Submission to the
Rural and Regional Services Development Committee
Inquiry into Tourism

From
North East Victoria Tourism Inc

North East Victoria Tourism Inc is the association which forms the Campaign Committee for the tourism region of Victoria’s High Country in North East Victoria. Through Tourism Victoria, the committee is charged with the responsibility of ensuring effective development and marketing of regional tourism, and is majority funded by grants from Tourism Victoria.

Our primary goal is to work cooperatively to increase visitation, yield, and length of stay in North East Victoria. This is achieved through the concerted marketing of our key product strengths of food & wine, touring, adventure, and ski.

The Campaign Committee comprises skills-based representatives from across the North East. The aim is to ensure that committee members bring a range of skills to assist the committee achieve its goals.

Geographically, the region encompasses the municipal boundaries of:

- Alpine Shire
- City of Benalla
- Indigo Shire
- Mansfield Shire
- Murrindindi Shire
- Rural City of Wangaratta
- Strathbogie Shire
- Tawonga Shire

and the Alpine Resorts of:

- Mount Buller
- Mount Hotham
- Falls Creek
- Lake Mountain

NEVTi works with a range of partner organisations including, but not limited to:

- The Great Alpine Road Marketing Inc
- North East Valleys Food & Wine group
- High Country Adventure
- Board of Alpine Resorts Tourism
- Murray to the Mountains Rail Trail
- Milawa Gourmet Region
- Alpine and Mount Buffalo National Parks
- Ned Kelly Country

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1. The economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry

Tourism is vital to the economy of North East Victoria:

- **1 in 10 jobs in the Vic High Country region is dependant on tourism.** Tourism accounts for approx 2840 tourism related jobs in the region (Tourism Transport Forum 2005) which equates to 9.9% of total regional employment.

- **Every day of the year there are more than 8000 visitors to Victoria's High Country, each spending an average of $122 per day.** In 2006/2007 the region benefited from a total of 2962 000 visitors who spent in excess of $361 million across the region. North East Victoria is lucky be the only region with true Alpine ski resorts which alone generate in excess of $150 mill of income per annum.

Tourism can deliver sustainable growth across many sectors, therefore complimenting and underpinning the social and economic welfare of rural and regional communities through improved employment opportunities, increased business activity, improved facilities and services. In the four years 02/03 to 05/06, in excess of $25mill was spent by North East tourism businesses and shires in promoting the region – this was in addition to investment by the major ski resorts which was upwards of $24 million for the same period.

The flow-on effects of tourism are felt not only by the private sector in terms of income and employment, but also in the social fabric of regional towns and villages, and to governments of all levels through rates and taxes.

The bushfires of 2003 and 2007 have more than proven that the loss of tourism can be crippling to regional communities and tourism should well and truly be regarded as a significant economic driver.

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

North East Victoria is vulnerable to several issues and the tourism sector needs to work collaboratively for support from relevant agencies and bodies to encourage appropriate product and infrastructure development along with pro-active marketing strategies

**Major issues:**
- Under-developed transport options/infrastructure. The North East is relatively distanced from Melbourne, with a low level of connectivity between air, road, and rail.
- Albury Airport is developing, and should be encouraged to become a major inland hub.
- Marketing to international visitors must include transport options – visitors from several market segments are not familiar with self-drive holidays
- Under-funding of regional tourism bodies – to reach and maintain professional standards, such bodies must be appropriately funded to ensure adequate resourcing to achieve goals for the benefit of both the tourism industry and the wider communities in which they operate.
• **Communications** – many regional areas are still without fast, reliable **broadband** access. This is an impediment to business growth in an era where customers and wholesalers expect (and demand) immediacy.

• Increases in **fuel prices** affect operator profitability (and therefore capacity to expand, and influence the decision-making of potential visitors to drive to the North East.

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

The **Regional Partnership Programme** as administered by Tourism Victoria has been a very welcome and effective structure for developing and delivering marketing programmes for regional Victoria. Recent structural changes to the funding cycle means that we now have surety of funding for two years and this will greatly enhance our ability to plan for the mid-term, assess results, and steer a more strategic path for our marketing endeavours.

We would also commend the **Branding** process which has seen major initiatives developed for regions – the recently launched Inspired by Gippsland campaign is an outstanding example of how far Tourism Victoria and campaign committees have come in the last 4 years. Rolling out such campaigns requires resourcing well beyond the reach of most campaign committees so the support of Tourism Victoria and its partners is essential. Brand marketing was a major driver in helping the North East to achieve a 29.5% increase in interstate and overnight visitors during 2005/2006. (Tourism Victoria statistics).

In some cases however, **limited funding** beyond initial launch have hampered campaigns and it is absolutely vital that appropriate funding be allocated annually to maintain and extend brand campaigns to realise the longer term benefits of increased awareness, and visitation. NEVTi eagerly awaits the outcome of our upcoming brand review.

Essential to any campaign is the measurement of success and the **research** conducted by Tourism Victoria stands amongst the best in Australia – again this work would be beyond the reach of campaign committees alone and is invaluable to track KPIs and assist marketing planning for both campaign committees and operators.

We would also now encourage great funding for the integration and implementation of industry and destination development plans, preferably through a whole-of-government approach involving key Federal and State agencies such as Industry & Regional Development, Tourism Australia, Regional Development Victoria, Parks Victoria, Tourism Victoria, DSE and key stakeholder groups such as the Campaign Committees, Shires, RTA, LTAs, and Tourism Alliance. We see this as essential to reduce duplication, streamline delivery, and consolidate recent achievements.

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

Tourism Victoria’s international department has also been very successful and we would like to see greater development of programmes to include regional Victoria. They have provided a very high level of support to groups within the North East with results flowing almost immediately. Research is showing that inbound tourism is where growth will be found in the next 2-5 years so this is an extremely important programme to the health of regional tourism.

NEVTi recognises the direct competition being posed by New Zealand for both domestic and international travellers seeking nature based experiences. It is vital we do not cede market share across the Tasman by ignoring the domestic market whilst seeking external customers.
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.

Our region has been dramatically affected by natural disasters in the last four years – two major bushfires and a long-lasting drought. We would like to acknowledge the role of State Government agencies (emergency services, land managers, tourism) in quickly and co-operatively developing and implementing our response & recovery strategies. This was especially evident during the Great Divide Bushfires in Dec/Jan when government representatives displayed keen perception and awareness of regional issues and communication imperatives. From this experience, we are all conscious of the need to better manage public relations activities to ensure the return of visitors at the earliest time.

The losses incurred by the tourism sector during such prolonged events (both 03 and 06 starting at the beginning of peak tourist seasons) is difficult to quantify but it was seen that operators do require assistance/relief with short-term cash flow during such events – mortgage repayments, power and phone bills and the like.

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

NEVTi considers it absolutely essential to foster an environment that encourages sustainable, private sector investment and development. In the North East, the Mt Buffalo Chalet stands as an example of the difficulties faced by some investors when dealing with the complexities of leases on crown land. Land managers need the flexibility to encourage appropriate investment, to make the process simpler, but without permitting inappropriate or unsustainable developments.

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