

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### Inquiry into rural and regional tourism

Swan Hill — 1 August 2007

#### Members

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Mr D. Drum

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#### Witness

Mr T. Sanders, manager, economic development, Yarriambiack Shire Council.

**Necessary corrections to be notified to  
executive officer of committee**

**The CHAIR** — Thanks again for coming over from Yarriambiack. Terry, the Rural and Regional Committee is an all-party parliamentary committee inquiring into regional tourism. All evidence given by you today is going to be protected by parliamentary privilege under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005. Anything you say outside the committee is not covered by parliamentary privilege. If you can just state your full name and address before you start — that way we can get that recorded by Hansard staff — and also the organisation with which you are associated here today. Then it is all up to you, Terry.

**Mr SANDERS** — Thank you very much, Mr Chairman. My name is Terry Sanders. I am representing Yarriambiack Shire Council and, directly in relation to the topic I am talking about, also the Hindmarsh Shire Council, West Wimmera Shire Council and Buloke Shire Council, because they have a joint project that we are currently involved with.

If you do not mind, I will read from my notes here. It might make it a bit easier for me and hopefully a bit clearer for you.

**The CHAIR** — No worries.

**Mr SANDERS** — I am currently manager, economic development, for Yarriambiack Shire Council, based in Warracknabeal. Tourism falls within my area of responsibility as well. I have a background in tourism, having had 22 years at Tourism Victoria, under its various names. Back then, I started with the Victorian Government Tourist Bureau, going back many years ago; I think I joined in 1967. To me it only seems like yesterday, but it is a long time ago.

**The CHAIR** — You were only 5 years old, weren't you?

**Mr SANDERS** — Child prodigy, I think it is called. I held various positions within that organisation, including a couple I was very proud of in that I managed the South Australia office for some years. I went there in 1979. I was also appointed to the London office as manager, UK and Europe, for the three years, 1981 to 84. I was back as manager for South Australia after that. I subsequently resigned and built a small holiday resort complex on the south coast of Australia, which I ran for eight years. I sold that and took up a position of marketing manager with a regional tourism board in South Australia. I then decided to return to Victoria in 1996 and took up the position with Yarriambiack Shire Council in Warracknabeal.

I raise all that not to say that I am any tourism expert but just to highlight the fact that I have spent some time in tourism, and I guess you would have to be an absolute dill not to have picked up some experience and information along the way. The main reason for appearing before this committee today is to make you aware of my council's concern about the lack of inclusion of the Wimmera-Mallee region in Tourism Victoria's regional tourism structure. The action that we have taken is in conjunction with our neighbouring councils, which I mentioned earlier, to address that situation. Helen mentioned some of the concerns we had about being a bit left out in our particular area.

Just as some background, the concept of the Wimmera-Mallee region has been discussed for some time. A discussion paper that I prepared and submitted to the meeting of the Victorian North West Municipalities Association in November 2004. The intent of that document was to open discussion on the future of tourism within the Wimmera Mallee and to investigate the options available for the future development of tourism within the region.

Concern was expressed that the vast Wimmera-Mallee region of Victoria for tourism marketing purposes was positioned by Tourism Victoria, for a variety of reasons, as being part of the Grampians or the Murray. Our southern part was lobbed in with the Grampians region and the northern part with the Murray — in previous days, up to a few years ago, it was known as the Murray Outback. Our Mallee section was in that and the rest of it was lumped into the Grampians region, which indicated to us that in the eyes of the governing body — that is, Tourism Victoria — the Wimmera Mallee lacked any tourism identity of its own.

The comment was often made that the Wimmera Mallee appeared to be the missing piece from the Victorian tourism jigsaw. This view was reinforced with the release by Tourism Victoria of the 2004–07 regional tourism development plan for the Grampians and Murray regions, which identified the key destinations and attractions worthy of specific marketing. Destinations and attractions within the Wimmera Mallee were conspicuous by their

absence, with even the Mallee national parks — Murray Sunset, Hattah-Kulkyne and Wyperfeld, which protect over 1 million hectares of valley landscape — rating only a mention in relation to Aboriginal tourism, which is listed as a secondary strength in those reports.

It appeared obvious to council that this unique region of Victoria would continue to be left off the tourism map unless some structure was put in place to ensure representation and its inclusion in marketing programs. This aspect has at least been recognised in the 2004–07 Grampians regional development plan, which identifies the lack of an effective regional tourism structure as a major challenge to be addressed and suggests the creation of two regional tourism associations to better focus the marketing effort, one of which will represent the Wimmera Mallee.

The proposal was put forward. The four shires in the Wimmera-Mallee region — Hindmarsh, West Wimmera, Buloke and Yarriambiack — in conjunction with their local tourism and service industries, have supported the concept of a regional tourism association and the development and implementation of a tourism marketing plan for the region. As a result a joint project has been developed and funding of \$125 000 sought through the federal government's Australian tourism development program for the establishment of the RTA structure and the development and implementation of the two-year marketing plan. That application was submitted last week — it closed on the Friday before last — so it will be a little while before we get a response to that. The participating councils have agreed to contribute \$50 000 in cash and \$50 000 in kind over two years in support of that project.

This project has been some time in the making, but the impact of the recent drought years has highlighted the region's almost total reliance on the agriculture sector and the urgent need to generate additional economic activity from alternative sources. Tourism is seen as presenting a huge opportunity for the development of that alternative income stream for the Wimmera Mallee, particularly with the fast tracking of the Wimmera–Mallee pipeline and the expected return of environmental and recreational water to the rivers, lakes and creeks of the region.

I might say that we have come from the Speed Field Days today, and travelling up there to set up our shire marquee yesterday we saw the machinery and the pipes going in along the Henty Highway and how fast they are moving that project. One of our councillors who was with me said, 'We are witnessing history in the making here'. It is the biggest infrastructure project to hit our region in probably 100 years. It is just fantastic to see it happening and to have our water virtually guaranteed from here on in. It is going to have a profound effect on our whole region. As we said, the expected return of environmental and recreational water to the rivers, lakes and creeks of the region will certainly assist the development of our tourism product, which has been held back by lack of water.

The positive publicity that this huge infrastructure project has generated has definitely enhanced the Wimmera-Mallee brand, and there is general agreement amongst all stakeholders that now is the opportune time to move this tourism project forward. We would appreciate the support of your committee.

We have also enlisted the support of Tourism Victoria, which has been forthcoming as a referral body. It does not provide letters of support, but certainly it has offered its support, as has Tourism Alliance Victoria. Our local members of Parliament have also supported our application, so we are hopeful we will be successful with that so we can work towards actually putting the region on the tourism map.

We take the view that there is a development role for government — local government and state and federal governments — in tourism, and that is one of the biggest issues we have. The policy that Tourism Victoria had in relation to not developing a region from this part of the world was that it was considered we do not have enough private tourism operators as such who could contribute to the marketing of the region.

One of the policies they had was they wanted to be a joint promotional activity, not just totally funded by government, and you needed to have that critical mass of tourism operators to join with the government in marketing particular regions. We accept that as the reasoning, but we argue that surely there is a development role that government can play. It is not just necessarily the fact that you must have that critical mass of operators from day one. In our area we are probably not going to achieve that unless someone is prepared to put in some development money, with local government putting it in, in conjunction with the private sector that is there, so that we can generate the brand and get industry interested in looking at the possibility of developing more tourist product within our region.

Helen mentioned the one example of Danny's Rusty Nail restaurant which is just outside Warracknabeal. It is a classic example of someone being prepared to put their money up. He went to Ballarat, as you do, and was sent to see a consultant and do a business plan and develop it. Danny, I might say, is a pretty down-to-earth Australian

character and he was told by the consultants that what he proposed was in the wrong place and the wrong time, that it would never work. He came back to me — we had a Rotary meeting that night — and I still remember his words. He said to me, ‘I’ll bloody show them’. He went ahead and did it. What the consultant did not appreciate is the impact one person’s personality can have on their own business. He has driven that through his own personality. If you have not seen it, it has been entirely built out of recycled materials, except the kitchen which of course has to be brand new. Danny was a demolition contractor for many years in our area. It is full of all sorts of collectables that he has gathered over the years. Danny has never thrown out anything at all in his life. It is just a fascinating place, totally unique, totally different. Of course, the most important factor, the food, is absolutely brilliant. It is very good. Any restaurant does not survive unless it has good food. But the atmosphere is Australiana and it is sensational. It has been a huge success. It just shows you what can be achieved. Thank you, Mr Chairman.

**The CHAIR** — No worries, thanks. The other venture that Helen mentioned was the Pine Plains. That is doing well out there in the Wyperfeld, building on that experience. They have had some issues out there in relation to their little local airport being shut down because of some DSE native grasses or something like that. Are you aware of that issue?

**Mr SANDERS** — Yes. That has been an ongoing battle they have had for some years. That is the airstrip he had within his own property.

**The CHAIR** — Yes, at the homestead.

**Mr SANDERS** — The difficulty has been, of course, that the O’Sullivan family leased that area at Pine Plains — it goes back to early settlement — for, like, 100 years, I think, under Crown lease. The Crown, the state government, decided some years ago — —

**The CHAIR** — To take it back.

**Mr SANDERS** — To take it back, to make it part of Wyperfeld National Park. It is an absolutely beautiful area, there is no doubt about it. But they retained part of it where the homestead was as freehold and they have built the Pine Plains Lodge next to their home there. It is an absolutely magnificent facility. But the airstrip that they used to have to fly light aircraft in and out of is still within the national park boundaries. I do not think it is on their actual freehold block, so they have to have permission to use that. Parks Victoria has concerns about aircraft on that particular strip because of the native vegetation and that sort of thing. They have fought pretty hard to try to be considered to have its use, but it is an ongoing battle, I think.

**The CHAIR** — Do you know if Danny received any assistance from the government in relation to creating the Rusty Nail in the very first instance?

**Mr SANDERS** — No, not that I am aware of; I do not think so. You have the land he owned. It is on his own land and is 7 acres with a house — you know where it is. He has had that for many years. No, I am pretty sure he has done it all off — —

**The CHAIR** — Off his own back.

**Mr SANDERS** — Off his own back, yes.

**The CHAIR** — Thanks again, Terry.

**Ms LOVELL** — Thanks, Terry, I really enjoyed your book, especially the picture of Barry Bishop towards the end of it. I was just wondering what you see as the key strategic markets and opportunities for increasing tourism in the Yarriambiack shire.

**Mr SANDERS** — As part of the submission we have done we produce a marketing plan, and that just reinforces our thinking, and it has for some time. We are very strategically placed to the Melbourne and Adelaide markets; they are clearly our prime markets, and there is the private motorist market. That makes up for 90 per cent of the travellers domestically anyway. So you have this Western Highway running between Melbourne and Adelaide and this huge market of people up and down that highway travelling between the two. South Australia is our main interstate market coming into Victoria, and Victoria is the main market for South Australia, for Adelaide — about 900 000 of them every year cross to South Australia. We think we have potential, given we can

market our brand of the Wimmera Mallee, to make people aware that there are some interesting different things in our particular area and to get them off that highway, at least for two or three days or whatever.

We have always taken the view that we are not a destination in our own right and do not really expect ever to be, except for special events — special activities, whatever — that might draw people there for something special. By and large they are on their way to somewhere else, whether it is, as I said, from Adelaide going to Melbourne, Melbourne to Adelaide, people going to Mildura. Our role, when you have that huge market travelling nearby, is to try to tap into them and get them to spend. It might even be a lunch or overnight stay or two or three nights — whatever it is — or to fill up with petrol. It is to just branch off that highway and into us.

Our own council has a touring guide that we produce along with other brochures, but the main focus is a map which shows the various options for people to get off the highway and come via our shire and then back on the highway and off to Adelaide, or Adelaide people coming to Melbourne. That is distributed purely up and down the highway so people can pick it up at a service station, a tourist information centre or a caravan park, and it will give them some ideas and options about doing that. That is what we believe we need to do on a regional basis.

I could go into more detail on the target market in terms of breaking it up into demographic groups and all that sort of stuff, but very much it is that Melbourne-Adelaide geographical market and the private car travellers.

**Mr NORTHE** — Terry, you touched on it earlier and I am interested in your thoughts on the structure of tourism in Victoria. As you know, there is the involvement of Tourism Victoria and Tourism Alliance Victoria with local governments, regional tourism bodies and the like. In your opinion, have we got the structure right and, if not, have you got any thoughts on how to improve that structure?

**Mr SANDERS** — I believe the structure has worked pretty well. Perhaps some minor adjustments could be made. If you look at the results, probably over the last seven or eight years there has been a decline in domestic visitor traffic within Victoria, but I think there a lot of reasons for that. The market is so competitive now. There are options for people — cheap airfares to any part of Australia, overseas, whatever — and the competition is so strong out there.

From a structure point of view, the campaign committee structure is good. The only complication I see — or the only negative — is that it is not representative enough of the local community, if you like. I was on the campaign committee for the Grampians for some time and also the old Murray Outback for some time. It is skills based, which sounds appropriate, but people did not have to know tourism to be on those marketing committees. But it is not representative; you do not have to belong to a local tourism association or whatever to be part of those campaign committees.

The structure we have set out for our RTA is that we would have one council representative and two business representatives from each council on the board of our RTA. Those community reps are expected to come from a local progress association or tourism organisation so that they report back to their home group, and if they are not able to attend, a representative can come from that group to replace them. The structure with Tourism Victoria and the campaign committee is that if you are not available you cannot send someone else in your place. I know it has to be skills based, but I think you can have a balance. You can have your skills people, but you can also have community representation there as well.

The weakness in that — and I have seen it in the Grampians region — is that there is always the possibility of accusation of business people and tourism operators looking after their own — the self-interest aspect — and that obviously they will promote their facility ahead of someone else's or whatever. You can see that there is some criticism levelled on those lines. I would just like to see those committees a bit broader. You have got to have a skills focus, but a community input as well with the representation.

As I have said, I have been around for a long while and these things tend to be a bit cyclical. They do different things and changes happen along the way. The regions — for instance, a local campaign committee — would employ; they were provided with funding sufficient to employ a marketing manager, promotions person, executive officer — you can call them what you like — and their role was to basically market that particular region. Now that it is not the case. The work is done by the committee people. Often they are council representatives — tourism officers from councils, who are expected to contribute, and also the people on the committee themselves — with support from marketing officers from Tourism Victoria who are allocated to each region, and they also provide a strong skills base to assist them work through that.

The possibility of having your own dedicated person there to drive your promotion gives it a bit a more flexibility — a bit more creativity can be used — and also gets more of the support of the local people and local industry in various promotional activities. I probably would suggest that that could be looked at. I have discussed it many times with Tourism Victoria. The problem with that system was, when they did do it that way, the criticism was that too much money was being spent on administration. They class salaries as administration, therefore you need it all to go into marketing — see it in the marketing column, not in the administration column. That is fair enough, too, but you have got to have enough strength sometimes to say, ‘That is the reality of it’. You would not build a bridge without employing an engineer. You would not say, ‘We will be build it ourselves; we have got the bricks, the steel and the timber and we will go ahead and do it’. But the engineer is your administration cost; he makes sure it is done right. I think you could argue very strongly to have that professional person on board.

**Mr VOGELS** — Terry, I am very interested in hearing that the four councils are down there working together, because I think that is essential. You are all basically in the same boat: you have huge areas but small populations.

**The CHAIR** — And have got no money!

**Mr VOGELS** — Are you looking at funding a joint tourism officer between the four of you so you actually have some genuine ownership of where you are heading?

**Mr SANDERS** — Not in the initial stages. The in-kind component that I mentioned from councils is basically the professional staff’s time, which would be me and three other similar officers in that role, to work together. To do the legwork, finalise the marketing plan and to implement it, it is a joint exercise to get it up and running. I would hope that further down the track, after the two-year program, we would be recognised then by Tourism Victoria as a separate region or as a region worthy of promotion, and we would be entitled to some of those dollars allocated to the campaign committees for marketing of their own particular region. Hopefully this money will get us going for the two years, and then we will be eligible for additional funding. Then maybe at that stage the policy will have changed so that the funding is available to employ a dedicated officer to be based somewhere and be responsible for that region.

**The CHAIR** — Thanks, Terry. That wraps it up. I appreciate you coming in.

**Mr SANDERS** — Pleasure.

**The CHAIR** — The transcript will be made available to you in a couple of weeks. Feel free to peruse it and check that there are not too many typographical errors. You are free to make minor adjustments, but you cannot change the substance of the evidence. Once again, thank you very much for making time available to come along today. As there are no questions or comments from the floor, I hereby call an end to the public hearing.

**Committee adjourned.**