

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Bendigo — 27 June 2007

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Ms K. Mackenzie, executive manager, Tourism Bendigo, City of Greater Bendigo

The CHAIR — I welcome Kathryn Mackenzie, representing the City of Greater Bendigo's tourism sector. This committee is hearing evidence into the rural and regional tourism industry, and all evidence taken in this inquiry is protected by parliamentary privilege as is provided under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005. I wish to advise that any evidence given here is protected by parliamentary privilege, although if you repeat those comments outside of this building parliamentary privilege is not afforded.

Ms MACKENZIE — My name is Kathryn Mackenzie, I am executive manager for tourism with the City of Greater Bendigo. We have a Bendigo Tourism Board, which provides section 86 advice to council, and I am also representing its opinion today. The address is the City of Greater Bendigo, Lyttleton Terrace.

Thank you for this opportunity. I am passionate about regional tourism and have been in regional tourism for 12 years in this region and have watched tourism wax and wane. I have really worked very hard to build Bendigo as a regional destination, but I also sit on the Goldfields tourism committee and previously have sat on Tourism Alliance, as it is now known, as a committee member.

Tourism does bring significant dollars to regional Victoria, and from the subregional data provided by Tourism Victoria out of the TRA results we add about 300 million to this subregion, which includes Loddon, Mount Alexander and Bendigo. Over the past period of time we have seen that that has flattened, and we certainly are, I think, struggling in a new environment. It has certainly changed very quickly with some of the local domestic conditions, which I have heard one of your witnesses speak about, with high mortgages and interest rates and with low-cost carriers. I think the region is certainly having a very good look at what role we play and how we can really build our yield in a very, very competitive market.

There are some other advantages though, and the Web is one of those, where we are now being able to compete as any other destination online. Certainly the City of Greater Bendigo operates a visitor information centre in the historic post office, and what we have seen over the past not quite 12 months yet — we run an automated reservation system, which we implemented in October, it is open 24/7 — is a growth in accommodation bookings during that time. We are getting close to turning over \$1 million out of our visitor information centre, which originally and primarily was volunteer operated. We now have three full-time people, including a manager, two part-time, four casuals and in excess of 80 volunteers in that centre. We take a 10 per cent commission from those bookings — our operators actually pay us 10 per cent commission — so certainly to the running of the visitor information centre that has been quite crucial to underpinning paid staff and really professionalising the sort of destination marketing that we can operate from a visitor information centre.

I suppose that is something I would like to say to the committee: in this world that we are looking at now, with a lot of online, we as a visitor information centre like all visitor information centres are paddling pretty well on our own out there in a big commercial stream. Up until now we have been pretty well operated by government or in other areas by regional tourism organisations, and we have been a little bit protected, I think, from that very cut-throat commercial world, but I can tell you that now we are sitting fully blown in a very commercial world where there are many companies out there that are looking to operators to put them on their booking systems and certainly competing with us. Some of those have \$7 million to \$10 million behind them, and we are pretty well sitting on our own. We are not on our own, because we are of a number of visitor centres across the state. I have certainly spoken with Tourism Victoria about where we sit and how it can support us. Other states like South Australia and, I think, Tasmania have looked at a state network. I think Scotland has also done the same.

While there is a network, it does not have much backing it. As a manager of that whole structure for Bendigo, and I also now manage Heathcote as well, certainly it is providing some major

challenges for management of that sitting under local government and just where we go, but that is real business. For the first time ever with these automated reservation systems we are seeing the business coming in, we are finding our businesses growing, and we are getting some measurement because, as I put in my paper, data is a really big issue for all of us sitting in regional tourism.

Just moving on to some other areas, destination management versus destination marketing. I think traditionally Tourism Victoria has been pretty well a marketing body and driven marketing through Goldfields tourism, and we alongside Ballarat and the other smaller destinations have come together to market the region. From the research that Tourism Victoria has done, we know that visitors do not so much drive to regions but drive to destinations. In our region we have both Bendigo and Ballarat, very large destinations, and our markets are changing. From the research Tourism Victoria is doing we see some differentiation, which is good, but it also raises some challenges about how we market at a regional level and that tension between either marketing Bendigo as a destination and marketing it as a bigger region. That is something that we are working through, but there are some tensions there about how we manage that. Local government, as you understand, wants to put marketing dollars, and the City of Greater Bendigo puts substantial dollars up for tourism.

We want to market our destination. Tourism Victoria is very keen that we market the regions, and yes, there is some tension there. Certainly Bendigo has been affected by the skill shortage. That is probably statewide, but it is certainly affecting us. When there are big events in Melbourne, certainly because of the growth of Melbourne and Sydney, we find it is very difficult to have quality levels of service and to really skill up our industry for the new economy. Over the past 12 months we have run Bendigo Tourism. It and the City of Greater Bendigo have partnered to run a major training program for operators in this region. We have had 916 operators attending our year-long training program. We just completed a business planning program backed by some state government funding. On the REM plan there were 25 jobs created out of that training program. This is hard work, but we really have to work with operators to bring them along into this whole new world, and it is changing very quickly not only in marketing but what visitors actually want from the experience and how operators actually market themselves in new environments.

I suppose I am going to end on a key one of events. Events are a fantastic way to brand a region and attract visitation. I think everybody in Australia that is working is pretty time poor. We find that we must be much more targeted in how we market. A call to action is important and events play a very core role in that. Currently I do not believe — and I may be wrong — that there is a pot of money for regional events. Even when we go and apply for money from Tourism Victoria, there is no formal set procedure to do that and we do not know what we can and we cannot get. It takes a long time to get money and it tends to be quite a drawn-out process. It always seems that you are grappling and grasping after something that you do not quite reach. I would like to see a real strategic approach to events in the region that really assist regions to brand themselves and have a major call to action. I think that would really certainly assist regions to stand out and really build. There are a few regions that are doing really well, and I think there are some other regions. We have certainly attracted some major events out of Melbourne. I think there has to be a lot more work done on how we do that and how we build the yield with that. I think I am going to stop here because I could probably go on and on, but I know there are probably some important questions that the committee might like to ask.

The CHAIR — Thank you very much, Kathryn. That is great.

Mr EREN — Kathryn, congratulations for being there for so long — 12 years is a long time.

Ms MACKENZIE — Not in the same role, but in the same area.

Mr EREN — But you have done really well. I think in terms of Bendigo, I have been here on a number of occasions at various intervals, and I can see a lot of progress in terms of the

infrastructure and the growth the area. So if you hypothetically were the Minister for Tourism for one day, what would you do for Bendigo?

Ms MACKENZIE — If I were minister? I think if you are looking at a quick fix or the long term — and I am not sure if there are any quick fixes in tourism — event dollars are something. Government can easily allocate regional dollars and to work with regions and then to look at what events and how we work with that. Because if you look at the areas that have branded themselves quite well with events, it certainly has worked. I think you need to think very carefully. The events are held in Melbourne. We have had a number. We have had the World Masters Games — that provided a very good yield for Bendigo. But they were an aged group, they were the over 50s, they were here walking, they were orienteering, they spent a lot of dollars, they hired cars, they visited wineries, they went to Echuca, Ballarat and all around.

They were really fitting our target market. The Commonwealth Games and, I think, the Commonwealth Youth Games were very good for Bendigo, but I think we probably did not build a regional market. Once again, often you get money for the events but you do not get the money to build the one-off event where you have to try to build a regional or quick market for those. I think in terms of the Commonwealth Games, while we had some training which was terrific and we had two key sporting events and while we attracted people to the events, the shooting did not attract a very big audience at all — it was quite small. Basketball did attract, but also people do not travel to your destination during those times because they might travel to Melbourne to see it, or they go elsewhere because they do not want to be part of that perceived bigger event. Events can play a really strong role, and I think if we put a bit more research work for one day, as a minister, I think I could make a difference.

Ms LOVELL — You would have to admit that the games that we got for the Commonwealth Games and basketball were not exactly the star attraction games either. Kathryn, you mentioned a couple of times that some of the regions have done very well at attracting major events or at marketing themselves around major events. Can you give us an example or a couple of examples of those regions so we can have a better look at those?

Ms MACKENZIE — Yes.

Ms LOVELL — So we can see how we can assist them.

Ms MACKENZIE — I think there is one coming up in Warrnambool where they have targeted a children's market in very cold conditions in July. I think they have marketed that event over a number of years. It has been a very good event. They have hit on a really good target market for Warrnambool. It has really worked. I think another area that has developed a really good event is Wangaratta with the Wangaratta Festival of Jazz. That has had some ups and downs, but I know it has had good government funding. Despite government saying, 'Look, this is the last year that Wangaratta jazz is getting that', they always manage to pick up and gets some others. So I think there has been some funding to other areas which perhaps has not delivered.

You have to get all your ingredients right. It is not just good enough to get the dollars. I think often local governments and perhaps tourism organisations think it is all about dollars — it is not. When I talk about branding, it is also about making sure you get your market segment right. It is making sure that you build that event. So it is not just a one-off event, it is about building and branding those events or it might even be a series of events. I mean we are trying to brand ourselves as a cultural arts strategy and looking at what cultural events we can actually build in. I know sometimes we have partnered with Melbourne. Our Minister for the Arts came and launched a session, but they are hard because Melbourne pulls your major highbrow audience, and you have to be able to do that on a regular basis and build your regional audience or work out where your audiences are coming from. It is not just simple to say, 'We will fling an event to Bendigo and that will drag an audience to it'. It does not. They have to be well thought out and strategically planned to work. I just do not think there has been enough work done around all of that for the regions.

Ms DARVENIZA — It is amazing what things will spin off. I was up here and had a look at the gallery and the photographic exhibition that you had recently which was really excellent.

Ms MACKENZIE — Yes.

Ms DARVENIZA — A couple of days later I heard Terry Lane on the conversation hour with Jon Faine on 774 ABC radio. He was saying that he and Valerie, his wife, had caught the train and particularly came up to Bendigo to have a look at that exhibition. He talked about the exhibition at some length. Then there were a lot of calls. People called in and spoke on talkback radio throughout the day and talked about how they had seen that exhibition and how they had seen other exhibitions here in Bendigo. So something that is really quite small from someone who has a high profile can generate quite a bit of interest as well.

Ms MACKENZIE — Yes, and that is just as a starting point. Because if we are going to be successful in branding that, that is just one event. We need to grow a series of levels of events around. That is why I am saying that, you know, this is not just flinging some money for a one-off and a whatever. It is really a strategic approach to building and branding in regions. I would like to think that our marketing dollars that we get from Tourism Victoria allow us to do that sort of thing at destinations. At the moment funding is so rigorous and so prescriptive that we really cannot do that with the money that comes from the state government. Then we are actually going in as destinations trying to request more funding. It is a really hard road. Ask me — I have been there many times.

Ms DARVENIZA — It was put up by someone who made an earlier submission that the funding could be over a larger span of years, so instead of being two years it could be four years. Would that make a difference?

Ms MACKENZIE — It would make a difference. All of the work we do has to be strategic. In any business — and tourism is no different — we need to build. Think about when you travel yourself. You hear about something. It is word of mouth, it is a whole range of things. It is not about an advertisement; it is about a whole range, a plethora of things, to market a destination. It does take time. We often just get the money for specific things, and we feel a bit straitjacketed in what we can and cannot do with the funding.

Mr NORTHE — Kathryn, you mentioned earlier that you were previously a board member of Tourism Alliance. It is quite a generic question, I guess. At the moment we have Tourism Victoria up here and we have a tourism operator down here and we have everybody in between. In your opinion have we got the structure right in relation to that, and have you got any answers as to what it might be?

Ms MACKENZIE — I think if you are in tourism one of the big challenges is the partnerships we build. It is just so challenging, and I think this is why it is so challenging for operators too. There are industry associations, there are major tourism bodies like Bendigo Tourism, and we spend our whole lives building partnerships with either touring product, marketing product or tourism bodies.

Ms DARVENIZA — Then there are the individual operators.

Ms MACKENZIE — And then there are the individual operators. We have in excess of 200, which we try and build and assist in terms of developing their business. As a level 1 destination we work very much with Tourism Victoria. Prior to that Tourism Alliance, or the Country Victoria Tourism Council, which was then the peak body for regional tourism, really built visitor centres and watched out and did the marketing for regional tourism, but now it is sort of mixed a bit. It depends on where you sit and who you talk to.

A person in my role spends so much time building. Not only do we build with those but currently I sit with the Capital and Country Touring Route, which is a Sydney–Melbourne drive. We have got an MOU with Mount Alexander shire, trying to build a bigger region, and I sit and work on that. The Vine to Vintage Trail is a wine and food touring route along the Calder Highway, and I sit on that. I sit on goldfields, I sit on the Bendigo Tourism Board and I sit on the Heathcote Tourism Board. People like me spend their whole time trying to build these partnerships because, as you all know, you do not just go to one place. You have to move through a whole series in touring, and that is what Victoria is strong on. But in all of those different bodies I sit on I am dealing with different organisations, different funding bodies, and it is very complex. The poor operator has to move through and work with all of them. That is the role of a tourism organisation such as Bendigo Tourism. The City of Greater Bendigo and Bendigo Tourism work in partnership. We try and demystify that for our operators who are members of Bendigo Tourism. We try and do some of that demystifying, but it is a challenge.

Ms TIERNEY — As a newcomer to tourism I am interested about people's views about Tourism Alliance and its precursor bodies and what you see to be the difference.

Ms MACKENZIE — Between Tourism Alliance and previously the industry bodies?

Ms TIERNEY — Yes.

Ms MACKENZIE — It is good to have one peak body to go to, and it is developing different strengths. I think that has certainly simplified it, rather than having to go to a whole range. I think it is still challenging, though, because it seems to be blurred. Tourism Alliance are working with the businesses. They work with visitor centres, but so does Tourism Victoria. They have product development, they have professionalism and an excellent strategy. You do seem to have a number of levels and layers, and as I mentioned before I think it is challenging. As a bigger destination we probably tend now to deal with Tourism Victoria. Our operators probably tend to deal more so with Tourism Alliance. But then even the operators are not sure who they should be dealing with, and sometimes they do not even come to us. They will go to a body out there, and then they come back to us. It really is tough.

Ms TIERNEY — Congratulations on the online accommodation, and it is obviously talking a number of languages. I am wondering whether you have any strategic planning in mind to try and capitalise on that and shepherd tourists into more targeted activities while they are here so that you can maximise the tourist dollars with suggested half-day, one-day or two-day activities?

Ms MACKENZIE — You are spot-on. We need to be much more commercially driven. Currently, if you look at the Tourism Victoria website, it is pretty information-driven. If you look at Bendigo's, you can see that we have certainly moved in the last 10 months. We are certainly looking to be much more commercially driven — helping people to book online. We know that people love booking online. We also know that they like picking up the phone with the screen there and saying, 'Where is that? What is that product like? What else can I do?'. We are certainly, as a visitor centre, looking at doing much more ticketing, for example, booking commissionable product at the front of the visitor centre when people come in. We know that to survive we definitely have to be much more commercially driven.

However, because businesses do not understand the tourism industry, what is currently happening — and we are now dealing with this quite openly — we have gone with a booking system that was set up for visitor information centres that came out of Western Australia called BookEasy. Roamfree.com earlier this year bought out BookEasy. Currently, right now, today we are sitting with a situation where Roam Free are going to come and canvass our operators to go on their booking service, and the commissions will go to Roam Free, even though they have bought out BookEasy.

As I understand it, BookEasy and Roam Free do not talk to one another. What has happened is that we have built a site that has put the websites and the links through our membership to our operators. Now we have systems coming and using that, but they are not paying us a commission. You might say, 'Why is that an issue?'. It is a very big issue because if you look at places like Echuca–Moama, the visitor centre is the core of their regional tourism body and probably pulls in excess of a few hundred thousand to finance their regional tourism association, and if you pull that out, how do they get their funding?

Bendigo Tourism and the City of Greater Bendigo work in partnership, so the city matches the dollars I raise. If I do not raise those dollars, then it is quite likely that the city will not match those dollars from our booking service. The visitor centre is very much a core product that underpins how regional tourism organisations have been able to increasingly fund their activities. If visitor centres and these booking services are edged out by very commercial systems, I believe we are going to have some really big issues at regional tourism levels about how we continue to fund our activities.

I see this as a very significant issue. I have been talking to Tourism Victoria about it, but as I said in my address earlier I think we are sitting out in the stream and trying to swim. We are really just finding our feet in a very big commercial world. It is a very big issue for us.

The CHAIR — Kathryn, we had better wind it up; we have gone a little bit over time. Thank you for the work you are doing in Bendigo, and thank you for giving your evidence today before the committee.

Ms MACKENZIE — Thank you for the opportunity.

Witness withdrew.