28 May 2007

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

Dear Sir/Madam,

INQUIRY INTO RURAL AND REGIONAL TOURISM

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

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

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

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

Yours Sincerely

FRANK NORDEN
Tourism Development Officer
At a glance:

- Tourism in Wellington is worth 920 jobs and has an $81 million visitor spend
- Gippsland Tourism has succeeded in uniting Gippsland as one region
- Gippsland Lakes waterway a mainstay of future tourism development for region
- National Park infrastructure ageing and not equal to other areas
- Industry apathy due to “part time” nature of most tourism business’
- Frequency of rail services creates problems
- National tourism marketing campaigns do not market regional Victoria
- Destination marketing approach by Tourism Victoria does not market regions
- Tourism Victoria website does not have accommodation booking capability
- Tourism Victoria measurement is based on yield rather than declining numbers
- No major alliances with airlines exist in Victoria to package product
- Tourism Victoria not effective in marketing or promoting Wellington
- Gippsland Tourism has succeeded in uniting Gippsland as one region
- Almost all costs to market and develop tourism met by Shires
- Bushfire tourism recovery funding of little value to the most affected region
- Private investment around the Gippsland Lakes almost impossible
- New zoning regulations will have ramifications on future development
- Councils left to advance tourism in regional areas without guidance
- Caution re increasing levels of plantation forestry development
- Shortage of quality accommodation and conferencing facilities
- Gippsland Lakes regulatory bodies have limited vision and do not seek to develop infrastructure
- Tourism Victoria marketing is Melbourne-centric or state focused creating little regional dispersal
(1) The economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry.

Based on the Federal Governments preferred method of tourism measurement, the Tourism Impact Model, the tourism industry is clearly significant within the Wellington Shire economy, with an annual visitor spend of $81.2 million per year into the local economy and providing around 920 equivalent full time jobs.

Wellington Shire Council Council's expenditure is made up of direct funding of the Shire Tourism Officer and Wellington Visitor Information Centre as well as ongoing support including marketing and minor infrastructure maintenance undertaken to facilitate the needs of tourists.

Wellington Shire Council enjoys some flow on benefits from other areas and organizations as a consequence of being located within the Gippsland Lakes district and at the junction of two major highways. Touring traffic drawn from being a part of the Sydney - Melbourne Coastal drive provides some benefit for our region. Wellington Shire Council also has formed a strategic marketing alliance with neighbouring Baw Baw and Wellington Shire Councils to provide cost effective marketing and promotion. This alliance is referred to as Experience Gippsland.

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

Internal and external perceptions of Wellington Shire Council
Wellington Shire is a resource rich region, with strengths in traditional agricultural industries such as dairying, beef cattle and sheep production, timber and horticulture, together with significant investment in oil and gas exploration in Bass Strait and defence through the RAAF base located at Sale East. The region is also very strong in the education and prison sectors. A consequence of this strong industrial, governmental, resource and manufacturing background has been the slow development of the tourism sector by private industry as well as a perception by many community leaders that the region itself is not a tourism destination. Many local residents do not appreciate the significant natural assets and tourism opportunities of this region.
Tourism Victoria does not appear to recognise attractions within Wellington Shire as key or significant destinations within Victoria and therefore do not actively engage with us through promotion or journalists familiarisation programs. The Shire has two destination villages earmarked in the Gippsland Regional Tourism Plan, however no action has been taken by Tourism Victoria to develop destination plans despite being listed as action items in the document.

**Lack of facilities**

To grow as a tourism destination, Wellington Shire needs additional higher standard (4-5 star) accommodation and major conference facilities. There is currently a lack of available quality beds due to the ageing of the accommodation stock across the Shire. There is some growth in the establishment of “cottages” across the region however there is a lack of a quality conference/event facility with accommodation and food under a single facility. This has a significant impact on attracting new events, conferences and group travel to the region.

**No recognised icons**

Wellington Shire is frequently not included in marketing and promotion of existing regional and well known icons. This includes the Gippsland Lakes which are traditionally marketed as being the Lakes Entrance, Paynesville and Metung areas, the 90 Mile Beach that is seen as being exclusive to Lakes Entrance and the Alpine National Park that is seen as being part of “North East” Victoria. Although Wellington enjoys significant natural attractions, there is a lack of awareness and commitment in relation to major visitor attractions that are have been scoped, planned and are now “ready for development”. These include the Port of Sale at Sale, the historic village of Port Albert, the proposed Loch Sport marina and various coastal townships within the Shire that have completed strategies, development plans and now require infrastructure investment commitments to become “icon” visitor attractions within Gippsland.
National Park Tourism Infrastructure
The Wellington & Gippsland region has some of Victoria’s major National Parks. Regrettably the infrastructure within these parks is poor by comparison with most other areas within Victoria. Viewing facilities, camping areas, interpretation information, visitor servicing, walking trails & shelters and general lack of infrastructure limits the regions ability to attract larger numbers of visitors. This infrastructure deficiency also extends to the absence of sealing 14km of the historic and scenic “Grand Ridge Rd” to link the famous Tarra-Bulga National Park to the Hyland Highway and make the National Park fully accessible to the international market. The complete absence of any form of visitor counting for the Gippsland Lakes National Park also results in a major attraction that cannot justify additional funding & support and is unfairly compared to those National Parks across Victoria that have good visitor measurement systems in place.

Part time tourist operators
The Wellington region has an abundance of “part time” tourism business operators. Due to the prosperity of the region in alternative industries, tourism is often seen as being an "add on" activity for many involved in the sector. The “part time” nature of these operators results in poor service standards and regularly creates false expectations relating to support that should be offered and provided by others.

Apathy of operators
Some operators in Wellington Shire Council do not recognise that they are in the tourism industry and do not wish to become involved formally at any level to develop or promote the region. Accommodation providers who experience good occupancy rates due to the corporate sector so do not see the need to engage in other forms of tourism or related activities such as networking and packaging. There is no obvious planning for the risk of a change of economic circumstances such as losing major customers and there is little on selling or referrals to complimentary businesses.
Fuel Prices
Current fuel costs are discouraging the dispersal of travellers throughout regional Victoria as the attractiveness of cheap airfares offered by low cost carriers often outweighs the perceived expense of regional travel by car. (touring).

Transport to and throughout Wellington Shire Council
Access by road to Wellington Shire Council from Melbourne is excellent with dual carriage freeway from Melbourne to Traralgon. There are also good rail facilities however limited services create difficulties for persons seeking to use rail for travel to Wellington. As a consequence opportunities for rail travel holidays have not been investigated.

The majority of our major towns have good taxi services; however poor bus services after hours and to regional towns and attractions create an impediment.

Wellington has an excellent airport located at Sale as well as an aerodrome at Yarram. The nearest passenger airport is Melbourne. Scheduled passenger services to both West Sale and nearby Latrobe Regional Airport have been attempted by a number of carriers with minimal success. A suggestion for Tourism Victoria to formally investigate the possibility of using the major facilities at the Sale East RAAF base as a potential destination for low level low cost carrier traffic to the Gippsland Lakes region, along similar lines to Williamtown (Newcastle NSW) is worthy of actioning. The provision of such a service, with tourist friendly fares would encourage corporate traffic, large loadings of holiday traffic to the Gippsland region from interstate and overseas as well as providing local residents with direct access to interstate markets whilst using an already existing and Federally funded facility.

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

National promotional campaigns
National Campaigns do not encourage direct visitation into regional Victoria, however, Sydney Melbourne Coastal Drive and Sydney Melbourne Touring marketing and promotion is gaining momentum. Wellington is strategically positioned to capitalise on these products, however the destinations featured
generally surround Wellington and do not encourage higher yielding visitor expenditure within the Wellington Shire. There is benefit however from through traffic.

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

Tourism Victoria
Tourism Victoria appears to focus on destinations such as Melbourne, Great Ocean Road and Yarra Valley, and while Gippsland has finally received a branding and marketing campaign, it appears that the full potential of Gippsland is not understood or realised. Tourism Victoria's strategy for tourism development and marketing within Gippsland is centred on icons such as parts of the Gippsland Lakes, Wilson's Promontory and Mallacoota, however there appears to be a lack of knowledge and appreciation for what other parts of Gippsland can offer with the icon destinations heavily funded and marketed leaving the majority of Gippsland un-promoted and many areas totally "off the radar".

Tourism Victoria also fails the region on a number of counts, such as the lack of any accommodation booking capability on the T.V website. It is unacceptable that potential customers cannot make bookings on the State tourism authorities prime website. Tourism Victoria also perhaps fails Gippsland due to the absence of any "statewide" tourism development plan, leaving each region within the state to develop and manage and facilitate individual plans, without any common theming or vision. If there was one Victorian umbrella plan, some of the common issues to all regional areas could be recognised and dealt with on a more effective statewide basis.

Tourism Victoria has largely based its efforts on "promoting the state" rather than developing the industry. Campaigns have featured television advertisements that have used imagery to promote a particular region, however little has been done in ensuring that the product on the ground is ready, is of quality, is sustainable, the
local industry is organised and there is a quality visitor experience in terms of infrastructure on the ground. The recently launched "tourism excellence program" has been promoted as the solution for these quality issues, however the program lacks any substance and appears to be simply a website which has no actual program or assistance for operators within it at all!

Tourism measurement by TV has also changed in the past three years from measuring visitor numbers to measuring yield. In a declining market, TV have moved to advocating that there is greater benefit in earning more from lesser numbers of visitors rather than measuring increases in numbers of visitors attracted. This is because the Victorian numbers are in decline. Working with less visitors and earning more doesn't fill all the beds and doesn't fill all the restaurant seats and doesn't keep all the staff employed. It also creates an environment where focus is on the "big end market" or "big spenders" which is not typical of what is found in regional areas, particularly Wellington.

Tourism Victoria also appear to have no alliances in place with major airline players such as Jetstar, Virgin or other partners who package and retail holidays in regional areas. Other STA's do this successfully and offer packages to regional areas using accommodation and airline package deals. With Tiger Air basing its operations in Melbourne it is hoped that Tourism Victoria could perhaps investigate packaging opportunities with an airline hosted in this state.

**Other organisations**

Tourism Alliance is very active in providing personal and business development opportunities for business operators and champion tourism accreditation and skills development. Destination Gippsland Inc. (DGI) together with Tourism Victoria launched a branding and awareness campaign in October 2006 with ongoing tactical activities and opportunities for operators to be involved.

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

Gippsland has been provided with $1.75 million for bushfire recovery funding over 2 years. While the final marketing strategy is still to be signed off, the emphasis will be on promoting the new Gippsland branding to reinforce the region as a top
of mind destination. With Gippsland being such a large region, the whole of Gippsland campaign cannot be inclusive of many small operators and towns, regularly creating disquiet from operators and tourism associations located outside the main areas of focus. The campaigns conducted by Destination Gippsland also seem largely driven by the objectives of Tourism Victoria, rather than grassroots requests from across the region.

The current Gippsland tourism website is poor by comparison to most other regions. It is linked to visitvictoria.com and updating is difficult. Tourism Victoria reserves the right to upload only the information they feel is appropriate and at infrequent times and seems to be connected in the main to paying supporters of Tourism Victoria.

Gippsland Tourism
A position of General Manager, Gippsland Tourism, funded by Tourism Victoria and the six local councils from across Gippsland was created in 2006. The concept of "One Gippsland" has developed largely through the work of the previous chairman of Destination Gippsland and the new General Manager Gippsland Tourism being effective in being able to get many parts of Gippsland to work together.

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

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

Support for the tourism industry across the Wellington region rests solely with the Wellington Shire Council. A gradual recognition of the value of the tourism industry as a major employer and contributor to the Wellington economy has resulted in increased budgets for tourism development and marketing. Some frustration however is felt by Councillors and Management in relation to the relatively small contributions made to overall marketing and promotion by the Wellington Tourism Industry. Self funding and self support is a desired outcome within Wellington however is seen as being very slow to develop. Many tourism activities across Wellington have also been affected due to cost shifting from various state government departments and councils own views regarding the ongoing costs associated to fund and maintain assets created for visitors.

Wellington Shire Council boasts a level 1 accredited visitor information centre and 9 satellite visitor information centres, fully funded by Council.

Council understands the need for a local industry organisation and a strong tourism structure and has been instrumental in the development of a Wellington Tourism Industry Strategy. A key element of the strategy is the development of a peak industry body and it is hoped that this group will demonstrate commitment to undertake many activities identified in the Tourism Plan. There is confusion amongst the business community across Wellington about the structure of the tourism industry.

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

Wellington Shire Council conducts the following initiatives to assist in the development of international and domestic tourism:

- Participation in Sydney Melbourne Coastal Drive marketing
- Participation in DGI Gippsland branding and tactical campaign activities
- Australian Tourism Exchange (ATE) Brisbane 26May-1June. (note Wellington operator not invited to participate in Gippsland stand.)
- Consumer shows – Gippsland, Experience Central & West Gippsland stands at appropriate shows
- Website maintenance and enhancement (tourismwellington.com.au)
- Provision of level one and 9 satellite visitor centres
- Partnership with CMCA to attract motorhome and RV market
- Support for regional events, particularly angling and water based
- Development of full series of Wellington tourism brochures
- Regular servicing of Melbourne Visitor Centre promotional stands

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

From my perspective, the outcomes of the 2007 bushfire tourism recovery funding packages for Wellington were disappointing.

Whilst the Gippsland Tourism Response and Recovery Group (GTRRG) was effective and had achievements including:

- Communication with public and business operators to keep them informed.
- Business Impact surveys were conducted.
- Submissions for recovering funding
- Input into media response (Gippsland Vs Local)
- Positive partnerships and collaboration within the tourism sector, CFA, Parks Victoria and DSE

There were however some negatives including:

- Re-building of tourism infrastructure not catered for and limited funding provided.
- Media focussed on Gippsland as a whole instead of specific communities which impacted in visitation right through central and east Gippsland.
- Victorian Bushfire Information Line (VBIL-based in western Victoria) service was limited, slow to update, and demonstrated a lack of knowledge of the specific Gippsland area,
- Slow to implement marketing for most affected areas.

The 2007 fires burnt approx 41% of the Wellington Shire. Following the fires an announcement of $1.75 million in bushfire recovery money was announced however almost none of this funding will benefit Wellington, the Shire and Community that was the most affected within Gippsland.

Funds have been allocated for regional marketing and branding with benefits that extend to all other areas of Wellington which in some cases were not affected directly by the fires. The recovery monies appear to have been allocated to fund Tourism Victorias brand and marketing campaign for the entire Gippsland region. Small infrastructure provision and advertising requests from Wellington have been ignored leaving Wellington to self fund any post fire projects of this nature.

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

Public land development opportunities are limited in regional Victoria In our area for example, the difficulty faced by the private sector in investing in and developing any of the natural resources of the Gippsland Lakes or High Country results in little investment interest. It is simply too hard for developers to embrace and overcome obstacles to achieve any development projects associated with crown land.

Tourism Victoria appears to give priority to specific regions and projects, which attract huge investment on freehold land.

There is a lack of process/understanding/support of how to attract private investment for tourism related projects and Tourism Victoria's presence in this regard should be increased. Tourism Victoria and the State Government should also examine the opportunities for development within Gippsland and prioritise ways to assist projects becoming reality.
It is important to note that the effects of recent Victorian Planning Code amendments in relation to regional tourism. The changes of zoning in relation to farming zones and rural activity zones will have significant ramifications on development opportunities in regional areas including Wellington.

Likewise, the rapid expansion of farm forestry through managed investment companies is now seeing large expanses of regional Victoria’s countryside being planted in forest rather than being used and seen as traditional farming countryside. The absence of any planning controls on this activity has the potential to create large expanses of forest across regional Victoria which whilst growing will be pleasant, however once harvested could equally be left as large expanses of ugly vista.

The Gippsland Lakes needs to be recognised as one of the states major visitor attractions. With global warming, the ability to offer visitors a 400sq km lake system with guaranteed water will, in the future become a huge attraction. Currently, the entrance to the ocean at Lakes Entrance frequently is closed resulting in raised water levels, adverse effects on fishing, inability of ocean access and stranding of the commercial fishing fleet, in itself a visitor attraction. The management of the “entrance” is critical for the future of tourism in both Wellington and East Gippsland.

Lack of current public sector investment in the provision of major infrastructure upgrades on the Gippsland Lakes will leave the regions tourism industry in crisis as the effects of climate change become more evident. With the Gippsland Lakes being the only guaranteed reliable inland water source in Victoria for recreational boating and watersports, visitor use of the Gippsland Lakes will increase rapidly & significantly. Present infrastructure is limited to the Eastern end of the waterway and government and regulatory bodies that are responsible for the provision of infrastructure on the Gippsland Lakes actively avoid responsibility for new installations and provision of facilities to cope with this burgeoning demand.

Gippsland Ports, Parks Victoria and DSE should have in place significant forward planning and be resourced adequately to construct and maintain major infrastructure improvements across the whole Gippsland Lakes waterway. Unfortunately this appears not to be the case.
Other

Support for "councils" by the State Government requires a further examination. Tourism Victoria supports regional campaign committees but leaves "councils" to essentially do their own thing. Councils doing individual websites, operating individual visitor info centres, producing individual brochures and promotions, developing individual tourism plans without any co-ordination by either the local campaign committees or Tourism Victoria, waste significant resources.

Across Victoria, there are a large number of individual Council tourism plans and lots of individual efforts without anyone leading in any specific direction. There are many wasted ratepayer dollars due to a lack of effective co-ordination of Council led tourism development activities.

Current tourism plans also are largely based on Melbourne-centric concepts. The promoting and marketing of Melbourne events such as the Grand Prix, Tennis, Spring Racing Carnival etc are good identifiers for Melbourne and perhaps Australia however result in almost no regional dispersal of visitors. The Commonwealth Games were an example of limited benefits for regional areas despite significant overall marketing efforts. A new approach to achieve regional dispersal of visitors coming to Melbourne for major events is urgently required.