

Parliamentary Submission

From

Yarra Valley Regional Tourism Association

The Old Courthouse ,

Healesville

Victoria, 3777.

Phone 03-59622600

29th May, 2007.

VICTORIAN PARLIAMENTARY INQUIRY INTO REGIONAL TOURISM
SUBMISSION
from
YARRA VALLEY REGIONAL TOURISM ASSOCIATION

The Yarra Valley today is one of Victoria's leading tourism destinations. Over the last decade, it has experienced considerable growth of tourism infrastructure and visitors.

Management of destination marketing and industry issues for the region has not been effective. In fact, the third Regional Tourism Organization structure was introduced in 2006 and it looks like being no more successful than its predecessors.

Yarra Valley Regional Tourism Association has been in operation since 1985, has been managed throughout by industry stakeholders and achieved some success including

- Developing a successful Visitor Information Centre in an old court house at Healesville serving 16,500 visitors and 18,000 phone calls each year
- Producing a successful Official Visitor Guide (OVG) for the last 15 years
- Establishing the region's only destination website, and
- Introducing the BookEasy online booking system which has boosted booking revenues by 105% in the first year.

The new Regional Tourism Organization (RTO), Yarra Ranges Tourism Marketing Limited, since its inception last year, has

- Been autocratic in its approach to the industry
- Been selective with industry members it wishes to service
- Substantially increased the cost of buy-ins for marketing programs, too expensive for small businesses
- Took over our Association's OVG and mismanaged its production and advertising, and
- Now plans to concentrate resources on overseas visitors when 97% of all visitors come from Melbourne.

To make the situation worse, the RTO, Yarra Ranges Tourism Marketing Limited is now planning to seek grants from the Victorian or Federal Governments to fund duplication of existing resources viz

- Development of a rival destination website, and
- Introduction of an online booking system to compete with our Association's Book Easy system.

This is completely unnecessary duplication and we do not support allocation of these funds.

An approach to Tourism Victoria for assistance to resolve these problems was rejected by the senior executive involved. Tourism Victoria was not interested.

The purpose of this submission is to

- Appraise the Parliamentary Inquiry of the ongoing leadership and management problems of this region
- Seek some arrangement where problems we have encountered can be mediated as Tourism Victoria does not seem to be interested, and
- Draw attention to the RTOs unnecessary funding applications to duplicate the existing regional website and existing online booking system.

Further details are shown below.

YARRA VALLEY REGIONAL TOURISM ASSOCIATION

BACKGROUND OF TOURISM ORGANISATIONS IN THE REGION

The Yarra Ranges region embraces not only the Yarra Valley but also the Dandenong Ranges, Upper Yarra around Warburton and Marysville.

Organization name and structure

In July 1994, the regional tourism organization was the Dandenong Ranges and Yarra Valley Tourism Board comprised of representatives from three Local Tourism Associations. During the years that followed further groups allied to tourism were formed and became affiliated. They were

- Yarra Valley Wine Growers Association,
- Yarra Valley Regional Food Group, and
- Yarra Valley Conferences Network.

This led to the Tourism Board having 28 members which became unmanageable.

Destination Yarra Valley

Local MP, Ms Christine Fyffe, convened a meeting of all organizations which was aimed at achieving a unified and coordinated approach to advance the interests of the Yarra Valley tourism, wine and food industries.

In time, while the aim was admirable, experience showed that having a Board of 25 members was unwieldy. This led to some industry leaders proposing a new structure. With input from Tourism Victoria's DCEO Mr Kayler Thomson, a new regional group was formed, "Destination Yarra Valley".

This organization was not membership based and relied heavily on funding from Tourism Victoria, Shire of Yarra Ranges and cooperative marketing contributions from industry businesses. The group focused its attention on the bigger businesses in the tourism, wine and food industries neglecting the smaller businesses.

In time the industry lost confidence in the organization because it was not delivering successful destination marketing.

Yarra Ranges Tourism Marketing Limited

The failure of Destination Yarra Valley caused the Shire of Yarra Ranges to step in last year and form a new organization to replace it. The new organization, Yarra Valley Tourism Marketing limited is a company limited by guarantee.

This new group is not performing well for the industry and this is explored further below.

YARRA VALLEY REGIONAL TOURISM ASSOCIATION (YVRTA)

Yarra Valley Regional Tourism Association was formed in 1985 as a membership based organization headquartered in Healesville. Our organization has never received any ongoing funding, our operations have had to be self-funding.

Our membership base is 225 and growing because we focus on delivering business for our members which is what they want.

We are proud of what we have achieved for the Yarra Valley tourism industry and the local community. Our achievements include;

- Establishing a Visitor Information Centre for the region in Healesville which is now located in a former court house that long served the local community. It services 16,500 visitors and 18,000 phone calls each year
- With a grant from DOTARS a very comprehensive website www.visitarravalley.com.au was established in 2005. This is the only regional website for tourism in this region
- Developed a 36 page, A5 Official Visitor Guide titled "Yarra Valley" which has these very important functions
 - To deliver customers to our member advertisers
 - To produce a profit to contribute to our operational costs, very important as we do not receive any subsidies or annual grants
 - Channels customers to our BookEasy online booking system.

Online booking system BookEasy

With a grant from DOTARS, YVRTA (our organization) introduced the BookEasy online system in December 2005. It has had a dramatic impact on our operations and for our members

In the first full year, 2006, accommodation booking revenues doubled (100.5%) as follows

- Accommodation bookings revenue from manual bookings in 2005 -\$ 425,000
- Accommodation revenue from online bookings through BookEasy - \$ 865,000
- Revenues earned have funded two new jobs in the Healesville Visitor Information Centre
- Phone call volumes have been reduced by 40% - real labor savings benefits
- Removed complaints from accommodation providers that Visitor Information Centre staff were biased when making recommendations to clients. Quite important.
- Tourism and winegrower businesses in neighboring areas are now seeking to be listed on our BookEasy booking system
- Our Association is now exploring ways of selling Yarra Valley produce through our website using the BookEasy system.

OUR TOURISM ORGANISATION HAS BEEN PROACTIVE WITH INITIATIVES TO GROW OUR LOCAL INDUSTRIES-TOURISM, WINE AND FOOD. WE ESTABLISHED THE ONLY DESTINATION WEBSITE FOR THE REGION AND ARE OPERATING THE ONLY ONLINE BOOKING SYSTEM IN THE REGION

YARRA RANGES TOURISM MARKETING LIMITED (YRTML)

In October 2006, Yarra Ranges Tourism Marketing Limited (YRTML) was formed as a limited company. It was formed by the Shire of Yarra Ranges and Tourism Victoria decreed that it would be recognized as the peak Regional Tourism Organization for the Yarra Valley and Dandenong Ranges.

From the outset, the management of the RTO has shown an indifference towards our organization and the wider tourism industry of the region. These problems have been encountered

- The RTO management has not consulted our organization about their plans including proposals that would impact on our operations and our members.
- The RTO has shown no interest in the wider industry preferring instead to tailor their marketing activities to suit the larger businesses in the region which represent about 20% of all businesses. The remaining 80%, all smaller tourism and tourism-related businesses, are being neglected
- All campaigns have large buy-ins requiring budgets beyond most small businesses
- The RTO took over production of our very successful Official Visitor Guide which is important for generating bookings for our BookEasy system and helping with our overhead costs (see further details below)
- Attempts to establish closer links with the RTO have been unsuccessful. We want to work together with them in the best interests of the industry but they are not interested. In fact, the RTO management is not providing very much information to the industry at all about their planned strategies or operations giving the impression that they are not accountable to the industry, the very industry they want to support their programs
- We understand the RTO is planning to establish a membership base which will be in competition with our organization. This is an unnecessary and duplicates our efforts.

Official Visitor Guide (OVG)

The Official Visitor Guide has been produced annually by our Association since 1992 and over its 15 year history has been progressively improved, based on market feedback. The OVG has become a great aid for potential customers and for introducing business to our members.

In August 2006, in response to an approach from the Shire of Yarra Ranges, negotiations began between the RTO and our Association for an agreement leading to streamlining operations. In good faith, we handed the production of the OVG to the RTO.

However, when the RTO took over production of the OVG, they made major changes without consulting our organization or the industry and in doing so, made several fundamental errors with the brochure. As an example, they changed the highly regarded maps which are very important to visitors (customers). The RTO also removed vital "call to action" information in the brochure which is so important for securing bookings.

Yarra Ranges Tourism Marketing Limited (YRTML) produce an OVG in direct competition to the Yarra Valley Regional Tourism Association (YVRTA)'s OVG in 2005. Their rates were excessive with a mini buy-in of \$880.00 for a ¼ advert compared with the same size advert in the Associations equivalent OVG of \$475.00.

Our Associations OVG also offered a buy-in of \$220.00 for a single line advertisement.

Automated Booking System/Visitor Service Centre

The RTO has announced that they are seeking a Government grant of \$400,000 to introduce an online bookings system and visitor service centre in direct competition to the very successful system already operating in the region by our Association.

THIS IS UNNECESSARY DUPLICATION OF THE BOOKEASY SYSTEM AND THE OPERATION OF THE HEALESVILLE VISITOR CENTRE PROVIDED BY OUR ASSOCIATION.

Our organization, Yarra Valley Regional Tourism Association, is totally opposed to further public monies being used to duplicate within the region, our BookEasy system and Visitor Information Centre service. This has been developed over many years without assistance from the public purse except for the DOTARS grant.

We have previously indicated that our Association is open to discussions in the best interests of the wider tourism, wine and food industries of the Yarra Ranges. To date there has been no response.

Marketing strategies

The RTO has stated that as domestic tourism results are depressed, the priority for marketing will be to focus on overseas markets.

This is not sound. Of all visitors to the Yarra Valley, 97% come from Melbourne and far more attention should be given to our base market but this seems to be of no interest to the RTO.

The Yarra Ranges are experiencing the highest level of competition in its history in the Melbourne market. It is essential that there be ongoing entrepreneurial marketing initiatives to raise awareness and achieve growth of demand from our largest market about one hour away.

There is also a latent demand in Melbourne from the large number of overseas visitors who are already here but there are no plans to capture any of this business.

Pursuing increased visitor levels from overseas markets is very difficult. It takes years to build demand and success in overseas markets is very reliant on "trade ready" product which is not prevalent in the Yarra Valley. Any visitor growth from overseas is likely to be mainly day trippers with little revenue potential for accommodation providers, the wineries and food producers.

It is not sound business to fritter away limited resources on overseas trips when there is a ready market nearby that only needs to be stimulated.

Arrogant attitude

Yarra Ranges Tourism Marketing Limited is displaying an arrogant attitude to our organization and the members of our industry. They appear to be autonomous and early signs are that this organization will be no more successful than its predecessor unless it starts to build bridges with the industry and form an effective partnership.

Yarra Ranges Tourism Marketing Limited should be working closely with the industry to maximise support for their activities and to ensure their marketing activities are cognisant of the needs of the industry, are supporting the whole industry and not just a few.

Our Association has many years of first hand experience with marketing our region and we have deep reservations that the RTO management lacks the skills to develop the right marketing strategies appropriate for the Yarra Ranges and to marshal industry support for their programs.

TOURISM VICTORIA

Our Association approached Tourism Victoria to discuss our concerns but the senior executive approached was not interested. Nor was there any suggestion made as to how our concerns could be resolved.

IS YARRA RANGES TOURISM MARKETING LIMITED ABOUT TO BECOME THE THIRD FAILED REGIONAL TOURISM ORGANISATION FOR THIS IMPORTANT PART OF VICTORIA'S TOURISM INDUSTRY?

AIMS OF THIS SUBMISSION

This submission has these aims

1. To highlight the current plight of the Yarra Ranges tourism industry particularly the autocratic approach of the RTO management
2. To seek some suitable structure for moderation over disputes between tourism organizations. If Tourism Victoria is not prepared to intervene as an "umpire" to sort out any operational problems, what alternative structure can be put in place?
3. To seek a solution to the difficulties our organization is currently experiencing with Yarra Ranges Tourism Marketing Limited
4. To highlight operating difficulties that exist which could have been overcome with a greater commitment to strategies to produce more business for the region.