

GOVERNANCE COMMITTEE 19 SEPTEMBER 2012	9
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DAINTREE RIVER FERRY

Liz Collyer & Fiona Wilson: 1/8/2-07: #3689899

RECOMMENDATION:

It is recommended that Council:

- 1. nominate an Annual Smart Card Holder Free Travel Period within the shoulder tourism period to all bona fide residents of the Cairns Local Government Area from the 1st November to 28th February each year.**
- 2. extend the Smart Card eligibility to residents of the Tablelands Regional Council and Cassowary Coast Council Local Government Areas.**
- 3. delegates authority to the Chief Executive Officer in accordance with Section 257 of the *Local Government Act 2009* to negotiate and finalise any and all matters in relation to this economic incentive.**

EXECUTIVE SUMMARY:

This report proposes the establishment of an Annual Free Travel period on the Daintree Ferry following two successful trials conducted in 2011/2012. The proposal is to provide access for free ferry travel to Smart Card holders who are bona fide residents of the Cairns Regional Council Local Government Area (LGA) with an additional recommendation to extend the eligibility to bona fide residents of the neighbouring Council areas of Tablelands Regional Council and Cassowary Coast Council LGA's.

The trials conducted in 2011 and 2012 have provided local economic stimulus to support business operators in the Daintree area.

INTRODUCTION:

The impacts of the Global Finance Crisis (GFC) and the strong performance of the Australian Dollar have resulted in a downturn in the number of domestic and international tourists to Far North Queensland.

Acknowledging these impacts on the local tourism and business communities of the Daintree, Council has worked collaboratively with the local Tourism Associations and business operators in the Daintree on ways to stimulate the local economy.

Free Ferry Travel to bona fide local residents of the Cairns Local Government Area (LGA) who had obtained a Smart Card has been trialled over two periods throughout late 2011 and early- mid 2012.

The free travel trial period from 15th November 2011 to 15th January 2012 was supported by an independent survey to evaluate the cards use and its economic impact

Council commissioned Compass Research to undertake the survey which included quantitative and qualitative data.

This report features significant outcomes of the report on this research and the feedback provided by business operators in the Daintree of their experiences and business impacts during the two Smart Card Trial periods.

BACKGROUND:

The Daintree River Ferry provides vehicular access to the northern most localities of the Cairns Regional Council (CRC) LGA. Concessional travel arrangements have been in existence for many years for eligible residents/ratepayers of the former Douglas Shire Council footprint and these concessional travel arrangements have continued post amalgamation.

Earlier in 2011, Council received submissions from tourism bodies and businesses north of the Daintree River to extend the geographical area for travel concessions to the entire Cairns Regional Council LGA. A trial for the month of April 2011 was requested.

As the lead time to effectively implement such a trial was insufficient, approval was given for a “one off” economic stimulus by way of waiving all travel fares on the Daintree River Ferry for the period 16th April 2011 to 2nd May 2011 inclusive. In total there were 17 days of free travel which covered the school holidays, Easter weekend, ANZAC Day and May Day long weekend.

This incentive was deemed to be a success and a report detailing the results for this period was provided to Council at the Ordinary Meeting in May 2011.

Following on from the success of this “one off” economic stimulus, further representations from Daintree Marketing Co-operative were received to instigate two free periods on an annual basis. The timings proposed would be from 15th November to 15th January and from the Thursday prior to Easter for a period of two months.

At the Finance and Administration Committee meeting, held on 21 September 2011, Council endorsed an economic incentive of free travel for bona fide local residents for a trial period from 15 November 2011 to 15 January 2012.

At the Finance and Administration Committee Meeting, held on 15 February 2012, Council endorsed the second proposed free smart card period for bona fide local residents to incorporate the Easter Holiday period and this period was conducted from 30th March to 15th April 2012.

COMMENT:

The Daintree Ferry Smart Card Trial offered a new reason to talk about the Daintree. The trial also provided the opportunity for Council, the Regional Tourism Association Tourism Port Douglas Daintree (TPDD), and local tourism and business operators in the Daintree to work collaboratively on a project that would provide stimulus into the local Daintree economy.

Council facilitated five different meetings with stakeholders in the Daintree. The meetings that were held pre-trial ensured that businesses were aware of the great opportunity the Smart Card Trials presented and helped businesses prepare for the trials.

The meetings held post-trials enabled Council to gain an understanding of any challenges the trials presented and encouraged input by local businesses in solutions to address challenges that were presented.

The development of a specials discount voucher brochure given only to Smart Card users was well received by both local operators and Smart Card users. Council, in partnership with TPDD, developed a four-page full colour brochure featuring special offers from local operators and a map of the Daintree including travel times.

Thirty four operators participated in the brochure for the first trial and 26 in the second trial. Operators indicated that the smaller number of specials advertised for the second trial was due to many operators being already fully booked for the Easter / School Holiday season.

The process for obtaining a Smart Card for the first trial required residents of the Cairns LGA to complete a Smart Card Application Form and bring the completed form with proof of identification and residency to the Mossman or Spence Street Customer Service Centres for processing and collection of the card.

Information received through the feedback session with Daintree Operators after the first trial was completed, identified challenges converting high interest levels and distribution of Smart Card application forms into residents coming into the Council Offices in Cairns or Mossman to lodge their form and receive their card.

In acknowledgment of this feedback the second trial also offered residents the opportunity to download the application form from Council's website. Completed forms together with copies of identification and residency could then be mailed back to Council via a Free Reply Paid Mailing System. The registered card would then be mailed back to the applicant.

The two Smart Card trials have been carried out over the following dates:

Smart Card Trial One 15th November 2011- 15th January 2012 inclusive. This period covered what is traditionally known as part of the shoulder season.

Smart Card Trial Two 30th March – 15th April 2012 inclusive. This period covered the Easter Holiday and School Holiday period.

The following table identifies some of the significant data relating to the two Smart Card Trial Periods.

Period	No: of days	Promotional Brochure	No: of cards issued	No: of cards used	Number of trips made with cards	Survey undertaken
Trial One	61	Yes	1,128	581	813	Yes
Trial Two	17	Yes	510	386	413	No
TOTAL	78		1,638	967	1,226	

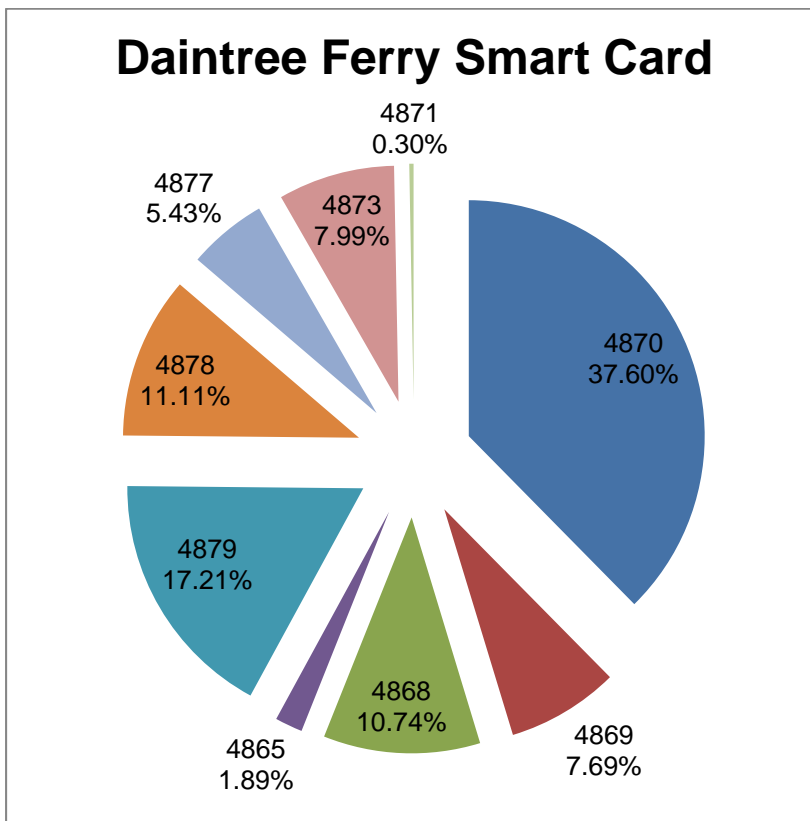
Figures from Trial Two indicate a higher rate of one-off visitations per card as opposed to Trial One. This data is expected given the travel period for Trial One was 44 days longer than Trial Two.

As part of the Smart Card Trial, Council engaged the services of Compass Research to carry out an independent survey to evaluate the cards' use. Part of the conditions for Smart Card Applicants was they agreed to be part of the research and could be contacted and subsequently surveyed about their Smart Card use. This research was only carried out on for the initial Smart Card Trial Period being 15 November 2011 – 15 January 2012.

The surveys included experiences on accessing the card, the importance of the card holders' decision to visit the Daintree, type of activities undertaken during Daintree visit/s, satisfaction levels of visit and expenditure levels in the Daintree. (The complete report of the findings of the initial Smart Card Trial period forms part of this report as Attachment 3). The following is a summary of the survey results.

- Over 96% of respondents rated their experience either excellent or good when trying to access the Smart Card with over a third of respondents indicating they found out about the Card through word of mouth and a third by print media with radio being the next highest awareness tool.
- Approximately 30% of those who accessed the Card had not visited the Daintree within the last 2 years and approximately 20% of the Smart Card holders made more than one visit. Approximately 90% the Smart Card respondents stated that the Card was either very important or mildly important when deciding on whether to visit the Daintree.
- 90% of respondents made the visit to the Daintree with family and friends with the average group size being 3.8 persons. 57% undertook a day trip while 32% of respondents stayed for 1-2 nights the average length of stay 1.5 nights.
- Average card spending was about \$162 per card (group) or \$42 per person. With 581 Smart Cards used during the surveyed period this equals \$94,122 of spending into the Daintree economy.

- Whilst there were 1,128 Smart Cards issued in the surveyed trial period, only 581 of these cards were used. (Smart Cards are swiped at the ferry booth on each occasion they are presented and this has enabled Council to collate data on the card usage).
- The survey did approach the subject of non-usage of cards and of those respondents who did not use their cards the main reason given was they ran out of time, no time, too busy and work commitments. However the respondents indicated that if they were given more time or were able to use the Smart Card at other times of the year, this would encourage them to use it. 100% of these respondents indicated they would reapply if the trial was implemented again.
- Council Customer Service Staff and business operators in the Daintree reported that they received numerous requests from residents in the Tablelands Regional Council LGA regarding their eligibility for receiving a Smart Card. A number of these enquiries suggested residents from the Tablelands region see the Daintree as being also part of their backyard and would be encouraged to visit the area more often with an incentive such as the Smart Card.
- Numerous attractions and businesses in the Tablelands Regional Council area provide local's discounts to residents of the Cairns LGA.
- The pie chart below features the percentage of cards obtained by residents across the Cairns LGA by postcode. These figures include those cards registered over the two trial periods.



- While visiting the Daintree survey participants identified undertaking the following activities:
 - To visit beaches
 - To experience the natural environment
 - For restaurants and dining
 - For rest and relaxation
 - Visit the Daintree Rainforest
- Respondents were asked for their suggestions on how the service they received or the experience they had in the Daintree could be improved.
- The main themes to their responses are:
 - Improved Customer Service, unfriendly service was a common comment
 - Better signage including welcome to the Daintree signage and boardwalks
 - Better access to information on activities available and detailed maps of the area
 - Better discounts for locals
- The overwhelming response to the question of what would encourage respondents to visit the Daintree more often was the availability of the Smart Card and Free Ferry access to locals over longer periods and locals discounts for businesses and attractions in the Daintree.

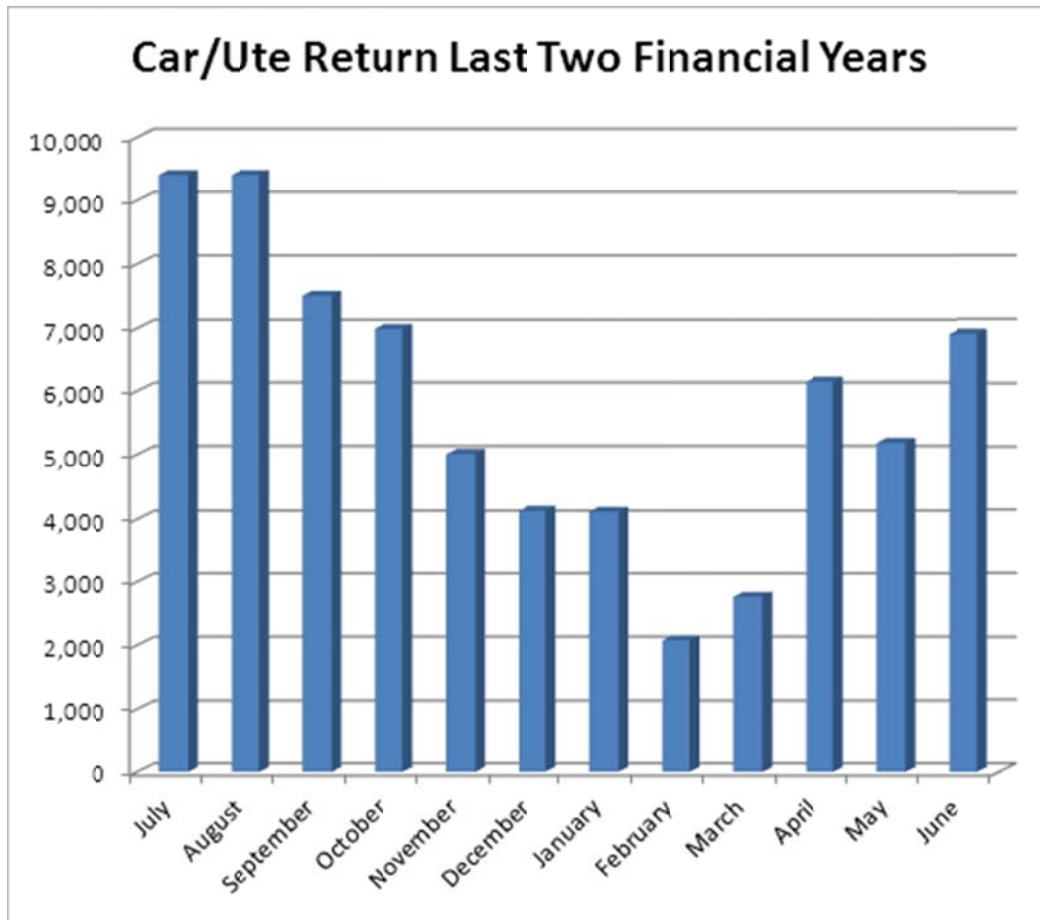
Following the trial, a meeting was held between Council officers and Daintree operators on 18 July 2012, to seek businesses feedback on the trial and to present a summary of the findings from the Compass Research. The diversity of businesses and communities in the Daintree was certainly reflected in the feedback at this meeting.

Operators reported varying experiences from the Smart Card Trials with some seeing increased levels of business for their own businesses with increase in bookings for attractions and restaurants whilst others stated they had very little increased business from the trials but they did recognise that there had been an increase in the amount of traffic and people in the area throughout the trial periods.

The type of specials on offer for Smart Card holders and other advertising and branding that operators undertake would account for some of these differing experiences. Certainly it was the view of the overwhelming majority of operators that free ferry travel contributes to more visitors to the Daintree.

The meeting included discussion around continuation of Smart Card Free Ferry periods in the future with the period of November 1 to 28 February considered the period which operators have the most difficulty in attracting business particularly given the wet season and the reduced number of local and international tourists to the area in the low season.

The following graph shows by month the number of return trips of cars/utes on the ferry over the last two financial years:



This graph identifies December– March inclusive as having the four lowest number of return trips (over the last two financial years). It needs to be noted that November is the fifth lowest month and the very successful 1st Smart Card Trial which was held in November 2011 where there was an increased number of trips in that November period due to the Smart Card Free Travel Trial.

Also dependent upon the Easter Holiday period falling in March or April can impact significantly on the figures as the Daintree is a popular destination for locals in particular over the Easter Holiday period.

Operators at a number of the feedback and information sessions raised the issue of lack of EFTPOS facilities at the Ferry. This matter has been looked into previously and at the time presented a number of challenges that would not enable this to be possible.

Given continuous improvements in telecommunications technology particularly over recent years, Council officers will now again look into the possibility of EFTPOS facilities being available at the ferry ticket office.

Some feedback received from operators did suggest that there were impacts on the local environment due to an increase in the number of people visiting the Daintree during the trial periods. Discussion occurred regarding the need for the development of a Sustainable Tourism Management Plan for the Daintree to ensure that impacts on this World Heritage Rainforest area are minimised and managed.

The former Douglas Shire Council released the Douglas Shire Tourism Strategy in 1998 which did include a section on Sustainable Tourism Management. Whilst this document is 14 years old it has informed a number of more recent Plans including the Douglas Shire Planning Scheme and the structure that is still active today for TPDD.

CONSIDERATIONS:

Corporate and Operational Plans:

The information contained in this report is in accordance with Corporate Plan;

Corporate Goal 2 – Building Vibrant Communities

2.2 Improve the quality and opportunities for use of public space across the region; and

Corporate Goal 5 – Creating a Prosperous Region:

5.1 Support more diverse urban and rural economies.

Key Projects, Services and Actions under Goal 5 include:

Strengthen Council's support for economic development including tourism and economic diversification

Corporate Goal 6 – Striving for Organisational Excellence

6.2 *"Understand our business environment and effectively set strategy deploy resources, monitor and report."*

6.3 *"Collect, interpret, manage and capture data and information to inform good decision making."*

Statutory:

This report has been prepared in accordance with the *Local Government Act 2009*.

"80B Ferry services

(1) A local government has the exclusive right to provide a ferry service across a watercourse if the land that forms both banks of the watercourse is in its local government area.

*(2) A **watercourse** is a river, creek or channel where water flows naturally"*

Policy:

Referral to the Daintree Ferry Reserve and Daintree River Ferry Concessional Travel policies has occurred in completing this report.

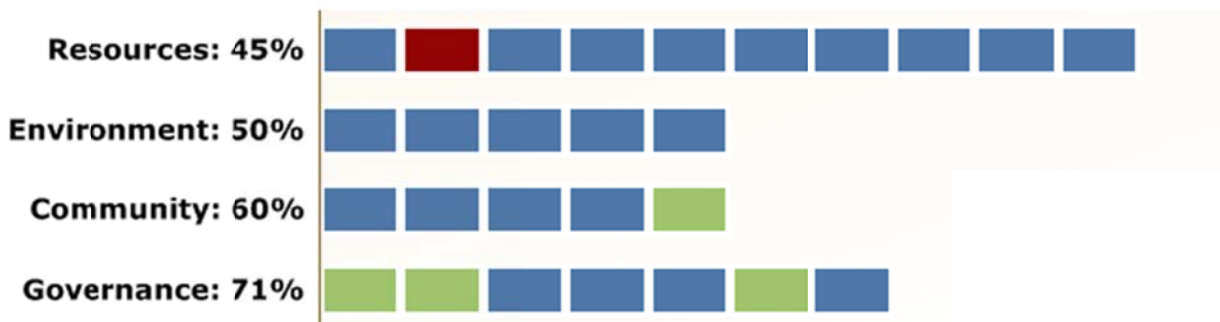
General Policy 1:05:02 states that Council recognises that there is value in Council supporting specific initiatives or projects that will have significant economic benefits for all or parts of the local government area.

Financial and Risk:

A comparison of ferry revenue for the Smart Card Trial Period One from the 15/11/11 to 15/01/12 against the same period the year prior indicates that there were no negative impacts on the revenue for the ferry during that period. Records show that there was an increase in the total revenue for that period by approximately \$17,000 over the previous year. The only eligible category of travel using the Smart Card is the category of car / ute. The revenue for this category during the trial one period over the previous year was almost double the previous year at \$15,075.97.

The GST exclusive costs associated with both smart card trials are as follows:

Description	Expense Nov/Jan 2012	Expense April 2012
Card purchase and printing (1,500 cards)	\$2,925.00	\$975.00
Receipting software enhancements ("one off" cost)	\$170.00	Nil
Printing brochures (PDDTA paid for first 1,000)	\$378.18	Nil
Advertising	\$1,967.00	\$600.00
Commission paid to contractor	\$813.00	\$454.30
Total	\$6,253.18	\$2,029.30

Sustainability:Commentary on negative impacts

Resources: Whilst the trials to date have demonstrated no impact on the revenue collected for the ferry during the trial periods, there is the matter of the commission paid to the ferry contractor. This commission is paid per car that is accessing the Smart Card and the commission fees come out of the monies contained within the Ferry Reserve Fund.

Environment: The increase number of people visiting the Daintree can also contribute to increased impacts on the natural environment.

CONSULTATION:

Councillors
 Division 10 Councillor
 E-Team
 Tourism Port Douglas Daintree (TPDD)
 Daintree Village Tourism Association
 Daintree Marketing Cooperative
 Tourism Daintree Coast Inc
 Tourism Operators and Business Operators in the Daintree
 Mission Beach Tourism Association Chair

Option1:

That Council:

endorses an Annual Smart Card Holder Free Travel Period within the shoulder tourism period to all bona fide residents of the Cairns Local Government Area from the 1st November to 28th February each year;

endorses extension of the Smart Card eligibility be extended to residents of the Tablelands Regional Council and Cassowary Coast Council Local Government Areas;

delegates authority to the Chief Executive Officer in accordance with Section 257 of the *Local Government Act 2009* to negotiate and finalise any and all matters in relation to this economic incentive.

Option 2

That Council:

notes the results of the economic incentive for free ferry travel for bona fide local residents during the two Smart Card Trail Periods in late 2011 and early to mid- 2012; and

does not endorse an Annual Smart Card Holder Free Travel Period within the shoulder tourism period to all bona fide residents of the Cairns Local Government Area from the 1st November to 28th February each year.

CONCLUSION:

It is recommended that Council support the recommendations of this report as presented as Option I above.

ATTACHMENTS:

nil

Liz Collyer
Regional Manager Douglas

Fiona Wilson
Manager Economic Development

Peter Tabulo
Acting Chief Executive Officer