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DISCUSSION PAPER 8

RURAL TOURISM

A DISCUSSION PAPER TO GUIDE THE
EUROBODALLA SHIRE COUNCIL RURAL
STRATEGY

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For: EUROBODALLA COUNCIL

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1 INTRODUCTION

This Rural Tourism Discussion Paper has been prepared by Garret Barry Planning Services Pty Ltd to inform the rural tourism component of the Eurobodalla Shire Council Rural Strategy. This document amalgamates the rural tourism data that has been presented to date in the Rural Land Strategy feeder documents, namely *Rural Lands Issues Paper*, *Rural Lands Opportunities and Constraints Paper* and the *Policy Directions Paper*. It also includes further research into existing rural tourism, its form and function. Options and issues are explored and strategies offered to progress Rural Tourism.

Council can influence the way tourism evolves with policies and programmes related to land-use planning; infrastructure development and maintenance; open space provision and maintenance; environmental management; public health and safety; local economic development; tourism promotion and marketing; education, training and employment; arts and cultural development and community development.

Tourism is Eurobodalla's largest industry valued in 2013 at \$367 million per year to the local economy and employing directly or indirectly up to 25% of the entire workforce.

Council is a major supporter of the tourism industry and has developed the Eurobodalla Destination Management Plan 2011-2020 to guide its role in the industry. Council also maintains a Tourism Advisory Committee to ensure it gets detailed feedback from the industry on the priorities of the Destination Management Plan and projects.

Preparation of Council's Destination Management Plan commenced in 2010 when Council announced it would undertake a review of its tourism activities including the Eurobodalla tourism organisation structure; the composition, role, structure and activities of its Tourism Advisory Board; and supporting operations such as visitor information centres.

The aim of the Destination Management Plan is to:

- Help grow tourism;
- Produce sustainable and competitive tourism that meets community expectations;
- Ensure that tourism is recognised as a major source of economic and regional development by government and the private sector;
- Grow the range and quality of tourism product and experiences;
- Attract tourism investment; and
- Communicate the importance and future of tourism for Eurobodalla.

The Plan outcomes of direct relevance to land use planning and hence the Eurobodalla Rural Land Strategy are detailed the Key Directions of the Plan, in particular sustainable tourism development, tourist product and development and infrastructure development. These are discussed later in this Paper.

1.1 WHAT IS RURAL TOURISM?

“Rural-based tourism can take many forms and can include tourism attractions as well as accommodation. Types of rural tourism attractions include the rural villages, heritage areas, scenic rural landscapes, and trails through natural areas, horse-riding activities, bird watching activities, local food experiences and the like. Types of rural tourism accommodations include bed and breakfast establishments, farm-stay accommodation, rural cabins, holiday homes, village accommodation, eco-tourism accommodation or camping grounds. ELEP 2012 permits all of the above types of rural tourism attractions and accommodations, with consent, in the RU1 and RU4 zones.” (Eurobodalla Rural Land Policy Directions Paper p. 15).

As an industry, tourism does not readily distinguish between urban based and rural based tourism. Visitors use both the urban and rural tourism assets and infrastructure. Council has detailed involvement in the general tourism industry and has adopted the Eurobodalla Destination Management Plan as its strategic planning framework to guide the development, management and marketing of tourism for Eurobodalla and its destinations to 2020.

But a rural strategy would not be complete without a review of the issues in the rural area impacting on tourism, the identification of opportunities the rural areas may have for growth of tourism and summarising any further strategies and actions Council may adopt from land use policies to initiatives it may pursue with State and Federal Governments.

1.2 IMPORTANCE OF RURAL TOURISM

The ESC Rural Lands Issues Paper points out that tourism in the rural areas of the Shire is playing an important role in the rural economy by allowing land owners the option to diversify their activities and add to the income potential of their land.

The value of diversifying rural income sources was also acknowledged in Council's submission to the Agricultural Competitiveness White Paper in April 2014. Council commented that encouragement, education and support for farmers to diversify into non-food income can improve returns by having a more reliable income stream.

The Rural Lands Issues Paper found that between 1993 and 2003, 55% of all tourism related development applications were located in the rural areas of the Shire.

A more recent examination of development applications since 2003 still indicates a high proportion of cabin approvals in the rural areas and some rural dual occupancies which could be used for short term letting. There were 4 urban cabin developments, 2 village and 2 rural in the past 10 years. There were also development consents for special events in the rural areas such as a motorcycle event and a music festival. A number of other major activities are also held that do not require development consent such as the mountain bike National Cross Country Marathon (XCM) titles and the South Coast Endurance horse Ride at Nelligen.

There are developments in the urban areas such as apartments where a proportion would be for holiday letting but the breakup of short and long term letting is not readily available.

In dollar terms it is likely the urban tourism development is higher than rural development.

If the coastline is included as rural, then the majority of the attractions that bring visitors to the Shire could reasonably be said to be rural based.

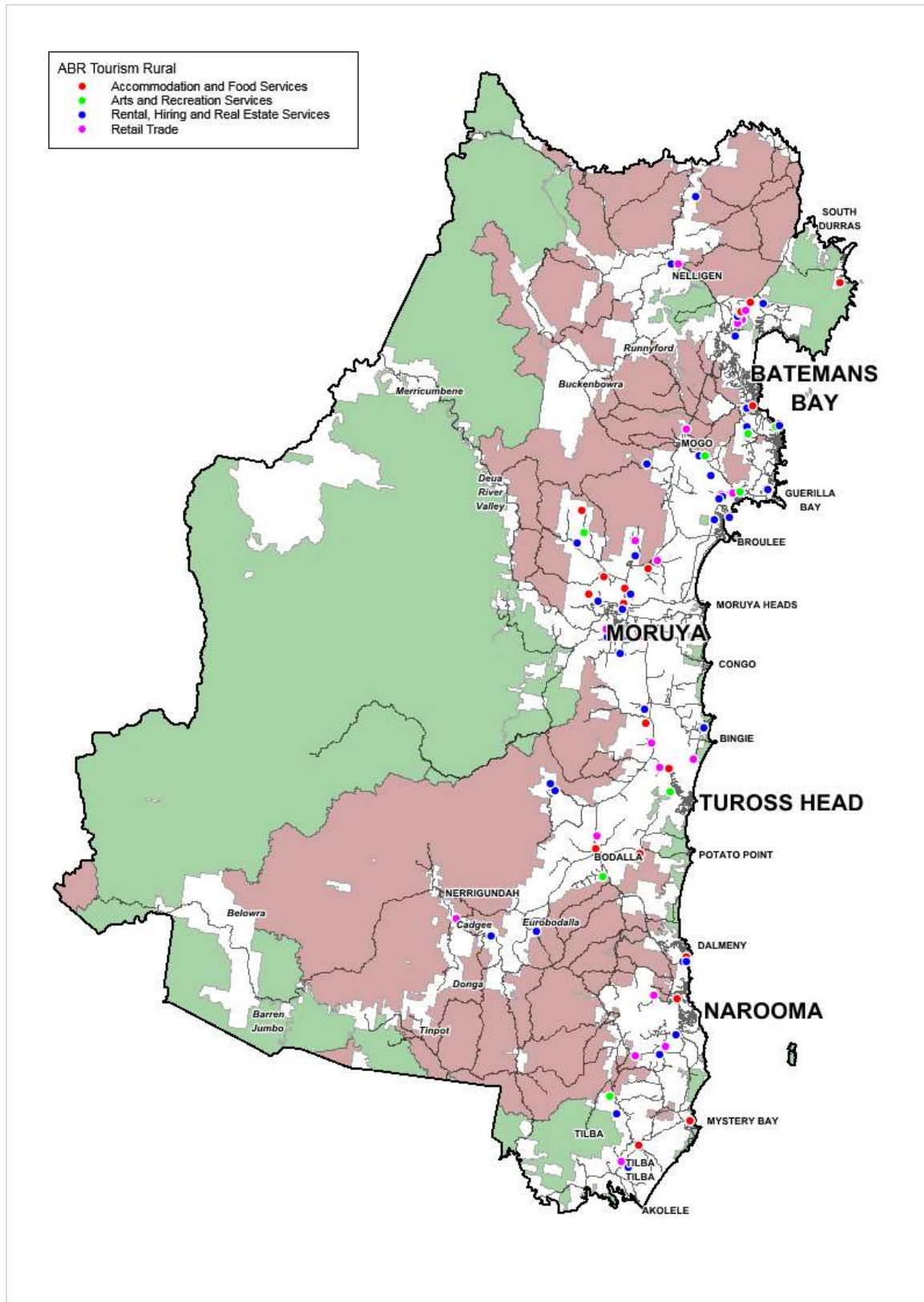
1.3 DESCRIPTION OF CURRENT TOURISM ASSETS IN RURAL EUROBODALLA

The Australian Business Register data was mapped to distinguish rural addresses from urban. This indicated only 25 registered businesses listing themselves in the hospitality and tourism endeavours, outside of the urban areas and 182 such businesses in the urban areas. But there are many other categories such as arts and recreation, training and hire that would have a proportion of tourism activity. These three additional categories total a further 53 businesses in the rural areas. The map on the following page plots these tourist related businesses.

There are then likely to be many more commercial tourist activities in the rural area that either are not registered businesses or are not based in one rural locality e.g. tour businesses.

Eurobodalla contains an extensive range of rural tourism assets much of which is land conserved as National Park or State Forest. These lands not only provide visitor destinations, some offer accommodation options, but they add to the natural landscape values which help underpin Eurobodalla tourism strengths as do the Shire's agricultural landscapes. Eurobodalla is a nature based tourism destination.

Map 1: Location of rural tourism businesses



1.3.1 Eurobodalla Tourism Strengths

The Eurobodalla Rural Opportunities and Constraints Report identifies environmental values of the Shire as a key attractor for nature based tourism and that these values are increasingly acknowledged as an important contributor to the Shire's amenity.

The Eurobodalla Destination Management Plan nominated the following strengths of Eurobodalla's tourism:

A significant factor that has helped ensure the conservation and attractiveness of Eurobodalla is that approximately eighty percent of the Shire is Crown Land that has been conserved as National Park or State Forest. Residential development is therefore concentrated around its townships and villages and the landscape is not dominated by urban infrastructure. This is in contrast to other NSW coastal destinations that have experienced rapid rates of residential development as a consequence of ex-urban population movements from major cities (e.g. Shoalhaven). Other important factors that have helped shaped the attractiveness of the Eurobodalla as a tourism destination include:

- A coastal and marine landscape that is not dominated by industries such as fishing and boating (e.g. Port Macquarie, Yamba, Coffs Harbour) nor industrial activity (e.g. Wollongong).
- The establishment of Batemans Marine Park, located between Murramarang Beach and Wallaga Lake on the South Coast, that offers residents and visitors opportunities for leisure and recreational activities. (EDMP p10).

The Policy Directions Paper for the Rural Lands Strategy states that:

“Eurobodalla has a number of environmental, agricultural and scenic qualities that attract people to live in and visit the Shire. The historic villages of Central Tilba, Tilba Tilba, Bodalla and Nelligen are prime examples. More broadly, elements of the coastal landscape, the farmland and the hinterland are all reasons why people choose to live and visit the Eurobodalla.” (Policy Directions Paper p. 15).

1.3.2 Rural Tourism Products

The principal rural tourism assets include:

- State land assets – National Parks, State Forests and reserves.
- Regional Reserves such as the Mogo State Forest and Eurobodalla Regional Botanic Gardens.
- Tourist Drives.
- Rural Accommodation including boutique resorts, farm stays, farm cottages, country cottages, bed and breakfasts park cabins and camping.
- Local Foods can be purchased at the Sustainable Agriculture and Gardening Eurobodalla (SAGE) Tuesday markets, the Moruya Saturday market, the Tilba Growers Market and some directly from suppliers and some local retail outlets

including restaurants. Products include dairy, seafood, vegetables, poultry, meats, wines, fruit and berries when in season.

- Rural villages (arts, heritage, local food, accommodation) that are attractions in their own right and are an integral part of the network of rural cycling trails and touring routes.
- Eurobodalla Cycling Trails (13 cycle ways included in the Eurobodalla Coast Tourism cycling brochure).
- Mountain Bike Tracks. Mountain Biking is permitted in State Forests and on most National Park management trails. Bodalla State Forest around Narooma is rated as having some of the best trails in NSW and home to the Red Belly/Cobra Mountain and Angry Doctor events. Mogo State Forest is home to the Maulbrooks Mountain Bike Park which hosts the Resurrection Mogo and Good Times Enduro events.
- Natural features – Gulaga, Montague Island, the coastline, etc. 83 beaches, more than 20 islands, 4 major river systems, lakes, coastal villages and vast tracts of nature reserves, wilderness and wildlife.
- Attractions such as Mogo Zoo and the Original Gold Rush Colony at Mogo.
- Water based attractions including cruise boats, house boats and charter fishing.
- Golf courses.
- Events such as car rallies in State Forests – Mogo and Narooma, horse riding endurance event at Nelligen.
- Heritage:
 - Eurobodalla Shire Council has 275 heritage items listed in its Local Environmental Plan and four items listed on the NSW State Heritage Register. Aboriginal heritage in the Eurobodalla is also reflected in planning instruments, with 11 Aboriginal Places of Heritage Significance listed in the Eurobodalla Local Environmental Plan 2012 (*Eurobodalla Local Environmental Plan 2012: www.legislation.nsw.gov.au/maintop/view/inforce/epi+333+2012+cd+0+N*).
 - In 2009, Council commissioned a detailed report on Aboriginal heritage (Eurobodalla Aboriginal Heritage Study Report, Donaldson, 2009). This report included many issues and items of Aboriginal significance, the majority of which fall in the rural zones. While there is sensitivity in the Aboriginal Community to public disclosure of some items, many of the broader landscape and dreaming themes could be a very important asset for the Aboriginal Community, Council and sympathetic tourist operators to develop.
 - Landscape heritage and stories such as those surrounding the sacred Mountain Gulaga and the Najanuka peak, near Tilba have major potential for public education including interpretive visits.

2 POLICY CONTEXT

The lead document for tourism planning in the Eurobodalla Shire is the Eurobodalla Shire Destination Management Plan 2011-2020 (EDMP). The Plan provides a strategic planning framework to guide the development, management and marketing of tourism for Eurobodalla and its destinations to 2020. The EDMP is consistent with the South Coast Regional Strategy and the South Coast Regional Destination Management Plan.

2.1 REGIONAL STRATEGIES

The South Coast Region Destination Management Plan (DMP) prepared by South Coast Regional Tourism sets the framework and strategic direction for the development and management of tourism and the broader visitor economy on the South Coast 2013 to 2020. The South Coast Region extends from the southern fringe of the Sydney Metropolitan Area to the NSW-Victorian border.

The South Coast Destination Management Plan identifies the following as priority strategies:

- Activation of National Parks and State Forests;
- Developing touring routes and themed trails;
- Growing the food, wine and local produce sectors;
- Growing special interest and activity based markets – nature, marine, adventure, cycling, walking, etc.; and
- Increased ‘commercialisation’ of attractions and assets – including growing the tour and equipment hire sectors, packaging, value-adding, development of commissionable and export-ready product.

The Plan identified an innovative accommodation targeted at the “experience seeker” market within or in close proximity to National Parks.

2.1.1 Rural Tourism

The following proposals presented by the South Coast Destination Management Plan are noted:

- Encourage Planning & Infrastructure NSW/Councils to adopt a flexible approach to assessing innovative accommodation proposals.
- Ensure that prime tourism development sites are recognised and protected in regional and local planning instruments.
- Explore with Crown Lands, NPWS and other Land Management Agencies, opportunities to release sites in prime locations for the development of visitor accommodation.
- Improve road access to National Parks and State Forests.

- Put in place signage (motivational, directional, and interpretative) and other support infrastructure (e.g. public art) to raise awareness of off-highway localities and attractions and motivate travellers to visit. A coordinated approach is needed along the entire Princes Highway corridor.
- Ensure that Tourism Routes, Themed Trails, cycle ways and walking trails are effectively signposted (directional and interpretive signage).
- Encourage the use of international icons in the signposting of facilities and services.

The South Coast Regional Strategy (2006-2031) proposes that local environmental plans identify appropriate sites for major tourism developments and that specific 'tourism' precincts be investigated consistent with the South Coast Regional Tourism Plan 2003-2006. These sites should focus on:

- Nature tourism;
- Art, food and wine production;
- Cultural and heritage tourism;
- Visiting friends and relatives market;
- Touring market; and
- Short breaks market.

The South Coast Regional Strategy goes on to say that local environmental plans will ensure that appropriate land will be made available to provide for a range of tourism experiences and forms of tourist accommodation, including the support of 'bed and breakfast' enterprises within residential and rural areas.

2.2 LOCAL STRATEGIES AND PLANS

The Eurobodalla Destination Management Plan 2011-2020 (EDMP) provides the strategic planning framework to guide the development, management and marketing of tourism for Eurobodalla and its destinations to 2020.

The Destination Management Plan recommends a number of key directions for tourism development in Eurobodalla the most relevant to rural tourism being sustainable tourism development and tourism product and experience development.

2.2.1 Destination Management Plan Direction: Sustainable Tourism Development

The purpose of this direction was to ensure sustainable tourism development to protect and enhance Eurobodalla's natural heritage, built and socio-cultural environments.

"Many regional destinations depend on their natural assets to attract visitors. If these assets are not maintained or compromised the destination may lose appeal to visitors and support of the local community. Best practice research for regional tourism destinations confirms that a good place to live is a good place to visit and that local government has an important role in establish planning and management

strategies to preserve natural, heritage, built and sociocultural environments.”
(EDMP p. 23).

The situational analysis and consultation process undertaken to inform the development of the EDMP confirmed the need (in rural areas) to:

- Retain the authenticity of towns and villages;
- Respect and protect residential amenity and community values;
- Continue to respect and preserve the natural environment;
- Improve communication to encourage and support potential development that responds to and capitalises on natural assets;
- Consider holiday-letting of residential properties in LGA planning policies to balance residential amenity and tourism as an emerging issue e.g. short term letting clause as in the Bega Valley LEP (Clause 6.11);
- Balance and plan for residential and tourism development;
- Support the development of nature based properties; and
- Consider population growth and residential amenity. (EDMP p. 24).

2.2.2 Destination Management Plan Direction: Tourism Product and Experience Development

The purpose of this direction was to “*encourage and support the establishment of appropriate and innovative tourism and hospitality investment opportunities to enhance business development and the visitor experience within Eurobodalla including opportunities related to: nature-based, adventure, indigenous, food and wine, heritage, and the arts.*”
(EDMP p 26).

The situational analysis and consultation process undertaken to inform the development of the EDMP confirmed the need to:

- Continue to diversify, develop and promote tourism product offerings and experiences that are innovative, and aligned with farm and nature-based experiences and lifestyle attributes of the area;
- Encourage and support the development and interpretation of local indigenous tours, heritage, cultural, and local food experiences;
- Encourage and attract new tourism operators and entrepreneurs to the area;
- Encourage development of ‘high end’ visitor accommodation and a diversity of experiences to encourage year-round visitation; and
- Work cooperatively with National Parks and Wildlife, Batemans Marine Park Authority and NSW Forests to establish viable recreational and nature-based tourism infrastructure, tours and activities.

To achieve the desired outcome for tourism product and experience development, the following strategies were recommended:

- Develop and promote a series of village touring itineraries (road, trail, cycle ways, and for water craft), throughout the region that focus on core attractions and experiences (nature-based, heritage, Indigenous and cultural) engage local businesses and operators. (EDMP strategy 5.4).
- Explore ways to better link with quality regional food and wine production, both locally and adjoining regions. (EDMP strategy 5.6).

NOTE: A series of driving and cycling itineraries have been developed subsequent to the adoption of the Eurobodalla Destination Management Plan. A tourism heritage map is currently being developed by Council.

2.2.3 Eurobodalla Shire LEP

Tourism is included in the aims of LEP 2012 and is a specific objective for development in the RU1 Primary Production zone: *To provide for recreational and tourist activities that support the agricultural, environmental and conservation value of the land.*

LEP 2012 also contains a zone for tourist development, being the SP3 Tourist zone, which is currently used for land with major tourism attractions, including the Mogo Zoo, the Original Gold Rush Colony at Mogo and The Moorings Resort at Tomakin.

“While the 2012 LEP facilitated a broader range of rural-based tourism opportunities, than the 1987 LEP, the Eurobodalla Destination Management Plan noted that it is important that tourism is planned and managed to ensure that product offerings and experiences are innovative, continue to diversify and are aligned with the area’s natural resources and lifestyle attributes.” (ROC p. 24, 25).

Eurobodalla LEP 2012 permits the following types of rural tourism attractions and accommodations, with consent, in the RU1 and RU4 zones:

- Boat launching ramps;
- Boat sheds;
- Cellar door premises;
- Eco-tourist facilities;
- Recreation facilities (outdoor);
- Roadside stalls;
- Rural tourism accommodations including:
 - bed and breakfast establishments;
 - farm stay accommodation;
 - rural cabins;
 - holiday homes; and
 - village accommodation, eco-tourism accommodation or camping grounds.
- Dual Occupancy dwellings that can be let for short term accommodation.

Discussion Paper 3 contains a review of permissible uses and considers whether there are further tourism related uses that could be made permissible in rural areas and a discussion on the use of the SP3 (tourist) zones. The review acknowledges that tourism products change over time and that zoning and land use needs to be as flexible as possible to accommodate new tourism products. For example, Airbnb is a relatively recent tourist accommodation product that may, or may not, require development consent. The review also takes into account there are a range of tourist activities that could be considered as ancillary to other uses on the land. For example, “farm experience” activities, such as learning to milk a cow, may be considered ancillary to the dairy farm and therefore could be undertaken without development consent.

The Shire has a number of historic villages located within our rural areas, such as Central Tilba, Tilba Tilba, Bodalla and Nelligen. These villages are zoned RU5 Village and the LEP allows a wide range of business and accommodation in the RU5 zone which are closely related to the surrounding rural landscape.

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3 ECONOMIC VALUE OF TOURISM

Tourism is an important part of the Eurobodalla Shire economy. The ESC Destination Management Plan identifies tourism as an important economic driver that provides the region with a good economic foundation. The average annual tourism spend (over a 4 year period) to September 2014 was \$388M compared to \$325M in 2009.

It should be noted that these figures are for Eurobodalla in general and while the majority of spend occurs in urban areas, the rural lands supply the natural and cultural landscapes that help make Eurobodalla such an attractive destination. Without the rural and coastal attractions, Eurobodalla's tourist industry would be of much smaller scale.

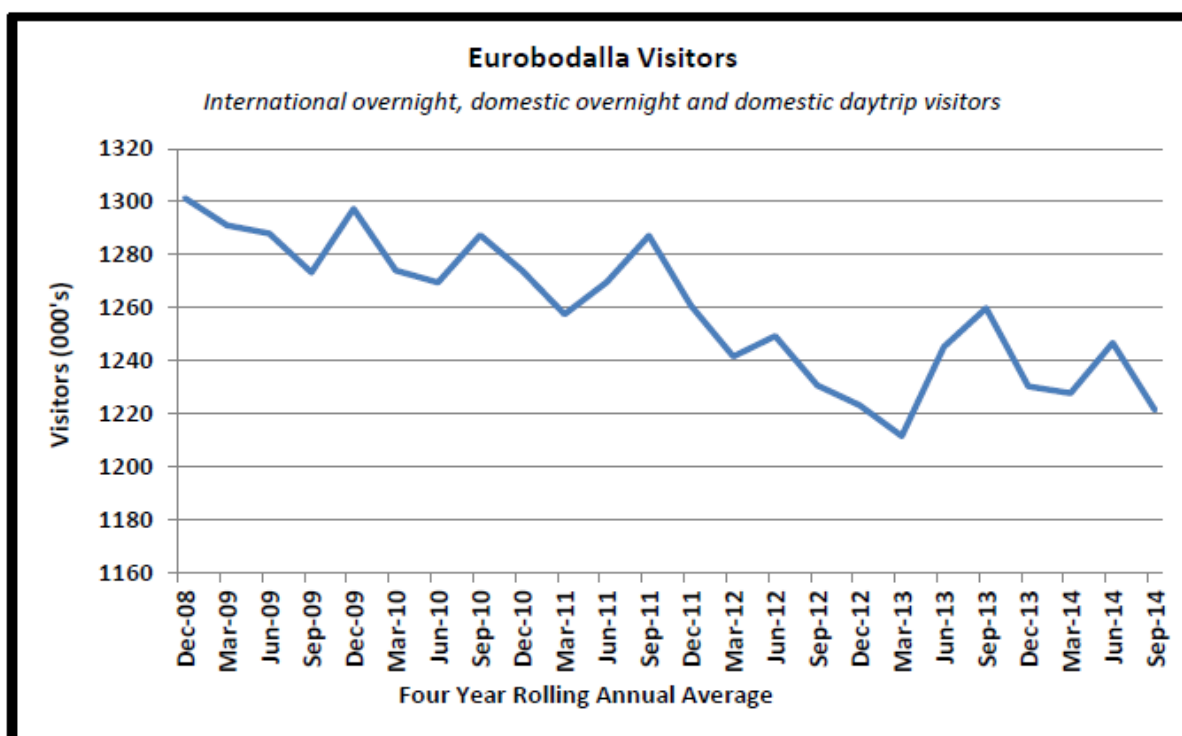
Destination NSW (LGA Profile Eurobodalla) presents the following data for a four year average to the year ending September 2014:

Table 1: Tourism Data to September 2014 (average annual over a 4 year period)

Total Visitors (overnight and domestic day trips)	1,221,000
Total Overnight Visitors	724,000
Total Nights	2,747,000
Total Spend (overnight and domestic day trip)	\$388,000,000

(Source: Destination NSW, LGA Profile - Eurobodalla)

While it is acknowledged that tourism adds significantly to the local economy, recent research by Tourism Research Australia demonstrates a reduction (over a 7 year period) in the total number of visitors to Eurobodalla. This compares to a slight increase in visitor numbers over the same period from approximately 2.3m to 2.36m in Shoalhaven and from 0.7m to 0.8m in the Bega Valley Shire (Destination NSW 2015).



(Source: <http://www.destinationnsw.com.au/wp-content/uploads/2015/06/Eurobodalla-LGA-profile-1.pdf>)

The Rural Lands Issues Paper quotes a 2006 study by the Centre for Agricultural and Regional Economics that the expenditure of visitors to National Parks managed areas in Eurobodalla was significant.

In 2006, a total of 355,680 people visited protected areas in the Eurobodalla, generating around 455 jobs, almost \$11m in wages and salaries and \$78m in expenditure on local goods and services. (Rural Lands Issues Paper p. 11).

Statistics from a visitation report conducted by Roy Morgan (2015) at the Eurobodalla National Park show the following recent visitor numbers:

Table 2: Eurobodalla National Park Visitor Numbers

Year	Number of Visitors
2008	344,145
2010	372,747
2012	240,420
2014	342,999

(Source: Roy Morgan Research Ltd (2015) Annual Visits to PWG Managed Parks in New South Wales)

Applying the 2006 Centre for Agriculture and Regional Economics figures to the Eurobodalla National Park figures suggests that the park generated \$88M in local expenditure in 2014 (on the assumption that per visitor spend increased at a conservative 2% per annum).

4 DEMAND FOR ACCOMMODATION

Monitoring of development applications from the past decade indicates a small but continuing flow of applications for tourist cabins and dual occupancies.

Hard data is currently limited. The Australian Business Register (ABR) indicates approximately 80 tourism businesses in the rural parts of the Shire that have an active Australian Business Number but perhaps only 1/3 of these are accommodation related. But there would be additional tourism businesses of smaller scale that are not trading on an ABN and many other casual accommodation providers e.g. casual letting of existing houses.

ABR data, along with rural DA approvals of tourism development might be monitored by Council in future to develop trends.

Anecdotally, Eurobodalla's tourism industry, like many parts of Australia suffered a downturn since the Global Financial Crisis and factors such as (until recently) a high Australian dollar, have added to the cost to visit from overseas.

ABS and Tourism NSW produce statistics on accommodation as per below but do not distinguish urban from rural accommodation. Note also that the data is collected only for establishments with more than 15 rooms. Therefore many smaller rural establishments (e.g. farm cottages, rural retreats and B&Bs) would not be included. The main differentiating measure between Eurobodalla and the South Coast Tourist Region is the lower room occupancy rate in Eurobodalla.

Table 3: Eurobodalla tourist accommodation profile year ended June 2014

	Supply		Demand	Revenue
	Establishments	Rooms	Room occupancy rate and (annual change)	Revenue from accommodation and (annual change)
Eurobodalla LGA	28	734	42% (-1.5%)	\$16.2M (+6%)
South Coast Tourism Region	120	3729	50.9% (+2.1%)	\$97.6M (+6%)
Regional NSW	1094	36,958	51.7% (-1.5%)	\$951.3M (-1%)

(Source: <http://www.destinationnsw.com.au/wp-content/uploads/2015/01/Eurobodalla-LGA-accommodation-profile.pdf>)

NOTE: only establishments with 15 or more rooms are included.

5 IDENTIFICATION OF RURAL TOURISM ISSUES AND OPTIONS FOR THE RURAL STRATEGY

We note that many of the issues and options identified in the background documents to the Rural Land Strategy (*Issues Paper, Opportunities and Constraints Report* and the *Policy Directions Discussion Paper*) have tended to be general in nature.

This Section provides a summary of the rural tourism issues and options identified in these documents along with issues and options encountered during the research undertaken for this Discussion Paper.

Section 7 of this Discussion Paper will present and expand on the preferred options and recommend strategies to address each option.

5.1 ISSUES AND OPTIONS RAISED IN THE RURAL LANDS ISSUES PAPER

The following rural tourism issues and opportunities were identified:

- Diversifying rural land use to include tourism is seen as positive for economic development. The challenge for tourism initiatives is to coexist with agricultural activity without causing conflict or undue constraints.
- Waterways are important to the tourism industry and provide the supply of potable water to the Eurobodalla residents and visitors.
- Appropriate management of the Shire's heritage, particularly in rural areas, can increase opportunities for tourism.

5.2 ISSUES AND OPTIONS RAISED IN OPPORTUNITIES AND CONSTRAINTS REPORT

The following rural tourism issues and opportunities were identified:

- Further research and work specific to rural-based tourism in Eurobodalla is required with regard to:
 - product gaps. (A tourism product demand and supply study would be required to address this issue.)
 - new products such as touring routes and trails that link food, agriculture and nature experiences such as Australia's Coastal Wilderness and Australia Oyster Coast. (The Oyster Coast specifically highlights food and agriculture.)
 - principles for identifying rural tourism precincts or locations for development of rural based tourism. (Could be incorporated into rural tourism development guidelines.)
 - uses to be promoted in rural areas and uses to be discouraged in rural areas. (Relationship to LEP land use tables needs to be considered.)

- monitoring demand for specific types of rural tourism attractions or accommodation and planning appropriate infrastructure, ease of development and promotion of opportunities.
- It is essential to protect environmental values of the Shire as they form a cornerstone of the Shire’s tourism and amenity.
- Capacity of existing infrastructure and upgrade costs associated with rural tourism development.
- Limitations based on seasonality and costs associated with upgrading accommodation to be suitable for winter conditions.
- Poor broadband and mobile phone coverage and service. (Access to broadband and mobile reception is likely to become increasingly important when choosing holiday accommodations and destinations.) In a recent survey, 74% of travellers interviewed in the Trip Advisor *2015 Trip Barometer infographic on the Global Travel Economy* said free in-room Wi-Fi was the most important factor in booking accommodation. (Source: <http://www.tripadvisor.com/TripAdvisorInsights/n2580/tripbarometer-2015-global-global-travel-economy>).

5.2.1 Opportunities

- Further develop nature based tourism in conjunction with the significant natural and cultural heritage assets of Eurobodalla e.g. bird watching, geological sites, bicycle trails.
- Indigenous heritage, bush skills, local history.
- Develop tourism attractions in conjunction with agriculture and local food experiences. The food sector was recognised by the Eurobodalla Shire Business Management Strategic Plan 2014-2018 as having increasing advantages as evidenced by the emergence of restaurants recognised in the Good Food Guide, River Cottage Australia, the Moruya SAGE markets winning the 2014 and 2015 Delicious Produce Awards - and Australia’s Oyster Coast. Supporting these high profile successes are strong local brands such as Tilba ABC Cheese Factory, Tilba Milk and South Coast Cheese, Bodalla.
There may be scope to engage with SAGE and the Tilba Markets to increase awareness of availability of locally grown food and products. However, some additional financial resources may be needed for SAGE or the Tilba Markets to undertake this task. The possibility of some market rental revenue being re-directed for such a purpose is discussed in Discussion Paper 7 Local Food.
- Promotion of Moruya Airport as a means of easy access for tourists, particularly international tourists via Sydney.
- Development of local events that can align and build on food tourism e.g. Narooma Oyster Festival, Southern Harvest Festival Moruya.
- Develop festivals and events out of main tourist season relating to food and farm tourism.
- Increased use of tourism infrastructure through the winter months and ‘shoulder’ season when the area is still warmer than Victoria, Tasmania, etc. To achieve this may

perhaps require targeting a higher yielding demographic and associated higher quality accommodation. Although there is also anecdotal observation of increasing backpacker visitation at the low cost end of the market and use of Airbnb and other internet booking services to rent lower cost rooms for short stays by international travellers.

5.2.2 Principles for Policy Direction

A set of principles for direction of policy were developed from the opportunities and constraints analysis.

The Opportunities and Constraints report noted that there was strong support in policy and within the community for development of rural-based tourism. The report concluded that a number of ideas have been mooted but because of a lack of information, particularly market research to support specific initiatives, projects may not have progressed and some research and analysis was required to identify:

- Product gaps and new products such as touring routes and trails that link food, agriculture and nature experiences.
- Uses to be promoted and uses to be discouraged in certain areas, having regard to the following locational criteria:
 - avoid land identified as productive agricultural land (except where the tourism activity is value-adding to existing agriculture) or for future urban development;
 - avoid land that is subject to predictable adverse environmental processes and effects including storm surges, river and coastal flooding, landslip or geotechnical risk (acid sulphate soils) or extreme bushfire risk;
 - promote tourism on land:
 - located in close proximity to existing tourism products and infrastructure nodes;
 - located in proximity to National or State Parks, coastal parks or ocean beaches or is linked to a touring route or major access route identified in a tourism strategy;
 - that provides easy access to a major road, highway or touring route; and
 - that provides an attractive setting.

5.2.3 Scenic values and landscapes

Scenic values and amenity were identified as important and distinguishing features of Eurobodalla and as important tourism attractors.

The Eurobodalla Settlement Strategy proposed the following:

- Ensure that the special and unique scenic characteristics and natural or rural settings are retained and protected.
- Recognise that areas with high scenic value are important to residents and visitors and generally also contain ecological importance.

The Rural Opportunities and Constraints Report for the Rural Lands Strategy project states that:

“The Tilba Conservation Area is the prime example of a landscape with important and historic scenic values, where agriculture, natural values and rural villages together make up a significant economic and tourism asset. Other important scenic areas adjoining Eurobodalla’s major towns have been identified in the Greater Batemans Bay, Moruya and Narooma Structure Plans.” (Opportunities and Constraints Paper p. 43).

The Opportunities and Constraints Report suggests that activities such as low impact tourism and accommodation could be considered as potential alternative land uses on land that is of important environmental or scenic values.

There are many landscape features of significance to the Aboriginal community and some that could with appropriate sensitivity, be incorporated in tourist attractions and trails.

5.3 ISSUES AND OPTIONS RAISED IN POLICY DIRECTIONS PAPER

Draft Policy Direction 4: *Promote and grow rural tourism* includes the following issues and opportunities.

- Important to ensure that tourism developments do not compromise the use of productive agricultural land for agricultural activities, either by replacing agriculture with tourism, or by causing land use conflicts.
- Rural-based tourism on existing farms should be seen as a value adding opportunity for the land owner.

The Policy Directions Paper proposes the following criteria for identifying areas suitable for rural-based tourism:

- Avoid the most productive rural land, except where the tourism activity is value adding to existing agriculture and will not impact the future use of adjoining land for agriculture.
- Avoid land identified for future urban development.
- Focus tourism on land:
 - in close proximity to existing tourism products and infrastructure nodes;
 - in close proximity to National or State Parks, coastal parks or ocean beaches or linked to a tourism route or major access route identified in a tourism strategy;
 - that provides easy access to a major road, highway or tourism route; and
 - that provides an attractive setting.

5.3.1 Policy Directions: Issues Identified from Community Feedback

In the course of preparation of this Paper, discussions were held with several people involved in rural tourism. Comment received in submissions to the Policy Directions Paper were also reviewed. The following points were identified:

- Concern that areas with a coastal vista (which is key to tourism) could be taken up with urban expansion.
- To ensure tourism attractors are retained, development in rural areas should have regard to the impact on important environmental and agricultural areas and scenic landscapes.
- Keep scenic roads and road traffic low key to complement the natural attributes of localities.
- Use of SP3 zoning for major rural tourism developments, particularly along tourist routes.
- Use of split zoning when holdings have two or more very different environmental characteristics.

In addition to the above, we consider it useful to present the following issues raised in a submission from a rural tourist business as it may be representative of the issues faced by many tourism operators.

Over the years this operator has won many awards and accolades. The accommodation side of the business has an occupancy rate of between 74% and 80% on a year round basis. Even with such a high annual occupancy rate their experience demonstrates that it is not possible to run a financially sustainable tourism development such as theirs with only six cabins. They are hoping to build to a size that, in their words “becomes more economically viable through economies of scale”.

The business identifies itself as a flagship nature based luxury tourism venue in the Shire and possibly the region. The operator, in its submission, contends that guests spend a significant amount of money in the region (in addition to accommodation). This is backed up by in-house research they undertook in 2009 which demonstrated that (in addition to accommodation) 62.8% of their guests spent between \$101-\$500 per stay and 29.2% of their guests spent \$501-\$1000 per stay.

The operator has undertaken surveys to establish topographic and vegetation mapping of their allotment and contend that expanded development is possible without adversely impacting on the environmental values of the site.

Their submission to the Policy Directions Paper community consultation states that:

It is also very important that the planning instrument[s] properly reflect both the current and intended use of the site as a tourist facility and the commercial reality that financial institutions and potential future investors have clarity that the planning provisions permit appropriate tourist and visitor accommodation and associated attractions on-site, subject to merit.

Their submission is that SP3 zoning would satisfy financial institutions and investors re: planning provisions and appropriately reflect current and future use. They have also

suggested that split zoning may be suitable for their allotment as there are differing land characteristics on their 40 ha block.

The use of specific zoning such as SP3 (Tourist) could have merit but should be considered on a case by case basis as part of a planning proposal to rezone a specific site for a specific proposed tourist development (as a joint planning proposal and development application). It would need a careful site assessment to address a range of issues, including:

- Ensuring the land can physically service a large scale tourist development in terms of access, sewer and water;
- Potential increased visual impacts on the rural areas; and
- Possible adverse impacts on surrounding productive commercial agriculture and conversely agricultural impacts on tourism such as spray drift, noise and odour.

5.4 EUROBODALLA DESTINATION MANAGEMENT PLAN

Issues and options discussed in the Eurobodalla Destination Management Plan include:

- Need to retain authenticity of towns and villages;
- Respect and protect residential amenity and community values;
- Continue to respect and preserve the natural environment;
- Improve communication to encourage and support potential developers on how to address planning and development controls;
- Consider holiday-letting of residential properties in planning policies to balance residential amenity and tourism;
- Support the development of nature based properties;
- Consider population growth and residential amenity; and
- Develop and promote Sustainable Tourism Development Design Guidelines to provide potential developers and property owners with information to encourage the development of quality and sustainable development that complies with Council and environmental policies.

5.5 A SUMMARY OF RURAL TOURISM ISSUES AND OPTIONS FROM BACKGROUND PAPERS AND OUR RESEARCH

- A review of rural attractions and destination signage is desirable.
- Identify product shortfalls and more research needed on product gaps.
- Co-operative projects with National Parks and Forestry Corporation on projects such as “Nature Walks” program, the Corn trail (from the Clyde Mountain to Bolero Valley) and the Bingi Dreaming track (Eurobodalla National Park).
- It is essential to protect the Shire’s environmental values which have been identified as a key attractor for Eurobodalla nature based tourism and an important contributor to the Shire’s amenity and economy.
- There seems scope to increase promotion of tourism assets in rural areas by developing more tourist drives.
- Maximise the promotional value of local produce.
- Review permissible tourism uses in rural zones to deliver more flexibility.
- Consider use of the SP3 zone for proposed major tourist developments through site specific joint planning proposals and development applications. Develop principles to guide consideration of planning proposals and development applications for major tourist developments.
- Need to develop product that increases the yield per visitor. There is not enough top end or backpacker accommodation, for example. (Based on anecdotal evidence from interviews.)

6 PREFERRED OPTIONS AND RECOMMENDED STRATEGIES FOR RURAL TOURISM

6.1 EUROBODALLA ECONOMIC STRATEGIES AND RURAL TOURISM

Recommended actions	Strategy
Continue to develop tourism product that incorporates local food in particular the dairy and oyster industries	The Business Development Division and Tourism Division might further co-ordinate co-operative marketing with key food producers to develop a food and wine tourism drive. This could be linked with food festivals such as the Southern Harvest Festival and Narooma Oyster Festival. Consider developing in association with destinations, a loyalty/passport card. Encourage activities such as road side stalls, farm gate sales, tasting rooms in appropriate locations. Incorporate local food sampling and inspection of local food production / preparation into tour itineraries. Review LEP permissible land uses. (This is developed in Discussion Paper 3).
Increase the number of tourist drives.	Review the adequacy of current supply of tourist drives in Eurobodalla. Should a need be identified, Council to develop additional tourist drives in association with key rural destinations and local food producers.
Increase awareness of availability and importance of local food.	Review SAGE market site rental fees policy. Consideration might be given to rental revenue from the SAGE Market being re-directed to outcomes associated with activities such as Southern Harvest Festival, community awareness, training and education.
Facilitate the progress of rural tourism development proposals.	Develop a rural tourism development guide that takes proponents through the feasibility and planning stages. Once a proposal is identified as major and complex, continue the current practice of offering pre-lodgement meetings with proponents that include representation from Council planning, engineering and business development.
Review existing motivational, directional and interpretive signage to raise awareness of off-highway destinations.	Establish a multi-agency task group to undertake a Tourist Signage Plan for the Shire. Key players would include ESC, NPWS, and State Forests. Seek State Government funding e.g. from the Regional Tourism Infrastructure Fund. The Tourist Signage Plan should have regard to the various existing signage requirements and guidelines including SEPP 64, the RMS guidelines and Council's Town Signs Policy
Facilitate Aboriginal Cultural heritage tours.	With consultation, encourage the incorporation of Aboriginal cultural landscape features and heritage into formal and self-guided tours. (See Donaldson reports).
Improve monitoring of rural tourism businesses to map trends.	Council undertake 5 yearly reviews of business numbers and trends in the rural areas using data like the Australian Business Register and its own development approvals and licencing. Consider effecting targeted surveys of tourism businesses using the ABR data for contact.

6.2 RURAL TOURISM STRATEGY FOR THE LEP

Recommended actions	Strategy
Entertain planning proposals for appropriate zoning for larger rural tourism development.	<p>Proposals for large scale tourist developments may be considered for site specific Planning Proposals as long as the following principles can be met:</p> <ul style="list-style-type: none"> • Require a full development application to be assessed with the Planning proposal. • Ensure the land has capability to service a large scale tourist development in terms of access, sewer and water. • Visual impacts on the surrounding rural areas must be positive. • Minimal adverse impacts on surrounding productive commercial agriculture and conversely agricultural impacts on tourism such as spray drift, noise and odour.
Maximise the range of exempt and permissible tourism uses compatible with the Rural or rural residential zones	<p>Discussion Paper 3 explores the current and any suggested changes to permissible uses.</p> <p>Exempt uses already seem appropriate. For example Council through Clause 6.15 of the LEP already allows use of vacant existing rural and rural residential zone dwellings for short term letting for up to 45 consecutive days in any 12 months. Possibly this very useful provision might be better promoted to rural land owners as there seems to be some ignorance of its existence.</p>

6.3 RURAL TOURISM STRATEGY FOR PLANNING POLICIES AND GUIDELINES

Recommended actions	Strategy
Focus on tourism development that meet location guidelines (e.g. proximity to tourism infrastructure, attractions and access).	<p>Develop rural tourism guidelines and check list for developments such as primitive camping, cabin development, farm stays, and farm gate sales.</p> <p>The guideline may include a check list of planning steps required pre- DA stage that could be completed by proponent without approaching Council (e.g. site analysis, & location analysis- such as access, proximity to attractions , compliance with bushfire regulations, on-site sewage), how to complete a simple DA and what triggers a more complex DA.</p> <p>The guide could promote existing exempt provisions such as Clause 6.15 on short term letting, and other uses that do not require development consent if they are considered ancillary to the primary use of the land.</p>

Recommended actions	Strategy
Simplify approvals process.	Develop a set of rural tourism guidelines/ check lists. (See above reference to guidelines). Once the above self-assessment triggers a need for a complex DA and the project is identified as large scale, Council to continue the current practice of offering pre-lodgement meetings with proponents that include representation from Council planning, engineering and business development.
Protect natural and landscape values.	Prepare a guideline for development in high quality visual corridors.

6.4 PARTNERSHIPS AND LOBBYING

Recommended actions	Strategy
Liaise with NPWS and Forestry Corporation of NSW to identify tourism opportunities in and adjacent to National Parks including options for accommodation.	Liaise with NPWS and FC to identify: <ul style="list-style-type: none"> • Park Tourism assets most suited for inclusion in tourist drive itineraries. • Co-operative marketing opportunities for programs such as the Nature Walks Programme. • Near Park locations on private lands suited to tourist accommodation including primitive camping, permanent tent site accommodation, resort style accommodation.
Improve broadband and mobile reception	Continue lobbying the Commonwealth for mobile and broadband improvement.
Increase focus on food and wine tourism	Emphasis on food is seen as an opportunity for tourism growth in the Eurobodalla. To build on existing strengths, it is suggested to bring the principal players in food tourism together on a regular basis to develop a rural food tourism strategy, Principal players may include Eurobodalla Tourism Advisory Committee, restaurants recognised in the Good Food Guide, southern Harvest and Oyster Festival organisers, Council tourism and business development divisions.

7 REFERENCES

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