WHY AND HOW LOCAL GOVERNMENT SHOULD ENGAGE WITH VICTORIA'S VISITOR ECONOMY.

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VICTORIA TOURISM INDUSTRY COUNCIL

INTRODUCTION

Victoria's visitor economy is set to increase in size to $36.5 billion by 2025 and provide 320,700 jobs. Australia's visitor economy is one of the key economic drivers at national, state and territory and local levels, but each of our cities, towns and rural areas is distinct and different. Each vary in their current involvement with visitation and with future needs due to their geographical location, economic drivers, industry sectors, resources, capacity and interests.

Local Government plays a significant and diverse role in Victoria's visitor economy. The base infrastructure and core amenities that are enjoyed in a location by visitors are largely the product of the work of Local Government. The contribution of Local Government across Australia to the visitor economy is significant, with Australian Local Government Association (ALGA) calculations showing Local Government's direct spend to be $373 million[1] annually. The work of Local Government not only directly impacts the visitor's impressions and experiences in a destination, but Local Government also plays a critical role in engaging the community and creating positive social outcomes.

Expected levels of management competence by Local Government are high and growing. Tightened budgets, partly due to rate capping, together with different community desires and perceptions of tourism mean it is even more important for Local Government to understand the breadth of their role and improve their effectiveness. Some communities want tourism growth. Others want to see better management of visitors to minimise certain impacts and outcomes and create greater social returns. Active management is essential to avoid unwanted issues, just as it is required to maximise benefits. Critically, Government at all levels also see Victoria's visitor economy as a key tool to help address substantive structural issues such as regional youth unemployment and population growth issues.

Resourcing, both funding and in-kind, needs continual assessment to ensure effective investment, to monitor performance and to leverage the many possible partnerships (local, regional, state and national) to ensure efforts create the desired results. Local Government decisions and investment also need to be aligned with regional and state priorities and directions to effectively achieve goals.

This document draws on the Victorian Visitor Economy Strategy, July 2016 www.economicdevelopment.vic.gov.au

Questions that help you consider your Local Government area are in orange text boxes throughout this document. Discuss your answers with others at your local level and contact your local Council tourism staff to discuss further. Regional Tourism Boards have extensive information and expertise that can help Councils and Local Tourism Associations understand the local visitor economy and jointly find ways to improve desired outcomes.

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1 Australian Local Government Association (ALGA) 2017

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This section outlines a range of ways Local Government can analyse this question and source additional expertise.

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SECTION 1 – WHY LOCAL GOVERNMENTS INVEST IN VICTORIA'S VISITOR ECONOMY

DEFINING THE VISITOR ECONOMY [2]

Traditional definitions of tourism tend to focus on leisure tourists – people travelling and staying outside their usual place of residence for a limited time period for the purpose of a holiday, sight-seeing and recreation. More contemporary definitions have expanded the concept to include people travelling for other reasons such as visiting friends and relatives, business, work, education or even medical services; identifying these travellers from a destination perspective as 'visitors'. The term 'visitor economy' refers to the production of goods and services for consumption by visitors, which includes the industries that directly serve visitors, such as hotels, transport providers, tour companies and attractions, as well as intermediaries and those involved indirectly, such as retail and food production. This recognises that visitor activity does not occur in isolation and contributes to investment and jobs across a range of industry sectors.

AUSTRALIA'S VISITOR ECONOMY

The visitor economy is now recognised at all levels of government in Australia as an intrinsic, sustainable and driving part of economic development. It creates long term improvements in the liveability of cities, towns and rural life and significantly improves the prosperity of Australian communities.

- Tourism has been identified in Australia's 'next wave of prosperity' as one of the top five sectors of economic growth and has the potential to become Australia's fastest growing industry.[3]
- In December 2017, Australia reached over one million visitors per month for the first time.[4]
- Geographical proximity to Asia, economic stability and geopolitical stability ideally position Australia's tourism industry. It is forecast to grow to $151 billion in overnight spend and 15 million international visitors by 2026-27.[5]

2 Adapted from Victorian Visitor Economy Strategy, July 2016, p6

3 Deloittes, Positioning for Prosperity? Catching the next wave. Building the Lucky Country #3, 2014, p3

4 Tourism Australia, International Visitor Arrivals

5 Tourism Research Australia, Tourism Forecasts 2017, p1

VICTORIA'S VISITOR ECONOMY

OUR CURRENT POSITION

Victoria is the second most visited destination nationally.

- Victoria's tourism industry is a significant economic driver for Victoria, worth $26.4 billion[6] (directly and indirectly), which included domestic day-trip, overnight expenditure and international expenditure.
- In 2016-17 tourism's contribution to direct employment in Victoria (4.6%) was higher than financial and insurance services (3.8%), agriculture, forestry and fishing (3%) and mining (0.4%). In total, tourism generated 6.9% of direct and indirect employment in the state equating to 214,500 jobs, split between 143,800 direct jobs and another 70,700 indirect jobs[7].
- Over the past five years, Victoria has out-performed both New South Wales and Queensland in terms of visitor economy growth. More visitors are coming from growing Asian markets and this positions the state well for the future.

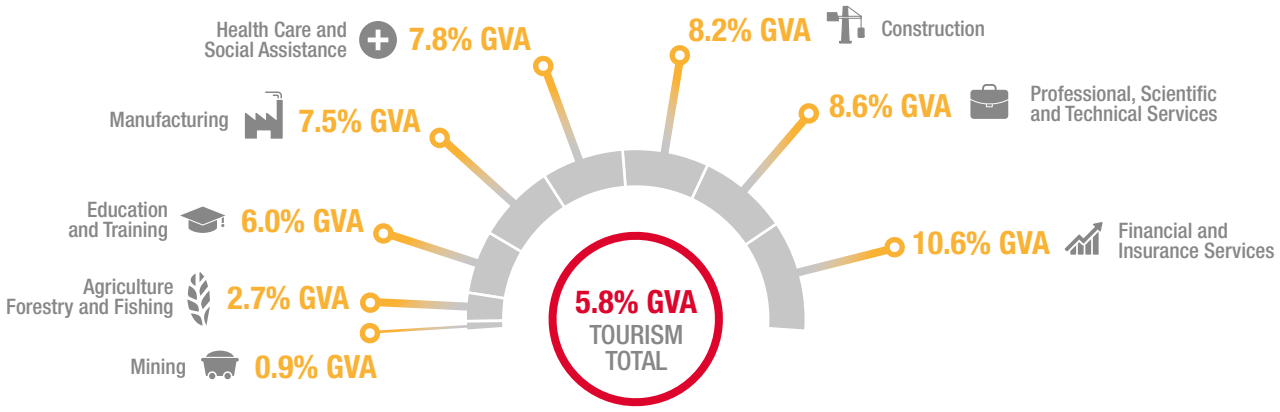
VICTORIA'S FUTURE PROSPECTS

- Victoria's visitor economy is of growing importance as its potential to contribute to our future growth and employment is high.
- Victoria's diversity is its strength. The state has a range of visitor attractions and this diversity has enabled the sector to continue to grow in a challenging economic environment.
- State growth targets are ambitious (see table) and set out in Victoria's Visitor Economy Strategy.

The Victorian Government has acknowledged that to achieve success and create the desired prosperity for Victoria's communities it needs:

- to focus not just on tourism and events but on a broader visitor economy; and
- collaboration across all parts of government and industry.

SHARE OF STATE TOTAL BY INDUSTRY 2016-17 [8]



What success will look like	2016/17 [9]	2024/25 target [10]
Visitor Expenditure	$26.4 billion	$36.5 billion
Visitor Gross State Product (GSP)	$24.8 billion	$37.0 billion
Visitor Gross Value Added (GVA)	$22.2 billion	$32.5 billion
Employment	214,500 jobs	320,700 jobs

6 Tourism Research Australia, State Tourism Satellite Accounts 2016-2017,
7 Tourism Research Australia, State Tourism Satellite Accounts 2016-2017, p16
8 Tourism Research Australia, State Tourism Satellite Accounts 2016-17
9 Tourism Research Australia, State Tourism Satellite Accounts 2016-17
10 Victoria's Visitor Economy Strategy, p11

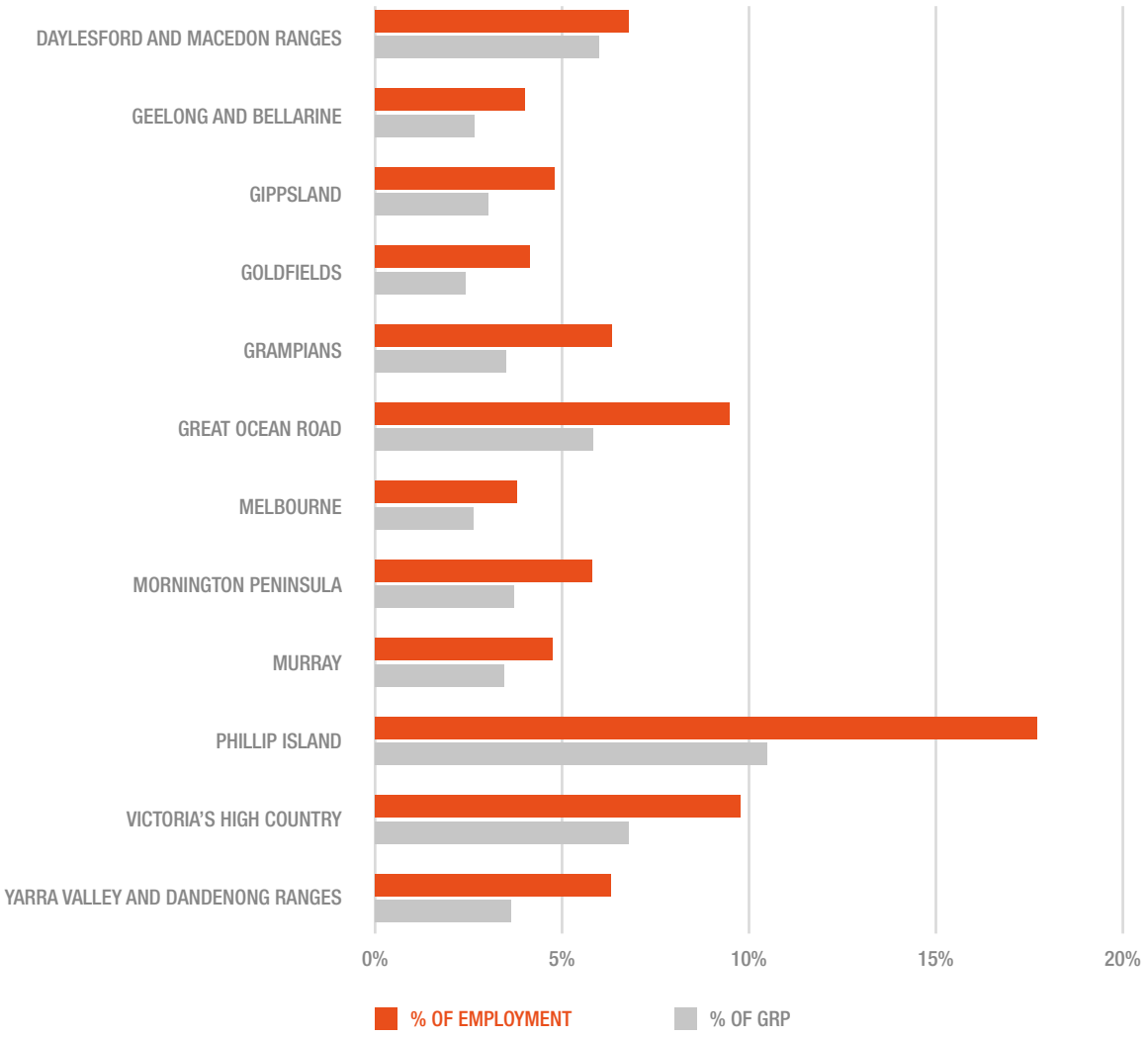
THE IMPORTANCE TO REGIONAL VICTORIA

Regional Victoria has long suffered a higher rate of unemployment, particularly amongst youth, than metro areas. Creating long term, sustained solutions is not easy, but Victoria's visitor economy is now seen as a critical part of the unemployment solution as:

- the growth in Victoria's visitor economy can benefit all regions; and
- Government, at all levels, has tools that enable it to effectively stimulate the visitor economy.

Even though 56% of Victoria's total tourism employment is located in the regions[11], visitation to regional Victoria, in particular overnight visitation, is below potential. Greater investment is required to increase expenditure and length of stay which in turn will create the desired employment levels to achieve State targets. The best tools to stimulate the local visitor economy will vary and some parts of regional Victoria are far more dependent on tourism than the state average, such as Phillip Island, Great Ocean Road, Daylesford and Macedon Ranges, the Grampians and Victoria's High Country. Other regions such as Melbourne and the Goldfields have a diverse set of industry sectors driving their local economies and hence the visitor economy is a lower proportion of the total economic activity. Managing seasonal employment peaks is also an issue facing many areas.

TOURISM'S DIRECT TOTAL CONTRIBUTION TO GROSS REGIONAL PRODUCT AND EMPLOYMENT 2015-2016



How important is the visitor economy in your Local Government area?

11 Victoria's Visitor Economy Strategy, p14

AT LOCAL GOVERNMENT LEVEL – THE IMPORTANCE OF THE VISITOR ECONOMY

Local Governments seek to enable their communities to be vibrant places with thriving economies and viable businesses. Local Government plays a fundamental role in developing community services, and over time, community expectations have also risen substantively, with wider participation in decision-making and higher expectations of transparent management practices.

The roles and responsibilities of Victorian Local Governments are defined by the Local Government Act 1989 (currently undergoing reform). Broadly, Local Governments invest in Victoria's visitor economy because:

- it is part of their core responsibilities under the Act;
- it is an effective way to achieve their vision and mission; and
- it is an outcome of other work they are undertaking.

Overall, each level of Government recognises the interconnectedness between the visitor experience and liveability; a great place to live is a great place to visit and improving visitor amenity improves liveability.

IMPROVING LOCAL GOVERNMENT VIABILITY – THE RETURN ON INVESTMENT FROM ENABLING THE VISITOR ECONOMY

Growing the visitor economy is one of the fastest and best ways for Local Governments to improve their own financial viability and capacity to deliver on community expectations into the long term. Growing jobs, bringing new dollars into the local economy, improving the profitability of local businesses as well as supporting new start-ups and attracting new major investment to the area, all act to improve the rate base. Businesses are important ratepayers and visitor spend helps strengthen the income Local Governments receive in rates. For many parts of rural and regional Australia, investment in the visitor economy is proving to be one of the most effective ways for local areas to be sustainable and flourish.

The average overnight visitor spend in Victoria for intrastate visitors is $160 per night, with interstate visitors spending $240 a night. Daytrip visitors spend approximately $95[12]. A resident is estimated to spend around $70 per day[13], however most of this is not spent on the visitor economy.

For further information on measuring return on investment of tourism expenditure go to page 17.

EVERY VISITOR IS A POTENTIAL RATE PAYER – INCREASING LOCAL POPULATIONS

Visitors come, enjoy and fall in love with a location, and subsequently may decide to move and live locally. There are strong overlaps between a place being highly liveable and great to visit. Regionally, increased population growth can be a sustainable way to increase the capacity of the Council to deliver on community desires and expectations.

Given the forecasted population growth rate of Victoria, the potential for tourism to be a pathway to decentralising the population is critical and is acknowledged by State Government. Regional towns and centres have a significant opportunity to use their 'visitor appeal' as a means to attract new residents and grow their rate base.

The Visiting Friends and Relatives (VFR) market is also an important tourism market to Victoria, increasing with resident growth as community members become advocates for their region. The VFR market represents almost 23% of total international overnight visitors in Victoria.

12 National Visitor Survey, 2017

13 University of Melbourne, 2018

WHERE DOES THE VISITOR DOLLAR GO?

Research indicates visitor spend filters down to all parts of the community and is felt much more widely than by just the accommodation provider or the tour operator (see figure). The visitor economy creates jobs and supports local services including supermarkets, cafes, bars, retail, restaurants and petrol stations. The multiplier effect sees the local visitor spend flow on through local staff wages and business spend to support tradesmen, truck drivers, laundry services, child care providers, local food and produce suppliers etc.

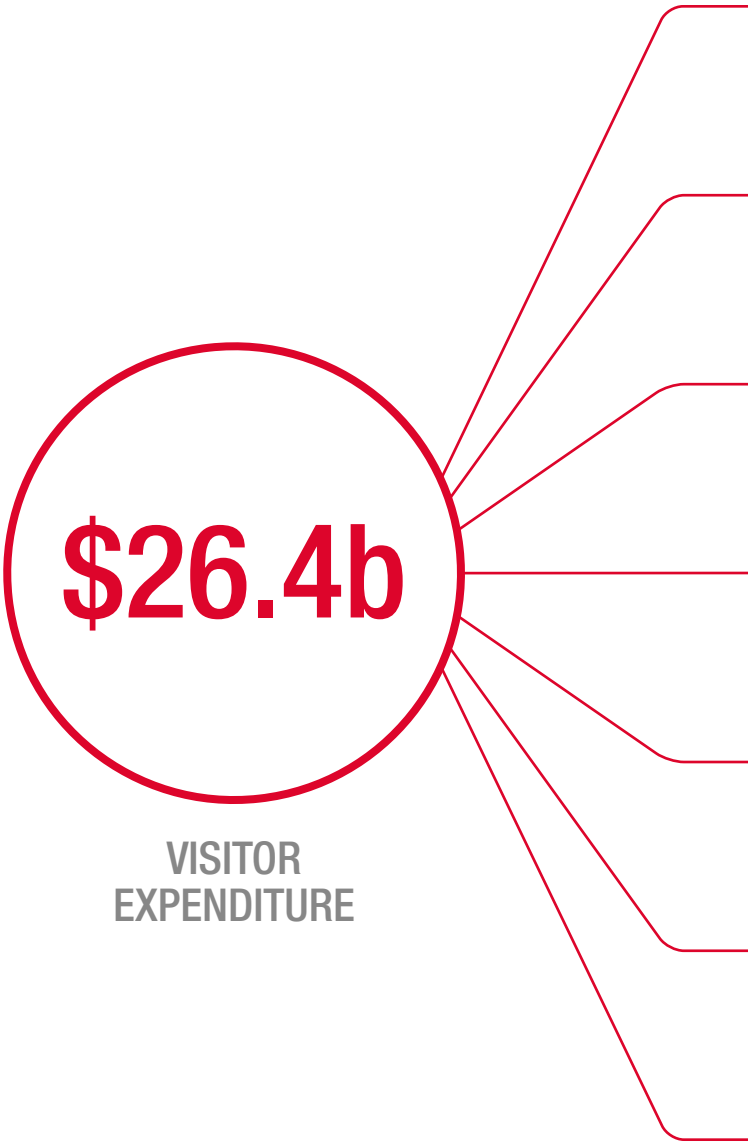
Increasingly, Councils and Regional Tourism Boards measure the outcomes of visitor spend. Economic modelling allows analysis of how the direct visitor expenditure subsequently flows around the economy. It goes to businesses that supply products and services (such as local food suppliers to a restaurant) and to people working in the businesses in the form of wages and salaries. The people who earn the salaries and wages then spend a further portion of it in the local economy, and this results in another round of expenditure within the economy.

For instance, the City of Greater Bendigo used REMPLAN to measure the impact of the 2017 Bendigo Blues & Roots Music Festival and found visitors had a direct spend of $2.04 million and in total this resulted in an increased spend of $3.9 million.[14] The size of the multiplier varies depending on the structure of the local economy. Some locations are now focussing on growing the multiplier (minimising leakages) as well as growing visitor spend. For instance, Tasmania is working on an agri-tourism approach to increase the proportion of local food and beverage consumed by visitors.

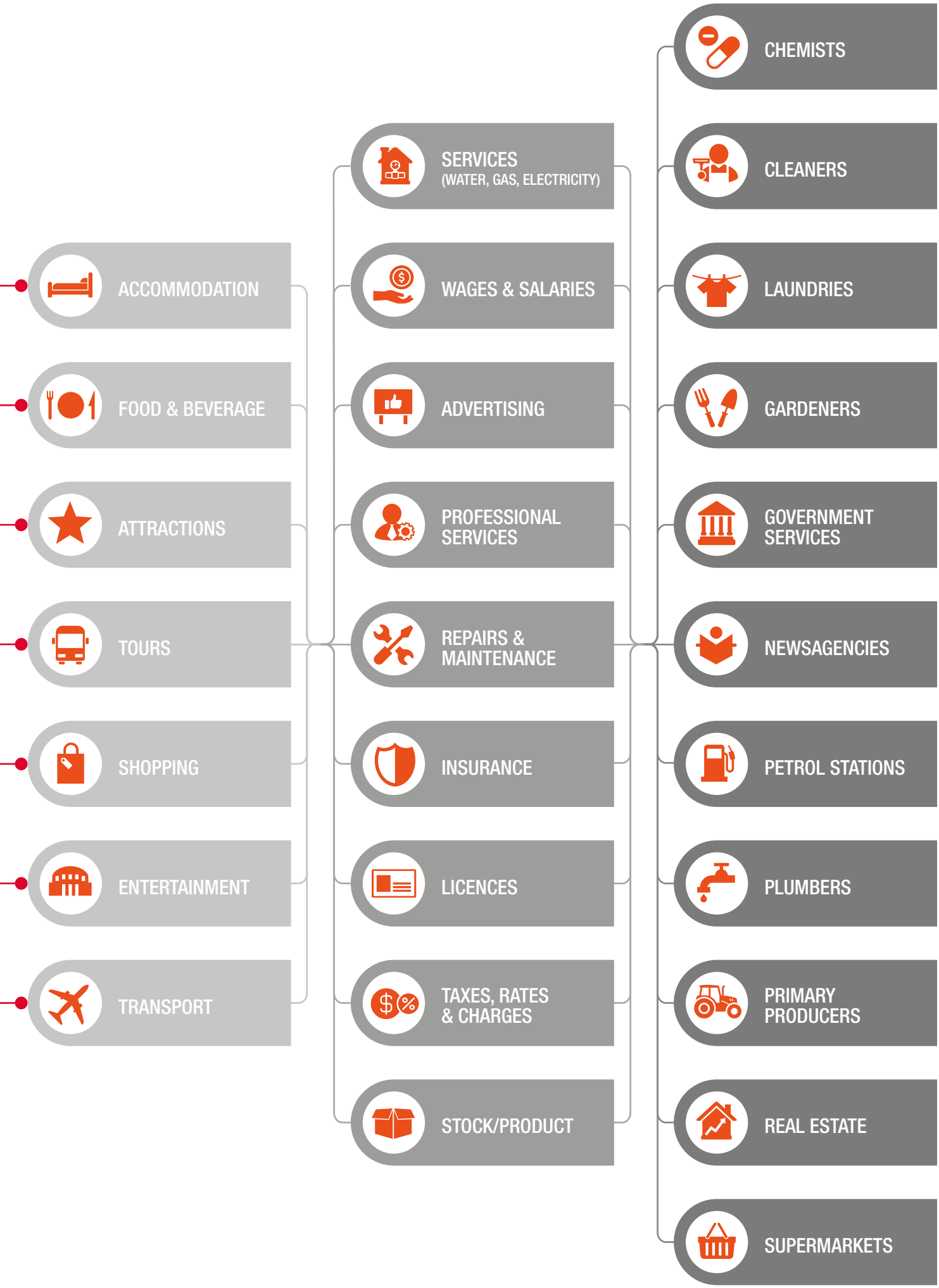
The visitor economy is also an important catalyst for new capital investment and infrastructure, both public and private. Improvements to local walks, town amenity, parks and playgrounds improve the area for both visitors and locals.

What is the flow-on effect of visitor spend in your community? Every area is slightly different. How could your area benefit more from the current level of visitor spend?

While the ability of tourism to create economic outcomes is now well established, its ability to create social outcomes has often been overlooked. Visitors play an important role in enhancing a community's vibrancy, prosperity and liveability. Some linkages such as festivals and a lively café and restaurant hub are obvious, but others are less obvious. For instance, local pharmacies are not usually considered part of the visitor economy but in rural towns with a tourism trade, visitor spending often keeps them profitable. Visitors stop and buy repeat prescriptions as well as a variety of other goods. Pharmacies in regional areas help ensure the local community has access to better health care, one of many social contributions a prosperous visitor economy supports.



14 City of Greater Bendigo, Economic Impact of 2017 Blues and Roots Festival


ACCOMMODATION
FOOD & BEVERAGE
ATTRACTIONS
TOURS
SHOPPING
ENTERTAINMENT
TRANSPORT
SERVICES (WATER, GAS, ELECTRICITY)
WAGES & SALARIES
ADVERTISING
PROFESSIONAL SERVICES
REPAIRS & MAINTENANCE
INSURANCE
LICENCES
TAXES, RATES & CHARGES
STOCK/PRODUCT
CHEMISTS
CLEANERS
LAUNDRIES
GARDENERS
GOVERNMENT SERVICES
NEWSAGENCIES
PETROL STATIONS
PLUMBERS
PRIMARY PRODUCERS
REAL ESTATE
SUPERMARKETS

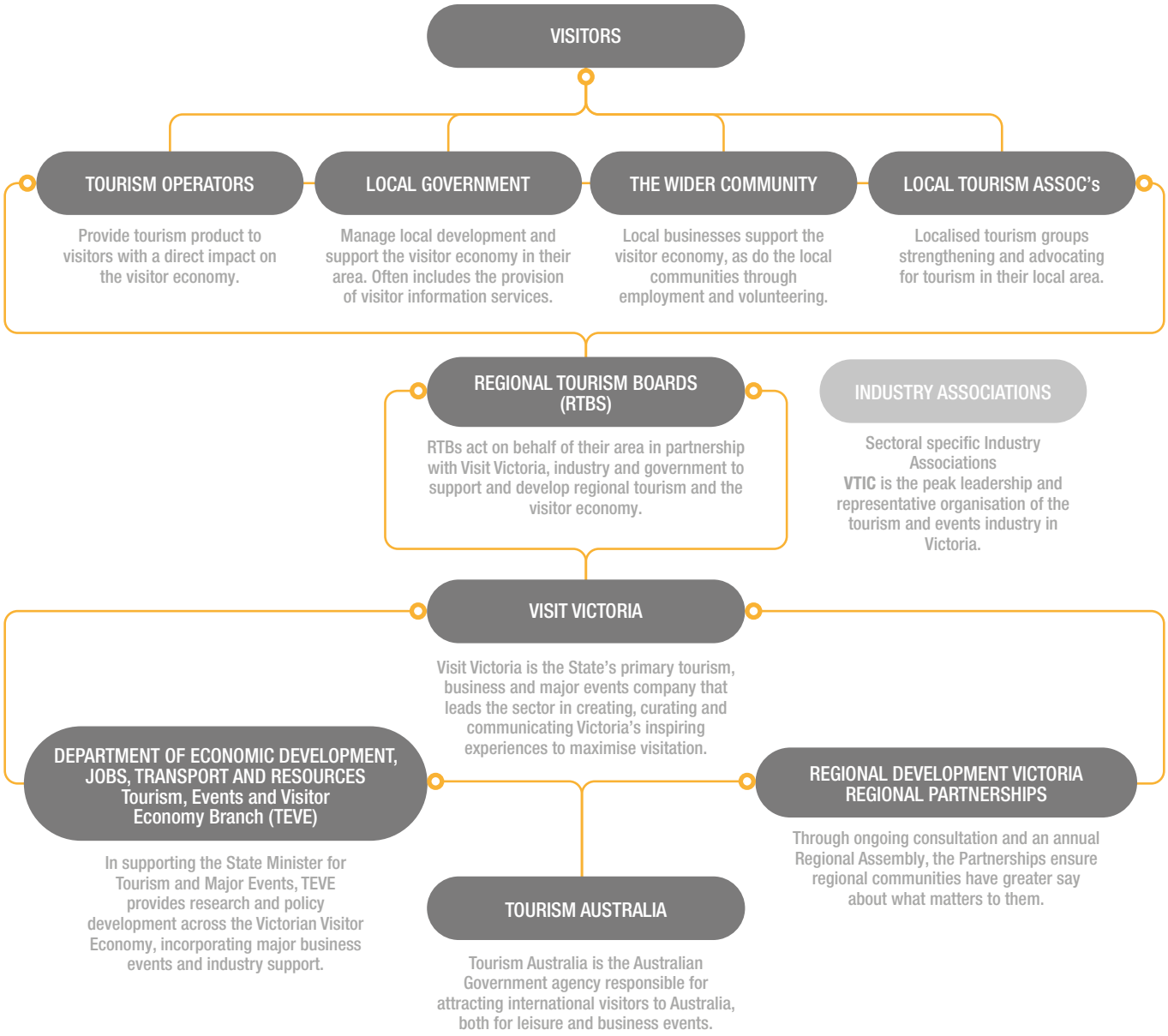
WHO DOES WHAT? – WORKING IN PARTNERSHIP

Managing the visitor economy is a shared responsibility with many stakeholders contributing to outcomes. Economic development and job creation starts with the private sector. Businesses are also major partners in promotion and marketing activity that builds the brand and profile for the destination. Government can help businesses to grow by creating the right conditions for private investment and also undertaking targeted strategic investments that have been identified as projects that contribute to regional visitor economy growth.

Local Government plays an important role in managing local development and supporting the visitor economy sector in their areas. Local tourism associations work closely with the community and around visitor needs. Regional Tourism Boards (RTBs) play a valuable role in coordinating and developing strategic, region specific objectives. This includes identifying collaborative approaches around industry development to assist small and medium businesses to prosper. State level industry associations, such as the Victoria Tourism Industry Council, provide private sector leadership and help build the skills and capacity of business. Major private operators, such as Melbourne and Avalon airports, provide critical services. The State Tourism Organisation, Visit Victoria, is the peak demand-driving body that leads the global marketing and promotion for Victoria and manages major coordination across the sector. The State Government provides research and policy development. Tourism Australia plays a key role in international marketing and the Commonwealth Government manages many policy and regulatory settings affecting the visitor economy.

The variety of partners highlights the importance of collaboration and communication in realising visitor economy growth targets.

What links and partnerships does your Local Government area have? Are these sufficient and working well?



SECTION 2 – HOW LOCAL GOVERNMENT CONTRIBUTES TO THE VISITOR ECONOMY

Local Government is arguably the visitor economy's most influential stakeholder. A recent study showed for 2015/16 Local Government across Australia spent an estimated $373m on tourism[15], operating visitor centres and supporting events, festivals, promotions, marketing and development in tourism. Interestingly, Victoria had the lowest per capita spend of all states and territories in supporting the local visitor economy ($10 compared with a maximum of $22 by WA and NT).[16]

How does your Local Government area spend compare?

The work of Local Government directly and indirectly impacts the visitor experience. The capacity of Local Government to influence the size and scale of the local visitor economy is discussed below.

Consider your area – what does your Local Government do well? What are the current and future challenges and opportunities to further build the visitor economy?

PLANNING

Land use planning controls regulate land and development and require a balance by Local Government between competing needs and a range of economic, social and environmental issues. Planning impacts the provision of a wide range of facilities and services that affect both visitors and the community such as accommodation, food and hospitality providers, retail, recreational activities and facilities. Topical areas where Local Government actions have enabled growth in the tourism industry include ecotourism and agri-tourism on agricultural land, heritage development, helicopter landing permits, areas of flood or climate change risk and regulation of Airbnb.

INFRASTRUCTURE AND AMENITY

Local Government provides a vast array of infrastructure used by visitors including airports, ports, airstrips, signage, caravan and camping grounds, public toilets, black waste dump sites, leisure centres, sport and recreation facilities, conference facilities, playgrounds, visitor centres, boat ramps, museums and art galleries, and roadside rest areas. While some infrastructure is principally for visitors, much is used by both locals and visitors and creates greater community liveability.

ENVIRONMENT – NATURAL AND CULTURAL

Australia's incredible natural assets are the major motivator driving international visitors to Australia and a key reason Australians travel. Many of these natural assets are managed by Parks Victoria, but Local Government managed areas also improve the visitor experience. Interpreting the special features of a place and describing current protection approaches helps create local pride, recognises community achievements, encourages visitors and locals to 'do the right thing' and can assist innovative partnerships to be created (such as citizen science projects). Local Government work in this area also helps indigenous businesses flourish and supports low carbon, sustainable and ecotourism approaches and outcomes.

Local Government's work around waste removal and litter also improves a visitor's perceptions of a location.

15 ALGA, 2017, p4
16 ALGA, 2017, p14

VISITOR INFORMATION CENTRES (VICs) AND VISITOR SERVICING

Across Australia 35 cents in every Local Government dollar spent on tourism goes to Visitor Information Centres (VICs) and for Victoria this is just under 32 cents[17]. VICs showcase Victoria's unique offerings and experiences. The VIC network encourages visitors to spend time in a region, with skilful sales and advice often leading to longer stays and greater expenditure. Tourism Research Australia conducted research in South Australia in 2017 and determined that visitors to a VIC were likely to spend an additional $181 per person because of their visit to the centre.[18]

Over the last decade extensive work creating new business models around visitor servicing has occurred. Research has indicated that visitor needs are evolving and therefore visitor servicing is changing. Customers are seeking travel inspiration and assistance at all stages of the trip cycle. This blended engagement comprises face to face and online channels. Bricks and mortar VICs still play a role but visitor needs are increasingly being viewed holistically at both the regional to local level and across a variety of options such as pop-ups, mobile delivery and roving ambassadors. It is increasingly common for VICs to be co-located with library or arts services, business ventures (such as cafe and retail) or combined with other Council tasks such as community information services and Council regulatory functions. Local Governments have supported the transitions to new ways of working, helping analyse the overall performance including visitor and community benefits. Utilising volunteers creates a greater connection between locals and visitors.

ACCESSIBILITY

Local Governments are required to implement disability, inclusion and access plans. These ensure visitors as well as locals with accessibility needs can access information, services and facilities provided by Local Government. Victoria's accessible tourism market has a current spend estimated at $1.7 billion, of which 79% is overnight spend and the sector comprises approximately 10% of total domestic spend in Victoria.[19] Across Australia this sector is expected to grow as the population ages, making this area critical for future growth and Local Governments are responding to both local and visitor needs.

PUBLIC HEALTH

Local Government has a series of responsibilities around environment and public health services. Standards for sanitation and drainage have a surprising amount to do with the visitor economy, such as:

- ecotourism ventures increasingly utilise new technology around self-contained sewerage systems, and Local Government administrations are adapting to recognise these;
- local regulations can be used to enable tour operators to catch and cook fish and seafood; and
- pop-up cafes and bars can be supported to provide easy start up and incubator trials, provide services in low infrastructure locations and can help manage short-term peaks such as events and festivals.

17 ALGA, 2017, p18

18 The Impacts of Regional Visitor Information Centres on Visitor Behaviour in South Australia

19 Tourism Research Australia, Accessible Tourism in Victoria and Queensland, January 2018, p3

SPECIFIC VISITOR-ORIENTED SUPPORT

Council-owned attractions may operate as independent business entities or be managed within a Council budget. Examples include local galleries, museums and conference centre infrastructure utilised for local needs but also able to provide an improved commercial return by attracting business events.

Community organisations from sporting clubs, history, heritage, arts and cultural associations through to garden societies are vital parts of all communities and often seek and receive Local Government support, frequently providing local attractions for visitors. As for all funding requests, outcomes including visitor impacts need to be measured and evaluated.

EVENTS AND FESTIVALS

Events and festivals are a key stimulus for tourism growth, particularly in domestic markets. Victoria has a diverse range of outstanding events and festivals that attract visitors and drive jobs and investment across the state. These events are a means of revitalising local economies and countering seasonality challenges. The positive connections that events foster by engendering community pride, encouraging volunteerism and positively connecting visitors and community are receiving greater recognition. Events and festivals also provide opportunities to strengthen these community outcomes and build local capability in event management and delivery. The relationship between Regional Events, Regional Tourism Boards and Local Government can lead to greater collaboration in developing comprehensive and complementary event strategies that blend and balance small local events with significant regional and state-level events. The Regional Events Fund (REF) and the Regional Events and Innovation Fund (REIF) currently available from Visit Victoria and State Government provide further support opportunities to drive visitation outcomes in Regional Victoria. Proposals from recognised Victorian Tourism Organisations must include endorsement by the Regional Tourism Board and/or Local Council.

MARKETING AND PROMOTION

Local Government and the visitor industry are interdependent, both working to attract more visitors and the right visitors to their area. Working together enables destinations to present a single, strong coordinated voice to visitors. It creates opportunities for greater shared investment in a highly complex and competitive tourism trading environment, increasing the likelihood of achieving positive outcomes.

Local Government increasingly works with RTBs. They play a critical role in connecting the tourism industry with local, state and national Government initiatives. RTBs are able to provide a single, collaborative voice to the consumer and achieve scale in a crowded marketplace. They also play an invaluable role providing specialist skills and knowledge to help local stakeholders understand and prioritise the numerous options at the domestic and international marketing level, such as trade marketing, digital marketing and distribution, promotional collateral and media hosting. Small to medium enterprises are the majority of Victoria's tourism industry and depend on affordable and effective regional marketing activities.

OTHER WAYS

LEADERSHIP AND COORDINATION

There are many other ways Local Government contributes and is an enabler (or limiter) of its local visitor economy. Examples include through leadership in the planning, policy and advocacy areas. Working collectively and creating collaboration around agreed priority areas is one of the most important tasks of Local Government. This may be within the Local Government Area (LGA), creating actions that industry and different levels of Government can actively work together on, or it may be by linking across LGA boundaries and working with other Councils and at regional level. Improving connectivity through roads, rail and other access is just one example of LGA advocacy. Other examples include the important role Local Government plays in emergency coordination and response and the extensive work they undertake in industry development, training and business development.

SECTION 3 – WITH SCARCE RESOURCES – HOW MUCH INVESTMENT IN THE VISITOR ECONOMY IS APPROPRIATE, AND ON WHAT?

The resources spent by Local Government directly on tourism vary significantly across Australia, and also within Victoria. This is both logical and desirable as the issues and opportunities facing each LGA are different and are constantly altering. The capacity for tourism to be used as an effective tool to create desired social and economic outcomes also varies in different locations.

PARTNERSHIPS AND PLANNING ARE VITAL COMPONENTS FOR SUCCESS

Effective Local Government investment in the visitor economy is best achieved in partnership with other stakeholders. Councils cannot operate in isolation. Visitors do not see Local Government boundaries, they are instead attracted to destinations and experiences. Councils must therefore cooperate regionally and focus on the visitors as the customer. In today's digital age the customer is in complete control of market communications (before, during and after visit). The impacts of neighbouring Councils and regions in attracting, or not attracting, different mixes of visitors will flow over into neighbouring areas. The tourism industry is also highly competitive and constantly adapting, so staying up to speed, and sourcing expertise and insights means most Local Governments work with other parties to maintain effectiveness.

To help coordinate the work of different stakeholders and manage the increasing sophistication and complexity of the visitor economy, regional tourism planning, usually termed Destination Management Planning, is undertaken. This type of planning enables Local Governments, communities and the visitor industry to collaboratively decide on visitation priorities, the types of experiences the region can best deliver, how actions should be funded and how success should be measured. It ensures the whole breadth of visitor needs are considered across activities, attractions, accommodation, access and amenities and movement of visitors across different land tenure and municipal boundaries is analysed. It allows evidence-based decision making to be developed and fine-tuned so that individual stakeholders can understand and measure the return on investment, and the impact of their joint work and their own contributions. Leveraging the work of different stakeholders allows resources to be used far more effectively and improves access to grants and other funding opportunities. It also helps ensure that a focus of continuous improvement is maintained across the breadth of work areas. For instance, a marketing campaign may produce results, but if the attractions, facilities and services, signposting, interpretation or service standards are below expectations, the visitors will not become advocates or plan a repeat visit and the marketing outcomes will not only be short lived, but may create a poor reputation.

Victoria's RTBs have been tasked by State Government to play a major role in the coordination of activities to stimulate the visitor economy. RTBs are the key linkage between State Government initiatives and local areas. Each RTB is structured differently to enable it to focus on the needs of the area. The emphasis across the core areas of destination management, marketing and development, including advocacy, vary to best reflect their own communities' views and needs.

Review the checklists below. How well has the planning around your visitor economy been informed by wider regional planning? How well has your detailed local work informed those same plans? Do they contain your detail? What partnerships do you have with your RTB and neighbouring LGAs?

What is in place in your local Government area?

- Tourism is explicitly listed in the Council strategic plan
- A separate tourism plan exists – for Council, for all stakeholders in the area
- Tourism is explicitly included in broad plans such as Digital
- Regional tourism sectoral plans exist, such as regional cycling or walking
- A tourism policy exists
- Local plans connect well to wider Destination Management Plans

For each plan or policy:

- When was it created?
- Has it been amended or updated?
- Is it reviewed annually?
- Is there a committee that monitors progress and reports regularly?
- Does the committee have appropriate representation on it?
- Are the performance measures clear and useful?
- Has sufficient resource been allocated to deliver on the tasks?
- Are the goals and actions connected and leveraged with wider destination plans?

Further examples of improved ways of working together include structuring different levels of coordination to share information, workload and create more integrated and multi-outcome solutions, both within a Local Government and across Local Government and regions. Other examples include:

- creating linkages between areas around experiences like walking, cycling, food and wine, and art trails etc;
- planning major road, rail and air access and creating better connectivity;
- ensuring major funding for significant infrastructure is best spent. Supporting a neighbouring Council funding bid may create greater visitor results for communities than having the funds spent within their own boundaries;
- developing a more effective network for visitor information servicing;
- improving the availability and accessibility of appropriate skills and training programs;
- coordinating events and festivals to avoid clashes and leverage off larger events held outside the area to create flow-on impacts and improve overall management; and
- developing shared policies, such as around Airbnb or free camping.

IMPROVING THE ANALYSIS

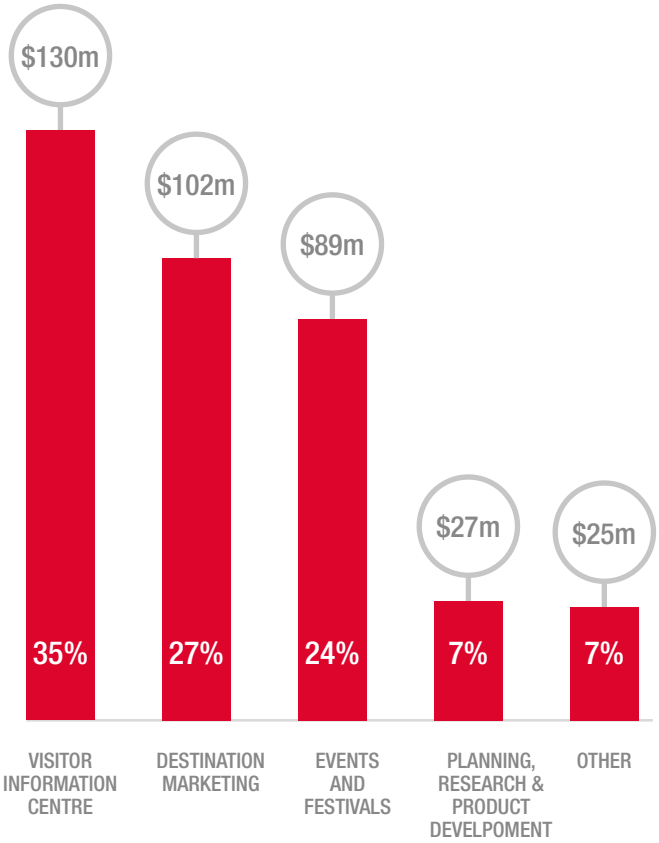
Local Governments have a core function of providing community services and need to be responsive to community aspirations. Possible investments in visitor-related activities must recognise the concerns of ratepayers who may wish for that investment to be made elsewhere. Hence, Local Government needs to be able to analyse and assess the likely impacts of their decisions and justify their resource allocations. Well-developed approaches now exist to analyse the return on investment of specific public and private sector concepts and can include cross-industry sector comparisons.

There are also two useful datasets that allow a Local Government to benchmark their overall investment in the visitor economy.

ALGA produced an Australia-wide data set of Local Government spend on tourism (undertaken late 2016, with 256 of the 561 Australia's Local Governments responding). In Victoria, 44 of the 79 Local Governments responded (a 56% response rate) and analysis includes state and metro/regional splits.

The ALGA report shows the Local Government spend by category displayed in the following figure[20].

LOCAL GOVERNMENT SPEND BY CATEGORY



VTIC conducts a 'Tourism Health Check' every four years, surveying Victorian Local Governments to assess the capacity of Councils to deliver sustainable tourism management objectives. It provides trend data starting in 2002 and allows a Council to benchmark its own financial, staff and other in-kind support levels to a variety of external tourism related organisations.

These datasets provide indicative insights to support analysis around investment approaches for each LGA given their own specific visitor economy goals.

How does your Local Government compare against each of the categories shown in this chart? Is this high, low or about right? Why?

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INCREASING THE UNDERSTANDING – WORKING WITH COMMUNITIES

A good working relationship between communities and the local tourism industry is vital. A core role of Council is to raise community understanding of the value of the visitor economy. This assists:

- communities to understand why Local Government is investing in the visitor economy and how they are maximising the benefits and mitigating unwanted impacts;
- the local tourism industry to support community aspirations and achieve desired outcomes;
- to create friendlier communities and thus better visitor experiences;
- to create community advocates who provide word of mouth recommendations to current visitors and encourage their own friends and relatives to visit;
- when new development applications come before Council, as the overall value of the visitor economy to the local area is better understood;
- locals to become involved in volunteering opportunities such as festivals and events, museums and galleries; and
- in wider community discussions, such as citizen's juries to ensure a good understanding of the local visitor economy.

Residents may not be supportive of Local Government investing in the visitor economy compared with other perceived resource allocations. Experience shows this may be due to a fear in how future growth may impact their way of living and often derives from a lack of consultation and communication. Different parts of the community may well have different views. Broad approval is more likely if communities are active in the development of tourism plans and given the opportunity to voice their concerns and desires and jointly input into future aspirations and direction for their area. Regular feedback is also useful for progress on specific projects, changes to the level and profile of the visitor economy and other outcomes achieved. Broad issues such as the growth of Airbnb and the sharing economy, access issues, foreign investment and corporate ownership (rather than local) are some examples of the complexity that often sits within community debates around the local visitor economy. Long term resident surveying around visitation, such as that undertaken on Kangaroo Island,[21] is an approach that can guide Council.

Lessons learnt from Local Government successfully engaging the community on tourism developments and the visitor economy highlight the importance of authentic consultation and regular ongoing communication. Involving the community regularly fosters greater levels of trust and provides Local Government with a higher degree of social licence to operate.

How active are all parts of the community in determining the vision and future development of the visitor economy in your area?

Is the overall value of the visitor economy well understood? Does this include social outcomes as well as the economic and employment returns? How can this be further improved?

Making the place a better place to live, means it is a better place to visit. Do your communities work with the visitor economy to achieve their own aspirations? Could these connections be further improved?

21 Greenhill Research and Planning, TOMM Kangaroo Island Committee Residents Survey, 2016/17

MEASUREMENT

In the past measurement and return on investment of tourism expenditure was not always clear, partly due to difficulties in measuring results of marketing spend. This area has been substantively improved, and all resourcing should be accompanied by key performance indicators and measures to determine results over time. However, measurement does require good quality data being available. Many data sets in tourism are valid at larger regional, state and national scales but can be problematic at local level. Digital tools are now often relatively cheap and fast. Cost and availability of data for measurement should be part of all planning processes.

Many projects to stimulate the visitor economy involve multiple stakeholders. Measurement tools should take this into account and where possible use the same reporting timelines and data sources to reduce administration workloads and simplify analysis of outcomes.

Performance measures should cover the full suite of desired outcomes. While there is a good understanding that visitor numbers are insufficient and measures such as spend, visitor satisfaction, length of stay, seasonality, dispersal and other factors are useful, these still lack focus on the desired outcomes which often relate to job creation, community vibrancy and resilience, and cover social/cultural and environmental aspirations as well as economic.

Performance measure sources include:

- Tourism Research Australia data
- Visitor surveys can include a wide set of data such as – satisfaction, spend, length of stay, profile data
- Google Analytics
- Social media monitoring
- Visitor Information Centre data
- Industry data such as occupancy, business sentiment, investment levels
- Resident surveys
- Market research.

What measures are used in your area to monitor, report progress and improve the effectiveness of visitor resourcing?
Are there gaps?

WHAT DOES BEST PRACTICE LOOK LIKE?

Each Local Government has a different balance of work required to drive and support their visitor economy. The work will be based on the needs and aspirations of their communities and the issues and opportunities within their visitor economy sector. This document highlights the breadth of Council work that impacts the visitor economy and the ways Councils can support the visitor economy both individually and in partnership with others.

Local Government should be active across each of the areas below:

Visitor Economy Development (see pages 11-13)

Strategic planning, infrastructure and amenity development, land use planning, investment facilitation and product development.

Visitor Economy Management (see pages 11-16)

Visitor servicing, infrastructure and amenity maintenance, waste management and parking and wayfinding.

Visitor Economy Marketing (see page13)

Destination branding and positioning and cooperative promotion and distribution (local and regional).

Visitor Economy Advocacy

State and Federal policy influence, local and regional priority identification and regional collaboration.

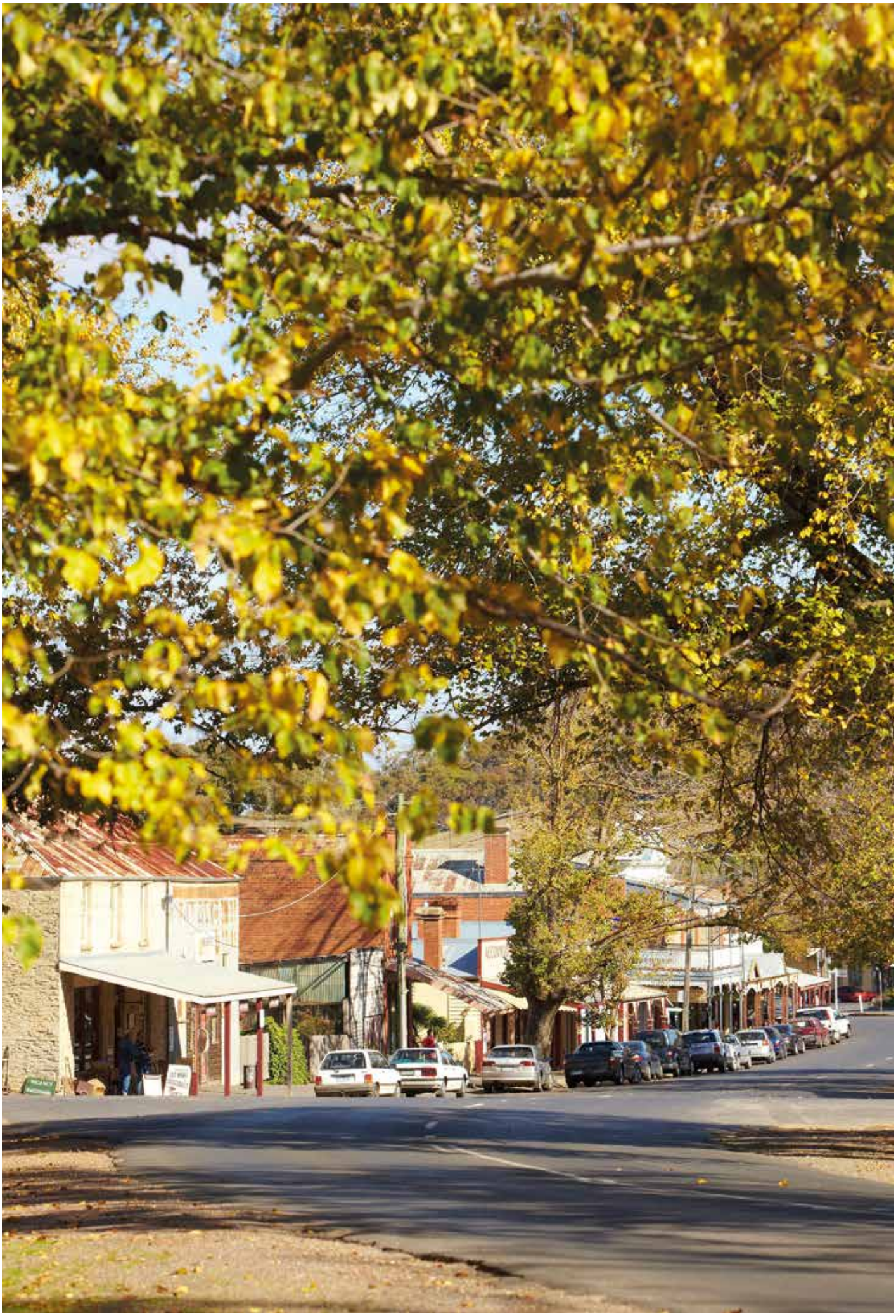
A performance driven partnership with the RTB is a critical success factor (ideally a multi-year service level agreement noting specific services and priorities).

Successful Local Governments recognise the complexity and high demands of the visitor economy and work with multiple partners to achieve goals, including local businesses, tourism organisations and the community. Importantly, successful Local Governments work beyond their own boundaries, recognising that visitors do not see or travel based on bureaucratic boundaries and many areas, such as training and capacity building of local businesses, are better managed sub-regionally and with neighbouring Councils.

Real success is measured by the economic, social and cultural, and environmental outcomes the visitor economy can achieve for an area.

NEXT STEPS

- Review your answers to the questions posed in this document.
- Discuss your local visitor economy with other stakeholders, including local Council tourism staff to better understand the size and type of impacts it currently creates and communities' aspirations around the future.
- Contact your Regional Tourism Board to better assess gaps and opportunities around achieving these aspirations, to understand opportunities to work collectively with other stakeholders, to access case studies and to better monitor and evaluate progress.



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