

NICOLA FOR NOOSA

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Tourism Noosa Council Election Forum

1 What are your thoughts about tourism in Noosa?

Tourism in Noosa is a hugely important industry that brings visitor income into the economy and provides jobs in hospitality, retail and other supporting industries. It also provides services that we residents enjoy and support. I enjoyed several trips to Noosa as a tourist before moving here in 2019. It is great to see the industry thriving, as well as businesses and TN looking for ways to make tourism more sustainable.

The tourism industry also attracts people to want to live in the area, and some residents, especially retirees, are effectively permanent tourists, frequenting the many restaurants and services. They also bring visitors to the region.

In the year ended June 2023, it is estimated that tourism from day-trippers and overnight domestic visitors was a record 2.2m visitors, and \$1.7B revenue (an increase on prior year of 51%). Income from international trade has not yet been quantified. Income from residents doesn't appear to be considered.

The figures of 2.2M and \$1.7B were sourced from National Visitor Surveys, Tourism Research Australia (a federal government agency). While this is a reliable source used widely across the industry, its methodology to estimate this data relies on phone surveys of up to 120,000 Australian residents per year. A review of TRA's website did not produce any specific statistics for Noosa, as TN has to pay to access that level of detail. Presumably the data collected is then extrapolated using a formula, but the method isn't readily available online. As the nature of this data is related to Australian residents only, it doesn't shed any light on international visitors.

I'd be interested to know whether these figures are cross checked with other data, e.g road and air traffic, number of beds available, utilisation rates, etc. In particular, does TN request data from members to corroborate these figures?

Given TN's 568 members, it could access rich data from industry participants to determine whether all members have enjoyed a 51% increase in revenue, and if they can reliably determine the split between daytrippers, domestic, international trade and residents, as presumably this data is often collected. Also important is whether this income generated profit, and where that is held. TN can better support members and the community when relying on actual, detailed financial data rather than an estimate.

2. Tell us about your ideas for how you will sustain Noosa’s visitor economy across the region.

TN has noted that finding staff is a critical challenge for the industry. The lack of affordable housing for lower income workers contributes to this shortage, and the proliferation of self-contained short-term accommodation, comprising approx. 80% of available beds (Noosa Shire Destination Management Plan Discussion Paper) is taking away housing from workers, and customers from traditional tourist accommodation businesses such as resorts and hotels. I would like to see more AirBnB properties returned to the housing market for residents, hotels and resorts being able to operate profitably at full capacity, and staff housed locally.

However, I don’t see a councillor’s role as sustaining Noosa’s visitor economy. There are over 7,000 businesses in the Noosa region (7,621 in 2022, source Economy.id.com.au), of which less than 1,000 are related to accommodation, food services and retail. I believe it is council’s role to ensure all industries are supported.

Council’s role is to ensure services are provided to the community. This includes ensuring roads, bridges, traffic management, parking, waste and sewerage systems can support residents, local businesses, and the increasing numbers of tourists, and to support future population growth in line with the SEQ Plan.

It is unfortunate that the transparency over Council’s contribution to tourism has been lost by removal of the tourism levy. Residents had greater transparency over source and use of funds - Council collected the levy from tourist businesses, then passed it back to the participants via TN. Now, businesses may still be contributing to council income via increased rates, but it is less transparent to residents. I would support improved reporting to provide greater clarity around use of ratepayer funds. This would also help businesses in other industries, and particularly the hinterland, where business owners may feel less supported, to better understand the flow of funds.

3. “Noosa Council currently contributes \$2.5M annually to Tourism Noosa which in 2022-23 returned \$1.7B overnight visitor expenditure into the local economy. What are your thoughts on this?”

The wording of this question is problematic even in its revised form as it suggests TN is taking credit for the whole industry’s performance. TN did not return \$1.7B to the economy, it was generated by the tourism industry (and the estimated figure of \$1.7B also includes daytrippers). The wording also leads us to thinking that council’s contribution of \$2.5M was the only cost in producing that revenue, and therefore produces a false ROI. In addition, that revenue is not “returned” to council. It may also not be returned to the local economy given the high proportion of accommodation revenue that will go to STA property owners living outside of the Shire.

In considering Council’s contribution of \$2.5M it’s important to also consider TN’s other income, and how the total budget is spent.

TN’s Revenue

TN is a small, member-based not for profit organisation, but despite record breaking growth in the industry, generates less than 10% of its revenue from members. TN’s strategy does not outline any plans to grow membership, which has declined in recent years (980 in 2021, and 600+ in 2022). This decline is also not mentioned in the annual report.

	2023	2022
Revenue		
Grant income	162,381	406,566
Council Funding	2,520,000	2,520,000
Membership income	179,151	175,061
Visitor Information Centre	127,285	133,862
Other	280,925	213,270
	3,269,742	3,448,759

Council's funding is set out in the Tourism Noosa Funding and Performance Deed and is offered for an initial term of two years (1 July 2023 to 30 June 2025) subject to a number of performance conditions being met. We don't have access to any reports on progress against those conditions. A further two year term is available (1 July 2025 to 30 June 2027) "subject to the parties being in compliance with their obligations under this Deed". The parties may, but are not obliged to, agree to the Further Term. Discussions will take place in the second half of 2024.

Conditions relate to agreed priorities, one of which is additional revenue stream, and a subclause to "review options for generating greater revenue from the Visitor Information Centre". That revenue fell between 2022 and 2023.

TN's Expenses

TN's stated purpose is to "promote the diversity of the Noosa region to domestic and international visitors, the tourism trade and media", by "implementing marketing strategies that attract high value-low volume visitation through targeted marketing and promotions". These marketing strategies support the whole industry, they are not exclusive to members. With total industry revenue estimated at \$1.7B, it is hard to measure how much was generated by TN's \$1.1M expenditure on marketing and events (plus staff costs of \$1.3M).

Expenses			
Employee benefits	(1,284,662)	(1,441,747)	40%
Marketing	(1,097,014)	(1,164,349)	34%
Legal and compliance fees	(69,099)	(119,277)	2%
Other corporate costs	(200,774)	(193,810)	6%
Auditor fees	(24,706)	(23,449)	1%
Depreciation and amortisation expense	(125,784)	(115,419)	4%
Sustainability	(116,846)	(157,006)	4%
Visitor Information Centre	(122,867)	(124,049)	4%
Special projects expense	(90,536)	0	3%
Other	(79,940)	(87,053)	2%
	(3,212,228)	(3,426,159)	

The annual report does not disclose how many staff make up this cost of \$1.3M (which does not seem unreasonable, given the level of activity), or their roles.

I question why such a high level of "corporate" type expenses are required in a small NFP organisation, making up approx. \$400k, and whether this is in line with the agreed priorities outlined in the Tourism Noosa Funding and Performance Deed. Why does TN need so much legal and compliance advice, and what are the "other corporate costs"?