

FROM WHALERS TO WHALE WATCHERS

The growth of whale watching tourism in Australia

An IFAW Report

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From Whalers to Whale Watchers - the growth of whale watching tourism in Australia
A report for IFAW—the International Fund for Animal Welfare

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FOREWORD

Watching whales is capturing the imagination and spirit of Australians.

This report shows that more and more people around Australia are reaching for cameras when they see a whale. The whale watching industry is bringing tangible benefits to people, coastal communities and tourism-related businesses from Sydney to Albany, while encouraging respect and care for these majestic marine mammals.

As an international organisation working to protect whales and their habitats, IFAW is now widely recognised as a driving force behind the growth and development of responsible whale watching worldwide. IFAW hosts international whale watching workshops, develops and promotes best practice and codes of conduct for responsible whale watching, produces public education campaigns and materials and conducts groundbreaking research documenting the economic impact of this global phenomenon.

A global assessment produced by IFAW in 2001 (*Whale Watching 2001: World Tourism, Numbers, Expenditures and Expanding Socio-economic Benefits* by Erich Hoyt) showed that by the dawn of this millennium, whale watching had become a \$1 billion industry attracting more than 9 million participants in 87 countries and territories around the world.

Since that time whale watching in Australia has continued to expand. This report documents the continuing growth in whale watching in Australia—where we now have more than 1.5 million whale watchers contributing close to \$300 million to the Australian economy. This is a massive increase of 15% per annum over the past five years.

IFAW has long believed whales and people both do better when these magnificent animals are seen and not hurt. And this report on whale watching in Australia validates that belief. We look forward to the continued development of this industry and to the growing benefits it brings to both animals and people.

Michael McIntyre

Asia Pacific Director, IFAW

EXECUTIVE SUMMARY

The Australian whale watching industry has demonstrated remarkable growth in the last five years.

Since the early nineties information has been collated to measure the size and financial value of whale watching on both an Australian and world-wide basis. The data was gathered for the periods 1991, 1994 and 1998. This report provides current data for Australia in 2003. This has allowed recent trends in Australian whale tourism to be measured.

In 2003 Australians and tourists made more than 1.6 million visits to watch whales. This is more than double the previous estimate of just over 700,000 visits in 1998. This growth translates into annual average percentage growth of 15% over the five years between 1998 and 2003. This compares extremely favourably with the international tourism market which shows an average growth of only 2.76% over this period. Similarly the domestic tourism market has only shown an average annual growth rate of 0.06% since 1998.

As well as performing exceptionally well since 1998, the average annual growth rate in whale watching has been accelerating over the period from 1991 to 2003. In 1991–94 the average annual growth rate (AAGR) was 10%. In the period from 1994 to 1998 the AAGR was 13%. Finally in this last period the AAGR was 15%.

The whale watch industry is a sub-sector of the broader Australian tourism industry. As such it appears to have very healthy growth compared with other segments, although there are fluctuations between states. New South Wales (NSW) has shown the strongest AAGR over 1998–2003. It had 37% growth compared with a small decline in Western Australia (WA) over the same period (-2% AAGR). NSW growth was driven by new areas emerging such as at Port Stephens, whilst WA suffered from a broader fall in tourism in the large cetacean market and a relatively stable result in the dolphin market. This latter stability is the sign of a maturing market.

Whale numbers are also central to growth. Operator feedback said that increasing numbers appearing in a consistent pattern around the coast was driving increased visitor activity and expenditure. In some cases whale watching is becoming an industry in the off-season (extending the operations of otherwise cyclical businesses) or bringing tourism to remote locations like the Yalata Indigenous community located on the Nullarbor in western South Australia.

Tourism research has become more sophisticated in this period with councils like Warnambool in Victoria's west now conducting traffic counts to monitor whale watching. The economic impact can be significant, especially to the many coastal communities that would usually be out of their peak season when the whales arrive. Furthermore this form of land-based whale watching is generally free and financially accessible to all, as long as the proximity to the right parts of the coast exists.

The data used in this research was gathered from a survey of Australian whale watch operators. This commercially sensitive data was combined with other sources from the tourism industry and government agencies to create an overall snapshot of the size of the whale watch industry.

ACKNOWLEDGMENTS

This report would not have been possible without the support and assistance of the many stakeholders in the whale watching industry. The generosity of many operators around the country in providing often commercially sensitive information is greatly appreciated and has ensured the comprehensiveness of this study.

In particular, the help of Whale and Dolphin Watch Australia, the peak industry body for the whale watching industry, in providing direction to key information sources has been a great assistance. This has especially been provided by the organisation's Secretary, Frank Future.

Many of the state tourism commissions, local tourism offices and local councils around the country have provided much time and assistance to me throughout this project and this is greatly appreciated.

Erich Hoyt's previous report on worldwide whale watching has been the key source of information for the compilation of this report. Erich's framework has provided the basis from which this report was written.

A number of people have been a great support to me. In particular, my partner Rachel Pilmore, who indirectly subsidised this project through her support in this busy period.

Ultimately, this report would not have been possible without the backing of IFAW's Asia-Pacific office in Sydney and the support of its staff.

RESULTS

Australian whale watching summary

Table 1. Whale watching numbers and expenditure data

Annual average percentage growth of whale watch numbers since 1998: 15%

Year	No. of Whale Watchers	Average Annual Growth Rate (%)**	Direct Expenditure (Australian Dollars)	Indirect Expenditure (Australian Dollars)	Total Expenditure (Australian Dollars)
1991	335,200	na*	\$ 4,358,833	\$ 41,667,077	\$ 46,025,910
1994	446,000	10%	\$ 6,011,113	\$ 52,011,213	\$ 58,022,326
1998	734,962	13%	\$ 16,218,912	\$ 60,572,561	\$ 76,791,473
2003	1,618,027	15%	\$ 29,413,499	\$ 246,891,019	\$ 276,304,518

* na = not available

**Average annual growth rate is calculated as the average per centage of a series of per centage growth rates that allows the data to grow steadily from the first survey period and achieve the result specified in the next survey period.

Notes to Table 1. Currency conversion from the Hoyt report based on annual average currency exchange rates for the year concerned based on RBA data.

Table 1 summarises the Australian whale watching results for 2003. Data for 1991, 1994 and 1998 has been provided by the Hoyt report. The term 'whale watchers' refers to discreet whale watching events rather than unique individuals watching whales. However, anecdotally, it is considered that most whale watchers only attend one whale watching event.

The 2003 results are also shown in the context of historical data provided by the Hoyt report. In the third column we have calculated an annual average growth figure. This averages out the growth over the years between the survey periods (from 1991 to 1994 to 1998 to 2003) to provide a sense of the rate of increase in demand. The percentage changes over three survey periods indicate a consistent, strong growth trend that has been persistently high for a decade. In addition, from the first survey period to this latest period, it would appear that the growth trend has been accelerating, rising from an average 10% to 15% per annum in the period between 1991 and 2003.

The whale watch data has only been collected sporadically. As a result annual growth rate data can only be interpolated for the years between surveys, in order to seek a comparative basis with other tourism statistics. This is very strong growth when compared with other sub-sectors of the Australian tourism market or the market as a whole.

INTRODUCTION

In 2001, IFAW released a special report authored by Erich Hoyt titled *Whale Watching 2001: Worldwide Tourism Numbers, Expenditures and Expanding Socioeconomic Benefits* (the 'Hoyt Report'). This report estimated the global whale watching industry in 1998 to be generating over \$US1 billion annually in tourism expenditures. At that time, this represented a surging annual growth rate of around 12.1% per annum for the industry.

In 1998, Australia was continuing its strong growth in whale watching from its humble beginnings with the Monkey Mia dolphins in the late 1960s and its first stages of boat based cetacean watching at Hervey Bay in 1987. The Hoyt Report estimated that there were 734,962 land and sea-based whale watchers in Australia in 1998 generating \$A76.8 million (\$US56.2 million) in total expenditures (the sum of direct and indirect expenditures) for the Australian economy. Whale watching consists of a mix of boat-based and land-based activity.

IFAW requested that Economists@Large & Associates undertake a study to update these Australian whale watching figures to reflect 2003 levels of participation and economic impact. From February to May 2004, research was undertaken to gather the appropriate data in order to define the status of the 2003 Australian whale watching industry and its pattern of change since 1998. This report sets out those results.

METHODOLOGY

To assess and evaluate the whale watch industry for the 2003 calendar year, data was collected and compiled using a survey and regional tourism research.

Whale watch operator survey

Whale watch operators were identified by desktop research including internet searches, direct contact with regional tourism centres, Whale and Dolphin Watch Association assistance, and contact with researchers, universities, non-government organisations and government departments in all states and territories of Australia. The intention was to locate, and contact, a broad selection of operators conducting whale watch tours across the main whale watch regions of Australia. This was targeted mainly at sea-based operators but also included land and air-based operators.

Once identified and located, operators were contacted directly by either mail, phone or email in order to notify them of the research. A targeted survey was sent to all identified operators. The survey was designed to cover economic and demographic issues relevant to evaluating the size and value of the industry as well as industry health and socioeconomic externalities. The survey form is included as Appendix 1 of this report. The response rate to this survey was 22% with a broad representation from all states.

This data was collated and analysed in aggregate form on a regional, state and national level in order to provide results for this report whilst protecting the commercial confidentiality of individual operators.

Regional tourism research

Australia's tourism industry is at a level of maturity where much stringent analysis and research is regularly and consistently undertaken at local, regional, state and national levels leading to large amounts of both publicly and privately available tourism data. State and Federal government tourism offices, as well as many regional tourism offices and information centres, were contacted over the course of the research. Their data was used to varying degrees. Much of the aggregate tourism data used in this report is extrapolated from existing publications and assessed against operator survey outcomes. Reference to the original source has been made where appropriate.

Direct and indirect expenditure

In the calculation of the economic benefits of whale watching there are a range of issues that need to be clarified. The sale of tickets to travel on a whale watching vessel is obviously a gross financial benefit resulting from whale watching. The purchase of food, accommodation and travel expenses (amongst others) to attend a whale watching event can also be attributed (subject to conditions) to whale watching on many occasions. These expenses can be called direct expenditure. In the economic literature indirect expenditure is undertaken when the businesses that earned the *direct* expenditure spend the money on goods and services as inputs to their activities.

Induced expenditure occurs when the employees of these business re-spend *direct* expenditure in the form of wages and salaries.

The Hoyt report uses a different definition of indirect expenditure. That report, relying on conventions from previous assessments, defines indirect expenditure as expenditure that supports the whale watch trip such as accommodation. Direct expenditure is expenditure on tickets and items directly related to the trip itself. We have adopted the same approach to allow direct comparison.

In the Hoyt report a single multiplying factor was applied to direct expenditure levels in order to obtain indirect tourism expenditure levels from whale watching. We have been able to calculate more precise measures of the indirect expenditure since we have, for example, per day expenditure data. These factors were calculated on a region-by-region basis using the best available tourism data. For some regions, this data may not have been for the 2003 calendar year, in which case all caution was taken in order that the most recent data was used and consistently applied.

These two streams of data were then collated, analysed and, where required, extrapolated from in order to calculate the tourism numbers and contribution of this industry to Australia's economy.

Methodological notes

Direct expenditure	Direct expenditure is calculated in this report as the average adult ticket price paid to participate in the whale watch activity.
Indirect expenditure	<p>This has been calculated by estimating all other expenditures associated with participating in the whale watch activity, e.g. food, transport to the whale watch location (excluding international air travel), film, souvenirs, accommodation.</p> <p>This figure was calculated on a region-by-region basis, in order to more accurately reflect the cost differences people are willing to incur in order to view whales. The indirect expenditure generally increased the further away from capital cities the whale watching activities took place in order to reflect the increased travel costs. Differentiation was made for day trip visitors and overnight visitors where the information was available to do so.</p> <p>The basis for this calculation was varied. Sources including operator survey responses, state and federal tourism research papers and contact with regional tourism offices. Usually a combination of all sources was used in order to verify the final figures used. Where a choice in data was required, the more conservative estimate was always chosen so that an underestimate of the industry value is the inevitable result.</p> <p>In order to err on the conservative side, we have added a percentage factor to these indirect expenditures so that all money spent in the region by whale watch participants is not attributed solely to this activity. A tourist will come to a region for many reasons and as part of this will participate in whale watch activities. The expenditure of the tourist is therefore divided proportionally between the activities.</p> <p>The motivation to come to a region was assessed in the operator survey (question 15) in order to estimate the proportion of these indirect expenditures that could be attributed to the whale watch activities. For day trip whale watchers, 100% of the daily expenditure was attributed to whale watching. In regions where sufficient data was not available, this factor was consistently extrapolated from other regional data.</p>
Dollars	All dollar figures given in this report are Australian dollars unless otherwise stated.
Historical data	Historical data represented in this report (such as in the Results section) where not referenced is taken from the Hoyt Report.
Whale watching	For the purposes of this report, this refers to viewing activities of any cetacean species from land, sea or air. Importantly, this refers also to dolphin or porpoise watching activities (including 'swim with dolphin' tours). Dugong and whale shark interaction tours have not been included as these are not cetaceans.
Whale watcher	This refers to the number of whale watch trips undertaken in 2003 as opposed to the number of separate individuals having whale watching trips in 2003. It is assumed that this has very little effect on final whale watcher numbers due to only a very small proportion of people participating in whale watching greater than once in this time period.

Limitations

Due to time limitations on this project, the aim has not been to compile a comprehensive and exact database of all whale watch operators in Australia and associated industry agents. The short time in which the project has been undertaken required the research to be focused on identifying the major geographical regions where whale watching activities are undertaken and from those regions attempt an estimation of tourism numbers and expenditures via a process of data collection and extrapolation.

In this way, the data presented does not reflect the exact numbers of whale watch operators, tourists and expenditures, but rather represents best available estimates of the current industry values to the degree that a trend can be identified and compared against the Hoyt Report's 1998 figures.

The process of estimating valuations for an industry based on available secondary data and primary data is by nature flawed. Different states and regions have different and sometimes incompatible methods of reporting tourism data. All efforts have been made to reconcile these. Primary data is relied on to the extent that it is considered reasonable, however, there is always going to be some margin of error on each data set. Once again all efforts have been made to eliminate these errors by using a second source of data for verification wherever possible (such as two separate primary sources or a secondary source to verify a primary source).

As is necessary with economic modelling and statistical analysis, various assumptions are required throughout the process in order that most accurate figures can be calculated with available data. Where assumptions are made they have been stipulated. Where data is not disclosed, this is usually due to these confidentiality constraints.

Total expenditure figures in this report are based on a more comprehensive calculation methodology than those in the former Hoyt report. As such, direct comparison between reports should be used for trend analysis rather than for exact expenditure growth. It was our aim to add further detail to the Hoyt Report's method of calculating these total expenditures in order to achieve an increasingly reliable set of data (the methodology used is further explained in Methodology section). For this reason, the annual growth rate has been calculated using the numbers of whale watchers across the time period as opposed to expenditure levels.

AUSTRALIAN WHALE WATCHING 2003

Table 2. Total Australian whale watching

State	Operat -ors	Whale Watchers			Direct Expenditure (\$A)	Indirect Expenditure (\$A)	Total Expenditure (\$A)
		Boat- based	Land- based	Total			
QLD	43	140,133	89,035	229,168	11,294,613	84,430,445	95,725,058
NSW	28	319,706	616,924	936,630	10,148,342	86,200,102	96,348,444
VIC	10	21,200	118,048	139,248	1,086,750	27,242,496	28,329,246
TAS	3	-	-	-	-	-	-
SA	9	30,580	129,320	159,900	1,990,550	8,253,349	10,243,899
WA	197	46,717	106,364	153,081	4,893,244	40,764,627	45,657,871
NT	0	-	-	-	-	-	-
Totals:	290	558,336	1,059,691	1,618,027	29,413,499	246,891,019	276,304,518
1998	223	430,621	304,341	734,962	16,218,912	60,572,561	76,791,473

Total Australian whale watchers 2003: 1,618,027

Annual % increase since 1998: 15%

Australian whale watch industry: an overview

The Australian whale watch industry has continued to witness strong growth over the period since 1998 despite a somewhat tumultuous period for tourism globally. It has shown average growth of 15% per year between 1998 and 2003. By contrast, 2001 brought with it events that led to an international tourism slow down in Australia, with a decrease in in-bound international visitor arrivals from 2001 to 2003. Indeed, international arrivals have fallen each year for the last three years.

For the period 1998–2003, the average annual trend in whale watching has been a positive 15% whilst the average annual trend in inbound tourism has been 2.76% over the same period (Tourism Forecasting Council, April 2004). The trend in domestic Australian tourism, when measured in terms of domestic visitor nights, has been zero growth over the same period.. Table 4 shows the percentage results by category. It seems that growth in visits to whales (15%) even exceeds growth in visits to friends and family (1.96%). Furthermore, growth in holidays has been negative (-0.65%) while growth in whale watching has been positive (15%).

Table 3. Domestic tourism – visitor nights

Year	Business	Holiday	VFR	Other	Total
1998	46685	139570	88898	18302	293456
1999	44195	143976	86881	19214	294266
2000	44706	144375	84897	19406	293384
2001	42346	140616	85777	20905	289644
2002	46000	138381	92814	21463	298658
2003	42805	134900	97544	18863	294112

Source Tourism Forecasting Council, April 2004 Forecasts. Page 38

VFR = Visiting Friends & Relatives

Table 4. Domestic tourism – visitor nights – annual percentage change by category

Year	Business	Holiday	VFR	Other	Total
1998	na	na	na	na	na
1999	-5.3%	3.2%	-2.3%	5.0%	0.3%
2000	1.2%	0.3%	-2.3%	1.0%	-0.3%
2001	-5.3%	-2.6%	1.0%	7.7%	-1.3%
2002	8.6%	-1.6%	8.2%	2.7%	3.1%
2003	-6.9%	-2.5%	5.1%	-12.1%	-1.5%
Average	-1.55%	-0.65%	1.96%	0.85%	0.06%

Australian whale watch industry: the regions

The whale watching industry has witnessed a challenging period in the five years since 1998 and not all states have enjoyed the 15% growth rate. There are regions of Australia where the industry appears to have hit maturity and is now consolidating its position as a major contributor to tourism and local economies. Port Stephens on the central coast of NSW is a case in point and has become the capital for dolphin watching on the East Coast of Australia. In 1998, the entire state of NSW had an estimated 186,000 boat-based whale watchers (Hoyt, 2001, p128). The estimates for 2003 are 250,000 whale watchers in Port Stephens alone, generating an estimated \$55,500,000 through total tourism expenditures.

However, other regions appear to have come to a point of market saturation in the last five years. Hervey Bay in Queensland, the oft-labelled whale watching capital of Australia, has recorded a decrease in annual whale watch tourism numbers since peaking in 1996 at 83,000. The slide in tourism numbers has occurred since 1998 with the trend indicating a balancing out in 2003 at 66,000 tourists. As a result, operator numbers have also decreased from a 1995 peak of 20 to 12 operators in the 2003 whale watch season. Further research would be required to fully understand the reasons for such a decrease in activity, however it may best be explained by the ever increasing availability of whale watch operators and opportunities to witness cetaceans 'up close' in other locations on Australia's East Coast.

A good example of this is the emergence of new whale watch regions (such as Sydney) providing tourists with more convenient locations to view the whales. In 1998, Sydney did not register in the Hoyt Report as a whale watch destination, yet in 2003 there were approximately four operators with expectations that in 2004 this figure will increase to six.

These and other examples are further discussed in the state-by-state breakdown below.

Land-based whale watching

The results in this report show significant increases in land-based whale watching across Australia. This seems to be in response to the perceived increase in whale numbers in many areas as many stakeholders consulted throughout the research period have observed. On the basis of operator feedback, there is the perception that coastal regions in Australia are having more consistent whale visitation compared to infrequent and inconsistent visits in the past.

Further reasons for the dramatic increase in land-based whale watch figures include the improved tourism research being undertaken around Australia. The detail with which research is being undertaken now ensures that more accurate recording of tourism activities and, in particular, informal tourism activities such as land-based whale watching. Even many of the small regional information centres are collecting detailed data regarding numbers of annual whale watching enquiries. Furthermore, in many land-based whale watch viewing areas, local councils are increasingly interested in understanding visitor numbers and tourism patterns. In many viewing areas, traffic counts had been undertaken on access roads. The Warnambool City Council in Victoria has gone further, completing an assessment of the economic impact of land-based whale watching on their community.

Another reason for the large increase in land-based whale watch figures could be related to the method by which the 1998 figures were collected—concentrating on formal rather than informal data. We have focused strong attention on the collection of this data, as informal whale watching has the potential to be overlooked when it comes to its economic contribution to regional areas of Australia.

As seen in this report, the economic impact can be significant, especially to the many coastal communities that would usually be out of their peak season when the whales arrive. Furthermore this form of whale watching is generally free and financially accessible to all, as long as the proximity to the right parts of the coast exists. Hence whale watching can be a non-discriminatory tourism activity.

Operator number estimates

This report has attempted to estimate the number of operators currently working in the whale watch industry. This task was difficult because:

- Whale watching in most regions of Australia is a seasonal business which the operator usually complements by undertaking another business in the non-whale watch season (often boat charters, fishing charter, scenic cruises or scuba diving) hence many are not marketed solely as whale watch businesses.
- Numbers of operators fluctuate each year along with regional whale numbers. When there are few whales in a region, many operators (sometimes despite holding whale watch permits) will not participate due to an insufficient supply of whales for the numbers of tourists. However, due to the lack of barriers to entry (in many cases, all that is needed is a boat) in the whale watch industry, the seasonal fluctuations in operator numbers can be high in good whale seasons.
- Many operators in small regional parts of Australia are very difficult to find from desktop research due to their often very small size (many operators are single charter boat owner-operators) in isolated locations.

Due to these reasons, a strict definition of a whale watch operator is very hard to achieve. An attempt was made to only count those operators who undertook targeted whale watch tours in 2003, not those who operate scenic tours and opportunistically whale watch if they appear. In some areas (such as WA and the Great Barrier Reef Marine Park) it was not possible to sort those that were actively whale watching and those that held permits but were not using them, hence some figures are a high estimate.

In this report, whale watch operator numbers should be used as an approximate guide only. The most important trends are derived from whale watch tourist numbers.

AUSTRALIAN STATES

Queensland

QLD regions	Operator s	Whale Watchers		Direct Expenditure (\$A)	Indirect Expenditure (\$A)	Total Expenditure (\$A)
		Boat-based	Land-based			
GBRMP	27	60,000 ⁱ	-	4,800,000	14,279,040	19,079,040
Hervey Bay + South	16	159,168 ⁱⁱ	-	5,280,000	15,706,944 ⁱⁱⁱ	20,986,944
South (data included with Hervey Bay)	Not available	Not available ^{iv} South data included in Hervey Bay & GBRMP	Not available ^v - data here included in boat based	1,214,613	54,444,461	55,659,074 ^{vi}
Totals:	43	229,268*	Not available	11,294,613	84,430,445	95,725,058
1998:	42	148,280	6,260	5,769,336	23,913,643	29,682,979

Note: Data has been randomised to preserve confidentiality – the whale watch total is accurate though distribution between regions and land and sea based has been altered. Hoyt report data converted from USD to AUD at average 1998 exchange rate.

*Difference in data is due to commercial in confidence material.

Total whale watchers: 229,168

Annual average % growth rate since 1998: 8%

Region definitions:

GBRMP – The Northern end of coastal Queensland, predominantly the Great Barrier Reef Marine Park (GBRMP)

Hervey Bay – Hervey Bay and immediate surrounds

South – Includes specifically Morton Bay, Gold Coast, and Stradbroke Island

State of the industry

Whale watching continues to grow strongly in Queensland, although its presence is spread more evenly across the state contrasting with its prior concentration of activity in Hervey Bay. As in the whole of Australia, land-based whale watching has grown strongly especially on Morton and Stradbroke Islands, due to their easy accessibility from Brisbane. Moreton Island in particular has very large volume of land-based dolphin watching at a resort's nightly dolphin feeding program.

The proportion of indirect expenditure is very high in the South region due to the cost of accessing these whale watching activities at the aforementioned resort. Most of the land-based dolphin watchers stay for comparatively longer average lengths of time at the resort with higher expenditure rates than other whale watchers across the country. It is assumed that the main reason for the stay is cetacean watching.

The figures for whale watch operators in Queensland have not changed greatly since 1998. This is best explained by the decrease in operators in Hervey Bay and their increase in the GBRMP. Although there are a large number of permits for whale watching in the GBRMP (nine of which are 'swim with' dwarf minke whale permits), most of this is conducted on an opportunistic basis. This is due primarily to the sporadic and diffuse appearance of whales in the large GBRMP, which contrasts with the large concentration of whales in Hervey Bay. Most of the operators in this region are not dedicated whale watch operators and usually run businesses including snorkelling, diving and reef cruises.

New South Wales

NSW regions	Operators	Whale Watchers		Direct Expenditure (\$A)	Indirect Expenditure (\$A)	Total Expenditure (\$A)
		Boat-based	Land-based			
North Coast	2	No data	600,000 ^{vii}	0	23,895,000 ^{viii}	23,895,000
Central Coast	10	250,000 ^{ix}	Minimal	7,900,000	47,600,000 ^x	55,500,000
Sydney	3	2075	16,924 ^{xi}	115,246	205,016	320,261
South Central	9	47,450	Minimal	1,088,730	10,173,280 ^{xii}	11,262,010
South Coast	4	20,181	Uncounted but growing	1,044,367	4,326,806	5,371,173
Totals:	28	319,706	616,924	10,148,343	86,200,102	96,348,444
1998:	73	186,000	20,000	4,871,550	12,586,772	17,458,322

Note: Data has been randomised to preserve confidentiality – the whale watch total is accurate though distribution between regions and land and sea based has been slightly altered whilst preserving the overall relativities. Hoyt report data converted from USD to AUD at average 1998 exchange rate.

Total whale watchers: 936,630

Annual % increase since 1998: 37%

Region definitions:

North Coast – including Byron Bay

Central Coast – including Port Stephens

Sydney

South Central – including Jervis Bay

South Coast – including Eden and Merimbula

State of the industry:

Whale watching in NSW has experienced the strongest growth of all the states. It achieved 37% average annual growth in the last five years and is a major attraction for domestic and international tourists. This is being strongly led by dolphin watching, particularly with the huge numbers participating in Port Stephens. NSW now has more whale watchers annually than the whole of Australia in 1998, nearing the 1,000,000 per year mark.

The North Coast land-based whale watch figures have jumped strongly since 1998. This figure of 600,000 relates to the land-based viewing of both dolphins and whales from Cape Byron at Byron Bay. The whale season is the peak season at the Cape, but the rest of the year has reliable sightings of dolphins. Byron Bay itself now receives between 1.2–1.75 million visitors annually and, according to the Cape Byron Marine Park, 600,000 is a very conservative estimate of numbers visiting for cetacean viewing.

The Central Coast is dominated by the major dolphin watching industry at Port Stephens. This is complemented by a successful humpback watching industry in the winter months attracting around 20,000 tourists. The accessibility to Sydney is a big part of the success of this region.

The indirect expenditure figures for the Sydney area are quite low due to whale watchers not coming to the region specifically for whale watching, hence less of the indirect expenditure has been attributed to this activity.

The South Coast is becoming an increasingly popular area to view cetaceans as it is the first area on the east coast to see humpbacks on their annual migration. This region is fortunate also, since it is visited by orcas on a frequent basis. Land-based viewing is starting to become more popular with plans to install new whale viewing platforms in some national parks.

Victoria

VIC regions	Operators	Whale Watchers		Direct Expenditure (\$A)	Indirect Expenditure (\$A)	Total Expenditure (\$A)
		Boat-based	Land-based			
East Coast	0	-	minimal ^{xiii}	Minimal	Minimal	-
Port Phillip and Western Port Bays	6	21,000	-	1,078,350 ^{xiv}	6,777,792 ^{xv}	7,856,142
West Coast	4	200	118,048 ^{xvi}	8,400 ^{xvii}	20,464,704 ^{xviii}	20,473,104
Totals:	10	21,200	118,048	1,086,750	27,242,496	28,329,246
1998:	6	30,000	70,000	963,844	5,948,347	6,917,190

Note: Data has been randomised to preserve confidentiality – the whale watch total is accurate though distribution between regions and land and sea-based has been slightly altered whilst preserving the overall relativities. Hoyt report data converted from USD to AUD at average 1998 exchange rate.

Total whale watchers: 139,248

Annual % increase since 1998: 7%

Region definitions:

East Coast – East Gippsland

Port Phillip and Western Port Bays

West Coast

State of the industry:

Victoria's main boat-based whale watching is undertaken in Port Phillip Bay. A dolphin watch and 'swim with' dolphin industry has been present in the bay for a long time, with recent changes in regulation of the industry resulting in fewer licensed operators and hence lower tourist participation rates. Over the last two years, permit numbers have dropped from six to four.

The less accessible coastline at the eastern end of the state has occasional humpback whale sightings and one lighthouse accommodation is promoting itself as a good site for land-based whale watching.

The West Coast of Victoria includes the southern right whale “nursery” of Warnambool where each year mothers and calves spend time close to the beaches. A viewing platform on Logan’s Beach attracted around 118,000 visitors to view the whales in 2003^{xix}. The local council’s Economic Development Unit had undertaken rigorous analysis of indirect tourism expenditures to the city from which this report’s data was taken and updated for 2003. Warnambool had a slow year for whales in 2003 with a significant reduction in whale arrivals. This led to a downturn in boat-based visitors along this coast. Although there is only a single main operator, there are some charter boats in nearby towns that will take tourists whale watching if the season brings plenty of whales to the coast.

Socioeconomic benefits

The City of Warnambool is strongly aware of the benefits of land-based whale watching tourism. They have recognised that for a coastal town, a mid-winter tourist attraction such as whales can ensure tourism-reliant businesses remain viable across the year. In many parts of Australia, whales can perform important roles in maintaining the local tourism industry.

Tasmania

TAS regions	Operat ors	Whale Watchers		Direct Expenditure (\$A)	Indirect Expenditure (\$A)	Total Expenditure (\$A)
		Boat-based	Land-based			
Totals:	~3	<1000	Some	Minimal	Minimal	Minimal
1998:	1	<1,000	Minimal	Minimal	Minimal	Minimal

Total whale watchers: <1000

Annual % increase since 1998: unknown

State of the industry:

Tasmania is visited by cetaceans at all times of year, including humpback, southern right, blue, pilot and dolphin species. However, responses from charter boat operators around the state have said that the sightings of whales are too infrequent to rely on them as a key part of their business. The rougher seas are also a significant impediment to a successful boat-based whale watch industry. There is some land-based whale watching that occurs from Bruny Island in the south of the state.

South Australia

SA regions	Operators	Whale Watchers		Direct Expenditure (\$A)	Indirect Expenditure (\$A)	Total Expenditure (\$A)
		Boat-based	Land-based			
East & Central	5	28,830 ^{xx}	115,320 ^{**}	1,729,800	6,890,974	8,620,774
West	4	1,750*	14,000	260,750	1,362,375 ^{xxi}	1,623,125
Totals:	9	30,580	129,320	1,990,550	8,253,349	10,243,899
1998:	12	10,000	96,000	2,006,013	1,934,955	3,940,967

Note: Data has been randomised to preserve confidentiality – the whale watch total is accurate though distribution between regions and land and sea based has been slightly altered whilst preserving the overall relativities. Hoyt report data converted from USD to AUD at average 1998 exchange rate.

*air charter whale watching

** has been estimated in South Australia (SA) up to 400,000

Total whale watchers: 159,900

Annual % increase since 1998: 9%

Region definitions:

East and Central – the East Coast of SA around Robe as well as Adelaide and the Fleurieu Peninsula (incl. Victor Harbour).

West – the Eyre Peninsula (incl. Port Lincoln) to the Head of Bight

State of the industry:

Whale watching in SA occurs mainly in two locations—the Fleurieu Peninsula 80 km south of Adelaide, and the Head of Bight Marine Park near Nullarbor at the far western end of the state. There are very few boat operators outside these locations.

On the Fleurieu Peninsula, an estimate was made of land-based whale watchers based on a SA Tourism publication^{xxii}. However, an unreferenced article in the *Adelaide Advertiser* newspaper in May 2003 estimated the figures at 400,000 whale watchers at Encounter Bay in 2003, spending an estimated \$9 million. Due to the close proximity of Encounter Bay to Adelaide, it is possible that large numbers of Adelaide residents travel to the region frequently in the whale watch season for day trips. Our more conservative estimate allows for 77% day trips and 23% overnight stays with expenditure levels being close to those estimated by the article. The article's \$9 million figure assumes each tourist spends only \$22.50—a very low estimate that doesn't account for travel costs.

The other main area for whale watching is the Head of Bight Marine Park in the far west of the state on the Nullarbor Plain. In this area, the Nullarbor meets the coast at the Bunda Cliffs under which southern right whales spend their winter months in the protection of the bay at the head of the Great Australian Bight. The whale watch area is on the Yalata Indigenous Protected Area and revenues from land-based whale watching are earned for the community. This is a massive tourist attraction for such an isolated location, attracting many individual visitors as well as up to 25 regular bus companies, due mainly to its consistent whale sightings in season, at such a close proximity to the cliffs. From the Nullarbor roadhouse nearby, an air charter service operates to view the whales and cliffs from above, frequently seeing up to 60 whales.

Socioeconomic benefits

The Yalata Indigenous Protected Area, on which some of the countries best land-based whale watching occurs, is continuing to increase the tourism it attracts to the Head of Bight. A new interpretation centre is being built that will employ an additional three full time indigenous employees.

Western Australia

WA regions	Operators*	Whale Watchers		Direct Expenditure (\$A)	Indirect Expenditure (\$A)	Total Expenditure (\$A)
		Boat-based	Land-based			
South	^{xxiii}	16,717	Unknown	905,560	2,804,277 ^{xxiv}	3,709,837
Perth	-	30,000	-	3,349,500	2,062,500 ^{xxv}	5,412,000
North	-	-	106,364	638,184 ^{xxvi}	35,897,850 ^{xxvii}	36,536,034
Totals:	197	46,717	106,364	4,893,244	40,764,627	45,657,871
1998:	89	55,341	112,081	2,603,170	16,188,849	18,792,020

Total whale watchers: 153,081

Annual % increase since 1998: -2%

Region definitions:

South – Cape Arid, Esperance, Albany, Augusta, Dunsborough and Bunbury

Perth – Fremantle, Rottnest Island and Perth.

North – Geraldton, Carnarvon, Shark Bay, Monkey Mia, Karatha, Exmouth, Kimberley.

State of the industry:

The Department of Conservation and Land Management (CALM) in WA manages the permits for whale and dolphin watching for the state. In 2003 there were 109 whale watch permits and 88 dolphin watch permits. However, in the same year there were only 16,781 whale watchers according to CALM records (operators must log these numbers). Dolphin watch numbers are not centrally administered in this same way.

CALM monitor and log whale watch numbers (large cetaceans) through their operator permit numbers, but do not log dolphin watch numbers even though they do administer permits for these. So the figures have been monitored by CALM for large cetacean watching for a number of years. Overall aggregate whale watch numbers, including dolphins and whales, are also driven by developments at Monkey Mia where dolphin watching is very popular. Indications were that Monkey Mia in the north of the state continues to attract large numbers of visitors for dolphin watching and feeding.

The aggregate figures for land-based (mainly dolphin watching) have remained more or less unchanged since 1998. This reflects, like Hervey Bay, the maturity of the industry in this area. Operator numbers are more difficult to judge in WA. The system is such that owners and each of their vessels are required to have permits as opposed to just owners (the latter is the way operators are recorded for most other states). It is likely that as permits are not difficult to obtain, many operators will hold them without using them, as is the case in the Great Barrier Reef Marine Park. Hence operator numbers are not a robust indication for industry growth in this state.

Reports from Albany indicate that there is a fluctuation in operators that reflects the number of whales present each year. Albany had a slow year of whale watching last year due to a lack of whales. There is room for more research to investigate the trends occurring in WA over the last five years.

Northern Territory

Total whale watchers: 0

State of the industry:

According to reports from the state, there are no commercial whale watching operations in this territory.

APPENDIX 1: SURVEY FORM

Whale and Dolphin Watching Operator Survey Form: April 5 2004

Send reply to:

Please reply **as soon as possible** by **APRIL 27th 2004** to any of the details in the box->

(In order to minimise costs, we have not included reply paid envelopes - fax or email responses are preferred.)

Reply Address

The Value of Whale & Dolphin Watching in Australia

By the *International Fund for Animal Welfare*: **NEW Report**

In 2001, IFAW prepared a report on the worldwide value of whale watching. At that time, 9,000,000 people a year were whale & dolphin watching annually in 87 countries, spending an estimated \$US1 billion dollars a year in total expenditures. The Australian whale watching industry attracted over 700,000 visitors spending in the order of \$AUD 42 million. IFAW is now updating the Australian figures on the 2003 value of whale & dolphin watching for a report to be published in May 2004.

Can you please help by filling out this short form? This research will form vital information for the whale watching industry in this country by assessing the industry's contribution to the Australian economy, current growth rates and identifying areas of opportunity. If your company or organisation offers whale/ dolphin watching tours in more than one country, state, or region, photocopy the form and use one form per area.

Please note that individual company figures will be kept strictly confidential. If exact figures are not known, please provide best estimates or leave questions blank.

Please fill in name and contact details **or** attach current business card or brochure. If there is not enough room, please write on the back of this page.

Name :	
Company / Organisation Name:	
Mailing Address:	
City/ Town/State:	
Phone:	
Fax:	
Email:	
Website :	

SURVEY:

1. THIS IS THE MOST IMPORTANT QUESTION TO ANSWER (part A, B, C & D):

A. Estimated number of people your company took whale & dolphin watching in this one area only, for the year 2003: _____ (or if calendar year 2003 is unavailable, please advise which period your estimate covers).

B. For 1 HOUR to 1-DAY TOURS, what was the 2003 average amount spent per person for a whale or dolphin watching tour (please give average or usual adult ticket price in \$AUD)? _____

C. For MULTI-DAY or PACKAGE tours only, what was the 2003 estimated average amount spent per person: _____ How many days did the package include? _____

Was airfare included? _____

D. Additional amount per person (if known or can estimate) which your customers spend for travel, food, film, souvenirs, & accommodation incurred in process of going whale/dolphin watching and getting to the site (not including ticket price or package tour cost listed above) _____?

Please itemise estimates:

\$ _____ \$ _____
\$ _____ \$ _____

2. For each area, where your company/ organisation offers whale/ dolphin watching, please say where the tour departs from _____ (name of town or port).

3. Please tick the best description(s) of your 2003 tours:

- boat-based whale or dolphin watch tours;
- nature tours on which whales/ dolphins were often seen;
- kayak tours;
- cruises aboard large cruise ships;
- land-based tours to see whales/ dolphins;
- other _____ .

4. How many employees work in your whale/dolphin tour business full time _____ part time _____?

5. How many (or what percentage) of your whale watchers are local _____ domestic _____ international _____? If you know what countries (or regions) they come from, please give approximate percentages:

6. What proportion of whale watchers are: Female _____? Male _____?

7. What proportion of whale watchers are in the following age brackets (please provide approximate percentages):

- <18? _____
- 19-25? _____
- 26-35? _____
- 36-45? _____
- 46-59? _____
- 60+? _____

8.A. Total number of companies/ organisations offering whale/ dolphin watching in your area _____?

8.B. Estimated number of whale/ dolphin watchers (domestic & foreign tourists) from all companies/ organisations in 2003 in your area (including your own business) _____?

9. Is your company affiliated with or does it have an agreement of any type with a tour operator (ie bus company, travel agencies etc.) who bring whale watching tourist groups to your company? Y / N
Name of company? _____ Nature of arrangement? (please explain in detail)

What % charge would you expect to be placed on top of your standard ticket prices?

10. Please tell us the number of new businesses in your community (souvenir shops, tour companies, restaurants, etc.) due to whale/ dolphin watching tours in your area? _____ since 19____

11. What is your estimate of the capital value of your whale watching business? \$ _____

12. What is your estimate of the average cost of each whale watching tour per person? (Average cost includes normal operating expenditure, cost of finance for working capital and depreciation but does not include taxation or payments of dividends to the owners or profit retained for re-investment in the business). \$ _____

13. Is it possible to compute/ estimate the annual rate of return on initial investment for your whale watching business? _____% per year for period 19____ to 200____.

14. Please state the number of businesses in your community which would not exist if whale watching had not started in your area? _____ If you can, it would be very helpful to tell us:

- number of new souvenir shops? _____
- number of new restaurants? _____
- number of new hotels/motels? _____
- number of new rooms (incl. guest houses & B&B) _____
- number of new tour companies? _____
- number of other new shops (please describe as many as you can) _____

15. How many (or the percentage) of your whale watch customers:

• come to your community with whale/ dolphin watching as the main reason?

• come to your community with whale/ dolphin watching as part of the reason for their trip?

• went whale/dolphin watching spontaneously (impulsively decided on site)?

• how were you able to ascertain this information?

16. If customers came as part of a trip, do you have an estimate of the amount of time spent elsewhere on that trip on average and what activities they undertook?

17. Please tell us other community benefits that have come from whale watching, including social, educational, economic or environmental benefits. (For example, benefits traceable to whale watching include the designation of a marine protection area, the building of a community centre or dock, scientific research of local marine waters, tour boats taking school classes whale watching at reduced or free rates etc.)

18. Are there any available socioeconomic or other tourism reports on whale watching for your area, which describe the social and economic impact of whale/ dolphin watching on your community, region or state? Please tell us how we might obtain copies of these reports or other documents. If there is an economist, human geographer or tourism consultant who is analysing the value of whale watching in your area, we would be pleased to be put in contact.

End of Survey. Thank you greatly for your participation.

We would be more than happy to provide you with a copy of the final report.

[] Tick here if you would like to receive the final report. **Please return the survey by any of the means listed opposite as soon as possible.**

**Mail: 23 Harper St Northcote
VIC 3070**

ENDNOTES

ⁱ Stokes, T, Dobbs, K, & Recchia, C (2002), Management of Marine Mammal Tours on the Great Barrier Reef, *Australian Mammalogy*, 24: 39-49. Figures have been extrapolated from this article, conservatively estimating 10,000 dedicated whale watch tourists each month between May and October inclusive. For expenditure data, the same figures have been used as for Hervey Bay due to lack of other available data.

ⁱⁱ National Parks and Wildlife Service - Hervey Bay Marine Park, personal contact, May 2004.

ⁱⁱⁱ Tourism Queensland (2003), *Fraser Coast South Burnett Regional Update – Summary results for the year ending June 2003*. Data extrapolated based on average accommodation rates, average stay duration and average daily expenditures.

^{iv} National Parks and Wildlife Service – Moreton Bay Marine Park, personal contact, May 2004, & operator survey responses.

^v Operator survey responses.

^{vi} Ibid.

^{vii} Cape Byron Marine Park, personal communication, May 2004 – data extrapolated from this source.

^{viii} Bureau of Tourism Research, www.btr.gov.au. Online statistics used. Based on 50% of the average expenditure on domestic day trips so as not to overstate the expenditure allocation to this activity. The average daily spend in Australia is taken from the Bureau of Tourism Research 2001 data on average expenditure on domestic day trips - \$79.65

^{ix} Port Stephens Tourism, personal communication, May 2004 & operator survey responses.

^x Operator survey responses.

^{xi} National Parks and Wildlife Service - Botany Bay National Park, personal communications, May 2004.

^{xii} Operator survey responses.

^{xiii} Some informal land-based whale watching may occur around Point Hicks in Eastern Victoria.

^{xiv} Operator survey responses.

^{xv} Mornington Peninsula Tourism, *Tourism Indicators for the Mornington Peninsula 2002*, August 2003.

^{xvi} Warnambool City Council – Economic Development Unit, personal communication, May 2004. This figure is extrapolated on a growth trend from the 1998 visitor figure given by the Warnambool City Council. Growth was plotted using visitor figures entering the Warnambool Visitor Centre tourist data trends – supplied by the centre. Although 2003 was a year of fewer whales, mid winter visitors to the centre still grew at a significantly increasing rate. The lack of whales was accounted for by a deduction in the growth trend for 2003. Thanks to Tanya Egan of the Economic Development Unit at Warnambool City Council and Nan Adams of the Warnambool Visitor Information Centre for their great data collection.

^{xvii} Operator survey responses.

^{xviii} Op Cit, Warnambool City Council. The Economic Development Unit supplied calculations they had undertaken for the indirect economic benefits of whale watchers to the city.

^{xix} This figure is extrapolated on a growth trend from the 1998 visitor figure given by the Warnambool City Council. Growth was plotted using visitor figures entering the Warnambool Visitor Centre tourist data trends – supplied by the centre. Although 2003 was a year of fewer whales, mid winter visitors to the centre still grew at a significantly increasing rate. The lack of whales was accounted for by a deduction in the growth trend for 2003. Thanks to Tanya Egan of the Economic Development Unit at Warnambool City Council and Nan Adams of the Warnambool Visitor Information Centre for their great data collection.

^{xx} SA Tourism, *Regional Profile – Fleurieu Peninsula*, October 2003. & South Australian Whale Centre, personal communication, May 2004. 80% of all whale watch tourists to the Fleurieu Peninsula region are land-based whale watchers, the others being boat-based according to the SA Whale Centre.

^{xxi} Operator survey responses.

^{xxii} SA Tourism, *Regional Profile – Fleurieu Peninsula*, October 2003.

^{xxiii} Due to the large numbers of whale watching permit holders in WA who are not actively using the permits or are not dedicated whale watch businesses, data on the regional breakdown of operators was not accessible.

^{xxiv} Operator survey responses.

^{xxv} Operator survey responses. The indirect expenditure levels for Perth based whale watching are very low due to most tourists not coming to Perth especially for whale watching.

^{xxvi} Department of Conservation and Land Management - Monkey Mia Nature Reserve, visitation statistics, personal communication, May 2004.

^{xxvii} Extrapolated from indirect expenditure levels from survey responses in the South WA with an additional travel cost added to account for distance.