

Victoria's alpine resorts economic contributions and prospects

Economic contributions of alpine resorts

Victoria's alpine resorts attract Victorian, interstate and international visitors. The majority of visitors to the resorts participate in skiing and other snow-related activities. The resorts also support other activities such as bushwalking, cycling, scenic driving and fishing outside of the snow season. The resorts are important for their economic contribution to nearby regions.

The Alpine Resorts Co-ordinating Council (ARCC) reported that in 2016-17 there were 1,111,347 visitors to the Victoria alpine resorts year-round, which produced almost 1.9 million visitor days. During winter, 82 per cent of the visitors were from Victoria, 14 per cent from interstate and 4 per cent were from overseas. During summer, 89 per cent of the visitors were from Victoria, 10 per cent from interstate and 1 per cent were from overseas.

Gross direct visitor expenditure generated by the Victorian alpine resorts was \$817 million. Accounting for flow-on consequences of net additional expenditures, in 2016-17, Victoria gained an economic contribution (gross state product) of \$911 million, and more than 9,000 jobs. The breakdown of this between summer and winter is as follows:

Victorian economic contribution	Summer 2016/17	Winter 2016/17	Total 2016/17
Direct gross expenditure (\$m)	108	709	817
Employment (jobs)	1,205	7,892	9,097
GSP (value added) (\$m)	121	790	911

The recent 2018 winter season showed significant growth in all these measures, with an excellent snow season. The link between snowfall, visitation and economic performance was explored as part of the Alpine Resort Futures Vulnerability Assessment, and is represented by the systems map at <https://realsustainability.kumu.io/victorian-alpine-resort-sector>

Victorian economic contribution	Winter 2018
Employment (jobs)	10,471
GSP (value added) (\$m)	1,076

Green season opportunities

In 2017, the ARCC commissioned a study on the 'green season' (outside snow season) to further develop its potential. The study noted that the 'green season' offering is ad hoc and disjointed across resorts, and relates to trail and mountain biking, running, four-wheel driving, and other sporting and recreational events.

Study findings include:

- Low awareness is a barrier to visitation
- Short getaways are best suited to the region
- The snow season skews perceptions of the green season
- The main, unique attraction is the natural beauty
- For event goers, there is a need to capitalise on existing visitation to increase expenditure
- For non-event goers, increase expenditure on daytrips, and encourage overnight stays.

The challenges facing snow-related activities may be offset, in part, by an increase in green season activities and visitation. However, these will be more economically challenging than snow-based activities. They will not be strongly focused on the elevated resorts but will be spread across locations. Spending per visitor per day in the green season is typically lower than during the snow season. December to March represents a high bushfire risk period, so further exploration of 'shoulder season' opportunities may be worth considering.

The higher resort areas may have an advantage in being cooler than surrounding towns, adding to their appeal in a hotter world. However, the season for this particular attraction may be as short as, or shorter than, the current white season, representing a challenge for commercial investments.

The value of climate change adaptation

Adaptation can reduce the economic costs of climate change and the impacts on people, communities and, to a lesser extent, the culture of the region. Victoria's alpine resorts have been successfully practising climate change adaptation, principally through snow making, for decades. Snow making, both evaporative and refrigerated, is limited by factors such as power and water availability and cost, the practical ability to cover an entire resort with snow, longevity of snow on the ground and the willingness of visitors to pay.

For the alpine resorts, transition to the future will depend in large part on the effectiveness of adaptation action. This change will require imagination, innovation and the support of alpine stakeholders. Access to resources and effective governance arrangements will enable these stakeholders to implement the actions required.

References

EY (2017) Victorian alpine resorts economic contribution study. Summary report, 2016-17.

Available at <https://www.arcc.vic.gov.au/uploads/publications-and-research/Victorian%20Alpine%20Resorts%20summary%20report%20-%2023062017%20low.pdf>

EY Sweeney (2017) Green season research. Alpine Resorts Co-Ordinating Council full qualitative research report.

Available at <https://www.arcc.vic.gov.au/uploads/publications-and-research/26266%20Full%20Report%20V2%2006APR2017.pdf>

SGS Economics and Planning (2017) Alpine resort futures vulnerability assessment (social and economic).

Available at https://www.forestsandreserves.vic.gov.au/__data/assets/pdf_file/0014/215141/Alpine-Resorts-Vulnerability-Assessment-FINAL_Report-Aug-17.pdf