

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Bright — 29 August 2007

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Mr G. Scott, chairman, Alpine Region Tourism; and

Mr I. Nicholls, chief executive officer, and

Ms E. Bain tourism marketing officer, Alpine Shire Council.

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The CHAIR — This is the all-party parliamentary Rural and Regional Committee. We are inquiring into rural and regional tourism. I want to welcome you here and let you know that everything that is said here today is protected by parliamentary privilege provided by the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005. We also wish to advise that any comments that are made outside of the hearing are not afforded such privilege. Prior to proceeding with your presentation would you be kind enough to give us your full names and addresses and also mention the organisations which you are representing? Could you then make a presentation and leave some time for questions at the end. That would be great.

Mr SCOTT — My name is Geoff Scott. I am presently the chair of the Alpine Region Tourism. I reside [detail removed]. The postal address is [detail removed].

Ms BAIN — I am Elizabeth Bain, and I am the tourism marketing officer at the Alpine Shire Council. My address is [detail removed].

Mr SCOTT — As chair of Alpine Region Tourism I indicate that we are a committee of council and we are responsible to the council for marketing tourism in the region and for advice to the council on things related to tourism.

Ms BAIN — We have done a PowerPoint presentation, and we have used the terms of references as a guideline.

Overheads shown.

Ms BAIN — Point no. 1 is about economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry. Just to give you some travel data, Victoria's alpine high country — and specifically the Alpine shire — continues to attract over 1.5 million visitors per annum. Visitors spend \$251 a day on average for entertainment, accommodation, meals and travel to and within the region. Some 75 per cent of our visitors to the region are on holidays, and this is an increase from 65 per cent recorded in 2005. Over 40 per cent of visitors to the Alpine shire stayed for four or more days. Some 43 per cent of visitors to the region are aged between 45 and 64 years.

To give you a snapshot, tourism is a key economic driver for the Alpine shire, making a significant contribution year round, with peaks experienced during winter and the full operation of Mount Hotham and Falls Creek resorts, plus fuller accommodation capacity over Christmas holidays and Easter impacting on visitor numbers. The value of tourism to the economy is estimated to be worth \$300 million per annum when combined with resorts. The Alpine shire uniquely is estimated to be within the vicinity of \$130 million. Analysis of the business community in the Alpine shire highlights a concentration of tourism-related businesses representing almost 45 per cent of businesses in the region.

The potential impediments to the sustained growth of regional tourism, economic activity and jobs we would see as being: water reliability, quality and volumes; weather, with global warming; increasing fuel prices; low-cost airfares, especially out of our Melbourne market; increased competition for the tourist dollar; natural disasters — drought, bushfire, flood, wind storms; trend in stockpiling annual leave; and rising interest rates.

On the effectiveness at a national, state and local level of current programs to promote and enhance tourism in regional Victoria, we feel that we do not see any major benefit from the North East Victoria Tourism, Tourism Victoria or Tourism Australia campaigns.

Just to expand on 'blame', just in case you are not aware the current branding for this region is 'You can always blame the alpine air'. Tourism Victoria and North East Victoria Tourism drive those campaigns, but they do not always let us know when they are running those. The region is being rebranded at the moment. We are not involved in this exercise, so we would like better communication regarding this and better interaction and support over all.

With regard to bushfire funding, we are disappointed at our level of recovery funds compared to the loss of business during the bushfire period and the time between announcing that the funding was coming, which was 28 January, and the breakdown actually arriving, which was 28 May. There are initiatives to increase both international and domestic visitor nights in regional Victoria, including the extension of the runway at Albury airstrip; the redevelopment of Mount Buffalo chalet as a nature-based tourism and conference facility; an increase in the level of marketing, specifically domestic; the sealing of the Bogong High Plains Road; targeted marketing

campaigns around spring product offer; Great Alpine Road touring loops; rail trail touring loops; Australian Alps, a Tourism Australia national landscapes program; a nature-based tourism strategy, which is about to be launched by Tourism Victoria; completion of the Bogong power station, with visitor facility; to recognise and further develop cycling as a major attraction; and encouragement and support of activity-based tourism initiatives — we find it is hard to survive with threats such as regulations, insurance et cetera; the efficiency of existing mechanisms at a national, state and local level to address the impact on regional tourism of natural events such as bushfires, floods and drought; and effective measures to drive long-term economic recovery.

We experienced early response, but serious time delays and uncertainty with exact fund amounts were a major problem for us. We have driven recovery programs via Alpine Region Tourism through local government channels. There are opportunities to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism. The first one is to Mount Buffalo chalet, and a feasibility study is currently being carried out by Parks Victoria, which we are involved in at a tourism and a council level. There is the Alpine National Park, with the Tourism Australia national landscapes program. This will make the Alpine National Park more attractive, both to investors and to visitors. That is us!

The CHAIR — Sorry, I am just reading the notes; they are very good.

Ms BAIN — Sorry. I went too quickly, did I?

The CHAIR — No, you did a great job. Were there any of those aspects that you wanted to touch on before you open up to questions from the committee?

Mr SCOTT — I think possibly the Mount Buffalo issue has been talked about extensively already. With other members of the community I am on a community reference group that sits with Parks Victoria. We are in the process of reinvigorating or redeveloping the operation of Mount Buffalo. From my personal point of view I find it refreshing that Parks has entered into a regime or a direction where they are looking at private public partnerships.

The way forward under the contracts that have already been let for the business case and infrastructure improvements certainly will indicate to government that there needs to be private partnerships with government to move these things forward. It is very pleasing to note the change in direction of Parks's attitude towards these issues, and it is very refreshing to sit on this committee and listen to the amount of work that is being done to make sure that these things move forward.

Ms BAIN — Could I invite our CEO, Ian Nicholls to the table?

The CHAIR — Certainly.

Mr SCOTT — If there are any questions, I am more — —

Mr NICHOLLS — Only because if there are a few other aspects, I might be the better one to answer them.

The CHAIR — Yes, sure. The three witnesses we have had so far have all put water up as the most important aspect. Is there a local plan that has community support and looks like providing the best way forward for Bright?

Mr NICHOLLS — There is for Bright. Bright has a water consultative committee, set up by North East Water, which I happen to sit on. We have certainly identified that security of supply is a major issue in particular for the Bright township. In fact out of the whole north-east region it was the no. 1 priority from a security-of-water point of view. We have been slotted in, if you like, for funding in the 2008–13 horizon for infrastructure works. At the moment they are identifying what is the most appropriate location for that security of supply. You should have that report in about six to eight weeks.

The CHAIR — As CEO of the shire are you reasonably happy that the plan is about to be enacted?

Mr NICHOLLS — We had a meeting last week where we requested that the 2012 time frame for building be moved back to at least 2010.

The CHAIR — I thought he said 2008.

Mr NICHOLLS — The program they put to the state government is 2008 to 2013. Within that program they identified 2012 for the construction. At our committee meeting last week we requested that the construction program be brought forward to at least 2010. We thought that was reasonable, bearing in mind planning procedures and everything else.

The CHAIR — If Bright is no. 1 in the whole of North East Water, how are Myrtleford and Mount Beauty off?

Mr NICHOLLS — Kiewa Valley is relatively secure due to the catchments up above them — for example, the Rocky Valley Dam, et cetera. In comparison Myrtleford has some security issues, but is far better off than Bright. But again, from a priority point of view, it is well down in comparison to the Bright area. Bright, Harrierville, Wandiligong and Porepunkah are all linked anyway — or will be linked under the plan — so they will be looked at.

The CHAIR — If there are no other questions for the CEO, we might let him go now. Thank you very much.

Mr NICHOLLS — Thank you.

The CHAIR — I was interested in hearing that locally you are not getting much say in relation to branding. You said there is potentially rebranding going on at the moment. Can you expand on that again?

Ms BAIN — North East Victoria Tourism are carrying out a rebranding exercise at the moment, but we are not part of that so we do not have any input into it. We will be told in October what our new brand is, but we do not have any input into it.

The CHAIR — Is the NEVT based out of Wangaratta?

Ms BAIN — That is correct, and it is answerable to Tourism Victoria.

Ms LOVELL — Who makes up the campaign committee?

Ms BAIN — Of the branding?

Ms LOVELL — Yes.

Ms BAIN — Will Flamsteed is the executive officer at North East Victoria Tourism. I am not sure exactly who sits on the committee.

Ms LOVELL — Yes, but there should be a campaign committee which encompasses the whole region.

Ms BAIN — Yes.

The CHAIR — Overall, would you think that Bright and the valley are reasonably well served by being part of the jigsaw high country, or do you think you need to have separate areas?

Mr SCOTT — That is a difficult question. The jigsaw campaign has been running for a number of years and seems to have served some regions well. It is always difficult to measure the return. Certainly I think Phillip Island and the Ballarat area have done well out of the jigsaw campaigns. It is difficult to measure, as Libby alluded to in the presentation. If we are not aware of when campaigns are running, we have not got the opportunity to gauge their impact into the marketplace.

Ms LOVELL — Just on the jigsaw campaign again: what you do here in Bright, Mount Beauty and Myrtleford is very different to what they do in Mansfield, yet you are all part of the same jigsaw piece. I would just be interested in your thoughts on how this area has been branded in the past, and how you think the branding should go into the future?

Ms BAIN — Our part of the jigsaw is called the High Country, and that makes it a little difficult for us in a couple of respects in as much as Mansfield is also high country. Our point of difference, I guess, is their point of difference as well. Before my time we had branded ourselves as Victoria's alpine high country. We brand ourselves

using, I guess, our alps, as our point of difference. Our national parks are our point of difference. It is difficult with Mansfield because their product offer is very similar to ours, so to be branded together can sometimes work for us.

Ms LOVELL — But really what they are branding themselves as is more around the mountain cattlemen, the *Man from Snowy River*-type experience, which is very different to what you promote yourself as here?

Ms BAIN — Yes.

Ms LOVELL — That is the sort of difference I was talking about.

Mr SCOTT — The value that we see in being associated is that, apart from the jigsaw campaigns that Mansfield runs and the campaigns which say, ‘Come to the High Country’ because of our similar local branding, we certainly get a reflection from their campaigns. Similarly for them, when we run a campaign for alpine high country tourism they reap some benefit. It is a two-way street, so it is difficult to say whether it is good or bad. We have similar markets except for the fact that we have not got the mountain cattlemen accent.

We have many more national parks and wilderness areas that are accessible. A high proportion of our product has to be not just the resorts but the availability of Mount Buffalo, the Bogong High Plains and things like that. That is why one of the most significant things that will happen here in the not too distant future will be the sealing of the *Bogong High Plains Road which will give us more touring loops into the area, and, we hope, increased visitation — one and two night stays — where we have people looping through the area.

I suppose it is difficult to be associated with areas that are so far apart. When you look at the product availability they are very similar products. It is more the people who are in this jigsaw area like Rutherglen and over in that part that really miss out because of those campaigns.

Ms LOVELL — On the chalet: it is really pleasing to hear you say that Parks Victoria has now changed its direction; it is now willing to come to the table to talk. You talked about it being developed as a conference centre. The previous lessees had also talked about that. I had meetings with the previous operators who indicated they wanted to invest about \$30 million on a conference centre that included things like day spas and new accommodation up there.

There were three main barriers to that. One was that Parks Victoria would not come to the table. Two was the 21-year lease term not being long enough for them to invest that sort of money. The third one was also the infrastructure — the need for electricity and sewerage up to the chalet.

Ms BAIN — Water, power, sewerage.

Ms LOVELL — What is happening around that with infrastructure and terms of leases et cetera under this reference group?

Mr SCOTT — Under this arrangement what will come out of the final mix, I suppose, is a recommendation to the Parliament about the future direction of Buffalo and the requirements — what kind of funding, what balance of private investment as opposed to government investment, and also what kind of lease arrangement would be required to make it lucrative for a private operator to get involved.

The other part of your question when you talk about infrastructure, certainly GMC are the consultants that are doing the infrastructure works and they have already come back with some interim information that would indicate that power, sewerage and water are feasible issues that can be covered to the mountain. I cannot pre-empt any of that but certainly what they have said so far is very encouraging. Sinclair — sorry, I got confused with another consultant. Brendan, what is the — —

Ms BAIN — GHD.

Mr SCOTT — No, who is doing the — —

Ms BAIN — Ernst & Young.

Mr SCOTT — Ernst & Young are doing the business case consulting. They will put together something that will indicate what kind of private-public partnerships are required and what kind of lease arrangements are required to move things forward.

Ms LOVELL — Are Burbank still there? Are Burbank still in the loop?

Mr SCOTT — Yes.

Ms BAIN — They still hold the lease.

Mr SCOTT — Brendan — the chap sitting behind me — is the manager up there, and Burbank still hold the lease. Brendan is looking after the property up there while it is closed.

Mr VOGELS — As the tourism authority around here, have you guys identified any other tourism infrastructure? In the Otways we have got the great Otway fly or the Otway Fly, whatever you call it. Have you identified any other tourism opportunities than snow and those things? I know you have got heaps already. Can you identify somewhere, maybe some land, which could be in Parks Victoria at the moment or DSE and with the shire working together you would say to a developer, 'If you actually develop this sort of thing, we will fast-track the approvals and streamline et cetera so you can actually get in here and do something quickly'?

At the moment it is years before any approvals come through if you are trying to deal with DSE and Parks Victoria. I do not know if you are doing any of that work but maybe you will be able to attract some other development, I do not know.

Mr SCOTT — Certainly there are those kinds of opportunities and we are working in that area at the moment but the opportunities we see for any infrastructure improvement are probably in the lower range of investment. Cycling is such a boom industry throughout the country and right across the world, especially last year when there were more cycles sold in the country than there were new motor vehicles. We have the asset of the rail trail here and we would like to be looking at building on that asset, extending the rail trail out to Harrietville, Wandiligong, improving the infrastructure we have got around the rail trail to make the facility much more user-friendly.

Over in the Kiewa Valley they are very interested in and do mountain biking very well. We have got certainly lots of park area that can be developed for mountain bike tracks and tracks that are already there. Without a great deal of investment, certainly the infrastructure that we would like to see developed in the short term — and to reinforce what previous speakers have said, we have got to see some short-term gains around this area before we look too far into the long-term future. Issues like Mount Buffalo are certainly significant but infrastructure changes like Mount Buffalo, they are long-term or medium-term goals. We need to look at some short-term leverage so we can get money back in the pockets of the business operators around this area.

Mr VOGELS — A bit faster.

Ms TIERNEY — I am particularly interested in youth in towns outside of Melbourne and what job prospects kids have in towns like Bright and in skills acquisition, training and aligning those skills, in this particular forum, to tourism. Is there a youth forum or some sort of consultative mechanism where younger people are involved, whether they are in school or post-school, where they get the opportunity to get together and talk about employment, the town's future, the vision that they have and maybe their connection to tourism?

Mr SCOTT — The Alpine shire has in the last few years brought in a youth council. The membership of that youth council is across the shire from Mount Beauty, Bright and Myrtleford. They certainly do have significant input into advising council on youth issues. As far as the employment sector is concerned, again harking back to what was said by previous speakers, I think continuity of employment is the biggest issue. Certainly TAFE and other schools around the area can build programs and we as a tourism body can assist access to our youth and our local schools but until we have that continuity — to build hospitality programs like chefs and things like that is a pretty moot point if you cannot have jobs at the end of it.

Mr NORTHE — Probably a question more to you, Libby: we have heard from previous hearings that some councils apply, I guess, a tourism levy to businesses. Does that occur with council here? Maybe I should have asked Ian that before, when he was up. Could I possibly recall Ian, then?

Do you want me to repeat that, Ian?

Mr NICHOLLS — If you like. You have asked about a tourism — —

Mr NORTHE — At previous public hearings we have heard that some councils apply a tourism levy to business. I am just wondering if your council actually does something similar — —

Mr NICHOLLS — Yes.

Mr NORTHE — If you have, which you have just alluded to, when was that implemented and how was it received by business?

Mr NICHOLLS — Following amalgamation in 1994 the council introduced a special rate specifically for the purposes of economic development and tourism and to encourage those areas. Initially it was quite a large special rate; it was about 1.66, 1.7 compared to our general rate. In recent years that ratio has dropped back down; I think it is 1.45 or in the vicinity of that this year. It has had a mixed history. Initially we had very little reaction to it. It did help fund a lot of our tourism initiatives.

We virtually came from zero when we first set up. We did not have any employees in that area, both in tourism and in economic development. We have grown where we have a whole department there, or a department working in both of those areas now. From that point of view it has been successful but I would also say that council has become more aware and will have to look at greater subsidy in that area as well via its general rate in the future.

Mr NORTHE — Thank you.

Ms MARSHALL — I was really interested in what you were talking about the lack of representation with regards to the branding and then when you started drawing the correlation with Mansfield — I lived there for many years and see a striking resemblance actually between the two regions. I guess my first question is: why do you think that you have had such little representation or input into that branding; and whether or not that image is something that you do agree with? Is it just the mere fact that you have not had the input that is what is of greatest concern, firstly?

Secondly, do you think that there is an advantage in actually linking the two regions together in terms of advertising because of the similarities and the opportunities that that may pose, sort of killing two birds with one stone?

Ms BAIN — I think Mansfield will always have an advantage over our region because of its proximity to Melbourne. It is a destination that is fairly easy to get to for a weekend, whereas from Melbourne into Bright is probably 3½ hours and to Mount Beauty is closer to 4 hours, maybe a little over four.

I think that marketing with Mansfield or with the Mansfield shire possibly could help for longer stays but for the major Melbourne market, we are trying to get into the Melbourne market but we are also looking at different markets — regional Victoria. We are looking at Canberra as a market that we are trying to get into at the moment. Wagga and southern New South Wales are good markets for us as well. I guess because of their proximity to Melbourne, that is market that they probably have more joy with, whereas we are going for a little bit different market to them.

Ms MARSHALL — That first question was really just about the branding and whether or not you think that it is the right image for your region?

Ms BAIN — Alpine Victoria, Victoria's alpine high country?

Ms MARSHALL — Yes. You said it is about to be renewed or rebranded.

Ms BAIN — Rebranded, yes. We will not find out until October but — —

Mr SCOTT — Our brand is not being rebranded, Victorian alpine high country is our brand for Alpine. The rebranding is for North East Victoria Tourism which is from the jigsaw into another brand. We do not sit on that committee so we have no input into it.

The CHAIR — Thanks very much, Geoff, Libby and Ian. Thanks very much for taking the time and again, sorry to hold you up at the start. We appreciate you giving your day up. We will get the transcript to you in a couple of weeks so that you can check its content. Thanks again for your time.

Witnesses withdrew.