

The Importance of SME's to the Development of Regional Tourism

David Sheldon



A different approach...



Brief History;

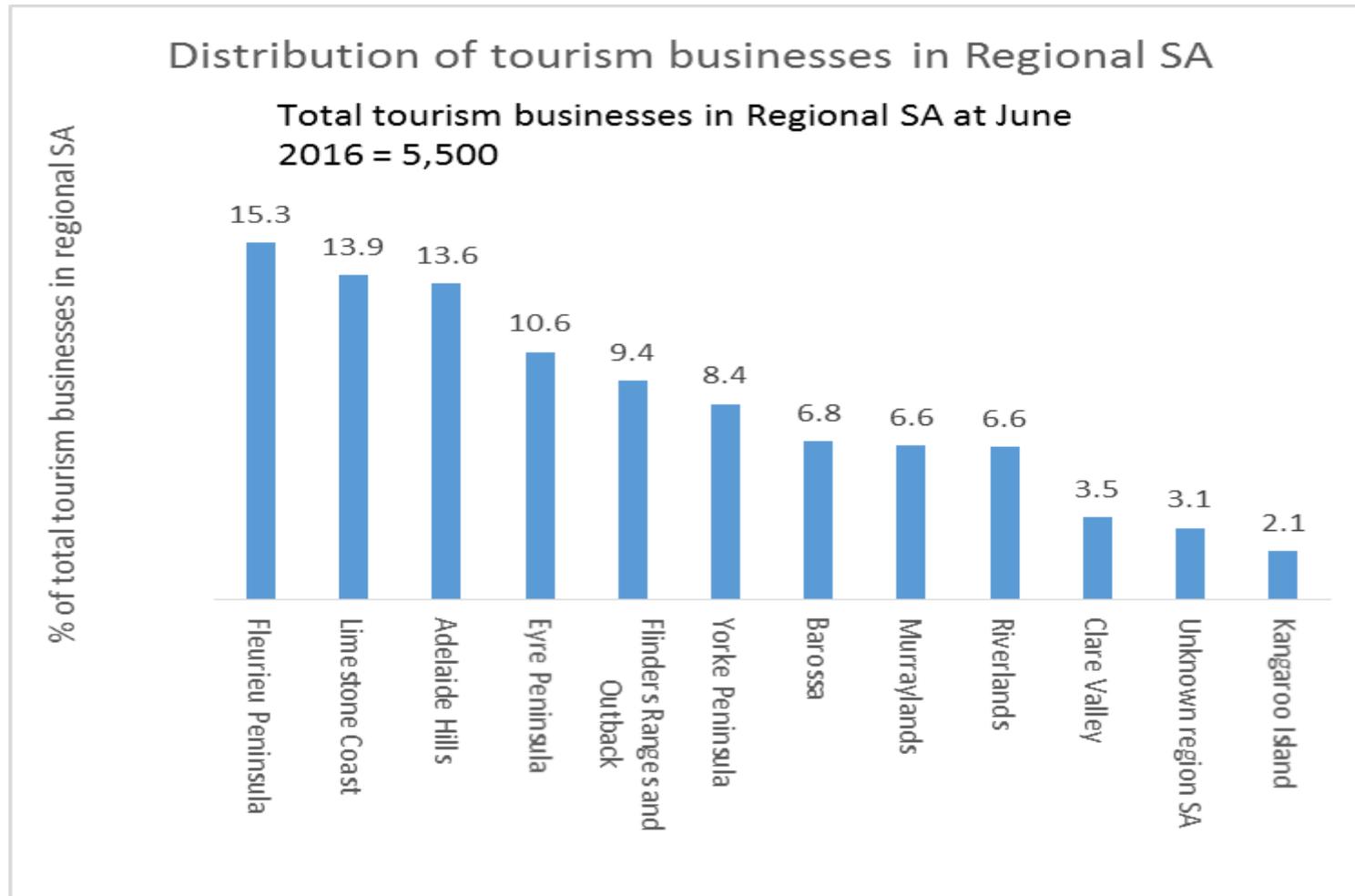
- ▶ Created Australia's first weekly 4 colour tourist newspaper
- ▶ Planned and built Elm Cottage
- ▶ Chair of the Tumut Tourism Association 2005 to 2006
- ▶ Board member Tourism Snowy Mountains 2007 to 2008
- ▶ Chair Tourism Snowy Mountains 2009 to 2011
- ▶ Chair of FORTO (Forum of Regional Tourism Organisation's) 2009- 2010
- ▶ Board member The Australian Regional Tourism Network 2010- 2017
- ▶ Chair of the Australian Regional Tourism Network 2011-2017
- ▶ Member of the Federal Working Party looking into Tourism 2020 and beyond.
- ▶ Proudest moments raising the profile nationally of regional tourism and local governments 'the industries lost opportunities'

**‘SME’s are the key players in the economy
and wider ecosystems in regions’**

OECD

The Organisation for Economic Co-operation and Development

The latest SA SME figures from TRA indicate;



- ▶ In June 2016 there were 17,400 tourism businesses in SA comprising 6.2% of total tourism businesses in Australia
 - ▶ 42% (or 7,300 businesses) of these were non-employing i.e were self-operated
 - ▶ 52% of these businesses employed less than 19 persons – 31% (5,300 businesses) were employing 1 to 4 people and 21% (or 3,700 businesses) employed 5 to 19 people.
 - ▶ Remaining 6% were medium and large businesses.

- ▶ In terms of regional distribution, over two thirds (69% or 12,000 businesses) of total tourism businesses in SA were located in Adelaide and rest (31% or 5,500 businesses) were located in the Regional SA.
 - ▶ More than half of the regional businesses were concentrated in four regional Tourism Regions (see attached excel file)
 - ▶ Fleurieu peninsula - 15%
 - ▶ Limestone Coast -14%
 - ▶ Adelaide hills – 14%
 - ▶ Eyre Peninsula – 11%

Thanks Tourism Research Australia

The background features abstract, overlapping green geometric shapes in various shades, including light lime green, medium green, and dark forest green, creating a dynamic, layered effect. The shapes are primarily located on the right side of the frame, with some extending towards the center.

▶ ***‘SME’s are crucial to our economic strength’***

The Australian Newspaper

Some light relief and yes we did run this in the Canberra and Wollongong markets....



**So let's get into the nuts and bolts of it...
SME's are the industries pioneers....we.....**

- ▶ **Innovate**
- ▶ **Employ**
- ▶ **Market**
- ▶ **The Supply Chain**
- ▶ **Sensible Tourism**
- ▶ **Results**
- ▶ **Influencers**



Elm Cottage will be the backdrop to show just how important an SME is to a region, other operators, purchasing web and the 3 tiers of Government.....

Believe it not we had a business plan well before we had the land.....

I remember as if it were yesterday my accountant asking me where was the land.

My response was simple, does that matter if the figures stack up.

We had a plan and we had done the research.....thanks to a number of Councils Economic Development Officer's and Council Visitor Centre's

Thanks to Tourism NSW as it was known in those days and to the Bureau of Stats

Thanks to Star Ratings Australia.

The one thing we realised in regional OZ we needed water....the Australian magnet

Innovation...

- ▶ Looking beyond.....3, 5 and 10 year business plan...we were tree changers with a vision
- ▶ Using the land as described in the LEP (Land and Environment Plan) rural 1a, rural tourism.....
- ▶ Accessible Tourism...understanding the current legislation to develop our latest cottage Yellow Box.....
- ▶ Solar.....batteries.
- ▶ Website.....yes we were the first in our region.....
- ▶ Golf buggy's.....
- ▶ 2nd and 3rd tier marketing.....
- ▶ Revegetation programs.....Tumut Grevillea...land management.
- ▶ Poddy raising.....
- ▶ Listen to your customers observations
- ▶ Versatility...the ability to adjust.....
- ▶ Presented to Council the value of our Visitors.. The value of Tourism

Never lose an opportunity

Employ.....

Market.....

- ▶ From day 1 we realized we needed a destinal focus.....everyone's got a bed what was our point of difference.
- ▶ A 365 day approach...
- ▶ What we tried.....press, radio and competitions
- ▶ TV.....
- ▶ 2nd tier host 'Alive and Cooking'...Pet friendly...charities
- ▶ Trade Shows.....Country week...Canberra Outdoor and Leisure...
- ▶ Family Friend and relatives.....International market..
- ▶ Events.....EXCITE
- ▶ Pet Friendly.....dogs day out.....
- ▶ Facebook/social media/blog/newsletter.....awareness
- ▶ Parting gift.....and loyalty plan

We do not discount... the only deal we do is stay 7 nights pay for 6

The supply chain

I hate to say this but a lot of businesses like farm stays, BnB and now Air BnB aren't looking at their operation as a business.....and fail...a supply chain is vitally important as it impacts on the quality of service and local economy.

A good and varied supply chain improves competition.

In Tumut, tourism is the 3rd highest economic sector worth an estimated \$50m* pa.

- ▶ Elm Cottage has a wide web in the 1st tier supply chain;

Albury Wodonga, Canberra, Melbourne, Sydney, Tumut and Wagga

- ▶ Then there is the second tier supply chain;

The professional angler, the glazier, the cater, local tradesmen, the trout farm, everyone's nemesis the solicitor, insurance agents real estate agents.

- ▶ What about our visitors supply chain;

Coles, Woolies the butcher, petrol, etc and the list goes on.

This is the visitor economy at work

Sensible Tourism our way forward

- ▶ Feasibility study.....alternative land use
- ▶ Understanding growth.....and market trends.
- ▶ The realization of 'international ready' in regional OZ

- ▶ Solid planning.....community consultation
 positioning.....
 three cottages recycled.
 interpretative signage
- ▶ Working with STO's, Councils etc...remain a voice for the SME
- ▶ Revegetation programs.....land management.....
- ▶ Solar power.....next week 50% is off the grid
- ▶ Recycling
- ▶ Limited numbers protecting the environment and infrastructure
- ▶ Quality volume high return.....quality product

Elm Cottage is ever evolving

Results...where is Elm Cottage today?

For a small business we have punched well above our weight...

- ▶ 1100 nights per year/ over 3000 guest and growing.....
- ▶ Our average night stay is over \$320.....
- ▶ 5 Cottages No Debt
- ▶ Our guests/visitors come from across the globe...India, Russia, Switzerland, Great Britain and yes....Asia...
- ▶ Wide demographic breakdown...not tied to one socio economic group.
- ▶ Over the years Elm Cottage has been recognised both internationally and locally... be it Trip Advisor, Booking.com, Canberra and Capital Region awards, Lux Hotel and Spa's and a super host with Air bnb.

*We have a vision...and like most SME's we are flexible and innovative
we listen and take on ideas*

Influencers...

- ▶ Elm Cottage guests spent in excess of \$770k* in region
- ▶ Elm Cottage spent over \$380k in region in the last 12 months
- ▶ Changed the way other Businesses looked at Tourism.....Elm Cottage has set the benchmark in our region
- ▶ Councils understanding of the DMP Destination Management Plan
- ▶ Councils understanding that the strategic plan and DMP should align with State and Federal plans
- ▶ The Importance of Town Planners and the LEP(land and environmental plan)
- ▶ Councils Website
- ▶ Councils understanding of the wider Visitor Economy
- ▶ Lobbied for the alteration of solar development applications
- ▶ Federal Government's lack of understanding to the VFR market to regional OZ

*source TRA and Tourism Snowy Mountains

‘Our visitors be it International or domestic spend forty four cents in every dollar in regional Australia’

Keith Pitt ARTN Convention

SME's are the lifeblood of Tourism

**You are 94%* of the Industry in South
Australia.....don't be taken for
granted**

*TRA

Thankyou

