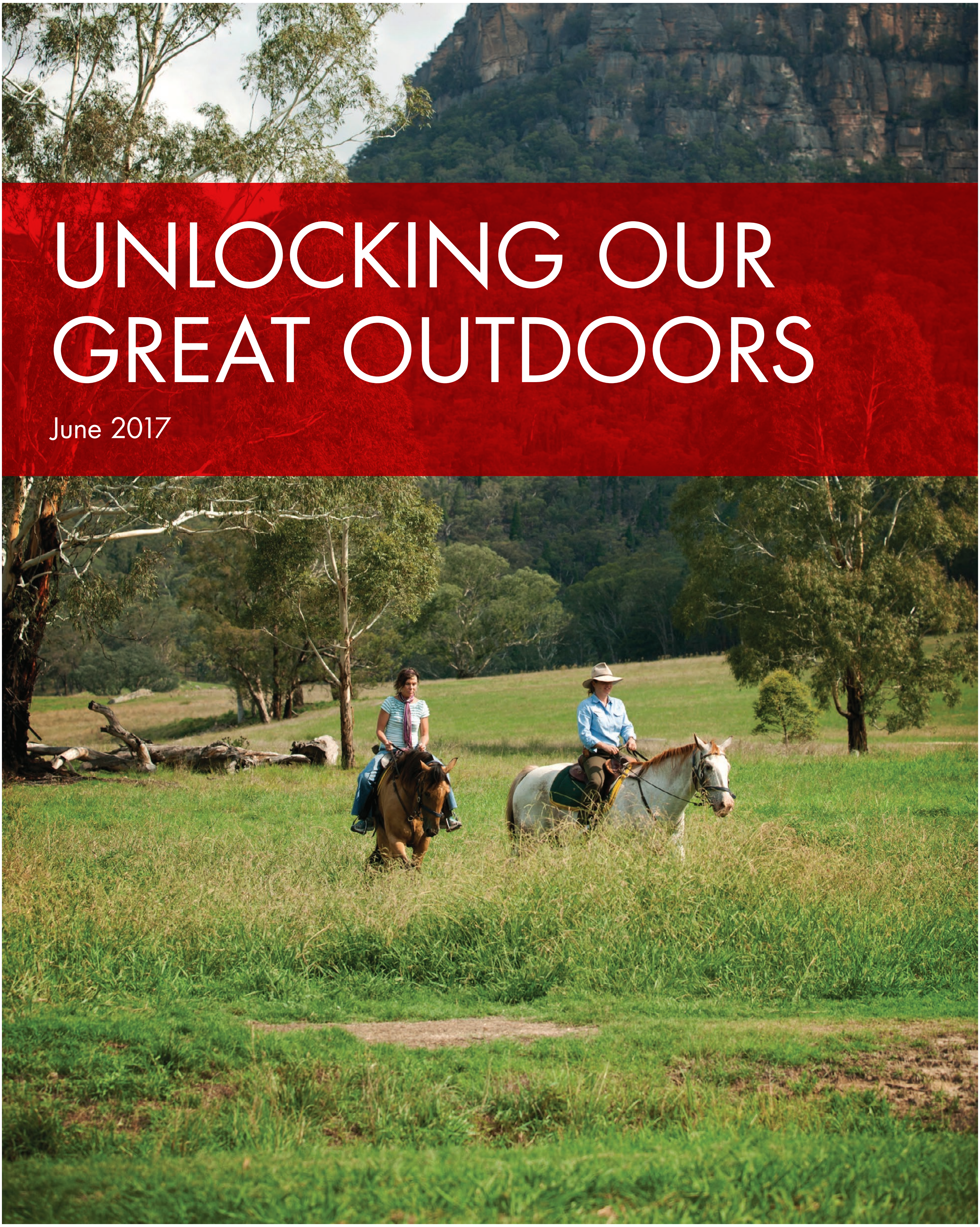
UNLOCKING OUR GREAT OUTDOORS

June 2017



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Tourism & Transport Forum

TOURISM & TRANSPORT FORUM AUSTRALIA

The Tourism & Transport Forum Australia (TTF) is the peak national body for the tourism, transport and aviation sectors across Australia. TTF is a CEO forum representing some of the leading institutions and corporations in the Australian visitor economy.

Our membership spans accommodation and transport providers, airlines and airports, cruise lines, restaurants and retailers, business and major events organisers, property developers, investors and land managers, amusement and cultural attractions, and professional services.

TTF utilises its expertise and networks to develop and advocate public policy for the sustainable long-term growth of the visitor economy and transport across the nation.

For further information, please contact:

Tourism & Transport Forum (TTF)
Level 6, 7 Macquarie Place
Sydney NSW 2000
T: +61 2 9240 2000
www.ttf.org.au

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- Tasmania Parks & Wildlife
- Tourism in Australia's Protected Areas Forum (TAPAF)
- Australian Regional Tourism Network (ARTN)
- Ecotourism Australia

Cover image: Wolgan Valley Resort | Tourism Australia

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MESSAGE FROM THE CEO

Australia's natural beauty is a key attraction for national and international visitors. Nature-based tourism[1] is one of the fastest growing sub-sectors of the tourism sector. Indeed, growth in nature-based travel by international visitors, domestic overnight visitors and day-trippers outpaced the growth rate for overall visitation numbers in all three of these visitor-type categories.

But it is important to recognise that nature-based tourism is about more than nice views. There is little point having a stunning natural landscape if no one can get there to see it.

It is essential that visitors to these areas have access to facilities so they can stay, eat and play. The need for proper facilities to grow nature-based tourism was best articulated by Stephen T. Mather, first Director of the US National Park Service, in the early 1900s:

"Scenery is a hollow enjoyment to the tourist who sets out in the morning after an indigestible breakfast and a fitful night's sleep on an impossible bed."

The tourism-potential of Australia's stunning natural areas cannot be unlocked without appropriate investment that turns inaccessible wilderness into a place where visitors can access, stay and enjoy.

The shining light in Australia on how to best unlock the tourism potential of natural assets is Tasmania. The development of new experiences such as the Three Capes Track highlight what can be done with tourism investment that makes an area more accessible but without spoiling the very reason people want to visit in the first place.

But, to date, Tasmania is an exception in Australia. Many other areas lag the Apple Isle and the rest of the world in delivering great nature-based experiences. For example, many of the National Landscapes featured in this report are isolated, only accessible by infrequent flights or long car trips and have limited options for people to stay in hotels or do things when they get there. This makes them unattractive places to visit, especially for international visitors.

This paper is part of TTF's contribution to the debate around how to conserve our natural areas while also unlocking the economic benefits that can be delivered by nature-based tourism.

Margy Osmond
Chief Executive Officer
Tourism & Transport Forum Australia (TTF)

1. Nature-based tourism can cover a range of outdoor activities, but this report concentrates on the status and future tourism potential of Australia's national parks and reserves systems.

EXECUTIVE SUMMARY

Remarkable Rocks | Tourism Australia

Australia has one of the most unique and pristine environments in the world. As an island continent with a low population density, we are well-placed to preserve our natural heritage. Australia's collection of protected areas gives our nation a network of highly diverse conservation areas that span the tropics, alpine, desert and coast.

These natural assets are strong drawcards for tourists from around the world and across Australia.

Nature-based tourism has become increasingly popular in the past five years, with all visitor categories recording stronger growth for visitors seeking an experience with a link to the natural environment than in overall visitor numbers.

International nature-based visitor numbers rose 12% in 2016 and 49% in the five years since 2012. These results outpaced total international visitor growth to Australia over the same periods of 11% in 2016 and 43% over the past five years.

Similar patterns were evident for domestic visitor numbers. The number of overnight domestic visitors who undertook nature-based activities rose 6% in 2015 and 41% since 2012. These are both stronger than the 4% and 22% respectively for total domestic overnight visitor numbers. Nature-based day trip visitors rose a strong 15% in 2016 and an astronomical 62% over the past five years. This was significantly stronger than the 6% rise in total day trip visitors in 2016 and 9% since 2012.

Despite this strong growth in recent years, we need to recognise that, while nature has provided an amazing base product, these areas also need an appropriate level of accessibility and amenities for visitors.

This first two sections of this report highlight the popularity of nature-based tourism, specifically focusing on National Landscape Areas and the economic contribution these areas make to local economies.

The final section of the report looks at the policy settings required to unlock the economic potential of Australia's natural landscapes, without damaging the very reason people come to these stunning locations.

NATURE-BASED TOURISM IN AUSTRALIA

Nature-based tourism is an important contributor to the economies of regional Australia. Natural assets are often the primary drivers of visitation to a region and are the catalyst for jobs and economic growth.

Our natural assets, like the Great Barrier Reef, Uluru and the Blue Mountains, are well-known iconic visitor assets. But there are many more, less famous but just as spectacular destinations for nature-loving tourists to enjoy.

There are 516 declared National Parks in Australia covering just over 25 million hectares, or approximately 3 per cent of the land mass. There are 19 UNESCO World Heritage sites, of which 16 are nature-based. A further three areas (the Great Sandy Desert, the Gondwana Rainforests and the Budj Bim Cultural Landscape) are in the process of proclamation. In addition to National Parks, there are more than 8,500 other protected areas, including state and regional parks, forests and reserves, covering a further 8 per cent of the land mass. This provides for more than 9,000 protected areas covering 95 million hectares or approximately 11 per cent of the nation's land mass.

Within Australia's states and territories, the protected area percentages vary widely, based on issues such as history, economic development, geography and settlement patterns. In approximate terms, the following represents the protected area within each jurisdiction (not including forests and marine parks):

- AC – 55 per cent
- Tasmania – 42 per cent
- SA – 20 per cent
- Victoria – 14 per cent
- NSW – 9 per cent
- WA – 6 per cent
- Queensland – 4 per cent
- NT – 4 per cent

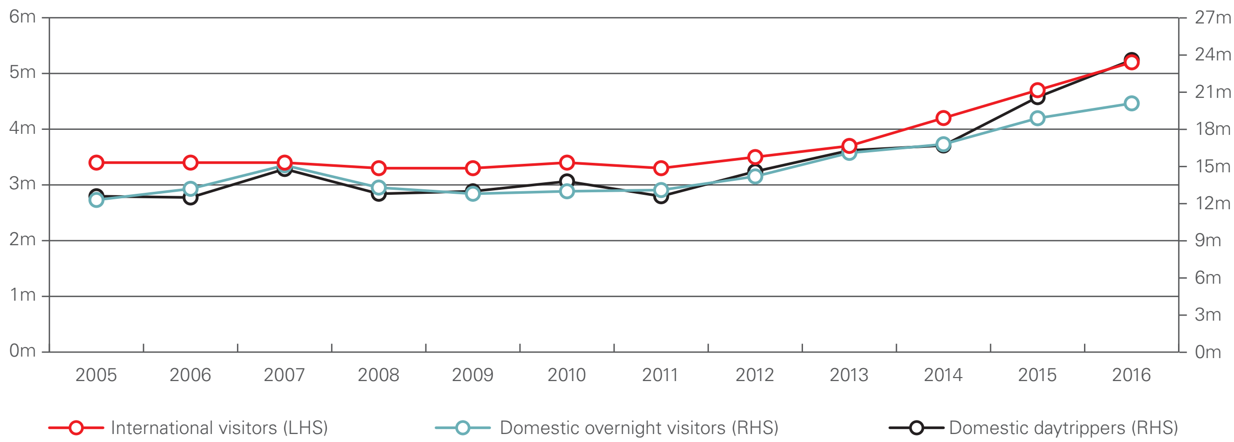
By comparison, conservation areas in USA are around 3.5 per cent of the land mass (417 areas covering more than 34 million hectares, including national parks, monuments, military and historic sites), while New Zealand has almost 30 per cent of its land mass under conservation orders (more than 8 million hectares, including national parks, conservation parks, reserves and historic sites).

NATURE-BASED TOURISM INDICATORS

International visitors to Australia are increasingly engaging in nature-based tourism.[2] In 2016, 5.2 million international visitors, or over two-thirds of all the international visitors to Australia, engaged in some form of nature-based tourism.[3] In addition, nature-based tourism attracted 20.1 million domestic overnight visitors in 2016[4] and 23.6 million domestic day trip visitors.

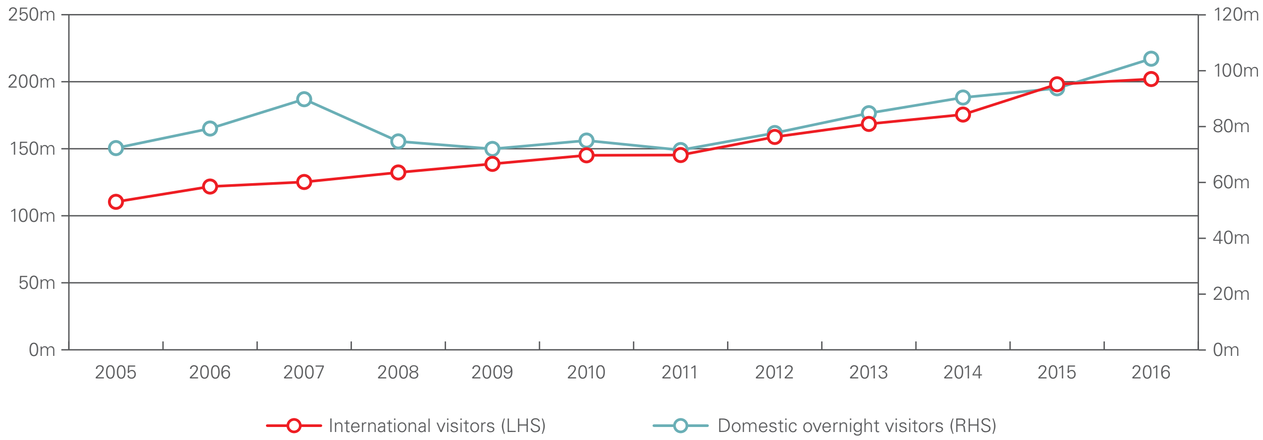
After recording flat growth between 2005 and 2011, nature-based tourist numbers have accelerated in more recent years. This has occurred for all three main categories of tourists – international, overnight domestic and day trippers (Fig 1).

Figure 1: Nature-based tourism visitor numbers



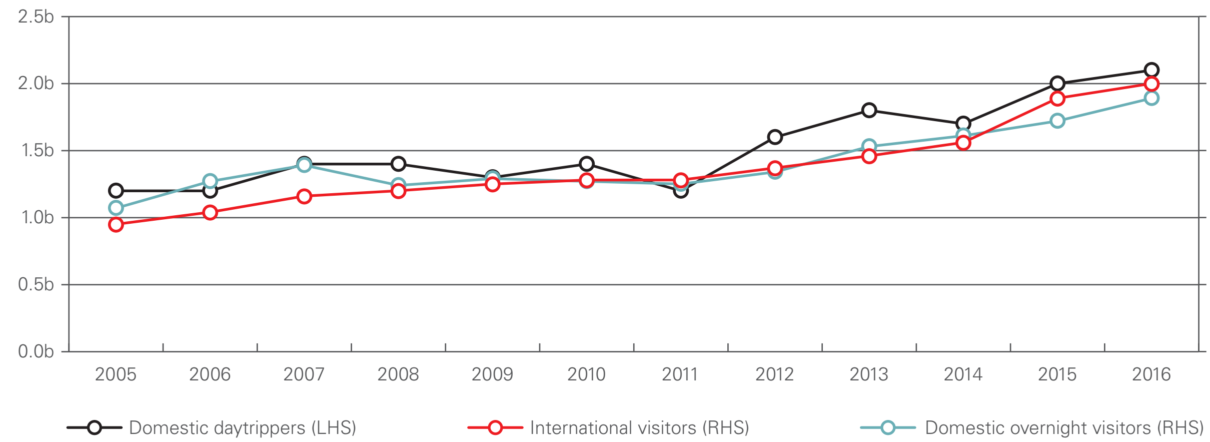
2. 'Nature based tourism' covers a wide-range of activities including a trip to the beach, swimming or fishing. This broad definition is used on the Tourism Research Australia statistics cited in Figures 1-3.
3. TTF analysis of Tourism Research Australia's International and National Visitor Surveys. All figures presented relate to visitors aged 15 years and above.
4. Ibid

Figure 2: Nature-based tourist visitor nights



In 2016, international visitors spent 202.0 million nights undertaking nature-based activities. The number of nights that international visitors spent doing nature-based activities has steadily increased over the past decade, although there was some moderation in the pace of growth in 2016, to 2%. Domestic overnight visitors spent 104.3 million nights undertaking nature-based activities last year, which was 11% higher than 2015 (Fig 2).

Figure 3: Nature based tourism visitor spending



Nature-based visitor expenditure also continues to grow in real terms. In 2016, international visitors spent $20.0 billion (+6%) on nature-based activities and domestic overnight visitors spent only slightly less at $18.9 billion (+10%). Domestic day trippers spent a more modest $2.1 billion on nature-based activities (+3%) (Fig 3).

These broad statistics around nature-based tourism highlight that visitors are attracted to Australia's natural beauty. The challenge is to make sure this continues and expands into the future.

IMPACT OF 15 NATIONAL LANDSCAPE AREAS

As part of this review into the importance of nature-based tourism, TTF has undertaken detailed analysis of the economic contribution made by specific natural-areas within Australia. Tourism Research Australia has identified 15 'National Landscape Areas'. These are mostly protected areas of national significance and many of these areas already attract significant tourist visitation. How this visitation growth can be continued and expanded as a regional economic driver, whilst protecting and maintaining their natural values, forms the basis of sustainable tourism access and enjoyment of these areas.

Australia has 15[5] National Landscape Areas, which cover the important nature-based tourism regions of the country. These areas have performed with varying success in recent years, at least in part due to the level of investment governments are prepared to make in promoting and improving these key natural assets, as well as relative distance from major population and international tourism gateways.

Map of Australia's National Landscapes[6]

NATIONAL LANDSCAPE AREAS – VISITATION INDICATORS

Table 1 shows the total visitation numbers for each National Landscape for 2016, and the growth rate over the short-term and a longer 5 year period between 2012 and 2016.

Over the past year the regions that have experienced the fastest growth in visitor numbers are Flinders Ranges (+73.6%), Wet Tropics (+39.8%) and Ningaloo/Shark Bay (+28.5%). Only three regions experienced a decline in visitor numbers last year – Australia's Timeless North (-17.1%), Kangaroo Island (-8.9%) and the Great Barrier Reef (-0.9%).

Annual data can, however, be impacted by one-off events – particularly in such areas prone to the natural impacts of bushfires, flooding and major weather events. Looking through the annual volatility, all the National Landscapes have experienced positive average annual growth over the five years between 2012 and 2015. The strongest performer over the 5-year period was Kangaroo Island, albeit from a low base. Australian Alps and Australia's Green Cauldron have also been able to average double digit annual growth in visitor numbers over a 5-year period.

Table 1: Total visitors for national landscape areas, 2016

National Landscape	Visitors	Annual Growth	Average annual growth since 2012
Tasmania	8,403,729	4.3%	2.1%
Great Ocean Road (Vic)	4,916,946	3.7%	1.0%
Greater Blue Mountains (NSW)	4,856,197	15.6%	8.4%
Great South West Edge (WA)	4,543,265	10.8%	8.4%
Australia's Green Cauldron (NSW/QLD)	4,311,362	10.3%	11.7%
Australian Alps (ACT/NSW/Vic)	3,427,789	0.3%	12.7%
Great Barrier Reef (QLD)	3,030,129	-0.9%	2.9%
Wet Tropics (QLD)	1,584,467	39.8%	5.5%
Australia's Coastal Wilderness (NSW/Vic)	1,068,115	16.6%	6.7%
Australia's Red Centre (NT)	774,437	10.2%	6.1%
Ningaloo/Shark Bay (WA)	534,986	28.5%	4.7%
Flinders Ranges (SA)	526,708	73.6%	8.8%
Kimberley (WA/NT)	507,214	1.3%	7.9%
Australia's Timeless North (NT)	481,810	-17.1%	5.2%
Kangaroo Island (SA)	164,116	-8.9%	13.7%

5. This report concentrates upon the national landscapes excluding Sydney Harbour.
6. Source: http://www.environment.gov.au/topics/national-parks/national-landscapes-0

The visitor numbers of each area since 2005 are illustrated in Fig 4a, Fig 4b and Fig 4c, below. These charts also highlight the volatility in visitor numbers of some of the National Landscape areas.

Figure 4a: Tasmania Visitor numbers since 2005

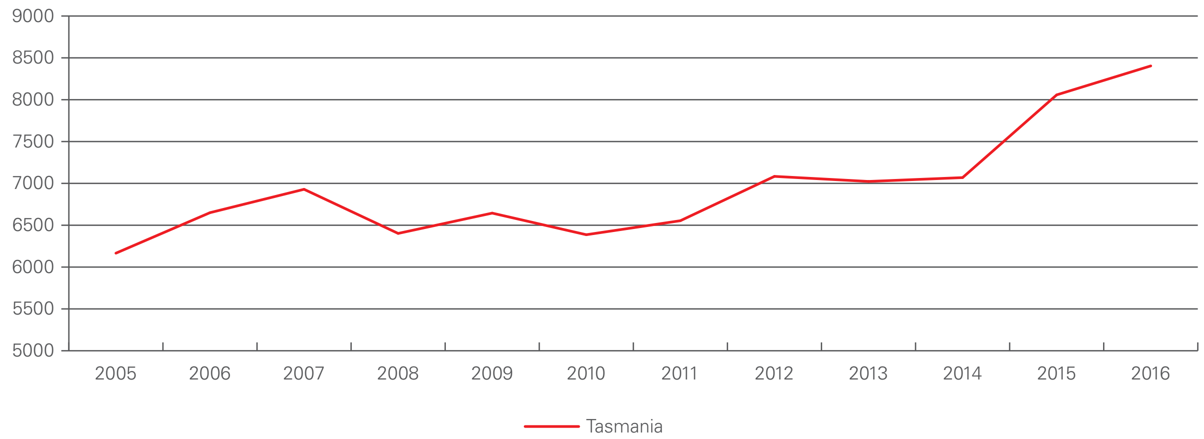


Figure 4b: Various National Landscape Visitor numbers since 2005

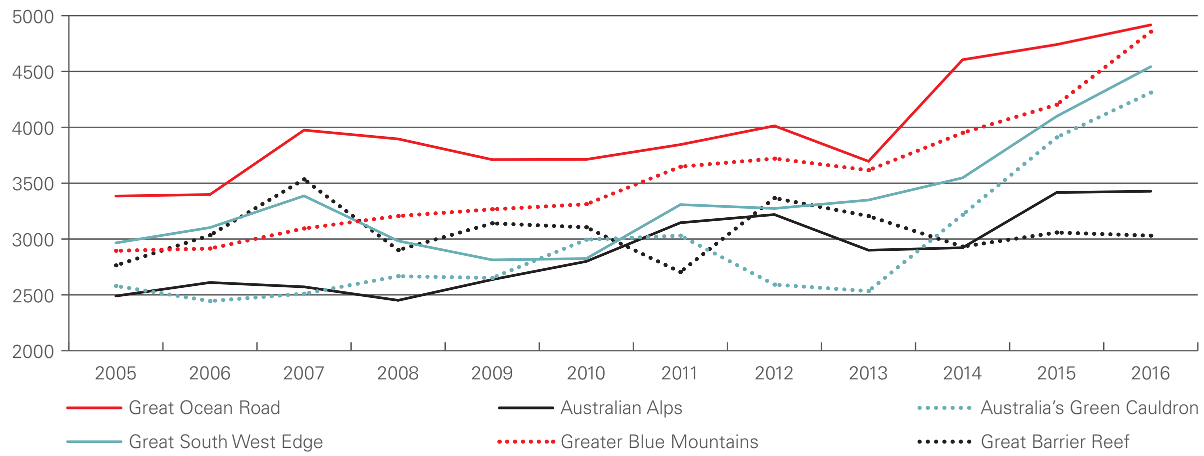


Figure 4c: Various National Landscape Visitor numbers since 2005

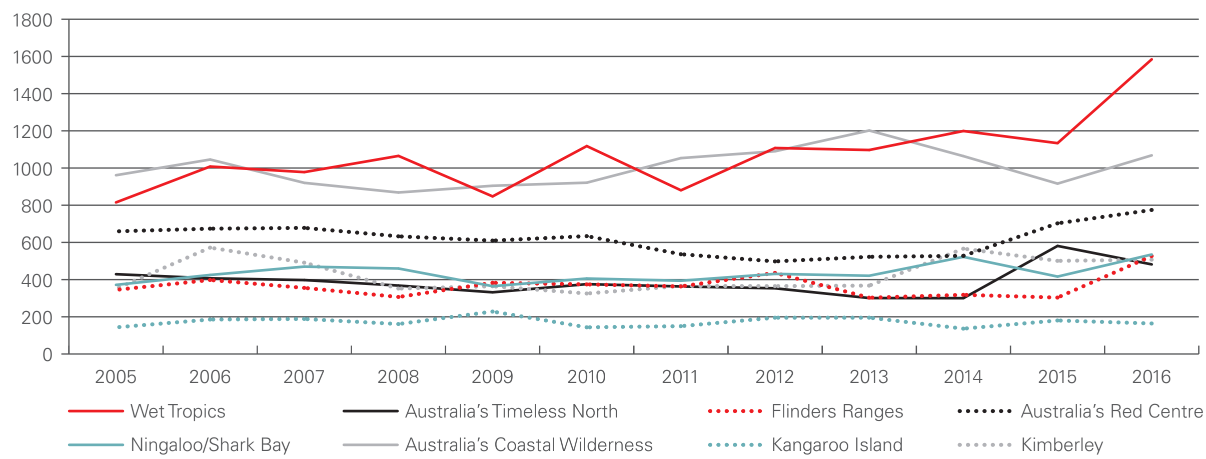
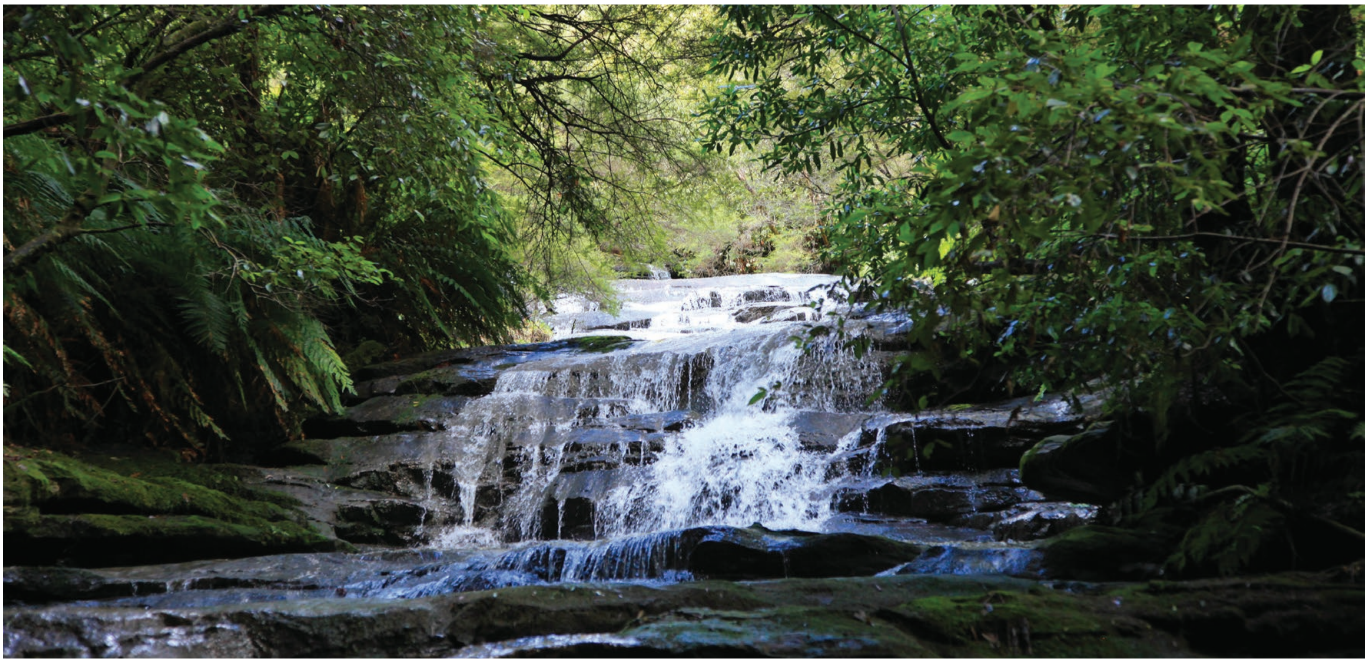


Table 2: Breakdown of visitors, by national landscape area

National Landscape	International	Share of total	Domestic Overnight	Share of total	Day Trip	Share of total
Tasmania	235,710	2.8%	2,421,653	28.8%	5,746,366	68.4%
Great Ocean Road (Vic)	161,667	3.3%	1,894,656	38.5%	2,860,623	58.2%
Greater Blue Mountains (NSW)	110,394	2.3%	1,220,797	25.1%	3,525,006	72.6%
Great South West Edge (WA)	160,360	3.5%	2,354,289	51.8%	2,028,616	44.7%
Australia's Green Cauldron (NSW/QLD)	229,168	5.3%	1,493,979	34.7%	2,588,215	60.0%
Australian Alps (ACT/NSW/Vic)	34,046	1.0%	1,968,551	57.4%	1,425,192	41.6%
Great Barrier Reef (QLD)	305,126	10.1%	1,498,973	49.5%	1,226,030	40.5%
Wet Tropics (QLD)	29,274	1.8%	485,191	30.6%	1,070,002	67.5%
Australia's Coastal Wilderness (NSW/Vic)	37,410	3.5%	632,735	59.2%	397,970	37.3%
Australia's Red Centre (NT)	190,843	24.6%	420,734	54.3%	162,860	21.0%
Ningaloo/Shark Bay (WA)	60,104	11.2%	373,961	69.9%	100,921	18.9%
Flinders Ranges (SA)	13,985	2.7%	281,094	53.4%	231,629	44.0%
Kimberley (WA/NT)	38,990	7.7%	323,877	63.9%	144,347	28.5%
Australia's Timeless North (NT)	52,550	10.9%	290,841	60.4%	138,419	28.7%
Kangaroo Island (SA)	42,907	26.1%	110,298	67.2%	10,911	6.6%

Each National Landscape has a different mix of international domestic overnight and domestic day trip visitors. This, in part, reflects the accessibility of some National Landscape Areas. For example, the Greater Blue Mountain's close proximity to the Sydney metropolitan area makes this a popular destination for day trippers. The growing popularity of a day trip to the Blue Mountains led the NSW Government to undertake, in May 2017, to deliver extra train services to cover growing demand. Similarly, most of the visitors to Tasmania's wilderness areas are day-tripping locals. In contrast, the proportion of day trippers is lower for more remote areas that have low local populations such as Kangaroo Island, Ningaloo/Shark Bay and Australia's Red Centre.

Maintaining ease of access by monitoring and improving provision of services, such as to the Blue Mountains, is a critical on-going requirement to build and enhance tourist appreciation of natural sites.



Blue Mountains NSW | David ireland/Tourism Australia

All of the National landscape areas are much more dependent on domestic visitors than international visitors. Despite the growth in international visitors engaging in nature-based tourism (Fig 1.), the National Landscape areas still have a low proportion of visitors that come from overseas. Indeed, 10 of the 16 areas have a single digit proportion of visitors from overseas. This indicates there is an opportunity to grow visitation in these areas for international visitors.

Table 3: Total visitor nights for national landscape areas, 2016

National Landscape	Visitor nights ('000)	Annual Growth	Annual average growth since 2012
Tasmania	13796498	-2.5%	4.5%
Great Ocean Road (Vic)	10702381	26.0%	9.2%
Greater Blue Mountains (NSW)	9049874	2.1%	3.6%
Great South West Edge (WA)	6920321	21.3%	6.8%
Australia's Green Cauldron (NSW/QLD)	6914849	16.6%	0.6%
Australian Alps (ACT/NSW/Vic)	6261616	-11.7%	4.8%
Great Barrier Reef (QLD)	3701421	11.3%	10.0%
Wet Tropics (QLD)	3031780	19.1%	9.5%
Australia's Coastal Wilderness (NSW/Vic)	2748379	-5.9%	2.0%
Australia's Red Centre (NT)	2735566	-12.5%	5.5%
Ningaloo/Shark Bay (WA)	2508379	-3.4%	-0.1%
Flinders Ranges (SA)	2052370	1.4%	8.9%
Kimberley (WA/NT)	1528510	28.5%	14.7%
Australia's Timeless North (NT)	1069543	63.4%	11.9%
Kangaroo Island (SA)	591537	8.9%	5.1%

Another key measure of visitation is visitor nights, which gives an indication of trends around the length of trips. For example, areas where visitor numbers are growing faster than visitor nights indicates that while more visitors are coming to an area they are staying for shorter periods of time. This, in turn, can impact on expenditure in that area, especially given accommodation costs are a major component of trip spend.

Table 4: Total visitor spending for national landscape areas, 2016

National Landscape	Visitor spending ($m)	Annual Growth	Annual average growth since 2012
Tasmania	3,072	0.8%	6.0%
Great Ocean Road (Vic)	1,724	19.1%	9.5%
Greater Blue Mountains (NSW)	1,558	-0.1%	3.1%
Great South West Edge (WA)	1,249	24.3%	5.6%
Australia's Green Cauldron (NSW/QLD)	1,077	-4.0%	2.2%
Australian Alps (ACT/NSW/Vic)	1,028	8.8%	6.3%
Great Barrier Reef (QLD)	805	22.4%	7.3%
Wet Tropics (QLD)	723	30.4%	15.6%
Australia's Coastal Wilderness (NSW/Vic)	423	55.8%	14.4%
Australia's Red Centre (NT)	410	-7.7%	10.0%
Ningaloo/Shark Bay (WA)	350	11.6%	1.4%
Flinders Ranges (SA)	292	15.2%	12.9%
Kimberley (WA/NT)	232	22.3%	12.9%
Australia's Timeless North (NT)	165	118.6%	22.4%
Kangaroo Island (SA)	135	59.4%	12.0%

The growth in visitors and visitor nights is also reflected in the growth in visitor spending. Only three areas recorded a decline in spending in 2016. Over the longer-term, all areas recorded annual average growth over the five years between 2012 and 2015 – with seven being able to sustain average double-digit growth over this period.

ECONOMIC CONTRIBUTION

Tourism plays a key role in the local economies of the National Landscape areas, supporting employment and economic activity in the regions.

Table 5: Contribution of tourism to GRP of National Landscape Areas 2016

National Landscape	Gross Regional Product ($m)	Annual Growth	Annual average growth since 2012
Tasmania	1836.4	-0.7%	4.2%
Great Ocean Road (Vic)	1108.5	19.1%	8.7%
Greater Blue Mountains (NSW)	1047.1	-0.1%	0.1%
Great South West Edge (WA)	869.3	24.3%	3.3%
Australia's Green Cauldron (NSW/QLD)	775.5	8.8%	9.2%
Australian Alps (ACT/NSW/Vic)	707.0	-4.0%	4.3%
Great Barrier Reef (QLD)	414.2	30.4%	13.2%
Wet Tropics (QLD)	379.7	22.4%	5.5%
Australia's Coastal Wilderness (NSW/Vic)	264.9	11.7%	2.5%
Australia's Red Centre (NT)	249.2	55.8%	12.5%
Ningaloo/Shark Bay (WA)	200.8	-8.8%	12.0%
Flinders Ranges (SA)	181.8	16.3%	9.2%
Kimberley (WA/NT)	109.5	113.7%	26.3%
Australia's Timeless North (NT)	105.2	22.3%	10.2%
Kangaroo Island (SA)	84.1	59.3%	8.8%

GRP can be volatile, especially in some of the smaller regions such as Kangaroo Island and Flinders Ranges. Looking at 5 year average annual growth rates for tourism-related GRP, however, almost all of these regions have recorded well above the national annual average overall growth rate over the same period (2.4%). The strong performance of the tourism sector in these areas, has been underpinned by growing numbers of visitors. This growth has also flowed through to employment opportunities in the National Landscapes – both direct and indirect jobs (Table 6).

Table 6: Employment due to tourism, by National Landscape area 2016

National Landscape	Direct jobs	Indirect jobs	Total jobs	Annual avg change in jobs 2012-2016
Tasmania	15230	6453	21683	872
Great Ocean Road (Vic)	8438	4171	12610	894
Greater Blue Mountains (NSW)	7618	4238	11856	314
Great South West Edge (WA)	6245	3644	9889	431
Australia's Green Cauldron (NSW/QLD)	6107	2627	8734	131
Australian Alps (ACT/NSW/Vic)	5145	3315	8460	406
Great Barrier Reef (QLD)	4002	1635	5637	316
Wet Tropics (QLD)	3194	1461	4656	454
Australia's Coastal Wilderness (NSW/Vic)	2398	817	3215	223
Australia's Red Centre (NT)	1763	1196	2959	-32
Ningaloo/Shark Bay (WA)	1770	719	2489	-3
Flinders Ranges (SA)	1458	693	2151	195
Kimberley (WA/NT)	1101	262	1362	80
Australia's Timeless North (NT)	1099	250	1350	97
Kangaroo Island (SA)	702	329	1031	65

Table 6 highlights that most National Landscape areas (except for two) have seen an increase in employment over the past five years. For example, on average the Great South West Edge created an additional 894 new jobs each year between 2012 and 2016. These jobs are particularly important for the more remote areas, where non-tourism related jobs are limited.

ECONOMIC IMPLICATIONS

Based on the analysis above, it is clear the nature based tourism plays an important role in many regional areas across Australia. The importance of tourism in major recognised locations (Great Barrier Reef, Tasmania, Great Ocean Road, Greater Blue Mountains, Red Centre) is confirmed. But it should not be overlooked that, in many more remote areas, tourism provides both important local jobs and significant economic input.

Nature-based tourism provides a significant competitive attraction for Australia and appropriate, sustainable development and delivery of the wide-ranging visitor experiences possible across Australia's National Landscapes holds potential to deepen and solidify Australia's tourism future as a super growth industry. The following section considers the regulatory and policy settings needed to support this development.

Swimming at Vivonne Bay Beach, Kangaroo Island, SA | South Australian Tourism Commission

UNLOCKING OUR GREAT OUTDOORS

CURRENT STATUS IN AUSTRALIA

Much analysis has been undertaken in Australia over recent years on how to encourage development of quality tourism facilities within and adjacent to protected areas and other government land tenures.

In 2004 TTF, in partnership with a wide range of government and private organisations, coordinated a research study, "A Natural Partnership: making national parks a tourism priority", which considered how tourism interests and protected area managers could cooperate to:

1. Enhance the quality of visitor experiences in protected areas by improving the facilities and services offered to visitors;

2. Provide for funding arrangements to enable enhanced provision of visitor infrastructure; and

3. Enhance the promotion of protected areas through cooperation among stakeholders.

The report made a series of recommendations under each of these headings, seeking to identify and promote practical actions that may be considered to enhance tourism in and around protected areas. However, no national coordinated approach has yet emerged from these recommendations.

In 2012, the Tourism and Protected Areas Forum (TAPAF), which is an informal group with representation from all Australian jurisdictions with officers from State, Commonwealth and Territory tourism and protected area managers and Crown Land management agencies, produced a "Best Practice Guidelines for Eco-Opportunities in Protected and Natural Areas". The report acknowledges the growing interest in and recognition of the benefits of offering high quality, sustainable tourism accommodation in or adjacent to government-managed and joint-managed protected areas in Australia. This recognition has resulted in Commonwealth and most State and Territory governments allowing commercial accommodation and other infrastructure-intensive tourism experiences to be developed in and around protected areas and Crown land, although legislative and institutions barriers remain in some jurisdictions.[7]

The Guidelines incorporate guiding principles and practical considerations for both managing agencies and investors throughout different stages of tourism facilities development (pre-proposal; site identification; concept development; assessment criteria; lease negotiations; etc.).

Some jurisdictions (eg Tasmania[8]) are actively seeking expressions of interest from investors and operators to develop visitor facilities in natural areas attracting tourism. Parks Australia includes within its Corporate Plan a priority for 2016-17 to encourage increased visitation through opportunities for commercial operators to develop new, high quality visitor experiences and infrastructure.[9] South Australia has recently released an action plan 'for the activation of South Australia's nature-based tourism sector' which seeks, amongst other things, to support nature-based tourism experiences and remove red tape and barriers to investment.[10]

However, provision of consistent, high quality opportunities for tourists to enjoy Australia's natural landscapes remain relatively limited. Australia's protected area managers continue to face challenges to maintain their visitor infrastructure and natural resource values.[11]

The TAPAF guidelines note the need for site tenure appropriate to capital investment and return on that investment (eg 30 to 50 years for major infrastructure) and the possibility or incentives for tenure extension to encourage investment.[12]

Private investment in major tourism infrastructure will be inhibited by government decisions, such as that of the Victorian government to reduce the maximum lease tenure period from 99 years to 50 years in national parks.[13] This limits an investors ability to obtain a reasonable and reliable return on major investment due to tenure insecurity.

7. TAPAF Best Practice Guidelines for Eco-Opportunities in Protected and Natural Areas, 2012, p. 2
8. http://www.cg.tas.gov.au/home/investment_attraction/expressions_of_interest_in_tourism
9. Parks Australia, Director of National Parks: Corporate Plan 2016-2020, 2016, pp.21-24
10. https://www.environment.sa.gov.au/parks/get-involved/nature-based-tourism-plan cited 26 May 2017
11. For example, Parks Australia, Sustainable Tourism Overview 2011-2016, 2011,p.4
12. TAPAF, op.cit. , p. 12
13. Generally a lease is expected to be 21 years, under National Parks Amendment (No 99 Year Leases) Act 2015

LEARNING FROM INTERNATIONAL EXPERIENCES

Both USA and New Zealand offer competitive attractions to Australia in the nature based tourism sector and both countries have focussed attention on how to maintain or increase their visitor economy contribution by utilisation of their natural sites.

USA

Concession operations in national parks have existed since 1872, when the Yellowstone Park Act authorised the Secretary of the Interior to grant leases to private persons to develop visitor accommodations and facilities. This development was encouraged to fulfil a need and assist in promoting park awareness. National Park Service (NPS) policy limits development of public accommodations, facilities, and services to those that are:

- Necessary and appropriate for public use and enjoyment of the unit of NPS in which they are located; and
- Consistent to the highest practicable degree with the preservation and conservation of the unit's resources and values.

A concessions operation is a way of providing commercial visitor services such as food, lodging, and retail through a third party (concessioner) within a national park. Concession contracts are generally valid for 10 years or less but can extend for as many as 20 years. Concession contracts specify the range of facilities accommodation, and services types the concessioner agrees to offer. The rates the concessioner can charge for these services are approved by the National Park Service and must be comparable to those under similar conditions outside the park.[14]

The US National Parks Service website notes:

"Scenery is a hollow enjoyment to the tourist who sets out in the morning after an indigestible breakfast and a fitful night's sleep on an impossible bed."
– Stephen T. Mather, first Director of the National Park Service

As evidenced by the quote above, Director Mather believed that only a well-rested and well-fed visitor would be fully capable of appreciating the wonders of our national parks. Private companies have promoted the parks and served visitors since Yellowstone National Park was designated in 1872. The present-day Commercial Services Program is mindful of this legacy, ensuring that visitors have access to high-quality visitor services in order to fully appreciate our natural and cultural treasures.

Concessioners fill a vital role in helping the National Park Service (NPS) carry out its mission. Private companies are drawn to working with NPS in order to offer services to park visitors, which are not provided directly by the government. Concessioners specialize in these operations and are thus able to provide quality services at reasonable prices. By welcoming the private sector as a partner in park operations, the National Park Service broadens the economic base of the region and communities surrounding the parks.

In concert with other NPS divisions, the Commercial Services Program administers more than 500 concession contracts that, in total, gross over $1 billion annually. NPS concessioners employ more than 25,000 people in a variety of fields during peak seasons, providing services ranging from food service and lodging, to whitewater rafting adventures and motor coach tours. As stated in the Concessions Management Improvement Act of 1998, concession operations "are consistent to the highest practicable degree with the preservation and conservation of resources and values of the park unit."[15]

The USA has a long history of cooperative development and delivery of services within their national estate. This system has operated to support the on-going maintenance of conservation values in areas of great beauty, the development of significant private sector investments and employment and provision of a wide range of services to support their visitor economy and local communities.

New Zealand

Tourism is the largest contributor to New Zealand's GDP at 10 per cent and is the largest contributor to the country's exports, making up 20.7 per cent of total goods and services.[16] Recently the New Zealand tourism industry, through Tourism Industry Aotearoa, reviewed tourism infrastructure and its significance for tourism success.

The New Zealand review highlights complexities in provision of tourism infrastructure, including the range of infrastructure types (from airports to cycle paths), the fact that many infrastructure classes have residents as primary users, that the intensity of tourism infrastructure usage is highly variable (often seasonal), and that the economic beneficiaries of tourism are highly diffuse. The review notes:

These unique characteristics make determining the investments most critical to the sector's future growth challenging – that is, prioritisation must be multi-faceted in its approach. At the same time, the commercial incentives that

14. https://www.nps.gov/yose/learn/management/concessions.htm
15. https://concessions.nps.gov/
16. Tourism Industry Aotearoa, Tourism Infrastructure study: Addressing New Zealand's most pressing local tourism infrastructure needs: Executive Summary, 2016, p.3

drive market activity are often insufficient in a tourism sector context to ensure that an appropriate level of fit-for-purpose tourism infrastructure investment takes place. Accordingly, a level of coordination is required to support the optimisation of investment decisions.[17]

In its 2017 budget, the New Zealand Government announced a $178 million package for tourism infrastructure, recognising the significance of the sector to the New Zealand economy. This package included:

- A Tourism Infrastructure Fund to provide $100 million over four years for the development of tourism-related infrastructure such as carparks, freedom camping facilities and sewerage and water works. An additional $2 million will be provided to run the fund.
- A $76 million funding increase for the Department of Conservation (DOC) to be used to upgrade and develop tourist facilities on conservation land and to expand the Great Walks network.

The government noted that 'visitors are attracted by New Zealand's unique and beautiful landscapes, with over half visiting a national park. It is therefore critical that visitor growth is environmentally sustainable, and that visitors enjoy a high quality experience. It is also important that New Zealanders can continue to access our wonderful natural environment. This funding will help DOC to better manage and protect destinations that have high numbers of visitors, and to develop and promote less-visited sites as a way of encouraging visitors to travel further afield'.[18]

CASE STUDY: TASMANIA'S THREE CAPES TRACK

Tasmania's iconic multi-day bushwalks are a great example of how to deliver a fantastic tourist experience without damaging the stunning landscapes visitors have come to see. They have proven to be very popular with local, interstate and international walkers.

The latest star attraction, the world renowned Three Capes Track, has been a spectacular addition to the Tasman National Park and made a significant contribution to the Tasman Peninsular, stimulating jobs and the economy. The Parks and Wildlife Service (PWS) is employing more than 13 full time equivalent (FTE) staff associated with the track staff.

Since it opened in December 2015, more than 15,838 people have completed the walk. These figures far exceed the Government's targets and there is no sign of the numbers slowing. Revenues received from the Three Capes Track are expected to exceed $4.1 million this financial year and approach $4.5 million next financial year.

This is revenue that is reinvested into the PWS to maintain and improve the tracks. Work has already commenced on the final stage of the award-winning Three Capes Track, upgrading the track to the third cape - Cape Raoul - and the Shipstern Bluff Lookout.

WHY WE NEED TO DO MORE

Australia needs to maintain and improve its nature based tourism sector, as this is acknowledged to be a significant part of the overall visitor economy attraction. Expansion and enhancement of nature based tourism related to Australia's National Landscapes will also support spreading the benefits of tourism more broadly across the economy as visitors, both domestic and international, are encouraged to sample the wide variety of natural experiences available.

The exponential growth in utilisation of social media provides both a challenge and a great opportunity to spread the word on the tourism experience: both good and poor experiences become readily available for general viewing and sharing due to the growing use of this media. This provides further incentive to ensure that the visitor experiences of infrastructure and facilities do not detract from the experience of the natural landscape itself.

A recent workshop convened by Ecotourism Australia[19] identified that, despite its current success, nature based tourism still faces many risks and challenges, including:

- Staying ahead in an increasingly competitive global market;
- Delivering on the 'promise' (inherent in destination marketing) of world class nature-based experiences;
- Maintaining and improving experience quality;
- Building regional capacity and critical mass of product and services of world class quality, depth and diversity that will attract and sustain dispersal to more regions;
- Meeting infrastructure needs, such as roads, walking and bike tracks, improved capacity at regional airports, diversity and quality of regional accommodation; and
- Maintaining the quality of and access to the natural resources that underpin the industry.

17. Deloitte, National Tourism Infrastructure Assessment: Tourism Industry Aotearoa, April 2017, p. 3
18. http://www.mbie.govt.nz/info-services/sectors-industries/tourism/budget-2017, accessed 25 May 2017
19. Held in Sydney on 15 March 2017

The workshop concluded that the critical needs are:

- to improve product and service quality, depth and diversity in regions;
- to align product development, quality and availability with marketing (and vice versa), within regions and across jurisdictional boundaries;
- to better protect and manage the natural assets on which the industry depends now and into the future;
- to identify and overcome barriers and impediments to growth; and
- to develop and support a partnership approach that can address these needs collaboratively, within regions and across jurisdictional boundaries. This must involve many different players, such as national, state, regional and local tourism organisations, park agencies, local government and planning authorities, environmental groups, tourism operators and associated service providers.

Ecotourism Australia advocates addressing these issues by establishing a strategic framework or manifesto for nature-based tourism in Australia 2025. At present, there is no responsible party identified to facilitate and coordinate such a process.

The analysis in Sections 1 & 2 of this report identifies both the current value and the future growth potential for nature-based tourism, and specifically the National Landscapes throughout Australia.

However, to deliver on the promise of exemplary high-quality visitor experiences, these locations must be able to meet the expectations of a range of travellers, from local walkers to 'high end' national or international travellers.

The following key issues still need to be addressed to support growth in nature-based tourism related to Australia's national landscapes:

- Recognise parks as visitor assets / tourism agencies especially in regional contexts;
- Provide adequate funding for delivery and maintenance of visitor infrastructure within and adjacent to protected areas, together with the critical resources conservation that forms the basis of the value proposition for these reserves;
- Establish and maintain infrastructure to access protected areas;
- Provision of high quality public amenities and walking/ cycle trail maintenance;
- Development of sustainable business and employment opportunities for Aboriginal persons, where these are sought and supported by traditional owners and their local communities;
- Providing the regulatory framework and support to facilitate sensitive and sustainable private investment development in and around protected areas within reasonable timeframes; and
- Consistent delivery of quality service and facilities.

While there has been broad agreement around these issues for many years,[20] delivery against them remains limited.

NEXT STEPS

TTF will convene a nature-based tourism workshop to enable a wide range of interested parties to consider a practical way to advance the development and delivery of nature based tourism in Australia.

The objective of the workshop will be to highlight the barriers to delivery of consistent, high quality nature based tourism experiences. The workshop will seek to identify the most practical and effective actions which can be taken to improve the standing and future of Australia's competitive delivery of this important tourism sector.

20. Eg. TTF A Natural Partnership: making national parks a tourism priority, 2004

APPENDIX – METHODOLOGY

Cathedral Gorge, Bungle Bungles, Purnululu National Park | Australian Pacific Touring Pty Ltd

In this study, we use the conventional input/output method to evaluate the economic impacts of visitor spending in national landscape areas. IO models provide a standard approach for the estimation of the economic impact of a particular activity. In order to estimate economic impacts IO tables for each region (national park areas) are required. However, except for the national IO tables, no regional IO tables are available for Australia. Therefore, relevant regional IO tables must be derived. The derivation of a regional table is dependent on the availability of data at the regional level. There is limited economic data available for regions and as such development of a region-specific IO table usually requires extensive survey work and collection of region-specific economic data. Whilst construction of regional IO tables is a complex and resource intensive exercise, the literature offers a number of alternative methods that does not use surveys to generate regional IO tables. Among them, one widely used method is location quotients.

Location quotient (LQ) is basically a way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region (e.g. Local Government area) as compared to a larger reference or benchmark region (i.e. State or Nation). Location quotient is a ratio that compares a region to a larger reference region according to some characteristic or asset. It is traditionally used to compare an industry's share of regional employment. However, it can also be used for other economic measures, such as value-added, imports or exports. Using the 2011 census data on regional employment, along with the 2009/10 national I/O table of 19 industry sectors, we estimated the required regional economic parameters. Most national park areas encompass several LG divisions for which we can gather data to facilitate the construction of regional (LG) IO tables. Our approach was to use a representative LG division as the reference region for each national park area. The resulting regional IO tables were used to calculate multipliers and estimate economic impacts.

These estimates were originally done for 2013 and have been re-estimated, using historical realisation ratios, for the four subsequent years. In the initial research, Sydney Harbour was also included in the analysis. However, this is not an official National Landscape and isolating tourism-related activity to the natural attraction of the harbour is challenging given all the other activities that go on in the city around the harbour and given all the non-nature based reasons people may be in the harbour. Hence, for the 2016 update Sydney harbour was excluded.

TOURISM &
TRANSPORT FORUM

LEVEL 6
7 MACQUARIE PLACE
SYDNEY NSW 2000
T +61 2 9240 2000
F +61 2 9240 2020

www.ttf.org.au