

Nature Based Tourism — A Goose Laying Golden Eggs

In 2002 the Australian Tropical Research Foundation released an independent study by Cairns based corporate advisers, Kleinhardt FGI Pty. Ltd., into the Daintree and Fraser Island, showing that an estimated 796,000 visitors and 1.7 million visitor days are spent in the two regions in total. They are generating \$675 million for the economy annually and create over 6,000 jobs between them.

The Kleinhardt study was facilitated by a \$US15,000 grant applied for by FIDO's Honorary Project Officer, John Sinclair, which was passed on to the Australian Tropical Research Foundation by the San Francisco based Sierra Club Foundation. The grant translated to more than \$27,500.

This report provides an estimate of the *Total Economic Value* of both the Daintree and Fraser Island. The full details of this 58 page report are published in full on FIDO's web site — www.fido.org.au

The Daintree (the coastal strip from the ferry to Cape Tribulation) receives approximately 306,000 day visitors per annum, representing 70% of all visitors. The remaining 130,000 visitors (30%) are overnight visitors staying approximately 497,000 visitor days or 3.8 days on average. Total Direct and Indirect Financial Value from tourism and recreation within the Daintree is \$395.6 million. This generates more than 3,489 jobs in the Far North Queensland region.

Fraser Island

From the Executive Summary

The majority of visitors to Fraser Island are overnight visitors, with approximately 223,000 visitors (62%) staying 736,000 visitor days or 3.3 days on average. An additional 137,000 visitors are day visitors. In total, visitors spend an estimated 873,000 visitor days on the Island.

Visitors to Fraser Island are split evenly between FITs (49%) and visitors of CTOs (51%). Slightly more overnight visitors to the Island are campers (53%) spending 390,000 visitor days, compared to those visitors spending 346,000 visitor days in commercial rooms.

It is estimated that some 40% of visitors to Fraser Island are international visitors, with the majority of the remainder being intrastate visitors from elsewhere in south-east Queensland.

The Direct Financial Value of tourism and recreation on Fraser Island was found to be \$116.7 million. Additional Financial Value generated within the Fraser and Sunshine Coast regions in the process of visiting the Island is estimated to be \$39.3 million.

Regional multiplier effects have been calculated in the order of \$109.22 million, creating a Total Direct and Indirect Financial Value from tourism and recreation on Fraser Island of \$265.25 million.

Up to 2,880 jobs are generated in the Fraser Coast and Sunshine Coast regions from tourism and recreation on Fraser Island.

The consumers' surplus associated with visiting Fraser Island was calculated to be between \$15.70 to \$32.63 per visit in 1990. Indicative Economic Value associated with the Island's use as a tourism and recreation destination, at current visitation levels, is between \$5.6 and \$11.7 million.

The Total Economic Value of Fraser Island, incorporating its Economic Value and Direct and Indirect Financial Value from tourism and recreation, is therefore estimated to be in the order of \$277 million.

**Natural resources also require maintenance;
Maintaining assets requires adequate funding.**

FIDO's Response

For too long the worth of Fraser Island's tourism has been grossly undervalued. This has resulted in the Queensland Government failing to provide sufficient resources to sustainably manage this goose which lays golden eggs.

FIDO wants the Queensland and Commonwealth Governments to work towards a formula to spend 5% of the economic worth on management (or more appropriately "asset maintenance"). This would mean raising the annual expenditure on Fraser Island to between \$13 and \$14 million instead of the paltry and woefully inadequate budget which has yet to exceed \$5 million in any year (including about \$3.5 million from RAM "user-pays" fees).

FIDO's formula has been established on four simple principles and precedents:

- * Basic accounting principles for virtually any private enterprise suggest that 10% of turnover should be spent on marketing and promotion (including advertising) and a similar amount on maintenance. While the amount may vary above or below 10% in any year, this rule of thumb prevails. We don't believe, therefore, that it is unreasonable to be demanding 5% for asset maintenance. We can't sustain nature-based tourism unless we properly maintain the asset.
- * Kakadu is a very well managed National Park. It receives 200,000 visitors (about 2/3 of Fraser Island numbers) and is presumably worth less than Fraser Island by any comparison of the economic value. The Commonwealth Government spends \$12 million on Kakadu, annually. By this comparison, \$13-\$14 million for Fraser Island is well justified.
- * Spending per hectare on National Parks:

Queensland	\$5.50
Victoria	\$9.00
Tasmania	\$10.00
New South Wales	\$24.80

The above comparisons demonstrate conclusively that Queensland is under-spending on National Parks.

- * Governments generously support other industries that are contributing far less to the economy. As Emeritus Professor Lowe pointed out in his statement:

"The public subsidy of the aluminium industry is over \$200 million in cash and a further \$270 million in uncharged carbon emissions, making nearly \$500 million in total - about \$40,000 per job! Road freight is subsidised by about \$30,000 per heavy truck, and farming in areas that are drought declared year after year costs the community tens of millions each year.

"It makes much better economic sense to invest in sustainable activities like nature-based tourism."