



PARLIAMENT OF VICTORIA RURAL & REGIONAL COMMITTEE

INQUIRY INTO RURAL AND REGIONAL TOURISM

Submission prepared and submitted by Otways Tourism

CONTACT DETAILS

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Executive Summary:

Otways Tourism Inc is the peak tourism body representing tourism operators in the region bounded by the Colac Otway Shire. We are a Local Tourism Association with 230 members representing a diverse range of tourism operators including but not exclusive to accommodation providers incorporating motels, guest houses, bed & breakfasts, cottages and hostels, attractions, tour operators, both nature and adventure, cafes, restaurants, wineries and two visitor information centres located in Colac and Apollo Bay.

Otways Tourism welcomes the inquiry into rural and regional tourism as it provides a great opportunity to take a incisive look at how the industry is performing and what steps are required, if any, for the industry to move forward in a cooperative and consolidated format.

As a local tourism association we have tried to best indicate the issues that affect the progression of our own region yet some of these issues will be repeated through out the industry as they are not only specific to Otways Tourism. Our association has undergone significant change in the last twelve months and is now embarking on path that will hopefully see us becoming one of the leading local tourism associations in Victoria.

It is important that the inquiry looks at many different angles and this would include both the micro and macro aspects of tourism and both the supply and demand sides. By breaking down tourism into some key focus areas solutions will hopefully present themselves.

There are many issues that are currently hindering the tourism industry and we are not unlike other industries however our industry is increasing in size and becoming such an important economic factor in the landscape of our state that it requires equitable acknowledgement of other industries.

We need to deal with rural planning zones which are restrictive to potential investor's development quality and sustainable product that enhances a region, we need to identify a structure that will takes us forward with minimal duplication across regions and provide efficiencies to the industry that can be better utilized.

We all acknowledge skills shortage as a major issue and in part has been addressed for some time yet we continue to see the issue raised and present barriers to operators in

their efforts to provide continuity of a quality product. Resources to invest in staff that will provide them with loyalty and quality of service are challenging yet achievable.

By most standards our industry performs at or above our competitors given the many external factors that affect our industry, yet out of this enquiry a framework for becoming leaders in our industry and setting benchmarks for other states to follow should be our objective.

TERMS OF REFERENCE

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

The industry provides a strong economic platform for many communities however this is often disregarded or not acknowledged with the respect it deserves. It is one of our major hurdles in our efforts to engage with the local community and convince the community that the industry is worthy of financial and emotional support from the community. With out this support there is often detractors who are chipping away at the industry which simply undermines all efforts to involve the community and provide them with an opportunity to prosper from tourism.

Developing standard economic impact models across the industry that clearly demonstrates benefits to local communities will provide a foundation for local governments to justify its support in the long term for the industry.

An appropriate economic model will also assist in identifying any leakage in the region and where this can be addressed. It is important to measure this to get a true and accurate reflection of the economic benefits and would also identify how to prevent this from occurring.

The tracking of the flow on benefits also requires the support of the local communities and businesses indirectly affected by tourism. It is often these businesses who fail to recognize what the gains are for them. Some regions that already have high consumer awareness and strong visitation levels through out the year are unable to distinguish the difference on where their income is coming from.

Measuring visitation to individual regions should also be considered as it currently only measures to a much broader regional perspective as opposed to a more targeted region. In collecting this data will also contribute to providing a much stronger case on the economic benefits to the region.

Below are dot points provided by members

- Providing appropriate economic models for regions to accurately assess and communicate the benefits of tourism to the community and to reinforce local governments support for tourism
- There needs to be more participation from other businesses in tourism impact studies to determine and demonstrate the tangible benefits to their businesses
- Do we do anything to track the flow on effect in our region?
- Bringing in and keeping money from outside the area equals a more prosperous region
- Employment of local people in the tourism industry. Creating income for local people not otherwise available.
- Boost to regional businesses as a direct result of tourism.
- Improved infrastructure and services.

While some of the comments are more directly related to a local region they might contribute to state wide generic issues.

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

Impediments to the sustained growth of tourism cannot be purely put down to any specific issue as the tourism industry is quite complex and is affected by many factors both domestically and internationally.

A more competitive domestic market through the participation of low cost carriers being introduced and the introduction of these carriers developing international routes impacting on a flat domestic market. Many different options are available for consumers that provides them with choice, a tool in the internet, to source the best possible option available and to compare the relative offers made by competing operators. In some cases an overseas holiday can compete with a domestic location. We need to make ourselves more affordable however this does not necessarily come through discounting but more through the development of packaging and value adding to a package. Consumers are also time poor and quite content to book an all inclusive package.

Infrastructure and product development is another issue that continues to raise concerns as the barriers restricting new developments can often be a strong deterrent as the process is quite convoluted and the planning regulations while varying from one region to another a stumbling block with potential investors not prepared to go through the process that does not guarantee a positive outcome at the conclusion. This process then soaking up valuable time and resources from individuals involved.

Development can be frowned upon when put into a tourism context as the perception is that it disrupts the community and environment and the benefits will only be applicable to the developer. In the current tourism landscape all developers are fully aware of their social and environmental responsibilities and are more than prepared to work with local communities to ensure the development is sustainable and will contribute significantly to the local economy and if they are unable to display this type of compassion then it is unlikely the development will be appropriate for a region.

A definite skills shortage is an ongoing issue and one that has been identified some time ago and will continue to be so for some of the smaller regions where it is more attractive for the new generation of potential tourism participants to move to the bigger regional centres or Melbourne to pursue a career. With tourism not

readily acknowledged as a genuine career, it often suffers against other mainstream career options. While this is improving we also compete in a remuneration capacity often at the low end of the scale. More considered time and resources need to be directed to developing our leaders of the future to ensure our industry remains a vibrant and sustainable one that does encourage investment and participation.

Disposable income is being soaked up by a desire to have other influential items that potentially offer something more tangible in their own minds as opposed to what is often described as an intangible benefit to the family environment and that is the family holiday. This clearly demonstrates the complex nature of tourism and the many factors that will affect its very landscape.

Some regions are also affected by the lack of infrastructure that provides them with a consistent communications package. Internet, Phone and TV reception are all serious issues in our own region which in many cases affects the occupancy levels of our accommodation providers due to the lack of one or the entire communications suite that travelers expect when staying overnight or multiple nights in a location. Attempting to rectify these issues is often a political football and a drain on resources for the individuals involved in trying to get a positive outcome. Greater recognition of the issues that affect those that are regionally challenged would open many new opportunities for operators.

Funding will continually be an issue for tourism with all levels of administration of tourism receiving substantially different levels of funding and this will often reflect the different levels of maturity and standards that some regions are at. Often battling with local government for appropriate funding to sustain the industry and continually encourage tourism operators to participate in local or regional campaigns.

Duplication of roles and responsibilities often occurs in the industry especially with a state government body, Tourism Victoria acting as a watchdog over the industry in some many areas yet it could have a lot more direct involvement with rural and regional areas and reduce the different layers of administration.

The many layers of administration are also confusing to local operators and where their region sits in the over arching structure and who best represents their interests. While they often have an affinity with their regional tourism association or local tourism association, sometimes this affinity is simply a cynical involvement through membership to ensure their marketing collateral gets exposure through

local visitor information centres. With no real active involvement with local tourism it is often led to the few passionate operators to voice concerns and raise issues that impact on the industry. This approach can lead to lack of acknowledgement from Local government and not have their concerns adequately addressed.

Below are dot points provided by members

- Lack of access to formal education for potential tourism industry participants in regional locations
- Lack of recognition of tourism as a bona fide tourism career - Not enough information is provided to colleges / high schools that tourism can provide a challenging yet rewarding career.
- It suffers the same lack of recognition that is suffered in the eyes of state and federal governments in the equitable distribution of funding to support an industry that generates significant economic benefits to all levels of the community
- Lack of community awareness of the value of tourism as a industry in supporting the economic viability of a particular region
- Tourism operators not involved with local tourism associations and not prepared to work collaboratively. A more regulated industry in terms of local membership should be addressed.
- Lack of appropriate communication tools. Eg: Internet, TV Receptions, phone coverage.
- Competition from interstate, intrastate overseas market.
- Decreased disposable income and competition from other consumer items.
- Failure to keep tourism product fresh, innovative, quality and varied.
- Lack of good information of product on web sites, which provide a package approach and give tourism highlights and itineraries for the region. Consumers want instant ideas and gratification and ease of planning their travel.
- Lack of networking and fostering a holistic community involvement in Tourism in our region.
- Poor infrastructures, especially roads.
- Lack of support from government, local and state.
- Availability of staff.
- Lack of incentives to investors.

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

The actual term of reference in itself highlights one of the many issues and that is the many levels of tourism within Australia which then flows down to the structure at a local and regional level.

Many programs are very supportive for tourism product yet they are often detailed and complex processes to access the funding. With many businesses being medium to small business in the regions and many family operated businesses they do not have the appropriate skills to complete the process.

It is essential that at all levels that continued opportunities for funding is made available to operators to continue to develop their product and have access to marketing programs that will keep our product at the forefront of domestic and international tourism. There is always going to be ongoing competition from other states in this regard due to the different levels of funding that is applied to the other states.

It would also be fair to say that it would be more at a local level that will provide the challenges as we continue to convince local governments of the benefits of tourism and the need to have programs in place to produce a quality sustainable tourism industry. Access to funding and programs at the micro level will prove to be more beneficial to the smaller operators.

Below are dot points provided by members

- So many levels of industry and the different roles that each one plays. A consolidation of responsibilities reducing duplication of roles and producing a more simplified process that regional operators can understand. Programs are currently complicated with so many levels of participation in addition to their membership, it can become a financial burden to some and potentially we do not get the right product mix in our campaigns
- There is not a national push to encourage the domestic market to holiday in Australia. We need to convince local consumers that Australia has just as much to offer as O/S. I think the notion that travel to Europe is cheaper than travel within Australia is a fallacy and should be exposed to the consumer.
- At state level OT needs to do more to ensure that we are getting our share of the Tourism Vic pie.
- As an operator, I feel that current programs are effective, however too much emphasis is still placed on the promotion of areas already well established (i.e. Lorne, GOR, Apollo Bay etc).
- As people are constantly seeking alternative destinations, more emphasis should be placed on the promotion and establishment of "secondary" destinations.

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

Regional Victoria is faced with many challenges in increasing visitor nights and initiatives will vary between both markets due to the very nature of those markets. A more holistic approach to the marketing of the regional destinations needs to be applied given that not all regions are international ready and would not be in a position to cope with the sudden influx of international visitors unless definitive programs were implemented to assist them.

It would therefore be appropriate that regions are identified clearly as to what their markets are and where the growth will come for them. In identifying these regions it would be based on their current market split between domestic and international and the potential and reality of what markets they should be targeting.

Once all regions have a clear path towards their markets then the product can be developed accordingly in line with visitor requirements.

Victoria's nature based activities and adventure based activities is something that needs to be further enhanced. Our community is becoming more socially aware of the need to become more active and ability to combine activity with unique tourism experiences will potentially offer something tangible to new markets.

More experiential touring routes that are interactive will encourage visitors to spend longer in the regions. The major factor behind developing this type of product is the standard and quality of the product. We need to have a commitment to developing product that is reflective of our commitment to excellence and an ability to compete against other states for our share of the market.

We also need to work with operators to develop better marketing plans and begin to accept and embrace new technology to support the promotion of any region. We can introduce new initiatives however their success will be dependent on the ability of the operators and the standard of the product in a region and its relationship with the target markets.

A stronger relationship between event organizers and tourism associations to ensure the event is appropriately leveraged to maximize the impact of an event

for the local tourism operators. Often events are organized with little or no consultation with local providers. Communities need to work on establishing an event framework that ensures engagement from everyone across the community.

Below are dot points provided by members

- Market opportunities like the Great Southern Touring Route to the domestic market and encourage more such touring trails throughout regional Australia. These give the convenient package approach to travel which is increasingly desirable. Highlights the need for one or more great trails through the Otways.
- Stronger identification of target markets for regions and their ability to cope with the domestic or international markets
- Package more to encourage longer stays.
- Need for better user friendly information of product on web sites, which provide a package approach and give tourism highlights and itineraries for the region. Consumers want instant ideas and gratification and ease of planning their travel.
- Offer incentives to operators to establish quality accommodations and attractions.
- One way to introduce new domestic visitors to a region is through special events which if handled appropriately by local operators during the event, will encourage visitors to return if they have had a positive experience on their initial visit.

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

Until such time as the most recent bushfires in recent years in Gippsland, High Country and the Grampians the impact on tourism has been accepted as a natural occurring event that we all deal with when it arrives.

We are now starting to understand the importance of planning for such events and even more important in this process is the involvement of the local communities to drive processes and systems that can be applied and easily implemented.

A detailed plan to deal with these events will also identify a formal process to drive the recovery period to mitigate the downturn in tourism business. Streamlining the communications process would also benefit the regions as the wrong message often has more effect on a community than the actual event itself.

The process should also be driven from a local level through to a national level. This provides all higher levels of administration with a "coal face" experience on how best they will cope with natural events but what will work for them during the recovery period.

Below are dot points provided by members

- Easily accessible funding during and after the event
- A more proactive response to the events and not waiting to see if there actually is any ongoing impacts on the region
- Improvement in the communications provided to the general public and the actual travel trade
- Greater consultation with regions at high risk of such events prior to events to mitigate any damage and ongoing impacts

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

It is currently a very grey area as to who the responsibility belongs to in securing potential investors into regional areas. Many concepts for new products and crown land identified for new development are being done on an adhoc basis and is shared between many different levels and or agencies to encourage private investment.

A separate body / group should be established to identify, promote and encourage private investment into regional Victoria. This would provide for a focused group to target all the appropriate businesses that might have pecuniary or financial interests in the tourism industry.

Many new projects remain on paper and never see the light of day. Bringing a group like this into play will allow for a review of the proposal, any amendments that would be considered a barrier to the proposal to assist in a smooth transition from proposal to project to completion. They would also be charged with the responsibility of ensuring it will lead to a strong sustainable tourism product with tangible benefits to the local economy including employment and increased visitation with an emphasis on attracting higher yielding visitors.

We also need to engage with the local communities as new development has a history of generating backlash from communities who are against development and the impact it has on their lifestyle. Controlled development and community consultation will ensure strong support for ongoing developments.

Below are dot points provided by members

- More assistance to regions to attract private investment in tourism product. There are many discrepancies in who should be encouraging investment. While gap analyses are developed it is the next step of who should buy in and who should be sourcing this.
- Again, this will not happen unless some incentives are made to invest in regional areas where tourism is a very seasonal business.

This submission was submitted by

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