

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Mansfield — 30 August 2007

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The CHAIR — Dean, this is the Victorian Rural and Regional Committee conducting an inquiry into rural and regional tourism. All evidence taken before this committee is subject to Parliamentary privilege and that is afforded to us under the Constitution Act 1975, the Committees Act 2003 and the Defamation Act 2005. Any evidence given outside the hearing is not covered by parliamentary privilege. Would you state your full name and address and the organisation that you are representing, prior to giving your evidence?

Mr BELLE — I live at [detail removed]. I am a board member of NEVT, small business operator in town as proprietor of the Mansfield Regional Produce Store; I have not had a chance to send that CV: I have been involved on Mount Buller with the ski lift company, lessee of the Buffalo for nine years and was also — a little stint outside here — CEO of Tourism Tamworth in New South Wales, so I have a mix of backgrounds there.

Referring to the NEVT paper that we submitted, I have a couple of comments that I would like to just stress in regard to the paper itself. Initially the Legends, Wine and High Country campaign committee, as all of the campaign committees, really used to be brochure committees. They were very prescribed and it was handed down from Tourism Victoria, that, 'Here is the campaign, this is what is happening, this is how you can fit in, you raise the money, you put the brochure together, we will drive the rest of it'. That has matured, it has changed, it has become a lot more strategic, a lot more tactical, and of course in that process it also raises more questions, as more control has been available to the regional bodies, there are more other bodies sitting in the pyramid, who are questioning and saying, 'What about this and where should our money be going?'.

The primary goal is to work cooperatively to increase visitation yield, the length of stay in north-east Victoria, and working on the key product strengths of food, wine, touring, adventure and ski product, and working with those various bodies. The campaign committee represents skill-based representatives. One of the challenges is to have the skills-based board but also the geographical representation. We work on that and ensuring as well that it is seen not to favour one particular area over another. If many of the smaller groups had their way, they would like to have a telephone book approach to it, where everybody got a listing and everybody got their moment of glory. At the end of the day, from a marketing point of view, you have to relate to your product strengths and show leadership in that. I think the figures we have presented in regard to tourism-related jobs in the area are very conservative. For 2008 there is a figure of 840, whereas in fact if we have a look at the resorts at the moment, even though it is only for a four-monthly period, we would have more than that involved with the resorts, so even on an annualised basis, that is very conservative, and similarly with the visitation.

Bushfires of 2003 and 2007 have been interesting, and I am sure you have had many representations in regard to that. I was involved with NEVT and the bushfire recovery group, and of course when people were experiencing the pain of either slowed-down business or no business, there was the natural desire to see money spent now and money handed over in assistance. Again, as with all groups, we have to find a balance, and we have to ensure that any moneys and any funds that are invested, rather than just being spent, provide a return over a significant period of time. A lesson that was learnt from 2003 was that a large wad of money came in, but it was also spent very quickly, and there was not sufficient long-term availability of those funds, so where there were some peaks and spikes — specifically over in the Alpine shire area — they then could not sustain some of those activities. It was very important for us when we were putting this plan together for this year, for this series of fires, to ensure that it had a broad enough base for the recovery planning and that in fact it was spread over a period of time. We tried to get three-year funding, but, because of all of the rules, that was limited to 18 months.

There has been some angst, as I said. In February, when the fires were not over yet, we were continually having comments from operators saying, 'We have got blue skies in Bright;' — or wherever — 'spend the money now and they will come back'. I think we actually put together a strategic plan and it has paid off. It was important not to rush out there and just start signing cheques. As it happens there were also some issues with actually getting the sign-off from government, and there were significant delays, not that the announcement came very quickly, and a lot of issues and delays in getting the funding through. Craig's Hut was obviously one of the icons that we lost, and funding is through for that to be rebuilt. Mount Buffalo is a different matter. That is, as you would know, in process, and I think there is a longer-term problem for the northern neighbours, as it is an icon there. In a tourism sense I would call it a key anchor tenant for those operators in the Bright and Porepunkah area. That highlights one of the issues that some people have — that is, whether we lease hot properties for longer-term leases.

We also are aware of some concerns that people had regarding event funding and some of the spread of money. I am sure you have got a copy of the document for the bushfire recovery. When we tackled that, we tackled it not just from an advertising/marketing point of view, but also to have a look and say, 'What are some of the longer-term

things we need to do?', like updated and consistent image libraries so that the branding would take effect effectively. We were working with operators at the time of the fires of course. The interstate ski markets were under the impression that our resorts were burning down, so they were making decisions as to whether they would be going to our resorts or to others. That was at the time of January, when the first of the ski shows took place, so there was a lot of work to be done there.

With regional events, again we have put some money into those events and supported those and there is discussion as to how many events you can do. Once again, you can have a telephone book listing and give everybody \$5000 and everyone walks away with a postage stamp, or you can take a more strategic approach. One of the most important ones — and I will come back to it again later on — was to operate a business development program. We said, 'We can have floods. We can have fires. We can have poor seasons. We can have good seasons. There can be changes in economic conditions. Are the operators ready to cope with change and what tools have we given them to do so?'. I will come back to that matter in a moment.

There are issues that we have identified through NEVT. One that has been highlighted a couple of times this morning is underdeveloped transport infrastructure and options, and that is mostly a non-winter situation. We see some benefit in the Albury airport developing, and I am under the impression that perhaps Virgin will be coming into that, and we would see that as a benefit and a quick way of tapping into the Sydney market and getting more fly/drive happening out of there. That would be of benefit to many of the operators.

Funding for regional tourism bodies has been very short term. Again, if we go back to the initial model for the campaign committees, it was on an annual basis — 'If you raise the money, then we will start on the next campaign'. It has been changed, but for us, for instance, to employ an executive officer and to only be able to offer 12-to-15 months security means that if you have got good people they are going also to be looking to use it as a stepping stone rather than as a destination for their job security and for their professional development. Oddly enough, through the fires — with some of the funding that has come through and the way that we have spread the budget a little bit — we have now been able to get some security for our executive officer, and that is very important because it leads into communication with other bodies and what is happening and people's perception of what the regional body is doing. So it needs to have two to three-year rolling funding for better long-term planning. That is partially being addressed.

Communications: broadband and mobile phone access is an issue. We have got more people creating little destinations out in the bush and all over the place. If they are going to be able to market themselves effectively, they have got to be able to have access to broadband, they have got to be able to have mobile coverage and it has all got to be seamless. That is something that has been identified years ago and is still an issue.

The regional partnership program: there have been some changes to that funding cycle, and we are very supportive of that. It has got a bit more security and assists with longer-term planning.

Research is important and we can only support more appropriate research to the regions. A lot of the research is very broad brushstroke and does make it harder to actually send some of those messages and deliver that information back to operators.

Tourism Victoria's international department has been very successful. I do not know all of the internal funding splits but I think they are one of the ones that struggles to get their share. There have been a lot of changes in the last approximately five years with closure of offices in Europe and around the place. The international side of things, as we have had identified this morning, is one of the areas of growth. We have got to make sure that those people can have the resources to follow through. It is all good and well have Tourism Australia and all of that but there is too big a bridge between Tourism Australia and operator and regional level. I strongly support Tourism Victoria to have the appropriate level of resources there. Research is showing, as we said, that inbound tourism is an area for growth. Are the regional operators ready to adapt? We have had the traditional markets of USA, UK, Germany — very self-reliant, happy to get in a car and get around, specifically the Germans, Belgians and so on. But if we are moving to China and India, are the products correct, are the operators ready? This comes back to this issue of operator training and that, which we will wrap up on in a moment. To what extent do operators know how to adjust and adapt? The only constant is change, as we know, so we need to support and train operators more. In that I would like to congratulate one of my associates here from Mansfield. What has taken place here, it was not planned for the timing of the fires but the operator workshops and business development workshops have been very strong.

As we know, many people get into tourism as a cottage industry, optimism and hope sustains them from season to season whether it is summers or winters that they rely on and many of them have jumped ship from other industries and really do not have all of the tools to do it. Somebody is a good chef or somebody is a friendly person and they think that will get them through. The business workshops that need to happen in terms of business planning, marketing, Train the Trainer if we are thinking about the Aussie Host maybe from 10 years ago that has fallen off the radar, and training for international markets. People do not understand some of the economics and the things like commissions. They look at it and go, 'Thirty per cent commission? Cannot do it, will not do it', not thinking through that if you kind of annualise that it might only be the equivalent of 3 or 4 per cent commission. You are just paying for those particular people but you are only paying for success, not for advertising where you do not know.

In terms of events, the training for events throughout the region, we rely often on major large events around the place and many of the event organisers can be people who have put their hand up and been willing to put their shoulder to the wheel, not necessarily trained to do the best job. At times you will have some events that will say, 'We cannot. We have been a gold coin donation for this particular event for 20 years or 10 years or so and we do not want to make it more expensive'. I just come off the mountain and give my son a \$6.50 milkshake. If I can pay for a \$6.50 milkshake, somebody else will pay more than \$2 to go to an actual event. Many of the events feel that there should be funding that comes through to them.

If I can just jump across to the Tamworth experience when I took over up there, there was an event funding policy and that meant that automatically everybody expected that they would get some money. That was the implication. We changed it from an event funding policy to an event support program with a greater reliance on training and educating some of the people who were event managers and event organisers, giving them more training and providing them with a different form of support. I think that then makes them more self-reliant for future success and can cope then with changing market expectations and funding issues.

Overall communications. Tourism Victoria communicates pretty strongly with NEVT. We have a communication plan that goes to tourism industry groups. We have a question mark as to what extent it goes from all of the tourism industry groups through to operator level and where the gaps are and who is not getting communicated with, because you often find that there are some people who either choose not to be in a group or whatever the case but they will be the same ones who come up and then complain that they are not involved. Another issue of course is overcommunication. When we all receive the number of emails and letters that we do, you get to a point of scanning and not necessarily reading things. It is not an easy issue to deal with. We certainly try through NEVT to communicate pretty strongly back to Tourism Victoria. We do have somebody from Tourism Victoria sitting on our board and attending the meetings. That assists there.

The last is an interesting little one. Just from the department of education — this is not NEVT-based, it is just a personal observation. The education department has recently highlighted the 'It's Not Okay to be Away' program. I understand it is aimed at truancy but it also in the net picks up that it is not okay just to be away for some family desire to kind of shoot off. From a regional tourism point of view and a tourism infrastructure point of view I think this is somewhat misguided. If it is intended to kind of push that any harder than it may have been pushed, and I am not familiar with the Melbourne market, at the end of the day we rely on being able to get people through on a year-round basis, not just in those key holiday weeks. We do not have the infrastructure for just key holiday weeks. The labour market and everybody expects flexibility in workplace, we have working couples and all the rest. If I want to be able to take my children away, to take them out of school and go away for four or five days, I have got to be able to do it. If I flip that around, from a regional tourism point of view, it is also important that that does not get to a stage where people are worried or scared about taking their children out of school. Thank you very much.

The CHAIR — Thanks, Dean. I will just pick up on that last one. It is an interesting subject. Certainly the education department is really concerned about truancy. It is also very concerned about a very lethargic attitude amongst Victorian parents. They really have been forced to make a stand to raise that importance of actually going to school. But I understand. I had not actually thought about it. Even though I am — —

Mr VOGELS — Doing it yourself?

The CHAIR — Doing it myself. It is a very good point you raise that it does have a direct impact on our tourism sector.

Ms MARSHALL — No, I thought it was a terrific presentation, and very thorough.

Mr VOGELS — Thanks, Dean, it was an excellent presentation. Are there too many tourism industry groups in north-east Victoria? I have not got my head around all the people we have met yet and all yesterday and there are probably heaps who have not even come in to present, but how many are there?

Mr BELLE — In terms of NEVT, you have obviously got the number of shires. Each shire would have its own chamber of commerce and/or tourism body. Then we have got Great Alpine Road Marketing, North East Valleys Food and Wine, High Country Adventure, BART, the rail trail, gourmet region, various national parks and of course Parks Victoria is a very critical component of tourism in the area, and then a number of other smaller bodies. And then splinter groups who feel that they should actually represent more than the existing groups. I think it is part of a dynamic industry. It is a double-edged sword. It is great that people want to be involved.

Ms TIERNEY — I asked this question yesterday about the bushfire recovery committee, about what you would do differently if we had an unfortunate set of events again. Do you see it important to actually get together now to review that as a collective?

Mr BELLE — We do need to review what happened. As I said, one of the issues was that a funding announcement was made with no notice to anybody. I think a couple of people got 24 hours notice. It was made very quickly on 31 January — a snap decision. I was advised on the day that it was going to happen and then had to field phone calls from across the region. After that there were significant delays to actually getting confirmation of it, and other than an event for Federation Square we were locked away from getting to the money so we could not distribute things. Then, of course, people's suspicions were raised and they were hurting. They wanted action then and there, and they wanted to be able to access funds then and there. There were some real problems. There had been publicity, so people's expectations had been raised. It was, 'We have got to do this and this' and some timeslots were lost. There were, kind of, milestones which could not be achieved because that money was not signed off, and there were issues within the state government about what was coming from Tourism Victoria or regional development, whether Treasury had actually signed off and whose budget it was going to come from. That became very complex and very messy and it was counterproductive to all.

Mr NORTHE — Well done, Dean. I will give you a wish list. With the exception of increased funding or changes in funding, what would be one change that you would make to tourism in Victoria if you had an opportunity to do so?

Mr BELLE — In terms of our areas?

Mr NORTHE — From a state government perspective? If you were the minister, Tim Holding, for a day, what change would you make?

Mr BELLE — If you are looking at the high country, whether it is the model or the lease, security of tenure so people can make proper investments across the board. It does not matter if it is an adventure operator who has been traditionally on a 12-month arrangement who can now get up to about three years — I think it is — or the small person with the four-wheel-drive through to places like Mount Buffalo and larger resorts as well. If there is security of tenure for those people then they can actually get on with the job.

Ms LOVELL — Dean, we all know the media loves a headline and they love sensationalising things. We certainly saw that with the bushfires. Early on in the period we had the media camped out here and the perception given to the rest of the state was that Mansfield was under direct threat, and it affected our tourism numbers. It was the same up in the Alpine shire with Bright, Myrtleford, Beechworth and Mount Beauty. Everyone stopped coming because they thought the whole area was ablaze. I have heard the same thing down in the Gippsland region as a result of the floods. They are now having cancellations for the September school holidays and Christmas because people still think their water is tainted and that there are all sort of problems with infrastructure. How can we better manage the media and the perception out there so that there are not such negative impacts?

Mr BELLE — I do not believe you can manage media in that sense, and it is counterproductive to try. Again, we come back to operator training, and to the bodies themselves — the smaller operator groups and industry groups — so they can more effectively communicate with the customers. I know that one particular operator in the Bright area and through the fires had its business drop by 10 per cent. Other operators had drops of 80 per cent. A lot of it comes down to their communication with their customers as to what is happening. It is a double-edged sword. The same media that was telling everyone to stay away have also been the media that has sent up travel writers, journalists and all those sorts of people. I have just brought in three double-page spreads. We have just had

Royal Auto come out to do a double-page spread on Mansfield and the whole of the north-east in June. It will talk about the alpine style, and it being back in business. In fact if we were to look at the publicity since the fires there has been a huge amount for the north-east. If there is a disaster we train the operators and give them the tools to have better communication, whether it is with their databases, their mailing lists or whatever the case may be. Often they are the best-placed people to communicate with their existing customers, and their existing customers will be the ones who stand around the barbecue and say, 'No, it is not half as bad as the media is making out'. I think that the general public on the whole are actually pretty savvy about the fact that it will be sensationalised. We see these things in the news every day.

The CHAIR — Thanks very much, Dean. We appreciate your making time available for the committee today. We will make a copy of your transcript available to you in the next few weeks, for you to have a look over.

Witness withdrew.