Submission to
Inquiry into Rural and Regional Tourism

By Tourism Alliance Victoria

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**EXECUTIVE SUMMARY**

Tourism Alliance Victoria is a peak industry body advocating for and supporting the development of a professional and sustainable tourism industry across Victoria. Founded in 2004, Tourism Alliance Victoria was created out of the merger of Country Victoria Tourism Council (CVTC) founded in 1993 and the Victorian Tourism Operators Association (VTOA) founded in 1989. Through our members, Tourism Alliance Victoria represents a long standing and dedicated industry commitment to developing regional tourism in Victoria.

Tourism Alliance Victoria is a member based organisation with 780 members and a broader network of 3,000 (see Attachment 1). We aim to provide leadership, representation, communication and marketing services to organisations and individual businesses for the benefit of our industry. Tourism Alliance Victoria’s membership is both active and diverse encompassing a wide cross section of tourism including:

- Accommodation providers
- Adventure and nature based operators
- Tour operators
- Regional and local tourism organisations
- Visitor Information Centres
- Local Government
- Attractions
- Service providers

The basis of our submission centers on the following five key issues:

1. Tourism is an important and growing economic driver for regional Victoria.
2. Tourism growth potential could be better realised through improved longer term planning and a whole of Government approach.
3. Tourism development is dependent on effective industry partnerships with Government at all levels.
4. Tourism structures are currently not all conducive to a professional and sustainable industry. Structures and functions need to be effective, efficient and innovative.
5. Local Government knowledge and understanding of tourism across planning, infrastructure, business development and visitor services are critical.
6. Tourism growth requires best quality international-ready assets and services in regional areas.
(1) the economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry

Tourism is a system more than an industry and as such its flow on contribution to businesses and other industries is often invisible.

Tourism is an accessible industry to regional Victoria. It is attractive to small business and there are low barriers to entry.

Tourism is a growing labour intensive industry and its economic benefits are comparable to traditional industries such as agriculture.

Tourism is an export industry with international visitors purchasing services onshore. Tourism is Australia’s second highest export sector and a sector that regional businesses can tap into.

What we currently know is that in 2003/04 tourism injected $10.9 billion into the economy making up 5.3% of Victoria’s Gross State Product. Of this, tourism was worth $3.4 billion to regional Victoria’s economy. This level has increased 31% from $2.6 billion in 1997/98.

In 2003/04 tourism accounted for 159,000 Victorian workers, or 6.6% of all people employed in Victoria. This represents a 19% increase from 1997/98. 61,000 tourism jobs are in regional Victoria.

What Tourism Alliance Victoria adds to the mix is its unique, relevant and comparative data in specific tourism areas. This research includes:

- **Local Government indicators of sustainable management of tourism:** In 1998, 2002 & 2005 CVTC (now Tourism Alliance Victoria) commissioned a time-series research project to assess the relationship between the management practices of local government and the resultant impacts on Council’s tourism functions. This became known as the Tourism Health Check (see Attachment 2). For example, in 1998 there was a 54% presence of tourism plans in local governments which grew to 80% in 2002.

- **Impact of Grampians bushfires on tourism businesses:** In January 2006 & November 2006, Tourism Alliance Victoria undertook research of Grampians bushfire-affected businesses (see Attachment 3 Appendix 1). A key finding was the long term impact of cancellations. In January, businesses anticipated that 12% of cancellations would be 8+ weeks in advance but ten months on, the experience showed a four-fold increase to 46% of cancellations being 8+ weeks. Similarly, the long term viability of businesses was affected with 60% of respondents still having an inability to finance future business growth ten months on.

- **Visitor Information Centre (VIC) Visitation:** Monthly VIC visitation is collected and collated by Tourism Alliance Victoria (see Attachment 4). In 2005-06, total visitation to Victoria’s network of 76 Accredited Visitor Information Centres was nearly 5.4 million visits, a 4.2% increase over 2004-05. This visitor service is possible through industry, local government and volunteer support.
• **Attractions Visitation:** A group of individual Attractions submit their monthly walk-in visitation and receive multiple commercial in confidence comparative reports. Research value with the Attractions group lies in overall visitation trends and being able to track against other Attractions, particularly the metropolitan versus regional dynamics.

We have limited knowledge of the broader benefits from the flow on effects of tourism as a system. Increasing awareness of the realistic value of sustainable tourism and therefore encouraging its growth requires statistical data. Current regional data is varied and local data limited.

Facts are needed to assist local communities, industry and government at all levels to realise the current potential value of tourism to a particular community. This information will identify and support greater levels of public and private sector investment.

A number of economic analysis models have been used in the Australian market place to measure the economic impact of tourism to local government associations. These include the CSIRO Tourism Futures Simulator Model, the Tourism Research Australia (formerly Bureau of Tourism Research) Model, and other models applied by private consultancy firms. Tourism Alliance Victoria has developed a fact sheet (Economic Impact of Tourism – Measurement Tools) outlining these options to encourage awareness of the value of undertaking localised economic analysis (see Attachment 5).

Economic data is needed to demonstrate “new” income generated from tourism, including its flow-on benefits, and the amount and type of employment created by tourism. Social and cultural data is needed to estimate the well-being of the local community and health of local culture resulting from tourism. Environmental data is needed to link tourism with the state of the environment both natural and built.

Developing and maintaining a sustainable tourism industry is a complex task which begins with increasing the awareness of the realistic value of sustainable tourism to the whole community and to local councils’ desiring tourism as a mechanism for growth.

One such mechanism for growth is differential or special rates as an equitable source of funding regional tourism activity for Local Councils. There are a number of Victorian Local Councils which generate such a rate for the purpose of tourism and/or economic development. Advantages of a differential rate include provision of stability for future planning; inclusivity in that those who benefit from tourism contribute it; and the ability to expand beyond a dominant marketing focus.

Equally, an overall awareness of the value and role of sustainable tourism across State and Federal government departments is essential to its growth.

**In moving forward**

Build multiple tourism data reference points at a regional and local level to quantify the economic contribution of tourism to regional areas and its flow-on benefits.

Provide a sustained awareness campaign of the value and benefits of tourism to the regional economy and community.

Recognise tourism as a mechanism for growth at all levels of government.
(2) potential impediments to the sustained growth of regional tourism, economic activity and jobs;

A flat domestic market and strong outbound market have negatively impacted the growth of regional tourism, economic activity and jobs for a range of well documented reasons.

What is needed is the recognition of the value of tourism to regional areas and subsequent resourcing to align regional areas to levels in metropolitan areas. This includes focusing on key areas such as infrastructure, skills, energy and communications black spots and international air access as well as public land licensing and the impact of channel deepening.

Investing in key infrastructure
Sustainable rural and regional tourism, along with other industries, shares a dependency on local infrastructure. Of particular importance to the tourism industry are the provision, maintenance and standard of roads, rail, tracks, signage and tourist facilities.

There is a need for best quality assets. The provision of infrastructure stimulates general economic activity which in turn generates tax revenue for the Government and as such investment in infrastructure needs to be viewed as an effective tool to stimulate regional development.

In moving forward
Prioritise key infrastructure development in rural and regional areas.

Consider the link between tourism and town planning and the impacts on tourism of town planning decisions.

Reforming Public Land Licensing
Public land licensing is an example of providing the regulatory framework to support, promote and enhance nature-based tourism in regional areas. There are many inherent and widely acknowledged failings of the current short term licences for tourism operators.

For instance, the lack of incentive for operators to invest (such as infrastructure and international marketing) in their business and the difficulty in obtaining support from financial institutions due to lack of business security. Long term strategic planning in 10 year public land licences is essential to regional tourism growth (see Attachment 6).

In moving forward
Reform public land licensing to provide 10 year licence terms.

Addressing skills shortages
The skills shortage issue has been on the tourism radar for some time. It has been considered as part of the broader discussions relating to the growth of the services sector in Australia and the lack of labour and skills to meet growth.

In 2006, Tourism Alliance Victoria made a submission to the House of Representatives Committee into Workforce Challenges in the Australian Tourism Sector based on a member survey (see Attachment 7). The survey highlighted that businesses in rural and regional area experienced more difficulty filling vacancies than those in metropolitan areas but the skills shortage has a higher impact than the labour shortage, which parallels broader research.

Tourism Alliance Victoria is an active participant with Service Skills Victoria and supports the submission provided by Service Skills Victoria relating to training and skill development.
**In moving forward**
Identify career paths in tourism and hospitality to overcome perceptions of the industry as a job versus a career.

Support programs which encourage business professionalism and excellence.

Encourage older workers and women with families into the workforce.

Increase funding for tourism and hospitality industry training in line with service sector growth projections and industry skills needs.

Generate awareness of solutions that work.

**Cutting energy and communications black-spots**
Broadband in regional areas, a reliable electricity supply and mobile phone coverage are essential services to tourists and businesses. Such impediments are rarely experienced in metropolitan areas. For quality tourism product experiences and business viability it is important that this simple yet vital infrastructure need is addressed.

The emergence of wind farms on the Victorian landscape has created another issue. Tourism Alliance Victoria supports energy and communications infrastructure proposals where they can be achieved without a significant adverse impact on a region's natural and cultural environments and where community views have been taken into consideration. All wind farm proposals should be required to go through a formal planning process, including an independent assessment of relevant landscape values, full public consultation and appeal rights (see Attachment 8).

**In moving forward**
Energy and communications services in rural and regional areas need to be aligned with the level of service provided in urban areas.

Enforce that all wind farm proposals be required to go through a formal planning process.

**Skilling in e-Commerce**
With improved broadband access in regional areas arises the need for e-Commerce training to small businesses to effectively maximising their IT capabilities, business opportunities and maintaining a competitive edge. Regional tourism businesses growth potential is exponential with practical and relevant IT skilling and support.

This was proven in 2005 when Tourism Alliance Victoria and Restaurant & Catering Victoria presented seven e-Commerce Roadshows across regional Victoria. These were funded by Multi Media Victoria. The feedback was extremely positive with all participants rating the seminar as excellent or good. Both need and demand exist for these programs.

**In moving forward**
Continue programs to encourage and enable small business in tourism to adopt, invest and drive their business success with eCommerce technology

**Growing International Air Access**
Over the next 10 years, 70% of market growth will come from the international market. Direct international flights growth to Melbourne is critical. When Government is restricting growth in seats, it reduces the effectiveness of any marketing campaign. Growth in airline seat capacity is essential for tourism growth. This is relevant to regional areas as Melbourne is a ‘gateway’ to the regions.
In moving forward
Continue support for actively seeking international air access and align Government aviation policy and Government tourism policy.

Minimising the impact of channel deepening
Port Phillip Bay is significant not only to Melbourne but the regions of Mornington Peninsula, the Great Ocean Road and the wider Victorian community. The annual value of tourism to the Mornington Peninsula alone is $468 million in visitor expenditure.

There is concern over the channel deepening project’s impact on tourism businesses. This is in terms of sustainability and direct business loss both in Port Phillip Bay and the flow-on effects to the Bay’s surrounds. This loss is potentially attributable to the negative physical impacts; environmental outcomes; and community perceptions of the project (see Attachment 9).

In moving forward
Financial compensation for affected tourism businesses.

Business support counselling and advisory services to assist business continuity.

Independent monitoring and reporting of the environmental effects of the project.

Marketing support to re-invigorate tourism to the region post-project.
(3) the effectiveness, at a National, State and local level, of current programs to promote and enhance tourism in regional Victoria;

(i) the effectiveness of current programs

Current National Programs
Victoria’s tourism industry is linked with the promotion of Australia and the development of the Australian tourism industry. The Australian Government’s 10-year plan for the tourism industry, the Tourism White Paper (TWP), was released in 2003 with funding for the plan for the first 4½ years. Continued funding has recently been announced for the next 3 years.

Tourism Alliance Victoria believes it is critical that, to provide clarity and certainty for the industry, the Australian Government consider its funding plans and priorities for the industry through to the end of the 10 Year Plan. This Inquiry should encourage the Australian Government to continue its commitment and support for the TWP.

Australian Tourism Development Program (ATDP)
Tourism Alliance Victoria, as part of the National Tourism Alliance (NTA), supports the NTA endorsement of the ATDP and its recommendations for the enhancement of ATDP:

- that the level of funding be maintained through to the end of the period of the 10 Year Plan;
- that the Government expand the scope of projects eligible for ATDP support;
- that the Government consider integrating the operation of ATDP with Destination Management Plans that are consistently co-ordinated at a national level; and
- that the Government include industry representatives in the assessment of ATDP grant applications.

Current State Programs
There is a reasonable range of industry programs for regional businesses such as the My Business My People Program funded by the Department of Innovation, Industry and Regional Development (DIIRD). The value of this program lies in it being onsite, one-on-one mentoring, with tourism and hospitality industry specialists, to help attract and retain skilled staff.

The industry needs to be continually active in tapping into the tourism tailored resources available. Tourism Alliance Victoria is working collaboratively with in our industry network to ensure there is awareness of current programs, impart the value of current programs and increase the uptake of current programs.

There is the need for future programs to help regional tourism businesses cope with international market growth. The value of such a business development program would be in the industry specific knowledge and experience required to be an international-ready business in regional Victoria. Demand side strategies of building reputation and supply side strategies of capability, access and assets are essential.

Tourism Victoria is encouraged to provide more than annualised agreements in relation to industry business development to improve effectiveness through longer term planning.

Tourism Victoria Regional Partnership Program (RPP)
There is a need for strategic long term planning with marketing programs. A case in point is the Tourism Victoria Regional Partnership Program which has recently moved to a two year cycle. Three year marketing programs will harness the elasticity of the industry market and would facilitate greater effectiveness and participation. The program aims “to facilitate more effective, strategic and integrated marketing of regional Victoria, in partnership with industry”. However for destination planning to attain “holistic integration”, there is a need for a longer term approach to maximise its effect.
(ii) structure and functions to promote and enhance regional tourism

The effectiveness of current programs is underpinned by the planning; structures and functions; business professionalism & excellence; and community capacity focus behind them. Planning for tourism, particularly in regional areas is a challenge but strategic, integrated and long term planning is essential for local government, regional tourism organisations, tourism businesses and the community alike (see Attachment 10 & 11).

Local Government
Local Government is a key agent in sustainable tourism management through a variety of direct and indirect roles. In Victoria, this capacity may be limited by isolation; access to resources; relationships with industry and other levels of government; training and skills of key staff; and communication within Council.

Local Government need long term strategic planning which link to regional, state, and national Plans yet identify local issues and local solutions. The absence or inadequacy of local planning for tourism results in stagnant, ad hoc and unsustainable tourism growth in rural and regional areas.

Country Victoria Tourism Council and the Centre for Regional Tourism Research undertook research to measure the capacity of local government to develop and manage tourism, in essence, a Tourism Health Check (see Attachment 2). The survey was undertaken in 1998 and followed up in 2002 and 2005. What arose were six tourism management capacity indicators:

- Integration within Council;
- Strategic planning;
- Co-ordination within external stakeholders;
- Commitment to implementation;
- Provision of adequate resources;
- Level of involvement with industry

What is needed is for individual Councils to monitor and seek ways to improve their “Tourism Health” by addressing and developing these management capacity indicators and understanding how best to facilitate industry growth. The industry also has a part to play in making known the tangible benefits of tourism to Local Government.

Regional and Local Tourism Organisations
Structure and function within the industry impacts the effectiveness of current programs. The tourism industry is dominated by small business; as such its ability to represent and express itself to government and benefit from government support is through the formation of a local (Functions of a Local Tourism Association: see Attachment 12) or regional tourism organisation (Functions of a Regional Tourism Organisation: see Attachment 13).

The landscape in Victoria has about 30 regional tourism organisations (RTO's), 170 local tourism associations (LTA's) and 21 sub local tourism associations. Board structures in each area are different due to history, geography, government and industry.

Generally the organisations are volunteer based and rely on a combination of industry contributions, state and/or local government funding and in-kind support from Local Government. They often lack expertise, leadership, business and financial management and planning skills, sound meeting procedures and an understanding of governance. It is therefore common for the organisations to be inefficient and lack effectiveness.

Given the reliance on these organisations to deliver federal, state and local government programs, co-ordinate and represent tourism businesses, run Visitor Information Centres,
administer co-operative marketing campaigns and grow the industry, their performance is central to the success of the industry.

To combat these impediments, tourism structures and functions need to be more professional, effective, efficient and innovative. Some regions operate effectively, whilst others need improvement.

New Zealand is a prime case in benchmarking regional tourism organisations. The organisational structures of the 27 RTO's are very diverse, as are the RTO Boards in terms of size and operation. Nonetheless, New Zealand has grasped the recognition of governance. They are moving towards smaller Boards (the average number of RTO members is 8 with 3 year staggered terms); skills over representation (shift to utilising private sector skills balanced with stakeholder accountability) and generally a more professional approach (nearly all RTO’s are bound to constitutional documents, legal funding agreements and aligned to at least one macro alliance).

**Business professionalism and excellence**

Professionalism and excellence enhances business sustainability and the industry as a whole. A current program assisting this process is the Better Business Tourism Accreditation Program. One of the main objectives of Accreditation is to help establish professional standards that are consistent and credible amongst tourism operators throughout Australia.

Accreditation sets benchmarks and provides assistance so that tourism businesses throughout Australia, although unique in the experience or product that they offer consumers operate to a consistent standard of professionalism.

Furthermore, Accreditation allows businesses to be rewarded and acknowledged for their commitment to professionalism. It provides consumers / visitors with the confidence to expect the same level of professional business practice as they travel from one Accredited business to another. Accreditation also provides other tourism businesses and regulatory bodies with an understanding that industry needs are being met through a more uniformed level of practice.

**Community Capacity Building**

Planning for and integrating tourism into economic development requires community capacity building. This means the combined influence of a community’s commitment, resources and skills that can be deployed to build on community strengths and address community problems to deliver community led control, change, development and sustainability.

Tourism Alliance Victoria was appointed by the Department of Sustainability and Environment to co-ordinate and deliver a three year capacity building program for the Otway Hinterland tourism community for the period July 2004 – June 2007. The project was part of the $14 million *New Future for the Otways* Tourism Initiative which consisted of 19 eco-tourism projects largely focused on improving the public land tourism opportunities, raising them to a world-class standard. By 2008 when logging on public land in the Otways is phased out, the 19 projects will be completed to strengthen tourism in the Otway Hinterland and to provide economic growth and jobs for local townships.

The Otway Hinterland Capacity Building project complemented the infrastructure development projects; working with the local tourism community to ensure that individuals, businesses and tourism associations alike, had the skills, the ability, the knowledge and the desire to make the most of these upgrades and incorporate them into their tourism product offering. And to in turn strengthen the region’s ability to attract and satisfy target markets and strengthen its ability to deliver under supplied experiences.
In moving forward
Integrate tourism consistently and thoroughly into all policy development areas at all levels of government.

Develop partnerships based on mutual respect and understanding between State and Local Government’s regarding Destination Planning and Development.

Develop Best Practice Principles for Regional and Local Tourism Organisations.

Provide resources for preparation, progressive distribution and ongoing training of Best Practice Principles for Regional and Local Tourism Organisations.

Improve the knowledge, experience and capabilities of people working on the industry and a commitment to professionalism and excellence.

Further support those businesses which have invested in themselves to ensure a quality visitor experience.

Recognise the critical importance of community capacity in the development and delivery of tourism at the local level.
(4) initiatives to increase both international and domestic visitor nights in regional Victoria;

Capitalising on natural attractions
Nature based tourism is a key strength for Victoria. In 2005, 37% of domestic visitors and 77% of international visitors undertook at least one nature based tourism activity during their trip in Victoria, accounting for 8.0 million domestic daytrips, 6.1 million domestic overnight and 1.03 million international nature-based tourism visitors.

This represents a 30.8% increase in international adventure visitors from 2004 to 2005. Their average length of stay is 22.4 nights in Victoria. Domestic adventure daytrips in Victoria increased by 24.9% from 2004 to 2005, compared to 10% in Australia. In 2005 there were 44 million visitor nights attributable to nature based tourism in Victoria.

Victoria has the potential for a competitive advantage based on its wilderness and adventure based activities. The Government recently launched the Adventure Tourism Brochure which was a critical step towards unearthing the diversity and depth of product in Victoria. However, the capacity to attract high yielding customers is severely limited by a lack of quality investment in wilderness based accommodation experiences. The private sector is ripe, the restrictions in Victoria result in investment in other states of Australia and New Zealand.

There is recreational demand for utilizing the flows from hydropower dams in areas such as West Gippsland and the High Country. Furthermore, environmental flows already exist on several Victorian rivers from which recreational flows can be created by altering flow. Often no extra water is required, so it is resource and cost neutral. This provides sustainability for outdoor adventure tour operators, adventure race organisers, recreational paddlers and associated tourism organisations, as well as calendared events for regional areas. State Government support is needed in the protection of recreational opportunities in resource usage licensing decisions, allowing access to Victorian rivers for all, by ensuring that hydro-electric power companies and catchment management authorities offer scheduled recreational flows on some rivers for a certain number of days a year.

Tourism Alliance members are concerned that the banning of cattle grazing in the Alpine National Park could be the start of a gradual phasing out of all complementary land uses in the Park such as Horse Trail riding, motor bike riding, and mountain bike riding. The State Government could build on its statement of support for commercial high country horse trail rides within the park, through supporting the enhancement of existing access and the use of cattlemen’s huts and guaranteeing a minimum licensing period of 10 years for licensed tour operators providing uniquely Victorian tourism experiences in Victoria’s high country.

In moving forward
Commit to sustainably maximise the potential of Victoria’s nature-based experiences.

Encourage proactive land management practices for natural attractions (see Attachment 14).

Capitalise on existing natural assets and nature based accommodation such as cattleman’s huts through the provision of quality, unique experiences.
Leveraging major events, business events and regional events

Initiatives to increase both domestic and international visitor nights in regional Victoria include leveraging major events (world class & flagship events in sport and culture beyond Melbourne), business events (through the Regional Victoria Conference Group RVCG) and regional events (through the Country Victoria Events Program CVEP).

The RVCG in partnership with Tourism Alliance Victoria represents all regional tourism associations, all major regional conference organizers and 67 regional conference venues. Development of this sector has been principally undertaken by the RVCG through co-operative member funded activities. RVCG provides representation and marketing support with the slogan “clean air, country alternative”. It supports a range of quality and diverse venues, facilities and services throughout regional Victoria.

Business events make up $1 billion of Victoria’s tourism industry. Business events are a high yield sector for the industry. In Victoria average daily expenditure by an interstate delegate is $534 and for an intrastate delegate is $372.

Investment in research and strategy to improve our market knowledge for the business event sector would improve our ability to strategically plan initiatives to increase business visitation. The National Business Events Study (NBES) has found that Victoria has the second highest amount of direct business events expenditure ($3.4 billion) into its economy following New South Wales ($7.0 billion) of all the states and territories in Australia.

What is unclear is the value of business events to regional Victoria compared to other regional areas in New South Wales or Queensland. In the next four years the RVCG through its programs will invest over $1million on a number of projects including research to evaluate the value of regional Victorian business events, to undertake a market perception survey and regional conference benchmarking, as occurs in the USA.

Furthermore, investment in a resource to grow the regional conference and business events market through building new business including a dedicated advocate with regional business and conference expertise based at Melbourne Conventions & Visitors Bureau is another initiative. The regional specialist program will be developed by the RVCG, in collaboration with Tourism Alliance Victoria, to maximise new business opportunities. The program will be marketing orientated in order to build and maintain a profile for regional Victoria, maintain quality information and images on regional Victorian product, and build the capacity of co-operative marketing.

The Country Victoria Events Program (CVEP) contributes significantly to regional economies. Annual funding is currently matched by Local Government, tourism bodies and local community. For an investment of just $225,000 over 230,000 visitors attended a CVEP funded event and expended a conservative estimate of $14 million into the local community (October 2004-October 2005). This is a 62 fold return directly into regional economies.

The Program is continuously over subscribed, demonstrating demand for regional events and potential investment commitments. CVEP is an initiative to attract both domestic and international visitors into the regions with existing potential to convert day trips into visitor nights. The program needs to be continued.

In moving forward
Provide more resources to support strategic growth and development of business events and conferencing activity beyond Melbourne.

Invest in support for regional business events in market research and establishing a regional specialist program.

Continue the Country Victoria Event Program to assist regional economic development.
Growing export potential
The tourism industry has changed dramatically in the last 20 years. Many owner operated small businesses lack the capacity to re-engineer the business through capital investment and staff development is limited.

The Government has successfully supported re-engineering of business focus and new markets in the agricultural sector. Funding has tripled for the State Government programs such as the Future Family Farm (FFF). There is the potential to do the same in the tourism industry. Tourism is Australia’s second highest export sector with lower than average government assistance (see graph on next page).

An opportunity to grow export potential is in providing low interest capital to support the renewal of ageing infrastructure to enable it to meet export market needs for the next 30 years. This means building and maintaining quality existing tourism assets that are appropriate and sustainable for the growing international market.

Growing the export potential of tourism businesses relates to the importance of effective, efficient and innovative business practices in a changing market. Over the next 10 years, 70% of market growth will come from the international market. Government and the industry have to look at both supply and demand. That means providing quality product; infrastructure and services as well as long term strategically planned international marketing of regional Victoria.

**In moving forward**
Increase the level of funding provided through business assistance and support programs to enable tourism businesses to grow their export potential in the international market.

Provide best quality international ready assets and services in regional Victoria.

Commit to international marketing support for more dispersal in visitation beyond Melbourne.
Tourism's export success

Tourism is Australia's second highest export sector with lower than average government assistance

Source: Productivity Commission Trade and Assistance Review 2004-05; ABS Cat No. 3368.0; TRA International Visitors in Australia, June 2005

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<td>8 Business services</td>
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Note: ** indicates the highest average government assistance.
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Tourism Alliance Victoria Submission

(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;

Bushfires
Uncertainty over future business activity is a key concern for tourism operators in bushfire affected areas. For licensed tour operators, the State and National Parks where they conduct their tours are their primary source of income and therefore their major asset. Public land management decisions that impact these operators are based on assessment, clearing and re-opening of public land.

Timing is crucial to recovery both during and after Victorian bushfires. Government Land Management Agencies Department of Sustainability & Environment, Parks Victoria, and Alpine Resort Management Boards need to fast track assessment, clearing and opening of tracks and trails which is so critical to commercial tourism business activities.

A proven effective measure to tourism recovery is that controlled access be given to licensed commercial tourism operators as a priority before allowing access to the general public. Fast tracking this assistance, where public safety has been ascertained, supports the short and long term sustainability of the industry.

Tourism Alliance Victoria supports Land Managers utilising the skills and experience of commercial tourism businesses in the track assessment process, a valued approach evidenced in the Parks Victoria 2002-03 Annual Report. Recent experiences have shown that licensed tour operators need to be engaged earlier; not isolated but incorporated into emerging and recovery processes; be given conditional park access and immediate access to unburnt areas. In this way, licensed tour operators are a tool and asset in assisting public land management.

Media coverage of the 2006-07 North East bushfires did not help tourism cancellations with misinformation over exact locations of fire-affected areas through blanket messaging; headlines such as “Monster Fire”, “Super Fire” and “Red Alert”; and the overwhelmingly negative reports and images. Clearly a unified approach is necessary. A tourism perspective needs be considered when choosing terms to be used in the media during a crisis and utilising positive case studies of survival and recovery, optimism and opportunity, to counter the negative reports and images.

Prescribed burning management is also an existing mechanism in which efficacy with regional tourism is significant. The Autumn tourism season often directly corresponds to the prescribed burning season. Whilst adventure visitation peaks during summer (38%) it also stays strong during Autumn (27%).

There is greater capacity to integrate the communication message than what is currently happening. The tourism industry has the untapped capacity to be a vehicle in delivering bushfire communication and assisting in public confidence. Clear and accessible information for both industry and community is required in regards to timing (in terms of business planning); accuracy (in terms of exact location) and consideration of all stakeholders.

Effective measures to drive long term economic recovery include resourcing new practices. The ability of relevant agencies to respond to bushfires could be assisted by providing resources for more rangers and more guided experiences resulting in more formal arrangements in recreational use of public lands. Such an increase in commercial activity would yield better environmental outcomes and economic outcomes for Victoria.
The increase in “regeneration tourism”, such as in the Grampians post-bushfire recovery, highlights the need for diversification of product. Experiences such as the provision of fire lookout tours for educational purposes during bushfires would be a positive and integrated management strategy.

Government needs to take a holistic approach to impacts of bushfires (see Attachment 3). Any current financial support such as concessional loans is predicated on physical asset loss not business loss through closure of access. Short term non asset business support would certainly help long term economic recovery.

**Drought**
Existing mechanisms for regional tourism in drought are not sufficient in terms of comparison with other industries. There is disproportionate drought support between agriculture and tourism considering that tourism is an equal player in terms of contribution to the Victorian economy.

In 2004 & 2006, Tourism Alliance Victoria delivered a drought assistance program titled “Sustaining Your Tourism Business” funded by DIIRD/ Tourism Victoria. The program had the principle objectives of:

- To train and provide professional assistance and guidance to increase the survival rate of tourism businesses and help them achieve long term sustainability;
- To provide assistance to the business owner/operator so that they can capitalise on drought marketing programs;
- To improve overall business acumen and help tourism operators achieve accreditation.

An independent evaluation of “Sustaining Your Tourism Business” highlighted that 75% of respondents rated the overall value of mentoring as of very high value or high value and 82% of respondents said that the business plan/mentoring helped to improve their business.

Supportive steps at a National, State and Local level are required to ensure that regional tourism operators who are experiencing hardship directly as a result of drought can trade through to ensure their business survival and longer term sustainability (see Attachment 15). In the end the solution which will deliver the most support to these steps is rain but in the current drought, support should focus on:

- Co-operative marketing with an emphasis on non-water related product (i.e.: Food & Wine, Arts & Cultural Heritage) but supported by an over arching awareness campaign to assure visitors that they can still have a quality holiday experience in regional Victoria.
- Co-operative marketing assistance allocated for future use to support directly affected operators when water restrictions are lifted and lake water levels improve.
- Infrastructure support to assist operators to overcome these significant operational adjustments at a time when operator revenue is decreasing.
- The impact of the drought on event conditions be taken into account by Tourism Victoria and Tourism Alliance when assessing the events sponsored by Tourism Victoria or by Tourism Alliance through the Country Victoria Events Program.
- Government (State & Federal) to recognise tourism operators directly reliant on water resources to be eligible for exceptional circumstances benefits.
- State and Federal Government make drought areas a priority for key agency programs which focus on business support and community well being.
- There is a need to educate Local Government about the likely drops in visitations and the sorts of tourism impact being felt across regions as a result of the drought.
- There is a need to offset the negative media environment (concerns over terrorism, drought) through an overall campaign promoting the fact that Country Victoria is a safe destination (one of the safest), offers high quality experiences and extremely good value.
for money. This campaign could focus initially on those areas offering all product options and as the drought breaks additional destinations could be introduced. This could be taken to a national level and the drought affected States link with See Australia in a united campaign.

**Climate Change**
There is a distinct need for both awareness of and adaption to triple bottom line sustainability. This means environmental sustainability in protecting the very assets regional tourism promotes and utilises; economic sustainability in reducing the bottom line through reduction in resource usage; and social sustainability in terms of corporate social responsibility.

Mechanisms for tourism businesses to deal with climate change are emerging though the current pitch level is at awareness and education more than industry specific practical tools. These practical solutions need to focus on reducing resource usage and business diversification. Again, longer term strategic planning is critical to economic survival.

Business sustainability is one part of the equation but tourist education is another. Programs need to be resourced to educate travellers on responsible water and energy usage. There is a documented tendency to leave our sustainability ‘hats’ at home whilst on holidays so changing this mindset is critical in the industry adapting to climate change.

### In moving forward
- Recognition that tourism has the resource capability to assist in public land management
- Recognition that tourism has an untapped capacity in aiding communication and public confidence
- Industry adoption of best practices and the ability to adapt in a changing market
- Investment in direct business support during and after adverse natural events
(6) opportunities to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism.

Addressing the supply side of tourism involves a holistic approach to planning and the balance between public and private investment. Regional tourism infrastructure includes accommodation, attractions, transport networks and service facilities. Significant major investment in tourism infrastructure in recent years has been focused in metropolitan areas.

About half of the tourism regions have less than 5% of accommodation infrastructure in the State. The Melbourne CBD contains 83% of the State’s indulgent accommodation. Clearly there is a lack of quality 4 & 5 star rated accommodation in regional Victoria which impedes this high yield market.

Of importance to leveraging investment in regional tourism infrastructure is heightening the level of awareness that natural attractions are Victoria’s key product strength and subsequently there is the need for infrastructure to support our natural attractions. This includes ecotourism, as well as the cultural and heritage sectors where there is potential to grow experiential and educational components in regional tourism infrastructure.

Long public land licensing terms is conducive to leveraging private investment and commercial activity in regional tourism infrastructure (see Attachment 6). As such 10 year terms gives incentive for operators and others to invest in their business.

Leveraging opportunities could be enhanced by clearer planning processes and messages. This would help reduce real and perceived impediments to entry in private investment and commercial activity. Furthermore, open and ongoing consultation with all stakeholders is necessary.

Improved planning to enable projects of significance to be encouraged and developed is critical if tourism in Victoria is to be competitive in the Australian context. The current preferred softly softly approach of small time investment has the potential to lead us to “Death by Cottages”.

This is not about rampant development at any cost – but to encourage a focus on long term sustainable development, the capacity to provide greater certainty and consistency for investors is critical otherwise they will just take their bat and ball and move to a State where this option exists.

**In moving forward**

Recognise the strength of Victoria’s natural attractions and subsequent need to support this through quality infrastructure.

Provide quality luxury accommodation as a mechanism for regional growth.

Reform public land licensing to provide 10 year licence terms to drive private investment.
MEMBERSHIP
Tourism Businesses

Tourism Alliance Victoria
Board Elected by Membership

Specialised Member Activity Groups

 Attractions Group
Adventure & Nature Based
Regional Tourism Managers Forum
Regional Victoria Conference Group
Tour Operators Group
Visitor Services
Young Tourism Network

Organisational Structure as at May 2006
Local Government – Tourism Health Check

INTRODUCTION
Local government is a key agent in sustainable tourism management through a variety of direct and indirect roles (see Figure 1). Managing these diverse functions presents substantial challenges. In Victoria, the capacity of local government to sustainably manage tourism may be limited by:
- isolation
- access to resources
- relationships with industry and other levels of government
- training and skills of key staff
- communication within council

Tourism Alliance Victoria and the Centre for Regional Tourism Research undertook research to measure the capacity of local government to develop and manage tourism over time in light of the variety of functions and the limitations faced. In essence, a Local Government – Tourism Health Check.

Tourism Alliance Victoria plan to utilise the results of the research to assist it in targeting its support to improve local governments capacity to manage tourism.

RESEARCH DESIGN
The research involved a state-wide survey of local government. The survey included a range of questions about issues such as:
- Strategic Planning: the characteristics of tourism policy in terms of existence of a policy document, maintenance of the policy and evaluation protocols
- Implementation: the characteristics of tourism objectives in terms of existence of objectives, nature of objectives, lifespan of objectives, and evaluation protocols
- Involvement with Industry: the nature of tourism industry assistance in terms of type of assistance, and mechanism for providing assistance
- Integration within council: structure and positioning of the tourism unit in terms of number of employees, annual budget, location within government structure, as well as the extent to which tourism is considered in other government policy/strategy documents, and the existence of committee/s within Government involving tourism unit staff
- Coordination with external stakeholders including other levels of government and collaboration with tourism interests outside the local government area
- Provision of adequate resources to enable these tasks to be performed

Over sixty councils responded to the survey. The survey results describe policies and plans, human resources, and elements of cooperation and collaboration within councils and external to them.
Tourism Orientation Framework. Sustainable tourism management at a Local Government level requires support from all organisational units. Management decision making is best geared towards balancing the demands of the essential stakeholders in tourism (tourism sector, visitors, community/environment) rather than focusing on internal divisions.

A Tourism Orientation Framework is suggested whereby Local Government needs to provide an environment of integration, communication, facilitation and appreciation so that each area of the organisation is aware of the needs of the other areas and their respective demands from tourism stakeholders.

Figure 1: Some tourism related functions of local government.
SUMMARY OF FINDINGS

Strategic Planning
Over four-fifths (80.5%) of respondents claimed that their council had a tourism strategy. Over two thirds (66.7%) of plans had been written in the past two and a half years (ie: since 2000). Nearly one quarter (24.2%) had been written in 2002. Recently, written tourism plans were likely to focus on economic development objectives.

Implementation
Almost two-thirds of respondents with tourism strategies (61.8%) claimed that those strategies were updated annually. Similarly, 65% claimed that council had clear tourism development objectives. Where objectives existed, over three quarters of councils (78.6%) had evaluation systems in place. Almost half of these (46.3%) were evaluated by key performance indicators, and a further 14.6% by committee review.

Involvement with Industry
80% of respondents felt that their council could do more to encourage tourism development. Despite this result, nearly two-thirds (65.9%) of councils had specific industry assistance policies for tourism, and over half (51.2%) had provided assistance to tourism businesses in the past twelve months. In total, 1,901 tourism businesses had received assistance from 23 councils. Information services (51.2% of councils) and cash grants (29.3%) were the most common types of assistance.

Integration
The majority (72.5%) of respondents agreed that there was good coordination of tourism responsibilities within their council. A similar percentage (75%) agreed that tourism was a priority industry for their council. The majority of councils (65.9%) had tourism units located within economic development units. A further 14.6% had stand-alone tourism units. The trend towards locating tourism units within economic development units would suggest that economic contributions of tourism were considered the highest priority for councils. 70% of respondents agreed or strongly agreed that this was the case. Tourism had a relatively low profile within other local government plans and committees.

Coordination with external stakeholders
Relationships with external stakeholders were explored by assessing how many external tourism organisations received contributions from council (in terms of finance, staff time, or other contributions), and respondent perceptions of whether council worked well with external tourism agencies. Overall, 57.5% of respondents agreed that council worked well with external tourism agencies, and 27.5% strongly agreed.

Resources
While 30% of respondents felt that council did not allocate sufficient money to tourism management, over half (52.5%) felt that financial resources were sufficient. Regional tourism budgets ranged widely with median budget being $232,500. Forty percent of respondents indicated their council budgeted less than $150,000 for tourism. A substantial component of tourism budgets were for human resources. Across the 52 responding councils, there were 248 paid tourism related staff. Ninety-seven of these were part-time and 151 were full-time. On average, each council employed about 5 staff (two part-time and three full-time). However, some Councils employed up to 27 tourism staff. Further, about three quarters (75.6%) of respondents indicated that their councils had tourism related volunteers. Across the 52 responding Councils, there were 1,657 volunteers.

RESEARCH CONCLUSIONS
Overall the major area of concern arising from this research appears to be the level of support for tourism development from within local government. A relatively low level of support for tourism is demonstrated through:

- poor resourcing of tourism in many councils
- lack of inclusion of tourism in key planning and policy functions
- lack of coordination between tourism units and other council units with tourism-related functions

The research suggests that the lack of support could be addressed through:

- Programs to educate councils about the contribution of tourism to economic development and other council-wide objectives
- Further investigation of the extent to which tourism businesses require different types of support (particularly information services) to other businesses
- Strategies for increasing council support for the concept of sustainable tourism development
- Raising of community awareness of the value of tourism through detailing the outcomes for local governments and their constituents that could be expected from greater encouragement for tourism development

In conclusion, many capacity enhancing structures seem to be in place for the majority of local government tourism managers in Victoria. These in particular include tourism units or their equivalent, strategic plans, tourism related objectives, and systems for evaluating progress towards those objectives. These strengths can be used to improve intra-government coordination of tourism functions and creating better awareness of the value of tourism for communities and industry.
OVERALL CAPACITY INDICATORS

Overall, fifteen councils could be considered to have relatively weaker tourism health. These include regional councils such as Baw Baw, Moorabool, Towong, and Buloke, and metropolitan councils such as Maribyrnong, Port Phillip, and Monash. Relatively stronger tourism health was recorded for Indigo, Warrnambool, Ballarat, and Bendigo. Results from Macedon Ranges cannot be considered complete as responses for eight questions were not available.

BENCHMARKING

In 1998 Tourism Alliance Victoria commissioned research of a similar nature titled "A Study of the Level of Support for Tourism by Local Government". Generally local government in Victoria has increased its support for tourism since 1998. Its overall management of tourism has also improved in terms of its inclusion in Municipal Strategic Statements, presence of tourism plans and objectives. The following demonstrates movement from 1998-2002:

Local Government Tourism Management – Changes from 1998-2002

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusion of tourism in Municipal Strategic Statements</td>
<td>80%</td>
<td>83%</td>
</tr>
<tr>
<td>Presence of tourism plans</td>
<td>54%</td>
<td>80%</td>
</tr>
<tr>
<td>Presence of tourism objectives</td>
<td>56%</td>
<td>70%</td>
</tr>
</tbody>
</table>

THE NEXT STEP

Tourism Alliance Victoria works with individual councils to assist them with the development of their “Tourism Health” or their ability to maximise their community’s tourism potential. For more information on how your council can benefit from this research please contact Tourism Alliance Victoria’s Industry and Business Development Manager (03) 9650 8399.

Tourism Alliance Victoria acknowledges the support of Tourism Victoria in this project.
Dear Sir/ Madam,

Parliamentary Inquiry into the Impact of Public Land Management Practices on Bushfires in Victoria

Tourism Alliance Victoria wishes to make a submission to the above Inquiry in addressing the Terms of Reference Parts (1) (8) (9) (12) (13).

Tourism Alliance Victoria is a peak industry body advocating for and supporting the development of a professional and sustainable tourism industry across Victoria. Founded in 2004, Tourism Alliance Victoria was created out of the merger of Country Victoria Tourism Council (CVTC) founded in 1993 and the Victorian Tourism Operators Association (VTOA) founded in 1989.

Tourism Alliance Victoria is a member based organisation placed within a strong industry network (diagrammatically depicted in Attachment A). We aim to provide leadership, representation, communication and marketing services to organisations and individual businesses for the benefit of our industry. Tourism Alliance Victoria’s membership is both active and diverse encompassing a wide cross section of tourism including:

- Accommodation providers
- Tour operators
- Regional and local tourism organisations
- Visitor Information Centres
- Local Government
- Attractions
- Service providers

The basis of our submission centers on the following four key issues:

1. Tourism is an important economic driver for regional Victoria
2. Tourism is an equal player to forestry, agriculture, mining and other groups
3. Tourism has the resource capability to assist in public land management
4. Tourism has an untapped capacity in aiding communication and public confidence

In addition to addressing the Terms of Reference outlined in this letter, we have provided the Committee with evidence of our ongoing commitment to and engagement in the issue of bushfires in Victoria and their impact on tourism businesses. Tourism Alliance Victoria has been actively involved in member consultation and
providing industry views to Government during and after each major fire event in Victoria since 2002-03.
Please find enclosed Attachments:

Attachment A: Tourism Alliance Victoria’s Industry Network Structure
Attachment B: Bushfire Recovery Submission to Minister for Tourism January 2007
Attachment C: Press Release “Grampians Businesses Look to the Future” February 2006
Attachment D: Survey Results of Grampians Bushfires February 2006
Attachment E: Tourism Alliance Victoria Issues Paper “Bushfires & Regional Tourism” February 2003
Attachment F: VTOA Submission to Ministerial Bushfire Recovery Taskforce February 2003

The Value of Tourism to Victoria

The tourism industry plays a critical role in the Victorian economy; its importance to regional Victoria and its part in conserving Victoria’s unique natural environment. National Parks managed by Parks Victoria are the most visited parks in Australia.

In 2003/04 tourism injected $10.9 billion into the economy making up 5.3% of Victoria’s Gross State Product. In this same period tourism was worth $3.4 billion to regional Victoria’s economy. This level has increased from $2.6 billion in 1997/98 and contributes to the economic development of regional areas beyond metropolitan Melbourne.

In 2003/04 tourism accounted for 159,000 Victorian workers, or 6.6% of all people employed in Victoria. This represents a 19% increase from 1997/98. 61,000 tourism jobs are in regional Victoria.

Nature based tourism is a key strength for Victoria. In 2005, 37% of domestic visitors and 77% of international visitors undertook at least one nature based tourism activity during their trip in Victoria, accounting for 8.0 million domestic daytrips, 6.1 million domestic overnight and 1.03 million international nature-based tourism visitors.

This represents a 30.8% increase in international adventure visitors from 2004 to 2005. Their average length of stay is 22.4 nights in Victoria. Domestic adventure daytrips in Victoria increased by 24.9% from 2004 to 2005, compared to 10% in Australia. In 2005 there were 44 million visitor nights attributable to nature based tourism in Victoria.

With strong future growth in the international market and the reliance on nature based tourism, public land management practices and tourism policy need to align to support a professional and sustainable tourism industry. This is particularly pertinent in times of crisis such as bushfires.

The Impact of Bushfires on Victorian Tourism Businesses

The peak tourism season is summer which directly corresponds to the peak fire season. The summer season represents 31% of visitation to Victoria with January alone accounting for 14%. This is higher than the Australian average of 28%.

When major fire events have occurred, particularly in the summer season, tourism businesses have experienced major downturn and cancellations as a direct result of bushfires (see Attachment B Appendix 1 and Attachment E). Furthermore, the industry is impacted by subsequent public land management decisions such as the re-opening of Parks.

Uncertainty over future business activity is a key concern for tourism operators in bushfire affected areas. For licensed tour operators, the State and National Parks where they conduct their tours are their primary source of income and therefore their major asset. Public land management decisions that impact these operators are based on assessment, clearing and re-opening of public land. Timing is crucial to recovery both during and after Victorian bushfires. Government Land Management Agencies Department of Sustainability &
Environment, Parks Victoria, and Alpine Resort Management Boards need to fast track assessment, clearing and opening of tracks and trails which is so critical to commercial tourism business activities.

Business loss is very difficult to quantify but Tourism Victoria is currently undertaking an Impact Study to ascertain a dollar loss figure to the tourism industry. The Age newspaper of 17/03/07 quotes $18 million as the estimated loss in tourism revenue in the Wellington Shire alone this year because of bushfires. Tourism cancellations from bushfires cost East Gippsland Shire businesses $5 million this year. This downturn is exacerbated by the broader impacts of poor snow seasons and drought.

Media coverage of the 2006-07 North East bushfires did not help cancellations with misinformation over exact locations of fire-affected areas through blanket messaging; headlines such as “Monster Fire”, “Super Fire” and “Red Alert”; and the overwhelmingly negative reports and images. Clearly a unified approach is necessary. A tourism perspective needs be considered when choosing terms to be used during a crisis and utilising positive case studies of survival and recovery, optimism and opportunity, to counter the negative reports and images.

Terms of Reference
(1) the extent, timing, resourcing and effectiveness of prescribed burning on both crown and freehold land:

Consideration of tourism in prescribed burning management
The important Autumn tourism season often directly corresponds to the prescribed burning season. Whilst adventure visitation peaks during summer (38%) it also stays strong during Autumn (27%). 77% of international adventure visitors to Victoria go bushwalking which is greater than the national average of 68%. The tourism experience of bushwalking on public land is impacted by the extent and timing of prescribed burning as is public confidence.

Consideration of open and integrated communication
There is greater capacity to integrate the communication message than what is currently happening. The tourism industry has the untapped capacity to be a vehicle in delivering bushfire communication and assisting in public confidence. Clear and accessible information for both industry and community is required in regards to timing (in terms of business planning); accuracy (in terms of exact location) and consideration of all stakeholders.

(8) the impact of traditional land uses such as timber harvesting, grazing, four-wheel-driving, hunting, camping, mining and prospecting on the scale and intensity of bushfires and the ability of relevant agencies to respond:

Consideration of tourism as an equal player
Tourism is an equal player to forestry, agricultural, mining and other groups in public land management and is collectively significant in public land use and contribution to State GDP. The value of tourism and its future growth needs to be recognized and considered in public land management.

Consideration of resourcing for new practices
The ability of relevant agencies to respond to bushfires could be assisted by providing resources for more rangers and more guided experiences resulting in more formal arrangements in recreational use of public lands. Such an increase in commercial activity would yield better environmental outcomes and economic outcomes for Victoria.

The increase in “regeneration tourism”, such as in the Grampians post-bushfire recovery, highlights the need for diversification of product. Experiences such as the provision of fire lookout tours for educational purposes during bushfires would be a positive and integrated management strategy.
(9) the provision and maintenance of serviceable access tracks and signage to assist with recreational and emergency requirements;

Consideration of conditional park access
There are now currently 270 Parks Victoria licensed tour operators offering over 3500 guided tourism and recreation opportunities across Victoria. There is quantum growth in commercial businesses and activity on public land. In 2002 there were 64 Parks Victoria licensed tour operators that were fire affected, mostly in the north east of the State. There are now 132 licensed tour operators in east Victoria area who were potentially fire affected by the recent North East Victorian bushfires.

Of critical importance to tourism recovery is that controlled access be given to licensed commercial tourism operators as a priority before allowing access to the general public (see Attachment B Appendix 4). Fast tracking assistance, where public safety has been ascertained, supports the short and long term sustainability of the industry.

Consideration of Operators to be valued as tools and assets
Tourism Alliance Victoria supports Land Managers utilising the skills and experience of commercial tourism businesses in the track assessment process, an approach which has proved its value.

An excerpt from Parks Victoria 2002-03 Annual Report below shows the high value of this program in assessment and recovery:

“The 2003 wildfires highlighted the important role that public land plays in tourism. The fires affected 64 licensed tour operators, mostly in the north-east of the state. Parks Victoria and DSE worked closely with the Victorian Tourism Operators Association and the tourism industry on the bushfire recovery effort and on encouraging visitors to return to fire-affected regions, including the parks. Forums were conducted with operators and the tourism industry, including a two-day workshop for operators at Dinner Plain focused on interpreting for visitors the impacts of the fires for visitors. Several fire-affected tour operators assisted Parks Victoria in assessing visitor sites after the fires. This gave Parks Victoria the benefit of the skills and knowledge of experienced people, provided operators with some income, and on both sides helped enhance appreciation and understanding of the bushfire recovery effort”.

Recent experiences have shown that licensed tour operators need to be engaged earlier; not isolated but incorporated into emerging and recovery processes; be given conditional park access and immediate access to unburnt areas. In this way, licensed tour operators are a tool and asset in assisting public land management.

Consideration of infrastructure support
Public land management in infrastructure support needs to be prioritised. Issues in prioritising include rebuilding and replacing road and tourism related infrastructure of tracks, bridges, cattleman’s huts, signage and viewing platforms. This should be based on providing best quality assets for a professional and sustainable tourism industry and as such, should be both directional and experiential. This creates compatibility of experiences rather than restrictions and restructuring.

(12) the involvement of local communities in the management of fire;

Consideration of public education
The tourism industry is an integrated part of the solution and has an important role to play in public education. Tourism Alliance Victoria and its members are heavily engaged with the public and the industry relies heavily on public confidence. There is the need for best practice in the continuum of community engagement drawing on models such as the relationship between wildfires and tourist behaviours in Florida USA.

There is the resource capability for the tourism industry to assist in public land management practices involving communication and confidence. Community engagement can be achieved through tour operators taking members of the public out to fire affected areas and increasing knowledge of bushfires; public safety and processes such as regeneration. This can be further enhanced through Visitor Information Centres providing advice. Tourism Alliance Victoria manages the accreditation brand for Visitor Information Centres
VICs in Victoria as well as coordinating the VIC network and associated professional development activities, conducting research and collating VIC statistical data.

(13) any other matter that impacts on the scale and intensity of bushfires in Victoria.

Consideration of business support
Government needs to take a holistic approach to impacts of bushfires. Any current financial support such as concessional loans is predicated on physical asset loss not business loss through closure of access (see Attachment B Appendix 2). Tourism Alliance Victoria would ask the Committee to consider recommending a review of the determination guidelines for exceptional circumstance support.

Please contact me should you require any further information regarding this submission or issues surrounding the interplay between the tourism industry and public land management.

Yours sincerely,

Nicholas Hunt
Chief Executive
Tourism Alliance Victoria
Submission no.50

Bushfire Recovery Submission

By Tourism Alliance Victoria

January 2007

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EXECUTIVE SUMMARY

Members of Tourism Alliance and the broader tourism industry have experienced major business downturn as a result of the December/January fires. Tour operators and accommodation providers have had total cancellations of bookings. A newspaper article of December 10th 2006 highlighted “tourism in country resorts as a victim of the blazes raging across the High Country. Some towns experienced an 80% drop in the number of people staying there” just 10 days into the fires. Headlines such as “Monster Fire”, “Super Fire” and “Red Alert” have done nothing to help cancellations.

This bushfire season has started far earlier than in past seasons. A poor snow season and fires in 2002-03 have reduced the capacity of many of these businesses to withstand such extensive impacts.

Businesses, families and communities have been impacted in different ways by the fires. Tourism businesses have been in steady contact with our organisation. Their concern and distress has been balanced by optimism and opportunity provided some well placed assistance can be made.

We have endeavoured to ensure the voice of those affected is carried in this submission.

$1 billion is the value of tourism visitor expenditure for the year ending June 2006 to the fire-affected areas of Gippsland and the High Country. The summer season for many business constitutes up to 80% of their annual turnover. The financial impact is significant.

The five priority areas of assistance sought by tourism businesses are:

- Low interest loan access – to provide short term cash flow for those who do not have any alternative income source.
- Operator access to public land estate to enable business to re-start and rebuild.
- Sustainable marketing - additional non-matchable cash funding over a two to three year period.
- Business regeneration training and professional guidance for tourism related businesses to focus on recovery, survival and future opportunity.
- Infrastructure - to rebuild and replace road and tourism related infrastructure including bridges, cattleman’s huts, signage and viewing platforms.

A summary of potential initiatives relating to these priority areas is provided on the following page.
RECOMMENDATIONS

Financial Support
- Immediate priority for appropriate and timely financial support with non-asset eligibility for tourism operators affected by bushfires.
- Review guidelines for exceptional circumstances assistance to take into account asset loss in the context of tourism and public land.
- Redefine the classification of primary producers to include horses as well as cattle and sheep to allow some members who breed horses for their horse trail tours access to the Rural Finance Exceptional Circumstances Interest Subsidy Support.

Park Access
- Government Land Management Agencies Department of Sustainability & Environment, Parks Victoria, and Alpine Resort Management Boards fast track assessment, clearing and opening of tracks and trails critical to commercial tourism business activities.
- Land Managers utilise the skills and experience of commercial tourism businesses in the track assessment process, an approach which has proved its value.
- Controlled access be given to licensed commercial tourism operators as a priority before allowing access to the general public.

Business Recovery and Regeneration
- Support for continued business development programs to strengthen the sustainability and professionalism of small tourism businesses
- Provision of business planning and marketing aspects of “Staying in Tourism” and mentoring support to tourism businesses in the North East & Gippsland.
- Provision of a one on one professional consultancy for businesses.

Sustainable Marketing
- Combined tourism marketing response between Government Departments - in particular Tourism Victoria and Parks Victoria.
- Provision of additional non-matchable cash funding for tourism marketing of fire affected areas with an emphasis on PR campaigns to provide accurate information regarding impacted areas and to affect immediate response;
- Additional cash assistance allocated for future co-operative regional tourism marketing, post fire season, to support fast tracking of scheduled marketing activities in directly affected regions and villages when fire threats subside
- Support of State Government media units in driving accurate information through established communication channels regarding bushfire affected areas; and proposed Government responses;
- A clear message to Local Government, Local and Regional Tourism Associations and businesses via Industry Associations, on avenues of response and assistance

Infrastructure
- Prioritise rebuilding and replacing road and tourism related infrastructure including bridges, cattleman’s huts, signage and viewing platforms.
BACKGROUND

The value of tourism to the fire-affected areas is significant with Gippsland and the High Country achieving over $1 billion in total visitor expenditure for the year ending June 2006. This corresponds to 7,392 jobs and 5,626 tourism related businesses.

On 1st December 2006, bushfires in North East Victoria were ignited by lightning strikes. Hot weather and high winds have fuelled the fires for more than 60 days. An area covering in excess of a million hectares of public land has been burnt so far. The regions tourism industry has copped a triple blow with poor snowfall, drought and bushfire.

The impact of the bushfires themselves are compounded by road closures, smoke conditions, constant media attention influencing visitor travel decisions and public perceptions about the affected areas and their surrounds. These factors contribute to major economic losses in the short term and affect the long term viability of tourism businesses.

Tourism Alliance Victoria is the peak industry body advocating for and supporting the development of a professional and sustainable tourism industry across Victoria. The organisation represents the interests of our 760 strong member network which is made up of tourism attractions, tour operators, adventure and nature based tourism businesses, local and regional tourism organisations and visitor information centres.

Tourism Alliance Victoria work actively with our industry partners- Accommodation Getaways Victoria, Regional Victorian Conference Group, Cultural Tourism Industry Group and the Young Tourism Network. Combined our member network reaches over 3000 Victorian businesses.

In providing this submission Tourism Alliance seeks to ensure that Government fully appreciate the challenges that businesses linked to nature and adventure based activities in the North East and Gippsland are facing and ensure their views and voice are considered by the Government as part of the recovery and support process.

“The State and National Parks, where we conduct our tours, are our primary source of income and therefore our major asset”.

John Findlay – High Country Scenic Tours
CURRENT IMPACTS

Early start to fire season
This bushfire season has started far earlier than in past seasons. For example, the Grampians bushfires began on 20th January 2006, after businesses had experienced a substantial part of their peak trading season of December and January. An economic profile of Gippsland shows the high seasonal nature of tourism to the region with 32% of domestic overnight visitation in summer and 15% of this visitation in January alone.

Members of Tourism Alliance have experienced major business downturn and loss of the summer season as a result of the bushfires. For some businesses this has not just been a down turn in trade it has meant complete closure with zero turnover for an indefinite period with no certainty over recommencement.

Cancellations of bookings
The experience of tourism businesses with respect to cancellations has been widespread.

The cancellation experience has been particularly difficult. For those with no access there is also no certainty on when the experience can be re-offered.

Headlines such as “Monster Fire”, “Super Fire” and “Red Alert” have done nothing to help cancellations. Furthermore, cancellations have been accelerated for areas that are not fire affected by inaccuracies in media reporting and negative imagery.

Since December visitors have been warned to stay away from several tourist towns of the state’s north and northeast. In mid December the Premier warned of the fire danger and government Agencies released media statements advising visitors to stay away. These, whilst perhaps in the interest of public safety, drove a cancellation wave through the summer seasons booking for the North East and Gippsland.

This situation was identified in the Herald Sun of 19 January 2007 which highlighted that:

“Victoria’s bushland hasn’t been the only victim of the mega fires ravaging the Alpine National Park. High country and northeast tourism operators have been badly burnt, with the fires driving hundreds of thousands of dollars out of the local economy… Accommodation bookings in the Mansfield area have dropped a massive 90% for January, while bookings for February and March are down 74% and 82%....

High Country Horses tour operator Chris Dunlop has had to pay back thousands of dollars in deposits and has no idea when he will be able to return to the high country… For Mount Buller resort, tourism for January was down 100%”

Advice to travellers and park visitors from the DSE website as of Tuesday 23 January 2007 is that visitors “stay away from forest areas in East Gippsland”. Advice regarding Park and Forest closures is that “many parks and forests in east Gippsland have been closed due to the current fire situation. Areas listed as closed may remain closed for sometime until they can be made safe”.

Research undertaken by Tourism Alliance Victoria across 107 fire-affected Grampians based tourism businesses identified that cancellations are not just a current impact but a long term effect on tourism. In the Grampians, a survey was conducted in February 2006 and again in November 2006. In February the anticipated experience from respondents was that only 12% of cancellations would be 8+ weeks, the experience showed a four fold increase to 46% of cancellations being 8+ weeks. A summary of the Grampians survey data has been included in Appendix 1.

The release of a guide for businesses on “Customers Who Want to Cancel” by Tourism Victoria and Consumer Affairs was useful but it underlies the need for businesses to ensure they have appropriate business systems in place to ensure they can meet all business circumstances and experiences.

Recommendations
Immediate priority for appropriate and timely financial support with non-asset eligibility for tourism operators affected by bushfires.

Support for continued business development programs to strengthen the sustainability and professionalism of small tourism businesses

Need for Financial Assistance
There are concerns over the difficulty in accessing financial assistance for these businesses as the eligibility criteria of government assistance schemes are asset orientated. The Victorian Government’s Bushfire Recovery Assistance 2006 Report states that loans for small businesses are delivered to those businesses “in need of financial assistance as a result of losses or damage caused by physical effects of bushfire”. This does not encompass the massive non-asset impacts of the bushfires on tourism businesses in terms of current business activity at zero capacity and future business activity uncertain.

Tour operators on public land do not have physical damage to business infrastructure but have lost their essential business through National Park closures in regions that are renowned for their nature based tourism attractions. Tourism Alliance members have expressed their desire for concessional/low interest loans as a support option to tide them over until the Parks reopen.

Tourism Alliance has provided advice to tourism business on support services, information sources and potential options for assistance (Appendix 2)

As with the Grampians in 2006 the vast majority of tourism business who have had to suspend or close their operations are ineligible based on the current guidelines.

Tourism Alliance supports redefining the guidelines for exceptional circumstances business assistance to take into account a Victoria’s growing nature based and adventure tourism business sector which contributes significantly to Victoria’s regional economy.

Tourism Alliance supports redefining the classification of primary producers to include horses as well as cattle and sheep. This would allow some members who breed horses for their horse trail tours access to the Rural Finance Exceptional Circumstances Interest Subsidy Support provided they meet the criteria as a primary producer, contribute at least 75% of labour to the farm enterprise and at least 50% of income is derived from farming.

On 6 March 2003, the Department of Industry, Tourism and Resources announced Federal Government cash grants of $3000 for small businesses through the Small Business Bushfire Relief Program. This funding included tourism operators who had suffered a loss of income as a result of the bushfires. The grants were to meet any additional expenses and/or lost income, such as retaining staff and meeting repayments for loans or leases on capital stock. Program funding available was $2 million. A copy of the Media Release is included in Appendix 3

“We are not just looking for a handout… we are willing to work for assistance”

Tracy Walker and Daniel Boissevain – 5 Star Adventure Tours
Recommendations
Immediate priority for appropriate and timely financial support with non-asset eligibility for tourism operators affected by bushfires.

Review guidelines for exceptional circumstances assistance to take into account asset loss in the context of tourism and public land.

Redefine the classification of primary producers to include horses as well as cattle and sheep to allow some members who breed horses for their horse trail tours access to the Rural Finance Exceptional Circumstances Interest Subsidy Support.

Park Access
Tourism Alliance Victoria supports Public Land Management agencies utilising licensed tourism businesses to undertake track assessment and works associated with re-opening. The experience in the past has clearly shown that the partnership enables an understanding of the issues being faced by the groups involved, co-operative support to fast-track access to enable recommencement of commercial activities.

Access should not be considered in a blanket approach. For untouched areas and key commercial sites priority in reopening is a must.

It needs to be recognised that for a range of advertised products and location specific experiences commercial tourism operators are unable to move to different locations.

Many of these aspects in relation to Park Access were presented to Ministerial Taskforce on 25th January 2007 by Tourism Alliance Members offering nature based and adventure tourism experiences on Mt Stirling. A copy has been included in Appendix 4

“We have no idea of when we can resume our business. Even if people begin visiting Mansfield in the near future, without the parks being opened we are unable to conduct any of our advertised tours”.

John Findlay – High Country Scenic Tours

Recommendations
Government Land Management Agencies Department of Sustainability & Environment, Parks Victoria, and Alpine Resort Management Boards fast track assessment, clearing and opening of tracks and trails critical to commercial tourism business activities.

Land Managers utilise the skills and experience of commercial tourism businesses in the track assessment process, an approach which has proved its value.

Controlled access be given to licensed commercial tourism operators as a priority before allowing access to the general public.
BUSINESS RECOVERY & REGENERATION

The impact of the fires has been felt in many different ways by different businesses. Many businesses being impacted over a longer period by sustained drought, up and down snow seasons as well as fire continue to improve business.

Clear across all business feedback has been a desire to survive and regenerate.

The business experience in the North East and East Gippsland has been one of constant challenge one requiring considerable skills to adapt and change.

Our industry needs tourism businesses to thrive and grow to ensure the product is dynamic and the experiences exceed visitor expectations.

Dominated by small business means that to ensure business growth and development that these businesses are equipped with the necessary business skills to go beyond survival.

Tourism Alliance will be conducting some business to business discussions between operators to ensure intelligence and recovery options are shared.

Recent material on drought demonstrated that a planned and personalised approach to business support has the capacity to make a longer term strategic difference.

In 2004, Tourism Alliance Victoria ran a “Sustaining Your Tourism Business” program, funded by DIIRD and based on workshops and mentoring in regional Victorian tourism businesses. The program aimed to improve the skills of owners, managers and staff working in drought affected areas in Victoria, so that businesses could capitalise on the increased marketing activities of Tourism Victoria and achieve long term sustainability.

An independent evaluation of the program demonstrated that 75% of participants rated the overall value that the mentoring provided to their business as very high or high value. The two key elements of success in mentoring were seen as the opportunity to undertake a strategic review of their business and an understanding at how the concepts covered at the workshop apply to their business. This resulted in 82% of participants reporting that the mentoring helped them improve their business.

A systematic program of this nature will deliver long term benefits to participating businesses. In addition it will ensure that those businesses in affected areas are best placed to maximise the benefits of the marketing and public relations activities which will take place as part of the recovery package.

Comments provided as part of the post program independent evaluation include:

   “The mentoring assisted me to get my business plan back on track”
   “Excellent – covered all areas of business planning thoroughly”
   “Provided us with the tools and skills to develop our business plan”
   “It was a catalyst for change”

Recommendations

Provision of business planning and marketing aspects of Staying in Tourism and mentoring support to tourism businesses in the North East & Gippsland.

Provision of a one on one professional consultancy for businesses.
CONSIDERATION OF FUTURE MARKETING

Marketing strategies that are innovative and effective are critical to drive tourism recovery. It is imperative that marketing funding be aimed at long term initiatives secures regional sustainability.

Regional areas are concerned about the ability of the tourism industry to recover from the fires and under performance is expected for several months with Easter not likely to provide any relief.

Key concerns relate to the striking levels of misinformation regarding the breadth and geographic spread of the fires and the perceived risk associated with holidaying in fire affected areas, particularly as the season has not yet closed. Other concerns include the need for additional recovery funds by way of non-matchable cash support to market affected regions once the risk of fire has passed.

It is critical in the interests of all regional Victoria that an assurance of new money is made, rather than reallocating existing funds with respect to tourism support. The relocation of existing funds will only serve to dilute the current effort.

“Fortunately we are not in the fire area this time, but messages are not getting out that Towong Shire has no fires. Operators are having cancellations & we’re not getting any promotion to say it is safe up here.

Marilyn Clydsdale – Corryong Visitor Information Centre

Recommendations

Combined tourism marketing response between Government Departments in particular Tourism Victoria and Parks Victoria.

Provision of additional non-matchable cash funding for tourism marketing of fire affected areas with an emphasis on PR campaigns to provide accurate information regarding impacted areas and to affect immediate response;

Additional cash assistance allocated for future co-operative regional tourism marketing, post fire season, to support fast tracking of scheduled marketing activities in directly affected regions and villages when fire threats subside

Support of State Government media units in driving accurate information through established communication channels regarding bushfire affected areas; and proposed Government responses;

A clear message to Local Government, Local and Regional Tourism Associations and businesses via Industry Associations, on avenues of response and assistance.
INFRASTRUCTURE

The rebuilding of visitor assets and facilities on public land is critical to the recovery progress for the industry. Addressing this issue promptly will enable tourism operators to re-open in the short term.

Such infrastructure includes bridges, cattleman’s huts, signage, viewing platforms, picnic areas, camping grounds, walking tracks, roads and carparks. Such projects give the immediate boost to recovery that the region is re-open for business.

The sequence of infrastructure repairs and replacement needs to be considered on an impact basis. In such an assessment, weight should be given to ascertaining what opportunities exist to improve the tourism experience. Such commitment assists in the long term sustainability of the industry.

Recommendations
- Prioritise rebuilding and replacing road and tourism related infrastructure including bridges, cattleman’s huts, signage and viewing platforms.

TOURISM ALLIANCE CONTINUED COMMITMENT

Tourism Alliance has actively engaged in communication and consultation with key stakeholders and will be a strong industry voice as the recovery process unfolds.

Tourism Alliance will continue to support its members through ongoing communication and representation. We have maintained regular contact with members ensuring Tourism Alliance is aware of concerns, bushfire impacts and current situations. Ongoing participation with all relevant agencies and fire recovery groups will ensure Tourism Alliance members have a voice at the table.

Tourism Alliance Victoria is currently participating in fire recovery and response groups to ensure member issues are addressed and discussed. We have liaised with Parks Victoria & DSE to ensure all members have up to date and accessible bushfire information.

Tourism Alliance would welcome the opportunity to work with government agencies to assist with planning the implementation of relief and recovery activities.
APPENDIX 1

Comparative Survey Results – Grampians Bushfires January 2006

Tourism Alliance Victoria - The Road to Recovery

Key Summary

- Long term viability of businesses has been affected with respondents still having an inability to finance future business growth (60%)
- In terms of recovery, more businesses (81%) require government assistance in regional marketing, and the reopening of remaining closures in the National Park remains a priority (71%)
- A key long term impact was the duration of cancellations as a direct result of the bushfires (46% of respondents experienced cancellations after 8+ weeks)
- This is reflected in business estimates of operating capacity indicating that the progress of recovery has been slow (as of September 2006, 5% of businesses were operating at 0-25% capacity, 24% of businesses were operating at 26-50% capacity, 29% of businesses were operating at 51-75% capacity and only 43% of businesses were operating at 76-100% capacity)

Responses

Businesses from across the Grampians region responded to the Tourism Alliance Victoria survey distributed through the Grampians Region Tourism Recovery Group:

- In February 2006, 102 businesses responded
- In November 2006, 22 businesses responded

With a reduced response rate for November survey care should be taken in the consideration of the November 2006 statistics. Possible reasons for poor response rate for follow-up survey include:

- Businesses not requiring immediate critical emergency funding
- Businesses not understanding the importance of this survey for future funding and assessing the road to recovery
- Businesses being overwhelmed with surveys and paperwork
- Businesses not having the time to complete survey

Business turnover

Business turnover associated with the Grampians National Park:

- In February 2006, 59% of all respondents have >75%
- In November 2006, 52% of all respondents have >75%

Business turnover associated with the Grampians bushfires has slightly decreased in the past 10 months.

Gross Turnover

- In February 2006, 43% of all respondents had a gross turn over of >$70,000
- In November 2006, 50% of all respondents had a gross turn over of >$80,000
- In February 2006, 31% of all respondents have a gross turn over of <$40,000
- In November 2006, 35% of all respondents have a gross turn over of <$40,000

Gross turnover as a result of activities associated with the Grampians National Park has slightly increased. On a positive note, 50% of all respondents had a gross turn over of more than $80,000 as a result of activities associated with the Grampians National Park.

Cancellations

Cancellations of bookings as a direct result of the bushfires:

- In February 2006, 72% of all respondents had cancellations
  - 31% of cancellations were 0-2 weeks in advance
  - 24% of cancellations were 2-4 weeks in advance
  - 12% of cancellations were 8+ weeks in advance
In November 2006, 71% of all respondents had cancellations

- 0% of cancellations were 0-2 weeks
- 13% of cancellations were 2-4 weeks
- 40% of cancellations were 4-8 weeks
- 20% of cancellations were 8-12 weeks
- 13% of cancellations were 12-16 weeks
- 13% of cancellations were 16+ weeks

Whilst the same number of all respondents experienced cancellations, the longer term impacts of cancellations were not clear in February 2006 with 12% of cancellations 5+ weeks in advance. By November 2006, this figure had almost quadrupled to 46%. For accommodation providers, who formed 79% of respondents who experienced cancellations, the critical period was 4-8 weeks with 46% of cancellations.

**Staff Cuts**
In February 2006, 48% of respondents will (or already have) lay off staff as a result of the bushfires (equating to 112 jobs lost)
In November 2006, 41% of respondents made staff cuts as a result of the bushfires. 44% of these respondents laid off 1-2 staff, 44% laid off 3-4 staff and 11% laid off 5-6 staff
From February 2006 to November 2006, fewer respondents have had to layoff staff and not as many jobs have been lost than first thought.

**Operability**
Compared to business activity prior to the January 2006 fires, businesses were asked to estimate their operating capacity at certain times.
In January 2006, 43% of businesses were operating at 0-25% capacity
In April 2006, 38% of businesses were operating at 26-50% capacity
In June 2006, 33% of businesses were operating at 51-75% capacity
In September 2006, 43% of businesses were operating at 76-100% capacity

**Long-term Viability**
In February 2006, 96% of respondents have experienced a loss of revenue
In November 2006, 75% of respondents experienced a loss of revenue
In February 2006, 62% have experienced a loss of cash revenue for off-peak season
In November 2006, 50% have experienced a loss of cash revenue for off-peak season
In February 2006, 61% of respondents will have an inability to finance future business growth
In November 2006, 60% of respondents will have an inability to finance future business growth

Whilst fewer respondents experienced a loss of revenue and loss of cash revenue for the off-peak season from February 2006 to November 2006, the same proportion of respondents had an inability to finance future business growth. This is a significant impact on long term viability.

**Government Assistance**
In February 2006, 73% of respondents indicated the need for regional marketing assistance
In November 2006, 81% of respondents indicated the need for regional marketing assistance
In February 2006, 75% of respondents indicated a need for the re-opening the National Park
In November 2006, 71% of respondents indicated a need for the re-opening the remaining closures of National Park
Significantly in November 2006, there was an increase in businesses needing regional marketing assistance to 81% of respondents. Similarly, the proportion of businesses requiring the re-opening of National Park remains high at 71%. These are key priorities in the road to recovery.
APPENDIX 2

BUSHFIRE RECOVERY GRANTS
Collated by Tourism Alliance
Current as of 17/01/07

RATE-RELIEF
Purpose: To help tourism businesses in the region manage cash flow pressures following bushfires.
Grant: Rate-relief from local Council
Eligibility: Baw Baw Shire, East Gippsland Shire, Latrobe City and Wellington Shire are offering rate relief to tourism operators directly affected by the bushfires
Application: Apply as part of Local Governments' Financial Hardship Policies
Contact: Local Government
Baw Baw Shire 5624 2475
East Gippsland Shire 5153 9500
Latrobe City 1300 367 700
Wellington Shire 1300 137 218

PERSONAL HARDSHIP GRANT
Purpose: For immediate assistance to individuals unable to access their principal place of residence either through damages or loss of property.
Grant: Up to $360 per adult, and $180 per child, to a total of $900 per household paid by cheque. The grant provides for temporary accommodation, clothing, food, personal requisites and one-off transport costs.
Eligibility: The grant is 'needs based', is not means tested and is not affected by the insurance status of the applicant.
Application: Must undertake an assessment interview with an assessment officer from the Department of Human Services. Emergency Grant assessments must take place within seven days after the emergency event (unless there are exceptional circumstances).
Contact: Department of Human Services Offices
Gippsland 5177 2500
Hume 5722 0555

TEMPORARY LIVING EXPENSES GRANT
Purpose: To assist households with the cost of temporary accommodation and living expenses when a principal place of residence is unfit to live in or inaccessible for more then one week.
Grant: Up to $730 a week to a maximum of $7,300, depending on the size of a household. The grant provides for temporary accommodation, clothing, food, personal requisites and reconnection of essential services.
Eligibility: The grant is income tested and can cover temporary accommodation and transport costs not covered by insurance. Also based on a needs assessment.
Application: Must be interviewed by an assessment officer from the Department of Human Services. Applications must be made within six months after the event (unless special circumstances apply).
Contact: Department of Human Services Offices
Gippsland 5177 2500
Hume 5722 0555

RE-ESTABLISHMENT GRANT
Purpose: To assist with the re-establishment of a household’s principal place of residence by repair of structural damage and replacement or repair of essential household contents.
Grant: Two components of up to $7,300 for necessary structural repairs and up to $7,300 for essential household items not covered by insurance.
Eligibility: The grant is income tested and can cover replacement of essential items such as furnishings and electrical goods. Also based on a needs assessment.
Application: Must be interviewed by an assessment officer from the Department of Human Services. Applications must be made within six months after the event (unless special circumstances apply).
Contact: Department of Human Services Offices
Gippsland 5177 2500
Hume 5722 0555
AUSTRALIAN GOVERNMENT DISASTER RECOVERY PAYMENT

Purpose: For short-term financial assistance for those adversely affected by an officially declared disaster by Minister notice with specification of how ‘adversely affected’ will be determined. At present, ‘adversely affected’ is defined as primary residence burnt down.

Grant: Immediate assistance of up to $1,000 per adult and $400 per child to a total of $5,000 per family, for people who have lost their principle place of residence or had it rendered uninhabitable. Usually paid as a one-off lump sum payment.

Eligibility: The Minister for Families, Community Services and Indigenous Affairs has declared specific postcodes eligible which are regularly updated. (Until 17/01/07 they are 3885, 3893, 3895, 3896). No income or assets test. Available to people whose principal place of residence has been destroyed or rendered uninhabitable as a direct result of the bushfires.

Application: Submit claim form for the AGDRP at the nearest Centrelink, within 14 days of the disaster. Telephone Centrelink on 180 2233, or visit your nearest Centrelink for a claim form.

Contact: Centrelink 180 2233 or 13 2850 or http://www.centrelink.gov.au/internet/internet.nsf/payments/disaster_relief.htm

CENTRELINK CRISIS PAYMENT

Purpose: To help people in severe financial hardship because they have been forced to leave their home and find a new home because of an extreme event like their house burning down.

Grant: Crisis Payment is a one-off payment, equal to one week’s payment of the normal Centrelink pension or benefit payment. It is limited to four payments for extreme circumstances in any 12 months.

Eligibility: Must be receiving, or be eligible to receive, a social security benefit or pension from Centrelink. Must be in severe financial hardship and must make a claim within 7 days of the extreme event.

Application: Submit claim form for Extreme Circumstances at the nearest Centrelink. Telephone Centrelink on 13 2850, or visit your nearest Centrelink for a claim form.


COMMUNITY RECOVERY FUND

Small Business Clean-Up and Restoration Grant

Purpose: To assist small businesses with bushfire recovery of direct damage by Gippsland and North East fire not covered by insurance for clean-up, removal of debris and business restoration.

Grant: One-off grant with an initial maximum of $3,000 for immediate clean-up and debris removal. A further $12,000 is available following a more detailed assessment and may be supplemented with a concessional interest rate loan.

Eligibility: All claims will be assessed on a case by case basis. It is a discretionary payment and although not income tested, it is based on need demonstrated through an assessment process. Applications must be made within 6 months of the impact of the fire.

Application: These grants are being administered by Rural Finance Corporation. Complete application form from appropriate Rural Finance Office.

Contact: Rural Finance Corporation 5448 2600 or fax 5441 8901 or Email: admin@ruralfinance.com.au
Gippsland Region 5176 1761
North East Region 5821 2655

Note: Rural Finance Corporation is also administering assistance loans to landholders whose principal residence has been destroyed or structurally damaged by bushfire. Contact appropriate Rural Finance Office for details.
COMMUNITY RECOVERY FUND:
Small Business Bushfire Assistance Loans
Purpose: Finance can be considered for small businesses that are assessed to be in need of concessional financial assistance as a result of losses or damage caused by the physical impact of bushfire.
Grant: Rural Finance Corporation will work closely with the banking sector to develop suitable packages to meet individual requirements and would expect to share any funding requirements with the normal provider of finance. Loans will bear interest at 2.9% per annum for an initial period not exceeding five years. Loans will generally be limited to $100,000 for any single advance.
Eligibility: Applicants will be expected to demonstrate that the business has reasonable prospects of trading profitably in the future including a capacity to service borrowings. Each case will be assessed on its merits.
Application: These grants are being administered by Rural Finance Corporation. Complete application form from appropriate Rural Finance Office
Contact: Rural Finance Corporation 5448 2600 or fax 5441 8901 or
Email: admin@ruralfinance.com.au
Gippsland Region 5176 1761
North East Region 5821 2655

FURTHER INFORMATION

Victorian Bushfire Information Line: 1800 240 667

Victoria Business Line: 132 215

OAMPS Insurance Brokers (TRIP): 1800 245 558

Water assistance
Landholders experiencing significant hardship as a result of a reduction in essential water supplies due to firefighting efforts can seek assistance for water cartage and replenishment by contacting their local council.

Community appeals
A number of community appeals have been initiated:
• For information about the Bendigo Bank Appeal call 1300 304 541
• For information about the Gippsland Emergency Relief Fund call 03 5177 4635 or 03 5176 1382
APPENDIX 3

Media Release - The Hon Joe Hockey, MP (Minister 2001-2004)

6 March 2003

CASH GRANTS FOR SMALL BUSINESS IMPACTED BY RECENT BUSHFIRES

The Federal Government today announced cash grants of $3,000 through the Small Business Bushfire Relief Program for small businesses and farmers impacted by the recent bushfires, such as those in NSW, Victoria and the ACT.

Bushfire affected areas like the Snowy Mountains, north-east Victoria and the Australian Capital Territory rely even more on tourism dollars during times of hardship and these cash grants will help them get back on their feet again.

This program is aimed at assisting small businesses (including farmers and tourism operators) who are most impacted by the recent bushfires.

This assistance will be provided through grants of $3,000 to small businesses in most need of assistance, and who can show that they have:

- less than 20 (full time equivalent) employees; and
- either incurred additional expenses or suffered a loss of income as a result of these bushfires.

In addition grants of $10,000 may be available for extreme cases.

The grants can be used by small businesses to meet any additional expenses and/or lost income, such as retaining staff and meeting repayments for loans or leases on capital stock.

Program funding of $2m is available. Applications will be assessed according to relative business impact. Those businesses most affected will receive support.

Any business that feels that they may be eligible for this assistance should register their interest by ringing the AusIndustry hotline 13 28 46 as soon as possible. Registrations will be accepted up to 28 March 2003.

The primary objective of this program is to provide immediate assistance to small businesses, so those affected are urged to lodge their applications as soon as possible. All regional communities should get in touch with anyone they know who has had additional expenses and/or suffered a loss of income as a result of the recent bushfires and make them aware of the program.

The Federal Government is acutely aware of the hardships suffered by regional communities as a result of recent events and through the Small Business Bushfire Relief Program regional small businesses, including tourism operators and farmers that have suffered from bushfires in recent months can apply for help.

Media contact: Sasha Grebe, 02 9929 9822
APPENDIX 4

Mt Stirling Adventure Tourism Operators
Bushfire affected – closed for business

Background

Who Are We?

Five Mansfield based adventure tourism operators licensed to operate on Mt Stirling.
Over 70 years of collective business operating experience.

- McCormack’s Mountain Valley Trail Rides – trail rides, camping, short, day, multi day rides
- High Country Horses – trail rides, camping, short, day, multi day rides
- Stirling Experience – 4WD, outdoor education, mountain biking, bushwalking, camping
- High Country Scenic Tours – 4 WD tours
- Bush Experience – boutique 4WD tours

Economic, Social and Environmental Significance

- ~$22.7million turnover in Shire from adventure tourism activities (17% of total)
- Flow on effects from our family businesses to the broader community are significant.
- Key markets include family, FITs, corporate, weddings, school groups.
- Over 60% of multi day trip customers are from interstate and some internationals.
- 54% of typical visitors cite the high country as their key destination
- We co-operatively work with DSE, Parks Victoria and Mt Buller Mt Stirling Alpine Resort Management Board to maintain tracks and trails and have documented environmental sustainability impact and risk management plans.

Current Situation

- As a direct result of the bushfires and consequent closure of the high country in which we operate, we are in a dire situation of ZERO turnover.
- From near on full bookings, all accommodation and trips have been cancelled.
- Without any knowledge of when we may be able to regain access and recommence operations we are unable to take any bookings.
- Loss of confidence in the market place has begun to affect bookings for 07/08 season.
- As business operators we cannot continue to sustain our businesses with no income.
- Without access to operate, we cannot benefit from the government’s regional recovery funding and Tourism Victoria led marketing campaigns.

Submission to the Bushfire Recovery Ministerial Taskforce
25 January 2007
Mt Stirling Adventure Tourism Operators
Bushfire affected – closed for business

Solutions

Critical to our ability to get back to business and remain in business is the speed and order with which the roads, tracks and trails are opened.

It is imperative to continuity of business and for the health of our community, that a whole of government approach apply the resources needed to fast track the rehabilitation of tracks and the re-opening of the High Country.

Priority Actions

1. **Access** – whole of government approach to ensure RMB, DSE & PV have sufficient resources to fast track the assessment, clearing and opening of tracks and trails critical to our business’ operations. Main priority is access to Craig’s Hut site including Stirling Rd, Circuit Rd, Clear Hills to Howqua Gap via summit, Mt Buller via Corn Hill Link Road and associated horse trails. Land managers include DSE and RMB. See attached table of prioritised roads, tracks and trails.

2. **Financial assistance** or compensation to assist us while the areas in which we are licensed to operate remain closed. Precedent exists from the 2003 fires.

3. **Involve us in assessment** – we are ready, able and willing to be employed or engaged to assist in assessments needed over tracks and trails. We wish to work closely and in co-operation with the land managers as we have considerable local knowledge, skills, passion and resources to apply.

4. **Operator Priority Access** – we propose that land managers DSE, PV and RMB provide controlled access to licensed adventure tourism operators as a priority, before allowing access to the general public and until the whole area is declared safe. We have a great story to show and tell, can control the experience so it is safe for the customer and the environment and it will give us a kick start to get back on our feet. We are licensed, accredited, insured, experienced, informed, accountable and passionate about providing a quality safe experience. Precedent exists after the 2005 Grampians fire.

5. **Re-build Craig’s Hut** – our iconic Craig’s Hut is a key drawcard to our destination and underpins our product offer. We seek a commitment to rebuilding the Hut in the short term.

Thank you for your consideration

Bruce & Debbie McCormack
Chris & Fiona Dunlop
Craig & Barb Jones Findlay
John & Denise Findlay
Brian Westley

Submission to the Bushfire Recovery Ministerial Taskforce
25 January 2007
Mt Stirling Adventure Tourism Operators
Bushfire affected – closed for business

First Priority

<table>
<thead>
<tr>
<th>Area</th>
<th>Usage</th>
<th>Land Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stirling Road From Mirrimbah to Telephone Box Junction (TBJ)</td>
<td>Vehicle</td>
<td>RMB / Vic Roads</td>
</tr>
<tr>
<td>Circuit Road From Mt No 3 turnoff to Clear Hills</td>
<td>Vehicle</td>
<td>RMB from TBJ to Mt No 3 turnoff DSE from Mt No 3 turnoff to Clear Hills</td>
</tr>
<tr>
<td>Razorback Hut Via the Circuit Road</td>
<td>Camping Horse riding Vehicle</td>
<td>DSE</td>
</tr>
<tr>
<td>Cornhill 4WD Track</td>
<td>Vehicle</td>
<td>RMB</td>
</tr>
<tr>
<td>Clear Hills 4WD Track Clear Hills to Monument Saddle</td>
<td>Horses Vehicle</td>
<td>DSE</td>
</tr>
<tr>
<td>Monument Saddle Monument Saddle to Stirling Summit</td>
<td>Horses Vehicle</td>
<td>RMB</td>
</tr>
<tr>
<td>Summit Summit to Howqua Gap</td>
<td>Vehicles</td>
<td>RMB</td>
</tr>
<tr>
<td>Howqua Gap Howqua Gap to Mt Buller via the Clear Hills Track</td>
<td>Vehicles</td>
<td>RMB</td>
</tr>
<tr>
<td>Howqua Gap Howqua Gap to TBJ</td>
<td>Vehicles</td>
<td>RMB</td>
</tr>
<tr>
<td>Pannican Creek Hut Via King Basin Road</td>
<td>Vehicles</td>
<td>DSE</td>
</tr>
<tr>
<td>McCormack’s Track From King Basin Road</td>
<td>Horses</td>
<td>DSE</td>
</tr>
<tr>
<td>Bluff Spur Trails</td>
<td>Horses</td>
<td>RMB</td>
</tr>
<tr>
<td>Stirling Trails</td>
<td>Horses</td>
<td>RMB</td>
</tr>
</tbody>
</table>

Submission to the Bushfire Recovery Ministerial Taskforce
25 January 2007

Mt Stirling Adventure Tourism Operators
Bushfire affected – closed for business

Second Priority

<table>
<thead>
<tr>
<th>Area</th>
<th>Usage</th>
<th>Land Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delatite River Horse Track From Mirrimbah to Circuit Road</td>
<td>Horse</td>
<td>RMB</td>
</tr>
<tr>
<td>River Spur From Circuit Road to Stirling Summit</td>
<td>Horse</td>
<td>RMB</td>
</tr>
</tbody>
</table>

Third Priority
<table>
<thead>
<tr>
<th>Area</th>
<th>Usage</th>
<th>Land Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheepyard Flat</td>
<td>Via the Corn Hill Logging Track and Pykes Flat</td>
<td>Horse</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PV and DSE</td>
</tr>
</tbody>
</table>

RMB  Mt Buller Mt Stirling Alpine Resort Management  
DSE  Department Sustainability and Environment  
PV   Parks Victoria

Submission to the Bushfire Recovery Ministerial Taskforce  
25 January 2007
FOR IMMEDIATE RELEASE
PRESS RELEASE

Grampians Businesses Look to the Future
Tourism Business within the Grampians region have identified the high priority areas for consideration to help the tourism industry in the region to get back on track.
A recent survey from 102 businesses compiled by Tourism Alliance Victoria in partnership with the newly formed Grampians Region Tourism Recovery Group (GRTRG) identifies that the loss of revenue during the peak season will have a significant impact as businesses rebuild.

The high priority areas for business identified by the survey include:
- The re-establishment of popular sites within the Grampians National Park including track clearing and infrastructure replacement (76%)
- Regional marketing assistance (73%)
- Short term financial assistance (49%)

“59% of the businesses responding to the survey indicated that over 75% of their business turnover was related to the Grampians National Park. This critical connection between the natural landscape, visitor activity and tourism businesses is what underpins the $187 million tourism industry in the region” said Nicholas Hunt, Chief Executive Tourism Alliance Victoria.

“The survey data provides an insight into small tourism businesses within the region. The impact on cashflow during peak season, bookings lost in advance some as far out as 8 weeks, at least 112 staff laid off as a result of the fires.”

The capacity to bounce back after the bushfires will be tested for many businesses with 61% of respondents indicating difficulty in being readily able to finance future business growth.

Current support recently announced by the State Government is fully supported. Tourism Alliance Victoria will be encouraging the State Government to consider further initiatives from the Grampians Region Tourism Recovery Group (GRTRG) that will deliver visitation and business back to the region.

Media contact:
Nicholas Hunt, Chief Executive
Telephone: (03) 9650 8399 mob: 0407 861 967
Tourism Alliance Victoria

Survey Results – Grampians Bushfires 2006

The situation

• 102 businesses from across the Grampians region responded to the Tourism Alliance Victoria survey
• 49% of all businesses surveyed were from Halls Gap
• 59% of all respondents have >75% of business turnover associated with the Grampians National Park
• 43% of all respondents have a gross turn over of >$70,000
• 31% of all respondents have a gross turn over of between $10,000 - $40,000
• 72% of all respondents have had cancellations of bookings as a direct result of the bushfires.
  • 31% of cancellations were 1-2 weeks in advance
  • 24% of cancellations were 3-4 weeks in advance
  • 12% of cancellations were 8+ weeks in advance

Looking forward

• 48% of respondents will (or already have) lay off staff as a result of the bushfires (equating to 112 jobs lost)
• 96% of respondents have experienced loss of revenue
• 62% of respondents will experience a loss of cash revenue for off peak season
• 61% of respondents will have an inability to finance future business growth
• 75% of respondents indicated re-opening the National Park as most important Government assistance
• 73% of respondents indicated the need for regional marketing assistance.
• 49% of respondents indicated the need for short term financial assistance.
The document is a discussion paper and has been developed by Tourism Alliance Victoria to focus on the needs of tourism in regional Victoria following the bushfires. The paper has been developed from the feedback provided though member communication. This material has been considered and utilised in good faith.

Further Tourism Alliance Victoria Member input is welcome on any aspects of this document. The material enclosed will be utilised to support the regional tourism case as part of the Tourism Response to the Victorian Bushfires project chaired by Tourism Victoria.

Note this response was originally provided by Country Victoria Tourism Council. Country Victoria Tourism Council is now known as Tourism Alliance Victoria.

TOURISM ALLIANCE VICTORIA
LEVEL 3, 114 FLINDERS STREET
MELBOURNE, VICTORIA, 3000
www.tourismalliance.com.au
Bushfires & Regional Tourism in Victoria.

Key Issues for Discussion

1. Introduction

This brief encapsulates the core messages which have been received in response to requests for information and feedback across the Tourism Alliance Victoria’s membership within bushfire affected areas. The information is mainly anecdotal and reflects a “first take” across the situation. Data that is more accurate is currently being gathered.

This input reflects data from operators, regional tourism marketing groups, local government and regional tourism association. Feedback has been received from the following organisations:

- Albury Wodonga Tourism
- Alpine Region Tourism
- Baw Baw Shire Council
- Bright Visitor Information Centre
- Corryong Visitor Information Centre
- East Gippsland Shire Council
- Indigo Shire Tourism Board
- Mansfield Shire Council
- Mansfield Visitor Information Centre
- Wangaratta Unlimited
- Wangaratta Visitor Information Centre
- Wellington Shire Council

The input has been divided into sections. These include:

- Current Business Activity
- Future Business Activity
- Current local response
- Issues and Challenges

Bushfire Affected Areas as at February 20, 2003
Source: www.nre.vic.gov.au
Recommendations

Regional areas recognise that three forms of support are required to assist with the recovery of regional tourism in eastern and north eastern Victoria: infrastructure, marketing and community support.

Infrastructure requirements relate to the rebuilding of visitor assets and facilities on public lands. Marketing requirements relate to additional specific marketing funding to restore and increase visitation levels. Community support refers to the need to give bushfire affected areas priority in assessing grant applications and delivering broader Government and Agency support to regional communities.

Marketing

*Combined tourism marketing response between Government Departments- in particular Tourism Victoria and Parks Victoria.*

*Provision of additional non-matchable cash funding for tourism marketing of fire affected areas with an emphasis on PR campaigns to provide accurate information regarding impacted areas and to affect immediate response;*

*Additional cash assistance allocated for future co-operative regional tourism marketing, (post fire season) to support fast tracking of scheduled marketing activities in directly affected regions and villages when fire threats subside;* (It is critical in the interests of all regional Victoria that an assurance of new money is made, rather than reallocating existing funds with respect to tourism support. The relocation of existing funds will only serve to dilute the current effort at a crucial time.)

*Support of State Government media units in driving accurate information through established communication channels regarding bushfire affected areas; and proposed Government responses;*

*A clear message to Local Government, Local and Regional Tourism Associations and businesses via Industry Associations, on avenues of response and assistance.*

Infrastructure

- Prioritise infrastructure rebuilding based on levels of impact on tourism as outlined in this paper;

Community Support

- *State and Federal Government make bushfire areas a priority (particularly those also suffering from drought) for key agency programs which focus on community wellbeing and business support*

- *State and Federal Government Grant programs consider impacts of fire affected areas when assessing applications for funds;*

- *State roll out Crisis and Industry Communication Response Strategy for Tourism;*
Local Government Area Profiles

Albury Wodonga Tourism

**Current Business Activity**
- Estimated business activity down 20-70% on usual levels for this time of year
- Business survey revealed the market was extraordinarily buoyant until long weekend in January
- Lucrative sporting events have been cancelled including Country Week Athletics
- Some businesses being sustained by usual levels of passing trade
- Businesses directly associated with Murray experiencing less impact as river is flowing well

**Future Business Activity**
- Cancellations leading into next quarter
- Consumers cautious

**Current Local Response**
- Consideration of fast tracking planned marketing activity with Tourism Murray River and Legends Wine and High Country.
- Discussing cross promotional packaging maximising use of existing customer databases

**Issues and Challenges**
- Compounded issues from drought- blue green algae in lake system
- Misinformation regarding real impacts of fire on services and townships that have not actually been directly fire affected.

Alpine Shire

**Current Business Activity**
- 22% of workforce not working as a result of indirect impacts on businesses from fires
- Research by Alpine Region Tourism indicates a loss of $22 million from local economy as at end of January and estimated losses across 500 operators of $10 million based on average loss of $20,000 for the month of January
Restaurants are temporarily closed, vacancy rates high across all accommodation sectors
Postponed festivals and events
trade was up 40-60% over Christmas but “went dead” in mid January
100% vacancy in 80 rental properties as at February 13, 2003

**Bright Visitor Information Centre**
VIC down $100,000 in turnover since this time last year
7 of 9 staff have been laid off

**Future Business Activity**
A number of businesses have received or expect cancellations for
Autumn bookings based on perceptions of visual impact of fires
impacts not likely to affect winter ski season trading, however
townships rely on summer autumn, resorts alone rely on winter trade
Anticipated medium to long term retention in lower than average staffing levels.

**Current Local Response**
Preparation of “Alpine Shire 2003, Economic Impact Assessment”
providing more accurate data of real impact
Preparation of “North East Victoria Fire Recovery Marketing Strategy”
Preparation of “Legends Wine and High Country Strategic Marketing Plan” in consultation with Tourism Victoria
Fast tracking of “Alpine Region Tourism Marketing Plan”

**Issues and Challenges**
Concern over how long businesses can sustain the loss
Risk of reduced service levels due to businesses operating with limited resources
Public lands remain either closed or have limited access
Infrastructure damage- (visitor assets and facilities) to public lands
Reduction in product mix and therefore visitor experience due to businesses temporarily closing because of lack of custom
Concern over how long businesses can sustain the loss
Public misinformation regarding real affects of bushfires- ie fires did not reach the townships at all
Fire season is only half completed
Baw Baw Shire

**Current Business Activity**
Despite Baw Baw not experiencing any fires within the Shire, business activity has reduced due to perceptions of danger.
Reduction in through traffic to High Country Areas

**Future Business Activity**
Unknown

**Current Local Response**
No specific strategies are deemed to be needed other than those that relate to the provision of accurate information to visitors about fire affected and unaffected areas.

**Issues and Challenges**
Dealing with public perceptions of danger
Risks of nominating the area as safe due to insurance and litigation issues.

Corryong Visitor Information Centre

**Current Business Activity**
Corryong acted as a service centre for fire fighters and support staff throughout the height of the fires in the region.
Township has realised a significant loss, particularly once support staff departed.

**Future Business Activity**
Predicted to be low until Easter
Snowy Hydro is releasing water so waterways are all running and high, fishing activity is currently strong
Planned festivals and events will go ahead such as Man from Snowy River Bush Festival in March which draws in excess of 10,000 people.
**Current Local Response**
Circulation of accurate information into Melbourne VIC and other VIC’s
Early March, Council will be making a full assessment of impacts on operators
Strategy will support a regional push

**Issues and Challenges**
Rain will wash ash into waterways potentially damaging fishing activity
Misinformation regarding tourism assets that are not bushfire affected.

East Gippsland Shire Council

**Current Business Activity**
As at 18 February, still in emergency mode, crews and support staff supporting local economies
Most affected areas are in Omeo region and along Great Alpine Road

**Future Business Activity**
Perceived to impact over 12 months due to natural areas that serve the tourism industry being fire affected.

**Current Local Response**
Anticipate participation in a regional response, with emphasis on increasing Omeo’s exposure in Jigsaw and increased marketing of Great Alpine Road

**Issues and Challenges**
Need funding to ramp up marketing
Find it unusual that State Government has not yet released funds for tourism in response to bushfires

Indigo Shire
Current Business Activity
Difficult to provide accurate data but predictions are 80% downturn in trading from direct tourism businesses and significant impacts on indirect businesses such as laundry services etc.
Casual staff laid off

Future Business Activity
No forward bookings for March long weekend or Easter period—traditionally a very high trading period

Current Local Response
Preparation of survey to ascertain more accurate impact data
Indigo Tourism Board have prepared a Bushfire Recovery Submission
Working with Tourism Victoria in preparation of regional response
Discussion with Federal Government

Issues and Challenges
Concerns about ability of industry to recover without assistance
Confusion over which avenue to direct response—regional, state, federal
Visits from political leaders creating expectations of delivery leading to frustration

Mansfield Shire Council and Visitor Information Centre

Current Business Activity
Experiencing dramatic decline in visitation levels to unsustainable levels
Visitor numbers at the VIC down by 25% and calls down by 40%
At least one conference valued at $40,000 have been postponed
Pinnacle Valley Resort have lost $100,000 in bookings for February

Future Business Activity
A number of scheduled events are going ahead including: Power on The Pondage at Eildon, Merrrijg Rodeo, Harvest Festival, Craic Irish Music & Comedy Festival, Mansfield Balloon Festival
Most conferences have been rescheduled for later in the year
Unlikely to affect winter ski season.

Current Local Response
Management of misinformation through circulation of accurate data regarding fire affected areas
Continuation of activity associated with development of 1.3 million interpretive centre
Supporting push for accelerated marketing funding through Legends Wine and High Country

**Issues and Challenges**
Continuation of fire season

Wangaratta Shire and Visitor Information Centre

**Current Business Activity**
Estimated reduction of 70% in business activity levels
Food and wine industry experiencing greatest impact. Sixty percent (60%) of all businesses are affected
Temporary closure of restaurants
Casual staff being laid off

**Future Business Activity**
Predicting ongoing impacts until Easter

**Current Local Response**
Industry survey being conducted to ascertain actual impacts
LTA reassurance
Ned Kelly Movie leverage as planned
Plans to fast track current marketing plans

**Issues and Challenges**
Misinformation regarding direct affect of fires- they were 10km from Wangaratta Rural City
Concerns over how long businesses can sustain non-trading

Wellington Shire Council

**Current Business Activity**
As at February 18, fires burning within 15km of Dargo region
Future Business Activity
Predicting ongoing impacts

Current Local Response
Preparation of strategy for infrastructure replacement and tourism marketing
Focus on reconstruction of iconic mountain huts, Great Alpine Trail and restocking of rivers and lakes

Issues and Challenges
Concerns regarding allocations of funding being diverted to non-affected areas

Conclusions
Evidence from communications with Tourism Alliance Victoria members and a limited number of non-members in north eastern and eastern Victoria, indicates the overall impact of the 2003 summer bushfires on the tourism industry is significant. Given the magnitude of their tourism industry, the Shires of Alpine, Indigo and East Gippsland have experienced the greatest impacts.

Obviously, businesses within all reported areas, with a high dependence on tourism are suffering the greatest loss although local economies in general are experiencing notable downturns. Interestingly, areas not directly affected by fires such as Baw Baw Shire are experiencing considerable reductions in trade due to perceptions of danger and the closure or partial closure of natural areas in onward journeys.

Estimates of real costs vary but the figure of $21 million in losses so far, provided by Alpine Regional Tourism alone provides an indication of the gravity of the impact. In isolation, the affects from the bushfires have been great, coupled with the impacts of drought the situation is exacerbated.

Regional areas are concerned about the ability of the tourism industry to recover from the fires and under performance is expected for several months with Easter not likely to provide any relief.

Key concerns relate to the striking levels of misinformation regarding the breadth and geographic spread of the fires and the perceived risk associated with holidaying in fire affected areas, particularly as the season has not yet closed. Other concerns include the need for additional recovery funds by way of non-matchable cash support to market affected regions once the risk of fire has passed. It is critical in the interests of all regional Victoria that an assurance of new money is made, rather than reallocating existing funds with respect to tourism support. The relocation of existing funds will only serve to dilute the current effort.

Recommendations
Regional areas recognise that three forms of support are required to assist with the recovery of regional tourism in eastern and north eastern Victoria: infrastructure, marketing and community support

Infrastructure requirements relate to the rebuilding of visitor assets and facilities on public lands. Marketing requirements relate to
additional specific marketing funding to restore and increase visitation levels. Community support refers to the need to give bushfire affected areas priority in assessing grant applications and delivering broader Government and Agency support to regional communities.

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**A clear message to Local Government, Local and Regional Tourism Associations and businesses via Industry Associations, on avenues of response and assistance.**

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- State and Federal Government make bushfire areas a priority (particularly those also suffering from drought) for key agency programs which focus on community wellbeing and business support

- State and Federal Government Grant programs consider impacts of fire affected areas when assessing applications for funds;

- State roll out Crisis and Industry Communication Response Strategy for Tourism;
Attachment F: VTOA Submission to Ministerial Bushfire Recovery Taskforce February 2003


Both available in hard copy format upon request.
Visitor Information Centre Statistics Report

2005/2006
Visitor Information Centre Statistics
2005–2006

This report provides a snapshot of visitors to Victoria’s accredited Visitor Information Centres (VIC’s) for the period 1 July 2005 through to 30 June 2006. The report captures only those visitors that walk into VIC’s and does not take into account the enquiries made by phone or email. It is important to note that the data should be used as a guide only as the means of collecting the figures varies from Centre to Centre.

We do not have any data to draw direct correlation between visitation and factors influencing visitation. However some possible factors which may impact on visitation include:

TRENDS IN DOMESTIC TOURISM
Domestic overnight leisure travel (holiday and visiting friends and relatives) has been in decline over recent years. According to Tourism Research Australia, National Visitor Survey 2004, “Trends in domestic overnight leisure travel include:

- People taking less trips, enjoying fewer nights away and spending less in real terms;
- Strong growth in travel for VFR (lower yield) at the expense of travel for holiday (higher yield);
- Some leakage to outbound travel (particularly for holidays); and
- Spend not keeping pace with growth in household consumption of all goods and services.”

Anecdotally, other factors VIC Managers feel have an impact on visitation include:

- Distribution of disposable income
- The strengthening value of the Australian dollar
- Increasing petrol prices
- Post Commonwealth Games exhaustion

EVENTS
Events including Hallmark events and local events with strong awareness can have a significant impact to the visitation of a Visitor Information Centre. Events influence the visitation to an area and have a flow on effect to the Visitor Information Centre. It is possible that event inquiries and accommodation bookings through the VIC increase during this time particularly in areas such as Port Fairy, during the Folk Festival, Wangaratta during the Jazz Festival etc.

INCREASED AWARENESS
As the professionalism and standards of Visitor Information Centres increases across Victoria more people are recognising Visitor Information Centres as a place that can provide them with their tourism and travelling information needs. The italic i sign is becoming a well known and respected trademark that travellers recognise to identify high quality customer service and a valued source for information.
VISITATION TO VICTORIAS ACCREDITED VISITOR INFORMATION CENTRES (VICs)

Total Visitation to Victorian Visitor Information Centres from 1st July 2004 to 30th June 2005 was 5,177,984

Total Visitation to Victorian Visitor Information Centres from 1st July 2005 to 30th June 2006 was 5,397,957

The percentage difference in total visitation between the two periods is 4.2% or approximately 219,973 people. It’s important to note that the sample size is slightly different across the two periods; 69 VICs provided data for the 04/05 period, 68 VICs provided data for the 05/06 period.

Top 5 Regional Visitor Information Centres

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1. Mildura</td>
<td>1. Mildura</td>
</tr>
<tr>
<td>423,903</td>
<td>419,544</td>
</tr>
<tr>
<td>2. Bright</td>
<td>2. Warrnambool</td>
</tr>
<tr>
<td>401,551</td>
<td>196,590</td>
</tr>
<tr>
<td>3. Warrnambool</td>
<td>Ballarat</td>
</tr>
<tr>
<td>182,012</td>
<td>164,079</td>
</tr>
<tr>
<td>4. Ballarat</td>
<td>4. Apollo Bay</td>
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<tr>
<td>181,013</td>
<td>157,727</td>
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<tr>
<td>5. Apollo Bay</td>
<td>Phillip Island</td>
</tr>
<tr>
<td>175,860</td>
<td>139,119</td>
</tr>
</tbody>
</table>

There are no major changes in relation to the VICs that feature in the Top 5 Regional Visitor Information Centres in 2005-2006 apart from the exclusion of the Bright VIC which did not submit their data for the 05/06 period.

Top 10 Visitor Information Centres – state wide

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>814,357</td>
<td>1,174,008</td>
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<tr>
<td>2. Mildura</td>
<td>2. Melbourne – Bourke St</td>
</tr>
<tr>
<td>423,903</td>
<td>664,760</td>
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<tr>
<td>401,555</td>
<td>419,544</td>
</tr>
<tr>
<td>4. Melbourne – Bourke St</td>
<td>4. Warrnambool</td>
</tr>
<tr>
<td>375,214</td>
<td>196,590</td>
</tr>
<tr>
<td>5. Warrnambool</td>
<td>5. Ballarat</td>
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<tr>
<td>182,012</td>
<td>164,079</td>
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<tr>
<td>6. Ballarat</td>
<td>6. Apollo Bay</td>
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<tr>
<td>181,013</td>
<td>157,727</td>
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<tr>
<td>7. Apollo Bay</td>
<td>7. Phillip Island</td>
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<tr>
<td>175,860</td>
<td>139,119</td>
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<tr>
<td>8. Phillip Island</td>
<td>8. Lorne</td>
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<tr>
<td>148,510</td>
<td>134,556</td>
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<tr>
<td>141,060</td>
<td>131,580</td>
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<tr>
<td>10. Albury Wodonga</td>
<td>10. Castlemaine</td>
</tr>
<tr>
<td>121,797</td>
<td>125,185</td>
</tr>
</tbody>
</table>

From the data provided, the top 10 most visited centres in the state have maintained their high levels of visitation from the 2004/05 to the 2005/06 period with the addition of the Lorne VIC to the top 10.

Top 5 Regions

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1. Melbourne</td>
<td>1. Melbourne</td>
</tr>
<tr>
<td>1,267,840</td>
<td>1,937,385</td>
</tr>
<tr>
<td>2. Great Ocean Road</td>
<td>2. Great Ocean Road</td>
</tr>
<tr>
<td>936,563</td>
<td>1,019,021</td>
</tr>
<tr>
<td>3. Legends, Wine &amp; High Country</td>
<td>3. The Murray</td>
</tr>
<tr>
<td>766,126</td>
<td>740,785</td>
</tr>
<tr>
<td>4. Goldfields</td>
<td>4. The High Country</td>
</tr>
<tr>
<td>554,401</td>
<td>405,023</td>
</tr>
<tr>
<td>5. Mildura Murray Outback</td>
<td>5. Goldfields</td>
</tr>
<tr>
<td>455,660</td>
<td>399,645</td>
</tr>
</tbody>
</table>

Regional comparisons should be treated with caution. Each region has a varying number of VICs so direct comparisons are not accurate. Additionally due to removal of certain marketing regions and changes to regional boundaries, some VICs have become part of a region that they may not have been included in for the 04/05 period.
Daylesford and the Macedon Ranges have 7 accredited Visitor Information Centres. Centrally located within the Hepburn Springs area and with a high level of awareness as a destination, Daylesford VIC received the highest level of visitation for the region averaging 9010 visitors per month. Woodend followed with an average of 1434 visitors per month.

Melton however received the biggest increase in visitation compared with the previous year with a 23.6% increase in walk in visitors however this may be due to the VIC being temporarily closed for almost four months the previous year.

Sunbury VIC’s visitation was significantly down by 30.9% compared to having a 36.9% growth in the 04/05 period.

Overall visitation for Daylesford and the Macedon Ranges was down by 7.1%

---

\(^1\) Seymour VIC was excluded from the overall regional VIC comparisons as it was not part of this region in the 04/05 period.
## The Murray

<table>
<thead>
<tr>
<th>Visitor Information Centre</th>
<th>07/05 - 09/05</th>
<th>10/05 - 12/05</th>
<th>01/06 - 03/06</th>
<th>04/06 - 06/06</th>
<th>Total</th>
<th>% difference from 04/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swan Hill</td>
<td>20,737</td>
<td>20,587</td>
<td>11,595</td>
<td>15,733</td>
<td>68,652</td>
<td>116.2%</td>
</tr>
<tr>
<td>Mildura</td>
<td>112,590</td>
<td>103,976</td>
<td>103,535</td>
<td>99,443</td>
<td>419,544</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Cobram</td>
<td>8,375</td>
<td>9,392</td>
<td>14,117</td>
<td>10,390</td>
<td>42,274</td>
<td>0.7%</td>
</tr>
<tr>
<td>Echuca-Moama</td>
<td>24,023</td>
<td>27,603</td>
<td>30,865</td>
<td>27,310</td>
<td>109,801</td>
<td>0.2%</td>
</tr>
<tr>
<td>Numurkah</td>
<td>2,804</td>
<td>2,318</td>
<td>2,515</td>
<td>2,880</td>
<td>10,517</td>
<td>10.8%</td>
</tr>
<tr>
<td>Shepparton</td>
<td>8,674</td>
<td>8,799</td>
<td>12,869</td>
<td>8,113</td>
<td>38,425</td>
<td>3.2%</td>
</tr>
<tr>
<td>Yarrawonga</td>
<td>10,515</td>
<td>13,200</td>
<td>14,286</td>
<td>13,571</td>
<td>51,572</td>
<td>-7.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>187,718</strong></td>
<td><strong>185,845</strong></td>
<td><strong>189,782</strong></td>
<td><strong>177,440</strong></td>
<td><strong>740,785</strong></td>
<td><strong>3.1%</strong></td>
</tr>
</tbody>
</table>

There are 7 accredited Visitor Information Centres within this region. Mildura received the highest level of visitation (419,544) followed by Echuca Moama (109,801), Swan Hill (68,652) then Yarrawonga (51,572). The average visitation received by Mildura was a substantial 34,962 visitors per month.

Swan Hill VIC had a significant growth in visitation following the relocation of the centre in July 2005. Also contributing to this increase may be the data collection technique changing to a door counter rather than a manual system.

Visitation to VICs within The Murray Region increased this financial year by 3.1% with only 2 of the 7 VICs recording decreases in visitation.

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2 This is the direct comparison of the total visitation of the VICs now included in this region; combining the addition of Cobram, Echuca-Moama, Numurkah, Shepparton and Yarrawonga who were previously under ‘Goulbourn Murray Waters’
There are 7 accredited Visitor Information Centres within the Grampians region. Over the 2005/06 period Halls Gap VIC received the highest level of visitation averaging 10,344 visitors per month. Hamilton received the second highest visitation (35,981) followed by Ararat (27,478).

Ararat VIC was added to the Grampians region this year rather than the Goldfields where it has been listed in previous reports, as majority of their marketing and promotional efforts are done as part of the Grampians region.

Overall visitation to the Grampians VICS was down this year by 5.2%; however it is fair to assume that this was due to the significant bushfire that occurred in the region during the summer months of January and February. Halls Gap VIC’s visitation for the months of January, February and March was down 35.3% on the previous year. During that same period, Hamilton’s visitation was down by 18.8% and Ararat’s by 39.8%.

Historically for most of the Grampians VICS, visitation increases more during the summer period so the bushfires certainly had an impact on the visitation levels for the region.
**Mornington Peninsula**

<table>
<thead>
<tr>
<th>MORNINGTON PENINSULA</th>
<th>07/05 - 09/05</th>
<th>10/05 - 12/05</th>
<th>01/06 - 03/06</th>
<th>04/06 - 06/06</th>
<th>Total 05/06</th>
<th>% difference from 04/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dromana</td>
<td>6,725</td>
<td>9,675</td>
<td>11,750</td>
<td>7,796</td>
<td>35,946</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

The Mornington Peninsula VIC had good levels of visitation this financial year with a strong 6% increase in visitation numbers. The spring and summer months have historically provided the highest levels of visitation for the centre and this has reoccured for this financial year.

Currently the Mornington Peninsula VIC is the only accredited centre in the region however the Mornington Visitor Information Centre has recently completed the relevant accreditation requirements and will feature in the 06/07 visitation report.
There are 12 accredited Visitor Information Centres within this region, the majority of which are highly affected by seasonality with significant peaks in visitation occurring during the January to March quarter.

Warrnambool VIC is one of the centres along the Great Ocean Road who retain a high level of visitation during winter. They received the highest visitation at a VIC along the Great Ocean Road from July to September with 40,569 people visiting the centre. Winter events such as the whales visiting Logan Beach can assist with these levels.

Torquay VIC continued to receive increases in its visitation achieving over 100,000 visitors for the 2nd year in a row. Lorne VIC relocated on December 24th 2005 and has seen a remarkable increase in visitation with numbers increasing by 28%. Colac also did well with a 20.5% increase in visitation.

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3 There are two additional VIC’s that are now included in this region, Portland and Queenscliff. Their 04/05 visitation has been included to assess the region’s overall comparison in visitation for each financial year.
<table>
<thead>
<tr>
<th>Visitor Information Centres</th>
<th>07/05 - 09/05</th>
<th>10/05 - 12/05</th>
<th>01/06 - 03/06</th>
<th>04/06 - 06/06</th>
<th>Total 05/06</th>
<th>% difference from 04/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandra</td>
<td>1,591</td>
<td>2,471</td>
<td>2,596</td>
<td>3,300</td>
<td>9,958</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Benalla</td>
<td>4,198</td>
<td>4,516</td>
<td>7,638</td>
<td>7,975</td>
<td>24,327</td>
<td>31.0%</td>
</tr>
<tr>
<td>Bright</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Dinner Plain</td>
<td>1,325</td>
<td>748</td>
<td>1,498</td>
<td>2,204</td>
<td>5,775</td>
<td>107.0%</td>
</tr>
<tr>
<td>Corryong</td>
<td>4,060</td>
<td>8,146</td>
<td>10,430</td>
<td>6,531</td>
<td>29,167</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Wangaratta</td>
<td>9,688</td>
<td>11,801</td>
<td>11,221</td>
<td>11,018</td>
<td>43,728</td>
<td>30.4%</td>
</tr>
<tr>
<td>Mansfield</td>
<td>10,287</td>
<td>6,598</td>
<td>8,636</td>
<td>6,947</td>
<td>32,468</td>
<td>-12.3%</td>
</tr>
<tr>
<td>Albury Wodonga</td>
<td>31,981</td>
<td>31,897</td>
<td>33,395</td>
<td>34,307</td>
<td>131,580</td>
<td>8.0%</td>
</tr>
<tr>
<td>Rutherglen</td>
<td>6,500</td>
<td>8,179</td>
<td>8,216</td>
<td>8,502</td>
<td>31,397</td>
<td>5.4%</td>
</tr>
<tr>
<td>Myrtleford</td>
<td>n/a</td>
<td>n/a</td>
<td>2,687</td>
<td>2,036</td>
<td>4,723</td>
<td>-</td>
</tr>
<tr>
<td>Beechworth</td>
<td>15,664</td>
<td>21,082</td>
<td>22,830</td>
<td>27,361</td>
<td>86,937</td>
<td>7.4%</td>
</tr>
<tr>
<td>Nagambie</td>
<td>3,077</td>
<td>1,290</td>
<td></td>
<td></td>
<td>4,367</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>88,371</td>
<td>96,728</td>
<td>109,147</td>
<td>110,181</td>
<td>404,427</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

There are 12 accredited Visitor Information Centres within this region, of these the VIC at Albury Wodonga has received the highest level of visitation at 131,580 followed by Beechworth (86,937). In the 04/05 period Bright VIC had the highest visitation for this region however this centre has not provided it’s data to Tourism Alliance Victoria so no comparisons can be made.

Nagambie VIC also did not submit all of their visitation data so visitation comparisons to the 04/05 period can not be undertaken. Myrtleford VIC has only recently become accredited hence why no data is available for the first two quarters.

Many of the VIC’s in the region receive fairly consistent visitation throughout the year with only slight increases in the summer months. Mansfield VIC traditionally receives a high level of visitation in the winter period however the centre recently relocated and they believe that their last quarter for the year is heavily understated due to their door counter not working after the relocation.

Overall visitation for the region has increased by 8.3%. As a new centre that has only been in operation for two years, the Dinner Plain VIC’s visitation continues to grow as does the Wangaratta VIC after its relocation. Benalla VIC also gained a healthy increase of 31%.

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4 Myrtleford, Nagambie and Bright VICs data not included in comparison calculations. Only VICs who had submitted the complete data from the 04/05 and 05/06 period were used.
There are 10 accredited Visitor Information Centres within the Goldfields region. Of these ten, Ballarat has received the highest visitation at 164,079.

Even though the Ballarat VIC’s visitation appears to have decreased by 9.3%, the centre relocated from it’s previous Sturt Street address to the Eureka centre and also opened a Level 3 accredited centre at Sovereign Hill. The Sovereign Hill VIC received a visitation of 14,860; some of these visitors may have previously gone to the other Ballarat VIC hence affecting its visitation numbers.

Bendigo VIC had technical problems throughout the year with the collection of their visitation data, hence why their figures are not included in this report.

The Goldfields Region was in the top 5 of the Regional Top 5 VIC visitation. It rated as number 4 in the 2004–2005 period and has dropped to 5th for this year however this may have not been the case if the Bendigo data was available.

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5 Direct comparison with the VICs that have provided data for both the 04/05 and 05/06 period; hence Ballarat – Sovereign Hill and Bendigo were not included.
Phillip Island VIC’s visitation decreased this financial year by 6.3%. It is important to note however that there is also a non accredited VIC located in Cowes, the main town on Phillip Island. The Phillip Island VIC is located in New Haven which is the gateway to the island. The Cowes VIC received approximately 18,000 visitors in the 05/06 financial year. This may account for the Phillip Island VIC’s decrease as the visitors are now more dispersed between the two centres.

The Phillip Island VIC however still remains in the Top 5 for Regional VIC visitation across the state.
Currently there are 3 accredited Visitor Information Centres within the Yarra Valley and Dandenong Ranges region. Of these centres, Marysville receives the highest level of visitation averaging 2917 visitors per month.

Visitation for two of the three centres in this region has increased compared with the 04/05 financial year with Marysville receiving a 12.6% increase in visitation. Overall visitation for the region was up by 6.9%

As a region located within an 1½ hour radius of Melbourne the Yarra Valley may have become an alternative travel destination for those concious of fuel prices.
Gippsland

<table>
<thead>
<tr>
<th>GIPPSLAND VICs</th>
<th>07/05 - 09/05</th>
<th>10/05 - 12/05</th>
<th>01/06 - 03/06</th>
<th>04/06 - 06/06</th>
<th>Total 05/06</th>
<th>% difference from 04/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latrobe</td>
<td>3,692</td>
<td>3,568</td>
<td>4,416</td>
<td>3,596</td>
<td>15,272</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Prom Country - Korumburra</td>
<td>1,048</td>
<td>1,511</td>
<td>2,360</td>
<td>1,689</td>
<td>6,608</td>
<td>-16.5%</td>
</tr>
<tr>
<td>Sale</td>
<td>3,958</td>
<td>7,524</td>
<td>10,849</td>
<td>5,613</td>
<td>27,944</td>
<td>-25.7%</td>
</tr>
<tr>
<td>Yarragon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Wonthaggi</td>
<td>2,000</td>
<td>3,334</td>
<td>4,914</td>
<td>2,563</td>
<td>12,811</td>
<td>10.6%</td>
</tr>
<tr>
<td>Bairnsdale</td>
<td>7,945</td>
<td>14,865</td>
<td>21,353</td>
<td>16,734</td>
<td>60,897</td>
<td>20.1%</td>
</tr>
<tr>
<td>Lakes Entrance</td>
<td>14,927</td>
<td>30,514</td>
<td>44,063</td>
<td>22,659</td>
<td>112,163</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>33,570</strong></td>
<td><strong>61,316</strong></td>
<td><strong>87,955</strong></td>
<td><strong>52,854</strong></td>
<td><strong>235,695</strong></td>
<td><strong>5.6%</strong></td>
</tr>
</tbody>
</table>

There are 7 accredited Visitor Information Centres in the Gippsland region with Lakes Entrance receiving the highest visitation of 112,163 visitors over the 12 month period.

Bairnsdale, Lakes Entrance and Wonthaggi all received good increases in visitation of 20.1%, 13.9% and 10.6% respectively.

Visitation for these VICs is fairly consistent during the seasons although visitation for Lakes Entrance, Bairnsdale and Sale increases dramatically in the January to March quarter with a growth of almost 200%.

Overall visitation for this region was up by 5.6%, including the additional four VICs who now also form part of this marketing region.

* Incorporating the four added VICs, Wonthaggi, Sale, Prom Country and Latrobe who now also form part of this marketing region.
Federation Square Visitor Information Centre has the highest visitation in the state and received substantial visitation during the Commonwealth Games; recording their highest visitation in one day of 6800 visitors.

Attracting 1,174,008 visitors for the financial year, the centre is a key disseminator of not only visitor information for Melbourne but also for Victoria’s regions.

The Melbourne Visitor’s booth in the Bourke St mall also received a significant growth in visitation, especially in the January to March quarter where visitation grew by 112% for the same period in 04/05. Overall visitation for the two centres increased by 44.1% for Federation Square and 77.1% for the Melbourne Visitor’s booth.

For Bundoora Park’s visitation data it must be taken into consideration that these figures incorporate the attraction Coopers Settlement as the data cannot be separated. It is therefore not an accurate reflection of the VIC’s visitation.

Melbourne received the highest percentage increase in visitation for a region with a total of 50.9%.
Tourism is recognised by many regional communities as an important economic driver. It has the capacity to provide additional income and jobs. However, quantifying its economic value to a region, particularly one within a local government boundary, has always been difficult.

**Economic Impact in Victoria**

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

**Local Government Supports Tourism**

Through the provision of infrastructure and services, local government is a significant contributor to regional tourism. A Tourism Alliance Victoria survey of 48 local councils in Victoria revealed a conservative estimate of local government expenditure on tourism as $13,133,797 in 2001/02.

**Measuring Tourism’s Economic Impact**

Measuring tourism’s economic impact to a Local Government Area (LGA) requires the application of a suitable model that multiplies visitor numbers x visitor spending x regional multiplier.

Generally the outcomes will only be accurate if there is a research and development culture within local government and accurate data at an LGA level.

The collection and collation of accurate local level data is often the most difficult aspect of measuring economic activity, yet it is the basis of an accurate measure of tourism’s economic impact to an LGA.

**Measuring Visitor Numbers**

Measuring visitor numbers requires a clear definition of what a tourist is and what units tourism activity is measured in (for example day trips, visitor nights).

**Measuring Visitor Spending**

Visitor spending is usually calculated in visitor spending studies. Spending varies considerably between segments - holiday and leisure, visiting friends and relatives and business travel - therefore a segmented approach is therefore required. (The National Visitors Survey provides spending patterns on a state level across various segments).

**Regional Multipliers**

Multipliers (and economic ratios) can be used to convert visitor spending to income and jobs as well as to capture secondary impacts of visitor spending (multiplier effects). A sales multiplier of 2.0, for example, means that for every dollar received directly from a visitor, another dollar in sales is created within the region through indirect or induced effects.

Lengthy academic dissertations discuss the use and misuse of tourism multipliers in calculating the economic impact of tourism. Generally the concern lies in ensuring the multiplier is used only on that component of a sale that is captured within the local area.

Most models should avoid using multipliers altogether and focus on obtaining sound estimates of visitor numbers and visitor spending and their direct effects on the region’s economy. It is also important to note that tourism is a complex dynamic system and therefore measuring its activity level is a complex task that takes time, dedicated resources and usually the input of researchers, statisticians or economists.

Unfortunately, there is no quick fix solution and as yet no agreed industry standard on measuring tourism’s economic impact to an LGA.
**Economic Analysis Models**

A number of models have been used in the Australian market place to measure the economic impact of tourism to LGAs. These include the CSIRO Tourism Futures Simulator Model, the Tourism Research Australia (formerly Bureau of Tourism Research) Model, and other models applied by private consultancy firms.

**Option 1: CSIRO Tourism Futures Simulator Model**

The Tourism Futures Simulator (TFS) was developed in 1997 by the CSIRO. It serves two primary purposes: a) to evaluate the benefits and impacts of tourism and b) to provide stakeholders with the option to explore how a destination can be managed to achieve sustainable tourism in the long term. The TFS establishes scenarios and then simulates their impact over a 50 year period.

The TFS involves:

- Researching all ecological, economical and social information to use in determining sustainability of future developments
- Identifying all present and future issues and opportunities with the region
- Identifying ways employment might be expanded
- Increasing awareness and potential economic benefits of tourism visitation
- Expanding tourism product and packages through linkages
- Developing research and measurement techniques to track impacts and changes over time

The TFS has been applied to the Port Douglas Shire in far north Queensland, the Tapestry region of south-west Western Australia (encompassing a total of seven shires) and to Alice Springs, Northern Territory.

**Examples of Outputs**

The following statistics represent examples of the detailed information gained by the TFS about visitors to an area and their consumer behaviour.

- 56% of visitors to Port Douglas are domestic with 26% coming from Victoria
- Most visitors to Port Douglas in 1999 were aged between 25-34 years, in 2000 most visitors were aged 45-54 years
- 40% of Asian visitors spend more than $250 per night
- 62% of all visitors to Port Douglas Shire spend an average of $120.90 on diving
- In 1999, 1% of visitors were extremely dissatisfied with their visit and 46% of visitors were very satisfied with their visit. By 2001, there were no visitors extremely dissatisfied with their visit and 48% of visitors were very satisfied with their visit. (Satisfaction was based on 11 experiences including “undisturbed rainforest and river, experience of remote wilderness, seeing few other people, wood walking tracks”)

**Evaluation**

The TFS is possibly the most accurate and sophisticated tourism economic analysis model currently in the market place largely because it establishes a local data set. Not only does it provide detailed data, it expands the use of the data to identify social, economic and environmental consequences of actions or decisions. This allows communities to plot pathways towards a sustainable future for tourism in their region.

As with all models, it is time consuming to develop and implement. (Its implementation in the Tapestry Region occurred over three years and included 130 community workshops and focus groups). It requires a very high level of commitment from direct and indirect beneficiaries from tourism and involves a high degree of community consultation. It usually requires a dedicated co-ordinator to guide its application.

**Option 2: Tourism Research Australia Model**

The Tourism Research Australia (formerly Bureau of Tourism Research) Model considers the relationship between tourism expenditure and employment in regions to provide an insight into how tourism-related jobs are generated.

The model has been applied in a number of places including Perth (WA), Katherine (NT), South Coast (NSW) and Geelong (VIC).

The BTR model is based on available regional data. It applies a previously developed model for calculating tourism generated employment at a national level, to a regional level.

**Examples of Outputs**

- In 1998, tourism generated employment equaled 4000 employed persons in Geelong accounting for 5.4% of all employment to that region
- $105,000 of tourist expenditure in Geelong (excluding international visitor expenditure on airfares and packages) results in one tourism job in the region

**Evaluation**

The BTR model relies on regional data which, as previously discussed, is not readily available or is not applicable to all regions - particularly smaller ones. However, the model places visitor expenditure and employment information into a broader regional context providing a better understanding of the avenues through which tourism-related jobs are generated.
Option 3: Independent Models
Surf Coast Shire, Victoria, had an independent assessment of their visitor numbers, spending and employment. The assessment acknowledges the lack of local level data and derives estimates of visitor numbers, spending and employment available data from the National Visitors Survey, the International Visitors Survey data (1998-2000), and the Survey of Tourist Accommodation - Small Area Data (2000-2001).

Examples of Outputs
- In 2001 the number of people visiting the Surf Coast Shire totalled an estimated 2.2 million people
- An estimated 55% of all visitors are day trippers totalling some 1.2 million persons
- An estimated 45% of all visitors are overnight visitors totalling an estimated 1.0 million people
- An estimated 3060 jobs are directly created from tourism within the shire with a further 1850 jobs indirectly generated as a result of employment multiplier

Evaluation
The independent model makes use of available data which it acknowledges is limited. The resulting outcomes, therefore, should be used with caution given the limitations to the methodology. The inclusion of confidence levels would add weight to the model’s accuracy. However, the model is useful for comparative purposes.

Option 4: Tourism Impact Model
In 2004, the Australian Government through its Department of Industry Tourism and Resources Tourism Division launched the Tourism Impact Model (TIM). Designed for use by local councils, the TIM is a combination of a financial model developed into a piece of software which operates in Microsoft Excel. Allowing for the full economic impact of tourism, the TIM calculates the impact on the operating expenses and income of councils in the absence of the existing tourism industry.

Evaluation
TIM was developed in consultation with a number of councils and was successfully applied by the Wellington Shire Council in Victoria. The application of the model required the engagement of a dedicated resource. Understanding of accountancy is thought to be beneficial in applying the model. The model has little applicability for metropolitan councils as estimates for these areas are likely to be highly inaccurate.

Examples of Outputs
- Visitor spending in Wellington Shire per year: $81.4 million
- Number of full time equivalent jobs: 619 direct employment, 928 total employment
- “If tourism were to cease today in Wellington Shire, it would lose 2507 residents or 5.9% of the population” (Based on the Tourism Impact Model)

Did you Know?
Facts about Tourism
- In 2002/03 tourism injected $10.6 billion into the economy, making up to 5.5% of Victoria’s Gross State Product (GSP)
- 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 1997-1998 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 national growth of 11%

Source: Tourism Victoria, What Tourism Means to You, 2005
Other Tourism Alliance Victoria Reference Material Includes:

- www.tourismalliance.com.au
- Functions of a Local Tourism Association
- Functions of a Regional Tourism Organisation
- Best Practice Touring Routes
- Visitor Information Centre Frequently Asked Questions
- Planning for Tourism
- Local Government Tourism Health Check
- Planning a Tourism Direction Case Study: Hepburn Shire Council
- Significance of Tourism
- AAA Tourism Star Rating versus Tourism Accreditation
- Establishing a Municipal Tourism Policy

Tourism Alliance Victoria acknowledges the support of Tourism Victoria in this project.

Further Information

For further information regarding Economic Impacts of Tourism in your Local Government Area, contact:

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www.tourismalliance.com.au

Sources

- Economic Impacts of Recreation and Tourism – Michigan State University. www.msu.edu/course/prr/840/econimpact
- Wellington Shire Council, Victoria, Tourism Impact Model Results.
- Philippine National Statistical Co-ordination Board www.nscb.gov.ph
- Travel By Australians, Quarterly Results of the National Visitors Survey December 2004

Footnotes

1 A tourist can be defined as a person who travels to a country other than that in which they usually reside, or within their country but outside their usual environment for a period not exceeding 12 months and whose main purpose of visit is classified as either holiday (recreation, leisure, sport and visit to family, friends or relatives), business, official mission, convention, or health reasons (World Tourism Organisation).

2 The National Visitors Survey is Australia’s major source of information on the characteristics and travel patterns of domestic tourists. It is produced by Tourism Research Australia with funding from the Australian Government (World Tourism Organisation).
Public Land Tour Operator and Activity Provider Licence Reform

Response to DSE Directions Paper

April 2006

This Position Paper was adopted by the Tourism Alliance Victoria Board on 11/4/06
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WHY ARE WE INTERESTED IN RESPONDING?

Tourism Alliance Victoria is the peak industry body advocating for and supporting the development of a professional and sustainable tourism industry across Victoria.

Founded in 2004, Tourism Alliance Victoria was created out of the merger of Country Victoria Tourism Council and the Victorian Tourism Operators Association.

Today Tourism Alliance Victoria:

- Through proactive involvement with our members, provides advice and an industry voice to local, state and federal government on all tourism related issues;
- Advocates for strategies that will provide a clear direction for the growth and yield of tourism across Victoria;
- Works with local government and local tourism associations to identify product gaps and establish and implement strategies for tourism growth which may include planning, product development initiatives, tourism signposting, tourism structures and visitor services;
- Provides professional development and business enhancement initiatives for a diverse range of tourism businesses;
- Maintains industry integrity through standards compliance and continual improvement programs;
- Provides a forum to review tourism issues, create policy and exchange information; and
- Undertakes research to evaluate and monitor: effectiveness of marketing, visitor satisfaction and new product needs and opportunities.

A MEMBERSHIP BASED ORGANISATION

Tourism Alliance Victoria is made up of regional tourism associations, individual tour operators, adventure and nature based businesses, major attractions and accommodation providers, each of whom are contributing to a vibrant and dynamic tourism industry.

This direct relationship with our members enables us to bring a statewide perspective to all issues affecting tourism.

Our 670 strong member network meet and actively contribute on matters of interest. To maximise the interaction within our membership, activities are conducted at a general industry wide basis as well as within an Activity Group where like businesses engage and focus on matters of a sectoral nature.
Tourism Alliance Victoria Activity Groups include:
- Attractions (metropolitan & regional)
- Adventure & nature based
- Regional Tourism
- Visitor Services
- Regional Victoria Conference Group

Tourism Alliance welcomes the opportunity to respond to the Directions Paper for the Public Land Tour Operator and Activity provider Licence Reform Project.

Adventure and nature based tourism is a significant component of Victoria’s $10.3 billion tourism industry. Businesses operating on public land generate employment opportunities, share their knowledge of the landscape and environment and desire a sustainable future for both the landscape and their business activities.

**SIGNIFICANT BUSINESS ENGAGEMENT**

This submission is written in response to the Department of Sustainability and Environment’s (DSE) Public Land Tour Operator and Activity Provider Licence Reform Project - Directions Paper. This submission has been developed as a result of discussions and meetings with Tourism Alliance Victoria members over the course of the reform process.

Tourism Alliance Members invest in our association to support tourism’s future in Victoria. Many participating businesses have not made an individual response to the Directions Paper but have been fully engaged and supportive of our process and position. Those businesses actively involved have been listed on page 3.

It is appropriate to highlight that during the reform process Tourism Alliance Victoria has:
- held specific member forums at Halls Gap, Rye - Mornington Peninsula, Mansfield and Melbourne.
- promoted the reform process and sought feedback through our member website.
- submitted a position paper in July 2005 to the Department of Sustainability and Environment (DSE) articulating the tourism industry position.
- held a member meeting prior to the Adventure Tourism Forum in Dunkeld on 6 April to review the response to the Directions Paper.

The information contained in this submission is provided in addition to the Tourism Alliance Victoria position paper submitted on 14 July 2005 to the DSE based on member input. A copy of the position paper is attached (Attachment 1). Tourism Alliance Victoria has sent material to all of our 113 members involved in adventure and nature based businesses and likely to be affected by licence reforms.

A list of the 29 business who have actively provided comment, input and guidance into paper are included on the next page.
## TOURISM ALLIANCE VICTORIA MEMBERS CONSULTED

<table>
<thead>
<tr>
<th>Member</th>
<th>Business</th>
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<tr>
<td>Daniel Boissevain</td>
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<td>Amanda Steffen</td>
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<td>Angling Expeditions Victoria</td>
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<td>Linton Smith</td>
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<td>Australian Adventure Experience</td>
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<td>Chris Dunlop</td>
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<td>Ray “Whimpey” Reichelt</td>
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<td>Rodney Wilson</td>
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<td>Cindy Fergusson</td>
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<td>Jim Curtis</td>
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<td>Barb Jones</td>
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<tr>
<td>Michael Watson</td>
<td>Watson’s Trail Rides</td>
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<tr>
<td>Graham Turner</td>
<td>Westcoast Adventures</td>
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*Involved in consultations, considering membership with Tourism Alliance.*
OBJECTIVE 1

1.1 Longer licence terms

As a result of consultations with members, longer licence terms are strongly supported by Tourism Alliance and are seen as essential in growing a professional and sustainable nature based tourism industry in Victoria. There are obvious benefits for operators (stable business environment, more aligned with investment terms) and management authorities in allocating longer licence terms, including the reduced administrative burden.

Tourism Alliance acknowledges that the proposed policy direction outlined in Objective 1.1 is to increase the maximum licence term from 3 years to a possible 7 years. This direction is a positive move on behalf of the Government. Tourism Alliance is seeking an increase in the licence term to 10 years (as stated previously) where scope, site specific conditions and market demand warrant.

During the consultation process, several suggestions were put forward from members regarding longer licence terms; Tourism Alliance’s position is that, where appropriate, a licence with longer length of tenure, with a maximum of 10 years, and a rolling renewal should be offered to operators. The actual length of tenure may vary depending on site specific requirements; however, the principle of a longer licence with a rolling renewal should remain the same.

A longer licence term with rolling renewals would provide greater scope for land management authorities to recognise and reward merit and track record and provide greater incentive for operators to attain accreditation from a DSE endorsed program (EcoCertification, Better Business, etc). A robust compliance system, that rewards quality operators (eg through benefits such as self assessment, internal audit, etc) can streamline the administration process for the licensing authority.

Tourism Alliance supports the concept of various licence categories (1.1 (a)) and believes the introduction of a Charter Only licence will provide a more equitable licensing structure for “one off” commercial visits on public land.
1.2 Licence transfer

Tourism Alliance members see the ability to transfer their licence as one of the important longer term issues for their businesses as it is central to them being able to build value into their businesses. In particular, as visitor numbers grow and access to more sites has to be limited in some way, so will the ability to transfer a licence become critical to the business having any value at all. This will also be the case if longer licence terms, with more stringent conditions, are implemented.

Tourism Alliance agrees with the policy direction outlined in 1.2 (a).

Tourism Alliance does not support the proposed policy direction outlined in 1.2 (f). The rationale behind 1.2 (f) in not allowing the trading of capacity or quotas needs further explanation. In the limited sites where quotas or capacities are set, the temporary trading of capacity to another licensed operator would lead to more effective use of high demand sites by operators, provide growth opportunities for businesses and increase revenue for Parks Victoria.

OBJECTIVE 2

2.1 Clarifying who requires a ‘tour operator’ licence

Tourism Alliance Victoria supports policy direction 2.1 (a) and the definition of commercial activity outlined in 2.1 (b).

Unlicenced operators conducting tours on public land are often doing so with little regard for the sensitive environment, have insufficient insurance coverage and inadequately maintained vehicles and equipment. Therefore, Tourism Alliance see it imperative that all operators including contractors / subcontractors are required to hold a licence where they access public land to undertake commercial activity associated with recreation, tourism and education. As a result, the proposed policy direction 2.1 (d) is also supported.

Policy direction 2.1 (f) is not supported in its current wording. Tourism Alliance recognises the desire to ensure all organised groups can be managed in an appropriate and equitable manner. Where there are specific conditions being applied to businesses conducting commercial activities to support safe and sustainable practices those same conditions must be applied to non-commercial recreation groups, visitors or registered schools.

Tourism Alliance supports a rewording of 2.1 (f) replacing the word “encouraged” with “required”. 
2.2 A more consistent and efficient licensing system across public land categories.

As stated in the Tourism Alliance position paper in July 2005, a single licence framework across all public land activities in Victoria is sought by the industry. In addition a central licence processing point be established to ensure consistency and expertise existing within the current Parks Victoria TOMS system be utilised to support other land and water managers. A centralised licensing system where the one agency provides license services for another is strongly supported. It is acknowledged that the directions paper recognises that the multiplicity of licensing authorities also tends to create duplication of effort, where recognition between authorities or a rationalisation of licences would minimise the compliance burden.

While supporting the general policy of 2.2, Tourism Alliance believes that:

2.2 (a) is amended to reflect a single licence system. Tourism Alliance supports the proposed policy direction 2.2 (b) in which general and activity conditions are to be applied consistently to all licences. We also recognise and appreciate that site specific conditions will apply to certain licences and agree this is imperative to effective and sustainable land management.

2.2 (g) be amended to 24 months. This takes into account the lead time associated with international markets and requirements for businesses to fix their prices at least 18 months in advance. An increasing number of adventure and nature based businesses are engaging within the international market and the licence process should not penalise these businesses.

2.2 (h) be amended to support the recommendation for 2.2 (a). A fall back position as a secondary option would be to amend the position to “...where other land management agencies do not have the need or resources to implement their own licensing systems, they will be required to recognise operators with existing licences issued by Parks Victoria...”

Similar comments relate to 2.2 (i) in regards to land managers being “encouraged” to provide industry with the same five working weeks processing time. Detail needs to be provided here to ensure requirements are actual or required not variable and encouraged.
2.3 Licence fees

The following re-iterates Tourism Alliance’s position on the restructuring of the licence fee structure, as presented in our July 2005 position paper. Our members are of the consensus that an uncapped fee structure is the most equitable form of collecting fees from operators.

The current fee structure is seen to favour the larger operators who, once they reach the $5500 threshold are not paying use fees. This is inequitable to smaller operators and is minimising land use fee revenue and hence the amount of money available to reinvest in park infrastructure and maintenance.

By increasing the use fees (student and full day rate) in proportion to the increase in the fee cap (ie both increased by 227%) Parks Victoria will be gaining additional revenue but the inequity between small and large operators still exists. The actual number of park visits captured through this model will remain the same, defeating one of the purposes of increasing the cap. Therefore the proposed policy direction 2.3 (b) will not be achieved. Our suggestion is to simply abolish the fee cap and adopt the proposed fee structure 1B.

Of the various fee structure options outlined in 2.3, Tourism Alliance is in favour of sub-option 1B with no fee cap. However, it is unclear if there is a once-off application fee.

OBJECTIVE 3

3.1 Certification & 3.2 Training and other tools

Tourism Alliance supports the proposed policy direction 3.1 as it is aimed at raising industry standards and professionalism, encouraging sustainability and recognises a broad range of professional development training courses, accreditation and certification programs. Access to 10 year licences is further incentive for operators to attain recognised accreditation and operate at industry best practice levels.

What is unclear is how those with extensive experience in specialist skill or operational activity areas can demonstrate this skills and knowledge in a framework which is focusing of a minimum standard.

Tourism Alliance is seeking further information in relation to the framework that will underpin determining the content of “Best Practice” in the areas identified in 3.1 (c) and references to Best Practice in 3.1 (b). Certification by its nature has a focus on defined minimums corresponding to good practice. The fourth dot point in 3.1 (b) may not be achievable.

Tourism Alliance is seeking more detail on 3.2 (b) as there are many ways in which a business could satisfy 3.2 (a) without the impost of additional fees as suggested by 3.2 (b).
OBJECTIVE 4

4.1 Identifying and managing ‘hotspots’

Tourism Alliance supports the proposed policy 4.1 and in particular the recognition of the importance for land managers to work collaboratively with licensed operators in site planning and site capacity assessment.

This policy direction needs to recognise the significant value that land managers can achieve through establishing true partnerships with licensees. Recent examples of note which have contributed significantly to improved relationships and the management of hotspots include track and site repair and assessment following bushfires, weed control programs, innovative product to support greater appreciation for the environment.

4.2 Managing capacity through booking systems

More detail is required in the explanation of how 4.2 (a) will be achieved. For instance, how will blanket bookings of sites be prohibited?

4.2 (b) states consistency between booking systems and processes across land categories should be encouraged. How will this be achieved? This reverts back to policy 2.2 and how other land managers will be “encouraged” to accept DSE / PV proposals. Tourism Alliance supports a single approach to booking systems and recommend the rewording of 4.2 (b) to “A consistent booking system and process across land categories will be established.”

4.2 (c) this aspect should be a standard policy or principle under 4.2 (a).

4.3 Managing capacity through competitive allocation of licences

It is likely that in the future, more high profile high demand and environmentally sensitive sites throughout Victoria will require access for commercial operators through a competitively allocated licence system.

The second paragraph under 4.3 is of concern to Tourism Alliance. The sentence reading “This can be achieved by calling for expressions of interest, tendering or auctioning” does not gain the support of Tourism Alliance. The sentence needs to be re-worded to reflect the information contained in 4.3 (h), ie that price will only be a factor in the assessment process when all qualitative criteria are met equally by applicants.

Concerns were raised during the consultation process of the need for any activity relating to the competitive allocation of licenses to ensure: the process is clear; that there is a clear understanding by the business of the terms of review; that the qualitative criteria are able to be defined; and that the process includes independent industry based expertise.
4.3 (j) is not supported in its current form. The system should encourage and reward innovation. If an innovation is developed within the licence and site conditions it is difficult to see why there is any requirement for making the opportunity available to all potential operators.

4.4 Dealing with latency

Proposed policy 4.4 should be reworded to acknowledge the need for operators to accommodate for business growth in their business planning. This would allow them to apply for extra capacity to allow growth over the life of their licence.

**OBJECTIVE 5**

Tourism Alliance discussed at length the views of members in regards to improved compliance and enforcement in the July position paper; particularly in relation to stronger regulation of all operators undertaking commercial activity. These views are still relevant, and should be read in conjunction with the following information that responds to specific aspects of Objective 5.

5.1 Compliance with the requirement to have a licence

Proposed policy 5.1 (a) needs to change the word “should” to “will” to make a stronger, more definite statement about the intent of the policy. Some examples of incentives may also be useful here.

Tourism Alliance supports the strong stance DSE and PV are outlining in 5.1 in regards to non-compliant operators and unlicensed operators.

**OBJECTIVE 6**

6.1 Schools

To ensure all organised groups are managed in an appropriate and equitable manner Tourism Alliance supports the proposed policy direction of 6.1 in the context of our response to policy direction 2.1 (f).

Tourism Alliance recognises the desire to ensure all organised groups can be managed in an appropriate and equitable manner. Where there are specific conditions being applied to businesses conducting commercial activities to support safe and sustainable practices those same conditions must be applied to non-commercial recreation groups, visitors or registered schools.

Tourism Alliance fully supports policy direction 6.1 (c) and recommends that it is enhanced to also include consistency of advice from the Department of Education & Training to ensure all advice clearly identifies the requirements for schools and that ALL organised groups are included within the compliance directions of Objective 5.
Tourism Alliance Victoria

Position Paper
14 July 2005

Public Land Tour Operator and Activity Provider Licence reform

This position paper was adopted by the Tourism Alliance Victoria Board on 13/7/05
Regulation of industry, through the use of licensing systems, has been a feature of all levels of government in Australia for a long time. In recent years the need to regulate has been questioned, often in the name of competition policy, but also from a perspective of reducing red tape for business and ultimately reducing cost and improving services to consumers. Against this background, regulatory regimes need to be clearly defined and articulated against policy objectives, analysed in terms of costs and benefits and closely scrutinised against alternatives that might provide greater benefits with fewer costs.

Tourism Alliance has played an active role in the Public Land Tour Operator and Activity Provider Licence process, as a member of the Department of Sustainability and Environment (DSE) steering committee, in preparing a discussion paper for members and in carrying out direct consultation with Tourism Alliance members. Member forums, one-on-one meetings and telephone consultations were conducted from mid May to mid June throughout the State, covering a wide range of operators and activities including adventure tour operators, horse trail ride operators, surf schools, dolphin and seal swims, bus tour operators and 4WD tour operators. The discussion paper was emailed / mailed to 78 members and posted on the Tourism Alliance web site (17 downloads over 5 weeks)

This paper broadly reflects the views of those members in relation to the nine issues of licence reform identified by DSE and provides a constructive way forward, both for the industry and the regulators. When discussing and reviewing the nine issues with our members, it became clear that many of the issues overlap each other with a number of consistent and underlying themes. As such, it is imperative that the licence review process takes a holistic approach to the issues and does not view each issue in isolation.

1. **Clarification of When a Licence is Required**

This issue can be broken down to two questions: who needs a licence and where a licence is required. The logic behind issuing licences is also relevant, and may be a factor to be considered in the development of a business impact statement (BIS) and a regulation impact statement (RIS).

The issue of ‘who’ needs a licence needs to be addressed in such a way as to ensure that users of public land are capable of managing the environment they are entering, are able to take responsibility for the safety of people in their care and make a contribution to the maintenance and development of facilities they are using (this will be discussed further in relation to fees). Licensing allows for accountability for actions and standards and allows monitoring and regulation of use.

The issue of ‘who’ also relates to the type of business that may have facilitated access to the public land. Distinction between operators should not be made on the basis of ‘for-profit’ or ‘not-for-profit’ given that the distinction is often more imagined than real. A distinction, if it is needed, should be made between community and commercial operators where community groups don’t employ staff or charge fees,

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1 See appendix 1 for a list of members who attended forums
but commercial operators do. An issue arising is then ‘what constitutes a group?’ Certainly, in national parks there are precedents for all users to purchase permits and pay fees (eg the ‘Desert Parks Pass’ in South Australia). In Victoria a ‘High Country Pass’ might work in much the same way. A permit (that is, one-off permission to access sites and use facilities) may be issued to irregular users (eg an annual school camp), with permit conditions ensuring that environmental management and safety issues are effectively addressed.

Regular users, whether they be commercial tour operators, not-for-profit operators or community groups should be licensed to ensure that they are aware of and are able to meet conditions imposed by the relevant authorities. Coach operators who only use public roads should still be included, as they use facilities such as car parks, toilets and picnic tables and provide a substitute product, and therefore competition, to licensed coach operators. Where benefits are to be bestowed (eg for a community group compared to a commercial operator) this can be done with a fee scale rather than a licence system.

Interstate operators accessing Victorian sites should also be licensed and be required to pay fees (eg 4WD ‘tag along’ tours). This may include mutual recognition of interstate licensing systems where they exist and licences/permits for ‘one-off’ visits, with appropriate fees.

The question of ‘where’ is raised as it appears that some public land has not been included in this review (eg inland waterways). All public land (including inland waterways and beaches) should ideally be covered by a single licence that includes ‘endorsements’ for specific sites and/or activities. Dealing with multiple authorities (up to eight as was the case for one member) places a very heavy compliance burden on business operators and discourages the development of diverse products.

- A single licence, with appropriate ‘endorsements’ should cover all public land in Victoria.
- Fees, not licences, should provide a basis for discrimination between different classes of user.
- A distinction should be drawn between ‘commercial’ and ‘community’ users, not ‘commercial’ and ‘not-for-profit’. ‘Community’ users are those who do not pay wages to tour leaders/operators or charge fees to clients.

2. **Licence Conditions**

Licence conditions should be transparent, based on park management plans, where they exist and developed in close consultation with operators. They should be able to be justified (from a BIS/RIS perspective) and tracked back to underpinning legislation. Licences, and licence conditions, should be as consistent as possible whilst recognising that all sites and activities will have unique characteristics. Licence conditions should not be changed without good reason, considerable consultation, advance warning and right of appeal. It needs to be recognised that

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2 The definition of a “group” both from a size and commerciality perspective needs further discussion and analysis.
changes in licence conditions can impose considerable compliance costs on business and shouldn’t be undertaken lightly. Whilst the required business lead time will vary depending on the particular licence condition and the change proposed, as a rule of thumb a full season should be the minimum lead time used. Where price is likely to be affected by a change, particularly in an international market, the lead time should be at least 18 months.

Licence conditions should be able to manage access for competing uses (eg hunters, motor bikes, 4WDs, horse riders, walkers) as well as flexibility, particularly where safety is concerned (eg horses and vehicles sharing roads). Flexibility may include sites accessed, routes taken, scheduling of visits and equipment used, etc.

Licence conditions should encourage and reward good operators with benefits such as longer licence terms.

- Licence conditions should clearly relate to land management and/or legislation.
- Changes to licence conditions should provide adequate lead time (eg 12 months) to allow licencees to adjust.

3. ENFORCEMENT AND COMPLIANCE

Of all the 9 key areas that the reform process is considering, enforcement and compliance was one of the major concerns raised during all of our member forums. There is a strong belief amongst Tourism Alliance members that the lack of enforcement and compliance is leading to a drop in industry standards, an increase in non-compliant behaviour and an increase in unlicensed operators conducting commercial activity on public land. There was a strong belief that enforcement in the field cannot just be reactive in response to complaints, but must also be proactive.

More needs to be done by way of enforcement to prevent non-compliant behaviour by licensed and unlicensed operators and to deter unlicensed operators from conducting tours on public land. In some cases, unlicensed operators are entering the industry with fewer overhead costs (eg insufficient insurance coverage, poorly maintained vehicles and equipment, no licence fees) and can therefore undersell compliant, licensed operators. Whilst resourcing of enforcement might be an issue, it is felt that if the industry knows who the offenders are and where they operate, then a targeted enforcement campaign should be feasible.

Enforcement of licence conditions by management authorities is generally considered to be insufficient, particularly in auditing compliance with requirements such as per capita fee payments and other management/administration processes.

Whilst Parks Victoria officers have a reasonably high profile, and are commended for their good working relationships with licensed operators, enforcement of conditions in the field is considered unsatisfactory. It is important that all licensed operators are not only made aware, but understand compliant and non-compliant behaviour and site specific requirements.
Operators generally have no problem with paying the set fees and complying with licence conditions, but get despondent when unlicensed operators continually operate in direct competition with licensed operators with seemingly no action taken by DSE or Parks Victoria. Anecdotes abound of unlicensed operators consistently conducting commercial tours with disregard for the licencing process and licencing authority. There is broad agreement that a targeted enforcement campaign in parks and specific sites known to be regularly visited by unlicensed operators would ‘spread the word’, drive unlicensed operators out and create more value in the licence.

It is acknowledged that the evidence presented to the Tourism Alliance forums was anecdotal. Members related their own observations of operators who were clearly unlicensed and consistently accessing public land. Members also looked to their own experiences in the administration of compliance and the fact that few, if any, had undergone an audit of fee payments or other compliance requirements, to conclude that enforcement in this area is also unsatisfactory. The way forward on this issue appears to be the development of a transparent process by which enforcement initiatives can be reported. This could serve to create a ‘good news’ story for the industry and warn unlicensed and non-compliant operators that offenders will be apprehended and prosecuted.

Strong enforcement and longer licence terms are considered to be the cornerstones of serious investment leading to the development of a quality industry.

Enforcement of licence conditions needs to be consistent and transparent. This includes an independent process to review enforcement decisions and allocation of demerit points. Transparency also means that the regulations that apply at a given site need to be clear, as well as the authority responsible for enforcing them. This is particularly relevant where there may be multiple layers of authority (eg DSE and a local authority) or where different forms of crown land share a border (eg national park and inland waterway or national park and beach).

Whilst the current demerit system is generally supported by Tourism Alliance members, it is not considered to be used enough and is ineffective against unlicensed operators. As mentioned above, the system needs to be transparent and subject to an independent appeals process. A regime of fines needs to be publicised and imposed on unlicensed operators, and stringently enforced. For instance, if unlicensed operators were made to pay the maximum amount in public land use fees (ie $5500) for the year/s of illegal operation as has occurred previously, compliance levels would increase dramatically. Cases where fines have been issued need to be publicised so that unlicensed operators get the message that they will be caught.

Two-way communication is a critical part of the enforcement process. It should prevent breaches occurring, which should be a prime aim of the system. The consumer affairs model used to license eight occupational groups in Victoria is a system that might be worth considering. It separates licensing (Business Licensing Authority) from enforcement (Consumer Affairs) and review (Victorian Civil and Administrative Tribunal). A system such as this has the potential to rationalise the various regimes currently in existence, provide greater transparency of licensing,
enforcement and review functions and streamline the system both for business and for licensing authorities.3

- Enforcement could be improved through a proactive, targeted campaign in specific sites known to be regularly visited by unlicensed or non-compliant operators.
- Strong, overt and well-publicised enforcement will encourage compliance, professionalism and long term investment.
- Regular two-way communication will improve compliance and assist in better targeting enforcement initiatives.

4. LONGER LICENCE TERMS

There are many inherent and widely acknowledged failings of the current length of tenure offered to licensed operators. For instance, the lack of incentive for operators to invest (infrastructure, marketing) in their business and the difficulty in obtaining support from financial institutions due to lack of business security. Furthermore, short licence terms make attraction and retention of experienced, qualified staff extremely difficult and cause uncertainty for operators and staff toward the end of the 1 or 3 year term.

As a result of consultations with members, longer licence terms are strongly supported by Tourism Alliance and are seen as essential in growing a professional and sustainable nature based tourism industry in Victoria. There are obvious benefits for operators and management authorities in allocating longer licence terms, including the reduced administrative burden.

The current three year licence linked to accreditation has not been taken up to a great extent as it is not considered to provide a substantial benefit when compared to a 12 month licence. In fact, when the ease of obtaining a 12 month licence and the compliance costs involved in accreditation are taken into account, a three year licence actually imposes a cost on the business. Whilst incentives and benefits such as a business listing on Parkweb are supported, their benefits are not considered to outweigh the costs.

Longer licence terms will be taken up when 12 month licences impose a higher degree of professionalism on applicants, when stronger enforcement discourages unlicensed operators, when positive benefits provide a measurable difference and when licence transfer adds value to a business.

During the consultation process, several suggestions were put forward from members regarding longer licence terms; Tourism Alliance’s position is that, where appropriate, a licence with longer length of tenure, eg 10 years, and a rolling renewal should be offered to operators. Obviously, a great deal of investigation needs to be carried out regarding the conditions and operating requirements of such a licence, however the benefits to all parties are clear. The actual length of tenure may vary

3 Further discussion of this model can be found in “Regulatory Architecture: Practitioner Perspectives” by Smith and Ward in “Essays in Australian Consumer Affairs: an occasional series”, Consumer Affairs Victoria, March 2005.
depending on site specific requirements; however, the principle of a longer licence with a rolling renewal should remain the same.

A licence system with a longer term (eg 10 year) and rolling renewal would solve the problems associated with short, fixed term licences and provide a constant operating horizon alleviating the current uncertainty that arises during, and particularly towards the end of a licence term. Longer licence terms with a rolling renewal would encourage greater investment in businesses by operators, help raise the overall standard of operators by attracting and retaining experienced and qualified staff and provide greater continuity of licenced operators in parks. Continuity of operators helps build stronger working relationships between management authorities and industry and, among other things, allows operators to confidently develop and market packaged product in the region.

A longer licence term with rolling renewals would provide greater scope for land management authorities to recognise and reward merit and track record and provide greater incentive for operators to attain accreditation from a DSE endorsed program (EcoCertification, Better Business, etc). A robust compliance system, that rewards quality operators (eg through benefits such as self assessment, internal audit, etc) can streamline the administration process for the licensing authority.

| • Licence terms should be lengthened to ten years with annual rolling renewals.  |
| • Short term licences (ie 1 yr licences) should require a high degree of professionalism and shouldn’t become ‘quasi-evergreen licences’. |
| • Longer licence terms will provide more certainty and more substantial long term investment.  |
| • Longer licence terms, with robust compliance regimes can provide rewards for quality operators and streamline the administration process. |

5. **COMPETITIVE ALLOCATION OF LICENCES**

Competitive allocation of licences should only apply to high demand and environmentally sensitive sites as a means of controlling site access, maintaining environmental and social carrying capacities and ensuring the standard of operator in environmentally sensitive sites.

Where it is deemed necessary to allocate licences through an expression of interest process, a number of factors will need to be investigated to ensure all tenderers (ie existing licencees and prospective new entrants) are treated equitably and that existing operators are recognised for a “clean track record” and for “pioneering” the tourism industry in the region. Prospective new entrants to the industry should be given the opportunity to enter the industry through a fair and transparent tendering process.

The most important aspect of the competitive allocation of licences is not the number of licences allocated, but the carrying capacity of the site or park in question. The carrying capacity of a site needs to be determined (in a collaborative process between management authorities and operators) prior to any licences being
allocated so that the capacity can be spread among several operators. For instance, rather than allocating a set number of licences without a designated capacity, capacity should be allocated with licences and the use of the capacity monitored to ensure latency isn’t occurring at high demand sites and that prospective operators are not being kept out of the market.

As was the case with the allocation of dolphin swim tour permits on Port Phillip Bay, when undertaking an expression of interest / competitive tender process, maximising revenue should not be used as a key determinant in allocating licences; other criteria such as adherence to accreditation and certification standards, environmental management plans and relevant experience should be recognised.

It needs to be recognised that competitive allocation reduces competition by preventing operators from entering a market, once the allocation is made, as well as discouraging long term investment in the activity being re-tendered frequently.

Where competitive allocation of licences cannot control the numbers of people using a resource (eg members of the public using a surf beach), analysis needs to be carried out to determine whether it is the best way to protect the environmental and/or cultural values of a site. Where site capacity is the issue that underlies competitive allocation, there should be industry input into the process of determining the site capacity.

The ‘exclusive rights’ implied by competitive allocation need to be clear. If a commercial operator has won a tender and has paid a licence fee to gain access to a site, does this confer priority over non-commercial users? Will some sensitive sites become ‘guide only’ in response to the pressure of use? A number of sites throughout the state such as Craig’s Hut fall into this category and need to be addressed. This may require the development of a booking and or scheduling system, payment for access or separate facilities and sites for commercial tours/activities, to provide certainty of access.

If competitive allocation is to be used, it needs to focus on issues such as land management and the quality of the operation rather than the amount of the bid. It should recognise local operators who have ‘pioneered’ local tourism activities and use a range of such criteria to create a list of preferred tenderers. Tender selection should not be undertaken by local authorities, particularly where they have responsibility for enforcement.

Competitively allocated licences and capacity must not remain inactive or “latent” for long periods of time. Speculation of licences should be discouraged through legislation requiring licences to be active for a certain length of time per year, a “use it or lose it” policy could be applied to ensure that licences are in fact being used and that prospective operators are not being kept out of the industry.

A study of licence allocation and renewal in other industries (fishing, taxis, casinos) may prove instructive, as may advice from the National Competition Council. If renewal is to be by tender, the process should be completed at least one season ahead, to provide certainty for all parties.
A competitively won licence should be able to be transferred with the sale of the business, as should other licences (see comments under licence transfer).

- Competitive allocation should only be used for high demand and environmentally sensitive sites.
- Tenderers should be treated equitably, with recognition being given for a clean track record and for ‘pioneering’.
- Speculation of licences should be disallowed by a “use it or lose it” policy.
- Priorities in the tender process should be afforded to factors such as the ability to protect and enhance the environment, rather than price.
- Competitive allocation should not be used where alternatives are available.
- The tender process should be completed at least one season in advance.
- The tender process should not be managed by the local enforcement authority.

6. LICENCE FEES

During the Tourism Alliance member consultations, the system of user pays was generally supported, along with a flat annual administration fee. The current system of payment of user pays fees in arrears was supported, given the seasonal nature of the industry. Turnover as a basis for fee payment was strongly rejected and was considered to promote non-compliance. It was also seen as hard to determine what proportion of turnover can be attributed to the Public Land component of a business, particularly if the business incorporates other activities. Whilst there was some support for caps on public land use fees (i.e., the current $5500), in general there was stronger support for uncapped fees, given that these fees are passed on to customers rather than being absorbed by businesses. The current fee structure is seen to favour the larger operators who, once they reach the $5500 threshold are not paying use fees. This is inequitable to smaller operators and is minimising land use fee revenue and hence the amount of money available to reinvest in park infrastructure and maintenance.

- A fee system combining a flat administration fee and ‘user pays’ access fees, payable in arrears is supported.
- Turnover, as a basis for charging fees is rejected.
- User pays access fees should not be capped.

7. LICENSING ARRANGEMENTS AND PROCEDURES

This is a major compliance issue for Tourism Alliance members, as it is the area that creates the greatest administrative burden and, for some businesses, can impose almost continual compliance requirements, given that there is no apparent coordination between licensing authorities. The multiplicity of licensing authorities also tends to create duplication of effort, where recognition between authorities or a rationalisation of licences would minimise the compliance burden. There is strong support for a reduction in the number of applications, returns, renewals, fee payments, etc that have to be prepared by each licensed operator.
Tourism Alliance members have identified that there is often confusion regarding the appropriate licensing authority and who therefore should be approached for a licence or advice on licensing issues. For example, in the High Country there is often confusion about the respective roles of DSE, Parks Victoria and the Mt Buller and Mt Stirling Resort Management Board.

In general, the Parks Victoria licensing procedures are supported as clear and consistent. If these procedures operated on all public land, compliance costs would be significantly reduced. One procedure that is causing some concern is the number of police checks required of some businesses (particularly in dealing with schools). Whilst these checks are separate to the current review, and are paid for by clients, it has been suggested that undergoing a new police check for each client for each activity is a case of ‘overkill’ and could be rationalised in some way. It seems particularly ironic that the person who has to undergo the check is usually the owner, who is often not the person who comes into direct contact with the clients.

A longer length of tenure for licences would also reduce administrative burdens and procedures which would greatly benefit both the protected area managers and the operators.

- Administration should be rationalised as much as possible to reduce compliance costs.
- Mutual recognition of licence and/or accreditation requirements should be used wherever possible, to reduce compliance costs.

8. LICENCE TRANSFER

Licence transfer is one of the important longer term issues for the industry as it is central to operators being able to build value into their businesses. In particular, as visitor numbers grow and access to more sites has to be limited in some way, so will the ability to transfer a licence become critical to the business having any value at all. This will also be the case if longer licence terms, with more stringent conditions, are implemented. Tourism Alliance members understand that licence transfer shouldn’t create a speculative industry in itself and are keen to see operators playing a role in the successful development of the industry, rather than ‘sitting on’ licences and not actually adding value.

From that perspective members feel that businesses should be licensed, not individuals and that licences should not be able to be transferred separately to the business. In other words, a licence should only be able to be transferred with a business. Where a business, rather than an individual, is licensed, it is then reasonable for the business to demonstrate that it has the requisite skills to operate the relevant activity. This may be achieved through a period of probation or the application of the equivalent to a ‘fit and proper person’ test. This would be acceptable as long as it didn’t become a licence ‘re-issue’, which would effectively be a new licence and wouldn’t be a licence transfer at all.

If a business is licensed, and the license can be transferred, but only with the sale of the business, there may be some separate issues that need to be addressed, such as the ability of a business to ‘spin off’ a part of its operation into a new business.
• Businesses should be licensed, not individuals.
• Licences should be able to be transferred on sale of the business.
• Incoming licensees should be able to demonstrate their ability to meet licence conditions.
• Approval of licence transfers should not be unreasonably withheld.

9. IMPROVING THE PERFORMANCE, PROFESSIONALISM AND STANDARDS OF TOUR OPERATORS

Tourism Alliance members invariably addressed this issue in the context of improving the professionalism of the industry, as opposed to individual operators, and it was considered that enforcement was the key issue. If unlicensed and non-compliant operators faced appropriate sanctions, and knew to expect apprehension, standards would immediately improve.

There is widespread support for continuous improvement in the professionalism and standards of operators within the industry, but also that such professionalism should be rewarded through increased marketing benefits, perhaps through a high level branding campaign. If a system conferred these benefits, along with longer licence terms and reduced compliance requirements, then businesses would be very keen to embrace an accreditation or certification scheme.

It is Tourism Alliance’s view that DSE should undertake a review of all existing and relevant industry accreditation and certification programs and identify those that meet the “standards” required to operate sustainable commercial activities on public land.

In addition to the accreditation programs currently recognised under the existing licence system, it is important for the new licence system to consider and recognise a range of other accreditation and certification programs when allocating longer licence terms to operators. There are other accreditation and certification schemes that provide DSE with a useful guide to good and best practice in industry and activity specific sectors that improve the performance, professionalism and operating standards of operators. These should be carefully considered with regard to allocation of longer licences.

For instance, a sector specific accreditation program widely adopted by industry but not recognised under the current system is the Association for Horsemanship, Safety and Education (AHSE) accreditation scheme. This program provides the opportunity for site accreditation through the Association: with standards for safe fencing and facilities, clothing and footwear for horse riding; and equipment standards, ratios of staff to students etc. AHSE Standards incorporate and in some cases exceed the requirements in the 2003 Australian Horse Industry Council Code of Practice for the horse industry. They are designed to promote safe practices, and to aid in improving the effectiveness of any group riding program.

The delivery of accurate information that encourages minimal impact behaviour and a greater appreciation of diversity values were supported. It was felt that this could be incorporate into a system whereby all users make a contribution, not just to the cost of the provision of such material, but also to the cost of maintaining and developing sites (as per the discussion of a ‘High Country Pass’ above).
Some concern was expressed about the introduction of the Adventure Activity Standards, as the Department of Education, arguably the biggest single consumer of the relevant activities is apparently developing a different set of standards. If this is the case, business compliance is destined to become unnecessarily complex.

- Proactive enforcement is a key to improving professionalism and industry standards.
- Improved performance should be rewarded with more flexible compliance conditions.
- Indicators of improved standards, such as accreditation, should encouraged through promotion and branding.
- Recognition of relevant, high quality accreditation schemes will reduce duplication and assist to improve professionalism.
## APPENDIX 1: TOURISM ALLIANCE VICTORIA MEMBERS CONSULTED

<table>
<thead>
<tr>
<th>Member</th>
<th>Business</th>
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<tbody>
<tr>
<td>Daniel Boissevain</td>
<td>5 Star Adventures</td>
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<tr>
<td>Tracey Walker</td>
<td>5 Star Adventures</td>
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<tr>
<td>Geoff Lacey</td>
<td>Angling Expeditions Victoria</td>
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<tr>
<td>Ian Webster</td>
<td>Bindaree Group</td>
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<td>Rob Daniel</td>
<td>Bindaree Group</td>
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<tr>
<td>Steve Baird</td>
<td>Bogong Horseback Adventures</td>
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<tr>
<td>Kath Baird</td>
<td>Bogong Horseback Adventures</td>
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<td>Rolf Schonfeld</td>
<td>Bushaus Adventures</td>
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<tr>
<td>Jim Maher</td>
<td>Echuca Boat and Canoe Hire</td>
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<tr>
<td>David Smith</td>
<td>Geelong Train Hire</td>
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<tr>
<td>Jenny Edwards</td>
<td>Gippsland High Country Tours</td>
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<td>Terry Smit</td>
<td>Go West Tours</td>
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<tr>
<td>Chris Dunlop</td>
<td>High Country Horses</td>
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<tr>
<td>Ray “Whimpey” Reichelt</td>
<td>Little Desert Nature lodge</td>
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<tr>
<td>Bruce Jackson</td>
<td>Little Desert Nature lodge</td>
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<tr>
<td>Glenda Lovick</td>
<td>Lovick’s Mountain Safaris</td>
</tr>
<tr>
<td>Debra McCormack</td>
<td>McCormack’s Mountain Valley Trail Rides</td>
</tr>
<tr>
<td>Bruce McCormack</td>
<td>McCormack’s Mountain Valley Trail Rides</td>
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<tr>
<td>Jim Curtis</td>
<td>Polperro Dolphin Swims</td>
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<tr>
<td>Geza Kouacs</td>
<td>Rio’s Alpine Centre</td>
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<tr>
<td>Hank Reizenbrink</td>
<td>Sea All Dolphin Swims</td>
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<tr>
<td>Mike Sheehan</td>
<td>Southern Exposure Eco Adventures</td>
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<tr>
<td>Craig Jones</td>
<td>Stirling Experience</td>
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<tr>
<td>Barb Jones</td>
<td>Stirling Experience</td>
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<tr>
<td>Graham Turner</td>
<td>Westcoast Adventures</td>
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Tourism Alliance Victoria

Position Paper
14 July 2005

Public Land Tour Operator
and
Activity Provider Licence reform

This position paper was adopted by the Tourism Alliance Victoria Board on 13/7/05
Regulation of industry, through the use of licensing systems, has been a feature of all levels of government in Australia for a long time. In recent years the need to regulate has been questioned, often in the name of competition policy, but also from a perspective of reducing red tape for business and ultimately reducing cost and improving services to consumers. Against this background, regulatory regimes need to be clearly defined and articulated against policy objectives, analysed in terms of costs and benefits and closely scrutinised against alternatives that might provide greater benefits with fewer costs.

Tourism Alliance has played an active role in the Public Land Tour Operator and Activity Provider Licence process, as a member of the Department of Sustainability and Environment (DSE) steering committee, in preparing a discussion paper for members and in carrying out direct consultation with Tourism Alliance members\(^1\). Member forums, one-on-one meetings and telephone consultations were conducted from mid May to mid June throughout the State, covering a wide range of operators and activities including adventure tour operators, horse trail ride operators, surf schools, dolphin and seal swims, bus tour operators and 4WD tour operators. The discussion paper was emailed / mailed to 78 members and posted on the Tourism Alliance web site (17 downloads over 5 weeks).

This paper broadly reflects the views of those members in relation to the nine issues of licence reform identified by DSE and provides a constructive way forward, both for the industry and the regulators. When discussing and reviewing the nine issues with our members, it became clear that many of the issues overlap each other with a number of consistent and underlying themes. As such, it is imperative that the licence review process takes a holistic approach to the issues and does not view each issue in isolation.

1. **Clarification of When a Licence is Required**

This issue can be broken down to two questions: who needs a licence and where a licence is required. The logic behind issuing licences is also relevant, and may be a factor to be considered in the development of a business impact statement (BIS) and a regulation impact statement (RIS).

The issue of ‘who’ needs a licence needs to be addressed in such a way as to ensure that users of public land are capable of managing the environment they are entering, are able to take responsibility for the safety of people in their care and make a contribution to the maintenance and development of facilities they are using (this will be discussed further in relation to fees). Licensing allows for accountability for actions and standards and allows monitoring and regulation of use.

The issue of ‘who’ also relates to the type of business that may have facilitated access to the public land. Distinction between operators should not be made on the basis of ‘for-profit’ or ‘not-for-profit’ given that the distinction is often more imagined than real. A distinction, if it is needed, should be made between community and commercial operators where community groups don’t employ staff or charge fees, but commercial operators do. An issue arising is then ‘what constitutes a group?’ Certainly, in national parks there are precedents for all users to purchase permits and pay fees (eg...)

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\(^{1}\) See appendix 1 for a list of members who attended forums
the ‘Desert Parks Pass’ in South Australia). In Victoria a ‘High Country Pass’ might work in much the same way². A permit (that is, one-off permission to access sites and use facilities) may be issued to irregular users (e.g. an annual school camp), with permit conditions ensuring that environmental management and safety issues are effectively addressed.

Regular users, whether they be commercial tour operators, not-for-profit operators or community groups should be licensed to ensure that they are aware of and are able to meet conditions imposed by the relevant authorities. Coach operators who only use public roads should still be included, as they use facilities such as car parks, toilets and picnic tables and provide a substitute product, and therefore competition, to licensed coach operators. Where benefits are to be bestowed (e.g. for a community group compared to a commercial operator) this can be done with a fee scale rather than a licence system.

Interstate operators accessing Victorian sites should also be licensed and be required to pay fees (e.g. 4WD ‘tag along’ tours). This may include mutual recognition of interstate licensing systems where they exist and licences/permits for ‘one-off’ visits, with appropriate fees.

The question of ‘where’ is raised as it appears that some public land has not been included in this review (e.g. inland waterways). All public land (including inland waterways and beaches) should ideally be covered by a single licence that includes ‘endorsements’ for specific sites and/or activities. Dealing with multiple authorities (up to eight as was the case for one member) places a very heavy compliance burden on business operators and discourages the development of diverse products.

A single licence, with appropriate ‘endorsements’ should cover all public land in Victoria.

Fees, not licences, should provide a basis for discrimination between different classes of user.

A distinction should be drawn between ‘commercial’ and ‘community’ users, not ‘commercial’ and ‘not-for-profit’. ‘Community’ users are those who do not pay wages to tour leaders/operators or charge fees to clients.

2. Licence Conditions

Licence conditions should be transparent, based on park management plans, where they exist and developed in close consultation with operators. They should be able to be justified (from a BIS/RIS perspective) and tracked back to underpinning legislation. Licences, and licence conditions, should be as consistent as possible whilst recognising that all sites and activities will have unique characteristics. Licence conditions should not be changed without good reason, considerable consultation, advance warning and right of appeal. It needs to be recognised that changes in licence conditions can impose considerable compliance costs on business and shouldn’t be undertaken lightly. Whilst the required business lead time will vary depending on the particular licence condition and the change proposed, as a rule of thumb a full season should be the minimum lead time used. Where price is likely to

² The definition of a “group” both from a size and commerciality perspective needs further discussion and analysis.
be affected by a change, particularly in an international market, the lead time should be at least 18 months.

Licence conditions should be able to manage access for competing uses (eg hunters, motor bikes, 4WDs, horse riders, walkers) as well as flexibility, particularly where safety is concerned (eg horses and vehicles sharing roads). Flexibility may include sites accessed, routes taken, scheduling of visits and equipment used, etc.

Licence conditions should encourage and reward good operators with benefits such as longer licence terms.

- Licence conditions should clearly relate to land management and/or legislation.
- Changes to licence conditions should provide adequate lead time (eg 12 months) to allow licencees to adjust.

3. ENFORCEMENT AND COMPLIANCE

Of all the 9 key areas that the reform process is considering, enforcement and compliance was one of the major concerns raised during all of our member forums. There is a strong belief amongst Tourism Alliance members that the lack of enforcement and compliance is leading to a drop in industry standards, an increase in non-compliant behaviour and an increase in unlicensed operators conducting commercial activity on public land. There was a strong belief that enforcement in the field cannot just be reactive in response to complaints, but must also be proactive.

More needs to be done by way of enforcement to prevent non-compliant behaviour by licensed and unlicensed operators and to deter unlicensed operators from conducting tours on public land. In some cases, unlicensed operators are entering the industry with fewer overhead costs (eg insufficient insurance coverage, poorly maintained vehicles and equipment, no licence fees) and can therefore undersell compliant, licensed operators. Whilst resourcing of enforcement might be an issue, it is felt that if the industry knows who the offenders are and where they operate, then a targeted enforcement campaign should be feasible.

Enforcement of licence conditions by management authorities is generally considered to be insufficient, particularly in auditing compliance with requirements such as per capita fee payments and other management/administration processes.

Whilst Parks Victoria officers have a reasonably high profile, and are commended for their good working relationships with licensed operators, enforcement of conditions in the field is considered unsatisfactory. It is important that all licensed operators are not only made aware, but understand compliant and non-compliant behaviour and site specific requirements.

Operators generally have no problem with paying the set fees and complying with licence conditions, but get despondent when unlicensed operators continually operate in direct competition with licensed operators with seemingly no action taken by DSE or Parks Victoria. Anecdotes abound of unlicensed operators consistently conducting commercial tours with disregard for the licencing process and licencing authority.
There is broad agreement that a targeted enforcement campaign in parks and specific sites known to be regularly visited by unlicensed operators would ‘spread the word’, drive unlicensed operators out and create more value in the licence.

It is acknowledged that the evidence presented to the Tourism Alliance forums was anecdotal. Members related their own observations of operators who were clearly unlicensed and consistently accessing public land. Members also looked to their own experiences in the administration of compliance and the fact that few, if any, had undergone an audit of fee payments or other compliance requirements, to conclude that enforcement in this area is also unsatisfactory. The way forward on this issue appears to be the development of a transparent process by which enforcement initiatives can be reported. This could serve to create a ‘good news’ story for the industry and warn unlicensed and non-compliant operators that offenders will be apprehended and prosecuted.

Strong enforcement and longer licence terms are considered to be the cornerstones of serious investment leading to the development of a quality industry.

Enforcement of licence conditions needs to be consistent and transparent. This includes an independent process to review enforcement decisions and allocation of demerit points. Transparency also means that the regulations that apply at a given site need to be clear, as well as the authority responsible for enforcing them. This is particularly relevant where there may be multiple layers of authority (eg DSE and a local authority) or where different forms of crown land share a border (eg national park and inland waterway or national park and beach).

Whilst the current demerit system is generally supported by Tourism Alliance members, it is not considered to be used enough and is ineffective against unlicensed operators. As mentioned above, the system needs to be transparent and subject to an independent appeals process. A regime of fines needs to be publicised and imposed on unlicensed operators, and stringently enforced. For instance, if unlicensed operators were made to pay the maximum amount in public land use fees (ie $5500) for the year/s of illegal operation as has occurred previously, compliance levels would increase dramatically. Cases where fines have been issued need to be publicised so that unlicensed operators get the message that they will be caught.

Two-way communication is a critical part of the enforcement process. It should prevent breaches occurring, which should be a prime aim of the system. The consumer affairs model used to license eight occupational groups in Victoria is a system that might be worth considering. It separates licensing (Business Licensing Authority) from enforcement (Consumer Affairs) and review (Victorian Civil and Administrative Tribunal). A system such as this has the potential to rationalise the various regimes currently in existence, provide greater transparency of licensing, enforcement and review functions and streamline the system both for business and for licensing authorities.3

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Where it is deemed necessary to allocate licences through an expression of interest process, a number of factors will need to be investigated to ensure all tenderers (ie existing licencees and prospective new entrants) are treated equitably and that existing operators are recognised for a “clean track record” and for “pioneering” the tourism industry in the region. Prospective new entrants to the industry should be given the opportunity to enter the industry through a fair and transparent tendering process.

The most important aspect of the competitive allocation of licences is not the number of licences allocated, but the carrying capacity of the site or park in question. The carrying capacity of a site needs to be determined (in a collaborative process between management authorities and operators) prior to any licences being allocated so that the capacity can be spread among several operators. For instance, rather than allocating a set number of licences without a designated capacity, capacity should be allocated with licences and the use of the capacity monitored to ensure latency isn’t occurring at high demand sites and that prospective operators are not being kept out of the market.
As was the case with the allocation of dolphin swim tour permits on Port Phillip Bay, when undertaking an expression of interest / competitive tender process, maximising revenue should not be used as a key determinant in allocating licences; other criteria such as adherence to accreditation and certification standards, environmental management plans and relevant experience should be recognised.

It needs to be recognised that competitive allocation reduces competition by preventing operators from entering a market, once the allocation is made, as well as discouraging long term investment in the activity being re-tendered frequently.

Where competitive allocation of licences cannot control the numbers of people using a resource (eg members of the public using a surf beach), analysis needs to be carried out to determine whether it is the best way to protect the environmental and/or cultural values of a site. Where site capacity is the issue that underlies competitive allocation, there should be industry input into the process of determining the site capacity.

The ‘exclusive rights’ implied by competitive allocation need to be clear. If a commercial operator has won a tender and has paid a licence fee to gain access to a site, does this confer priority over non-commercial users? Will some sensitive sites become ‘guide only’ in response to the pressure of use? A number of sites throughout the state such as Craig’s Hut fall into this category and need to be addressed. This may require the development of a booking and or scheduling system, payment for access or separate facilities and sites for commercial tours/activities, to provide certainty of access.

If competitive allocation is to be used, it needs to focus on issues such as land management and the quality of the operation rather than the amount of the bid. It should recognise local operators who have ‘pioneered’ local tourism activities and use a range of such criteria to create a list of preferred tenderers. Tender selection should not be undertaken by local authorities, particularly where they have responsibility for enforcement.

Competitively allocated licences and capacity must not remain inactive or “latent” for long periods of time. Speculation of licences should be discouraged through legislation requiring licences to be active for a certain length of time per year, a “use it or lose it” policy could be applied to ensure that licences are in fact being used and that prospective operators are not being kept out of the industry.

A study of licence allocation and renewal in other industries (fishing, taxis, casinos) may prove instructive, as may advice from the National Competition Council. If renewal is to be by tender, the process should be completed at least one season ahead, to provide certainty for all parties.

A competitively won licence should be able to be transferred with the sale of the business, as should other licences (see comments under licence transfer).
Public Land Tour Operator and Activity Provider Licence Reforms

- Competitive allocation should only be used for high demand and environmentally sensitive sites.
- Tenderers should be treated equitably, with recognition being given for a clean track record and for ‘pioneering’.
- Speculation of licences should be disallowed by a “use it or lose it” policy.
- Priorities in the tender process should be afforded to factors such as the ability to protect and enhance the environment, rather than price.
- Competitive allocation should not be used where alternatives are available.
- The tender process should be completed at least one season in advance.
- The tender process should not be managed by the local enforcement authority.

6. LICENCE FEES

During the Tourism Alliance member consultations, the system of user pays was generally supported, along with a flat annual administration fee. The current system of payment of user pays fees in arrears was supported, given the seasonal nature of the industry. Turnover as a basis for fee payment was strongly rejected and was considered to promote non-compliance. It was also seen as hard to determine what proportion of turnover can be attributed to the Public Land component of a business, particularly if the business incorporates other activities. Whilst there was some support for caps on public land use fees (ie the current $5500), in general there was stronger support for uncapped fees, given that these fees are passed on to customers rather than being absorbed by businesses. The current fee structure is seen to favour the larger operators who, once they reach the $5500 threshold are not paying use fees. This is inequitable to smaller operators and is minimising land use fee revenue and hence the amount of money available to reinvest in park infrastructure and maintenance.

- A fee system combining a flat administration fee and ‘user pays’ access fees, payable in arrears is supported.
- Turnover, as a basis for charging fees is rejected.
- User pays access fees should not be capped.

7. LICENSING ARRANGEMENTS AND PROCEDURES

This is a major compliance issue for Tourism Alliance members, as it is the area that creates the greatest administrative burden and, for some businesses, can impose almost continual compliance requirements, given that there is no apparent co-ordination between licensing authorities. The multiplicity of licensing authorities also tends to create duplication of effort, where recognition between authorities or a rationalisation of licences would minimise the compliance burden. There is strong support for a reduction in the number of applications, returns, renewals, fee payments, etc that have to be prepared by each licensed operator.

Tourism Alliance members have identified that there is often confusion regarding the appropriate licensing authority and who therefore should be approached for a licence or advice on licensing issues. For example, in the High Country there is often
confusion about the respective roles of DSE, Parks Victoria and the Mt Buller and Mt Stirling Resort Management Board.

In general, the Parks Victoria licensing procedures are supported as clear and consistent. If these procedures operated on all public land, compliance costs would be significantly reduced. One procedure that is causing some concern is the number of police checks required of some businesses (particularly in dealing with schools). Whilst these checks are separate to the current review, and are paid for by clients, it has been suggested that undergoing a new police check for each client for each activity is a case of ‘overkill’ and could be rationalised in some way. It seems particularly ironic that the person who has to undergo the check is usually the owner, who is often not the person who comes into direct contact with the clients.

A longer length of tenure for licences would also reduce administrative burdens and procedures which would greatly benefit both the protected area managers and the operators.

- **Administration should be rationalised as much as possible to reduce compliance costs.**
- **Mutual recognition of licence and/or accreditation requirements should be used wherever possible, to reduce compliance costs.**

### 8. Licence Transfer

Licence transfer is one of the important longer term issues for the industry as it is central to operators being able to build value into their businesses. In particular, as visitor numbers grow and access to more sites has to be limited in some way, so will the ability to transfer a licence become critical to the business having any value at all. This will also be the case if longer licence terms, with more stringent conditions, are implemented. Tourism Alliance members understand that licence transfer shouldn’t create a speculative industry in itself and are keen to see operators playing a role in the successful development of the industry, rather than ‘sitting on’ licences and not actually adding value.

From that perspective members feel that businesses should be licensed, not individuals and that licences should not be able to be transferred separately to the business. In other words, a licence should only be able to be transferred with a business. Where a business, rather than an individual, is licensed, it is then reasonable for the business to demonstrate that it has the requisite skills to operate the relevant activity. This may be achieved through a period of probation or the application of the equivalent to a ‘fit and proper person’ test. This would be acceptable as long as it didn’t become a licence ’re-issue’, which would effectively be a new licence and wouldn’t be a licence transfer at all.

If a business is licensed, and the license can be transferred, but only with the sale of the business, there may be some separate issues that need to be addressed, such as the ability of a business to ‘spin off’ a part of its operation into a new business.
9. IMPROVING THE PERFORMANCE, PROFESSIONALISM AND STANDARDS OF TOUR OPERATORS

Tourism Alliance members invariably addressed this issue in the context of improving the professionalism of the industry, as opposed to individual operators, and it was considered that enforcement was the key issue. If unlicensed and non-compliant operators faced appropriate sanctions, and knew to expect apprehension, standards would immediately improve.

There is widespread support for continuous improvement in the professionalism and standards of operators within the industry, but also that such professionalism should be rewarded through increased marketing benefits, perhaps through a high level branding campaign. If a system conferred these benefits, along with longer licence terms and reduced compliance requirements, then businesses would be very keen to embrace an accreditation or certification scheme.

It is Tourism Alliance’s view that DSE should undertake a review of all existing and relevant industry accreditation and certification programs and identify those that meet the “standards” required to operate sustainable commercial activities on public land.

In addition to the accreditation programs currently recognised under the existing licence system, it is important for the new licence system to consider and recognise a range of other accreditation and certification programs when allocating longer licence terms to operators. There are other accreditation and certification schemes that provide DSE with a useful guide to good and best practice in industry and activity specific sectors that improve the performance, professionalism and operating standards of operators. These should be carefully considered with regard to allocation of longer licences.

For instance, a sector specific accreditation program widely adopted by industry but not recognised under the current system is the Association for Horsemanship, Safety and Education (AHSE) accreditation scheme. This program provides the opportunity for site accreditation through the Association: with standards for safe fencing and facilities, clothing and footwear for horse riding; and equipment standards, ratios of staff to students etc. AHSE Standards incorporate and in some cases exceed the requirements in the 2003 Australian Horse Industry Council Code of Practice for the horse industry. They are designed to promote safe practices, and to aid in improving the effectiveness of any group riding program.

The delivery of accurate information that encourages minimal impact behaviour and a greater appreciation of diversity values were supported. It was felt that this could be incorporate into a system whereby all users make a contribution, not just to the cost of
the provision of such material, but also to the cost of maintaining and developing sites (as per the discussion of a ‘High Country Pass‘ above)

Some concern was expressed about the introduction of the Adventure Activity Standards, as the Department of Education, arguably the biggest single consumer of the relevant activities is apparently developing a different set of standards. If this is the case, business compliance is destined to become unnecessarily complex.

- **Proactive enforcement is a key to improving professionalism and industry standards.**
- **Improved performance should be rewarded with more flexible compliance conditions.**
- **Indicators of improved standards, such as accreditation, should be encouraged through promotion and branding.**
- **Recognition of relevant, high quality accreditation schemes will reduce duplication and assist to improve professionalism.**
## Appendix 1: Tourism Alliance Victoria Members Consulted

<table>
<thead>
<tr>
<th>Member</th>
<th>Business</th>
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<tbody>
<tr>
<td>Daniel Boissevain</td>
<td>5 Star Adventures</td>
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<tr>
<td>Tracey Walker</td>
<td>5 Star Adventures</td>
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<td>Geoff Lacey</td>
<td>Angling Expeditions Victoria</td>
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<td>Ian Webster</td>
<td>Bindaree Group</td>
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<td>Rob Daniel</td>
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<td>Kath Baird</td>
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<td>David Smith</td>
<td>Geelong Train Hire</td>
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<tr>
<td>Jenny Edwards</td>
<td>Gippsland High Country Tours</td>
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<td>Terry Smit</td>
<td>Go West Tours</td>
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<tr>
<td>Chris Dunlop</td>
<td>High Country Horses</td>
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<tr>
<td>Ray “Whimpey” Reichelt</td>
<td>Little Desert Nature lodge</td>
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<td>Bruce Jackson</td>
<td>Little Desert Nature lodge</td>
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<td>Glenda Lovick</td>
<td>Lovick’s Mountain Safaris</td>
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<td>Debra McCormack</td>
<td>McCormack’s Mountain Valley Trail Rides</td>
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<td>Bruce McCormack</td>
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<td>Jim Curtis</td>
<td>Polperro Dolphin Swims</td>
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<tr>
<td>Geza Kouacs</td>
<td>Rio’s Alpine Centre</td>
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<tr>
<td>Hank Reizenbrink</td>
<td>Sea All Dolphin Swims</td>
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<td>Mike Sheehan</td>
<td>Southern Exposure Eco Adventures</td>
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<td>Craig Jones</td>
<td>Stirling Experience</td>
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<tr>
<td>Barb Jones</td>
<td>Stirling Experience</td>
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<tr>
<td>Graham Turner</td>
<td>Westcoast Adventures</td>
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Submission to
House of Representatives Committee
Inquiry into

“Workforce Challenges in the Australian Tourism Sector”

Nicholas Hunt
Chief Executive
Tourism Alliance Victoria
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Research undertaken by Tourism Alliance Victoria – August 2006
Report written and compiled by:
Bindi Gove – Manager, Policy and Industry Development
“Skills for Yield”
Workforce Challenges and Victoria’s Tourism Industry

1. EXECUTIVE SUMMARY

The skills shortage issue has been on the tourism radar for some time. It has been considered as part of broader discussions relating to the growth of the services sector in Australia and the lack of labour and skills to meet the growth\(^1\).

As an industry tourism is significant from an economic, cultural and community perspective. All the evidence reinforces tourism’s value as a growing labour intensive industry with the current and future capacity to generate significant export earnings through international tourism. In addition tourism is becoming an increasingly important element in supporting regional and rural communities as they look to the future.

Tourism Alliance Victoria conducted a survey of its members to inform its discussion on this issue. The results of the survey are detailed in section five of this report. The bulk of those surveyed are not in the hospitality area of the sector, which is reported to experience greater skills and labour shortage issues than other parts of the sector. Nonetheless, the survey findings reflect broader research results regarding this issue.

The survey highlights the impact of the issue on small businesses based in rural areas or regional centres. Those businesses most affected are Caravan Parks, Tourist Attractions, Tour Operators and Nature Based Tourism Businesses. The occupations most difficult to fill are contractors i.e cleaners, tradespeople (19%). This is particularly true for the caravan park industry. Other difficult positions to fill included front office and reception staff (20.3%), Guides (18.6%), Customer Service Staff (16.9%), Chefs (13.6%) and sales staff (10.2%).

Tourism Alliance Victoria has outlined a number of recommendations to Government which include:
- Generating awareness of solutions which work.
- The need for accurate data on this issue;
- Encouragement of older workers into the workforce;
- Encouragement of women with families into the workforce;
- Industry based training;
- Encouragement of professionalism and excellence;

\(^1\) Rosalie McLachlan; Colin Clark; Ian Monday; Australia’s Service Sector: A Study in Diversity; Canberra; Productivity Commission, 2002
2. WHY ARE WE INTERESTED IN RESPONDING?

Tourism Alliance Victoria is a peak industry body advocating for and supporting the development of a professional and sustainable tourism industry across Victoria.

Founded in 2004, Tourism Alliance Victoria was created out of the merger of Country Victoria Tourism Council and the Victorian Tourism Operators Association.

Today Tourism Alliance Victoria:

- Through proactive involvement with our members, provides advice and an industry voice to local, state and federal government on all tourism related issues;
- Advocates for strategies that will provide a clear direction for the growth and yield of tourism across Victoria;
- Works with local government and local tourism associations to identify product gaps and establish and implement strategies for tourism growth which may include planning, product development initiatives, tourism signposting, tourism structures and visitor services;
- Provides professional development and business enhancement initiatives for a diverse range of tourism businesses;
- Maintains industry integrity through standards compliance and continual improvement programs.
- Provides a forum to review tourism issues, create policy and exchange information; and
- Undertakes research to evaluate and monitor: effectiveness of marketing, visitor satisfaction and new product needs and opportunities.

2.1 A Membership Based Organisation

Tourism Alliance Victoria is made up of regional tourism associations, individual tour operators, adventure and nature based businesses, major attractions and accommodation providers, each of whom are contributing to a vibrant and dynamic tourism industry.

This direct relationship with our members enables us to bring a statewide perspective to all issues affecting tourism. www.tourismalliance.com.au

Our 670 strong member network meet and actively contribute on matters of interest. To maximise the interaction within our membership, activities are conducted at a general industry wide basis as well as within an Activity Group where like businesses engage and focus on matters of a sectoral nature.

Tourism Alliance Victoria Activity Groups include:
- Attractions (metropolitan & regional)
- Adventure & nature based
- Regional Tourism
- Visitor Services
- Regional Conferencing

In addition Accommodation Getaways Victoria, Victorian Caravan Parks Association and the Regional Victoria Conference Group have all contributed. Tourism Alliance Victoria welcomes the opportunity to respond to make a submission.
3. INTRODUCTION

The skills and labour shortage issue in the tourism industry has been the subject of a number of national and state strategies, enquiries and roundtable discussions. The impact and complexity of the issue, while difficult to accurately quantify, is well documented². It is part of a national economy wide concern and is in no way unique to Victoria or the tourism industry.³

3.1 Actions to date

Examples of actions relating to the skills shortage issue include:

Peak industry body National Tourism Alliance has been working with partners including Tourism Alliance Victoria and the Department of Industry Tourism and Resources via a Tourism Labour Force Working Group. The objectives of the group include consideration of ongoing, industry lead strategies to address labour force needs; consideration of government grant programs relevant to the tourism and hospitality industry labour force and determination of short-term data requirements and actions necessary to identify tourism and hospitality industry labour force needs.

The Department of Education, Science and Training has developed a National Skills Shortages Strategy which resulted in support for a number of projects including the National Tourism Industry Training Committee - Training Indigenous People Program.⁴

In May this year the Minister for Vocational and Technical Education announced a funding commitment of $22 million towards the Institute for Trade Skills Excellence. Linked to the skills shortages issue, the Institute is aimed at lifting employer engagement in vocational and technical education and includes an Industry Reference Group for the hospitality and personal services industry.⁵

3.2 Extent of Issue and Trends

Notwithstanding steps taken by Government and industry, the issue remains prominent and the difficulty in filling vacancies is a national issue. Despite record low unemployment levels, Australia still has a high level of dependence on income support and lags behind other countries in terms of labour force participation rates- particularly amongst those on welfare, people aged over 55 and women with families.⁶

One indicator reflecting the extent of the issue nationally is the number of vacancies on Australian JobSearch (the Department of Workplace Relations online employment site). Of the total vacancies (72,100) recorded on the site in mid June 2006, the Food, Hospitality and Tourism Sector accounted for 7,600. This placed the sector third highest out of a total of twenty occupation groups.⁷

National Labour Market figures extracted in 2005 highlight the growth trend for the industry stating that the tourism and hospitality industry has experienced strong employment growth since 2000, with 60,900 additional jobs created.⁸ Demographic changes will shift local additions to the workforce from 170,000 over a 12 month period in 2006 to only 125,000 local additions over 10 years from 2020.

³ Ibid p2
⁴ www.getatrade.gov.au
⁵ Australia: directors promote trade skills excellence US Fed News 26 May 2006
Service Skills Victoria in their report “Industry Change Drivers- 2005 Service Industry Qualitative Data” indicated that the Victorian tourism industry employed 156,000 people in 2002-03. This equated to 6.7% of the total employment in the state. This figure represents a 15% increase from 134,000 jobs (6.2%) in 1997-98. 9

The Department of Education, Science and Training states that occupations within the tourism and hospitality sectors with the greatest employment growth forecasts from 2003-4 through to 2009-10 include: Cooks, Chefs, Waiters, Travel Consultants, Tour Guides and Customer Service Officers. Chefs have the strongest growth prospects at 16.7% over the next five years. 10

The Department of Employment Workplace Relations suggests that national employment in the tourism sector is projected to grow moderately to 2010. 11

3.3 Tourism Alliance Findings Parallel Broader Research
The Tourism Alliance survey parallels findings from broader research and reporting in this area. It also reflects the findings of similar surveys conducted by other organisations including Service Skills Victoria, Tourism and Transport Forum and the Victorian Employers Chamber of Commerce and Industry. It highlights the impact of the issue on small business generally and rural and regionally based businesses in particular.

Most of the Tourism Alliance businesses which are affected have not accessed any Government training or employment scheme support. While some indicated they had tried to use schemes without success, the overall lack of use raises the question about the level of awareness of training and employment schemes, the suitability of what is provided and the accessibility of services to rural and regional areas. The issue is clearly the subject of a broader discussion which is outlined in the Department of Education, Science and Training’s Industry Skills Report. 12 Addressing the divide between industry requirements and training programs is also at the heart of the work of the Institute for Trade Skills.

Some of the occupations identified within this survey as being most difficult to fill are known to be in short supply nationally. Chefs have been identified as being a skill in demand by all states of Australia in the latest Skills in Demand List. 13 They are listed, along with Cooks and Pastry Cooks as occupations in demand on the Migration Occupations in Demand List. 14 The difficulty in finding contractors is mirrored in other similar surveys. 15

The Tourism Alliance survey results emphasize the dependence, by the sector on casual staff. Sixty nine percent (69%) of respondents indicated that casual jobs were the most difficult to fill. The trend of casualisation of the workforce was raised in some time series research of skilled workers conducted by Tourism Alliance in both 2002 and 2005.

9 Service Skills Victoria; Industry Change Drivers Report 2005; Melbourne; February 2005
10 Industry Skills Report, Service Industries; Canberra; Australian Government Department of Education, Science and Training; June 2006
11 IBID
12 IBID pg 17
Some sectors of the tourism industry—particularly those in hospitality—are dominated by casual employment. Sixty-eight percent (68%) of jobs in pubs, taverns, and bars are casual, over half of the jobs in cafes and restaurants are casual, and 45.3% of jobs in the accommodation business are casual.16

Those businesses that did not experience difficulty in recruiting experienced staff were generally larger businesses (relative to others in the sector) with a relatively strong brand; a track record of success in the industry and an understanding about competitive remuneration which includes more than just salary. Further research is required in this area.

4 MASSAGE AND BEAUTY THERAPY BUSINESS – POMONAL, VICTORIA

Pomonal is near the towns of Stawell and Ararat in western Victoria, it is the base of a number of tourism related businesses and the one described in this case study has a high dependence on tourism.

The business employs the two owners on a full-time basis plus one permanent part-time staff member and one casual person. Since opening, the volume of business has grown which resulted in the business requiring more staff. Part-time staff are particularly required as the physical nature of the job means many people cannot cope with full-time massage work. The business cannot get massage therapists of any nature—full-time, part-time, or casual and has difficulty in recruiting beauty therapists. The only training schools for these occupations are in Warrnambool and Bendigo which do not service the area where the business is located. The owners are of the opinion that 16-20 year olds that move away to train in these occupations do not move back. This coupled with the distance from the training providers has magnified the issue for the business. The single biggest block to the business expansion plans is staffing.

In order to address this issue the business owners entered into negotiations with the Registered Training School where they trained. They have been successful in encouraging the training school to gain expressions of interest in running training out of nearby Ararat. The School requires 12 Students and will run Certificate 4 in Massage Therapy on a part-time basis which will ultimately lead into the Diploma. Teachers will come from Melbourne and Bacchus Marsh to deliver the training. The process of negotiation has taken a year but it will result in locally trained Massage Therapists. This will allow the business to progress with their expansion plans which will require 2 full-time and 12-15 part-time staff.

16 Service Skills Report op.cit.
5 SURVEY SUMMARY

5.1 Business Profile

Tourism Business Sector
An online survey was distributed by email in August 2006. Two hundred and twenty three (223) businesses responded to the survey. Sectors represented in the survey include: caravan parks (34%), tour operators (12.6%), tourist attractions (11.7%) visitor information centres (8.5%), nature based tourism businesses (4.9%) Regional Tourism Associations (4.9%) and Local Tourism Associations (3.6%). A small number of Responses were also received from wineries, 4-5 star and 2-3.5 star hotel/motels, bed and breakfast/farmstay businesses, serviced apartments, tourism service providers and food/beverage businesses.

Business Size
The majority of business (38%) represented in the survey have between five and nineteen employees. Twenty nine percent (29%) of businesses have between 1 and 4 employees.

Business Location
Forty two (42%) of businesses are located in rural areas, 35% in regional centres and 24% in metropolitan areas.
5.2 **Summary of Issues affecting all businesses**

- Businesses with between 1-4 employees experience the most difficulty in filling vacant positions;
- Contractors e.g tradespeople, cleaners, IT are the most difficult positions to fill (31.6%), along with Guides (21.1%), Front Office/Reception (19.3%) and Customer service staff (17.5%);
- Casual vacancies are the hardest to fill (69%) followed by full time jobs (41.4%), part-time jobs (34.5%) and volunteer roles (19%);
- For all businesses the skills shortage issue (60%) is greater than the labour shortage issue (21.7%) and seasonality issue (18.3%);
- Most businesses do not use Government training or employment schemes (70%);
- Those that use Government training or employment schemes are most likely to be regionally based Tourism Attractions employing 20-99 staff;
- Oil prices/cost of petrol is sited as a critical constraint to businesses.

5.3 **Summary of Issues affecting Rural Based Businesses**

- Businesses located in rural areas, with between 1-19 staff, experience more difficulty filling vacancies than those in regional or metropolitan areas;
- While they demonstrated difficulties across all occupations, they experience the most problems with contractors e.g tradespeople, cleaners, IT (41.7%) followed by Front Office/Reception Staff (20.8%);
- Casual positions have the highest vacancies (83.3%)
- For rural businesses the issue is not only about labour shortages but difficulties in attracting experienced staff and seasonal staff;
- Most rural based businesses do not use Government training or employment schemes (73.1%);
- Comments regarding the need for training and employment requirements include:
  - Customer service, people skills.
  - Its not a training issue, its a person to location issue, and a willingness to work not receive easy payment on benefits.
  - Apprenticeships for tradespeople instead of training people for paperwork.
  - wine education
  - apprenticeships
  - focus on training in rural areas
  - there are no apprenticeships available for furniture making only cabinet making. Need cheaper wages to be able to train some one.
- Other critical constraints to their businesses are Oil prices/cost of petrol

5.4 **Summary of Issues affecting Regional Centre Based Businesses**

- Businesses located in regional centres with between 1-4 staff experience more difficulty filling vacancies than those in metropolitan areas;
- While they demonstrated difficulties across all occupations, they experience the most problems with contractors e.g tradespeople, cleaners, IT (35.5%) followed by Guides (30%), Customer Service Staff (30%) and Chefs (25%)
- Casual positions have the highest vacancy rate (60%), followed by full time jobs (45%) and part-time jobs (30%)
- Regional centres identify the skills shortage issue (66.7%) as being greater than the labour shortage (14.3%) and seasonality issue (14.3%);
- Most businesses in regional centres (61.9%) do not use Government training or employment schemes.
- Training requirements identified include:
  - Training which links with industry needs. Training which has real life experiences. Training which fits in with industry.
  - More multi-skilled Outdoor Recreation people but not just young people - we need older people with the understanding of real duty of
care and good customer skills
  o casual employees able to clean
  o wine courses
  o Try to attract better quality students to the hospitality courses. Try and encourage work in regional areas as part of the course - possibly studentships.
  o Greater uptake of cooking Apprenticeships and somehow we need to stop the drain of young people who leave the industry after only a few years. Difficult given the remuneration and hours. Trying to find the balance is hard as the industry is not a high profit industry.
  o Office Skills

- Other critical constraints on their business include oil prices/cost of petrol and insurance costs & access.

5.5 Summary of Issues affecting Metropolitan Based Businesses
- Businesses located in metropolitan areas with between 1-19 staff experience the most difficulty filling vacancies;
- Similar to regionally based businesses, they demonstrated difficulties across all occupations. However, they experience the most problems with Front office/Receptions (25%) and Guides (25%).
- Casual positions have the highest vacancy rate (60%), followed by full time jobs (53.3%) and part-time jobs (46.7%). Volunteer vacancies were also identified (33.3%)
- Metropolitan based businesses identify the skills shortage issue (62.5%) as being greater than the labour shortage (18.8%) and seasonality issue (12.5%);
- Most businesses in the metropolitan area (68.8%) do not use Government training or employment schemes.
- Training requirements identified include:
  o On the job training.
  o Training in being open to give things a try knowing it will benefit them in the long term.
  o Management of volunteers (training for staff to manage, recruit and train volunteers) Attracting employees from culturally and linguistically diverse backgrounds, and considerations Attracting employees with disabilities and considerations
  o Fund specific skilled-based workplace learning that is accredited
  o Encouragement for apprenticeships is required to allow more young people into trades.
  o There needs to be better links between tourism expertise, broader policy skills and commercial knowledge/ experience.
  o I'm not sure there is something the Government can do, its more about the difficulty to find the skills and attitude in the same person.
- Other constraints on business include insufficient demand- international and oil prices/cost of petrol.
6 SKILLS SHORTAGE ISSUE – IMPACT ON TOURISM BUSINESSES

Business Location
Of those businesses that experience difficulty in filling vacant positions, most are based in a rural area, 38.1% in a regional centre and 25.4% in the metropolitan area. (Some businesses operate across the state). While the issue affects all geographic locations, clearly those in rural areas and regional centres are more deeply affected than those in the metropolitan area.

Business Size
Of those businesses that experience difficulty in filling vacant positions the majority are small businesses. Most that are impacted employ between 1-4 staff (41%); 34% employ 5-19 staff; 11.5% employ 20-99 staff and 8.2% are sole proprietors.

Skills v Labour Shortage
The skills shortage issue has a higher impact with survey respondents than the labour shortage issue. Just over half of the respondents (51%) indicated they did not experience difficulty in filling vacant positions. However, they experience difficulty in finding experienced staff with the attitude they are looking for.

Use of Government training or employment schemes
The majority (70%) of respondents do not use Government training or employment schemes. Some businesses suggested they had tried various schemes without long term success, others state that there is a lack of availability of training or schemes in the area where the business is located.

Sectors most affected
The business sectors most affected are small businesses in regional or remote locations in the Caravan Park, Tourist Attractions, Tour Operator and Nature Based Tourism Sectors.

Positions and Occupations Most Affected
All respondents stated that the Positions most difficult to fill are casual positions (123 jobs) followed by part-time jobs (59) and full time positions (55 jobs).

The occupations most difficult to fill are contractors i.e cleaners, tradepeople (19%). This is particularly true for the caravan park industry. Other difficult positions to fill included front office and receptions staff (20.3%), Guides (18.6%), Customer Service Staff (16.9%), Chefs (13.6%) and sales staff (10.2%).(See Table 1.)
Table 1: Sectors, Positions and Occupations most affected

<table>
<thead>
<tr>
<th>Sector</th>
<th>Size (employees)</th>
<th>Location</th>
<th>Job</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caravan Parks</td>
<td>1-19</td>
<td>Rural</td>
<td>Casual</td>
<td>Contractors, Front Office &amp; Reception</td>
</tr>
<tr>
<td>Tourist Attractions</td>
<td>20-99</td>
<td>Regional</td>
<td>Casual</td>
<td>Customer Service Staff/Front Office &amp; Reception</td>
</tr>
<tr>
<td>Tour Operator</td>
<td>1-4</td>
<td>Regional</td>
<td>Casual</td>
<td>Guides</td>
</tr>
<tr>
<td>Nature Based Tourism</td>
<td>1-4</td>
<td>Rural</td>
<td>F/T &amp; P/T</td>
<td>Guides</td>
</tr>
</tbody>
</table>

7 STRATEGIES/RECOMMENDATIONS

The issues identified by respondents are detailed in the Section 5 of this report. They appear alarmingly straightforward. They focus on the immediate needs of business and as such highlight a gap between training that is offered and what is needed by industry. They do not redress the broader and long term external issues affecting the industry such as the ageing population; urban migration; wage rate competition from highly profitable industries such as the resources sector; the perception of work in the tourism industry as a job versus a career; increased customer demands and expectations; market expansion and regulatory compliance.

In order for the gap between training and industry to be closed, industry will be required to deliver training within or near their workplaces utilising existing contemporary infrastructure and customer focused skills (both of which are known to be increasingly ephemeral) supported by trained education providers (see Case Study Section 4).

Tourism Alliance’s research highlights the importance of tackling this issue in the small business (1 – 4 employees) workplace. Tourism Alliance Victoria would suggest the following:

- A sustained awareness program on how other businesses have developed and generated solutions to “show the way” in like areas with like challenges. Such a program could showcase those businesses who have invested in their workplace, are building skills locally and lifting productivity.
- The potential for an industry driven guiding hand approach which offers independent solutions rather than driven by a particular training funding source.
- The capacity to more strategically utilize current students during peak and shoulder season through a structured internship approach.

While solutions are required now, prior to the issue reaching a crisis point, consistent, robust and accurate time series research is needed in Australia to precisely quantify the gravity of the issue and its likely impact in future. Exploratory research is also required, into the impact and solutions offered by other countries similar to Australia, in order to inform the debate here. A document titled “Tourism Workforce 2003- Employment Forecasts by Occupation” was prepared by the Commonwealth Department of Tourism to assist in the process of providing an insight into the possible labour requirements of the Australian tourism industry from 1993-2003. A renewed version of this document is now required similar to the New Zealand report, “Tourism Workforce and Skill Projects Report,” which offers projections on the tourism industry’s workforce requirements given expected growth to 2010.

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17 Tourism Workforce 2003- Employment Forecasts by Occupation; Canberra; Commonwealth Department of Tourism; 1995
18 Tourism Workforce and Skill Projects Report; Wellington; Business and Economic Research Limited, October 2004
Australia’s older workforce may not be as adaptable as others. In addition the prevalence of volunteerism within the visitor services and interpretive activities often leads to a full commitment of time. The feasibility of encouraging older workers into the industry needs to be determined. Consideration is required of likely impacts of marginal effective tax rates; retirement age incentives under the Superannuation Guarantee; the eligibility age of the Age Pension and any cultural or physical workplace change requirements.

In the 2006-07 Budget, the Australian Government announced the biggest changes to child care since the introduction of Child Care Benefit (CCB) in 2000. While this will go some way to redressing the current child care issues, further steps are needed to attract women with families into or back into the workforce based on the provision of accessible and affordable child care. OECD comparisons suggest Australia is lagging in this area.

Encouragement of professionalism and excellence within the industry is required to build strong employer brands and establish businesses as employers of choice through incentives and reward systems.

Tourism Alliance

Energy and Communications Infrastructure Position Statement

13 July 2005
Background

The privatisation of the Victorian electricity supply industry in 1995 and the introduction of the Green Power Accreditation Program in 1997 opened up new investment opportunities for private developers interested in the production of energy from renewable sources. The Commonwealth Government's Mandatory Renewable Energy Target (MRET) placed a statutory duty on wholesale purchasers of electricity to proportionately contribute towards the generation of an additional 9,500 GWh of renewable energy per year by 2010, giving an added incentive for the development of wind farms. This target was reaffirmed in June 2004 as a result of a review undertaken through the Government's Energy White Paper: ‘Securing Australia's Energy Future’. However the associated target, that retailers are required to purchase 2% of energy requirements from renewable sources, is causing a slowdown in the industry as the capacity of all proposed projects far outweighs that required by the target.

The development of communications infrastructure in Victoria is governed by the ‘Code of Practice for Telecommunications Facilities in Victoria’ and the ‘Telecommunications code of Practice, 1997’, which exists under Commonwealth legislation and relates more to electromagnetic radiation than visual intrusion. Infrastructure in general is also considered in the Victorian Coastal Strategy, 2002.

It is clear that the renewable energy industry is not currently viable without government interference in the energy market. Recent evidence from Germany (German Energy Agency, Feb 2005) supports the contention that wind power is an expensive method of reducing greenhouse gases.

Wind farms must be sited in exposed areas to exploit optimum wind conditions and be close enough to the electricity grid to make generation economic. Three areas in Victoria satisfy these criteria: the southwest coast (Warrnambool to Portland); the South Gippsland Coast (San Remo to Foster); and Central Victoria (Ararat to Macedon). Victoria currently has approximately 63 wind turbines. If all projects currently at feasibility stage were to proceed, within two to three years that number would grow to over 1000. However, given the requirements set by MRET, up to two thirds of these projects may never see the light of day.

As interest in the development of wind farms has grown, so has the discussion about their merits. Proponents of wind farms emphasise their role as clean and renewable energy sources. It is further argued that they can provide a tourist attraction in their own right and that overseas and interstate research shows them to be perceived favourably by the public as safe, environmentally benign and appropriate symbols of progress. To their opponents, however, wind farms are a major and unnatural intrusion on the landscape, which disadvantage resident and visitor alike. Tourism issues are invariably addressed in wind farm project proposals. The common position adopted is that wind farms are positive for tourism, with data from Britain and Europe, as well as Western Australia and Codington in Victoria, cited in support. Unfortunately this evidence is largely anecdotal and has been gathered by wind farm proponents themselves rather than being independent, transparent and scientifically based.

What is clear about the relationship between wind farms and tourism is that there is a need for independent, transparent, academically rigorous research to analyse the impact on tourism.

With regard to landscape and community views, it is interesting to note that many wind farms in Britain and Europe are now being located ‘off-shore’. The USA’s first off-shore project, at Cape Cod, is scheduled for construction in 2006.
**Victorian Government Policy**

The Victorian Government has committed to increase the share of Victoria’s electricity expected from renewable energy sources from the current 4% to 10% by the year 2010. It is clear that the government places prime importance on wind power as the major source of renewable energy in the foreseeable future. However, in the absence of any regulation or incentive to encourage investment over and above MRET, it is unlikely that there will be any additional investment to that described above.

Guidelines for the development of wind generation preclude national parks as sites for wind turbines, thus protecting some 42% of Victoria’s coastline. These guidelines also provide for ‘significant landscape overlays’ so that landscapes considered to be of critical value can be subject to ‘an appropriate level of consideration in decision making’.

Government planning policy explicitly commits to an objective of promoting the provision of renewable energy, including wind energy facilities. In balancing community interests, it requires that planning should ‘consider the economic and environmental benefits to the broader community of renewable energy generation and the effects on the local environment and landscape’.

The Victorian Coastal Strategy notes that whilst wind farm projects offer significant environmental benefits, a strategic approach to siting is important to ensure minimal impact on the aesthetic values of the coast and on marine and bird communities. It also proposes the development of ‘best practice guidelines’ on the siting and development of wind farms. The Council has developed siting and design guidelines for structures on the Victorian coast and has undertaken an analysis of landscape setting types, both of which could provide useful input to the development of energy and communications infrastructure.

The Code of Practice for Telecommunications facilities in Victoria provides (in principle 1) that:

> ‘A telecommunications facility shall be sited to minimise visual impact…..A telecommunications facility should be located so as to minimise any interruption to a significant view of a heritage place, a landmark, a streetscape, vista or a panorama, whether viewed from public or private land.’

**Issues**

The Victorian economy has developed, over the history of the state, from a dependence on agriculture and physical resources through manufacturing to a point where it has become increasingly service-sector driven. In parallel, the resources required to sustain the economy have been put under growing pressure and, in the energy sector, have often come under criticism for lack of long term sustainability.

Victoria’s continued economic development, if it is to take place in an environmentally sustainable way, must address the issue of renewable energy. This will require the utilization of a variety of sources, research in harnessing and commercialising new methods of generation and continued efficiency improvements in energy use.

The process of developing renewable energy sources must ensure that generation methods are economically as well as environmentally sustainable. In considering the economic viability of particular generation methods, the need for the community to underwrite developments through...
the payment of artificially high prices, as well as the broader opportunity cost of alternatives that might be foregone, need to be taken into consideration.

The opportunity cost of development is recognized, at least in part, by the government’s decision to quarantine national parks from wind farm development, thus protecting approximately 42% of Victoria’s coastline. The current planning guidelines recognize the needs of the broader Victorian community and the government’s renewable energy policy, but fail to place a realistic value on the significance of landscapes, particularly coastal landscapes, and their importance to the future of the Victorian community.

Community protest has seen at least one wind farm project abandoned. This was proposed by the Stanwell Corporation for Nirranda, on the Great Ocean Road near Warrnambool. Stanwell’s web site provided the following:

‘Stanwell aims to operate in communities that willingly accept its projects. The Corporation understands and appreciates that the local and wider community has an interest in the Nirranda Wind Farm proposal, and is committed to open communication about its plans for the project.’

In adopting this position, Stanwell places more importance on local community views than does the Victorian government, which balances community needs against the broader Victorian community interest and its policy position on achieving renewable energy targets. A number of other projects have also been abandoned, with specific reasons being less clear than the Stanwell example.

It is unfortunate that the debate over use of these resources in general, and wind farms in particular, should take place with no empirical data and little understanding of the value of coastal landscapes and the need to able to use them for the benefit of the community over the long term. Tourism Alliance awaits with interest the release of the National Trust / Australian Wind Energy Association joint project on wind farms and landscapes. The report was due for release in August 2004.

Some useful work has been undertaken along these lines by the CRC for Sustainable Tourism in its ‘Assessment of the Economic Value of Recreation and Tourism in Western Australia’s National Parks, Marine Parks and Forests’ (Carlsen & Wood, 2004). The objective of the project was to ‘address a specific research need for accurate and reliable data on the value of natural areas for tourism and recreation for use in managing and sustaining these areas into the future’. This research was able to identify the tourism value of particular assets within a region. Research of this type in Victoria may be able to both identify the value of coastal assets and address the issue of the tourism value of developments such as wind farms.

Tourism Alliance Victoria Position

The Victorian Government is to be commended on its decision to quarantine national parks from wind farm developments. However, Tourism Alliance believes that the planning guidelines for wind farm projects do not sufficiently take account of the opportunity cost of individual projects in terms of their impact on other local industries such as tourism, and on the landscape values of the surrounding area. Further, planning guidelines place a low premium on the views of local communities in the development of wind farm projects, lower in some cases than do the project proponents themselves.
Tourism Alliance supports the Code of Practice for Telecommunications Facilities in Victoria as a code that will facilitate development whilst also protecting valuable landscape resources.

In the light of the reaction of some communities to proposed wind farms, the response of proponents to community views and the reduced number of wind farms to be constructed, it is now the time to re-assess the priorities for locating wind farms in Victoria.

Tourism Alliance Victoria supports energy and communications infrastructure proposals where they can be achieved without a significant adverse impact on a region's natural and cultural environments and where community views have been taken into consideration.

Tourism Alliance Victoria believes that all wind farm proposals should be required to go through a formal planning process, including an independent assessment of relevant landscape values, full public consultation and appeal rights.

Tourism Alliance Victoria supports the Victorian Coastal Council proposal to develop best practice guidelines for the siting and development of wind farms. Such guidelines should take into account the work done by the Council on siting, design and landscape setting types.

Scope

This Position Statement was adopted by the Tourism Alliance Board on July 13 2005.

References

Carlsen & Wood  
‘Assessment of the Economic Value of Recreation and Tourism in Western Australia’s National Parks, Marine Parks and Forests’, CRC for Sustainable Tourism, 2004

Department of Sustainability and Environment  

Sustainable Energy Authority Victoria  

Victorian Coastal Council  
‘Victorian Coastal Strategy’, 2002
May 2007

Port Phillip Bay
Channel Deepening
Project Submission

Tourism Alliance Victoria

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THE VALUE OF TOURISM TO PORT PHILLIP BAY AND SURROUNDS

A Supplementary Environmental Effects Statement (SEES) has been prepared as further investigation and assessment of the channel deepening project following the February 2005 Inquiry Report on the original Environmental Effects Statement (EES) for the project. The objective of the SEES is to assess the potential effects of the channel deepening project on ecological assets, social values and economic uses of the bay.

The SEES recognises the importance of Port Phillip Bay and its high value to the Victorian community. It states “the bay is valued for its importance to the Victorian economy, the recreational opportunities it provides and its natural features”. Tourism is identified as an economic use of the bay and the SEES quotes $6.4 billion in domestic tourism expenditure for the three regions in the year ending December 2004.

Geographically, the primary area concerned with the project covers the Bellarine Peninsula, the ‘Top of the Bay’ and the Mornington Peninsula. The value of tourism to the region is not easy to quantify. It depends on a number of factors, including how you define tourism (and recreation) and whether you only consider direct expenditure, or include indirect expenditure and multipliers. This is also significant when trying to estimate the impact of the project on tourism in the region.

However, in relation to the Bay tourism industry, the following is known. The annual value of tourism to the Mornington Peninsula alone is $468 million in visitor expenditure. The region had a 14% market share of all domestic daytrips to regional Victoria in 2006. The beauty and diversity of Port Phillip Bay is recognised by intrastate, interstate and international visitors. 68% of international visitors to the Mornington Peninsula go to the beach (including swimming, surfing and diving).

Its uniqueness lies in the range of recreational activities available and the close proximity from metropolitan Melbourne. Activities include diving sites, recreational beaches, recreational boating, recreational fishing, and eco-tourism activities such as diving and dolphin swims.

The region accounts for 5,731 tourism jobs and 3,738 tourism related businesses. Direct tourism employment grew by 24.1% from 1997-1998 to 2002-2003. Many job skills sets in the region are marine orientated which limits employment opportunities in other parts of Victoria.

The tourism industry utilizes the Bay and its surrounds. In some activities tourism businesses have created significant markets and are major contributors to the economy. Anecdotal evidence from marine tourism operators during the trial dredging indicated that visitation was reduced due to physical impacts such as water turbidity and community perceptions due to media reporting. Reduced visitation during and after the channel deepening project would impact the tourism industry; flow-on support businesses and the community within the region.

TOURISM ALLIANCE VICTORIA

Tourism Alliance Victoria is the peak industry body advocating for and supporting the development of a professional and sustainable tourism industry across Victoria.

Tourism Alliance Victoria seeks to stimulate and advocate industry progress, enhance business professionalism and foster industry sustainability. Tourism Alliance Victoria does
this through being a pivotal contact between industry, government and other key influencers.

Tourism Alliance Victoria represents tourism organisations and individual businesses working at the forefront of the tourism industry. Tourism Alliance Victoria’s membership is both active and diverse encompassing a wide cross-section of the tourism industry including:

- Adventure and nature based operators
- Accommodation providers
- Tour operators
- Regional and local tourism associations
- Visitor Information Centres
- Local Government
- Attractions
- Regional Conferencing
- Service providers

In providing this submission Tourism Alliance seeks to ensure that Government and the Port of Melbourne Corporation fully appreciate the challenges that tourism businesses linked to Port Phillip Bay and surrounds will face as a result of the channel deepening project.

This submission relates to Part 3 of the Terms of Reference of the Supplementary Environment Effects Statement as it is relevant to the costs in delivering the project. The chief challenge to tourism businesses is the cost of channel deepening in terms of business loss by negative physical impacts and community perceptions.

Tourism Alliance Victoria advocates for four key priorities:
1. Financial compensation for affected tourism businesses
2. Business support counselling and advisory services to assist business continuity
3. Independent monitoring and reporting of the environmental effects of the project
4. Marketing support to re-invigorate tourism to the region post-project

CHANNEL DEEPENING IMPACTS ON TOURISM

Considerable concern has been raised over the environmental impacts of the channel deepening project. These include changes to the visual amenity, decrease in sea life, altered ecosystem, potential for algal blooms, noise and light pollution, turbidity and water clarity issues. Risks to recreational fishing, ecotourism, and land-based tourism activities have been included as “unquantified indirect effects” in the SEES (SEES 16-24).

The SEES acknowledges that potential indirect costs may be incurred during the construction phase of the project due to disruption. It states that “without in any way diminishing the potential effect that the project may have on some of these sectors, these potential costs are considered to be short-term, have been incorporated into the economic analysis and the impacts on the affected industries considered as part of the impact assessment” (ES23). Furthermore, “most impacts are expected to be confined in area, temporary in nature, with recovery expected within two years of project completion. The project is predicted to have no long term impact on the health of Port Phillip Bay” (ES25). The SEES asserts that only the dive industry will be affected significantly (ES31).

Whilst there is debate over the degree of impacts, it is clear that tourism activities will be disrupted during and after the project and general tourism numbers in the region will suffer. This equals direct business loss and for some businesses, non-viability. Furthermore, there is no certainty on when the tourism experiences can be re-offered due to potential delays in
dredging or potential long term environmental effects. Impacts may not be temporary, isolated and insignificant as suggested by the SEES and these costs need to be factored into the project should long term impacts occur.

**Business Snapshot: Polperro Dolphin Swims**

Multi-award winning environmental tourism operation conducting dolphin swims, marine education, historical tours, cruises and marine research.

Successfully operating for 19 years with 65% of business now coming from the international market.

Dolphins are the ‘hook’ of business income. Project poses a risk to the dolphin colony and therefore the key activity of the business.

Business is concerned about the high risk of short and long term negative environmental impacts of channel deepening on the ecosystem and what this means to the tourism industry for the region as a whole.

**CONSIDERATION OF FINANCIAL COMPENSATION**

Commercial loss as a direct impact of channel deepening during and after the project will take place. We are seeking the opportunity for primary compensation for marine based tourism operators such as dolphin and diving tours and secondary compensation for flow-on tourism operators in the region such as accommodation businesses.

Taking into account the potential short and long term impacts of the project on tourism businesses in and around Port Phillip Bay, both forms of financial compensation are necessary to ensure that we have a sustainable tourism industry for the longer term.

Tourism is a system more than an industry, and as such is driven by demand rather than supply. The cost of channel deepening to tourism businesses is difficult to quantify in dollar terms. These costs are real for affected businesses and include impediments to business growth, risk to repeat business, the unknown number of affected seasons and the risk of unforeseen long term damage. For some businesses, the cost is non-viability.

Let’s take, for example, the annual value of tourism to the Mornington Peninsula alone at $468 million in visitor expenditure. If tourism experienced a conservative downturn of 10% as a result of the project, there would be direct losses of $46.8 million in visitor expenditure for one region for one year.

If tourism experienced a more realistic downturn of 25% as a result of the project, this would jump to direct losses of $117 million in visitor expenditure for one region for one year. This is only for one side of the Bay. Yet no specific mitigation measures for tourism businesses have been developed in the SEES. Tourism Alliance Victoria rejects the assertion of 13.21.3 in the SEES that “the effects on tourism businesses are largely flow-on effects from other impacts”.

The SEES document states that “based on the potential reduction in diving activity, possible losses of income during the dredge periods in South Channel and the Entrance were estimated to be approximately $10.3 to $14.6 million (25-35%) of the total income”. Furthermore, it states “it is difficult to be more precise on the actual extent of loss”.

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– Page 4 –
**Industry Snapshot: Dive Industry Victoria Association (DIVA)**

Underwater dive industry relies on clean product. Water clarity and turbidity will negatively impact the product that divers require.

DIVA asserts that the dive industry will be decimated due to closure of the industry during dredging and uncertainty over future of the industry based on environmental outcomes post dredging.

A 2004 DIVA survey indicated that on average a diver has invested $10,990 in dive equipment and dive training. Average daily diving expenditure was $190 per diver for boat charter fees, gear hire, air fills, accommodation, food and beverage and transport costs. 94% of divers would greatly reduce or completely stop diving in the bay if visibility was reduced to 7 metres.

In 2005, 32 dive shops serviced the Bay area. Reduction in diving would have serious financial consequences for these businesses.

**CONSIDERATION OF BUSINESS SUPPORT**

Professional business guidance can be an extremely cost effective and practical resource to enable businesses to survive through times of significant impact to their business. Tourism Alliance Victoria supports business continuity development programs as a mechanism to support the long term sustainability of small to medium sized tourism businesses.

The best result will be achieved through businesses being able to access advice and mentoring before, during and after the project. There is current demand for these services amongst our members.

**Business Snapshot: Sea All Dolphin Swims**

Nature based tourism operation offering a wide range of marine experiences including dolphin swims, seal swims, snorkeling with fish and marine education.

Business employs a number of long term casual employees, many have been with the business since it started nine years ago.

Demand for services outside the peak summer season is growing such as sight seeing cruises in winter.

Operating out of Queenscliff, the business asserts that all dredging, including areas north of the Bay and the Rip will directly affect them.

Business is concerned over the uncertainty in the number of seasons that will be impacted, putting repeat business at risk with less-than-satisfactory experiences and the difficulty in quantifying business loss.

**CONSIDERATION OF INDEPENDENT MONITORING**

There is a need for independent and transparent monitoring of the project so that its environmental impact can be assessed and appropriate mitigation measures implemented. The project proponents have adopted an ‘adaptive management’ approach so that appropriate measures can be taken where the impact of the project is not as predicted.
It is critical that in monitoring the project there is sufficient dialogue with directly affected tourism businesses to ensure that any change in project timelines and the cessation of dredging during peak tourism seasons can be planned for.

**CONSIDERATION OF FUTURE MARKETING**

Revitalising the tourism industry in the affected regions after the project completion will be required. It will also be necessary for the Government to provide marketing support to assist the tourism industry in Port Phillip Bay and its surrounds to win back business after the project. Marketing strategies that are innovative and effective are critical to drive tourism recovery.

**Visitor Services Snapshot: Mornington Peninsula Visitor Information Centre**

35,643 visitors walked into the Mornington Peninsula Visitor Information Centre between October 2006 and March 2007. Additionally there were 14,217 phone enquiries and 64,876 email enquiries for this period.

*Dolphin, seal and ferry enquiries all feature prominently in the Visitor Information Centre and constitute major Attractions for the region. These Attractions are at risk due to the channel deepening project.*

*The Visitor Information Centre is concerned at the impact that the project on tourism and expects loss of events and loss of bookings.*

*The project will have a direct effect on the Visitor Information Centre as it provides a central booking serve on a commission basis. It will also suffer loss of membership if businesses are forced to close.*

**TOURISM ALLIANCE CONTINUED COMMITMENT**

Tourism Alliance Victoria has actively engaged in communication and consultation with key stakeholders from 2004 to the present regarding this project. We will continue to support our members through ongoing communication and representation. As such, Tourism Alliance Victoria is willing to make an oral presentation on the tourism perspective of the Port Phillip Bay Channel Deepening Project at the Inquiry Hearing.
Introduction
Planning for tourism is a challenge, however using a planned approach, tourism can generate economic, social and environmental benefits to the local community and any negative impacts can be minimised. Local government is a key player in devising plans for tourism. It is one of the authorities responsible for developing land use planning schemes and devising appropriate controls. The controls are governed by the Planning and Environment Act 1987 (amended in 2000). Local government, therefore, takes responsibility for planning for local tourism so that it can:

• Manage external factors that influence local tourism
• Balance the needs and values of residents and local businesses
• Provide for visitor demands and expectations

Tourism Planning in Action
The planning framework varies from council to council depending on the nature of the community, the character of the environment, the culture of the council and the history of planning in the region. So there is no one framework or hierarchy of plans but all councils in Victoria have a local planning scheme which is used as a tool for tourism planning. Most councils will at least have a tourism policy and a council plan or a corporate plan which includes tourism in some form.

Tourism Policy
Local councils that either seek to grow their local tourism industry or recognise the existing role of tourism as an economic driver within their local government area will develop a tourism policy. Having a council policy that specifically relates to tourism provides the principles under which councils may support the management and/or growth of tourism within their shire. For example, the City of Ballarat’s tourism policy states:

“The City of Ballarat’s tourism policy has been developed to demonstrate Ballarat City Council’s commitment to tourism and to provide guidelines for council’s involvement in the development of tourism in the Ballarat region.”

Council Plans
Councils usually have a 3-5 year strategic plan. They are the vehicle through which councils will exercise their leadership of the municipality and its communities. They contain broadly based strategies. In addition, they also contain an integrated 12 month plan providing an outline of the activities a council intends to achieve in a 12 month period, and how it intends to achieve them.

A council’s tourism policy will guide those elements of the council plan which relate to tourism. The plan will usually include:

• Identification of the municipality’s economic, social, environmental and built assets and constraints which contribute to tourism
• Specific, measurable, achievable goals and objectives which can be implemented and managed by council including the need for more specific council strategies such as a local tourism strategy or an economic development strategy

1 City of Ballarat, Tourism in Ballarat Incorporating Ballarat City Council’s Tourism Policy, June 2002
Tourism and Councils’ Municipal Strategic Statement

Each local government area is covered by a local planning scheme which sets out policies and provisions for the use, development and protection of land for that area. The planning scheme is one of the tools used by local government in implementing its 3-5 year strategic plan.

Municipal Strategic Statements (MSS) form part of local planning schemes. They contain the strategic planning, land use and development objectives for the council area along with strategies for achieving those objectives. The MSS is considered in the assessment of planning permit applications and proposals to amend the planning scheme.

It is therefore important to recognise the role of tourism within a Council’s MSS. Usually tourism is featured within the MSS under an Economic Development Local Planning Policy (LPP). The LPP relating to tourism is a policy statement of intent or expectation. It gives the council an opportunity to state its view of a tourism planning issue and its intentions for an area. It provides guidance to decision making on a day to day basis and it can help the community to understand how the council will consider a proposal. The consistent application of policy over time should achieve a desired outcome.

When preparing amendments to the local planning scheme and before making decisions about permit applications, councils must take the LPPs into account.

For example, Alpine Shire has a Local Planning Policy for Economic Development which includes tourist facilities. It states:

“This policy applies to proposals for tourist facilities (including but not limited to accommodation, leisure and recreation, place of assembly, food and drink premises, and markets) within the whole of the Alpine Shire.”

The LPP has been established in recognition of the significance of tourism in the Shire and the need to protect the character of the townships and touring routes.

Regional Tourism Planning

Local government often initiates a specific local plan for tourism, particularly in areas where tourism is one of the most prominent local industries. A local tourism plan sets out:

- where the community is now with respect to tourism
- the community vision for tourism in the local region
- a plan the council and community can use to work towards the vision
- priorities, important milestones and measures of success

Usually council will develop the local tourism plan via a steering committee or community reference group with the assistance of a tourism consultant.

Research (documented in the Journal - Current Issues in Tourism Vol 4, No.1 2001) states that a local tourism plan’s effectiveness is dependent on a number of criteria as set out on page 3. It’s unlikely that the plan will meet all the criteria but it usually seeks to address most of them to be a useful document.
LOCAL OR REGIONAL TOURISM PLAN CONTENTS

Stakeholder Participation
1. The time dimension of the planning process reflects a long-term orientation.
2. The following took part in the planning process:
   • Local and state government agencies
   • Relevant regional tourism organisations
   • Local tourism industry (operators)
   • Representatives of existing visitor groups
   • Other local organisations (non-tourism)
   • Local residents
3. The opinions of the aforementioned groups and individuals influenced the final strategic direction selected.

Vision and Values
1. The planning document identifies:
   • Locally important community values
   • Locally important lifestyle features
   • Current issues which are critical to residents
2. The planning document assesses:
   • Community attitudes to tourism
   • The overall quality of life in the area
3. The planning document includes a vision for the future which aligns with local community values, attitudes and lifestyles.

Situation Analysis
1. The planning document describes:
   • The area’s principle geographic features
   • The main characteristics of the local climate
   • Flora and fauna which are unique to the area
   • The resilience and/or fragility of the physical environment
   • Current population levels and demographics
   • Current land use and ownership patterns
   • Major economic activities in the local area
   • Relative importance of tourism compared with other industries to the economic development of the local area
   • Economic benefit of tourism to the local area
   • Employment creation ability of local tourism activity
   • The principal tourism sites in the area
2. The planning document evaluates:
   • The current capacity of tourism plant and infrastructure
   • Adequacy of business skills possessed by local tourism industry operators
3. The planning document includes quantitative analysis of current visitor numbers, length of stay and spending.
4. The planning document acknowledges a need to integrate local tourism strategies with regional, state and national policies for tourism development.

Goals and Objectives
1. The planning document includes broadly based goals related to:
   • The nature and scale of future tourism development
   • The economic benefits of future tourism development
   • Environmental protection
   • Community values and lifestyle protection
2. The planning document includes broadly based goals which emphasise the local benefits of tourism development.
3. The planning document identifies a range of alternative strategies by which broadly based goals may be achieved.
4. The planning document evaluates each strategy option prior to determining a range of specific objectives.

Specific objectives:
• Support previously established broad goals
• Selected are based on supply capability as opposed to market demand
• Target the equitable distribution of tourism’s economic benefits throughout the local area
• Selected are realistically achievable in the context of the current situation analysis
• For future tourism activity are quantified and readily measurable

Implementation and Review
1. Specific objectives are prioritised in terms of implementation urgency.
2. The planning document:
   • Clearly assigns responsibility for key task implementation
   • Contains a clearly articulated review and evaluation mechanism
   • Estimates the resource costs of the recommended development strategy
   • Indicates specific methods by which the identified resource costs are to be allocated to development participants
Snapshot


The Murrindindi Shire Council Plan provides the council with a direction and focus for its efforts and resources against its vision and strategic objectives. A number of the objectives within the plan relate to tourism.

Theme 1: Sustainable Growth and Development. Strategies for 2004 – 2008

1. Economic development and tourism
   • Review and implement the Economic Development and Tourism Strategy

1.1 Tourism Development Key Actions
   • Pursue a more co-ordinated approach to visitor information services across the Shire
   • Continue to strengthen and develop the tourism industry
   • Pursue tourism product and infrastructure development opportunities
   • Participate in cooperative marketing initiatives

Source: Murrindindi Shire Council Plan 2004/05 – 2007/08
www.murrindindi.vic.gov.au

Other useful documents for Local Government Tourism Planning:

Tourism Planning Manual: A Practical Guide for the Preparation of Local and Regional Tourism Development Plans
Tourism Alliance Victoria
Tel: 03 9650 8399
www.tourismvictoria.com.au

Planning and Building Tourism from Concept to Reality
Tourism Victoria
www.tourismvictoria.com.au

National and Regional Tourism Planning – Methodologies and Case Studies
World Tourism Organisation
www.world-tourism.org

Other Tourism Alliance Victoria Reference Material Includes:
• www.tourismalliance.com.au
• Functions of a Local Tourism Association
• Functions of a Regional Tourism Organisation
• Best Practice Touring Routes
• Visitor Information Centre Frequently Asked Questions
• Local Government Tourism Health Check
• Planning a Tourism Direction Case Study: Hepburn Shire Council
• Economic Impact of Tourism – Measurement Tools
• Significance of Tourism
• AAA Tourism Star Rating versus Tourism Accreditation
• Establishing a Municipal Tourism Policy

Tourism Alliance Victoria acknowledges the support of Tourism Victoria in this project.
Project Brief 02
May 2005

Planning a Tourism Direction
Case Study: Hepburn Shire Council

Project Summary

Hepburn Shire Council is positioned in the Central Highlands of Victoria. It incorporates the towns of Daylesford, Hepburn Springs, Creswick, Clunes and Trentham. With a history based on forestry, gold mining and farming, the Shire is now recognised as a growing lifestyle and tourism destination.

Tourism within the Shire capitalises on the mineral springs and gold heritage and is supported by boutique accommodation, regional cuisine, local wine and produce, arts, crafts and events. The rapid growth of tourism has created general concerns about ad hoc development, duplication of resources and fragmentation within the community.

Hepburn Shire Council, in response to this commissioned Tourism Alliance Victoria to prepare a Tourism Directions Plan for the Shire. The Plan is a scoping study designed to provide a more cohesive and strategic approach to the future management of tourism within the region.

Background

While a number of studies and strategies relating to tourism within the Shire have been developed, they are now dated and/or relate to specific issues such as a single development or individual township. An overarching Plan was needed to provide renewed response to current issues and an overall general direction for tourism across the entire Shire. The Plan incorporated research conducted by Tourism Alliance Victoria titled “Local Government Tourism Health Check”.

This research identified those aspects of local government responsibility that indicate sustainable tourism management capacity. They are:

- Integration within council (assuming high levels of integration reflect strong capacity)
- Possession of a strategic long term approach (assuming such possession reflects strong capacity)
- Co-ordination of council responsibilities with external stakeholders (assuming that high levels of co-ordination reflects strong capacity)
- Commitment to implementing strategic vision (assuming that high levels of commitment reflects strong capacity)
- Provision of adequate resources for sustainable tourism management (assuming that high commitment of resources reflects strong capacity)
- Overall level of involvement in tourism in the region (assuming that high levels of involvement reflect strong capacity)

When tested against the indicators Hepburn Shire demonstrated a medium capacity to manage sustainable tourism development. The recommendations provided within the Plan provide Hepburn Shire Council and the community with the opportunity to increase its capacity to manage sustainable tourism development.

The Plan also considers changes to industries other than tourism that continue to create change within the Shire. These include:

Agriculture

Changes in technology and increased machinery use, in the agricultural sector, has seen a decrease in the number of people employed in primary production in Victoria. While larger farms are said to be more economical, there are fewer of them (Department of Infrastructure 1999).

Manufacturing

The manufacturing sector was once the largest employer in Victoria and the second largest in regional Victoria after agriculture, forestry and fishing. However, this sector has seen a reduction in employment levels as a result of increased use of technology - using robotics and computer controlled production. Additionally, the sector has experienced an increase in offshore production for lower unit costs (Department of Infrastructure 1999).

Timber

Changes to the timber industry have also resulted in reduced employment and closure of sawmills.1

Services
While the agriculture, timber and manufacturing sectors have experienced widespread change and reduction in employment, the services sector has grown. More people are working in tourism, health, community services and education, finance, property business and information technology (Department of Infrastructure 1999).

Social Changes
Victoria’s population constitutes one quarter of the total Australian population. While in 2000 the state’s population grew by 1.5%, the main growth occurred in the Melbourne area.

In 2000, the Melbourne Statistical Division (MSD) population grew by 1.6%, while the balance of Victoria grew by 0.5%. Within the MSD the fastest growing local government areas were the Shire of Melton (9.7%), the City of Melbourne (9.6%), and the City of Casey (4.7%).

The proportion of Australians over 65 years of age has risen from 4% to 12% over the last 100 years, and Australia’s fertility rate is beneath replacement level. An estimated 24% of women in child bearing years will remain childless.

A high percentage of employees (64%) in Australia work overtime.

Other factors such as affluence, mobility and enhanced communication technology have increased potential for change in cities, towns and rural areas (Department of Infrastructure 1999).

Factors Creating Change in Hepburn Shire
Due to its traditional dependence on the agriculture, manufacturing and timber industries, Hepburn Shire has no doubt experienced change as a result of the significant changes to those industries. However, while many rural areas impacted by change are in decline, Hepburn Shire, with a population of around 14,320 is growing at a rate of 0.54% per annum, which is above the rural Victorian average.

Over the next twenty years, Hepburn Shire is projected to expand to more than 16,000 residents. Given the social changes within Australia and Victoria this estimate may be conservative.

Melbourne’s Growth
Melbourne has a key challenge of needing to find room for an additional 730,000 households by 2031. An increase in demand for rural living has been identified in the Melbourne Metropolitan Strategy as influencing the growth of Hepburn Shire, given its distance and access from Melbourne.³

Ballarat Hinterland Growth
There has been a trend of small town and hinterland growth around larger regional centres. Ballarat has experienced steady growth, which in turn has influenced growth in Hepburn Shire (Department of Infrastructure 1999).

Lifestyle Regions
Hepburn Shire with its complex demographic mix, could be described as a lifestyle region⁴. Lifestyle regions tend to have:

- good year round climate
- scenic surroundings
- strong environmental and cultural assets

The main drivers of wealth in lifestyle regions are increasingly associated with lifestyle choices, which is consistent with Hepburn Shire given the number of boutique accommodation businesses. Often small businesses such as these in the tourism industry are associated with lifestyle decisions.

Lifestyle areas also attract a wide mix of people from varying socio-economic backgrounds, including retirees, young creative people and increasingly highly skilled professionals. Hepburn Shire is known for the diversity of its community. It is made up of longer term and shorter term residents, environmental enthusiasts, business people, supporters and non-supporters of tourism.

Lifestyle areas usually face a significant backlog in the provision of infrastructure and services as they come under great pressure from growth. Some of these areas have the fastest rates of population growth in regional Australia but also the highest unemployment rates.³

Hepburn Shire shares many of the characteristics of a lifestyle region where lifestyle opportunities are driving both population and economic growth; and the region has significant community diversity and infrastructure and services issues, resulting from growth.

Tourism is often seen as delivering the most significant change to a lifestyle region such as Hepburn Shire. While tourism contributes to the growth of the shire, clearly a number of factors are at play, which are and will continue to influence Hepburn Shire’s economy, community and environment.

Tourism Growth
Global Tourism
Tourism is an industry that is growing globally. Between 1995 and 2005, travel and tourism is projected to grow by an annual average rate of 5.5% in real terms, and on average create 12.5 million new direct and indirect jobs annually (Commission on Sustainable Development 1996).

Australia’s Tourism
During 2000-2001 the tourism sector contributed 4.6% to Australia’s Gross Domestic Product. Tourism contributed 11.2% of Australia’s total export earnings, making it the fourth largest contributor overall (after mining, manufacturing and agriculture), and the largest within the services sector.⁶

The Tourism Forecasting Council estimates the number of international visitors to Australia will double from its current level of around 5 million to 10.4 million by the year 2012. Furthermore, it estimates domestic tourism to grow by 20% over the same period.

Victoria’s Tourism
Apart from its national importance, tourism is a significant industry for Victoria. The number of international visitors to the state is expected to increase from 1.1 million recorded in 2000 to almost 2.1 million by 2010. The industry is worth 8.5 billion to the state’s economy, it contributes 5.2% to Gross State Product and generates 150,000 jobs.
Regional Tourism

In 2001, the region encompassing Hepburn Shire received a total of 449,000 overnight visitors and 975,000 visitor nights with an average length of stay of 2.2 nights. The region received a substantially higher number of day visitors totaling 1,397,000 and it recorded a total of 7,000 international visitors during the same year.

While the manufacturing sector remains a key employer within Hepburn Shire (15.7%), combined with the retail trade, accommodation, cafes and restaurants sectors employ the highest number of people within the Shire providing an indication of the size of the sector. While local level data is scarce, the local tourism industry is generally said to be growing, as anecdotally indicated by a number of key factors including tourism property development, occupancy rates and visitor numbers.

Given the limited resources available for the project a three-stage methodology was employed:

- literature review of plans and strategies
- semi-structured interviews with key stakeholders
- business planning workshop including additional stakeholders

Findings and Conclusions

Hepburn Shire is described as a lifestyle region. It carries similar characteristics to other lifestyle regions within Australia including Byron Bay and the Blue Mountains. Lifestyle regions have good year-round climate, scenic surrounds, and strong environmental and cultural assets, and a wide demographic mix from varying socio-economic backgrounds. As with other lifestyle regions, Hepburn Shire is facing a significant backlog in the provision of infrastructure and services as it comes under great pressure from growth. Tourism is seen as one of the most important contributors to the growth and character of the area.

The major findings and conclusions relating to tourism can be segmented into those factors which influence sustainable tourism – they are economy (economic health), community (subjective well being of the locals and healthy culture), environment (unspoilt nature and protection of resources), customers (optimum satisfaction of guest requirements) and an additional category was added – council (key agent in sustainable tourism management).

Economy

The most positive observations relating to the economy were: the recognition that Hepburn Shire’s economy was growing while other regional and rural economies were declining; that tourism is seen as a key economic driver and local employer. On the flip side, tourism is seen to be dominating the local economy, making it unbalanced and creating inflated prices of goods, services and real estate. There is a lack of research into the realistic value of tourism to Hepburn Shire.

Community

Tourism is recognised for bringing vibrancy to the community, improving the pride in the local area and generating interest in preserving the area’s natural and cultural heritage. However, there is considerable fragmentation and tension within the community between longer term and shorter term residents, supporters and non-supporters of tourism, residents and non-residents, community and council, "greenies" and developers, tourism oriented businesses and non-tourism oriented businesses. Tourism also delivers workforce issues, as there is a general lack of training and skilled staff.

Environment

Tourism has created considerable interest in the local environment including open spaces, bushland, creeks, farmland, lakes, rolling hills and green vistas. There is strong concern however about over-development and non-protection of the natural assets, particularly those that attract tourists such as mineral water resources and cultural heritage.

Customers

While Hepburn Shire currently experiences strong visitation levels generally, there is potential for increased visitor dispersal throughout the Shire by increasing awareness of alternative attractions and events beyond the key icons. There is a lack of consistency and professionalism with the delivery of customer service and research into customer service needs.
Council

The findings relating to Hepburn Shire Council have been extrapolated from the research conducted by Tourism Alliance Victoria and CRC Tourism. Results are matched to the Indicators of Sustainable Tourism Management that were identified within the research. Generally the Council contribution to tourism is high with the ongoing funding of human resources, in-kind support for local and regional tourism organisations and the regional marketing committee as well as financing of key tourism assets.

Increased internal communication between departments within Council is required given that both planning and engineering are integral to sustainable tourism development. While there is a lack of strategic planning for tourism and incorporation of strategic planning into existing Council processes, this report goes someway to redressing that need.

Recommendations for Action

A limited number of recommendations were made to respond to the major findings. They were divided into long term and short term goals. Generally the recommendations suggested a need for a commitment to sustainable tourism development through incorporating tourism into a broader economic development context.

Summary of Recommendations

Economy
- Strategic Planning
- Workforce Development
- Organisational Structure
- Tourism Research
- Tourism Business Accreditation
- Product Development
- Tourism Marketing

Community
- Leadership, Capacity Building and Networking
- Township Development
- Recreation Facilities

Environment
- Strategic land use planning

Customers
- Customer Service Standards
- Visitor Information Centre

Professionalism and Standards
- Integration within Council
- Possession of long term strategic approach and commitment to implementing strategic vision
- Provision of adequate resources for sustainable tourism management
- Co-ordination of Council responsibilities with external stakeholders

Other Tourism Alliance Victoria Reference Material Includes:
- www.tourismalliance.com.au
- Functions of a Local Tourism Association
- Functions of a Regional Tourism Organisation
- Best Practice Touring Routes
- Visitor Information Centres
- Frequently Asked Questions
- Planning for Tourism
- Local Government Tourism Health Check
- Economic Impact of Tourism-Measurement Tools
- Significance of Tourism
- AAA Tourism Star Rating versus Tourism Accreditation
- Establishing a municipal tourism policy

Tourism Alliance Victoria acknowledges the support of Tourism Victoria in this project.

Intellectual Property: Intellectual Property is jointly held by the Hepburn Shire Council and Tourism Alliance Victoria.
Local Tourism Associations (LTA) represent local tourism businesses and focus their efforts on servicing visitors and ensuring "delivery on the promise".

Co-ordination and Representation
Co-ordinate and represent all businesses, organisations and individuals involved and interested in tourism in the local area.

Visitor Services
- Visitor Information Centre support or manage and/or assist with the running of a local Accredited Visitor Information Centre to ensure visitors have accurate, comprehensive, personally delivered, independent visitor information 7 days a week
- Produce a local visitors guide or map under the regional brand
- Advise local government on ensuring adequate visitor facilities - public toilets, signage etc

Tourism Business Development
- Conduct industry networking functions
- Conduct local familiarisation tours for businesses to encourage increased awareness of the local visitor experience and support cross referrals
- Promote the benefits of accreditation to encourage the growth of quality tourism businesses and experiences
- Support industry professional development for tourism businesses to:
  - Encourage industry professionalism
  - Engender a service culture
  - Develop packages

Tourism Industry Research
- Undertake research to evaluate and monitor visitor numbers, origin of visitors, visitor needs and the value of tourism to the local community

Tourism Industry Development
- Work with local government on encouraging the development of new tourism attractions and accommodation, scenic routes and supporting infrastructure
- Facilitate the development of quality tourism events
- Maintain a detailed database of local tourism businesses, products and services

Public Relations and Communication
- Provide clear communication to the industry regarding activity and achievements of the LTA and any positive outcomes for the tourism industry
- Provide accurate communication about the LTA and tourism industry to the broader community and stakeholders

Partnerships
Forge partnerships based on mutual respect and understanding with:
- Regional Tourism Organisations
- Local government
- Tourism Victoria (and other relevant government agencies)
- Tourism Alliance Victoria
- Industry associations
- Chambers of commerce
- Neighbouring LTAs and regions

Critical Success Factors
Committee Members with skills and/or knowledge in:
- The local tourism system
- Business planning
- Financial management
- People management
- Communication
- Local tourism marketing
- Chairing or participating in meetings
- Governance
- Local government systems, protocols and procedures
- Private sector business management

Recognition and support from:
- Tourism industry
- Tourism Alliance Victoria
- Local government
- Regional Tourism Associations
- Broader community
- Regional marketing boards (Campaign Committees)
A workable LTA business plan inclusive of an evaluation process.
Fact Sheet
Submission no.50

Snapshot

Nillumbik Tourism Association

Nillumbik Tourism Association (NTA) operates within the Nillumbik Shire located north east of Melbourne. It includes the townships of Eltham, Diamond Creek, Kangaroo Ground, St Andrews and Hurstbridge. Nillumbik as a tourism destination is at the early involvement stage.

"[Nillumbik]...is not a well known destination nationally or internationally, though it does draw a number of local and regional tourists, many of whom are attracted by its natural and/or arts and cultural...[assets]".

Structure

The NTA Committee is made up of four Executive Members, two Ordinary Members, Council Tourism Officer (ex officio) and a Local Councillor (ex officio). The NTA employs a part-time administrator. Members are clustered into interest groups: Arts, Antiques and Crafts, Heritage, Environment and Special Attractions, Food and Wine, Accommodation and Supporting Services reflecting Nillumbik's product strengths. Working groups are also convened from time to time to work on specific projects eg: festivals and events, policy and procedures and budgets. Working groups consist of at least one committee member and two to four NTA members who are selected on skills-based criteria.

Membership and Business Plan

The NTA has over 100 members and operates to a documented business and marketing plan.

The business plan outlines the NTA’s Vision, Mission and Values. The plan has objectives each supported by objectives, three year indicators of achievement and one year commitments.

Marketing Strategy

The NTA's Marketing Strategy forms an important component of the Business Plan. The Marketing Strategy includes a focus on positioning, promotion, product development, professionalism and standards, visitor information services, infrastructure and services.

Relationship with Regional Tourism Organisation

NTA participates at a regional level with the Regional Tourism Board - Destination Yarra Valley and Dandenong Ranges. Membership of the regional tourism board allows NTA to participate in the regional marketing campaigns via NTA advertising and NTA co-operative marketing campaigns.

NTA has documented within its Marketing Plan its commitment to the Regional Tourism Board members and active participation in regional campaigns.

For further information: www.nillumbikitourism.com

Sources


Ritchie, M.,(2001) An assessment of the Role and Effectiveness of Local Government in Tourism Destination Development: Case Study of Nillumbik, La Trobe University, Bundoora, Victoria

Nillumbik Tourism Association Inc.(2004) Nillumbik Tourism Association Business and Marketing Plan

Other Tourism Alliance Victoria

Reference Material Includes:

• www.tourismalliance.com.au
• Functions of a Regional Tourism Organisation
• Best Practice Touring Routes
• Visitor Information Centre Frequently Asked Questions
• Planning for Tourism
• Local Government Tourism Health Check
• Planning a Tourism Direction Case Study: Hepburn Shire Council
• Significance of Tourism
• AAA Tourism Star Rating versus Tourism Accreditation
• Establishing a Municipal Tourism Policy
• Economic Impact of Tourism- Measurement Tools

Tourism Alliance Victoria acknowledges the support of Tourism Victoria in this project.
Regional Tourism Organisations (RTO) are the peak bodies responsible for management and development of sustainable tourism within a region to increase visitation and yield through external marketing.

Core functions of an RTO include:

**Representation**
- Represent local tourism associations, industry sectors and/or local government on issues affecting the tourism industry within their region

**Strategic Planning**
- Develop and implement a strategic business plan to provide a clear direction for the sustainable growth of tourism across the region
- Evaluate the effectiveness of the plan

**Marketing**
Include specific regional tourism marketing objectives within the business plan to build a regional brand, increase awareness, convert awareness to high yielding visitation and disperse visitors across the region and across the seasons.

**Tourism Industry Development**
Work with local government and local tourism associations to identify gaps in the tourism offering eg: scenic routes, tourism signposting, tourism infrastructure, accommodation and work to bridge the gaps.

**Tourism Business Development**
Encourage the growth of quality tourism businesses through:
- Supporting professional development
- Promoting the benefits of accreditation to encourage the growth of quality tourism businesses and experiences

**Public Relations and Communication**
- Provide clear communication to the industry regarding issues which affect their businesses
- Provide accurate communication about the tourism industry to the broader community and stakeholders

**Research**
Undertake research to evaluate and monitor:
- The value of the tourism industry to the region
- Visitor satisfaction
- Tourism industry needs and opportunities

**Partnerships**
Forge partnerships based on mutual respect and understanding with:
- Local tourism associations
- Local government
- Tourism Victoria (and other relevant government agencies)
- Regional tourism marketing boards (Campaign Committees)
- Tourism Alliance Victoria
- Industry associations
- Local communities

**Critical Success Factors**
- Committee Members with skills and/or knowledge in:
  - The regional tourism system
  - Business planning
  - Financial management
  - People management
  - Communication
  - Regional tourism marketing
  - Chairing or participating in meetings
  - Governance
  - Government systems, protocols and procedures
  - Private sector business management
  - Recognition and support from
    - Tourism industry
    - Tourism Alliance Victoria
    - Local and state government
    - Local tourism associations
    - Broader community
    - Regional marketing boards (Campaign Committees)
  - Workable strategic business plan inclusive of regional marketing objectives and an evaluation process
  - Executive officer with the capacity to operate the RTO as a business
Geelong Otway Tourism

Geelong Otway Tourism (GOT) was formed in 1993 and is now widely recognised as Victoria's strongest regional tourism organisation. It has an annual turnover of approximately $500k.

Structure

GOT has a board representing industry and municipal tourism interests and it employs a team of 12 including an Executive Officer, eight full time and three part time staff.

Partnerships

GOT has five municipal partners — City of Greater Geelong, Surf Coast Shire, Colac Otway Shire, Borough of Queenscliffe and Golden Plains Shire representing five local tourism associations. Each shire has signed a Memorandum of Understanding with GOT regarding their respective commitments in relation to GOT’s resourcing, accountability, communication, visitor services and sustainable tourism.

Business Plan

GOT is currently operating to its 2004-2007 Strategic Business Plan, the fourth it has produced since the organisation’s inception. The business plan maps out a clear direction for the tourism industry and municipal partners and provides a framework for best practice decision making.

It outlines a vision, challenges, objectives, action plans and targets, all within a sustainable tourism framework. There are five key objectives supported by a total of 28 strategic issues.

Actions within the plan are evaluated by an annual measurement of key performance indicators which are reviewed and refined each year.

GOT recognises the challenges are considerable in maintaining industry growth and increasing economic and community well being from tourism. However, during the life of GOT’s last business plan, the region realised solid growth in off peak tourism demonstrated by a 10% increase in guest arrivals with takings up by 47% from 1998-2004 and employment growth outperforming state and national trends.

Five Key Objectives

The five key objectives, all underpinned by a sustainable approach, are:

Objective 1: Forge and maintain partnerships with the tourism industry, the community and all levels of government.

Objective 2: Provide industry research data to the marketplace and represent the tourism industry and the region’s interests as a lobbyist for appropriate and sustainable infrastructure and services.

Objective 3: Enhance the visitor experience by improving industry professionalism and customer service.

Objective 4: Encourage the development of tourism product and experiences that enhances the region’s competitive strengths.

Objective 5: Undertake intrastate and interstate marketing of the region focusing on competitive advantages and addressing challenges of seasonality, length of stay and yield.

Sources


Other Tourism Alliance Victoria

Reference Material Includes:

- www.tourismalliance.com.au
- Functions of a Local Tourism Association
- Best Practice Touring Routes
- Visitor Information Centre Frequently Asked Questions
- Planning for Tourism
- Local Government Tourism Health Check
- Planning a Tourism Direction Case Study: Hepburn Shire Council
- Significance of Tourism
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Tourism Alliance Victoria acknowledges the support of Tourism Victoria in this project.
Submission to the
River Red Gum Forests Investigation
Victorian Environmental Assessment Council
By Tourism Alliance Victoria
December 2006
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INTRODUCTION

In providing a submission to the River Red Gum Forests Investigation, Tourism Alliance Victoria seeks to highlight:

- the critical role tourism plays in the Victorian economy generally and to the study region specifically;
- tourism’s importance to regional Victoria and its part in conserving Victoria’s unique natural and heritage environment;
- tourism’s capacity to support community goals through cultural and heritage preservation, services and infrastructure improvements and community engagement.

TOURISM ALLIANCE VICTORIA

Why are we interested in responding?

Tourism Alliance Victoria is the peak industry body advocating for and supporting the development of a professional and sustainable tourism industry across Victoria. The organisation represents the interests of our 760 strong member network which is made up of tourism attractions, tour operators, adventure and nature based tourism businesses, local and regional tourism organisations and visitor information centres.

Tourism Alliance Victoria work actively with our industry partners- Accommodation Getaways Victoria, Regional Victorian Conference Group and the Young Tourism Network. Combined we reach over 3000 Victorian businesses.

In working directly with businesses Tourism Alliance seeks to ensure businesses linked to nature and adventure based activities are working co-operatively with land managers to support the experience and products on offer as well as communicate and educate visitors on the cultural, heritage and environmental aspects of specific areas.

Whilst Tourism Alliance Victoria has a broad membership the following activities identify where the organisation has been active in areas which are related to tourism and public land management. Items of note include:

- Supporting the development of business operating standards and the development of the adventure activity standards to support business systems and processes.
- Drawing government attention to the issues in relation to public land tour operator and activity provider licensing reforms.
- Working with business and tourism community groups in the Otways Hinterland with a focus on community capacity building as part of the New Future for the Otways project program.
ECONOMIC OUTCOMES:
VALUE OF TOURISM TO RIVER RED GUM FOREST INVESTIGATION AREA

Tourism’s value to communities is often understated as tourism is more a system than a production point of industry. As a system, new money brought into an area flows through many points based on the purchase of goods and services by visitors. In addition the services purchased or infrastructure enjoyed by the visitor can equally be of value to the host community.

Tourism in Victoria is a $10.9 billion dollar industry.\(^1\) The use of public land contributes at least $3.5 billion annually to the Victorian economy.\(^2\) Tourism is valuable to the River Red Gum Forests Investigation Region and must be seen as one industry that can provide both economic and conservation benefits.

Tourism heightens the appreciation and need for conservation of Victoria’s natural environments. The Investigation Region incorporates a number of sites offering nature and adventure based tourism experiences. 77% of all international visitors to the State participate in nature based activities while 39% participate in adventure based activities.\(^3\)

The River Red Gum Forests Investigation Region incorporates the Murray Tourism Region which generates $696 million from domestic overnight visitors, $229 million from domestic day trip visitors and $51 million from international visitors.\(^4\)

Tourism employs 159,000 Victorians. Tourism in regional Victoria generates 61,000 jobs with 7059 people are employed in the tourism industry within the Murray Tourism Region.\(^5\)

In Victoria tourism generates some $650 million in tax revenue for the State Government. This revenue base for government has the capacity to grow but like all businesses there is a need to make significant and appropriate investment to ensure that both assets and their management are able to support world class experiences.

SUSTAINABLE TOURISM PRACTICES

Economic indicators are the most common form of evaluating the benefits of tourism. However more and more government agencies and communities are exploring the diversity of benefits and challenges tourism brings through exploring measures other than visitor nights, visitor spend and employment.

The River Red Gums Forests Investigation Discussion Paper highlights a number of practices associated with tourism and outdoor recreation which are not sustainable in the long term.

Tourism sustainability is dependent on the effective integration of three aspects: economic, environmental and social. Often referred to as the triple bottom line, quality tourism businesses have a distinct focus on these three aspects within their day to day operations.\(^6\)

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\(^1\) Tourism Victoria, The 10 Year Tourism and Events Industry Strategy, October 2006
\(^2\) Department of Sustainability and the Environment, Our Environment Our Future, April 2005
\(^3\) Tourism Victoria, Adventure Tourism and Nature Based Tourism Market Profiles, Year Ending Dec 2005
\(^4\) Victorian Environmental Assessment Council; River Red Gum Forest Investigation Discussion Paper, Carlton; Blue Star Print; 2006; pp180
\(^5\) Tourism Task Force, Victorian Tourism Employment Statistics, 2005
\(^6\) Tourism Queensland, Queensland Tourism Strategy, November 2006
For this investigation it is important that business practices for the future are the focus of what is, and could be, rather than highlighting what has been that needs to change.

The Discussion Paper highlights the negative impacts associated with Camping, Boating, Four Wheel Drives and Motor Bikes and Horse Riding. The extent and breadth of the impacts described and associated issues around seasonality are not clear.

Tourism Alliance Victoria urges VEAC to consider highlighting good practice or appropriate use with respect to tourism and outdoor recreation across a range of activity types within the Draft Proposals Paper to be released in mid 2007.

Tourism Alliance’s experience suggests that more and more communities recognise the value of tourism but not at any cost. They seek tourism on their own terms. Communities want to preserve their culture and their heritage, they want to improve services and infrastructure, they want improvements to quality of life and seek to have community involvement, and they want to retain their amenity. All of these aspects are possible through the consideration of sustainable tourism practices.

In areas of environmental significance, for sustainable tourism to flourish it is crucial that natural assets are protected, usage and impacts are managed, individuals are educated and informed and that strong partnerships exist between land management agencies, tourism businesses and the community.

The Great Barrier Reef has numerous examples where commercially successful tourism activity is contributing significantly to the conservation goals of the reef.

For communities a vibrant tourism industry brings employment and the capacity to spread the benefit through the community.

For the businesses a professional and sustainable approach founded on quality experiences and the principles of ecotourism will ensure the sustainability of the experience and the business through increased visitor expenditure and increased business profitability.

For this investigation public land and public land management can be the catalyst to supporting tourism and recreation opportunities through combining appropriate proactive land management with responsible use.

**Tourism Alliance Victoria is seeking:**

- The inclusion of best practice examples with respect to sustainable tourism and outdoor recreation activities on public land be highlighted within the Draft Proposals Paper.

- An opportunity to discuss with VEAC examples of sustainable tourism practices.

**A COMPLETE APPROACH WITH GOVERNMENT PARTNERSHIPS**

Tourism is an industry which is dependent on an effective partnership with all levels of government.

By its nature, successful and sustainable tourism affects operations and functions across Government including: Infrastructure, Training and Education, Environment, Forestry, Parks, Local Government, Communities, Transport, Planning, Regional Development, Multicultural Affairs, Ports, Arts, Police & Emergency Services, Sport &

The systematic nature of tourism requires a whole of Government approach with clear collaboration between Government Departments and Agencies over time.

In October 2006 the State Government released its 10 Year Tourism and Events Strategy. The strategy highlights the need for strengthening the partnership between government and industry, the value of regional destination development and the opportunity for tourism through the Aboriginal Land and Economic Development Program.\(^7\)

The protection and management of indigenous cultural heritage also provides tourism opportunities. Victoria’s Aboriginal Tourism Development Plan 2006-2009 highlights the potential growth of the cultural heritage segment.\(^8\)

Local Government is a key agent in sustainable tourism management in its role as land steward. Through a variety of direct and indirect roles, local Government in Victoria invests over $31 million into tourism.

In Victoria, the capacity of local government to sustainably manage tourism may be limited by isolation, access to resources, relationships with industry and other levels of government, training and skills of key staff and communication within council.

It is critical that the implications for neighbouring local government areas from a planning, land use, service support and access perspectives are given full consideration as part of the Draft Proposal Paper.

**Tourism Alliance Victoria is seeking:**

- The Draft Proposals Paper to explore the tourism development opportunities flowing from the State Government 10 Year Tourism and Events Industry Strategy.
- That any management plan(s) for the River Red Gums Forests Investigation Area integrates both State and Local Government responsibilities.
- State Government support to further develop partnerships based on mutual respect and understanding with Local Government, particularly regarding Sustainable Tourism Destination Planning and Development.
- State Government support to further leverage their partnership with Tourism Alliance in assisting Local Government to understand the value of tourism to their local community.
- State Government support to encourage ongoing investment in sustainable local level tourism and events.

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\(^7\) Tourism Victoria, The 10 Year Tourism and Events Industry Strategy, October 2006

\(^8\) Tourism Victoria, Victoria’s Aboriginal Tourism Development Plan 2006-2009, 2006
PROACTIVE LAND MANAGEMENT
To be successful the consideration of any change to the public land categories within
the Investigation Areas must be done with proper consideration for the resourcing to
make these changes deliver the goals sought.

Proper resourcing for infrastructure needs, conservation programs, people
management (information and enforcement) and broader community education are
seen as essential.

The tourism business experience in relation to land management strategies does vary
across the State. Key concerns are raised where:

- management strategies such as booking systems for high use activity sites or
campsites are not enforced.
- there is limited or no enforcement of licensed tourism businesses due to limited
resourcing on the ground.

The result is that those businesses that are compliant are disadvantaged.

Tourism Alliance does not support the introduction of licensing or management
systems unless these requirements add tangible value to the visitor experience and
there is the capacity to ensure the enforcement of these requirements.

Additionally the provision of safe and appropriate sites on public land for tourism and
recreation requires a proactive management approach. The aim is to minimise
environmental impacts while ensuring visitors are welcomed and encouraged to act
responsibly and with sensitivity to the local environment.

TOURISM ALLIANCE VICTORIA IS SEEKING:

- Appropriate levels of Government resourcing to underpin effective proactive land
management at significant sites within the Investigation Area.

Quality Camping Experiences
The River Red Gums Forests Investigation Region provides the opportunity for some
unique camping experiences. Currently there are no fees, bookings or access controls.
However, without the introduction and capacity to monitor and enforce usage activity,
the environmental quality, the value of the experience and satisfaction of campers will
decline.

Generally members of Tourism Alliance agreed with the comments made in the
Discussion Paper regarding issues around camping. Some comments included:
“Dumping of rubbish is a problem.”
“There isn’t enough control [of campers] from DSE or Parks. They [campers] don’t know if there
are Total Fire Ban Days and campfires are not put out properly…”
“... [we] agree there are issues which require proper investigation. ...[however, we] believe the
majority of visitors to our region are responsible, and behave accordingly.”

Management of camping areas may include the rehabilitation of degraded sites. For
example the demonstration site of the Tenbury-Reserve at Swan Reach was improved
and managed by the River Murray Sustainable Recreation Committee. Environmental
practices to negate the impacts of erosion, litter, fires, pets and indiscriminate
camping included revegetation, formalisation and reduction of the road and delineation
of appropriate camping sites.
The introduction of a booking system for camping during peak season may be required to manage camp site layouts, protect sensitive areas, provide a point of contact with campers to allow for transfer of information regarding responsible camping, track camping numbers and seasonality to assist with management and resource allocations, contribute to land management costs and provide broader access through capping stay periods.

New South Wales’ Mungo National Park provides an example of a booking system for its campground and shearer quarters. Similarly, a number of public land areas of Victoria currently apply camping fees.

Further management is required through the provision of onsite visitor facilities including sustainable pit toilets such as those in the Grampians National Park; designated camping areas and designated walking tracks for campers, provision of rubbish removal options during peak periods and the provision of purchasable firewood for campers during peak season. Sites could be rotated to allow rehabilitation in degraded areas. Interpretive signage is required to highlight key environmental values of the area. Installing boardwalks offers cover over environmentally sensitive areas.

**Tourism Alliance Victoria is seeking:**

- Designated camping areas for licensed tour operators
- For specific sites the introduction of a campsite booking system during peak periods, the capacity to enforce camping regulations and enhanced visitor facilities.

**Quality Boating Experiences**

Given the role of the Murray River in the Investigation Area, boating is an important part of the River experience. However, like other associated activities it needs to be managed in order for it to be sustainable. The difficulty of planning, implementation and enforcement of management strategies is compounded by the cross border issues associated with the Murray River.

Members of Tourism Alliance stated that:

“Water associated activities are obviously a huge tourist attraction in our area”
“Jet skis...are only a problem at certain busy times of the year”

Often the lack of facilities can lead to problems such as excessive vegetation and erosion. A successful example of the benefit of redevelopment is Fred’s Landing at Tailem Bend on the Murray River. Over a 17 month period, facilities such as a new boat ramp and delineated car parks were upgraded to reduce damage to the site. The changes have resulted in positive environmental practices and affirmative feedback from site users and the wider community.

**Tourism Alliance Victoria is seeking:**

- Co-ordination between Victorian and New South Wales State Government agencies for uniform and enforceable management practices.
- Designation of particular zones for different activities, such as ski club and wakeboarding areas, giving consideration to residents or non-boating holiday makers inclusive of boat ramps.
Quality Four Wheel Drive And Motorbike Experiences

Four wheel drive and motorbike experiences are an integral component of nature based and adventure based tourism. However it is important that any associated impacts are minimised.

Members of Tourism Alliance surveyed commented:
“No visible damage in our area. Noise and dust pollution in busy holiday periods from trail bikes would be the biggest problem.”
“Very little designated tracks for users therefore creating damage to the riverine environment and disturbance to wildlife.”

In these circumstances often it is not the licensed Tour Operator who is conducting tours under direct instruction where the focus for land managers needs to be, but on the recreational activities of the general public.

A positive and sustainable 4WD tour operator in Victoria is the Grampians Personalised Tours and Adventures Company. This operator specifies their risk management strategies for 4WD Tours including ensuring all trips comply with the Grampians National Park Management Plan; drivers are trained in interpretation and have suitable knowledge of the National Park, fauna and flora; all trips are to be done on approved tracks/roads/areas and assessing the suitability of weather conditions for the trip. Minimal impact practices are employed to reduce the impact on the environment.

Tourism Alliance Victoria is seeking:
- Clear communication and enforcement of any activity guidelines including access limitations based on rainfall or flooding.
- Designation of particular zones for different activities focusing both on what you can do and what you cannot do in particular locations.
- Designated trails for complimentary activity types.

Quality Horse Riding/Cycling Experiences

Several members of Tourism Alliance remarked that there was not enough horse-riding in their region to create a significant problem.

There are opportunities to broaden these experiences by capitalising on infrastructure that already exists and investing in further infrastructure.

One example is the Murray to the Mountains Rail Trail for cyclists and walkers. This trail is expected to contribute $0.5 million per annum to the local community with a multiplying effect of up to $1.9 million per annum. Furthermore, this type of experience promotes a better understanding of the cultural, natural and historical values of the area, as well as creating environmentally sustainable links between rural towns.

Tourism Alliance Victoria is seeking:
- Clear communication and enforcement of any activity guidelines including access limitations based on rainfall or flooding.
- Designation of particular zones for different activities focusing both on what you can do and what you cannot do in particular locations.
- Designated trails for complimentary activity types.
PUBLIC LAND TOUR OPERATOR AND ACTIVITY PROVIDER LICENCING

In Victoria, the Public Land Tour Operator and Activity Provider Licensing Program is integral to the management of the relationship between businesses and the natural environment.

The provision of licensing to commercial businesses presents a number of opportunities. Licensing ensures that users of public land are capable of managing the environment they are entering, are able to take responsibility for the safety of people in their care and make a contribution to the maintenance and development of facilities they are using. Licensing allows for accountability for actions and standards and allows monitoring and regulation of use.

While a number of licensed businesses currently operate within the River Red Gums Forest Investigation Area, Tourism Alliance Victoria considers that all commercial operators require a licence.

In general terms the licensing requirements permit trade on public land while including caveats associated with environmental protection and good business practices.

Licensed tour operators are a pivotal player in both education and conservation. For example, Wildscape Safaris, an accredited operator based in Tropical North Queensland has been actively involved in regenerating a section of the Barron River on the Atherton Tablelands. It also conducts research and monitoring of platypus behaviour.

There is an opportunity to increase the value and yield of public land within the Investigation region through the management and designation of areas for the provision of licensed tour operators. Licensed tour operators provide a higher yielding experience within a controlled environment. They have the ability to contribute to land management through assistance with site protection, cleanliness and other sustainable practices. Examples are provided throughout this submission.

**Licensing For Long Term Environmental and Business Wins**

Tourism Alliance has played an active role in the licence reform process and has been working closely with Department of Sustainability and Parks Victoria to better inform State Government of industry views on this important issue.

The reform of Public Land Tour Operator and Activity Provider Licences involves issues such as conditions, terms, enforcement & compliance which in turn support good practice and the capacity to grow tourism experiences for the longer term sustainability and market development of nature based tourism.

A three year consultation and review process has taken place and it is time to progress the unified responses received by government.

**TOURISM ALLIANCE VICTORIA is seeking:**

- The State Government provide 10 year public land licences that support a stable business climate for long-term business investment, growth and profitability. Strong, overt and well-publicised enforcement that will encourage compliance, professionalism and long term investment.
- That legislation implements these reforms be passed in the autumn 2007 session of State parliament.
UNIQUE VICTORIAN WILDERNESS EXPERIENCES

Victoria has the potential for a competitive advantage based on its wilderness and adventure-based activities. The Government recently launched the Adventure Tourism Brochure which was a critical step towards unearthing the diversity and depth of product in Victoria. However, the capacity to attract high-yielding customers is severely limited by a lack of quality investment in wilderness-based accommodation experiences. The private sector is ripe, the restrictions in Victoria result in investment in other states of Australia and New Zealand.

Tourism Alliance Victoria is seeking:

- Proceed with urgency the Land Bank project which seeks to identify a limited number of suitable investment locations for unique high-quality nature-based accommodation investments;
- A whole of Government approach to the provision of suitable investment locations;
- The capacity to capitalise on existing natural assets and nature-based accommodation through the encouragement of high-yielding consumers.

EDUCATION AND CONSERVATION PROGRAM

A comprehensive and wide-reaching education program is needed to inform the public on how to use the River Red Gum Forest Investigation Area responsibly. The focus of the program requires the transfer of knowledge and skills regarding sustainable practices and behaviours. The key message is responsible use by all communicated by signage, codes of conduct, fact sheets and interpretive talks among many options. Critical to achieving these goals is the role of licensed tour operators. Through such programs, tourism becomes a genuine contributor to conservation and education.

Success of such programs is reliant on building strong partnerships between all stakeholders in the River Red Gum Forest Investigation Area. For example, Eco-Adventure Tours runs Night Walks where survey sheets are provided to land management authorities quarterly and significant observations immediately.

Tourism Alliance Victoria is seeking:

- The inclusion in the Draft Proposals Paper of a co-ordinated education and communication program for the River Red Gums Forest Investigation Area encouraging responsible use by all users across all industries.
ACKNOWLEDGEMENTS

Tourism Alliance Victoria wishes to acknowledge the direct and valuable input received from the following members:

Corporate Commandos Pty Ltd
Grampians Personalised Tours and Adventures
Greater Shepparton Visitor Information Centre
Highland Explorer
Hodgson House Bed & Breakfast
Kingfisher Cruises
Mildura Tourism
Moira Tourism
Tokemata Retreat
Yarrawonga-Mulwala Tourism Inc

SOURCE DOCUMENTATION

For further information on these issues, please see Tourism Alliance Victoria’s Representation Papers available online at www.tourismalliance.com.au

Public Land Tour Operator & Activity Provider Licence Reform
Position Paper July 2005

The Right Person for the Job – Skills for Yield in Victoria’s Tourism Sector
Submission to House of Representatives Committee Inquiry into Workplace Challenges in the Australian Tourism Sector August 2006

Energy & Communications Infrastructure
Position Paper July 2005

Victoria’s Tourism & Events Industry: Building a 10-Year Government Strategy
Response Discussion Paper July 2005

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TOURISM ALLIANCE VICTORIA

ISSUES PAPER

“DROUGHT & REGIONAL TOURISM”

The document is a discussion paper and has been developed by Tourism Alliance to focus on the needs of tourism in regional Victoria in this time of drought. The paper has been developed from the feedback provided though a member survey. This material has been considered and utilised in good faith.

Further Tourism Alliance Member input is welcome on any aspects of this document. The material enclosed will be utilised to support the regional tourism case as part of the drought tourism project chaired by Tourism Victoria.

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Key Issues for Discussion

1. Introduction

This brief encapsulates the core messages which have been received in response to requests for information and feedback across Tourism Alliance’s membership. It should be noted that 100% of all regional tourism organisations within Victoria are members of the Council with an additional 139 Local Tourism Associations and Local Government areas contributing to the Membership profile.

This input reflects data from operators, regional tourism marketing groups, local government and regional tourism associations. The majority of respondents are within the defined drought affected area. The survey provided feedback from the following organisations:

Albury Wodonga Tourism
Ballarat Tourism
Bendigo Tourism
Tourism Alliance Board Members
Geelong Otway Tourism
Hindmarsh Shire Council
Horsham Rural City Council
Hume City Council
Mansfield-Mt Buller Tourism Association
Mornington Peninsula Tourism
Mount Alexander Tourism
Murrindindi Shire Council
Northern Grampians Shire
City of Shepparton
Wellington Shire Council

The input has been divided into 5 sections. These include:

- **Regional Profiles** - a number of brief regional profiles which provide a range of views at the regional level.
- **Operator Infrastructure** – a snapshot of some of the challenges facing tourism operators.
- **Direct Agency Support** – provides some perspectives of how Tourism Victoria and other groups can directly assist.
- **Drought Affected v’s Non Drought Affected** – raises some issues about the focus and timing of marketing support.
- **Suggested solutions** – Collated from across the document, they are suggested. Some additional views are also included within this section.
2. Regional Profiles

2.1 Lake Eildon

Information received indicates that there is a perception that the Lake Eildon is closed for recreational use. Operators most affected are in the caravan park, house boat, fishing, boating and accommodation sectors that directly benefit from Lake Eildon and surrounding rivers.

Generally there has been a lack of bookings for water based activities. Some regions and localities are reporting positive seasons whilst for others the lead up to the holiday period and beyond has been the opposite. The Lake Eildon hinterland in some areas is affected by drought which is also having an impact as the hinterland provides an alternate activity point for people visiting the region.

Adverse Media Impacts – Experience indicates that bookings have been cancelled based on media news stories. A local survey of 10 larger house boat and Caravan Park businesses conducted before Christmas reported over $90,000 in cancelled bookings largely over the Christmas period. However some operators are indicating improved bookings. The most affected areas are Bonnie Doon, Peppin Point and Howqua.

Retailing – The region reports that retail traffic in the town of Yea is down due to a lack of through traffic. Yea is a popular stopping point for those travelling to Lake Eildon. At this time of year the retailers spoken to anticipate visitors make up some 20% of their business. Currently very little activity. This activity demonstrates the impact that tourism’s economic flow has across local communities.

There is some concern over the potential for a blue-green algae bloom. Operator response is identified under Section 3.

Likely future impacts of significance could include the regions highly regarded fishery. The region’s trout fishery could be impacted as water levels decline and the water temperature rises. The trout fishery requires cold water to survive. Fishing is a key attraction of the area.

Suggested Solutions

Co-operative marketing with an emphasis on non-water related product (ie: Food & Wine, Arts & Cultural Heritage) but supported by an over arching awareness campaign to assure visitors that they can still have a quality holiday experience in regional Victoria.

Co-operative marketing assistance allocated for future use to support directly affected operators when water restrictions are lifted and lake water levels improve.

2.2 Grampians/Hindmarsh

The Grampians region contains the popular recreation lakes – Lake Fyans, Lake Bellfield, Lake Lonsdale and the popular fishing lakes of Lake Hindmarsh and Lake Taylor.
One operator has indicated an estimated loss of some $60,000 and 5 jobs. Towns neighbouring these recreational and fishing spots are feeling the impact due to lack of visitors.

Locally well known fishing spots, such as Rockland Reservoir which still have a limited amount of water, are not drawing visitors as potential visitors assume it is dry.

The Local Government Area of Hindmarsh is anticipating a decline of visitors in the order of 50%. This is mainly due to reduced activities involving Lake Hindmarsh and the Wimmera River.

The area anticipates that things will become increasingly desperate should below average rainfall continue for 2003.

**Suggested Solution**

Co-operative marketing with an emphasis on non-water related product (ie: Food & Wine, Arts & Cultural Heritage) but supported by an overarching awareness campaign to assure visitors that they can still have a quality holiday experience in regional Victoria.

Co-operative marketing assistance **allocated for future use** to support directly affected operators when water restrictions are lifted and lake water levels improve.

### 2.3 Goldfields (Mt Alexander Tourism & Bendigo Tourism)

Generally across the region public gardens are drying off and this is one of the key selling features of the region.

Mt Alexander are anticipating a reduction in visitation by 10%

Water restrictions limit water usage with lawns and gardens not able to be watered. This presents fears for caravan park operators as they are concerned they will lose holiday visitors due to the dry and dusty environment.

Within Bendigo water restrictions limit water usage and lawns and gardens not able to be watered which presents fears for caravan park operators as they fear they will lose holiday visitors due to the dry and dusty environment.

Bendigo Tourism is undertaking a study of the total impact on tour operators at Lake Eppalock. The lake has 5 caravan parks, hotel and associated industries which are likely to cease operation when it is pumped dry.

**Suggested Solution**

Co-operative marketing assistance **allocated for future use** to support directly affected operators when water restrictions are lifted and lake water levels improve.
3. Operator Infrastructure:

**Bore Water fixtures upgrade**
Operators have indicated that the switch to using bore water is having an impact on their fixtures and fittings. The result has been a need to undertake fixture and fitting replacement and install a desalination plant.

**Blue Green Algae**
Some operators within the Eildon area are concerned over the potential impacts of a blue green algae bloom. To ensure their support of potable water a number of operators along the Goulburn River are installing treatment plants to filter water in the event of blue green algae to ensure potable water supply.

**Sewerage**
Low water levels are causing concern within the Bendigo area (Lake Eppalock) in relation to sewerage treatment. Further information will be provided.

**Suggested solution**
*Infrastructure support to assist operators to overcome these significant operational adjustments at a time when operator revenue is decreasing.*

**Tourism and Sustainability**
Northern Grampians Shire indicated a future concern for water supply given the development of, and demand by the visitor for, spa bath facilities within the Halls Gap area.

This is a longer term issue which needs some consideration particularly in drier parts of the State.

4. Direct Agency Support

**Campaign Committee – Tourism Victoria**
Campaign Committee understanding from details provided by Tourism Victoria is that the drought relief funds which have been allocated to that Committee are to maintain current marketing activities and not to change focus to assist drought affected areas.

This direction supports the need for a consistent approach to marketing however Campaign Committees may wish to alter the emphasis on certain products which may be drought affected. If a region’s product heroes are water based recreation then the emphasis in the short term to have any positive impact must change.

Maintaining current marketing campaigns and pushing the emphasis to non drought affected product will continue to provide support to the region. However the timing means that it is unlikely to support the operators most affected.
**Suggested Solution**

Co-operative marketing assistance allocated for future use to support directly affected operators when water restrictions are lifted and lake water levels improve.

**Events**

Some concern has been raised in relation to events and their evaluation. Events which have received funding between October 2002 and April 2003 are seeking some concessions when being evaluated for future funding. A number of events have indicated that the drought has had/will have an effect on the event.

**Suggested Solution**

The impact of the drought on event conditions be taken into account by Tourism Victoria and Tourism Alliance when assessing the events sponsored by Tourism Victoria or by Tourism Alliance through the Country Victoria Events Program.

**Exceptional Circumstances Recognition (Federal & State Government)**

In a number of key recreational water resource areas a core group of operators are experiencing little to no business due to water levels. These businesses which rely solely on lake water levels (Eildon, Eppalock etc.) should be recognised for their current circumstances in the same way that many farming communities are being recognised with support and access to Exceptional Circumstances Benefits.

**Suggested Solution**

Government (State & Federal) to recognise tourism operators directly reliant on water resources to be eligible for exceptional circumstances benefits.

**Drought Areas a priority for Government Programs.**

It is recognised that there are a range of government programs which focus on business assistance and community support. These may range from advisory services through to counselling or community projects. The drought provides the opportunity for State and Federal Agencies with such programs to allocate resources at a priority level to drought areas where the community can demonstrate that such support is needed on the ground.

Such an approach recognises the recurrent nature of Government programs and activities as well as limited financial resources.

**Suggested Solution**

State and Federal Government make drought areas a priority for key agency programs which focus on business support and community well being.
5. Drought Affected v’s Non Drought Affected

This section has been included as part of this issues paper to generate discussion. The issues raised seek to reinforce the message that when there is a major economic impact such as drought across the State tourism, both within and beyond those areas, is likely to be affected to varying degrees.

When considering tourism and the affect of drought it is critical that there is an understanding of the elements within the tourism system. Within this system there are a broad range of businesses directly and indirectly involved. From the consumer perspective tourism is reliant on disposable income being allocated to travel or holiday activities.

Experiences to date highlight the relationship between drought and visitation levels to many regional areas. Where drought results in decreased visitation it can be suggested that the decision making by the consumer is influenced by both perceived and real environmental changes caused by drought.

In considering these issues the following questions have been raised:

- Can the impact of a drought on visitation be alleviated or at least mitigated through the provision of additional marketing during the drought period?
- Given the negative media images of drought should a push for non-water based activities go ahead?
- Should support be provided now for those regions with water recreational options to challenge the perception of all regions equally affected?
- Are there sufficient resources within any campaign to shift current public perception?
- Would operators be better served to have a number of promotional activities prepared for when the rains come and the media takes a positive interest in the rural experience?

Coastal Regions

There has been a perception that the coastal regions will benefit as a result of the inland circumstances. This must be considered in the context that many coastal areas source their core domestic visitors from inland regions. Experience to date indicates that visitation from this market will be down as potential visitors restrict their movement to look after their properties during a drought.
6. Suggested Solutions

From the above input the suggested solutions are as follows:

- **Co-operative marketing with an emphasis on non-water related product (ie: Food & Wine, Arts & Cultural Heritage) but supported by an overarching awareness campaign to assure visitors that they can still have a quality holiday experience in regional Victoria.**

- **Co-operative marketing assistance allocated for future use** to support directly affected operators when water restrictions are lifted and lake water levels improve.

- **Infrastructure support** to assist operators to overcome these significant operational adjustments at a time when operator revenue is decreasing.

- **The impact of the drought on event conditions** be taken into account by Tourism Victoria and Tourism Alliance when assessing the events sponsored by Tourism Victoria or by Tourism Alliance through the Country Victoria Events Program.

- **Government (State & Federal) to recognise tourism operators directly reliant on water resources to be eligible for exceptional circumstances benefits.**

- **State and Federal Government make drought areas a priority for key agency programs which focus on business support and community well being.**

In addition a number of other possible action areas have been raised which could be discussed:

- There is a need to educate Local Government about the likely drops in visitations and the sorts of tourism impact being felt across regions as a result of the drought.

- There is a need to offset the negative media environment (concerns over terrorism, drought) through an overall campaign promoting the fact that Country Victoria is a safe destination (one of the safest), offers high quality experiences and extremely good value for money. This campaign could focus initially on those areas offering all product options and as the drought breaks additional destinations could be introduced. This could be taken to a national level and the drought affected States link with See Australia in a united campaign.

- In the area of forms of government assistance it has been suggested that "a request be made to the Federal Government to make the drought area a GST free zone for travellers!"

Referred to as solutions the above represents supportive steps aimed to ensure that those tourism operators who are experiencing hardship directly as a result of drought can trade through to ensure their business survival and longer term sustainability. In the end the solution which will deliver the most support to these steps is rain.