

MID-WESTERN REGIONAL COUNCIL AREA VISITATION AND ECONOMY AT RISK FROM PROPOSED BOWDENS MINE IMPACTS ON THE LOCAL TOURISM INDUSTRY

Visitor economy issues

Whether this mine is allowed to proceed, and if so under what conditions, is of critical economic interest to Mid-Western Regional City ratepayers and around 800,000 mostly NSW residents who visit this area each year. This is separate from the health concerns of many residents about toxic chemicals, particularly from lead mining reaching water supplies, groundwater, and agricultural land.

A review of the net benefit or cost of this mine proposal needs to look beyond the impact on this project and the mining sector to consider the much larger number of jobs at risk from negative impacts on other industries, most obviously tourism and agriculture. In addition, other mining projects in the area are at risk from a possible community backlash against mining if the proposed Bowden mine, as expected to produce an average of 5100 tonnes of lead, 6900 tonnes of zinc and 3.4 million ounces of silver per annum, produces major environmental problems. ⁱ

Economic benefits and key attributes of tourism to this Council area

This report provides the necessary evidence on the importance, key features, growth and outlook of this Council area's tourism industry. Endnotes to this submission explain the sources of the data used.

As noted on the Mid-Western Regional Council website quoting 2016-19 averages: this area "attracts over 691,000 visitors each year to experience the incredible local wine, food, heritage and natural scenery." These visitors brought annual visitor spending of \$200 million in this area over these four years. ⁱⁱ More recently, there were an estimated 826,000 visitors to this area in 2020-21. ⁱⁱⁱ

The visitor economy has been a fast-growing contributor to the Council area economy. From 2010-11 to 2020-21, the number of domestic overnight visitors more than doubled. This type of visitor provided 82% of the area's total visitor spending in the four years ending 2019. ^{iv}

In 2020-21, an estimated 931 jobs were created by the direct (first round) impacts of tourist spending in the Mid-Western Council area, as outlined in the attached report. ^v Tourist spending provides close to the 981 jobs estimated for the important Agriculture/Forestry/Fishing industry in this Council area (source: ABS Census 2021). ^{vi}

Tourism jobs represented over 8 per cent of all jobs in this local government area. Jobs due to tourist spending were also 21 times the number of jobs in this LGA due to metal mining and over 6 times the number of mining jobs other than coal mining. Tourism spending in 2020-21 provided an estimated six times the expected operating jobs of the

Key findings for the Mid-Western Regional Council area

In brief, this mine proposal risks what has become the golden goose for the Mid-Western Regional Council area of tourism.

691,000 visitors per annum in the four years ending 2019. 826,000 visitors in 2020-21.

The tourism industry has been a growth success story for the Council area doubling in 11 years before the mine.

931 jobs directly due to visitor spending in 2020-21. Or 21 times the jobs in metal mining and 6 times the jobs in mining other than for coal.

Tourism spending in 2020-21 provided six times and with agriculture 12 times the expected number of jobs of the mine.

Bowden's Mine (160 jobs).^{vii} Tourism plus agriculture provided 12 times the expected operating jobs of the Bowden's Mine.

In 2010-11, only an estimated 410 jobs were due to the direct (first round) impacts of tourist spending in the Mid-Western Council area. So, tourism created a further 521 jobs over the 11-years to 2020-21 in this area.^{viii}

Unlike the mining industry, the around 800,000 tourists also provide critical support to many services of value to local residents, such as improved food and beverage outlets and things to do locally.

To assess the expected impacts of the mine approval on future visitation to the area, it is necessary to review the key activities of domestic overnight visitors to the area. Overnight domestic visitors to the Mid-Western Regional Council have a greater probability of visiting wineries (one of the highest shares for this activity in Australia), taking bushwalks, visiting National Parks and eating out at restaurants and cafes (with three hatted restaurants in the area) than do visitors to the remainder of the Central NSW region, as shown in Figure 1.

Figure 1. Share of domestic overnight visitors with selected activities at stopover in 2020-21

	Visit national parks / state parks	Visit botanical or other public gardens	Bushwalking / rainforest walks	Cycling	Visit museums or art galleries	Go to markets	Visit wineries	Eat out / dine at a restaurant and/or cafe
Mid-Western Regional LGA	17%	7%	21%	4%	12%	6%	42%	66%
Remainder of Central NSW Region	12%	7%	15%	2%	13%	4%	8%	59%

Source: Tourism Research Australia, National Visitor Survey, extracted using TRA Online.

Domestic overnight visitors to this regional area, as well as having a heightened focus on nature, wine and dining, have unusually high household incomes. In 2020-21 the median household income of visitors to the Mid-Western Regional Council area was \$156,000 as compared to the equivalent figure for the remainder of the Central West NSW region of \$135,000.

The outlook for tourism to the Council area was being led by wellness as well as wine/food/nature

After a comparatively very strong COVID period, the outlook for tourism to the Council area was looking very strong in the absence of the mine.

The December 2022 update of Australian Government tourism forecasts now forecasts that from 2022 to 2027, annual national total tourism spending will increase by 35% (after inflation, and 62% before inflation).

The outlook for tourism to this Council area is also far more positive than most regional NSW areas, reflecting Mudgee winning Top Tourism Town in Australia with more than 5,000 people in each of 2021 and 2022. Tourism to Mudgee is also increasingly attracting wellness tourists. The Mudgee Region Destination Management Plan 2020 – 2025 (DMP)

521 additional jobs were directly created due to regional visitor spending increases from

Increasing tourism has driven improved services to residents.

Wine, nature and dining out are key activities of overnight domestic visitors to this area – all activities which rely on a reputation for pristine natural environments.

Visitors to this area also have significantly higher household incomes and may also be more concerned about environmental toxins with lead mining than visitors to the larger Central NW region.

New Australian Government forecasts show national tourism growing very quickly from 2022 to 2027.

As reported by Traveller Magazine: "New South Wales' burgeoning food and wine hub of Mudgee has held onto its crown for Australia's top tourism town for a second year running, proving the first time was no fluke."

specifically addressed wellness tourism. It was one of the five primary experience themes identified as part of the DMP's framework.

Wellness tourism is a growing sector globally. In recent years, it has evolved to a more holistic view, which integrates sustainability as much as it does human health and well-being. SKIFT, Accenture, Forbes, Booking.com and other major global tourism research providers have identified this emerging trend as a primary motivator for travel in 2023 and beyond. Forbes Magazine noted that “wellness tourism has boomed globally to a massive US \$793 billion industry expected to grow to \$1,672 billion by 2030”.^{ix} Global tourism research also highlights that there's a growing desire to make travel decisions that have a positive impact on the environment, with citizen scientist travel an obvious example. Travel choices are increasingly reflecting people's values and concern for the footprint they leave, especially for younger generations.

There is an obvious conflict between attracting tourists interested in high-quality local wine and food and/or having a wellness focus and the risks of lead mining, including lead poisoning and acid toxicity.

Yours sincerely,

Karl Flowers ^x

Managing Director

Decisive Consulting Pty Ltd

ENDNOTES

ⁱ <https://www.silvermines.com.au/projects/bowdens-silver-project/> (2023), This website quotes the project Feasibility Study estimates of annual average production of these outputs.

ⁱⁱ Mid-Western Regional Council (2023) website, <https://www.midwestern.nsw.gov.au/Business/About-the-Region>). This data comes from the current Tourism Research Australia (TRA) local government area profile for this LGA at: <https://www.tra.gov.au/Regional/local-government-area-profiles>

ⁱⁱⁱ TRA (2023) Data derived from Tourism Research Australia (TRA) using National Visitor Survey results for 2020-21.

^{iv} Same source as endnote 1.

^v Decisive Consulting Pty Ltd (2023), Estimate derived using Regional Tourism Satellite Account data for Central NSW from TRA, <https://www.tra.gov.au/data-and-research/reports/regional-tourism-satellite-account/regional-tourism-satellite-account> with the share allocated to Mid-Western Council area determined from this areas share of the Central NSW region's domestic intrastate and interstate visitor nights, international visitor nights and domestic day trips. The source of this tourism activity data is the National and International Visitor Surveys from TRA. It is recognised that average spending reflecting winery tourism by higher income households may mean that this estimation approach risks underestimating the share of regional visitor spending and jobs in the Council area.

^{vi} ABS (2022), Census data on employment by industry in the Council area. Employment due to tourism spending can't be directly calculated from the ABS Census data and hence the ABS and TRA create tourism satellite accounts. In addition, measuring tourism on a Tuesday night in early August would guarantee a heavy underestimate of year average employment, as school holidays and summer more generally are far busier tourism periods than late winter.

^{vii} <https://www.silvermines.com.au/projects/bowdens-silver-project/> (2023). This provides the source of the estimate for jobs in operation of the mine.

^{viii} Estimate for 2010-11 derived using the same method as used for 2020-21 as explained in endnote iv.

^{ix} Forbes (2022), <https://www.forbes.com/sites/yolarobert1/2022/05/26/the-best-wellness-destinations-to-visit-this-year/?sh=754ebfdc18a9>

^x Karl Flowers, prior to being an independent consultant was Tourism and Aviation Economist at Tourism Australia for seven years, Director Tourism Investment in the Commonwealth Department of Tourism for six years and General Manager, Policy and Research at Australia's largest tourism industry association (TTF Australia) for six years, after starting his career with Federal Treasury.