

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Mildura — 31 July 2007

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Mr T. Knight, president, Mildura-Wentworth Houseboat Owners Association.

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

The CHAIR — Tim, thanks for waiting and thanks for making yourself available. Welcome to the Rural and Regional Committee. We are an all-party parliamentary committee. Everything you say here today will be protected by parliamentary privilege, which is provided by the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005. Anything you say in here is protected; anything you say outside will not be protected. If you could start off by stating your name and address and the name of the organisation of which you are a part, then, if you could, like our previous witness, give your presentation with ample time at the end for some questions from the floor, it would work very well. Thanks, Tim.

Mr KNIGHT — My name is Tim Knight. I am representing the Mildura-Wentworth Houseboat Association today. I would like to welcome you here. Thanks very much for giving us the opportunity to talk with you and perhaps give you some ideas and answer some questions later on. It is very pleasing to see you guys come up here and show an interest in what we are doing. We do appreciate that.

I will just briefly give you a little bit of a run-down. I operate Acacia Houseboats down on the river. It is a family business, with my wife, myself and my son. We run the business. We have been here for seven years and we are at the moment managing or owning seven houseboats, so we have got a reasonable size business. I come from a farming background down near Hamilton. I have been involved in sheep breed societies and state councils of sporting bodies for a number of years. Over the years I have run four business ventures outside the family farm, as an off-farm income thingo. That is just a little bit about me.

The Mildura-Wentworth Houseboat Association has been active for around 25 years; I am not quite sure exactly how long. It started off being known as the river men, which was a group of operators who travelled around shows and field days with a trailer and a display sort of advertising houseboats. This was the way it was done in those days. Today we have 14 members and we run 45 commercial houseboats of various sizes. Members range from operators with five to eight boats right down to members with only one; it is just sort of a hobby for those guys. Approximately 12 000 to 13 000 people used a houseboat last year, spending money on fuel, groceries, entertainment, hotels, wineries, restaurants and tours. We mention the tours because sometimes they want to go to Mungo or the winery tour in the little bus and do a few things. All that ties into our business as well.

Over the past two or three years investment in houseboats in Mildura has run into the millions of dollars — I mean this sincerely — with new boats being built. A new boat today is in excess of half a million dollars, and we are building two or three of those a year. The operators expect a return on this investment. If they did not, they would not do it. It is a commercial venture. It has put Mildura right at the top of the list of quality houseboats on the Murray. Whether you go to South Australia or Echuca, we are right up there with it at the moment. In fact in 2005–06, which was the first year of major expenditure, we exceeded \$4 million from our members investing in the industry. They were not all built here; they were boats that were built in South Australia and brought up here. That was the first year and it has gone on steadily since then. We have some of the most modern and comfortable houseboats on the river. In fact I think we are leading the way at the moment. That is pleasing to see. It shows confidence in the industry.

The industry is unique in that we have to advertise over three states. If we advertise in Melbourne, we are going to get Melbourne people for sure, but we are not going to get anyone from Broken Hill or Wagga or maybe down into Adelaide. We have got a unique industry, so we have to do this. As well as advertising in the cities, we have got to then advertise in regional areas. That is sort of the expensive side of it. We need assistance in this regard. It is just a big expense for any one business. At the moment we work through Mildura Tourism and Tourism Victoria. Some operators work with Tourism New South Wales. That is sort of where we are at at this stage.

We get a good idea of a trend emerging because all our holiday visitors book in advance. Very rarely do we get someone walk up, knock on the door and say, ‘I want to go on a boat tomorrow’.

We can see a drop-off in business a couple of months before. We saw this happen in April. There are figures being quoted around at the moment, even on the news this morning, about the visitor numbers being up and all this sort of thing. I agree with that because those figures were taken to the end of March. During April the main press from Melbourne started to talk about the river running dry. I had phone calls from people from New Zealand that said, ‘The Murray is dry, we have not got any water in it, how are we going to have a holiday?’. That is how far wide that message got. That just about stopped our business dead in its tracks. We lost 90 per cent of our business in May, and that started at the end of April. Those figures have not surfaced yet in the official figures, but we could see that starting to happen in April — and it has proved to be correct.

Ms DARVENIZA — They are probably getting the stories in New Zealand about the floods in Gippsland and they think it is happening in Mildura — we have got the water back.

Mr KNIGHT — Have you ever noticed that when there is a bushfire it is never out, it is always under control. No-one ever says it is out. It is difficult. Once they get this perception in their mind, it is very difficult for them to remove it. I think it takes time to do that. I can see this trend continuing until September. Our figures for June and July were average because of school holidays. August is going to be another dreadful month. We know that, we can see that already. I cannot predict after September, but we are getting inquiries at the moment. I will talk about that in a little bit.

Of course, this drop-off affects all those things I mentioned — the restaurants, the fuel. You would be surprised how many grocery bills I see come out of Woolworths at, you know, \$1000 when you get 10 or 12 people on a houseboat. And that is without their alcohol. It is quite a big expense or quite a lot of drop-off for some of these other businesses in town, not to mention our staff. We have cleaners and people who help us out. They are casual, they have not got any work now. That is another effect of it all.

We have been able to identify this winter drop-off. It is not as bad as this year but this has been around now for as long as I have been here. Winter has been our drop-off time, we know that, we expect it. We need to look at a marketing campaign into the local market or the domestic market, if you like, whether it be Melbourne, Sydney or Adelaide or the regional areas, to cover for this winter time.

I will just continue with my notes here. We have already lost one company this year which has closed down and there are a couple more just hanging in there. If this was to continue next year, then I can see quite a lot of people would just pull out of the industry.

Ms DARVENIZA — The houseboat companies you are talking about, are other people involved in it?

Mr KNIGHT — Yes. One company had about six boats. It has just walked away this year. This is through the ‘no water in the river’ thing.

Just to go on about publicity, I do not know whether any of you people saw this but back about six weeks ago we had Steve Jacobs up here on the TV show in the morning. I am not sure what it is called actually, but he was up here doing the weather on one Friday morning from Mildura. We got up at 5 o’clock in the morning, and that takes a bit of doing these days, and went down there in the cold. And we had some signs made up — ‘Houseboats float’ and ‘The river is not dry’ and all this sort of thing.

Steve actually mentioned the houseboats on the crossover at 8.30 and 8 o’clock. Now that was good coverage; it did not cost us anything, but it was amazing. The turnaround was immediate; the effect of people starting to ring up. I do not know whether you would ever buy that sort of publicity, but it just shows how good an advertising campaign can be at any time of the year. It does not really matter when, but it needs to be targeted to cover our winter.

Just how we do that — we know how we do it, but that was an amazing effect. Forgetting all the internet, that was straight out publicity, advertising. We got on the front page of the local paper. We got on WIN news, which went right around Victoria in the evening, and the local news here; it went around everywhere. So that was really tremendous.

We support and recognise the importance of the events of the national parks and the river. We know that the events, as well as school holidays, bring people to Mildura, and some of those people use houseboats. It is interesting to note that with any event that is organised here, anyone can get the spin-off from it. So they as well the school holidays are important.

The houseboat association was the first houseboat association to introduce recycling bins onto our houseboats a couple of years ago. We went with our local council and our waste management group, and we organised grants through the Keep Australia Beautiful Council and the then EcoRecycle Victoria. It was one of the first times when two state departments, if you like, both gave funding to one organisation. We were pretty proud of that. That was quite a significant amount of money. Our customers expect the recycling. We did not have to educate them; they just expect that you have to do that; that is the way they live today.

I heard you mention before with Helen — and I made a couple of notes while I was listening — about South Australian Tourism. South Australian Tourism has got a wall up between South Australia and Victoria. New South Wales and Victoria get on very well. As tourism bodies, even though there is a state border, we work very well, even with Broken Hill. Mildura works in with Broken Hill very well. But South Australia is a different ball game. I go over there quite a bit and travel around to its field days. The tourism industry over there is supported by its state government to quite a large extent.

If you guys go down to a travel show in Melbourne at Jeff's Shed, you will see that South Australian Tourism will have a huge stand. I think just the stand itself is valued at over \$100 000. It will be staffed by South Australian Tourism staff, and its major display will be houseboats and the Murray River. Maybe Victorian tourism should look at helping us get to Melbourne — not only Mildura but perhaps some near Bendigo and some of the other places that go down there; Warrnambool — with a professional display, so that we can go as part of that to these shows.

Bear in mind that if we all go down, a site at the recent boat show just the other day was \$6000. The houseboat association just cannot afford that. We wanted to go. We had a whip around and raised \$3000, but they would not accept that. You have to remember that the cost for us — by the time we travel down, our accommodation, our time away from our businesses — is a fair commitment. I have been down to these shows, and I can tell you that by the time you stand there from 10 o'clock in the morning until 10 o'clock at night and walk across to the casino to get a bite to eat you really do not want to be driving out to Coburg or somewhere to get a cheap motel. You are looking at \$200-odd a night. I think that is probably worth looking at and perhaps thinking about whether that can be organised somewhere along the line. I do not know.

We support Mildura Tourism and Tourism Victoria, because we are all on the websites there. Industry is putting money up all the time to Mildura Tourism. I just personally feel that we are chasing the international market, and that might be very well for the cities — Melbourne, Sydney, Adelaide, Perth — and perhaps Ayers Rock, but it is not going to do a lot for Mildura, because what are international visitors going to look at when they get here, if they can get here? Our public transport system is non-existent. We have got a train that comes to Swan Hill and then a bus that finally gets here about 8 hours later. The airport, as you mentioned before, is at this stage doing a good job, but to get cheaper fares, which was discussed, we have got to get larger aircraft in here. That is going to happen, I believe, before Christmas.

Ms DARVENIZA — Virgin is coming, is it?

Mr KNIGHT — No, it is Rex and Qantas.

Ms DARVENIZA — Yes, but is Virgin the one that they are talking about coming?

Mr KNIGHT — No, I think Qantas is going to put larger aircraft on.

Ms HEALY — It has not been announced.

Ms DARVENIZA — But the airport is going to have bigger aircraft?

Mr KNIGHT — It may need to have longer airstrips eventually; I am not saying right now. But if you look out, say, three, four or five years, then I think probably that might answer your question or perhaps throw a bit more light on the airport at this stage. The domestic visitors is where we are falling down.

The CHAIR — We need to leave some time, Tim, so we can ask you some questions too.

Mr KNIGHT — I see. All right. That is where we need to look. For Mildura we need to market for the domestic market.

The CHAIR — Sure, more so than international.

Mr KNIGHT — We have got fuel prices. We could go on and on and on. All right?

The CHAIR — That is great. You have covered it all very well, but to give our panel an opportunity to ask you some questions we will wind your presentation up there and go to Russell.

Mr NORTHE — Good on you, Tim, well done. Just a quick reference back to your mentioning before the impact of the drought and the perception that there is no water in the Murray; you made the point that when you had the *Today* show up here you believe that made a difference. It is a cost, but I guess you say we can go out and market to rectify the situation. In your opinion who should actually pay for that, Tim, knowing that as an association you would struggle to come up with the funds to do that?

Mr KNIGHT — Our industry already supports Mildura Tourism to quite a few hundred thousand dollars or more. I have not got an exact figure on it, but it is quite a few dollars. That relies on profitability of your businesses. If your businesses suddenly lose profitability, like they have this year, I can see that next year we are going to have a battle to raise funds.

Mr NORTHE — I will say in the event that we class this as a natural disaster, a drought as distinct from the perception that there is no water in the Murray.

Mr KNIGHT — Personally I do not think we could have handled it. It was too big. I think a one-off like that is something you cannot do anything about. It is like a bushfire; there is no magic cure. There is not an amount of money that will fix it. What we have got to look at is perhaps in the event of a normal winter or a normal downturn over the winter how we can market successfully to fill that gap.

Mr VOGELS — For my whole life I have said I want to go on a river cruise, but I have never actually managed to do it.

Mr KNIGHT — You have missed out, haven't you.

Mr VOGELS — Are the boats you are building here self-contained?

Mr KNIGHT — Yes.

Mr VOGELS — Do you also have cruises you get on and someone takes you for three or four days

Mr KNIGHT — No, they are all self-contained. It is just like walking into a motel; all your linen, towels and everything are there. We give you driving instruction. We do not let you just go down the river if we do not think you are capable. We try to pick out someone in the group who — —

Mr VOGELS — Do you need a boat licence?

Mr KNIGHT — No, a motor-car licence.

Mr VOGELS — My understanding is that the river is basically all in New South Wales.

Mr KNIGHT — It is, yes.

Mr VOGELS — Do you have any trouble with the New South Wales government with water access or anything like that?

Mr KNIGHT — No, but we are talking with them all the time. What we are trying to do at the moment — and the houseboat association is very active in doing this — is trying to get a uniform law in South Australia and New South Wales — the same.

We have got two different governments at the moment with two different sets of rules, and what we are trying to do is get that together, mainly with the quality of the water now. I am not talking about the quality of boats, I am talking about the quality of the water, because South Australia is concerned because we send our water down to them. So we are trying to get uniform rules, and we will see what happens.

Ms TIERNEY — Tim, I want to ask a fairly straightforward question about houseboats as well. If I was talking to friends or relatives in, say, Melbourne, Adelaide or Sydney, how would I describe the experience on a houseboat moored off Mildura rather than somewhere else in the River Murray, whether it be in South Australia or wherever?

Mr KNIGHT — The advantages of a houseboat holiday in Mildura compared to other areas is in the facilities we have got. It is the same river, it is virtually the same weather, but it is the facilities Mildura has: Trentham winery, which just won a New South Wales award the other night; the Gol Gol Hotel; the golf courses; and Wentworth township, which is the hub of history. That is where all the old jails and old things are, down there. That is the advantage, that you can actually travel down the river and call in to these places. The guys will probably play golf and the girls will go up to the club and play the poker machines. You can do that — not everywhere, but you can go out to dinner a couple of nights while you are down the river on a cruise for a week.

Mr DRUM — There is also a significant difference, Tim, in relation to the shape of the river at this end compared to, say, Echuca and Yarrawonga.

Mr KNIGHT — Yes, it is completely different.

Mr DRUM — The river here is half a mile wide compared with having to be quite vigilant when you are at the controls down the other end of the Murray.

Mr KNIGHT — Yes. Anywhere outside of a weir pool, the river when it is running is running quite swiftly, but once it gets into the weir pool it slows down. That makes it a lot easier to handle the boat.

Ms DARVENIZA — I wanted to ask about the tourism shows. You were talking about how South Australia and its tourism authority comes along. Does it fund quite a big display for houseboats?

Mr KNIGHT — The South Australians?

Ms DARVENIZA — Yes. Is that what you were saying?

Mr KNIGHT — Yes. They provide the site and the staff and the display and everything.

Ms DARVENIZA — And you were saying that it is difficult for you to find the funds to be able to compete with the sort of display that they are able to put on.

Mr KNIGHT — We could not do it. Just their display alone would be \$100 000.

Ms DARVENIZA — So you are saying that one of the things that Tourism Victoria or the government might be able to assist you with here in Mildura is promotion at those shows.

Mr KNIGHT — The regional tourism, I think, yes.

Ms DARVENIZA — Are those shows worthwhile?

Mr KNIGHT — Yes, absolutely.

Ms DARVENIZA — So you get a bit of business from them?

Mr KNIGHT — All the time. I am off tomorrow to one. I will be in Hamilton at Sheepvention on Monday. I was at Bendigo show last weekend.

Ms DARVENIZA — You talked about how there needs to be a marketing campaign to cover the winter period; is that particularly this winter period or are you talking about next winter?

Mr KNIGHT — We have identified over the last few years that the winter is the toughest. Some operators are saying this is the worst winter for 30 years, and that is because of the perception that there is no water.

Ms DARVENIZA — The concern about the drought.

Mr KNIGHT — But that will pass, you see.

Ms DARVENIZA — So with the passing of that perception there still needs to be a campaign around winter.

Mr KNIGHT — Yes.

Ms DARVENIZA — If you were going to have campaign, that is where you would target the campaign?

Mr KNIGHT — Yes.

Ms DARVENIZA — What form would that campaign take, and how can you see Tourism Victoria or regional tourism assisting with that campaign? Do you have an idea about how that might work?

Mr KNIGHT — The ideal thing would be television ads, and they would be directed to your local visitor information centre. It would not go directly to the operators.

Ms DARVENIZA — What about that postcard show?

Mr KNIGHT — Mildura is doing that very well now.

Ms DARVENIZA — So you are on that postcard show?

Mr KNIGHT — Yes.

Ms DARVENIZA — Maybe you need to look at being on it in winter or before winter.

Mr KNIGHT — If it is not postcards, it is something else. They do that very well now, but it just needs to be, I think, put in front of the public more often. I think newspapers are limited with their results, because once you read them you put them down, and that is it. I do not know. You would have to talk to marketing, and you would have to try a little bit of a trial and just see how it goes. I am not a marketing guru by any way.

Ms DARVENIZA — No, that is good. Thank you very much for that.

Ms LOVELL — Tim, we have seen over a million less visitors visiting country Victoria in 2006 from the figures in 2004. The government has tended to say that this is because people are spending on things like plasma TVs and they are more consumer oriented. You have said that the domestic market is very important to Mildura and also that the drought is affecting it. Do you see the consumerism of the people in Melbourne as the main deterrent for them coming out to country Victoria. Is it the drought? Is it a lack of promotion? What is it that we can do to get those million visitors back into regional Victoria?

Mr KNIGHT — I think that probably we are trying to fill the winter gap. Melbourne is an ideal spot because the weather is different. If you are from Melbourne, I would say to you do not come here in February, because it could be 45 degrees. Whilst I want to hire out houseboats to people, I also want people to have a good time. If they come up here and it hits 45 degrees, they do not have a good time.

Ms LOVELL — If they do not have a good time, Tim, I will come in February.

Mr KNIGHT — It is the market. You have to target your market, and you have to try to fill a certain time of the year. I think probably from May until August is that time when we have got to look at where we can do something. You can always do something, but that is the time when it is critical to try to keep your businesses rolling along. Let us say they are only half full over the winter, and then you get into the busy times. Of course, you are right, it is the bad times that drag the money out of your bank, if you like.

The CHAIR — I just have a couple of questions. Do you have any idea what the houseboat industry itself is worth to Mildura? You mentioned the figure about the houseboat industry and what it invests in the industry itself. But what about the clientele, the patronage and, as you say, the groceries? Has anyone ever done that study?

Mr KNIGHT — No. The only reason we have got figures is because two years ago we put together a boarding book, so that everyone who gets on the boat has to have their name on the book. Before that we knew who hired the boat, but we did not know who was on it. We would get a phone call looking for Mrs Smith because grandma fell over and broke her hip. Now, not always is Mrs Smith travelling with Mr Smith.

Mr VOGELS — I thought they were always Mr and Mrs Smith!

Ms LOVELL — That is the problem. There are 15 houseboats with Mr and Mrs Smith on them!

Mr KNIGHT — But if you had a Mr Smith, and you did not know who was there; unless they rang up looking for Mrs Brown, of course you did not know. That is what we did. That is the only reason we have accurate figures. There are still operators here who are not members of our association, so that is why we have said we know there were 12 000, and we know there was probably more but not how many more.

The CHAIR — Tim, just one other question: when you had prior warning, prior notice, that you were going to face that downturn because the phones just stopped ringing when the perception was out there that there was no water in the river, did you make urgent contact with either Tourism Victoria or the government or anyone? Did you get in touch and send the warning.

Mr KNIGHT — I spoke to Mildura Tourism — our CEO there — and I spoke to Stefano. We actually started to get the *Herald Sun* to try to send up someone, because we were prepared to pay for a reporter to come up. We eventually got Bob Hart up here a couple of weeks ago, and he had a story in the paper last Tuesday. That was a result of what we started to talk about back in April. That is how long it took to happen. A lot of people said no. The restaurants did not know what was going to happen until people actually stopped walking through their door. Yet we could see it quite a few weeks ahead. It took a little bit of convincing; some people said, 'We will wait and see what happens.' It happened — do not worry about that. It will continue on for another month yet. It is just unique that we are able to look at that.

Ms DARVENIZA — If that happened again tomorrow, when you have, say, six or seven weeks of a window that you can see into the future, what would you do differently?

Mr KNIGHT — I do not know. I would go back to talk to Mildura Tourism, I guess. Maybe this time I might push a little bit more or something. I do not know.

Ms DARVENIZA — What about a buzzer to Melbourne?

Mr KNIGHT — Probably I could. If I thought it was any good, mate, I will push anything. I have lost my mate now; Steve is not there. Steve has been on a houseboat, so you guys are behind.

Ms DARVENIZA — You will have to get JB up here on a houseboat.

Mr KNIGHT — Yes. Steve has told me the day he is coming back next year. I did not know he would not be Premier, though. Anyway, good luck to him.

The CHAIR — Exactly. Tim, thank you very much again for your evidence. We appreciate you taking the time to present to us. You will receive a copy of the evidence that has been taken today in two or three weeks time. Feel free to make any typographical corrections to those notes that have been taken. Thanks again, and we appreciate your time.

Mr KNIGHT — Thank you guys for coming here.

Witness withdrew.