



SUBMISSION

TO: Outer Suburban/Interface Services and Development Committee
FROM: Western Melbourne Tourism Inc.
SUBJECT: Inquiry into Local Economic Development in Outer Suburban Areas
DATE: 17 September 2007

Western Melbourne Tourism Inc. (WMT) is the regional tourism development organisation for the western metropolitan region, funded by Local Government, and managed by a Board comprising representatives from industry and the six regional LGAs.

There are four main points the WMT Board wishes to draw to the attention of the Committee.

1. Tourism holds excellent potential to provide employment growth opportunities in outer metro areas.
2. The outer western metro area has already developed a strong tourism sector, but requires government intervention with transport and road infrastructure for it to develop further.
3. More could be done by State Government to market the outer metro areas to visitors.
4. The government has a key role as the manager of many of the key tourist attractions in the outer western metro area.

Expanding further on these four key points, the Board offers the following comments in relation to three specific terms of reference for the Inquiry.

7) Identify new and emerging sectors and how they can assist economic development in outer suburban areas, including innovative examples of business incubators, home-based businesses and social enterprises.

Tourism has developed in the outer west over recent decades on the back of a couple of key visitor attractors - the Werribee Park Precinct, the wineries of Melton/Sunbury, and the many major parks in the region. These were the catalysts for tourism growth, and are the major 'hooks' that support the ancillary tourism services such as cafes, retail and accommodation. The sustainability of these major attractors is critical to the long term growth of tourism employment in the region.

The potential of tourism as a driver of employment growth is significant, noting that:

- tourism is an export business, attracting new expenditure from outside the region;
- the Werribee Park Tourism Precinct already attracts in excess of 700,000 visitors annually;
- tourism is a labour intensive industry. Automation is unlikely to ever replace manpower in the delivery of tourism products and services;

- many tourism jobs are suitable for young jobseekers, students, part-time workers, working mothers, and jobseekers with a low skill base, and as such are highly suited to outer urban regions where families are a large proportion of the population; and,
- with significant population growth forecast for the outer western metro area in the coming decades, tourism has the potential to be a valuable source of jobs, and aid in the diversification of employment, noting the current imbalance between blue-collar and white-collar jobs in the region.

WMT also draws the Committee's attention to the proposed Wyndham Harbour marina project. If the project proceeds it will have an immediate and dramatic positive impact on tourism, as it will induce new visitation for the region from new markets that are as yet untapped for Melbourne's west. The Board of WMT strongly endorses this project as being regionally significant for economic development in Melbourne's outer west.

2) Identify the barriers to local economic development and the ways in which these can be addressed.

- Werribee Park Precinct and the proposed Wyndham Harbour Marina are serviced by the Duncans Road freeway interchange, which is limited in its capacity to handle high volumes of traffic. During times of major events, substantial traffic congestion occurs, sometimes forcing the closure of the Duncans Rd ramp. This is a major obstacle to organisers of major events in the precinct, and it has a substantially adverse effect on visitor satisfaction.
- Current traffic volumes do not meet the criteria for Vicroads to upgrade the freeway interchange, however there is a strong case for the State Government to assess the cost/benefit of upgrading the infrastructure for the purpose of supporting tourism growth in the precinct.
- Public transport services, timetables and capacity restraints are currently a barrier to tourism growth, particularly on weekends which are the main visitation days for tourist attractions. For example, most public bus routes either do not run on Sundays, or operate on a very limited timetable. This prohibits visitors from travelling to Werribee Park via public transport on Sundays, and is having an adverse effect on visitor numbers. Public transport inadequacies are also creating transport problems for tourism industry staff who rely on public transport to get to work.

The above points deal with tourism 'supply' issues. Government intervention is also necessary on the 'demand' side of tourism development, noting Tourism Victoria is the agency responsible for the overall strategic marketing of Victoria.

- At present, the allocation of State Government resources towards tourism marketing for the metro Melbourne area is virtually non-existent. Metropolitan tourism development is left to the resources of Local Government. There is an inequity between the treatment of metropolitan and regional tourist destinations in current State tourism development policy.
- For the 2007/08 financial year, the six municipal Councils of Melbourne's west will collectively spend approximately \$1.1M on tourism marketing and visitor servicing. There will be no contributing expenditure by the State Government in these areas.

- With major population growth in the coming decades to occur in the outer metro areas, and with the potential of tourism to be an employment generator in these areas, a review of State policy in this regard is warranted.

5) Examine and report on ways in which councils and government at all levels can encourage economic development , enhance and promote employment opportunities and attract new investment.

It should be noted that tourism investments often do not provide the same levels of return on investment as other sectors/investments. This is immediately apparent when comparing to the returns the resources sector is currently achieving.

As such, it can be difficult to attract new private sector tourism investment, and accordingly investment growth is reliant upon a couple of key fundamentals.

1. the availability of cost effective, serviced land with access to transport;
2. planning provisions that allow for and encourage such development;
3. an economic climate that encourages investment;
4. the availability of project finance; and,
5. the willingness of Government to support and facilitate such investments.

With regard to item 1, current public transport limitations are an inhibitor to tourism investment growth in outer metro areas. For item 2, it is essential that green wedge planning provisions take account of tourism land uses, and make allowances for such.

Items 3 and 4 are largely dependent on global economic conditions, which at present are favourable, although the current credit squeeze in the USA could have flow-on implications for tourism investments that can be perceived by lending institutions as being high-risk.

In relation to item 5, it must be noted that government's role in tourism development is often as the project proponent and investor, where for example the tourist attraction is nature based or on public land. This is particularly true for the outer western metro area, where the majority of major tourist attractors are government owned and/or managed facilities (eg., parks, beaches, Werribee Open Range Zoo, RAAF Museum). In this scenario, the government has a critical role to play in maintaining the visitor appeal of the key attractions, to sustain the buoyancy of the tourism ancillary services that feed off them. As such, the desired policy position is one of maintaining, improving and where possible investing in new public tourism assets.



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This submission was prepared by the Executive Officer, under the authority of the Board.