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**Yarrawonga Mulwala Tourism Inc**  
ABN 38 252 717 986

**A SUBMISSION TO THE RURAL AND REGIONAL COMMITTEE**

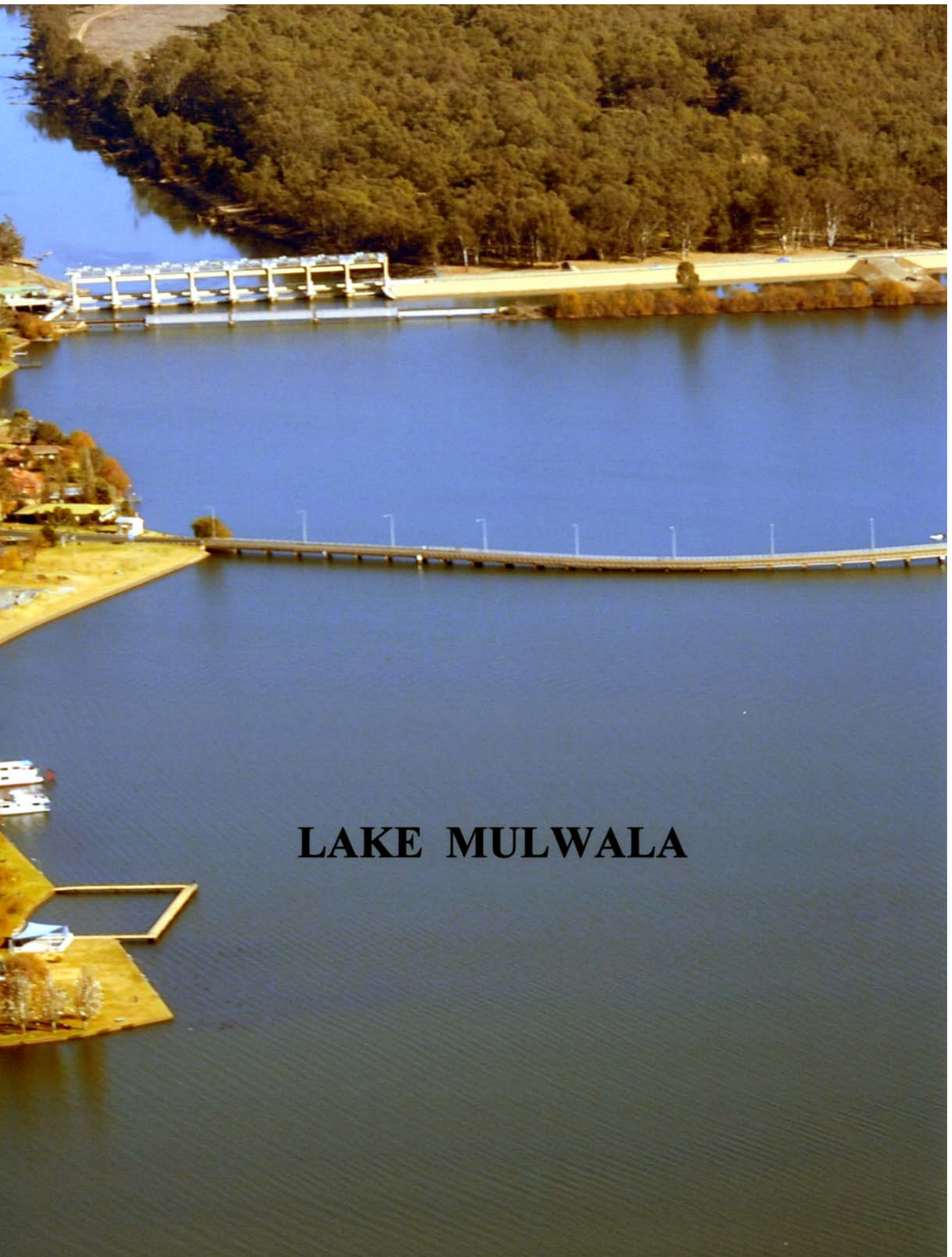
**PARLIAMENT OF VICTORIA**

**INQUIRY INTO RURAL AND REGIONAL TOURISM**

**SUBMITTED BY THE BOARD OF MANAGEMENT,**

**YARRAWONGA-MULWALA TOURISM INC.**

**MAY, 2007.**



**LAKE MULWALA**

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## EXECUTIVE SUMMARY

The Murray River between the Victorian and New South Wales twin towns of Yarrawonga and Mulwala was the site chosen in 1934 for the construction of the Yarrawonga Weir. The resultant Lake Mulwala, covering some 4500 hectares, is the largest irrigation outlet on the Murray River, servicing 828,000 hectares of irrigation farmland from Denniliquin in the north to Shepparton in the south. Lake Mulwala has been described by the Murray Darling Basin Commission, as the “Hub of the Australian Irrigation Industry”, and has now become the epicentre of a rapidly growing tourism industry.

Tourism in Yarrawonga-Mulwala is centred upon the many water based activities that are associated with Lake Mulwala and the Murray River, the presence of the largest public access golf course in the southern hemisphere, the excellent and stable climate that is experienced in the region, and the proximity and increasing ease of access to many of the major population centres of Australia.

It is the purpose and the desire, of the Board of Management of Yarrawonga-Mulwala Tourism Inc., to foster, support, and develop the rapid growth of the tourism industry that has been evident over recent years in the region of Yarrawonga and Mulwala, and to develop a sound knowledge and awareness of the ecological, conservation and sustainability issues that surround Lake Mulwala and the Murray River amongst our residents, and the visitors to our region.

The Board agrees with the emerging trends toward eco-tourism, and believes that it has a responsibility to encourage, and to assist in the development of these trends. Already, bush walking tracks, river beaches, and indigenous artifacts are most sought after by travellers to this region.

The Board of Management of Yarrawonga-Mulwala Tourism Inc has pleasure in making submission to the *Inquiry Into Rural and Regional Tourism* being conducted by the Rural and Regional Committee of the Parliament of Victoria, and would be pleased to provide any further information as it may be able, should the Parliamentary Committee so desire.

The Board has attempted to provide the Parliamentary Committee with information on all six terms of reference, and has provided factual evidence as relevant. We have attempted in our submission to provide information and opinion that is relevant at a local level.

YMT would like to thank the Rural and Regional Parliamentary Committee for holding an inquiry into such an important matter as rural and regional tourism, and we hope that our submission is of some assistance to the Committee.

## **BACKGROUND - Yarrawonga-Mulwala Tourism Inc. (YMT)**

Yarrawonga-Mulwala Tourism Inc is the Local Tourism Authority for the cross-border Yarrawonga-Mulwala region of North-East Victoria and Southern New South Wales.

The Yarrawonga-Mulwala Tourist Development Association was formed on the 4<sup>th</sup> August 1972.

The Yarrawonga-Mulwala Tourist Development Association was incorporated on the 17<sup>th</sup> February 1986. The Association's name was changed to its existing name of Yarrawonga-Mulwala Tourism Inc. on the 19<sup>th</sup> December 1997.

The Association is owned by the members of the Association as is the building housing the Yarrawonga-Mulwala Visitor Information Centre.

Yarrawonga-Mulwala Tourism Inc. currently operates a "Better Business Victoria, Tourism Accreditation Program", Level 1 Accredited, Visitor Information Centre in Yarrawonga.

## **VISION**

*The vision of Yarrawonga-Mulwala Tourism Inc is to facilitate and support a sustainable local tourism industry by providing the stimulus for visitor growth, and increased yield from visitation, during all seasons of the year.*

*It is the further vision of Yarrawonga-Mulwala Tourism to educate and raise the awareness of the importance of the issues of ecology, conservation and sustainability as they pertain to Lake Mulwala and our region of the Murray River.*

## ECONOMIC BENEFITS OF REGIONAL TOURISM

The Australian Government has stated that -

“Tourism is an important driver for regional development. Ensuring the sustainability and viability of the regional tourism industry is vital to the economic diversification of regional Australia.”

Further, that it -

“envisages a strong and vibrant Australian tourism industry which;

- Offers tourists uniquely Australian experiences of such quality and value that they will want to re-experience them and encourage family and friends to do so
- Welcomes more Australians undertaking travel in their own country
- Supports a diversity of sustainable and profitable enterprises that share this vision, and strive for high level achievement in satisfying customer needs
- Develops and grows high yielding products and markets through development of innovative business strategies and high yield niche markets
- Embraces innovation and on-going improvement, and adopts appropriate technology
- Attracts appropriate investment to support growth and development of a Platinum Plus destination
- Supports a highly skilled workforce motivated to provide tourists with the highest levels of quality and professional service, and
- Is an integral part of our social and economic fabric, indicated by a wide- spread community desire to welcome visitors and share the Australian experience.

To achieve this vision, the Australian tourism industry must have its focus firmly on the changing patterns and trends in consumer demand.”

(The Australian Government - *Tourism White Paper – A Medium to Long Term Strategy for Tourism*)

The Board of Management of Yarrawonga-Mulwala Tourism Inc. agrees with, and firmly endorses these aims of the Australian Government’s Tourism White Paper. We are experiencing ever increasing numbers of visitors to our region, and are seeing an ever increasing demand from these visitors to indulge in eco-tourism – to gain an understanding of the natural history, the ecology, and the environmental issues that pertain to the Murray River region of Australia.

The Victorian Minister for Tourism, The Hon John Pandazopoulos MP, in his Minister’s Foreword to the *Draft Murray Regional Tourism Plan, 2004-2007*, states –

“Tourism is a vibrant and dynamic industry for the entire State, particularly for regional Victoria, where tourism generates \$3.5 billion annually and accounts for around 60,000 jobs. Tourism can transform communities. As our fastest-growing source of jobs, tourism is an important part of the government’s business agenda, and is a key element of our commitment to building communities, and creating jobs in our regions and towns”.

The growing tourism industry in the Yarrawonga-Mulwala region, by stimulating the economic development of our region, will lead to the expansion of existing businesses, new businesses will open, and sustainable employment will be created. This job creation is already being seen in the direct tourism industry of the region, and is rapidly spreading to the building industry, and to the region in general.

The *Draft Murray Regional Development Plan 2004-2007*, states – “By 2007 Victoria’s Murray region will become recognised as one of Australia’s premier touring and recreational destinations. Capitalising on the region’s unique natural assets such as the Murray River, golf, food and wine, water based activities, arts and culture, and aboriginal heritage, there will be strategic efforts to increase visitor numbers, increase tourism yield, and improve tourism industry standards and visitor satisfaction. By the year 2007, the Murray region will be recognised as an Australian tourism destination icon”.

The Board of Management of Yarrawonga-Mulwala Tourism Inc, believes that this area of the Murray River has a special uniqueness to tourism in Australia, and the fact that Lake Mulwala is the only lake in inland Australia that is constantly kept at, or near, full operating levels, gives the potential for the Yarrawonga-Mulwala region to become a genuine tourism icon in its own right. We are already seeing an upswing in international tourism interest in this region of the Murray River, as is evidenced by the increasing levels of international interest on our website.

## **Tourism and the Economy**

Tourism is an integral force in the Australian economy, underpinning a wide range of industries and accounting for more than \$70 billion worth of goods and services consumed in 2000-01. Tourism contributed 5.6% to total employment, with about 550,000 people in tourism generated employment in 2004-05. The number of tourism employed persons grew 8.1% between 1997-98 and 2004-05. Tourism accounted for \$31.8 billion of total GDP in 2000-01, up from \$25.2 billion in 1997-98. By 2005-06 tourism had accounted for \$37.6 billion, an increase of 5.5% from 2004-05.

*Tourism Gross Domestic Product* (Tourism GDP) represents the total market value of Australian produced goods and services consumed by visitors after deducting the cost of goods and services used up in the process of production.

Tourism GDP was \$27.0 billion in 1998-99, and \$28.4 billion in 1999-2000. Tourism GDP grew 14.2% in 2000-01, to \$32.7 billion, substantially up from the relatively steady growth during the preceding two financial years of 5.7% and 4.7% respectively. In 2002-03 Tourism GDP was \$34.4 billion, 2003-04, \$35.3 billion, 2004-05 \$35.6 billion, and in 2005-06, \$37.6 billion

*Tourism Gross Value Added* (GVA) measures the value of tourism gross output at basic prices by all industries which supply tourism products, less the value of the inputs used in producing these tourism products. It is the preferred national accounts measure of the production of industries.

Tourism GVA grew from \$22.4 billion in 1997-98 to \$26.3 billion in 2000-01. In 2003-04 Tourism GVA grew to \$29.3 billion, in 2004-05, \$29.7 billion, and in 2005-06, \$31.3 billion.



*The Australian Tourism Satellite Account (TSA)* represents growth rates in current price terms, so that these estimates reflect the effects of price change as well as the underlying volume of tourism activity, and has been recognised internationally as the best method for measuring the economic contribution of tourism.

The results of the 2000-01 (TSA) affirm the importance of tourism to the Australian economy. Domestic spending was the major component in the \$71.2 billion worth of goods and services consumed by visitors in 2000-01, whilst it is estimated that the international sector consumed more than \$17 billion.

(Australian Bureau of Statistics – Australian National Accounts: Tourism Satellite Account 2000-01, 2004-05 & 2005-06)

The Federal Minister for Tourism and Small Business has stated - “In 2004, the total worth of tourism to the Australian economy was \$73 billion, and the value of international tourism had grown to \$18.5 billion. The value of international tourism to Australia is projected to grow further to \$32.1 billion by 2014. In 2004 tourism in Victoria was worth \$10.6 billion to the economy of the State, and the State of Victoria has 24% of Australia’s local tourism industry”.

(The Hon Fran Bailey MP – Federal Minister for Small Business and Tourism. Tourism Alliance Victoria Conference 5<sup>th</sup> May, 2005)

The tourism industry may be regarded as the world’s largest industry, and generator of jobs. It is expected to generate US\$10 trillion of economic activity (total demand) and 328 million jobs worldwide by 2010. All industries benefit economically from tourism, with tourism directly, and indirectly, contributing to all industries.

Tourism generates 11.2% of Australia’s export earnings, more than traditional exports such as Coal, and Iron and Steel products. Tourism is the fourth largest contributor to export earnings in Australia. It is forecast that tourism’s export growth rate will outperform all key sectors by 2004/2005”.

(World Travel and Tourism Council (1998). The Economic Impact of Travel and Tourism in the Tourism Development in the APEC Region)

## **Economic Impact of Tourism**

“Tourism is one of Australia’s fastest growing industries. Domestic tourism visitor nights are forecast to grow 0.3% per year until 2012, with international tourism forecast to have an annual average growth rate of 4.8% to 2012.

Within Victoria, tourism contributes \$8.5 billion to the Gross State Product, employing over 6% of Victoria’s workforce.”

(Tourism Alliance Victoria – May 2005 - Fact Sheet 06)



## **Some Tourism Facts – Tourism Victoria**

- “In 2002/03 tourism injected \$10.6 billion into the economy, making up to 5.5% of Victoria’s Gross State Product
- Of the \$10.6 billion generated in 2002/03, interstate visitors contributed \$2.8 billion, international visitors contributed \$2.7 billion, and Victorians travelling within the State made a \$5.1 billion contribution
- In regional Victoria alone, tourism is worth \$3.3 billion, and responsible for employing 61,000 people
- If it weren’t for tourism, around 156,000 Victorians would be without jobs. This represents a 16% increase since 1997/98, when 134,000 people were employed in the tourism sector
- For every \$99,000 spent by tourists, it is estimated that one additional job is created in Victoria, and an extra \$58,000 is injected into Victoria’s economy
- Interstate tourism grew more than the national average over the five years to 2004. Visitor numbers were up 16% in Victoria compared with a national growth of 11%.”

(Tourism Victoria - Tourism Alliance Victoria – May 2005 - Fact Sheet 06)

## **Tourism Impact Model for Australian Local Government**

The Department of Industry, Tourism and Resources, in conjunction with Syneca Consulting, has developed a business tool enable local governments to assess the economic importance of tourism to their Shires. The Tourism Impact Model provides local governments with comprehensive data on how tourism impacts on their revenue and costs. The Model enables councils to conduct cost benefit analyses and assist them in a range of planning issues, including setting viable cost structures.

The Tourism Impact Model allows local governments to answer the following question:

*What would happen to the operating expenses and operating incomes of local government in the absence of the existing tourism industry?*

As of December 2004, the Tourism Impact Model demonstrated that the economic impacts of not having a tourism industry:

For the Moira Shire –

- Would lose visitor spending of \$79.5 million per year
- Would lose 801 full time equivalent jobs
- Would lose 2162 residents, or 8.0%, of its usual population.

For the Corowa Shire –

- Would lose visitor spending of \$33.9 million per year
- Would lose 341 full time equivalent jobs
- Would lose 921 residents, or 8.6%, of its usual population.

## **Benefits of Tourism to Local Communities**

Tourism offers economic, social, cultural, and environmental benefits to the local community:

- Bringing extra income into the local economy
- Creating new jobs
- New investment in existing businesses through expansion
- New investment from venture capital
- Boosting other sectors economically
- Promotion of environmental sustainability through the conservation and enhancement of natural attractions as tourism products
- Improved facilities for residents
- Growth in population from tourism expansion resulting in economic growth and improved community services
- Promotion of cross cultural exchange
- Facilitating regional pride and local community involvement.

(Courtesy – City of Ballarat)

With the Australian economy fundamentally shifting from primary industries, to a service and knowledge based economy, tourism is becoming increasingly important for regional Australia.

## **FLOW-ON BENEFITS OF TOURISM**

The Australian Government, in its “*Tourism White Paper – A Medium to Long Term Strategy for Tourism*” states that -

“Tourism is an important driver for regional development. Ensuring the sustainability and viability of the regional tourism industry is vital to the economic diversification of regional Australia.”

## **Growth of Tourism in the Yarrawonga-Mulwala Region**

Visitation to the Yarrawonga-Mulwala Visitor Information Centre can be taken as a barometer of tourism activity in the region:

- Normal daily visitation to the Yarrawonga-Mulwala Visitor Information Centre averages around 120 – 140 persons.
- During the peak holiday periods this rises to around 250 visitors per day.
- Visitation numbers to the Yarrawonga-Mulwala Visitor Information Centre this Xmas holiday season (2006-07) have broken all past records.
- On December 28<sup>th</sup>, 2006, the day of the annual rodeo, a record number of 366 visitors entered the Visitor Centre.

- On Saturday the 27<sup>th</sup> January, 2007, this record was broken when 436 visitors came to our Visitor Centre.
- During the 3 day Australia Day holiday weekend (2007), the staff at the Yarrawonga-Mulwala Visitor Information Centre assisted 994 visitors.

Yarrawonga and Mulwala have been enjoying a population growth rate of around 9% p.a. in recent years. Visitation to our region is the key driver of this growth.

The Shire of Moira, in their Draft Yarrawonga Strategy - *Looking to the Future* (released in August 2004) has predicted that, based on a growth rate of 7%, the population of Yarrawonga alone will grow from a base of 4588 in 2003, to 28,509 in 2030.

A Newspoll Survey on the Seachange intentions of residents of Australia's mainland capital cities published in the Australian Newspaper (Wish Magazine - February 2007) has shown that 34% of these residents have intentions to have a "Seachange" in the next 10 years. Yarrawonga was placed 6<sup>th</sup> on a list of the 10 most popular seachange destinations in Australia, one of only two in inland Australia, and the only destination in Victoria. This is further evidence of the future growth of the Yarrawonga region, and will have a multiplier effect on tourism to the region - especially in the "Visiting Friends and Relatives" market.

A significant number of visitors to our region are opting to relocate, and to become residents of Yarrawonga and Mulwala. This is especially applicable to the Retiree, and the "Visiting Friends and Relatives" (VFR) sectors of visitors to our region.

Roy Morgan Research has reported that an increasing number of Australians are taking fly-drive holidays instead of a traditional driving holiday. The percentage of Australians opting to fly-drive on their last domestic holiday has increased from 8% in the year ended June 2001 to 12% in the year ended September 2006. This is good news for the tourism industry because the fly-drive market takes longer holidays and spends more money. In the year ended September 2006, fly-drive tourists holidayed for an average of eight nights (versus six nights for the total domestic market), and spent \$2076 on average (versus \$1079). Fly-drive visitation will also bring visitation to our region from much further afield than the traditional drive holiday.

Melbourne (12%) now tops the list of destinations in Australia in the fly sector of the fly-drive holiday market in Australia. This places Yarrawonga and Mulwala in a strong position to attract these visitors - especially in the growing VFR market. Roy Morgan Research also reports that the recent boom in domestic VFR travel has been fuelled by the fly-drive market.

(Roy Morgan Research - Press Releases 2007, #603)

## **The Influences of Visitor Information Centres on Visitor Behaviour.**

Australian Visitor Information Centres can provide enriching visitor experiences, and they constitute a potentially important intervention strategy in support of conservation objectives. Visitor Information Centres will enhance the tourist experience if they have good signage, are placed in locations near attractions and, ideally provide distinct and innovative designs to the public.

(Key elements contributing to effective and sustainable visitor centres: An evaluation of the Strahan Visitor Centre, Tasmania, Australia – Fallon, Krikwoken – 2002).

Visitor Information Centres have the opportunity to increase tourism yield through increased visitor expenditure and increased length of stay. For first time visitors to a region, the Visitor Information Centre acts as a means to understand and explore the region. Repeat visitors also use Visitor Centres to provide appropriate information. Equally important is the display and sale of local products and merchandise to entice visitors to explore the region.

Visitor Information Centres within these regional areas provide a prime medium through which to enhance destination awareness and increase tourism yield. Visitor Information Centres have substantial influence on both visitor length of stay and the activities in which visitors engage, and the propensity to return to the destination.

(Increasing Tourism Yield: A Study of Visitor Centres – Deery, Jago, Daugherty – 2004).

## **The Influences of Visitor Information Centres on Increasing Tourist Visitation and Yield for the Region**

Visitor Information Centres are considered to be one of the key measures in increasing tourism yield. Increased yield is measured in extending visitors' length of stay and increasing their expenditure. Adding interpretive and educational information extends the impact.

For example:

- Research undertaken in NSW by Symond Travis Morgan found that 13% of visitors stayed additional nights because of Visitor Information Centre information, whilst 21% took additional tours, and 56% visited additional attractions.

(Improving the Yield of Tourism in Regional Areas: The Role of Visitor Information centres – Deery, Jago, Daughery, Carson, Adams – 2003)

- Research undertaken in Canberra in 2003 found that the Visitor Information Centre was influential in extending the length of stay of more than one third of visitors, and had a similar positive influence on decisions to undertake additional activities.

(CRC for Sustainable Tourism Website – [www.regionaltourism.com.au](http://www.regionaltourism.com.au))

- The Novia Scotia Tourism Partnership Council estimated that visitors spend 11% more if informed by a trained professional at a Visitor Information Centre

(CRC for Sustainable Tourism Website – [www.regionaltourism.com.au](http://www.regionaltourism.com.au))

### **The Influences of Visitor Information Centres on Enhancing Visitor Dispersal.**

Visitor Information Centres contribute to dispersal of visitors to the region. Research undertaken by Tierney found that 35% of visitor information centre users were encouraged to visit regions surrounding that visitor centre's region, after accessing staff knowledge and information from the visitor centre.

(The influence of state traveller information centres on tourist length of stay and expenditure – Tierney – 1993)

This was confirmed by the Canberra study where nearly 40% of respondents sourced information about surrounding regions from the Canberra and Region Visitor Centre and stated that this information would affect their visit to other regions.

(CRC for Sustainable Tourism)

Any increase of visitation to an area thus has positive spin-off economic benefits on surrounding regions.

### **Tourism Growth – Relation to Population and Employment Growth**

Growth of tourism in the Yarrawonga-Mulwala region will provide significant flow-on benefits to the community. Apart from directly generating increased employment in the direct tourism industry, increases in visitation will be a key driver in:

- Increasing tourism related infrastructure
- Increasing tourism service businesses
- Increasing permanent population growth

With growth in the permanent population, comes growth in the number of visitors who are visiting friends and relatives (VFR). The region currently attracts around 35% of overnight visitors who are visiting friends and relatives, or more than 560,000 overnight trips per annum.

The Central Murray Tourism Region is attracting increasing numbers of overnight visitors with 1.6 million overnight trips in 2004, an increase of 17% since 2000. Overnight visitor expenditure is growing with \$568 million spent in the region in 2004, an increase of 24% since 2000. Average expenditure per person by overnight visitors to the region totalled \$351 in 2004.

(Bureau of Tourism Research, National Visitor Survey, 2004)

Accommodation bookings made by YMT for the calendar year 2005 totalled 1517. For calendar year 2006 this rose to 2530, or an increase for the year of 66%.

In January 2006, YMT made 200 accommodation bookings. In January 2007 this rose to 385 - an increase of 92%. Accommodation bookings for February 2006 were 162. In February 2007 this rose to 247, or an increase of 52% for the month.

The area covered by Moira Tourism (including Moira, Corowa and Berrigan Shires) attracts 1.25 million visitor nights and direct expenditure by visitors of \$148 million per annum.

The research outlined above regarding the ability of visitor information centres to induce longer stays suggests that a proposed new Interpretive and Educational Visitor Centre in Yarrawonga could generate an additional 162,000 visitor nights. This would equate to additional expenditure by overnight visitors of \$57 million.

(Bureau of Tourism Research, Tourism Impact Model, 2004)

Based on research undertaken by the Bureau of Tourism Research, the additional visitor expenditure discussed above is estimated to create an additional 741 jobs in the region.

(Bureau of Tourism Research, Economic Effects of Tourism, 2001)

Increasing visitation creates increasing demand for goods, services and trades, which will lead to increasing business activity, and more employment.

As previously discussed, the population growth rate of around 9% that has been seen in Yarrawonga over the past several years has resulted in the Moira Shire Council releasing estimates of a potential population in Yarrawonga alone (based on a growth rate of 7%) of 28,905 by the year 2030, from its present base of around 6000.

(Moira Shire, "Draft Yarrawonga Strategy Plan – Looking to the Future", 2004)

The local tourism industry is a key driver of this growth.

The majority of this population growth comes from former holiday makers, and especially retirees being attracted to the region because of its water based and golfing attractions, together with its easy proximity to the major population centres of Victoria and Southern NSW. This has sparked a building boom that is being seen in both towns of Yarrawonga and Mulwala.

Any increase in building activity will lead to an increase in job opportunities, and any increase in population, both permanent and tourism based, will lead to an expansion of the retail and hospitality segments. These segments are traditionally a large employer of youth, as is now being evidenced by the numbers of young families choosing to remain, and work in our region.

In Yarrawonga - State primary school enrolments have increased 29%, and Catholic primary school enrolments 36%, in the period from 1996 to 2004, and State School secondary numbers have increased 23%.

Births at the Yarrawonga District Health Service were 120 from January to October 2006, compared to 20 per year five years ago.

(Yarrawonga Chronicle 25-10-06)

The fact that Yarrawonga and Mulwala, with a combined population of less than 8000, have three full-sized supermarkets, all four major banks, and a credit union, is a testament both to the strong, and growing, tourism industry, and the growing population and economy of our towns.

The recent opening of a Kentucky Fried franchise, the announcement that Macdonalds have obtained the land to construct a Macdonalds outlet, and the opening of a new \$5 million retail hardware facility, are more signs of business confidence in the future of Yarrawonga and Mulwala.

The construction of a new 18 hole championship golf course (Silverwoods), containing over 1000 new residences, will inject a proposed \$360 million into the economy of the region, and will create many new jobs both in the construction phase, as well as on-going jobs once the project is completed. This new golf resort has already led to plans for a whole new retail area, which will increase again the already strong growth in job opportunities being seen in the Yarrawonga-Mulwala region.

## **POTENTIAL IMPEDIMENTS TO THE SUSTAINED GROWTH OF REGIONAL TOURISM IN VICTORIA**

### **Annual Leave Stockpiling**

In 2005, Tourism Australia commissioned the Australian Human Resources Institute to conduct Australia's largest ever study on annual leave accrual. The results of this study were released in October 2005, and showed that:

- Australian workers have stockpiled a staggering 70 million days of annual leave, equating to around \$11 billion
- Nearly 60% of Australian full-time workers do not use their full four weeks annual leave each year
- 61% of staff with accrued leave stockpiles have accrued eight weeks or more of annual leave
- One third of full-time workers do not take any annual leave in any one year.

In the subsequent 14 months to December 2006, the amount of stockpiled annual leave had grown from 70 million to 110 million days.

Should these leave entitlements be taken up by Australia's workers it would create a massive boost to our travel industry.



Under current laws, these accrued leave entitlements can be cashed in , and thus never used.

(AC Neilsen Unused Leave and Travel Intentions Study Wave 2)

### **Lack of Necessary Infrastructure to be able to Properly Service Visitor Requirements**

Yarrawonga-Mulwala Tourism Inc is a not-for-profit Association of Members, and is managed by a volunteer Board. YMT operates the Yarrawonga-Mulwala Visitor Information Centre, and is responsible for the provision and co-ordination of visitor services in our local region. These services include the provision of visitor information and accommodation booking services, retail services to our visitors, and general community services.

The Yarrawonga-Mulwala Visitor Information Centre was built by the Association as a relocatable structure in 1984.

Since opening the Yarrawonga-Mulwala Visitor Information Centre has seen a steady rise in visitation.

From 1994 to 1999, usage of the existing Yarrawonga-Mulwala Visitor Information Centre grew from 34,000 visitors to 52,000 visitors annually. Since 1999, usage has remained relatively static despite an increase in visitor numbers to the region. The existing Centre needs to be replaced by a new and well designed Interpretive and Educational Visitor Centre to both attract greater numbers of visitors, and to be better able to educate and service the increasing visitation to our region.

Research carried out by Urban Enterprise in 2001 has shown that improved visitor information and interpretive facilities lead to an almost immediate increase in visitation, which leads to a boost of the local economy, as well as translating into long term growth.

For example:

- Visitation to Bendigo's Visitor Information and Interpretive Centre increased 265% after the relocation of the Centre and the addition of a substantial interpretive component
- Visitation to Castlemaine Visitor Information Centre increased by 260% over 12 months after the re-construction and relocation of the Centre and the addition of an interpretive facility
- Visitors to the Portland Visitor Information Centre increased by 214% after the development of the new Centre on the foreshore with the addition of the Maritime Discovery Centre

(Alpine Discovery Centre Feasibility Study, Urban Enterprise – 2001)

In a survey conducted in 2005/2006 by Tourism Alliance Victoria, the Yarrawonga-Mulwala Visitor Centre was ranked as being the nineteenth busiest in Victoria.

The above research shows clearly that the ability to provide the visitor services that are demanded by 21<sup>st</sup> century travellers is important if a tourism region is to achieve its full potential. As previously discussed, the achieving of this full potential will have very important flow-on effects through the entire economy of the region.

Given adequate and up to date infrastructure, we could provide both domestic, and international, visitors with world-class interpretive and educational visitor experiences, which would further enhance the good reputation that Australia already has on the stage of world travel.

YMT has been attempting to gain support to construct a new Interpretive and Educational Visitor Centre in Yarrawonga since 1998.

The lack of ability for Local Tourism Authorities such as Yarrawonga-Mulwala Tourism Inc to provide infrastructure at the level that would be necessary to provide the interpretive and educational visitor services that are expected in the 21<sup>st</sup> century, is due to an inability to attract sufficient financial support to carry out this construction, and is a major impediment in the future growth and development of our region.

In areas such as the Lake Mulwala region of the Murray River, where issues such as water quality, conservation, sustainability, and ecology are paramount to the environmental health of our region, the ability to be able to provide the necessary interpretive and educational information to both our local population, and to our visitors, is also of paramount importance.

### **Lack of Ability to Promote Regional Tourism Destinations**

As well as the provision of visitor and community services, the promotion of our region, both domestically and internationally is an important part of the core business of YMT.

YMT does all that it can within its financial constraints, to carry out this very necessary promotion of our region. As with the majority of tourism destinations that are located in areas of relatively small business populations, a lack of financial strength severely limits our ability to promote our region to the extent that would allow it to reach its maximum tourism and growth potential.

YMT also does all that it can to work co-operatively with other Local Tourism Authorities and with our Regional Tourism Authority (Moiria Tourism Inc) to maximise the promotional activity that we can provide – both domestically and internationally.

The lack of ability for Local Tourism Authorities such as Yarrawonga-Mulwala Tourism Inc to provide the promotion at the level that would be necessary to stimulate the growth of tourism to our region to its maximum possible potential, and thus provide the driver for the maximum economic growth of our region, is due to an inability to attract sufficient financial support to carry out this function.

## **EFFECTIVENESS OF CURRENT PROGRAMS TO PROMOTE AND ENHANCE TOURISM IN REGIONAL VICTORIA**

As previously discussed, visitation is increasing in our local region due largely to the attractions, facilities, and promotion of the region.

The tourism strengths of the Yarrawonga and Mulwala region include:

- The only fresh water lake (Lake Mulwala) in Australia that is continuously kept at full supply level
- Situated on the iconic Murray River
- A diverse range of water-based recreational activities including fishing, sailing, water skiing, rowing, swimming, and power boat and water ski racing
- A stable climate, with more sunshine hours per year than the Sunshine Coast and Gold Coast
- Proximity to the major population centres of Melbourne (3 hours by car), Canberra (4 hours), Sydney, Adelaide (7 hours), Albury/Wodonga and Shepparton (1 hour)
- Public access championship quality golf facilities (45 holes), with a range of other quality golf courses within one hour's drive. Building has also commenced on a new championship-standard 18 hole golf course, on the southern shores of Lake Mulwala, together with over 1000 on-course homes. This \$360 million project - Silverwoods Yarrawonga, will generate substantial domestic tourism, and will assist in developing international tourism to our region.

Golfing tourism is already very strong in the Yarrawonga-Mulwala region of the Murray River, with golfing visitors to Yarrawonga-Mulwala commonly visiting golf courses from Corowa to Cobram-Barooga, Echuca-Moama, Swan Hill, and Albury/Wodonga. Thus the increase of golfing tourism to Yarrawonga and Mulwala is having significant benefits to the golfing industry in our surrounding regions. Promotion of golf in our region is being done by the industry, and the Local and Regional Tourism Authorities.

Yarrawonga-Mulwala Tourism (YMT), in association with our regional tourism body, Moira Tourism, is currently doing substantial promotions in New Zealand to attract, amongst others, the interest of the golfing fraternity of New Zealand, and encourage New Zealand golfers to holiday in our region.

Over the past three years, YMT has hosted the EC Griffith Cup on Lake Mulwala. The EC Griffith Cup is an annual challenge race between the fastest power boats in Australia and New Zealand, and has now been held for the past 94 years. This event has international prestige and annually attracts entries from both Australia and New Zealand, together with regional, national, and international visitation to witness this power boating spectacular. It is planned to hold the 95<sup>th</sup> EC Griffith Cup on Lake Mulwala in 2008. The State Government, through Tourism Alliance Victoria provided YMT with promotional assistance for the 2007 EC Griffith Cup Festival.

Yarrawonga and Mulwala are also now a part of the "Capital and Country Touring Route", which is being marketed so as to encourage domestic and international visitors to travel from Canberra to Albury-Wodonga, Yarrawonga-Mulwala, Echuca-Moama, and Bendigo on their path from Sydney to Melbourne.

The Regional Tourism Authority, Moira Tourism, is also actively represented on the Murray Campaign Committee which is working to promote tourism along the Murray River, and has financial support from the State Government to assist in carrying out this role.

YMT is receiving substantially increased international interest via its website, and this interest is beginning to be seen in increasing numbers of visitors from overseas.

In September 2002, YMT established its website. To the end of March 2007, the site had received a total of 5,861,981 hits - 1,252,520 hits coming from 102 individual overseas countries - 1,020,628 hits from the USA.

During 2006, the YMT website received an average of 13,000 hits per month from the USA.

In the month of December 2006 this rose to 75,695 hits, and in January 2007, the number of hits from the USA doubled to 151,908 for the month. This indicates a major and significant increase in interest in our region from the USA.

The website received its first hit from China in October 2004. China is now the second largest international visitor to the website with 91,378 hits to the end of March 2007.

The Federal Member for Small Business and Tourism, The Hon Fran Bailey MP, stated at the Tourism Alliance Victoria Convention, held in Melbourne in May, 2005, that in 2004, Australia received 200,000 visitors from China, and that, by the year 2014, the number of visitors from China, will reach 1.3 million per annum, and they will spend \$6 billion per annum in Australia.

These figures demonstrate the growing levels of both local and international interest in the region. It is reasonable to expect that a proportion of this interest will translate into increases in visitor numbers from overseas. International visitors to the region are growing steadily, from 36,000 overnight visitors in 2000, to 47,000 overnight visitors in 2004. Expenditure by these visitors has increased by 48% in that time. Yarrawonga-Mulwala Tourism, as a member of the regional tourism authority, Moira Tourism, is now involved in actively marketing our region as a tourism destination to both wholesale and retail tourism groups in New Zealand.

(Tourism Research Australia, National Visitor Survey, 2004)

In October 2005, the Moira Shire announced that it was planning to extend, widen, and strengthen the Yarrawonga Airport runway to cater for larger, twin engine jet aircraft, and to construct an administrative and passenger facility. In 2006 the Victorian Government committed \$550,000 to assist in an \$800,000 upgrade of the Yarrawonga aerodrome. In announcing the government commitment, the Victorian Treasurer, The Hon. John Brumby described Yarrawonga as "a gateway to major tourist and sporting attractions along the Murray River". As the Yarrawonga Airport is the only commercial airport in the Moira Shire, YMT sees this development as being particularly important in terms of future visitor access, both domestic and international, to our region.

The work of Tourism Australia, the State Government, and initiatives such as the Capital and Country Touring Route, the EC Griffith Cup, and the presence of YMT and Moira Tourism at touring expositions in New Zealand, are undoubtedly assisting in this increased international interest and visitation.

The current levels of interest in travelling to our region could be greatly increased if funding was available to allow better, and more extensive promotion to be initiated.

However, even if this is done, the major problem in actually turning this interest into visitation will be a lack of the infrastructure that will be demanded by these travellers. This will be especially important for international travellers. Our region, in common with many other desirable local tourism destinations, cannot provide the infrastructure that would lead to the satisfaction of the majority of international travellers.

Given adequate and up to date infrastructure, we can provide both domestic, and international, visitors with world-class visitor experiences, which will further enhance the good reputation that Australia already has on the stage of world travel.

YMT believes that current levels of promotion, and a lack of adequate product, will not be successful in developing tourism in our region to its maximum possible potential.

## **INITIATIVES TO INCREASE BOTH INTERNATIONAL AND DOMESTIC VISITOR NIGHTS IN REGIONAL VICTORIA**

As stated above – YMT believes that initiatives are in place, at all levels to increase international and domestic tourism, and these initiatives are being successful.

Increasing, and adding to these initiatives would increase the amount and rate of success.

The 2006 Travel Futures Study, based on interviews with industry experts, and 1000 consumers – has found:

- Short breaks were entrenched with domestic travellers, with 88% choosing to take at least one short break per year.
- 80% of Australians spent up to 10% of their household budget on holidays.

The study concluded that:

- The challenge was for the industry to create the infrastructure to provide the self-enrichment experiences that many travellers were now seeking.
- Much of tourism will be driven by icons.

This research was released by Roy Morgan Research in January 2007, and also shows that:

- *Visiting Friends & Relatives* tourism now constitutes 48% of the total domestic tourism market, and 67% of the Fly-Drive market.

- Almost 75% of Fly-Drive tourists like to holiday where they can experience nature and/or the local culture.

This is valuable knowledge, as, like campers, this category of visitors does not get included in the majority of statistics, because they do not use commercial accommodation.

This also is valuable knowledge, as it reinforces the importance of the growing trend to ecotourism, and the need for the provision of educational and interpretive visitor services.

## **EFFICACY OF EXISTING MECHANISMS TO ADDRESS THE IMPACT ON REGIONAL TOURISM OF NATURAL EVENTS**

Yarrawonga is enjoying a growth rate of over 9% - the largest growth rate being seen in country Victoria. It is tourism that is the basic driver of this growth.

That our region has been able to achieve and sustain these growth rates at a time when the generally accepted backbone of our economy, the agriculture sector, has been in severe economic difficulty due to the drought, is a testament to the vital importance of tourism to rural and regional economies.

Our growing tourism industry, and the fact that many past holiday makers, and especially retirees, have made the decision to come and settle in our towns, is why Yarrawonga and Mulwala, with a combined population of less than 8,000 people, still have four major Banks and a Credit Union, as well as three full sized Super Markets. This is why we have an extremely buoyant building industry, and a strong and expanding economy. In 2002, a then record number of 121 new homes were constructed in Yarrawonga alone. In 2003, this number rose to 174 new homes. In 2004, a single building company had plans to build 80 new homes. By the end of 2004, 182 new homes had been constructed in Yarrawonga, together with a further 33 in Mulwala.

Figures published by the Moira Shire (February, 2004) show Yarrawonga alone as having a population of 4588 people in 2003, a net increase of 302 people over 2002. These figures do not include the rapidly growing areas of Bundalong and Woodlands.

In 1998, from a combined population of around 6000 people in Yarrawonga and Mulwala, the Visitor Information Centre serviced 46,805 visitors through its doors, along with 16,420 telephone enquiries. This was an increase of 29.6% over the previous year. By 2002, the number of visitors coming through the door of the Centre had risen to 57,805, and the number of telephone enquiries had risen to 18,725.

In 2003 - 50,422 visitors passed through the doors of the Yarrawonga-Mulwala Visitor Centre. In 2004 - 50,505, and in 2005 – 55,093 people came into our Visitor Centre.

In a survey conducted in 2005/2006 by Tourism Alliance Victoria, the Yarrawonga-Mulwala Visitor Centre was ranked as being the nineteenth busiest in Victoria.

That the Yarrawonga-Mulwala region is reaping the benefits of a strong and growing tourism sector, in times that would otherwise be creating economic difficulties for our region, is undeniable.

This lesson could be extrapolated to all rural and regional tourism regions, and for all kinds of natural disasters. With good tourism product, adequate promotion, and the infrastructure to support it – tourism can create and support a vibrant and growing community, and it can also support a community in times of difficulty. Not only can tourism support a region – tourism can be the catalyst that will drive the growth of a region.

## **OPPORTUNITIES TO LEVERAGE PRIVATE INVESTMENT AND COMMERCIAL ACTIVITY IN REGIONAL TOURISM INFRASTRUCTURE – INCLUDING ECOTOURISM**

A core focus of Yarrawonga-Mulwala Tourism Inc is to develop a greater educational emphasis on the Murray River and Lake Mulwala. By emphasizing and developing the economic and environmental significance of these assets of our region, and focusing upon the natural history, ecology, and cultural assets that the region has to offer, it is our aim to assist the Murray River in general, and our region in particular, achieve a genuine iconic status as a tourism destination.

YMT would like to be able to provide educative facilities for school groups, both local and touring, so that the younger generations of Australians would be able to gain, at first hand, a better understanding of the ecology, the natural and cultural history of our area, and the importance of environmental management to the future of this important area of Australia. By taking this approach we believe that all who come to this region, would have a greater understanding of their environment, and thus would be more enlightened, and proactive in its future management.

The Australian Government's White Paper on Tourism encourages the involvement of visitor centres such as ours, in eco-tourism, and in educating visitors on the issues of sustainability, water quality, conservation, and heritage. The Murray Darling Basin Commission, and Goulburn-Murray Water have also stated, during personal communication, that they would like us to become involved in these issues. The Chief Executive Officer of the Murray Darling Basin Commission, Dr Wendy Craik, in correspondence to YMT has stated – "I would be pleased to explore the possibility of whether the Commission is able to support YMT through the provision of suitable resource material, which we develop from time to time for use throughout the Basin".

Water Conservation will be a focus of our educative process. It is an issue for Australia, and it is inextricably tied to the issues of water quality and sustainability. Our position of being a major tourism destination, situated on Australia's most important river, places us in the position of being able to make a difference, should we be able to provide the facilities that will be required to achieve this aim.



YMT believes that the provision of these forms of ecological information and education is the foundation of ecotourism. With proper education and understanding will come a care, and a concern for the future sustainability and management of our Nation's major river – the Murray River.

Yarrawonga-Mulwala Tourism commenced work in 1998 to plan and then construct the infrastructure required to put our aims into practice. Whilst we have received widespread pledges of support, we have as yet been unable to obtain any financial support from Federal, State, or Local Government. We have also been unable to leverage any private investment or commercial activity to assist in the development of this necessary regional tourism infrastructure.

As stated above - With good tourism product, adequate promotion, and the infrastructure to support it – tourism can support a community in times of difficulty. Not only can tourism support a region – tourism can be the catalyst that will drive the growth of a region.

This submission is made on behalf of the Board of Management of Yarrawonga-Mulwala Tourism Inc.

Yarrawonga-Mulwala Tourism Inc.  
P.O. Box 190  
Yarrawonga. VIC. 3730.

25<sup>th</sup> May, 2007.

Signed by:

Dr John Charles,  
President,  
Yarrawonga-Mulwala Tourism Inc.

54B Belmore St  
Yarrawonga. VIC. 3730.  
Phone: (Bus) 03 5744 3945  
Email: [jcharles@iinet.net.au](mailto:jcharles@iinet.net.au)



# **RURAL AND REGIONAL COMMITTEE**

## **TERMS OF REFERENCE**

**PARLIAMENTARY COMMITTEES ACT 2003**

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

That the Rural and Regional Committee to inquire into, consider and report to Parliament on —

- (1) the economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry;
- (2) potential impediments to the sustained growth of regional tourism, economic activity and jobs;
- (3) the effectiveness, at a National, State and local level, of current programs to promote and enhance tourism in regional Victoria;
- (4) initiatives to increase both international and domestic visitor nights in regional Victoria;
- (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 and drought, and effective measures to drive long term economic recovery; and
- (6) opportunities to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism.



