

Rural and Regional Committee
Inquiry into Rural and Regional Tourism

Submission from:

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Introduction

The City of Ballarat (Ballarat) is a progressive regional centre located 75 minutes from Melbourne. Ballarat attracts two million visitors per annum equating to \$300 million in direct economic impact to the community.

Ballarat is situated within Tourism Victoria's defined Goldfields campaign region and works cooperatively with the Goldfields Executive Committee to market the region. In addition to the Goldfields Executive Committee, other key partnerships that Ballarat is associated with include Melbourne and Surrounds Marketing, Destination Melbourne, the Great Grape Touring Route and the Great Southern Touring Route.

We are pleased to have the opportunity to present this paper to the Rural and Regional Committee. We have focussed on what we believe are the four key issues facing Regional Victorian tourism and believe that they fit within the Terms of Reference outlined for this Inquiry.

1. Inter-Portfolio Collaboration

Currently there are various Victorian State Government departments/portfolios that directly impact on the regional tourism industry and destination messages. These include Tourism Victoria, Parks Victoria, the Provincial Victoria campaign (via the Department of Innovation, Industry and Regional Development), Victorian Major Events and the Melbourne Convention and Visitors Bureau.

The traditional structure allows each portfolio to operate independently, which means that opportunities to maximise the economic benefits to the State are lost.

Furthermore, the level of focus on regional outcomes varies widely from portfolio to portfolio and in some cases is non-existent.

Interestingly, in response to the Provincial Victoria Campaign, local governments have taken the lead in developing unifying strategies but struggle to influence State Government activities and hence are forced to revert to out-of-date silo approaches.

2. Appropriate Term and Level of Funding.

The Tourism Victoria Strategy of developing and implementing ten distinct regional brand campaigns is only sustainable with significantly more funding. It is not unreasonable to expect that any individual brand will require between \$1 - \$2 million annually to build and maintain market share, however the combined Tourism Victoria funding allocation to all regions is \$3.25 million.

Equally important is the short-term nature of the funding. A minimum funding period of four years should be introduced giving confidence and continuity to programs.

Furthermore, funding should be directly linked to the capacity to turn marketing outcomes into economic benefits. Significant destination brand funding for areas that have little operator product does not create yield or economic impact outcomes.

However, even with changes to Tourism Victoria funding, the most significant source of funding for tourism in larger regional areas is currently via regional tourism organisations and local councils. From the Ballarat perspective, local government funding for tourism activities is \$3 million annually and a special rate (levy) is in place to ensure longevity. It is therefore critical that Tourism Victoria's funding becomes more flexible and supportive rather than proscriptive.

State Government needs to show leadership and confidence by engaging and working with local councils on regionally specific projects and requirements to assist in raising the public awareness of the benefits of tourism to regional economies to ensure ongoing local government funding in the future.

3. Product and Infrastructure Development

Funding for regional tourism is available solely for marketing activities with little or no funding streams available for product development, research, modelling and gap analysis and infrastructure development.

As international tourism markets more fully emerge over the next five-to-ten years, the lack of appropriate international product will become critical. This includes both new or additional products for returning markets plus a lack of appropriate and culturally sensitive interpretation for new markets.

Furthermore, sound product and infrastructure development are contingent on appropriate research. However, current visitor research is too broad to be useful at a sub-regional level and has significant gaps in the type of data processed.

In the Victorian context, major events have been a significant and successful motivational product for metropolitan tourism. However, regional centres have not benefited. Support needs to be given to regional centres recognising that whilst transportation and other logistical requirements (eg police support) to support bids for major national and international events are 'automatic' in the metropolitan environment, they come as a significant cost to regional host cities.

4. Industry Standards

Increasingly, as international visitors form a greater component of our market share, it is clear that the current level of customer service and industry standards across the state are not sufficient to meet the expectations of these emerging markets.

Whilst the ease of entry for new operators to join the tourism industry provides opportunities for a broad cross-section of personnel, accommodation options and businesses to emerge within a tourism region, currently the environment enables unskilled and unprepared operators to exist in a largely unregulated industry.

Changes to the regulatory environment at a state level need to be undertaken to enable the necessary compulsory accreditation processes to lift and maintain standards throughout the entire industry.