

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Mildura — 31 July 2007

Members

Ms. K. Darveniza

Mr D. Drum

Ms W. Lovell

Mr R. Northe

Ms G. Tierney

Mr J. Vogels

Chair: Mr D. Drum

Deputy Chair: Ms G. Tierney

Staff

Executive Officer: Ms L. Topic

Research Officer: Dr C. Hercus

Witness

Ms D. S. Harvey, Mildura Tourism.

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

The CHAIR — Dani, welcome to the Rural and Regional Committee. This is an all-party parliamentary committee conducting an inquiry into rural and regional tourism. All evidence given today at this hearing is protected by parliamentary privilege and that is afforded under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005. Any evidence given outside the hearing does not carry parliamentary privilege.

Before you start, Dani, could you please give us your full name and address and the name of the organisation which you are representing here today, then go ahead with your presentation, leaving a bit of time at the end for some questions from the committee.

Ms HARVEY — Danielle Susan Harvey. I am representing Mildura Tourism, which is a regional tourism organisation for the Mildura and Wentworth council areas.

The CHAIR — Do you represent both councils? Do you work with both?

Ms HARVEY — Mildura Tourism is the regional tourism authority, and we currently have in place two MOUs with Mildura Rural City Council and Wentworth Shire Council. We are the RTA, basically, for both sides of the river; similar to the Echuca-Moama situation as well.

Thank you for letting me address the committee today. I am presenting on behalf of my CO, Kay Demmery, who passes on her apologies; she is on annual leave up north where it is sunny. I will endeavour today to provide you with all the information you require. Certainly if there are any facts or figures that we need to forward, we are happy to do so at a later date.

Firstly, I would like to knowledge that we have some great support from Parliament through our local parliamentarians Peter Crisp and John Forrest.

As far as Mildura Tourism goes, I have just outlined that we actually look after both the Victorian side and the New South Wales side of the river as far as tourism goes. We are a member-based organisation and, as you have previously had presented, there is a differential rate that is collected on the Mildura side of the river. We have a paid membership which those on the Wentworth side of the river contribute to our organisation to qualify as members of our organisation.

I will address the terms of reference points for you. Firstly, with the economic benefits of tourism in regional areas, we certainly identify that tourism is a vital industry in Mildura. It is estimated that in the Mildura region it is worth conservatively \$100 million and that is sourced from growing Mildura, the economic development board's key economic document; and also the total share of employment in the Mallee region is identified as 5.2 per cent, which equates to 2050 jobs. That is actually taken from the Tourism Task Force Australia's *Victoria Tourism Employment Atlas 2005*.

I have handed out to you the latest snapshot of visitations to the area. We employ a consultant that actually sources this data from Tourism Australia and drills it down to an LGA level so that we can get the local regional level, because the data that we get from a campaign-committee basis does not break it down enough for us to look at. I want to highlight, because you did have in the submission the end of year December 2006 figures, we had an increase in our visitor nights at the end of year to March. We have actually had a 8.9 per cent increase based on March 2006, which is very good; and also 4.7 increase in domestic overnight visitors. The length of stay is really quite good for our region. We have 3.3 per cent nights. We have a majority of intrastate visitors, and then filtering off from South Australia and New South Wales as well. The international share is quite small, but it is a growing market for us and we certainly do target the European market and the New Zealand market quite heavily when we try to get visitors to the region. You will see that our overnight visitors are actually up 33.3 per cent based on year-end March 2006.

That is a bit of a lay of the land for you for reference so you know what we are working with and what we are trying to attract to the region. Whilst these results have been satisfying, the challenge for us is to keep industry buoyant, based on overall stagnant regional visitation trends, which continues to be an ongoing challenge. With so many other competing factors for consumers discretionary spend, such as the home, their leisure spend is decreasing and also their home commitments, credit card debt and those sorts of things are now competing for the leisure market.

We do need greater investment by the state government into marketing programs promoting regional Victoria, and we would like to highlight that we actually do need product development funds as well. Tourism is, as I said, valuable in the region, and to quantify that we have undertaken a tourism impact model just recently. This was done in conjunction with the Mildura Rural City Council, and it looked at just the Mildura side of the river. We are not privy to those results at the moment. They are currently with council to be passed. But that will drill down to determine the actual value of tourism for us as an economic driver to the local economy. We are really looking forward to these results, as in the past we have not had this type of data to know our true worth and also probably to identify with the local community and external stakeholders how important our industry is in the region.

The CHAIR — Dani, how did you collect that data?

Ms HARVEY — It is a local government model that is rolled out through local councils and is called TIM, the tourism impact model. A consultant was employed and basically came into the town, got all the research data and input it into a model, which then basically spits out all the results. He does do some qualitative stuff as well. He did on-site interviews and those sorts of things. But it is a standardised model that local governments used to determine the economic impact. That was really the only one out there in the marketplace that we could use to benchmark ourselves against other destinations. But we do identify that more work of this nature needs to be undertaken across local government areas, because it is one thing for the state government to comment on the value of tourism statewide, but it has little relevance for us when we are promoting the economic benefits at a regional level. We do not really have that data until we do our own initiatives such as TIM. In a region which has been severely affected by drought, tourism provides a viable alternative for introducing new dollars into the economy and assisting with drought recovery for our community.

With regard to the potential impediments for the sustained growth of regional tourism, economic activity and jobs, Mildura Tourism feels that there needs to be greater emphasis placed on infrastructure and product development in rural Victoria to ensure long-term, sustained growth. The current Jigsaw campaign is a highly acclaimed marketing campaign which has had proven success in relation to visitations to the state, and whilst the focus from Tourism Victoria has been on marketing the state, minimal commitment has been provided for product development of the regions, a consequence of which has meant that regional tourism associations such as ours have had to work with limited resources and budgets to develop product on the ground in conjunction with the limited resources that Tourism Victoria has in place as well.

The Jigsaw campaign committees have provided a uniform approach to marketing the state. The same cannot be said for product development. We really do feel that the same budget and resources need to be allocated to product development by Tourism Victoria, if that is the body that the state government chooses, but there needs to be a focus on that in tourism in the state, because otherwise it will mean that we will fall behind our competitors as our product gets older and does not keep up with the consumer's needs and wants. Perhaps the model for Tourism Victoria needs to be revitalised, and this could be in the form of Tourism Victoria having, say, local staff on the ground in the regions who have the capacity to assist. That could be at a regional campaign committee level, that they represent regions similar to the circumstance with the RDV.

We also identified that increasing the skills set of employers and not just employees is necessary to improve the overall tourism experience and consequent growth. We are finding with businesses in the region that perhaps in some instances people are choosing to enter the tourism industry for a lifestyle choice, not necessarily a business choice. Then once they get on the ground and running we are finding a lot of our members and operators are not necessarily skilled to have risk management plans in place if, for example, they are facing a drought or no water in the river or certain instances. We are finding that we need to upskill, and we certainly do not have the resources to do that at a local level. We also feel that the state needs to assist tourism regions declared in drought, such as Mildura, to recover quickly. That assistance should be in line with other recovery efforts that have been undertaken by the state for natural disasters such as we have seen with the floods and bushfires.

The next one I will address is the effectiveness of current programs to promote and enhance tourism in regional Victoria. Current marketing programs to promote and enhance tourism in regional Victoria are adequate. Performance under the recently launched regional marketing program for Tourism Victoria remains to be tested, because it has just been changed. The funds provided under this program are predominantly aimed at extending the regional brand campaigns. They also rely on investment from local government, regional tourism authorities such as ours and the industry members. We are finding that it is becoming increasingly difficult to attract industry funding for marketing programs. We are actually competing with the marketing spend on other mediums such as

the internet. There are quite a lot of other initiatives, such as TV, print and those sorts of things, that industry now is probably choosing over maybe going into cooperative marketing campaigns. We have really found in the last two years that industry is not jumping on board as readily as it has in the past.

Further work needs to be undertaken in the promotion of destinations. The significance of destinations is profiled under the Victoria's Tourism Industry Strategic Plan 2002–06. The current regional marketing program provides opportunities for destinations to buy into the campaigns. However, there is no incentive — for example, matching dollar for dollar — for destinations to do so. This is something that we feel needs to be factored into future marketing initiatives undertaken by the state. There also needs to be funding available to the regions to evaluate the effectiveness of the campaigns that they are rolling out. This could be provided in the instance of giving the campaign committees dollars within their budgets, not just marketing dollars but evaluation dollars, to evaluate those marketing campaigns after they have been rolled out.

We also feel that the state needs to sell the concept of getting out to regional areas to consumers rather than just visiting Melbourne and surrounds, meaning the areas within a 2½-hour drive from Melbourne. There certainly is a perception in the outer regional tourism areas such as Mildura that the state tourism body only focuses on Melbourne and surrounds and does not see too far above the 2½-hour radius from the city.

With regard to initiatives to increase both international and domestic visitor nights in regional Victoria, as you saw previously in our statistics, our visitor nights have increased based on last year's figures. The challenge for us in our region is our remoteness, and there is, as I said previously, the perception that state initiatives are city-centric. Outer regional areas such as ours are receiving less marketing assistance to try to disperse those visitors from the city, and we are struggling to find ways to compete with the low-cost carriers, as mentioned previously, and basically to position ourselves in the marketplace at a price point that we can compete. We would like to note that Tourism Victoria has confirmed that it will assist Mildura Tourism in the coming months in developing fly-drive packages for our region. We also receive assistance from Tourism Victoria with our international marketing, which we have taken advantage of, and we currently participate in many of the international initiatives it undertakes, such as ATE and some sales initiatives in New Zealand.

In regard to efficacy, we still need to make a difference at a national, state and local level to address the impact of natural events on regional tourism. As you are obviously aware, ongoing environmental issues are of great concern for tourism in regional Victoria. We feel that improved mechanisms and time frames are essential at a national, state and local level to address these issues. We are finding the ongoing drought, water shortage and climate change are having both a long and short-term impact on our community and in turn on the tourism industry. Our region was declared an EC area by the commonwealth in September 2006. If we keep getting rain and the drought breaks this year, the recovery period will still take us into March 2008. At the same time that our region was declared EC there was also the negative PR that started in the national and regional media about the status of the Murray, and as well as that there are the water shortage issues. We have been continually facing those since September.

The current consumer perception out there is that there is no water in the river in the Mildura region, and this is also impeding the propensity for visitors to travel to our region. Currently our region is on stage 4 restrictions, and if the current restrictions stay in place beyond August or September, our green oasis of Mildura will be seen as a brown, dry destination in our peak tourism season, which is spring. We feel that suitable checks and measures need to be put in place to ensure that the government and all key stakeholders respond in a timely manner to the pressures and constraints of the businesses that are impacted upon. While the bushfires have had an immediate impact on the media and resulted in a quick response from various bodies, our experience with the drought has witnessed a delay in the uptake from government to respond. An example of this is the Murray Campaign Committee which requested assistance five months ago in relation to the negative PR on the Murray. There has been a lag in support from the government since that request for assistance.

Lastly is the opportunity to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism. Andrew obviously addressed the issue of the economic implication of tourism a lot better than I have done. We have identified the need for greater investment attraction for tourism in our area. The product currently in the region is getting tired and we need to attract private investment to ensure that the products which are in the region meet the visitors needs and wants. The Mildura riverfront redevelopment is the key development which will rejuvenate Mildura as a destination and provide a major attraction to stimulate visitation. There needs to be further support from the state to see this development come to fruition. As Andrew identified, Mildura airport is

the key to increasing the leisure market via air travel. Future development of the airport to cater for this market needs to occur if we are to increase the share of our tourism dollar.

Opportunities exist to capitalise on the Murray River and our national parks, particularly in regard to ecotourism. There is a need for product development and support in establishing those businesses. Currently, we are finding investment into tourism is occurring both from local and external investors. It is being assisted by Tourism Victoria, and a past example of that is the Mildura marina and the Mildura riverfront precinct master plan. We are currently working with Tourism Victoria on the airport, in conjunction with Andrew, but we certainly feel that at a local level there is a need for investment into new products that meet the niches that we are trying to build up such as ecotourism and Aboriginal products. That comes down to how we provide support to those business owners or those investors who want to introduce new products into the region. I think I will finish there and open it up for questions.

Ms LOVELL — Dani, you talked about the need for leverage from private investment into infrastructure, and I guess you only have to drive along Deakin Avenue to see from the motels in Mildura — although some have been refurbished — that there is an obvious need to upgrade the standard of accommodation.

Ms HARVEY — Yes.

Ms LOVELL — How do you go about attracting that private investment so you can fulfil your vision?

Ms HARVEY — It is a two-pronged attack. For example, currently we have three properties that are rated 4½ star. As you would have seen on Deakin Avenue, a large number of our properties are sitting in the 3 or 3½-star bracket. They are not getting the income to reinvest back into their properties. I am not sure how we tackle that. Obviously if we could increase numbers to the region and increase the spend that is coming through their doors, they will have dollars to reinvest. That would be a way.

Also with the new marina development we are seeing people looking at Mildura as a destination to invest in. You will see a 4½-star property built at the marina. I know Andrew mentioned there is capacity to see Mildura as a destination that is growing and there is an opportunity to get a return on investment, and certainly that is something we would work on with Andrew. We work very closely with him on any initiatives. I suppose we would also be looking for support from the state, such as Regional Development Victoria, probably leading the way for us.

Traditionally we look at marketing, not necessarily product development. We are finding our needs now are more in the product development side of things, to service our members. At the moment it is very hard to get the people in the door, so we are now looking at how we get the product up to speed to meet the needs of the consumer.

Ms LOVELL — Chicken and egg, isn't it?

Ms HARVEY — It is very chicken and egg.

Ms LOVELL — If you have not got the investment, you do not get the tourism.

Ms HARVEY — Yes.

Ms DARVENIZA — Thank you for your presentation. You talked about the need for educating and skilling up and improving and training not just for employees, because you said that often the employees were taken care of, but in fact there is a bit of a gap for employers. What do you see as the answer to that, and is there any way that you can see that government could assist in that?

Ms HARVEY — Certainly, as stated previously, and I do not know whether it is Tourism Victoria that you look at or whether it is Regional Development Victoria, but the focus in tourism has been on educating in marketing and packaging and getting into the international market — those sorts of focuses. We certainly need programs in place to assist with basic business principles, and we could use TAFE, as an example, as a provider. We work quite closely with TAFE. From a business perspective, TAFE locally recently employed an industry development manager and is looking to partner with the industry to tailor courses to suit the needs of businesses. I think there are opportunities to support the TAFE system to provide localised training for tourism operators. I know there are certain certificates and courses in tourism operations, but there are certain specifics we need such as, as I said before, risk management and business planning.

We have some operators who do not have a proper business plan, and those sorts of things. You need to get down to the basics, but you need to skill them up to a higher level as well to deal with, as was said before, the Asian market and those sorts of things. There is a big need there. Certainly we are finding that working with TAFE is working really well. We are trying to profile the industry as an industry to choose as a career. We profile the TAFE programs in any of our PR. We have a monthly newsletter that we send out to the community through the local newspaper and we profile the initiatives it has with hospitality and tourism, just trying to raise that profile among the locals, that there is a career choice for the kids here.

Ms DARVENIZA — Are service clubs like Rotary interested or involved in any of that sort of professional development?

Ms HARVEY — They usually ask you to come and speak to them about tourism and what is happening in the area. We have started an initiative called Mildura Tourism Week which we run every year in May, and this was our second year. The state has taken that on board and is looking at rolling it out as a state model. It tries to raise awareness about tourism within the local community. They are also invited to any of the events throughout the week. It forms that networking and also builds relationships within all different business sectors. That is proving to be quite effective. We have a lot of PR locally throughout that week as well. In a small community, too, I suppose we have a lot of relationships that cross link. As Andrew would have said, the TAFE CEO sits on our tourism board, for example, so we do have those opportunities.

Mr VOGELS — Mildura is a huge municipality. How many towns outside Mildura are there, say, over 500 people or 1000 people? Is Ouyen in Mildura?

The CHAIR — Yes.

Mr VOGELS — Is Robinvale?

The CHAIR — No.

Ms HARVEY — Robinvale is not in our — —

Mr VOGELS — But Ouyen is. Do you do anything for the other smaller towns in the municipality? I know Mildura has the largest percentage of population, but I am sure that for Ouyen, for example, tourism is also an issue — for example, to get people into caravan parks. Do you do something for them as well?

Ms HARVEY — We certainly do. As was spoken about earlier, they contribute a differential rate as part of their rate, so that actually entitles them to become a member of our organisation under our model rules, so we try to cater for the whole municipality. Within any of our marketing we do identify that Mildura is a key destination, but, as Tourism Victoria actually identified, when the consumer comes in, they are doing hub-and-spoke touring, so they come into Mildura and then they will venture off, say, to Ouyen and Murrayville and the likes of those. We are starting to work more closely with them. We have gone with Mildura Rural City Council out to community forums with them and spoken to them on the ground. They do not have a lot of infrastructure for tourism, but some of them have some really good niche attractions that could be built up to show the Mallee heritage, and certainly build from a product perspective and get perhaps day trips, that sort of angle happening. For overnight visitation for the likes of Ouyen, it only has a couple of accommodation venues, but we certainly do try to work with them. We probably have been very Mildura-focused because that is the main — —

Mr VOGELS — Is it Ouyen that has the vanilla slice?

Ms HARVEY — Yes, they do. Jeff brought it in.

The CHAIR — And Hopetoun has a little bit going for it. Hopetoun has got the — —

Ms HARVEY — They have just redeveloped their Roxy Theatre.

The CHAIR — And also the homestead.

Ms HARVEY — That is out at Murrayville. They have got the Cow Plains UNESCO listed.

The CHAIR — The old historical homestead at Hopetoun, they are still doing that up with all of the farming equipment. I cannot quite think of the name.

Ms HARVEY — Is that at Hopetoun?

The CHAIR — At Hopetoun itself. Is Hopetoun part of your municipality

Ms HARVEY — No.

The CHAIR — Swan Hill?

Ms HARVEY — No.

The CHAIR — Yarriambiack.

Ms HARVEY — Yes, it might be Yarriambiack. We go down as far as Ouyen, across to Murrayville. Murrayville has a — —

Mr VOGELS — I am pleased to hear that the other smaller towns are also in the loop.

Ms HARVEY — We are certainly trying to engage them a lot more. We have just recently redeveloped our new website and we used all the community groups to help us develop the localised content on that. We are certainly trying to find ways to engage them in our initiatives.

Mr NORTHE — Dani, you mentioned the reluctance of the industry to get involved in marketing in recent times.

Ms HARVEY — Yes, cooperative programs.

Mr NORTHE — What do you put that down to? Do you include the implementation of the differential rate?

Ms HARVEY — No.

Mr NORTHE — Do you think that has had any effect?

Ms HARVEY — No. It has certainly only been in the last 12 to 18 months that we are finding that. I should qualify that. We do raise over \$180 000 annually for a cooperative visitor guide from industry, and that was an observation from my CEO that she asked me to note, but we are finding that the purse strings are getting tighter.

Mr VOGELS — There is a drought on which probably does not help.

Ms HARVEY — We are in a drought and, yes, I think there are certainly a lot of factors at play that they are looking at. And a lot of them are basically from an education perspective. It is the whole chicken and egg thing. They do not know that they probably do need to spend a certain per cent of their budget on marketing to reap the returns as well. That is an education process for us as well, to try to educate them so that they know they need to get themselves out there to get people in the door.

Mr NORTHE — I was just wondering if there was anything specific that they have been coming back with?

Ms HARVEY — The majority of them say they just cannot afford it. Some may see some of our initiatives as not being targeted to what they want to do, which is fine; that is not a problem. But we are pretty broad based in our cooperative campaigns. I will qualify that. We are targeted to certain niche sectors, such as food and wine, for example, or golf, but it does need people to package it. We are trying to promote the people packaged up together as well, so it is not necessarily just the winery that goes in, but the accommodation provider and maybe a tour operator join up and share the costs. We are trying to get there, but at the end of the day a lot of them just do not have the dollars.

The CHAIR — I have one last question. I was interested in this perception about the river not having any water in it. We heard evidence from the houseboat operators saying that they at one stage had a 90 per cent

reduction for three months. Do you know how much that perception may have cost the region, where the normally the tourism sector is worth 100 million? Have you been able to do any sort of quantifiable identification as to what that perception has cost the region?

Ms HARVEY — No, we have not been able to do that. We have not had the resources to be able to do that. I know Tim did a bit of a brainstorm himself and tried to quantify it. I would question the three months, because certainly — —

The CHAIR — We heard it was April, May and June. It was identified in April, it probably happened in May, June and July. They have started to come out of it now.

Ms HARVEY — We certainly have not been able to quantify that. We have not surveyed industry or anything like that. I am not sure if the TIM model that we have just done actually breaks it down into individual sectors, such as houseboat versus motels versus apartments. I am pretty sure we would be able to send you the results of that TIM model, which should be passed on. I am not sure and Mark has just left. That is basically being endorsed by council and should be able to be viewed — —

The CHAIR — I would suggest that all governments would be keen to hear about dollar figures. If there is any credible amount, then you could possibly say, 'We are at risk of losing X amount of dollars unless we can get an emergency message out to Victorians that there is water in the river, and they should come and fish, come and swim and holiday on the river immediately'. It could then possibly have been easily addressed.

Ms HARVEY — I suppose also we did do a bit of a phone survey, and some operators were quiet, some were not. Some were quite okay. You do need a formalised valuation of the situation, because we found we were getting mixed messages from individual operators. But we are hearing from the visitors centre, as well as our members, that they are still ringing and saying, 'Have you got water in the river?'. The actual quantifiable aspect of it is a valid point. We do not actually have those.

The CHAIR — Thanks again for coming in. It was a fantastic effort and we appreciate you rescheduling because you have enabled all other witnesses to stick to their original times. In effect you have saved the day. Well done. You will be given a copy of your evidence, as taken down by the Hansard staff, in a couple of weeks. You are free to make any typographical corrections. Again, thanks for your time.

Committee adjourned.