, and grants.

Each DN hosts an industry-facing website that features an extensive range of resources and updates.

We all undertake extensive stakeholder engagement. At Destination Southern, we include a Southern Yarns event as part of each in-region board meeting. A Yarn is an informal opportunity for locals to meet our Directors and team. We gather input from locals under the headings 'Challenges and Opportunities' and publish this feedback on our website. We don't promise that we can address every issue raised, but we do work hard to find solutions where possible, even if that takes some time.

### Slide 25: Building Capacity

Building Capacity is corporate speak for making our regions more tourism-ready. Each of the DNs has delivered a long list of projects. Here are a few highlights...

Rail Trails. Michael and his team at Destination North Coast worked with the large number of people and organisations involved in launching the very successful Northern Rivers Rail Trails.

The cruise sector. Glenn and the Destination Sydney Surround North team have been working with the NSW Port Authority, ground handlers, and Destination NSW to build tourism capacity at the Port of Newcastle. All the coastal DNs contributed to a NSW Regional Cruise Sector Business Case aimed at building passenger support capacity at our regional ports as the cruise sector continues its strong growth.

The mountain bike sector. We have seen an incredible investment in MTB trail networks in our region. The Destination Southern NSW mountain bike project group is working to identify and build sustainable business models to support the huge amount of work that councils and volunteer organisations are doing to maintain the trails, and we're working with industry to get our local operators ride-ready. We've done that via our 'Ride Guide' website and collaborations with local councils hosting 'ride-ready' workshops.

### Slide 26: Building Capability

So, if 'building capacity' means making the region more tourism-ready, then 'building capability' means helping operators get better at what they do.

***And this is the work that really makes our hearts sing.***

It's really important for everyone to realise that at the top line of every lofty tourism strategy is an ambitious revenue target. For NSW, the target has recently been revised up to \$91B by 2035.

But where does that money get spent? And who delivers the experiences that visitors are paying for.

The money is spent in **your LGAs**, and it can only be earned by our **hardworking, talented operators**. This is something that is so easy to forget, and a message that I remind people about every chance I get.

The DN team and our tourism triangle partners work with operators on many levels. We work on building their business maturity. We aim to move each of our clients through the stages of

- Ideation – I'm thinking about starting a business, to
- 'Business ready', where the doors are open and the business is compliant, to
- 'Tourism ready', that happy moment when they can sell a tourism product from their own platform, to
- 'Distribution ready', where they're selling across multiple distribution platforms like Rezdy, FareHarbour, or AirBnB.

We also work on building our operators' inventory of products, services and experiences, and this is work that we often do in collaboration with the Destination NSW Product Team.

### Slide 27: Conclusion

We started by looking at the **why question** and provided many examples of why tourism matters. By looking through the economic and social impact lenses, we discovered the many ways tourism can improve the lives of your residents and create value within your community.

We then looked at the **how question** – how do we unlock that tourism goodness? The answer is via the tourism triangle model, which involves LGAs collaborating with DNs and Destination NSW to build capacity across sectors and enhance capability within our operators.

Thank you for all that you do for our sector. As we head back to our regions, remember Gus's enthusiasm, the great experiences we enjoyed yesterday, **and** our 'Why and How' discussion. Our operators need your support, and you need them.