

GIPPSLAND SUSTAINABLE TOURISM PROJECT

Summary Report

MARCH 2007



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Document Information:

Filename: c:\documents and settings\all users\documents\my documents\mike ruzzene\gippsland sustainable regions - exec summary\executive summary report 20 march.doc

Last Saved: 2 April 2007 12:21 PM

Last Printed: 2 April 2007 1:18 PM

File Size: 1410kb

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1. INTRODUCTION

1.1 Background to the Gippsland Sustainable Tourism Project

The six municipalities of Gippsland: Bass Coast, South Gippsland, Latrobe, Baw Baw, Wellington and East Gippsland together with Destination Gippsland Inc and Tourism Victoria attracted significant Federal Government funding under the Sustainable Regions Program. This program has been aimed at enhancing the tourism industry in Gippsland, based on a region-wide approach.

The aims of the project were to: -

- Undertake Gippsland-wide research into the tourism industry;
- Establish sustainable tourism business networks throughout Gippsland;
- Identify new tourism business opportunities and potential region tourism developments in the region;
- Develop a world class touring route to highlight Gippsland's product strengths, focus co-operative promotion and marketing at the regional level and reinforce the Gippsland brand;
- Develop an infrastructure plan to support the tourism industry and to complement the touring route.

In order deliver the above aims for the Gippsland Sustainable Tourism Project, a three stage approach was developed which included:

- Part A – Tourism Research;
- Part B – Business Development;
- Part C – Tourism Development:
 - Touring Route Development;
 - Tourism Business Opportunities, Major Tourism Development Investment Opportunities, Tourism Investment Prospectus.

Urban Enterprise Pty Ltd, Tourism Planners, were commissioned as lead consultant to undertake the project.

Urban Enterprise was assisted by sub-consultants Tourism Destination Management (TDM) Pty Ltd and Quercus Marketing, who were responsible for the touring route component for the project, and Nexus Consulting, who were responsible for the tourism business development component of the project.

1.2 The Tourism Region

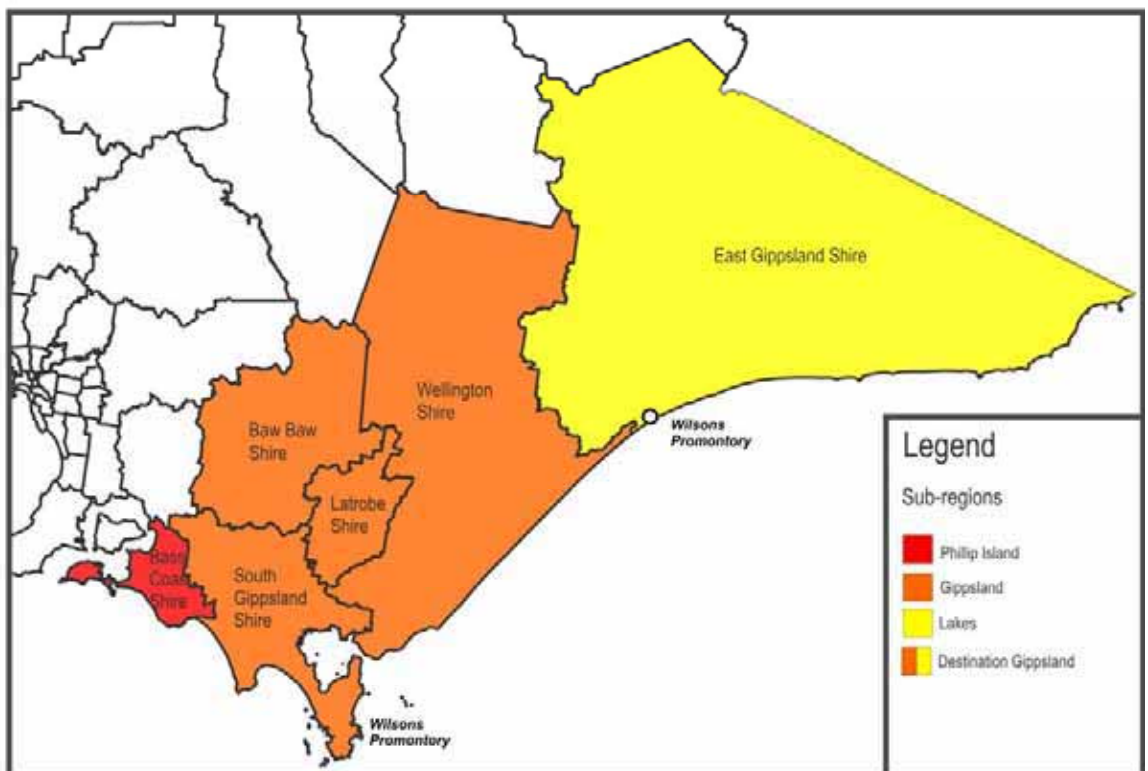
This report focuses on the Destination Gippsland tourism region. It should be noted that the Destination Gippsland tourism region includes the mainland part of Bass Coast Shire, i.e: Phillip Island is excluded.

The Gippsland tourism region comprises of the following six municipalities:

- East Gippsland;
- Wellington;
- Latrobe;
- South Gippsland;
- Baw Baw;
- Bass Coast Shire (mainland only).

Figure 1 shows the Gippsland region included in this study.

Figure 1 Gippsland Region



1.3 Strategic Linkages

The Gippsland Sustainable Regions Project has been undertaken with consideration of a number of regional tourism plans for Gippsland. These include:

- Tourism Victoria 10 Year Tourism plan;
- Destination Gippsland Tourism Marketing Plan;
- Gippsland Regional Tourism Development Plan;
- Tourism Victoria Nature Based Tourism Strategy;

1.4 Methodology

The three stages of the Gippsland Sustainable Tourism Project are outlined below.

Part A – Tourism Research

This report deals with Gippsland-wide research into the tourism industry. The research and report was undertaken by Urban Enterprise.

The key objectives of the research component were to provide: -

- meaningful and targeted data to enable the tourism industry in Gippsland to benchmark with other regions;
- baseline data and a model for on-going research to monitor the performance of the tourism industry;
- data that can assist in attracting capital investment from both the private sector as well as Government;
- data that informs the other components of the Project, namely visitor expectations and needs, infrastructure gaps/requirements and touring route potential.

The research comprised original research (surveys of visitors and businesses in the region) and analysis of existing tourism data. The main findings of this research are as follows.

Part A produced the following research outputs:

- Value of tourism to the regional economy;
- Profile of visitors to the Gippsland region;
- Extent of touring and profile of touring visitors to the Gippsland region;
- Market segments visiting the region;
- Performance of the tourism business sector in Gippsland.

Part B - Business Development

The business development component of the project includes the following key outputs:

- Identification of existing, viable business networks for the tourism industry and network “gaps”;
- Mapping of regional and sub-regional supply chains for the tourism industry;
- Identification of supply chain gaps and potential new business opportunities arising from these gaps as well as opportunities to develop value chains;
- Identification of business skill areas that businesses require, both for employees as well as for business owners. Matching of business skills required with training programs (existing and potential) delivered by existing training institutions;
- Identification of businesses willing to participate in existing and potential supply chains, existing and potential co-operative purchasing programs and existing and potential business training programs.

To undertake broadly-based consultation from industry and key stakeholders, a series of focus groups were conducted across the region in mid 2005. In total, ten focus groups were held in:

- Warragul;
- Phillip Island;
- Leongatha;
- Inverloch;
- Foster;
- Traralgon;
- Yarram;
- Sale;
- Lakes Entrance;
- Cann River.

In addition, face to face and telephone interviews were conducted with key stakeholders such as the Gippsland Area Consultative Committee, Tourism Victoria, tourism officers and associated businesses (supply chain participants (such as South Gippsland Catering). A number of follow-up interviews were also conducted with workshop participants who had further information and could add value to the project outcomes (e.g. Gippsland Racing). In total, fifteen face to face and telephone interviews were conducted.

The results of the research (desktop), focus groups and interviews have been combined to present consolidated information and recommendations. It is important to note that the focus of the project is to develop Gippsland wide initiatives, not at a sub regional and local level. A number of initiatives may be implemented at a sub regional or local level but the focus for this report is the whole of Gippsland.

Part C – Tourism Development

Touring Route

Part C was undertaken by Tourism Destination Management and Quercus Marketing (in respect of the Touring Route) and Urban Enterprise (in respect of the tourism development opportunities). The outcomes from Part C included the following:

- Identification of tourism development potential and preparation of an investment prospectus.
- Establishing a concept for a regional touring route including a supporting infrastructure plan.

Work undertaken as part of Part C included:

- A review of existing regional, intra-state and interstate touring routes that were considered to be relevant to the development of a regional touring route for Gippsland. This included the Sydney to Melbourne Coastal Drive, Great Alpine Road and Great Southern Touring Route.
- Researching world's best practice in touring routes including the US Byways Program. This research identified success factors, route characteristics and infrastructure requirements.
- Consultation with key touring route stakeholders, including local Councils, VicRoads, RACV, Tourism Victoria, Destination Gippsland Inc, RTAs, land management agencies and Visitor Information Centres to identify issues and opportunities for a regional touring route.
- Conducting an initial field assessment of potential touring route options.
- Utilising the results from the touring visitor research (from Part A of the project), identification of the propensity to tour by existing visitors and the characteristics of these existing touring visitors.
- Reviewing existing touring route signage guidelines.
- Testing the touring options with key stakeholders.
- Identifying potential project partners in the initial stages of delivering the touring route concept.
- Refining the preferred touring route concept for Gippsland.
- Conducting a detailed field audit for the preferred route concept, including detailed audits of road conditions, signage, visitor amenities, product/attractions, visitor information.
- Preparing a report containing the research, analysis, options, preferred route, action plan, infrastructure plan and marketing plan.

Tourism Business Opportunities, Major Tourism Development Investment Opportunities, Tourism Investment Prospectus

Based on an inventory of existing tourism development proposals and the outcomes from Part A and Part B of the project, major tourism investment and development opportunities were identified, together with opportunities for professional industry development. These investment and development opportunities are summarised and consolidated in a prospectus. These opportunities were identified through consultation with tourism business owners and through research into the business “gaps” that exist, regarding businesses to “import” services and goods from outside the region.

1.5 Project Implementation

A key issue identified during the course of the project related to responsibility for the implementation of the recommendations contained in the report. There is no single organisation that presently exists in Gippsland with overall responsibility for the development of tourism product at a regional level. Similarly, there is no organisation that presently exists in Gippsland with overall responsibility for professional industry development within the tourism sector. Destination Gippsland Inc is a regional tourism organisation but with specific responsibility for tourism marketing.

Many of the recommendations in this report relate to developing tourism product, tourism infrastructure and industry development at a regional level, across Gippsland. The lack of an existing organisation with responsibilities in these areas is a key issue in respect of implementation of strategies contained in this report.

Given the above, it is recommended that a Gippsland Regional Tourism Association (G.R.T.A) be developed to implement the recommendations and coordinate activities emanating from this project. The GRTA should have representation from the key stakeholder groups for tourism (e.g.: Destination Gippsland Inc, Gippsland Local Government Network, tourism officers, Tourism Victoria, and Parks Victoria). This organisation needs to be properly resourced in order to implement the strategies identified in this report. The establishment of the GRTA should be undertaken by a Steering committee which includes the Gippsland Sustainable Tourism Project Manger, General Manager Gippsland Tourism, Gippsland Local Government Network, Tourism Victoria, Parks Victoria and Destination Gippsland Incorporated.

2. KEY RECOMMENDATIONS

Administration / Project Implementation

Strategy 1 *It is recommended that a Gippsland Regional Tourism Association (G.R.T.A) be established to implement the recommendations and coordinate activities emanating from this project. The RTA should have representation from the key stakeholder groups for tourism (e.g.: DGI, GLGN, tourism officers, Tourism Victoria, and Parks Victoria). This organisation needs to be properly resourced in order to implement the strategies identified in this report. The establishment of the RTA should be undertaken by a Steering Committee which includes the Gippsland Sustainable Tourism Project Manager, General Manager Gippsland Tourism, GLGN, Tourism Victoria, Parks Victoria and DGI.*

Action 1 Establish a Steering Committee to develop the concept with members from Destination Gippsland Inc, Gippsland Local Government Network, tourism officers, Tourism Victoria and Parks Victoria.

Strategy 2 *Communicate the outcomes of the Sustainable Regions Project to the tourism industry in Gippsland.*

Action 2 Develop a Marketing Action Plan for Gippsland incorporating the recommendations from this report;

Action 3 Develop a Website with touring content for Gippsland

Action 4 Develop materials and methods of distribution to communicate the findings of the report to the industry.

Tourism Research

Strategy 3 *Update the baseline tourism research on a regular basis in order to maintain an accurate picture of the performance of the industry and its value to the regional economy. Regular updating of the data will enable trends to be identified and monitored over time.*

Action 5 Ongoing research should be undertaken for the Gippsland region to update the tourism data collected as part of this project.

Action 6 The touring visitor research should be updated at least every two years, to track changes in visitor markets, and in particular the levels and profile of touring visitors in Gippsland.

- Action 7 An annual 'tourism indicators' report should be prepared for the region, utilising Tourism Research Australia data, Roy Morgan Research data and Australian Bureau of Statistics accommodation data. This would build on the work included in this project.
- Action 8 The tourism business research should be updated at least every two years, to track changes in the performance of the tourism business sector.
- Action 9 The region should consider undertaking research into the holiday home sector including the level of visitation and expenditure generated from holiday home ownership and a profile of holiday homeowners.

Business Development

Strategy 4 *Encourage greater business collaboration and linkages throughout Gippsland.*

- Action 10 Initiate a series of pilot projects (possibly 3) in conjunction with key tourism operator groups/organisations that have exhibited an understanding of the benefits that can be derived from cooperation and cooperative activities. Pilot projects should address different collaborative initiatives so that the process and results can be used by other groups in Gippsland.
- Action 11 Regular communication updates be prepared and distributed to all industry participants and stakeholders
- Action 12 Develop a schedule of events and functions to be held on a quarterly basis. The focus is to be on networking and professional development for industry participants. These could be undertaken in conjunction with Tourism Victoria, Regional Development Victoria or Tourism Alliance

Strategy 5 *Implement strategies which value add to the visitor experience.*

- Action 13 As part of a Communication Strategy, regular information about the benefits tourism brings to the community is to be included. This information should also be sent to RTA's for local distribution
- Action 14 Conduct the Gippsland Tourism Exchange annually. At the conclusion of each event a review should be undertaken to continually improve and expand the event.
- Action 15 Conduct a project to map a value adding group in one local Gippsland tourism area. The project should document the current chain and the benefits derived from participation by businesses. Develop and implement initiatives to support business growth within the chain. Use the model in other areas within Gippsland

Strategy 6 ***Encourage and identify best practice within the tourism industry in Gippsland***

- Action 16 Identify examples of best practice in the industry (or relevant to the industry) and disseminate the information at networking functions. If supported, set up teams to benchmark and promote best practice.
- Action 17 Seek support from Tourism Victoria to be involved in the Tourism Excellence Strategy. Seek expressions of interest from Local and Regional Tourism Associations to participate in the program.

Strategy 7 ***Encourage the continued improvement of business skills and professionalism of tourism businesses***

- Action 18 Work with Tourism Victoria and the Tourism Excellence Program to implement the training modules that meet industry expectations and requirements. There are a number of government funded programs that can assist this process.
- Action 19 Research previous programs (e.g. Aussie Host) and current programs that are available through training institutions (e.g. TAFE) and industry organisations (e.g. Tourism Alliance) to determine potential for establishing a Gippsland focused program.

Strategy 8 ***Business Development Prospectus***

- Action 20 Appoint a graphic designer / marketing consultant to develop the tourism business prospectus.
- Action 21 Develop a circulation list for the Business and Development Opportunities Prospectus. The key target areas will be investors, developers, people looking at Gippsland as a potential business location and existing tourism business operators looking for expansion/new opportunities.
- Action 22 Liaise with Local Government Economic Development Units to capitalise on any responses as a result of the contact.
- Action 23 The prospectus should also be posted on the DGI website and all of the Gippsland local Government websites.

Touring

- Strategy 9** *Work towards establishing a world class touring experience in Gippsland using the significant commitment to SMCD, GAR and potential Tri State Touring programs as the major focus for marketing of touring.*
- Strategy 10** *Focus on competitive themes and experiences that build on Gippsland's brand strengths and attributes, within the touring concept. Use the DGI website to promote the touring concept.*
- Strategy 11** *Use destinations as the 'hook' to stimulate touring across the region*
- Strategy 12** *Develop and market complementary quality sub-regional/local drives that radiate from SMCD/ GAR as the means to achieving greater visitor length of stay and dispersion.*

3. PART A- TOURISM RESEARCH

3.1 Data Reporting

Tourism Research Australia collects and reports on tourism data for tourism regions in Australia through the National Visitor Survey (NVS). It should be noted that whilst the mainland part of Bass Coast Shire forms part of the Destination Gippsland tourism region, the NVS data for Destination Gippsland region excludes Bass Coast Shire. Instead, the data for Bass Coast Shire is included in the Destination Phillip Island Region.

The Destination Gippsland tourism region comprises two sub-regions, namely:-

- Lakes sub-region (East Gippsland Shire);
- Gippsland sub-region (Wellington Shire, South Gippsland Shire, Latrobe City, Bass Coast Shire excluding Phillip Island and Baw Baw Shire).

However, where primary research has been undertaken by Urban Enterprise for this project, data for the whole of Bass Coast Shire has been included. Specifically, this relate to the analysis of the:-

- Value of tourism in the Gippsland region;
- pProfile of touring visitors; and
- Performance of tourism businesses.

An overview of the findings from the research is presented below:

3.2 Tourism Outlook

Tourism is a significant driver of the Gippsland economy.

Employment and income has generally grown for the majority of tourism businesses in the region.

The majority of tourism businesses are optimistic about the future prospects for their business as well as the industry in the region overall.

3.3 Economic Value of Tourism

- The Gippsland Region (including Phillip Island) is estimated to attract more than 7 million visitors annually, with around 3 million overnight visitors.
- Visitors to Gippsland spend an estimated \$1 billion in the region per annum.
- Flow-on expenditure from visitors to Gippsland is estimated at over \$699 million per annum. The total expenditure impact attributed to visitors to Gippsland is over \$1.7 billion.
- There are more than 1,300 specialised tourism businesses in Gippsland that derive most of their income from tourists. Almost 2,000 other businesses in Gippsland also benefit from tourism, but to a lesser extent.

- More than 12,300 people are estimated to be employed as a direct result of tourism in Gippsland.

3.4 Performance of Tourism Businesses

The majority of tourism businesses in Gippsland expect an increase in business income over the next year.

The vast majority of businesses are aiming to increase custom and visitor yield.

Two thirds of tourism businesses in Gippsland expect some growth in tourism over the next five years, and more than one quarter of tourism businesses expect high growth in tourism over the next 5 years.

3.5 Touring in Gippsland

A large proportion of visitors to Gippsland are touring.

About half of these touring visitors are “genuine” tourers in the sense that they are staying overnight in two or more locations in the region.

The majority of genuine tourers in the region prefer self-exploration rather than defined touring routes. “Discovery” is an important part of their touring experience and complements the tourism product strengths of Gippsland.

Melbourne and NSW are the key source markets for touring visitors to Gippsland but international visitors are also important.

Signage, toilets and opportunities to eat out are areas for improvement to support touring activity.

Propensity for Touring

- A large proportion of visitors to Gippsland undertake some form of touring. Almost 40% of the respondents to the Visitor Survey indicated that they were touring.
- Interestingly, separate research identified that tourism businesses considered that about 40% of their customers were touring.
- The high propensity of visitors to tour the region suggests that additional resources should be directed to marketing initiatives, product development and infrastructure development that supports this activity.

Type of Touring

- The majority of visitors who are touring prefer self-exploration. This suggests that regional touring product should be oriented towards promoting experiences and destinations within Gippsland rather than promoting defined touring routes.
- A high proportion of visitors however, indicated that they would like to have pre-planned itineraries for touring. This suggests that collateral relating to touring should include suggested itineraries for touring.

- The majority of touring visitors in Gippsland favour using a touring drive with a duration of less than one day. This suggests that the local tourist drives have an important role to play in servicing the touring visitor. The development of spur tourist drives or hub and spoke touring routes linked to key destinations presents a key opportunity for Gippsland.

Touring Markets

- The key domestic touring markets for Gippsland are Melbourne and NSW.
- International markets for touring in Gippsland are predominantly countries in Europe (including the United Kingdom). North America and Asia are also significant touring markets. In particular visitors from UK, USA, Canada and Germany have a high propensity to tour.
- The domestic touring market comprises predominantly people aged 50 years or more (43%) – with a lifecycle profile characterised as “Older Working” and “Older Retired”. One quarter of the domestic touring market are people in the middle age bracket of 35 to 49 years. Almost one quarter of domestic tourers are “Parents with Children”.
- In contrast, more than half of the international touring market are people under 35 years of age.

Touring Infrastructure

- In respect of touring infrastructure, touring visitors are least satisfied with direction signage, signage to attractions, public toilets and provision of quality cafes and restaurants.
- These touring infrastructure items were also identified by tourism businesses as needing improvement.

3.6 Tourism Marketing

Melbourne, Country Victoria and NSW are important domestic markets for Gippsland.

A significant, but “hidden” market for Gippsland is the region itself. By virtue of its geographic area and diversity, Gippsland residents comprise a large market for the region. Given the distances involved in the region, these residents of one part of Gippsland and are still classified as visitors in another part of Gippsland.

Another significant and “hidden” market for Gippsland is the holiday homeowner, particularly from Melbourne.

Important international markets include the UK, Germany and Canada.

The Traditional Family Life, Socially Aware and Visible Achievement market segments make up the majority of visitors to the region.

Target Markets

- The key domestic target markets for Gippsland are Melbourne, Canberra, Country Victoria (including the Gippsland region itself) and New South Wales.

- The importance of the region's residents to tourism in the region underlines the importance of a regional approach to marketing and tourism business development. In addition, the holiday home sector generates significant levels of visitation to the region. Very little effort is currently directed towards marketing to these two markets.
- Key international markets are the United Kingdom, Germany and Canada.

Key Market Segments

- The key Roy Morgan values segments attracted to Gippsland are Traditional Family Life, Visible Achievement and Socially Aware. These three Values Segments make up more than 60% of total visitation to Gippsland.
- The Traditional Family Life segment is important to touring.
- The most cost effective media for Visible Achievement and Socially Aware is through the internet, magazines and newspapers. Both of these groups have very high internet usage.

3.7 Infrastructure and Product Development

Accommodation gaps exist in Gippsland particularly in high quality accommodation establishments and resorts.

Gippsland's natural attractions are a key tourism product strength. Outdoor recreation activities are popular with visitors. Opportunities exist to develop additional tours and packages based on the region's natural attractions.

Opportunities to eat out are limited, although this is one of the most popular activities undertaken by visitors. The availability of good quality restaurants/cafes has been identified as a gap by tourism businesses and also by touring visitors.

Tourism Product

- Gippsland's supply of accommodation is predominantly in the form of cabins, self-contained accommodation, motels, caravan parks and cabins.
- When the accommodation supply is matched to the preferences of the key Roy Morgan Values Segments it is clear that there is a gap in 4.5 to 5 star accommodation and resorts, backpackers and farm stay. The Tourism Business Research in Gippsland also indicates there are gaps in these accommodation types.
- Popular active recreation activities currently undertaken by visitors to Gippsland include bushwalking, boating/water-skiing, yachting, fishing, golf and horse riding. There is growth potential in activity businesses including adventure and outdoor sports tours and activities, golf courses, sports resorts, and horse riding.
- Natural attractions are a key driver for tourism in Gippsland. Popular activities by visitors include sightseeing, visiting national parks, going to the beach, bushwalking, visiting nature parks and wildlife.

- There is opportunity to build on the natural attractions in Gippsland, in particular developing businesses that leverage off natural attractions, such as tours and activities businesses and outdoor adventure sports businesses. Nature based product development would encourage visitation from the Socially Aware Values Segment, International and interstate backpackers.
- Eating out is one of the most popular activities undertaken by visitors to Gippsland. Tourism Business Research indicates that more development is needed in the restaurant/café sector. This is further supported by the Touring Visitor Research, which indicates that only a small proportion of respondents were very satisfied with restaurants and cafes.

3.8 Business Development

Tourism businesses identified training as an existing “gap”.

The majority of tourism businesses in Gippsland do not undertake any training for their staff (including owner/operators).

Staff Training

- The majority of tourism businesses in Gippsland do not undertake staff training. Of the businesses *that do undertake staff training, about one third do so in Melbourne.*

3.9 Future Monitoring

The research undertaken as part of this project establishes comprehensive baseline data for the tourism industry in Gippsland.

This data must be updated on a regular basis in order to maintain an accurate picture of the performance of the industry and its value to the regional economy.

Regular updating of the data will enable trends to be identified and monitored over time.

- Ongoing research should be undertaken for the Gippsland region to update the tourism data collected as part of this project.
- The touring visitor research should be updated at least every two years, to track changes in visitor markets, and in particular the levels and profile of touring visitors in Gippsland.
- An annual ‘tourism indicators’ report should be prepared for the region, utilising Tourism Research Australia data, Roy Morgan Research data and Australian Bureau of Statistics accommodation data. This would build on the work included in this project.
- The tourism business research should be updated at least every two years, to track changes in the performance of the tourism business sector.
- The region should consider undertaking research into the holiday home sector including the level of visitation and expenditure generated from holiday home ownership and a profile of holiday homeowners.

3.10 Tourism Research Indicators

3.10.1 Domestic Visitor Profile

The following summarises the profile of visitors to the Gippsland Tourism Region, based on the National Visitor Survey and International Visitor Survey undertaken by Tourism Research Australia for the year ending 2005.

Visitor Origin

90% of domestic overnight visitors to the Gippsland tourism region are from within Victoria. The key interstate market is New South Wales (6% of domestic visitors).

50% of daytrip visitors to the region are from Melbourne. 47% are from country Victoria and 3% are from New South Wales.

Purpose of Visit

49% of daytrip visitors visited the region for “holiday or leisure” purposes and 33% were “visiting friends and relatives”. 10% were visiting for “business”.

55% of overnight visitors visited the region for holiday or leisure purposes and 32% were “visiting friends and relatives”. 9% were visiting for “business”.

Age of Visitors

The three key age groups of overnight visitors that are attracted to the Gippsland tourism region are those aged between 15 and 19 years, 30 and 39 years and those aged between 50 to 54 years.

The predominant age group for daytrip visitors to the region are is 30 – 54 years (51%).

Travel Party

The predominant types of travel parties to the Gippsland tourism region are adult couples and family groups (parents and children).

41% of overnight visitors to Gippsland tourism region travelled in pairs. A further 30% travel in groups of 3-5 people.

Household Income

More than half of all overnight and daytrip visitors have an annual household income of over \$52,000 pa.

Visitor Activities

The most popular activities for visitors to the Gippsland tourism region are “visiting friends and relatives”, “eating out”, “general sightseeing”, and “going to the beach”.

Visitor Expenditure

Overnight visitors to the Gippsland tourism region spend on average \$230 per person per visit. This equates to \$79 per person per night.

Accommodation

41% of overnight visitors to the Gippsland tourism region stayed in paid accommodation. 47% stayed with friends or relatives.

The average length of stay for overnight visitors to the region is 3.4 nights.

Lifecycle Group

Daytrip Visitors

30% of visitors to Gippsland are older married persons.

Parents with children between the ages of 0 and 14 years make up 34% of all visitors to the region.

Overnight Visitors

14% of overnight visitors to the region are classified as the lifecycle group "young/midlife couple".

23% of overnight visitors to the region had children.

44% of overnight visitors are single.

3.10.2 International Visitor Profile

Visitation

The International Visitor Survey undertaken by Tourism Research Australia indicates that the Gippsland tourism region attracted 53,752 international visitors in 2005.

Expenditure

International visitors spent \$36.8 million in the region during 2004, spending on average \$682 per visit.

Purpose of Visit

59% of international visitors travelled for "holiday / leisure" purposes, a further 23% "visited friends and relatives".

Length of Stay

The average length of stay for international overnight visitors to the region is 5.6 nights.

3.10.3 Profile of Touring Visitors

The following summarises the findings of research undertaken by Urban Enterprise into the profile of touring visitors in Gippsland.

'Touring Visitors'

39% of the surveyed visitors in Gippsland were 'touring visitors'.

32% of survey respondents who were 'touring visitors' travelled to their destination from other areas of Gippsland. A further 28% travelled from Melbourne.

36% of survey respondents who were 'touring visitors' travelled to other areas of Gippsland after their visit. A further 30% travelled to Melbourne.

The surveyed 'touring visitors' spent on average \$221 per person per visit.

31% of the surveyed 'touring visitors' stayed in caravan parks, a further 21% stayed with friends of relatives.

Visitor Touring

42% of all surveyed visitors said that they would choose to use a pre-planned itinerary now or in the future.

Only 19% of all surveyed visitors said that they would prefer to use "tourist drives".

49% of all surveyed visitors said that they would be most likely to use a tourist drive that is a "half-day" in length. A further 28% of surveyed visitors said that they would be most likely to use a "full day" tourist drive.

49% of all surveyed visitors travelled to their destination from Melbourne, 26% from another area of Gippsland and 16% from other parts of country Victoria.

55% of all surveyed visitors to the Gippsland region travelled to Melbourne after their visit. A further 20% returned to another area of Gippsland and 14% travelled to other areas of country Victoria after their visit.

'Touring Visitor' Satisfaction

'Touring visitors' were generally satisfied with most aspects of their trip.

'Touring visitors' were most satisfied with "Visitor Information Centres", "accommodation" and "short walks".

'Touring visitors' were least satisfied with "public toilets", "restaurants and cafes" and "signage".

Future Visitation

94% of all surveyed visitors responded "yes" when asked if they intended to visit the Gippsland region again

3.10.4 Tourism Market Segmentation

The following summarises the tourism market segments for the region.

Ethnographic Segments

Values Segments

Visitors characterised as "Visible Achievement" were the most common to the Gippsland tourism region – 22% of all visitors.

The Values Segments of "Visible Achievement" and "Socially Aware" contribute 42% of all visitors to the region.

Socio-Economic Status

The region attracts travellers of a higher socio-economic status than the Australian average.

Household Lifecycle

Visitors to the region are predominantly comprised of “Mid-Life Households” and “Young Parents”.

Education Attainment

Holiday and leisure travellers to the region have a marginally higher level of education attainment than the Australian population (14 years +).

31% of holiday and leisure travellers to the region have either completed a degree or diploma or are still at University.

Employment Type

Higher proportions of holiday and leisure travellers to the region are Managers than the Australian population (14 years +).

Potential Travel Markets

Unprompted Awareness

Unprompted awareness of the Gippsland tourism region for all Australians is 16%, and for Victorians is 33%. The highest interstate awareness is in Tasmania (14%).

Prompted Awareness

Prompted awareness for Australian travellers to the region is highest amongst the “Socially Aware” (26%) and “Visible Achievement” (24%) segments.

Prompted awareness for Victorian travellers to the region is highest amongst “Socially Aware” (36%), followed by “Visible Achievement” (32%).

Preference

For the Australian population the Values Segment “Socially Aware” has the highest preference to visit the region, followed by “Visible Achievement”. “Visible Achievement” is the second largest and “Socially Aware” the third largest traveller markets in Australia.

For the Victorian population the Values Segment “Socially Aware” has the highest preference to visit the region, with 31% indicating a preference to travel to the region. This is followed by “Visible Achievement” (30%) and “Something Better” (29%).

Intention

The intention for Australians to visit the region is low with total intention to visit at 3%.

The “Something Better” and “Visible Achievement” Values Segments amongst Victorian travellers have the highest intention to visit the region. Overall, 11% of Victorian travellers indicate an intention to visit the region.

Media Usage

Types of Media Usage

“Visible Achievement” has the second highest preference to visit the region of all Values Segments. They are large consumers of media particularly commercial television, magazines and the Internet.

The market segment “Traditional Family Life” is the largest of the three key segments with a market of 3.2 million and is the largest visitor group to Gippsland tourism region. This Values Segment is a large consumer of commercial television and readers of magazines. They have a low proportion of cinema goers and internet usage compared to the other key Values Segments.

The Values Segment “Socially Aware” is the third largest visitor segment to the Gippsland tourism region. They are large consumers of commercial television and readers of magazines. They listen to relatively less commercial radio than the other Values Segments.

Internet Usage

“Traditional Family Life” are low users of the internet with only 38% of persons within this Values Segment having ever accessed the internet.

In contrast the persons from the “Visible Achievement” Values Segment and “Socially Aware” values segment are high users of the internet. More persons categorised as “Socially Aware” access the internet daily than persons from “Traditional Family Life” having ever accessed the internet.

3.10.5 Performance of the Tourism Business Sector

Number of Tourism Businesses

1,334 private sector tourism businesses are listed on tourism databases compiled by tourism offices in each Shire.

Two-fifths of all these tourism businesses are classified as “Accommodation”.

One quarter of all these tourism businesses are classified as “Restaurants, Cafes and Bars”.

Location of Businesses

The localities with the highest concentration of tourism businesses are Cowes (98), Bairnsdale (81), Sale (71), Traralgon (66) and Lakes Entrance (64).

Employment

It is estimated that 9,457 people are employed in these tourism businesses within Gippsland.

“Restaurants, Cafes and Bars” are estimated to employ the largest number of people (estimated at 3,641 jobs).

The “Accommodation” sector is also significant, employing an estimated 2,481 persons.

The average number of employees per tourism business in Gippsland is 6.

42% of all tourism employees are employed on a casual basis, 37% are employed full time and a further 21% are employed part time.

The “Golf” and “Accommodation” sectors had the highest proportion of full time employees (39% and 37% respectively).

The “Restaurants, Cafes & Bars” sector had the highest proportion of part time employees (32%), followed by “Other” (28%) and “Antiques, Galleries, Arts & Crafts” (23%).

The “Food Product” sector had the highest proportion of casual employees (64%), followed by “Attractions” and “Antiques, Galleries, Arts & Craft” (58% each).

42% of tourism businesses intend to increase the number of their employees in 2006.

Skills and Training

41% of staff in tourism businesses currently undertake training and education to improve their skills.

The sectors that undertake the most training include “Golf” (57%), “Attractions” (55%) and “Accommodation” (50%).

65% of this training occurs in Gippsland, whilst 35% occurs in Melbourne.

Markets

On average, tourism businesses estimate that around two-thirds of their customers are visitors or local holiday homeowners.

“Accommodation” businesses estimate that on average, around 80% of their customers are visitors to the region. This is followed by “Wineries” (80% of customers) and “Tours & Activities” (71% of customers).

Tourism businesses estimate that around half of their customers come from Melbourne, and around one third from Country Victoria.

On average, tourism businesses estimate that around half of all interstate visitors are from New South Wales.

Future Prospects

58% of all tourism businesses in Gippsland expect an increase in their business income for 2006.

“Wineries” are the most optimistic, with almost 80% of respondents in this category expecting an increase in business income. However, 38% of “Food Product – Farm Gate” businesses expect a decrease in business income.

A high proportion of tourism businesses (78%) aim to increase visitors / customers over the next 2 – 5 years as one of their primary business goals. 45% aim to increase their yield over the same period.

In terms of visitation and yield, 64% of businesses believe that the tourism industry in Gippsland will undergo “some growth” over the next 5 years. A further 28% anticipate high growth (an increase of more than 11% on current levels).

Partnerships and Touring

Almost half (46%) of all tourism businesses collaborate with other businesses for marketing purposes. However, 28% did not collaborate at all.

Tourism businesses, on average, estimate that 40% of their customers are touring through the region.

When asked about touring infrastructure, businesses were most satisfied with “Visitor Information Centres” and “Visitor Accommodation” in the region, however most dissatisfied with “Signage to Attractions”, “Directional Signage” and “Public Toilets”.

4. PART B- BUSINESS DEVELOPMENT

4.1 Implementation

A key issue identified during the course of the project related to responsibility for the implementation of the recommendations contained in the report. There is no single organisation that presently exists in Gippsland with overall responsibility for the development of tourism product at a regional level. Similarly, there is no organisation that presently exists in Gippsland with overall responsibility for professional industry development within the tourism sector. Destination Gippsland Inc is a regional tourism organisation but with specific responsibility for tourism marketing.

Many of the recommendations in this report relate to developing tourism product, tourism infrastructure and industry development at a regional level, across Gippsland. The lack of an existing organisation with responsibilities in these areas is a key issue in respect of implementation of strategies contained in this report.

Given the above, it is recommended that a Gippsland Regional Tourism Association (G.R.T.A) be developed to implement the recommendations and coordinate activities emanating from this project. The GRTA should have representation from the key stakeholder groups for tourism (e.g.: Destination Gippsland Inc, Gippsland Local Government Network, tourism officers, Tourism Victoria, and Parks Victoria). This organisation needs to be properly resourced in order to implement the strategies identified in this report. The establishment of the GRTA should be undertaken by a Steering committee which includes the Gippsland Sustainable Tourism Project Manager, General Manager Gippsland Tourism, Gippsland Local Government Network, Tourism Victoria, Parks Victoria and Destination Gippsland Incorporated.

4.2 Business Linkages/Collaboration

There are few examples of business linkages or collaboration amongst businesses within a defined geographic area or organisation.

The key recommendation is to initiate a series of pilot projects (possibly 3) in conjunction with key tourism operator groups/organisations that have exhibited an understanding of the benefits that can be derived from cooperation and cooperative activities. Pilot projects should address different collaborative initiatives so that the process and results can be used by other groups in Gippsland.

Collaborative Activities

The research and focus groups revealed that there are numerous opportunities for the development and implementation of collaborative activities by tourism businesses in the region. Projects should be developed in conjunction with the tourism organisations to determine the potential for collaborative activities in selected locations. Examples of activities may include cost reduction (e.g. collective purchasing of materials), packaging or workforce development.

Suitable areas would include (but not limited to) Yarragon, Metung, Mallacoota, South Gippsland Wine Producers, B&B Associations, Gippsland Gourmet Country. A key component of any funding application should include industry support and/or contribution for the activities.

Communication

A key gap identified is communication for/between the industry across the region. Communication includes updates, industry development information, funding opportunities and networking opportunities. This issue should partially be addressed by the Destination Gippsland Marketing and Communication Plan. To maintain relevance and position, it is beholden upon DGI to keep industry and stakeholders informed.

Regular communication updates should be prepared and distributed to all industry participants and stakeholders.

Networking

Most tourism business owners/operators participate to some degree in their local association. However, there are few opportunities to interact and network with business owners outside their group. In addition, there are few opportunities for business or professional development in an informal manner. The success of events such as the Tourism Exchange highlights the potential greater networking. Destination Gippsland will be responsible for future Tourism Exchange events and should be supported.

A schedule of events and functions to be held on a quarterly basis should be developed. The focus is to be on networking and professional development for industry participants. This could be undertaken in conjunction with Tourism Victoria Regional Development Victoria or Tourism Alliance

4.3 Adding Value to the Visitor Experience

Promote the Impact of Tourism

Media and Stakeholder Promotion

For the community to embrace the concept of tourism in regional areas it is important that there is regular dissemination of information, statistics, good news stories and event results. This communication needs to clearly articulate the benefits that tourism is bringing to the region and be undertaken regularly to reinforce the message.

As part of a Communication Strategy, regular information about the benefits tourism brings to the community is to be included. This information should also be sent to RTA's for local distribution

Database Update

The information being compiled as part of this project will provide a snapshot of the industry in Gippsland. However, this information will date quickly and needs to be updated regularly (say, every two years) so that information being provided is accurate and current. It also enables new 'stories' to be developed to continually promote the industry

A review and update of the database that is developed as part of this project should be undertaken every two years.

Gippsland Tourism Exchange

The research and focus groups highlighted the interest across the region in other areas tourism product. The inaugural Gippsland Tourism Exchange demonstrated the level of interest by industry in exchanging information and increasing the customer experience in Gippsland. This event should be conducted annually and built upon/expanded.

The Gippsland Tourism Exchange should be conducted annually. At the conclusion of each event a review should be undertaken to continually improve and expand the event.

Value Adding Project

The benefits that can be derived from adding value to the visitor experience (e.g. increased visitor yield) is not fully understood or appreciated in most communities. A project should be undertaken in one Gippsland tourism area to map the value chain and develop initiatives that will enable growth of the businesses within the local area. This could include cross promotion (food and accommodation link), workforce (joint employment of staff) or special event. This model could then be used by other areas within the region.

This project should use industry cluster principles to support the development of the value chain. A good starting point is the East Gippsland Business Partnerships projects implemented in East Gippsland coastal communities in the late 90's.

A project to map a value adding group in one local Gippsland tourism area should be conducted. The project document the current chain and the benefits derived from participation by businesses. Develop and implement initiatives to support business growth within the chain. Use the model in other areas within Gippsland

4.4 Best Practice

It became clear throughout the research and focus groups that there are numerous examples of best practice in Gippsland that could be used as a guide/benchmark for other groups and organisations. Where possible, these examples should be documented and showcased to tourism organisations and industry (possibly at networking events or the Tourism Expo).

Examples of best practice in the industry (or relevant to the industry) and disseminate the information at networking functions should be investigated. If supported, set up teams to benchmark and promote best practice.

Tourism Excellence Strategy

Tourism Victoria, in conjunction with industry and organisations such as Tourism Alliance, has developed the *Tourism Excellence* strategy. This strategy consists of seven modules that can be implemented by industry over a period of time.

The industry in Gippsland should take advantage of the program and be involved as early adopters. The experiences of the early adopters could then be used by others in the industry.

The project team should seek support from Tourism Victoria to be involved in the Tourism Excellence Strategy. Seek expressions of interest from Local and Regional Tourism Associations to participate in the program.

4.5 Business Skills

Training Programs

The tourism industry business owners and operators are interested in professional and employee development, however the focus groups identified that they are 'time poor' and do not have time to attend day long training sessions. Training programs need to be tailored to the industry and conducted at appropriate times (e.g. International Marketing Program).

Work with Tourism Victoria and the Tourism Excellence program to implement the training modules that meet industry expectations and requirements. There are a number of government funded programs that can assist this process.

"Gippy Gold"

In addition to training programs there is a need to increase the professionalism of the industry. This could be achieved by having a structure that provides training programs, possibly accreditation and bonus/incentive awards. In a number of the interviews and focus groups the participants referred to the Aussie Host program as an example of a successful program that provided the above.

There are a number of programs and courses that should be investigated to determine relevance and suitability for the industry. After research, a program outline should be developed for discussion with industry.

A working group should be established to research previous programs (e.g. Aussie Host) and current programs that are available through training institutions (e.g. TAFE) and industry organisations (e.g. Tourism Alliance) to determine potential for establishing a Gippsland focused program.

4.6 Business & Development Opportunities Prospectus

As part of the Sustainable Regions project a prospectus has been prepared containing information relating to business and development opportunities in Gippsland. The target markets for this prospectus are existing Gippsland tourism business owners, investors, developers and people looking to establish a business in Gippsland.

This prospectus should be promoted and utilised in conjunction with the implementation of recommendations contained in this report. It would be an appropriate role for the Regional Tourism Association to promote the prospectus to the target markets and to use the prospectus for business development opportunities.

A circulation list for the Business and Development Opportunities Prospectus should be developed. The key target areas will be investors, developers, people looking at Gippsland as a potential business location and existing tourism business operators looking for expansion/new opportunities.

The prospectus should also be posted on the DGI website and all of the Gippsland Municipality websites.