

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Mansfield — 30 August 2007

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Cr R. Machin, deputy mayor,
Cr R. Weatherald, councillor, and
Mr N. White, Strathbogie Shire Council.

The CHAIR — Welcome, Robyn and Norman. This is the Victorian all-party parliamentary Rural and Regional Committee inquiry into rural and regional tourism. All evidence given today at this hearing is covered by parliamentary privilege. That is afforded to us under the Constitution Act of 1975, the Parliamentary Committees Act of 2003 and the Defamation Act of 2005. Any evidence given outside of the hearing is not covered by parliamentary privilege. Before you make your presentation, would you be kind enough to give us your full name and address and the organisation you are representing today. In a couple of weeks you will receive a transcript from today for you to peruse and correct any typographical errors. With that, Robyn, it is over to you.

Cr MACHIN — My name is Robyn Machin. I am the deputy mayor of Strathbogie shire. I welcome our mayor and a councillor, who are in the gallery today. I will speak very briefly. For the presentation from our shire we have asked Mr Norm White to help us with a strategy which we propose to present to the committee. I think our council has had many years of difficulty with tourism in the north-east and in our particular local government area. This is borne out of frustration not only by us but I suspect by many of our neighbouring councils as well. The presentation will present to you an alternate strategy from the status quo, which we believe has a strong possibility of improving the tourism game in the north-east region. I am also aware that there will be another presentation, from our local tourist organisation Tourism Lakes and Ranges, at another hearing. After that presentation you will find that these presentations have many commonalities. I will hand over to Norm White to present the strategy.

Mr WHITE — I am Norm White from Advance Tourism, Mount Waverley, but on this occasion I am representing the Strathbogie Shire Council. At this time I have prepared a brief summary of the proposal, which has been circulated. I would like to whip through that so it will leave time for questions from the panel.

This presentation is about a vision for tourism for the towns and cities along the Hume Freeway from Mitchell shire to Indigo shire. The aim is to provide an underperforming region with a high standard of destination marketing and with strong growth for the commercial performance of the industry. This will require a unified, experienced and private-sector-managed regional tourism organisation. The goal will be to match the standard set by these destinations, which is currently not being achieved. I will pass these around while I am speaking. That material there from various places is of different standards but will communicate to you how other areas are performing well by comparison with this area, where there is a whole collection — and this is not complete — of small brochures. I do not know how they get the message to the market with that approach.

To achieve the vision, it cannot happen unless there is a fresh, new approach. For 15 years the north-east has been doing much the same thing and going nowhere. The situation now is that the Hume Freeway is Victoria's busiest route, and yet the tourism industry is not extracting maximum benefit from it. The five councils along the Hume Freeway operate independently and promote their own areas, and there is no coordinated approach to communicating the whole area and benefiting from each other's area. The campaign committee does not enjoy wide private sector support. The name 'high country' does not work because it is not high country, and there are no business-driven strategies. It is all promotional activity, which is not targeting business. There is no commercial performance for the private sector. The present structures are hindered by parochial interests, political pressures and sectional agendas. But the biggest disadvantage of all is that there is no defined leadership to take the industry forward. With all of these little groups there is not any one leadership group to lead the industry. What this region needs mostly at the moment is strategic tourism planning, strategic tourism business development and strategic tourism marketing — and it needs an experienced management structure to provide the leadership and management to take the region forward. That is just not there. The present destination marketing does not get above tactical activities. It does not get into strategic work at all.

The proposal is that the five councils — Mitchell, Strathbogie, Benalla, Wangaratta and Indigo — pool their resources to achieve one organisation and that these councils in fact contract their tourism operations to this new regional tourism group. The region would be active as a linear group, like for the Great Ocean Road and the Newell Highway and south coast New South Wales and other areas; it would adopt a touring-route approach to its marketing, as the others do; and it would take advantage of the Ned Kelly Trail and develop it for the region and develop further the food and wine trails. Most important is that the RTO would operate as a business unit and not a promotional unit. That is a subtle difference between what is happening now and what is proposed.

To have a better business performance this area needs to have a market focus, it needs to use strategic planning, it needs to maximise trade support and it needs to use the variety of distribution systems that are there today — and they are just not being used. By the organisation being placed under private sector management, additional

resources will come from the private sector, as has been demonstrated in other areas, and they will not come forward at the moment while there are promotions without results and the whole structure being a shambles.

The chart I have put in the briefing paper outlines the functions. Filling out the appointments would be progressively achieved as the results were achieved, the funding was available and the organisation moved on. There are two key appointments in the success of this organisation. One is the chairman and the other is the chief executive officer. Get the right people with the right experience and the right leadership capabilities into those two jobs and the whole show will go forward. It is essential that proven industry leaders be in charge; no more of these amateur appointments, please.

Basically, the function of this new organisation is to establish the Hume Freeway as a primary touring route instead of the arrangements now; to provide the focus and the resources to expedite development of the Ned Kelly trail and the food and wine trails, and to focus on generating business — that is more visitors for the private sector businesses throughout the region. I have another document to give you this morning, and I will pass it around. I also have a document which is their product manual which they use for international marketing. I am going to make an offer to this committee. If you can tell me of any touring organisation in Victoria that matches the professionalism of the Great New Zealand Touring Route, I will shout you a dozen bottles of fine wine.

The CHAIR — Each?

Mr WHITE — No, for the committee to use at its leisure at the end. It will be my pleasure. Try to find a tourism organisation in Victoria that matches, or betters, what the Great New Zealand Touring Route is doing, and you will see when you read the briefing paper and you look at the product manual that they are extremely professional because the New Zealand touring people have a business ethos, whereas we have a promotional ethos. This is another very good product manual produced by the Great Southern Touring Route which in fact is the Great Ocean Road plus the Grampians and Ballarat.

The CHAIR — Would you mind passing that around?

Mr WHITE — The outcome we are striving for from this proposal is a rationalisation of resources to get better results, and for the Hume Freeway to stop underperforming and capture more of the available potential, and to get far better results for the tourism bucks for the local communities along the Hume Freeway. What is absolutely important is to help the private sector to grow and prosper, to be more competitive, and to deliver better marketing, and in that way we can deliver more community benefits. Last but not least, if you get this area moving history shows it will lead to more private sector investment by the existing businesses and by new businesses.

We see the funding for this proposal coming from a number of sources. Of course one is the funding provided by the five councils which would be related to contracts, management of the visitor information centres and whatever they can generate; and the introduction of a membership base which is absolutely crucial because without a strong membership base it is very hard to tap into the private sector funding and other resources. Also the introduction of an annual prospectus to enable smaller tourism businesses to buy into forward marketing plans. You will recall when Andrew Eastick addressed your group in June in Launceston, he made the comment that his prospectus this year will raise \$500 000 for destination marketing out of this regional area. All of the marketing is based on buying-in programs.

Another thing, which is not happening at the moment, is that this organisation would be better placed to tap into federal and state grants that are available. I do not believe from my knowledge of the region that those moneys are being tapped into at all because of the fragmentation. The Grand Pacific Drive was very much assisted with a grant from Canberra.

Sponsorships: this is an area where the private sector was always a better performer than the public sector in getting money for sponsorships, or in-kind support, and we would hope that Tourism Victoria will be cooperative in ceasing the campaign committee and transferring the funds across to this group. The purpose of this presentation is to brief the inquiry about where this project is. Strathbogie Shire has worked this project up with some informal discussion, but there will be a formal presentation in Wangaratta on 13 September when the other councils will be briefed in detail about what is involved. There will be a general discussion with the Mayors and the CEOs. It is proposed that after that, and subsequently, your committee will be kept informed as to how this proposal is developing. I have rushed this a bit this morning. I hope you do not mind, but I wanted to leave maximum time for you to ask questions.

The CHAIR — Thanks very much. Norm, it is interesting for us to hear how other jurisdictions are handling their regional tourism. Can you expand on some of the things surrounding the New Zealand proposal that you have put forward? I want to know about government assistance for that program. Are you aware of any success they are having with New Zealanders taking up the route, or Australians taking up that route? I want to know if you are aware of other nationalities that are making the trip down to New Zealand. Are the Australians going over there because of the high Australian dollar? Can you talk a little bit about some of the areas that are leading to their success?

Mr WHITE — The first thing to remember is that in New Zealand they do not have state governments or state tourism organisations to manage tourism; they just do not exist. The national government, like our national government, does not give money for regional tourism either. All of the money that New Zealand regions have comes either out of council support or out of the private sector's own initiatives. In fact, the councils generally say, 'We will give you about two-thirds or three-quarters of what you need. You have to raise the rest'.

The CHAIR — Yes.

Mr WHITE — That is in terms of visitor centre operation and administration costs.

The CHAIR — Do you have any data in relation to visitations — the nationalities of who is doing the great New Zealand tour?

Mr WHITE — In relation to the great New Zealand tour this report only arrived a week ago. I have been back to Jim Archibald and Coromandel with the very questions you are asking me, to get some specifics. I have not got that information. When I get it I am happy to share it with you. But what I do know from the exchanges I have had with them is that the product manual you see circulating is what they use, and have used for several years, to tap into international markets. They also have some material which I have yet to get which they use in the domestic market. It is interesting to note that with the GNZTR they had a fellow on as a part-time sales representative. He started in 2001 and in 2004 he went to full-time because he was getting the results from the international markets. It is interesting to note that this particular group is linked with the Great Ocean Road and the Great Southern Touring Route, and you will find a flag on one particular page. What the Great Southern Touring Route has achieved for the New Zealand touring route is to have them at the ATE. The only international product at ATE is that particular touring route. They get a lot of business from abroad out of that activity — —

The CHAIR — What is ATE, Norm?

Mr WHITE — Australian Tourism Exchange. It is the annual get-together when billions of dollars of business is transferred. That is the only product outside Australia that goes to that, and the New Zealand touring route is marketed both to the domestic and to the international markets. The five constituent regions all report positive results and that is why they keep pouring more and more money into it. I cannot give you an answer on the domestic market but enough to say that if you were to read that report in full, you would see just how well they are doing. If you are interested I will send you a copy.

The CHAIR — It would be good if you could do that. Certainly Lilian can organise that.

Ms TIERNEY — Robyn, would you be able to tell us a little bit more about your visitor information centre, the role it performs and the various responsibilities it has? How important do you believe it to be for a visitor information centre to be accredited at a reasonably high level for its returns back to the tourism industry?

Cr MACHIN — Would I be permitted to handball that to one of our councillors in the gallery who actually operates that?

The CHAIR — No problem.

Cr MACHIN — Cr Robin Weatherald operates a level 3 tourism information centre at his business in Euroa. There is also a level 2 information centre operating from Nagambie.

Cr WEATHERALD — I am a councillor at Strathbogie shire. I have been a resident in Euroa for nigh on 20 years.

Cr MACHIN — How does it operate?

Cr WEATHERALD — Strathbogie shire has got probably a unique structure in Victoria. We have got two visitor information centres, both basically funded and run by private industry. I have been a team group member of the north-eastern group from Albury right through to Seymour, which meets regularly, of visitor information centres. Basically the managers meet monthly, or every second month, to discuss policy initiatives. Our shire has been served extremely well by private industry being in partnership with local government in tourism information dissemination. At Nagambie we have had a level 1, which has been focused around The Nut House. That has worked quite well, although there is some restructuring there where The Nut House has given it away and has been moved into the main street of Nagambie. In Euroa until just recently we have had a 24-hour visitor information service — level 3 — fully funded by the businesses operating there, but the Shire of Strathbogie has picked up the accreditation costs, the costs of insurance and those administrative costs that are directly related to the running of the facility.

The other part of the question? There is one other important — —

Cr MACHIN — How you operate as part of this?

Cr WEATHERALD — We operate seven days a week. We are accredited. We operate at level 3, but we have enough facility and we have enough throughput of customers to meet level 1, but that is politically unacceptable, because most information services are local government facilities and usually funded by local government, and the industry likes pretty well to keep it that way. Too much intrusion of private business into that perhaps is not quite seen to be the way the group likes to work.

The CHAIR — That is fine.

Cr WEATHERALD — There has been a great partnership in north-east Victoria. Strathbogie shire has shown a great deal of leadership in being innovative in using private industry to partner the exercise because it is a very, very costly exercise for local government to fully fund a visitor information centre.

The CHAIR — That is good, thank you very much.

Mr VOGELS — Robyn, do you at Strathbogie — or any of the other five councils that Norm has been talking about, if you get together — have a differential rate? As we travel around, some councils actually have a differential rate where they collect a levy off their ratepayers to promote tourism and put that levy towards tourism. Is that one of the things that you do at Strathbogie and, if not, would you consider it, if Norm's plan is — and your plan here is — to have five councils getting together so you have got some funds rather than rely on businesses to cough up and maybe not cough up?

Cr MACHIN — I cannot speak for our neighbouring shires. There is a whole range of different rate structures throughout Victoria, as you know. We have a uniform rate here in Strathbogie shire. Over the past three years — since we introduced the uniform rate, which has been very successful as an aside — we did introduce a special charge scheme for commercial and tourism-related businesses, and that was both tourism and commercial retail business. It has not proven to be successful as we would wish, mainly due to lack of mass. We do not have enough in our small rural shire to make it a working system, so we have decided to not continue with that special charge but rather to use our global budget to fund what we are doing.

Ms MARSHALL — Norm, I took what you said quite seriously — the fact that you consider the region not to be the high country and that the image that conjures up does not really represent what you feel the area is. What do you think is the right image for that area, because it is a very vast area that you are talking about — five councils. I was wondering just what your ideas on that were.

Mr WHITE — Essentially I would like to make the observation, which you have probably discovered, that there are other people up and down the freeway and the communities along the freeway do not see themselves as the high country. I am really restating their view, although I share it with them. The purpose of using a touring route is a mechanism to get around that problem, because along the Hume you have got heritage, food, wine, Ned Kelly, some fantastic scenery and in different places you have got thoroughbreds and other types of local attractions, which all put together can reinforce each other. Apart from a big strip of bitumen there is not a common denominator all the way through, and you really need to present this area along the north-east as a variety of things to see and do and enjoy. At the moment with the fragmentation there is no single message getting out, and the only way to beat that is to tackle it during the concept phase.

Ms MARSHALL — Do you think that the signage is adequate at the moment, given the fact that it is quite a clear route to what other experiences are available off the main road?

Mr WHITE — From my own observations and listening to people in the municipalities along the road, VicRoads is not particularly favoured with putting tourism signage along the Hume Freeway, but I do believe that is absolutely essential at the end of the day. I think you have got more chance of success if you have got a region that says, 'We have got a touring route. We want to put the ground signs here, here and here with the following messages'. I think if you have got a combined approach I would be disappointed if they were not more amenable.

Ms LOVELL — I have one for Norm and one for Robyn, so I might just ask them both at the same time. Norm, yesterday we heard from a number of groups in the Alpine shire that were representing tourism, and certainly one of the conversations that a couple of us had after the meeting was that there seemed to be so many different groups overlapping and trying to do the same job. Would the RTO just become another level of bureaucracy, or is that designed to replace a number of the current committees that exist? My question for Robyn is about signage. One of the things that is coming out strongly as we travel around the area is a lack of adequate signage for tourism. I know that Strathbogie shire has particular interests in signage on the Hume Freeway, and I thought you might expand on that for us.

Mr WHITE — I think why there is a plethora of little groups around is because they are all dissatisfied with the lack of regional leadership. If you put strong leadership there that is going to take an interest in what each area wants, they will design the strategies to take care of what their needs are. Initially there will be a need to look after those small groups and their interests, but with good management in the RTO they will eventually wean them into a regional system. This is what has happened elsewhere. The point you raise illustrates that at the moment the moneys are being spent in penny packets and not really achieving a great deal, whereas if you have got a coordinated strategy where all of these various needs are built into the strategy and one is reinforcing the other, the RTO in the end will do the job for them all, and all these little groups will probably die away, or there will be some accommodation whereby the RTO might say, 'Let us have a food and wine trail,' or 'We might have a heritage trail,' or 'We might have something else'. But I really think that if you put good management on the ground, history elsewhere shows that all these little groups will disappear.

The CHAIR — Thanks. Robyn, in relation to signage?

Cr MACHIN — In relation to signage, do you see my hackles rising? We have not spoken about signage because we are really not looking at the small issue — no, it is a big issue. What we are concentrating on here is a strategy that has proven to be successful in other areas, and we would like to see it introduced here. With regard to signage, I think everywhere you travel in the state, and including the Strathbogie shire, we struggle immensely with VicRoads, which from a layman's point of view, seems to have very inconsistent policies through the regions of Victoria in tourism signage; and it causes immense frustration. I am sure you are hearing that and what I am saying is nothing new to this, but we are included in that.

Mr NORTHE — To reiterate what Wendy said, and at previous public hearings, we are certainly hearing that a number of smaller organisations are all seeking the same types of funding and the like and seem to be frustrated. I think certainly the structure you propose there seems more practical on the surface. I just wanted to make that comment. Basically at the moment, with the five councils, I guess that you are lobbying to create this new organisation. Who is actually initiating the process at the moment?

Cr WHITE — It has come out of Strathbogie shire.

Cr MACHIN — Would you like me to respond to that?

Mr NORTHE — Yes, if you do not mind.

Cr MACHIN — We have discussed this long and hard at our council and I have had private discussions with a number of the councils' CEOs and mayors along the corridor, and I understand our mayor and CEO have as well. The north-east local government regional group will be meeting on 13 September, so there will be formal discussion relating to Norm's presentation there. They are quarterly meetings, so we have not been able to present this prior to your hearing, but we have had informal discussions. It also aligns with local government's desire and drive for regional cooperation which is, as you know, becoming a very powerful tool for small councils to put a bit of oomph behind various activities that we undertake, and this is another proposition.

Mr NORTHE — If I may, just a second question to that: do you see that as your responsibility, as trying to initiate these types of projects, or is it really a state government, or somebody else's, responsibility to maybe do that, in your opinion.

Cr MACHIN — No, I think we help ourselves in this world, and that has been proven in local government. If we really need to do something, we do it ourselves and try to do that, but of course, if our ideas have teeth and support, we like broad support from all sectors and partnerships, including state and federal governments.

The CHAIR — Robyn, what are the other two councils — I have got Mitchell shire, Strathbogie and Indigo — that are going to be involved in this?

Cr MACHIN — Mitchell.

The CHAIR — I have got them.

Cr MACHIN — Benalla and Wangaratta.

The CHAIR — Just before we let you go, I would like to pick up on Kirstie's point. I would have thought Mansfield has a unique fit with the high country, just as an outsider; and I am a little bit concerned — we are hearing this quite a bit — that the particular area where we are right at this minute does not think that it might belong in the Jigsaw piece that it has been put into. But the alternative to that is to double or triple the amount of Jigsaw pieces and create quite a mosaic of so many places that you may as well not have it. If you overdo it, then you do not even have the fit. You just have a whole map of Victoria and each little area trying to market itself, and you do not get that critical mass that I suppose the Jigsaw gives us. Could you just talk about that a bit, because this is quite common wherever we are going.

Mr WHITE — I think this is a very crucial issue you have raised, and I cannot stress it enough. The groupings around the state have been decided largely for administrative reasons. I do not know that they all address the commercial needs of various parts of the state, which is why you have got some people very unhappy with their Jigsaw region. At the end of the day what we are trying to do with tourism is in fact to deliver more customers to the regional towns and cities. Now, if you were running Victoria as a business and you handed it all over to Woolworths, the first thing it would say is, 'How do we maximise our money out of that, that and that?'. We do not do that in Victoria. We just say, 'It would be nice to do that'.

I have been hearing stories about the way Tourism Victoria goes out and makes decisions to suit the Jigsaw rather than to suit the commercial need. At the end of the day it does not matter whether you are at this end of the state or the other end of the state, what you really need to achieve is, 'What are we trying to do from a business perspective, not a political perspective?', and in the case of the Hume Freeway there is a synergy of products which you could put together and have a commercial presentation to the market, which is easily communicated.

It would seem to me that Murrindindi, Mansfield and Alpine shires are very much linked in with Mount Buller, Mount Hotham, Falls Creek and Towong shire. It would all be logical to be part of the high country, and promoted and marketed in that sense. Now I know that the high country is accessed by different routes through Murrindindi, through Wangaratta, through Albury and all that sort of stuff. But at the end of the day, the consumer in Melbourne, or anywhere else for that matter, would see that Murrindindi, Alpine, Mansfield, Towong and the snow resorts are all married in together.

When we look at the various areas of the state, while it might be argued that we have to consolidate, I can say that that was the theory they put into train in WA, and they rationalised it to five big areas, but I do not think you will find many people in the private sector in WA rushing to support the concept. It was imposed on them and it is not working. The state tourism organisation will tell you it is a great success. You talk to the private sector and it had structured that without considering the commercial ramifications. Whatever you recommend at the end of the day, I would hope you will weigh up the commercial implications with your recommendations.

Cr MACHIN — Can I make a contribution to that one too?

The CHAIR — Briefly, yes.

Cr MACHIN — As an example of the frustration we feel with the Jigsaw, the Jigsaw has been changed. There was a Goulburn waters part of the Jigsaw at one stage, and that is no longer, so that has altered things. Our

shire is currently a member of Melbourne and surrounds, and we are a member of the high country; and we do not really fit in either. Our southern neighbour, Mitchell, is a member of Daylesford and the spa country. We have far more in common with Mitchell, probably, with a lot of our marketing, than the high country.

The CHAIR — It is a relevant point, and we have heard that before. Thanks very much for your time. We have gone over our schedule a little bit, but thanks very much for making your presentation. We will give you a copy of the transcript within a couple of weeks for you to peruse and check for typographic errors.

Cr MACHIN — Thanks very much for the opportunity to make a presentation this morning.

Witnesses withdrew.