10 April 2015

The Hon. Jaala Pulford MP

Minister for the Department of Economic Development,

Jobs, Transport and Resources (DEDJTR)

1 Spring Street

Melbourne VIC 3000

REDS.review@ecodev.vic.gov.au

Dear Minister Pulford

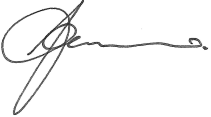
**Re: Submission to the Regional Economic Development Strategy and Service Delivery Model Review from the Alpine Resorts Co-ordinating Council**

Thank you for the opportunity to contribute to the DEDJTR Regional Economic Development Strategy and Service Delivery Model Review.

Victoria's Alpine Resorts - Mt Baw Baw, Mt Hotham, Falls Creek, Mt Buller, Mt Stirling and Lake Mountain - are special and unique places in our environment. They are a significant recreational and tourism destination within the nationally significant Australian Alps landscape. The Alpine Resorts are a major contributor to Victoria’s economy and to the surrounding regions where much of the economic benefit and many of the jobs accrue. These Alpine Resorts are visited by more than one million people annually and in the winter of 2014 generated $668 million in Gross State Product and approximately 5,967 jobs.

Our attached submission highlights the value of Victoria’s Alpine Resorts to regional economic development in the State, in particular the Hume and Gippsland Regions. It also outlines key initiatives currently implemented by the Alpine Resorts Co-ordinating Council (ARCC) to develop Victoria’s resorts in a strategic and sustainable manner. Furthermore, the submission draws attention to several research reports and papers that may assist your review team with its task.

Yours sincerely



Michael Marasco

Chair

Alpine Resorts Co-ordinating Council

# Alpine Resorts Co-Ordinating Council

**Submission to the Department of Economic Development, Jobs, Transport and Resources for the Regional Economic Development Strategy and Service Delivery Model Review**

## Economic Significance of the Victorian Alpine Resorts

1. Victoria’s Alpine Resorts are a major economic asset for the state, a key component of the tourism industry and a valuable resource benefitting local and regional Victorian communities that attract over one million visitors annually.
2. The ARCC commissioned the National Institute of Economic and Industry Research (NIEIR) to investigate and report on the economic significance of Alpine Resorts. The latest figures published by ARCC[[1]](#endnote-1) estimate the Gross State Product generated by the Victorian Alpine Resorts for the 2014 winter season as $668 million. Total winter season employment generated (in full-time equivalent terms) was 5,967.
3. Although visitation and economic return is highest during the winter season, Alpine Resorts are valued all year round, with NIEIR[[2]](#endnote-2) estimating the Gross State Product for the 2011 summer season at $93.7 million (approximately 16 per cent of the winter season activity).
4. Many of the shires adjoining the Alpine Resorts have high levels of structural unemployment. The alpine industry is a very important contributor to improving employment outcomes for residents of these regions. It would be extremely difficult to replace this economic benefit from another industry sector were the Alpine Resorts to decline. NIEIR[[3]](#endnote-3) estimated the economic benefit of Alpine Resorts to local government areas (LGAs) in the 2011 winter season as follows:

### Alpine Shire (Hume Region)

The Alpine Shire serves the Alpine Resorts of Falls Creek and Mt Hotham. The headline gross regional product generated was $261.9 million, or 22.4 per cent of the LGA total. Total annual resident employment opportunities generated were 3,097 which is 44.1 per cent of the LGA total.

### Mansfield Shire (Hume Region)

Mansfield Shire contains the Alpine Resorts of Mt Buller and Mt Stirling. The headline gross regional product generated in 2011 was $153.2 million, or 23 per cent of the LGA total. Total annual resident employment opportunities generated were 1,956 which is 43.6 per cent of the LGA total.

### Murrindindi Shire (Hume Region)

The Alpine Resort of Lake Mountain is located in Murrindindi Shire and the resort contributes $3.5 million to the LGA’s headline gross regional product. Total annual resident employment opportunities generated were 119, which is 1.8 per cent of the LGA total. It is important to note the impact of the 2009 Victorian bushfires in relation to Lake Mountain and the Shire of Murrindindi. Currently, capacity is being re-established in the region.

### Baw Baw Shire (Gippsland Region)

The resort of Mt Baw Baw is located in Baw Baw Shire and the resort contributes $7.5 million to the LGA’s headline gross regional product. Total annual equivalent employment opportunities generated were 178, which is 0.8 per cent of the LGA total.

## Co-ordinated Service Delivery and Support to Alpine Resorts

1. The Alpine Resorts are supported by the Alpine Resorts Co-ordinating Council (ARCC) and five Resort Management Boards, established under the provisions of the *Victorian Alpine Resorts (Management) Act 1997* and accountable to the Hon Lisa Neville MP, Minister for Environment and Climate Change. The ARCC’s primary focus is to support and lead the strategic direction and sustainable growth for Victoria's Alpine Resorts.
   1. Key areas of priority are identified in the *Alpine Resorts Strategic Plan 2012*[[4]](#endnote-4) and implemented through the ARCC *Corporate Plan*[[5]](#endnote-5). These key objectives include:

* Enhancing visitor experience and developing resorts
* Delivering resort services and infrastructure efficiently and accountably
* Building partnerships
* Respecting the alpine environment
* Broadening access opportunities
* Regulatory reform.

1. The ARCC is driving several new initiatives to support co-ordinated service delivery across all Victorian Alpine Resorts. Current initiatives include:

* Implementation of a co-ordinated and strategic state-wide marketing plan
* Implementation of a co-ordinated approach to resort infrastructure investment (VARDP)
* Development of industry-wide and resort-specific climate adaptation plans (in preparation).
  1. The *Alpine Resorts Strategic Marketing Plan 2014-2018*[[6]](#endnote-6) provides government, industry and community with clear direction on how the Victorian alpine industry will work together to sustain and grow the Alpine Resorts as a preferred year round travel destination. The plan addresses the need for a more strategic, co-ordinated approach to co-operative marketing by connecting key delivery partners such as Tourism Victoria, Regional Tourism Boards and industry stakeholders.

As part of this co-ordination of effort, the ARCC is leading the new “*Snow Victoria*” marketing campaign that is proving successful in creating both increased awareness of the Alpine Resorts and co-ordinating efficient use of resources between Regional Tourism Boards, on-mountain and private industry partners.

* 1. The *Victorian Alpine Resorts Development Program* (VARDP) is a new vehicle designed by the ARCC that supports Alpine Resorts to realise best practice infrastructure investment projects. The program utilises the Victorian Department of Treasury and Finance’s *Investment Guidelines*[[7]](#endnote-7) to develop robust business cases that are aligned with relevant strategic plans in preparation for targeted investment opportunities.

Submissions for the first round of VARDP were assessed by the ARCC’s VARDP Assessment Panel in March 2015. The ARCC is currently preparing a list of priority projects that will proceed to the next stage of investment planning and fund-sourcing. Further detail is attached in the VARDP Policy[[8]](#endnote-8) document. A list of priority projects will be forwarded to the REDS Review team shortly, once it is publically available.

* 1. The ARCC is also currently working with the National Environmental Research Program to develop Alpine Resort specific data relating to the timing and impacts of climate change. This will provide a credible, data-driven basis for planning and economic decision-making in relation to industry and resort specific climate adaptation and investment plans.

## Supporting Documents

Copies of ARCC reports are available at [**www.arcc.vic.gov.au**](file:///C:\Users\HarveyJ\AppData\Local\Temp\notes3346AA\www.arcc.vic.gov.au)

1. Alpine Resorts Co-ordinating Council (2014) [*Fact Sheet Winter 2014*](http://arcc.vic.gov.au/assets/Uploads/Winter-Fact-Sheet-2014.pdf)*.* [↑](#endnote-ref-1)
2. Alpine Resorts Co-ordinating Council (2013) [*The Economic Significance of the Victorian Alpine Resorts – Summer*](http://arcc.vic.gov.au/assets/Uploads/research/EconomicSignificanceStudy-Summer-FINAL.pdf)*.* [↑](#endnote-ref-2)
3. Alpine Resorts Co-ordinating Council (2013) [*The Economic Significance of the Australian Alpine Resorts Winter Season 2011*](http://arcc.vic.gov.au/assets/Uploads/research/2011-EconomicSignificanceStudy-FullReport.pdf). [↑](#endnote-ref-3)
4. Alpine Resorts Co-ordinating Council (2012) [*Alpine Resorts Strategic Plan 2012*](http://arcc.vic.gov.au/assets/Uploads/strategic-plan/Alpine-Resorts-Strategic-Plan-2012-Web.pdf). [↑](#endnote-ref-4)
5. Alpine Resorts Co-ordinating Council (2014) *Corporate Plan 2014/15 - 2016/17*. [↑](#endnote-ref-5)
6. Alpine Resorts Co-ordinating Council (2014) [*Alpine Resorts Strategic Marketing Plan 2014-2018*](http://arcc.vic.gov.au/assets/Uploads/ARSMP-FINAL-LR-11JUNE-2014.pdf). [↑](#endnote-ref-6)
7. Department of Treasury and Finance (2012) *Investment Lifecycle and High Value/High Risk Guidelines*. [↑](#endnote-ref-7)
8. Alpine Resorts Co-ordinating Council (2014) [*Victorian Alpine Resorts Development Program (VARDP) Policy*](http://arcc.vic.gov.au/marketing-campaigns/). [↑](#endnote-ref-8)