Visitor Information Centre (VIC) Service Review

Key Findings and Supporting Data

A literature review¹ and extensive desk top research was undertaken to analyse trends and developments within the visitor information services across Eurobodalla, New South Wales and other States.

Changing visitor behaviour, growing technological demands, increasing expenses, decreasing revenue and ageing infrastructure have all contributed to the need for Council to determine the most appropriate role and function of a VIC to ensure relevance to visitors, the tourism industry and local community.

Traditionally, visitors have used VICS to obtain information, advice and recommendations on what to see and do while in an area via brochures, directories, face to face and phone enquiries. However, technology has changed the way people source and use information as well as who can provide that information. This has meant that that less people are physically visiting a VIC and or using the VIC specific booking service.

¹ The literature most relevant to Council included Tourism and Events Queensland’s Queensland Visitor Information Centre (VIC) Discussion Paper; The Stafford Group Review of Tourism Services in the Clarence Valley; Urban Enterprise Pty Ltd review on how visitor information services can be improved in the East Gippsland Shire; and SGS Economics and Planning Pty Ltd feasibility study for a tourism hub in Lilydale on behalf of Yarra Ranges Business Tourism Ltd.
The above graphs show a decline in door counts (down 30 per cent from 2009-10) and a rise in
digital contact (emails and website). Eurobodalla is not unique in this trend\(^2\). Many visitors are
now using websites, mobile devices and other technologies to research a destination prior to a
visit and when there. A contributing factor to the decline in physical visitation to a VIC is the
steady uptake of online booking, currently at a rate of over 40 per cent per annum\(^3\). For 2012-
13 the foot traffic into the VICS accounted for 5 per cent of total visitors to the Eurobodalla\(^4\).
Combining all forms of visitation, i.e. door counts, phone and email, this percentage increases
slightly to 6 per cent.

As a consequence of the above, revenue generated from the VICS is declining. The main revenue
sources for the VICS include commission on accommodation and tour bookings and the sale of
souvenirs.

The graph below shows the trend of revenue from both VICS.

Overall, the revenue generated by the VICS has declined by 30 per cent since 2008-09. This is
consistent with the 30 per cent reduction in foot traffic into the VICS over the same time.

Another contributing factor to a decline in revenue is the commission received from bookings.
Commissions received from accommodation and tour bookings is largely dependent on external
and seasonal factors such as the weather and the state of the economy. These are external
influences out of the control of the VIC service.

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\(^2\) The Stafford Group Clarence Valley Tourism Services Review November 2013; The Stafford Group Bundaberg Visitor Services Review October 2012

\(^3\) Visit Newcastle – A Plan to develop tourism and events 2010 – 2012 (Draft 7/06/2010)

\(^4\) 2012-13 door count total 65,443 divided by Destination NSW four year annual average to the year ending September 2013 total visitation to Eurobodalla 1,260,000.
In the tourism industry, there is increasing discussion over VIC’s role in providing a booking service. Visitors value VICs for their knowledgeable staff, however they feel handling bookings, while an important function, may detract from the key function of the VIC:

‘We have sometimes found, particularly overseas, that selling bookings becomes the main focus for staff, rather than providing information about the region. We found that offices labelled as tourist information centres in these countries were really just booking agencies, with staff only interested in doing a hard sell of tickets. I would be very disappointed if Australian VICs moved in this direction’.5

Providing an online booking system is labour intensive. Much the VIC staff time is taken up on researching, quoting, answering and responding to queries in the effort to finalise the booking. Of note is that many VICs continue to operate a booking service regardless of the financial loss that may be incurred due to consumer demand for the service, and the perception by VIC management that it contributes to a better customer service6.

In addition to the decrease in the use of the booking system by the visitors, Eurobodalla’s VICs are also experiencing a decline in membership from operators. There are various reasons for this, but ‘value for money’ for the membership service provided appears to be the key one given by operators7.

The following graph illustrates the trend in the number of memberships and corresponding revenue generated for the past five years.

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6 Hobsons Bay Visitor Information Centre (Williamstown) Business Plan 2006, Insight Communications.

7 2014 Deliberative survey of operators conducted to obtain a sample of industry feedback on a number of issues.
The graph shows that since its peak in 2010-11 membership numbers and corresponding revenue has decreased.

Another consideration is the level of service of the VIC. What level of accreditation is sought or required and as a result what level of staffing is needed. Will this be permanent staff and or volunteers or a mix of the two? The level of service will determine the cost of providing a VIC.

The following graph shows the trend of expenditure across both VICs.

For example, employee costs at the current level of service account for 63 per cent of all expenses for both VICs. A contributing factor is that the AVIC accreditation requires the VICs to be opened seven days a week to ensure they are available to service visitors. This comes at a cost to Council due to the penalty rates as per the Local Government Award. As the benchmarking suggests, other VICs use volunteers to help resource the VIC, particularly on weekends. In Western Australia, nearly one-third of VICs operate without dedicated staff, either operating entirely with the support of volunteers or through the use of staff employed for other purposes\(^8\).

As also made mention, there are various alternate options available for the delivery of a VIC service including council managed, or a local or regional tourism organisation, or a Chamber of Commerce or a combination of these. Again each of the options has different cost implications.

Council’s funding of the VICs is increasing due to the diminishing own source revenue streams such as sales of souvenirs and commissions received from bookings, combined with increasing operating expenses such as wages and electricity. The reduction in souvenir sales is directly related to the decrease in physical visitation into the VICs and an increase in competition in the

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\(^8\) Visitor Centre Database, WATC, 2004
souvenir market. The reduction in commissions from bookings is a result of an increase in alternate booking services and systems available to visitors. Wages are a major expense to operate the VICs due to the need to be opened 7 days a week to maintain AVIC level 2 accreditation. Penalty rates for weekend hours are costly however unavoidable under the Local Government Award under which the staff are currently paid.

The following graph shows the net cost (expense less revenue) of the Narooma and Batemans Bay VICs.

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<th>Year</th>
<th>VICs Total</th>
<th>Batemans Bay</th>
<th>Narooma</th>
<th>Batemans Bay</th>
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The next step for Council is to look at options to continue to deliver high quality visitor information services that meet the changing needs and expectations of the visitors of the Eurobodalla.