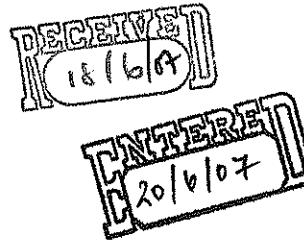


30<sup>th</sup> May 2007

Mr D Drum MLC (Chair)  
Rural and Regional Committee  
Parliament House  
Melbourne VIC 3002



COMMITTED TO A  
SUSTAINABLE  
PENINSULA



Dear Mr Drum

**RE: PARLIAMENTARY INQUIRY INTO RURAL AND REGIONAL TOURISM**

This submission to your inquiry has been compiled by officers of the Mornington Peninsula Shire [MPS]. Due to the short time frame for preparing a submission Council has not been able to consider the officer submission. Council will consider the submission in June and I will confirm Council's support or otherwise of this submission.

At the outset I should highlight that the Mornington Peninsula is an interface shire and a designated tourism region of state significance in its own right. As an interface shire there is a degree of betwixt and between as we aren't traditionally rural or regional. This in turn leads to gaps in available government funding opportunities, which rural and regional areas are able to access.

1. The benefits of tourism to the Mornington Peninsula are immense. The MPS has since 1999 been undertaking yearly surveys of tourism operators to ascertain tourism trends and measuring the impact of tourism throughout the local economy

Tourism is worth approximately \$1 billion per annum to our economy, which makes it the most significant industry sector. From a recent survey of nearly 700 businesses across all industry sectors the most significant major finding was that 40% of all customers to that business were tourists or holiday home owners visiting.

This makes tourism responsible for the survival of our towns and villages, the 5,000 micro businesses, retail shopping strips and engaging, specialist collectible centres. The MPS and the peak tourism body, Mornington Peninsula Tourism [MPT Inc], have a shared vision that sees this region as a world class food, wine, golf, maritime tourism destination. This vision is evidenced by rapidly increasing international tourism visitation. MPS expects this trend to continue given the desirability and diversity of our tourism product.

Approximately 4 million day trip visits occur on the peninsula annually and in particular there has been a sizeable increase in the agri-tourism sector.

Strawberries, cherry farms and over 200 outstanding wineries are driving this surging visitation, which does place pressure on our hinterland road and signage infrastructure. Approximately 50% of these visitors come from Melbourne and these people love our region's produce, which is the equal or better than the French Burgundy region. Farm gate sales generate the greatest profit margins for businesses, and this factor is critical in the long term sustainability of rural businesses on the peninsula. Agri-tourism helps sustain rural farming.

From the Shire's annual surveys, tourism jobs have grown by 5% and business income similarly. This leads to continued capital investment by operators, which in turn supports the large, local building and construction industry sector.

Mornington Peninsula is a high yield tourism market and all strategies by Council and MPT Inc are aimed at the higher end. Tourism is the backbone or economic driver of the Mornington Peninsula economy.

2. Impediments to the sustained growth of tourism include industry skill shortages, a high Australian dollar, which makes it more expensive for international tourists to visit. Tourism is still highly seasonal on the Mornington Peninsula and there is a need for all year tourism product such as a world class conference/convention centre. Our beautiful landscapes are within one and a half hours from Melbourne airport, the amenity of the region is suitable for a major conferencing facility in excess of 300 key capacity.

More accommodation choices, especially for families, is required to accommodate the higher yield tourism market. This aspect is a major concern when the regional strategy of increasing over night visitations can be easily undermined by a lack of suitable accommodation spread.

Changes to the Green Wedge provisions have made the default minimum lot size of 40 hectares for a number of tourist related uses [restaurants, function centres and accommodation]. These changes have the potential to restrict the further development of existing and future tourism businesses. Whilst the planning scheme might be amended for particular development proposals this is a complex and time consuming process. This may be appropriate for major new developments however expansion of existing uses on lots smaller than the minimum specified cannot occur. Consideration should be given to amending the existing use provisions [Clause 63] to enable consideration of expansion of existing uses.

The use of helicopters as a means of travel for high end business people and internationals to enjoy easy access to otherwise remote function opportunities is an emerging issue. Site selection for landing sites needs to consider community views and potential nuisance arising from such facilities.

As low cost carriers export Melburnians across the world, the flip side of this is for internationals to visit Mornington Peninsula. Alas this is not so easily managed. Poor public transport to and around the Mornington Peninsula certainly hinders more market segments visiting our region; better public transport access would increase visitation.

Our businesses have a critical need for access to fast, broadband bandwidth internet telecommunications. More and more travellers are arranging their own bookings, which then require tourism operators to be online, have secure billing mechanisms. This is not the case across the whole shire, where topography limits current broadband technologies. Unfortunately most of our desirable destinations are in the technology challenged areas.

3. Current programs to promote rural and regional tourism are barely adequate. The \$2 million marketing campaign for the Yarra Valley is a clear example of what is needed to be invested for each region. The Mornington Peninsula is/has received \$600,000 of additional marketing support however this was limited to purely print media, whereas the Yarra Valley campaign incorporated television marketing. Brand recognition and reinforcement is crucial for long term sustainable visitation.

Greater appreciation of small businesses being the delivery mechanism for tourism experiences is needed by the state government programs. Small business cannot easily attend all the relevant trade shows, therefore more financial support to regions to underpin trade show representation with professional marketing personnel would be hugely beneficial.

Generally speaking existing programs spread marketing dollars evenly between regions. This approach does not reward innovative and creative regions, nor is there any distinction between regions which have more or less tourism product to promote. This approach is inefficient and not serving taxpayers with value for their money. One size does not fit all; Tourism Victoria should reward those regions which can deliver world class tourism experiences.

Between regions, state and federal surveying there are different standards for surveys, this makes comparisons between regions meaningless. Standardisation of surveys makes sense and would help regions and industry bodies target programs better.

4. Initiatives to increase international and domestic visitor nights revolve around three key themes. Firstly, all year visitation is to be promoted through off season event marketing. More funding for events that promote sustainable competitive strengths of the region, in the case of Mornington Peninsula these include food, wine, golf and parks. There is no sustainable benefit in marketing an event that does not fit the strategic strengths of the region; however given the micro structure of our businesses more state government funding is needed to professionally manage and organise regional events. Existing event funding programs are under resourced; nor do the guidelines recognise events that can grow into major events.

Secondly, the establishment of a 5 star international standard conference and convention centre, with capacity of 300 keys or greater, would attract all year round overnight visitation. State Government assistance would be helpful in identifying criteria for such a facility and establishing appropriate state policy for inclusion in planning schemes, to assist Councils in processing planning approvals and site selection.

Finally, greater marketing funding for regions is critical in the establishment and reinforcement of regional branding. Victoria competes in a global market for tourism visitation, the Yarra Valley campaign shows what can be achieved with a sound financial commitment to a regional brand. Regions such as the Mornington Peninsula with superb tourism product deserve equal funding support. Build the brand and watch the visitors arrive.

5. The Mornington Peninsula has not experienced a natural disaster such as other Victorian regions, yet there is potential with adverse impacts from Port Phillip channel deepening. If excavation plumes exceed the Supplementary Environment Effect Statement (S.E.E.S) expectations then the capacity of the region to respond to the challenge will be tested. In one sense the Mornington Peninsula is very well structured with 11 local tourism associations, an overarching Mornington Peninsula Tourism Inc body which has a strong relationship with their local Council.

This structure of the local tourism industry is robust, inclusive, representative, professionally managed and importantly united in its belief about the values of this region. In the event of any natural disaster it is believed that the existing industry structure is capable of handling longer term recovery strategy and action.

6. The primary opportunity to leverage private investment with government support is with the Stony Point to Cowes car and passenger ferry service. Private operators have indicated they are willing to operate the ferry service as long as government funds the shore based infrastructure.

The completion of the infrastructure with an operating ferry service would deliver a Portland to the Prom coastal drive; an experience that would greatly increase state visitors numbers and also dispersal of visitors outside Melbourne. There is also the benefit of being able to bring cruise ships to Western Port with all weather berths. With the range of world class tourism product on both sides of Western Port the demand for liners to berth in Western Port will increase substantially.

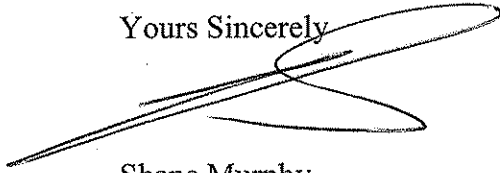
It is interesting to note that Bass Coast Shire is eligible for Regional Infrastructure Development Funding, yet Mornington Peninsula Shire isn't. The inequity of being an interface council as against a rural/regional council is graphically illustrated by this car ferry infrastructure project.

Arthurs Seat chairlift is another possibility for joint funding, following resolution of WorkCare issues. There is an opportunity to negotiate a long term lease on Parks Victoria land for a developer to build a better chairlift and to expand the tourism experience with viewing, restaurant, café, information services.

Bigger, brighter piers and jetties would also help drive visitation levels. Trading on these facilities would also improve the maritime experience of our visitors.

Finally limiting the use of foreshore for activities that are coastal dependent needs to be reviewed. In certain areas, such as activity nodes and activity centres, a wider range of uses and development could be encouraged as they add to township character and visitor experiences. Existing policy within DSE blankets any ideas, even when ventures deliver a net community benefit; when viewed from a sustainability point of view and triple bottom line assessment.

Yours Sincerely

A handwritten signature in black ink, appearing to be 'Shane Murphy', written over a horizontal line.

Shane Murphy

**MANAGER ECONOMIC DEVELOPMENT**

(Ref: 0810/015: ID 1242547 Direct Dial 03)5950 1845)

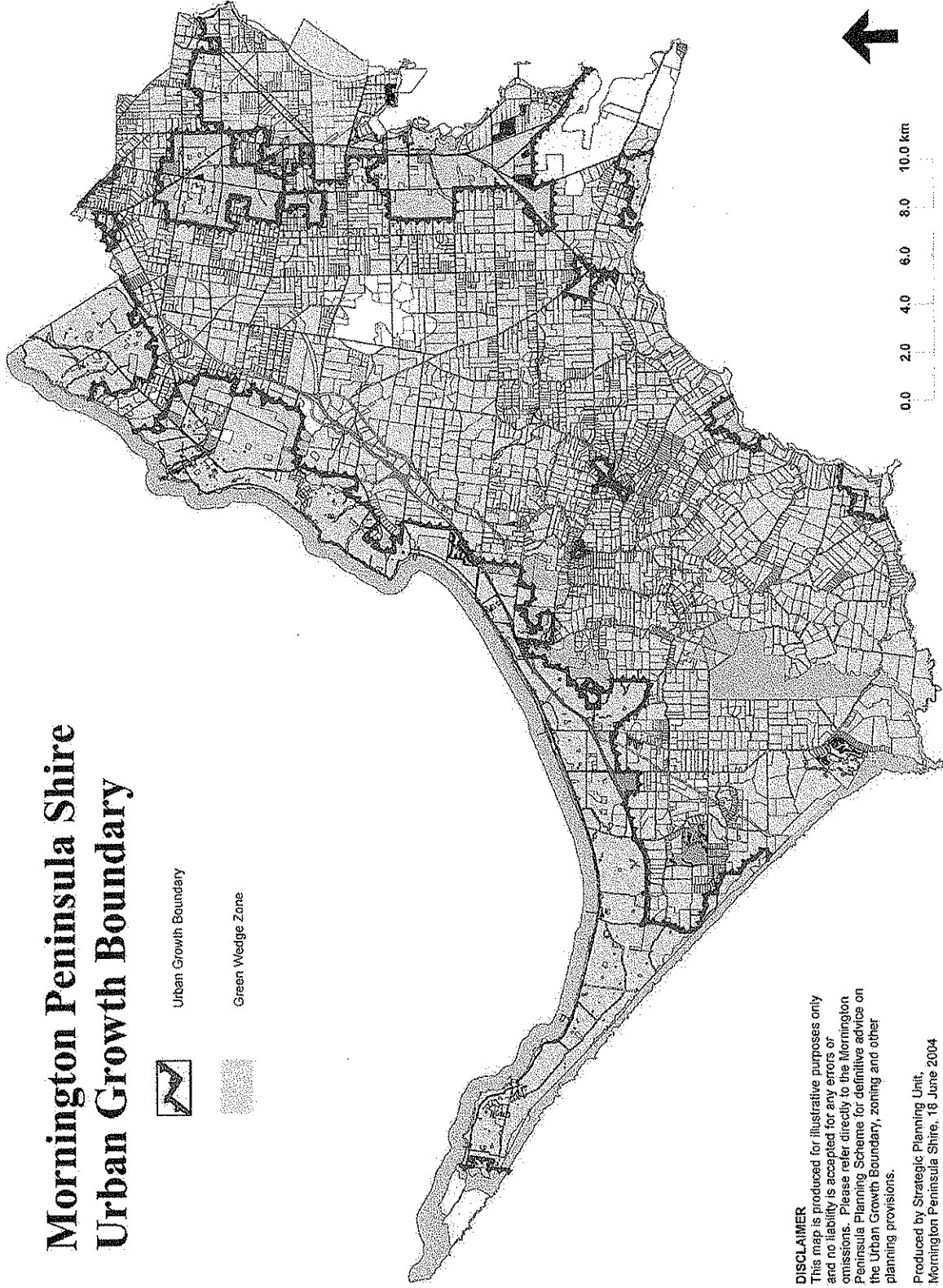
# Mornington Peninsula Shire Urban Growth Boundary



Urban Growth Boundary



Green Wedge Zone



**DISCLAIMER**  
This map is produced for illustrative purposes only and no liability is accepted for any errors or omissions. Please refer directly to the Mornington Peninsula Planning Scheme for definitive advice on the Urban Growth Boundary, zoning and other planning provisions.

Produced by Strategic Planning Unit,  
Mornington Peninsula Shire, 13 June 2004