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5 June 2007

Damian Drum MLC  
Chair – Rural and Regional Committee  
Parliament House  
Spring Street  
MELBOURNE 3002

Dear Mr Drum

**Parliamentary Inquiry into Rural and Regional Tourism**

Thank you for the opportunity to contribute to the Parliamentary Inquiry into Rural and Regional Tourism. Please find enclosed a submission to be put to the committee.

If you have any enquiries concerning this matter please contact me on 5232 9450

Yours Sincerely

Mike Barrow  
**Economic Development Manager**

[enc.]

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# **RURAL AND REGIONAL COMMITTEE**

## **PARLIAMENTARY INQUIRY INTO RURAL AND REGIONAL TOURISM**

### **Introduction.**

This submission covers a range of topics concerning tourism in rural and regional Victoria. Each point is a valid discussion point on its own; however if viewed together, they show a need for a uniform and coordinated approach to strategic planning for the tourism industry. At present there is a fragmented and ad hoc approach, with each region conducting tourism activities as they see fit. If a coordinated approach were adopted, there would be a much more effective and efficient use of resources, a clearer sense of direction and a more sustainable tourism industry for the future.

As more and more destinations open up to tourism and create greater choice for the consumer, there must be an effort to ensure that Regional Victoria has the plans in place to capture as much of this market as is possible, whilst retaining its existing market.

### **The economic benefits of tourism in regional areas, including tracing the flow-on benefits through other regional businesses and industry**

- **Data Collection.** The economic benefits of tourism are many and varied. Direct expenditure is measured, with reliable data coming from a National level via either the ABS or Tourism Research Australia. The use of this data does not, however, give accurate regional data and as such does not relay appropriate information for a specific area. Other sources of data are either very costly or lack the credibility required.
- **Flow-on effects not measured.** Indirect or flow-on effects are not measured at all. As a rule, generic multipliers are applied to statistics to give flow-on effects, and again, because of the lack of regional level variables, these figures are not accurate. For example, a small coastal town mechanic would have a business regardless of tourism; however with the influx of visitors, the business is able to establish a larger customer base. These figures are not measured.
- **Tourism Models.** There are currently many models available to assess the economic impact of tourism, such as the CSIRO tourism futures simulator model, the Tourism Research Australia model, the Tourism Impact Model or a range of independent models. These all have flaws ranging from the large amount of resources required to establish and run them, a reliance on data that is not available or use of overtly generalised data. Efforts need to be made to implement a uniform model that is easily accessible, updatable and gives accurate figures.

## **Potential Impediments to the sustained growth of regional tourism, economic activity and jobs**

- **Lack of adequate technological infrastructure.** This presents two main problems. Firstly, inadequate internet and mobile phone coverage in regional areas means that businesses are unable to compete with metropolitan businesses. Given the markets increasing move towards the internet for bookings and general information, people may choose only to book with businesses that are accessible via this avenue. Many regional tourism businesses are unable to gain access to those markets through no fault of their own.  
Secondly, the lack of infrastructure can potentially detract from a visitor's experience. A destination may be just two to three hours from Melbourne and yet not receive the same access to television (both free to air and Pay TV) as well as the internet and mobile phone coverage. Again, this means that, through no fault of their own, a business has to provide an inferior product. This lack of infrastructure is unacceptable for a sustainable tourism future.
- **Affordable Housing.** With the remote nature of some locations, affordable housing is an impediment. Small towns are a good example. With the limited amount of available housing in towns such as Apollo Bay and Lorne, both renting and purchasing is very costly. This limited supply is further diminished by of purchasing of holiday houses for investment. With the lack of affordable housing in some regions, businesses find it very difficult to recruit from local small human resource pools. The recruiting of labour from outside the region is an often proposed option, however with relocation costs and again the lack of affordable housing, it is often more costly than expected. As a consequence the recruiting, training and retaining of quality staff are a constant obstacle to success, and one that is not endured to the same extent, by metropolitan tourism. The irony of this is that these tourist towns rely very heavily on a large service industry workforce (such as waiters and cleaners). This workforce is required when the towns are their most busiest with visitors – who are taking up the available housing
- **Workforce regulations.** Workforce regulations present significant barriers for employees. Given the seasonal and casual nature of work in the tourism industry, current regulations offer very little security in employment. Regulations as they are, allow employers to adjust staffing requirements with minimal notice. This offers no security at all for employees, who don't know if they will be required to work from one day to the next. This in turn disrupts lifestyles, and more importantly, the amount that can be earned by these people.  
The tourism industry often requires employees to work outside of the normal working week, ie. Late nights and weekends. Currently, employers can choose to be under no obligation to compensate the employees for this in the form of penalty rates. This becomes a disincentive to undertake employment in this industry.  
*It must be noted that casual employment and its conditions do work very well for many people in the industry.*

**Effectiveness, at a National, State and Local level, of current programs to promote and enhance tourism in regional Victoria**

- **Tourism Victoria resources.** There needs to be an increase in the funding to Tourism Victoria to ensure that it can undertake all aspects of its marketing (research etc), not just promotion. Currently, Tourism Victoria lacks the resources to adequately capture data from regional areas. Often, generic figures or multipliers are used. Appropriate data would then allow effective and efficient targeting and segmenting of markets to be undertaken.
- **Promotion Campaigns.** The current Victorian campaign focuses predominately on Melbourne, with no focus for regional areas. Often, this is left to the separate regions and tourism associations, which leads to a very fragmented approach. It also creates a potential waste of resources. A coordinated approach lead by the State needs to undertaken to coordinate these efforts and produce a uniform approach to promotion of the state as a whole

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

- **Airline Deals.** New deals with Tiger Airlines to use Tullamarine Airport should prove fruitful. However, agreements and promotion need to be undertaken to utilise Avalon airport as the regional gateway for both international and domestic visitors. Upgrading of facilities needs to be undertaken to attract these carriers. This can only be done through State initiatives in conjunction with the airport owners

**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 and drought and effective measures to drive long term economic recovery.**

- **Drought.** We are still in the midst of the worst drought seen since records have been kept. Unfortunately, water is something that is often associated with tourism - whether it is on a river or lake, and these resources are drying up. Many accommodation providers also offer large spas or swimming pools that use a large amount of water. Assistance needs to be given to ensure economic sustainability for those in areas that are affected. Assistance should include planning and resources.

- **Global warming.** A recent report commissioned by the Victorian State Government into global warming has identified a multitude of issues, some of which will directly or indirectly relate to tourism. To give some perspective to what will happen with the temperature changes that are expected within the next 20 years; Melbourne will experience a climate similar to that which Sydney now does.

Such changes will greatly effect the many natural attractions that regional areas offer. For example, snow fields are getting less and less snow, and for shorter periods. A large amount of private investment has already taken place in these areas, and assistance needs to be given to the groups that have done so to protect that investment. This could include initiatives to promote other forms of eco tourism not associated with snow, such as bush walking, hang gliding and paragliding. Potentially rainforests could disappear, wetlands will dry up and beaches could disappear.

Planning needs to occur now to allow for these changes, and the continuing sustainability of tourism in regional areas.

The report also indicated that there will be significant problems with infrastructure as a result of global warming. This will require an undertaking to ensure that, for example, road, water and waste water networks are maintained or upgraded to ensure that regional areas can continue to deliver a quality tourism product.

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

- **Supporting private enterprise.** Given the spectacular natural attractions that we have throughout the state, there needs to be incentives for private enterprise to capitalise on the opportunities created by the Department of Sustainability and Environment and Parks Victoria. For example, Parks Victoria is providing many opportunities via the Great Ocean Walk for businesses in accommodation and transport, and the DSE will do the same with the introduction on mountain bike trails and trailhead at Forrest. Support also should be given to maintain these attractions once they are established. Currently, Parks Victoria are under- resourced for the maintenance of the Great Ocean Walk which means that ultimately, the attraction loses credibility and thus the private investment loses business. There are a great many other attractions around the state that are potentially under similar circumstances.