30 May 2007

Dear Sir/Madam,

INQUIRY INTO RURAL AND REGIONAL TOURISM

It is with pleasure that I submit Latrobe City’s response in relation to the inquiry into rural and regional tourism.

As demonstrated in our submission, the tourism industry is one of great importance to Latrobe City and the wider Gippsland region and we appreciate this opportunity to be able to directly input into this inquiry.

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

If you require further information, I encourage you to call Latrobe City Manager Marketing and Communications, Grantley Switzer on 5128 5662.

Yours sincerely

PAUL BUCKLEY
Chief Executive Officer
(1) The economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry.

Based on the initiative of the Federal Government, the Tourism Impact Model, the tourism industry is clearly significant for Latrobe City, injecting $92.7 million per year into the local economy and providing around 890 equivalent full time employees.

Latrobe City Council's expenditure on tourism is $1.4 million and is seen as a worthwhile investment in this industry. This $1.4 million is made up of direct funding of the Tourism unit and Visitor Information Centre, investment in events attraction and facilitation, and a percentage of ongoing infrastructure maintenance undertaken to facilitate the needs of tourists.

"People visiting Gippsland spend $614.7 million per annum and generates more than 4,500 jobs in direct employment". Source Tourism Victoria: Gippsland Economic Profile 2004 Gippsland.

Due to our proximity, Latrobe City does enjoy flow on benefits as a result of the tourism activities undertaken by our neighbouring Councils. To this end, Latrobe City has formed a strategic alliance with Baw Baw and Wellington Shire Councils. This alliance is referred to as Experience Central and West Gippsland and focuses on attracting tourists to this particular region. There is also an alliance of the six Gippsland Councils known as Creative Gippsland, designed to promote the arts, culture and heritage aspects of our region.
(2) Potential impediments to the sustained growth of regional tourism, economic activity and jobs.

**Internal and external perceptions of Latrobe City**
Latrobe City has struggled over the years with negative perceptions of our City being a highly industrialised society, thus illustrating an unfavourable tourism image. Some local residents do not appreciate the assets and opportunities of this City and therefore foster a negative outlook which in turn pervades service levels. While time appears to be slowly changing these perceptions, there is now a danger of escalating negative external attitudes due to the concern of global greenhouse gas emissions and the perceived pollution of coal fired power stations.

Concern for the world environment has been identified as a key issue for the future with impacts expected on international and domestic long-haul flights due to carbon taxes. Australia is already receiving negative attention overseas due to Government policies on greenhouse emissions.

It sometimes appears that Tourism Victoria does not recognise Latrobe City as a destination and therefore do not actively engage with Latrobe through promotion or journalists familiarisation programs.

**Lack of facilities**
To grow as a commercial and tourism hub, Latrobe City needs additional higher standard (4-5 star) accommodation and conference facilities. While Latrobe has some conference venues, a quality venue with a greater capacity would generate growth in this tourism sector.

There is currently a lack of available beds due to a corporate and business demand. This has a significant impact on attracting new events, conferences and group travel to the region.

**No recognised icon**
Latrobe City lacks a well known icon that could be used in promotional strategies to attract visitors, represent the city and be the major factor in promotional activities.

Although Latrobe’s strength lies in its central location in Gippsland, there is a lack of awareness of Latrobe City as a regional hub. Externally, little is known about Latrobe but it is positioned well to build on and promote the “hub and spoke” approach, that is, to use Latrobe City as a base from which to explore the surrounding region.
There is an opportunity to partner with the historic town of Walhalla (Baw Baw Shire) which enjoys a high profile both domestically and internationally and benefit from joint promotional activities. To travel to Walhalla, visitors must pass through Latrobe City which would generate direct and indirect spending.

Council boundaries will always continue to be an inhibiting factor as there will always be reluctance by some Councils to promote attractions outside their own municipal boundary. This is often understandable in that Councils are primarily accountable to residents and ratepayers of their particular Council. Saying this, there have been many positive examples of neighbouring Councils working together for the good of the wider region.

Apathy of operators
Some operators in Latrobe City do not recognise that they are in the tourism industry and do not wish to become involved at any level to develop or promote the region. Accommodation providers experience high occupancy rates due to the corporate sector so do not see the need to engage in other forms of tourism or related activities such as networking and packaging. There is no obvious planning for the risk of a change of economic circumstances such as losing major customers.

Lack of knowledge/skill base of operators
There are several new operators in Latrobe City that are new to the industry and to the region. This leads to an inconsistency of service levels delivered across the region, little on-selling or referrals to complimentary businesses.

Today’s customers demand a higher level of service and many operators do not adapt or actively develop their business to keep pace with customers expectations.

Opportunities exist for operators to up skill with Tourism Victoria’s Tourism Excellence Program.

High fuel price
Current fuel costs discourage the dispersal of travellers throughout regional Victoria.

Transport to and throughout Latrobe City
Access by road to Latrobe City from Melbourne is excellent with dual carriage freeway from Melbourne. There are also now excellent rail services however opportunities for utilisation of rail for business/holiday markets have not yet been fully
exploited by the tourism industry or the carrier. To this end, Latrobe City is very supportive of the upcoming funding to be provided to our Council to employ a Development Connections Coordinator whose role will be to promote and increase patronage on the rail network for activities including tourism and events.

The majority of our major towns have good taxi services; however poor bus services after hours and to outlying towns and attractions create an impediment for those people reliant on public transport.

The nearest passenger airport is Tullamarine, Melbourne. A scheduled passenger service at Latrobe Regional Airport has been attempted by a number of carriers with minimal success. The return of this service, with tourist friendly rates and timetables would encourage corporate traffic and direct access to interstate markets.
(3) The effectiveness, at a National, State and local level, of current programs to promote and enhance tourism in regional Victoria.

National promotional campaigns

National Campaigns do not encourage direct visitation into regional Victoria, however, the Sydney-Melbourne Coastal Drive and Sydney-Melbourne Touring promotion is gaining momentum. While Latrobe City is not featured in these products, we may benefit through flow on and would appreciate opportunities to be involved.

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

Tourism Victoria

Tourism Victoria appears to focus on destinations such as Melbourne, Great Ocean Road and Yarra Valley, and, while Gippsland has received a branding and marketing campaign, it appears that the full potential of Gippsland is not yet fully understood. Whilst we appreciate that promotional activities are centred on strengths and icons such as Gippsland Lakes, Wilsons Prom and Mallacoota, there appears to be a lack of knowledge and appreciation for what other parts of Gippsland can offer.

Tourism Alliance

Tourism Alliance is very active in providing personal and business development opportunities for Visitor Information Centres and business operators, although there is a poor take up in Latrobe. The recent Victorian Tourism Conference themed “the Certainty is Change” addressed current day issues and offered excellent and appropriate speakers with relevant case studies.

Destination Gippsland Inc.

The committee for the Gippsland jigsaw region, Destination Gippsland Inc. (DGI) together with Tourism Victoria launched a branding and awareness campaign in October 2006 with ongoing tactical activities and opportunities for operators to be involved.

The process of raising the profile and awareness of Gippsland is gaining momentum and already producing positive results. The response from the public at the recent
Melbourne International Flower & Garden Show and the Melbourne Caravan, Camping and Touring Supershow certainly demonstrated an increased awareness of Gippsland.

Gippsland has been successful in securing $1.75 million for bushfire recovery funding over 2 years. While the final marketing strategy is still to be signed off, the emphasis will be on promoting the Gippsland branding. There is a concern that momentum will be lost once the funding is depleted as there has not been a good history of operator buy in.

DGI are communicating well with the industry and are endeavouring to engage with more industry players. The committee demonstrate transparency with strategies, having documents available on an industry dedicated website and through a monthly e-newsletter. To date, the Gippsland branding and tactical campaign could be regarded as successful as consumer awareness has increased, as has operator buy in.

With Gippsland being such a large region, a whole of Gippsland campaign overlooks many small operators and towns.

Wider Gippsland has a lack of a quality consumer website. The current website is managed and linked to visitvictoria.com and updating is difficult. Tourism Victoria reserves the right to upload only the information they feel is appropriate and at infrequent times. Consumers demand electronic information, thus the provision of effective websites is critical.

**Gippsland Tourism**

Gippsland has been fortunate to have the position of Gippsland Tourism, General Manager, funded by Tourism Victoria and the six local government organisations across Gippsland. It is a big region which had a very fragmented tourism industry with a varying range of engagement and successes. Gippsland has progressed with the General Manager being instrumental in harnessing many parts of Gippsland to work together. The General Manager has also been effective in liaising with Tourism Victoria and parliamentarians. There are concerns that progress may be lost once the General Manager’s contract expires in June 2008.

**Experience Central and West Gippsland**

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

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

**Latrobe City Council**

Lacking a recognised icon, and with good infrastructure, Latrobe City's strength lies in its ability to attract, promote and facilitate events, thus Council provides a very good level of support for the tourism and events unit. Over the past decade, Latrobe City has attracted and facilitated a wide range of international, national and state events. This approach to events tourism has proven to be a successful one and our City is now recognised as being one of the premiere events destinations in provincial Victoria.

Latrobe City also boasts a level 1 accredited visitor information centre which was named finalist in the 2006 Victorian Tourism Awards and is regarded as a leader across the state network.

Latrobe City also facilitates a Tourism Advisory Board, a Board which consists of two councillors and a wide range of tourism and business related individuals. Council understands the need for a local industry network and has been instrumental in the establishment of the Latrobe City Business Tourism Association (LCBTA). Still in its infancy, it is hoped that this Association will demonstrate commitment and undertake activities identified in the Tourism Plan.

As a general comment, many people within the industry find it difficult to understand the tourism structure. It can be intimidating, bureaucratic and confusing.

Accommodation businesses in Latrobe City have high occupancy rates from the corporate market and do not understand the value of other tourism sectors, eg. Visiting Friends & Relatives (VFR), events and conferences.
Communication Network

Tourism Australia

Tourism Victoria

Destination Gippsland (DGI)

Gippsland Tourism

Latrobe City
Tourism Co-ordinator
Visitor Information Centre
Latrobe Tourism Advisory Board

Gippsland Events Network/Creative Gippsland

Experience Central & West Gippsland

Latrobe Business Tourism Association
(4) Initiatives to increase both international and domestic visitor nights in regional Victoria.

Latrobe City has identified the following initiatives which assist in the development of international and domestic tourism is our municipality:

- The development of Sydney Melbourne Touring
- Sydney Melbourne Coast Drive and associated marketing
- DGI Gippsland branding and tactical campaign
- Australian Tourism Exchange (ATE) Brisbane 26 May-1 June. Gippsland stand with increased number of Gippsland operators participating.
- Tourism Victoria – International Marketing Mentoring program – designed to upskill operators to be “Internationally Ready”
- Consumer shows – Gippsland, Experience Central & West Gippsland and Latrobe Valley stands at appropriate shows (Difficult to monitor effectiveness - operators could assist with data however, most are reluctant and do not understand the value).
- Website maintenance and enhancement (visitlatrobevalley.com and Gippsland)
(5) The efficiency of existing mechanisms at a National, State and local level to address the impact on regional tourism of natural events such as bushfires, floods and drought, and effective measures to drive long term economic recovery.

Overall, the role of the Gippsland Tourism Response and Recovery Group (GTRRG) was extremely worthwhile, formed immediately the latest bushfire was first active in December 2006. GTRRG comprised of the Chair Gippsland Tourism General Manager, council tourism managers, tourism operators, town representatives, DSE, Tourism Victoria and Parks Victoria.

There were many positives that were obtained through the formation of this Recovery Group. These included:

- GTRRG regularly communicated with public and business operators to keep them better informed.
- GTRRG Business Impact surveys were conducted.
- GTRRG contributed to submissions for recovery funding
- GTRRG input into media response (Gippsland Vs Local)
- GTRRG developed positive partnerships and collaboration within the tourism sector
- CFA, Parks Victoria and DSE actively working with GTRRG
- Debrief identified areas for improvement

There was however some negatives identified in this process:

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

Opportunities for improvement

- VIC’s under-utilised in terms of distributing a uniform message and up-to-date information to visitors.
- Training of VIC staff to deal with crises required and a consistent message/script required.
• Lack of updated and uniform information across VBIL, Land Managers websites and the ABC.
• Businesses unprepared for the crisis require business training to accommodate preparedness for future crises.
• Lack of real structure to deal with similar crisis and need to establish formal relationship with Land Management agencies.
• Need to consider people on dial up if distributing large files by email
• Improved support/counselling for Council Tourism Managers (who bear the brunt and anguish of the operators)
• Additional resources for Tourism Managers (intense short term work load)
• Although funding was announced, much too slow in developing a plan and implementation
• Immediate and ongoing marketing for the areas directly affected

While there were many positives from the formation and actions of GTRRG, it became evident that there needs to be a strategic approach to deal with future crises. The Crisis Communication Handbook produced by Tourism Victoria is a very good tool from which to start.
(6) Opportunities to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism.

Tourism Victoria appears to give priority to specific regions and projects which attract huge investment. It is apparent that there is no interest in the needs and demands of lesser known areas and smaller projects.

There is a lack of process/understanding/support of how to attract private investment for tourism related projects and Tourism Victoria’s presence in this regard should be increased. Some outstanding opportunities do exist in some regional areas and it is hoped that in the future there will be better coordination between all levels of government and private investors to facilitate some of these worthwhile projects.

Ultimately however, Latrobe City is like a number of other regional centres, void of the tourist icon which may help put it on the tourist map. This is not to say we cannot establish tourism features which would increase the brand and visibility of the region. Some opportunities worth further consideration are:

**Lake Narracan and Hazelwood Pondage**

It could be argued that the abovementioned facilities are “untapped” in terms of the potential they hold in becoming this much need attraction.

This is becoming more and more evident as other well known tourism and events regions throughout the state struggle to cope with the ongoing drought. These water bodies are already attracting significant number of tourists and are a ever increasing in the number of events they are attracting.

The value of these events from an economic impact perspective cannot be underestimated. Although Economic Impact Assessments (EIS) are not conducted for all events, the 2006 Sauna Sail was estimated to generate a direct spend of $192,000 in Latrobe City and further indirect spending of $96,000. The beauty of this particular event is that it has become popular with the yachting fraternity due to the location and in particular, the warm waters that are provide at Hazelwood Pondage, even in the middle of winter (the event is held in June each year).

Saying all this, the underlying concern still revolves around the capacity of these facilities to cater for a large numbers of visitors if in fact they continue to increase in tourist numbers as predicted. Today’s tourist expects certain standards of amenity and infrastructure and this may be a key factor limiting their potential at present.
Built Infrastructure – PowerWorks and Old Gippstown

Both of these attractions have shown considerable growth over the past twelve months in terms of visitor numbers. Both are unique and represent a ‘point of difference’ for our City. They also play an important interpretive/education role within the community and for visitors. Again, they are constrained in their ability to grow due to lack of financial resources being able to be obtained for continued improvements.

Ecotourism

Latrobe has an opportunity to not only counter the perceptions of an industrial location with the development of Morwell River Falls but adapt to the consumer needs and future trends towards ecotourism. Found in the heart of the Strzelecki Ranges, the triple level falls has the potential to become a feature attraction. With the closure of Morwell River Prison, the Morwell River Falls infrastructure and grounds have fallen into disrepair with the lack of regular maintenance once provided by the inmates. An injection of funding to revitalise this natural attraction, would pay dividends to Latrobe in tourism dollars.