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Tourism is a cornerstone of the economy in regional Victoria. It provides one in ten jobs, showcases our natural, cultural and food and wine attractions, and helps make regional Victoria a great place to visit, work and live.

We want regional Victoria to remain a strong contender in an increasingly competitive tourism market – and your involvement in the Regional Tourism Review will help ensure that tourism in regional Victoria not only remains strong but continues to grow.

The review will take a broad look at regional tourism in Victoria with a range of key goals to help build on what has already been established by the businesses and communities of Victoria’s local towns.

The review will guide our work towards supporting visitors to have a wonderful and sustainable experience in Victoria as well as help find new ways to grow tourism in regional Victoria, enhance private investment and create more regional jobs.

With a comprehensive list of aims, the State Government needs your help in maximising the benefits of the Regional Tourism Review to benefit every regional community in our state.

We are calling on industry, Traditional Owners, local councils, licensed tour operators and locals from across regional Victoria to tell us firsthand about the opportunities and challenges you are facing.

We encourage everyone with an interest in regional tourism to join the discussion and help ensure the review provides the insights and experience we need in developing a new way forward for regional tourism in Victoria.

I want the Regional Tourism Review to find ways to ensure that our regions are given the best support and opportunities available to grow visitation, support local businesses and improve liveability for regional communities.

This review is a collaborative effort. Over the past few months I’ve spoken to people across regional Victoria to understand how we deliver real outcomes for our regions. I’ve seen the strong sense of pride regional Victorians have in their communities and regions.

This discussion paper is a continuation of those conversations.

We now need your feedback to identify and explore the actions government can take to benefit regional tourism. I look forward to hearing your insights and to continuing these valuable discussions as we work with communities to grow regional tourism across the state.
A new way forward for regional tourism in Victoria

The State Government is looking to find new ways to grow tourism and support regional Victoria, through a review into regional tourism.

The Regional Tourism Review is using this discussion paper to invite feedback and ideas from regional communities — tourism and other businesses, local councils, Traditional Owners and contemporary Aboriginal communities, community groups, sporting organisations and government agencies.

The review was announced in March by Minister for Tourism, Sport and Major Events Martin Pakula and Minister for Regional Development Jaclyn Symes to ensure our regions are being offered the best support and opportunities to grow in the competitive tourism market.

The Regional Tourism Review is being led by Special Adviser Mary-Anne Thomas MP, who will lead consultation in regional communities and oversee the Department of Jobs, Precincts and Regions’ work in delivering the review.

Input from across regional Victoria is being called for as the review aims to maximise the potential of investment and boost international visitation and other key market segments.
Your feedback

Through early engagement and analysis, we have identified five key themes that are important for success.

1. Strengthening our tourism offering – building the capacity, capability and attractions of different regions across Victoria to ensure they keep pace with visitor needs and expectations.

2. Making the most of our marketing spending – better coordinating investment and priority setting in regional marketing to ensure partners are supported to work together towards common goals.

3. Supporting industry – better facilitating regional tourism investment and supporting industry to create excellent tourism products.

4. Enhancing Regional Tourism Boards – making sure all Regional Tourism Boards have the right governance, scale, cross-sector buy-in and remit to drive tourism for the regions.

5. Better coordinating effort – delivering a more coordinated approach to regional tourism planning and strategy to reduce duplication and maximise our efforts.

This discussion paper is seeking the views of communities, governments and industry on future directions in regional tourism. The paper provides further detail on the five key challenges and opportunities, and asks questions to guide consultation and public submissions.

The Victorian Visitor Economy Strategy includes a focus on growing regional tourism and sets goals to increase private sector investment, diversify our product offering, and secure more events and visitors. The Regional Tourism Review builds on past work by looking at issues specific to regional tourism and exploring practical solutions and emerging opportunities.

International visitation is a major opportunity for growth. Only 1 per cent of visitors to the regions are international, compared to 9 per cent in Melbourne. International expenditure and overnight visitation in our regions has grown by 3.5 per cent and 6.2 per cent respectively over the year to March 2019.

The Regional Tourism Review is inviting discussion on opportunities to boost overnight stays and expenditure from Melbourne visitors to the regions. We will also look at opportunities to better support tourism in the regions, enhance private investment and create more regional jobs.

In investigating the untapped potential of regional Victoria, the Regional Tourism Review will find new ways to develop and promote the unique experiences regional Victoria has to offer. There will be consultation with key stakeholders throughout Victoria in July and August.

Submissions can be made at www.engage.vic.gov.au/regional-tourism-review and are welcomed until 30 August 2019. The government will provide a public response to consultations and submissions.
Setting the scene
We want visitors to travel further, stay longer and spend more in regional Victoria. Visitors from Melbourne, neighbouring regions, interstate and overseas all present opportunities to grow regional tourism. A ‘one-size-fits-all’ approach to regional tourism won’t work. Our regions have different strengths and attributes, and regional performance is diverse. Understanding the visitor market and our current performance is key to growing regional tourism sustainably.

To set the framework for our discussion, this section outlines what we mean by regional tourism, why it’s important to regional Victoria, who is visiting, where and why, and the case for doing things differently.

<table>
<thead>
<tr>
<th>VISITOR NIGHTS ('000s)</th>
<th>YEAR ENDING 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>International</td>
</tr>
<tr>
<td>54.1m</td>
<td></td>
</tr>
</tbody>
</table>

Grown by average of 5.8% from 2013 to 2018. 52.3 million visitors to regional Victoria in 2018.

<table>
<thead>
<tr>
<th>GROSS VALUE ADDED (GVA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.6b</td>
</tr>
</tbody>
</table>

Grew 11% in the year to 2016-17, made up of $3.4 billion in direct GVA. 32% of State output is from regional Victoria.

For every $1 spent by visitors to regional Victoria, an additional 92 cents is created through supporting sectors - like small businesses in regional towns.

<table>
<thead>
<tr>
<th>JOBS</th>
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<tbody>
<tr>
<td>85,600</td>
</tr>
</tbody>
</table>

Grew 9% in 2016-17 to 85,600 jobs. Of these, 64,700 were directly created in tourism. The remaining jobs are indirectly created in other sectors, but resulting from tourism activities.

1 job is indirectly created for every 3 jobs directly created in the tourism sector in regional Victoria.

<table>
<thead>
<tr>
<th>TOURISM BUSINESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>23,400</td>
</tr>
</tbody>
</table>

13,900 of these businesses employ staff of which over 90% have 1-19 employees. 30% of Victoria’s tourism businesses are in regional Victoria.

63% of tourism businesses operate in the food services, retail and accommodation sectors.

Figure 1: Tourism’s economic contribution to regional Victoria.
What we mean by regional tourism

Regional Victoria, for the purposes of tourism, refers to the areas covered by Victoria’s tourism regions outside Melbourne. The area includes parts of the local government areas of Frankston and Mornington Peninsula and Cardinia, Nillumbik and Yarra Ranges.

Question
Do you agree with the definition of regional Victoria for tourism purposes?

Why tourism is important to regional Victoria

Tourism is an important industry for regional Victoria. Contributing $6.6 billion in Gross Value Added to the regional Victorian economy in 2016-17, tourism accounted for almost 10 per cent of regional jobs. Regions such as Phillip Island (39 per cent of jobs) and the High Country (21 per cent of jobs) depend on the success of tourism. It also offers other regions an opportunity to further build and diversify their economies.

As well as creating jobs and economic growth, tourism can provide broader benefits to regional communities and improve economic resilience. This can include resources for environmental conservation and investment in transport and other infrastructure that can be used by visitors and locals alike. Tourism can also provide resources to preserve and promote cultural history and heritage sites. A great place to visit is a great place to live.

1 These boundaries are set in consultation with Tourism Research Australia, and there is an opportunity to review them annually.
Tourism can provide additional resources for environmental conservation and education about environmental stewardship (e.g., eco-tourism). Community participation in planning and management can help ensure tourism is sustainable and the environment is protected.

Tourism can attract transport and other infrastructure investments (roads, galleries etc.) that can be used by local residents as well. Careful planning is needed to avoid infrastructure being placed under stress (e.g., congested roads).

Tourism can provide resources to preserve and promote Aboriginal cultural histories and heritage sites. Community participation in planning and management can ensure tourism is sustainable, and cultural and heritage sites are protected.

CASE STUDY

ACTIVATING NATURE-BASED TOURISM IN FORREST

Forrest relied on timber and sawmilling for over a century. However, by the end of the 20th century forestry activity declined as reserves diminished.

In response, the region turned to emerging visitor opportunities. Some 30 kilometres of mountain bike tracks were created and private investments were made in the township.

The result has been a significant increase in visitors to Forrest and it is now known as a cycling destination. Annual mountain bike events bring thousands of visitors who support new cafes, shops and updated accommodation.
Who is visiting, where and why?

International and interstate tourism are important for the Victorian economy, but tourism from within Victoria is integral to regional economic success. To frame our discussion about challenges and opportunities, it is important to have a clear understanding of who is visiting regional Victoria, which markets present the easiest and greatest opportunity for growth, and how visitors are currently dispersed across regions.

Most visitors to regional Victoria are from Melbourne or neighbouring regions

Victorians account for around 80 per cent of tourism spending in regional Victoria in total dollar terms. Daytrip and overnight visitors from within Victoria spend six times more than interstate overnight visitors, and 14 times more than international overnight visitors. Figure 1 below shows the different patterns of visitation across Melbourne and regional Victoria.

Some of the main drivers influencing Victorians to travel regionally are the abundance of nature based experiences, the ability to take a short break and a desire to spend time and visit with friends and family. Price and time are key considerations in the decision to travel to regional Victoria.

Figure 2: Patterns of visitation across Melbourne and Regional Victoria, sourced from National Visitor Survey, International Visitor Survey, year ending December 2018, Tourism Research Australia, Canberra.
International and interstate visitors are harder to attract but spend more

International and interstate visitors generally stay near Melbourne. They are less likely to stay overnight and spend money in regional Victoria. However, when these visitors do travel to regional Victoria, they tend to spend more on a per visitor basis.

Interstate visitors and Victorian visitors to regional Victoria are influenced by similar factors. These include nature-based, food and wine and aquatic and coastal experiences, as well as the desire to spend time and visit with friends and family.

International travellers are highly dependent on direct international flights to Victoria. Increasing direct flights to Melbourne and Avalon Airports also provides increased opportunities to attract these visitors to regional Victoria.
People are more likely to visit and to spend more in regional Victoria when it’s for leisure

Visitors to regional Victoria are more likely to be travelling for a holiday than visitors to Melbourne. Leisure visitors spent more in regional Victoria ($6.2 billion) than in Melbourne ($5.6 billion) in 2018. Leisure visitors are a significant opportunity for regional Victoria. Generally, these visitors have the freedom to choose where to travel and what activities to spend their time and money on. Other trips are less changeable but present significant opportunities, such as encouraging business visitors to hold conferences in regional Victoria.

Our regions attract different types of visitors

Visitation to each of Victoria’s regions is varied. There are regions that receive a larger proportion of international visitors, such as the Great Ocean Road and Phillip Island, while some regions are largely visited by the domestic market, such as the High Country and the Murray.

There are also regions that receive a larger proportion of overnight visitors than other regions, such as the Grampians and the High Country. Other regions have a greater proportion of daytrip visitors, such as the Yarra Valley, Dandenong Ranges and the Mornington Peninsula.
<table>
<thead>
<tr>
<th>Region</th>
<th>International Daytrip visitors</th>
<th>International Overnight visitors</th>
<th>Domestic Daytrip visitors</th>
<th>Domestic Overnight visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daylesford and Macedon Ranges</td>
<td>70%</td>
<td>28%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Greater Geelong and the Bellarine</td>
<td>69.5%</td>
<td>25.5%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Gippsland</td>
<td>63%</td>
<td>35.5%</td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td>Goldfields</td>
<td>71%</td>
<td>26%</td>
<td>5.2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Grampians</td>
<td>51%</td>
<td>47%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Great Ocean Road</td>
<td>48.5%</td>
<td>35%</td>
<td>4%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Mornington Peninsula</td>
<td>74%</td>
<td>23%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Murray</td>
<td>56%</td>
<td>43%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Phillip Island</td>
<td>46%</td>
<td>34%</td>
<td>2.5%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Victoria’s High Country</td>
<td>51%</td>
<td>48%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Yarra Valley and Dandenong Ranges</td>
<td>76%</td>
<td>14%</td>
<td>1%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Figure 3: Patterns of visitation across Victorian regions sourced from National Visitor Survey, International Visitor Survey, year ending December 2018, Tourism Research Australia, Canberra.

Note: International daytrip estimates are based on a non-exhaustive set of destinations/attractions visited overnight or on a daytrip, and therefore do not include all destinations across Victoria. Differences between the total number of visitors and overnight visitors to the destination are assumed to be due to daytrips.

Figures for the Grampians include Wimmera Mallee Tourism.
One simple metric can help us visualise success. Visitors to and within Victoria spend an average 36 cents in the dollar in our regions. This is below the national average for regional visitor spend, which is 43 cents in the dollar. Figure 3 shows that Victoria lags behind all other states and territories, except the Australian Capital Territory (which does not have regions).

If this gap was closed through growth, assuming Melbourne spending remains the same, visitors would have spent $3.8 billion more in regional Victoria in 2018. Getting more visitors to regional Victoria has the potential to deliver substantial economic benefits, however closing the gap will require effort. Getting the visitors we already have to spend more will also deliver benefits.

Victorians are the biggest market for regional Victoria and there is potential for more growth. We know that 53 per cent of Victorians did not travel to regional Victoria and stay overnight over the past 12 months but half of this group would consider travelling in regional Victoria. Persuading some of these Victorians to take even a short break would make a big difference.

A relatively low number of interstate visitors travel in regional Victoria compared to other states and territories. Melbourne attracts interstate visitors mainly for short breaks but there are many regional experiences that can complement a visit or attract visitors as the primary destination. This is particularly the case for repeat and longer stay visitors.

International visitors make up the smallest share of visitors to regional Victoria but they spend the most per person. It is important to consider the yield of individual visitors, which means that more than just increasing visitors to a region, we also want them to spend more on a per visitor basis. Encouraging international visitors to travel further or stay overnight is a significant opportunity for some regions. For example, more than 75 per cent of international visitors to the Great Ocean Road are on daytrips. Converting even a small portion of that number to overnight stays could bring big returns.

Question
In your region, is it more important to you to increase yield, visitor numbers, or both? How else should we measure success?
Working with community

Local community buy-in and support is critical to the success of regional tourism. We know that there can sometimes be community concerns about increasing numbers of visitors. We also know that regional Victorians value their town or place and have a strong sense of community pride and visitors want to share this experience. Many people volunteer to give back to visitors as well as their communities at higher rates than Melburnians – often at Visitor Information Centres, regional events and other tourism activities.

Improving regional tourism outcomes can also provide broad benefits to locals. Places that are great to visit are more likely to have good infrastructure and services, can support more local businesses and locals can enjoy the attractions as well. A town that appeals to visitors can also attract new residents – which brings important economic and social benefits through arresting population decline or increasing population growth.

Figure 4: Regional visitor expenditure (percentage proportion per dollar) sourced from National Visitor Survey, International Visitor Survey, December 2018, Tourism Research Australia, Canberra.
Challenges and opportunities
Regions with compelling tourism products can attract visitors and encourage them to stay longer and to spend money locally. Regional Victoria has well-known attractions that are ranked among Australia’s top destinations, but there are further development opportunities for some tourism products like accommodation and touring routes.

This section looks at opportunities to build the capacity, capability and attractions of different regions across Victoria to ensure they keep pace with visitor needs and expectations. While there are many diverse products and experiences on offer, early consultations have most consistently identified the following as priorities:

- Making the most of our natural and cultural sites
- Improving and increasing our accommodation offering
- Catering for diversity
- Encouraging regional and business events
- Supporting our boutique producers and cross-sector partnerships.
Making the most of our natural and cultural sites

Regional Victoria has unique and varied natural and cultural sites – but we could draw on Aboriginal and local knowledge to better leverage these. Our national park network and other natural attractions are big draw cards for visitors. Some regions have had great success in attracting visitors to natural sites, such as North West Victoria’s Lake Tyrrell and Daylesford’s and the Macedon Ranges’ natural mineral springs. Recreational boating is a significant drawcard for the Murray River region and Victoria’s coastal areas. Fishing, camping and cycling are all popular pursuits for visitors to natural sites. Emerging cultural sites, like the Silo Art Trail, also provide opportunities for local towns to capitalise on growing visitor numbers.

There are opportunities to improve our tourism offering around more of our regional attractions. This has significant potential for remote communities where the positive impact for local businesses and economic resilience can be significant. It’s also important that growth is sustainable – we want to facilitate tourism growth but ensure sites are respected and maintained well into the future.

Aboriginal experiences are most consistently sought after by international visitors. There are opportunities to facilitate and strengthen Traditional Owners’ and contemporary Aboriginal communities’ ambitions to use tourism as a tool for economic development and inclusion, as well as providing a unique experience for local and international visitors alike. This holistic approach can support communities to identify their priorities and gain the skills and support to deliver tourism products.

CASE STUDY
BUDJ BIM – LEVERAGING CULTURAL HERITAGE

Budj Bim Cultural Landscape in south west Victoria is 30,000 years old and a significant cultural site for Gunditjmara people who witnessed Budj Bim’s eruption. It is part of Australia’s National Heritage List and has one of the world’s largest and oldest aquaculture systems. Gunditjmara people manipulated the hydrological systems of the lava flow to trap and farm eels and the aquaculture system is at least 6,600 years old, preceding the Egyptian Pyramids and Stonehenge.

A traditional eel aquaculture interpretation centre is being constructed to support local eel product manufacturing and sales. As of July 2019, Budj Bim is a World Heritage site with special protection under the United Nations Educational, Scientific and Cultural Organisation’s World Heritage Convention.

Question

How can regions and communities leverage their natural assets? Where are the opportunities to partner with, and support, Traditional Owners and contemporary Aboriginal communities to develop tourism products? For existing partnerships and partnerships that have already occurred, what could have been improved?
Improving and increasing our accommodation offering

The availability of suitable accommodation is a key consideration for many visitors when planning a holiday. Regional Victoria offers a range of family-friendly and mid-range accommodation and other options, like camping, glamping and caravanning. Some regions also have a smaller selection of high-end or boutique accommodation.

There are opportunities to facilitate the development of more high-end and boutique accommodation in some areas of regional Victoria. As we increase accommodation options for different types of visitors in regional Victoria, we increase the benefits of tourism to regional communities and economies. Other regional areas, such as in Tasmania and South Australia, have increased visitation and spend by developing boutique nature-based accommodation that showcases the region’s environment. We also need to look at the impact and role of share accommodation.

**Question**

Should the state prioritise facilitating boutique and high-end accommodation, and any other types of accommodation? What role can share accommodation (such as Airbnb) play in regional communities?
Making it easy for visitors with touring routes and joined up itineraries

Regional Victoria is full of wonderful small towns and businesses, each with specific products and experiences on offer. These towns and businesses may face difficulty in attracting visitors for a stand-alone holiday to their destination, but they are an attractive proposition as part of a broader journey through regional Victoria.

There is potential for regional areas and businesses to work together to create touring routes and itineraries through regional Victoria across local and regional boundaries. This can offer visitors a range of experiences and increase visitation to less frequented regional areas. Understanding how long visitors would be prepared to tour across regions is key to working out how to attract them and enable smaller towns and businesses to gain economic benefits.

**Question**

What are the key journey experiences for Victoria or your area that will drive visitors to come and stay?

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**CASE STUDY**

**MELBOURNE TO SYDNEY COASTAL DRIVE**

The Melbourne to Sydney Coastal Touring Route is a prominent example of the success that can result from working cooperatively.

Jointly supported by New South Wales and Victorian marketing bodies, the route provides a highly desirable multi-day experience of Australia for independent travellers. The route also provides an alternative for interstate or international travellers flying or taking a more direct route between the two cities.

Regions such as Gippsland strongly benefit from the route, reaching visitors who may otherwise overlook its national parks and extensive public land network.
Encouraging regional and business events

Events can be a compelling reason for people to visit regions, including places further away from Melbourne. The Grampians Grape Escape attracts thousands of visitors and locals over a month to the region, while showcasing local produce.

Major events such as the Rip Curl Pro or the Phillip Island MotoGP can also deliver significant visitor numbers and spend. Regional areas can leverage major events held in Melbourne, either by securing satellite activities (hosting specific games as part of a broader sports carnival), or by encouraging attendees to consider a regional trip as part of their holiday.

Similarly, business events can attract high yielding visitors to regional cities and towns. Events can range from smaller conferences and trade shows to corporate planning retreats.

We know there is a strong appetite from local areas and businesses to further leverage event opportunities, particularly in off season months where these events can help offset seasonal variations in visitation.

Question:
What can we do together to support greater event visitation?

Supporting our boutique producers and cross-sector partnerships

Regional Victoria has a growing range of boutique producers, including craft beer, wine, spirits and food. Many of these producers already provide strong tourism offerings. However, there are opportunities to grow these areas. Encouraging partnerships between organisations in these and other sectors, for example, could strengthen our agritourism experiences. We want to leverage the boutique producers that we already have, to further grow our offering and encourage more visitors to regional Victoria.

Cross-sector partnerships are also important to maximise education visitation. Visitors who are here for education purposes spend longer in Victoria than other international groups and have great potential for increased regional visitation. This market is also linked to the visiting friends and relatives market. In the Goldfields region, including Ballarat and Bendigo, 40 per cent of overnight visitors come from this category.

We have seen examples of great cross-sector partnerships between tourism and other sectors such as agriculture, and there is potential to do more.

Question
How can we facilitate cross-sector partnerships?

CASE STUDY
MURRAY FARM GATE TRAIL – AGRITOURISM

The Murray Farm Gate Trail is a collection of working farms along the Murray in Victoria and New South Wales and is part of the Murray Regional Tourism Board geographic area. Established in 2017, the initiative advertises farm gates in the area and encourages visitors to sample produce and learn more about each working farm. Suggested itineraries and driving times to each farm are provided to visitors and are available online. Participating businesses report good sales and suggest the initiative be expanded.
Catering for diversity

Recognising and accommodating the diverse personal circumstances of visitors is important. For example, almost one in five people has a disability and nearly 90 per cent of this group take a holiday each year.

Visitors to Victoria are increasingly from a range of cultural backgrounds and growth in international tourism expenditure is largely being driven by Asian markets. Providing tourism offerings that accommodate the cultural and language needs of these visitors will enable regional Victoria to attract more visitors from this rising market.

Regions and businesses that ensure they are inclusive will set themselves up to be preferred destinations or experiences for a broad range of people.

Question

How can regions and businesses better cater to diverse visitor needs? What are the key accessibility challenges?

CASE STUDY

ACCESSIBLE TOURISM IN GREATER GEELONG AND THE BELLARINE

The Greater Geelong and Bellarine regions want to lead in accessible tourism and partnered with the Australian Federation of Disability Organisations in 2018. Under the partnership, local businesses receive tailored information, training sessions or one-to-one mentoring to help them change their business practices and provide a better visitor experience. In addition, 70 people with a disability will be assisted into employment. The first year of the partnership has been enthusiastically taken up by local businesses. Once training is complete, Greater Geelong and the Bellarine will launch a campaign to make visitors with a disability aware of what the region can offer and make it front of mind for these travellers.
Meeting changing visitor information expectations

The way visitors access information is changing. Visitors increasingly use internet research and social media to plan holidays and gather visitor information.

Regional Victoria invests heavily in visitor servicing, largely through funding for Visitor Information Centres. Around 1 in 11 overnight visitors to regional Victoria use Visitor Information Centres. There is evidence these visits result in local spending.

Investments in visitor servicing are most effective when they respond to visitor needs and expectations. Some Visitor Information Centres are increasingly using technology to deliver visitor information, such as rolling out digital kiosks in the Yarra Valley, but we can do more across regional Victoria. Creating immersive experiences within Visitor Information Centres is key to ensuring they are relevant to changing visitor needs.

Question
How can we improve visitor servicing?
THEME TWO

Making the most of our marketing spending

Visitor marketing works best when partners are working together towards common goals. There are many effective partnerships across Victoria’s regions and areas where cooperation could be improved. This section looks at activity, investment and priority setting in regional marketing.

There are multiple levels of investment in regional marketing

The key actors in regional tourism marketing are Visit Victoria and Regional Tourism Boards (boards). Local councils also support marketing at a local level.

Visit Victoria’s primary objective is to increase visitation and spend to the state through marketing, and through business and major events attraction. Local councils are focused on increasing visitor spend in their area, including through local tourism organisations and visitor servicing. Council funding is highly variable depending on circumstances and priorities.

Boards are supported by Visit Victoria, local councils and industry contributions to deliver region wide marketing and strategy and industry support and engagement.

Question
How can we better leverage marketing spend to promote regional visitation?
Working together on shared priorities

While many local councils are supportive of Visit Victoria, we hear that some local councils and businesses would like to be more connected. The focus on whole-of-state outcomes can mean activity appears misaligned with local priority markets for some regions, for example Melburnians. There are also concerns of insufficient coordination across government to address supply side constraints that affect regional and local tourism, such as visitor congestion.

Local councils and businesses do not always recognise the value proposition of boards (discussed in more detail in Theme Four) instead preferencing local activity. If local councils are not persuaded of the benefits to their constituents, they will place a lower priority on this work. This is heightened where they do not consider existing regional branding or strategy as relevant to their area.

Question
How can Visit Victoria, other areas of government, boards and local councils work more closely on agreed priorities?

Making sure our marketing activity is aligned

Regional tourism activities are not always aligned. Marketing can focus on different target markets and branding at a local level, which can dilute the messaging that reaches potential visitors. This can extend to differing priorities for measuring outcomes, such as whether to focus on visitor numbers, spend, yield or all three.

There can also be overlapping marketing activity across actors - particularly boards, local tourism organisations and local councils. Tourism businesses can find it confusing to work out who they need to engage with.

Question
How can we ensure marketing activity is better aligned and that effort is not duplicated?
Industry and private investment are critical enablers to regional tourism growth and regional jobs creation. Regional businesses and investors are looking for opportunities to grow, but often face regulatory barriers that impede the development of new products and projects. There are ways to make it easier and more efficient for industry to work with government to encourage tourism and create regional jobs.

This section discusses opportunities to better facilitate regional tourism investment and support industry.

Facilitating investment in our regions

To realise the benefits of tourism for regional communities, we need more private investment in improved attractions, experiences and accommodation. A raft of development and investment attraction activities are taking place across regional Victoria, such as through Regional Development Victoria, but activity is below the national average.

Regional Victoria accounts for a small proportion of total regional investment in Australia. Regional Victoria’s share of tourism investment is less than metropolitan Melbourne across most segments.

We understand that investors are more likely to undertake projects in regional Victoria when they have existing or previous experience with regional developments. This suggests there are real differences between gaining approvals in regions and in Melbourne which deter potential new investors. There may be potential to address this by supporting new investors to better understand the approvals system.

There are opportunities to facilitate more private investment by removing disincentives for investors and developers to choose regional projects. Local community support is also important. There may be a role for local and State Government to more proactively engage with industry and domestic and international investors to attract new projects to regional Victoria. This could help fill key gaps in existing regional tourism offerings, including high-end accommodation and visitor experience projects.
CASE STUDY
SOUTHERN OCEAN LODGE, SOUTH AUSTRALIA – FACILITATING INVESTMENT

The Southern Ocean Lodge project is widely accepted as a high standard for government investment facilitation that could be used to assist in increasing tourism investment in Victoria. The Lodge is a luxury resort located on South Australia’s Kangaroo Island. It is ranked among the top 100 hotels in the world.

The South Australian Government invited a developer to Kangaroo Island and showed potential sites for the Lodge. The South Australian Tourism Commission assisted with development applications, convened interdepartmental meetings to consider the proposal and engaged with the developer prior to lodging the application to resolve issues. A grant of $1 million was provided for supporting infrastructure. This project was the catalyst for other investment in Kangaroo Island which created more local jobs.

Improving planning and approval processes
Tourism businesses and potential developers and investors can encounter difficulties when scoping new projects. We understand that the issues most commonly encountered are navigating approvals and knowing which area or level of government to contact.

In Victoria, planning permit applicants must navigate requirements from local councils and referral agencies across government to gain approval for development proposals. This process includes determining and understanding local community needs and environmental issues – both important considerations.

There is potential to improve how we support individuals to establish tourism businesses and create new tourism products by improving the efficiency and ease of working with government.

Question
What are the barriers to investing in regional Victoria? How could the system be improved?

Securing labour and skills
Labour and workforce planning are a core part of running any business, however we have heard that tourism businesses are disproportionately affected by issues such as seasonality and high levels of casual employment. There are perceptions of limited opportunities for job advancement. There is also anecdotal evidence that prospective staff cannot afford to live in popular tourism areas to take up job opportunities, due to high house prices and rent.

These barriers impact the ability of regional tourism businesses to attract suitably skilled local employees and can impede the delivery of excellent tourism services. It is important that businesses are able to employ local people and upskill them for tourism, rather than attract workers from elsewhere. This includes engaging employees with cultural and language competencies to cater to priority international markets.

There may be an opportunity to address staffing challenges through improved support and collaboration across government and industry. A Tourism Employment Plan developed for the Mornington Peninsula and Phillip Island, is an example of how collaboration can be supported.

Question
How can we use education and training, including Tafe, to address barriers impacting staffing of regional businesses?
Supporting the tourism industry to harness technology

Most regional visitors now use online sites to research transport, accommodation and activity options. User-generated content on social media is widely seen as a greater influence on visitor choices than traditional advertising. Accessing clear data on how many people visit a region based on a social media post from an influencer would be useful to determine the impact of these activities.

Sharing economy platforms like Uber and Airbnb have impacted the provision of tourism activities, transport and accommodation. The tourism industry can use these platforms and other emerging technology to stay competitive. It is important that regional businesses, particularly small and medium enterprises, are not left behind in the wake of technological advancements. There may be opportunities for government and industry to work collaboratively to empower and prepare regional tourism businesses to respond to technology changes, and harness the benefits of change such as the availability of new data sources.

Question
What support does industry require to address the challenges and opportunities that technology and disruptors present?
Figure 6: Victoria’s eleven official Regional Tourism Board boundaries overlaid on Victoria’s nine regional partnerships and regional local government areas. Note: not all local councils in these areas participate in the Regional Tourism Board.
Boards have a common purpose but varied governance arrangements.

Boards were first established in 2008 with 11 now operating across Victoria. They set regional strategic direction and work with industry, local councils and the State Government to drive regional tourism. Boards use different governance structures. Some have representatives from every local government, others have skills-based appointments and the size of boards ranges from two members to 17.

**Question**
Which governance structures are the most effective for boards to achieve outcomes for regional tourism?
Funding models and levels differ

Boards operate with funding from a range of sources. They may receive funding from the Victorian Government through Visit Victoria, local councils, other government sources and industry contributions. This means that boards need to consider and address the priorities of a range of stakeholders.

Boards also have different funding structures, such as contributions based on visitor numbers for each council or minimum funding amounts with additional charges for specific activities. There is significant variation in funding levels and not all boards receive funding from every type of stakeholder.

Local support and buy-in matters

Local councils set their own priorities. These guide decisions around funding and support for different sectors and organisations. Councils are required to set priorities as part of council planning processes set out in the Local Government Act 1989. Some local councils prioritise tourism more highly than others, depending on the area’s primary industries and perceived benefits from tourism, but all councils fund tourism to some extent. (A review of the Local Government Act 1989 is currently underway with a new bill proposed for 2019).

The prioritisation of tourism significantly impacts local council contributions to boards and how regional tourism is supported more broadly. In some areas, councils set up their own regional tourism associations rather than contribute to a board. Boards work most effectively when they have local support and can leverage investment. There are opportunities to explore how we leverage funding from a range of sources to benefit regional tourism.

Question

How can we best help different sized councils (such as regional cities and small rural councils) to leverage tourism as part of their broader development goals?
Boundaries and scale are important for success

Victoria’s tourism regions are geographically laid out around large attractions or themes. While boards have been set up to cover all of Victoria, there is significant variation in how they operate, the size of the region they support and the specific challenges they face. Some local councils have chosen not to engage with relevant boards.

There may be opportunities to consider the existing regional tourism boundaries to increase economies of scale and promote more cooperative partnerships between councils to better manage resources and address constraints. Some boards have a limited number of stakeholders while others span multiple local governments and industry stakeholders, providing substantial support bases and economies of scale.

**Question**

Are there changes we can make to boards (geographic or otherwise) that would increase local government and industry buy-in?
Many people across government, industry and the community contribute to the success of regional tourism. This ranges from those directly involved in tourism and events, to local and state planners, Traditional Owners and contemporary Aboriginal communities and those managing public and private land and waterways. Ensuring local and state priorities are well coordinated is a complex but important task, so that we can get the most out of our shared investment and effort.

This section outlines the current strategic environment. It also discusses the benefits of a more coordinated approach to reduce duplication and enable us to maximise our efforts to grow regional tourism.

**Building on work and lessons from the past**

Regional tourism is a priority for the State Government and there have been many reviews and plans for regional tourism over the years. Following a review in 2015, the government released the Victorian Visitor Economy Strategy and introduced some significant changes in how it supports regional tourism.

Visit Victoria was created to be a more agile marketing body for the state. Regional Development Victoria has taken a more active role in supporting tourism investors and has supported industry through the government’s Regional Tourism Infrastructure Fund and Regional Jobs and Infrastructure Fund. Regional Partnerships have been established to support a community voice in regional priorities.
Many actors have a role to play

Regional tourism is supported by many government agencies and government funded entities. Priority setting, investment attraction, visitor servicing and multiple other activities occur across a range of areas. This results in dispersed support and complex governance.

Multiple areas within the Department of Jobs, Precincts and Regions contribute to regional tourism, such as Regional Partnerships, Regional Development Victoria, Sport and Recreation Victoria and Aboriginal Economic Inclusion. Visit Victoria is the government’s marketing and events body, delivering marketing campaigns for regional Victoria and working with Regional Tourism Boards.

Other areas of government including the Department of Environment, Land, Water and Planning, Invest Victoria and Parks Victoria have roles in regional tourism, as do local councils. There are multiple portfolios concerned with regional tourism, often relating to different geographic areas.

The Commonwealth Government also has a role, investing in some regional product and international marketing through Tourism Australia and Regional Development Australia.

Question

How do we best coordinate the work of different actors across regional tourism? What are the most important points of collaboration?

Better leveraging our shared investment

Investment in tourism is dispersed across many areas and funded by a range of organisations. Visit Victoria undertakes state-wide marketing and funding for regional events. Boards invest in activities to drive local tourism, such as tactical marketing, industry and product development.

Local councils spread tourism funding across multiple organisations including boards, Visitor Information Centres, regional tourism associations and chambers of commerce. Across government, at least seven different entities administer funding and grants.

Understanding exactly what all regional tourism investment is used for, and where efforts could be coordinated and more efficient, is key to maximising resources already allocated to regional tourism.

Duplication means we may be missing out on some of the advantages that regional tourism can provide, like economic development and diversification.

Question

Are we allocating resources efficiently? Could we better coordinate investment in regional tourism?
Aligning state and regional strategies

Multiple government and government funded entities undertake planning and deliver strategies to grow regional visitation and expenditure.

The Victorian Visitor Economy Strategy sets priorities for regional tourism with actions devolved to a range of entities. Boards receive funding from Visit Victoria in part to develop annual plans. There are also multiple strategies and sub-strategies, such as boards’ Destination Management Plans and longer-term strategies, or regional tourism association strategies. Additionally, there are industry strategies like the Victorian Wine Industry Strategy.

Regional Partnerships can select tourism as a key priority. However, partnership boundaries don’t match board boundaries. These organisations have different roles which demonstrates the issue of multiple dispersed roles and responsibilities. This is particularly the case in larger tourism regions which have as many as four regional partnerships in their areas.

**Question**

How could a state-wide strategy or Destination Management Plan best connect to and leverage local strengths and priorities?
Your opportunity to have a say
Now is the opportunity for you to have your say. Feedback on this discussion paper will support consideration of future directions through the Regional Tourism Review.

Questions we would like you to consider are outlined through the document and listed here:

- Do you agree with the definition of regional Victoria for tourism purposes?
- In your region, is it more important to you to increase yield, visitor numbers, or both? How else should we measure success?
- How can regions and communities leverage their natural assets? Where are the opportunities to partner with and support Traditional Owners and contemporary Aboriginal communities to develop tourism products? For existing partnerships and partnerships that have already occurred, what could have been improved?
- Where should the state prioritise facilitating boutique and high-end accommodation and any other types of accommodation? What role can share accommodation (such as Airbnb) play in regional communities?
- What are the key journey experiences for Victoria or your area that will drive visitors to come and stay?
- How can we do together to support greater event visitation?
- How can we facilitate cross-sector partnerships?
- How can regions and businesses better cater to diverse visitor needs? What are the key accessibility challenges?
- How can we improve visitor servicing?
- How can we better leverage marketing spend to promote regional visitation?
- How can Visit Victoria, other areas of government, boards and local councils work more closely on agreed priorities?
- How can we ensure marketing activity is better aligned and that effort is not duplicated?
- What are the barriers to investing in regional Victoria? How could the system be improved?
- How can we use education and training, including TAFE, to address barriers impacting staffing of regional businesses?
- What support does industry require to address the challenges and opportunities that technology and disruptors present?
- Which governance structures are the most effective for boards to achieve outcomes for regional tourism?
- How can we best help different sized councils (such as regional cities and small rural councils) to leverage tourism as part of their broader development goals?
- Are there changes we can make to boards (geographic or otherwise) that would increase local government and industry buy-in?
- How do we best coordinate the work of different actors across regional tourism? What are the most important points of collaboration?
- Are we allocating resources efficiently? Could we better coordinate investment in regional tourism?
- How could a state-wide strategy or Destination Management Plan best connect to and leverage local strengths and priorities?

There will be consultation with key stakeholders throughout regional Victoria in July and August 2019.

All Victorians and interested parties are encouraged to contribute by making a submission. While we have listed suggested questions in this paper, there is no obligation to answer them all – and you may wish to advise us of other important issues for regional tourism.

Submissions can be made at www.engage.vic.gov.au/regional-tourism-review and are welcomed until 30 August 2019. Government will provide a public response to consultations and submissions.

Thank you for your consideration of these issues and we look forward to your contribution.
References

Tourism data and statistics referenced through the discussion paper were sourced from the following:

- Australian Tourism Investment Monitor 2017-18, Tourism Research Australia, Canberra
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- Tourism Businesses, June 2017, Tourism Research Australia, Canberra
- Understanding the opportunity for Australia in Accessible Tourism, January 2018, MyTravelResearch.com.