RURAL AND REGIONAL COMMITTEE

FINAL REPORT

Inquiry into Rural and Regional Tourism

ORDERED TO BE PRINTED

July 2008

by authority
Government Printer for the State of Victoria

Parliamentary Paper
No. 124  Session 2006 – 2008
Rural and Regional Committee

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Terms of Reference

PARLIAMENTARY COMMITTEES ACT 2003

REFERAL OF INQUIRY TO THE RURAL AND REGIONAL COMMITTEE OF PARLIAMENT

INQUIRY INTO RURAL AND REGIONAL TOURISM

That the Rural and Regional Committee inquire into, consider and report to Parliament on —

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

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

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

(4) initiatives to increase both international and domestic visitor nights in regional Victoria;

(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; and

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

Referred: 15 March 2007
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Chairman’s Foreword

Regional Victoria has everything a tourist from anywhere on the globe might want. The most beautiful beaches in the world, pristine bush and rainforests, lakes and rivers, vineyards, idyllic country towns, romantic guesthouses and restaurants, cultural events and festivals, racing carnivals, an abundance of options for adventure, bike riding, relaxation, golf, walking. The list just goes on.

I believe that this State’s tourism potential is unlimited, with enormous untapped opportunities in rural and regional Victoria, and for this reason I urge the Victorian Government to take on board the recommendations made in this Report for supporting and developing this crucial industry.

The many hours I have spent over the last year consulting with country people for this Inquiry about their expectations for the future of their communities have convinced me that the best direction for Government lies in greater and deeper engagement with rural and regional communities. Melbourne is established as a world-class city and tourist destination—the challenge now is in promoting the many treasures to be found in our rural towns, cities, and regions.

Creating successful tourist destinations and strong communities that achieve sustainable social, environmental and financial success requires sound planning, genuine community engagement and strong leadership. The groundwork will include environmental protection strategies, contingency planning for the natural disasters that country Victoria will inevitably face, and schemes that enable business to flourish. It can be done but we have a way to go and we have a number of impediments to deal with before we get there.

Our Terms of Reference asked us to identify the major impediments to growth of the tourism industry. The Report covers these in detail. They include: anomalies in planning regulations; poor and inconsistent signage across the State; better and more connected transport infrastructure; training for young people; a more commercial focus by Tourism Victoria; and better research and data that focuses on regional Victoria. If we were setting out on this Inquiry now, rising fuel prices would have been at the top of our list of impediments. There is much work to be done.

Sound regional leadership is essential to the achievement of coordinated and effective marketing and development of regional tourism, and it cannot come out of an office in Spring Street. Local leaders must be empowered to drive decision-making...
making on behalf of their communities. Whether we are talking about the organization of major events, inspiring locals to value the special attributes of their regions, or thinking laterally about opportunities for innovation and progress, local leadership is crucial.

The leadership is out there—as a Committee we were fortunate to meet with many inspiring tourism industry leaders. However these meetings convinced me that the Government’s approach to consolidation of this leadership needs work.

To develop rural and regional Victoria as a world class destination we need to harness leadership in well funded peak bodies on the ground in the regions. I am extremely pleased to have had bipartisan support from the Committee for this proposal which is reflected in our Key Recommendation 1. If this recommendation is well implemented, many of our other concerns will be ameliorated.

The 39 recommendations found in this Report are based on the advice and experience of industry leaders and community and government representatives from across Victoria. It has been my pleasure, and that of my colleagues on the Committee, to meet with people in rural and regional Victoria who are passionate about the development and economic future of the tourism industry and who generously gave up their time and ideas to assist us in our Inquiry.

The Committee was honoured to hear examples of these communities working together to develop their region’s tourism potential. I thank all of those who provided us with submissions and who appeared at public hearings for contributing to our Inquiry and our understanding of rural and regional issues.

On behalf of my colleagues on the Committee I particularly thank the witnesses who agreed to appear as case studies in the Report. We learnt a great deal from their experience and I hope that Government and policy makers can too.

The high quality of this Report is in large part due to the work of our Secretariat, Lilian Topic (Executive Officer), Cheryl Hercus (Research Officer), and Jason Ngam (Secretariat Officer). I thank them for their dedication to the work of the Committee.

Our research was greatly facilitated by friendly assistance from Tourism Victoria, particularly John Hindmarsh and Jason Bannikoff. I thank them for making our requests for information and advice a priority.

Finally, I thank my colleagues on the Committee for their engagement with our Inquiry into the tourism industry, for their hard work and long hours travelling across the state for our hearings, and for their individual contributions to the robust debate that characterized our deliberations. I am pleased that all the recommendations were unanimously supported by the Committee.

If the Government is to enable regional Victorian communities to realise their optimum tourism potential, the adoption of these recommendations is crucial. I urge them to pay close attention to the advice of country people themselves, which is reflected in the recommendations found in this Report.

I commend the Report to the Parliament.

Damian Drum MLC
Chairman

July 2008
Recommendations
Key Recommendations

**Key Recommendation 1:** That the State Government, through Tourism Victoria, provide rural and regional tourism leadership by supporting the development of peak tourism bodies.

This could be achieved by:

a. placing senior managers within each of the ten regional campaign areas, in conjunction with local governments;

b. supporting and funding existing regional tourism organisations that have the potential for development into peak tourism bodies; and

c. investigating effective business and governance models for regional tourism organisations in Victoria.

In doing so the Government should consider examples from Queensland and New Zealand.

**Paragraph 11.111**

**Key Recommendation 2:** That VicRoads work collaboratively with stakeholders in the tourism industry, to improve tourism signage throughout Victoria for the benefit of the industry and of rural and regional communities.

The Committee recognises that this must be done without compromising VicRoads principal priority for road safety.

This could be achieved through:

**Recommendation Action Points:**

a. VicRoads, as a matter of urgency, to conduct an audit of all tourism signage with the purpose of replacing outdated signs, and determining consistency of signage throughout Victoria.

b. VicRoads to establish a process to ensure that Tourist Signing Guidelines are applied consistently, but with the flexibility to deal with anomalous situations, by regional officers across the State.

c. VicRoads to acknowledge the promotional role tourism signage plays, and review policies and practice to more effectively address this important function.

d. VicRoads to work closely with local and/or regional signing committees to improve the administration of tourism signage.

e. Where local and/or regional signing committees do not currently exist, VicRoads to work with Tourism Victoria to support their establishment.

**Paragraph 6.40**

**Key Recommendation 3:** That, as a matter of urgency, the State Government investigate the impact of current planning laws on the development of tourism infrastructure.

**Recommendation Action Points:**

In particular the Government must:

a. develop plans, with the assistance of Tourism Victoria, to ameliorate the effect of restrictions on tourism developments associated with the new farming and rural activity zones.

b. as an interim measure work closely with local councils to allow variations in the farm zoning regulations for tourism businesses.

c. work closely with local councils to streamline the planning process for the development of tourism accommodation and attractions.

**Paragraph 7.79**
Other Recommendations

Recommendation 4: That Tourism Victoria explore options for improving the collection and analysis of tourism data at regional and destination levels. This work should focus on the types of tourism developments and market segments that are most likely to contribute to the future economic, social and environmental well-being of rural and regional Victoria. This could be achieved through:

Recommendation Action Points:

a. Development by Tourism Victoria of a program to assist local governments to collect and analyse locally relevant tourism data, and to measure the economic impact of tourism at a local level, using consistent methodology across the State.

b. State Government liaison with the Sustainable Tourism Cooperative Research Centre and the Australian Regional Tourism Network to determine research priorities for the Victorian rural and regional tourism industry. This should include investigating the possibility of developing Regional Tourism Satellite Accounts for Victoria (such as those being conducted in Western Australia and Queensland).

c. Investigation by Tourism Victoria of the reasons for a discrepancy in tourism industry employment levels between different regions, as illustrated in Figure 3, with a view to determining whether funding should be allocated on the basis of employment outcomes.

Paragraph 4.76

Recommendation 5: That the State Government encourage Tourism Australia and the newly formed Regional Development Australia to ensure the extension of high speed broadband internet and mobile phone coverage to all areas of the State, in line with international developments.

Paragraph 5.5

Recommendation 6: That the State Government plan for safer, improved local roads and bridges in rural and regional Victoria by matching the Federal Government’s ‘Roads to Recovery’ funding program (R2R).

Paragraph 5.16

Recommendation 7: That the State Government identify priority areas for sealing roads within National Parks to facilitate visitation by tourists travelling in hire cars.

Paragraph 5.17

Recommendation 8: That the State Government continue to provide funding for the upgrade of regional airports.

Paragraph 5.27

Recommendation 9: That the State Government extend the current Star 6 program of subsidised coach travel, to allow for both Melbourne-based and regional students to visit rural and regional historical and cultural tourism attractions.

Paragraph 5.32
**Recommendation 10:** That Tourism Victoria join the Transport Connections Project with a view to investigating the feasibility of extending this project to other key locations across the State and therefore ensuring a further benefit to the tourism industry.

Paragraph 5.38

**Recommendation 11:** That the State Government exempt national bus lines such as Greyhound Australia from s28(3) of the Public Transport Competition Act 1995, to allow them to pick up and put down passengers travelling on routes between Melbourne and other capital cities.

Paragraph 5.45

**Recommendation 12:** That the State Government develop rural and regional infrastructure affecting the tourism industry.

This could be achieved through:

**Recommendation Action Points:**

a. a full review of all rural and regional Visitor Information Centres with a view to ensuring that these Centres are equipped to provide high quality services to local and international tourists notwithstanding their rural and regional location. This review should consider service delivery, regulations applying to centres and facility requirements.

b. continued funding of the existing Boat Safety and Facilities Fund, for the development and maintenance of boat ramps, mooring facilities and boat service facilities in regional Victoria.

c. provision of additional funding to Parks Victoria and the Department of Sustainability and Environment to improve infrastructure such as viewing facilities, camping areas, interpretation, information, walking trails, toilets, picnic areas, shelters and visitor services in National and State Parks.

d. support for the establishment of infrastructure (such as short-term pull-in bays, dump points and information services) to attract the international motorhome and self-contained vehicles market to Victoria.

e. completion by Tourism Victoria of its Accessible Tourism Action Plan as a strategy for addressing the needs of tourists with disabilities.

Paragraph 5.56

**Recommendation 13:** That the State Government, while recognising the benefit of high-yield tourism, also acknowledges the importance and supports the provision of affordable holiday options for Victorian families.

Paragraph 7.12
**Recommendation 14:** That the State Government continue to provide funding to extend and improve the existing network of cycle tracks, particularly rail trails and touring and walking tracks, in regional Victoria.

The Government should consider development and support of the following as a priority:

a. The Kanawinka Volcanoes Discovery Trail;
b. Connection of the Gippsland Plains Rail Trail network and development of infrastructure on the trail;
c. Establishment of cycle ways linking the Latrobe valley townships of Morwell, Traralgon and Churchill;
d. A Latrobe Valley science trail, developed in conjunction with major industry partners;
e. The mountain bike trails through Anglesea;
f. 12 Apostles to Port Campbell;
g. Linking of the coast to crater rail trail with the Great Ocean Walk; and
h. Alpine mountain trails.

**Paragraph 7.36**

**Recommendation 15:** That the Government, through Arts Victoria, conduct a state-wide review of recurrent and grant funding for museums with the strategic aim of establishing funding arrangements that place rural and regional museums on an equitable footing with those located in Melbourne.

**Paragraph 7.48**

**Recommendation 16:** That the State Government, in light of the current high level of unmet demand for caravan and camping sites in coastal regions (exacerbated by the sale of private caravan parks for redevelopment), facilitate the establishment of additional caravan parks on suitable areas of Crown land. The Committee recommends that the Government establish a task force whose express goal is to identify potential sites for expansion of existing parks and establishment of new parks.

This would be in line with the recommendations of the Caucus Reference Group on Caravan and Camping Parks.

**Paragraph 7.61**


This valuable Strategy should be finalised and implemented as a matter of urgency.

**Paragraph 7.67**
**Recommendation 18:** That the State Government increase training and education opportunities for the rural and regional tourism industry.

This could be achieved through:

**Recommendation Action Points:**

a. further encouraging Vocational Education and Training (VET) in schools to provide pathways for young people who wish to enter the tourism industry.

b. providing incentives and encouragement strategies for the private sector to deliver accreditation and staff training programs.

c. encouraging older workers into the tourism industry by directing the Office of Training and Tertiary Education to allow for Recognition of Prior Learning in VET programs, and by supporting the design of VET courses specifically for older workers.

**Paragraph 8.55**

**Recommendation 19:** That the State Government, through Tourism Victoria:

a. extend the Tourism Excellence program by developing additional modules covering the following topics:
   1. Risk management, including dealing with natural disasters and environmental threats;
   2. Conservation and management of heritage places and objects;
   3. Providing interpretation of natural and cultural environments and features;
   4. Accreditation and compliance; and
   5. Industrial relations.

b. extend the Tourism Excellence program by developing face-to-face programs linked to the online modules, and delivering these to operators in regional locations.

c. provide capacity-building programs for council economic development and tourism staff, to build skills in identifying tourism opportunities and preparing investment proposals.

**Paragraph 8.71**

**Recommendation 20:** That the State Government, through Tourism Victoria provide additional, specific funding to support training and capacity building programs for Indigenous tourism operators.

**Paragraph 8.74**

**Recommendation 21:** That the State Government through Tourism Victoria and Regional Development Victoria facilitate and jointly fund (with local government support and industry buy-in), the development of tourism leadership programs (along the lines of the Gippsland Tourism Industry Leadership Program) to all rural and regional campaign regions.

**Paragraph 8.77**
Recommendation 22: That the State Government, through the Department of Infrastructure, Industry and Rural Development and Tourism Victoria provide:

- specialised counselling services to assist tourism operators affected by natural or environmental disasters such as bushfires, drought, and flood; as well as
- business counselling and advisory services to support operators affected by natural or environmental disasters.

Paragraph 9.27

Recommendation 23: That, following natural disasters, the State Government

a. provide additional funding for the replacement and repair of damaged government infrastructure such as roads, tracks, signs, and bridges as soon as practicable.

b. through Parks Victoria and the Department of Sustainability and Environment, utilise the skills and experience of licensed tour operators in dealing with natural disasters, by employing them as a priority, as local experts, to work in recovery processes.

Paragraph 9.34

Recommendation 24: That Tourism Victoria develop and implement a Communications Plan for dealing with bushfires and other natural disasters and threats. This plan is to include strategies for:

- equipping Visitor Information Centres to distribute up-to-date, accurate and consistent information to visitors in the event of crises such as bushfires or floods;
- training Visitor Information Centre staff in the provision of such information;
- offsetting negative and sensationalist media reports of natural disasters;
- public relations and marketing campaigns to ensure the return of visitors to bushfire, flood and drought affected areas at the earliest possible time, taking into account safety issues; and
- provision of funds in drought affected areas, for cooperative marketing with an emphasis on non-water related product.

Paragraph 9.36

Recommendation 25: That the State Government encourage the Federal Government to extend drought related exceptional circumstances benefits to those tourism operators whose businesses are directly reliant on water resources.

Paragraph 9.52

Recommendation 26: That the State Government assist the caravan and camping sector of the tourism industry through encouraging relevant authorities to provide rent relief to caravan parks adversely affected by drought and the loss of water for recreational use.

Paragraph 9.58
Recommendation 27: That the State Government develop a detailed Tourism Disaster Relief Strategy based on research into the economic impact of natural disasters on tourism in rural and regional Victoria.

The Strategy should:
- (i) identify a formal process to drive the recovery period;
- (ii) be incorporated into destination management plans;
- (iii) incorporate an approach which is driven from the local level;
- (iv) allow for flexibility in approach; and
- (v) allow speedy access to disaster relief funds.

The Strategy is to work in tandem with the Government’s overall Disaster Relief Strategy and the Communications Plan suggested by the Committee in Recommendation 24 at paragraph 9.36.

Paragraph 9.63

Recommendation 28: That the State Government, through Tourism Victoria:

a. conduct regionally focused market research, using consistent methodology, to provide local councils with accurate information about the tourism market and visitor segments at the regional level; and

b. provide funding for research to examine specific factors that are affecting visitation in rural and regional Victoria.

Paragraph 10.13

Recommendation 29: That the State Government, through Tourism Victoria improve funding for rural and regional tourism by:

a. increasing funding targeted specifically at the promotion and marketing of rural and regional destinations.

b. conducting research to assess the effectiveness of differential rates, and reporting on their wider applicability.

c. investigating ways to support fledgling events and tourism initiatives in smaller rural communities, either through funding or through other assistance.

Paragraph 10.36

Recommendation 30: That Tourism Victoria increase the funding cycle for their Regional Marketing Program from two years to four years to give confidence and continuity to programs.

Paragraph 10.46

Recommendation 31: That Tourism Victoria reinvigorate the Jigsaw campaign concept of ‘you’ll love every piece’, paying particular attention to those places in regional Victoria where tourism stakeholders currently feel disconnected from the Jigsaw campaign regions.

Paragraph 10.66
Recommendation 32: That the State Government, through Tourism Victoria, enhance the capacity of rural and regional Victoria to host major events. It should do so through:

Recommendation Action Points:

a. development of a strategy to encourage greater dispersal to regional areas of visitors coming to Melbourne for major events (for example, development of linked packages).

b. increased funding for regional events. For instance, support for regional centres to put forward bids for major national and international events.

c. employment of dedicated staff to assist regions to professionally coordinate, manage and organise regional events.

d. provision of capacity building in event management for council officers in regional Victoria.

e. expansion of the mandate and renaming of Melbourne Major Events to specifically include rural and regional events.

Paragraph 10.66

Recommendation 33: That Tourism Victoria develop and improve its website by:

a. creating a single integrated Internet booking system for the State in the context of a review of the Tourism Victoria website and its usefulness to the tourism industry and tourists themselves;

b. linking existing regional destination websites to the Tourism Victoria website and booking system; and

c. using regional website addresses on destination specific promotional material, rather than the generic Tourism Victoria web address.

Paragraph 10.75

Recommendation 34: That Tourism Victoria contribute to commercial outcomes for the tourism industry through:

a. a shift in focus from promotions to marketing, such as conversion of interest into bookings;

b. production of sales focused rather than information focused brochures;

c. provision of financial support to regions to underpin trade show representation with professional marketing personnel;

d. development of a more commercial focus within the organisation; and

e. ensuring that all accredited Visitor Information Centres across the State are connected via the Internet.

Paragraph 10.84
Recommendation 35: That the State Government through Tourism Victoria develop rural and regional Victoria as a touring destination, through:

a. production of marketing material tailored specifically for the motorhome and self-contained vehicle market, and sporting and interest group markets (e.g. rock climbing, cycling, golf, country racing and cultural heritage); and

b. promotion and marketing of Victoria as a destination for caravans and camping through attendance and displays at Victorian and interstate Caravan and Camping shows.

Paragraph 10.99

Recommendation 36: That the State Government provide funding to develop marketing strategies to tap expanding tourist markets in China and India and attract them to rural and regional destinations.

Paragraph 10.99

Recommendation 37: That the State Government contribute to the ongoing environmental sustainability of the rural and regional tourist sector.

This could be achieved through:

Recommendation Action Points:

a. continuing the Crown Land Caravan and Camping Parks Improvement Program beyond 2008 and increasing funding for the program;

b. providing financial incentives for tourism businesses (including privately owned caravan parks) to adopt environmentally sustainable policies and practices including water and energy saving, improved waste management, and offering carbon offsets to visitors; and

c. funding a subsidy scheme to assist (small) tourism businesses to install solar hot water systems, and water and energy saving devices.

Paragraph 11.81

Recommendation 38: That the State Government, as a priority, fund research into:

a. the environmental sustainability of tourism ventures before embarking on increased marketing or product development in those areas; and

b. the development of long term strategies to deal with the impacts of climate change on tourism.

Paragraph 11.88

Recommendation 39: That the State Government, through Tourism Victoria encourage and fund the development of Destination Management and Destination Planning based on partnerships between State and local governments, to facilitate communication and mutual support between the tourist industry and local communities in rural and regional Victoria.

Paragraph 11.100
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Chapter One

Introduction

1.1 The topic of this Inquiry, rural and regional tourism, is multi-faceted and complex. During the course of the Inquiry this became increasingly apparent as the Committee met with local people throughout rural and regional Victoria. The United Nations World Tourism Organization defines tourism simply as:

the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.¹

Tourism is about more than this, however. It is also about the business of facilitating the activity of travellers and meeting their many diverse needs. It includes all of the services and infrastructure involved in transporting travellers to the places they visit, accommodating them, and providing them with food, activities and entertainment, at destinations and en route. Furthermore operators are now required to be more and more adaptable. Some may need to consider how they package their product in the current environment of uncertain weather, drought conditions and increasing cost of petrol, and may need to include incentives that promote interest in regional areas.

1.2 The economic dimension of tourism means that it is often viewed as a recipe for regional development. Governments all over the world promote tourism and facilitate tourist developments as a means of improving economic outcomes. In many instances, rural and regional areas are given particular attention in the hope that tourism can assist such areas to adapt to fluctuations and downturns in traditional industries such as agriculture and forestry. By developing a more

diversified economic base, alternative sources of employment and income can be created and hard times brought about by depressed commodity prices, drought or industry restructure, can be ameliorated.

1.3 Adding complexity to the topic of this Inquiry, however, is the fact that tourism is also about the communities that host visitors. Tourism has the potential to increase employment opportunities; enhance amenities through investment in new infrastructure; and contribute to social, cultural and environmental awareness. However, tourist development can also lead to local citizens feeling that their town is being invaded, their way of life threatened or unique environments damaged. Tensions can arise between tourist operators, developers, and members of local communities.

1.4 The Committee recognised that an Inquiry into tourism also needs to take into account the complex relationship tourism has with the natural environment. In many cases it is the natural environment that attracts visitors to a country or region. Nature-based tourism can help to increase awareness of delicate ecosystems and the need to protect them. It can also build appreciation of unique landforms and landscapes. On the other hand, the natural environment is a source of uncertainty and risk. Dorothea Mackellar’s iconic poem, ‘My Country’, talks of fires, ‘droughts and flooding rains’ as part of the ‘beauty’ and ‘terror’ of Australia. These natural disasters have traditionally affected those making a living out of farming the land, but today they equally present a threat to rural and regional tourism.

1.5 The natural environment can also be threatened by inappropriate development and overuse that can damage the very places tourists like to visit. It is also predicted that in coming years climate change will impact the tourism industry. Destinations and tourism operators are likely to face direct environmental consequences of climate change. More frequent and serious storms, droughts, bushfires and other ‘natural disasters’; reductions in snow cover; and rising sea levels have all been predicted. In addition to direct impacts, increased concern over carbon emissions may reduce people’s willingness and ability to travel to more distant locations, highlighting the need to find ways of reducing and offsetting the carbon footprint of tourism itself.

1.6 Increasingly, industry leaders and consumers are recognising the need for tourist development to occur within a framework of environmental sustainability. Tourist operators, industry bodies and tourists themselves, are recognising the need for both adaptation and mitigation strategies to meet the challenge of climate change.

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3 Dorothea Mackellar, ‘The Core of My Heart’ (renamed as ‘My Country’ in 1911), The Spectator, 1908.
4 The issue of climate change was raised in eight submissions and by at least 15 witnesses at public hearings. The possible impact of carbon trading and/or carbon taxes, and of ‘carbon guilt’ on levels of international visitation was mentioned a number of times, as were predictions of rising sea levels. A submission from the Tourism and Transport Forum quoted predictions of a seven metre rise in sea level. At the public hearing in Geelong in September 2007, there was extensive discussion of predicted sea level rises in response to evidence presented by Mr Steven Blackley of the Western Coastal Board.
1.7 All of these aspects of tourism arose in one way or another in the course of this Inquiry and were taken into account by the Committee through its consideration of the evidence, and the making of recommendations. However, throughout this process the Committee focussed on its primary goal of identifying how the Government of Victoria can enhance the value of tourism for the benefit of the citizens of rural and regional Victoria, and making recommendations to that end.

**The Committee**

1.8 The Rural and Regional Committee (‘the Committee’) is a Joint investigatory committee of the Parliament of Victoria. It was first established in 2007 and is preceded by the Rural and Regional Services and Development Committee. The Committee comprises seven Members of Parliament drawn from both Houses and all parties and is chaired by Mr Damian Drum MLC. The Committee Members are all passionate about the need to sustain and develop rural and regional Victoria for the benefit of all Victorians, and to do so through extensive consultation with local people.

1.9 The powers and responsibilities of the Rural and Regional Committee are determined by the Parliamentary Committees Act 2003. The functions of the Committee, as defined by s16(1) of the Act are:

- to inquire into, consider and report to the Parliament on any proposal, matter or thing concerned with
  - the provision of services to regional Victoria
  - the development of regional Victoria.

**Terms of Reference**

1.10 On 15th March 2007 the Committee received Terms of Reference from the Parliament to inquire into rural and regional tourism. In conducting the Inquiry, the Committee was asked to inquire into, consider and report to Parliament on:

1. the economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry;
2. potential impediments to the sustained growth of regional tourism, economic activity and jobs;
3. the effectiveness, at a National, State and local level, of current programs to promote and enhance tourism in regional Victoria;
4. initiatives to increase both international and domestic visitor nights in regional Victoria;
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; and
6. opportunities to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism.
1.11 The Committee did not receive a reporting date but decided on a self-imposed date of July 2008, by which time it was agreed that an extensive rural and regional consultation process could occur.

**The Evidence gathering process**

**Submissions**

1.12 The Committee advertised the Terms of Reference in daily, regional, district and local newspapers in April 2007, and called for interested individuals and organisations to make a submission to the Inquiry. Provision was made for online submissions, via the Committee website, in addition to the usual postal submission process. The Committee also corresponded with 151 organisations connected to tourism, alerting them to the Inquiry and inviting them to make a submission. Organisations contacted included Government departments and statutory bodies; community groups; key national and state businesses; national and state peak industry bodies; local government; and tourism businesses and associations involved in rural and regional tourism.

1.13 The Call for Submissions generated considerable public interest and resulted in the Committee receiving a total of 104 submissions (see Appendix Two for a full list of submissions). Submissions were received from a range of government, industry and community organisations across the State as well as from interested individuals. The number of submissions received reflects the level of interest within rural and regional Victoria in the role of government in this area. It also reflects the value placed on tourism as a means by which some rural and regional communities can remain sustainable and be further developed.

**Public hearings**

1.14 A major component of the evidence gathering process was an extensive series of public hearings held in Melbourne and regional areas around Victoria. From June 2007 to April 2008, the Committee held regional hearings in Bendigo, Daylesford, Mildura, Swan Hill, Bright, Mansfield, Geelong, Horsham, Dunkeld, Echuca, Shepparton, Ballarat, Port Campbell, Traralgon, Lorne, Yarrawonga, Lakes Entrance, Newhaven and Wodonga. Four public hearings were also held in Melbourne. What these hearings showed is that the issue of tourism affects nearly every part of Victoria in some way.

1.15 The witnesses who generously gave up their time to attend and participate in the Committee’s rural and regional hearings represent a diverse range of organisations and interests. They include representatives from key tourism industry bodies, local operators, small businesses, academics, local and State Government, local tourism organisations, the community sector, and private citizens and
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individuals with a stake in the direction in which their communities were developing.

1.16 At the conclusion of each hearing an opportunity was provided by the Committee for the public to make a ‘Comment from the floor’, an innovation developed to ensure that interested individuals attending hearings would be able to formally participate and have their views recorded.

1.17 The logistical process of preparing for rural and regional hearings was assisted in many cases by local government and other organisations. The Committee Members and Secretariat gratefully acknowledge the assistance provided to us, as well as the generous hospitality of country people in the areas visited. For a full list of witnesses who appeared at public hearings throughout rural and regional Victoria, and in Melbourne, see Appendix Three.

1.18 In a number of public hearings the Committee heard about the success of Tourism New Zealand in attracting international tourists, and in particular of attracting Australians to the New Zealand ski fields. It also heard evidence commending the organisational structure of tourism in New Zealand. A small delegation of Committee Members conducted meetings with major stakeholders in New Zealand from the government and industry sectors.

1.19 The evidence received by the Committee through the public hearing and submission process has been invaluable in compiling this Report. The Committee gratefully acknowledges the considerable time and effort that has obviously gone into preparing the submissions received and the testimony presented at hearings.

1.20 Evidence received amounted to more than a thousand pages of testimony from the hearings and more than a thousand pages of submission material. Detailed analysis was conducted to identify themes and issues of importance to participants in the Inquiry process. Some of this material has been included through direct quotes within the Report. The remaining material informed the deliberation process which was undertaken by the Committee and which led to recommendations being formed.

1.21 The evidence gathered directly from stakeholders in rural and regional Victoria was supplemented by extensive research conducted by the Committee, which is also reflected in this Report.

Report structure

1.22 The Committee’s primary focus throughout this Inquiry has been to identify how the Victorian Government can enhance the value of tourism for the benefit of the citizens of rural and regional Victoria. The subject of tourism raises many issues and overlaps with many areas of interest to rural and regional Victorians such as transport, education and
training, housing, economy, social and cultural capital and so on. All of these are complex issues and a direction needed to be decided on early in the Committee’s deliberations. Based on its discussions and engagement with rural and regional people throughout Victoria, the Committee decided to focus on the following areas, around which the recommendations revolve:

1. A rural and regional presence by government bodies;
2. Road signage;
3. Planning regulations;
4. Supporting businesses through natural disasters;
5. Training and education;
6. Environmental sustainability;
7. Research needs; and
8. Improved and simplified relationships with government departments.

1.23 The Report begins with a historical overview of travel and tourism. This discussion covers the evolution of travel ideas and motivations for travel; transport revolutions and their impact on tourism; the relationship between working conditions, leisure and tourism over time; and finally the involvement of government in the promotion and administration of tourism.

1.24 The next chapter is also contextual, and covers the institutional framework for tourism and is followed by chapters on the economics of rural and regional tourism; the need to maintain and increase visitation; enhance infrastructure; build service capacity and respond to disasters and environmental threats. The initial chapters set the scene regarding tourism in rural and regional Victoria while later chapters provide responses to the Terms of Reference and suggest reforms that the Committee believes should be implemented by Government.

1.25 The Committee considers this Report to address some of the major issues in the area of tourism development in Victoria. However it also acknowledges that further research focussing on rural and regional Victoria should be undertaken in order to gain a more comprehensive picture of the benefits of tourism and ways to develop this important industry into the future.
Chapter Two

Tourism in Context

Historical overview of travel and tourism

2.1 The purpose of this chapter is to provide an overview of the development of tourism in general, and more specifically of tourism in Victoria. There are many aspects to this. We can look at how ideas about travel, and motivations to travel have evolved over time and how these relate to a developing tourist industry. We can also look at how changing modes of transport have shaped the tourist industry and the experiences of tourists over the past century. Another important aspect is the way in which changing social conditions, particularly in relation to work, have shaped people’s ability and propensity to travel. Finally there is the question of government involvement in, and administration of the tourism industry. This was a focus of the Committee’s deliberations on this subject and is a concern addressed through the recommendations. The following discussion shows how these aspects are intertwined, and relate to contemporary issues and challenges in tourism.

Travel ideas and motivation

2.2 Humans have always travelled to places outside their usual environment and this travel has reflected different ideas and motivations at various times throughout history. An early form of travel is the pilgrimage, which is motivated by religious or spiritual ideas.

2.3 In recent times the concept of pilgrimage has been expanded to include a form of cultural pilgrimage to sites of historical or national significance. A contemporary example of this is the phenomena of increasing numbers of young Australians visiting Gallipoli each year to pay respects to the memory of the ANZACS. Similarly, walking the Kokoda Trail is a popular ‘pilgrimage’ that also commemorates Australian war
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history. This type of travel has found a niche market in current times, with one Melbourne-based pilgrimage tour company offering a range of tours to suit all tastes: from religious pilgrimages and battlefield war history tours, to cultural and pop culture celebrity pilgrimages.\(^1\)

2.4 While pilgrims seek spiritual enlightenment through travel, another historical antecedent to contemporary tourism, the Grand Tour, was embarked upon for the purposes of education. It became fashionable from the late sixteenth century onwards for wealthy young Englishmen to finish their education by taking an extended tour of continental Europe, absorbing the art and culture of the region as they went.\(^2\)

2.5 For the less adventurous, but not necessarily less wealthy, spa resorts in the 18\(^{th}\) Century catered to the health needs of the elite. Bathing in mineral water was prescribed as a cure for many and various ailments. Richard White, in his history of ‘getting away’ in Australia, suggests that, alongside the Grand Tour, the 18th-century spa was a forerunner to the modern holiday.\(^3\) Guests took to the waters to nourish their bodies, while the Grand Tourist travelled to nourish their intellect.

2.6 Both the Grand Tour with its educational focus and the spa resorts that catered to bodies and health, can be seen to have contemporary counterparts. The ‘gap’ year of travel that many young Australians take between finishing school and beginning university (often funded by parents), and study abroad programs continue the educational theme of the Grand Tour, while health resorts and spas cater to an increasing number of people seeking relaxation, rejuvenation and respite from the rigors of modern life.

2.7 A further theme in the history of travel relates to the romantic movement that began around the middle of the 18\(^{th}\) Century in Western Europe. Romanticism placed special emphasis on nature and the natural world as sources of goodness and purity.\(^4\) In the romantic tradition, travel—particularly to dramatic, wild and unspoilt places—was equated with ideas of freedom, self-discovery, independence and originality. In Australian history these ideas are evident in the romanticising of the bush, particularly in the poetry of Banjo Patterson and Henry Lawson. These poets celebrated the bush, contrasting it favourably with the noisy, busy city.\(^5\)

2.8 The romanticising of nature, of the bush, of getting back to basics and escaping the city are evident in a range of leisure and tourist pursuits people engage in today, including camping, bushwalking, ecotourism, and adventure tourism. Modern marketers seek to evoke the feelings associated with romanticism in their attempts to sell tourist experiences.

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Transport revolutions

2.9 Moving on from the ideas and motivations associated with travel and tourism, we can also see the historical impact of changing modes of transport. In Australia, the first major stimulus to the development of mass tourism was the coming of steam and the development of the railways in the 19th Century. A rail network developed rapidly in Victoria with both Government and private enterprise investing heavily on the basis of wealth generated by the goldfields.

2.10 In 1854, the first steam train in Victoria took a short trip from Flinders Street to Port Melbourne. By 1880 a growing network of railway tracks spread to Horsham and Portland in the west, Echuca and Wodonga in the north and Sale in the east of the State. Central Victoria was also well served with trains to Bendigo (then called Sandhurst), St Arnaud, Avoca and Daylesford.  

2.11 While the transport of goods was the major business of the railways, from the earliest days they also played a significant role in a developing domestic tourism industry. An 1876 report to the Parliament of Victoria lists forty-six Excursion Trains that ran between various Victorian towns during 1875. The report gives the cost of running each trip and the revenue raised. One example, an Excursion Train from Melbourne to Kyneton on the 17th March 1875, cost £56, 15s. to put on, and returned £179, 5s. to Government revenue. In total, £4,354, s17, d3 was raised for the year. River and coastal steamers were also popular, and by 1872 Excursion Steamers were travelling alongside trade vessels in Port Phillip Bay.

2.12 While Excursion Trains catered to day trips and short weekend breaks, moving on into the 20th Century the Victorian Railways extended their involvement in tourism. They developed resorts and played a major role in the promotion and marketing of destinations throughout Victoria. Advertising banners, hoardings and posters adorned railway carriages and stations. Mildura was promoted as an ideal winter destination with visitors invited to ‘Seek the Winter Sun’, while Mt Buffalo was promoted for ‘Winter Sports’ and Lorne as a holiday playground ‘For all Seasons’. (see Figure 1)

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7 Parliament of Victoria, Excursion trains: return to an order of the Legislative Assembly dated 20th January 1876, Melbourne George Skinner, Acting Government Printer, 1876.
2.13 According to Richard White, it was the economies of scale brought about by rail transport that created holiday destinations out of places like Mildura, Mt Buffalo and Lorne. The Railways produced a mass market by offering cheap, reliable transport and effectively selling ‘escapism to an increasingly urbanised society’.  

2.14 The centrality of the railways to tourism did not last forever, however. By the 1920s a new transport revolution – the motor car – was underway and impacting the tourism market. The Royal Automobile Club of Victoria was established in December 1903, and by the 1920s was publishing an accommodation guide and distributing touring maps. In 1929 the Melbourne Herald also established a club which helped members plan motor tours. For those who could afford them, motor cars quickly became a symbol of individualism and superiority. A motoring holiday distinguished the middle class from the ‘masses’ who travelled by train. 

2.15 The 1930s also saw the growth of motor camping with motoring clubs providing travel advice which included information on what to pack, where to go, and how to set up camp. Caravanning also began with a few local manufacturers and do-it-yourself kits. The ‘Don’ caravan company started manufacturing in Victoria in 1934 and by 1947 was building over 100 units per year. Even at that rate, they couldn’t meet the demand.

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9 PROV, Public Transport Corporation, VPRS 12903 P1 Photographic Collection Railway Negatives, Box 609/04, Poster No.216 Mildura for Winter Sunshine Take a Kodak Artist Northfield, (digitised copy, viewed online 17 October 2007); PROV, Public Transport Corporation, VPRS 12903 P1 Photographic Collection Railway Negatives, Box P500/06, Poster No.11 Mt Buffalo for Winter Sports. Daryl Lindsay Cyril Dillon Litho Printer Wilke, (digitised copy, viewed online 17 October 2007); PROV, Public Transport Corporation, VPRS 12903 P1 Photographic Collection Railway Negatives, Box 528/06, Poster 175 Lorne for all Seasons, Take a Kodak. Collage, (digitised copy, viewed online 17 October 2007). Reproduced with the permission of the Keeper of Public Records, Public Record Office Victoria, Australia.


13 Ibid., p. 96.

2.16 Motoring organisations lobbied governments to up-grade roads and, although the enormous investment in roads was justified mainly in terms of improving freight and communication routes, they also opened up new holiday possibilities for car owners. During the Depression, unemployed workers built the Great Ocean Road (one of Victoria’s iconic tourist drives), in an early example of tourism being used as an economic stimulus. The importance of the motor car, and the road network for tourism was recognised in 1936 when the Country Roads Board was given the power to proclaim tourist roads. White notes that: within a year, more than 550 kilometres of roads had been designated ‘Tourists’ Roads’ and £52,000 had been spent on the reconstruction, improvement and maintenance of roads recognised as valuable to holiday makers.\(^{15}\)

2.17 By the middle of the 20\(^{th}\) Century, then, the typical Australian family holiday was car based and rail as a mode of tourist transport was in decline. However, while the typical family was undertaking their driving holiday to destinations within Victoria, and sometimes interstate, another transport revolution was underway. By the end of the 20\(^{th}\) Century, air travel had made significant inroads into the tourism industry in Australia.

2.18 The development of Qantas, Australia’s primary airline, illustrates the rise of aviation and the role it has played in tourism. Qantas was established in outback Queensland in November 1920. It took its first passenger on a scheduled flight between Longreach and Cloncurry two years later. From this beginning, Qantas grew steadily, extending its coverage of Queensland and increasing its fleet of aircraft. By 1930 the airline had carried over 10,000 passengers, and in 1935 commenced overseas passenger flights, from Brisbane to Singapore.\(^{16}\)

2.19 In 1938, Qantas introduced two C Class Empire flying boats and joined with Imperial Airways to offer flights from Sydney to the UK. Although the flying boats were primarily designed to carry mail, they also offered luxurious first class international travel to an elite group of travellers. A crew of five catered to 15 passengers who paid slightly more than the average annual wage of the time to take the trip.\(^{17}\) Cabins were spacious and well appointed, and converted to sleeping accommodation at night. Minigolf and quoits could be played on the promenade deck, and ‘stopovers were spent at sumptuous hotels while the aircraft lay at moorings in a nearby lake or seaport’.\(^{18}\)

2.20 World War Two brought about a hiatus in the development of air transport for leisure as the flying boats and other civilian aircraft were turned over to war work. Following the war, however, aviation expanded rapidly with airlines rebuilding and expanding their fleets. Qantas’ first

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Sydney-London flight was in 1947. New international routes were added over the next few years and by 1954 Qantas was flying to Hong Kong, South Africa, Japan, San Francisco and Vancouver. 1959 saw jet planes added to the fleet, ushering in a period of rapid expansion in the 1960s.\(^{19}\)

2.21 The expansion of aviation contributed to growing levels of international tourism, both inbound and outbound. In recent years, the advent of low-cost carriers has heightened this trend, with Australians increasingly turning to air travel for holidays.

**The changing world of work**

2.22 Leisure is inextricably linked to work, with the concept of leisure being defined as ‘the condition of having ones’ time free from the demands of work or duty’.\(^{20}\) Therefore, another factor in the historical development of tourism has been changes in the world of work and working conditions. At the beginning of the 20\(^{th}\) Century, travelling for leisure was largely the preserve of the upper classes. The average worker’s leisure was confined to weekends which consisted of Sunday and only a half day holiday on Saturday. Thus, despite the fact that the railways provided the transport means for the development of mass tourism, improved working conditions were necessary to realise this potential.

2.23 Workers needed time and secure wages in order to take holidays. In this regard, the famous ‘Harvester Judgement’ of 1907 proved a milestone. In establishing the concept of a ‘fair and reasonable’ wage for Australian workers Justice Higgins set criteria for a ‘living wage’ that was to provide frugal comfort for an average male employee and his family. A living wage was deemed by Justice Higgins to include ‘amusements and holidays’ alongside basic items such as rent, food and fuel. Historian Richard White suggests that the judgement meant that a ‘holiday had become a normal expectation of Australian life’, for all social classes.\(^{21}\)

2.24 Prosperity following World War Two led to paid annual leave becoming widespread. A long period of economic growth saw increased job security, better wages and more leisure time for workers. In 1944 the NSW government, with bipartisan support, passed the *Annual Holidays Act* which gave all workers a statutory right to two weeks paid annual leave. Other states followed and gradually the length of paid annual leave increased. By 1974, four weeks annual leave was standard. Annual leave loading was also rolled out during the 1970s, further encouraging Australians to take an annual holiday.\(^{22}\)

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\(^{22}\) Ibid., pp.122-28.
Today, the world of work is changing again, with the economy undergoing a major restructure over recent decades. A general shift has occurred from a base in manufacturing and primary production, to a service and knowledge-based economy. The proportion of workers who are full-time employees with entitlements to paid annual leave declined from 56% in 1992 to 51% in 2006, and the proportion employed in part-time, casual and contract work has increased. Patterns of leave taking are changing, with Australians stockpiling annual leave and taking short breaks rather than longer annual holidays.

Patterns of leave taking are changing, with Australians stockpiling annual leave and taking short breaks rather than longer annual holidays.

Government involvement in tourism

The Victorian Government has been involved in promoting the State to visitors for a very long time. The Royal Exhibition Building in Carlton Gardens was purpose built for the 1880 International Exhibition, to display the products and achievements of modern industrial society. In 1888, the even bigger Centennial Exhibition was held, with forty countries exhibiting and over two million attendees. That this was almost double the population of Melbourne at the time, indicates the significance of the event as a drawcard for visitors.

In anticipation of a huge influx of visitors travelling to Melbourne for the exhibition, the Victorian Railways opened the first visitor Inquiry Office to provide advice on sights to see within Victoria. The service was retained and expanded following the exhibition, providing information on accommodation and an interstate booking office. In 1908, the renamed Victorian Government Tourism Bureau moved to the city centre. Around 1939, regional and interstate offices were established. These continued to distribute travel information, make bookings and develop tour itineraries until 1959.

In the 1920s a Tourists’ Resort Committee, responsible for creating and improving tourist resorts, facilities and roads, was created and in 1938 a Tourists’ Resorts Fund was established to provide subsidies and grants to public authorities for tourism infrastructure.

In 1958 the Tourists’ Resorts Committee was superseded by the newly established Tourist Development Authority, under the Minister for State Development. This new arrangement saw the development of a more...
2.30 During the 1970s the administration of tourism in Victoria underwent many changes and rearrangements. In 1970, the Tourist Development Authority was replaced by a separate Ministry of Tourism and for the first time a Minister for Tourism was appointed. This arrangement was short lived however. In 1971, the new ministry was abolished and tourism administration was transferred to the Division of Tourism within the Department of State Development (later named the Department of State Development and Decentralisation). The Division had responsibility for promoting Victoria, developing attractions and facilities through grants and subsidies, and providing information and travel services.  

2.31 Another departmental change in 1978—to the Department of State Development, Decentralisation and Tourism—reflected an elevation of tourism functions within the Department. A greater emphasis was placed on developing and improving tourist facilities through subsidies and loans to local governments and semi-government bodies. Around the same time, the Victorian Government Travel Authority was established. In 1979 it took over responsibility for general publicity and promotion as well as management of the eight Victorian Government Tourist Bureaus, five within the State and three in the interstate capitals of Adelaide, Sydney and Brisbane.

2.32 Alongside the development of centralised government activity in tourism, tourism bodies were being formed in regional areas. One example of the history of tourism bodies in rural and regional Victoria comes from the Grampians area. In 1907 the Stawell and Grampians Tourist Association was started by Cr Custav Mahnke and A C Butcher to promote tourism to the area. In the 1930s the Stawell Development Association was formed and in 1968 the Stawell and Grampians Tourist and Promotion Project was launched and a full time tourist officer was employed. In the 80s a booking agency was formed and the promotion of the area by locals continued.
Country tourism offices

2.33 Of particular relevance to the topic of this Inquiry, was the role Government played in the mid-1970s in assisting the development of Regional Tourist Authorities. In line with decentralisation policy, the Department provided guidance, coordination, and financial subsidies for Regional Tourist Authorities. Established by Orders-in-Council, each Regional Tourist Authorities involved a number of communities cooperating in a single tourist entity. They produced tourist literature, provided local information services and fostered tourism in their area.34

2.34 The 1980s saw further integration and development of tourism administration in Victoria. A wide-ranging study of tourism was carried out in 1980, after which the Government appointed a Minister solely for Tourism, and (for the second time) established a separate Ministry for Tourism. The new Ministry merged the Tourism Division of the former Department with the Victorian Government Travel Authority. In 1982 a major new tourism policy —*New Directions in Tourism* was launched.35 Country offices in Bendigo, Ballarat, Geelong and Mildura were phased out.36 Nonetheless, a focus on regional tourism was maintained through continued financial and administrative support for twelve Regional Tourist Authorities.37 At the same time, new interstate and international Victour offices were opened. A State Marketing Plan and a State Tourism Development Plan were developed.

2.35 In 1983, the separate portfolio of tourism and the Ministry for Tourism were again abolished. The Victorian Tourism Commission was established and the Minister for Economic Development took on responsibility for tourism. Some time around 1986-87, the Regional Tourist Authority Scheme appears to have ceased.38

2.36 Tourism in Victoria continued to be administered by The Victorian Tourism Commission, under a variety of Ministries, until 1992. At that time it was replaced by a new statutory authority, Tourism Victoria, which still exists today.

36 Ibid. p.5.
37 Ibid. p.6
Chapter Three

The Contemporary Institutional Framework

Introduction

3.1 As discussed in the previous chapter, the development of tourism in Victoria has involved both government and industry input from the beginning. This is still the case today, with many layers of government and a range of industry organisations and associations contributing to the overall structure.

3.2 This section begins with an overview of the role various levels of government—Federal, State and local—play in tourism. Through policy, legislation and regulations, they set the parameters within which the industry operates and play a significant role in providing and facilitating financial investment and developing programs to support enterprises in targeted areas. Governments at all levels have also chosen to play an important role in terms of promotion and marketing of destinations.

3.3 Industry organisations, from peak national and state-based bodies to local tourism associations, also play a significant role in the development and promotion of tourism. An outline of these organisations and the role they play follows the outline of government involvement. Finally, research organisations and Non-Government Organisations contribute to the overall institutional framework within which tourism exists.

Australian Government

3.4 At the federal level, government involvement and support for tourism over recent years has been divided along functional lines. Administration and overall policy direction has been the preserve of the
relevant government department, while promotion, research and forecasting have been carried out by Tourism Australia—a statutory authority with a more commercial focus.

3.5 Prior to the swearing-in of the new Government in December 2007, responsibility for tourism administration at the federal level rested with the Department of Industry, Tourism and Resources. Since then, new administrative arrangements have been put in place and tourism administration now falls under the newly formed Department of Resources, Energy and Tourism. At this stage, Tourism Australia continues its role as before.

The Department of Industry, Tourism and Resources

3.6 Under the Department of Industry, Tourism and Resources, policy advice and implementation of Government tourism policy was provided by the Tourism Division, the primary objective of which was to foster the development of a sustainable, internationally competitive tourism industry by focussing on supply side policy issues. To achieve this objective, the Division sought to work in partnership with industry, and other government agencies.¹

3.7 Recent Federal tourism policy was laid out in the *Tourism White Paper: A Medium to Long Term Strategy for Tourism*² that was released by the then Prime Minister, John Howard, in November 2003. Backed by a range of policy initiatives worth $235 million, the Tourism White Paper put forward a ten year strategy for the tourism industry with the goal of strengthening the competitiveness of the Australian tourism sector within the global market. A Tourism White Paper implementation plan was released in 2004 and annual Progress Reports, providing updates on progress made towards implementation, were released in 2005 and 2006.

3.8 Key initiatives of the Tourism White Paper included: 1. funding for increased international marketing to attract high-yield international tourists through a focus on branding, business and events tourism and the identification and growth of niche markets; 2. funding to support a domestic marketing campaign to encourage Australians to holiday in Australia; 3. capacity building initiatives in the areas of research and statistics; 4. grants to support the development of tourism, particularly in regional areas; 5. the Business Ready Program for Indigenous Tourism; 6. support for a national tourism accreditation framework; 7. development and distribution of a business tool for local government, the Tourism Impact Model, that assists local governments to measure the economic impact of tourism; 8. funds to boost nature-based tourism; and 9. the development of extensive communication and consultation

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arrangements to strengthen relationships between Governments, within Governments and with the tourism industry.³

3.9 The Tourism White Paper highlighted tourism as an important driver for regional development, suggesting that the sustainability and viability of the regional tourism industry is vital to the economic diversification of regional Australia.⁴ Support for regional tourism has been provided through the following programs:

**Australian Tourism Development Program**

3.10 The Australian Tourism Development Program is a competitive merit-based grants program that aims to assist in the development of a continuous tourism experience across Australia. It does this by supporting initiatives that will:

- promote tourism development in regional and rural Australia;
- contribute to long term economic growth;
- increase visitation and yield throughout Australia;
- enhance visitor dispersal and tourism expenditure throughout Australia; and
- increase Australia's competitiveness as a tourism destination.⁵

It remains to be seen whether the new Rudd Federal Government will maintain this program.

3.11 The (former) Australian Government’s submission to this Inquiry notes that up until June 2007, $22 million in Australian Tourism Development Program funding had been allocated to 133 projects across Australia. The Government’s May 2007 budget committed a further $34.9 million to continue the program over the next four years. The extended program included specific funding to support tourism projects in Exceptional Circumstances declared areas.⁶ Two rounds of grants in 2007 have provided $4.6 million to 27 projects.⁷

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⁶ Department of Industry, Tourism and Resources, Submission, Number 76, 15 June 2007.

Tourism Action Plan on Climate Change

3.12 On 18 April 2007, the then Minister for Tourism and Small Business, Hon Fran Bailey MP, announced the development of a Tourism Action Plan on Climate Change. The goal of the Plan was to assess the impact of climate change on tourism and to develop adaptation strategies. Stakeholder input and submissions to the Tourism Action Plan were sought from industry, researchers and the community between May and July 2007. Twenty-three submissions were received and (as of July 2008) are available via the Department of Industry, Tourism and Resources website. A Tourism and Climate Change Taskforce was formed to guide the development of the Tourism Action Plan. The membership of the Taskforce includes representatives of:

- Australian, State and Territory Government tourism organisations;
- the Australian Greenhouse Office; and
- the Australian tourism industry.

Tourism Australia

3.13 As part of the Tourism White Paper initiative the former Australian Government established Tourism Australia in 2004, encompassing the functions of the Australian Tourist Commission, See Australia, the Bureau of Tourism Research and the Tourism Forecasting Council.

3.14 Tourism Australia is a statutory body subject to the Commonwealth Authorities and Companies Act 1997, and has a primarily commercial focus. Its key goal and objectives regarding domestic tourism are to:

- build Australia’s market share of targeted travellers through consistently increasing demand; and
- increase the spend and dispersal of targeted travellers.

Tourism Australia also provides input into Government and industry policies that affect tourism.8

3.15 Tourism Research Australia is a business unit of Tourism Australia providing research information that aims to support improved decision making, marketing and tourism industry performance for the benefit of the Australian community.

Victorian Government

3.16 At the state level, a number of government departments and authorities are involved in the administration, regulation and promotion of tourism. These include Tourism Victoria, Parks Victoria, the Department of Innovation, Industry and Regional Development and the Department of Sustainability and Environment.

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8 Department of Industry, Tourism and Resources, Submission, Number 76, 15 June 2007.
Tourism Victoria

3.17 Tourism Victoria is a State Government statutory authority that reports to the Minister for Tourism and Major Events. It forms part of the Department of Innovation, Industry and Regional Development, and its mission is to work with Victoria’s tourism industry to maximise employment and the long-term economy of Victoria by developing and marketing the State as a competitive tourism destination. A ten member board provides strategic direction, while organisationally Tourism Victoria is broken down into four divisions based on the key areas of marketing, industry and investment, strategy and policy, and executive services.9

3.18 Developing and implementing strategies and plans is a key responsibility for Tourism Victoria. A suite of strategy and planning documents exist. Some focus on long-term policy and goals, while others operate within a shorter time-frame. There are plans that focus on the industry as a whole, and plans that concentrate on particular market sectors or particular aspects of tourism activity.

3.19 The primary planning and policy document for Victorian tourism is the 10 Year Tourism and Events Industry Strategy, released by the Victorian Government in October 2006. It provides a long-term vision for the industry and sets ambitious targets, aimed at growing Victorian tourism to an $18 billion industry, employing 225,000 people, by 2016. Detailed plans for implementation of the 10 Year Tourism and Event Industry Strategy are set out in the Tourism Victoria Business Plan 2007-2010. Annual plans outline ongoing activities required to deliver organisational goals, underpinning the medium-term vision of the Business Plan and the long-range ten year plan for the wider industry.10

3.20 Tourism Victoria is currently working to develop a new Regional Tourism Action Plan, to replace a suite of Regional Tourism Development Plans. The new plan will address challenges raised at an inaugural Regional Tourism Summit held in early 2007, and is due for release in 2008.

3.21 A number of market sector plans have been developed by Tourism Victoria. These cover key industry sectors such as food and wine, spa and wellness, Indigenous, and alpine tourism. Many of these have a regional focus. Victoria’s Nature-based Tourism Strategy Draft Plan 2007-2011, the most recent market sector plan, is also highly relevant to regional and rural tourism in the State.

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3.22 Parks Victoria is the agency responsible for managing and protecting 3.96 million hectares of parks and reserves in Victoria, including 39 national parks, 13 marine national parks, 11 marine sanctuaries, 3 wilderness parks, 30 state parks, 37 metropolitan parks, and many more small parks and reserves. Together, these attract over 60 million visits each year, making them a major drawcards for tourists visiting regional areas.

3.23 Parks Victoria’s primary objective is to preserve the natural and heritage values of Victoria’s parks, bays, and waterways, and to provide full protection of sensitive areas through effective environmental and visitor management. However, in meeting this objective it also seeks to work with industry, government and the community to facilitate appropriate and sustainable tourism on public land.

3.24 Parks Victoria’s say that its tourism role is achieved by:

- protecting the recreation and tourism values of public land for the long term through sound policy, planning, management and governance;
- providing and maintaining appropriate visitor facilities and services on and for public land. (Parks Victoria maintains an asset base of over $1 billion); and
- effectively communicating and promoting the role public land areas play in tourism.

3.25 Parks Victoria provides strategic advice and input into many plans developed with, or by other agencies and government departments, including local government and regional tourism plans across the State. It is also represented across the state on tourism boards, associations and committees.

3.26 Parks Victoria operates major tourist attractions and products itself, and works with partners and lessees in the management of a number of other tourism venues. A tour operator licence system for operators utilising the resources of parks and public land is also administered by Parks Victoria. There are over 260 Licensed Tour Operators providing approximately 3000 park based products. These include bushwalking, 4x4 wheel drive tours, horse riding, rafting, biking, touring, ballooning, camping, dolphin swimming, heritage tours, night-walks, diving and rock climbing. Tour Operators play a key role in facilitating access, promoting values and appropriate behaviours in parks and are key contributors to regional economies.

3.27 Visitor Services is another major area of responsibility for Parks Victoria, and again one that is integral to Victoria’s tourism offering. Parks Victoria provides a range of services and activities to visitors including interpretation and education programs at key tourism sites; provision of

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visitor facilities and information services; interpretive and self-guiding trails; ranger interaction, tourism signage and visitor management services.

3.28 Finally, Parks Victoria undertakes extensive marketing and promotional activities, working with the industry and using various tools to attract visitors to regional Victoria.

Victorian Government support programs

3.29 A number of government programs exist which provide support for tourism in rural and regional Victoria. As noted above, Tourism Victoria and Parks Victoria both provide strategic planning support for regional tourism related activities. Tourism Victoria also provides funding and support through a number of programs, including:

Regional Marketing Program

3.30 This program, which replaces the earlier Regional Partnerships Program, provides funds through Regional Campaign Committees to market regional Victoria. The aim of the program is to provide a coordinated industry and Government approach to regional destination marketing, and to facilitate the raising of cooperative funds. Funding of $6.5 million over a two year period was announced in 2007.

Events Funding

3.31 Through the Country Victoria Events Program, Tourism Victoria provides resources and advice to assist in the facilitation and enhancement of regional events. Funding support is provided for event delivery, event development and marketing. Up to $150,000 per year (over two funding rounds) is allocated to the Country Victoria Events Program. The program focuses on events that are able to attract, or are likely to attract in the future, a number of intrastate and interstate visitors. For each single allocation, up to $10,000 (excluding GST) may be provided. There are two rounds of funding per year – 1 April and 1 October. Generally, $75,000 per round is allocated to a range of events.

3.32 Every year between 25 to 35 events apply in each funding round. Whether an event is successful in securing funding depends on the quality of the event and their ability to secure funding from local government or tourism and community organisations. In the April 2008 funding round, 26 applications were received and 15 events were recommended for funding. Funding allocations ranged from $1,500 to

12 Victorian Government, Submission, Number 74, 14 June 2007.
$10,000 and were given to events focussed on sport, food and wine, talent quests, expos and arts and cultural festivals.\textsuperscript{14}

3.33 Key objectives of the program are: to assist ongoing tourism specific events in becoming self-sustaining; to substantially build the profile of regional events to attract visitors from outside the local area; to encourage a diverse range of events to celebrate the tourism product strengths of regional Victoria; and to maximise the economic and community benefits generated by the events.\textsuperscript{15}

3.34 The valuable efforts of volunteers towards regional and local events that build sustainable tourism outcomes must be recognised. Volunteers assist in maximising economic and community benefits for their towns and regions and may benefit from participation in education and training programs where appropriate.\textsuperscript{16}

3.35 The Victorian Government also supports events in regional Victoria through the \textbf{Victorian Major Events Company}. Examples of regional events that have received support include the Rip Curl Pro surf competition and the MotoGP at Phillip Island. According to the Victorian Government submission to this Inquiry:

\textit{Of the $1.5 million in annual funding allocated to Tourism Victoria for events’ support, including those funds distributed through the Country Victoria Events Program, approximately 50% is provided to regional Victorian events.}\textsuperscript{17}

\textbf{Tourism Excellence}

3.36 Tourism Excellence is a skills and industry development program introduced in 2007. It consists of a series of online modules designed to help tourism businesses and destinations get the best from their workforce, deliver the best possible visitor experience, grow tourism by working together, and ensure a sustainable industry.

3.37 Seven key areas are covered in the modules which include case studies and evaluation tools as well as textual information on each topic. The seven modules (rolled out throughout 2007) address the following topics:

- Understanding visitor needs and expectations;
- People excellence—valuing your people;
- Business excellence—maximising business performance;
- Growing destinations—highlighting the complementary nature of products and services within a destination;

\textsuperscript{14} Advice from Mr Brendan Downey, Group Manager Events, Tourism Victoria, 4 June 2008.


\textsuperscript{16} Advice from Mr Brendan Downey, Group Manager Events, Tourism Victoria, 4 June 2008

\textsuperscript{17} Victorian Government, \textit{Submission}, Number 74, 14 June 2007.
• Industry participation—working together, contribution to the seamless integration between various tourism products;

• Fostering innovation—the adoption of innovative practices; and

• Sustainability in tourism—consideration of financial, environmental, social and cultural impact of the business.¹⁸

Local Government

3.38 The third layer of government in Australia, local government, also plays a significant role in tourism development and support. Jacobsen and Carson note that ‘local government plays a leading role by providing:

• a democratic forum for local decision-making accountable to communities; and

• a firmly based network of public administration capable of adjustment or expansion to undertake necessary roles and responsibilities’,

and that communities throughout Australia “rely on local government to perform a key role in regional tourism development”.¹⁹

3.39 Evidence presented to the Committee by Council Officers throughout Victoria and by the Municipal Association of Victoria in their submission to the Inquiry, confirms the importance of this role. Forty-eight separate municipalities or local government areas are spread throughout rural and regional Victoria. The Municipal Association of Victoria notes a high level of diversity in terms of ‘economic performance, industry composition, geographical features and demographic trends’ among these 48 local government areas.²⁰ Some contain booming regional cities while others are smaller rural municipalities with limited resources. Thus the ability of local government to facilitate tourism development varies.

The capacity of councils to develop the tourism potential of their municipality will clearly be lower in councils with underlying budgetary pressures.²¹

However, the wide range of responsibilities that fall to local governments, in areas such as ‘land-use planning, infrastructure building and renewal and the provision of numerous essential services place local government in a position to have significant influence over the attractiveness of their region as a place to visit’.²²

3.40 Increasingly, local government is moving beyond its traditional sphere of service provision towards playing a more strategic role in economic development, including tourism development. Many LGAs employ staff

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²⁰ Municipal Association of Victoria, Submission, Number 77, 22 June 2007, p.3.

²¹ Ibid.

²² Ibid.
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dedicated specifically to tourism and economic development. Through public hearings and submissions the Committee obtained an understanding of the variety of approaches to tourism within this level of government. These are discussed further throughout this Report.

Industry Organisations

3.41 Industry organisations form another major component of the institutional framework within which tourism exists. There are a few key national and state-based tourism organisations in addition to regional and local ones that represent the interests of tourism businesses.

3.42 At a national level, Tourism and Transport Forum Australia describes itself as the peak industry group for the tourism, transport and infrastructure sectors in Australia. Tourism Transport Forum is a member-funded forum of Chief Executive Officers, which advocates the public policy interests of 200 major corporations and institutions in the Australian tourism, transport, property, infrastructure and investment sectors.\(^ {23} \)

3.43 Australian Tourism Export Council, is another peak industry body at a national level. With over 1,150 members who come from across the country and across the industry—including inbound tour operators, tourism product suppliers and service providers—Australian Tourism Export Council represents the tourism export sector. It aims to build better business relationships for members and to further the issues important to the tourism export sector amongst key government and business leaders.\(^ {24} \)

3.44 Other national industry organisations represent the interests of specific segments of the tourism industry. Ecotourism Australia was formed in 1991 as an incorporated non-profit organisation, and describes itself as the peak national body for the ecotourism industry. It aims to help ecotourism grow to promote, sustain and conserve Australia’s natural heritage. Its vision is to provide leadership and assist tourism operations to become environmentally sustainable, economically viable, and socially and culturally responsible. The Association has a diverse membership that includes ecotourism accommodation, tour and attraction operators; tourism planners; protected area managers; academics and students; tourism, environmental, interpretation and training consultants; local and regional tourism associations and travellers.\(^ {25} \)

3.45 Aboriginal Tourism Australia was established by Indigenous operators to support Indigenous people’s involvement in the Australian tourism industry. It is the leadership industry organisation for Indigenous tourism in Australia. Aboriginal Tourism Australia is committed to ensuring that Australia’s tourism experience is enriched by Indigenous


culture, values, spiritual connection to the land and wonderful, welcoming people. A key role of Aboriginal Tourism Australia is to increase awareness within the Australian tourist industry about the value of Australia's indigenous cultures. Aboriginal Tourism Australia provides an Indigenous voice to tourism industry strategic planning and policy development.\(^{26}\)

3.46 Two peak industry bodies—Tourism Alliance Victoria and the Victorian Tourism Industry Council—represent the interests of the tourism industry at the State level.

3.47 **Tourism Alliance Victoria** was formed in 2004 through a merger of two previous tourism organisations, Country Victoria Tourism Council and the Victorian Tourism Operators Association. It describes itself as the peak industry body representing tourist operators in Victoria and is focused on developing an increasingly dynamic tourism industry in Victoria. As well as representing the industry to government, Tourism Alliance Victoria works to identify product gaps, develop strategies, provide professional development and undertake tourism research.\(^{27}\)

3.48 The **Victorian Tourism Industry Council** is the tourism arm of the Victorian Employer’s Chamber of Commerce and Industry. The Victorian Employer’s Chamber of Commerce and Industry sees its role as representing the interests of business across the State, through lobbying and acting as a sounding board for government decision-making. In 2001 the Victorian Employer’s Chamber of Commerce and Industry established the Victorian Tourism Industry Council to be a united voice for the tourism industry. ‘It provides policy, advocacy, representation, leadership and strategic direction to elevate the industry’s competitiveness and sustainability’.\(^{28}\)

3.49 Also at a state level, specific sectors of the tourism industry (for example; caravan parks, hotels) are represented by their own industry organisations.

3.50 At the regional level, a number of **Regional Tourism Organisations** exist. These are ‘peak bodies responsible for management and development of sustainable tourism within a region to increase visitation and yield through external marketing’.\(^{29}\) In Victoria, a number of regional tourism organisations are supported by local governments who have come together to pool their support for regional tourism development. For example, Geelong Otway Tourism is supported by five municipalities. It has a board representing industry and municipal


tourism interests and employs a team of twelve including a full-time Executive Officer.\(^{30}\)

3.51 The final layer of industry organisations are local tourism associations. According to Tourism Alliance Victoria, **Local Tourism Associations** represent local tourism businesses and focus their efforts on visitors. They co-ordinate and represent businesses, organisations and individuals involved and interested in tourism in their local area.\(^{31}\) A large number of these are spread throughout rural and regional Victoria.

**Research Organisations**

3.52 As noted above, Tourism Australia conducts tourism research through **Tourism Research Australia**, a business unit within Tourism Australia. An important function of Tourism Research Australia is to conduct tourism surveys covering inbound, domestic and outbound markets. Key information collected from travellers includes expenditure, places visited, activities, accommodation, transportation and demographics. On the basis of this data set, Tourism Research Australia uses modelling techniques to develop forecasts of tourism activity, to model regional expenditure and employment, and to estimate the economic impact and contribution of tourism at the national and regional level.\(^{32}\)

3.53 Recent years have also seen an explosion of interest in tourism studies and tourism research at Australian Universities. Most Australian Universities offer degrees in tourism, and many have established dedicated tourism research centres. In relation to rural and regional tourism, two research centres stand out: the **Sustainable Tourism Cooperative Research Centre** and the **Australian Regional Tourism Research Centre**. Both the Sustainable Tourism Cooperative Research Centre and the Australian Regional Tourism Research Centre receive Australian Government funding and, although based at Southern Cross University in Lismore, NSW, they maintain close relationships with both industry and university partners and work closely with academics based at universities throughout Australia.\(^{33}\)

3.54 The Sustainable Tourism Cooperative Research Centre is one of 58 Cooperative Research Centres currently funded by the Commonwealth Government. Initiated in 1990, the overall goal of the Cooperative Research Centre Program is to develop innovative research concepts into useable products and processes, thereby assisting Australian industry to be more efficient, productive and competitive. The Program supports research collaboration between university researchers, industry, and public sector research agencies.\(^{34}\) As part of the

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\(^{30}\) ibid.


\(^{33}\) Australian Regional Tourism Network, Submission, Number 62, 1 June 2007.

Cooperative Research Centre Program, the Sustainable Tourism Cooperative Research Centre works in partnership with the Australian Regional Tourism Network, ‘to ensure industry relevant research is undertaken and effective regional tourism extension, professional development and training services are provided in a regional context’.  

3.55 Within the Sustainable Tourism Cooperative Research Centre network of 14 universities and more than 20 government and industry partners, the Australian Regional Tourism Research Centre manages the regional research agenda. Formed in 1998, the Centre’s primary purpose is to undertake research and extension activities to assist in the growth of tourism industries which will contribute to sustainable communities in regional Australia. Since its conception the Centre has undertaken numerous research projects and extension activities, produced various occasional papers and industry relevant kits. It also convenes a regional tourism research committee, organises an annual Australian Regional Tourism Convention and produces a Regional Tourism Handbook each year from the convention.  

3.56 The Committee received a joint submission from the Sustainable Tourism Cooperative Research Centre and the Australian Regional Tourism Research Centre and obtained valuable evidence from academics associated with the work of the Research Centres through the public hearing process. Reference to this evidence is made in later chapters of this Report.

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35 Australian Regional Tourism Network, Submission, Number 62, 1 June 2007.
Chapter Four

The Benefits of Tourism to Rural and Regional Victoria

Introduction

4.1 The Terms of Reference for this Inquiry required the Committee to inquire into, consider and report on the economic benefits of tourism in rural and regional Victoria. Consequently, most of the written submissions to the Inquiry covered this topic as did witnesses at public hearings. A range of statistical data and anecdotal evidence was provided to the Committee to support a positive assessment of the economic benefits of tourism.

4.2 Quantifying the economic contribution of tourism is not a straightforward matter, however. Therefore the Committee has found it useful to consider the variety of ways economic impacts are measured and some of the methodological difficulties involved in this task. This section begins with a description and discussion of the major measurement tools used to assess tourism's economic contribution. This is followed by presentation and discussion of official statistical data on the contribution of tourism to rural and regional Victoria.

4.3 Following this ‘top down’ view, a ‘ground up’ account of views gathered by the Committee is presented. Many organisations and individuals from rural and regional Victoria contributed their opinions concerning the economic significance of tourism to rural and regional Victoria. Some did so as operators, others as representatives of local tourism organisations or shire councils, and others as individual citizens. They recounted personal stories and experiences, expressed opinions and presented a range of data to support their positions. This material provided the Committee with an important source of information in addition to official statistics. Hearing evidence from rural and regional Victorians is essential to this Inquiry and its goal of enhancing tourism to benefit Victoria’s rural and regional communities.
4.4 Evidence received during the Inquiry also led the Committee to consider the benefits of tourism more broadly. Witnesses made reference to a number of benefits that are not strictly economic benefits. In recognition of this, the Committee has included discussion of the social, cultural and environmental benefits of tourism.

**Measuring benefits**

4.5 Quantifying the economic contribution of tourism is difficult for a number of reasons. Firstly, tourism is a unique industry. Unlike most other industries, or industry sectors, tourism is not defined by what it produces but by the status of the consumer as a visitor or tourist.1 This means that, although many goods and services provided for tourists are also used by local residents, only those consumed by tourists are counted as part of the tourism industry. For example, the cost of a meal or a gift purchased by a tourist or visitor needs to be counted in any measure of the economic value of tourism, while the same meal or gift purchased by a local resident is not. Secondly, as Professor Peter Forsyth from Monash University explained to the Committee:

*Tourism is an aggregate of lots of parts of different industries — a bit of accommodation, a bit of transport, a bit of retail.*2

Accounting for the share of profit produced by tourism in each of these industry segments requires estimates to be made as to the proportion of economic activity that can be attributed to tourism in each. A third area of difficulty arises when economists try to measure benefits that flow from tourism to other businesses. Much debate surrounds the measurement of flow-on benefits, and experts disagree on what the most appropriate methods and models for estimating these are. Furthermore, flow-on benefits can be reduced when tourism businesses are not well linked to local suppliers.

4.6 Despite these issues, a number of organisations, including government agencies, industry bodies and researchers, have developed various methods of measuring (or estimating) the economic impacts and benefits of tourism. A number of data collection and measurement methods are outlined and discussed below. This discussion is provided in order to illustrate the complexity and difficulty involved in measuring the benefits of tourism according to tangible economic criteria. It will also demonstrate the need for further work in assessing the benefits of tourism to rural and regional Victoria.

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2 Professor Peter Forsyth, Deputy Director, Tourism Research Unit, Monash University, *Public Hearing*, Melbourne, 19 November 2007.
Visitor surveys

4.7 Visitors surveys produce vital data on the characteristics, behaviour, and travel related expenditure of domestic and international tourists. In Australia, two major surveys are conducted regularly by Tourism Research Australia—the National Visitor Survey, which measures domestic tourism activity; and the International Visitor Survey that collects comprehensive data on international visitors to Australia.3

4.8 The National Visitor Survey is based on an annual sample of 120,000 telephone interviews conducted throughout the year with Australian residents aged over 15 years. The survey collects details about respondents’ recent travel, including day trips, overnight stays and overseas travel. Spending patterns and activities engaged in while travelling are covered. Results are published on a quarterly and an annual basis. The International Visitor Survey is more complex and contains over 70 questions about travel arrangements; number of nights in Australia; reasons for visiting; places visited; information sources about Australia prior to leaving home; impressions of aspects of Australia; income earned; and expenditure on the trip. The survey is conducted in the departure lounges of the eight major international airports throughout the year, sampling 40,000 departing, short-term international travellers each year.4

4.9 Visitor expenditure data collected by both the National and International Visitor Surveys is very important from the point of view of measuring the economic impact of tourism. Using information collected through the International Visitor Survey, Tourism Research Australia is able to calculate the total value added to the Australian economy from inbound tourism. Total Inbound Economic Value is updated quarterly. It is calculated from total trip expenditure by inbound tourists to Australia derived from the International Visitor Survey and benchmarked to the ABS Tourism Satellite Account’.5

4.10 Data from the surveys is also fed into models used by Tourism Research Australia to estimate the economic impact of visitor activity in different parts of the country. The Regional Expenditure Model allocates visitor expenditure to tourism regions. The resulting set of Regional Expenditure tables are published by Tourism Research Australia and made available through their website.6

Tourism Satellite Accounts

4.11 National Tourism Satellite Accounts measure the size of the tourism sector in a country’s economy. They are linked to the system of national accounts and have been introduced by a number of countries since an

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4 ibid.
5 ibid.
6 ibid.
agreed international statistical framework was developed by the World Tourism Organisation in the late 1990s. They provide:

a means by which the economic aspects of tourism can be drawn out and analysed separately within the structure of the main accounts ... so that tourism’s contribution to major national accounting aggregates can be determined, and can be compared with other industries.

In Australia, an annual Australian Tourism Satellite Account has been produced by the Australian Bureau of Statistics since the 2000-01 financial year. The Australian Tourism Satellite Account reports on key economic indicators such as gross domestic product, gross value added and employment generated through tourism.

The Australian Bureau of Statistics-produced Australian Tourism Satellite Account provides valuable information to the industry, policy makers and researchers, concerning the tourism industry in Australia. The Australian Tourism Satellite Account makes it possible to compare the economic contribution of the tourism industry with other industries and to track the contribution of tourism over time. It also allows comparisons to be made between Australia and other countries in relation to the role of tourism within the national economy.

At a State level, Tourism Victoria has commissioned Access Economics to produce regular statistical reports on tourism using methods consistent with the national Tourism Satellite Account. These reports cover the contribution of tourism to the Victorian economy overall, as well as to each of the tourism regions. Data from Tourism Victoria on the economic impact of tourism, reported later in this chapter, is largely based on these studies.

Measuring tourism employment

Tourism contributes significantly to employment in Australia and the Australian Bureau of Statistics includes a measure of direct tourism employment in the Australian Tourism Satellite Account. As noted above, this data relates to Australia as a whole. However, the Tourism and Transport Forum has used data from Australian Tourism Satellite Account, combined with Census data, to produce estimates of tourism employment for tourism regions throughout Australia. These have been published in a series of tourism employment atlases. The methodology used to produce the tourism atlases involves combining the latest Australian Tourism Satellite Account data with the most recent Census data to generate employment estimates:


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Essentially, the national total for tourism employment provided by ATSA is ‘distributed’ on a national scale using information about the composition of local area employment obtained in the Census.

The data set is then adjusted to offset the use of national averages of tourism employment in regions where the economy is clearly much more dependent on tourism than the ‘average’ place in Australia.\(^9\)

Finally adjustments are made to deal with seasonality.

Modelling flow-on benefits

4.15 While tourism satellite accounts provide some very important information, they only measure the direct impact of tourism at a particular point in time. Assessing the full economic impact of tourism, however, involves also considering the downstream effects of tourism spending, and the effects of changes such as the introduction of a new development or event. For this, a variety of modelling techniques have been developed. These include multiplier analysis, input-output modelling and computational general equilibrium modelling.

4.16 The concept behind multiplier models is quite simple. The basic idea is that the economic benefit that can be derived from tourism includes not only the direct spending of visitors, but the further economic activity generated by that spending. In the process of meeting the food, accommodation, and entertainment needs of tourists, tourism businesses in turn spend money on a range of other goods and services including food and beverages, utilities, fuel, maintenance, and consumables. These inputs are referred to as **indirect** effects. Further economic activity is generated when tourism and tourism related employees spend their wages in the local economy. These are referred to as **induced** effects. ‘When the sum of these [indirect and induced] effects is related to the initial direct effect of tourism, a series of multiplier effects for output, income and employment can be applied to the gross regional product’.\(^10\) In other words, multiplier models apply various output multipliers to convert visitor spending (as measured by visitor surveys for instance) into various measures of economic impact.

4.17 A multiplier model designed to measure tourism’s economic impact in a particular local area would involve multiplying **visitor numbers x visitor spending x regional multiplier**.\(^11\) The magnitude of the multiplier will vary from region to region depending upon where tourism businesses source their inputs from and the extent to which businesses from outside the area are involved in meeting visitors’ needs. As is always the case with statistical models, the results are only as reliable and useful as the original information fed into the model. Accurate data on visitor numbers

and visitor spending are essential. Realistic multipliers are also central to making accurate estimates of economic impact.

4.18 Input-Output modelling attempts to go beyond simple multipliers to provide an estimate of the economic impact of changes or events. Information about the source of inputs, and destination of outputs, is fed into the models to develop output multipliers. Data about inputs and outputs is obtained either by 1. conducting surveys of businesses in the relevant region (a bottom-up approach); 2. by working from national data and disaggregating it by using regional data such as that provided by the census (a top-down approach); or 3. by a hybrid combination of these approaches. Researchers use Input-Output modelling to develop sets of regional output multipliers that can be used to measure the impact of tourism in specific areas.

4.19 The use of tourism multipliers and Input-Output models has been criticised however. There is concern that these methods of measuring the impact of tourism are inaccurate and tend to exaggerate the benefits. In response to a question from Committee Member Mr John Vogels MLC, on the economic benefit of major events and the scientific basis on which quoted figures are based, Professor Peter Forsyth suggested that the economic benefits of events are often overstated:

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\text{Some of the economic flow-on effects have been estimated in ways that mean you really cannot lose, and so we are pretty critical as a group and we have suggested other ways of making estimates.}\]

A similar criticism is made by British researchers Egan and Nield, who argue that the ‘current use of tourism multipliers over-emphasises the contribution of tourism and specifically [of] hotels to local economic growth.’ They further suggest that economic impact studies are often used strategically in an attempt to legitimise a position, rather than in a search for accurate information.

4.20 A newer approach to evaluating the economic impact of tourism is to use Computable General Equilibrium analysis. This type of analysis is based on the fact that actual economies are integrated wholes where resources are limited and where feedback mechanisms mean changes in one area or market impact on others. Thus, Computable General Equilibrium analysis utilises more complex models by including a much broader range of variables. As Dwyer et al, explain:

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14 Professor Peter Forsyth, Deputy Director, Tourism Research Unit, Monash University, Public Hearing, Melbourne, 19 November 2007.
16 Ibid. p. 175.
A CGE model has an Input-Output model embedded in it, but it also has other markets, and the links between markets, explicitly modelled.\textsuperscript{17} Increasingly, Computable General Equilibrium models are being used to assess the economic impact of tourism.\textsuperscript{18} However, when it comes to evaluating small, local tourism projects or events, the costs of constructing a CGE model may not be warranted.\textsuperscript{19}

**Leakages and linkages**

4.21 An important factor that needs to be taken into account when assessing the flow-on benefits of tourism is economic leakage. The issue of leakage was raised in a submission from Frankston Tourism, which questioned the value of flow-on benefits to local communities: 

*often the economic benefits of tourism are overstated. The tourism production system or value chain, especially for local areas, is often not within the region. This means that there are often very high levels of economic leakage.*\textsuperscript{20}

4.22 The concept of leakage recognises that the indirect and induced effects of tourist spending are not always retained within the local economy of the region tourists visit. If goods and services used by tourism businesses are purchased from outside the region or country, the flow-on benefits are much less than if they are purchased locally. Similarly if tourism businesses are not locally owned, profits will also leave the local community. These leakages impact on the size of the tourism multiplier. High levels of leakage lessen the value of tourism as a means of promoting economic development.

4.23 The problem of leakage has mostly been discussed in relation to tourism in developing nations. For example, while the average international visitor to Phuket in Thailand in 2003 spent US$726, it has been estimated that only 30% of that remained within the Thai economy, and as little as 6% in the Phuket local economy.\textsuperscript{21} In the 1970s it was estimated that up to 70% of tourist expenditure in Fiji was expended on imports.\textsuperscript{22} Recognition of this problem has lead to discussion of linkages between tourism and other local industry sectors, and their role in reducing leakage.

4.24 Figure 2, below, shows the relationship between leakages, linkages and multipliers in relation to the tourism industry.\textsuperscript{23}

\textsuperscript{17} Larry Dwyer, Peter Forsyth and Ray Spurr, ‘Evaluating tourism’s economic effects: new and old approaches’, *Tourism Management*, Volume 25, 2004, p. 309.

\textsuperscript{18} Ibid. p.316.


\textsuperscript{20} Frankston Tourism Incorporated, Submission, Number 28, 31 May 2007, p.1.


The aim of creating linkages is to reduce the high import content in the tourism sector, which is achieved by substituting foreign imports with local supplies. In very broad terms, increasing backward linkages refers to increasing collaboration and usage of other economic sectors and inputs in the country/region/destination so as to stimulate the economy as a whole and to create synergy effects between different sectors.\(^{24}\)

Put simply, where tourism businesses are closely linked to other sectors of the local economy, less leakage occurs.

![Diagram of linkages, multipliers and leakages](Figure 2)

4.25 In the Australian context, leakage at a national level is not a problem in the way it is for many developing nations. However, it may be more of an issue at a regional level. A study by Stoeckl, of 429 tourism enterprises in the Northern Territory and Queensland found a strong link between the level of remoteness and the likelihood of goods and services being sourced locally. Businesses located in regional centres spent almost 60% of total expenditure locally, while those in very remote areas spent around 44% locally. The study also uncovered interesting results in relation to where regional businesses sourced supplies, when not from locals. A ‘leap-frog’ pattern was identified, where businesses would bypass relatively close regional centres, to source goods from further away, even interstate.\(^{25}\) This issue is discussed again later in this chapter in relation to evidence from witnesses.

\(^{24}\) Ibid.  
\(^{25}\) Natalie Stoeckl, ‘Regional Expenditure Patterns, Remoteness and Type of Enterprise: Which Tourism Businesses Spend the Largest Amounts Within their Local Communities’, *Economic Papers*, Volume 26, Number 1, 2007, p. 70.
Tourism yield

4.26 Another measure that has gained a lot of attention in relation to the economic contribution of tourism is that of tourism yield. The Australian Government’s Tourism White Paper proposed a strategy of growing high-yield niche markets, by which it means those markets which generate higher levels of expenditure, per trip and per day. The concept of yield thus moves the focus away from absolute visitor numbers, to measures of expenditure for different market segments. The importance of visitor expenditure was emphasised by Mr Wayne Kayler-Thomson, Chief Executive Officer of the Victoria Tourism Industry Council, in his evidence to the Committee:

> the objectives that we should be trying to achieve from tourism… are really about increasing visitor numbers, visitor expenditure and dispersal. The importance of mentioning those three is that they really contribute to what we call tourism yield, and at the end of the day the most important of those is visitor expenditure. While much of the data relates to numbers, and we seem to have a wealth of information about numbers, expenditure is where the rubber hits the road and where the benefits to the community flow from.

4.27 The concept of yield, however, has many dimensions, including ‘visitor yield, yield as tourist expenditure, financial yield, yield as economic impact and sustainable yield,’ all of which adds complexity to any simple view that attracting high spending tourists will necessarily lead to increased benefits from tourism. The final concept listed here, ‘sustainable yield’ is consistent with the emerging view that the measurement of tourism yield, and other measures of tourism’s economic impact, need to incorporate the concept of triple bottom line accounting.

4.28 The concept of triple bottom line accounting requires businesses to consider social, environmental, and financial outcomes when planning strategies and assessing performance. According to Dr Sue Beeton of LaTrobe University, triple bottom line accounting ‘is directly linked with the concept and goal of sustainable development and is underpinned by the belief that a long-term view of any business (destination or community) is central to a successful outcome’. Work done by researchers at the Co-operative Research Centre for Sustainable Tourism on concepts of tourism yield and their measurement has also addressed the need to consider social and environmental aspects of yield. They argue in favour of developing a framework which measures the social and environmental impacts particular groups of tourists have on host communities. These could include social impacts such as

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congestion and crowding, and rising living costs for locals, and measures of energy and water use, greenhouse gas emissions, and ecological footprint, to evaluate environmental impacts. When measures such as these are included, decisions about which high-yield niche markets should be targeted become more complicated.

4.29 It should be clear from the above that assessing the benefits of tourism to rural and regional Victoria is not an easy task. Nonetheless, evidence presented to the Committee in submissions and hearings highlighted the view that tourism does play a very important role in many rural and regional communities, generating economic, social and environmental benefits. This is illustrated below.

Tourism’s contribution to the Victorian economy

Official data

4.30 The most recent data available from Tourism Victoria indicates that the combined direct and indirect contribution of the tourism industry to Victoria’s gross state product totalled $10.9 billion in 2003-2004. This represented 5.3% of total Victorian gross state product and a 49% increase since 1997-1998. Victorians travelling within the State contributed the most to this total, generating $5.1 billion to gross state product. Interstate visitors accounted for $2.8 billion, while international visitors generated $3.1 billion. Tourism expenditure leads to tourism jobs, and Tourism Victoria estimates that 159,000 Victorians were employed in the tourism industry in 2003-2004.

4.31 According to Tourism Victoria, 31% ($3.4 billion) of tourism’s contribution to the Victorian economy in 2003-2004 went to regional Victoria, where tourism employed 61,000 people. While this represents a 31% increase since 1997-1998, the percentage increase in regional Victoria was considerably less than for Victoria as a whole.

4.32 It is also important to recognise that the economic benefits of tourism are unevenly spread throughout rural and regional Victoria. As a submission to the Inquiry from the Municipal Association of Victoria notes, the 48 local government areas that comprise rural and regional Victoria ‘are extremely diverse in terms of their economic performance, industry composition, geographical features and demographic trends’. The extent to which they benefit from or rely on tourism varies considerably also. Consequently, the Committee found it necessary to

34 Municipal Association of Victoria, Submission, Number 77, 20 May 2007.
consider data from smaller areas in order to assess the contribution of tourism to rural and regional Victoria.

4.33 Tourism Victoria produces data broken down to the level of Campaign regions and publishes a set of economic profiles for each region. Based on a range of sources, these profiles provide a summary of the latest economic data for each region. Data on visitor expenditure, employment and tourism businesses, taken from the 2005 profiles is presented in Table 1. It can be seen from the table that considerable variation exists between Victoria’s tourism regions in terms of these variables.

<table>
<thead>
<tr>
<th>Campaign Region</th>
<th>Total Visitor Expenditure ($m)</th>
<th>Tourism Employment 2003</th>
<th>Employment Increase since 1997 (%)</th>
<th>Tourism’s share of total employment (%)</th>
<th>Tourism Related Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural and regional Victoria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daylesford and Macedon Ranges</td>
<td>262</td>
<td>2,215</td>
<td>17.7</td>
<td>6.0</td>
<td>1,164</td>
</tr>
<tr>
<td>Gippsland</td>
<td>569</td>
<td>4,552</td>
<td>7.1</td>
<td>4.8</td>
<td>4,136</td>
</tr>
<tr>
<td>Goldfields</td>
<td>545</td>
<td>5,301</td>
<td>14.2</td>
<td>5.4</td>
<td>4,007</td>
</tr>
<tr>
<td>Grampians</td>
<td>260</td>
<td>1,841</td>
<td>0.4</td>
<td>4.4</td>
<td>1,992</td>
</tr>
<tr>
<td>Great Ocean Road</td>
<td>1,137</td>
<td>8,988</td>
<td>21.5</td>
<td>5.7</td>
<td>5,617</td>
</tr>
<tr>
<td>Mornington Peninsula</td>
<td>468</td>
<td>5,731</td>
<td>24.1</td>
<td>4.8</td>
<td>3,738</td>
</tr>
<tr>
<td>The Murray</td>
<td>890</td>
<td>7,059</td>
<td>4.3</td>
<td>5.0</td>
<td>5,910</td>
</tr>
<tr>
<td>Phillip Island</td>
<td>268</td>
<td>792</td>
<td>15.2</td>
<td>8.2</td>
<td>438</td>
</tr>
<tr>
<td>Victoria’s High Country</td>
<td>497</td>
<td>2,840</td>
<td>13.5</td>
<td>9.9</td>
<td>1,490</td>
</tr>
<tr>
<td>Yarra Valley &amp; Dandenong Ranges</td>
<td>356</td>
<td>7,954</td>
<td>14.2</td>
<td>4.5</td>
<td>3,798</td>
</tr>
<tr>
<td>REGIONAL TOTAL</td>
<td>5,252</td>
<td>47,273</td>
<td>11.4</td>
<td>32,290</td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
<td>7,400</td>
<td>74,085</td>
<td>7.3</td>
<td>5.0</td>
<td>57,333</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12,652</td>
<td>125,358</td>
<td>89,623</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 1:* Visitor expenditure, tourism employment and tourism related businesses by tourism Campaign region.

35 Note: Although dated 2005, data on tourism employment actually relates to 2003-04.
Outside of Melbourne, total visitor expenditure varied from a low of $260 million for the Grampians Campaign region to a high of $1,137 million for the Great Ocean Road Campaign region. Daylesford and Macedon Ranges, and Phillip Island had total visitor expenditure close to that of the Grampians ($262m and $268m respectively). Another middle group of regions, including Gippsland, Goldfields, Mornington Peninsula, Victoria’s High Country, and Yarra Valley and Dandenong Ranges, had total visitor expenditures between $356m and $545m, while the Murray region, at $890m was substantially higher than the middle group, but still well below the Great Ocean Road Campaign region.

The Committee notes the significant differences in size and spread of the various regions that not only makes comparisons between then difficult, but which means that the data is often not very enlightening to tourism operators and decision makers within the regions. For example, the Murray region stretches from the western edge of the state, almost to the eastern edge, and at one point reaches south to abut the Melbourne Campaign region. In such a large, diverse region, the question arises about whether it is useful for a tourism operator in Shepparton, for instance, to know that the Murray ranks second in terms of total visitor expenditure and tourism employment.

An interesting statistic that can be deduced from this data, however, relates to the amount of employment generated through tourism across the various regions. As can be seen from Figure 3, the majority of regions generate roughly similar levels of employment (around 8 persons) per $1 million of expenditure, but two stand out as different from the others. In the Phillip Island region only three people are employed per $1 million of visitor expenditure, while the Yarra Valley and Dandenong Ranges region generates almost three times the average employment (22.3 persons) for the same expenditure. The Mornington Peninsula and Victoria’s High County also both varied from the average, but not to the same extent.
The Committee believes it is important to understand the relationship between visitor expenditure and employment if tourism is to be promoted as a means of economic development in rural and regional Victoria. It could be that the large variations in employment outcomes reflect differences between the regions in terms of the mix of visitors, and the types of tourism businesses and experiences that dominate in each region. If this is the case, there may be implications for the type of tourism development that should be encouraged and supported by Government. In the absence of any specific evidence addressing this issue however, which types of tourism development generate higher levels of employment is unclear.

**Perspectives from rural and regional Victoria**

Having looked at official data on the economic contribution of tourism to the State, we can now turn to consider the ‘bottom-up’ view provided by rural and regional Victorians in their evidence to the Committee. As already noted, contributors to the Inquiry widely claimed that tourism provides substantial economic benefits to rural and regional Victoria. The overwhelming majority of submissions and witnesses at hearings—whether from shire councils, industry associations, operators, or government departments and authorities—supported this general view.

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37 This chart was prepared by the Rural and Regional Committee using data provided by Tourism Victoria (cf. Table 1).
The economic significance of tourism

4.39 Typical examples from written submissions received by the Committee include: the Municipal Association of Victoria which stated that tourism ‘undoubtedly makes a significant economic contribution to rural and regional Victoria’; the City of Warrnambool which estimated that 30% of people in the shire derive some, or all, of their income from tourism; Mildura Tourism Incorporated stating that ‘tourism is a vital industry in Mildura’; and the Committee for Geelong stating that ‘tourism is a major driver of the local and regional economy’. 38

4.40 In Mildura, Mr Andrew Millen, Chief Executive Officer of Sunraysia Mallee Economic Development Board told the Committee:

> Around $100 million is injected into the [Mildura] community from direct tourism events…. It employs just over 2,000 people, so it is a significant employer in our area, and it is obviously an important industry on top of our traditional farming and manufacturing basis. Tourism is an additional dollar spent; it is an additional industry which is very important not just to our retailers but to the community at large. 39

Tourism Impact Model

4.41 The Committee found widespread use of the Tourism Impact Model by local governments. The Tourism Impact Model was developed by the former Commonwealth Department of Industry, Tourism and Resources as a business tool to help local governments to assess the impact of tourism on their revenue and costs. Based on spreadsheet software, the Model enables councils to conduct cost benefit analysis to assist them in a range of planning tasks, including setting viable cost structures. The model was released to all local governments in Australia free of charge in March 2004. 40

4.42 By using the Tourism Impact Model, shires attempt to quantify the contribution of tourism to their local economy. The shires of Campaspe, Wellington, Baw Baw, Yarra Ranges, Mildura, and Latrobe City, all referred to using the Tourism Impact Model to measure the economic contribution of tourism to their region. The Shire of Campaspe, according to the Tourism Impact Model ‘would lose 15% of its population and reduce its income by $19 million’ if tourism were to cease. 41 In the Shire of Yarra Ranges, the ‘Tourism Impact Model data identifies that tourism contributes $170m (4.0%) of the … output from all industry sectors in the Shire of Yarra Ranges’. 42

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38 Municipal Association of Victoria, Submission, Number 77, 20 May 2007, p.6; Warrnambool City Council, Submission, Number 48, 1 June 2007, p.1; Mildura Tourism Incorporated, Submission, Number 88, 18 June 2007; Committee for Geelong, Submission, Number 73, 24 May 2007. Note: This is a small sample of many positive comments concerning the economic contribution of tourism to regional Victoria.


41 Shire of Campaspe, Submission, Number 34, 29 May 2007.

42 Shire of Yarra Ranges, Submission, Number 100, 17 July 2007.
4.43 Other Council representatives talked about their intention to use the Tourism Impact Model in the future. Ms Elissa O'Connor, the Manager of Tourism Services for the Mt Alexander Shire talked about the need for more local data collection on tourism and plans to implement the Tourism Impact Model in the Shire:

One is the implementation of TIM — the Tourism Impact Model — which you may have heard of... We are looking at hiring a consultant to set that up, and that would be a two-day to three-day labour fee for a consultant to do that.

The Tourism, Economic Development and Recreation Manager for Hepburn Shire Council, Mr Geoff Ryan also stated that shire’s intention to implement TIM to measure the economic impact of tourism.

4.44 The Tourism Impact Model has helped local governments to measure the economic impact of tourism, and to demonstrate the value of tourism to stakeholders and residents. However, not everyone found the Tourism Impact Model easy to use. For example, Ms Sharlene Putman from Greater Shepparton Tourism Association found the model ‘difficult to utilise and … too broad in its assumptions and configurations’. In Mildura, a consultant was employed to implement the Tourism Impact Model, and as Ms Dani Harvey from Mildura Tourism said, the Tourism Impact Model was used because it ‘was really the only one out there in the marketplace that we could use to benchmark ourselves against other destinations’.

Tourism and economic diversity

4.45 The Committee heard throughout its hearings of the importance of tourism and its potential to contribute further to the economic welfare of rural and regional communities. While Mr Terry Hickey from Geelong Otway Tourism sounded a note of caution—

I think we need to note that tourism is not the silver bullet. It will not resolve the concerns of regional and rural areas. I think a lot of people look at it and say, ‘We don’t have good agriculture, therefore we must have tourism’

—the Committee found that the majority of contributors to the Inquiry saw tourism not as a panacea, but as one important component of sustainable rural and regional communities.

4.46 Tourism was seen by many witnesses as an important means of increasing diversity and broadening the base of regional economies. Yarrawonga Mulwala Tourism, for instance, said in their submission to the Inquiry:

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43 Ms Elissa O’Connor, Manager Tourism Services, Mt Alexander Shire, Public Hearing, Bendigo, 27 June 2007.
44 Ms Sharlene Putman, Manager, Greater Shepparton Tourism Association, Public Hearing, Shepparton, 15 November 2007.
46 Mr Terry Hickey, Deputy Executive Director, Geelong Otway Tourism, Public Hearing, Geelong, 12 September 2007.
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With the Australian economy fundamentally shifting from primary industries, to a service and knowledge based economy, tourism is becoming increasingly important for regional Australia.47

4.47 The Committee noted that this theme—of the need for diversity in regional economies, and the role tourism can play in this regard—was repeated many times at regional hearings throughout Victoria. In some cases tourism was seen as a replacement for traditional rural industries that are in decline, while in others it was presented as a viable means for supplementing income earned from more traditional pursuits.

4.48 Ms Christine Lewis, from the Hepburn Regional Tourism Association spoke of declining rural industries, suggesting to the Committee:

In the past, this area has had a diverse number of industries and businesses, which have included shops, timber mills, abattoirs, farming and dairy—all of which have closed or significantly downsized over time. Today the only strong industry that remains here is tourism.48

The East Gippsland Shire Council similarly raised the issue of downturns in the timber and fishing industries:

As other key East Gippsland industries such as fishing and timber are in decline due to the imposition of catch and harvesting quotas, it is vital that there are adequate additional opportunities for growth within the tourism industry.49

4.49 Another frequently mentioned reason for the importance of economic diversity in general, and of tourism income in particular, was in response to continuing drought. Witnesses from across the State talked about the difficulties facing agriculture and the need to develop additional sources of income for drought affected regions:

In Swan Hill:

The impact of the recent drought years has highlighted the region’s almost total reliance on the agriculture sector and the urgent need to generate additional economic activity from alternative sources. Tourism is seen as presenting a huge opportunity for the development of that alternative income stream for the Wimmera Mallee.50

In Mildura:

In a region which has been severely affected by drought, tourism provides a viable alternative for introducing new dollars into the economy and assisting with drought recovery for our community.51

In Echuca:

Tourism, in terms of the Shire of Campaspe’s economy, is absolutely vital. Traditionally agriculture has been a very strong industry in our shire. It is still quite an important industry, but with the effect the drought is having on agriculture there is becoming

47 Yarrawonga Mulwala Tourism Incorporated, Submission, Number 14, 29 May 2007, p.10.
48 Ms Christine Lewis, Committee Member, Hepburn Regional Tourism Association, Public Hearing, Daylesford, 28 June 2007.
49 East Gippsland Shire Council, Submission, Number 64, 4 May 2007, pp. 1-2. See also, Chris Buckingham, General Manager, Gippsland Tourism and Chairperson, Destination Gippsland, Submission, Number 57, 5 June 2007, p.1.
50 Mr Terry Sanders, Manager, Economic Development, Shire of Yarriambiack, Public Hearing, Swan Hill, 1 August 2007.
more and more of a need for the communities to rely on tourism and the money that it brings into the region.\textsuperscript{52}

In Shepparton:

As a business owner and the president of the Shepparton Chamber of Commerce and Industry, I am very aware of how important tourism is to the region. To encourage outside money to be spent in Greater Shepparton can lessen the impact of drought and other economic issues.\textsuperscript{53}

4.50 In some instances, tourism was seen as a means of supplementing incomes from more traditional sources, rather than as a replacement for them. Segments of the agricultural sector in particular have branched out into tourism in an attempt to tap alternative sources of income. Ms Robyn Vella, the Tourism Manager for Loddon Shire Council told the Committee:

Because of the drought...farmers have diversified into the tourism sector for their sustainability. For example, an international product Simply Green Tomatoes, which is at Boort, is a product going really well; and also Aussie Wool Quilts, which is down in the Shelbourne area. Farmers are diversifying for that reason.\textsuperscript{54}

4.51 In Shepparton, the Committee heard similar stories. One operator, Ms Cheryl Hammer, told the Committee about her tourism business that compliments the traditional family farm, providing much needed income in times of drought.

Recently the drought has forced my husband and me to look at diversifying further to compensate for the major downturn in our traditional production of grain and hay. So now we have two lavender farms.\textsuperscript{55}

In north east Victoria, it was claimed that agri-tourism is helping farmers to make a living despite a more general downturn in agricultural incomes:

We have farmers doing a variety of activities on their farms. They are hosting groups, providing refreshment, value-adding to farm produce and selling direct from the farm, building restaurants, holding meetings and providing farm stay and cottage accommodation.... This has certainly brought some much-needed income into some of the farm families.\textsuperscript{56}

\textsuperscript{52} Ms Carlie Bell, Tourism Development Officer, Campaspe Shire Council, \textit{Public Hearing}, Echuca, 14 November 2007.
\textsuperscript{56} Ms Christine Stewart, President, Albury Wodonga Regional Tourism Forum Inc., \textit{Public Hearing}, Bright, 29 August 2007.
Case Study 1: Tim Marwood, Timboon

If you walk or cycle the Timboon to Camperdown Rail Trail you will pass scenic views, native wildlife, and you will come across the Timboon Rail Shed Distillery where Tim Marwood has been making Timboon Fine Ice Cream for eight years. In the renovated distillery there is now a café and ‘factory door’ sales facility.

The distillery makes single-malt whiskey, gin and vodka, strawberry schnapps and Irish cream. All Timboon brand spirits sold on-site are named after real-life characters who had a hand in the region’s illicit whiskey trade in the 1880s and historical panels at the distillery explain this fascinating story.

The produce store sells local product such as Timboon Farmhouse Cheese, Red Duck Beer, Shultz Organic Yoghurt, local honey, wine and of course Timboon Fine Ice Cream. The family dairy farm has come a long way and is a great asset for the region. As Tim says:

We went into the ice-cream business, and part of that business was to take our product around the state in vans doing farmers markets and so forth, and we have grown our business that way, promoting the area, the district and the region of Timboon.

For the renovation of the distillery and development into a café Tim received funding from Regional Development Victoria’s Growing Communities Fund.

Before coming to meet with the Committee Tim looked at past plans for development of the region and came across ideas that were proposed in the late 90s. More could be done, he says, in promoting the hinterland area:

The reports were recognising the importance of developing high-quality food and wine attractions, high-quality accommodation and hinterland natural walks and trails — this is the Great Ocean Road Development Plan 1996–2000 …. In retrospect, a lot of these strategies or considerations have not really been implemented locally as far as I can identify. It seems to me that the same areas of concentration, being the Yarra Valley and the Great Ocean Road, tend to attract most of the tourism dollars. There are some initiatives now for farmers markets, with some funding which was announced last week, which will be helpful for us in our area, but I believe we tend to draw the short straw in terms of promotion of the inland hinterland area.

In terms of issues that Tim is facing into the future signage is important and transport is crucial. Tim has been successful in securing road signage for his business but describes it as having been a struggle. In terms of transport, Tim finds the impediments in getting his product to market frustrating, and a risk to his future:

Actually getting that product to market; that is my biggest challenge. We find that very, very difficult because of where we are located — well, it is not really remote, but in terms of most frozen freight companies, it really is. Transport is a big issue for us and it puts significant limitations on our ability to grow because we cannot get our product to the market.

...once it is in Melbourne it is fine, it is no problem. It is just getting it from Timboon to Melbourne. At the moment we use private transport from Geelong, which only goes as far as Geelong, and then we have to use a separate storage facility somewhere else, and then another company picks it up and charges an absolute fortune to take it from Geelong to Melbourne to the major distribution depot. So it is almost cost prohibitive for us to service that particular market segment. This is the 1 litre and 500 millilitre tubs in supermarkets and gourmet delis. Our margin is so small now, with what it costs us to get it to the market.
The importance of flow on benefits

4.52 A large number of submissions and witnesses at public hearings presented a strongly positive view of the flow-on benefits of tourism to local communities that they have observed. Although most did not use the economist’s language of leakage and linkages, the Committee found that much of the evidence explicitly referred to tourism businesses sourcing inputs locally and implied strong linkages between tourism and other local businesses.

4.53 Ms Christine Lewis, for example, put a strong case before the Committee with regard to the flow-on benefits of tourism in the Daylesford region:

> Recent meetings with local tradespeople, such as electricians, plumbers, builders, and even gardeners, have estimated that 70 per cent of their business is directly generated from tourist operators who have established cafes, accommodation, galleries et cetera….. We have two hardware stores in this town, and they are being kept very busy, thanks to tourism. A local solicitor, who actually believed at one point that tourism played no part in his business, has reflected further and has since estimated that about 60 per cent of his business is actually related to tourism.\(^{57}\)

Ms Helen Healy, from Mildura, painted a similar picture, when she talked to the Committee about the impact of festivals and events in Mildura:

> Our local service providers get more catering jobs, more sound and IT jobs; more venues get business. I think across the board they do.\(^{58}\)

4.54 The Bairnsdale Chamber of Commerce referred to recent Autobarn statistics which showed ‘that the Bairnsdale store had the highest percentage of tourism related sales of all 90 Autobarn stores’ in Australia. Their submission also noted that because ‘the Lakes villages rely on Bairnsdale for most goods and services our city benefits from the flow-on effect’.\(^{59}\) The Gippsland Plains Railtrail Committee noted in their submission that ‘on average each visitor to a railtrail spends $51 per day… [and] benefits to towns along these trails are in the millions of dollars per year’.\(^{60}\)

4.55 An important aspect of the flow-on benefits from tourism, according to many witnesses, is the fact that income is coming in from outside the area and being re-spent largely in the local community. This point was reinforced by Ms Robyn Vella when she said:

> Tourism is one of the few ways that we can bring external dollars into our local economy. Directly not all businesses benefit, but the businesses that do benefit then spend locally. Then what happens is they introduce more economic activity into our local economy by their spending their dollars there.\(^{61}\)

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\(^{57}\) Ms Christine Lewis, Committee Member, Hepburn Regional Tourism Association, Public Hearing, Daylesford, 28 June 2007.

\(^{58}\) Ms Helen Healy, Chief Executive Officer, Helen Healy Organisation, Public Hearing, Mildura, 31 July 2007.

\(^{59}\) Bairnsdale Chamber of Commerce, Submission, Number 18, 23 May 2007.


4.56 Adding weight to the many generalised statements about the value of flow-on benefits, the Committee received evidence from some owner/operators detailing their expenditure on goods, services and wages. For example, Kaye and Kym Bernardi, from BIG4 Shepparton East Holiday Park, talked about the flow-on benefits generated by their business. They employ nine people with a combined wages bill of around $200,000 per year. Spending on ‘repairs, maintenance and capital expenditure’ accounts for another estimated $150,000. They told the Committee that ‘the majority of this money is spent in the community, utilising local suppliers and local tradesmen’.

4.57 Samantha Magill of Parkgate Resort, Halls Gap, provided a similar account:

*Parkgate Resort employs six full-time staff and seven casual staff, with our wages amounting to $200,000 in the last financial year. I make that point purely because of the fact that all of our staff are local. They are not necessarily from Halls Gap, but they all live within a 50-kilometre radius of our property, hence the money that we are paying them goes into the local communities.*

Some 52 per cent of our suppliers are from regional and rural areas… 46 per cent of our expenditure is to regional and rural businesses. When you break this down further, 25 per cent of that expenditure that was from non-rural and regional areas is actually going towards utility providers such as power, phones, gas and what have you, for which we do not have any local alternatives.

4.58 These examples raise the question of which tourism products and markets generate greater linkages and lower levels of leakage. This issue was raised with the Committee by the Victorian Caravan Parks Association. They are concerned that what they describe as Tourism Victoria’s focus on attracting high yield, international tourists to high-profile events, attractions and destinations, overlooks the value of regional domestic tourism. They also note a lack of research based evidence concerning the level of economic leakage from different segments of the tourism market. Talking about high-yield international visitors to Melbourne, Mr Lynn Oaten asked the Committee:

*So how much is lost to offshore? Nobody seems to know. Tourism Victoria do not know, nor does Tourism Australia, in my discussions with their manager of research last week. However, we can be confident that every dollar spent through caravanning and camping in regional Victoria pretty much stays in that area and forms that benefit. So there is some question over the validity of tourism strategies through Tourism Victoria and others in the state which chase the so-called high-yield market and, until we can see some evidence about how high yield they are, I think there is a question mark.*

4.59 To sum up, the Committee found that tourism is widely perceived as providing substantial economic benefits to rural and regional Victoria. These include both direct benefits through tourism businesses and

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indirect benefits through local employment and linkages to other businesses. However, the lack of research into this topic, raises questions about which types of tourism development and which market segments are likely to contribute most to the future economic well-being of rural and regional Victoria. The lack of research may also mean that we do not get a full picture of the benefits of tourism.

4.60 Other issues were also raised in relation to tourism’s economic contribution to communities and the shortcomings of available statistical evidence. Witnesses raised concerns about the difficulty of quantifying economic benefits and the related problem of gaining recognition for the industry.

Case Study 2: Alla Wolf-Tasker AM, Daylesford

Alla Wolf-Tasker is the Managing Director, Executive Chef, and Co-proprietor of the renowned Lake House. Fulfilling a dream to build a restaurant in the Daylesford area, Alla Wolf-Tasker established the Lake House with her husband Allan Wolf-Tasker in 1984. Over the past twenty five years, Lake House has grown from a small 45 seat restaurant to an award winning luxury hotel, day spa, renowned cellar and 120 seat restaurant and an event facility catering for up to 150 guests, situated on the shores of Lake Daylesford.

Alla is active in promoting hospitality and tourism in the Daylesford area and Victoria more generally. She is a member of the Victorian Wineries Tourism Council, a founding member of the Macedon Ranges and Spa Country campaign committee and Chair of Daylesford Macedon Produce, a co-operative of local vignerons, growers, suppliers and restaurateurs. In 2001 she was appointed to the Tourism Victoria Board. In 2007 her long term service to the development and promotion of regional tourism and the hospitality industry was recognised and she was admitted as a member of the Order of Australia.

Alla believes that a truly sustainable regional tourism industry depends on the ability of a region to offer a diversity of products. Smaller enterprises are important for the uniqueness and depth they add to the tourism experience. Whilst larger operations can offer employment opportunities, career training and contribute substantial dollars to marketing the region.

In Alla’s experience the sustainability of the industry is vulnerable if the majority of tourism and hospitality operators have little or no formal training. Alla would like to see considerable additional resources go into improving the business and service skills of operators and staff in regional Victoria.

Alla believes that the Daylesford region with its easy accessibility from Melbourne, its charm and natural beauty and wonderful spa facilities, has the potential to draw considerable international visitors. She believes that the region needs to continue to build a consistent brand and image to attract these visitors. Alla supports a tourism levy on all businesses benefiting from this industry. However she believes that such a strategy can only be palatable in a
climate of significant local government support and recognition of the critical importance and potential multiplier effect of tourism in rural areas.

The success of the ‘Run, Rabbit, Run’ campaign for the Yarra Valley she says is inspiring and shows how good, financially well resourced marketing, based on sound market research, will benefit regional communities.

With over twenty years of experience in tourism business management and regional marketing, Alla sees the role of product development and branding in promoting a tourism region nation-wide and overseas as critical. Her business success demonstrates the importance of diversification and developing quality product. Meanwhile, her active participation in regional marketing has not only benefited her own business but also contributed to the development of the region.

**Poor recognition of tourism benefits**

4.61 A concern that was expressed frequently to the Committee related to the lack of recognition in some quarters of the contribution tourism makes to the economy of many towns and regions. This lack of recognition resulted in a lack of support for tourism.

4.62 Mr Paul Lehmann, from Pomponderoo Bush Retreat in the Little Desert said:

> The problem we have found in the last few years has been to get communities to understand, or particularly our community to understand, what the benefit is and what that amounts to... We find in the context of our business we buy almost everything locally, as much as we can; if not locally in Dimboola, certainly in Horsham, and we actually receive very little business because we are a tourism business. Most of our money is coming from outside, which is as it should be, of course. 65

4.63 Other witnesses supported these concerns. Ms Robyn Till, the Museum Director of the Swan Hill Pioneer Settlement Museum told the Committee:

> Regional businesses do not realise that their income is derived from a diverse range of opportunities including tourism..... It is not the panacea or the be-all or end-all but it is an integral part of local communities. I do not think people recognise themselves within that industry. 66

Ms Kaye and Mr Kym Bernardi, from Big4 Shepparton East Holiday Park said:

> Unfortunately it seems that our council does not realise the full flow-on and the multiplier effect of these tourism dollars going around and around within the local community.... I still do not think that people understand the value and the flow-on effect of the dollar coming from outside of the region. 67

And Mr John Gleeson, from the Ballarat Tourism Association claimed:

> generally speaking, tourism is underestimated by the general population in Ballarat because they do not see the flow-on — that if I am a motel owner and I pay a housekeeper their wage, that

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66 Ms Robyn Till, Museum Director, Pioneer Settlement Museum, Public Hearing, Swan Hill, 1 August 2007.
housekeeper will then go down to a retail shop and spend their money in Ballarat, so we are keeping it in Ballarat.  

Data gaps and needs

4.64 Throughout the course of the Inquiry, the Committee became acutely aware of the need for better quality data with regard to tourism within rural and regional Victoria. Tourism operators, tourism organisations, and local government Tourism and Economic Development Officers, expressed frustration with currently available statistics. They argued that regional data of the scale provided in Table 1 in this chapter is of limited use to stakeholders within the industry, and talked about the need for more detailed information on visitor numbers, visitor expenditure, and flow-on benefits for specific localities and destinations.

4.65 Submissions and witnesses from many rural and regional shire councils expressed concern over the paucity of accurate statistical data for their region. For example, Ms Elissa O’Connor, the Manager of Tourism Services for Mount Alexander Shire, told the Committee about the difficulty of assessing the economic benefits of tourism in her area:

… while this [the economic benefit of tourism to the Shire] is very useful for us to know, there is a significant lack of resources at a local level to collect and analyse the data, and currently no state government support for this type of work.

A submission from the City of Greater Bendigo noted:

While the data is readily available for the Australian and State levels, it is much more difficult to provide this data on a destination level. Regional and sub regional data does not accurately reflect the destinations and it is therefore difficult to demonstrate the flow on benefits to the local economies.

Likewise, the Shire of Yarra Ranges expressed a similar concern, noting that although the Shire is one of four municipalities in the Yarra Valley and Dandenong Ranges Campaign region, available data on visitor numbers, visitor nights and daily spend by visitors only applies to the Campaign region as a whole.

4.66 Tourism industry associations from across the State also addressed the lack of quality economic and visitor statistics in their submissions. The Bendigo Trust, for example, claims there is little 'in the way of good statistical work on primary and secondary tourism impacts in local communities'. Likewise, Grampians Marketing Inc. sees the 'lack of easily accessible quality research findings' as an impediment to sustained growth of regional tourism.

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68 Mr John Gleeson, Chair, Ballarat Tourism Association, Public Hearing, Ballarat, 12 December 2007.
69 Ms Elissa O’Connor, Manager, Tourism Services, Mt Alexander Shire Council, Public Hearing, Bendigo, 27 June 2007.
70 The City of Greater Bendigo, Submission, Number 61, 1 June 2007, p. 1.
71 Shire of Yarra Ranges, Submission, Number 100, 19 June 2007, p.7.
72 The Bendigo Trust, Submission, Number 21, 30 May 2007, p. 2.
73 Grampians Marketing Inc., Submission, Number 89, 25 June 2007, p.3.
4.67 These concerns reflect the fact that accurate data is required to support a range of management and business decision making functions. As noted by the Municipal Association of Victoria in its submission:

Quantifying the economic impact of tourism activities can be difficult, but it is imperative that councils have the capacity to do this, given their responsibilities for land-use planning and economic development activities which influence tourism infrastructure and services development.\(^\text{74}\)

4.68 Regional economic development depends upon attracting investment and this task relies on access to accurate information. It is difficult to attract tourism investment to a region, or to gain local support for projects, if statistics on visitor numbers, visitor expenditure, and flow-on benefits to the local community are not available to support proposals. Councils also need this information when planning for local services such as water supplies and waste management.

4.69 Another important area of decision making that relies on accurate and easily available data concerns the marketing of regions and destinations. This was mentioned a number of times. For example:

*There is a lack of accurate data at the local level on which both local marketing bodies and individual businesses can make objectively based management decisions.*\(^\text{75}\)

And, from Echuca-Moama & District Tourism Association:

*Destinations have difficulty accessing accurate regional data to support their marketing planning.*\(^\text{76}\)

4.70 Finally, accurate information was needed in order to demonstrate the magnitude of flow-on benefits to local communities. Robust local data on the flow-on benefits of tourism would help to redress this problem. It seems that when it comes to rural and regional Victoria, information collection is not adequate and work needs to be done in this area.

**The Social, cultural and environmental benefits of tourism**

4.71 As foreshadowed in the introduction to this chapter, evidence from submissions and hearings led the Committee to consider the social, cultural and environmental benefits of tourism as well as the economic. Mr Greg Hywood, Chief Executive of Tourism Victoria told the Committee:

*Apart from the dollars that tourism puts into regional economies, it also provides those communities with something more. It provides community facilities. If there is tourism development it often accompanies the local community taking a benefit from that as well.*\(^\text{77}\)

4.72 The value of community facilities, infrastructure and services was mentioned a number of times in relation to the social value of tourism.

\(^{74}\) Municipal Association of Victoria, *Submission*, Number 77, 8 June 2007, p. 6.


Ms Christine Lewis from the Hepburn Regional Tourism Association talked about the value of community infrastructure which benefits local residents as well as tourists. Mr Victor Szwed, the Chief Executive Officer of Hepburn Shire also talked about the services available in the town that would not be there if it were not for tourism. Mr Terry Hickey, from Geelong Otway Tourism claimed social benefits to be as important as economic benefits, stating:

A vibrant tourism industry contributes to maintaining services in small townships and villages. Banks, post offices and schools are all reliant on a living community. I happened to live in a small village outside Ballarat for 12 years, which lost a general store, a bank and a school because we did not have a tourism industry.

4.73 Pride in the local community, diversity, vibrancy and maintenance of cultural values were other positive outcomes of tourism which were raised by witnesses. Mr Baumgartner from AAA Tourism told the Committee:

There is no doubt in my mind that regional tourism is very important in providing a source of income and activity in regional areas. There are economic benefits that flow throughout the community, but tourism also helps create an atmosphere of vibrancy and pride in one’s area, so I think it is extremely important … in all those areas.

A submission from the Shire of Yarra Ranges mentioned increased community pride, alongside the job skills and training that tourism can offer to young people, as further benefits.

Other flow-on benefits include the social value tourism provides to the region and pride communities have in their local area. Tourism provides many young people with their first employment and on the job training, which aids significantly in skills, confidence and experience in helping when some move on in other careers.

Mr Graeme Johnstone from the Clunes Tourist and Development Organisation, saw tourism and the staging of local events as essential to the preservation of services and lifestyle in small towns. He said to the Committee:

We see our future development as a sound cultural tourism plan. It is seen by the community as a way of providing employment, keeping services in the town, maintenance of lifestyle without having a real hobnailed boot step on our environment and lifestyle.

4.74 Turning to consider the environmental benefits of tourism, the evidence was not so unequivocal. Mr Greg Hywood was positive, stating that tourism:

78 Ms Christine Lewis, Committee Member, Hepburn Regional Tourism Association, Public Hearing, Daylesford, 28 June 2007; See also Shire of Yarra Ranges, Submission, Number 100, 19 July 2007, p. 5.
79 Mr Victor Szwed, Chief Executive Officer, Shire of Hepburn, Public Hearing, Ballarat, 12 December 2007.
80 Mr Terry Hickey, Deputy Executive Director, Geelong Otway Tourism, Public Hearing, Geelong, 12 September 2007.
81 Shire of Yarra Ranges, Submission, Number 100, 19 July 2007, p. 5.
Inquiry into Rural and Regional Tourism preserves the environment. Increasingly tourism is about selling the environment. We call it ‘authenticity’ in the industry. No-one wants to go into a region where it is all shops selling tourist items; they want to go into an authentic environment, and they invest in maintaining that authenticity so the local community benefits from that.84

Witnesses from the Western Coastal Board, however, were concerned that environmental benefits, while possible, were not inevitable. On the positive side, tourism has the potential to increase awareness of environmental issues if done well. For example Ms Lex Chalmers said:

Tourism operators, who are there because they are engaged by the environment that they are in, whatever it is, are well placed to add value to operations and raise awareness of sustainability issues at destinations, particularly environmental issues, and would benefit from a capacity-building program to add to the positive elements of the visitor experience. They are well placed to effect positive cultural change throughout the community.85

4.75 As indicated in this quote, the potential for tourism to play an educative role in relation to the environment is viewed as being dependent on appropriate capacity-building programs being provided to operators. Ms Chalmers and Mr Steve Blackley, the Executive Officer of the Western Coastal Board also put to the Committee their view that further research and sound planning processes need to be put in place to ensure that tourism operates to protect, rather than harm, the environment:

We believe there is a need for investment in understanding sustainability issues… before marketing is increased and product development undertaken…. Tourism may provide opportunities to protect environmental and settlement values, but these opportunities need to be identified within a framework for sustainability and built into the planning system prior to development proceeding.86

and

It really gets down to some of the things we were talking about before, about looking at an assessment or an investigation of how tourism actually fits into the environmental capacity, the social capacity and where it sits in its economic context, and then making an educated decision around what level of tourism is sustainable and what form it might take. At the moment we are not aware that that work is being done. That would be the first step.87

4.76 The Committee believes that improved provision of tourism data at regional and destination levels would benefit tourism operators, organisations and local governments, by feeding into management, decision making, and advocacy processes. This could be achieved through implementation of the following recommendation and subsequent action points:

84 Mr Greg Hywood, Chief Executive, Tourism Victoria, Public Hearing, Melbourne, 4 June 2007
85 Ms Lex Chalmers, Board Member, Western Coastal Board, Public Hearing, Geelong, 12 September 2007.
86 Ms Lex Chalmers, Board Member, Western Coastal Board, Public Hearing, Geelong, 12 September 2007.
87 Mr Steve Blackley, Chief Executive Officer, Western Coastal Board, Public Hearing, Geelong, 12 September, 2007.
Recommendation 4: That Tourism Victoria explore options for improving the collection and analysis of tourism data at regional and destination levels. This work should focus on the types of tourism developments and market segments that are most likely to contribute to the future economic, social and environmental well-being of rural and regional Victoria.

This could be achieved through:

Recommendation Action Points:

a. Development by Tourism Victoria of a program to assist local governments to collect and analyse locally relevant tourism data, and to measure the economic impact of tourism at a local level, using consistent methodology across the State.

b. State Government liaison with the Sustainable Tourism Cooperative Research Centre and the Australian Regional Tourism Network to determine research priorities for the Victorian rural and regional tourism industry. This should include investigating the possibility of developing Regional Tourism Satellite Accounts for Victoria (such as those being conducted in Western Australia and Queensland).

c. Investigation by Tourism Victoria of the reasons for a discrepancy in tourism industry employment levels between different regions, as illustrated in Figure 3, with a view to determining whether funding should be allocated on the basis of employment outcomes.
Introduction

5.1 As noted in the introduction to this Report, tourism involves getting visitors to where they wish to go and feeding, entertaining, informing and accommodating them during their visit. These various aspects of tourism all depend on the provision and maintenance of infrastructure. Throughout the Inquiry a range of issues related to infrastructure needs were raised and addressed by the Committee.

5.2 Basic infrastructure needs that are essential, but not exclusive to tourism are covered in this chapter. This includes basic services such as mobile phone and internet coverage; water and sewerage; road and transport infrastructure; and visitor facilities and services. The provision of road signs, both directional and tourist related, arose as a major infrastructure issue throughout the Inquiry. Due to the extent of local interest in signage, a separate chapter—following this one—is devoted entirely to this issue. Gaps in relation to specific tourism infrastructure such as accommodation and attractions are also covered in a later chapter, along with a discussion of Government’s role in the development of tourism product.

Telecommunications

5.3 Deficiencies in mobile phone, internet and television coverage were raised frequently in the evidence. Tourism operators need high quality telecommunications infrastructure to run their businesses, and tourists themselves expect telecommunications services to be available. As a submission from Colac Otway Shire argues, gaps in coverage impact on tourism in these two main ways:
Firstly, inadequate internet and mobile phone coverage in regional areas means that businesses are unable to compete with metropolitan businesses. Given the market’s increasing move towards the internet for bookings and general information, people may choose only to book with businesses that are accessible via this avenue.

Secondly, the lack of infrastructure can potentially detract from a visitors’ experience. A destination may be just two to three hours from Melbourne and yet not receive the same access to television (both free to air and Pay TV) as well as the internet and mobile phone coverage. Again, this means that through no fault of their own, a business has to provide an inferior product.

Both these points are supported by evidence from throughout the State. Motel owner, Ms Marie Willis, told the Committee about the importance of internet access to her business, in these days of ‘internet-savvy’ customers:

They will ring you up, and you know that they have a computer in front of them; they are sitting there and they have got the picture of one of your rooms right there in front of them… these days people will only go and stay at places they can see on the Web. They do a lot of their travelling at home before they leave.

For operators in areas that lack broadband access, the opportunity to promote their business effectively in this way, or to take online bookings, is not available.

In today’s world, visitors also expect to have access to mobile phone coverage, fast and efficient internet services and television. Many tourism areas in regional and rural Victoria cannot provide this, as a number of submissions noted. Particular concern was expressed in relation to attracting high yield tourists and tapping the conference and meetings market. As Mr Robert Elkington from Murrindindi Shire Council told the Committee:

It is very poor for visitor management and visitor services when you have a number of conference centres with clients coming from major corporations in Melbourne and they cannot even access mobile phone coverage. It does have a big impact on that conference centre market.

Recommendation 5: That the State Government encourage Tourism Australia and the newly formed Regional Development Australia to ensure the extension of high speed broadband internet and mobile phone coverage to all areas of the State, in line with international developments.

1 Colac Otway Shire, Submission, Number 80, 18 June 2007.
3 Tourism Alliance Victoria, Submission, Number 50, 1 June 2007; East Gippsland Regional Business & Tourism Association, Submission, Number 55, 1 June 2007; Otways Tourism Inc., Submission, Number 60, 1 June 2007; Grampians Marketing Inc., Submission, Number 66, 4 June 2007; Horsham Rural City Council, Submission, Number 30, 30 May 2007.
4 East Gippsland Shire Council, Submission, Number 64, 1 June 2007; Shire of Yarra Ranges, Submission, Number 100, 19 July 2007; Mornington Peninsula Shire, Submission, Number 82, 18 June 2007; Mr Paul Baumgartner, National Manager, STAR Ratings Australia, AAA Tourism Pty Ltd, Public Hearing, Melbourne 29 October 2007.
Utilities - Sewerage, water and power

5.6 Another area of concern in relation to infrastructure to support tourism relates to basic utilities and services. Expansion of tourist facilities places demands on basic infrastructure such as water, sewerage, electricity and gas.

5.7 President of the Bright and District Chamber of Commerce, Mr Wayne Phillips raised the question of funding for basic infrastructure, pointing specifically to the need for increased investment to ensure water supplies to the region:

Our environment up here is very, very sensitive to some of the changes that have taken place throughout the world, and I think we need to offset some of those changes. We need to see governments now starting to commit to infrastructure, and work in closely with the relevant authorities — water authorities and local government authorities — to facilitate that at a much, much quicker level than what is taking place at the moment.\(^6\)

5.8 A ‘sewerage backlog of 25,000 properties in the Dandenongs’ and a lack of reticulated natural gas were raised as problems, in the submission from the Shire of Yarra Ranges.\(^7\) Finally, provision of reliable electricity supplies in rural and regional Victoria was seen as essential to tourists and tourism businesses.\(^8\)

Transport

5.9 Whatever segment of the tourism market we are looking at, transport is fundamental. As noted in Chapter Two, historical developments in transport have shaped the tourism industry in Australia, with the development of steam trains, then motor cars and finally, air travel impacting on the growth of tourism. Today, tourism in rural and regional Victoria is primarily car-based. However, overall trends in tourism mean that air services and public transport are becoming more important. Infrastructure gaps and opportunities related to these modes of travel are discussed below.

Roads

5.10 Today, the majority of tourists visiting rural and regional Victoria travel by road, either driving their own or a hire car, or travelling by coach. A submission from VicRoads to the Inquiry noted:

Tourism to regional Victoria relies heavily on the roads network. Sixty percent of all visits to regional Victoria are daytrips and the majority of these visits are by car. Domestic overnight tourist

\(^6\) Mr Wayne Phillips, President, Bright and District Chamber of Commerce, Public Hearing, Bright, 29 August 2007.

\(^7\) Shire of Yarra Ranges, Submission, Number 100, 19 July 2007. A lack of natural gas reticulation was also raised by Access Downunder – Abaco Australia Pty. Ltd., Submission, Number 48, 1 June 2007.

\(^8\) Tourism Alliance Victoria, Submission, Number 50, 1 June 2007.
visitation makes up 30% of the total, 93% of which are self-drive, with only 3% by bus and 2% by rail.\textsuperscript{9}

5.11 Because self-drive tourism is so prominent, the road network is a fundamental piece of infrastructure for tourism. This is recognised by VicRoads and the Victorian Government, which has spent almost $2 billion since 1999, on building and upgrading regional roads.

In addition to this, the Victorian Government has worked with the Commonwealth Government to upgrade the corridors linking Melbourne and the major regional centres of Ballarat, Geelong, Bendigo, Shepparton and Traralgon.\textsuperscript{10}

5.12 Tourism operators, tourism organisations and local government representatives expressed positive views of the existing road network and of projects currently underway.\textsuperscript{11} Mr Wayne Kayler-Thomson, Chief Executive of the Victorian Tourism Industry Council, told the Committee that Victoria has an excellent road network which underpins the State’s status as number one in the nation for touring by car. Noting a number of current road projects that will impact favourably on regional tourism, he concluded ‘We need to maintain that advantage, so we need to continue to invest in our road infrastructure’.\textsuperscript{12}

5.13 Mr Darren Chester, from the Lakes Entrance Business Tourism Association was positive about the impact of recent road works, which he saw as improving access to the Lakes Entrance region. He said:

Speaking on the infrastructure issue, which was referred to earlier, the Pakenham bypass and the duplication of the highway at Traralgon are all great projects for us. They get everyone here a little bit quicker, so they start thinking, ‘I can make it to Lakes Entrance in 3¼ hours or 3½ hours’, and that makes it more attractive.\textsuperscript{13}

Likewise, Mr Phil Rickards from the East Gippsland Shire Council felt that the region was often successful in gaining government funding for roads, saying, ‘I think by and large we do fairly well’.\textsuperscript{14}

5.14 Nonetheless, witnesses at the Committee’s public hearings often raised suggestions for improving roads infrastructure in Victoria. For example, the maintenance of roads and bridges was seen as a problem in some regions. Mr John Kennedy of the Murrindindi Regional Tourism Authority talked about the need for maintenance and development, in the form of roadside pull-off bays and picnic areas, to support and improve the tourist experience for visitors travelling over the Black Spur. He noted that visitors frequently stop to photograph stands of mountain ash on this popular road. However, with limited pull-off areas, safety is

\textsuperscript{9} VicRoads, Submission, Number 25, 31 May 2007, p. 1. Figures quoted are sourced from Tourism Research Australia, NVS Data.

\textsuperscript{10} VicRoads, Submission, Number 25, 31 May 2007, p. 4.

\textsuperscript{11} This was not the case in relation to the question of road signage, which is discussed in the following chapter.

\textsuperscript{12} Mr Wayne Kayler-Thomson, Chief Executive, Victoria Tourism Industry Council, Public Hearing, Melbourne, 4 June 2007.

\textsuperscript{13} Mr Darren Chester, Lakes Entrance Business Tourism Association, Public Hearing, Lakes Entrance, 14 February 2007.

\textsuperscript{14} Mr Phil Rickards, Economic Development and Tourism Coordinator, East Gippsland Shire Council, Public Hearing, Lakes Entrance, 14 February 2007.
an issue. Mr Robert Elkington, Manager of Economic Development and Tourism for Mansfield Shire Council, also raised the issue of road maintenance and the importance of well maintained roads to support road touring and safety. Witnesses from the western end of the State also expressed concern about the state of particular major roads in that region. Ms Liz Foreman, from Discovery Coast Tourism told the Committee that the ‘current state of the Princes Highway … is of great community concern,’ while Mr Bill Millard of Warrnambool City Council drew attention to problems with road infrastructure ‘on the Western end of the Great Ocean Road’.

Mr Darren Chirgwin argued that the Geelong to Colac and Geelong through to Warrnambool roads needed upgrading, to provide stronger infrastructure in the region, both for locals and for tourists. In his evidence to the Committee he states his belief that better progress would be made through greater intergovernmental co-operation:

...there is the bartering between the state and federal governments as to who is going to pay for what. That is what we struggle to comprehend – that we cannot get these people together. Obviously we understand the political side of things, but when the issue is so important as this we feel everyone should get together and organise something.

The Committee believes that the State Government needs to plan for safer, improved local roads and bridges by matching the Federal Government’s ‘Roads to Recovery’ funding program. Such an initiative would see the three tier’s of government, Federal, State and Local, in partnership, equally contributing and sharing responsibility for this vital infrastructure. Tourism throughout rural and regional Victoria would be significantly enhanced.

**Recommendation 6:** That the State Government plan for safer, improved local roads and bridges in rural and regional Victoria by matching the Federal Government’s ‘Roads to Recovery’ funding program (R2R).

Another issue, raised frequently throughout the Inquiry, related to sections of unmade road. Since hire cars are usually restricted from travelling on dirt roads, this was seen as an impediment to international tourists accessing areas of particular tourism interest. Witnesses from the Grampians region, from Gippsland, and Victoria’s High Country, raised this problem. On a positive note, Mr Ian Geer from the

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17 Mr Bill Millard, Director of City Growth, Warrnambool City Council, *Public Hearing*, Port Campbell, 5 March 2008.
19 For example Europcar Terms and Conditions include prohibitions on driving on unsealed roads in all but certain full sized 4WD vehicles which can be driven on unsealed roads but only those that are gazetted and mapped. Thrifty does not allow any driving whatsoever on unsealed roads. If vehicles are driven on unsealed roads loss and damage insurance is void. See: [http://www.rentnewcars.com.au/en/conditions.htm|-car-hire-australia#DRI](http://www.rentnewcars.com.au/en/conditions.htm|-car-hire-australia#DRI).
20 Ms Samantha Magill, Owner Operator, Parkgate Resort, Halls Gap, *Public Hearing*, Horsham, 24 October 2007; Mr Chris McClure, Promotions Manager and Major Events Coordinator, Horsham Rural City Council,
Mansfield Shire Council informed the Committee of State Government support for ‘sealing of the remaining section of the Eildon–Jamieson Road’ announced in 2007. The Committee acknowledges this support, and the State Government’s roads program more generally, and encourages the Government to continue a program of sealing roads, particularly in tourist regions.

**Recommendation 7:** That the State Government identify priority areas for sealing roads within National Parks to facilitate visitation by tourists travelling in hire cars.

5.18 A final issue related to roads infrastructure concerns the cost of transporting passenger vehicles across Bass Strait. Spokesperson for the National Sea Highway Group, Mr Peter Brohier, addressed the Committee concerning what this organisation sees as flaws in the existing Bass Strait Passenger Vehicle Equalisation Scheme. The Bass Strait Passenger Vehicle Equalisation Scheme is a federal government scheme introduced in 1996 designed to reduce fares and increase demand for travel across Bass Strait with predicted benefits for tourism, jobs growth, increased investment and population for Tasmania.\(^{21}\)

Under the scheme, rebates funded by the Australian Government are provided to operators transporting accompanied passenger vehicles across Bass Strait.\(^{22}\) The National Sea Highway Group contends that the Bass Strait Passenger Vehicle Equalisation Scheme is not currently delivering a sufficient number of highway based fares, and that this is to the detriment of tourism in regional Victoria.\(^{23}\) The Committee believes that the current level of government support for this scheme is adequate.

**Air services**

5.19 The provision of air services, at a reasonable cost, is becoming more and more important for tourism in rural and regional Victoria. With the introduction of low-cost carriers into the airline market, and the trend towards shorter breaks, many Australians are turning to the option of flying to holiday destinations. There is also concern that regional Victoria is losing ground as Melburnians choose to fly interstate or overseas for holidays rather than touring Victoria by car. Improved air services are essential to counter this trend and to benefit from projected increases in international tourism.

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\(^{22}\) Ibid. p. xiii.

These concerns were reflected during the Committee’s public hearings where two main issues arose in relation to air services: firstly, the need for increased direct access into Melbourne for international tourists, and secondly the need for improved airport facilities and air services in regional Victoria.

Turning first to the issue of air access into Melbourne, a number of peak industry bodies including Tourism Alliance and the Victoria Tourism Industry Council pointed to the projected growth of international tourism and the critical importance of increasing direct international flights into Melbourne. The Australian Hotels and Hospitality Association submission stressed:

*the need to create easy access into Victoria for international tourists rather than landing in Sydney and arranging connecting flights. We believe that direct flights deliver cheaper fares, minimise delays for passengers and provide choice, access and certainty for business and tourist travellers.*

Likewise, Mr Terry Hickey of Geelong Otway Tourism, talked about the ‘need to consistently work at growing capacity, into both Tullamarine and Avalon’; however, he expressed the view that this was primarily a Federal Government rather than a State Government issue.

The need for improved air access into regional Victoria was also raised frequently at hearings and in submissions. This included direct flights into regional centres from Sydney and other interstate cities, as well as more and cheaper flights from Melbourne. This was seen as particularly important for those destinations that are more remote from Melbourne. Mr Wayne Kayler-Thomson, of the Victorian Tourism Industry Council, told the Committee:

*Some of our remote destinations—particularly Mildura, the Albury-Wodonga area and parts of Gippsland—do need better air access, because visitors, particularly international visitors, often do not have the time to spend in road touring, therefore any quicker access we are able to make will make a difference into the future.*

From Tourism Victoria, to industry organisations, local government representatives and tourism operators, there was general agreement on this point.

Witnesses spoke positively in relation to developments currently occurring in Mildura and Albury-Wodonga. Ms Helen Healy told the Committee about the significance of Mungo National Park.
kilometres from Mildura, in New South Wales) as a drawcard for international tourists and the consequent importance of developing Mildura’s air access. Her views were supported by other witnesses from Mildura who see improved air access as a key to attracting more international and domestic tourists to the region.  

5.24 The Chief Executive Officer of the Sunraysia Mallee Economic Development Board, Mr Andrew Millen spoke enthusiastically about working with Tourism Victoria, Tourism Australia, the Rural Industry Development Fund, Regional Development Victoria and the Department of Innovation, Industry and Regional Development, on developing aviation infrastructure in Mildura, and on the opportunities for tourism that are opening up as a result. Referring to Mildura’s airport as ‘the jewel in the crown’ he told the Committee:

We are currently working with Tourism Victoria and the infrastructure fund on stage 2 of a master plan to develop the airport. We are talking with a number of the international airlines that will bring jets to Mildura, I would think within a two-year period, so the airport needs to have the ability to take on jets.... That is where we can get international visitors and where we can get domestic visitors, because costs will come down and the services will be increased.... I think we are working quite well together to develop the infrastructure that we need so that tourism can be the winner on the back of that.  

5.25 A number of witnesses were similarly positive about the development of Albury airport and the entry of Virgin Blue into the market. Although concerned about the relatively high cost of flights to Albury, Mr Papanestora of the Albury Wodonga Regional Accommodation Association, was positive about improvements to the airport and the increase in interstate visitors this was bringing to Albury Wodonga.  

5.26 Witnesses from surrounding regions were equally positive about the development of Albury airport. Ms Helen Moran, Group General Manager for Australian Alpine Enterprises told the Committee that her organisation was excited about the potential for Albury-Wodonga to become a major regional hub for tourism as a result of development of the airport. Mr John Schryver, Chief Executive Officer of the same organisation, agreed, adding that upgrading of the Albury airport to take jet aircraft would provide a boon to interstate and international tourism to Victoria’s alpine region. He told the Committee:

If they had that sort of facility I think we would see guests to both Falls Creek and Hotham dropping in Perth–Albury direct in the winter. Brisbane–Albury direct, Townsville–Albury direct, they would just drop them straight in and they are 90 minutes by bus to

32 Mr Bill Papanestora, President, Albury Wodonga Regional Accommodation Association, Public Hearing, Wodonga, 19 March 2008. See also, Mr Mark Byatt, General Manager, Destination Albury Wodonga, Public Hearing, Wodonga, 19 March 2008.  
33 Ms Helen Moran, Group General Manager, Australian Alpine Enterprises, Public Hearing, Bright, 29 August 2007.
Falls Creek, and 2 hours and a bit to Hotham. I think that is really a massive opportunity. I actually think Albury airport is a bigger opportunity for Victoria than it is for New South Wales because all the action is down here, quite frankly, from that border region.\footnote{Mr John Schryver, Chief Executive Officer, Australian Alpine Enterprises, Public Hearing, Bright, 29 August 2007.}

Ms Kate Biglin, Tourism Manager for the Indigo Shire Council, said:

We are obviously quite excited, being a neighbour of this area, about the expansion of Albury Airport and the introduction of Virgin Blue. Quite a few of our operators have taken opportunities recently to learn more about packaging product, and through the campaign Regional Tourism Victoria and many operators themselves are developing packages and liaising with Virgin Blue to take advantage of that.\footnote{Ms Kate Biglin, Manager of Tourism and Marketing, Indigo Shire Council, Public Hearing, Wodonga, 19 March 2008.}

5.27 While airport developments in Mildura and Albury Wodonga were viewed positively, witnesses from Gippsland and the west of the state, saw a need for improved air access to their regions. The Gippsland region was seen as particularly disadvantaged due to the fact that both Tullamarine and Avalon airports are located on the western side of Melbourne.\footnote{Mr Chris Malden, Daylesford Getaways and Peppers Springs Retreat, Public Hearing, Daylesford, 28 June 2007.} Therefore, while commending the State Government for the support it has already provided for the upgrade of regional airports, the Committee would like to see this support continued and extended.

**Recommendation 8:** That the State Government continue to provide funding for the upgrade of regional airports.

### Public Transport

5.28 The third major area of concern in relation to transport infrastructure is public transport. Good public transport is essential to meeting the needs of certain segments of the tourism market. Throughout the Committee’s regional and rural public hearings, evidence was presented that the lack of availability of sophisticated public transport in non urban areas of Victoria is an impediment to the further growth and development of the tourism industry in those areas. Free independent travellers, and in particular, younger backpackers also often rely on public transport options.

5.29 The case was also put to the Committee that segments of the Asian market—an international growth market in tourism—cannot be captured unless public transport in rural and regional Victoria is improved. Visitors from developing international markets in Asia (particularly those from China) do not have a culture of self-drive holidays, and as Ms Deborah Shaddock from the Mansfield Visitor Information Centre said, ‘need some form of transport.’\footnote{Ms Deborah Shaddock, Manager Mansfield Visitor Information Centre, Public Hearing, Mansfield, 30 August 2007.} A submission from the City of Greater Bendigo made a similar point, stating:
The Chinese market will have a preference for public transport and we must make sure that the regional networks can cope with this growth. One key challenge from a regional perspective is the public transport networks at the local destinations. With such a reliance on car travel these public networks are often patchy and only known to the locals. Regional centres must work with State Government to develop seamless public transport networks.  

5.30 Submissions from the Shires of Surf Coast, East Gippsland, Mornington Peninsula, Cardinia and Yarra Ranges, and from the City of Greater Bendigo, all referred to poor public transport as being an impediment to tourism. Likewise, a significant number of submissions from industry bodies raised the issue of public transport gaps as a problem. These problems were further addressed by many witnesses at public hearings from across the State.

5.31 A number of witnesses from the Daylesford area talked about poor public transport, and the impact it has both for tourists and for workers in the tourism and hospitality sector who must rely on public transport to travel to and from work. Witnesses from around the Mansfield area made similar comments. For example, Mr Michael Watson (see Case Study, below), who operates a horse riding business—Watson’s Mountain country Trail Rides—sees ‘transport as a critical issue’ as does Mr Ian Geer, the Manager of Tourism and Economic Development for the Mansfield Shire Council. He sees the further development of the destination and tourism product offerings as ‘severely hindered by a lack of public transport servicing major markets such as Melbourne’. Further witnesses from Bendigo, the Bellarine, the Surf Coast, Geelong, Lorne, Halls Gap, Echuca, Clunes and Latrobe City all mentioned gaps in public transport services.

**Case Study 3: Michael Watson, Mansfield**

Michael Watson, with his wife Sally, runs Watson's Mountain Country Trail Rides. Their shared passion is the high country and their beautiful, historic 730 acre property adjoins landscape made famous by the ‘Man from Snowy River’ movies. Visitors have the opportunity to travel with experienced guides through the high country, take horsemanship classes and enjoy leisurely High Country barbeques. The Watsons keep 80 working horses and employ 10 staff.

Michael is also a member of the Mansfield Shire Tourism Advisory Committee. Michael loves the opportunity he has through the Committee to be involved in developing strategies and making recommendations to the local Council for the sustainable growth of tourism in the Mansfield Shire. His colleagues on the Committee are sector nominated representatives from Mount Buller and Mount Stirling, Parks Victoria and the Department of Sustainability and Environment.

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38 City of Greater Bendigo, Submission, Number 61, 1 June 2007.
40 Mr Michael Watson, Watson’s Mountain Country Trail Rides, Public Hearing, Mansfield, 1 August 2007; Mr Ian Geer, Manager, Tourism and Economic Development, Mansfield Shire Council, Public Hearing, Mansfield, 1 August 2007.
Michael believes it is a unique and useful structure for local input into the future of the industry.

Michael often attends tourism trade shows and says that he hears a lot of feedback on the inadequacy of Victoria's public transport system from the perspective of international tourists. Michael's concern is that “…the wholesalers and inbound tour operators all feel uncomfortable with sending their potential clients into any area that does not have a door-to-door transport service”. According to Michael tourism is re-directing focus away from the domestic market and towards attracting international visitors. This means that updating regional and rural public transport will become even more crucial.

From my perspective we see domestic tourism across Australia as going through probably a seven-year period of dormant activity. We anticipate that domestically we will still have custom, but it is not going to grow so we have focused our business on international tourism. I suppose my perspective for the rural and regional areas is how do we bring the international tourists into our area. I think transport is the critical issue. We have a public transport system across Victoria, but that is not suitable for international guests.

Michael doesn’t think that the government necessarily needs to pick up the bill, but that it should lead the process of determining solutions for the current system's inadequacies. He suggests a commercial bus service picking up tourists from city hotels may be one option to consider promoting.

Michael says he has to work hard at getting assistance from others, including the government, but believes that the system works better when local operators initiate their own solutions to problems and then seek assistance, rather than expecting the government to know what the solutions will be.

A belief in the need for operators to take responsibility for the development of their own business and tourism in their regions drives Michael's views on Victoria's tourism future. However he would like the government to acknowledge that operators are taking responsibility and likewise to give them commensurate privileges. For example in nature-based tourism it would be useful for operators to gain flexible access to parks in some circumstances.

That is something on which I have lobbied Parks Victoria a number of times and it is something we have lobbied on during the formation of the nature-based tourism strategy; and also another forum where they were just looking at the park licence reforms. Through the efforts and the higher responsibilities of licensed tour operators we contended that perhaps we should have some more privileges. I think that is really where that emphasis should be placed. I still believe licensed tour operators should perhaps have greater access, privileges and responsibilities within the parks system.

…. Logically, to me it makes sense, but I think in such a large organisation they have fears that they will not be able to monitor it all and something will go wrong. But I think logically if you are requiring licensed tour operators to take greater responsibility, that should be a trade-off for giving them more responsibility at the same time. At the moment a licensed tour operator needs to satisfy a higher level of criteria than the general public, but there is no recognised benefit for them doing that, other than being required to.

5.32 Differences in rural and regional as opposed to urban schemes for public transport subsidies were raised as a concern. A submission from
Inquiry into Rural and Regional Tourism

Sovereign Hill in Ballarat noted that attractions in Melbourne benefit from cheaper weekend public transport fares. Furthermore, the Star 6 Program is viewed as inequitable from the point of view of regional museums and cultural attractions.41 Launched in April 2005, with funding of $750,000 over three years, the Star 6 program provides funds to cover the full costs of travel for Year Six students from regional schools to visit Scienceworks in Melbourne.42 The disparity between the support provided to Scienceworks and that for rural and regional cultural attractions was also raised by Ms Robyn Till43, Museum Director at the Swan Hill Pioneer Settlement Museum and by Mr Peter Davies from the Committee for Ballarat. In relation to the scheme, Mr Davies said:

*We say it has a tremendous amount of inequity, especially for regions and especially for a place like Ballarat, Bendigo, these types of areas where they have got educational facilities,… and we have got some significant programs.*44

The Committee believes that the Star 6 transport subsidy program is a valuable one that should be continued and further developed as a Victoria-wide program, encompassing visits from Melbourne based students to cultural and historical attractions in regional Victoria, as well as inter-regional visits.

**Recommendation 9:** That the State Government extend the current Star 6 program of subsidised coach travel, to allow for both Melbourne-based and regional students to visit rural and regional historical and cultural tourism attractions.

5.33 The Committee also heard positive feedback from a number of witnesses concerning public transport initiatives. The Tourism Coordinator for the Surf Coast Shire Council informed the Committee of successful local bus services introduced in Lorne and Torquay during the peak 2006-07 summer period.45 The Committee also heard positive reports of the Victorian Government’s Transport Connections and Development Connections programs.

5.34 Transport Connections is an initiative designed to assist communities to improve local transport using existing assets and transport services. The goal of the program is to encourage innovative approaches to transport, to facilitate participation in community life, employment and social networks for people with limited access to private transport.46 Development Connections grew out of a report entitled *Revitalizing Victorian Rail*.

5.35 Ms Angie Lush, from the Northern Grampians Shire Council, informed the Committee of the Shire’s involvement in the Transport Connections

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41 Sovereign Hill, Submission, Number 65, 1 June 2007.
44 Mr Peter Davies, Committee for Ballarat, *Public Hearing*, Ballarat, 12 December 2007.
program and how improving public transport was ‘a key focus from a tourism point of view.’ The Mayor of Latrobe City, Cr Bruce Lougheed, likewise mentioned the potential benefits they expect from the program.

5.36 Mr John Gleeson, Chair of the Ballarat Tourism Association was particularly positive in his comments about the Development Connections program:

The second point for the BTA today is regarding public transport connectivity. The Ballarat Tourist Association wishes to acknowledge the excellent partnership between the Department of Infrastructure, Rural Development Victoria and the City of Ballarat with regard to implementing the Development Connections project. This is part of a state wide initiative aiming to realise development opportunities presented by the state’s enhancement of regional transport, particularly rail and bus transportation, in regional transport corridors—and Ballarat is one of those corridors.

He added:

We are highlighting this initiative today, as we are aware that the number of visitors arriving in Ballarat via public transport is growing and is larger than was first thought. The project is now assisting these visitors in receiving information and accessing local public transport, and ultimately connecting visitors to their desired destinations. We regard this project as vitally important .... Bus routes are being enhanced to focus on tourist destinations, bus drivers are being trained in tourist-related issues, events are being organised to draw more visitors to the region via public transport and information is being made more readily available to visitors on their arrival. Also, in terms of environmental issues, the Development Connections project is an excellent example of delivering positive economic outcomes as well as benefiting the environment through use of public transport rather than cars. We offer these comments today in the hope that they support this project in receiving continued funding and more importantly in many respects the time to fully realise its goals and potential.

5.37 The Committee Chair Mr Damian Drum MLC, asked Mr Gleeson to elaborate further on public transport connectivity in Ballarat, and the success Ballarat has had in encouraging tourists, including Melburnians to use public transport to visit the city. Mr Gleeson replied:

Through this connections project, we are just starting to realise…anecdotally, if you speak to a lot of the retailers around the train station, they are being inundated by people wandering into their shops asking for tourism maps and information, so we are just becoming aware of it.... It is certainly an area where it is worthwhile looking at ‘Why Ballarat? Is it the train?’. It is a nice simple connect from Melbourne to Ballarat. It is not too long, and the new fast trains are making that a smoother journey. But it is surprising us. It is taking us really by surprise, and I think it would be worthwhile finding out what is going on there.

5.38 Another positive initiative in relation to public transport is the ‘Gold Rush Special’ train service that brings visitors to Ballarat from Melbourne.
‘Visitors are met by a free coach transfer to Sovereign Hill and enjoy discounted entry and some other free benefits before being returned in time to catch the 4pm return train to Melbourne’. The initiative costs Sovereign Hill $100,000 per annum. The submission from Sovereign Hill suggests that such initiatives for bringing tourists into regional destinations should be subsidised.\(^5\)

**Recommendation 10:** That Tourism Victoria join the Transport Connections Project with a view to investigating the feasibility of extending this project to other key locations across the State and therefore ensuring a further benefit to the tourism industry.

### Interstate Buses

5.39 One specific issue in relation to public transport relates to restrictions currently imposed on interstate buses. Under the Public Transport Competition Act 1995, interstate buses are not allowed to put down or pick up passengers in regional destinations. This restriction was described by witnesses to the Inquiry as having negative consequences for tourism. It is seen as affecting the ability of regional Victorian destinations to attract international and domestic backpackers.

5.40 Greyhound Australia presented evidence on this issue through a submission to the Inquiry, and through the appearance of their Chief Executive Officer, Mr Robert Thomas, at a public hearing. Mr Thomas explained to the Committee how the Act restricts Greyhound’s operations in Victoria:

> Basically, the Act states that Greyhound or any other operator cannot pick up or drop off any passengers within Victoria: we can bring passengers from Sydney and drop them off in Victoria, we can bring passengers from Melbourne and drop them off in Sydney or Albury, but we cannot pick up passengers in Melbourne and drop them at Shepparton; we cannot pick up any passengers anywhere in Victoria and drop them anywhere else in Victoria, which is quite strange.\(^5\)

It is Greyhound’s contention that, instead of enhancing competition—which was the Government’s stated aim when the Bill was introduced—the Act impedes the ability of interstate coach operators to compete in the Victorian market.\(^5\)

5.41 The submission from Greyhound cites Queensland as evidence of the positive economic effect of removing transport restrictions.

> Queensland transport is unregulated and subsequently Greyhound Australia runs 36 services each day in and out of Brisbane, most travelling through regional Queensland. In the heavily regulated Victorian market, we operate only 5 services. More than 30% of capacity on our coaches is utilised by independent travellers who

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\(^5\) Mr Jeremy Johnson, Chief Executive Officer, Sovereign Hill Ballarat, Submission, Number 65, 4 June 2007, p.15.

\(^5\) Mr Robert Thomas, Chief Executive Officer, Greyhound Australia, Public Hearing, Melbourne, 18 June 2007.

\(^5\) Ibid.
stay longer and spend more money than any other type of traveller.\textsuperscript{54}

5.42 Greyhound currently conducts “a large scale international marketing program,” with “resident international marketing representatives” in “the UK, South East Asia and New Zealand”, but is limited in actively marketing Victoria as a tourist destination, due to the restrictions imposed by the Act.\textsuperscript{55} According to Greyhound’s submission, removing this restriction would generate:

\textit{Improved visibility for Victoria’s tourism market to international tourists by leveraging off Greyhound Australia’s aggressive international tourist marketing activities. This would allow the thousands of backpackers who use our network every year the option to stop over in regional Victorian tourist destinations stimulating tourist dollar spending.}\textsuperscript{56}

5.43 Greyhound’s submission and evidence to the Inquiry was supported by a number of other witnesses and submissions, including Mr Peter McMahon, the owner of Cambrai Backpackers Hostel, Mr Daniel Jordan, from Monash University Gippsland Student Union, Ms Loueen Goodall from the Bairnsdale Chamber of Commerce and Industry, and the Victorian Tourism and Industry Council.\textsuperscript{57} Mr Jordan told the Committee of the Student Union’s strong support for removing restrictions on Greyhound. He noted the importance of improved bus services for the 2,000 students on the Gippsland Campus, up to 400 of whom are international students:

\textit{If we had this opportunity, we would have more students—domestic as well as international—being able to build on the tourism that exists in East Gippsland, possibly getting a bit of pocket money during the break and being able to go up the east coast.}\textsuperscript{58}

5.44 The Committee also heard from an accommodation provider in the Grampians region about the damage to businesses like his, brought about by the lack of a hop-on, hop-off bus service:

\textit{Now we have these tour buses that are actually going through on their own routes but also not giving people the option to hop on and hop off. That is having devastating effects on the yields of our area in the Grampians and also, I guess, on the yields from the Divide all the way to the border.}\textsuperscript{59}

5.45 The Committee is concerned that the current restrictions placed on interstate coaches by the Public Transport Competition Act 1995, are hindering the growth of regional and rural tourism, particularly in relation to the independent traveller sector of the market, and recommends that

\textsuperscript{54} Greyhound Australia, \textit{Submission}, Number 75, 26 June 2007.
\textsuperscript{55} Greyhound Australia, \textit{Submission}, Number 75, 26 June 2007, pp. 3,6.
\textsuperscript{56} Ibid, pp 2-3.
\textsuperscript{59} Mr Steven Price, Owner, Asses Ears Wilderness Lodge, \textit{Public Hearing}, Horsham, 24 October 2007.
State Government remove this restriction to allow the picking up and putting down of passengers travelling through regional and rural Victoria on routes between Melbourne and other capital cities. For example, Melbourne to Brisbane and return (via the Newell Highway); Melbourne to Sydney and return (via the Hume Highway); Melbourne to Adelaide and return (via Western Highway); and Melbourne to Sydney and return (via Princes Highway).

**Recommendation 11:** That the State Government exempt national bus lines such as Greyhound Australia from s28(3) of the Public Transport Competition Act 1995, to allow them to pick up and put down passengers travelling on routes between Melbourne and other capital cities.

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### Visitor Facilities and Services

5.46 Getting visitors to where they want to go in rural and regional Victoria is only part of the overall tourism experience. Thus transport infrastructure is only one component of the infrastructure needs that were brought to the attention of the Committee. Others include a range of visitor facilities and services.

5.47 Many requests were made for the State Government, through Tourism Victoria or some other mechanism, to provide funding to support the development of basic tourism infrastructure such as public toilets, picnic tables, barbeque areas etcetera. This was seen as particularly important for smaller communities that struggle to provide facilities due to a low rates base.

5.48 Mr Simon Loone, Tourism Coordinator, Surf Coast Shire Council talked about the need for facilities such as public toilets. Tourism infrastructure in the Mildura region was described by one witness as ageing and tired. Mr Grantley Switzer and Cr Bruce Lougheed from Latrobe City Council, told the Committee about the potential of local assets—Hazelwood Pondage and Lake Narracan—to become tourist attractions through the provision of matched funding to supply water and sewerage infrastructure. Ms Robyn Vella, from Loddon Shire Council suggested that a program similar to the Federal Government’s Roads to Recovery Program could be used to fund basic visitor infrastructure such as travellers’ rests and improvements to main streetscape appearances.

5.49 Concern was expressed in relation to the state of visitor facilities within National and State Parks. Submissions from Wellington Shire Council, East Gippsland Shire Council, Cardinia Shire Council, Tourism Alliance

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Victoria, the Lakes Entrance Business Tourism Association, and Grampians Marketing Incorporated raised issues related to the need for improved maintenance and development of facilities such as camping areas, picnic shelters, and viewing and interpretive facilities in parks.\textsuperscript{64} The East Gippsland Regional Business and Tourism Association submission also pointed to the need for spending on ‘boat ramps, mooring facilities and boat service facilities’ to support tourism.\textsuperscript{65} Mr Chris McClure, from Horsham Rural City Council suggested that an infrastructure audit be conducted annually throughout all National and State parks to assess the state of facilities, roads, signs and picnic areas. This information would then be fed into an annual maintenance program.\textsuperscript{66}

5.50 Another aspect of visitor facilities that was brought to the Inquiry related to facilities to support specific markets or segments of visitors. A submission from the Campervan & Motorhome Club of Australia argued that a greater share of the international motorhome and self-contained vehicle market could be gained for rural and regional Victoria if more facilities to serve their needs were provided. These include the provision of dump points for disposal of waste, access to fresh water, pull-in bays and information services to suit the needs of self-contained travellers.

5.51 In Horsham, the Committee heard about the work of Rural Access, Wimmera, a project whose goal is creating accessible communities for people with disabilities.\textsuperscript{67} In 2007, Rural Access identified accessible tourism as a regional priority. Coordinator of the program, Ms Dorothy McLaren, told the Committee about activities that have been undertaken to support local tourism businesses with practical ideas for improving access, and of initiatives undertaken by the Council:

\begin{quote}
Horsham Rural City Council has just taken the initiative of having commissioned a completely accessible unit for its caravan park. This is something that has actually had to be designed in conjunction with the builders and staff from the Horsham Rural City Council; it is not something that was available.\textsuperscript{68}
\end{quote}

5.52 Ms McLaren also noted that ‘the needs of people with disabilities are similar to the needs of elderly people who are travelling, and that, as we know, is a growing sector in our community’.\textsuperscript{69} The Committee commends Rural Access, Wimmera, and Horsham Rural City Council for the work they are doing to improve access to tourism facilities in their region. The Committee is also pleased to note that Tourism Victoria, according to their website, is currently working with the tourism industry and the disability sector to develop the \textit{Victorian Accessible Tourism Plan 2007-2010}. The plan aims to ‘ensure that the industry is more

\begin{footnotesize}
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\item \textsuperscript{65} East Gippsland Regional Business & Tourism Association, \textit{Submission}, Number 55, 1 June 2007.
\item \textsuperscript{66} Mr. Chris McClure, Promotions Manager and Major Events Coordinator, Horsham Rural City Council, \textit{Public Hearing}, Horsham, 24 October 2007.
\item \textsuperscript{67} Ms Dorothy McLaren, Rural Access, Wimmera, \textit{Public Hearing}, Horsham, 24 October 2007.
\item \textsuperscript{68} Ibid.
\item \textsuperscript{69} Ibid.
\end{itemize}
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responsive to improving access and increasing the information available to travellers with a disability'.

5.53 The provision of interpretation and information services in National Parks was discussed above, however, the Committee also heard evidence concerning the need to improve other information and interpretation services. This included the provision of Visitor Information Centres, and the development of such centres to provide a more educative role, particularly around the environment.

5.54 A submission from Yarrawonga Mulwala Tourism Incorporated highlighted the need for Visitor Information Centres to provide high quality interpretive and educational facilities, particularly for international tourists. The submission refers to research that demonstrates the effectiveness of Visitor Information Centre upgrades in Bendigo, Castlemaine and Portland, where increased visitor numbers resulted. The submission also notes that, despite trying since 1998, Yarrawonga Mulwala Tourism has been unsuccessful in obtaining either private or public funding support to build a new Interpretive and Educational Visitor Centre in Yarrawonga. Baw Baw Shire Council also sees the cost of providing a Visitor Information Centre as an impediment.

5.55 A particular issue arose in relation to the accreditation rules for Visitor Information Centres and their impact on the cost of providing these services in smaller rural towns. Submissions from the Lake Bolac Development Association and the Lake Bolac Information & Business Centre, argue that accreditation rules for Visitor Information Centres are too restrictive and ‘discriminate against the smaller information centres in rural areas’. The Committee heard that a review of accreditation guidelines, adopted in 2007, had reduced the previous three levels of accreditation to two, with the result that to achieve the minimum level of accreditation a centre must have at least one full-time paid staff member. Mr Hugh Koch, Tourism Manager for Southern Grampians Shire Council, explained the impact the new accreditation guidelines would have on the provision of Visitor Information Centres in the Southern Grampians Shire:

*It is in relation to the paid staff members that the Southern Grampians Shire Council has the greatest concern, particularly in regard to the Dunkeld visitor information centre. The centre is currently a level 3 accredited centre, and it is actually managed from Hamilton, with a part-time officer attending the centre each Wednesday and a roster of more than 70 volunteers who attend the centre on the other six days. It is open 365 days a year. The new guidelines have as a minimum requirement that a VIC must have at least one full-time paid staff member. The VIC must have two staff members on site seven days per week, which may ...*

72 Ibid.
73 Ibid.
include volunteer staff. Southern Grampians Shire feels this new requirement is an unnecessary financial burden on those municipalities that have multiple accredited visitor information centres within their area. To comply with the new accreditation guidelines it is estimated that an additional $70,000 will need to be found annually to meet the accreditation process.  

5.56 While very supportive of the concept of accreditation, Mr Koch pointed out that the cost burden on local government was such that some centres would be forced to forgo accreditation. This point was reinforced by Ms Liz Foreman, form Discovery Coast Tourism, who said to the Committee:

I just want to reiterate what Hugh spoke about before in terms of the new accreditation guidelines. They will have dire consequences in my shire. I have three information centres that I look after—Portland, Nelson and Casterton—and it looks like, in terms of council footing the bill to staff both Nelson and Casterton full time, we will probably lose them. It might not affect as many information centres within the stronger regions, but certainly the regions that are on the fringe will really be affected.

**Recommendation 12:** That the State Government develop rural and regional infrastructure affecting the tourism industry.

This could be achieved through:

**Recommendation Action Points:**

a. a full review of all rural and regional Visitor Information Centres with a view to ensuring that these Centres are equipped to provide high quality services to local and international tourists notwithstanding their rural and regional location. This review should consider service delivery, regulations applying to centres and facility requirements.

b. continued funding of the existing Boat Safety and Facilities Fund, for the development and maintenance of boat ramps, mooring facilities and boat service facilities in regional Victoria.

c. provision of additional funding to Parks Victoria and the Department of Sustainability and Environment to improve infrastructure such as viewing facilities, camping areas, interpretation, information, walking trails, toilets, picnic areas, shelters and visitor services in National and State Parks.

d. support for the establishment of infrastructure (such as short-term pull-in bays, dump points and information services) to attract the international motorhome and self-contained vehicles market to Victoria.

e. completion by Tourism Victoria of its Accessible Tourism Action Plan as a strategy for addressing the needs of tourists with disabilities.


Chapter Six

Enhancing Tourism Infrastructure -
Road Signage

Introduction

6.1 Road signage is another service associated with travel and tourism. The World Tourism Organization claims that with ‘the start of mass travel, signage appeared everywhere, at the same time as the classification of roads and tourist facilities such as hotels, inns, restaurants, etc.’\(^1\) As discussed in Chapter Two, car-based touring holidays were well established in Australia by the 1930s and their popularity continued to increase over following decades. Designated tourists roads were constructed, motels proliferated, and thriving caravan and camping industries developed. Thus, alongside the extension and improvement of road networks, the provision of tourism signage has been an essential component of motoring holidays.

6.2 During the course of the Committee’s rural and regional hearings, signage was the most prominent infrastructure issue brought to the attention of the Committee. High quality road signage was viewed by those contributing to the Inquiry as essential to realising the goal of enticing visitors to travel beyond Melbourne to explore regional areas. At every public hearing conducted by the committee in rural and regional Victoria, tourism operators, tourism organisations and shire Tourism Officers expressed frustration over perceived inadequacies in the system of road signage and the processes involved in obtaining signs. While signage was considered a priority by those involved in the tourism industry—either as operators or tourism managers—there was a perception that organisations and individuals responsible for the administration of the system of road signs were not supportive. Before

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detailing the specific issues raised during the Inquiry, the current signage system and its administration is outlined below.

**Administration of tourist signage**

6.3 Road signs in Victoria are based on Australian Standard AS1742, which is designed to ensure a consistent approach to signage throughout Australia. Accordingly, there are four main types of road signs. Direction Signs are printed in white lettering on a green background, Tourism Attractions Signs have white lettering on a brown background, while Services Signs and Community Facilities Signs have white lettering on a blue background. Signs for accredited Visitor Information Centres have a trademarked yellow italicised ‘i’ symbol on a blue background.

6.4 In Victoria the administration of this system of road signs rests primarily with the relevant coordinating road authority. In the case of freeways and declared arterial roads this is VicRoads, while Municipal Councils are responsible for municipal roads. The process for deciding what signs will be erected, and where, varies depending on the type of sign, as does responsibility for the cost of the signs. Direction Signs are primarily the responsibility of the relevant road authority. Most Tourist Attraction Signs are requested by tourism businesses and paid for by them. Services and Community Facilities Signs may be erected and paid for either by the coordinating road authority, by local councils, or by business owners where the sign is requested by them.

6.5 By law, anyone wishing to place a sign on a road must obtain a permit from the relevant road authority. The legislation and regulations governing the placement of road signs stipulates a number of matters that the relevant coordinating road authority is required to consider when determining whether to issue a permit. These include whether the sign would:

- obscure the field of view of a user of the road;
- cause a hazard by distracting the attention of a user of the road;
- obscure or distract attention of a user of the road from a traffic control device; or
- in any other way be detrimental to the safe or efficient use of the road.²

6.6 While the major responsibility for road signage rests with VicRoads and Municipal Councils, Tourism Victoria also plays a role by providing policy advice, and by reviewing tourist signing guidelines.

**Industry and Operator Concerns**

6.7 The Committee received an overwhelming amount of evidence indicating dissatisfaction with current road signage. The first set of concerns related to inadequate directional and general interpretive signage. Around 40 witnesses and/or submissions from across the

length and breadth of the State suggested that the growth of tourism in rural and regional Victoria was impeded by a lack of directional and/or interpretive signage.

6.8 Examples include the Shire of Yarra Ranges submission which suggested that improvements were needed in signage directing people from the airport and the city to the Yarra Valley region;\(^3\) a submission from the Metung Business and Tourism Association that complained about a lack of signage on ‘the Princes Highway to direct traffic to the Metung area’;\(^4\) and a witness from the Buloke Shire Council who talked about the importance of improved signage for small towns in the region.

6.9 The Committee was informed of a number of cases where tourists have experienced difficulties finding destinations because of inadequate signs. In Shepparton, the Committee heard that tourists travelling from Echuca to Shepparton have become lost due to poor directional signage on the roads leading out of Echuca.\(^5\) Ms Samantha Magill, from Halls Gap told the Committee about international guests having trouble ‘trying to work out which routes to take,’ and concluded, ‘I do not think our signage does any favours for our industry.’ Citing complaints from travellers, a submission from Avalon Airport highlighted a lack of signage to assist airport users travelling to and from regional towns to the north and west of the airport:

> There are no clear road signs from Avalon to Ballarat, Bendigo or other regional cities, and few, if any, signs from those locations to Avalon Airport….We have had many complaints from Victorians and interstate tourists who have become hopelessly lost driving to or from Avalon Airport to these regional cities.\(^6\)

6.10 Concerns over signage on major freeways and highways were prominent in the evidence, as were the problems that can be created when bypass roads are constructed around regional towns and cities. Due to an absence of adequate signage, towns and regions located along the Hume Freeway found it difficult to attract travellers to explore areas off the Freeway. Ms Mardi Hagan from the Mitchell Shire Council talked about:

> the difficulty we find in getting signage on the Hume Freeway, particularly, which is the main thoroughfare that goes through the Mitchell Shire. A lot of our operators are obviously in towns that surround the Hume Freeway, and are constantly in battles with VicRoads to get signage up onto the freeway.\(^7\)

Mr Robert Elkington, Manager for Economic Development and Tourism for the Mansfield Shire Council, made a similar point about the need for better signage on the Hume Freeway, as did a submission from the Sovereign Hill in Ballarat, which claimed that ‘VicRoads is too focussed

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\(^6\) Avalon Airport Australia, *Submission*, Number 86, 20 June 2007, p. 2.
in engineering aspects’ and has ‘a clear bias against signage on freeways which has limited justification only’.  

6.11 The Committee heard about problems generated by the Hume freeway by-passing Albury Wodonga. Motel owner and President of the Albury Wodonga Regional Accommodation Association, Mr Bill Papanestora, told the Committee that travellers are less likely to stay in the region since the bypass opened (in March 2007). He noted:

*In the short term … people bypass areas like Albury-Wodonga. By the time they reach Albury or Wodonga they go right past it and head off to the next town before they have realised they have actually gone past…. I have spoken to operators in other areas, and in particular Holbrook. All of a sudden it has become a boomtown as a result of our bypass here in Albury-Wodonga.*

6.12 Mr Mark Byatt, the General Manager of Destination Albury Wodonga, agreed, and in his evidence drew particular attention to the importance of signage as a means of counteracting the negative impact of the bypass:

*Signage … has been a key issue for us. The freeway has absolutely had an impact; … All of a sudden we have got a bypass…. Unless people are stopping to fuel up or whatever, they are travelling through…. Albury–Wodonga is missing that traffic and therefore in a lot of cases … we are not pulling them off the freeway…. We are missing significant road traffic by not having that signage up to speed.*

6.13 With work progressing on the Geelong Ring Road, people from local government and the tourism industry in that region are thinking about the need for signage and information infrastructure to ensure that tourism is not negatively impacted. The Mayor of Geelong, Cr Bruce Harwood said:

*The ring-road will likely change the way tourists travel by road to enter Geelong. Obviously some potential visitors to Geelong will bypass the city centre and head straight to the Surf Coast and the Great Ocean Road. There is an obvious and urgent need to provide a significant gateway visitor information centre.*

6.14 A second set of concerns related more specifically to Tourist Attraction and Services Signs. There were many instances where the Committee was told about outdated signs that were no longer relevant to the region, or which pointed to attractions that no longer existed. In Mildura the Committee heard about the hotchpotch of signs greeting visitors to the region:

*We have real signage issues in this area that are absolutely abominable. You come in from South Australia and you read the signage and it says 'Welcome to Oasis Country'. We come in over

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10 Mr Mark Byatt, General Manager, Destination Albury Wodonga, Public Hearing, Wodonga, 19 March 2008.

11 Cr Bruce Harwood, Mayor, City of Greater Geelong, Public Hearing, Geelong, 12 September 2007. See also, comments from Mr Terry Hickey, Deputy Executive Director, Geelong Otways Tourism, and Mr Peter Kenney, Chair, Bellarine Peninsula Tourism, Public Hearing, Geelong, 12 September 2007.
the George Chaffey Bridge, and it says ‘Welcome to Murray Outback Country’. We come in from New South Wales, from Broken Hill—that was—and it says ‘Welcome to Sultana Country’, which is just a branding name from Sunbeam from years ago.\(^\text{12}\)

Witnesses also noted that there does not appear to be a process in place for the removal and renewal of outdated signs.\(^\text{13}\)

6.15 Immense frustration was expressed in relation to a perceived lack of support from VicRoads. The Committee heard from operators, local tourism associations and local government representatives about delays, inflexibility and inconsistencies in VicRoads processing of applications for tourist attraction signs. The following excerpts from public hearings demonstrate the depth of concern these issues generate:

Signage—we have been battling in the area so long that at a couple of meetings I have gone to, I have actually been told, ‘Chris, you know that VicRoads is not going to play ball. Forget it!’\(^\text{14}\)

With regard to signage, I think everywhere you travel in the state, and including the Strathbogie shire, we struggle immensely with VicRoads, which from a layman’s point of view seems to have very inconsistent policies through the regions of Victoria in tourism signage, and it causes immense frustration.\(^\text{15}\)

6.16 The following specific examples highlighted the seemingly inadequate response of VicRoads staff to the needs of tourism operators.

6.17 Mr Fred O’Keefe of Broken River Vineyards, near Shepparton, described to the Committee his experience over two years, of trying ‘to get our tourism signage issues sorted out’. The map below (Figure 4) indicates the location of Broken River Vineyards, and the proposed placement of ‘advance’ signs, and a sign at the intersection of River Road and the Goulburn Valley Highway. The winery is on River Road, less than ten kilometres from the highway (the maximum distance for signage, according to current Tourist Signing Guidelines), but because a bend and intersection were added at Kialla to create an alternate truck route around Shepparton—route C391 on the map—VicRoads rejected signs from the highway.

6.18 Up until November 2007, when Mr O’Keefe appeared before the Committee, the only sign that had been approved was an intersection sign at Kialla (see Figure 4).

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\(^\text{14}\) Ms Christine Lewis, Hepburn Regional Tourism Association, Public Hearing, Daylesford, 28 June 2007.

\(^\text{15}\) Cr Robyn Machin, Deputy Mayor, Strathbogie Shire Council, Public Hearing, Mansfield, 30 August 2007.

Note, these are only two of many similar comments.
6.19 Kaye and Kym Bernardi, also from Shepparton, told the Committee about an 18-month delay to obtain approval for updated road signs after they changed the name of their caravan park from Pine Lodge, to BIG4 Shepparton East. Delays were not their only problem, however. The Bernardis’ application to have their registered business name on the services sign was knocked back on the grounds that BIG4 is a trademark and therefore not allowed under the signage guidelines. Despite providing evidence of BIG4 caravan parks in other parts of the State having been allowed signs with the same trademark, the Bernardis’ application was rejected.17

6.20 A number of other witnesses, including Mr Eric Bellchambers of Zig Zag Wines highlighted signage inconsistencies between regions and attractions, bringing photographs to the hearings to demonstrate their concerns.

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VicRoads Perspective

6.21 It is evident to the Committee that VicRoads is well aware of the concerns being expressed by segments of the tourism industry in relation to road signage. Early in the Inquiry process VicRoads provided a written submission that addressed the signage issue, and Mr Robert Freemantle, the Executive Director of Network and Asset Planning for VicRoads, appeared at a public hearing before the Committee. To gain a greater understanding of the signage system, the Committee also examined relevant documents, including the current Tourist Signing Guidelines and new Draft Guidelines that grew out of a recent joint VicRoads and Tourism Victoria review.18

6.22 A major point of contention between VicRoads and stakeholders revolves around the question of what is the purpose of tourist signage. VicRoads’ position is that tourist signage is not designed to serve a promotional role. Tourist Signing Guidelines (both the July 2001 edition and the new Draft Guidelines) are firm on this issue. Among other things, a stated aim of the draft guidelines is to:

emphasise that the purpose of tourist signing is to give direction or guidance about a tourist attraction, service or facility and is not promotional or for advertising purposes.19

This point—that tourism signage serves a directional rather than promotional role—was repeated by Mr Freemantle in his evidence to the Committee.20

The Guidelines also state that:

Road signs are the final directional link in a communication process between the tourism operator and the consumer—a process which must also include motivational and other support marketing material, such as brochures and advertising.21

6.23 Acknowledging views counter to this, VicRoads’ submission to the Inquiry claims:

a common misconception [exists], particularly amongst tourist operators, that the purpose of tourist signage is to promote individual business rather than for directional purposes.22

6.24 VicRoads is also aware of concerns about consistency in relation to the application of signing guidelines. Their submission to the Inquiry noted ‘inappropriate signs have found their way onto the declared road network as a result of a misunderstanding of the intent of the Guidelines.’ It further states that the aim of the recently conducted review of signing guidelines was:

to facilitate the rationalisation of signs, by providing clearer examples of the signs which should be permitted on the declared network,

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18 The new Draft Tourist Signing Guidelines were published on the Tourism Victoria Website in January 2008.
22 VicRoads, Submission, Number 25, 31 May 2007, p. 3.
and that:

*VicRoads and Tourism Victoria plan to take a lead role in the education of the wider industry in the proper application of the tourism signing guidelines, with a view to reducing any uncertainty and concern for tourist operators.*

6.25 Mr Freemantle, in his evidence to the Committee, conceded that inconsistencies exist, and again drew attention to the recent signing review and VicRoads’ hope that clearer guidelines will increase consistency. He told the Committee:

> Obviously we rely on the judgment of our senior people to attempt to apply the guidelines consistently. It has been an issue particularly, as you mentioned, for the smaller and the middle size attractions in dealing with this. The revised guidelines which we are working on with Tourism Victoria at the moment seek to provide further clarification of these circumstances, picking up the learnings in applying signing that we have had from this current set of guidelines and perhaps clarifying that with a view to getting some more consistency in how these are applied across the network.

**Moving Forward**

6.26 The Committee is concerned about the impact signage problems are having on tourism businesses in rural and regional Victoria. In recent years, regional tourism businesses have faced drought, bushfires, floods, high petrol prices (deterring tourists), declining visitor numbers, and increased competition from interstate and overseas destinations. The Committee feels that it is important that operators facing these challenges feel supported by Government authorities like VicRoads. In the main, in relation to signage, the tourism operators who appeared before the Committee, believed VicRoads to be an unsympathetic bureaucracy that does not fully appreciate the importance of signage to their livelihood.

6.27 The Committee recognises that road safety is the overriding concern in relation to road signage and acknowledges that an *ad hoc* proliferation of signs can detract from road safety and from the aesthetic appeal of a region (to the possible detriment of tourism). It believes that the overwhelming majority of tourism operators and industry stakeholders share these concerns.

6.28 The Committee heard evidence questioning the safety aspect of current signage regulations. Ms Robyn Pfeiffer, of Pfeiffer Wines, in the Rutherglen wine district, asked the Committee to consider the safety implications of ‘people busy looking at maps and GPSs, and not keeping their eyes on the road,’ adding that ‘if there is sufficient

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23 Ibid. p. 3.
signage, just a glance can direct you to where you are wanting to go’.  

Mr John Gleeson, of Ballarat Tourist Association, told the Committee:

Lack of directional signage leads to visitors overshooting important turn-offs and often funnels visitors into already-busy intersections unnecessarily. This creates confusion and can lead to safety concerns with frustrated drivers travelling in unfamiliar surrounds.  

6.29 Signs for caravan parks, have a particular safety component, given the additional breaking distance required when towing a van. A holidaymaker looking for a park where they have made a booking will find the process much simpler if services signs allow the name of the park on the sign. Mr Gleeson concluded his evidence on the signage issue by suggesting that Vic Roads be encouraged:

to apply a greater focus on each individual case rather than a blanket application of its guidelines, because, like VicRoads, our association and its members are seeking safety and clarity with regard to signage.  

6.30 The Committee believes that the Tourist Signing Guidelines should provide for a promotional role in relation to tourism. It notes that no attempt is made in the Tourist Signing Guidelines (existing or new) to justify the view that tourist signage should be purely directional. The Committee agrees that tourist signage cannot replace the need for tourism operators to market and advertise their services, and that the purpose of tourist signage is not to advertise individual businesses: however, it believes that current guidelines are unnecessarily restrictive.

6.31 The point at which signage becomes promotional rather than directional is not obvious and the dividing line as defined by VicRoads appears to go beyond the overriding goals of safety and visual amenity. The rejection of tourism signs on overpasses on the Hume Freeway is a case in point. Shires adjoining the Freeway have requested general tourism signage be mounted on freeway overpasses to promote their regions, but have had these requests rejected. Given the prevalence of commercial advertising billboards on tollways and freeways around Melbourne, including the Tullamarine Freeway, the reason for the ban is not clear.

6.32 Defining tourism signage as purely directional also ignores the reality of tourist behaviour. While road signs often will be the ‘final directional link in a communication process between the tourism operator and the consumer’, this is not always the case. For travellers, part of the charm of a touring holiday is the opportunity to explore a region and to ‘discover’ attractions along the way. Turning off to visit a winery, gallery, or rural town may be based on an impulse decision. As one witness put it to the Committee:

As a consumer, if I am driving down the road and I see a sign, I think, ‘Fantastic, a winery! I’ve got half an hour,’ or when I see a

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26 Mr John Gleeson, Chairman, Ballarat Tourist Association, Public Hearing, Ballarat, 12 December 2007.
27 Ibid.
lavender farm or whatever it is, I pull in and have a look, because I do not have all the brochures that I need to know absolutely everything about the region.28

6.33 While encouraging visitors to use the services of Visitor Information Centres and Information Bays is sensible, the Committee believes that signage policy needs to recognise that in a proportion of cases, Tourist Attraction Signs will provide the trigger for a tourist to visit a particular attraction or region. Tourism businesses in rural and regional Victoria cannot afford to miss out on this segment of their market.

6.34 The Committee believes that tourism signage inevitably has both a promotional and directional purpose, and that while VicRoads is justified in rejecting advertising in the strong sense of ‘praising the qualities of a business or attraction to induce sales’, the promotional and advertising functions of ‘increasing public awareness and providing information’, are appropriate and should be supported wherever they do not compromise road safety.29

6.35 The Committee therefore recommends that VicRoads acknowledges the promotional role signage plays, and that they review their policies and practices to more effectively address this important function. This is particularly important in regard to freeway signage, which the Committee believes can be used to promote adjacent tourism regions without compromising safety. As a submission from Sovereign Hill noted: ‘A balance could be achieved with signage located on a limited number of freeway bridges throughout Victoria and at interchanges’.30

6.36 The Committee is also concerned that VicRoads’ approach to the problem of inconsistency, both in the quality of signage between regions and in the application of signage rules, is not adequate. It is hardly satisfying to operators who are knocked back on obtaining a sign similar to one for another business, or in another region, to be told that the sign in question was installed under earlier regulations. The World Tourism Organisation’s report on tourism signs, states that the ‘search for consistency must … be one of the main obligations of those responsible for tourism signs and symbols’.31 The Committee therefore recommends that VicRoads conducts an audit of all tourism signage, with a view to replacing outdated signs.

6.37 The Committee further believes that the signage concerns raised by this Inquiry need to be addressed proactively by VicRoads and Tourism Victoria. One of ten goals identified by the Victorian Government’s Growing Victoria Together policy is to achieve ‘Greater public participation and more accountable government’ by 2010.32 Success in

achieving this goal will be shown through greater involvement in
decision-making by Victorians. The Committee believes that VicRoads
could do more towards achieving this goal in relation to community
involvement in decision-making around tourism signage.

6.38 The recent joint VicRoads and Tourism Victoria review of tourism
signage, and the resultant new Draft Tourist Signing Guidelines, go only
part way towards effective community engagement on this issue.
VicRoads’ response to concerns, as evident in the new Draft
Guidelines, has been simply to reiterate their prior position on signage,
and their current anti-promotional stance.

Local/regional tourism signing committees:
The role of a local or regional tourism signing committee is to:
• determine areas and attractions of regional significance;
• provide assistance in assessing applications for signing to
regionally significant facilities;
• provide assistance in assessing more complex applications for
tourist and services signing;
• provide assistance in assessing applications for tourist drives;
• assist in the development of appropriate signing practices by
tourism operators;
• provide advice to the road authorities regarding the
development of tourism signing policies and procedures;
• consider signing rationalisation and aggregation strategies
developed by the road authority; and
• inform VicRoads of specific regional signing issues and
projects.

6.39 The International Association for Public Participation has developed a
model of community engagement that identifies a range of possible
engagement options, based on various levels of stakeholder and
community participation. These range from providing information to the
public, through consulting, involving, collaborating and empowering the
public. The Committee’s view is that the recent review of signage
guidelines has operated at the lower level of this typology, providing
information and consultation with stakeholders, without offering any
genuine involvement or collaboration in the development of revised
signage guidelines. While the Regional/Local Tourism Signing
Committees—mentioned in the new Draft Guidelines (see box, above)
—hold some promise of increased community engagement on the part
of VicRoads, it is not clear to this Committee who is responsible for
establishing them, nor what real power they might have.

33 Department of Premier and Cabinet, Greater Participation and More Accountable Government,
http://www.dpc.vic.gov.au/CA256D8000265E1A/page/Listing-GVT+Goals=GVT+Goals=&REFUNID=E8FB5427ABB4EC7DCA2570750024A46A=c0
35 Department of Sustainability and Environment, Effective Engagement: building relationships with community
and other stakeholders, Book1: An introduction to engagement, Version 3, The Community Engagement
Network, Resource and Regional Services Division, Victorian Government Department of Sustainability and
6.40 The backbone of the tourism industry in rural and regional Victoria is micro, small and medium sized businesses. In light of the significant contribution they make to the economic and social well-being of rural and regional Victoria, the Committee recommends that VicRoads develops a more collaborative approach to engaging with them in relation to tourism signage. This would involve taking responsibility for the establishment of regional signing committees and striking a more supportive balance with regard to the promotional component of tourism signage.

**Key Recommendation 2:** That VicRoads work collaboratively with stakeholders in the tourism industry, to improve tourism signage throughout Victoria for the benefit of the industry and of rural and regional communities.

The Committee recognises that this must be done without compromising VicRoads principal priority for road safety.

This could be achieved through:

**Recommendation Action Points:**

a. VicRoads, as a matter of urgency, to conduct an audit of all tourism signage with the purpose of replacing outdated signs, and determining consistency of signage throughout Victoria.

b. VicRoads to establish a process to ensure that Tourist Signing Guidelines are applied consistently, but with the flexibility to deal with anomalous situations, by regional officers across the State.

c. VicRoads to acknowledge the promotional role tourism signage plays, and review policies and practice to more effectively address this important function.

d. VicRoads to work closely with local and/or regional signing committees to improve the administration of tourism signage.

e. Where local and/or regional signing committees do not currently exist, VicRoads to work with Tourism Victoria to support their establishment.
Chapter Seven

Developing Accommodation and Attractions

Introduction

7.1 The last two chapters looked at infrastructure that, although essential, is not exclusive to tourism. In this chapter, the focus turns to specific tourism infrastructure, such as accommodation and attractions. Evidence drew attention to gaps and opportunities in this area. Impediments-to and strategies-for filling these gaps are discussed.

7.2 This Chapter begins with discussion of gaps and opportunities in specific areas. We then discuss how these identified gaps might be filled, and the challenges that need to be overcome to do so. The challenges include a lack of funding and a range of legislative and regulative impediments such as current planning policy.

Gaps and opportunities

7.3 During the Committee’s Inquiry, gaps and opportunities were identified in relation to high-end accommodation and conference facilities; coastal caravan parks; ecotourism and nature-based attractions and accommodation; cycling and walking tracks; and heritage and cultural attractions. Witnesses believe that gaps in these areas are an impediment to the sustained growth of regional tourism, and that many opportunities exist for initiatives to fill these gaps. These views and ideas are presented below.
Inquiry into Rural and Regional Tourism

High-end accommodation and conference facilities

7.4 Concerns about the lack of high-quality accommodation and conference facilities in regional centres were expressed throughout submissions and public hearings, reflecting the views of peak tourism bodies, regional industry organisations, and local councils.¹

7.5 Chief Executive of the Victorian Tourism Industry Council, Mr Wayne Kayler-Thomson, told the Committee: ‘When you look at the accommodation stock across Victoria, with some exceptions, we have a limited amount of what we will call 5-star accommodation; quality accommodation’.² Ms Jacqueline Blackwood from Tourism Alliance agreed, suggesting that there is a lack of quality infrastructure to support our natural attractions in areas such as luxury accommodation’.³ A submission from Horsham Rural City Council suggested that there is potential for developing high-yield accommodation at Mt Arapiles, an area which attracts rock climbers from around the world, while a Visitor Accommodation Survey completed for the Shire of Yarra Ranges in 2004 identified that there was a relative oversupply of bed and breakfast accommodation, and a shortage of 5-star, family and budget (backpacker) accommodation’.⁴

7.6 Conferences and business meetings are important drawcards for increasing visitation to regional Victoria. Conferences bring to a region people who may not have visited an area otherwise. They generally create spin-off spending in restaurants, retail outlets, and associated tours, and can lead to repeat visits. Mr Simon Loone, from the Surf Coast Shire Council explained:

> What we have with the two conference facilities in Lorne and with Torquay is around 1600, 4 and 5-star rooms which have either come online or are about to come online on the Surf Coast—so there is a good supply there—and what we can do with that is then specifically market for the conferencing, for pre and post-touring, or we can go directly to the conference attendees to try and get them to come back, and the conversion rate is quite good from that as well.⁵

7.7 However, in many regions the ability to host conferences and conventions is limited due to a lack of suitable infrastructure. For example, a submission from the Wellington Shire Council claimed

¹ See, Mornington Peninsula Shire Council, Submission, Number 82, 18 June 2007; Cr Bruce Lougheed, Mayor, Latrobe City Council, Public Hearing, Traralgon, 13 February 2008; Ms Phillipa Beeson, Chairperson, West Gippsland Regional Tourism Association, Public Hearing, Traralgon, 13 February 2008; Mr Christian Stefani, Tourism Coordinator, South Gippsland Shire Council, Public Hearing, Phillip Island, 2 April 2008; Geelong Otway Tourism, Submission, Number 37, 1 June 2007; Sustainable Tourism CRC, Submission, Number 62, 1 June 2007.
³ Ms Jacqueline Blackwood, Information and Research Analyst, Tourism Alliance Victoria, Public Hearing, Melbourne, 4 June 2007.
⁴ Horsham Rural City Council, Submission, Number 30, 30 May 2007; Shire of Yarra Ranges, Submission, Number 100, 19 July 2007; see also Latrobe City, Submission, Number 51, 1 June 2007; Ms Mardi Hagan, Tourism Manager, Mitchell Shire Council, Public Hearing, Bendigo, 27 June 2007.
⁵ Mr Simon Loone, Tourism Coordinator, Surf Coast Shire Council, Public Hearing, Geelong, 12 September 2007.
ageing accommodation stock and a lack of conference facilities ‘has a significant impact on attracting new events, conferences and group travel’, and is therefore an impediment to tourism growth in their region.\(^6\) Ms Elissa O’Connor, from Mount Alexander Shire Council, told the Committee:

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\text{Mount Alexander shire is located just over an hour up the Calder from Tullamarine airport. We are also about 1½ hours from Southern Cross Station in Melbourne, which means we are very well located to service a 4 to 5-star meeting conference incentive market. We currently do not have the infrastructure to support this kind of market.} \(^7\)
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7.8 While small-scale accommodation is important for meeting the weekend ‘getaway’ and touring leisure market, Cr Bruce Harwood, the Mayor of Geelong, suggested that major economic benefits would also flow from the development of a major conference centre.\(^8\) The Bendigo Trust similarly argued in their submission that development of a high standard, reasonable size hotel was necessary to attract conferences and conventions to Bendigo.\(^9\)

**Coastal caravan parks**

7.9 Calls for increased investment in high-end accommodation were frequent at public hearings and in submissions. At the other end of the spectrum, the importance of continuing to ensure that there are opportunities for the average Victorian family to take a holiday was also canvassed widely. In particular, concern was expressed over the shortage of coastal caravan and camping sites, which has been exacerbated by development pressures in coastal regions. This shortage has an impact on domestic visitors, but also limits opportunities for regional Victoria to attract international and interstate visitors, including the ‘grey nomads’ market.

7.10 Caravan manufacturing is a growth industry in Victoria, with an increase of 4½ thousand caravans registered in Victoria in the 2006-07 year.\(^10\) Despite this growth in ownership of caravans, the Committee heard of significant shortages of sites at key coastal locations during peak season. One example the Committee is aware of is the Cape Paterson Caravan Park, which turns away up to 3,000 people seeking sites each summer.\(^11\) As of February 2008, they were already fully booked for the 2008-09 season. Most sites are re-booked year-to-year by families, some of whom have been coming to the Park for more than 40 years.\(^12\)

\(^11\) The drop in demand experienced by park operators in other parts of the State is discussed further in Chapter Nine.
\(^12\) Cape Patterson Caravan Park, *Submission* Number 15, 30 May 2007; Mr David Wilson, Owner, Cape Patterson Caravan Park, *Public Hearing*, Phillip Island, 2 April 2008.
With the population of Melbourne predicted to grow substantially in coming years, the demand for this type of affordable family accommodation is only likely to increase. Added to this is demand from interstate and international tourists. Park owner, Mr David Wilson, told the Committee:

*During the peak times in January, for example, we get a lot of international tourists knocking on the door and looking for a site. It might only be for a two-man tent on an un-powered site, and we might get three or four of these people coming in every day.... Unfortunately we cannot accommodate them.*

*On top of that, we get a lot of interstate tourists making their way perhaps from New South Wales to South Australia looking for a stopover point, but we cannot help them. They get very frustrated because they cannot get into any other park either. A lot of people say to us, ‘Where can we camp on the side of the road?’, and we have to say, ‘Look, I’m sorry, it is not legal to do that.’*

Evidence presented to the Committee highlighted development pressures and planning regulations as contributing to the significant shortage of caravan and camping sites. A submission from the Surf Coast Shire notes that ‘caravan parks provide a major component of visitor accommodation in the Shire’, but ‘high development pressure in coastal areas is resulting in the loss of caravan parks’. Caravan parks ‘often occupy valuable and high amenity land’ and those that are located on private land are increasingly being lost to subdivision for housing development. The Committee heard that three parks on Phillip Island, one in Rhyll and two in Cowes, had either closed or were closing due to redevelopment.

Apart from the problems caravan park closures create in relation to visitor accommodation, the Surf Coast Shire submission also argues that it ‘impacts seasonal employees who have difficulty accessing affordable accommodation’.

**Recommendation 13:** That the State Government, while recognising the benefit of high-yield tourism, also acknowledges the importance, and supports the provision, of affordable holiday options for Victorian families.

### Ecotourism and nature-based attractions and accommodation

A number of submissions to the Inquiry noted the success of existing nature-based attractions, in terms of bringing visitors to rural and regional Victoria. The Committee heard that the Phillip Island Nature Park is essential to the success of most tourism businesses on Phillip Island. They also heard from operators of ecotourism businesses that...
are successfully attracting high-yield visitors keen to experience Victoria’s unique environment and animals.  
Many submissions and witnesses highlighted the need for continued investment and development of nature-based attractions and accommodation in order to realise fully the potential of this market segment.

7.14 The potential of nature-based tourism was a major theme in evidence provided by Mr Wayne Kayler-Thomson from the Victorian Tourism Industry Council:

“We also want to mention nature-based tourism. Regional Victoria is blessed with a range of national parks and natural attractions of such diversity and quality that they are, without question, world class. And yet Victoria has the reputation nationally, and certainly globally, that we do not have nature-based experiences of quality. We have given up that competitive advantage to other states and territories. We need to invest in it. We need a strategy which encourages the type of investments that I mentioned before, the type of cooperative arrangements with tour operators and with the industry—attractions, accommodation and services—so that we can capitalise on the nature-based opportunity that is there. It has been talked about for a long time, it is time to accelerate the action and resourcing to ensure that we can actually develop a competitive advantage in what is actually a worldwide trend in tourism.”

7.15 Witnesses from throughout regional Victoria shared this sentiment. For example, a submission from the Bairnsdale Chamber of Commerce noted the spectacular natural features in the region, which need to be made more accessible and ‘developed for high end/high yield eco-tourism’. Ms Phillipa Beeson of the West Gippsland Regional Tourism Association, talked to the Committee about ‘the wonderful forests that we have’ and the need to develop infrastructure to allow more people to experience them. Latrobe City has identified the Morwell River Falls as having ecotourism potential, while the potential of the internationally recognised Kerang wetlands to attract eco-tourists was raised by the Coalition Against Duck Shooting. The wetlands support over 150 species of birds, and with the development of further bird hides, trails and visitor facilities, the Coalition Against Duck Shooting argues that it could become a significant nature-based attraction in the region.

7.16 A submission from Tourism Alliance notes that nature-based tourism is a key competitive strength for Victoria, but ‘capacity to attract high yielding customers is severely limited by a lack of investment in wilderness based accommodation experiences’. Many additional submissions and witnesses highlighted significant opportunities to

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18 See, for example, Ms Kaye Munro, Owner, Waterholes B & B, Public Hearing, Lakes Entrance, 14 February 2008; Ms Lizzie Corke, Director, Cape Otway Centre for Conservation Ecology, Public Hearing, Lorne, 6 March 2008.
22 Latrobe City, Submission, Number 51, 1 June 2007; Coalition Against Duck Shooting, Submission, Number 51, 25 May 2007.
23 Ibid.
24 Tourism Alliance Victoria, Submission, Number 50, 1 June 2007.
develop nature-based and ecotourism ventures, including some who have successfully developed ecotourism product (see case, study below).

**Case Study 4: Lizzie Corke, Cape Otway**

Soon after Lizzie Corke graduated in 2001 with a Bachelor of Science, majoring in Zoology she and her partner Shayne Neal (who holds a Bachelor of Science Natural Resource Management) came across a beautiful property in the Otways, surrounded by National Park. The property was perfect for their long-term goal to demonstrate comfortable sustainable living and environmental preservation. They saw the bank manager and twenty years earlier than they planned to, Lizzie and Shayne established the Great Ocean Ecolodge and Cape Otway Centre for Conservation Ecology.

The Ecolodge is built from sustainable materials to a passive solar design. It lies within the Cape Otway Centre for Conservation Ecology, a wildlife rehabilitation and ecological research centre adjoining the Great Otway National Park. Their aim is to protect biodiversity and ecological systems through research, wildlife care and habitat restoration programs.

The Centre has been benchmarked by Green Globe 21—the worldwide benchmarking and certification program for eco-tourism—and certified by Ecotourism Australia as an Advanced Ecotourism product. It is also winner of the 2004 Victorian Tourism Award for New Tourism Development. Ms Corke was the 2005 Prime Minster’s Environmentalist of the Year—the first female and youngest ever recipient of this prestigious award.

Lizzie and Shayne live and breathe ecotourism.

Guests of the Ecolodge experience a total dedication to sustainability, from solar power and water, to assisting with conservation programs. All food is organic, meaning the 74ha property is free from pesticides and insecticides. Bathroom and house-cleaning products are all ecologically sensitive. Lizzie and Shayne offer an exclusive experience to a mainly international (80% of customers in 2008) clientele.

Lizzie’s message is about ecotourism capturing New Economic Order clients, or NEOs. She describes them thus:

> It is a very exciting market. They are extremely selective. They actively seek out authentic, personalised, quality experiences which offer integrity and a sense of investment in the future. These guys are the decision-makers of our society. They stay longer, they spend more and they spread the word widely to other people just like themselves. These are the guests that the Great Ocean Road needs, and we should be careful to guard the future of the industry to make sure that we are catering for them.

Large, remotely owned and managed tourism operations cannot provide this sort of experience, and we strongly feel that encouragement of private investment should not be directed at increasingly outmoded large-scale developments, but instead should be directed at small, complementary operations and cooperative projects. The Great Ocean Walk partnership has been a fabulous example... We really feel that the vision for the Otways and the Great Ocean Road as a premium eco-experience destination offers a very exciting and sustainable future, environmentally, socially and economically.
Lizzie has a number of concerns about the tourism future of the State. Primarily she believes that development should not be generic—that the natural appeal of rural and regional Victoria should be preserved in any plans for the future. She is absolutely committed to sustainable tourism development. In her opinion the biggest impediment to the development of tourism is: unsustainable development: overdevelopment, large developments and developments which are not in keeping with the character of the region. These sorts of developments really would devalue the experience and destroy the very aspects of the region which currently attract our visitors.

Lizzie believes that the Great Ocean Road and the Otways offer tourists a rare experience, of isolation and natural beauty. One that should be preserved:

I think the most special thing about the Great Ocean Road is that it offers people a place where you can sit and watch dozing koalas in the sunshine or the waves crashing onto the beach and really feel like you might be the only person on earth.

### Cycling and walking tracks

7.17 Bushwalking and cycling are closely associated with nature-based tourism, however, due to the prominence given to these activities in the evidence, they are addressed specifically here. Bushwalking has long been a popular holiday activity in Victoria, while cycle touring and mountain biking are growing ones.

7.18 The maintenance of existing walking tracks and the development of new ones is important in the development and maintenance of rural and regional tourism. The issue was brought to the Committee by a number of witness, including the Western Coastal Board, the Landscape Committee of the National Trust of Australia (Victoria), Horsham Rural City Council, East Gippsland Shire Council, Wellington Shire Council, the Shire of Yarra Ranges, Southern Grampians Shire Council, the Lakes Entrance Business Tourism Association, Grampians Marketing, Sunraysia Mallee Economic Development Board, and Access Downunder.25

7.19 In Lorne, the Committee heard about the popularity of the recently opened Great Ocean Walk, which, it was argued, has created spin-off demand for accommodation and other services provided by businesses adjacent to the walk. Ms Lizzie Corke, from the Cape Otway Centre for Conservation Ecology, told the Committee about a number of initiatives, including the walk, which she saw as contributing greatly to the attractiveness of the region to visitors:

*The new Great Otway National Park and the Otway forest park have really set the scene for the future of the Great Ocean Road. Associated developments such as the Great Ocean Walk, Triplet Falls, the Forest mountain bike trails and the improved walking*

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25 Western Coastal Board, Submission, Number 98, 9 July 2007; Landscape Committee of the National Trust of Australia (Victoria), Submission, Number 26, 31 May 2007; Horsham Rural City Council, Submission, Number 30, 30 May 2007; East Gippsland Shire Council, Submission, Number 64, 1 June 2007; Wellington Shire Council, Submission, Number 35, 31 May 2007; Shire of Yarra Ranges, Submission, Number 100, 19 July 2007; Mr Hugh Koch, Tourism Manager, Southern Grampians Shire Council, Public Hearing, Dunkeld, 25 October 2007; Lakes Entrance Business Tourism Association, Submission, Number 84, 18 June 2007; Grampians Marketing Inc., Submission, Number 89, 25 June 2007; Access Downunder – Abaco Australia Pty. Ltd., Submission, Number 49, 1 June 2007.
tracks have been highly successful in attracting visitors to the region, who stay for a long period of time. I have got some really good figures from the Great Ocean Walk... from when the walk started in January 2006 to January 2008, the number of hikers doing more than five nights on the walk is 14 per cent.... The number doing seven or more nights on the walk and in the region is 6 per cent, which I think is quite wonderful.... They spend well across a range of operators and service providers, and they also care for the region while they are here, which is something which is very important.26

7.20 In 2004 the Orbost and District Community Forum received a grant from the Sustainable Regions Programme of the Commonwealth Department of Transport and Regional Services, to develop a feasibility study and plan for icon walks in East Gippsland. The Far East Gippsland Icon Walks Eco-Tourism Infrastructure Study was released in November 2006. The study recommends the marketing and development of walking tracks in Far East Gippsland and identifies the potential for stunning and unique ‘freedom of nature’ ecotourism experiences in remote areas of Gippsland.27

7.21 A boom in cycle tourism across the world and in Australia was noted by a number of witnesses. The Committee was told that 1.7 million bicycles were sold in Australia last year, and that this was more than the number of motor cars.28 Ms Helen Hopner, Chair of the Gippsland Plains Rail Trail, told the Committee that she received around six calls per week from people inquiring about the Gippsland Plains Trail.29 Ms Kate Biglin, from Indigo Shire Council said over 1,000 people per day passed along the Murray to Mountains Rail Trail over Easter 2008, and that ‘anecdotally the growth in cycling tourism in the region is extremely obvious ...[with] the number of bikes strapped to the cars that come up the Hume Highway’. With the growth of mountain bike tourism as well, she told the Committee that the ‘cycling tourism initiative is really feeding into everything else we are doing now’.30

7.22 The link between cycle tourism and other tourism products was noted by Ms Helen Sharpley, from North East Valley Food and Wine, who talked about railtrails feeding into food and wine tourism. She told the Committee:

There is the rail trail. There is a bike trail in Rutherglen, and there is talk of a bike trail linking the Milawa region to Beechworth, which would be fantastic. Those trails can also be used as walking trails, but the more infrastructure that you put in to link the wineries, the better; and people are looking for different ways to explore.31

26 Ms Lizzie Corke, Director, Cape Otway Centre for Conservation Ecology, Public Hearing, Lorne, 6 March 2008.
28 Mr Geoff Scott, Chairman, Alpine Region Tourism, Public Hearing, Bright, 29 August 2007; Mr Peter McMahon, Owner, Cambrai Backpackers, Maffra, Public Hearing, Traralgon, 13 February 2008.
29 Ms Helen Hopner, Chair, Gippsland Plains Rail Trail, Public Hearing, Traralgon, 13 February 2008.
30 Ms Kate Biglin, Manager of Tourism and Marketing, Indigo Shire Council, Public Hearing, Wodonga, 19 March 2008. See also, Ms Julie Preer, Owner/Director, Yarrawonga Outdoor, Public Hearing, Yarrawonga, 20 March 2008.
31 Ms Helen Sharpley, Executive Officer, North East Valleys Food and Wine, Public Hearing, Bright, 29 August 2007.
7.23 Tourism based on railtrails and mountain biking already contributes significantly to regional economies, and it has the potential to grow further according to witnesses and submissions.\textsuperscript{32} A submission from the Gippsland Plains Railtrail Committee of Management notes that ‘established railtrails in Victoria have thousands of users on busy days’, and cites research that shows the average user of these trails spends $51 per day in the region. The submission also notes the growth of ‘eating places, accommodation places, sales outlets and equipment hire places’ along the route of established railtrails.\textsuperscript{33}

7.24 In Alpine areas, mountain biking has been developed to provide an out of ski-season activity for tourists. Downhill mountain bike trails utilise ski lifts during the summer, thus off-setting the cost of expensive infrastructure which is used for only a few months per year.\textsuperscript{34} Attracting visitors outside of peak seasons was also important for coastal regions such as the Surf Coast, where mountain biking offers an activity that can be engaged in when the weather is too cold for the beach.\textsuperscript{35} A submission from Business & Tourism Anglesea, suggests ‘a huge opportunity exists in developing Anglesea as a nature based adventure tourism destination with mountain biking as its core tourism product’.\textsuperscript{36}

Heritage and cultural attractions

7.25 Evidence was received in relation to heritage and cultural attractions and activities. From around the State, witnesses identified significant heritage and cultural assets, that they believed could be used to support tourism. From the Mount Alexander Shire Council, the Committee heard about the tourism potential of the Castlemaine Diggings National Heritage Park, the Old Castlemaine Gaol and a steam train that runs between Castlemaine and Maldon. All, it was argued, could ‘benefit significantly from a focus on infrastructure needs and on opportunities for investment’.\textsuperscript{37} The Committee heard about possibilities in Bendigo to further develop attractions based on the city’s architecture, gold and industrial history. One opportunity being looked at by the Bendigo Trust is development of the Bendigo Tram Heritage Rail Workshop as a combined heritage attraction and functioning workshop. Mr Tom Seddon, CEO of the Trust, sees building ‘both halves of that—the visitation and the actual functionality of the depot’ as one of his main

\textsuperscript{32} See, for example, Mr Terry Binder, Manager, Economic Development and Tourism, Corangamite Shire Council, \textit{Public Hearing}, Port Campbell, 5 March 2008.


\textsuperscript{34} Mr Phillip Nunn, Chief Executive Officer, Mount Buller and Mount Stirling Alpine Resort Management Board, \textit{Public Hearing}, Mansfield, 30 August 2007.

\textsuperscript{35} Mr Simon Loone, Tourism Coordinator, Surf Coast Shire council, \textit{Public Hearing}, Geelong, 12 September 2007.


challenges. Witnesses from around the State; in Echuca, Mitchell Shire, Maryborough, Omeo, and Portland, gave similar examples.

Opportunities were also identified in terms of enhancing existing heritage tourism attractions such as Old Gippstown, the Swan Hill Pioneer Settlement Museum, and Flagstaff Hill Complex. Cr Bruce Lougheed, the Mayor of Latrobe City Council referred to Old Gippstown as an undervalued asset that requires major restoration and maintenance work to realise its potential. Similarly, Ms Robyn Till, outlined the need, and possibilities, for further development of the Pioneer Settlement Museum:

The pioneer settlement museum needs to redevelop to better serve the local community and meet future expectations of tourists…. This includes being able to house exhibitions from state and federal agencies to draw visitors from the north-west region and other regional centres to the museum as well as your FITs [free independent travellers]. This requires major infrastructure expenditure on an exhibition space compliant to the requirements of travelling shows.

Finally, a number of witnesses talked about Indigenous tourism opportunities. The Committee heard about the Budj-Bim National Heritage Landscape, described as ‘the foremost Indigenous cultural tourism destination in Victoria’ and the Budj-Bim Tours operated by the Gunditjmurra people. Mr Damien O’Connor, Minister for Rural and Regional Affairs and Minister for Tourism in New Zealand, told the Committee that Indigenous tourism and the experience of Maori culture was New Zealand’s most important point of distinction from other destinations. In Mildura, the Committee heard from a number of witnesses about the high level of interest in Aboriginal history, culture and tourism experiences, among international visitors. In Swan Hill, Ms Robyn Till made the same point. The need to work closely and sensitively with Aboriginal people was stressed, as was the need to provide funding and other forms of support to assist development of product. Mr Andrew Millen, for example, suggested:

I think there is a lot of work that we can do as a region and that Tourism Victoria and Tourism Australia can do to develop that

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38 Mr Tom Seddon, Chief Executive Officer, Bendigo Trust, Public Hearing, Bendigo, 27 June 2007.
40 Mr Andrew Millen, Chief Executive Officer, Latrobe City, Public Hearing, Traralgon, 13 February 2007.
41 Ms Robyn Till, Museum Director, Pioneer Settlement Museum, Public Hearing, Swan Hill, 1 August 2007.
42 Ms Elizabeth Foreman, Tourism Business Officer, Discovery Coast Tourism Association, Public Hearing, Port Campbell, 5 March 2008; Mr John Morse, Chair, Tourism Victoria and Patron, Aboriginal Tourism Marketing Association, Public Hearing, Melbourne, 19 November 2007.
43 Mr Damien O’Connor, Minister for Rural and Regional Affairs and Minister for Tourism, New Zealand Government, Meeting, Wellington, 30 April 2008.
45 Ms Robyn Till, Museum Director, Pioneer Settlement Museum, Public Hearing, Swan Hill, 1 August 2007.
Aboriginality and Aboriginal tourism that I know we have got but I believe we have not done enough with. The federal government has just done a grant program, I think, to assist Aboriginal tourism businesses, and I applaud that. I think we could do a lot more of that. That is where your international tourists are going to want to come — to a region like us.  

**Filling the gaps—challenges and solutions**

7.28 Not surprisingly, funding was viewed as a major issue, and in some cases a barrier, to building and developing accommodation and attractions to realise regional Victoria’s undoubted tourism potential. This was certainly not the case in every instance. The Committee came across many examples of projects where operators and investors were prepared, and even keen, to develop tourism infrastructure and grow their businesses, but were deterred by delays or blockages in the planning process. These challenges are discussed below.

**The role of government funding**

7.29 Depending on the type of accommodation, attraction or facility under consideration, views on how development should be funded, and the extent to which funding was perceived as a problem, varied. There were some areas where government funding was seen as appropriate and was sought by those providing evidence to the Inquiry. In other instances, public private partnerships, or private investment alone were espoused.

7.30 Ms Kathryn Mackenzie from the City of Greater Bendigo pointed out the important need to ensure that there is not a gap between what is sold to potential visitors by tourism marketers and the capacity of the industry to deliver products. Ms Mackenzie reported that: 'A recent article in BRW raised this issue by stating, “What is the point of the best marketing campaign in the world if we don’t have the facilities on the ground that tourists are looking for?”'.

7.31 The Great Ocean Walk is an example of a destination that provides an experience which fully meets the promises held out in its marketing. In response to a question from Committee Chair Mr Damian Drum MLC, Ms Elizabeth Foreman explained the need for ongoing investment in infrastructure on the walk to ensure the ability to attract private investment:

_The CHAIR_ — Do you have a view as to which comes first? Do you have a view as to whether or not you wait for the international visitors to come and then your people get themselves ready to work to that level, or do you have to ready the industry in order to entice visitors in the first place?

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47 City of Greater Bendigo, Submission, Number 61, 1 June 2007.
Ms FOREMAN — I think it is a two-way situation. It is the chicken-and-the-egg, isn't it? Will the visitors come if there is nothing to go to, or will — —

The CHAIR — If the 2 per cent who come maybe do not get treated the way they expect to be treated, they then go back and do not promote it themselves. Is that happening, or is it simply that they go all right, but 2 per cent is such a small amount to send back happy?

Ms FOREMAN — Yes. A good example of that, I think, is what is happening on the Great Ocean Walk. We have built something that is internationally ready, there is product along the walk to service the international visitor, and now the awareness has been generated. Everyone knows about the Great Ocean Walk. The marketing they have done has been sensational, and now private investors are building properties along the Great Ocean Walk to access the Great Ocean Walk because they know the visitors will come, because it has been built. It is a frustrating situation when we have the Great South-west Walk, which is a beautiful walk, but infrastructure on the walk is lacking, and I am told by Tourism Victoria, ‘You need the private investment to go into the area before we can put any infrastructure in’. But until we get the infrastructure that is internationally ready so that it will encourage people to come, we are never going to get the visitation. So it is kind of a frustrating situation.48

7.32 Infrastructure development and maintenance to support tourism in State and National Parks was largely seen as a government responsibility. This includes general visitor facilities such as toilets, picnic areas, tables, information boards and signage, which were covered in Chapter Five. However, it also includes more substantial developments and tourism infrastructure such as tracks and trails, substantial interpretive centres and ecotourism style accommodation.

7.33 Most existing and potential walking and mountain biking tracks are located in parks and a number of submissions and witnesses suggested that increased funding was required for Parks Victoria and the Department of Sustainability and Environment to provide and maintain infrastructure to support these and other tourist activities. For example, Mr Hugh Koch from the Southern Grampians Shire Council told the Committee that, following the bushfires in the Grampians, ‘infrastructure funding for the Grampians National Park … still appears to be a little bit wanting, as more than 50% of the walking tracks, roads and other visitor infrastructure still require repairs in the national park’.49 Ms Phillipa Beeson, from West Gippsland Tourism said:

Large areas of Gippsland are Crown land, which includes some spectacular natural attractions. These are not accessible to tourists. Funding needs to be allocated in developing these attractions in a developmentally sustainable way.50

7.34 Government funding was also sought for the development of railtrails, with two submissions to the Inquiry containing requests for funding. One

48 Ms Elizabeth Foreman, Tourism Business Officer, Discovery Coast Tourism Association, Public Hearing, Port Campbell, 5 March 2008.
49 Mr Hugh Koch, Tourism Manager, Southern Grampians Shire Council, Public Hearing, Dunkeld, 25 October 2007. See also, Horsham Rural City Council, Submission, Number 30, 30 May 2007.
was for funds to support the Skipton Ballarat Rail Trail and the other for the Gippsland Plains Rail Trail.  

7.35 The Committee acknowledges that the State Government has made a significant investment in the development of various tracks and trails, including railtrails. It notes that a commitment of $250,000 was made in November 2007 to resurface and improve the Skipton to Ballarat rail trail and that work commenced on resurfacing in April 2008. The Committee is also aware, through a submission from the Municipal Association of Victoria, of a $1.9 million grant from the Victorian Government’s Community Support Fund, to create a sealed cycling / walking track between the three townships of Wangaratta, Bright and Beechworth. According to the Victorian Government’s submission to this Inquiry, the Government is also currently implementing a Provincial Pathways Program ($8 million over 4 years to establish a Pathways Working group to identify and leverage investment for new coastal walking and rail trail routes).  

This working group was mentioned in a positive light by Mr Simon Loone, from the Surf Coast Shire Council:

The other thing that we are looking at, as I mentioned, is multi-day walks. With the Great Ocean Road Coast Committee, DSE, Parks Victoria and Surf Coast Shire there is a working group at the moment that is quite good which is looking at extending a walk along the Surf Coast from Torquay to Lorne and is talking to operators to see what sort of tour operators might be able to tap into that.

7.36 The popularity of cycling and walking holidays is likely to continue, and even grow, given the contemporary interest in health and well-being, and growing awareness of environmental issues such as climate change. Railtrails provide a safe environment for all participants, making this type of holiday attractive to families. The option of a healthy, carbon-neutral, holiday may also become more attractive to the environmentally aware segments of the tourism market. In light of this, the Committee encourages the State Government to continue to provide funding for walking tracks and railtrails, and to consider a suggestion made by one witness concerning the possible funding of this type of infrastructure through carbon offsets when a carbon-trading scheme is introduced in Australia. The Committee heard that there are certain trails in particular that would offer high returns on government investment and which it believes should be supported.

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51 Ms Halina Sztynda, Submission, Number 8, 16 May 2007; Gippsland Plains Railtrail Committee, Submission, Number 10, 21 May 2007.
53 Municipal Association of Victoria, Submission, Number 77, 8 June 2007.
54 Victorian Government, Submission, Number 74, 14 June 2007.
55 Mr Simon Loone, Tourism Coordinator, Surf Coast Shire Council, Public Hearing, Geelong, 12 September 2007.
56 Mr Peter McMahon, Owner, Cambrai Backpackers, Maffra, Public Hearing, Traralgon, 13 February 2008.
**Recommendation 14:** That the State Government continue to provide funding to extend and improve the existing network of cycle tracks, particularly rail trails and touring and walking tracks, in regional Victoria.

The Government should consider development and support of the following as a priority:

- a. The Kanawinka Volcanoes Discovery Trail;
- b. Connection of the Gippsland Plains Rail Trail network and development of infrastructure on the trail;
- c. Establishment of cycle ways linking the Latrobe valley townships of Morwell, Traralgon and Churchill;
- d. A Latrobe Valley science trail, developed in conjunction with major industry partners;
- e. The mountain bike trails through Anglesea;
- f. 12 Apostles to Port Campbell;
- g. Linking of the coast to crater rail trail with the Great Ocean Walk; and
- h. Alpine mountain trails.

7.37 A role was also seen for government investment in either developing, or facilitating the development of high-end accommodation and attractions within or near State and National Parks. It was suggested that while private enterprise could be involved in such projects, government investment and support was necessary to provide the right environment for private investment.

7.38 In the context of a discussion of redevelopment possibilities for Mt Buffalo, Mr Wayne Phillips, President of the Bright and District Chamber of Commerce, suggested to the Committee that government investment in the region was necessary to provide a boost to private enterprise. When business people see the government investing in infrastructure it provides a level of reassurance that builds confidence and leads to further investment. He said:

> We really need to get a better level of facilitation with state governments and business people. If the Government can show the impetus and that it is really keen on investing in our area, I am more than confident that business will run with you and create opportunities up here.\(^\text{57}\)

7.39 Moving beyond developments within State and National Parks, there were calls for the State Government to play a stronger and more strategic role in facilitating tourism infrastructure development. Although viewed as necessary, this support and facilitation was not seen as forthcoming. A submission from the City of Greater Bendigo argued that Tourism Victoria needs to add to its strong marketing program, by becoming more actively involved in infrastructure and product

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\(^{57}\) Mr Wayne Phillips, President, Bright and District Chamber of Commerce, *Public Hearing*, Bright, 29 August 2007.
development. It is seeking a more proactive approach from Tourism Victoria towards attracting private investment, stating: ‘The industry is seeking greater government leadership to encourage private investment in regional infrastructure and generate opportunities for commercial activities’.  

7.40 A stronger role for government was also suggested by the peak body, Tourism & Transport Forum, in their submission. Due to the high risk associated with tourism infrastructure, particularly in regional areas, they argue that government:

must look to means by which patronage/visitation may be promoted, if not guaranteed. This may be through destination marketing, business or special events or access provision. Governments may seek to take some business risk in a start-up business or could promote a development through the provision of land or services.  

7.41 The approach recently adopted by Tourism Queensland is noteworthy. The organisation is developing a top ten list of iconic projects for the Gold Coast, to be implemented in the next five years. Initial proposals include an aquatic centre under the sea and two more casinos. At a tourism industry conference on the 2nd of June Tourism Queensland Chief Executive Officer Mr Anthony Hayes said ‘it was time for the industry to think creatively, dream big and to leave the worry about bureaucracy, funding and other hurdles until later’. A plan for the top ten icons will be released by Tourism Queensland in September after a program of public forums. ‘The call to creativity and development is part of a Tourism Queensland push for regions to come up with regional tourism infrastructure and investment plans of workable ideas for the next five to ten years’.

7.42 The problems faced by private investors; both in relation to developments on Crown land and on private land, and possible strategies for making investment in regional tourism infrastructure more attractive are discussed further below.

7.43 A final area where government funding assistance was sought, related to attractions with a strong educational or cultural heritage component, such as Sovereign Hill, Old Gippstown, the Pioneer Settlement Museum in Swan Hill, and Flagstaff Hill in Warrnambool. The cost of maintaining these attractions and keeping them up-to-date and to a standard expected by today’s visitors is high, and can be a drain on resources. While not suggesting that the State Government should pick up the full cost of maintenance and redevelopment, witnesses did suggest that more support was needed.

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58 City of Greater Bendigo, Submission, Number 61, 1 June 2007.
59 Tourism & Transport Forum, Submission, Number 43, 1 June 2007.
60 Tourism Queensland is a statutory authority under the jurisdiction of the Minister for Tourism whose role is to develop and market Queensland tourism destinations in partnership with Industry, Government and the Community.
Ms Robyn Till from the Pioneer Settlement Museum described the current situation there. The Museum attracts around 60,000 visitors per annum, 89% of whom are from outside the area; ‘8% are bus groups, 16% are school groups, 15% are families and 37% are free, independent travellers’. Apart from entry fees, funding for the Museum is provided by the local council, and by the Department of Education. Department funding is granted triennially, through the Strategic Partners Funding Program. This funds two education officers. A third—an Aboriginal education officer—is funded by the Museum itself. As noted earlier, Ms Till outlined a range of development ideas to revitalise the museum, including new displays and exhibition space to meet current visitor expectations and build interest in the museum. However, these developments would require major infrastructure expenditure. She suggested the possibility of public private partnerships to fund redevelopment, stating that assistance was needed ‘in working up projects presentable for discussion with business investors and funding bodies’.62

Maintenance and redevelopment was also seen as essential to the future of the Flagstaff Hill Maritime Precinct in Warrnambool. Like the Pioneer Settlement Museum in Swan Hill, the Flagstaff Hill Maritime Precinct is funded primarily through entrance fees and local government support. Mr Peter Abbott, Executive Manager of Flagstaff Hill Maritime Precinct, described the situation:

Maintaining our heritage is very expensive. Our precinct spends around $150,000 a year on maintaining our ships collection and other heritage items, which is all funded directly out of revenue streams from our gate and also from the underwriting that we get from local government. We find that there are very limited state-based programs to tap into for recurrent funding. It is always very much on a project-by-project basis.63

The ability of Flagstaff Hill Maritime Precinct, or any of the other regional museums to raise funds for maintenance or redevelopment through increasing entrance fees is limited. According to Mr Abbott, there is already reluctance on the part of many visitors to pay the current entry fees. This problem is exacerbated by the fact that entry to museums in Melbourne is heavily subsidised. The Melbourne Museum, the Immigration Museum and Scienceworks are subsidised by the State Government to provide free entry for children and discounted, $6 entry for adults.64 Mr Abbott told the Committee about families standing in the entry foyer of Flagstaff Hill, perusing the prices ($39 for a family daytime pass) and comparing them unfavourably with museums in Melbourne.65

The subsidised entry fees, and the level of recurrent and capital funding provided to cultural tourism facilities in Melbourne, including the
Melbourne Zoo, the National Gallery, Federation Square and Museums Victoria was also addressed in the submissions from Sovereign Hill. Claiming that it is much harder to obtain funding for regional projects, the submission states:

For example, Zoos Victoria and the Museum of Victoria each receive $38m p.a. in recurrent grant funds (about $38 per visitor). The Gold Museum, Ballarat’s Arts Victoria programme funding remained at $315,000 from 1996 to 2007 (about $2 per visitor). There are obvious differences in scale and operating costs but the fairness of access to State funding for high quality museums like the Gold Museum requires addressing.66

7.48 The Committee finds this disparity of funding between metropolitan and regional museums unacceptable and notes that, unlike Victoria, other state museums actually operate regional branches. The Western Australian Museum for example, has six branches; one in Perth, two in Fremantle, and one each in Albany, Kalgoorlie-Boulder, and Geraldton. Entry is by donation to all except the new Maritime Museum, which charges $10 for adults, $3 for children, and $22 for a family of two adults and up to four children.67 The Queensland Museum also operates five campuses, two in Brisbane and three in regional centres.68 Entry fees between the metropolitan and regional campuses are similar. For example, a family pass will cost $29 to visit the Science Centre in Brisbane, and $30 to visit the Museum of Tropical Queensland in Townsville.69

| Recommendation 15: That the Government, through Arts Victoria, conduct a state-wide review of recurrent and grant funding for museums with the strategic aim of establishing funding arrangements that place rural and regional museums on an equitable footing with those located in Melbourne. |

The role of private investment

7.49 As noted earlier, private investment, whether through public private partnerships or in its own right, was seen as necessary and appropriate in relation to the development of a range of accommodation options, attractions and activities. These included caravan parks, cabins, resorts, hotels, conference facilities, and nature-based attractions and activities. The Committee heard about a number of proposed projects and activities—some based on Crown land and others on private land—using private funds. The Committee also heard about a range of impediments to realising the potential of private investment. These are discussed below.

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66 Sovereign Hill Ballarat, Submission, Number 65, 4 June 2007.
Impediments to private investment on Crown land

7.50 For developments on Crown land, a number of issues arose. First were concerns about the general philosophy, decision-making and planning processes adopted by public land managers in Victoria, particularly those departments and authorities responsible for the management of State and National Parks. Concerns were also expressed about the short length of operator licenses and Crown land leases, both of which were seen as impediments to investment.

7.51 Mr David Walsh, of Mount Beauty believes that Victoria is losing potential visitors by not having more opportunities for walkers, cross-country skiers, or mountain bike riders to undertake multi-day trips supported by roofed accommodation. And, it is the philosophy or approach of land managers that has stopped such development. He said:

In other places, including down in Tasmania and also in New Zealand, people can walk from valley to valley and stay in huts... but you just cannot do that sort of real mountain walking in Victoria…. We should try to stop losing Victorians who want to do that sort of activity to overseas countries. Moreover, the overseas people are going elsewhere and doing the overland trails. Why are they not doing some in Victoria? We need to change our approach and philosophy, in my opinion.70

7.52 Mr Damien Adams, of Rutherglen Wine Experience, drew a similar contrast between Victoria and Tasmania in relation to the development of tourism infrastructure in National Parks. He said:

One of the things that Tasmania does really well is enable commercial tourism businesses to actually live inside national parks—with a very small footprint. We have areas in north-east Victoria that are just ripe for these types of small-scale, eco-friendly, 5-star developments; they are certainly what the international market wants.... National parks, state parks, Mount Buffalo, those sorts of places — everyone thinks they are sacrosanct, and they still can be, but they can work with these kinds of developments. You just need to see the Cradle Mountain lodge and the Freycinet Lodge.71

7.53 The Committee notes that commercial operators have provided tourism infrastructure and services in National Parks in New Zealand for many years. Walking-based tourism is well developed there, with a range of products catering to visitors with varying needs, budgets and time resources. Traditional independent walkers, with their tents and backpacks, share multi-day trails with high paying customers who stay in roofed accommodation with hot showers and meals provided. This mix has been working in New Zealand for over 30 years.

70 Mr David Walsh, Manager, Kiewa View Accommodation, Mount Beauty, Public Hearing, Melbourne, 29 October 2007.
7.54 Business and Tourism Anglesea, was also concerned about what it perceives as a lack of support from public land managers.72 As part of a strategy to develop year-round tourism product in the Anglesea area, attracting a family market, Business and Tourism Anglesea has proposed construction of ‘a network of purpose built mountain bike trails which can be directly accessed from town’.73 Attempts to discuss the proposal with Parks Victoria have not been fruitful. Business and Tourism Anglesea representative, Mr Ari Lingham, rejected the suggestion that this might be due to environmental concerns. In response to a question from Committee Chair Mr Damian Drum MLC, he told the Committee:

> When you take into account that we are surrounded, as I mentioned, by national park and what I call the Anglesea Heath, which is a mining lease, it is absolutely crisscrossed with roads which are metres wide. You get a net gain of vegetation by putting the trails in and shutting down those wider roads, because what the mountain bikers want is a narrow track… so for every kilometre of 5-metre road you shut down, you can put in 5 kilometres of sustainable mountain bike trail.74

7.55 On the other hand, the Committee also heard of positive examples of government departments and authorities working with stakeholders to develop walking and mountain biking trails. Ms Kate Biglin, from Indigo Shire, told the Committee about a turn-around in the relationship between the Department of Sustainability and Environment and a bike user group in Beechworth—the Chain Gang—who have been developing mountain biking in that area. She said ‘They have actually had a turbulent relationship that has been completely turned around in the last six months and it is a great partnership now’.75 The Committee was pleased to hear of this example.

7.56 One area where there appears to be reluctance on the part of the Department of Sustainability and Environment to support development on Crown land, is in relation to coastal caravan parks. This is despite stated policy and programs designed ‘to improve the availability of caravan and camping sites on Crown land reserves, particularly on the Coast and in peak holiday periods’.76

7.57 In response to community concerns about access to coastal caravan and camping sites, the Minister for the Environment established a Caucus Reference Group on Caravan and Camping parks on Coastal Crown land, in 2004. The Reference Group was asked to advise on the supply of caravan parks along the Victorian coast, and particularly their

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72 Business and Tourism Anglesea Incorporated, Submission, Number 38, 1 June 2007; Mr Ari Lingham, President, Business and Tourism Anglesea (BATA) Inc., Public Hearing, Lorne, 6 March 2008.
73 Business and Tourism Anglesea Incorporated, Submission, Number 38, 1 June 2007, p.2.
74 Mr Ari Lingham, President, Business and Tourism Anglesea Incorporated, Public Hearing, Lorne, 6 March 2008.
75 Ms Kate Biglin, Manager of Tourism and Marketing, Indigo Shire Council, Public Hearing, Wodonga, 19 March 2008.
capacity and accessibility during peak periods. Recommendations in that report (see box below) call for expanded opportunities for caravan and camping sites on coastal Crown land.

7.58 Following the release of the Report, the Crown Land Caravan and Camping Park Project, and an associated grants program—the Crown Land Caravan and Camping Parks Improvement Program—were established. The Program received $4.8 million funding to be distributed over four years. While a large number of worthwhile projects, with a combined value of over $2 million, have been funded in the 2006-2007 and 2007-2008 rounds of the program, few if any, have resulted in any increase in the availability of sites in coastal areas. Most involve upgrades to existing facilities such as water and power connections, drainage works, renovated amenities blocks and camp kitchens.

7.59 The Committee received a submission, and took evidence at a public hearing, from the operators of the Cape Paterson Caravan Park, concerning a proposal to extend the park to create an additional 150 sites. Under the proposal, expansion of the park would be fully funded by the owners of the park if a parcel of Crown land adjacent to the existing park could be released and leased to them. Despite the consistency of the proposal with recommendations 4.3.1 and 4.3.2 of the Reference Group Report, the proposal has languished with no response for 18 months.

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### Caravan and Camping Parks on Coastal Crown Land

#### Recommendation 4.3.1
Opportunities for increased usage of existing coastal Crown land caravan and camping sites should be considered.

Priorities include:
- Identifying opportunities for summer-time peak expansion of existing facilities and development of new facilities in high-use locations, including the Bellarine Peninsula, the Surf Coast, the Great Ocean Road, South Gippsland, and East Gippsland.
- Developing camping opportunities as part of the establishment of an expanded Point Nepean National Park (dependent on Commonwealth land transfer).
- Identification of remote, limited-scale bush camping opportunities, predominantly in areas managed by Parks Victoria, to support walking opportunities.

**Lead agents:** DSE, Parks Victoria  
**Partners:** Park managers

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80 *Cape Patterson Caravan Park, Submission*, Number 15, 30 May 2007; Mr David Wilson, Owner, Cape Patterson Caravan Park, *Public Hearing*, Phillip Island, 2 April 2008.
Recommendation 4.3.2
Opportunities for additional caravan and camping parks on both Crown land and private land, on or near the coast, should be considered in consultation with the community.

*Lead agents*: DSE, park managers

Recommendation 4.4.1
Opportunities should be sought to improve the role of caravan and camping parks in regional tourism strategies and industries.

*Lead agents*: Tourism Victoria

*Partners*: Park managers, DSE

7.60 The Cape Paterson Caravan Park example leads the Committee to question how rigorous the Department of Sustainability and Environment has been in ensuring that the objective, of increasing availability of caravan and camping sites on Crown land reserves, is being implemented. Upgrading existing facilities such as amenity blocks—the type of projects predominantly funded to date through the Caravan and Camping Parks Improvement Program—does not improve availability of sites to deal with unmet demand. To do that, there is a need to release Crown land to increase the number of parks, or the size of existing parks.

7.61 The Committee therefore recommends that the Department of Sustainability and Environment, while continuing the Caravan and Camping Parks Improvement Program as a means of improving facilities in parks, also take a proactive stance in identifying sites where new parks can be established, or existing parks expanded.

**Recommendation 16**: That the State Government, in light of the current high level of unmet demand for caravan and camping sites in coastal regions (exacerbated by the sale of private caravan parks for redevelopment), facilitate the establishment of additional caravan parks on suitable areas of Crown land. The Committee recommends that the Government establish a task force whose express goal is to identify potential sites for expansion of existing parks and establishment of new parks.

This would be in line with the recommendations of the Caucus Reference Group on Caravan and Camping Parks.

7.62 Other impediments that were raised in submissions and at public hearings included the length and cost of licenses for operators utilising Crown land, and the length of Crown land leases.

7.63 Mr Nicholas Hunt, Chief Executive of Tourism Alliance, explained to the Committee the difficulties created by three year terms for operator licenses: firstly, the lead time for marketing a nature-based tourism product in the international market can be up to three years, and secondly, bank loans can be difficult to access over such time frames.\(^{82}\)

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\(^{82}\) Mr Nicholas Hunt, Chief Executive, Tourism Alliance Victoria, *Public Hearing*, Melbourne, 4 June 2007.
Ms Jacqueline Blackwood, also from Tourism Alliance, agreed, suggesting to the Committee that longer licenses are necessary to provide security and incentive for businesses to invest in infrastructure.  

7.64 The length of Crown land leases was seen as an even bigger impediment to private investment in tourism infrastructure. Victorian Tourism Industry Council Chief Executive, Mr Wayne Kayler-Thomson, put forward to the Committee, the view that:

*We need lease conditions of between 50 and 100 years to attract the sort of investment levels that I am talking about. [However], this does not mean we need to put those investments into national parks. We have the advantage of a lot of public land and waterways that are close to national parks, that look exactly the same as national parks and that provide opportunity for us to promote investment.*

Likewise, Mr Damien Adams, from Rutherglen Wine Experience said, ‘if I cannot get a 50-year lease and I have all these restrictions, I am not going to set my business up. Tell me I can though, and open up the parameters, and I am investing’.  

7.65 Another problem related to the length of Crown land leases is the disincentives for lessees to invest in their businesses in the last few years of a lease. Mr Peter Abbott discussed this problem in relation to rejuvenation of the Flagstaff Hill Maritime Precinct as did Mr Lynn Oaten from the Victorian Caravan Parks Association. Mr Oaten outlined to the Committee a number of issues that the Caravan Parks Association have been working through with the Department of Sustainability and the Environment:

*There have been a number of consultants working with DSE on how to handle the renewal of leases of crown land parks.... At this stage, I do not think that DSE can put their heads around what they need to do in order to ensure that an incumbent has a good crack at a new lease, and that there are incentives in place for them to disclose all of their documentation to ensure that the park does not go into decline in the latter period of the lease.*

*To put it briefly, a park can be raped. It will start off as a two-star, with a well-meaning operator, they will build it up to four-star, they will get down to the last few years of the lease, get no satisfaction through their local committees of management or DSE and have no choice but to stop investing in the park, take out and sell the assets that belong to them—even to the point of not taking forward bookings. Something really needs to be done there for the betterment of the industry.*

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The need to provide a more supportive framework for the development of tourism infrastructure on public land is recognised by the Victorian Government in recent strategy and planning documents. For instance, the lack of iconic or flagship walks in Victoria, with high quality roofed accommodation, is noted as a weakness in the *Victorian Trails Strategy 2005-2010*, and in *Victoria’s Nature-Based Tourism Strategy Draft Plan 2007-2011*. The latter document was jointly produced by Parks Victoria, Tourism Victoria and the Department of Sustainability and Environment, and released in 2007. It notes that in failing to provide high-yield roofed accommodation walks and high profile nature-based accommodation in National Parks, Victoria is falling behind competing destinations, including Tasmania, Western Australia and New Zealand.

**Tourism Victoria, Nature Based Tourism Strategy:**

**DIRECTION 1 – Creating supportive frameworks and partnerships**

**Priority 1**

1. Create an enabling policy framework for nature-base tourism (NBT), including:
   1a. Review current policies to better enable the development of appropriate tourism facilities including accommodation in or adjacent to national parks and on other public land
   1b. Clarify acceptable and preferred public-private partnerships in natural areas. This will better enable public-private partnerships on public land
   1c. Consider options for limited / exclusive commercial access and guidelines for competitive allocation of leases and licences

3. Create a sustainable investment model for private investment into public land NBT infrastructure, including:
   * Increase tenure that provides for longer lease terms of up to 65 years that matches tenure to return on investment and the values of public land asset for public lands managed under the Forests Act 1958 and Crown Land (Reserves) Act 1978
   * Maintain existing mechanisms for site-specific legislation to facilitate proposed NBT developments beyond current lease terms for public lands managed under the National Parks Act 1975

   NOTE: That the granting of tenure and the length of tenure will continue to be based on a case-by-case basis against robust approval processes and performance obligations.

5. Increase maximum licence terms for tour operators on public land to ten years

7. Produce investment guidelines for NBT

8. Create an investor-ready portfolio of NBT infrastructure investment opportunities on public and private land

9. Identify and establish a ‘Land Bank’ of sites for NBT infrastructure in Victoria’s forests.
7.67 Problems with the length of tour operator licenses and Crown land leases are also addressed in Victoria’s Nature-Based Tourism Strategy Draft Plan 2007-2011. The Committee is pleased to see that the maximum length of operator licenses has already been extended to ten years. The Committee also, in the main, supports Strategic Direction 1 —Creating supportive frameworks and partnerships—as mapped out and described on pages 36-41 of the Draft Plan. The Committee encourages the State Government, when producing a Final Nature-Based Tourism Strategy Plan for implementation, to consider the length of leases on Crown Land in other jurisdictions (see excerpt, above) compared to Victoria. In light of practice in other jurisdictions, the Government may want to change suggested periods of tenure in Sections 3 and 5 below. A summary of Action items 1, 3, 5, 7, 8, and 9, listed on pages 42-43 of the Draft Plan is reproduced above.

**Recommendation 17:** That the Government in producing a Nature-Based Tourism Strategy FINAL Plan 2007-2011, for implementation, and in light of practice in other jurisdictions, consider increasing the duration of leases on Crown land in Victoria. This valuable Strategy should be finalised and implemented as a matter of urgency.

### Impediments to investment on private land

7.68 The biggest impediments to investment in tourism infrastructure on private land related to aspects of the regulatory and planning framework within which developments occur. Two related issues arose. Firstly, delays in processing planning applications, and secondly, restrictive regulations that have come into force with recent changes to Victoria Planning schemes.

7.69 A submission from the Tourism & Transport Forum, suggested that investment risks are compounded by delays and increased costs associated with obtaining development approval. They therefore recommend that:

> State and local Government should be developing strategies which commit to support activities in particular locations and provide a framework by which this support may be translated to investment opportunities e.g. approval processes, destination marketing, access arrangements etc.

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90 Ibid, p. 38.
91 See Table on page 115.
92 Tourism & Transport Forum, Submission, Number 43, 1 June 2007.
**Table 2: Victoria’s public land policy and legislative framework**

<table>
<thead>
<tr>
<th>Public land</th>
<th>% of base</th>
<th>Visitor no.</th>
<th>Acts and objectives</th>
<th>Leasing provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Protected areas</strong></td>
<td>46%</td>
<td>11%</td>
<td>National Parks Act 1975 to preserve, protect and responsibly manage the natural condition of the land, Indigenous flora and fauna and cultural features as well as public access for the study of ecology, geology, botany, zoology and other sciences relating to the conservation of the natural environment.</td>
<td>The Minister for Environment may grant a lease for: (a) a period of up to 20 years for se as a kiosk, café or store or for scientific research or for a ski tow (b) a period of up to seven years for a camping ground or building in the park (c) specific leasing provisions apply for: • Wilsons Prom lighthouse (s29A – 21 years) • Cape Otway Lighthouse (s29B – 21 years) • Mt Buffalo (s31AA – 21 years) • O’Shannassy Lodge (s31AB – 21 years) • Arthur’s Seat Chairlift (s32CA – 20 years)</td>
</tr>
<tr>
<td>40 national parks, 27 state parks, 3 wilderness parks, 24 marine national parks and sanctuaries, and other protected area reserves.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>State forests</strong></td>
<td>43%</td>
<td>3%</td>
<td>Forest Act 1958 to manage for multiple use including sustainable timber harvesting, resource extraction, conservation, water production, and a range of tourism and recreation uses.</td>
<td>The maximum lease terms available under the Forests Act vary from 21 to 75 years. Most leases under the Forests Act are restricted to a maximum term of 21 years.</td>
</tr>
<tr>
<td><strong>Alpine resorts</strong></td>
<td>1.3%</td>
<td>1%</td>
<td>Alpine Resorts (Management) Act 1997 to manage Victoria’s six alpine resorts.</td>
<td>Board, with approval of the Minister for Environment, can lease up to 50 years.</td>
</tr>
<tr>
<td><strong>Coastal foreshore reserves</strong></td>
<td>1%</td>
<td>70%</td>
<td>Coastal Management Act 1995 to protect coastal values, facilitate public access to and along the coast and allow for appropriate use and development along the coast.</td>
<td>There are nine separate leasing provisions under the Crown Land (Reserves) Act. Most leases are restricted to a maximum term of 21 years.</td>
</tr>
<tr>
<td><strong>Unreserved Crown land</strong></td>
<td>6.5%</td>
<td>n/a</td>
<td>Land Act 1978 relates to the sale and occupation of Crown lands.</td>
<td>Leases may be issued for up to 21 years for any purpose, up to 50 years for commercial or industrial purpose, and up to 99 years for buildings of a substantial nature (either existing or erected under the lease) for commercial or industrial purpose.</td>
</tr>
</tbody>
</table>

This table does not include metropolitan parks and some classes of reserved Crown land, such as Mechanic’s Institutes, cemeteries and schools.

Source: Sustainable Recreation and Tourism on Victoria’s Public Land Policy and National Parks Act Annual Report 2006

<table>
<thead>
<tr>
<th>Victoria</th>
<th>New Zealand</th>
<th>Parks Australia</th>
<th>Tasmania</th>
<th>Western Australia</th>
<th>South Australia</th>
<th>Queensland</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 years*</td>
<td>No maximum</td>
<td>No maximum</td>
<td>99 years</td>
<td>42 years (21 + 21)</td>
<td>No maximum</td>
<td>99 years</td>
</tr>
</tbody>
</table>

* While there is provision for longer lease terms in other jurisdictions, they are usually on a case-by-case basis, are subject to specific criteria and have to be consistent with the management plan for the area.

In their submission to the Inquiry, Tourism Alliance Victoria, made a similar point, suggesting there is a need to ‘prioritise key infrastructure developments in rural and regional areas’, and to ‘encourage proactive land management practices’ in relation to these. Tourism Alliance stresses in their submission, that they are not promoting ‘rampant development at any cost’. The improved and streamlined planning processes they propose are designed ‘to encourage a focus on long term sustainable development’ through providing ‘greater certainty and consistency for investors’.

The difficulty of dealing with multiple government bodies and authorities in relation to planning regulations was another problem that was raised in submissions and at public hearings. This was particularly the case in border regions, where it was sometimes the case that two State Governments were involved. But it was also a problem in coastal areas where various authorities are responsible for different aspects of regulation.

A submission from the Shire of Campaspe argued that ‘the variety of bodies controlling land and dictating land-use’ is a problem for tourism development in the Shire. Land use and planning requirements are administered by three levels of government, and being on the border, two state governments are involved. Mr Frank Ryan, Manager of the Port of Echuca, described to the Committee the amusing but annoying situation in relation to the port:

*Half the wharf is in New South Wales and half in Victoria…. it is now on the national heritage list so if we want to do anything we need federal government approval, we need a development application approval from the Murray shire and we need a planning permit from the Campaspe shire. To do things on the wharf of a major structural change is difficult.*

Problems created by recent rezoning of rural land under the Victorian Planning Provisions were raised frequently, leading to calls for a review of the changes. The issue was raised by a number Shire Councils including the Wellington Shire council, the Baw Baw Shire Council, Murrindindi Shire Council, and the Surf Coast Shire. Local councils are responsible for administering planning schemes, and they described the difficulties that have been created by the rezoning, and the way in which it has been introduced.

A submission from the Surf Coast Shire explains that when recent changes were made to the zoning of rural land, a range of tourism related uses that had previously been accepted, were now disallowed. In many cases, including in the Surf Coast Shire, all land in the former Rural zone was directly translated into either the new Farming zone or...
the Environmental zone, both of which ‘only allow limited tourism based uses and limit tourist cabins to six on a site and must be in conjunction with agriculture, winery or rural industry’. Although councils, including the Surf Coast Shire Council, were encouraged to undertake a review of the zones, with a view to exploring opportunities for applying the new Rural Activity zone, this process has been time consuming and expensive for local government and has created major obstacles to tourism businesses caught up in the changeover process. The Surf Coast Shire submission claims:

*Even in the event the areas nominated are agreed with, it will still be another year or two before they are likely to be implemented in the Planning Scheme. The above is a good example of how the new rural zones have impacted on tourism potential with a number of proposals (tourism parks, breweries) not able to seek planning permits under the current zones. It also highlights the resources, time and effort involved in strategically justifying the only zone that will allow flexible tourism opportunities (Rural Activity Zone).*

**Case Study 5: Chris and Carol Tutungi, Lorne**

Chris and Carol Tutungi established Lorne Bush House Cottages in 1996 and have lived on their property for thirty years. Their five cottages are located approximately ten minutes from Lorne on the Colac-Deans Marsh Road, in beautiful Otways bushland and have easy access to walking and mountain biking tracks, beaches and the township of Lorne.

Chris is involved in the local community and was a member of the Surf Coast Housing Policy Project Committee in 2001, and Deputy Chair of the Lorne Business and Tourism Association.

For Chris and Carol the main impediment currently holding them back from growing their business is planning difficulties. They say that the new rural conservation zone regulations implemented in Victoria in 2006 have had what are probably unintended consequences on tourism businesses. These consequences, Chris says are ‘at odds with the government’s stated policies on planning, tourism and equity for all Victorians’.

Chris says that tourism businesses like theirs don’t properly fit into either the rural conservation zone (which is the classification their business has been shifted to) or the farming zone. He describes the effect of the shift on their business as dramatic:

*Our tourism accommodation business is consistent with the Lome strategy plan, the Great Ocean Road strategy, the Victorian Coastal Strategy and state tourism policy. We provide nature-based accommodation for tourists from Australia and overseas. Our guests enjoy visiting the area and experiencing what the Otways have to offer: walks, waterfalls, mountain biking et cetera, as well as the beautiful ocean and beaches.*

*Under the previous environmental rural zone schedule, we were permitted to provide unlimited tourist accommodation with a permit. Now we are prohibited to do so unless it is in conjunction with agriculture, a rural industry or a winery and even then only up to a maximum of six dwellings. The rural conservation zone seems in fact to be inconsistent with your government’s stated policies and strategies which state their aim is to encourage and facilitate more high-quality accommodation*
including nature-based accommodation in key towns’. That is in the Great Ocean Road strategy at page 36. Surely Lorne is a key town on the Great Ocean Road.

Chris points out the difficulty of fitting into the new zone and of developing a tourism business within its parameters:

Our property cannot and never has supported agriculture, a rural industry or winery. It is impossible to do so as the land is agriculturally unproductive and unsuitable for such uses.

There are six accommodation businesses and one arts and cultural centre in the Lorne hinterland that will not be able to develop further due to the fact that they are now included in these new zones. None of these businesses are based around agriculture, rural industry or wine, but nonetheless they contribute significantly to the social and economic wellbeing of the community and tourism benefits for the region and the State.

Because of the prohibition on growth imposed by the new zones many businesses in the Lorne hinterland will not be able to develop further. Because Lorne is a recognised tourism town Chris and Carol believe that the zoning is inappropriate for their situation and that of other tourism businesses in the region, and is an impediment to growth of tourism in the area.

7.75 Skills shortages in the planning field exacerbate the problems faced by local councils that are trying to deal with the impact of the new farming zones. Cr James Norris, the Mayor of Mount Alexander Shire, said:

There is currently a strong reliance on local government planning and funding for regional infrastructure development. We are suffering a skills shortage in our planning area. We are suffering a shortage of funds to do the appropriate planning. We need that work as well at that level, as well as in the tourism area, to pull the whole thing together to be able to attract those players into the area. That is a key item. 100

Ms Stephanie Symes, Economic Planner for the Bass Coast Shire Council painted a similar picture, adding that in addition to a shortage of planning officers across the state, funding is a huge problem. 101

Emphasising this point she added:

Our council could spend its entire budget on planning without any problem whatsoever. This is where it becomes an issue. The number of applications that we have, the complexity of the applications, the number that go to VCAT, plus doing a whole stack of strategic work, it is a huge cost. That is an issue. The issue for us is largely that it is taking so long before we can do this transition to rural activity zone. 102

7.76 Clearly, the wholesale translation of previously zoned rural land into the new Farming Zone category, has created problems for the local government planners who have to administer the changes. However, the Committee found that it has also impacted in a major way on the lives, and livelihood, of a number of operators who have been caught up in the changeover. Case Studies 5 (above) and 6 (below) describe the experiences of Chris and Carol Tutungi, the owners of Lorne Bush
House Cottages and of Ms Cheryl Hammer, the owner of Woodlands Estate Lavender Farm.

7.77 Mr Geoff Moed, the owner of two tourism businesses on Phillip Island, A Maze N' Things and the Chocolate Factory has also experienced setbacks and frustration due to zoning changes. As Mr Moed explained to the Committee:

Overnight my property, which had been operating as a tourist destination for over 40 years, went from a rural zoned, operating business, to a farm. Even though I still had existing-rights usage, no successful business stays the same as what it is; it always evolves, it always develops. As soon as you start developing outside your existing-rights usages, you run into problems.

From that perspective the value of my property dropped by half a million dollars virtually overnight, because a whole lot of things that I could not do made borrowing for future extensions more difficult…. A prime example is that I was not allowed to build a retail area. The stupidity still hurts me….

These are issues because right at the start people did not say, ‘If we change all these zonings, who is it going to affect and how is it going to affect them?’ At A Maze N’ Things a number of our neighbours all had the same problem. There is a school, there is a camp, a motel. We kicked up as much noise as we could. Wheels were put into motion for that immediate area to be rezoned, but at this current moment in time, I am still a farmer. The chocolate factory over the road looks like it will stay a farm for I do not know how many more years.\textsuperscript{103}

7.78 In answer to a question from Committee Chair Mr Damian Drum MLC, Mr Moed told the Committee that he had spent thousands of dollars trying to generate publicity to fight for a reasonable resolution to the problems generated by implementation of the wholesale rezoning of rural land to the Farming Zone category.\textsuperscript{104}

\textsuperscript{103} Mr Geoff Moed, Owner and Managing Director, A Maze N’ Things, Public Hearing, Phillip Island, 2 April 2008.

\textsuperscript{104} Ibid.
Inquiry into Rural and Regional Tourism

Case Study 6: Cheryl Hammer, Shepparton

Cheryl Hammer, Shepparton-bred and a journalist for twenty-four years, has traveled and worked throughout Australia and overseas. She returned to the Shepparton area ten years ago with her husband to pursue a life on the land.

Cheryl owns and operates Woodlands Estate Lavender, which now has two locations—one property is five minutes from Shepparton, the other is at Cosgrove where she grows 8000 lavender plants. From the farms she runs accommodation, a retail business, and produces natural skin care and body products. The business has been open to the public for four years and specialises in providing an on-farm experience for large tour groups. Tourists love it.

Cheryl is active in her local community, as a member of Lifestyle Dookie—a women's group which actively promotes and supports her community to local residents and tourists, and as Vice President of Tourism Greater Shepparton.

Cheryl is firm in her view that planning issues present the most serious impediment to growing tourism businesses in regional areas:

I consider the present state government-imposed farming zone to be one of the biggest impediments to my tourism business... we have two lavender farms in two locations, both in the farming zone, with exactly the same operation, but our local council has seen fit to impose a restriction on us about using product from one farm at the other.

The outcome for Cheryl is that her business cannot grow further:

We have had to scale down what we want to do at our newest location in terms of business, what we can offer the tourist or the visitor to come on site and what we can do to grow the business.

The Orrvale property has recently been rezoned from ‘Rural’ to ‘Farming’, bringing with the change greater restrictions. Cheryl believes that the council’s planning department refuses to be flexible in implementing regulations concerning zones and that this has led to absurd outcomes. Cheryl is not able to use lavender oil produced at her Cosgrove farm in lavender products produced at Orrvale.

We consider this restriction to be absurd in the light of us being established farmers wanting to continue and grow our agricultural-based business. We believe we fulfil the requirement to relate the new business to growing and producing product from the same location, but do not understand why we cannot use our lavender oil from Cosgrove in lavender products at Orrvale.

It is an unrealistic restriction imposed on our business and our future as farmers in this area.

Cheryl’s story has a happy ending. Through active lobbying and a submission to the Victorian Government Planning Minister, Justin Madden MLC, she has had some success in convincing the local council to change some of the restrictive clauses to her permit—however she believes that her case highlights the experience of those in similar situations in her region.

For Cheryl the answer lies in flexibility on planning issues, both at state and local government level, and in ongoing communication and cooperation between businesses and government representatives.
7.79 The City of Geelong provides a good example of a council that has developed a strategy to deal with issues that have arisen from the translation of the rural zone to the Farm Zone and Rural Conservation Zone. Mr Terry Hickey provided evidence to the Committee, both about his concerns that planning issues are an impediment to the development of tourism and the Geelong Council’s response:

I believe we have actually been able to arrive at some workable amendments with the City of Greater Geelong’s strategic planning unit. We have been able to get to what I believe are sustainable business outcomes within the RCZ. So as long as they are passed as an amendment I think that there are ways that we can navigate it. When I first looked at it, it looked fairly hopeless, but with a strength of will and a combined approach we have been able to get what I believe are workable approaches that will be responsible towards the environment and also responsible towards business and development.

Ms DARVENIZA — Did you say you have been involved in drafting those?

Mr HICKEY — I have been consulted in that process and have been involved in meetings on that. It is more to do with the numbers as to what is a viable business but still does not impact greatly on the land.\(^{105}\)

7.80 The Committee is concerned about the implication of these changes for tourism businesses. A ‘blanket’ translation of the ‘rural land’ category into the new ‘Farming zone’ has failed to account for the changing needs of tourism businesses operating from properties now zoned as farms. As a matter of urgency, the Committee recommends that the State Government investigate the impact of the new Farming zone regime and its implementation, with a view to facilitating and speeding up the process of review and rezoning of Rural Activity zones.

**Key Recommendation 3:** That, as a matter of urgency, the State Government investigate the impact of current planning laws on the development of tourism infrastructure.

**Recommendation Action Points:**

In particular the Government must:

a. develop plans, with the assistance of Tourism Victoria, to ameliorate the effect of restrictions on tourism developments associated with the new farming and rural activity zones.

b. as an interim measure work closely with local councils to allow variations in the farm zoning regulations for tourism businesses.

c. work closely with local councils to streamline the planning process for the development of tourism accommodation and attractions.

\(^{105}\) Mr Terry Hickey, Deputy Executive Director, Geelong Otway Tourism, Public Hearing, 12 September 2007.
Conclusion

7.81 Both the State and Federal Governments are aware of the need for major spending on tourism infrastructure, including accommodation and attractions. A submission from the Federal Department of Industry, Tourism and Resources, suggested that:

*Without an increased level of investment, the tourism industry will not be in a position to meet forecast increases in visitor demand,* particularly from emerging markets such as China and India. Investment will be needed in a number of key areas including attractions and product development, accommodation, infrastructure, innovation and staff training.\(^{106}\)

Likewise, the Victorian Government’s submission to this Inquiry noted that:

*Across Australia, approximately $86 billion (2003-04 dollars) in total tourism investment will be required over the next 10 years for accommodation and attractions.*\(^{107}\)

To strengthen Victoria’s regional tourism economy, significant investment and product development in the sector needs to be facilitated.\(^{107}\)

7.82 The Committee endorses these views, and encourages the State Government to consider measures it can take to stimulate the needed investment.

\(^{106}\) Department of Industry, Tourism and Resources (Commonwealth), Submission, Number 76, 15 June 2007, (emphasis added).

\(^{107}\) Victorian Government, Submission, Number 74, 20 June 2007, (emphasis added).
Chapter Eight

Building Service Capacity in Country Victoria

Introduction

8.1 Tourism is fundamentally a service industry and high quality service is pivotal to its success. Transport networks to take visitors to rural and regional Victoria, attractions to entertain and educate them, restaurants, cafes, and wineries to feed and water them, and hotels, eco-lodges and B & Bs to accommodate them, are all essential to attracting tourists to a region. However, a vibrant tourism industry capable of providing the economic benefits that rural and regional Victoria needs also depends upon having the right people with the right skills to provide quality services in all these areas.

8.2 The tourism industry in rural and regional Victoria faces a number of challenges in this regard. Evidence collected by the Committee indicates that skilled labour in the hospitality and tourism sector is in short supply in many parts of country Victoria, and that skills and labour shortages are an impediment to the sustained growth of the industry. Many business operators who gave evidence to the Committee talked about the difficulties they face in recruiting and keeping trained staff. Evidence also highlighted the need for building service capacity among business owners as well as tourism staff employed by local government.

8.3 This chapter addresses these issues and looks at ways in which the service capacity of tourism businesses in rural and regional Victoria might be enhanced. The first part of the chapter looks at what visitors expect in relation to the tourism experience, and the role good service plays in that. Discussion then moves to the challenges facing the tourism industry in relation to recruiting and retaining quality staff and strategies that can be put in place to ameliorate skill shortages.
Strategies for developing the skills and capacity of operators and local government tourism staff are then addressed.

**What do visitors expect?**

8.4 Visitors judge the travel experience based on their prior expectations.\(^1\) The importance of understanding visitor expectations has been highlighted by governments and tourism organisations at all levels for two major reasons. First, it is a key contributor to tourist satisfaction, which is necessary for word-of-mouth advertising of destinations, and for promoting return visits.\(^2\) Second, meeting and exceeding tourist expectations is crucial to maintaining and increasing market share and tourism revenue.\(^3\) As a submission from Bendigo Tourism states: ‘Tourism sustainability relies on the success of the individual satisfaction of visitors—at the end of the tourism food chain; it is the consumer (or visitor) who is king!’\(^4\)

8.5 The Victorian Government’s submission to this Inquiry provides further support for the view that high quality service is increasingly expected by visitors. Meeting this expectation is essential to the development of a vibrant tourism industry in the State. It reads:

> Various studies have indicated that high visitor satisfaction leads to repeat visitation and often higher visitor expenditure. This will require industry to respond with a higher focus on innovation and service delivery, and must be reflected in the skills of the workforce.\(^5\)

8.6 Expectations vary, however, depending upon the particular market segment under consideration. For example, families, backpackers, and high-yield international visitors all have different needs and expectations. Good service quality, in particular, is highly sought after by tourists to Victorian alpine resorts, as many of them have visited overseas alpine destinations and demand a similar high quality experience. For example, there has been an increasing demand for all-inclusive deals with customised itineraries by these tourists.\(^6\)

8.7 According to research, domestic travellers tend to possess simpler expectations of an Australian holiday compared to international visitors.\(^7\) Research also shows that significant differences in expectations exist between international tourist groups, based on culture. Chinese tourists expect better tour guide services and have raised complaints about the existing guides’ lack of destination knowledge. Other visitors feel the

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level of their Australian tour guides’ courtesy and helpfulness falls below their expectations. Reports based on surveys of international visitors show that most demand more shopping time in the destination, but promoting visits to shops that pay commissions to tour operators has been a major cause of tourist frustration.\(^8\) Due to a lack of destination knowledge, Chinese tourists’ expectations of an Australian trip are vague or inaccurate. International tourists are the least happy with local transport and availability of travel packages.

8.8 The variation in visitor expectations, between international and domestic tourists, and between different international markets, leaves open the question of where tourism businesses should pitch their level of service. Dr Mary Hollick, from the University of Ballarat, told the Committee that she is ‘frequently asked by stakeholders across tourism, “What’s the benchmark? We’re just a small place.”’ Her answer is: ‘international best practice … because people can come from anywhere across the globe, via the Web or word of mouth, to any enterprise’.\(^9\)

8.9 Consistent with Dr Hollick’s position, the Victorian Government’s submission to this Inquiry suggests that by lifting service delivery and workforce skills, ‘Victoria has the potential to create a competitive advantage through visitor satisfaction’.\(^10\) Tourism Manager for the Bass Coast Shire Council, Mr Ken Hore, echoed this point, suggesting that with increased levels of skill among workers in tourism, ‘exceptional customer service’ could become a ‘point of difference’ offered by a maturing industry in Victoria.\(^11\) To achieve this point of difference, skills and labour shortages among employees, employers and managers in the tourism industry need to be addressed.

**Skills and labour shortages—tourism employees**

8.10 From across the State the Committee received evidence describing skills and labour shortages within the tourism industry. This evidence came from local shire councils, from regional and local tourism associations, peak industry bodies, education and training providers, and operators. Submissions from the State and Federal Governments also addressed labour and skills shortages, not only in the tourism industry but across the economy as a whole.

8.11 Most of the eighteen submissions received from local government councils mentioned skills and/or labour shortages as a problem. These views were reinforced by local government representatives at public hearings. For example, a submission from the Mornington Peninsula Shire listed industry skills shortages as one of a number of impediments to growth of the tourism industry, while one from the City of Bendigo

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talked about an ‘acute skills shortage in regional Victoria’. Summing up, from the perspective of local government, the Municipal Association of Victoria said, in their submission:

*The shortage of skilled workers in rural and regional Victoria is widely acknowledged and the tourism industry is no exception. Without the ability to recruit quality tourism industry workers including hospitality and events management staff the development of tourism will certainly be limited.*

8.12 The difficulty of recruiting and retaining enough qualified staff in rural and regional areas was also raised by operators from a range of tourism businesses, including restaurants, cafes, accommodation, activities and adventure businesses. Mr Michael Watson, from Mansfield Mountain Trail, talked about the problem of finding and retaining suitable employees, saying: ‘it is a constant problem and we just have to be on the ball and look far enough ahead to do our required recruiting’. Mr Laurie Blampied, General Manager of Buller Ski Lifts suggested that ‘hospitality employees have a very high churn rate no matter which workplace or which environment you work in’, while Ms Helen Sharpley, Executive Officer of North East Valley Food and Wine said:

*Staff are a major issue—an enormous issue…. I know with my experience at Falls Creek this season people have had enormous problems with staff… when the minister, Tim Holding, came to Pizzini we were saying that the biggest issue was, ‘How am I going to keep my staff because if I lose them, I am not going to get them back’. I think for this region in particular the quality of the staff really determines how well a business goes.*

8.13 Although it was recognised that skills shortages exist throughout the country, particular problems confront businesses in rural and regional areas. As Ms Jacqueline Blackwood from Tourism Alliance told the Committee: ‘Businesses in rural and regional areas experience greater skills shortages as well as labour shortages than in metropolitan areas’. This view was supported by Mr Wayne Kayler-Thomson from the Victorian Tourism Industry Council, as well as by many of the operators who provided evidence to the Inquiry. Motel owner and manager, Ms Maree Willis, pointed to the difficulties she has faced in trying to recruit a head chef to work in Horsham:

*In the past we have advertised for a head chef. In the regional area it is hard to get a really good head chef who would actually stay in the area for a length of time…. There is a problem, because people do not see regional Victoria or any region as where they

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13 Municipal Association of Victoria, *Submission*, Number 77, 8 June 2007.
16 Ms Helen Sharpley, Executive Officer, North East Valley Food and Wine, *Public Hearing*, Bright, 29 August 2007.
want to be; they want to be on the coast or they want to be in the city, so it is hard to attract people to come to town.  

8.14 While most concerns related to problems in attracting skilled employees, more general labour shortage issues also arose. As Mr Chris McClure from Horsham Rural City Council noted: ‘Even with cleaning staff, there is a shortage of cleaning staff probably right across the world’. Mr Hugh Koch, also from the Grampians region, agreed, noting that many rural areas, including his, lacked a pool of potential casual hospitality workers, such as university students, who might work part-time as waitresses or housekeeping staff. Ms Carlie Bell from the Campaspe Shire Council made a similar point about the difficulty of finding people to fill casual positions in the hospitality area, noting that young people ‘are perhaps going off to university or off to Melbourne’.

8.15 The acuteness of labour shortages in Victoria’s iconic tourism destinations was brought home to Committee members when, during the conduct of public hearings, they stayed overnight in one such destination. The young woman serving breakfast revealed that she could not answer questions about items on the menu because she did not usually wait tables. She had been redeployed from her housekeeping duties by the hotel manager when the usual waiting staff had failed to arrive for work.

8.16 A related issue that was raised with the Committee was the employment of volunteers. Most Visitor Information Centres use a mix of paid and volunteer workers to provide information to visitors. In Daylesford, the Committee was informed of the vital role volunteers play in staffing Visitor Information Centres:

> We have a level 2 accredited centre in Daylesford which has around 125,000 people a year go through…. We also have non-accredited centres at Clunes, Creswick and Trentham. They get around 5000 people a year going through them. All of those centres are run by volunteers and we work with over 150 volunteers. None of those centres could function without the excellent work of the volunteers.

Volunteers also often play an important role in relation to the organising and running of events.

8.17 While recognising the valuable contribution of volunteers, the Committee also heard that skills gaps are a problem in some areas. Mr Graham Parkes, from Grampians Marketing noted that reliance on volunteers can sometimes lead to visitor expectations not being met.

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20 Mr Chris McClure, Promotions Manager and Major Events Coordinator, Horsham Rural City Council, Public Hearing, Horsham, 24 October 2007.
22 Ms Carlie Bell, Tourism Development Officer, Campaspe Shire Council, Public Hearing, Echuca, 14 November 2007.
Given the sensory and, to some extent, technical aspects of culinary tourism, there is a need for tourism professionals and front-line staff to be given a broader appreciation of product elements,… It is sometimes quite pathetic observing a visitors centre volunteer describing the food and wine experiences in their local region…. They simply are not up to speed on the food and wine tourism experience. I would say that flows through to the tourism officers, the paid staff, as well. They need to be given specialist training.\textsuperscript{24}

The Manager of the Greater Shepparton Tourism Association, Ms Sharlene Putman, also spoke about the role of volunteer staff. She told the Committee about the heavy reliance on volunteers to staff Visitor Information Centres; the consequent need for training; and the shortage of funds at local government level to deliver such training.

Factors contributing to skill and labour shortages

8.18 Turning to the question of why labour and skills shortages exit, witnesses and submissions brought forward a number of issues. The first set of issues relate to features of the tourism industry that mean it is not the first choice for many workers. Second, destination factors such as housing and transport availability for workers, and the third set of concerns related to problems in the area of education and training for those in the tourism industry.

8.19 The pay and working conditions generally offered in the tourism industry were viewed as a disincentive to prospective employees, particularly given the current relatively low unemployment rates in Australia, and high wages paid in other sectors of the economy. For example, in relation to the problem of recruiting and retaining skilled employees (mechanics and electricians as well as hospitality workers) in the ski tourism industry, a submission from the Australian Ski Areas Association, suggested:

\textit{It is difficult to compete with remote region employers, such as mining companies, where year round employment is provided, often at higher rates of pay and with cheaper living costs.}\textsuperscript{25}

A submission from the Tourism & Transport Forum similarly argues that an ageing population will ‘lead to competition amongst industries for scarce labour and will drive up costs’ particularly ‘for labour-intensive industries such as tourism’.\textsuperscript{26} It also notes that, due to increased competition for scarce labour:

\textit{It will be increasingly difficult for tourism businesses to keep professional staff e.g. accountants, sales and marketing executives from choosing other industries where overall terms and conditions are better.}\textsuperscript{27}

8.20 Colac Otway Shire, in their submission, suggested that changes to workforce regulations that have reduced security of employment and

\textsuperscript{24} Mr Roger Permezel, Chair, Great Grape Touring Route, \textit{Public Hearing}, Daylesford, 28 June 2007.


\textsuperscript{27} Ibid.
removed penalty rates for weekend and night shifts have made the tourism industry less attractive to potential workers.\footnote{28} Mr Chris McClure linked the shortage of cleaning staff to low pay and a lack of recognition of the skills involved,\footnote{29} while Mr Geoff Scott, from the Alpine Shire Council saw security and continuity of employment as the biggest issue. He suggested that training young people to work in the industry was a ‘moot point if you cannot have jobs at the end of it’.\footnote{30}

8.21 A few witnesses talked about changes to Centrelink benefit eligibility (specifically, changed rules in relation to receiving the supporting parents benefit), impacting their ability to employ housekeeping staff. Recent changes require many beneficiaries to work more hours per week than were required under previous rules. This is something that, due to seasonal variations in demand, many operators cannot guarantee. Mr John Gleeson, Chair of the Ballarat Tourism Association explained the consequences for him and his colleagues in the Ballarat area:

> I was speaking to an operator on the weekend. He has tried and tried to get trainees on programs, and he just cannot give them enough hours, so they have to go somewhere else. I have had part-time housekeepers myself who have been with us for, say, three or four years, and because their circumstances have slightly altered they say, ‘I am sorry John, but I just have to go and get—I do not want to—but I need to go and get another job’.\footnote{31}

8.22 The perception—and in many cases, reality—that employment in the tourism industry does not offer the benefits of a career, was another factor cited by witnesses to explain the difficulty of attracting skilled staff. For example, Mr Graham Parkes, the Chair of Grampians Marketing, said a 'lack of recognition of tourism and hospitality as a dedicated career path has resulted in difficulties in attracting skilled labour to the industry'.\footnote{32} Likewise, Mr Gleeson noted that:

> the tourism industry in Ballarat, for young people, is regarded as a part-time job, something that they do while they are getting qualified, and it would be a smaller group of people who could see that they could forge a career in Ballarat in the tourism industry.\footnote{33}

8.23 Problems with recruitment and retention of staff were exacerbated in some areas by housing shortages and transport issues. Mr Noel Beare, from Hepburn Spa talked about staff from out of town doing ‘weekly battle with public transport issues’ and the limits this puts on his ability to source staff. ‘I am finding it very difficult to attract staff here if they do not have the transport, and also to keep staff in the long term’.\footnote{34}

\footnotesize{\begin{itemize}
\item \footnote{28} Colac Otway Shire, Submission, Number 80, 18 June 2007.
\item \footnote{29} Mr Chris McClure, Promotions Manager and Major Events Coordinator, Horsham Rural City Council, Public Hearing, Horsham, 24 October 2007.
\item \footnote{30} Mr Geoff Scott, Chairman, Alpine Regional Tourism, Alpine Shire Council, Public Hearing, Bright, 29 August 2007.
\item \footnote{31} Mr John Gleeson, Chair, Ballarat Tourism Association, Public Hearing, Ballarat, 12 December 2007; See also Mr Dennis O’Bryan, Owner, Big4 Swan Hill Pioneer City Tourist Park, Public Hearing, Swan Hill, 1 August 2007.
\item \footnote{32} Mr Graham Parkes, Chair, Grampians Marketing, Public Hearing, Dunkeld, 25 October 2007.
\item \footnote{33} Mr John Gleeson, Chair, Ballarat Tourism Association, Public Hearing, Ballarat, 12 December 2007.
\item \footnote{34} Mr Noel Beare, Manager, Hepburn Spa, Public Hearing, Daylesford, 28 June 2007.
\end{itemize}}
Housing was a problem in the Grampians regions as Ms Angie Lush told the Committee:

We have an issue in Halls Gap in that we do not have a large population base. Our residential base is quite small, and therefore attracting labour is really a problem for our industry. We find that it is very difficult to get high-quality staff to come, and to stay, particularly.... We have a problem in that we cannot get the labour force into Halls Gap because we do not have the accommodation to house them. We have a significant problem in actually housing our staff.35

Ms Dee Stewart, Chair of the Surf Coast Tourism Board mentioned similar problems around transport and housing affordability. Because of high housing costs, especially during the peak season, businesses in Lorne ‘struggle in trying to attract quality and skilled staff for our restaurants and especially for the large accommodation houses’.36 When staff are recruited from satellite towns in the surrounding area—as is increasingly the case—transportation becomes a barrier, leaving tourism businesses in the region in a very difficult position.37

8.24 A final area of concern in relation to skills and labour shortages relates to perceived inadequacies in the system of education and training for hospitality and tourism workers. The Tourism & Transport Forum, in their submission, quotes an Australian Financial Review article, which argued on the basis of Organization for Economic Cooperation and Development (OECD) data, that ‘Australia lags behind other industrialised nations in regard to education levels’.38

8.25 Funding shortfalls in the TAFE system, and the low priority placed on tourism and hospitality education and training by government, were seen as contributing factors in relation to skills and labour shortages by some of those who provided evidence to the Inquiry. A submission from the City of Greater Bendigo argues that TAFE is inadequately funded to provide tourism and hospitality training,39 while one from Grampians Marketing claims that ‘difficulties in attracting and retaining skilled hospitality staff’ were exacerbated by a ‘lack of regional training centres able to offer specialist training opportunities’.40

8.26 Mr Wayne Kayler-Thomson from the Victorian Tourism Industry Council and Mr Terry Hickey from Geelong Otway Tourism informed the Committee of the low priority rating accorded to tourism and hospitality training by the Victorian Government’s Office of Training and Tertiary Education.41 In his evidence to the Committee Mr Hickey said:

Other government policies that I find are creating concerns in relation to tourism include the education and training policy. The Office of Training and Tertiary Education has recently put tourism

36 Ms Dee Stewart, Chair, Surf Coast Tourism Board, Public Hearing, Geelong, 12 September 2007.
37 Ibid.
39 City of Greater Bendigo, Submission, Number 61, 1 June 2007.
and hospitality on a low priority list. That means that there will be less funding to deliver tourism and hospitality places in our tertiary institutions. I am confident that that will exacerbate an already identified skills shortage. We are talking about a skills shortage and I think that is a way to actually perpetuate it.  

A submission from William Angliss Institute of TAFE, expressed the same point, stating that they are:

> concerned that the hospitality and tourism training sectors are identified as a low priority funding area when our industry data indicates sustained and continued growth in the services skills sector across the state.  

8.27 The greater tendency for people trained locally to stay in regional areas was noted by a number of witnesses, including Mr Wayne Kayler-Thomson who suggested that 'you have got a better chance of keeping local people in their local community if they are trained locally and they have the support of the employers in that space'. Dr Clare Lade, who lectures in the School of Sport, Tourism and Hospitality Management at the Bendigo Campus of LaTrobe University, similarly noted the propensity of student in the LaTrobe tourism program to stay in the area after graduation. These views add strength to calls for more funding and stronger support for providing training in regional areas.

**The skill base of owners and industry managers**

8.28 As noted above, the problem of skills shortages affects the industry in a number of ways. The shortage of suitably trained people available for employment in tourism businesses, as discussed above, is one problem. However, skills gaps were also identified in relation to tourism operators, tourism and economic development staff in local government, and among staff and volunteers working in regional and local tourism organisations. Each of these areas are discussed below.

**Owner operators**

8.29 The Committee frequently heard about skills deficits among operators, particularly in small and mediums sized tourism businesses. One issue that was raised was the lack of experience of operators who have moved into the industry as part of a ‘lifestyle’ choice, without necessarily understanding what was required. A range of business and management skills were seen as lacking. A sample of the many comments from submissions and public hearings on this topic include:

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43 William Angliss Institute of TAFE, Submission, Number 79, 12 June 2007.


45 Dr Clare Lade, School of Sport, Tourism and Hospitality Management, LaTrobe University, *Public Hearing*, Bendigo, 27 June 2007.

46 A discussion of this issue can also be found in the Rural and Regional Services and Development Committees Final Report into *Retaining Young People in Rural and Regional Communities*, Parliament of Victoria, 2006.
reference to ‘unskilled and unprepared operators’;\textsuperscript{47} ‘an abundance of ‘part-time’ tourism business operators’ resulting in ‘poor service standards’;\textsuperscript{48} ‘unregistered… unprofessional, substandard and “cowboy” type accommodation and tourism service providers … can tarnish the image of regional tourism and be a great impediment’;\textsuperscript{49} ‘in some instances people are choosing to enter the tourism industry for a lifestyle choice, not necessarily a business choice’;\textsuperscript{50} and

\begin{quote}
They think it is a lovely life—you know, you are your own boss, you get to talk to different people all day, you get to meet different people and what have you. They are not necessarily fully aware of everything that needs to be done in this day and age to be able to run a successful business.\textsuperscript{51}
\end{quote}

8.30 The issue of ensuring that operators are sufficiently skilled does not just apply to newcomers to the industry. Dr Mary Hollick from the University of Ballarat, summed up for the Committee, the impact that poorly skilled operators can have on the tourism industry overall.

\begin{quote}
The impacts of poorly skilled owner-managers are significant. They find it difficult to make a profit, they do not quite know where to get help, they find it difficult to make use of any existing knowledge that is around, they find it difficult to interest and retain good staff, but worst of all, in tourism the barriers to exit are very high — they find it difficult to sell out.\textsuperscript{52}
\end{quote}

8.31 The changing face of business ‘in this day and age’, to use Samantha Magill’s expression, means that a whole range of new skills are required of tourism operators.\textsuperscript{53} The Committee heard many times over, the importance of operators being properly skilled in areas such as e-commerce; business planning; risk and people management skills; and cultural and environmental awareness.

8.32 The need to provide training in information technology and e-commerce skills was addressed by a number of witnesses and submissions. A submission from Tourism Alliance Victoria, called for e-commerce training for small business, as did one from Service Skills Victoria.\textsuperscript{54} A number of operators also mentioned the importance of operators being trained to use information technology effectively. Ms Samantha Magill, for example, listed the following areas where training could enhance the capacity of tourism business operators:

\begin{quote}
Even simple training in things like letter writing, for instance, or how to access and use the internet effectively—running your own computer reservation system, running your own accounting\end{quote}

\textsuperscript{47} City of Ballarat, \textit{Submission}, Number 17, 30 May 2007.  
\textsuperscript{49} Access Downunder — Abaco Australia, \textit{Submission}, Number 49, 1 June 2007.  
\textsuperscript{52} Dr Mary Hollick, Discipline Coordinator for eBusiness, Marketing and Tourism, University of Ballarat, \textit{Public Hearing}, Ballarat, 12 December 2007.  
8.33 Skills in the area of business management and planning were also highlighted in submissions and at public hearings. A submission from the Shire of Yarra Ranges drew attention to deficits in business management skills, particularly in the areas of financial and human resource management. Mildura Tourism emphasised the need for tourism businesses to develop risk management plans, to help them prepare for drought and other potential risks. A submission from Service Skills Victoria added ‘compliance’ to a list of training needs that it views as critical if micro to medium sized tourism businesses are to ‘remain sustainable and competitive’. Specific training in conservation management was recommended by the Heritage Council of Victoria for owners and managers of heritage places and objects.

8.34 The need for improved customer service skills was another topic raised in evidence to the Inquiry, and while it was suggested that the ability to provide service ‘with a smile’ may be partly a matter of having the right sort of personality, witnesses, and those providing submissions to the Inquiry saw a role for training in this area. Service Skills Victoria, for example, listed customer services in its list of training needs for owner operators.

8.35 Aspects of customer service that witnesses thought could be improved through training included knowledgeability about the area in which a business operates; awareness of features of the natural environment and cultural heritage in their area; being able to ‘tell stories’ and interpret these for visitors; and ability to provide culturally appropriate service to meet the needs and expectations of visitors from emerging Asian markets. In relation to operators being knowledgeable about their own local area, Ms LaVergne Lehmann of Pomponderoo Bush Retreat told the Committee: ‘understanding what is in your own area’ is important. ‘The worst thing that can happen to tourists is that they are given bad advice about where to go’.

8.36 Ms Lex Chalmers, from the Western Coastal Board, elaborated on the value of training operators to raise awareness of environmental issues:

\[\text{Treatment operators, who are there because they are engaged by the environment that they are in, whatever it is, are well placed to add value to operations and raise awareness of sustainability issues at destinations, particularly environmental issues, and}\]

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56 Shire of Yarra Ranges, Submission, Number 100, 19 July 2007.
58 Service Skills Victoria, Submission, Number 71, 7 June 2007.
59 Heritage Council of Victoria, Submission, Number 102, 23 July 2007.
60 See for example, Mr Hugh Koch, Tourism Manager, Southern Grampians Shire Council, Public Hearing, Dunkeld, 25 October 2007.
61 Service Skills Victoria, Submission, Number 71, 7 June 2007.
would benefit from a capacity-building program to add to the positive elements of the visitor experience.64

8.37 The need for training to assist operators to provide appropriate service for visitors from key emerging markets was raised by Mr Darren Chirgwin. He asked, ‘Do our operators understand and respect the cultural differences that we are going to have to deal with when these people come to our region?’ suggesting that training was important to ensure that they would.65

8.38 Related to the lack of experience and limited skills of many operators was the prevalence of operators who are not connected to local tourism networks and organisations. Mr Wayne Kayler-Thomson, from the Victorian Tourism Industry Council expressed the following view to the Committee:

We also find with tourism that business participation in the industry is low. That is a factor for the industry to address, but businesses could be further encouraged to participate in their local and regional tourism organisations and the industry organisation so they can gain the benefit of the various programs that are available to them.

By not participating in local and regional tourism organisations, these operators not only miss out on professional development opportunities, they also leave ‘too few contributors to continually support the industry’.66 A lack of ‘programs to identify, engage and nurture industry leaders’ was seen as another element of the problem.67 The question also arises about the quality of tourism organisations and whether operators find participation valuable.

Local government staff

8.39 Skills gaps were also identified at the level of local government, among both councillors and employed tourism managers. Raising this issue with the Committee, Dr Mary Hollick suggested that local government ‘is the key player in regional tourism’, but that ‘the skill base is patchy and inconsistent’. She noted a lack of awareness at local government level of research information and materials (such as the Motel Makeover Guide published by the CRC for Sustainable Tourism) that are available to improve tourism offerings.68 Ms Lex Chalmers from the Western Coastal Board told the Committee: ‘Local government and other tourism organisations experience difficulty in retaining skilled staff and this requires dedicated capacity building’.69 A submission from the Municipal Association of Victoria made a similar point, stating that:

In the same way that well-trained and motivated council staff can promote and enhance tourism, untrained or under-resourced...
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councils can themselves stand in the way of sustainable growth of regional tourism. 70

8.40 A number of specific suggestions for capacity building programs were made by the Municipal Association of Victoria, in their submission to the Inquiry. These included: Development of skills in attracting investment ‘to ensure council economic development units can identify tourism opportunities and put together proposals that do their ideas justice’; skills in event management, which are ‘crucial for councils to help them to realise their potential or recognise opportunities to host events’; and skills in accessing grants and assistance programs. 71 Many assistance programs are available at both state and federal level, but council staff need to know what they can apply for, and how to go about doing so. The need for capacity building in the areas of destination management planning, including risk management and planning for environmental sustainability, were also raised by witnesses and in submissions. 72

Regional and local tourism organisations

8.41 A final area where high level skills were seen as essential but in some cases wanting, was within local and regional tourism organisations. Most of these organisations, as pointed out by Mr Nicholas Hunt, Chief Executive of Tourism Alliance Victoria, are run by volunteers from the industry. As he told the Committee:

All of those groups in regional Victoria—there are thirty-eight regional tourism organisations and 140-plus local tourism associations—are run by volunteers. They are all people that come there at 6 o’clock for the meeting at the end of the day, and they are all thinking about other things and they are trying to get on with their business. 73

Tourism Alliance Victoria supports a move towards skills based, rather than representation based membership of Regional Tourism Organisations and Local Tourism Associations. As Mr Hunt explained, capacity building is necessary to achieve this:

It is about shifting those to a skills base, but a skills base where they are not removed from the stakeholders so they are actually there working for the participants that are there. In doing that you have to ensure that you have got skills-based people who not only know what they are doing but also understand about running it as essentially a voluntary group. Giving them the skills and capacity to actually manage that business is a key part of that.

8.42 The importance of increasing volunteer skills within industry organisation was also addressed by Ms Angie Lush from the Northern Grampians Shire Council. She advocated mentoring programs to facilitate industry leadership:

70 Municipal Association of Victoria, Submission, Number 77, 8 June 2007.
71 Ibid, pp. 7, 9, 11. See also Sustainable tourism CRC – Southern Cross University, Submission, Number 62, 1 June 2007.
72 Ms Lex Chalmers, Board Member, Western Coastal Board, Public Hearing, Geelong, 12 September 2007; Sustainable tourism CRC – Southern Cross University, Submission, Number 62, 1 June 2007.
73 Mr Nicholas Hunt, Chief Executive, Tourism Alliance Victoria, Public Hearing, 4 June 2007.
The leadership itself, from the industry, to drive our local tourist organisations could do with some greater assistance in terms of a mentoring or a leadership program. It is very difficult to engage in delivering that, I understand. But there are a lot of people out there who are willing to provide some service to the tourism industry through volunteering but feel reluctant to do so because they do not have the skills.\textsuperscript{74}

**Addressing skills and capacity gaps**

8.43 Throughout the Inquiry, a range of evidence was collected suggesting how problems identified in the first half of this chapter might be overcome, or at least ameliorated. Ideas included improving the quality of, and access to, education and training for hospitality and tourism jobs. The Committee also heard about strategies used by successful tourism businesses to reduce staff turnover and create highly skilled teams. A number of suggestions were also made in relation to building the capacity of tourism operators and local government staff in relation to a range of business and leadership skills. These ideas, and recommendations that have grown out of them, are discussed below.

**Education and training of tourism and hospitality workers**

8.44 Increasing access to education and training for hospitality and tourism workers, and improving the quality of that training—particularly in rural and regional areas—was a key issue for many witnesses. This would require raising the priority of tourism and hospitality training; involving the industry more directly in training; and developing innovative approaches to training.

8.45 As noted above, many witnesses believed that in order to attract young people into the tourism industry; to improve motivation, retention and skill levels, it was important that working in the industry was viewed as a profession, not just a job. Career paths need to be developed and supported.\textsuperscript{75} The provision of high quality training and education is an essential component of this shift in perception and reality. Mr Chris Malden, from Daylesford Getaways explained the importance of training and the development of professionalism in the industry:

> I certainly see it as a genuine need, whether that is actually from someone working on the front desk of a hotel if you are a receptionist or you are in customer service, but I think those positions and those roles all need to be refined. If they are given some sort of credibility, they go through all the appropriate training processes in that business and then through schooling … you will have people actually taking it as a serious job.... Formalising those skills I think will give people a little bit more pride in their position and what they do.\textsuperscript{76}

\textsuperscript{74} Ms Angelique Lush, Business and Tourism Development Manager, Northern Grampians Shire Council, Public Hearing, Dunkeld, 25 October 2007.

\textsuperscript{75} Ms Jacqueline Blackwood, Information and Research Analyst, Tourism Alliance Victoria, Public Hearing, Melbourne, 4 June 2007.

\textsuperscript{76} Mr Chris Malden, Owner Operator, Daylesford Getaways and Peppers Springs Retreat, Public Hearing, Daylesford, 28 June 2007.
8.46 There was widespread support for offering tourism related training within schools. A submission from the Shire of Yarra Ranges, notes that the demand for casual labour in the tourism industry means that many young people are employed in the industry, some who are still at school. Providing training, such as Vocational Education and Training subjects in schools would equip them with the skills necessary to work in the industry.\textsuperscript{77}

8.47 The Committee heard a number of positive accounts of places where regional TAFE colleges and schools were working well with the industry to provide training opportunities. In Ballarat, the Committee heard that initiatives ‘like the VCAL [Victorian Certificate of Applied Learning] program in secondary colleges have been a great improvement’.\textsuperscript{78} In Mansfield, Mr Watson, who operates a horse trail riding business, told the Committee about working with the local secondary college to train staff. Trainees who work for him complete courses through the college’s Victorian Certificate of Applied Learning program, achieving nationally recognised qualifications.\textsuperscript{79} Similarly, Mr Laurie Blampied, General Manager of Buller Ski Lifts, told the Committee that around thirty students from the Victorian Certificate of Applied Learning program at Mansfield Secondary College, were training for roles in the ski industry, including retail, ski hire and ski school. He sees the program as having been particularly successful, not only in terms of meeting labour demands at Mount Buller, but as giving young people from the area, ‘more reason to stay in our region, so that they do not all have to go to Melbourne to do this study or work’. \textsuperscript{80}

8.48 While, as noted above, there were calls for greater funding for TAFE to provide tourism and hospitality training, there are also examples from the evidence, where TAFE is seen to be working well, and where positive collaboration between TAFE colleges and the local tourism industry are occurring. For example, the Committee heard from Ms Dani Harvey about working with TAFE to raise the profile of the tourism industry and tourism careers in Mildura.

\textit{We are trying to profile the industry as an industry to choose as a career. We profile the TAFE programs in any of our PR. We have a monthly newsletter that we send out to the community through the local newspaper and we profile the initiatives it has with hospitality and tourism, just trying to raise that profile among the locals, that there is a career choice for the kids here.}\textsuperscript{81}

8.49 The importance of industry involvement in training and education was emphasised by many submissions and witnesses. Restaurateur, Mr Dean Oberin, provided the Committee with a good example of industry collaborating with local education providers to enhance hospitality training in the Echuca area. He told the Committee:

\begin{flushright}
\textsuperscript{78} Mr Victor Szwed, CEO Hepburn Shire, Member Committee for Ballarat, \textit{Public Hearing}, Ballarat, 12 December 2007.
\textsuperscript{79} Mr Michael Watson, Member Mansfield Shire Tourism Advisory Committee and Owner, Watson’s Mountain Trail, \textit{Public Hearing}, Mansfield, 30 August 2007.
\textsuperscript{80} Mr Laurie Blampied, General Manager, Buller Ski Lifts, \textit{Public Hearing}, Mansfield, 30 August 2007.
\end{flushright}
At the local TAFE college we had a program last year because we could not get any kids interested in the industry. It could not get anyone to teach front of house, so I donated my front-of-house manager to do service front of house in their local cafe/restaurant on a Wednesday night, and then got the kids in to work for us on a 3-hour basis so they had industry experience. It worked well.82

8.50 Greater industry involvement in training and education could also lead to more cooperative and collaborative approaches to training workers, with spin-offs in relation to career development, and hence retention of highly trained and skilled workers in the industry. Mr Darren Chirgwin of Otways Tourism suggested:

I think one of those issues is that we need to start giving our young people coming through, an opportunity to move around the different product in the region, so that they can work at different levels; they can work in a hotel, they can work at an attraction, they can work at a B and B; so they can see a few different areas of how the industry operates.... I think that is where we need to go with our training, to start broadening people’s skills in different areas of the industry so we are not all just focused on doing one particular job. 83

8.51 There was also some support for the idea of specialised tourism and hospitality colleges, supported through partnerships between industry and government. Mr Wayne Kayler-Thomson mentioned the possibility of a specialist Wellness College, which would teach massage and alternative therapies, being established in Daylesford. He suggested to the Committee that such a college could be:

supported by the industry and supported by perhaps local government and state government to establish a competitive advantage. That would then ensure that the businesses in that area that require the staff have ready access to them, because they are being trained in the local area.84

The possibility of a specialist college being located in Daylesford was also addressed by Mr Chris Malden, who suggested:

It happens in Europe. We send people to Switzerland to learn hospitality skills. Why do we need to do it when we have 14 very good, fine quality restaurants in Daylesford itself, let alone Hepburn Springs and the rest of the surrounding regions.85

8.52 The Queenstown Resort College in New Zealand is an example of a training college of international standing in a regional location. The College has been successful in training international and local students for the tourism and hospitality industry. Because of its location the College is able to offer students an experience of working and living in a regional location as well as offering local businesses partnerships for training and developing staff.86

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82 Mr Dean Oberin, Owner, Oscar W’s Wharfside Grill and Deckbar, Public Hearing, Echuca, 14 November 2007.
83 Mr Darren Chirgwin, Executive Officer, Otways Tourism, Public Hearing, Geelong, 12 September 2007.
86 Associate Professor Jan Fitz-Gerald, Chief Executive Officer, Queenstown Resort College, Meeting, Queenstown, 28 April 2008.
8.53 Two further aspects of staff training relate to the need for specific training strategies and opportunities, firstly, for older workers, and secondly, for Aboriginal employees in tourism. The juxtaposition of an ageing population, the ‘sea change’ and ‘tree change’ phenomena, and the current skills and labour shortages, highlights the possibility of encouraging older people into the tourism and hospitality workforce.\(^{87}\) Strategies such as Recognition of Prior Learning, and subsidised retraining through TAFE, could be used to encourage older workers to move into the tourism and hospitality workforce.\(^{88}\)

8.54 Ms Lois Peeler, Chairperson of Aboriginal Tourism Australia, provided the Committee with an Indigenous perspective on rural and regional tourism in her evidence. Committee Member Ms Kirstie Marshall MP OAM, asked what the Victorian Government could do to enhance the development of Indigenous tourism in Victoria. Citing the example of an Aboriginal Tourism business based in Mildura, Ms Peeler replied that access to tourism training was the most important factor. Training is needed at all levels, for tourism employees, but also at the level of operators.\(^{89}\) Ms Peeler’s evidence is discussed further below in relation to accreditation of tourism businesses.

8.55 In light of the evidence presented to it, the Committee would like to see the State Government place a greater priority on hospitality and tourism training and take steps to work closely with the industry to improve training and education opportunities at all levels. This would involve continued support and encouragement of Vocational Education and Training in Schools; continued support for TAFE colleges to deliver quality hospitality and tourism courses; consideration of incentives and encouragement strategies for the private sector to become involved in training programs; development of strategies to encourage older workers into the industry; and assistance for culturally appropriate training for Indigenous students.

**Recommendation 18:** That the State Government increase training and education opportunities for the rural and regional tourism industry.

This could be achieved through:

**Recommendation Action Points:**

a. further encouraging Vocational Education and Training (VET) in schools to provide pathways for young people who wish to enter the tourism industry.

b. providing incentives and encouragement strategies for the private sector to deliver accreditation and staff training programs.

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Business strategies for attracting and retaining quality staff

8.56 Many issues were identified in relation to attracting and retaining quality staff. These have already been detailed. However, the Committee would also like to draw attention in this report, to the positive measures that a number of operators have put in place to address these problems. It is hoped that by highlighting these successful strategies, they might be supported and adopted more broadly in the industry.

8.57 A number of successful operators told the Committee about strategies they use to attract staff and to reduce turnover. Looking after staff, accommodating their personal and family needs, and investing in their training were strategies that helped with the retention of good staff. Mr Kym and Mrs Kaye Bernardi, owner operators of BIG4 Shepparton East caravan park, said that looking after staff was the key to holding onto them. The Bernardis view their staff as the backbone of their business. Accordingly, they take steps to ensure that staff feel valued. They buy Christmas and birthday presents for their staff, take them to lunch, and generally foster an atmosphere of inclusion. Kym Bernardi noted that:

A lot of places have a high turnover in housekeepers for instance; we do not have that problem. Ours have been there five years, four years and two years, so it is a matter of looking after the good people you have got, not worrying about screwing them for a couple of bucks because then they leave and you have got to start looking for another one again. You are better off to look after the good people you have got. 80

8.58 Investing in training is another factor in retaining quality staff. Ms Maree Willis, owner of the Quality Inn Grange Burn, has responded to the current skills shortage by investing in training of existing staff. She told the Committee:

What we are doing is we are training the staff that we have. The Southern Grampians Shire Council has a housekeeping education, which has helped. We have sent our housekeeping staff to that. We have traineeships in housekeeping, we have traineeships in reception and we have apprentice chefs in our kitchen. 81

Likewise, Mr Rob Dick, Chief Executive Officer of the Yarrawonga and Border Golf Club believes providing a welcoming working environment and access to training and professional development are important strategies for attracting and keeping quality staff. Staff at the Golf Club participate in ongoing professional development and training programs delivered through Clubs New South Wales, while those who wish to undertake individual training through TAFE or university are supported

80 Mr Kym Bernardi, Owner, BIG4 Shepparton East Caravan Park, Public Hearing, Shepparton, 15 November 2007.
81 Ms Maree Willis, Owner and Manager, Quality Inn Grange Burn, Public Hearing, Dunkeld, 25 October 2007.
through financial contributions from the Club. 92 Like other operators who instigated such measures, he had a lower turnover of staff than the industry average.

8.59 Mr Dean Oberin (see Case Study 7, below), owner of Oscar W’s Wharfside Grill and Deckbar in Echuca, also places a high priority on creating the right work environment and training opportunities for staff. Noting that the industry average is about six months, he told the Committee that his business has an eighteen month to two year turnaround on staff. Asked by Committee Deputy Chair, Ms Gayle Tierney MLC, what his golden rules were for retaining employees, Mr Oberin outlined a list of strategies that he uses in his business 93. These were to:

• recruit well;

• be flexible around meeting individual employee’s needs (for example, rostering work hours to allow younger workers some time off over weekends, or working mothers to fit around school hours);

• generate personalised job descriptions by combining various aspects of a range of positions, to create a job that ‘is just yours’;

• provide ample opportunities and financial support for training and skills development (for example, Mr Oberin provides a sliding scale of reimbursement for the cost of specific courses that staff wish to undertake, whereby the full cost of tuition is reimbursed if they stay for more than twelve months).

Finally, for Mr Oberin, retaining staff is about building a strong, cohesive team environment, and recognising that people are his most valuable resource. He summed up his philosophy for the Committee this way:

Basically it is a lot of listening and it is a lot of talking, and holding your line on things. They have to be part of it. They have to be designing their own destiny. They have to make decisions with you. You do not make decisions and tell them that this is the decision, they have to come to it. Sometimes it hurts and you know that they are going to make a mistake, but they have got to. Do you know what I mean? Dad told me that a fire burns, but I did not know it until I actually put my finger in it and I said, ‘Yes, Dad, you are right’ — and that sort of hurt more than the fire. That is the whole process. I think the new generation coming through, their work ethic is totally different. You really have to make it them focused, not business focused. But then they start to dig the jumper that they are wearing and they start to fight for their jumper and that is really nice to see. I have got a good crew down there are the moment; I am really proud of them. 94

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92 Mr Rob Dick, Chief Executive Officer, Yarrawonga and Border Golf Club, Public Hearing, Yarrawonga, 20 March 2008.
93 Mr Dean Oberin, Owner, Oscar W’s Wharfside Grill and Deckbar, Public Hearing, Echuca, 14 November 2007.
94 Ibid.
Case Study 7: Dean Oberin, Echuca

Dean Oberin, owner of the award winning Oscar W’s Wharfside Redgum Grill and Deckbar, was born and raised in Echuca and is enthusiastic about the development of tourism in the region. With a family tradition of hospitality management, Dean opened Oscar W’s within the historic Port at Echuca tourist precinct on the Murray River in Northern Victoria ten years ago. He started with three full-time and three part-time employees, and now employs twenty-five people on equivalent full-time employment with a turnover of $2.5 million a year.

Dean is passionate about Echuca and about its tourism potential. He sees tourism as providing an opportunity for local farmers to recover from the drought and bushfires. Dean’s entrepreneurship is evident in his active training of local people for the tourism industry and promotion of new product—he recently produced a cooking show for Chinese pilots using locally produced organic food.

So far, Dean has employed or trained many of the people now working in the local hospitality industry. In an industry that is known for high personnel turnover with an average of over 100% a year, Dean has retained his own staff for more than eighteen months. His strategy is to ensure timetables suit each employee’s personal schedule. Their job specifications and performance appraisal are personalised, too. Dean finds this approach motivates people and allows them to work with their comparative advantages. When recruiting from overseas, Dean goes out of his way to assist successful staff. In the case of his Head Chef from Dubai, Dean paid immigration fees and for relocation to Echuca.

We say to people, ‘What are your preferred hours to work?’, knowing that we have got 7 days / 14 services to cover, so we have got a little bit of flexibility. If you can meet their requirements on a personal front, you are halfway there…. We are now identifying that people are that valuable a resource that we actually have to be a lot more flexible and almost grab a little bit of that job description and blend it with that one and put it here and this is you, this is just yours. That has been working very well because you really do then home in on their comparative advantage and what they want to get out of the job.

He also actively supports his employees improving or expanding their skills through extra training programs and builds these into staff remuneration packages. For example, if a staff member stays at Oscar W’s for more than one year, their training fees are fully reimbursed by the restaurant.

Dean makes sure that his experience in training and that of his staff can benefit the Echuca community. He encourages local kids to work in the tourism and hospitality industry by giving them work experience at Oscar W’s and by sending his front-of-house manager to demonstrate his skills in the local TAFE’s restaurant.

Dean has shared his successful training experiences with Tourism Victoria in the hope that similar programs could be established in other Echuca businesses.

Dean impressed the Committee with the way he treated his employees as valuable and distinctive individuals and involved them in the design of their working life. Dean believes that successful personnel management should be human-oriented instead of business focused; allowing the staff to make their own decisions and learn by experience.

They have to be designing their own destiny. They have to make decisions with you. You do not make decisions and tell them that this is the decision; they have to come to it. Sometimes it hurts and you know that they are going to make a mistake, but they have got to.
Enhancing business and industry skills

8.60 As described earlier, there was general agreement across the board that professional development and capacity building are essential for tourism operators and for tourism staff in councils and industry organisations. However, questions arise concerning how best to provide this. A number of options for raising skill levels and professional standards were canvassed and discussed. As for tourism and hospitality employees, education and training programs were seen as part of the solution. In addition two other, equally important, strategies were raised in evidence and discussed by the Committee. These were, firstly, accreditation programs and secondly, leadership programs.

Education and training programs

8.61 Earlier in this chapter a range of skill and capacity gaps were identified among a proportion of owner operators and tourism managers in regional Victoria. To recap, for operators, identified knowledge and capacity gaps included the areas of information technology and electronic commerce; business planning; risk management; people management; cultural and environmental awareness and interpretation; and customer service. For local government staff, skills in investment attraction; event management; destination management planning; and accessing grants and assistance programs; were identified as essential and in some cases lacking. For industry organisation members, similar skills are relevant, plus skills needed to provide industry leadership at the local and regional level.

8.62 While skill gaps can be readily identified, evidence presented to the Committee also highlighted a number of problems related to delivering suitable professional development and capacity building programs to fill them. The first of these related to the difficulty of getting operators involved in training and capacity building due to the full-time, seven days per week, nature of many tourism businesses. Dr Mary Hollick told the Committee ‘Once they are up and running the business, they are exhausted and too busy’ to engage in training. Ms Angelique Lush expressed similar concerns in her evidence to the Committee, saying that ‘it is very difficult to get operators along to workshops and forums and training programs. They cannot get out of their businesses, so it is very difficult to deliver programs’. The problem of finding time for training is exacerbated when courses, workshops and seminars are not available locally in regional areas. The cost of participating in a course is increased if it involves extensive travel and overnight stays.

95 Dr Mary Hollick, Discipline Coordinator for eBusiness, Marketing and Tourism, University of Ballarat, Public Hearing, Ballarat, 12 December 2007.
8.63 Despite these problems, witnesses identified successful models for delivering training and professional development, particularly to operators. Ms Lush told the Committee about a successful program which involved sending ‘somebody in to assist them with working on their business. That was rolled out through the bushfire program and we did some of that work through the capacity building programs’. Dr Hollick supported the value of this type of mentoring program in her evidence, following up with the suggestion that training needs to be offered at the point where new operators first enter the industry. She said:

In the longer term I would like to see a re-structure of Victoria’s business entry point. We do not really have many successful mechanisms for tracking when new businesses come into regions. They might wander in to the local business office or council when they have to employ staff or they encounter some compliance regulation, but they are very anxious to register the business name, and I think it is at that point that they need a lot of support and to be brought into this world of, ‘What do you need to survive?’.

8.64 While also noting that operators find it difficult to make time for training workshops, Mr Damien Adams from Rutherglen Wine Experience, nonetheless informed the Committee of the high demand for programs offered to operators in his area. He called for leadership from Tourism Victoria to provide ongoing training opportunities for operators. He said:

Through the bushfire recovery funding we have run operator training programs… which have been oversubscribed, so I think that gives you some idea of the need that is out there…. When all workshops are oversubscribed, that is sending a very strong message to Tourism Victoria that there is a crying need out there for tourism business operator education, whether it be marketing 101 or whatever.

8.65 Access to funding is also important. For example, Ms Dani Harvey, from Mildura Tourism, told the Committee that although her organisation had identified the need to improve operator skills in a range of areas, they do not have resources at the local level to deliver suitable training. A submission from Waranga Regional Tourism Association also called for funding assistance to support professional development activities for volunteer staff in non-profit organisations such as Visitor Information Centres.

8.66 In relation to funding, the Committee notes that a number of the professional development and capacity building programs they were told about during public hearings had been funded through bushfire recovery grants or other one-off funding. In addition to the examples provided by Ms Lush and Mr Adams (discussed above), the Committee
heard of training programs in Bendigo and in the Omeo region, that were funded through one-off grants.\textsuperscript{102} The Committee believes that short-term and one-off funding for training programs cannot provide the continuity needed to produce and maintain desired skill levels among operators, tourism managers and volunteers. As Ms Angie Lush pointed out to the Committee, the high turnover rate of tourism businesses, means that programs for operators need to be offered on a continuing basis, to ensure standards are maintained.

8.67 The Committee believes that ongoing training and capacity building need to be provided within regional Victoria to support the future development and success of the tourism industry. This needs to be funded on an ongoing basis and provided through a range of formal and informal avenues, and offered in flexible and innovative ways.

8.68 As an example of formalised training options, Ms Dani Harvey from Mildura talked about the important role that can be played by TAFE colleges in providing business training for operators. She said:

\begin{quote}
We certainly need programs in place to assist with basic business principles, and we could use TAFE, as an example, as a provider. TAFE locally is looking to partner with the industry to tailor courses to suit the needs of businesses. I think there are opportunities to support the TAFE system to provide localised training for tourism operators.
\end{quote}

The Committee also recognises the important role regional universities play in providing higher level formal training in tourism management. The Committee believes that strong links between regional education providers—including universities and TAFE colleges—and the tourism industry are essential. It encourages both sectors to work together to create flexible training options for tourism education and training.

8.69 While avenues for formal training are essential, there is also a need for ongoing funding and support for less formal professional development and capacity building options. The Committee heard evidence about, and has itself examined, the recently introduced Tourism Excellence Program offered via the Tourism Victoria website. The program, which was developed jointly by industry and Tourism Victoria, is described in a submission from the Victorian Tourism Industry Council as an outstanding initiative designed to ‘achieve competitive advantage through visitor satisfaction’.\textsuperscript{104} The submission calls for a commitment to ongoing budget support for the program.\textsuperscript{105} Other submissions and witnesses also expressed positive views concerning the program’s potential to deliver results, with ongoing budget support.\textsuperscript{106} The Committee also heard that the Tourism Excellence program was being

\textsuperscript{102}Ms Kathryn Mackenzie, Executive Manager, Tourism Bendigo, City of Greater Bendigo, Public Hearing, Bendigo, 27 June 2007; Ms Trudi Anderson, Project Officer, Omeo Business Tourism Association, Public Hearing, Lakes Entrance, 14 February 2008.
\textsuperscript{103}Ms Dani Harvey, Mildura Tourism, Public Hearing, Mildura, 31 July 2007.
\textsuperscript{104}Victorian Tourism Industry Council, Submission, Number 68, 4 June 2007.
\textsuperscript{105}Ibid.
\textsuperscript{106}Sovereign Hill Ballarat, Submission, Number 65, 4 June 2007; Latrobe City, Submission, Number 51, 1 June 2007.
utilised by the West Gippsland Tourism Incorporated to support face-to-face training sessions to assist operators to achieve accreditation.\textsuperscript{107}

8.70 The Committee commends the Tourism Excellence program and encourages the state government to provide ongoing budget support for it and to ensure that further improvements are made to it. The program as it stands does not cover some of the areas identified through the Inquiry as requiring skills development.\textsuperscript{108} Topics such as risk management; cultural awareness in relation to emerging international markets; and the role tourism businesses can play in providing cultural/heritage and environmental interpretation for visitors, are not covered by the current modules. Modules related to the skills required of tourism managers, industry organisation members, or tourism volunteers are not available either. Therefore, the Committee recommends that the Tourism Excellence Program be expanded to provide a broader range of skills required by participants in the tourism industry.

8.71 Further, while the web based delivery model provides flexibility and ease of access to tourism operators, it does not provide important aspects of motivation, support and networking that face-to-face training can provide. Development of workshops and other face-to-face training programs, matched to the online modules, and delivered in a variety of regional locations, would provide additional benefits to participants. Government support should be provided for Tourism Victoria to expand the Tourism Excellence program; to provide ongoing development and review to ensure content remains relevant and up to date; and to develop and deliver face-to-face training linked to online modules. The Tourism Excellence site could also be used as a portal to disseminate research information and resources, such as the range of kits produced by the CRC for Sustainable Tourism.\textsuperscript{109}

Recommendation 19: That the State Government, through Tourism Victoria:

\textbf{a.} extend the Tourism Excellence program by developing additional modules covering the following topics:

1. Risk management, including dealing with natural disasters and environmental threats;
2. Conservation and management of heritage places and objects;
3. Providing interpretation of natural and cultural environments and features;
4. Accreditation and compliance; and
5. Industrial relations.

\textsuperscript{107} Ms Phillipa Beeson, Chair, West Gippsland Regional Tourism Association, \textit{Public Hearing}, Traralgon, 13 February, 2008.


\textsuperscript{109} Dr Mary Hollick suggested that the results of research generated by Australia’s public universities should be made freely available to stakeholders. Dr Mary Hollick, Discipline Coordinator for eBusiness, Marketing and Tourism, University of Ballarat, \textit{Public Hearing}, Ballarat, 12 December 2007.
b. extend the Tourism Excellence program by developing face-to-face programs linked to the online modules, and delivering these to operators in regional locations.

c. provide capacity-building programs for council economic development and tourism staff, to build skills in identifying tourism opportunities and preparing investment proposals.

Accreditation

8.72 Another strategy the Committee examined as a means of raising the skill level of tourism operators was the system of accreditation. A number of submissions recommended accreditation as a way of addressing the problem of inexperienced, and in some cases, poorly skilled operators. For example, a submission from Sovereign Hill, Ballarat, argued that accreditation ‘of tourism services, attractions, accommodation and restaurants should be a mandatory part of being a participant in the tourism sector’. A submission from the Surf Coast Shire also supported business accreditation as part of a mix of professional development and business development strategies that would be beneficial to the industry. Ms Penelope Sell extolled the value of accreditation in lifting industry standards:

To assist new businesses I have identified the need for the state to more widely support a national accreditation program to enable a whole-of-state and whole-of-country approach to tourism development, making sure our tourism operators have the skill set, the business plan, the marketing plan and the service standards in place to cater for the market.

Ms Samantha Magill said: ‘Accreditation is great because it really gives you a chance to review your business’, while Ms Kaye Munro said:

Having the accreditation tick definitely helped my business. Whilst going through accreditation I was learning about tourism, learning about running a business, and that for me was a huge learning process. It helped me; it structured my self-initiated learning process, so I found it extremely valuable.

8.73 The merit of making accreditation mandatory was discussed during a number of public hearings. Committee member, Mr Russell Northe MP, explored the idea by asking a number of witnesses whether, in light of the problems identified with inexperienced operators, they believed some form of accreditation should be a prerequisite for people buying into tourism businesses. While few witnesses supported compulsory involvement, many expressed strong support for the accreditation process. Many operators, including Ms Munro and Ms Magill pointed to

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110 Sovereign Hill Ballarat, Submission, Number 65, 1 June 2007.
111 Surf Coast Shire, Submission, Number 47, 1 June 2007.
112 Ms Penelope Sell, Manager of Tourism, Marketing and Communications, Towong Shire Council, Public Hearing, Wodonga, 19 March 2008.
the value of accreditation as a business development tool. Ms Munro added however, that the ‘accreditation tick itself does not bring customers’ and suggested that in order to make accreditation more attractive to businesses, there was a need to spend money marketing the accreditation tick.\footnote{Ibid.}

8.74 Ms Lois Peeler spoke about the development of the Respecting Our Culture (ROC) accreditation program introduced by Aboriginal Tourism Australia. The Respecting Our Culture program provides a benchmark for Aboriginal Tourism businesses, to assist them to develop in culturally appropriate ways, and to achieve recognition from the broader tourism industry. Ms Peeler explained that:

> ROC coordinators … go out and work with those businesses, so they are not just given the documents and told, ‘Go away and complete that.’ They are actually able to sit down and work through that. I think from all the experiences that have been reported back, that has been a very productive outcome. Here in Victoria, Aboriginal Tourism Victoria have recognised the value of that program and, in fact, have made it a requirement for their members to be ROC certified. It is raising the standards of Indigenous tourism operators to meet mainstream tourism standards.\footnote{Ms Lois Peeler, Chair, Aboriginal Tourism Australia, \textit{Public Hearing}, Melbourne, 19 November 2007.}

Ms Peeler told the Committee that culturally appropriate capacity building programs for Indigenous tourism operators was the most important thing that the government could do to support Indigenous tourism.

| Recommendation 20: | That the State Government, through Tourism Victoria provide additional, specific funding to support training and capacity building programs for Indigenous tourism operators. |

**Industry leadership**

8.75 Industry leadership was another topic raised throughout the Inquiry that relates to professional development and capacity building. Mr Graham Parkes said there was a ‘lack of industry leadership’ which ‘results in too few contributors … supporting the industry’,\footnote{Mr Graham Parkes, Chair, Grampians Marketing, \textit{Public Hearing}, Dunkeld, 25 October 2007.} while Ms Angie Lush (as quoted earlier in this chapter) also noted a leadership gap in the Grampians regions, and called for a leadership program to assist the industry. The Committee received a considerable amount of evidence, both through submissions and public hearings, supportive of the Gippsland Tourism Industry Leadership Program as a benchmark leadership program.

8.76 Funded for two years through the State Government Provincial Victoria Growth Fund, the Gippsland Tourism Industry Leadership Program was designed to ‘identify the leaders and potential leaders within the tourism industry and to equip them with the tools they need to be successful

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\footnote{Ibid.}
leaders’ and to ‘establish a peak tourism body of the region’. The program commenced in 2007 with 24 operators from across the Gippsland region, who in the course of the year long program participated in workshops and residential activities. Ms Janiene Ayre (see Case Study 8, below), from the Baw Baw Shire Council explained, that the ‘program was the first of its type in Australia’.

Case Study 8: Janiene Ayre, Gippsland

Janiene Ayre was born in Tallangatta near Wodonga and moved to Gippsland when she was four years old. She was educated in Gippsland and subsequently has worked in many parts of Australia. Janiene now lives and works in Baw Baw Shire which includes 4,000 square kilometres of rolling green hills, towns, mountains, rich agricultural land, popular tourist drives, wineries, art galleries and fine food destinations. From a tourism perspective Janiene says it’s not hard to promote the area in her work.

Her current role is as Manager of Business and Community Connect in the Community Development Unit for Baw Baw Shire Council. One of Janiene’s strengths is in marketing and promotion and she counts as a major achievement her management of the event, Gippsland Inspired! A Celebration of Food & Wine that showcased over fifty events across Gippsland in both 2007 and 2008.

Janiene is Chair of the Gippsland Tourism Industry Leadership Program Steering Committee. This Program, a first for Australia, has been running for two years and has set a benchmark in regional tourism initiatives. Funding for the program was through the state government’s Provincial Victoria Growth Fund. Janiene told the Committee that as part of the program they had 24 operators across the region participate in ten workshops over a year, two of them residential. It was run with the assistance of the Gippsland Local Government Network and the tourism industry. The Program has fostered a positive, well-organised and united tourism industry in Gippsland. Janiene describes the purpose of the program:

It is to identify the leaders and potential leaders within the tourism industry and to equip them with the tools they need to be successful leaders, as well as to establish a peak tourism body of the region. That was really one of the reasons behind actually doing the program.

The Leadership Program has impressed all those who have been part of it or witnessed its results. At the heart of it was an attempt to inspire those in the Gippsland tourism industry to work together and to achieve high standards of professionalism. The Program includes workshops on e-marketing, media and communication, leadership and regional tourism; inspirational speakers; visits by the group to the businesses of their colleagues, and visits to Tourism Victoria. Janiene comments:

One of the core activities and the approach that we took was that we wanted to develop a collective of leadership in the industry, because Gippsland, being such a very wide region, needed to be more cohesive, working together and encouraging more understanding and cooperation between industry and government…. The tourism industry is a lot of small businesses that need to be united. We need to enhance individual leadership skills and broaden the tourism sector’s exposure to other sectors in the local economy.

The value of the program is in building the capacity of operators in Gippsland, and uniting them in one peak body. The tourism industry leadership program is something that Janiene believes could work very well as a State wide initiative.

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119 Ibid.
8.77 The Gippsland Leadership Program has been successful in uniting many tourism businesses across the very large Gippsland region. However funding for the Leadership Program is not guaranteed into the future. The Committee would like to see the program continue in Gippsland and similar leadership programs rolled out in all of Tourism Victoria’s regional campaign regions.

**Recommendation 21:** That the State Government through Tourism Victoria and Regional Development Victoria facilitate and jointly fund (with local government support and industry buy-in), the development of tourism leadership programs (along the lines of the Gippsland Tourism Industry Leadership Program) to all rural and regional campaign regions.
Chapter Nine

Responding to Disasters and Environmental Threats

Introduction

9.1 In recent years, many parts of rural and regional Victoria have suffered due to a range of natural disasters such as bushfires, floods and drought. The Terms of Reference for this Inquiry required the Committee to consider the impact of such events on regional tourism and the effectiveness of current mechanisms for addressing natural disaster relief. Consequently, the Committee gathered a large amount of evidence detailing the impact of drought, bushfires, floods and other ‘natural’ events on tourism infrastructure, tourism businesses and the individuals who own and run them. A summary of this evidence forms the first part of this chapter. The chapter then moves on to look at evidence concerning the effectiveness of current responses, and suggestions as to where improvements are necessary. The final section covers environmental issues such as climate change and water shortages that pose a threat to the tourism industry in coming years.

The Impact of ‘natural’ events on regional tourism

9.2 As noted in the introduction to this report, Australia is a land of extremes in relation to its geography and weather. Droughts, floods and bushfires are part of our history, and the resilience of the people on the land who have had to deal with these adversities is part of our folklore. Nonetheless, it seems that Victoria has had more than its fair share of these ‘natural’ disasters in recent times.

9.3 Victoria is currently in the middle of one of the worst droughts in recorded history. According to the Bureau of Meteorology, Australia has
had water deficiency for over a decade now and May 2008 is the driest May on record. ‘Across the Murray-Darling Basin it was the fourth driest autumn on record’\(^1\). Victoria is in the twelfth year of below-average rainfall\(^2\). To break the drought and make up for this long-term deficit, several years of above average rainfall are required\(^3\).

9.4 Victoria has also had severe bushfires and floods to contend with over the past year or so. Over the 2006/2007 summer period, Victoria experienced one of its worst bushfire seasons on record. At times it appeared that the entire state was on fire, with newspaper headlines and dramatic photographs suggesting it was. Then, in the middle of 2007, parts of Gippsland were subjected to record flooding. Added to this, blue-green algae outbreaks affected rivers and lakes in various parts of the State, and an equine flu outbreak in New South Wales led to severe restrictions placed on the movement of horses.

9.5 Through submissions and at public hearings, the Committee received evidence detailing the impact of these events on tourism infrastructure and tourism businesses. We also heard many heartrending stories of operators coping with the consequences of drought, floods and fires, bringing to the fore the human face of such disasters. The Committee commends those individuals for sharing their personal stories with us—it is not an easy task to recount difficult times—and also for allowing their experiences to form the basis for suggestions for reform and improvement in policy making around natural disasters.

**Damage to tourism businesses**

9.6 Natural disasters have had an extensive impact on regional tourism businesses. In every region of Victoria visited by the Committee business owners reported losses, to varying degrees, due to such events.

**Bushfires and floods**

9.7 As discussed above, fires and floods can impact tourism in a very immediate way due to the physical damage they cause. However, they also impact tourism businesses in less direct ways, through cancelled bookings both during the actual fire season, and following it. During fires, tourists cancel bookings due to perceived and real threats to safety. Following fires, concerns about the attractiveness of an area or the damage caused to attractions may impact bookings. In some cases, tourism businesses are jeopardised by restrictions placed on access to areas of public land such as National and State Parks.

\(^1\) National Climate Centre, *Drought Statement, For the 3 and 12-month periods ending 31st May 2008*, National Climate Centre, June 4 2008.


\(^3\) National Climate Centre, *Drought Statement, For the 3 and 12-month periods ending 31st May 2008*, National Climate Centre, June 4 2008.
9.8 Fires were very detrimental to the wine regions. As Ms Helen Sharpley from North East Valley Food and Wine said: ‘The impact of smoke and fire on the wine regions, particularly the King Valley, is significant. The King Valley not only, I guess, was hit by smoke, and a lot of them struggled to get a vintage this year, the issue is also that there were two lots of frost’.4

9.9 Many witnesses stressed that the effects of bushfires on regional tourism development were long-term and the corresponding funding and recovery plans should be designed for more than two years.

_We are coming up to the second anniversary of those fires, and I still think there is quite some time to go before they see full recovery. As you would have seen from the national park itself as you drove through, there is still some way to go._5

9.10 Due to the 2006 bushfires, Parkgate Resort in Horsham recorded a loss of $150,000 compared to other years and a drop of 1300 reservations. As for visitors who did come to the resort at that time, their average length of stay also decreased from 3.12 nights to 2.65 nights.6 The Committee heard of many similar cases in public hearings and through submissions.

9.11 However, the Committee also heard that the destructive impacts of bushfires on the local tourism industry assisted some communities to realise the value of tourism to their local economy.

_I guess one of the benefits we did receive out of the bushfires, if there was a benefit, was the understanding by local community members of the value of tourism, and you probably found that in other areas. We found that immediately our retail sector in Stawell was saying there was a 30 per cent decrease in their turnover simply because visitors were not coming through as they would normally come through. That instilled in them immediately the importance of the tourism sector to them._7

9.12 Significant physical and financial inputs have been made to restore facilities damaged during the fires. Yet, in many areas, the following flood meant that many of these efforts were in vain. As Ms Kaye Munro from Waterholes Guesthouse near Bairnsdale described, in Gippsland floods washed away a bridge and soaked the tourist tracks with silt and debris.8

**Drought**

9.13 Various impacts of drought on tourism businesses were identified, including a decrease in visitation and business income, the consequent difficulty of obtaining financial support, and closure of businesses.

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4 Ms Helen Sharpley, Executive Officer, North East Valley Food and Wine, _Public Hearing_, Bright, 29 August 2007.
Drought is less dramatic initially but is insidious in its impact on tourism businesses.

I think, however, we have probably missed the impacts of drought. The drought is a long-term issue. It is not something that just happens overnight. It is a combination of many years of practices. If our vines do not produce as much this year, it is partly to do with this year, but many of the reasons for that are to do with the last two or three years. Drought is not perceived; it is not as dramatic as a roaring bushfire, a street or a town being flooded or the pub being flooded⁹.

9.14 This situation was further complicated by the fact that some operators affected by the drought could not receive government support and subsidies.

As personal evidence of that, I have a tourism business and I had to spend $5000 on tanks; we were unable to get a subsidy because I am 10 minutes off the road. That is the situation right across the board, because most tourism businesses are located off the beaten track and not in town, especially in the Wartook area. That is certainly something that could have been supported for those tourism operators.¹⁰

Many operators found that request for assistance from their banks ended in disappointment, further deteriorating their financial circumstances. The Committee heard that ‘a lot of business operators had already leveraged themselves up after 2003’ on their own¹¹, others were struggling for survival.

9.15 Ms Sandra Duell generously shared her experience of a business that was almost destroyed due to the impact of natural disaster. She said her situation was worsened by the bank’s rejection of her request to maintain her loan after she failed to pay a $30 000 lump sum principal during the downturn. Ms Duell also described the situation of others who were facing hardship at this time. For example, another operator in the town was forced to sell his freehold and rent it back from the new owner so that he could continue to earn an income to support his family. Ms Duel described her experience with the bank:

I was in Melbourne and I got a phone call on my mobile from a toe cutter from the National Bank, to say, ‘You no longer fit our banking criteria. We do not want you any more’—because of the drought and because we had not paid…. It turned out to be 14 February, so we operated the business and nobody would touch you; you could not go to another bank and get them to take you on, because caravan parks and hotels are high risk and the industry margin is fairly high to start with. No-one wanted to touch us.

The thing that rang the alarm bells with the bank was the $30 000 not having been paid, but we ended up not being the only business that was in this situation; there were lots of businesses in Mansfield. There was another business in the main street, and for similar reasons he owned his freehold and the business that he operated in that freehold. He had to sell the freehold and rent it

⁹ Mr Terry Jongebloed, Proprietor, Clyde Park Winery, Public Hearing, Geelong, 12 September 2007.
¹¹ Mr Wayne Phillips, President, Bright and District Chamber of Commerce, Public Hearing, Bright, 29 August 2007.
9.16 Understandably, waterfront and water-based businesses are significantly affected by drought, as Mr Bill Papanestora noted: ‘drought has had a significant impact on industry, particularly to water-based operators, as we can see for one example at Lake Hume’.  

9.17 Some witnesses felt that in general, the long-term and persistent drought has damaged the tourism industry more than other natural disaster. Its effects cannot be underestimated. Mr Wayne Phillips from the Bright and District Chamber of Commerce pointed out: ‘There is a train of thought within the Alpine shire that we were more affected by drought and lack of water last year, in the 2006–07 summer period, than we were actually affected by the bushfires’.  

9.18 Concerns over the ongoing problems that a chronic lack of water in rural and regional Victoria indicates were expressed frequently in public hearings. In Daylesford the Committee heard from Cr Heather Mutimer:

The water issue is a big one. It was touched on. There is concern about the sustainability of water in the Hepburn shire. We have an issue at the moment about the impact that the bores may be having on the aquifers and the impact on the mineral springs. I think mineral water is very important to the tourism industry, and we have to do everything we can to protect it. We need some type of protection zone over the mineral springs area to ensure that excessive growth and excessive boring of water is not putting pressure on our water.  

Other Crises

9.19 A number of other impediments to regional tourism development were identified during public hearings, including both natural and human factors.

The potential impediments to the sustained growth of regional tourism, economic activity and jobs we would see as being: water reliability, quality and volumes; weather, with global warming; increasing fuel prices; low-cost airfares, especially out of our Melbourne market; increased competition for the tourist dollar; natural disasters—drought, bushfire, flood, wind storms; trend in stockpiling annual leave; and rising interest rates.

9.20 The negative impacts of human development activities on tourism development should not be neglected either. The channel deepening project at Port Phillip Bay was considered to potentially have a significant effect on tourism businesses on and around the Bay.

The channel deepening is something that we do not really know the outcome of. We may lose a fair bit of our foreshore if we do not put seawalls in place; places that are not waterfront right now

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14 Mr Wayne Phillips, President, Bright and District Chamber of Commerce, Public Hearing, Bright, 29 August 2007.
16 Ms Elizabeth Bain, Tourism Marketing Officer, Alpine Shire Council, Public Hearing, Bright, 29 August 2007.
might be later. We just do not know the outcomes for some of those very low-lying areas, especially in the Indented Head-St Leonards area.\(^{17}\)

9.21 Meanwhile, with the escalating high price of petrol, the cost of travel to, and around, regional destinations is rising rapidly. Many witnesses and submissions to the Committee expressed their concerns about the negative effects of excessive petrol prices on rural and regional tourism.\(^{18}\) In fact during the term of the Inquiry alone, the price of fuel has risen by over 30%. Concerns were raised with the Committee when the price of petrol was around 120c per litre, in mid 2007. With July 2008 prices in regional Victoria ranging from 160—170c per litre the Committee is gravely concerned that the negative impacts on all aspects of tourism will be further exacerbated.\(^{19}\)

9.22 The problem is not limited to tourism of course, increasing energy costs will affect most sectors of the economy. The Rural and Regional Committee’s new Inquiry is on the subject of Regional Centres of the Future. Undoubtedly the issue of the effect of rising oil prices on rural and regional Victoria will be raised during that Inquiry. The potential effect on tourism in rural and regional areas due to rising fuel prices has not been comprehensively dealt with in this report, although the potential for change that it foreshadows is acknowledged to be immense. It is the Committee’s view that leadership at the highest level is needed to identify strategies to deal with a problem that has significant implications for country Victoria.

The role of the mass media

9.23 A particular problem raised by a large number of operators and tourism industry managers relates to the way in which the media reports natural disasters. Many witnesses and commentators believe that media reporting is often sensationalist and sometimes inaccurate. The areas most affected by inaccurate media reports appear to be the Murray region during the drought and Gippsland during bushfires and floods. A great deal of evidence was collected during the public hearings and from the submissions on this point.

\[\text{We have been talking around the table for a number of months now about this issue. The Murray has been written up in a number of national newspapers over the last 12 months as being dry and dying. There have been TV media reports as well. The Murray Campaign Committee has actually spent in excess of $1 million in the last two to three years on developing a new brand for the river, because the Murray is actually a new campaign region—the river used to be made up of three.}\]

\[\text{A lot of work and investment has been put into the development of this brand, but it has been knocked on the head by these bad}\]

\(^{17}\) Mr Peter Kenny, Chair, Bellarine Bayside Tourism and Bellarine Peninsula Tourism, Public Hearing, Geelong, 12 September 2007.

\(^{18}\) Australian Conservation Foundation, Submission, Number 56, 1 June 2007.

\(^{19}\) For more information about the Rural and Regional Committee’s Inquiry into Regional Centres of the Future please see our website: www.parliament.vic.gov.au/rrc or phone the Secretariat on 0386822882/4.
media reports. The river has never stopped flowing, and we all know that. We have had our houseboat operators experience declining visitation and [increased] cancellation of bookings due to the perception that there is no water in the river. That can even be an on-flow-from the fact that I know Swan Hill was on the TV one night as having no water, and some Echuca houseboat operators actually got cancellations from that media report. It flows on along the river20.

The media is a big part. We had the hotel in Buchan for five years. We sold it last year. For months on end there were no customers at our busiest times, and the summer is when you make your money. We had no customers for months. We had to sell. The caves are closed because of the fires on the other side of the mountain. It is a bit like saying there is a fire in the Great Dividing Range. ‘Bright is on fire’, but Bairnsdale, Bruthen and Omeo certainly are not. It is the portrayal21.

9.24 It was put to the Committee many times that the media’s generalised, sensationalist and often inaccurate reports have stopped people from visiting unaffected areas as well as those directly affected. This was a primary concern of witnesses with regard to disaster relief and was well recognised by the Committee.

Early on in the period we had the media camped out here and the perception given to the rest of the state was that Mansfield was under direct threat, and it affected our tourism numbers. It was the same up in the Alpine shire with Bright, Myrtleford, Beechworth and Mount Beauty. Everyone stopped coming because they thought the whole area was ablaze. I have heard the same thing down in the Gippsland region as a result of the floods. They are now having cancellations for the September school holidays and Christmas because people still think their water is tainted and that there are all sorts of problems with infrastructure22.

9.25 The Committee heard that the media exacerbated the situation through its portrayal of situations. In response to witnesses arguing that the media often misled people’s perception with inaccurate information, Ms Kirstie Marshall MP, a Member of the Committee, suggested that:

The media are talking to the departments and not to the people. If we are trying to start from the bottom up instead of the top down, things would be improved. When we have a crisis things are exacerbated instead of being improved. We could really improve how we manage these natural disasters – floods, fires, algae.23

9.26 Although the media has played a negative role during the disasters, it is recognised that their reporting manner is beyond the government’s control, although it does attempt to provide assistance. The Committee believes that equipping the tourism industry with the skills and expertise to effectively manage their own communication with their customers is of paramount importance.

I do not believe you can manage media in that sense, and it is counterproductive to try. Again, we come back to operator training, and to the bodies themselves—the smaller operator groups and industry groups—so they can more effectively communicate with

20 Ms Jenelle Cousins, Swan Hill Rural City Council, Public Hearing, Swan Hill, 1 August 2007.
22 Ms Wendy Lovell, Committee member, Public Hearing, Mansfield, 30 August 2007.
the customers. I know that one particular operator in the Bright area and through the fires had its business drop by 10 per cent. Other operators had drops of 80 per cent. A lot of it comes down to their communication with their customers as to what is happening.24

Impact on people

9.27 Adverse natural events also impact on individual wellbeing. Ms Samantha Magill, owner of Parkgate Resort, described the time of the bushfires as having ‘probably been the most traumatic experience of my life, with symptoms of stress persisting for at least 12 months after the fires’. Ms Kaye Munro described the impact of facing both bushfires and then floods over a short period of time. Soon after restoring damage to their property caused by fire they were beset by floods:

The flood actually undid a lot of the restoration work we had done after the fire. A very small grant of $3000, which we were able to get instantly, helped us to employ people and get those pathways—our walks and things—cleared and ready for use. That did not happen after the flood. We did not succeed in our application for the smallest grant, which was all we needed to get help. We could not afford at that stage to pay anyone to help us. Bridges had been washed away on the property, walks had been completely covered with silt again, we had just cleared debris from the fires and we felt very down.25

The difficulties experienced by Ms Sandra Duell during the downturn in her business were generously relayed to the Committee, who appreciated her frankness in recounting a time of terrible crisis. Her personal story is told in the case study in this chapter, and brings to light some of the problems facing many business people in the country. Samantha Magill’s story is told below:

Case Study 9: Samantha Magill, Halls Gap

Samantha Magill is the owner, with her husband Daniel, of the family run Parkgate Resort Holiday Park in the foothills of the Grampians National Park near Halls Gap. Samantha and her family have been in Halls Gap since 1998 and have twelve years of experience in the caravan park industry in rural and regional Victoria. Her parents, who help out at the Park, have twenty years of experience in the industry.

Samantha demonstrated to the Committee the contribution that Parkgate Resort makes to the local community, through employment and flow-on economic benefits. Samantha and Daniel’s experience also shows the significant impact that natural disasters have on tourism businesses.

Our turnover has fluctuated over the past three years, mainly because of the 2006 bushfires that affected the national park. We have experienced a variance in that last three years of $150 000 approximately. Similar to our turnover, the number of reservations has also fluctuated between approximately 5300 and 6600, and the average length of stay at our property is between 2.65 nights and 3.12 nights.

Samantha has a very important message to convey about the way that natural disasters and their effects are dealt with in the country. She has experienced first hand both the wonderful assistance and support that community members give each other as well as the personal trauma of these events:

Our business was directly affected by the major bushfire in January 2006 and, whilst our property did not experience any loss, the fire did surround Halls Gap and also our property, coming within metres of the boundary, and we were under ember attack for quite a few days. The roads and the national park were closed for a considerable period of time. There was nobody getting in and there was nobody getting out unless you were a firefighter at that particular point. It has probably been the most traumatic experience of my life, with symptoms of stress persisting for at least 12 months after the fires.

Samantha told the Committee about the broader repercussions of natural disasters and the ongoing issues that must be dealt with by business owners with responsibilities beyond their own family:

There was considerable pressure from all sorts of facets. We had staff that were relying on us, wanting us to get our business back on track, get us going. They of course wanted to keep their jobs. Family, both emotionally and financially—and of course the Halls Gap community really was on a roller-coaster ride over that time. I think it is important to realise that the effects of the event are not just immediate … There was no stability for months afterwards, and it was very difficult to plan for the future and to know where we were going to be standing in 12 months time.

Samantha conveys important advice about how similar events in country areas can be dealt with by government bodies in the future, based on the difficulties of her own experience:

...first, I think it should be a wholistic approach and not just be about money and promises, and that businesses need assistance dealing with cash flow issues and the renegotiation of interest rates and refinancing. There needs to be a task force ready to hit the ground running during and after such a disaster. Assistance needs to be immediate as well as long term. There needs to be a strategic plan to handle long-term goals of an affected area rather than just an ad hoc approach, coming in and saying, ‘We’ll do this, we’ll do that’. Personal assistance psychologically and also counselling for both needs to happen initially and long term for not just community members but people who have ultimately been affected, such as our staff who were not necessarily living in Halls Gap. Community assistance, both initially and long term, and financial relief in the form of rate subsidies, waterline charges, taxes, workers compensation insurances, that sort of thing, would have assisted greatly with cash-flow issues at that particular time.

An important point made by Samantha concerns what she sees as the disparity in procedures and, for example, insurance policies for farmers compared to other business landowners:

A lot of farmers were devastated by these fires, and they had assistance within a matter of a few days of the fire passing through their property. They had people out there rebuilding fences, they had insurance assessors out there within 24 hours, and people were really working hard to try to get them back on their feet. I did not see that same support for small business owners.
For rural and regional tourism businesses that are based on the land their issues can be similar to those faced by farmers. Samantha suggests that to facilitate the development and growth of her business, both during times of crisis and generally, one-on-one support, advice and ongoing mentoring from professionals located in her region would be invaluable.

**Recommendation 22:** That the State Government, through the Department of Infrastructure, Industry and Rural Development and Tourism Victoria provide:

- specialised counselling services to assist tourism operators affected by natural or environmental disasters such as bushfires, drought, and flood; as well as
- business counselling and advisory services to support operators affected by natural or environmental disasters.

**The effectiveness of current programs**

9.28 Reports from operators in the Gippsland and the Grampians regions about the effectiveness of current disaster relief programs were mixed. With appropriate marketing and management, some areas could ensure the return of their customers and maintain most of their local businesses. Yet finite resources have slowed down or stopped some restoration works in other areas.

9.29 The State Government was commended by many witnesses for establishing successful programs to ameliorate the effects of bushfires. For example the government’s effective marketing of the Grampians had drawn people back to the region after the bushfires. It was reported that visitor numbers had reached pre-2005 levels in the southern Grampians after the bushfires.

9.30 However, the long-term viability of these recovery programs was questioned by some, given that they did not include ongoing funding. In national parks, more funding is still needed to repair damaged infrastructure. Mr Hugh Koch told the Committee:

> The infrastructure funding for the Grampians National Park, which was directed through the Department of Sustainability and Environment and Parks Victoria, still appears to be a little bit wanting, as more than 50 per cent of the walking tracks, roads and other visitor infrastructure still require repairs in the national park.

9.31 Special bushfire recovery funding was also provided for marketing, allowing Grampians Marketing to contract a specialised public relations firm to promote the region after bushfires. This successfully boosted regional tourism after the fires. Yet continuing the level of marketing achieved through bushfire funding will be jeopardised when the funding

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26 Mr Dennis O’Bryan, Big 4 Swan Hill Pioneer City Tourist Park, *Public Hearing*, Swan Hill, 1 August 2007.
28 Ibid.
29 Ibid.
runs out. This could undermine long-term economic recovery for the region. As Ms Angie Lush explained:

The other major thing that the state government was able to roll out in terms of the bushfires was the resourcing of Grampians Marketing, which from our perspective has been a really critical element of its success. It has contracted a specialist PR firm, it has an administration officer and it also has a project officer. Never have we had that level of resourcing available to that marketing committee. You can see the change, both from an industry’s perspective but also from the results, of having those resources on the ground. So from my perspective and from council’s perspective I think we can see that the groundwork has been placed, from the Grampians Marketing point of view, on providing a structure to our marketing programs. I think that is all fantastic. The concern is what happens once that money runs out and we lose those resources. There is some concern about longer-term viability.30

9.32 In East Gippsland, the local tourism authority hosted several events after the flood in 2007. However, limited funding this year has made ongoing recovery challenging.

One of the great things that came out of the flood recovery was the events program, and we have been successful in running the summer music festival, a boat muster and in 2007 we did get funding for our sky show from the flood recovery. But unfortunately that is only catching up; it is only just getting us over a pretty bad event. Come 2008 I do not expect the flood recovery funding is going to be there for us as a pool, so we have an issue with that.31

Moving forward

Infrastructure maintenance and repair

9.33 In the wake of natural disasters there is inevitably destruction of local tourism infrastructure. For example, tourist tracks had to be closed after bushfires and operators were very concerned about the time frame for reopening them. Significant damage to rail trails was reported in Gippsland due to the floods, including broken bridges, creek crossings, and tracks. Some restoration work carried out following fires was washed away in the flood and had to be rebuilt.

Since our original submission was lodged in May 2007 we have had significant flooding and damage to infrastructure on our rail trail. …..The Gippsland Plains Railtrail Committee has been under-funded since its appointment in June 1999—that is eight years ago. On appointment the commitment was provided with a capital grant of $130 000 against a cost to complete the trail of $800 000. The cost to complete is now $4.2 million. Back then we put in for a grant to the old Community Support Fund for $1.3 million to create the trail. We were told by bureaucrats within the system when the funding did not get up off the ground that we were not marketing any tourism in that area; we were a black hole.

for tourism. That was eight years ago. That is what we have been
up against.32

9.34 Shortage of funding was also reflected in a lack of continued financial
support for major programs. According to the submission from
Grampians Marketing Incorporated, the majority of the post-fire recovery
works have been left unfinished for over 18 months for this reason.33

| Recommendation 23: That, following natural disasters, the State
| Government:
| a. provide additional funding for the replacement and repair of
damaged government infrastructure such as roads, tracks, signs,
and bridges as soon as practicable.
| b. through Parks Victoria and the Department of Sustainability and
Environment, utilise the skills and experience of licensed tour
operators in dealing with natural disasters, by employing them as a
priority, as local experts, to work in recovery processes.

Communication and marketing

9.35 The most frequently mentioned disaster management issue was the
need for more efficient communication. In order to reduce the media’s
negative impact on potential tourist perceptions of a destination, Visitor
Information Centre staff should be trained and utilised to distribute up-
to-date, accurate and consistent information to visitors in the event of
crises such as bushfires.34 Similar communication should occur
between tourism businesses, emergency services and land managers.35

9.36 As mentioned earlier, external factors such as development downturns
and misleading media reports are very difficult to control, if not
impossible. Therefore, it is important to develop a contingency plan to
counteract these influences when they occur.

When you consider we could have 4000 to 7000 people in
Daylesford and Hepburn Springs on a weekend, I would like to see
a bit more in the emergency plan to do with that sort of
contingency. If we had a big bushfire last year, we would have
been in trouble with our tourists. It is a worry for the shire and us.36

| Recommendation 24: That Tourism Victoria develop and implement a
Communications Plan for dealing with bushfires and other natural
disasters and threats. This plan is to include strategies for:
• equipping Visitor Information Centres to distribute up-to-date,
accurate and consistent information to visitors in the event of crises
such as bushfires or floods;

32 Ms Helen Hoppner, Chair, Gippsland Plains Rail Trail Committee of Management Inc., Public Hearing,
34 Latrobe City, Submission, Number 51, 1 June, 1007.
35 East Gippsland Regional Business and Tourism Authority, Submission, Number 55, 1 June 2007.
36 Mr Nigel Dempster, President, Hepburn Regional Tourism Association, Public Hearing, Daylesford, 28 June
2007.
• training Visitor Information Centre staff in the provision of such information;
• offsetting negative and sensationalist media reports of natural disasters;
• public relations and marketing campaigns to ensure the return of visitors to bushfire, flood and drought affected areas at the earliest possible time, taking into account safety issues; and
• provision of funds in drought affected areas, for cooperative marketing with an emphasis on non-water related product.

Risk management and planning

9.37 This section will focus on funding issues regarding risk management, crisis management and planning.

Funding issues

9.38 Several funding issues were raised by witnesses to the Committee. These included the need to clarify funding rules; increase funding for existing projects; extend funding coverage; and to adjust current funding procedures.

9.39 It was argued that funding rules regarding disaster relief should be clarified. Ms Sandra Duell of Howqua Caravan Park said that they did not receive any assistance after the drought and the bushfires, though they were only 6 kilometres away from the fires. Similar reports were found in submissions.

I recently questioned the bushfire recovery money that North East Victoria Tourism Inc. have, and I thought it was quite a legitimate question to ask how far away from the bushfire a community needs to be before they are considered eligible for a grant—because there is a community close to Wodonga that got money for a festival and yet here in Bright they cannot even get funding for the spring festival coming up.37

9.40 One major complaint from witnesses was what they saw as insufficient funding for recovery. The amount of funding received by some regions was thought to be inadequate in comparison to the loss these areas had suffered. Mr Wayne Phillips, from the Bright and District Chamber of Commerce, said:

In regard to the 2006 bushfire relief program, in recent weeks the level of disappointment as to what the state government has provided, particularly in the Alpine Shire, has been conveyed to me. The Alpine Shire has secured $105 000 from North East Victoria Tourism and a small interim grant in regard to assisting one of our festivals that took place back in April. I believe there was $3.86 million on offer in regard to assistance from the state government.

37 Ms Christine Stewart, President, Albury Wodonga Regional Tourism Forum Inc., Public Hearing, Bright, 29 August 2007.
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In regard to our allocation of a little over $105 000, that represents less than 2 per cent. We think that is very inappropriate for an area that generates huge wealth in the tourism marketplace when we are operating at our full potential. We think we deserve a bit better than that. We were very disappointed with the allocation that North East Victoria Tourism provided us.

9.41 Witnesses from around the State gave evidence about delays in funding and insufficient funds for disaster relief. It was noted that the north-east part of the State had gone through continuous natural disasters since 2003 and that more government support was needed to rejuvenate the local economy. Operators in Gippsland also felt that funding support was not adequate. A submission from Gippsland Tourism argued that ‘the most disappointing aspect’ regarding government funding and assistance for local tourism businesses was the lack of support for operators in dealing with their cash flow difficulties. A significant delay in the receipt of announced funding was seen as a problem by Ms Libby Bane from the Alpine Shire Council. She pointed out that there was a four-month delay between the announcement of recovery funds and their actual arrival.

9.42 Another concern expressed by some members of the tourism industry was that government expenditure to support bushfire and drought recovery was going towards training and educational programs. A submission from Buchan Business and Tourist Association suggested that instead of such programs, more funding should go towards direct assistance. A submission from Kiewa Valley Experience, similarly argued that ongoing support and funding for advertising were more useful than consultants ‘telling us how to run our businesses’ at a time when dealing with immediate crises is a higher priority.

9.43 A compelling suggestion that was put to the Committee as a way to deal with many of the problems discussed above is to establish a permanent disaster relief fund. It was argued that this would allow the government to respond more efficiently to calls for support and recovery from rural and regional communities. Mr Wayne Kayler-Thomson from the Victoria Tourism Industry Council said:

Whilst we are generally supportive of the support that has been provided by the state government, what we are advocating for is much quicker action to return those places to the opportunity for tourism to grow more quickly. In order to do that we have advocated that there needs to be a permanent disaster relief fund established, rather than go through the process that is now followed in each bushfire season and each bushfire occurrence to go through a long process to identify what the needs of the community are and then to negotiate and put in place a relief

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38 Mr Wayne Phillips, President, Bright and District Chamber of Commerce, Public Hearing, Bright, 29 August 2007.
39 Ibid.
40 Gippsland Tourism, Submission, Number 57, 1 June 2007.
41 Ms Libby Bane, Tourism Marketing Officer, Alpine Shire Council, Public Hearing, Bright, 29 August 2007.
42 Buchan Business and Tourist Association Inc, Submission, Number 38, 1 June 2007.
43 Kiewa Valley Experience, Submission, Number 69, 4 June 2007.
Crisis management

9.44 How to cope with natural disasters and their results falls into the topic of crisis management. Depending on the magnitude of the impacts and the resources available, activities to counteract a crisis can aim to lower the extent of damage or to put an end to the crisis. Whichever strategy is used, it is generally agreed that sound crisis management should incorporate pre-crisis prevention, ‘crisis coping’, and post-crisis evaluation.\(^{45}\) The importance of these three management phases was raised during public hearings. In general it was felt that there is room for improvement in how we manage natural disasters as well as improving relevant training programs.

9.45 Preparation prior to the occurrence of natural disasters was considered to be extremely important. Firstly, it was noted that the occurrence of adverse natural events in some regional areas is in many ways inevitable. Witnesses suggested developing the relevant infrastructure and skills to ensure that local businesses are prepared before events occur.

one of the things we have talked about—or certainly I talked about when we were at Falls Creek—was the fact that bushfires for this region are probably going to become a reality; it is something we are going to have to deal with every year.

The more preparation that can be done in really looking at what infrastructure can be put in place and what the guidelines are, so that if it does happen in any particular region, you know what the climate will be. For a bushfire it will be pretty standard; you could almost put together a checklist. I think it is that preparation for the reality of bushfires and the bushfire season that will come upon us every summer.\(^ {46}\)

9.46 In terms of planning for natural disasters it was also suggested to the Committee that it may be useful to integrate disaster management planning with destination management planning throughout Victoria\(^ {47}\). The organisation Otway Tourism Inc. further pointed out the benefits of initiating planning at the local level before upgrading to the national level.

The process should also be driven from a local level through to a national level. This provides all higher levels of administration with a ‘coal face’ experience on how best they will cope with natural events but what will work for them during the recovery period.\(^ {48}\)

9.47 Otways Tourism Inc. noted that ‘a detailed plan to deal with these events will also identify a formal process to drive the recovery period to mitigate


\(^{46}\) Ms Helen Sharpley, Executive Officer, North East Valley Food and Wine, *Public Hearing*, 29 August 2007.

\(^{47}\) Australian Regional Tourism Network, *Submission*, Number 62, 1 June 2007.

\(^{48}\) Otways Tourism Inc., *Submission*, Number 60, 1 June 2007, p. 13.
the downturn in tourism business. In terms of dealing with crisis, the Gippsland Tourism Response and Recovery Group was viewed as a successful model for other regions.

9.48 Gippsland Tourism recognised the need to develop a special methodology to measure the impacts of disasters on regional tourism and ‘to examine how we can achieve greater structural integration in public relations activities’ in relation to bushfires.

9.49 In many cases, it is suggested to businesses that they diversify their products and risks, seek external partners to share risks and investments, and insure themselves against possible crises. These practical techniques are discussed in the submission from Tourism Alliance Victoria. This submission also suggested increasing the involvement of licensed tour operators in recovery operations during and after a crisis. If local tourism operators are included in the emerging and recovery processes their skills and experience can be utilised in the management of crisis situations.

A good mechanism that worked in the bushfires in the past was involving licensed tour operators in site assessments of national parks. This was a fantastic program that saw operators as tools and assets in public land management in the recovery process and generated an understanding between public land managers and licensed tour operators.

Case Study 10: Sandra Duell, Howqua

Sandra and her husband Jim have owned and operated Howqua Caravan Park since 1990. During that time they have had much to contend with—the bushfires of 2006 came within 6kms of their park (every booking was cancelled); and the area has been severely affected by drought for twelve years.

Sandra’s story highlights the human side of natural disasters and their impact on tourism business owners.

Sandra is a hardworking resilient and resourceful country woman—she remains committed to her region, her community and to providing a great holiday experience for visitors from all walks of life who come to Howqua. She shows how despite the impact of natural disasters—bushfires and drought—on both her business and her and her husband’s health, she has kept her business alive. Sandra has done this through developing her business acumen and well as simply forging on in the face of hardship.

We were within 6 kilometres of the bushfires and all bookings for last Christmas just ground to a halt. We have had busier normal weekends through the rest of this year than we had at Christmas. Our takings in the space of two weeks dropped $146,000, and from then up until probably two weeks ago my husband and I have lived on basically nothing. We have had to try and survive. Like Michael was saying about the people

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49 Ibid.
50 Bairnsdale Chamber of Commerce and Industry, Submission, Number 16, 30 May 2007.
51 Gippsland Tourism, Submission, Number 57, 1 June 2007.
53 Tourism Alliance Victoria, Submission, Number 50, 1 June 2007.
54 Ms Jacqueline Blackwood, Information and Research Analyst, Tourism Alliance Victoria, Public Hearing, Melbourne, 4 June 2007.
that got jobs with Parks Victoria, Jim has had to go and work, to do things other than run a park, for us to try and survive, and it has been hard.

According to Sandra her experience over the last 11 or so years is shared by many women and men across country Victoria.

Sandra is keen to emphasise the value of caravan parks, the higher expectations that people have of them now, the range of people that use them and also the need for recognition by Tourism Victoria of the value of caravan parks:

I have been there for 17 years, and for 17 years it has always been a fight for recognition. I still believe people think that people who go to caravan parks are like trailer trash. When you try to explain, at a state government level, what our people are like—and you could talk to any of the other caravan parks in our shire—most of the people are just young achievers. A lot of them are tradesmen who want to work hard and play hard and not have the responsibility of a holiday house that they have to mow and clean up—that is our responsibility—and they do not mind what they spend. Their spending ability is quite large and they do that right across the shire...

Sandra wants to get the message across that the media must understand how to convey information about natural disasters. Overly sensational reporting by the urban news media can have an enormous impact on businesses in country areas. Sandra recounted an interview conducted in 2001 with the Chairman of Goulburn Murray Water:

He was asked questions about what would happen if the lake got down to a certain level. His answers were that it would be closed to recreation and it would be partly because of blue-green algae. The only part that the interviewer picked out of that interview was that the lake was going to be closed to recreation because of blue-green algae. That year all our bookings, everyone, just rang up. You spent your day—every caravan park and every houseboat operator—just sending back cheques for refunds on deposits and what have you. From then on there was nothing we could do. Two weeks later we were at the fishing and four-wheel drive show at Jeff's Shed. I can remember sitting in this old butcher's shop that is a restaurant, in Carlton. I had my teledex and I had all these telephone books, and I was ringing companies and getting them to deliver signs to the show that said: 'The lake is still open for operation'. I think my mobile phone bill for one afternoon was something like $200, just ringing around trying to do something for a recovery, but there was nothing we could do. We got Goulburn Murray Water to put a full-page ad in the Herald Sun, but it was already out there; it was like you cannot close the gate after the horse has bolted.

Sandra believes that the presence of professional support locally would make an enormous difference to her and Jim's ability to develop their tourism business. She also believes that access to low interest loans for tourism businesses, such as the 'exceptional circumstances grants' that farmers are eligible for, would ensure a business like hers could survive the rough times.

Whatever happens, Sandra is going to continue to work hard to do what she loves—welcome visitors to the beautiful Howqua for a great family holiday.

**Dealing with Drought**

9.50 A general observation made by a number of witnesses was that the delay in the government's response to drought was not as commendable as their response to floods and bushfires. The slower course of development of a drought situation was considered to be the main explanation for the difference in response.
While the bushfires have had an immediate impact on the media and resulted in a quick response from various bodies, our experience with the drought has witnessed a delay in the uptake from government to respond. An example of this is the Murray Campaign Committee which requested assistance five months ago in relation to the negative PR on the Murray. There has been a lag in support from the government since that request for assistance.

9.51 Some tour operators were actively involved in regional disaster relief programs due to their membership of local organisations or associations. Some of these operators reported to the Committee that as a result of their involvement, these operators neglected their own businesses. It was suggested that financial support could be provided in these situations to offset this.

I want you to be mindful too that a lot of the tourism operators are members of the CFA, SES or Red Cross, who in these last two bushfires were directly dealing with the natural disasters. They also may have been active members in their local tourism association, and for some people their involvement in these disasters has taken away from their own businesses and they have struggled to survive financially. If grants are to be given, we would like them to be kept simple.

9.52 Recent funding for a road project in the Alpine region will be beneficial to local communities because it would not only provide an alternative route during times of crisis but also increase tourist access to the area.

We have already received assistance to help in our touring offer. The state government, through the bushfire recovery funding, has allocated $1.55 million for the construction of a road that would serve to link Mount Buller and Mount Stirling, which will have some great advantage in terms of emergency response during winter and ensure we can access the mountain should something untoward happen with the one route there.

Recommendation 25: That the State Government encourage the Federal Government to extend drought related exceptional circumstances benefits to those tourism operators whose businesses are directly reliant on water resources.

Training

9.53 Some witnesses applauded the various training programs which aimed to help local tourism businesses get through a downturn. These programs were oversubscribed in Wodonga, which was described as ‘sending a very strong message to Tourism Victoria that there is a crying need out there for tourism business operator education’.

Late last year, with some bushfire recovery funding, the North East Victoria Tourism campaign committee organised promotional packages through various media. The success of that across the

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56 Ms Christine Stewart, President, Albury Wodonga Regional Tourism Forum Inc., Public Hearing, Bright, 29 August 2007.
57 Mr Phillip Nunn, Chief Executive Officer, Mt Buller and Mt Stirling Alpine Regional Management Board, Public Hearing, 30 August 2007.
high country was quite varied. Some packages had a really high take-up and others had very few calls. Partly in response to that, the committee organised packaging workshops with a facilitator. I think each workshop had about 25 people.... That is where they are learning about it. One of the best things about that is the networking that happens there because they get together, all learn what each other’s products are and at the end of the day those relationships are built.59

However, in other regions it was reported that it is difficult to get operators to workshops because of their time consuming business duties. These areas felt that sending professionals to businesses to conduct on-site training may be more productive.

What we do know is that it is very difficult to get operators along to workshops and forums and training programs. They cannot get out of their businesses, so it is very difficult to deliver programs. We have tried. Some programs have been quite successful, but we cannot get to all the operators. We find that it is the same operators that come time and time again, so in terms of a program what we have found is successful is the business program where we send somebody in to assist them with working on their business. That was rolled out through the bushfire program and we did some of that work through the capacity building programs. But yes, it is a very difficult one.60

Disaster relief

Participants in the Committee’s Inquiry process were enthusiastic in their willingness to share their experiences and the lessons they had learnt in coping with disaster recovery. A number of witnesses identified ways to improve current processes to enhance post-crisis recovery.

Institutional concerns

Ms Sharlene Putman from the Greater Shepparton Tourism Association suggested increasing the flexibility of relevant government regulations and extending the time frame for government support to affected areas.

All levels of government need to have understanding, flexibility and patience to allow drought-affected businesses to diversify and continue operating and contribute to the local tourism economy. If they have a 12-month plan, if they can have some flexibility in implementing certain aspects of it, I am sure the operators would be keen to continue operating. They could say, ‘I have a plan, this is what we need to implement in the next two years, we will have it done in a certain time line’.61

One issue with the restoration of public properties on crown land is the confusion that arises about where the responsibilities of different agencies lie. As Ms Pauline Hitchins said: ‘that certainly happened with the floods. The local example is Metung and Beach Road. Who was

59 Ms Kate Biglin, Manager of Tourism and Marketing, Indigo Shire Council, Public Hearing, Wodonga, 19 March 2008.
61 Ms Sharlene Putman, Manager, Greater Shepparton Tourism Association, Public Hearing, Shepparton, 15 November 2007.
responsible to repair that? Half is Ports in the water and half is onshore and the shire’s responsibility’. 62

9.58 With the continuation of the drought in Victoria it seems that some were affected in adverse ways. For example rent and duties related to the presence of water could continue to be imposed on waterfront operators by the relevant authorities. Ms Sandra Duell expressed concern about such an anomaly (see Case Study above). Mr Lynn Oaten, from the Victorian Caravan Parks Association, talked about the dire economic consequences for caravan parks during times of drought. For example, the shop at the Lake Eppalock Caravan Park had an annual turnover of $150,000 when the lake was full, since the drought this has dropped to $15,000 annual turnover. 63 Mr Oaten said that in the case of caravan parks around lakes, the current rent structure could be considered unfair in such circumstances:

One of our major issues in this area is that many of the parks operate on the shores of lakes, and in particular where the lakes are designated as water supplies and do not have any recognition or relationship to tourism. What happens in the majority of cases is that, when the water goes away and the income goes with it, there is no reduction in rent or no sympathy shown to the industry by the water authorities or whoever it is—DSE perhaps, but in many cases water authorities. 64

| Recommendation 26: | That the State Government assist the caravan and camping sector of the tourism industry through encouraging relevant authorities to provide rent relief to caravan parks adversely affected by drought and the loss of water for recreational use. |

Disaster relief programs

9.59 Ms Kaye Munro from the Waterholes Guest House in Gippsland highlighted what she saw as the most important aspects of disaster relief and suggested that solutions were not necessarily reliant upon large amounts of funding. Sometimes, a modest amount of funding that was promptly administered would enable local businesses to survive. In Ms Munro’s case, what was crucial was having personal contact with a program administrator who took the time to visit her property, inspect damage and discuss recovery measures.

(After the fires) I contacted Rural Finance. The man said, ‘I will be up in a couple of days’, and he personally came—that was a big difference—and saw what I needed to do. I said, ‘I think I only need the $3000 simple-to-get thing; that is all I need to kick-start the business again and clean up’, so that is all that happened. He saw it; he could see it, ‘Right! If she can do that for $3000, great!’, because there was a heck of a mess.

62 Ms Pauline Hitchins, Executive Officer, East Gippsland Regional Business and Tourism Authority, Public Hearing, Lakes Entrance, 14 February 2008.
63 Mr Lynn Oaten, Executive Officer, Victorian Caravan Parks Association, Public Hearing, Melbourne, 19 November 2007.
64 Ibid.
Anyway, that is all we needed—we did not need any more—and it was rapidly given, and it was given for an honest reason. I felt good about it; because I knew he had seen it. Nothing like that happened with the flood.

We needed help; we needed it rapidly. We are owner-operators and to employ someone, that little kick in of $3000 was all we needed to get up and going. A small amount of money from the government, quickly delivered, and we were right. It did not happen with the flood. It was only through charity that we were able to fix everything up.65

9.60 A wide-spread view expressed by witnesses was that small rural and regional entities are often disadvantaged in securing government support to rejuvenate their business. These businesses are especially fragile due to their size. The physical infrastructure of these businesses is not necessarily directly destroyed by natural disasters but the financial viability is affected beyond repair.

One of the things that I would like to raise is the flood and fire recovery money. It assisted some businesses, but the smaller businesses, in the CBD for example, have lost their retail trade. Some of those were very badly affected by the lack of tourism and the lack of people in town due to people not being able to access the town from their areas. It is the main shopping area for most people.

I was wondering if there is something we can look at to cover that, perhaps a promotional thing to bring people back into the town66.

9.61 Issues around what constitutes justification for disaster relief assistance can be complicated. Some businesses tried hard to diversify their operation and reduce their loss during the drought. Although they had made significant individual investment for that purpose, they were disqualified for any assistance because of their relatively smaller loss.

Ms Julie Preer, for instance, told the Committee:

In the meantime, during our business plan we had highlighted the drought as a major factor for our business and realised that we needed to do other things to compensate for the drought, and we put a lot of strategies in place to sell goods outside of the town via the internet and web marketing so that our business would not be affected as much. I took many man-hours away from my time as a family person and invested them into our business so it did not suffer as much, but when it came time to get our drought assistance we were told that our business had not been affected as badly because we took the time to invest in the business and go outside and try and make sure we were not going to be affected. So it sort of says to me that whilst we had done the best to survive in our business, maybe we would have been better sitting back, letting the drought take its effect and being entitled to $20 000 or $30 000 in drought assistance rather than taking that time away from my family and investing more money to try and compensate for that.67

9.62 Witnesses to the Committee from the tourism sector described the difficulties they faced, the assistance they received from government

66 Ms Loueen Goodall, President, Bairnsdale Chamber of Commerce and Industry, Public Hearing, Lakes Entrance, 14 February 2008.
67 Ms Julie Preer, Owner/Director, Yarrawonga Outdoors, Public Hearing, Yarrawonga, 20 March 2008.
and also made suggestions for how processes around responding to natural disasters could be improved. There are many issues for both State and Federal Governments to consider in responding to natural disasters. The challenges vary depending on the nature of the crisis. This can be seen in the evidence from witnesses discussing drought assistance as opposed to their experience of government responses to bushfires.

9.63 The Committee proposes a number of recommendations for improving government responses. These draw on the evidence from those in rural and regional communities who have been directly affected by natural disasters in recent times and who have given time and energy to considering and sharing their suggestions for improvement.

**Recommendation 27:** That the State Government develop a detailed Tourism Disaster Relief Strategy based on research into the economic impact of natural disasters on tourism in rural and regional Victoria.

The Strategy should:

(i) identify a formal process to drive the recovery period;
(ii) be incorporated into destination management plans;
(iii) incorporate an approach which is driven from the local level;
(iv) allow for flexibility in approach; and
(v) allow speedy access to disaster relief funds.

The Strategy is to work in tandem with the Government’s overall Disaster Relief Strategy and the Communications Plan suggested by the Committee in Recommendation 24 at paragraph 9.36.
Chapter Ten

Maintaining and Increasing Visitation

Introduction

10.1 There are a number of challenges currently facing tourism in rural and regional Victoria in relation to maintaining and increasing visitor levels. Earlier chapters have addressed the topics of infrastructure, industry skills and professionalism, and the impact of natural disasters on tourism. All these factors have some bearing on attracting visitors. It is also important to recognise the broader context we live in and the potential impact of global influences such as rising fuel prices, climate change, the global economy, aviation capacity, international competition and fluctuations in the exchange rate.

10.2 The focus of this chapter turns to how tourism in rural and regional Victoria is promoted and marketed. Witnesses brought to the attention of the Committee a number of concerns related to this topic. The chapter outlines these concerns and attempts to determine the effectiveness of current structures and programs for promoting and marketing the State from the perspective of the industry in rural and regional Victoria. Suggestions for improvements to these structures and programs are also made.

Visitor trends and influences

10.3 Before examining current structures and programs for marketing rural and regional Victoria, and concerns expressed by witnesses about these, this section reviews information on visitor trends and factors thought to be affecting these trends.

10.4 International tourism to Victoria has been growing in recent years. The Victorian Government submission to this Inquiry notes that in 2006,
international visitation increased by 7.9% over 2005, to a total of 1.4 million visitors, outperforming both Queensland and New South Wales in terms of growth.\(^1\) While the number of international tourists visiting regional Victoria declined, the number of visitor nights and visitor expenditure both grew, largely on the basis of increased numbers of international education visitors.\(^2\)

10.5 The Victorian Government predicts that international tourism will continue to grow, with the majority of that growth coming from Asian markets, in particular China and India.\(^3\) Despite recognising that ‘Eastern markets typically have lower levels of regional dispersal than traditional Western markets’, the Government’s submission claims:

\begin{quote}
Given its dominance in forecast growth, Victoria will need to focus on maximising international visitor numbers and expenditure, particularly in the high yield and long-stay segments. Asia will be the main source of growth, with China and India expected to grow strongly out of this region.\(^4\)
\end{quote}

10.6 While international tourism is a growing market, domestic tourism remains fundamentally important. In 2007, over 90% of all the overnight visitors to rural and regional Victoria were domestic tourists. Among all the domestic visitors to regional Victorian destinations, 34.43% of them were day-trippers.\(^5\).

10.7 Intrastate travel within Victoria dominates the domestic market, taking up 68.86% of the total domestic visitor nights in the state\(^6\). This market has been in decline (-0.3% growth) over the past eight years\(^7\). In comparison, strong growth is recorded in interstate travel to Victoria. Queensland is our fastest growing market with an average annual growth of 7.8% since 1999. Statistics about Queensland visitors to Victoria show that 52% of these visitors are in Victoria visiting friends and relatives.\(^8\).

10.8 Recent reports indicate that tourists are continuing to choose Victoria as a destination. Quarterly results from the National Visitor Survey published in March 2008, showed that domestic overnight visitors to Victoria increased by 3.6 per cent compared to NSW at 0.2 per cent.\(^9\) NSW continues to receive the most interstate visitors (33%) followed by Queensland (25%) and Victoria (24%).

10.9 In terms of domestic overnight visitors to rural and regional Victoria, the Goldfields has obtained an average annual increase of 1.6% in the

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\(^1\) Victorian Government, Submission, Number 74, 20 June 2007.
\(^2\) Ibid.
\(^3\) Ibid.
\(^4\) Ibid.
\(^6\) Ibid.
\(^7\) This section is based on a trend analysis of time series data from 1999 to 2007 for regional Victoria. Quarterly or yearly statistics may show temporary increases of the relevant market share. However analysis using historical data indicates these disparities are only fluctuations along the general trend line.
holiday and leisure segment since 1999. The highest growth rate (4.9%) in the Visiting Friends and Relatives segment is for visitors to the Mornington Peninsula. Gippsland is the only region recording a positive growth (5.3%) in the business travel sector over the past eight years. It is worth noting that the Grampians has been losing its market share in all segments (-8.1% in holiday/leisure, -3.9% in Visiting Friends and Relatives, and -1.0% in business).\(^\text{10}\)

A number of factors are affecting this market. Cheaper flights are taking Victorian and interstate holidaymakers out of the country at the same time that they are bringing international visitors in. Levels of household debt have increased, and many people appear to be choosing to spend discretionary income on goods rather than holidays.

**Lack of accurate visitor statistics and data**

There is a general lack of visitor statistics and data at the regional level. This issue was discussed in Chapter 4 in relation to economic data to assess the value of tourism to local communities. There is also a need for local level market research data to support local decision-making, funding applications and accountability.\(^\text{11}\) For example, a submission from the Mount Alexander Shire Council states that ‘due to a lack of relevant data’, the Council ‘is unable to accurately assess whether Tourism Victoria’s brand marketing initiatives have directly influenced visitor nights in Mount Alexander Shire’.\(^\text{12}\)

Currently information that is available tends to be basic and is not separated into regional areas. Professional analysis of the data would be required to obtain any insight on local situations. Visitor Information Centres and businesses collect some data locally, but what can be done at this level, without support, is limited. As Ms Robyn Till told the Committee in relation to the Pioneer Settlement Museum in Swan Hill:

> We collect data such as postcodes, and we have a basic system where we can find out the zones where people are coming from, but we do not have the ability to drill down further to find out what suburbs in Melbourne they might be coming from or specific areas within large regions. That would be very helpful in our marketing.\(^\text{13}\)

The Committee believes that Tourism Victoria could assist regional tourism operators and local government decision-making and marketing efforts by providing greater support for market research and data collection at a regional level.

\(^{10}\) Tourism Victoria, *Domestic Visitation to Victoria by Purpose, Year Ending December 2007*, Tourism Victoria, 2008.


\(^{13}\) Ms Robyn Till, Museum Director, Pioneer Settlement Museum, *Public Hearing*, Swan Hill, 1 August 2007.
Recommendation 28: That the State Government, through Tourism Victoria:

a. conduct regionally focused market research, using consistent methodology, to provide local councils with accurate information about the tourism market and visitor segments at the regional level; and

b. provide funding for research to examine specific factors that are affecting visitation in rural and regional Victoria.

Promoting and marketing regional Victoria

10.14 A variety of government and industry organisations play a role in promoting and marketing rural and regional Victoria. The State Government, through Tourism Victoria, is a major player. In addition to this, local government and a range of regional tourism organisations and local tourism associations play a part. Finally, individual businesses also play their part in marketing.

10.15 Marketing Victoria—including regional Victoria—is one of the major responsibilities of Tourism Victoria. According to the Victorian Government’s submission to the Inquiry:

This marketing is undertaken through a range of programs and activities, with the objective of:

- promoting regional Victoria to intrastate, interstate and international visitors;
- using major events and promotion of Melbourne to leverage regional Victorian tourism outcomes; and
- further developing the national and international profile of regional destinations based on their preparedness and suitability of product.¹⁴

10.16 In the Government’s submission it is noted that a limited number of destinations in regional Victoria currently have significant profiles nationally and internationally. Tourism Victoria’s strategy is to focus on existing areas of strength to build international and interstate markets. This includes focusing on Melbourne as the gateway to Victoria, and promoting major events as a means of building Victoria’s profile and visitation.¹⁵ Once attracted to Victoria potential visitors, it is hoped, will disperse out to regional destinations.

10.17 A cornerstone of Tourism Victoria’s marketing is the Jigsaw campaign. The Jigsaw campaign was first launched in 1993 with the jigsaw logo and slogan ‘You’ll love every piece of Victoria’.¹⁶ According to Tourism Victoria’s website, the Jigsaw campaign ‘is one of Australia’s most respected and successful tourism marketing and advertising campaigns’.

¹⁵ Ibid.
Based on research that indicated Victoria was not identified in consumers’ minds with any single icon, the campaign was designed to summarise and highlight Victoria’s diversity. A chronology of the Jigsaw campaign since 1993, taken from the Tourism Victoria website, is provided below.

**Chronology of the Jigsaw campaign**

- The ‘You’ll love every piece of Victoria’ campaign was launched in October 1993.
- World Map—launched in October 1993, identified the cosmopolitan elements that comprise Victoria.
- Melbourne Experience—launched in April 1995 and positioned Melbourne as Australia’s most cosmopolitan city.
- Touring Victoria—launched in December 1996 focused on regional Victoria as a touring destination.
- Melbourne Getaway—launched in August 1998, this ground-breaking television and cinema campaign unveiled the style, sophistication and romance of Melbourne and surrounding areas.
- Melbourne Plus—launched in November 1998, this magazine campaign built on Melbourne Getaway and linked the city with three of its closest regions, Bays & Peninsulas, Yarra Valley, Dandenong’s and The Ranges, and Macedon Ranges and Spa Country.
- Romantic Melbourne—launched in April 2001, positioned Melbourne as Australia’s capital of romance, style and sophistication with an award winning black and white television and cinema commercial.
- Melbourne’s Yarra Valley. You’ll never want to leave—launched in May 2003, this campaign put the focus firmly on Victoria’s regions. It has featured a campaign that ‘heroes’ the Yarra Valley and a series of tourism campaigns promoting destinations including the Goldfields, Great Alpine Road, Great Ocean Road, Grampians, Phillip Island and the Mornington Peninsula.
- ‘It’s easy to lose yourself in Melbourne’ the latest Melbourne brand campaign was launched in September 2006.

10.18 Tourism Victoria’s marketing strategy for rural and regional Victoria is based on building brand recognition for each of ten campaign regions. To do so, it distributes funding through the Regional Marketing Program. The aim of this program is to provide a coordinated Government and industry approach to regional destination marketing and to facilitate the raising of cooperative funding. Funding is distributed through a network of Regional Campaign Committees established by Tourism Victoria. In the 2007 State budget funding of $6.5 million over two years was allocated to the program. Prior to this, funding was provided on an annual basis. Tourism Victoria provides a range of other support to Regional Campaign Committees.

10.19 In addition to the branding and marketing carried out through the Regional Marketing Program, Tourism Victoria promotes regional products through its international network. This priority has also seen

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17 Ibid.
18 Ibid.
the formation of touring routes and strategic alliances which cross regional Victoria’ with $6.3 million announced in the 2007 budget to support touring routes and nature based tourism.20 Tourism Victoria has also run intrastate marketing campaigns and campaigns to encourage Victorians to travel within Victoria.

10.20 The promotion and marketing of regional Victoria is also supported through efforts to attract significant national and international events to Victoria, including regional Victoria, through the Victorian Major Events Company. Some of these are held regularly, such as the Rip Curl Pro surf competition and the MotoGP at Phillip Island, while others are one-off events like the 2004 World Ballooning Championships held in Mildura. Event funding and support is also provided through the Country Victoria Events Program. According to the Government’s submission to the Committee:

Of the $1.5 million in annual funding allocated to Tourism Victoria for events’ support, including those funds distributed through the Country Victoria Events Program, approximately 50% is provided to regional Victorian events. These activities will be supported by the Government’s Budget announcement of $2 million to support regional events over the next four years.21 These amounts are dramatically lower than what is spent on Melbourne based events.

10.21 A range of regional and local tourism organisations also carry out marketing and promotion within rural and regional Victoria. In a number of areas Regional Tourism Organisations have been formed with funding support from local government and industry. It is common for a group of local councils within a destination region to collaborate on forming and funding such organisations. Geelong Otway Tourism is a good example. It is supported by the City of Greater Geelong, the Surf Coast Shire, Colac Otway Shire, the Borough of Queenscliff and Golden Plains Shire, and has a number of local tourism associations affiliated with it. Members of the smaller, local organisations automatically become members of the larger regional association. Geelong Otway Tourism sees its role as follows:

As a ‘regional tourism’ body GOT is responsible for developing, marketing and managing tourism in the region in a sustainable manner, as well as providing support to local associations in the development of their local areas.22

10.22 Finally, individual businesses conduct their own tourism marketing. For large tourism businesses this can be quite substantial. For example, the Mount Buller lift company has a marketing officer and puts considerable resources into marketing the Mount Buller resort.23 Greyhound Australia also engages in extensive national and international marketing, with resident international marketing representatives in the UK, South East

20 Ibid.
21 Ibid.
23 Mr Andrew Ramsey, Executive Director, Australian Ski Areas Association, Public Hearing, Melbourne, 29 October 2007.
Asia and New Zealand. For smaller businesses marketing expenditure usually involves buying-in to various marketing campaigns, and producing their own brochures, websites and promotional material. For some, such as Kaye Munro, owner of a small Guesthouse near Bairnsdale, it has involved tapping into international markets through inbound tour operators (see Case Study below).

**Case Study 11: Kaye Munro, East Gippsland**

Kaye Munro owns and runs Waterholes Guesthouse, an award winning luxury wilderness resort in East Gippsland. Waterholes is all about ecotourism, and Kaye places a strong emphasis on environmental sustainability in how she operates her business. Based on her past travel experiences, Kaye believes that the ecotourism experience has great appeal for modern international tourism markets.

Kaye got many of her ideas about preparing for international tourism from a mentoring program sponsored by Tourism Alliance and Tourism Victoria a few years ago. With this marketing knowledge, she made some adjustments to her business practices, built up a comprehensive website, and designed customized services for tourists. Kaye says she also learnt a great deal from a training program on international tourism marketing for small business initiated by Chris Buckingham from Destination Gippsland. She says she benefited by learning from her peers and discussing issues with other similar business people in Gippsland. She particularly learnt great skills in how to approach inbound tour operators. Kaye says:

> I thought that our product would appeal to the modern international market in a big way, right from the beginning, because we travel a lot ourselves, so we know what travelers are looking for. So we designed it to suit the international market mostly. But until Chris Buckingham came along and taught us—showed me—how to enter that and gave me contacts that could help me work out how we could enter that market, I really floundered.

In August 2007, Kaye and her husband went to London for personal reasons and took the opportunity while there to promote their product and the Gippsland region, using Kaye’s newly acquired knowledge and skills. This trip was so successful that international tourism now accounts for 33% of their total business takings, compared to 2% in the past five years. Through an initiative of Tourism Australia, Kaye’s husband is again going to Europe in March 2008, where he will have an opportunity to speak to inbound tour operators from Scandinavia, Germany, Switzerland, and the UK. Plans are also in place for them both to attend the Australian Tourism Exchange.

> Our little visit in August has brought such an enormous increase…. The international market is so much easier than the domestic market for us to enter. In the last five months our own business has increased its international takings from about 2 per cent for the first five years to become one-third of our business in this sixth year of operation, and it is growing very quickly. That is all because we have been given entry and training into how to enter that market.

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24 Greyhound Australia, Submission, Number 75, 14 June 2007.
Kaye told the Committee about the difficulty in approaching government authorities for assistance without any guidance. She suggests that new licensees of tourism businesses would benefit from receiving an information package, with the license, that could direct them to where assistance is available.

The bushfires had a huge impact on Kaye’s business, and the resort was closed for two months during what is normally their busiest season. When Kaye contacted Rural Finance for help, a staff member visited her personally to survey and assess the damage. The $3000 relief fund arrived quickly and helped the Munros to recover their business. What impressed Kaye the most was the promptness of the personal visit.

He saw it; he could see it, ’Right! If she can do that for $3000, great!’, because there was a heck of a mess. Anyway, that is all we needed—we did not need any more—and it was rapidly given, and it was given for an honest reason. I felt good about it because I knew he had seen it.

For Ms Munro, successful international marketing by small businesses is more than just waiting to ’capture’ the tourists after they arrive in the country. Nor does fast recovery from a natural disaster necessarily mean heavy investment, either. Kaye says that what businesses need most is the right advice and assistance in building a business, particularly during downturns.

**Industry concerns and recommendations**

10.23 As noted earlier, a number of issues were raised with the Committee concerning the marketing and promotion of rural and regional Victoria, particularly in relation to the activities of Tourism Victoria and its programs. These concerns revolved around a number of issues, including the way in which Tourism Victoria’s marketing programs are funded and administered, the effectiveness of existing marketing programs and strategies, and the way in which tourism Victoria works with the tourism industry in rural and regional Victoria.

**Funding for promotion and marketing**

10.24 The majority of funding provided by Tourism Victoria for promotion and marketing is based on a partnership funding model that is used across Government. This partnership approach aims to encourage community organisations, business and local government to collaborate with the State Government on all aspects of regional development. Nonetheless, in relation to the funding provided by Tourism Victoria for marketing there were concerns expressed by witnesses about the amount provided, its distribution, and the way in which the spending of funds is regulated and administered.

10.25 A number of witnesses argued that the amount of funding provided to the Regional Marketing Program was insufficient to market the number of regions covered. As a submission from Bendigo Tourism pointed out:

*The Current Regional Marketing Program provides $3.25 million per annum for the implementation of 10 distinct regional brands. This is certainly an ambitious program for the investment of $3.25*
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...in the context of the high cost associated for effective brand marketing.25

Submissions from the Echuca-Moama & District Tourism Association and the City of Ballarat, likewise argued that the budget for regional marketing campaigns is too small to be spread over ten regions.26

10.26 Other submissions and witnesses argued that funding for Tourism Victoria in general was insufficient, and that this lack of funding impacts the marketing of regional areas.27 Mr Kayler-Thomson, from the Victoria Tourism Industry Council, told the Committee that in their view Tourism Victoria as a whole is under funded and that this has an impact on its ability to market the State and grow the tourism industry. Funds are spread too thinly, leaving an insufficient amount to effectively market regional Victoria. He said:

We advocate that Tourism Victoria’s budget should be doubled to $80 million a year. It sounds a lot, but if we are looking to double tourism then we ought to be putting sufficient resources into it, because the impact of not doubling it has been that Tourism Victoria has not had sufficient marketing dollars to complete the task. It means that the government has reduced the amount of funds that are focused on international tourism and provided insufficient funds to market the brand of Victoria. Even though the Jigsaw campaign has been highly successful, it has limited the amount of funds left for regional tourism and particularly for industry development and product development.28

10.27 With finite government funding, Tourism Victoria seeks buy-in from local government and industry to support their Regional Marketing Programs. However in some cases Regional Campaign Committees may have difficulty in matching contributions. Mr Athol Guy, who is Chair of the Daylesford and Macedon Ranges Campaign Committee, talked about seeking funds from local government, and the difficulties involved in cases where a council’s budget has been allocated:

What we need to get through with our local government colleagues—because there is so much money there that we will get a dollar for dollar from Tourism Victoria—is, it is a cost-shifting problem. They will do their budgets and through economic development they have specific areas that the dollars go to specifically. When we come on the scene and say, ‘Hey, we are the marketing committee, we have this great strategy for the area you are in’, usually we are asking them to find money outside what they have already committed to.29

A similar point was made in a submission from the East Gippsland Shire Council, where it was argued that expecting local government and regional tourism associations to financially support Tourism Victoria’s marketing programs is seen as cost shifting.30 In the past, these types of

25 Bendigo Tourism, City of Greater Bendigo, Submission, Number 61, 1 June 2007.
26 Echuca-Moama & District Tourism Association, Submission, Number 63, 1 June 2007; City of Ballarat, Submission, Number 17, 30 May 2007.
27 See for example, Colac Otway Shire, Submission, Number 80, 18 June 2007.
29 Mr Athol Guy, Chair, Daylesford and Macedon Ranges Campaign Committee, Public Hearing, Daylesford, 28 June 2007.
30 East Gippsland Shire Council, Submission, Number 64, 1 June 2007.
problems have been exacerbated by the fact that the previous Regional Partnership Program was funded on an annual basis, thus not allowing for forward planning.

10.28 Another problem with this ‘dollar-for-dollar’ structure is that the cost of buy-in is prohibitive for smaller regions and tourism businesses. Frankston Tourism Inc suggests that ‘Tourism Vic marketing programs are fantastic but are extremely expensive for many small business operators to participate in’. Buchan Business and Tourism Association claims ‘dollar-for-dollar’ grants do not work for regions that are already under economic pressure from drought and fires and where there are no large commercial businesses to promote tourism. These problems are exacerbated when destinations are located in low population areas with poorly funded shire councils.

10.29 The Committee heard that for the reasons discussed above, some rural and regional areas may not be included in Tourism Victoria’s marketing and development plans, for example, the absence of a sufficient number of local operators with the capacity to meet dollar-for-dollar requirements. This was seen as a problem in areas such as the Wimmera-Mallee region and around Wodonga in the State’s north east. Ms Christine Stewart said that local tourism operators in the Wodonga area were ‘constantly’ requested to provide funds for ‘dollar-for-dollar’ tourism programs and that they were at risk of being excluded from other Tourism Victoria activities for their ‘non-compliance’.

10.30 In a number of regions throughout the State, the Committee heard about various examples where local governments raise their own funds to support and promote tourism. Many employ economic development and/or tourism managers and staff whose role in part is to help promote tourism in the Shire. Most finance and run Visitor Information Centres (as was discussed in earlier chapters), and many run websites to promote their town or region. Funding for these activities comes from a variety of sources including general rates, grants from Federal and State governments and, in some cases, from special ‘differential’ rates collected from businesses within the Shire or City.

10.31 The Committee was particularly interested in exploring the application of ‘differential’ rates in some local government areas. In Mildura the Committee heard this strategy was working well to help fund economic development and tourism promotion. All retail, commercial and industrial businesses in the Mildura Rural City Council area pay the differential rate. Through this, the City Council collects approximately $920,000 per year which is split between the Sunraysia Mallee Economic Development Board and Mildura Tourism. These organisations then

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32 Buchan Business and Tourism Association, *Submission*, Number 38, 1 June 2007.
33 Access Downunder — Abaco Australia Pty Ltd., *Submission*, Number 49, 1 June 2007.
34 Mr Terry Sanders, Manager, Shire of Yarriambiack, *Public Hearing*, Swan Hill, 1 August 2007.
35 Ibid.
increase their capacity further by seeking various government grants.\textsuperscript{36} As a member-based organisation Mildura Tourism also collects membership fees from tourism operators on the New South Wales side of the Murray River where the differential rate does not apply.\textsuperscript{37} The differential rate allows these organisations to plan future activities knowing they have a secure source of funding. As Andrew Millen told the Committee:

\begin{quote}
The differential rate gives my group and the tourism group the ability to continue to plan into the future, not wondering whether in three years time we are still going to be here. So we can actually work longer on that, which I think is important for the long-term vision in the long-term tourism industry here.\textsuperscript{38}
\end{quote}

10.32 The Committee believes the application of differential rates is a strategy that may have merit in other local government areas. It recognises however that making such a rate compulsory would be difficult and possibly not appropriate in some shires. The Committee therefore recommends that Tourism Victoria conducts research to assess the effectiveness of differential rates, and reports on their wider applicability.

10.33 The Committee heard about another source of funding during its public hearing in Bendigo. Ms Kathryn Mackenzie informed the Committee that Bendigo Tourism and the Bendigo Visitor Information Centre are partially funding their own operations through booking commissionable products both online through their website and face-to-face through the Visitor Information Centre. This ongoing stream of funding is in jeopardy however due to potential competition from alternative online booking services. As Ms Mackenzie said: ‘If visitor centres and these booking services are edged out by very commercial systems, I believe we are going to have some really big issues at regional tourism levels about how we continue to fund our activities.’\textsuperscript{39}

10.34 While differential rates and commissions from online and face-to-face booking services are excellent sources of income to support tourism in some regions, these strategies are less likely to be effective in shires with small populations and low concentrations of tourism businesses. The situation of these less prominent destinations and smaller towns raises another funding issue, that is, the distribution of Regional Marketing Program funds. Some witnesses supported Tourism Victoria’s strategy of focussing on those regions that already have a developed profile, while others believe there is a role for government to play in building up newer regions.

10.35 A submission from the Mornington Peninsula Shire suggested, ‘Tourism Victoria should reward those regions which can deliver world class

\textsuperscript{36} Mr Andrew Millen, CEO, Sunraysia Mallee Economic Development Board, Public Hearing, Mildura, 31 July 2007.
\textsuperscript{37} Ms Dani Harvey, Mildura Tourism, Public Hearing, Mildura, 31 July 2007.
\textsuperscript{38} Mr Andrew Millen, CEO, Sunraysia Mallee Economic Development Board, Public Hearing, Mildura, 31 July 2007.
\textsuperscript{39} Ms Kathryn Mackenzie, Executive Manager, Tourism Bendigo, City of Greater Bendigo, Public Hearing, Bendigo, 27 June 2007.
tourism experiences’. The alternative view is that the government should provide specific funding to support the growth and development of tourism in less well known regions because of the important role tourism can play in diversifying regional economies and adding to economic sustainability. For instance, Ms Mary-Lu Amos, the Manager of Community Economic Development for the West Wimmera Shire Council, told the Committee about efforts being made in their region to support and develop tourism. Pointing out that the Shire has one of the lowest rates bases in the State, she proposed special funding to help small rural councils promote and develop tourism, noting that in total this would not cost a lot:

What West Wimmera is saying is that when you look at the 48 rural councils that are around the traps, if each of those small rural councils were given $50 000 on an annual basis to promote, develop and train, it does not amount to a heck of a lot; it is something like $2.4 million. That is not a lot of money when you look at, sometimes, what the over expenditure is on some of the larger sporting activities that happen when they go over budget in the metro and regional areas. We feel that this would give the opportunity for those shires to work together. We do work together now, but it would give them a better advantage.

10.36 Given the importance of tourism growth to the economic sustainability of all parts of rural and regional Victoria, the Committee believes that greater funding should be provided to Tourism Victoria for marketing regional Victoria and that some of this should be directed specifically towards helping less prominent and smaller regions to develop and market their tourism potential.

**Recommendation 29:** That the State Government, through Tourism Victoria improve funding for rural and regional tourism by:

a. increasing funding targeted specifically at the promotion and marketing of rural and regional destinations.

b. conducting research to assess the effectiveness of differential rates, and reporting on their wider applicability.

c. investigating ways to support fledgling events and tourism initiatives in smaller rural communities, either through funding or through other assistance.

**Administration of marketing programs**

10.37 The way in which Tourism Victoria’s marketing programs are administered was another general area of concern, with a number of specific problems being raised during the Inquiry. Rules governing the Regional Marketing Program were argued to be too rigid and restrictive. Application processes were seen as too complicated and time consuming, and the funding time-frame was seen as being too short.

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Administration of the Regional Marketing Program was perceived to be too rigid in a number of ways. A submission from Geelong Otway Tourism states:

*The application of financial resources are very prescriptive and do not allow scope for dynamic decision making in the regions, many of the best ideas wither on the vine, because they fall outside the formula approved by TV.*

Rules requiring matched funding from local sources, and guidelines as to what sources of funding count in this context, were of particular concern. Mr Rod Thomson from the Goldfields Tourism Campaign Committee felt that eligibility criteria are too strict. He said:

*The level of regional marketing program funding granted to the regions is reliant on matching funding put forward by local government and industry, yet the program maintains rigid top-down regulations regarding the eligibility of matching funding and how such funding is to be applied. There is little recognition that in the goldfields region local government invests almost twice as much on an annual basis in tourism—which was approximately 6.1 million in the 2006-07 financial year—as the state government allocates to the regional marketing program for the entire state, which was $6.5 million over two years.*

In this context, even where local government already invests significantly in tourism promotion, there is still a requirement to obtain funding from local government and industry partners for specific Tourism Victoria Campaign Committee projects. Securing this additional contribution can be difficult. Again, as Mr Rod Thomson explains:

*Currently the focus of marketing programs often becomes how to attract matching funding to satisfy funding conditions instead of what is the most effective marketing program to attract visitors and increase yield. So when campaign committees are sitting down working on the program, a lot of the time and effort is spent working out how to get this extra funding and satisfy all the rules rather than just focusing on the objective of increasing visitation and yield.*

It was suggested that when Tourism Victoria apply rules requiring matched funding, they should take into account funds already spent independently by local governments on destination promotion. This would ensure proper acknowledgement of local input into destination marketing.

Other rules governing the spending of funds provided by Tourism Victoria were similarly viewed as overly prescriptive. Mr Thomson suggested that Tourism Victoria takes a 'one-size-fits-all' approach to the various regions, when in fact there are significant differences. In some cases, the destination is the region, while the Goldfields region has two major destinations, Bendigo and Ballarat, and many smaller towns. He also made the important point that the Regional Marketing

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42 Geelong Otway Tourism, Submission, Number 37, 1 June 2007.
43 Mr Rod Thomson, Goldfields Tourism Campaign Committee, Public Hearing, Bendigo, 27 June 2007.
44 Ibid.
Program creates silos and competition rather than cooperation between campaign regions. He said:

The current regional marketing structure encourages regional silos. In effect it has established a competitive framework between regions for state government funding and has created a range of separate regional brands, which then compete with each other in the marketplace. As I said, we all have to go through a funding application procedure, and we are really vying to see who is going to get the most money to spend on their region. This serves to dilute the marketing funding and potentially undersells the depth and diversity of Victoria as a destination.

The original Jigsaw concept linked the pieces of Victoria together as a state-wide offering of attractive touring experiences, whereas the current marketing funding model does not focus on the creation of state-wide tourism experiences to meet consumer needs; it fosters brand development of each of the individual regions. This marketing structure may work if each region had $5 million per annum to run an effective branding campaign and the key interstate and possibly international markets could be coordinated at a state level. But without this level of funding other marketing structures really need to be implemented….

Another concern in relation to the application of funding rules is the requirement that Campaign Committees spend a significant proportion of Regional Marketing Program funds on brand campaigns. Bendigo Tourism’s submission states that Tourism Victoria ‘funding guidelines make it mandatory for funds to be placed into brand campaigns’. This, they argue, ‘leaves regions with little commercial edge and virtually no conversion to visitation from these brand campaigns’. The same point was made by Mr Thomson from the Goldfields Campaign Committee and by Geelong Otway Tourism. While recognising the value of a well know brand image, Geelong Otway Tourism believes there is a need for a shift in focus at the highest level, from brand marketing to tactical conversion.

Their submission states that tourism marketing within Victoria:

has been focussed on building consumer awareness through brand campaigns. These campaigns have been highly successful, winning many awards for creative excellence, and creating positive sentiment and recognition of destinations (e.g: Melbourne, Yarra Valley etc). To date there have been no broad tactical or fulfilment campaigns to ‘cash in’ on the great exposure created by these sensational ads…. The industry is crying out for conversion, to begin the process of turning around a consistent trend of falling numbers, specifically intrastate and interstate visitors.

The Committee heard that there is general acceptance in rural and regional Victoria that the Jigsaw campaign is a valuable and in many ways a successful advertising campaign that has received national and international recognition. However some aspects of the campaign require development. For example, the assignment of some areas to a

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45 Mr Rod Thomson, Goldfields Tourism Campaign Committee, Public Hearing, Bendigo, 27 June 2007.
46 Bendigo Tourism, City of Greater Bendigo, Submission, Number 61, 1 June 2007.
48 Geelong Otway Tourism, Submission, Number 37, 1 June 2007.
49 Ibid.
campaign region that does not necessarily reflect their tourism products or the features of their geographical location.

10.44 Funding application procedures were also seen as problematic in terms of the amount of time devoted to them. Talking about funding for regional events, Ms Kathryn Mackenzie from Bendigo Tourism, suggested that the application process with Tourism Victoria is unduly time-consuming and that rules and policies require greater clarification to reduce confusion about the availability of relevant funding. She said:

> when we go and apply for money from Tourism Victoria, there is no formal set procedure to do that and we do not know what we can and we cannot get. It takes a long time to get money and it tends to be quite a drawn-out process. It always seems that you are grappling and grasping after something that you do not quite reach. I would like to see a real strategic approach to events in the region that really assists regions to brand themselves and have a major call to action.50

10.45 The strategic approach to marketing that Ms Mackenzie would like to see implemented is further hampered by the rigorous and prescriptive regulations that apply once funds are obtained. In her view, regulations that restrict the use of funds to specific purposes work against taking a strategic approach.

> At the moment funding is so rigorous and so prescriptive that we really cannot do that with the money that comes from the state government. Then we are actually going in as destinations trying to request more funding. It is a really hard road. 51

The concern was expressed that this format resulted in programs being carried out in order to satisfy the application rules rather than to increase visitation and yield in the destination.

10.46 A final funding related concern was the short time-frame of the Regional Marketing Program. The Committee notes that a decision was made in 2007 to move from annual funding to a two year period, to ‘allow for a greater strategic focus on marketing activities’.52 Witnesses suggested extending the funding period even further to improve options for strategic planning. It was argued that most businesses cautiously observe the programs in the first year and often invest in the second year. More time was thus needed to maximise the effectiveness of programs and to obtain sustainable benefits. Mr Thomson suggested that:

> Lengthening that to a four-year period would give confidence of future funding, but also allow the councils to budget to be part of the cooperative marketing programs. 53

**Recommendation 30:** That Tourism Victoria increase the funding cycle for their Regional Marketing Program from two years to four years to give confidence and continuity to programs.

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51 Ibid.
The effectiveness of current marketing programs and strategies

10.47 Many concerns were expressed in relation to Tourism Victoria’s marketing policies and strategies. Some of these overlap with issues already discussed, particularly in relation to the distribution of funds, however, specific policy and strategy issues are the focus of this section. The first set of concerns discussed below relate to the marketing focus of Tourism Victoria in terms of geography. Following this, concerns about the effectiveness of specific marketing strategies and campaigns are covered. Tourism Victoria’s focus on certain market segments, and perceived neglect of others is the last issue covered in this section.

Marketing—Melbourne or Victoria?

10.48 The Committee notes that Tourism Victoria has an overall strategy for promoting Melbourne as the gateway to Victoria, as noted in paragraph 10.16. This strategy is reflected in their approach to major events and the Jigsaw marketing program. However some witnesses were concerned that Tourism Victoria focuses too heavily on Melbourne, and on high profile destinations in rural and regional Victoria, in preference to developing less well known destinations.

10.49 Despite Tourism Victoria stressing its significantly higher marketing spending ($10.7 million) on regions than on Melbourne ($4.7 million),54 many witnesses considered Tourism Victoria to be Melbourne-centric in its marketing. For example, Mr Chris McClure from Horsham Rural City Council said, ‘Tourism Victoria is focusing on marketing Melbourne, Melbourne surrounds, icon attractions and selected touring routes’.55 Likewise Mr Norm White from Advance Tourism claimed:

Tourism Victoria is very Melbourne-centric, which is the opinion of most people I talk to in the regions. And the other states are the same—Perth, Adelaide and so on. But, at the end of the day, Queensland has structured its state to make sure it has got strong regions. We have not done that in Victoria.56

10.50 Funding for events was also seen to be biased towards Melbourne, despite some major regional events receiving funding through the Victorian Major Events Company. In some cases, the funding obtained to run events was remarkably lower than the cost of the event. Otways Tourism stages the Great Ocean Road Marathon to attract visitors during the low season and help local tourism businesses. However, they only receive $25,000 from the state government while spending $300,000 on the event.

In those numbers a lot of interstate people come for the weekend and quite a number of overseas competitors come, and that will get greater and greater, but we need the support. We get $25 000

54 Mr Greg Hywood, Chief Executive, Tourism Victoria, Public Hearing, Melbourne, 4 June 2007.
56 Mr Norm White, Director, Advance Tourism, Public Hearing, Melbourne, 18 June 2007; see also Colac Otway Shire, Submission, Number 80, 18 June 2007.
Small local events receive funding through the Country Victoria Events program to run such events. However, with a budget of only $150,000 per year, this program does not provide enough funding for sustaining smaller regional events. A submission from the East Gippsland Regional Business & Tourism Association suggested: ‘In comparison to the funding for events in Melbourne, regional Event funding is minuscule’.

The Committee notes that this program is not the only source of funding for regional events and that funding is also allocated through other means. For example, 50% of $1.5 million of the Major Events funding (inclusive of the $150,000 through Country Victoria Events) is allocated to regional events.

The argument that major events held in Melbourne will not only draw tourists to the city, but will have a beneficial effect through dispersal into the regions, is not convincing to many witnesses in regional Victoria. Submissions from the Echuca-Moama & District Tourism Association and the Lakes Entrance Business Tourism Association argued that more remote parts of the State do not benefit from the Melbourne focussed promotion model. As Mr Rod Thomson argued, dispersal will not occur unless linkages with regional Victoria are built into the objectives and strategies of those planning major events in Melbourne. He said:

*State initiatives to attract business tourism and major events to Victoria generally appear to have no objectives for or linkages with regional Victoria. The positive and notable exception to that was the Commonwealth Games, when some of the events were held in regional Victoria, which was fantastic. Other major events in Melbourne seem to have little impact on increasing regional visitation. There should be a whole-of-Victoria focus on some of the major events and not just the Melbourne focus, hoping and assuming that visitors will move into the regions after they have been to the event. To date there is no real evidence that visitors do filter into the regions following a major event.*

Consequently, he suggested that specific linkages with regional Victoria be part of any planned major event in Melbourne. For instance, a few regional gallery shows as part of a Melbourne art exhibition.

In addition to the concern that Tourism Victoria’s marketing focus is too Melbourne-centric, many witnesses also felt a bias existed towards promoting regional destinations and established icons that already enjoyed a high profile. This ‘focus on well-know product in Victoria’ creates a ‘same old same old’ impression of Victoria according to Moira Tourism Inc.

A common perception in less prominent regions was that the Great Ocean Road and the Yarra Valley regions were prioritised ahead of other regions that, if given more support, could achieve much

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57 Mr Ross Stephens, Member, Otways Tourism, Public Hearing, Geelong, 12 September 2007.
58 East Gippsland Regional Business & Tourism Association, Submission, Number 55, 1 June 2007.
59 Echuca-Moama & District Tourism Association, Submission, Number 63, 1 June 2007; Lakes Entrance Business Tourism Association, Submission, Number 84, 18 June 2007.
60 Mr Rod Thomson, Goldfields Tourism Campaign Committee, Public Hearing, Bendigo, 27 June 2007.
61 Moira tourism Incorporated, Submission, Number 46, 1 June 2007.
more return from tourism. It was also felt that marketing campaigns failed to recognise or develop the full potential of some regions. For example, in Gippsland promotional activities have been concentrating on the established tourism icons and it was suggested: ‘A concerted effort by Tourism Victoria to become more conversant with lesser known areas of Gippsland could lead to a more inclusive regional marketing approach’.  

The view that Tourism Victoria’s focus on Melbourne and high profile regional destinations was counterproductive was not universally shared, however. For Mr Michael Watson, of Watson’s Mountain Country Trail Rides the focus on Melbourne is understandable and acceptable in the context of attracting an international market. He recognises the value of concentrating on established destinations and iconic images when marketing internationally. He said:

> I can hear people’s frustrations about the focus on perhaps Melbourne, or the focus on the bigger players, but I also believe, particularly when it comes to the international market, if you try to have too many smaller regions to market you are losing the message there somewhere. I am quite comfortable with marketing Victoria by leveraging from Melbourne. Melbourne is a name that is well established. I am happy for people to come into Melbourne and give us the opportunity there to leverage from Melbourne.

The Committee believes that while Mr Watson makes an important point, it cannot be assumed that dispersal will happen automatically. The Committee believes that further research into the dispersal of tourists from Melbourne into regional Victoria is needed. This research would investigate the current extent of dispersal both in terms of numbers and regions and should lead to the establishment of mechanisms for achieving improvements in dispersal. A key mechanism would be the ongoing collection of visitor data. Furthermore, Tourism Victoria needs to work proactively with industry stakeholders from Melbourne and across rural and regional Victoria to ensure that all regions are actively marketed and that strategies are in place to facilitate dispersal.

The Jigsaw and regional campaigns

Throughout the evidence collected for this Inquiry, there was widespread recognition of the Jigsaw campaign and its success as a promotional concept. For example, a submission from Bendigo Tourism stated: ‘Tourism Victoria has developed a tremendous brand for Victoria—the Jigsaw brand and this has certainly worked well for this State’. Nonetheless, there were also widespread concerns expressed that it was no longer working well for all parts of the State. The Jigsaw campaign was felt to lack a commercial edge, failing to convert brand image into sales, as discussed earlier. In addition to that issue, which

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62 Cr Bruce Lougheed, Mayor, La Trobe City Council, Public Hearing, Traralgon, 13 February 2008.
64 Bendigo Tourism, City of Greater Bendigo, Submission, Number 61, 1 June 2007.
has already been covered, some witnesses felt that certain regions of the State were left out, as if they were a ‘lost piece of the jigsaw’. Others did not feel that they had any affinity with the ‘piece’ that they were supposedly part of.

10.56 Ms Robyn Vella, Tourism Manager for the Loddon Shire, claimed that the Loddon region is ‘not on Tourism Victoria’s radar’. A submission from Pomponderoo Bush Retreat, suggested that while the Jigsaw campaign ‘works well for well-established places and areas [it] fails to develop new product, areas or regions’. Areas like the Little Desert where Pomponderoo is situated are ‘virtually completely ignored by Tourism Victoria’. Ms Joane McKnight felt the same about parts of Western Victoria, stating: ‘I often say, referring to Tourism Victoria and the Jigsaw program, that this is the lost piece of the jigsaw and it is time we found it’. Joane was hopeful that global recognition of the Kanawinka Geopark (achieved in June 2008), would transform the region from ‘the bit you travel through to get somewhere else’ to a region with its own identity and profile as a Global Geopark.

Case Study 12: LaVergne and Paul Lehmann, Dimboola

La Vergne Lehmann is currently a doctoral candidate with the Water in Drylands Co-operative Research Program at the University of Ballarat. She holds an Honours Degree in ecotourism, and previously worked for local council as Tourism Officer. La Vergne also teaches conservation and land management at Longerenong. Her husband Paul previously operated a tour guide business, was a soldier in the Australian army and managed international staff at ski resorts in Japan. He is also a bush survival specialist.

Between them La Vergne and Paul have an enviable knowledge and experience of ecotourism and sustainability issues. It comes in handy for their business—together they own and operate the Pomponderoo Bush Retreat, in a drought affected region of Western Victoria.

Pomponderoo Bush Retreat is located four kilometers from Dimboola on the main road to Little Desert National Park, approximately four hours from Melbourne. It was the first business in Western Victoria to be accredited for a four green star rating from AAA Tourism.

La Vergne suggests that the importance of tourism is not acknowledged in their community. She says that this lack of recognition from the Council and from locals makes it difficult for tourism businesses. La Vergne believes that the region has great potential to attract tourists and she has many ideas about what could be done to develop that potential—with the right funding:

One of the things that I think would work very well is linking the Grampians and the Little Desert along the river and up to Lake Hindmarsh with either a walk or bike ride along the river all the way, providing some basic camping facilities and making it one of the great

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65 Ms Robyn Vella, Tourism Manager, Loddon Shire Council, Public Hearing, Bendigo, 27 June 2007; see also Cardinia Shire Council, Submission, Number 93, 29 June 2007.
66 Pomponderoo Bush Retreat, Submission, Number 54, 1 June 2007.
68 Ibid. Further details of the Kanawinka Geopark project are provided in Chapter 11.
walks or rides along some wonderful nature-based areas in Victoria. That unfortunately is the sort of project that would require full government funding, because it is not actually a commercial opportunity... La Vergne believes that iconic tourism destinations—in some ways those that least need assistance—gain the most from government marketing campaigns. Unlike fledgling concerns in smaller more remote areas. She suggested a way to restore the balance:

[It] would be really great if for one year Tourism Victoria decided not to put any funding into the Great Ocean Road or the Grampians or whatever and put it all into the smaller areas with the tagline ‘Try something different’.

In terms of her academic research La Vergne is currently mapping how water relates to tourism and how it can be sustainably used. Water is a big issue for country tourism, as she describes:

One of the issues with the tourism industry is that it has something in the vicinity of between two and seven times the water usage of normal households. When someone goes away to stay somewhere, when they might have a 5-minute shower at home because we have all been told we have got to save water, they will have a 25-minute shower in a tourism business.

Learning how to use water sustainably is essential, and developing ecologically sound tourism is simply the right thing to do, for the future of the land. La Vergne describes how water relates to the development of a community, and its tourism future:

In the case of Dimboola, for example, we have a regatta. In Horsham you have the fishing competition. Places like Lake Hindmarsh, when they had water—and I have lived here for seven years and I have never seen water in it—used to support professional fishermen and used to support people coming up there for summer holidays like it was a beach place to go to... If you take those things away from those communities, you cannot get them back. It is almost impossible if you do not have that water. There is a massive cost in terms of economic value and in terms of social value if you want to retain your population and to give them something.

… If you do not have water … you do not have a lot of birds, you do not have the water life, you do not have the frogs. A lot of people want to hear those sorts of sounds when they come out to our place.

10.57 The use of the jigsaw metaphor, not only as a promotional symbol but as a means of structuring campaign regions was considered problematic by some. For example, Cr Robyn Machin from the Strathbogie Shire Council pointed out that Tourism Victoria’s decision-making had been trying to suit the Jigsaw campaign rather than commercial needs. She used the Hume Highway as an example of the possibility to present a synergy of products along the road in a more commercial manner. Similar issues were raised in relation to West Gippsland. Ms Felicity Irwin told the Committee:

Just another issue with the Jigsaw, … is the fact that they sit in two Campaign Committees, … because we sit in a different campaign committee, West Gippsland is actually prevented from doing cooperative marketing with other Campaign Committees, which is a huge issue for us when, for instance, Yarra Valley or

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69 Ms Robyn Machin, Deputy Mayor, Strathbogie Shire Council, Public Hearing, Mansfield, 30 August 2007.
Phillip Island would like to work with us and the money is held elsewhere.  

10.58 Believing that the Jigsaw model does not meet their needs, some areas joined together to form separate marketing organisations for their operators. The Committee heard about a number of grass-roots examples where operators and organisations have grouped together to market a particular tourism product or region, independently of Tourism Victoria and the destination Campaign Committees. The first type of collaboration is found between regions with similar tourism product. These horizontally collaborative organisations promote effective communication between members; market all the member regions with their shared product features and target at selected market segments.

10.59 The Goulburn River and Ranges Food and Wine Network, which covers the Strathbogie and Mitchell Shires, is one example of this. Ms Helen Sharpley, from North East Valleys Food and Wine told the Committee about another:

North East Valleys Food and Wine started as an organisation in 2001, as a result of declining market share for the north-east. It was principally driven by the wine regions—it represents the five wine regions of Rutherglen, King Valley, Alpine Valleys, Glenrowan and Beechworth. Obviously it incorporates the Milawa gourmet region as well….North East Valleys represents 140 operators—that is how many are listed in the guide. We do not list accommodation operators; the list is only food and wine operators. Our funding is sourced from local government supplied through the three shires of the Rural City of Wangaratta, Alpine shire and Indigo shire. That represents about one-third of our funding. The other third comes from stakeholder buy-in and the other third is from grant funding.

10.60 Another type of collaboration occurs between regions with complementary products. They try to tie these products up in one package and sell it to various market segments. Mr Norm White, representing the Strathbogie Shire Council, explained how a group of neighbouring councils plan to cooperatively market their destinations as one touring route.

The proposal is that the five councils—Mitchell, Strathbogie, Benalla, Wangaratta and Indigo—pool their resources to achieve one organisation and that these councils in fact contract their tourism operations to this new regional tourism group. The region would be active as a linear group, like for the Great Ocean Road and the Newell Highway and south coast New South Wales and other areas; it would adopt a touring-route approach to its marketing, as the others do; and it would take advantage of the Ned Kelly Trail and develop it for the region and develop further the food and wine trails.

10.61 A problem faced by many of these initiatives however is the difficulty of obtaining funds. Most of Tourism Victoria’s marketing budget is

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70 Ms Felicity Irwin, Marketing Officer, West Gippsland Regional Tourism Association, Public Hearing, Traralgon, 13 February 2008.
72 Ms Helen Sharpley, Executive Officer, North East Valleys Food and Wine, Public Hearing, Bright, 29 August 2007.
73 Mr Norm White, Strathbogie Shire Council, Public Hearing, Mansfield, 30 August 2007.
distributed through Campaign Committees based on the Jigsaw campaign structure, with little available to support this type of cross-regional collaboration. The Committee is advised that other funding streams are available.

10.62 The size and internal diversity of some of the Campaign regions (Jigsaw pieces) was also an issue. Many smaller areas feel left out when Committees based in only one location within a large and diverse Campaign region are making marketing decisions. Some Jigsaw regions cover vast areas of the State. Again, Ms Felicity Irwin noted that West Gippsland is only one hours drive from Melbourne, but in the minds of many tourists, Gippsland is '5, 6, 7 or 8 hours travel' from Melbourne.74 Witnesses from Shepparton and Rutherglen also felt that the Jigsaw based regional campaigns did not meet the needs of tourism businesses in their areas. These towns' product strengths, for example food and wine, were not reflected in the region's name and marketing campaign.

10.63 For Rutherglen being part of the ‘High Country’ Campaign Region was felt to be particularly inappropriate because of a. a mismatch of local geographic characteristics with the name, and b. the versatility of products in the region.

There is one strong issue certainly from Rutherglen’s perspective and other smaller towns in the region, and that is the Jigsaw brand. The 11 regions in the Jigsaw brand are meant to represent as much of that region as possible through the name, and basically there are a lot of flat-landers in the high country. It is a big issue……. For Rutherglen, which is flat and relatively warm, to try and piggyback onto the marketing of the new ‘High Country’ brand is a tough one. In the same way Rutherglen has dipped its toe in the water with the Murray campaign, but certainly from a winemaking perspective the perception and the branding of the Murray campaign does not work with Rutherglen’s wine-branding image. To a certain extent Rutherglen is what I term a brand orphan; it does not really have somewhere it can hang its hat properly.75

10.64 In Shepparton, the Committee heard about another significant mismatch between regional characteristics and brand image. Ms Kaye Bernardi told the Committee:

We are clearly located an hour’s drive from the Murray River, we do not belong to the goldfields nor the high country; there needs to be an extra piece of the puzzle for the Goulburn regions of Shepparton, Seymour, Benalla and Nagambie. Tourism operators are reluctant to spend our dollars in this promotion as Tourism Victoria funding seems to be directed only to towns along the river.76

10.65 Finally, the Melbourne-centric focus of much of Tourism Victoria’s marketing is again strongly evident in relation to the Jigsaw Campaign. According to the historical chronology of the campaign featured on the

74 Ms Felicity Irwin, Marketing Officer, West Gippsland Regional Tourism Association, Public Hearing, Traralgon, 13 February 2008.
Tourism Victoria Corporate website, most of the associated campaigns since its inception feature Melbourne: Melbourne Experience—1995; Melbourne Getaway—1998; Melbourne Plus—1998; Romantic Melbourne—2001; Melbourne’s Yarra Valley—2003; and It’s easy to lose yourself in Melbourne—2006.\(^{77}\) The website currently states:

> The Jigsaw Campaign continues to build desire to travel to Melbourne by evolving Melbourne’s current brand reputation as a stylish and romantic city offering a diversity of sophisticated experiences. It is based on the rationale that Melbourne is an intricate network of laneways, staircases, arcades and non-descript doorways. Concealed within are many of the cities most exciting bars, galleries, restaurants and boutiques.\(^{78}\)

The Jigsaw Campaign web page contains very little reference to rural or regional Victoria.

10.66 The Committee accepts, as do many of those who provided evidence to this Inquiry, that the Jigsaw campaign is a highly regarded and successful tourism marketing and advertising campaign. However, it agrees with a submission from The Bendigo Trust that suggests Tourism Victoria needs to take a fresh look at the marketing of regional destinations.\(^{79}\) This could begin with reinvigoration of the original concept: ‘you’ll love every piece’.

**Recommendation 31:** That Tourism Victoria reinvigorate the Jigsaw campaign concept of ‘you’ll love every piece’, paying particular attention to those places in regional Victoria where tourism stakeholders currently feel disconnected from the Jigsaw campaign regions.

**Recommendation 32:** That the State Government, through Tourism Victoria, enhance the capacity of rural and regional Victoria to host major events. It should do so through:

**Recommendation Action Points:**

a. development of a strategy to encourage greater dispersal to regional areas of visitors coming to Melbourne for major events (for example, development of linked packages).

b. increased funding for regional events. For instance, support for regional centres to put forward bids for major national and international events.

c. employment of dedicated staff to assist regions to professionally coordinate, manage and organise regional events.

d. provision of capacity building in event management for council officers in regional Victoria.

e. expansion of the mandate and renaming of Melbourne Major Events to specifically include rural and regional events.

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78 Ibid.

Case Study 13: Joane McKnight, Penshurst

Joane McKnight has a Masters Degree in Science and a Diploma in Management. She is at the forefront of promotion of geotourism and has presented papers at the Australian Earth Sciences Convention, Melbourne, the 2nd United Nations Educational, Scientific and Cultural Organization International Conference on Geoparks in Belfast, Northern Ireland, 1st Asia Pacific Regional Conference on Geoparks, Langkawi, Malaysia and will be a Keynote Speaker at the Inaugural Global Conference on Geotourism in Perth, August 2008.

This academic expertise is complemented by practical experience in tourism and protection of the environment. She has been involved in geotourism since 2000 when she had a lead role in the community purchase of Mount Elephant, near Derrinallum in Western Victoria.

In 2004, based on her background in Project Management, Ms McKnight was elected to the position of Chair of the Volcanoes Discovery Trail Cross Regional Committee, now re-branded as the Kanawinka Global Geopark. The Committee was formed in 1999 to promote and market the Western District of Victoria and South Eastern South Australia (the Volcanoes Discovery Trail) using mainly volcanic icons as geotourism product. Joane also coordinates the Australian Geopark Network.

Through the work of Joane and the Committee the region is now recognised as Australia's first National Geopark and was recognised as a UNESCO Global Geopark in June 2008. Public Meetings in Mount Gambier and Hamilton voted to support the application. Global Geopark status is the equivalent of a World Heritage listing but for developed areas with towns, agriculture and other commercial development that have underlying geological heritage. The UNESCO Inspection Team toured the region in June 2007 and Joane was until the recent good news awaiting the result of their visit. The area of Western Victoria and South East South Australia is the 57th to be recognized by UNESCO as a Global Geopark of a potential 500 Global Geopark sites in the world.

What really impressed the Inspection Team from UNESCO was the amount of volunteer work that went into the communities' promotion of itself and how much that work contributed to tourism in the region.

Gaining worldwide recognition as a Geopark will give the area an invaluable tourism boost (in Forrest Farr in Wales gaining Geopark status saw an increase of somewhere in the vicinity of 140 000 visitors a year). More importantly for Joane it will contribute to the communities' understanding of the value and potential of their region, on their own terms. Joane says ‘I strongly believe in the global Geopark process as a way forward for regional and rural tourism... It is an enormous thing, and it is very important because it is the community that takes charge of its own region and develops tourism product, geoheritage product and education, art and culture...’

Joane keeps coming back to the community focus that has been taken in developing the Kanawinka Geopark, and there is a real sense of the identity of the community evolving through the process of building their tourism potential. Joane could talk for a long time about the great assets of the area: geological value and heritage, magnificent landscapes, 374 volcano eruption points—some of national significance, indigenous culture at Tower Hill and Lake Condah, the Ramsar Lakes, quaint towns, historic stone walls. This layered history and beautiful landscape is brought together in the Geopark initiative.

It seems that worldwide recognition is coming to the Geopark—the challenge for Joane and the community is getting the federal and state governments to recognise and fund what locals consider to be a very special place.

It is an untouched region here. I feel it has always been the bit you travel through to get somewhere else—you are either going to the Grampians...
or you are going along the coast—but now the region has developed an identity of its own, so this hinterland region, as it used to be called, with the volcanos has an identity as a Geopark. I often say, referring to Tourism Victoria and the Jigsaw program, that this is the lost piece of the jigsaw, and it is time we found it.

Visit Victoria website

10.67 A number of criticisms were made of the Visit Victoria website operated by Tourism Victoria. The site is seen by many witnesses as uninspiring compared to competitors in other Australian states and in New Zealand. Specific criticism related to the overall look and feel of the site; the choice of material that is highlighted and emphasised; and the lack of a commercial focus.

10.68 The design of the website was described as unexciting and too information-driven. One submission suggested that:

*Tourism Victoria's website is possibly the most unexciting website mainly informational and not at any point commercially driven. I understand that the State Governments role is not to be a commercial agent, however there has been no introduction or a commercial partner into the State. New South Wales and Queensland have led the way in this for many years.*

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10.69 A submission from Waranga Regional Tourism Association felt that Tourism Victoria was trying to portray a sophisticated image of the state, which they felt ignored the fact that many tourists are looking for natural and authentic experiences in regional destinations. Another submission suggested that the Visit Victoria website ‘is incredibly slow, poorly designed, difficult to navigate, and there is no ability to book online’.  

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10.70 A quick comparison of the Visit Victoria website and sites sponsored by other Australian state tourism authorities supports these views. The home page of the Visit Victoria site has a large amount of written content, with many small images that appear scattered on the page. In comparison, the official tourism information sites for Western Australia and Queensland are bright and colourful, and immediately engage the viewer’s interest. These interstate sites also provide an interesting comparison in relation to content and the priority given to regional destinations. Both Western Australian and Queensland feature vibrant images from regional destinations extensively on their homepages. In contrast, Visit Victoria focuses primarily on Melbourne through its imagery and text. Furthermore, in the masthead the site is identified as ‘the official site for Melbourne, Victoria, Australia,’ again prioritising Melbourne ahead of regional Victoria.

10.71 Many witnesses also commented that the Visit Victoria website needed to be more commercially driven, that is, that it needed to deliver business outcomes to rural and regional operators, and not just information. The need to provide easy access to online booking was part of this. Using the internet to promote and market packages was also raised.

10.72 Talking about the lack of booking facilities on the Visit Victoria website, Mr Rod Thomson from the Goldfields Tourism Campaign Committee, told the Committee:

At present you just go and look and then you have to find your way to actually book the product. We are way behind the other states in that type of website. … They are currently working on that but it is two years—it needs to happen quickly.

Ms Elissa O’Connor from the Alexander Shire Council further pointed out the need for a website that allows bookings, not only for individual services (for example, accommodation) but also packages. It was also suggested that the Visit Victoria site should allow online payment to realise transactions. This system should provide a sophisticated solution to the need for distribution of payments. In relation to these suggestions, the Committee was informed of efforts by Tourism Tasmania to develop a web-based product to enable actual commercial transactions to happen online.

10.73 Proliferation of online booking systems was raised as another issue. It was noted that Tourism Victoria’s Book Victoria would enable bookings with operators on the Visit Victoria website, yet it was not linked to any of the existing regional booking systems. Since some regional visitor information centres already provide online booking services, an interface between the Tourism Victoria website and regional systems would provide a ‘very strong network of potential booking agencies’ and reduce duplications.

10.74 As already noted earlier in this chapter, concern was expressed over commercial competition for online booking services and the impact this could have on existing regional systems. Given the role regional online booking systems—like the one in Bendigo—play in the financing of regional tourism services in some areas, it is important that Tourism Victoria does not undermine regional systems. In further developing their online presence, Tourism Victoria needs to work closely with regional Victoria to ensure a coordinated approach.

10.75 Tourism Victoria also needs to consider the impact of the fees it charges business owners for being listed with the site. The Committee heard that Tourism New South Wales provides free website services for business

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85 Mr Rod Thomson, Goldfields Tourism Campaign Committee, Public Hearing, Bendigo, 27 June 2007.
87 Baw Baw Shire Council, Submission, Number 44, 1 June 2007.
88 Mr Andrew Eastick, CEO, Northern Tasmania Development, Public Hearing, Melbourne, 18 June 2007.
89 Ms Elissa O’Connor, Manager, Tourism Services, Mt Alexander Shire Council, Public Hearing, Bendigo, 27 June, 2007.
90 Geelong Otway Tourism Inc., Submission, Number 37, 1 June 2007.
owners, while Tourism Victoria collects a $250 fee. This has driven Victorian businesses in border areas to join the neighbouring state website, resulting in confusion when potential tourists search online. Ms Merran Socha explained:

If a consumer uses the visit Murray website and, for instance, would like to visit Yarrawonga-Mulwala, they click through the website and if they want to visit Yarrawonga it takes them to the front page of the Tourism Victoria website, where they then have to start all over again to try and find something in Yarrawonga. If they want to go to Mulwala, it takes them to the Tourism New South Wales website. That is just totally unworkable, one, for the consumer but also for business owners here. For business owners in Victoria it costs them $250 to be part of the Tourism Victoria website; for business owners in New South Wales to be part of the Tourism New South Wales website it is free. I can tell you there are a number of Victorian businesses that are part of the Tourism New South Wales website. So then you get huge confusion for people trying to use that website. It really is, I would say, close to an unworkable proposition.91

**Recommendation 33:** That Tourism Victoria develop and improve its website by:

- creating a single integrated Internet booking system for the State in the context of a review of the Tourism Victoria website and its usefulness to the tourism industry and tourists themselves;
- linking existing regional destination websites to the Tourism Victoria website and booking system; and
- using regional website addresses on destination specific promotional material, rather than the generic Tourism Victoria web address.

**Touring routes**

10.76 Touring routes are increasingly being used as marketing tools for self-drive tourism. It could be argued that the various automobile clubs around the country pioneered touring routes, with their holiday guides and strip maps, which included information about attractions along the route. The marketing of touring routes has the potential to increase the length of time tourists spend in regional areas, by alerting them to attractions and activities that can be accessed. The Great Ocean Road is one of Victoria’s and Australia’s tourism icons. The road, as noted in Chapter 2, was originally built specifically for touring traffic.

10.77 Several witnesses suggested the need for more touring routes through rural and regional Victoria. For instance, a new route was suggested by Mr Bob Elkington from Murrindindi Shire Council, which comes out of Melbourne and goes around Lake Eildon up to Mansfield and back to Melbourne.92 The Hume Highway is the busiest route in the State, and a

suggestion was made that it too should be promoted as a touring route, with potential benefits to towns and tourism operators off to the side of the highway.  

10.78 Although Tourism Victoria does promote touring routes, some areas and touring routes believe they are left out, since Tourism Victoria focuses on a few selected routes. Furthermore, the drawing of only main trunk routes on Tourism Victoria maps could make tourists perceive only the products along the main route, leading them to bypass areas on side routes. Several witnesses mentioned the Great Southern Touring Route as such an example. Mr Chris McClure, from Norton Ridge Vineyard, said:

.That is really the problem, because we have got people who now receive international visitors and are prepared to put some money into international marketing, but the only tool in our region is the Great Southern Touring Route, and who would put $2000, $3000 or $4000 into a marketing campaign if when you look at the map your dot will be over here, but the red line goes through here and the bookings are done in Germany and Europe? They want to do it, but the line does not go up into the desert. Germans do not have deserts; they love our deserts. They are a strong visitor market for our desert country, and they come irrespective of the line not being on the map."

Mr Steven Price, from the same region added:

.We have a lot of good product in our area, but a lot of business houses are reluctant to invest money into those programs. As Chris pointed out, it is difficult to advertise in something when you are not on the map or you are not part of that touring route. And Tourism Victoria actually only really recognises internationally the Great Southern touring route, which some of us are not on."

10.79 Other regions believed they were neglected by being left off official Tourism Victoria maps. A submission from Kiewa Valley Experience Inc., a cooperative industry marketing group, said the ‘Kiewa Valley, one of Australia’s most beautiful valleys … does not exist on official Vic Tourism maps such as the Vic Tourism Escape Map’. To try to overcome similar problems, Rutherglen Wine Experience is considering developing GPS software which tourists can download into their car to map out their own touring routes.

10.80 The question is whether Tourism Victoria is doing enough to support touring routes. Another successful touring route promotion the Committee heard about at its Wodonga public hearing—The Snowy Valley Ways—does not even appear on the Tourism Victoria website. Neither does the Volcanoes Discovery Trail. Why not? Again, this contrasts sharply with other state tourism promotions. Queensland has a dedicated touring website—Drive Queensland—which allows potential tourists to browse a large number of possible touring routes, from short
luxury breaks to extended 4WD expeditions. Information is provided on
driving times, attractions, and accommodation options, and visitors can
download maps and book accommodation online.

10.81 Touring routes, if marketed well, are very useful tools for getting people
out into the regions. The Committee believes that Tourism Victoria could
do more to actively support the development and marketing of touring
routes in rural and regional Victoria, including alternative side routes to
take visitors to the many interesting smaller destinations in rural Victoria.
Tourism Victoria should consider creating a dedicated touring website
like Drive Queensland, specifically designed to promote rural and
regional Victoria.

Branding or marketing?

10.82 The issue of branding versus marketing is a theme that has run through
much of the discussion in this chapter so far. It was briefly touched on in
relation to Tourism Victoria’s rules for the spending of funds provided to
Campaign Committees. It was also relevant to discussions of the Jigsaw
Campaign, Tourism Victoria’s website, and the promotion of touring
routes. The evidence suggests that Tourism Victoria should pay more
attention to achieving commercial outcomes for the tourism industry.

10.83 A lack of funding or assistance from Tourism Victoria for product
development was another example put forward during the Inquiry.
Tourism Victoria should do more to support the conversion of
promotional campaigns into commercial outcomes, according to some
witnesses. For example, Ms Dani Harvey, from Mildura Tourism said
there was a need for a greater emphasis to be placed on product
development to ensure long-term sustained growth in rural Victoria. She
said:

The current Jigsaw campaign is a highly acclaimed marketing
campaign which has had proven success in relation to visitations
to the state, and whilst the focus from Tourism Victoria has been
on marketing the state, minimal commitment has been provided
for product development of the regions, a consequence of which
has meant that regional tourism associations such as ours have
had to work with limited resources and budgets to develop
product.

10.84 In terms of product development there were calls for Tourism Victoria to
assist with the development of packaging. Packaging of rural and
regional tourism products could help to achieve the dispersal from
Melbourne that Tourism Victoria claims as a goal. Without financial
support to develop packaging this goal is unlikely to be met. Mr Rod
Thomson from the Goldfields Campaign Committee said:

I think one of the solutions we need to try is that the regions
somehow build packages that fit in with flights to Melbourne, so
that when people book their flight they also maybe book a car and
book a couple of nights’ accommodation as well. That is where I

think a lot of focus needs to be given by Tourism Victoria, on looking at developing those packages, or a structure that can facilitate that development and type of booking, which I think comes to a lot of product development. There are no buckets of money for product development at the moment. There are funds for infrastructure, there are some funds for marketing and provincial promotion, and they are all still working separately and not together, but there is no funding for the actual development of the product. This product could be the packaging of something to do, somewhere to stay, with that cheap flight coming in. 99

Recommendation 34: That Tourism Victoria contribute to commercial outcomes for the tourism industry through:

a. a shift in focus from promotions to marketing, such as conversion of interest into bookings;

b. production of sales focused rather than information focused brochures;

c. provision of financial support to regions to underpin trade show representation with professional marketing personnel;

d. development of a more commercial focus within the organisation; and

e. ensuring that all accredited Visitor Information Centres across the State are connected via the Internet.

Creating opportunities

A final concern in relation to Tourism Victoria’s marketing programs and strategies relates to the market segments that have been focused on and others that witnesses felt were neglected. A submission from the Buffalo Boutique Brewery argued that their product—boutique beer—is neglected in tourism marketing campaigns compared to the wine and cheese industries. 100 It was suggested in a number of submissions, and by witnesses, that many new marketing opportunities exist and could be tapped through focusing on a range of niche markets. To realise these opportunities, marketing material needs to target specific niche markets based on hobbies and interests such as rock climbing, 101 caving, 102 bird watching, 103 country racing and caravanning. While Tourism Victoria currently engages in niche marketing, some witnesses believe that more could be done to build on the existing suite of material.

Self-drive tourists who use caravans, motorhomes and self-contained vehicles were identified as particularly likely to explore regional destinations, taking time to obtain in-depth experiences. However, it was argued by industry organisations that Tourism Victoria neglects these market segments.

100 Buffalo Boutique Brewery, Submission, Number 24, 29 May 2007.
102 Buchan Business and Tourism Association, Submission, Number 38, 1 June 2007.
10.87 A submission from the Campervan & Motorhome Club of Australia argued that the motorhome and self-contained vehicles market is growing among both domestic and international tourists. This market is attracted to rural communities and nature based experiences and would spend more time, and money, in rural and regional Victoria if facilities and marketing were improved. However, they argue that the motorhome and self-contained vehicles market is not sufficiently recognised in ‘strategic tourism and infrastructure research, planning and marketing activities’. For instance, information websites and advertising brochures for touring routes, national parks and caravan parks, seldom provide specific information for motorhome and self-contained vehicle travellers. Brochures and information indicating motorhome accessibility, the location of dump points and temporary rest areas would make Victoria more welcoming to this market.

10.88 Mr Lynn Oaten from Victorian Caravan Parks Association put a similar case to the Committee in relation to the caravan market. He explained to the Committee how the Association itself had to market Victoria as a destination for caravanners at Caravan and Camping shows in other states. He said:

Originally there was, through the old CVTC—Country Tourism. They were allocated money from Tourism Victoria to spend on this type of outlet. CVTC no longer exists. The money was divested downwards into regional Campaign Committees, and their policy, for whatever reason, is, ‘We do not do consumer shows.’ I believe the reason is that they view consumer shows as a dying outlet, and probably rightly so. Most consumer shows are suffering from reduced numbers. However, ours is not. The caravan industry, this niche market, is one of the few—if not the only—consumer markets that are growing, at a big rate. I think that is being totally overlooked and I think there have been quite a few people with fingers in their ears, not wanting to hear.

10.89 The Victorian Tourism Industry Council also noted a failure on the part of Tourism Victoria to capitalise on caravanning as one of a number of growth sectors, including nature based and cultural tourism, which are being driven by a growing ‘baby boomer’ market. On this point, the Committee was surprised to hear that Victoria dominates the caravan industry in terms of manufacturing, but loses ‘grey nomad’ visitor nights to interstate. As Mr Farmer explained to the Committee:

Manufacturing for our industry is dominated by Victoria.... The great majority of caravans are built for two people, which is generally for the mature-age market who are seeking long-distance travel, and we are not holding that market in Victoria. A high percentage of caravans are registered in Victoria and they are used for doing a lap of the nation or heading north, and again I would say to you that the great majority of caravanners are spending their first night outside the state.

104 Campervan & Motorhome Club of Australia Limited, Submission, Number 40, 1 June 2007.
105 Mr Lynn Oaten, Executive Officer, Victorian Caravan Parks Association, Public Hearing, Melbourne, 19 November 2007.
106 Victorian Tourism Industry Council, Submission, Number 68, 4 June 2007.
Country racing provides another niche marketing opportunity that could be developed further according to Mr Andrew Pomeroy, the Chief Executive Officer of the Warrnambool Racing Club. Attendance at country race meetings is a popular pastime for both locals and visitors to regional Victoria, and generates substantial economic benefits for places like Warrnambool. For example, 36,000 people attended the annual Warrnambool May carnival in 2007; as many as attended the Caulfield Cup. Over a one-week period this generated around $13.8 million for the City, compared with $2.2 million generated by the highly successfully Fun4Kids festival. However, despite the substantial economic contribution made by the industry to rural and regional Victoria, Mr Pomeroy told the Committee that opportunities are being missed due to poor linkages between tourism and country racing. He said:

*I think there needs to be an understanding between operators about what the racing industry does. In a sense I do not think many people who are selling wholesale tourism to an area such as this would actually ever think about incorporating a race meeting into that. As I said before, racegoers are spenders, and if they are entertained they will stay longer, so within the tourism industry there is a massive opportunity for people to grab hold of those people who are transient and who do not mind spending money and to tag them into other things within that region.*

The Committee agrees, and believes that more robust links between the racing and tourism industries in country Victoria would benefit both industries, as well as rural and regional communities. The Committee believes that, once the racing industry and its contribution to tourism is understood by other stakeholders, commercial opportunities will follow. These could include tapping into opportunities for tourism packages in conjunction with events in Melbourne or regional Victoria and with regional food and wine operators.

The evidence also contained various opinions on the relative merits of targeting domestic (intrastate and interstate) versus international market segments. Tourism Victoria’s strategy for increasing visitation to Victoria, and yield, has been to focus on attracting an increasing number of international visitors to offset a flat domestic tourism market.

It has been predicted that most growth will be from Asia and, in particular, from China and India, in coming years. Both the Committee and witnesses agreed that China and India are important emerging markets for regional Victoria. However, there was concern that tourists from these markets are less likely to disperse into regional areas, unless a concerted effort is made to develop appropriate products and packages. The view was expressed that visitors from Asia were more likely to travel in groups, and less likely to venture far into regional Victoria. Mr Rod Thomson from the Goldfields Tourism Campaign Committee and Managing Director of Bendigo Pottery, said:

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109 Ibid.
110 Ibid.
111 See for example, Sustainable Tourism CRC, *Submission*, Number 62, 1 June 2007.
The big challenge is to try to get them inland. Generally it is the free and independent travellers from Europe, the UK and America who return and who are driving around. We hope those in the Asian market, once they have been once on a tour group, develop the confidence to come back as free and independent travellers. That is when we may get to see them.\footnote{Mr Rod Thomson, Goldfields Tourism Campaign Committee, \textit{Public Hearing}, Bendigo, 27 June 2007.}

10.94 Considering cultural differences and specific travel patterns and needs, local tour operators and businesses need to be well prepared in terms of appropriate services and facilities. Mr Darren Chirgwin from Otways Tourism gave an example in the public hearing of how groups of Indian tourists wanted to see the Twelve Apostles by helicopter and the inadequacy of aircraft to meet such a big demand.\footnote{Mr Darren Chirgwin, Executive Officer, Otways Tourism, \textit{Public Hearing}, Geelong, 12 September 2007.}

10.95 In relation to linking products with the market, witnesses from the Alpine areas saw the opportunity to draw equatorial tourists with their snow scenery and winter activities. These countries include Malaysia, Indonesia, Dubai, and the Gulf states.\footnote{Mr Andrew Ramsey, Executive Director, Australian Ski Areas Association, \textit{Public Hearing}, Melbourne, October 29, 2007.} Mildura is expecting around 400 Chinese pilots to come to the region for training within 18 months. Together with their families, the presence of Chinese pilots is expected to bring significant economic boost to the region.\footnote{Mr Andrew Millen, CEO, Sunraysia Mallee Economic Development Board, \textit{Public Hearing}, Mildura, 31 July 2007.}

10.96 Submissions from other regions, however, felt that European and US markets should not be neglected due to their greater familiarity with and propensity for independent touring. A submission from Wellington Shire Council argued that although research shows an expected upward trend in visitation from China and India, these are not the nationalities ‘most suited to touring’ and therefore most likely to visit regional Victoria. Targeting markets in the ‘USA, UK, Germany, Netherlands, Canada and New Zealand’ it argued, ‘would be of the most value to Gippsland’.\footnote{Wellington Shire Council, Submission, Number 35, 31 May 2007.} Ms Robyn Till from the Pioneer Settlement Museum noted the growing interest in Aboriginal heritage among international free independent travellers from Europe. She said:

\textit{Anecdotally they are free independent travellers; they are not hooked into anything specific. I assume they are doing a Murray tour more than anything else, and I also assume that they would be heading to Mungo, because international tourists are keen to know about Aboriginal heritage.}\footnote{Ms Robyn Till, Museum Director, Pioneer Settlement Museum, \textit{Public Hearing}, Swan Hill, 1 August 1007.}

10.97 Concern was also expressed that domestic, interstate and intrastate markets were being neglected. The East Gippsland Regional Business & Tourism Association, for instance, argued that much of their market is actually from within their own region and that it was important to continue to attract this intrastate business.\footnote{East Gippsland Regional Business & Tourism Association, Submission, Number 55, 1 June 2007.} A submission from Advance Tourism also argued for the importance of the domestic tourism market to rural and regional Victoria, claiming that it is the ‘bread
and butter’ for most regional tourism businesses. There is a greater potential for return visits with the domestic tourism market, and inbound tourism ‘cannot achieve its potential, particularly in regions, without a strong domestic sector’. The submission argued for more aggressive marketing strategies to combat the depressed domestic market.119

10.98 The potential for external economic and environmental factors to impact on the ability to attract international visitors was another argument put forward for not neglecting domestic markets. Aviation costs are increasing due to the rising price of fuel and have the potential to increase further with the introduction of carbon trading. Any change in the exchange rates between Australia and other countries also has the potential to impact international tourism. Currently the Australian dollar is worth around US $0.93, and increasing. A high dollar will make travel to Australia less attractive than it has been for international visitors. It simultaneously increases the likelihood of Australians travelling overseas for their holidays, thus reducing domestic tourism. In light of these issues, and the potential volatility of the overseas market, ‘can anyone be certain the forecast growth of 70% of overseas visitors is attainable and sustainable?’120

10.99 Finally, some witnesses and submissions did not like Tourism Victoria’s strategy of attracting high yield market segments. For instance Wellington Shire Council submitted that a focus on ‘big spenders’ was inappropriate, and ‘not typical of what is found in regional areas’.121

**Recommendation 35:** That the State Government through Tourism Victoria develop rural and regional Victoria as a touring destination, through:

a. production of marketing material tailored specifically for the motorhome and self-contained vehicle market, and sporting and interest group markets (e.g. rock climbing, cycling, golf, country racing and cultural heritage); and

b. promotion and marketing of Victoria as a destination for caravans and camping though attendance and displays at Victorian and interstate Caravan and Camping shows.

**Recommendation 36:** That the State Government provide funding to develop marketing strategies to tap expanding tourist markets in China and India and attract them to rural and regional destinations.

**Structure and leadership within the tourism industry**

10.100 During public hearings held throughout the State, the Committee met and talked with many representatives from local tourism industry organisations and groups. In some parts of the State the Committee

119 Advance Tourism, Submission, Number 95, 3 March 2007.
120 Ibid.
found a well-integrated industry with a substantial, established, and well-regarded regional tourism organisation working collaboratively with affiliated local government and local tourism associations. In other regions, a more fragmented industry was encountered with competition between groups and regions being more evident than collaboration. The Committee also heard from representatives of regional tourism organisations from interstate and in New Zealand, which gave them another perspective on successful tourism regions. Taken together, the evidence collected led the Committee to the view that sound regional leadership is essential to the achievement of coordinated, effective marketing and development of regional tourism.

10.101 To achieve this, the Committee believes greater support needs to be provided to encourage the development of peak regional tourism organisations in regional Victoria, and that Tourism Victoria needs to ensure that senior tourism managers provide leadership in the regions to enhance regional stakeholder engagement.

Regional tourism organisations

10.102 The Committee gathered extensive evidence concerning the value of well-funded regional tourism organisations. One such example is Geelong Otway Tourism.

10.103 Geelong Otway Tourism was established in 1993 with support from the newly formed City of Greater Geelong. The City ‘entered into a partnership with the tourism industry, represented by three local tourism associations’. It has since expanded to cover the tourism industry across adjoining shires, and includes ‘relevant local and municipal tourism bodies that fall within these boundaries’. Through a ‘rolling three-year memorandum of understanding’ the five local councils that are partners of Geelong Otway Tourism, provide funding to employ staff and run visitor information centres. Membership fees, industry buy-in funds and state and federal government grants fund marketing activities.

10.104 In their submission to the Inquiry, Geelong Otway Tourism claims, through its marketing programs, to have achieved ‘enormous growth in the region’s tourism industry’ and ‘as one of the first regional tourism bodies in Victoria’ to be ‘the ground-breaker in finding solutions to many of Victoria’s regional tourism development problems.’

10.105 The Committee also heard, however, that a large number of volunteer based regional tourism organisations exist—around 30, according to

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122 See, Mr Andrew Eastick, Chief Executive Officer, Northern Tasmania Development, Public Hearing, Melbourne, 18 June 2007; Mr Greg Binskin, General Manager, Tourism Wollongong, Public Hearing, Melbourne, 18 June 2007.
123 Geelong Otway Tourism, Submission, Number 37, 1 June 2007.
124 Ibid.
125 Mr Terry Hickey, Deputy Executive Director, Geelong Otway Tourism, Public Hearing, Geelong, 12 September 2007.
126 Geelong Otway Tourism, Submission, Number 37, 1 June 2007.
Tourism Alliance Victoria. Tourism Alliance Victoria claims that many of them:

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.

Nonetheless, it argues that ‘their performance is central to the success of the industry’, and that support is necessary to improve their professionalism and effectiveness.

Mr Wayne Kayler-Thomson from the Victorian Tourism Industry Council also supported the central role of strong regional tourism organisations in creating successful destinations. He said:

The first of those is that in a successful destination we would find an effective regional tourism organisation and that, regardless of the form, it is strong and is focused on the principal role, which is destination marketing. You would also find effective local organisations representing particular towns and districts, and again they would be strong organisations that are particularly focused on a core role of visitor servicing. Many of those organisations seek to get involved in destination marketing without the resources and forget about visitor satisfaction being the principal marketing tool.

Mr Norm White from Advance Tourism argued strongly for regional tourism organisations that are private-sector-managed, as business units that deliver commercial results and not as purely promotional organisations. He suggested modelling such organisations on Queensland and New Zealand examples, suggesting that in Victoria:

the public sector dominates the situation, and it does not have a business ethos. It does not understand business, as a rule; therefore, until you put a regional tourism organisation on the ground, with the right leadership and the right resources, you will go on forever and a day saying, ‘Why won’t business support tourism?’ It is, quite simply, that business will not support public sector organisations.

During public hearings, the Committee heard from a number of regions, including the Grampians, of administrative and marketing difficulties generated by the absence of a strong regional tourism organisation. In addition to marketing, regional tourism organisations play an essential role in planning for future development, coordination and communication with stakeholders. As Mr Graham Parkes, from Grampians Marketing Incorporated, put it:

The development of a regional tourism organisation to plan and coordinate is vital for providing a single common direction for the region, and a key role of the RTO would be to audit product
10.109 The Committee also heard of initiatives being planned in various parts of the State, where local governments were joining together and seeking State government support to establish peak regional tourism organisations. One of these, being developed for Gippsland, is discussed at length in Chapter 11. Another involves the five shires of Mitchell, Strathbogie, Benalla, Wangaratta and Indigo, proposing to form a peak regional tourism organisation that would market tourism along the Hume Highway using a touring-route approach. The Committee believes these are positive local initiatives and encourages the State Government to support them. Specific recommendations related to these issues are made in Chapter 11.

Tourism Victoria and regional stakeholder engagement

10.110 Running through many of the concerns expressed by witnesses and in submissions in relation to the promotion and marketing of Victoria, was the belief that Tourism Victoria must do more to engage with rural and regional Victoria.

10.111 Tourism Victoria’s focus on Melbourne from a marketing perspective is, according to many witnesses, also reflected in its low presence in regions and lack of communication with local stakeholders. Witnesses talked about having few meetings with Tourism Victoria staff, and other situations where meetings are held, but not followed up. One witness from Albury-Wodonga claimed a total absence of public meetings with Tourism Victoria for a long time.

Mr Dean Oberin, from Echuca said:

We had this think tank down at Tourism Victoria on Collins Street or whatever it is, and it was all good and happy days. That was 18 months ago, and there has been no action from any of the meetings that we have had. People have moved on from the department, and it has all fallen by the wayside. We have a couple of nice cups of coffee and a chat, and we say, ‘Yeah, see you next time’, and then it is all gone.

Mr Terry Hickey from Geelong Otway Tourism likewise commented on the Melbourne-based administration of Tourism Victoria.

Another concern—and this is minor, but I think identified as real—is the structure of Tourism Victoria. By its very nature it almost inhibits sound regional decision making. It is all based in one building in Melbourne and it creates an ivory tower sort of feeling within industry.

10.112 The lack of presence of Tourism Victoria staff on the ground in regional Victoria has left a leadership gap. Strong regional tourism organisations

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132 Mr Graham Parke, Chair, Grampians Marketing Incorporated, Public Hearing, Dunkeld, October 25, 2007.
133 Mr Norm White, Representing Strathbogie Shire Council, Public Hearing, Mansfield, 30 August 2007.
135 Mr Dean Oberin, Owner, Oscar W’s Wharfside Grill and Deckbar, Public Hearing, Echuca, 14 November 2007.
136 Mr Terry Hickey, Deputy Executive Director, Geelong Otway Tourism, Public Hearing, Geelong, 12 September 2007.
can help play a role in filling this gap, and would also facilitate engagement and communication between Tourism Victoria and industry stakeholders in rural and regional Victoria. In the following Chapter the Committee recommends that the State Government support the development of such organisations. The Committee believes that this would generate greater understanding of the issues facing the industry in regional areas and facilitate better two-way communication and cooperation between industry stakeholders and Tourism Victoria. This is discussed further in the following, and last, chapter of this report where recommendations are made to support the Committee's findings.
Chapter Eleven

Creating Sustainable Destinations and Communities

Introduction

11.1 In this final chapter, the report turns to the issue of creating sustainable destinations and communities. A major focus of the Inquiry was the role of tourism in promoting economic benefits in rural and regional Victoria, and how this could be enhanced. As discussed in Chapter 4, the evidence shows strong support for tourism as a means of bolstering the economy of many rural and regional areas. Many witnesses saw tourism as having the potential to make an important contribution by helping to diversify the sources of income coming into a region, thus increasing long-term economic sustainability. Nonetheless, support for tourism was countered by concerns about the impact of tourism on some smaller communities, and on the environment.

11.2 Consideration of these issues, and of examples where tourism is working well to produce economic development while simultaneously strengthening social and environmental goals, led the Committee to consider the strategies best able to produce such outcomes. The evidence presented in this final chapter led the Committee to conclude that the creation of successful destinations and strong communities that produce sustainable triple bottom line (i.e. social, environmental and financial) outcomes requires a ‘three pillars’ approach:

- sound planning;
- genuine community engagement; and
- strong regional leadership.

11.3 This chapter begins by presenting evidence and discussing the relationship between tourism and host communities. The concept of social capital is introduced to help make sense of the varying nature of
this relationship. Next, the relationship between tourism and the environment is discussed in light of a number of potential environmental threats. Finally, a range of ideas and strategies for creating sustainable destinations and communities are discussed.

**Tourism and host communities**

11.4 When tourists visit a destination, they not only participate in the tourism experience on offer in that destination, they also enter an environment that is someone else’s place of residence. Some of the people who call a particular tourism destination home, will be integrally involved in tourism, as business owners and operators, or as employees in the tourism industry. Others will not be. However, all of these people are part of the host community, and all have some part to play in creating the tourism experience. Thus, the nature of the relationship between tourism and host communities is very important to the success of tourism in a region. As tourism researcher Sue Beeton suggests:

> Community members who are happy to be there create a positive environment that tourists sense and respond to. While this may not be a tangible asset, visitors soon sense if a place is one where they are welcome and one they wish to spend time in or not. If they do not feel comfortable, they will move on to the next community where they do feel welcome.1

11.5 The relationship between tourism and host communities arose as a point of discussion and concern during the Inquiry. It was raised initially in a number of submissions, and subsequently at public hearings conducted by the Committee. Looking first at submissions, a number talked about tensions that can arise due to the impact of tourism on local residents. A submission from the Shire of Yarra Ranges pointed out that many local residents have moved to live in the area as a lifestyle choice. When tourists arrive in increasing numbers, local residents see community facilities and infrastructure being stretched and their lifestyle amenity impacted. Tensions then arise.2 Otways Tourism, in their submission, suggested that: ‘Development can be frowned upon’ when there is the perception ‘that it disrupts the community and environment and the benefits will only be applicable to the developer’.3 A submission from Frankston Tourism went so far as to argue that ‘some communities do not want to develop tourism,’ but rather ‘a very vocal minority want tourism, against the wishes of the vast majority’. It goes on to claim that the ‘community’s reaction to tourism can be very dramatic and have a significant impact on future tourist demand’ with ‘dramatic implications for sustainability’.4

11.6 The views put forward in submissions were also aired in public hearings, with witnesses expressing a range of opinions concerning the impact of tourism on their region or town. Some welcomed increased

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tourism as a means of securing a better economic future for the area, while others – mostly from towns with high levels of tourism – expressed concerns that ranged from caution to extreme hostility to tourism development.

11.7 Two regions where concern was strongly expressed were the high-profile destinations of Daylesford and Lorne. In Daylesford, Mr Rod Kirby, a fifth generation local, addressed the Committee. Mr Kirby told the Committee:

*I am 50 years of age. For the first 25 years of my life I lived in a town which had a locally self-sufficient, self-reliant agricultural industry that sustained the community and the society…. Over the past 25 years I have experienced what I regard as the destruction of our local community through the impact of tourism and economic development. Tourism has acted as a catalyst for what I believe has now become unsustainable growth in our society as a whole.*

He went on to list a number of problems that he saw as flowing from tourism, including a lack of water to sustain growth; congestion; and ‘gentrification,’ which has seen property prices and rates rise to levels unaffordable by long-term members of the local community and their children. He talked about a ‘harsh and cruel process’ that is forcing elderly locals from their homes through excessive rates rises.

11.8 While Mr Kirby’s opposition to tourism was expressed most strongly, other witnesses at the Daylesford hearing also expressed misgivings over the impact of tourism on the local population of the town. Hepburn Shire Councillor and Mayor, David Smith was concerned that the contribution of agriculture to the region was not given due recognition by those advocating for tourism, and that increased rates were difficult for local farmers who have faced years of drought and low prices for their produce.

11.9 Cr Mutimer explained that while tourism plays an important economic and social role within the Daylesford-Hepburn region, social and environmental costs associated with the success of tourism have led to conflict between the community and the tourism industry. She pointed out to the Committee that statistically, a relatively high proportion of Hepburn Shire residents live on low incomes and score poorly on health and wellbeing indicators. This contrasts starkly with the image of Daylesford presented in tourism brochures that focus on indulgence and target the ‘Spa and Wellness’ market. Cr Mutimer asked the Committee to: ‘please be aware that many of the local people cannot afford … treatments that are provided and featured in those magazines’. Other areas of tension she pointed to include the lack of housing affordability (including rental housing) that is forcing long-term residents to move out

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5 Mr Rod Kirby, Private Citizen, Public Hearing, Daylesford, 28 June 2007.
6 Ibid.
7 Cr David Smith, Mayor, Hepburn Shire Council, Public Hearing, Daylesford, 28 June 2007.
9 Ibid.
of the area; increased prices in local shops; congestion in the town during weekends; and concerns over water security and environmental protection.  

11.10 Cr Mutimer told the Committee that many members of the local community perceived tourism as being imposed on them from the top, and that this had exacerbated tensions. She was hopeful however that a recently embarked on process of destination planning—the Destination Daylesford project—would help reduce conflict by including the local community in decision making and planning for future tourism development. Cr Mutimer felt this would be positive for the wellbeing of the tourism industry as well as the local community.

11.11 Other witnesses at the Daylesford public hearing also expressed high expectations in relation to the Destination Daylesford project. Mr Nigel Dempster, President of the Hepburn Regional Tourism Association said:

*Destination Daylesford is a vision and strategy that we have just started to formulate using the whole of the community. We are even going to use citizens juries to make sure that the ownership of this vision, the 10-year plan, is with the whole community — not Tourism Victoria, not the shire, but the whole lot of us.*

Destination management and the outcome of the Destination Daylesford project are discussed further later in this chapter.

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**Case Study 14: Heather Mutimer, Daylesford**

Heather Mutimer is a Councillor with the Hepburn Shire, representing the Coliban Ward which takes in some of the southern parts of the Hepburn shire and to the east covers the small township of Trentham. She has lived in the Shire for almost 30 years and has been actively and passionately involved in local community life. During her time with the Council, Heather has devoted her efforts to increasing community engagement in local development.

Although she is generally in support of tourism, Heather drew the Committee’s attention to a few downsides of tourism development in her region. One example is the problem of inflation, including the surge in local property prices and the cost of living. Heather recalled the late 1970's, when visitors were attracted to the region for the relaxing country lifestyle it offered. The rapid development of tourist businesses and what she sees as the commercialisation of the area have dramatically changed that lifestyle.

> the reality is that because of the cost of housing et cetera, many people such as our artists are finding it very difficult to continue living here......At weekends people find it really difficult to get parking, and it causes stress. People who used to come down to Daylesford on a Saturday morning to connect with each other now rush in early in the morning, get their papers and go, so there is that tension there.

Heather has two young adult children who have worked in the tourism industry on a part-time basis. However she says that most local people do not view tourism-related jobs as a career path and so it is difficult to convince young people to stay in the region.

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10 Ibid.  
Tourism marketing campaigns have been successfully drawing tourists to Daylesford and the region for a long time by promoting it as a destination for ‘indulgence’ and ‘romance’. Heather’s observation to the Committee was that these images lack full community support. Local people hold a different perspective on their regional image. Some of them are too caught up in the daily grind of work to ‘indulge’, and some of the many low income members of the community simply cannot afford the kind of activities offered for tourists. Some people have found some of the marketing campaigns actually quite offensive. The marketing focus on indulgence: some people find that to be the extreme opposite to how people really live here on a daily basis. I am talking about people, not necessarily in the tourism industry, but just people who have other jobs and just live here. They feel that it is imposed on them. I am hoping that the Destination Daylesford project will start to address some of those issues.

Nevertheless Heather has been supportive of the tourism industry and has many ideas for constructive strategies to improve the situation. When she was the Mayor of the Hepburn Shire, she talked with Tourism Victoria and as a result the Destination Daylesford project was initiated to address issues such as that of community engagement. For Heather, the solution lies in increasing the involvement of the local community in tourism development and marketing. In particular, Heather says, the community needs more say in how their place is marketed:

the conflict, perceived or real, between the local community and tourism needed to be addressed in some way … to ignore these issues would put at risk those very attributes that have brought people to this area for many years.

11.12 As noted above, the Committee also received extensive evidence concerning the impact of tourism on the local community in Lorne. Lorne has been a tourism destination for many years. Nonetheless, the Committee heard that more recent development and demographic changes are impacting negatively on the Community, with similar issues arising as occurred in Daylesford. Chris and Carol Tutungi, the owner operators of Lorne Bush House Cottages, told the Committee about the aging and overall decline in the permanent population of the town.¹²

11.13 The Lorne Community Association also highlighted the demographic shifts occurring in Lorne in their evidence before the Committee. Mr Peter Spring, from the Association, detailed some of the changes that occurred between the 2001 census and 2006 census. The overall population declined by 11% from 1085 persons to 967; the percentage of the population aged below 50 declined by 27%, while that over 50 increased by 15%. In the five-year period, the total number of dwellings increased, while the permanent population decreased. This apparently anomalous situation is due to the increasing proportion of homes in the area that are owned as holiday homes and occupied for only a limited period of time each year. Putting a figure to the issue of unoccupied homes, Mr Peter Spring told the Committee that the percentage of occupied homes declined from 30.4% to 27.5% of all dwellings in the five-year period.¹³

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¹³ Mr Peter Spring, President, Lorne Community Association, Public Hearing, Lorne, 6 March 2008.
11.14 While not opposed to tourism development per se, Mr Spring pointed to a number of negative consequences of poorly planned tourism growth for the local resident population of Lorne. As in Daylesford, congestion and traffic volume are problems during peak periods. The Lorne Community Association is also concerned that a small local resident population is bearing a disproportionate burden in terms of the cost of providing basic infrastructure such as streetscape redevelopment, toilet blocks and barbeque areas that are largely provided for tourists. For example, in early 2008, the residents of Lorne were subjected to a special levy of $730,000 to help pay the cost of redeveloping the main streetscape in Lorne. ¹⁴

11.15 Furthermore, as noted in Chapter Eight, the very high cost of housing means that it is very difficult for many small tourism businesses to attract and keep staff. The larger businesses bus in workers from surrounding towns or employ transient workers such as backpackers. While these latter options may work as a solution to staff shortages, they do not work well from the point of view of the community. Transient workers are unlikely to staff the local volunteer Country Fire Authority and State Emergency Services branches. Nor are they likely to have children enrolled in the local school, to volunteer to staff the local opportunity shop, or to raise funds for the local hospital. In short, the sustainability of the community and of the tourism industry is in jeopardy due to housing affordability problems. As Mr Spring summed up the situation:

_The population is declining, we cannot get sufficient volunteers for emergency services such as the SES and CFA, and in 2006 Lorne could not field a cricket team. On these issues, if you look at the state government’s own documentation on community health, the Lorne community is not in good shape._ ¹⁵

11.16 Ms Dee Stewart, Chair of the Surf Coast Tourism Board and shop owner from Lorne, made a similar point. She told the Committee:

_We are attracting staff from our satellite towns which surround the area. We have an enormous amount of staff coming from Colac and also living in areas like Deans Marsh and Winchelsea, so we actually have issues with transportation as far as staff goes there. There are some fairly large issues as far as housing affordability for the whole town. That also has an effect on our services within the town like our hospital and our fire brigade — trying to keep, I suppose, a decent permanent population in the town for those volunteer services like CFA, SES and those sorts of groups._ ¹⁶

11.17 In Horsham the Committee was addressed by local resident, Mr George Powell, who expressed concern about the increased demand for services associated with tourism growth, and of the potential impost on an aging population to pay for basic infrastructure, including water, sewerage, medical and emergency services to meet visitor needs. ¹⁷

¹⁴ Ibid.
¹⁵ Ibid.
¹⁶ Ms Dee Stewart, Chair, Surf Coast Tourism Board, _Public Hearing_, Geelong, 12 September 2007.
As noted at the beginning of this section, the relationship between tourism and host communities is important from the point of view of the success of the tourism industry. Community members who are positively disposed towards tourism add to the quality of the tourist experience in a destination. They provide a welcoming ambience that is invaluable in terms of promoting the destination as a pleasant place to visit. As motel owner Ms Marie Willis said to the Committee, people who are passionate about their town and what it has to offer ‘are the best ambassadors’.  

Ms Willis suggested some form of education for local townspeople in Hamilton, to inspire them to ‘sell’ the town. This idea, of educating local communities concerning the benefits and value of tourism was expressed in a number of submissions and public hearings. In particular, there was a perceived need to educate owners of second ‘tier businesses, that do not actually interact with tourists directly,’ concerning the economic benefits of tourism to regions. Tourism Alliance Victoria recommends that a ‘sustained awareness campaign of the value and benefits of tourism to the regional economy and community’ be provided.

Many of these comments related to areas where tourism was not a large component of the local economy and where little if any conflict was evident in relation to tourism development. A submission from the Shire of Yarra Ranges, however, suggested education programs as a means of working through local tensions. It argued that in the interests of maintaining the economic and employment related benefits of tourism, tensions within local communities need to be worked through, and ‘broad information and education programs’ developed ‘to help communities as a whole develop strategies to provide a welcoming environment to visitors.’

While the Committee supports the idea of awareness campaigns to highlight the value of tourism in rural and regional Victoria, we doubt that a ‘top down’ approach of ‘educating’ communities is sufficient to solve the problems and tensions identified in Daylesford and Lorne.

Given the importance of positive relationships between tourism and host communities, the Committee was pleased to find evidence of towns and regions where tourism development has been embraced by local communities. These examples provided the Committee with another view of the tourism—host community relationship: one that is consistent

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19 Ibid.
21 Tourism Alliance Victoria, Submission, Number 50, 1 June 2007.
22 Shire of Yarra Ranges, Submission, Number 100, 19 July 2007.
with tourism research, and that has wider application to other parts of rural and regional Victoria.

11.23 Mr Graeme Johnstone, president of the Clunes Tourism and Development Association, described one such example to the Committee. Located in central Victoria, Clunes is a small town halfway between Ballarat and Maryborough. As described in Graeme’s Case Study in this Chapter, the Clunes Tourist and Development Association has taken a community development approach to tourism, generating and implementing the concept of Creative Clunes as a rural renewal project. Creative Clunes is a multi-pronged cultural tourism project that includes creating Clunes as a Booktown and running art breaks, and workshops for writers.\(^23\) An important feature of the Creative Clunes project is that the concept was generated from within the community. This has led to strong support from the entire community.\(^24\)

11.24 Positive relationships between the tourism industry and the broader community are also being forged in Mildura. The Committee heard about the extensive calendar of events and festivals held throughout the year in Mildura that not only draw tourists to the region, but provide for a vibrant cultural environment for locals to enjoy. Ms Helen Healy told the Committee about the Murray River International Music Festival; the Mildura Writers’ Festival and the Australian Alternative Varieties Wine Show, just to name a few of the many offerings available in the area. Ms Healy, who manages many of these events, described receiving support from Arts Victoria, Tourism Victoria, Country Events Victoria, and a range of national funding bodies, including the Australia Council.\(^25\) It is clear that the whole community is supportive of the event program. As Ms Healy said, ‘The local industry works well together. Mildura Tourism, the Mildura Arts Centre and the Mildura Rural City Council are very supportive of our events.’\(^26\)

11.25 A particularly interesting initiative developed in Mildura over recent years is an annual Tourism Week conducted by Mildura Tourism. Ms Dani Harvey explained:

> We have started an initiative called Mildura Tourism Week which we run every year in May, and this was our second year... It tries to raise awareness about tourism within the local community. They are also invited to any of the events throughout the week. It forms that networking and also builds relationships within all different business sectors. That is proving to be quite effective.\(^27\)

Mildura’s events calendar and Tourism Week, again show the value of tourism development that is consistent with and builds on community values and needs.

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\(^{23}\) Mr Graeme Johnstone, President, Clunes Tourist and Development Association, Public Hearing, Ballarat, 12 December 2007.

\(^{24}\) Ibid.


\(^{26}\) Ibid.

In Dunkeld, the Committee heard about another positive example of community interest and involvement in tourism. In 1999 the Volcanoes Discovery Trail Committee was formed to promote the Western District of Victoria and south-eastern South Australia based on the significant geological features of the region. With financial support from seven local government councils the Committee developed the Volcanoes Discovery Trail brand, with a touring route, maps, website, interpretive signage and brochures. In 2003 the Volcanoes Discovery Centre was opened in Penshurst as a man-made tourist attraction with a strong educational focus.

In 2005 UNESCO approached the Volcanoes Discovery Trail Committee suggesting that it apply for global geopark status. This exciting development led to re-branding as the Kanawinka Geopark, and recognition ‘by UNESCO as Australia’s first national geopark’. In June 2007 a delegation of UNESCO inspectors toured the region for ten days as part of the assessment for global Geopark status. Ms Joane McKnight, chair of the Kanawinka Geopark Board, told the Committee:

*It was a very difficult 10 days, but we showed them as much as we could … because the geopark is not just about the rocks that form the earth, it is about our culture, our art, the accommodation we can provide and our visitor information centres. We had to highlight all those in 10 days, and it was a pretty frantic 10 days.*

An important feature of the Kanawinka Geopark project is the pride and sense of ownership shown by community members in the region. Thirty-five volunteers operate the Volcanoes Discovery Centre, and locals from other towns within the Geopark region have shown interest in developing tourism product related to the park. The Committee heard from Ms Joane McKnight about a meeting with members of a ‘community capacity building program run by Victorian Communities and Planning Development’ that is looking at projects based on developing Geopark product. She said:

*They are looking at operation within the Geopark principles but giving themselves a project, if you like, where the five towns, which are Macarthur, Hawkessdale, Dunkeld, Penshurst and Glenthompson, have the possibility of forming, if you like, cottage industries to produce Geopark product, which then gives them an income. It fills a void in their income in those small towns. There is also the possibility of their organising Geopark tours, whether they be conducted by a tour company or a self-guided tour. These little towns are interested in joining the Geopark and being in partnership in developing Geopark product. I think that is coming out, too, with Lake Condah and the Tower Hill being partners as well.*

According to Ms Liz Foreman, Tourism Officer with the Glenelg Shire and another member of the Kanawinka Geopark Board, UNESCO inspectors remarked upon the community involvement and spirit of...
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volunteerism that was evident in the area. She said: ‘Something I really took from the UNESCO visit was they were very excited and impressed by the level of volunteerism in our community, particularly in relation to driving tourism’.  33

11.30 Ms Joane McKnight summed up the value of the Geopark concept as a tourism product that fits with the community:

I strongly believe in the global geopark process as a way forward for regional and rural tourism, and other areas of the country are coming online now as national geoparks ... It is an enormous thing, and it is very important because it is the community that takes charge of its own region and develops tourism product, geoheritage product and education, art and culture to carry us through for the next many years.  34

11.31 The Committee is please to report that the hard work of all those involved in the Kanawinka Geopark project and the UNESCO bid was rewarded when Global Geopark status was granted on 22 June 2008. The announcement was made at the 3rd UNESCO International Conference on Geoparks in Germany and is a great development for tourism in rural Victoria.

11.32 The Committee is also pleased to note that the volunteerism remarked upon by the UNESCO team is not confined to that region of the State. In many other areas, positive relationships between tourism sector representatives and host communities were demonstrated through the extensive involvement of volunteers. Throughout submissions and public hearings, the Committee heard of many areas where volunteers played a major role in providing visitor information services, and in running (or helping to run) tourist attractions and events. For example, two hundred volunteers helped out with the first Booktown for a Day event in Clunes 35, and in Port Campbell the Committee heard about substantial volunteer support provided to the Fun4Kids Festival held in Warrnambool. Talking about the Fun4Kids Festival, Ms Narelle Allen told the Committee:

In relation to the sustainability of community support, due to the limited financial resources available to actually assist this event, we are very reliant on the support of our community. We have over 1000 volunteers, which is about $260 000 worth of real human resource hours.  36

The Committee heard of many other examples, from across the length and breadth of the State, where volunteers contribute considerable time and energy to supporting tourism.

11.33 So far, this discussion of the relationship between tourism and host communities has covered some situations where considerable tension has been evident and others where the relationship is very positive. In

34 Ms Joane McKnight, Chair, Kanawinka Geopark Board, Public Hearing, Dunkeld, 25 October 2007.
36 Ms Narelle Allen, Manager, Festivals and Events, Warrnambool City Council, Public Hearing, Port Campbell, 5 March 2008.
many areas however, tourism is neither shunned nor enthusiastically embraced. In some areas tourism and the contribution it makes to local communities is ignored or not recognised. In Chapter 4, concerns about a perceived lack of community recognition of the economic benefits of tourism, were raised. Many operators and tourism staff in local government felt that the contribution of tourism to local economies was not given its due.

**Tourism and social capital**

11.34 Over recent years the terminology of social capital has been adopted by social researchers to refer to, and give due recognition to, resources and values that are not about economic gain but are nonetheless essential to the welfare of individuals and communities. While social theorists have engaged in extensive debate over exactly what social capital entails, according to one widely accepted definition, ‘social capital refers to connections among individuals—social networks and the norms of reciprocity and trustworthiness that arise from them’.  

11.35 Social capital is strong in communities where individual members are well connected through formal and informal networks (for example, through membership of clubs and organisations, and friendship and family ties), and where members of the community trust each other and help each other out in a variety of ways. Strong social capital engenders a sense of community spirit and belonging for individuals. It is argued that external factors, such as the closure of banks and post offices, and the removal and amalgamation of government offices in regional areas, can erode social capital by reducing the opportunity for residents to participate fully in ‘social, political and administrative affairs’.  

11.36 The Committee found the concept of social capital helpful in making sense of the variety of responses to tourism encountered across the State. In places such as Daylesford and Lorne, concerns expressed by local residents can be seen as related to a perceived loss of social capital. When older residents cannot afford council rates and have to sell their homes, and when families who have lived in an area for generations find that their children cannot afford to live there, it is the consequent disruption to social networks and relationships that creates tension. When the reduction of permanent residents in a town like Lorne means there are not enough people to fill the volunteer roles in the Country Fire Authority and State Emergency Service, norms of reciprocity are difficult to maintain. The social ties that are strengthened through informal and chance meetings with friends at the local shops on a Saturday morning are weakened when the crowds are such that older

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members of the community choose to stay home, or rush in and out early to avoid the crush. And trust diminishes in a rural community when farmers who have faced ten years of drought feel that the advocates of tourism do not value their economic contribution.

11.37 In contrast, the examples of Creative Clunes, Mildura’s events based tourism development, and the Kanawinka Geopark project would appear to demonstrate the possibility of tourism development adding to social capital rather than detracting from it. In relation to Clunes, Mr Graeme Johnstone described a town with strong social networks, where less than 1000 residents support 42 community groups, organisations and clubs, all of which participated in the first Booktown event. The economic activity generated by the Creative Clunes project ‘is seen by the community as a way of providing employment, keeping services in town, [and] maintenance of lifestyle’.  

**Case Study 15: Graeme Johnstone, Clunes**

Graeme Johnstone is part of the community spirit behind Clunes ‘A Booktown for a Day’ and ‘Back to Booktown’ – two wonderful events that attracted both locals and visitors in their thousands, to country Victoria. Clunes, says Graeme, is a tourist success, and it is the strong community approach by residents to development of the town and its potential as a tourism area that has made it so.

Clunes is a town of approximately 1000 people, thirty minutes north of Ballarat and an hour and a half from Melbourne. The site of Victoria’s first gold strike, today it is one of the most intact 19th-century towns in the Central Goldfields region. With beautiful bluestone and brick buildings, it has been the setting for many period Australian films, one of which Graeme contributed his considerable acting talent to (he appeared in Ned Kelly). Formerly a school teacher, Graeme owns a B&B in Clunes with his wife June.

Graeme is the President of the Clunes Tourist and Development Association, a well respected organisation in the community. He was co-opted onto the Committee three days after he moved to Clunes and has been there ever since:

> It represents the community in many areas and acts as a strong voice in most community issues that arise. It is acknowledged that the CTDA, as it is known, listens to the views of the community and presents them on its behalf on a number of occasions. It is also a conduit between community groups and business...

Clunes residents are proud of their town and confident of the viability of their plan for ‘Creative Clunes’. Graeme describes how this identity as a tourism town came about:

> We searched for a quintessential aspect of Clunes and built conduits to our major populations of Ballarat, Melbourne and Bendigo. We then tried to articulate this uniqueness of Clunes and where it has come from and find something which was going to fit as part of a rural renewal project for tourism, which in part is probably better labelled as cultural tourism. Because the tourism concepts were generated from the heart of Clunes, the community has accepted them. We have got fantastic support from our entire community.

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The Clunes Tourist Development Association hosts a number of events, as part of ‘Creative Clunes’ but probably the most well known is Booktown. ‘A Booktown for a Day’ was held in May 2007, as a tourism ‘experiment’ for the town. Graeme describes the experience:

With a lot of the country folk we have in Clunes, we had to do a trial—a research project—and that is what A Booktown for a Day was earlier this year in May. One of the really interesting parts about that one was that we finished up asking for 1500 flyers to be printed, and they rang us three times asking, ‘Are you sure you want 1500? I mean, Clunes wants 1500 flyers?’. They ended up printing 7000. It is difficult to get people to understand—and this comes also into the training aspect—the magnitude of major events in small towns. It is quite incredible.

In 2008 it was called ‘Back to Booktown’ and was a two day event. More ‘Creative Clunes’ events are unfolding. It isn’t happening overnight, it’s a result of a slow, inclusive and well thought out process:

Creative Clunes is … is modelled on Hay-on-Wye in England. We have done research on every book town that has been established in the world, so we have not just sort of gone about this half-heartedly before we have got there. The other part of that which we are looking to get sustainability through and putting money back into the town—and preferably money that comes from outside—is to be running art breaks, which will be sort of workshops with people who are coming along to cover probably about 12 workshops a year over the whole time. We have done the research. There is no town in Australia that does it on the same basis as we are planning to, so we think we have a very good chance of succeeding.

Graeme says that one of the impediments to the ongoing success of their rural renewal projects is funding. Dollar matched funding is difficult to obtain for a small community without much capital. Also, application processes are not as streamlined as Graeme would like them to be.

Volunteer burnout also has an impact in a small town where locals wear several hats across various organisations. However Graeme emphasises that they are lucky to have great support from the Hepburn Shire Council who have declared Booktown to be a major event, as has the State Government. What can’t be funded is paid administrative support—according to Graeme that would be of huge assistance. Graeme is confident that they will get to the stage themselves where their own initiatives will make it possible to employ someone, but fears locals may burnout before then.

Graeme says that their community approach is a success because, we ‘have the right level of madness to say that we can do it and nothing is an impossibility’. There is plenty of evidence that he’s right:

On the subject of opportunities for leverage, if you have a good product and people are confident and you have the imagination on how to sell it and the imagination on how to project it and some evidence that you are going to be successful, then most of the sponsors will come to you. That is what has helped us get our matching dollars. For example, McPhersons have come on board for the next five years to cover all our printing costs — posters, flyers, programs and all the things we wanted to improve on. We see our future development as a sound cultural tourism plan. It is seen by the community as a way of providing employment, keeping services in the town, maintenance of lifestyle without having a real hobnailed boot step on our environment and lifestyle, which I think is pretty important.

‘Booktown’ is proving that Clunes is indeed creative, both in terms of it’s communities intellectual capital, as well as their savvy approach to economic renewal.

11.38 As the project develops, the Clunes Tourist and Development Association plans to ‘give money back into developing cultural programs
for the region’ and to sponsor talented local people to participate in writing and art workshops free of charge.\footnote{Mr Graeme Johnstone, President, Clunes Tourist and Development Association, \textit{Public Hearing}, Ballarat, 12 December 2007.} Thus, through the Creative Clunes project, norms of reciprocity and trust have been enhanced and social bonds strengthened rather than weakened. As a result, it seems few tensions have arisen over tourism development.

11.39 The Committee Chair, Mr Damian Drum, asked Mr Johnstone whether, given the influx of tree changers into the area, there had been any local resentment. Mr Johnstone replied that the ‘very, very large majority of Clunes residents' welcomed new residents to the town, valuing the influx of skills and enthusiasm they brought with them. He recounted being told by a long-time Clunes’ resident at the RSL Christmas lunch: ‘it is about time you buggers came on, it is bloody good to see you doing the work, because we were getting frigging tired’. Another local resident welcomed having a new committee member who 'knows how to apply for grants,’ when Mr Johnstone first arrived in Clunes ‘about 10 years ago’.\footnote{Ibid.}

11.40 In Mildura, Tourism Week builds on, and demonstrates the existing strength of local networks, and therefore, social capital within the community. As Ms Dani Harvey added in her discussion of Tourism Week: ‘In a small community, too, I suppose we have a lot of relationships that cross link. As Andrew would have said, the TAFE CEO sits on our tourism board, for example, so we do have those opportunities’.\footnote{Ms Dani Harvey, Mildura Tourism, \textit{Public Hearing}, Mildura, 31 July 2007.}

11.41 The stories the Committee heard about the Kanawinka Geopark project similarly paint a picture of social capital being strengthened through tourism development. The volunteering noted by the UNESCO delegation is a good example of social networks and norms of reciprocity and trust contributing to and feeding back into tourism projects.

11.42 The Committee concluded from the evidence outlined above, that tourism development per se does not necessarily either detract from or contribute to social capital and general community well-being within rural and regional Victoria. In some cases communities are strengthened through tourism development, both economically and socially, while in others economic development comes at a social cost to at least some segments of the community. This raises the question of how government support for tourism can be targeted in ways that create destinations that are both economically and socially sustainable. In this regard, the Committee found the framework for regional tourism development and innovation described by Macbeth, Carson and Northcote useful.

11.43 The authors argue that sustainable tourism development will both draw upon and in turn contribute to social capital within the host community.
Social capital has been shown to be an important resource for economic development more generally as networks of communication and cooperation (that are a feature of strong social capital) feed into systems of innovation. Social capital, they suggest, ‘is a crucial ingredient found in innovative and productive relationships’.\(^{43}\) Thus, there are sound economic reasons for factoring community participation into the planning and development of rural and regional tourism.

11.44 The other side of the coin, where tourism development in turn strengthens community identity, economic well-being and social capital, is equally important. Promoting a triple bottom line approach to sustainable tourism development, the authors suggest that:

Tourism development should not only result in the needs of the tourism system and the needs of the community being balanced, but effectively becoming one-and-the-same set of needs. In other words, what is good for the community will be, in the main, good for tourism, and vice versa.\(^{44}\)

It follows that government support for tourism, and the commitment of resources to tourism development will be most beneficial if it proceeds in a manner that brings the community in ‘as an important player in an overall partnership between government, industry and community.’\(^{45}\)

11.45 Strategies for engaging community and for ensuring that tourism development leads to the creation of strong, vibrant communities are discussed later in the chapter. For now, attention turns to the relationship between tourism and the natural environment.

**Tourism and environmental threats**

11.46 Just as tourism occurs within host communities made up of local residents, it also occurs within, and interacts with, natural and man made environments. The importance of the natural environment to tourism is widely recognised throughout regional Victoria, as was made clear in evidence brought before the Committee. As covered in earlier chapters, the development of high quality, eco friendly, nature based tourism products, was seen by many witnesses to be fundamental to the growth of tourism in rural and regional Victoria. Consistent with the recognition of the popularity among tourists of nature based tourism product, was awareness of the associated need to protect and preserve these natural values. There was also recognition of the need to protect aspects of manmade environments such as heritage buildings and the character and culture of rural towns.

11.47 A submission from the Australian Conservation Foundation suggested that international tourists come to Australia because they want to experience the beauty of the natural environment. They are interested in


\(^{44}\) Ibid., p.503.

\(^{45}\) Ibid., p. 503.
how we care for the land and, consequently, we ‘have a clean green image to preserve’. Mr Chris Buckingham, speaking in relation to tourism in the Gippsland region expressed similar sentiments:

The industry has recognised — we have been through fire, flood, drought and the whole box and dice — and we recognise that our key attractions are nature-based and as a tourism sector we are reliant on them. Therefore we have got to show some custodianship and some responsibility for that.

Talking about the Daylesford region, Cr Heather Mutimer commented that ‘one of the great assets of this area is the landscape and our clean, green image. I think we do have to work very hard to protect that’.

Mr Ashleigh Belsar told the Committee about the importance of the natural environment to his tourism business, and the need to ensure conservation values are protected. He offers a range of outdoor activities including surfing, kayaking, mountain biking, and snorkelling on and around Phillip Island. He has a strong interest in maintaining the quality of the environment, particularly the marine environment, which is fundamental to the success of his ecotourism business. He recommended to the Committee that the possibility of creating an additional Marine National Park at Kitty Miller Bay on Phillip Island be investigated, in order to protect marine life in the area. He said:

Obviously it has got benefits from a snorkelling and from a business point of view — from tourism, getting a better experience, bringing more people down there. From a preservation point of view, people are seeing what is down there and wanting to look after it.

This need to protect the natural environment, to demonstrate custodianship and responsibility, was frequently linked to concerns about a range of potential threats. The main concerns raised by witnesses were the possible impact of climate change; the impact of water shortages on rural and regional tourism; and overdevelopment or inappropriate development. These threats were seen as potentially damaging to both natural environments and cultural heritage.

Climate change

In relation to climate change, two main issues were raised in submissions and at hearings: first, the direct impact of climate change on tourism, and second, the impact on consumer choices. Looking first at direct impacts, concern was expressed over a range of predicted consequences of climate change—such as rising sea levels, reduced snow cover, more frequent and severe droughts, bushfires, floods and storms—and the impact these would have on tourism.

46 Australian Conservation Foundation, Submission, Number 56, 1 June 2007.
49 Mr Ashleigh Belsar, Proprietor, Outthere Outdoor Activities, Public Hearing, Phillip Island, 2 April 2008.
11.51 A submission from the Sustainable Tourism Cooperative Research Centre suggests that 'events such as bushfires, floods and droughts... may increase as a consequence of climate change and global warming'.\(^{50}\) The Australian Conservation Foundation also sees climate change, and risks associated with it, as a major potential impediment to the long term future of the tourism industry. In their submission to the Inquiry, they suggest that the tourism industry is 'highly climate-dependent,' and they argue that 'how climate change will affect our tourism industry should be front of mind for policy makers and the industry itself'.\(^{51}\)

11.52 The peak tourism industry body Tourism & Transport Forum expressed concern about the potential negative impact of climate change not only on tourism in rural and regional Victoria, but on tourism and life in general throughout Australia and the world. Their submission observes:

"Recent studies suggest there is a 64 to 99 per cent chance of exceeding warming of two degrees. Such an increase in the world's temperature could see 15-40 per cent of species facing extinction, 10 million people affected by coastal flooding and a rise in sea levels of 7 metres.\(^{52}\)"

Concern over climate change prompted the Tourism and Transport Forum to host a Climate Change Summit in July 2007, to consider ways in which the tourism industry could 'adapt given potential environmental changes'.\(^{53}\)

11.53 Similar concerns were also expressed in a submission from Service Skills Victoria:

"The effects of climate change, if not combated effectively and on a regional, national and international scale, will have most effect on the tourism industry. Attractions in Australia such as its distinct wildlife, diverse natural landscapes and marine environments are already threatened and if lost, will result in catastrophic outcomes for the tourism industry.\(^{54}\)"

11.54 Particular areas of concern are the probable impact of climate change on alpine and coastal areas and, with more frequent and severe droughts being predicted, the impact of climate change on already stretched water resources.

11.55 In relation to alpine areas, the Australian Conservation Foundation notes that: 'in the Australian Alps, a 2°C rise and 8% drop in rainfall could reduce snow cover area by 66%, putting about half of the $550 million ski industry at risk'.\(^{55}\) Outlining a range of possible impacts of climate change, Professor Forsyth suggested that ski seasons might be shortened with ski fields being open for shorter periods, or having to rely on snow making technology.\(^{56}\) Mr Philip Nunn, Chief Executive Officer for the Mount Buller and Mount Stirling Alpine Regional Management

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\(^{50}\) Sustainable Tourism Cooperative Research Centre, Submission, Number 62, 1 June 2007.

\(^{51}\) Australian Conservation Foundation, Submission, Number 56, 1 June 2007.

\(^{52}\) Tourism & Transport Forum, Submission, Number 43, 4 June 2007.

\(^{53}\) Ibid.

\(^{54}\) Service Skills Victoria, Submission, Number 71, 7 June 2007.

\(^{55}\) Australian Conservation Foundation, Submission, Number 56, 1 June 2007.

\(^{56}\) Professor Peter Forsyth, Public Hearing, Melbourne, 19 November 2007.
Board, told the Committee that climate change is ‘the major challenge facing Buller’. He told the Committee that the 2006 season was the worst in 30 years, and that without manmade snow there would have been only four skiable days for the season.

11.56 The ski industry is adapting to climate change through greater reliance on snowmaking technology. According to Mr John Schryver from Australian Alpine Enterprises, this technology is advancing with the possibility of making snow in temperatures up to +2 degrees on days of low humidity. However, snow making requires other resources, power and water, that may also be affected by climate change, particularly if predictions of increased severity and frequency of droughts prove to be right. As Mr Laurie Blampied, General Manager of Buller Ski Lifts said to the Committee:

Winter is the biggest game in town and the thing that winter is dependent on more than anything else is snow. We cannot rely on natural snow as much as we would like, so therefore we are dependent on water.

11.57 The impact of climate change on Victoria’s coastal areas and associated negative impacts on tourism is another major area of concern. This is a particular concern of the Western Coastal Board. In their submission to the Inquiry they made a number of points in relation to the possible impact of climate change:

In the case of coasts, it would appear that their existing potential to suffer from erosion and over-development will be exacerbated by events generated by climate change, now almost universally accepted – i.e., a greater number of storms of greater intensity and accompanying storm surges.

11.58 Mr Steve Blackley, Executive Officer of the Western Coastal Board, elaborated on the potential impact of climate change on the coast at a public hearing. He talked to the Committee about the inherent unpredictability of climate change effects, which makes it difficult to assess exactly how high the sea level will rise. Nonetheless, predictions at the lower level of the possible range of scenarios still bode ill for coastal communities and coastal tourism. As Steve Blackley explained to the Committee:

If you look at a 1.4 metre sea level rise and you apply the Bruun rule, which is a rule of coastal geomorphology which equates to roughly 100 metres of recession of the coastline moving shoreward for every 1 metre of sea level rise, for an exposed sandy shoreline with a dune system behind it, of which we have got quite a few in western Victoria, you can see that there is a significant threat to the beach environment, particularly when you look at hard property boundaries and infrastructure that are right behind the beach. Within the next 50 to 100 years, if the climate change predictions for sea level rise and the effect of storm surge on top of it are true,

57 Mr Phillip Nunn, CEO, Mount Buller and Mount Stirling Alpine Regional Management Board, Public Hearing, Mansfield, 30 August 2007.
58 Ibid.
59 Mr John Schryver, CEO, Australian Alpine Enterprises, Public Hearing, Bright, 29 August 2007.
60 Mr Laurie Blampied, General Manager, Buller Ski Lifts, Public Hearing, Mansfield, 30 August 2007.
61 Western Coastal Board, Submission, Number 98, 10 July 2007.
62 Mr Steve Blackley, Executive Officer, Western Coastal Board, Public Hearing, Geelong, 12 September 2007.
we are potentially looking at, in a future generations context, the longer-term loss of a lot of our beaches particularly right adjacent to our coastal settlements. If we look at the issues at Port Fairy, Portland and Warrnambool, everywhere is going to suffer in some way on their beaches unless we invest very heavily in a really significant beach renourishment program, and that is going to cost hundreds and hundreds of millions of dollars to maintain what is currently probably the actual foundation stone of coastal tourism, which is the beach.  

If climate change continues and sea levels rise to this extent, many buildings, and even entire towns on the coast will be inundated. In that case, maintaining beaches might be the least of worries for affected communities and for the tourism industry.

11.59 Another factor that may well impact tourism more quickly than the direct impacts of climate change discussed above, is the likelihood that growing public awareness and concern over climate change will alter consumer behaviour. This possibility was raised during the inquiry, with a number of witnesses and submissions suggesting that consumer decisions about where to take holidays could be affected by climate change concerns.

11.60 Consumer awareness of the contribution of aviation—and in particular of long-haul flights—to overall greenhouse gas emissions, was seen as a growing issue. Tourists wishing to reduce their own carbon footprint might choose to holiday closer to home. While this could lead to more Australians travelling domestically—to the possible advantage of rural and regional tourism—international visitor numbers could drop. Professor Peter Forsyth told the committee that ‘carbon guilt’ was already becoming an issue in Europe and a submission from the Sustainable Tourism Cooperative Research Centre made the same point, as did Dr Janine McDonald, who told the Committee that in the United Kingdom and Europe, there have been advertisements ‘telling their consumers, ‘Do not participate in long-haul travel because of the carbon footprint’. That means in Australia we are in trouble’.

11.61 The Committee heard from some witnesses, about plans to assist tourists to offset the carbon generated by their visit. Mr Chris Buckingham, for instance, told the Committee about moving towards this in the Gippsland region. Importantly, he argues that such strategies must be more than a public relations exercise:

One of the things that we are exploring along with Tourism Victoria—and it is not an easy one to answer—but we are looking at how as a tourism sector we can actually offset the carbon footprints of people visiting here. And yes, there is PR value, yes there is marketing value, but ultimately it is about integrity in the

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63 Ibid.
64 Professor Peter Forsyth, Deputy Director, Tourism Research Unit, Monash University, Public Hearing, Melbourne, 19 November 2007.
65 Sustainable Tourism CRC, Submission, Number 62, 1 June 2007.
66 Dr Janine McDonald, Tourism Lecturer, University of Ballarat, Public Hearing, Ballarat, 12 December 2007.
The issue of carbon guilt, however, is not the only likely influence on consumer behaviour in relation to aviation and climate change. Combined with concerns for the environment, the increased cost of flying that will result from carbon trading schemes may also deter international tourists from visiting Australia. This point was made in a submission from Latrobe City:

*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.*

11.63 The Committee is aware that rapidly increasing fuel costs, as experienced in the first half of 2008, will further exacerbate this problem. Already a number of carriers have cut domestic routes. Together, fuel prices and climate change concerns will put increasing pressure on airlines to invest in more efficient technology and operational processes. As Service Skills Victoria say in their submission to the Inquiry, to maintain current growth in the tourism industry:

*…there needs to be a willingness to invest in initiatives which support the development of alternative fuel technologies for airlines. Some airlines, such as Virgin Blue, are setting fuel emission targets and changing operational processes in order to be sustainable. As carbon taxes become a reality, such initiatives will become imperative.*

### Water shortages

11.64 Concerns over the impact of drought and general issues around water security are widespread in rural and regional Victoria amongst the tourism sector. Water is an important resource for tourism. It is an essential component of many recreational activities including swimming, water-skiing, kayaking, fishing, sailing, and relaxing on a houseboat. Water is central to spa tourism and, as discussed above, is necessary for snowmaking. Water is needed to keep golf courses green and swimming pools full. Additionally, general water use is increased when large numbers of tourists visit a destination.

11.65 In Chapter 9 the impact of drought on tourism businesses was covered briefly. In this Chapter the importance of water to tourism, threats to continued water security, and potential strategies for improving the sustainability of tourism in relation to water will be covered in the context of sustainability.

11.66 When people go on holiday, they tend to leave their water-saving habits at home. The take longer showers, use spa baths, and generally use

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68 Latrobe City, *Submission, Number 51*, 1 June 2007.

more water than usual. Tourism operator, Ms La Vergne Lehmann (see Case Study in Chapter Ten) talked to the Committee about this problem and other aspects of the research she is currently undertaking for a PhD on the topic of water in dryland tourism. She also talked about the recreational, environmental and cultural value of water:

There are the cultural and social values of water, and then of course there are the important environmental ones as well. If you do not have water in those sorts of areas you do not have a lot of birds, you do not have the water life, you do not have the frogs. A lot of people want to hear those sorts of sounds when they come out to our place. That is in a nutshell where my PhD research is heading and what I will be presenting in terms of the value of water in tourism in these sorts of areas.\(^{70}\)

Dr Janine McDonald also addressed the problems of water use and water shortages in relation to the tourism industry in her evidence to the Committee. Dr McDonald told the Committee that water shortages caused by climate change will have major implications for the development and growth of tourism in coming years. She expressed concern that many tourism businesses are not yet implementing best practice in relation to water usage. Many still do not have water-saving showerheads and fewer still have water tanks or wastewater recycling.\(^{71}\)

Dr McDonald suggested incentives be provided to tourism businesses to encourage them to introduce water saving practices.

While still on the issue of water, Cr Heather Mutimer, from Daylesford, raised the specific issue of mineral springs, and the need to protect and manage that resource into the future. She said:

The water issue is a big one. It was touched on. There is concern about the sustainability of water in the Hepburn shire. We have an issue at the moment about the impact that the bores may be having on the aquifers and the impact on the mineral springs. I think mineral water is very important to the tourism industry, and we have to do everything we can to protect it. We need some type of protection zone over the mineral springs area to ensure that excessive growth and excessive boring of water is not putting pressure on our water.\(^{72}\)

Development pressures

In relation to environmental threats, a third area of concern related to the general issue of what is the appropriate level of tourism development in terms of impact on the environment.

Ms Lizzie Corke (see Case Study in Chapter Seven), who with her husband owns and runs the Great Ocean Ecolodge and the Cape Otway Centre for Conservation Ecology, believes strongly that the ecological and cultural values of the Great Ocean Road region need to be protected from overdevelopment. She put forward the view that

\(^{71}\) Dr Janine McDonald, Tourism Lecturer, University of Ballarat, Public Hearing, Ballarat, 12 December 2007.
\(^{72}\) Cr Heather Mutimer, Hepburn Shire Council, Public Hearing, Daylesford, 28 June 2007.
‘encouragement of private investment should not be directed at increasingly outmoded large-scale developments, but instead should be directed at small, complementary operations and cooperative projects’.

11.71 Ms Patricia Hunt from Friends of the Koalas group on Phillip Island expressed concern about development pressures that threaten natural, social and cultural values on the Island. She emphasised that visitors come to Phillip Island to experience the natural environment. She asserted that large multi-storey developments in sensitive areas will not only damage the natural environment, but will ultimately damage the tourism industry itself. She told the Committee:

> We just want to emphasise the natural part of tourism. There used to be a sign when you came over this bridge — it used to be used a lot — ‘Phillip Island, the natural attraction’. Our concern is that most recently we are getting away from that a little bit. We are getting developments that we do not think are suitable for that. We do not think enough emphasis is being placed on the natural attractions. We do a lot of talking to tourists in the Koala Conservation Centre in particular. They come here not for the buildings; they come here for the nature. That is their thrill. Even things like galahs are thrilling to them.… We have spoken to tourists all over the world, and that is the thing that they remember most — being close to nature…. I think it has to be pointed out that if you want to kill off the very thing that people come here for, that is what is going to happen if we keep doing this overdevelopment.

11.72 The need for development to complement the existing features and character of a region was also raised by Mr Peter Kenny, who appeared before the Committee on behalf of Bellarine Peninsula Tourism, Bellarine Bayside Foreshore Committee and Bellarine Estate Winery, of which he is the owner. He suggested that sustainability is a huge issue for the Bellarine region, stating:

> …when you talk about needing a 5-star hotel, one of the big benefits of the Bellarine is its villages and the fact that you can still come down there and have these lovely little villages without spoiling town boundaries. You have got to build your sustainability in around that as well.

**Creating sustainable destinations and communities**

11.73 Strong support for triple bottom line (i.e. social, environmental and financial) sustainability was expressed throughout the Inquiry by witnesses and submissions from all stakeholder sectors, including industry bodies, local government, land management boards, interest groups and operators.

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75 Ibid.
76 Mr Peter Kenny, Chair Bellarine Bayside Foreshore Committee and Bellarine Peninsula Tourism, *Public Hearing*, Geelong, 12 September 2007.
11.74 For example, Mr Nicholas Hunt, Chief Executive of peak tourism body, Tourism Alliance Victoria, claimed that ‘There is an awareness of the value and role of sustainable tourism in terms of meeting the triple bottom line,’ and that there ‘are fantastic opportunities within regional Victoria so long as there is a commitment to long-term planning and sustainability’.77 His views were strongly endorsed by Ms Jacqueline Blackwood, also from Tourism Alliance Victoria. She told the Committee:

There is the need for the awareness and the adaptation of triple bottom line sustainability—that is, sustainability in environmental terms and protecting the very assets we utilise and promote; in economic terms, it is reducing our bottom line through reduced resource usage; but also the social responsibility in terms of corporate social responsibility. So it is a changing industry in a changing world, and it all comes down to best practices and the ability to adapt in a changing market.78

11.75 Mr Terry Hickey, from Geelong Otway Tourism, the peak tourism body and Regional Tourism Organisation for the Geelong Otway Region also expressed strong support for sustainability, telling the Committee that:

GOT’s overarching objectives as a regional tourism organisation are to expand membership services, develop a partnership support base and embrace a sustainable approach to all tourism activity. Interestingly enough, this was rated the most important priority by both our municipal partners and our industry partners, so sustainability is certainly high on our agenda.79

Representing Grampians Marketing, Mr Graham Parkes suggested:

Regional tourism can contribute to the future economic health of the regions through leadership in environmental sustainability. Our region is well placed to lead the way on environmental sustainability. Future growth and investment in the industry should be based on being carbon neutral and efficient in its use of natural resources and on contributing to the health and wellbeing of our visitors who come to the region.80

11.76 From a local government perspective, the Tourism and Economic Development manager from Mansfield Shire Council suggested: ‘Environmental sustainability, along with a clear message that both industry and community are caring custodians, is critical.’81

11.77 Consistent with the strong support expressed for sustainable tourism development, witnesses and submissions brought forward a range of suggestions for achieving this goal. These included programs to help operators to instigate environmentally sustainable practices, suggestions related to destination management and planning, and the need for leadership to drive sustainability.

77 Mr Nicholas Hunt, Chief Executive, Tourism Alliance Victoria, Public Hearing, Melbourne, 4 June 2007.
78 Ms Jacqueline Blackwood, Information and Research Analyst, Tourism Alliance Victoria, Public Hearing, Melbourne, 4 June 2007.
79 Mr Terry Hickey, Deputy Executive Director, Geelong Otway Tourism, Public Hearing, Geelong, 12 September 2007.
Incentives for sustainability

11.78 As already noted above, Dr Janine McDonald in her evidence to the Committee suggested incentives be provided to tourism businesses to encourage installation of water-saving devices. The Committee also heard from operators about the high cost of implementing environmentally sustainable practices.

11.79 Caravan park owners, Kaye and Kym Bernardi, told the Committee about strategies they had put in place to make their business more environmentally sustainable. They are trialling the recycling of waste through a private contractor without any financial assistance from local government, or any other level of government. As Kaye said to the Committee, ‘It seems totally illogical that private ratepayers can have recycling bins but we have to purchase our own system at great expense. To date it has been far cheaper for us to throw it out’. They have also installed water-saving devices, again at their own expense:

*Water-saving devices: once again water-saving rebates apply to general consumers but not to commercial businesses. We have had to implement our own water-saving programs, including dual-flush systems and shower savers, again at our own expense, which has cost us in excess of $6000 this financial year. This has had an incredible effect of reducing our water usage by some 38 per cent in the last four months, compared to the previous corresponding year. If rebates were made available to commercial properties for these programs, and solar hot water systems, how much more water could be saved?*

11.80 While the Bernardis have been able to realise substantial savings from installing water saving devices, the Committee recognises that the up front expense involved would likely deter many small operators from following their example. Given that the philosophy behind subsidies is not about providing handouts, but is about encouraging the uptake of environmentally friendly devices and technology, it is not logical to restrict them to private households. Particularly given that people on holiday tend to use more power and water – by taking longer showers for instance – the Committee believes that extending subsidies to commercial operators would advance the higher goals of preserving precious resources and ameliorating climate change.

11.81 The Committee is aware of and commends the range of projects that have been funded through the Crown Land Caravan and Camping Parks Improvement Program (mentioned in Chapter 7), many of which support improved environmental performance. It would like to see that program continued beyond 2008 with increased funding. The Committee believes, however, that funding needs also to be made available for environmental upgrades of privately owned caravan parks and other tourism businesses, especially in the accommodation sector. It therefore makes the following recommendations.

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**Recommendation 37:** That the State Government contribute to the ongoing environmental sustainability of the rural and regional tourist sector.

This could be achieved through:

**Recommendation Action Points:**

a. continuing the Crown Land Caravan and Camping Parks Improvement Program beyond 2008 and increasing funding for the program;  

b. providing financial incentives for tourism businesses (including privately owned caravan parks) to adopt environmentally sustainable policies and practices including water and energy saving, improved waste management, and offering carbon offsets to visitors; and  

c. funding a subsidy scheme to assist (small) tourism businesses to install solar hot water systems, and water and energy saving devices.

**Sustainability planning and research**

11.82 As Mr Nicholas Hunt from Tourism Alliance suggested, a sustainable tourism industry requires long-term planning. The need for sound planning and regulatory controls to guide tourism development was a theme that came through strongly in a number of submissions. Service Skills Victoria, for instance, suggested that:

> Sustainable planning, water saving practices and the implementation of environmental policies within business plans are essential for every business in the tourism and hospitality industry from micro businesses to large organisations.  

11.83 Witnesses at public hearings also supported a greater focus on planning for sustainability. Ms Lizzie Corke, owner of the Great Otway Ecolodge, argued for stringent sustainability guidelines. She told the Committee:

> Guidelines for development really must include stringent requirements in terms of sustainability, including limits to the size of buildings or tour groups. The design and style of products or services must be taken into consideration…. Change really must be carefully planned in accordance with a very sustainable overarching vision…. I think an area that is particularly important is the sustainability of the tourism industry. It is an industry which at the moment is very consumptive, and it really could improve an awful lot.

11.84 While not put as forcefully, a submission from the Bairnsdale Chamber of Commerce also argued for improved regulatory controls to protect the ecology of lakes and forests, stating: ‘Development without improved

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84 Service Skills Victoria, Submission, Number 71, 7 June 2007.  
environmentally sustainable regulatory controls could result in water shortages and undesirable ecological impact on the lakes and forests.  

Ms Lex Chalmers, Western Coastal Board member and member of the Historic Buildings Restoration Committee in Portland, argued strongly for further research into sustainability issues to be carried out before product development or marketing are increased. She suggested that a sound framework for sustainability needs to be built into the planning system, and tourism opportunities identified within that. She told the Committee:

_While the [Western Coastal] Board supports the development of tourism on the west coast of Victoria we believe it needs to proceed within a framework of sustainability and be informed by significant investment in research and integrated planning. This would ensure: the maintenance of the tourism experience and equity of access (there has been a lot about high end, but we are interested in middle and low end as well); sustainable levels of infrastructure; footprints and impacts within the carrying capacity; adequate investment; opportunities for education, awareness raising and skills; and robust regional economies._

Ms Chalmers went on to advocate support for local government to assist in the development of strategic planning.

Mr Steve Blackley, Executive Officer of the Western Coastal Board, also strongly supported the need for further research into sustainability. He expressed concern that there is no agreed definition of sustainability, and little understanding of the environmental and social capacity of the coast to accommodate further tourism. He asked the Committee to consider:

_For example, what level of tourism activity can be sustained by natural systems such as foreshore areas adjacent to settlements, particularly in the context of rising sea levels? What level of tourism visitation infrastructure can be sustained by coastal villages without diminishing character values, impacting on community cohesion or requiring more infrastructure, some of which is at community expense? And what is the appropriate contribution of tourism to local and regional economies so that we ensure the robustness of those economies during times of uncertainty in tourism?_

While recognising that tourism provides important economic benefits, ‘employment and recreation opportunities, particularly on the coast’ Mr Blackley argued that further research is essential to establish appropriate levels of, and areas for tourism development. The threat of climate change and associated coastal impacts requires application of the ‘precautionary principle’ to development proposals. He said to the Committee:

_We believe there is a need to investigate and define the concept of sustainable tourism. This would then underpin a strategic approach that delivers sustainable tourism and integrates tourism objectives_

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86 Bairnsdale Chamber of Commerce and Industry, Submission, Number 16, 30 May 2007.
87 Ms Lex Chalmers, Board Member, Western Coastal Board, Public Hearing, Geelong, 12 September 2007.
88 Mr Steve Blackley, Executive Officer, Western Coastal Board, Public Hearing, Geelong, 12 September 2007.
89 Ibid.
90 Mr Steve Blackley, Executive Officer, Western Coastal Board, Public Hearing, Geelong, 12 September 2007.
and actions into a broader planning and policy context. We see this as an opportunity to deliver certainty to all stakeholders, including industry.\footnote{Ibid.}

11.88 The Committee agrees that given the threat of climate change and other environmental challenges, a strong commitment to sustainability is required in all sectors of government policy in relation to rural and regional Victoria. Accordingly, it recommends that further research be conducted in these areas.

**Recommendation 38:** That the State Government, as a priority, fund research into:

- the environmental sustainability of tourism ventures before embarking on increased marketing or product development in those areas; and
- the development of long term strategies to deal with the impacts of climate change on tourism.

### Destination management planning

11.89 Related to the more general idea of planning for sustainable tourism, the Committee received considerable evidence highlighting the value of destination level planning and actions. Destination management focuses on economic, social and environmental aspects of sustainability, encouraging community participation and planning for tourism development that supports triple bottom line outcomes. Destination management draws upon the social capital that exists within a destination, and in turn contributes to the maintenance and growth of social capital.

11.90 Writing about the importance of positive tourism-host community relationships, a submission from Frankston Tourism suggests accreditation of sustainable tourism destinations as an:

> effective way of not only attracting tourists, though also managing the impact of tourism on the destination. This will enhance tourism for all: the tourist, the economy, the community and the environment.\footnote{Frankston Tourism, Submission, Number 28, 31 May 2007.}

11.91 The Committee heard that this type of approach was in fact being pursued in a number of areas around the State. In Geelong, the Committee heard about Geelong Otway Tourism’s plans to embrace sustainability. They are researching triggers for off-peak travel (one strategy for reducing negative impacts from tourism by spreading visitation more evenly), and triggers for ‘people to use environmentally sensitive product’.\footnote{Mr Terry Hickey, Deputy Executive Director, Geelong Otway Tourism, Public Hearing, Geelong, 12 September 2007.} While branding the region as environmentally sustainable is part of Geelong Otway Tourism’s marketing plan, they are also taking steps to ensure that the tourism products on offer in the
region are consistent with these goals. Mr Terry Hickey told the Committee:

_"I believe that will also deliver broader outcomes in a seasonality sense and also in an environmentally sensitive sense. We will be highlighting best practice and creating a sustainability code of conduct. That has never been done."_  

11.92 Mr Hickey may be correct that this has not yet been done in Australia, but in other parts of regional Victoria, similar plans are on the drawing board. As noted earlier, the Grampians region sees itself as being ‘well placed to benefit from a growing focus on environmental sustainability’. Mr Graham Parkes suggested:

_"The development of this strength will place us well for attracting industry development. Possibilities exist for a world best environmental practice scheme to be developed in the region."_  

11.93 In Mansfield the Committee also heard about plans to develop the region’s focus on sustainability. Mr Ian Geer told the Committee about the Shire Council’s strong commitment to sustainability and destination management, which he said was a Council priority. He told the Committee:

_"The three-pronged process will cover organisation — ourselves — community — to report to — and our economy — our businesses. Council has received funding from state government to commence this journey and we will advocate for further funding to be made available specific to environmental initiatives that assist a better position for the tourist industry. We feel that support for environmental initiatives is absolutely critical. We have started the journey with some modest funding. In fact next month we are bringing over the CEO from Kaikoura municipality on the north-east coast of New Zealand, one of the first communities in the world to obtain green globe status. We see that as something we would like to look at very seriously."_  

11.94 Committee Members also heard first-hand about the benefits of destination management and planning during meetings in New Zealand. The tourism industry and government in New Zealand strongly support managing tourism growth and development in a way that maximises benefits while minimising negative impacts and community concerns. Destination management and planning is described as a key approach to tourism development in the New Zealand Tourism Strategy 2015. The Chief Executive Officer of the Tourism Industry Association of New Zealand, Mr Oscar Nathan told the Committee about the central importance of two key values of Manaakitanga (hospitality) and Kaitiakitanga (care of the environment) to New Zealand tourism. He sees tourism development as ideally occurring from the bottom up, with local community support, and a focus on these intrinsic values.

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94 Ibid.
96 Ibid.
11.95 In Queenstown, in New Zealand, Committee members also heard about the lead role taken by local government in relation to destination management. Clive Geddes, Mayor of Queenstown Lakes District, talked about the extensive community consultation process that has fed into destination management plans for the region. Local government there has worked closely with the community and developers to plan and manage future tourism development. Because the community is involved early in the planning process, few objections are raised when developments proceed. Local government in Queenstown also supports the Regional Tourism Organisation, Destination Queenstown, by collecting a tourism levy to fund destination marketing. Finally, as a popular resort town, Queenstown has experienced similar housing affordability issues as exist in Lorne. To help deal with this problem a Community Housing Trust has been set up to provide homes purchase assistance packages to members of the local community.

11.96 An important component of destination management, evident in the Queenstown example, is community engagement. Through community engagement, members of the wider community have a say in the planning of tourism development in their region. When local community members are included in the process of destination management and planning it is more likely that a sense of ownership and pride will develop and fewer tensions will arise around development.

11.97 As noted earlier in this chapter, a destination management project—destination Daylesford—commenced in Daylesford around the middle of 2007. Community consultation is a cornerstone of that project. According to the Destination Daylesford website:

An important aspect of planning for tourism in a destination community is working with and empowering local people that are not directly involved in tourism, to participate constructively in decisions about tourism. An innovative consultation process, known as a ‘citizens’ jury’, was held in mid-August [2007] to gain community input into planning for tourism over the next ten years for Daylesford, Hepburn Springs and district.99

11.98 The Committee received an update on the Destination Daylesford project in December 2007 from Mr Victor Szwed, the Chief Executive Officer for the Shire of Hepburn. He told the Committee that the project was proceeding very well. ‘The citizens jury has been a great exercise. We had about 20 people from across the community. They actually came back together again a few days ago to have a look at the first draft, so it is coming along very well.’100 Asked by the Committee Chair, Mr Damian Drum, about the tensions observed by the Committee earlier in the year, Mr Szwed said: ‘It has been the best exercise I have seen of that nature, because it did involve community in the broader sense.…

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100 Mr Victor Szwed, Chief Executive Officer, Hepburn Shire, Ballarat, 12 December 2007.
On both sides. It got people on both sides to open the blinkers a bit more. ¹⁰¹

11.99 The Committee believes that destination management and planning carried out in the manner observed in Queenstown and the Destination Daylesford project has the potential to provide what Mr Nicholas Hunt, of Tourism Alliance Victoria calls a community of licence for tourism. Mr Hunt suggested to the Committee that there:

is a need to bring the community along in terms of a community of licence for tourism. I talk about it in terms of a community of licence because it is important that tourism does have that licence, that it is not all about development for development's sake, that it is actually growing the community in a way that the community who are interested in creating employment, interested in creating job opportunities, interested in creating activity which is consistent with their neighbourhood and with their regional area are part of the process and it is not directed to them from other places, because if we do that, when you match that up with what the visitor is looking for from an experiential point of view, if the visitor is looking for the real person and the real experience in the street, then there is a mismatch there, and it does not resonate truly. ¹⁰²

The Committee agrees with Mr Hunt that the best outcomes in terms of growing communities, creating employment opportunities and economic benefits from tourism will be achieved when community members are engaged and involved in planning and destination management processes.

11.100 The Committee recognises Tourism Victoria’s role in supporting and funding the Destination Daylesford project, and would like to see this support extended to communities throughout regional Victoria. It therefore recommends that the State Government invest in community engagement programs and destination management throughout the State.

**Recommendation 39:** That the State Government, through Tourism Victoria encourage and fund the development of Destination Management and Destination Planning based on partnerships between State and local governments, to facilitate communication and mutual support between the tourist industry and local communities in rural and regional Victoria.

**Industry leadership**

11.101 A final factor in the mix of strategies required to create sustainable destinations and communities in rural and regional Victoria, is strong regional leadership. The Committee heard many times over that Tourism Victoria’s focus can be too Melbourne centric and unable to provide adequate service to regional Victoria. Geelong Otway Tourism claimed there is an ‘ivory tower mentality’ within Tourism Victoria and that junior staff are managing regional areas. ¹⁰³ The Australian Ski

¹⁰¹ Ibid.
¹⁰² Mr Nicholas Hunt, Chief Executive, Tourism Alliance Victoria, *Public Hearing*, Melbourne, 4 June 2007.
Areas Association suggested that strong regional leadership ‘is vital for success of programs’ and recommended that financial support be provided to ‘progressive regional tourism organisations and local government authorities’ to provide this.\textsuperscript{104}

11.102 The Committee has already recommended, in Chapter Eight, that the Gippsland Tourism Industry Leadership Program be continued and rolled out in other parts of the State. This program, which has involved operators and tourism staff from a variety of organisations across the region, has been very successful in fostering a collaborative approach across the whole of the Gippsland region, according to many witnesses.

11.103 Significantly, many witnesses also pointed to a pivotal role played by the General Manager of Gippsland Tourism in providing leadership across the entire region. Gippsland Tourism, and the role of General Manager were established in mid 2005 with joint funding from Tourism Victoria and the Gippsland Local Government Network that is made up of the six Gippsland local government municipalities.\textsuperscript{105} Mr Chris Buckingham, the current general manager explained to the Committee that three or four years ago the tourism industry in Gippsland was not in a good state, that it was divided, with internal competition and regions pushing against each other rather than pulling together.\textsuperscript{106} Tourism Victoria approached the Gippsland Local Government Network and a three-year joint funding arrangement was put in place to employ a General Manager.\textsuperscript{107}

11.104 The Committee held three public hearings in Gippsland: in Traralgon; Lakes Entrance; and on Phillip Island. In each sub-region of Gippsland, Committee members heard about the excellent leadership that has been provided by the General Manager of Gippsland Tourism, and the desire for the momentum generated by that leadership to continue into the future.

11.105 For instance, in Traralgon Ms Phillipa Beeson, of West Gippsland Tourism, told the Committee:

\begin{quote}
The establishment of Gippsland Tourism and Chris Buckingham as the manager has been very beneficial for the region with initiatives such as the tourism industry leadership program, which is what you have just seen, helping raise the level of professionalism in the industry.\textsuperscript{108}
\end{quote}

11.106 In Lakes Entrance, Ms Kaye Munro, the owner of a small Guesthouse near Bairnsdale was very positive about the development she has seen in the region since the establishment of structures and programs designed to unite Gippsland’s tourism industry, and the appointment of a General Manager. As someone new to the tourism industry, she told the Committee about the valuable assistance she had received in many

\textsuperscript{105} Cr Bruce Lougheed, Mayor, Latrobe City, \textit{Public Hearing}, Traralgon, 13 February 2008.
\textsuperscript{106} Mr Chris Buckingham, General Manager Gippsland Tourism, \textit{Public Hearing}, Traralgon, 13 February 2008.
\textsuperscript{107} Ibid.
areas, but particularly in relation to marketing of her guesthouse to international visitors. She said:

_I thought that our product would appeal to the modern international market in a big way, right from the beginning, because we travel a lot ourselves, so we know what travellers are looking for. So we designed it to suit the international market mostly. But until Chris Buckingham came along and taught us — showed me — how to enter that and gave me contacts that could help me work out how we could enter that market, I really floundered._

11.107 Also at the public hearing in Lakes Entrance, the Committee heard from Ms Jan Davis, a member of the Lakes Entrance Business Tourism Association. She also talked about the unity that had been achieved across Gippsland and the ‘clout’ this had given the tourism industry when it came to dealing with recovery from floods and fires. She said:

_Ironically, one of the things that has made local operators more aware of the power of having a peak body is probably the fact that there was that coordinated approach and a bit more clout going back to government and organisations._

11.108 At the final public hearing in the Gippsland region, held on Phillip Island, the Committee heard the same story of how the previous two years had seen the overcoming of parochial attitudes and the coming together of the tourism industry across the region. Again, this success was put down to the presence of effective leadership through the position of the General Manager Gippsland Tourism.

11.109 Because funding for the current general manager position ended in mid-2008, further funding was sought from Regional Development Victoria to establish a peak tourism body for Gippsland to continue the programs and maintain the momentum that has been achieved over the past two and a half years. The Committee is pleased to note that provision of this funding has been announced by the State Government. $360,000 is to be provided over three years to support the Gippsland Peak Tourism Body project. $240,000 of this will come from Regional Development Victoria, through the Living Regions Living Suburbs program, while $120,000 will be provided by Tourism Victoria. Parks Victoria, local tourism operators and the six councils that make up the Gippsland Local Government Network will also contribute to funding the new body. The project has a total budget of $816,000 over three years. The Gippsland Peak Tourism Body will focus on ‘marketing Gippsland, investment attraction, developing industry skills, product development and industry communication’.

11.110 The repeated praise for the leadership that has been provided through the role of General Manager Gippsland Tourism, was also reflected in widespread support for the proposed new peak body. All of the

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111 Mr Michael Nichols, Chair, Prom Country Regional Tourism, Public Hearing, Phillip Island, 2 April 2008.
112 T Holding (Minister for Tourism and Major Events) and J Allan (Minister for Regional and Rural Development), $360,000 to create tourism centre in Gippsland, media release, Melbourne, 19 June 2008.
113 Ibid.
witnesses quoted above spoke of the need for continued leadership and all supported the idea of establishing the new body. With funding now secured, the Committee is confident that the tourism industry in Gippsland will continue to develop and provide benefits to the region overall.

In light of the Gippsland example, the Committee believes that it is time for the Victorian Government to provide ongoing funding for the employment of well-qualified managers to provide leadership right across rural and regional Victoria, not just in Gippsland. The Committee believes this could be achieved by Tourism Victoria working with industry representatives and local governments in regional areas to place senior staff on the ground. This would assist to fill the leadership gap (discussed in Chapter Ten) caused by the lack of presence of Tourism Victoria staff on the ground in regional Victoria.

**Key Recommendation 1:** That the State Government, through Tourism Victoria, provide rural and regional tourism leadership by supporting the development of peak tourism bodies.

This could be achieved by:

a. placing senior managers within each of the ten regional campaign areas, in conjunction with local governments;

b. supporting and funding existing regional tourism organisations that have the potential for development into peak tourism bodies; and

c. investigating effective business and governance models for regional tourism organisations in Victoria.

In doing so the Government should consider examples from Queensland and New Zealand.

**Case Study 16: Chris Buckingham, Gippsland**

In 1997 Chris Buckingham moved from Melbourne to the Latrobe Valley in Gippsland, for a change of lifestyle. He quickly became active in local business and community organisations including the Moe Development Group, the Gippsland Business Awards and is a graduate of the 1999 Gippsland Community Leadership Program. Until very recently, he held the positions of General Manager, Gippsland Tourism and Chair of Destination Gippsland. In those roles he has played a pivotal role in uniting the tourism industry across the region, driving the ‘Inspired by Gippsland’ Campaign, overseeing flood and bushfire recovery programs for the tourism industry; and securing funding for establishment of a new Peak Tourism Body for Gippsland.

Gippsland is a significant region and by all accounts the tourism industry was fragmented and lacking leadership when Tourism Victoria approached the Gippsland Local Government Network three to four years ago offering to pool resources to improve the situation. Help came in the form of a funding contribution towards employing a General Manager, Gippsland Tourism for three years. Chris was recruited to the position in 2005 and set about providing the leadership and enthusiasm needed to unite and promote the region. Chris explained the situation:
When I started in this job the region had just been forcibly merged between Lakes and Wilderness, and Phillip Island-Gippsland Discovery; Phillip Island had been carved out …. We were pretty well divided as a region from a tourism point of view.

Overcoming the parochialism within Gippsland and unifying the tourism industry are major achievements that can largely be attributed to Chris's leadership. With Janiene Ayre, the Manager of Business and Community Connect for Baw Baw Shire Council, Chris initiated the very successful Gippsland Tourism Industry Leadership Program. Run twice over two years, the program has resulted in a stronger, more unified and enthused industry working productively with local and state government. In the words of Cr Bruce Lougheed, Mayor of Latrobe City:

Gippsland has progressed, with the Gippsland Tourism general manager being instrumental in harnessing many parts of Gippsland to work together. Gippsland Tourism has also been effective in liaising with Tourism Victoria and all levels of government.

Under Chris's leadership, a new brand campaign 'Inspired by Gippsland' was established. Marketing of the region benefited from bushfire relief funds that allowed Destination Gippsland to get the new brand out in the market. Despite the natural disasters the region has experienced, Gippsland has seen an increase in visitor nights, and the new brand continues to gain traction, particularly in Melbourne.

Key features of Chris's approach to his role as General Manager, Gippsland Tourism are passion and positive thinking. These qualities are evident in his approach to dealing with media reporting of natural disasters:

Very clearly we recognised as a region that we had to come out positive, united and resilient. They were the three key words that we drove through again and again. If the media came to us looking for an angle that was not going to favour either one of those three positions, we actually did not deal with them.

With funding for the position of General Manager, Gippsland Tourism running out in June 2008, the six local councils that make up the Gippsland Local Government Network sought matched funding from the State government to establish a new peak tourism body for the region. That funding has been forthcoming and the new body established.

Chris Buckingham is moving on to a new role and challenge with Destination Melbourne. However, his legacy of a more united, enthusiastic industry, with a new Gippsland Peak Tourism Body in place, will ensure a bright future for the industry in Gippsland and provide an example of a successful model for other regions.

**Conclusion**

11.112 While this chapter has largely focussed on social and environmental aspects of sustainability, the report as a whole promotes a ‘three pillars’ approach, where economic, social and environmental values are balanced to produce sustainable destinations and communities in rural and regional Victoria.

11.113 Chapter Four addressed the specific issue of economic benefits and found that throughout the State, tourism has the potential to contribute to the economic viability and sustainability of many towns and communities. That chapter, however, also pointed to the problem of economic leakage, and the need to encourage strong linkages between tourism and host communities in order to ensure that flow-on benefits
are not lost, but actually accrue to those communities. The need for greater research into the benefits of tourism, the creation of employment through tourism and the types of tourism development that are most likely to produce employment outcomes and enhance the economic well-being of communities were also addressed.

11.114 Chapters Five to Ten focussed on a range of impediments to and opportunities for promoting and enhancing the development of tourism in regional Victoria. Chapter Five looked at the provision and maintenance of basic infrastructure that provides an essential foundation upon which any industry, including tourism needs to be built. Chapter Six addressed some specific problems with road signage infrastructure that many operators and industry representatives believe are unnecessarily damaging the profitability of tourism businesses.

11.115 In Chapter Seven, the report turned to gaps, opportunities and challenges facing the tourism industry in relation to the development of accommodation and attractions to help build the industry. The important role government can play in helping to fund tourism infrastructure such as cycle and walking trails, cultural attractions, and accommodation options on Crown land was addressed. Anomalies created by recent changes to Victorian Planning schemes were discussed and measures to remedy these and provide greater certainty for private investors were recommended. Consistent with the arguments presented earlier in this final chapter, the main thrust of the recommendations in Chapter Seven is to assist the development of sustainable tourism infrastructure, not to promote uncontrolled development at any cost.

11.116 Chapter Eight of the report turns to the question of building and strengthening service capacity. Tourism is a service industry, and as such its economic sustainability depends on being able to provide high quality services to visitors. Addressing skills shortages in rural and regional Victoria is essential to meeting this goal, as is the provision of ongoing education and training for employees and tourism business operators. As discussed in this Chapter and Chapter Eight, the high cost of housing in some towns exacerbated labour shortages, highlighting again the importance of development that contributes to the viability of communities on both social and economic levels. Chapter Eight also discussed the important role accreditation and industry leadership programs play in building the service capacity of the industry and creating sustainable tourism outcomes.

11.117 Natural disasters such as bushfires, floods and droughts, inevitably threaten the natural environment, the well-being of communities and the economic sustainability of tourism. The impact of such events and recommendations for handling future events and driving long-term recovery are covered in Chapter Nine. The focus of Chapter Ten is the marketing of rural and regional Victoria and how this can be optimised to maintain and increase tourist visitation, with the result of increasing the economic benefits of tourism.
Finally, this last chapter has turned attention to host communities and the natural environment, the two other foundations—alongside tourism businesses—of sustainable tourism development. The Committee believes that the goal of achieving a vibrant tourism industry for rural and regional Victoria will be enhanced if the recommendations made in this report are implemented. In particular, the Committee would like to emphasise the final recommendation (Key Recommendation 1, above), that is, for Tourism Victoria to provide support for peak bodies and placement of quality managers in regional locations. Such managers would provide leadership in the regions, a conduit between city based managers and the regions, and play a vital role in promoting community engagement and destination management. The Committee believes that by implementing this key recommendation many of the other issues raised throughout the report would be resolved.

Appendix One

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Appendix Two

List of Submissions

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Witnesses Appearing at Public Hearings

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<td>24 Oct 2007</td>
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<td>14 Nov 2007</td>
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<tr>
<td>5 Mar 2008</td>
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<tr>
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<td>2 Apr 2008</td>
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<td>24 – 30 Apr 2008</td>
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### Witnesses

#### 4th June 2007 | Melbourne

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Don Richter</td>
<td>Director of Marketing</td>
</tr>
<tr>
<td>Mr Greg Hywood</td>
<td>Chief Executive</td>
</tr>
<tr>
<td>Mr Jason Bannikoff</td>
<td>Manager, Policy Unit</td>
</tr>
<tr>
<td>Mr Nicholas Hunt</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Ms Jacqueline Blackwood</td>
<td>Information and Research Analyst</td>
</tr>
<tr>
<td>Mr Wayne Kayler-Thomson</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Ms Bindi Gove</td>
<td>Manager of Tourism and Events</td>
</tr>
<tr>
<td>Mr John Kennedy</td>
<td>Director</td>
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</table>

#### 18th June 2007 | Melbourne

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Mr Andrew Eastick</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Greg Binskin</td>
<td>General Manager</td>
</tr>
<tr>
<td>Mr Norm White</td>
<td>Director</td>
</tr>
<tr>
<td>Mr Robert Thomas</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Peter McMahon</td>
<td>Freehold Owner</td>
</tr>
<tr>
<td>Mr Daniel Jordan</td>
<td>Executive Officer</td>
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#### Wednesday 27th June 2007 | Bendigo

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
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</thead>
<tbody>
<tr>
<td>Ms Robyn Vella</td>
<td>Tourism Manager</td>
</tr>
<tr>
<td>Mr Rod Thomson</td>
<td>Member</td>
</tr>
<tr>
<td>Ms Kathryn Mackenzie</td>
<td>Executive Manager</td>
</tr>
<tr>
<td>Ms Elissa O'Conner</td>
<td>Manager, Tourism Services; and Cr James Norris</td>
</tr>
<tr>
<td>Dr Clare Lade</td>
<td>Lecturer</td>
</tr>
<tr>
<td>Mr Tom Seddon</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Shane Stanford</td>
<td>Coordinator, Economic Development Unit</td>
</tr>
<tr>
<td>Ms Mardi Hagan</td>
<td>Tourism Business Coordinator</td>
</tr>
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</table>
### Thursday 28th June 2007 | Daylesford

<table>
<thead>
<tr>
<th>Witness Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Geoff Ryan – Manager of Tourism Development and Recreation</td>
<td>Hepburn Shire Council</td>
</tr>
<tr>
<td>Cr Bill McClenaghan – Chair, Bathhouse Business Community Liaison Group</td>
<td></td>
</tr>
<tr>
<td>Mr Eric Bellchambers, Owner</td>
<td>Zig Zag Wines</td>
</tr>
<tr>
<td>Mr Noel. Beare – Manager</td>
<td>Hepburn Spa</td>
</tr>
<tr>
<td>Mr Nigel. Dempster – President; and Ms Christine. Lewis – Committee Member</td>
<td>Hepburn Regional Tourism Association</td>
</tr>
<tr>
<td>Mr Chris. Malden – Manager</td>
<td>Daylesford Getaways and Co-owner, Peppers Springs Retreat</td>
</tr>
<tr>
<td>Ms Joy Durston – Coordinator; and Mr Roger. Permezel – Chair</td>
<td>Daylesford Macedon Produce Great Grape Touring Route</td>
</tr>
<tr>
<td>Mr Athol Guy – Chair</td>
<td>Daylesford Macedon Ranges Campaign Committee Member, Indigenous Tourism Australia Advisory Board and Melbourne Surrounds Strategic Marketing Group</td>
</tr>
<tr>
<td>Mr Rod Kirby</td>
<td>Private Citizen</td>
</tr>
<tr>
<td>Cr David Smith – Mayor</td>
<td>Hepburn Shire Council</td>
</tr>
<tr>
<td>Cr. Helen Mutimer – Councillor</td>
<td>Hepburn Shire Council</td>
</tr>
<tr>
<td>Ms. Eleanor Dempster – Owner</td>
<td>Cellar and Store, Heathcoate</td>
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### Thursday 31st July 2007 | Mildura

<table>
<thead>
<tr>
<th>Witness Name</th>
<th>Organization</th>
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</thead>
<tbody>
<tr>
<td>Ms Helen Healy – Chief Executive Officer</td>
<td>Helen Healy Organisation</td>
</tr>
<tr>
<td>Mr Tim Knight – President</td>
<td>Mildura-Wentworth Houseboat Owners Association</td>
</tr>
<tr>
<td>Mr Julian Bowron – Manager</td>
<td>Arts and Culture, Mildura Arts Centre</td>
</tr>
<tr>
<td>Cr Mark Eckel – Councillor</td>
<td>Mildura Rural City Council</td>
</tr>
<tr>
<td>Ms Kristine Harrington – Manager, Tourism Services</td>
<td></td>
</tr>
<tr>
<td>Mr Andrew Millen – Chief Executive Officer</td>
<td>Sunraysia Mallee Economic Development Board</td>
</tr>
<tr>
<td>Ms Dani Harvey</td>
<td>Mildura Tourism</td>
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### Wednesday 1st August 2007 | Swan Hill

<table>
<thead>
<tr>
<th>Witness Name</th>
<th>Organization</th>
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</thead>
<tbody>
<tr>
<td>Mr Geoff Gray – Director, Development and Planning</td>
<td>Swan Hill Rural City Council</td>
</tr>
<tr>
<td>Ms Janelle Cousins – Marketing Officer</td>
<td></td>
</tr>
<tr>
<td>Mr Dennis O’Bryan – Owner</td>
<td>Big 4 Swan Hill Pioneer City Tourist Park</td>
</tr>
<tr>
<td>Ms Robyn Till – Museum Director</td>
<td>Pioneer Settlement Museum</td>
</tr>
<tr>
<td>Cr Helen Ballentine - Councillor</td>
<td>Shire of Yarriambiack</td>
</tr>
<tr>
<td>Mr Terry Sanders – Manager, Economic Development</td>
<td>Shire of Yarriambiack</td>
</tr>
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</table>
### Wednesday 29th August 2007 | Bright

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Helen Sharpley, Executive Officer</td>
<td>North East Valley Food and Wine</td>
</tr>
<tr>
<td>Mr Wayne Phillips, President</td>
<td>Bright and District Chamber of Commerce</td>
</tr>
<tr>
<td>Mr Geoff Scott, Chair</td>
<td>Alpine Region Tourism; Alpine Shire Council</td>
</tr>
<tr>
<td>Ms Libby Bane, Tourism Marketing Officer</td>
<td></td>
</tr>
<tr>
<td>Ms Christine Stewart, President</td>
<td>Albury Wodonga Regional Tourism Forum Inc</td>
</tr>
<tr>
<td>Mr John Schryver, Chief Executive Officer</td>
<td>Australian Alpine Enterprises</td>
</tr>
<tr>
<td>Ms Helen Moran, Group General Manager</td>
<td></td>
</tr>
<tr>
<td>Mr Derek Butler</td>
<td></td>
</tr>
<tr>
<td>Mr Ian Jack</td>
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### Thursday 30th August 2007 | Mansfield

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Norm White</td>
<td>Strathbogie Shire Council</td>
</tr>
<tr>
<td>Mr Michael Watson, Owner</td>
<td>Mansfield Shire Tourism Advisory Committee</td>
</tr>
<tr>
<td>Ms Sandra Duell</td>
<td>Howqua Caravan Park</td>
</tr>
<tr>
<td>Mr Philip Nunn, Chief Executive Officer</td>
<td>Mount Buller and Mount Stirling Alpine Regional Management Board</td>
</tr>
<tr>
<td>Ian Geer, Manager of Tourism and Economic Development</td>
<td>Mansfield Shire Council</td>
</tr>
<tr>
<td>Ms Deborah Shaddock, Manager of Visitor Information Centre</td>
<td>Mansfield Mt Buller Regional Tourism Association</td>
</tr>
<tr>
<td>Mr Dean Belle</td>
<td></td>
</tr>
<tr>
<td>Mr Robert Elkington, Manager of Economic Development &amp; Tourism</td>
<td>Murrindindi Shire Council</td>
</tr>
<tr>
<td>Mr Grant Jolley, Tourism Services Officer</td>
<td>Murrindindi Shire Council</td>
</tr>
<tr>
<td>Mr Ian Geer, Manager of Tourism and Economic Development</td>
<td>Mansfield Shire Council</td>
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### Wednesday 12th September 2007 | Geelong

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Mr Steve Blackley</td>
<td>Executive Officer</td>
</tr>
<tr>
<td>Ms Lex Chalmers</td>
<td>Board Member</td>
</tr>
<tr>
<td>Mr Ross Stephens</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr Terry Hickey</td>
<td>Deputy Executive Director</td>
</tr>
<tr>
<td>Mr Peter Kenny</td>
<td>Chair and Owner</td>
</tr>
<tr>
<td>Mr Simon Loone</td>
<td>Tourism Coordinator</td>
</tr>
<tr>
<td>Cr Dean Webster</td>
<td>Councillor</td>
</tr>
<tr>
<td>Ms Dee Stewart</td>
<td>Chair</td>
</tr>
<tr>
<td>Cr Bruce Harwood</td>
<td>Mayor</td>
</tr>
<tr>
<td>Mr Chris &amp; Ms Carol Tutung - Owners / Operators</td>
<td></td>
</tr>
<tr>
<td>Mr Jim Cousins</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr Darren Chirgwin</td>
<td>Executive Officer</td>
</tr>
<tr>
<td>Mr Ross Stephens</td>
<td>Member</td>
</tr>
<tr>
<td>Mr Terry Jongeblod, Proprietor and Vice President</td>
<td></td>
</tr>
<tr>
<td>Ms Lex Chalmers</td>
<td></td>
</tr>
<tr>
<td>Mr Peter Slattery</td>
<td></td>
</tr>
<tr>
<td>Ms Georgia Quill</td>
<td></td>
</tr>
<tr>
<td>Mr Charles Neal</td>
<td></td>
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<tr>
<td>Mr Dennis Moore</td>
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### Western Coastal Board

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Mr Steve Blackley</td>
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<td>Ms Lex Chalmers</td>
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### Geelong Otways Tourism

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<tr>
<td>Mr Ross Stephens</td>
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<tr>
<td>Mr Terry Hickey</td>
<td>Deputy Executive Director</td>
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### Bellarine Bayside Tourism and Bellarine Peninsula Tourism

<table>
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<tr>
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<tbody>
<tr>
<td>Mr Peter Kenny</td>
<td>Chair</td>
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<tr>
<td>Mr Simon Loone</td>
<td>Tourism Coordinator</td>
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<tr>
<td>Cr Dean Webster</td>
<td>Councillor</td>
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<td>Ms Dee Stewart</td>
<td>Chair</td>
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### Bellarine Estate Winery

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<tbody>
<tr>
<td>Mr Simon Loone</td>
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<tr>
<td>Cr Dean Webster</td>
<td>Councillor</td>
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### Surf Coast Shire Council

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Mr Peter Kenny</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr Simon Loone</td>
<td>Tourism Coordinator</td>
</tr>
<tr>
<td>Cr Dean Webster</td>
<td>Councillor</td>
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<tr>
<td>Ms Dee Stewart</td>
<td>Chair</td>
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### Surf Coast Tourism Board

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Mr Peter Kenny</td>
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<td>Cr Dean Webster</td>
<td>Councillor</td>
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<tr>
<td>Ms Dee Stewart</td>
<td>Chair</td>
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### City of Greater Geelong

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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</thead>
<tbody>
<tr>
<td>Cr Bruce Harwood</td>
<td>Mayor</td>
</tr>
<tr>
<td>Mr Chris &amp; Ms Carol Tutung - Owners / Operators</td>
<td></td>
</tr>
<tr>
<td>Mr Jim Cousins</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr Darren Chirgwin</td>
<td>Executive Officer</td>
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<tr>
<td>Mr Ross Stephens</td>
<td>Member</td>
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<tr>
<td>Mr Terry Jongeblod, Proprietor and Vice President</td>
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<tr>
<td>Ms Lex Chalmers</td>
<td></td>
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<td>Mr Peter Slattery</td>
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<td>Ms Georgia Quill</td>
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<tr>
<td>Mr Charles Neal</td>
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<tr>
<td>Mr Dennis Moore</td>
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### Clyde Park Winery

<table>
<thead>
<tr>
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<th>Position</th>
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<tbody>
<tr>
<td>Mr Peter Kenny</td>
<td>Chair</td>
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<tr>
<td>Mr Simon Loone</td>
<td>Tourism Coordinator</td>
</tr>
<tr>
<td>Cr Dean Webster</td>
<td>Councillor</td>
</tr>
<tr>
<td>Ms Dee Stewart</td>
<td>Chair</td>
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### Geelong by the Bay Tourism

<table>
<thead>
<tr>
<th>Name</th>
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</thead>
<tbody>
<tr>
<td>Mr Peter Kenny</td>
<td>Chair</td>
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<tr>
<td>Mr Simon Loone</td>
<td>Tourism Coordinator</td>
</tr>
<tr>
<td>Cr Dean Webster</td>
<td>Councillor</td>
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<tr>
<td>Ms Dee Stewart</td>
<td>Chair</td>
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### Wednesday 24th October 2007 | Horsham

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr R. Neilson - General Manager, Planning and Promotion Services</td>
<td></td>
</tr>
<tr>
<td>Mr C. McClure - Promotions Manager, Major Events Coordinator</td>
<td></td>
</tr>
<tr>
<td>Ms Dorothy McLaren - Coordinator</td>
<td></td>
</tr>
<tr>
<td>Ms Samantha Magill – Owner / Operator</td>
<td></td>
</tr>
<tr>
<td>Mr G. Harris - Manager, Business &amp; Community Development</td>
<td></td>
</tr>
<tr>
<td>Ms S. and Mr P. Lehmann - Owners Operators</td>
<td></td>
</tr>
<tr>
<td>Ms M. Amos - Manager, Community Economic Development</td>
<td></td>
</tr>
<tr>
<td>Mr S. Price - Owner</td>
<td></td>
</tr>
<tr>
<td>Ms M. Matthews - Development Officer</td>
<td></td>
</tr>
<tr>
<td>Mr G. C. Powell</td>
<td></td>
</tr>
<tr>
<td>Mr Chris McClure - Proprietor</td>
<td></td>
</tr>
</tbody>
</table>

### Horsham Rural City Council

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr R. Neilson</td>
<td>General Manager, Planning and Promotion Services</td>
</tr>
<tr>
<td>Mr C. McClure</td>
<td>Promotions Manager, Major Events Coordinator</td>
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<tr>
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<td>Mr S. Price</td>
<td>Owner</td>
</tr>
<tr>
<td>Ms M. Matthews</td>
<td>Development Officer</td>
</tr>
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</table>

### RuralAccess Wimmera

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Dorothy McLaren</td>
<td>Coordinator</td>
</tr>
<tr>
<td>Ms Samantha Magill</td>
<td>Owner / Operator</td>
</tr>
<tr>
<td>Mr G. Harris</td>
<td>Manager, Business &amp; Community Development</td>
</tr>
<tr>
<td>Ms S. and Mr P. Lehmann</td>
<td>Owners Operators</td>
</tr>
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</table>

### Parkgate Resort, Halls Gap

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Dorothy McLaren</td>
<td>Coordinator</td>
</tr>
<tr>
<td>Ms Samantha Magill</td>
<td>Owner / Operator</td>
</tr>
<tr>
<td>Mr G. Harris</td>
<td>Manager, Business &amp; Community Development</td>
</tr>
<tr>
<td>Ms S. and Mr P. Lehmann</td>
<td>Owners Operators</td>
</tr>
</tbody>
</table>

### Buloke Shire Council

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr G. Harris</td>
<td>Manager, Business &amp; Community Development</td>
</tr>
<tr>
<td>Ms S. and Mr P. Lehmann</td>
<td>Owners Operators</td>
</tr>
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</table>

### Pomponderoo Bush Retreat

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr S. Price</td>
<td>Owner</td>
</tr>
<tr>
<td>Ms M. Matthews</td>
<td>Development Officer</td>
</tr>
</tbody>
</table>

### Asses Ears Wilderness Lodge

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr S. Price</td>
<td>Owner</td>
</tr>
<tr>
<td>Ms M. Matthews</td>
<td>Development Officer</td>
</tr>
</tbody>
</table>

### West Wimmera Shire Council

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr G. Harris</td>
<td>Manager, Business &amp; Community Development</td>
</tr>
<tr>
<td>Ms S. and Mr P. Lehmann</td>
<td>Owners Operators</td>
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### Regional Arts Victoria

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr G. Harris</td>
<td>Manager, Business &amp; Community Development</td>
</tr>
<tr>
<td>Ms S. and Mr P. Lehmann</td>
<td>Owners Operators</td>
</tr>
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</table>

### Norton Ridge Vineyard

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr G. Harris</td>
<td>Manager, Business &amp; Community Development</td>
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<td>Owners Operators</td>
</tr>
</tbody>
</table>

### Regional Arts Victoria

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr G. Harris</td>
<td>Manager, Business &amp; Community Development</td>
</tr>
<tr>
<td>Ms S. and Mr P. Lehmann</td>
<td>Owners Operators</td>
</tr>
</tbody>
</table>

### Norton Ridge Vineyard

<table>
<thead>
<tr>
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<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr G. Harris</td>
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</table>

### West Wimmera Shire Council

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Mr G. Harris</td>
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### West Wimmera Shire Council

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</tr>
<tr>
<td>Ms S. and Mr P. Lehmann</td>
<td>Owners Operators</td>
</tr>
</tbody>
</table>
**Thursday 25<sup>th</sup> October 2007 | Dunkeld**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Hugh Koch</td>
<td>Tourism Manager, Southern Grampians Shire Council</td>
</tr>
<tr>
<td>Ms Joane McKnight</td>
<td>Board Chair, Kanawinka Geopark</td>
</tr>
<tr>
<td>Mr Michael Woodward</td>
<td>Board Member, Kanawinka Geopark</td>
</tr>
<tr>
<td>Ms Elizabeth. Foreman</td>
<td>Tourism Manager, Glenelg Shire Council</td>
</tr>
<tr>
<td>Ms Angelique Lush</td>
<td>Manager, Business Tourism and Development, Northern Grampians Shire Council</td>
</tr>
<tr>
<td>Mr Graham Parkes</td>
<td>Chair, Grampians Marketing Incorporated</td>
</tr>
<tr>
<td>Ms Marie Willis</td>
<td>Owner / Operator, Quality Inn, Grange Burn</td>
</tr>
</tbody>
</table>

**Monday 29<sup>th</sup> October 2007 | Melbourne**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Paul Baumgartner</td>
<td>AAA Tourism Pty Ltd</td>
</tr>
<tr>
<td>Mr Andrew Ramsey</td>
<td>Executive Director, Australian Ski Areas Association</td>
</tr>
<tr>
<td>Mr David Walsh</td>
<td>Manager, Kiewa View Accommodation, Mount Beauty</td>
</tr>
</tbody>
</table>

**Wednesday 14<sup>th</sup> November 2007 | Echuca**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Keith Baillie</td>
<td>Chief Executive Officer, Campaspe Shire Council</td>
</tr>
<tr>
<td>Ms Carlie Bell</td>
<td>Tourism Development Officer, Echuca-Moama Tourism</td>
</tr>
<tr>
<td>Ms Maureen Bennett</td>
<td></td>
</tr>
<tr>
<td>Mr Dean Oberin</td>
<td>Owner, Oscar W's Wharfside Grill and Deckbar</td>
</tr>
<tr>
<td>Mr Vern Beasley</td>
<td>Owner, Murray River Paddlesteamers Pty Ltd</td>
</tr>
<tr>
<td>Mr David Harper</td>
<td>Chief Executive Officer, Rich River Golf Club</td>
</tr>
<tr>
<td>Mr F. Ryan</td>
<td>Manager, Port of Echuca</td>
</tr>
<tr>
<td>Mr Alan Richardson</td>
<td></td>
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**Thursday 15<sup>th</sup> November 2007 | Shepparton**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Kath and Mr Kym Bernardi</td>
<td>Owners, BIG4 Shepparton East Holiday Park</td>
</tr>
<tr>
<td>Ms D. Taylor</td>
<td>President, Shepparton Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr Fred O'Keefe</td>
<td>Owner, Broken River Vineyards</td>
</tr>
<tr>
<td>Ms Cheryl Hammer</td>
<td>Owner Operator, Woodlands Estate Lavender Farm</td>
</tr>
<tr>
<td>Mr S. MacKenzie</td>
<td>Board Member and Owner, Tourism Rivers and Ranges</td>
</tr>
<tr>
<td>Ms Jane Starey</td>
<td>Board Member and Owner, Tourism Rivers and Ranges</td>
</tr>
<tr>
<td>Ms P. Shone</td>
<td>Member, Tourism Rivers and Ranges</td>
</tr>
<tr>
<td>Mr B. Tuhan</td>
<td>Member, Avenel Maze</td>
</tr>
<tr>
<td>Mr T. Harbor</td>
<td>President, Numurkah District Tourism Association</td>
</tr>
<tr>
<td>Ms Y. Newham</td>
<td>Manager, Numurkah Visitor Information Centre</td>
</tr>
<tr>
<td>Ms S. Putman</td>
<td>Manager, Greater Shepparton Tourism Association</td>
</tr>
<tr>
<td>Mr M. Francis</td>
<td>Manager, Conferences and Major Events</td>
</tr>
<tr>
<td>Mr Fred O'Keefe</td>
<td></td>
</tr>
<tr>
<td>Monday 19th November 2007</td>
<td>Melbourne</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Mr Peter Brohier – Spokesperson</td>
<td>National Sea Highway Group</td>
</tr>
<tr>
<td>Ms Cheryl Forge – Member</td>
<td></td>
</tr>
<tr>
<td>Mr D. Dunstan - Member</td>
<td></td>
</tr>
<tr>
<td>Mr Bob Farmer - Immediate Past President</td>
<td>Victorian Caravan Parks Association</td>
</tr>
<tr>
<td>Mr Lynn Oaten - Executive Officer</td>
<td></td>
</tr>
<tr>
<td>Mr Earle Orentein - Member Services Manager</td>
<td></td>
</tr>
<tr>
<td>Mr John Morse AM – Chair and Patron</td>
<td>Tourism Victoria</td>
</tr>
<tr>
<td></td>
<td>Aboriginal Tourism Marketing Association</td>
</tr>
<tr>
<td>Mr Robert Freemantle - Executive Director, Network and Asset Planning</td>
<td>VicRoads</td>
</tr>
<tr>
<td>Ms Lois Peeler - Chair</td>
<td>Aboriginal Tourism Australia</td>
</tr>
<tr>
<td>Prof. Peter Forsyth - Deputy Director, Tourism Research Unit</td>
<td>Monash University</td>
</tr>
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<table>
<thead>
<tr>
<th>Monday 12th December 2007</th>
<th>Ballarat</th>
</tr>
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<tbody>
<tr>
<td>Mr John Gleeson – Chair</td>
<td>Ballarat Tourism Association</td>
</tr>
<tr>
<td>Ms Juliet Sheed</td>
<td>Private Citizen</td>
</tr>
<tr>
<td>Ms Marion Da Costa</td>
<td>Private Citizen</td>
</tr>
<tr>
<td>Mr George Sossi – General Manager, City Marketing &amp; Business Development</td>
<td>Ballarat Tourism, City of Ballarat</td>
</tr>
<tr>
<td>Ms Barbara Chalkley – Manager, Marketing Tourism &amp; Development</td>
<td></td>
</tr>
<tr>
<td>Dr Mary Hollick – Discipline Co-ordinator for eBusiness, Marketing and Tourism</td>
<td>School of Business, University of Ballarat</td>
</tr>
<tr>
<td>Dr Julie McDonald – Tourism Lecturer</td>
<td></td>
</tr>
<tr>
<td>Mr Peter Davies – Executive Member &amp; President (Sovereign Hill)</td>
<td>Committee for Ballarat</td>
</tr>
<tr>
<td>Mr V. Szwed – Corporate Member &amp; CEO (Hepburn Shire)</td>
<td></td>
</tr>
<tr>
<td>Mr S. Cornish – Corporate Member &amp; CEO (Pyrenees Shire)</td>
<td></td>
</tr>
<tr>
<td>Mr J. Osmond – Manager, Economic Development (Pyrenees Shire)</td>
<td></td>
</tr>
<tr>
<td>Dr Doug Lloyd – Chief Executive Officer</td>
<td></td>
</tr>
<tr>
<td>Mr Graeme Johnstone - President</td>
<td>Clunes Tourist and Development Organisation</td>
</tr>
</tbody>
</table>
### Wednesday 13th February 2008 | Traralgon

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Janiene Ayre - Manager, Business and Community Connect</td>
<td>Baw Baw Shire Council</td>
</tr>
<tr>
<td>The Mayor of Latrobe City Cr Bruce Lougheed – Mayor</td>
<td>Latrobe City Council</td>
</tr>
<tr>
<td>Cr Darryl White – Councillor</td>
<td></td>
</tr>
<tr>
<td>Ms Linda Brock – Tourism Co-ordinator</td>
<td></td>
</tr>
<tr>
<td>Mr Grantley Switzer – Acting General Manager of Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Ms Carol Jeffs – Manager of City Planning &amp; Development</td>
<td></td>
</tr>
<tr>
<td>Mr Chris Repetowski – Acting Co-ordinator of City Promotions</td>
<td></td>
</tr>
<tr>
<td>Ms Phillipa Beeson – Chair</td>
<td>West Gippsland Regional Tourism Association</td>
</tr>
<tr>
<td>Ms Felicity Irwin – Marketing Officer</td>
<td></td>
</tr>
<tr>
<td>Ms Helen Hoppner – Chair</td>
<td>Gippsland Plains Rail Trail Committee of Management Inc.</td>
</tr>
<tr>
<td>Mr Ian McGown</td>
<td>Private Citizen</td>
</tr>
<tr>
<td>Mr Chris Buckingham - General Manager and Chairperson</td>
<td>Destination Gippsland</td>
</tr>
<tr>
<td>Mr Peter McMahon – Freehold Owner</td>
<td>Gippsland Tourism</td>
</tr>
<tr>
<td>Ms Kaye Munro – Proprietor</td>
<td>Waterholes Guest House</td>
</tr>
<tr>
<td>Ms Loueen Goodall – President</td>
<td>Bairnsdale Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mr Darren Chester</td>
<td>Lakes Entrance Business Tourism Association Inc</td>
</tr>
<tr>
<td>Ms Jan Davis</td>
<td></td>
</tr>
<tr>
<td>Mr Paul Coggan</td>
<td></td>
</tr>
<tr>
<td>Mr Adrian Bromage – Chair</td>
<td>East Gippsland Regional Business and Tourism Authority</td>
</tr>
<tr>
<td>Ms Pauline Hitchins – Executive Officer</td>
<td></td>
</tr>
<tr>
<td>Mr Brett Lynn – Manager of Economic Development</td>
<td>East Gippsland Shire Council</td>
</tr>
<tr>
<td>Mr Phil Rickards – Tourism Coordinator</td>
<td></td>
</tr>
<tr>
<td>Ms Trudi Anderson – Project Officer</td>
<td>Omeo Business Tourism Association</td>
</tr>
<tr>
<td>Mr Clint Eastwood</td>
<td>Events East Gippsland and Private Citizen</td>
</tr>
</tbody>
</table>
### Wednesday 5th March 2008 | Port Campbell

<table>
<thead>
<tr>
<th>Witness</th>
<th>Role and Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Elizabeth Foreman</td>
<td>Tourism Business Officer</td>
</tr>
<tr>
<td>Ms Narelle Allen</td>
<td>Manager of Festivals and Events</td>
</tr>
<tr>
<td>Ms Bill Millard</td>
<td>Director of City Growth</td>
</tr>
<tr>
<td>Mr Peter Abbott</td>
<td>Executive Manager of Flagstaff Maritime Village Precinct</td>
</tr>
<tr>
<td>Ms Margaret McKenzie</td>
<td>Chair and President</td>
</tr>
<tr>
<td>Mr Andrew Pomeroy</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Tim Marwood</td>
<td>Owner</td>
</tr>
<tr>
<td>Mr Terry Binder</td>
<td>Manager of Economic Development and Tourism</td>
</tr>
</tbody>
</table>

### Thursday 6th March 2008 | Lorne

<table>
<thead>
<tr>
<th>Witness</th>
<th>Role and Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Peter Spring</td>
<td>President</td>
</tr>
<tr>
<td>Mr StJohn Sutton</td>
<td>Director</td>
</tr>
<tr>
<td>Cr Roland Livingston</td>
<td>Private Citizen</td>
</tr>
<tr>
<td>Mr Ari Lingham</td>
<td>President</td>
</tr>
<tr>
<td>Ms Elizabeth Corke</td>
<td>Director</td>
</tr>
<tr>
<td>Mr Quentin Young</td>
<td>Owner</td>
</tr>
</tbody>
</table>

### Wednesday 19th March 2008 | Wodonga

<table>
<thead>
<tr>
<th>Witness</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Mr Bill Papanestora</td>
<td>President and Owner</td>
</tr>
<tr>
<td>Ms Kate Biglin</td>
<td>Manager of Tourism and Marketing</td>
</tr>
<tr>
<td>Mr Bill Tynan</td>
<td>Member and Owner</td>
</tr>
<tr>
<td>Mr Damian Adams</td>
<td>Manager of Tourism and Business Development</td>
</tr>
<tr>
<td>Ms Penelope Sell</td>
<td>Manager of Tourism, Marketing and Communications</td>
</tr>
<tr>
<td>Mr David Laugher</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Mark Byatt</td>
<td>General Manager</td>
</tr>
<tr>
<td>Ms Robyn Pfeiffer</td>
<td>Partner</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Mr Gary Hunt</td>
<td>Chair</td>
</tr>
<tr>
<td>Ms Merran Socha</td>
<td>General Manager</td>
</tr>
<tr>
<td>Dr John Charles</td>
<td>President</td>
</tr>
<tr>
<td>Ms Barb Macdermid</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Rob Dick</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Ms Julie Preer</td>
<td>Owner / Director</td>
</tr>
<tr>
<td>Mr Steve Hill</td>
<td>Owner / Operator</td>
</tr>
<tr>
<td>Ms Penne Tregenza</td>
<td>Vice President</td>
</tr>
<tr>
<td>Ms Christine Gardner</td>
<td>Treasurer</td>
</tr>
<tr>
<td>Mr Tim Levesque</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Carl Charnstrom</td>
<td>Manager</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr David Wilson</td>
<td>Owner</td>
<td>Cape Paterson Caravan Park</td>
</tr>
<tr>
<td>Mr Christian Stefani</td>
<td>Tourism Coordinator</td>
<td>Prom Country Tourism</td>
</tr>
<tr>
<td>Mr Mike Nichols</td>
<td>Chair</td>
<td>Prom Country Tourism</td>
</tr>
<tr>
<td>Mr Ashleigh Belsar</td>
<td>Proprietor</td>
<td>Out There Outdoor Adventure</td>
</tr>
<tr>
<td>Mr Geoff Moed</td>
<td>Managing Director</td>
<td>A Maze N' Things</td>
</tr>
<tr>
<td>Mr Fergus Cameron</td>
<td>Chief Executive Officer and Chair</td>
<td>Phillip Island Grand Prix Circuit; Destination Phillip Island; Phillip Island Tourism Association</td>
</tr>
<tr>
<td>Ms Kim Storey</td>
<td>Project Manager</td>
<td>Phillip Island Grand Prix Circuit; Destination Phillip Island; Phillip Island Tourism Association</td>
</tr>
<tr>
<td>Mr Peter Francis</td>
<td>Economic Development Manager</td>
<td>Bass Coast Shire Council</td>
</tr>
<tr>
<td>Mr Ken Hore</td>
<td>Tourism Manager</td>
<td>Bass Coast Shire Council</td>
</tr>
<tr>
<td>Ms Stephanie Symes</td>
<td>Economic Planner</td>
<td>Bass Coast Shire Council</td>
</tr>
<tr>
<td>Ms Patricia Hunt</td>
<td>President</td>
<td>Friends of the Koalas Inc</td>
</tr>
<tr>
<td>Mr Maurice Schinkel</td>
<td>Committee Member</td>
<td>Friends of the Koalas Inc</td>
</tr>
</tbody>
</table>
## Meetings

### Monday 14<sup>th</sup> April 2008 | Melbourne

<table>
<thead>
<tr>
<th>Witness</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Scott Whiteman</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Jamie McGuinness</td>
<td>Regional Services Manager</td>
</tr>
<tr>
<td>Ms Pip Kerr</td>
<td>Marketing and Business Development Manager</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Racing Victoria</td>
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### Sunday 27<sup>th</sup> – Wednesday 30<sup>th</sup> April 2008 | New Zealand

<table>
<thead>
<tr>
<th>Witness</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Jo Brown</td>
<td>National Sales Manager</td>
</tr>
<tr>
<td>Mr David Kennedy</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Clive Geddes</td>
<td>Mayor</td>
</tr>
<tr>
<td>Assoc. Prof. Jan Fitz-Gerald</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr James Coddington</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Hamish McCrostie</td>
<td>Manager, Coronet Peak Ski Area</td>
</tr>
<tr>
<td>Mr Ross Lawrence</td>
<td>Manager, Remarkables Ski Area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>A J Hackett</td>
</tr>
<tr>
<td>Destination Queenstown</td>
</tr>
<tr>
<td>Queenstown Lakes District</td>
</tr>
<tr>
<td>Queenstown Resort College</td>
</tr>
<tr>
<td>Southern Alpine Recreation Ltd</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Witness</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Ashraf Choudhary MP</td>
<td>Member, Primary Production Committee</td>
</tr>
<tr>
<td>Mr Dave Hereora MP</td>
<td></td>
</tr>
<tr>
<td>Hon Damien O’Connor</td>
<td>Minister of Tourism, Minister for Rural Affairs</td>
</tr>
<tr>
<td>Ms Karen Fraser Payne</td>
<td>Tourism Private Secretary</td>
</tr>
<tr>
<td>Mr Peter Coburn</td>
<td>Rural Affairs Private Secretary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliament of New Zealand</td>
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</table>

<table>
<thead>
<tr>
<th>Witness</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Oscar Nathan</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Mr Geoff Ensor</td>
<td>Sector Manager</td>
</tr>
<tr>
<td>Mr Simon Wallace</td>
<td>Policy Manager</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Industry Association, New Zealand</td>
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</table>

<table>
<thead>
<tr>
<th>Witness</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Fran Wilde</td>
<td>Chair</td>
</tr>
<tr>
<td>(former Minister for Tourism)</td>
<td></td>
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<table>
<thead>
<tr>
<th>Organization</th>
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<td>Greater Wellington Regional Council</td>
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