18 June 2007

To the Rural and Regional Committee:

PARLIAMENTARY INQUIRY INTO RURAL AND REGIONAL TOURISM

BACKGROUND - MILDURA TOURISM — WHO WE ARE.

Mildura Tourism (MT) is the peak regional tourism authority in the Mildura and Wentworth regions. As an independent incorporated organisation, Mildura Tourism is membership based. Our current membership base totals 170 Enhanced Members. Mildura Tourism’s boundaries cover both the Mildura and Wentworth Shire. Mildura Tourism is responsible for uniting tourism interests in the region for the purpose of coordinating destination marketing, products and infrastructure development, quality service and education.

Whilst encouraging best practice in the local industry, Mildura Tourism professionally and proactively markets the region’s diverse range of attributes at both the domestic and international levels, and aims to create a sustainable future for the entire Mildura & Wentworth community.

As the region’s peak tourism body responsible for the management, leadership and development of the region’s tourism industry, Mildura Tourism undertakes core areas of responsibility which includes the following:

1. Brand promotion – Develop and promote Mildura—it starts with the river both inside and outside the region.
2. Communication & Partnerships – Develop and maintain partnerships with stakeholders.
3. Marketing – Undertake effective marketing activities for the region at local, domestic and international level. This includes targeting specific markets via marketing campaigns, developing motivational and informational collateral.
4. Product & professional development – Facilitate development of tourism product, professional services and delivery in the region.

Mildura Tourism’s funding model is based on a Differential Rate which is collected by the Mildura Rural City on behalf of Mildura Tourism and the Sunraysia Economic Development Board, industry marketing membership, funding via the Wentworth Shire Council, cooperative marketing initiative and through sponsorship.

The following is a summary of the key issues as considered by Mildura Tourism impacting regional tourism.
ECONOMIC BENEFITS OF TOURISM IN REGIONAL AREAS

Tourism is a vital industry in Mildura. It is estimated that tourism in the Mildura region is worth a conservative $100 million (Source: Grow Mildura). Tourism’s total share of employment in the Mallee is 5.2% which equates to 2,050 jobs (Source: TTF Australia Victorian Tourism Employment Atlas 2005).

- Recent statistics based on the National Visitor Survey (Year Ending Dec 06) shows that Mildura received 519,000 domestic overnight visitors which was up by 4% on Year Ending Dec 05. Visitors spent nearly 1.6 million nights in the region — up by 6.6% on Year Ending Dec 05. (See Attachment A)
- Whilst the results of the NVS have been satisfying in the past quarter, the challenge to keep industry buoyant based on overall stagnant regional visitation trends continues to be an ongoing challenge with so many other competing factors for the consumers discretionary spend. Greater investment is required by the state government into marketing programs promoting regional Victoria as well as product development.
- Tourism is a valuable industry in the Mildura region. Mildura Tourism will shortly commence work on the Tourism Impact Model to determine the actual value of tourism as an economic driver to the local economy. More work of this nature needs to be undertaken across local government areas. It is one thing for the state government to comment on the value of tourism statewide but it has little relevance when promoting the economic benefits of tourism at a regional level.
- In a region which has been severely affected by drought, tourism provides a viable alternative for introducing new dollars into the economy.

POTENTIAL IMPEDIMENTS FOR THE SUSTAINED GROWTH OF REGIONAL TOURISM, ECONOMIC ACTIVITY AND JOBS

Greater emphasis needs to be placed on infrastructure and product development in rural Victoria to ensure a long term sustained growth.

- The Jigsaw campaign is a highly acclaimed marketing campaign of Victoria which has had proven success in relation to visitation to the state. Whilst the focus has been on marketing the state, minimal commitment has been provided by Tourism Victoria to the product development of the regions. The consequence of which has meant that Regional Tourism Associations have had to work with limited resources and budgets to develop product in conjunction with limited resources at Tourism Victoria.
- The Jigsaw Campaign Committees have provided a unified approach to marketing the state. The same cannot be said for product development. Mildura Tourism believes this has been to the detriment of the states progress. The same budget and resources needs to be provided by the State Tourism Authorities to product development otherwise there is a real threat that Victoria will fall behind its competitors.
- Increasing the skill set of the employers and not just employees is necessary to improve the overall tourism experience and consequent growth.
EFFECTIVENESS OF CURRENT PROGRAMS TO PROMOTE AND ENHANCE TOURISM IN REGIONAL VICTORIA

Current marketing programs to promote and enhance tourism in regional Victoria are adequate.

- Performance under the recently launched Regional Marketing Program from Tourism Victoria remains to be tested. The funds provided under this program are predominantly aimed at extending the regional brand campaigns. They also rely on investment from local government, regional tourism authorities and the tourism industry.
- My experience over the past two years has shown that it is becoming increasingly difficult to attract industry funding for marketing programs. The reasons for this are varied. With expanding mediums for promotion (print, web, television etc) operators are spreading their marketing budget across more mediums consequently impacting on spend towards cooperative marketing initiatives driven by the Regional Tourism Authority.
- Further work needs to be undertaken for promotion of destinations. The significance of destinations was profiled under the Victorian Tourism Industry Strategic Plan 2002-2006. The Regional Marketing Program provides opportunities for destinations to buy-into the campaigns however there is no incentive i.e matching dollar for dollar, for destinations to do so. This is something which Mildura Tourism feels needs to be factored into future marketing initiatives undertaken by the state. One option could be that $: $ funding for destinations could be capped to ensure there is a fair and equitable distribution of funds.

EFFICACY OF EXISTING MECHANISMS AT A NATIONAL, STATE, AND LOCAL LEVEL TO ADDRESS THE IMPACT ON REGINAL TOURISM OF NATURAL EVENTS

Ongoing environmental issues are of great concern for tourism for regional Victoria. Improved response mechanisms and timeframes are essential from National, State and local level to address.

- Rural Victoria is highly susceptible to environmental impacts associated with drought, disease and bushfires. This appears to be an ever increasing impediment to the sustained growth of regional tourism with the effects of these disasters having both long and short term impact on the greater communities and tourism industry.
- Suitable checks and measures need to be put in place to ensure that the government and all key stakeholders respond in a timely manner to the pressures and constraints of businesses that are impacted upon. Whilst bushfires have an immediate impact on the media and result in a quick response turnaround for action from various bodies, our experience with the drought has witnessed a delay in the uptake from government agencies to respond.
- An increased emphasis on risk management needs to be taken seriously by businesses. Despite opportunities and support provided by Regional Tourism Authorities and organisations established to support small through to large businesses there still appears to be a gap between understanding risk management and businesses actually implementing risk management plans. Opportunities exist to deliver training modules to business owners in a way which is relevant to their working scenario which would
require flexibility. This could be achieved through a partnership approach with existing educational providers such as TAFE.

- Greater responsibility needs to be driven by industry for the ongoing sustainability of their current business practices.

I trust you will find the information contained within this submission of relevance for the parliament inquiry into rural and regional tourism.

Yours sincerely

KAYE DEMMERY
Chief Executive Officer