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The Executive Officer  
Rural and Regional Committee  
Parliament House  
MELBOURNE VIC 3002

Dear Sir/Madam,

INQUIRY INTO RURAL AND REGIONAL TOURISM

Please find enclosed Baw Baw Shire Council's response in relation to the inquiry into rural and regional tourism.

The tourism industry is a significant economic sector within the Baw Baw Shire and wider Gippsland and we appreciate the opportunity to directly input into this inquiry.

We note with interest that the public hearing in relation to this inquiry will be conducted in Gippsland in December and Council officers will be available to discuss the content of our submission at this time if so requested.

If you require further information, please do not hesitate to contact me at any time.

Yours Sincerely

Gabrielle Vaughan  
Tourism and Marketing Officer

(1)The economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry.

Based on the Federal Governments preferred method of tourism measurement, the Tourism Impact Model, the tourism industry is clearly significant within the Baw Baw Shire, injecting \$138 million per year into the local economy and providing around 1500 equivalent full time jobs.

The tracking of flow-on benefits still requires more definition and promotion.

Baw Baw Shire Council's expenditure is made up of direct funding of the Shire Tourism Officer, investment in events attraction and facilitation, tourism industry development and research, marketing, and ongoing support for infrastructure maintenance undertaken to facilitate the needs of tourists.

Baw Baw Shire Council enjoys flow on benefits from being located on the Princes Highway, which attracts touring traffic on the Sydney- Melbourne Coastal drive and holiday makers travelling to the Gippsland Lakes and other parts of Gippsland.

A number of visitors also enter the Baw Baw Shire via the Yarra Valley, so continued success of this region will help the natural progression of visitors into West Gippsland.

Due to visitors having to traverse both the Latrobe and Baw Baw Shires to access Walhalla, marketing and promotion of the destination benefits both Shires.

Baw Baw Shire Council has also formed a strategic marketing alliance with neighbouring Latrobe and Wellington Shire Councils to provide cost effective marketing and promotion of Central and West Gippsland. This alliance is referred to as Experience Gippsland.

(2) Potential impediments to the sustained growth of regional tourism, economic activity and jobs.

#### -Zoning

Last year, the Baw Baw Shire implemented the new State-wide Farming Zone which replaced the former Rural Zone. The majority of the Shire, outside urban areas, is now zoned Farming.

The Farming Zone only permits activity which is related to agricultural production and limits accommodation to 6 rooms.

Council has had to invest a significant amount of time, effort and cost into seeking authorisation from the Minister for Planning to prepare an amendment to rezone some of the Shire to Rural Activity Zone. Due to the significant administration, legal process and hence time involved with this, tourism development has and will continue to be adversely impacted.

#### -Visitor Information Centres

The cost of running Visitor Information Centres deters some local governments (including Baw Baw Shire) from investing in this vital service for the travelling public and local economy.

The lack of research into visitor needs in relation to the provision of information and lack of operational funding for these services impedes local government from making this investment.

#### -On-line

The explosion of the internet ahead of legislation has created some problems for regional tourism. There are many poor quality websites and the official (but usually under funded) regional websites are forced to compete with many non-official sites which negatively impacts on the region's image and professionalism.

Although regions are encouraged to be part of Tourism Victoria's Visit Victoria website, this reduces flexibility for regions and also lacks online payment facilities.

More funding needs to be directed into this area to ensure Victoria's tourism websites are user friendly.

#### -Lack of facilities

To grow as a tourism destination, Baw Baw Shire needs additional higher standard (4-5 star) group accommodation and major conference facilities. Whilst some conference facilities in the region are able to cater for large numbers, much of this business must go elsewhere due to an inability to accommodate them. The market is increasingly looking for a quality conference facility combined with accommodation and food. This has a significant impact on our capability to attract new events, conferences and group travel to the region.

#### -Icons versus equality

Local government and regional campaign committees face a difficult battle between the need to promote icons and making sure each area is represented and treated with some equity. Many parts of the broader Gippsland region feel they are under-represented in marketing efforts. This problem is compounded by the sheer size of the region and the availability of marketing funds.

The development of designated destinations and villages by Tourism Victoria hasn't seemed to assist this issue and has not resulted in notable outcomes for the destinations.

#### -Apathy of operators

The tourism industry could be stronger if participation levels increased. Some operators do not wish to become involved formally at any level to develop or promote the region. If all businesses were more proactive in referring other businesses and attractions in the region, there would be improved benefits for length of stay and yield.

There is a lack of business and contingency planning across the majority of small tourism businesses.

The industry also relies heavily on government assistance and does not foster a self-help mentality.

The low barriers of entry into the tourism industry and perception of a tourism business being a 'lifestyle' investment has led to part-time operators and those with a lack of knowledge and skills to deliver a consistent level of service to visitor needs. This includes being open to the public seven days a week year round.

The majority of small businesses across Gippsland are not internationally ready, which is where research predicts the majority of growth will occur in the tourism industry.

#### High fuel price combined with a rise in low cost carriers

Current fuel costs combined with the availability of cheap domestic and international airfares discourages the dispersal of travellers throughout regional Victoria and makes it almost impossible for regional areas to compete with other destinations.

-Trail bikes

With the closure of the Bunyip State Park to most motorised activities, problems with trail bikes are being experienced in several communities in the Baw Baw Shire. The majority of these are tourism areas and hence the trail bikes are not only conflicting with residents but are also impacting on the attractiveness of the area for visitors.

Issues include noise; conflict between trail bikes, 4WDs, bushwalkers and horse-riders; safety due to high speeds travelled and damage to the environment.

More needs to be done in terms of registration, licensing, legislation, policing and regulation.

-Transport

Access by road to Baw Baw Shire Council from Melbourne is excellent with dual carriage freeway from Melbourne. There are also good rail facilities, however limited services and a lack of connecting bus services to other regional towns and attractions create difficulties for people seeking to use rail for travel to/ around Baw Baw Shire. As a consequence opportunities for rail travel holidays have not been fully exploited.

-Tourism as a secondary or 'nice' industry

Much of regional Victoria, including the Baw Baw Shire is resource rich, with strengths and history in traditional agricultural industries, manufacturing and timber. Tourism is not taken seriously enough as an economic sector by the community and hence local government, which often results in it not being a priority and liable to frequent budget cuts.

-Tourism Infrastructure on Crown Land

The Baw Baw Shire and Gippsland region has some spectacular natural attractions, the majority of which are on Crown Land. Regrettably there is not enough resources allocated to manage these areas and hence they lack vital infrastructure and maintenance. Red-tape also prohibits private/ public sector development partnerships in these areas.

If improvements were made to viewing facilities, camping areas, interpretation information, visitor servicing, walking trails & shelters and more funding was available for the management of these sites, the region would have a greater ability to attract visitors and protect the environment they have come to see.

(3) The effectiveness, at a National, State and local level, of current programs to promote and enhance tourism in regional Victoria.

-National promotional campaigns

National Campaigns do not encourage direct visitation into regional Victoria, however, Sydney Melbourne Coastal Drive and Sydney Melbourne Touring marketing and promotion is gaining momentum and is of benefit to Gippsland.

Research shows a sharp upward trend in visitation expected from the Chinese and Indian markets. However, research also shows that the international market into regional Victoria, in particular Gippsland, and the nationalities most suited to touring are from USA, UK, Germany, Netherlands, Canada and New Zealand. Marketing in these countries would be of most value to Gippsland.

State-

-Tourism Victoria

The newest of Tourism Victoria's brand campaigns is appreciated by Gippsland and seems to have had a positive response in the marketplace. The largest challenge relates to the size of the region and dispersing the benefits throughout the region, not just to the existing icons.

It would appear that the journalist familiarisation program run by Tourism Victoria tend to visit the same regions/ businesses. It may be helpful to have workshops on how other regions/ businesses could better participate in this program.

Tourism Victoria's website requires an accommodation booking facility and more flexibility for the regions.

Tourism Victoria needs to play a more significant role in product development and improving industry standards (real action rather than paperwork) so that the experience lives up to what is promoted.

In comparison to other state agencies, Tourism Victoria could do more to partner with airlines to encourage packaging of holidays to Melbourne and regional areas.

The 2002-2006 Victorian Tourism Strategic Plan has not been updated and sets a poor example for the regions who must undertake planning to receive funding, but do so without a coordinated vision.

Support for "councils" by the State Government requires a further examination. Tourism Victoria supports regional campaign committees but leaves "councils" to essentially do their own thing. Councils doing individual websites, producing individual brochures and promotions, developing individual tourism plans are potentially duplicating resources.

-Tourism Alliance

Tourism Alliance is very active in providing personal and business development opportunities for regional Victoria. These are high quality and valued amongst the industry.

-Destination Gippsland Inc.

The committee for the Gippsland jigsaw region, Destination Gippsland Inc. (DGI) together with Tourism Victoria recently launched a branding campaign with ongoing tactical activities and opportunities for operators to be involved.

The process of raising the profile and awareness of Gippsland is gaining momentum and already producing positive results.

With Gippsland being such a large region, a whole of Gippsland campaign overlooks many small operators, towns and tourist associations. The campaigns conducted by Destination Gippsland also seem largely driven by the objectives of Tourism Victoria, rather than at the grassroots level.

Gippsland has been successful in securing \$1.75 million for bushfire recovery funding over 2 years. There is a concern that momentum will be lost once the funding is depleted.

Gippsland lacks a quality consumer website. The current Gippsland tourism website is poor by comparison to most other regions. It is linked to

visitvictoria.com and updating is difficult. Tourism Victoria reserves the right to upload only the information they feel is appropriate and at infrequent times.

#### -Gippsland Tourism

Gippsland has been fortunate to have the position of General Manager, Gippsland Tourism funded by Tourism Victoria and the six local government organisations across Gippsland. Gippsland has progressed with the General Manager being instrumental in harnessing many parts of Gippsland to work together. The General Manager has also been effective in liaising with Tourism Victoria and parliamentarians. There are concerns that progress may be lost once the General Manager's contract expires in June 2008 if it is not replaced.

#### -Experience Central and West Gippsland

"Experience Central & West Gippsland" is a coordinated, co operative marketing brand based on an agreement between Baw Baw, Latrobe, and Wellington Shire Councils which provides a singular tourism marketing brand to efficiently promote Central & West Gippsland to a wide audience.

Working collaboratively with two other councils enables Baw Baw Shire to better utilise its resources and engage in a range of activities such as attendance at consumer shows, producing appropriate collateral including an Official Visitor Guide, business development and targeted marketing. The approach allows each municipality to leverage off each others strengths.

#### -Baw Baw Shire Council

There are two active local tourist associations within the Baw Baw Shire- Gippsland Gourmet Country Tourism Association and the Walhalla and Mountain Rivers Tourism Association.

Council support the work of both Associations as well as conducting our own tourism marketing, industry development, research and infrastructure development through two staff focussed on tourism and events.

The Baw Baw Shire Council Tourism Advisory Board was last year disbanded and a new regional tourism organisation, Gippsland West Tourism Inc has recently formed. This organisation has representation from neighbouring Cardinia and Latrobe Shires as well as representatives from the local tourist associations. The remainder of the board is skills based.

With a close proximity to Melbourne, the majority of our tourism market is day-trippers. A large issue for the region is the lack of a Council funded accredited Visitor Information Centre; such a facility may assist with length of stay and yield in the region.

The core products promoted in the Shire are nature based tourism, food and wine and heritage.

(4) Initiatives to increase both international and domestic visitor nights in regional Victoria.

The following initiatives would assist in the development of international and domestic tourism in our region:

- Funding and support for the Sydney Melbourne Coastal Drive and associated marketing.
- Operator support for Australian Tourism Exchange.

- Funding and industry development for up skilling operators to become "Internationally Ready."
- Continuation of regional branding and tactical campaign activities.
- Consumer show attendance.
- Website maintenance and enhancement.
- Support for regional events.
- Streamlined inter-governmental planning for tourism investments.
- Funding for operating costs association with Visitor Information Centres.
- Support for City of Melbourne's funding of the Melbourne Visitor Centre to ensure adequate promotion of regional Victoria.
- Improved networks of transport into regional Victoria.
- More funding for land managers to develop, maintain and promote tourism assets.
- More support/ assistance at the local government and regional tourist association level.

(5) The efficiency of existing mechanisms at a National, State and local level to address the impact on regional tourism of natural events such as bushfires, floods and drought, and effective measures to drive long term economic recovery.

The Gippsland Tourism Response and Recovery Group (GTRRG) played a vital role in the recent bushfires.

There were many positives that were obtained through the formation of this Recovery Group. These included:

- Regular communication and information to the public and business operators.
- Business Impact surveys conducted.
- Successful lobbying for recovery funding.
- Media management.
- Positive partnerships and collaboration within the tourism sector and between the tourism industry, CFA, Parks Victoria and DSE

Opportunities for improvement

- Naming of fires more appropriately, NOT based on where the fire is being managed.
- Funding for infrastructure required after the fire, not just marketing.
- Media focus on specific communities impacted by fire, not the whole of Gippsland.
- Training of VIC staff to deal with crises required and a consistent message/script required.
- Victorian Bushfire Information Line updated more frequently and based in the region where people have the knowledge of the specific area.
- One website instead of information on Parks, DSE, VicRoads, CFA and ABC websites etc.
- Business training to accommodate preparedness for future crises.
- Establishment of a formal relationship with Land Management agencies and the tourism industry.
- Improved support and resources for Council Tourism Managers.
- Immediate and ongoing marketing for the areas directly affected.

(6) Opportunities to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism.

The Baw Baw Shire has a Nature Based Tourism Development Strategy that outlines investment opportunities. The largest impediment for this to occur is the difficulty faced by the private sector in investing in and developing projects associated with crown land. Although these projects are often supported by Tourism Victoria, this is not necessarily the case with Parks Victoria and DSE.

There is a lack of process/understanding/support of how to attract private investment for tourism related projects in regional areas and Tourism Victoria's presence in this regard could be increased.

It is important to note the negative effects of recent Victorian Planning Code amendments in relation to farming zones and the impact on regional tourism.

Formal: Formal