

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### Inquiry into rural and regional tourism

Daylesford — 28 June 2007

#### Members

Ms. K. Darveniza

Mr D. Drum

Mr J. Eren

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Ms G. Tierney

Chair: Mr D. Drum

Deputy Chair: Ms G. Tierney

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#### Witnesses

Mr N. Dempster, president, and

Ms C. Lewis, committee member, Hepburn Regional Tourism Association.

**The CHAIR** — Nigel and Christine, welcome to the Rural and Regional Committee's inquiry into rural and regional tourism. We are an all-party parliamentary committee and all evidence given before this committee today is covered by parliamentary privilege, although any evidence that is given outside this building is not covered by such parliamentary privilege. That privilege is provided by the Constitution Act of 1975, the Parliamentary Committees Act of 2003 and the Defamation Act of 2005.

Prior to giving your evidence, would you please give your full names and addresses and the organisations you represent? I leave it to you and ask that you allow some time at the end for some questions.

**Mr DEMPSTER** — Thank you. I am Nigel Dempster. I am the president of the Hepburn Regional Tourism Association (HRTA). I am also on the board of the bathhouse committee, as part of the process of getting the new production going and trying to appease everyone in relation to the whole exercise, which was nearly impossible, or getting that way.

**Ms LEWIS** — I am Christine Lewis. I work with Nigel as a committee member on the HRTA association, which is the Hepburn Regional Tourism Association. I also own my own accommodation business and am on the board of AGV, which is Accommodation Getaways Victoria, which is a statewide body through which accommodation owners come together.

The reason I am here with Nigel is basically to represent the members of our local HRTA, of which there are about 200, and also, of course, ourselves as small business people, and the residents of the Hepburn shire.

I will kick off today by saying that I am pretty excited that you guys are actually here; it is refreshing to know that people are taking the time to see what is going on here, and to know that seven members of Parliament have taken the time to form such a committee is very exciting. Thank you for making that happen. Here I stand excited that you are here, and there is a voice and there are going to be ears that go beyond this room, so my role here is to present what I believe to be the benefits of tourism, and Nigel will present some of the challenges that we face along with putting forward some possible solutions.

As I mentioned, we have 200 or so members that we represent, and we are hopeful that you, the parliamentary committee, will be able to implement some of the recommendations that are focused on improving future rural tourism developments for the greater good of all.

I am looking at the question of economic benefits to the area, but firstly, I want to cover background, which has been touched on already by previous speakers. This area of Daylesford and the Hepburn shire is very unique because we have the highest concentration of mineral springs in Australia. Over 100 wellness therapies are also offered here, which makes the area quite special as well. Daylesford holds its head high as the only regional town in Victoria that is branded by its location. It is a destination that is well known to Melbourne and our cousins in the city.

Tourism is a topic of great debate within our community. In the past the area has had a diverse number of industries and businesses, which have included shops, timber mills, abattoirs, farming and dairy — all of which have closed or significantly downsized over time. Today the only strong industry that remains here is tourism — let me repeat that: today the only strong industry that remains is tourism — and its importance must not be underestimated. In addition to that point, tourism should not be held to blame because there are not other thriving industries. We are not destroying or taking away from that; we are just trying to work on what we have here.

We have been asked to look at the question 'Does tourism provide any economical benefits in the region?'. Of course it does, without a doubt. The benefits of tourism are significant: it provides a

strong economy all year around; it enables employment and investment, both locally and from afar, and also valuable community infrastructure. I want to build on some of those examples further.

If we look at employment, tourism, without a doubt, provides huge employment here. Recent meetings with local tradespeople, such as electricians, plumbers, builders, and even gardeners, have estimated that 70 per cent of their business is directly generated from tourist operators who have established cafes, accommodation, galleries et cetera.

The benefit is twofold, because work is required not only at the business locations but also at the residential properties that are owned by such tourist operators. We have two hardware stores in this town, and they are being kept very busy, thanks to tourism. A local solicitor, who actually believed at one point that tourism played no part in his business, has reflected further and has since estimated that about 60 per cent of his business is actually related to tourism. The initial result was, 'I'm a solicitor; I have nothing to do with tourism', but when that person actually sat down and thought about the nature of inquiries and the services that are offered, it is in one way, shape or form, related.

The town boasts four real estate agents in the main street; if you have been here before you will have seen them. So we have a growing property market here, with stable and increasing property values, and these are all thanks to tourism. The only country towns in Victoria that can boast city prices for their real estate are those with a strong tourism industry.

Looking further at employment, employment is not only extended to skilled chefs, waiters and management staff, but also to those in the community with little or no formal skills at all. As an accommodation operator myself, I employ staff to clean and maintain the property, and so do the many other accommodation providers here. These jobs actually provide a living to many people, many of whom are single mums or have unemployed partners. There is also plenty of work for those who are good with a hammer and can mow lawns. So there are opportunities available for those who are not making cappuccinos and waiting on visitors.

Looking at revenue, tourist operators pay for commercial rates and permits, which generates a revenue for our council. Despite what some people believe, tourism is the only industry that supports the whole community, and without it, the current infrastructure of schools, hospitals, doctors, banks, supermarkets, taxis et cetera, would not exist. It is the influx of visitors and the tourist businesses that enable us to have that type of infrastructure.

We are a shire that loves to celebrate and have a party. We have just finished a month-long photography exhibition, where people have visited from all over the place, extending to even from overseas — that is our photo festival, Foto Biennale. Community festivals and events are wonderful things that generate a massive revenue. Studies have shown that \$5.9 million was generated by one festival over a long weekend. That is information provided by the University of Wollongong last year in September. I do not know what your thoughts are, but \$5.9 million is a pretty high figure for a little town.

Businesses are not just taking from the community; we are also giving. We invest in the community by providing facilities and services, prizes and donations, which assist with fundraising for all sorts of community causes. With one breath there might be resistance to tourism or its business operators, but with the other breath, Rotary, football club or any other fundraisers are the first to come to the business community to ask for help, and a lot of help is given, wherever possible.

Many people remember that back in the 1980s recession the area here was in economic dire straits. Many shops were closed. I remember coming up here from Melbourne as a teenager, fighting with my parents, saying, 'It's a boring place, there is nothing to do here'. The economic improvement has moved along significantly since then, solely due to the influx of accommodation

venues, attractions, and the iconic businesses that so many of us know today. It is these entities that are responsible for the highest level of tourism-related employment, and this region could not survive without tourism in the Hepburn shire. The shire, the council, would have to be amalgamated with neighbouring shires to establish a sustainable rate base, if we were not having tourism of the size that we have. So unfortunately the region's dependence upon and the importance of tourism is sadly misunderstood by some of our local community. It is often even misunderstood by the industry, those players amongst it. I want to invite Nigel to go and explore that point about perception.

**Mr DEMPSTER** — Thanks, Christine. I will try to condense this right down. I am heading towards our current strategy in relation to what we call Destination Daylesford, which incorporates a lot of stuff that has been raised already by you. The first main impediment that we have got in relation to tourism in regional areas is the lack of leadership from councils.

I am not attacking the councils in relation to money being spent or anything — it is the messages that they send across to the community itself by failing to embrace tourism in any form. An example would be the local paper. It has just done the budget, and it put a pie chart in the paper but there was not one mention about tourism. That sort of message does not come across as a positive for the community. The community does not recognise tourism as it should. Whether it likes it or hates it, it has to have a positive message. Unfortunately the message that comes from council in this leadership role also falls within its own staff. We have a lot of staff members who still do the old rates rubbish and roads approach rather than looking at a 21st century vision for the whole community. This is where I am heading with Destination Daylesford as well.

The Hepburn Shire Council's emergency plan recognises that there will be tourists in the area if there is a major bushfire et cetera and says that there must be interpreters considered. When you consider we could have 4000 to 7000 people in Daylesford and Hepburn Springs on a weekend, I would like to see a bit more in the emergency plan to do with that sort of contingency. If we had a big bushfire last year, we would have been in trouble with our tourists. It is a worry for the shire and us. But it has not got the priority; again I am talking about the message that goes across the community. The Hepburn council does not even have its own business contingency plan in case one of the buildings burns down. It is an issue about sending the message that they look after themselves, and then the community might recognise tourism.

The tourism policy sits on its own in the Hepburn shire, and I am sure it does with a lot of other shires. The problem we have is that the tourism policy should be an overlay for everything else that is done in the shire when a proper vision is planned — again I am heading towards Destination Daylesford. Having looked at these messages we also know about the uniqueness and quality of not only Daylesford and Hepburn Springs, because we are the regional tourism association; we work with the Daylesford and Macedon Ranges campaign committees and the Goldfields Campaign Committee because Clunes and Creswick fall within that marketing area.

We have got two areas. At the moment we have Clunes on board working with us. Book town is a success. We are working with Clunes business groups. That map that we helped formulate for Hepburn Springs showing the bathhouse would be a great innovation for Clunes, for people going from Daylesford to Clunes, with 'Instead of having a walk, have a drive'. That is the sort of thing we are looking at in relation to dispersal.

Trentham unfortunately at the moment is not going so well in relation to businesses. We know that; we have to pick it up. If the businesses are going down, the skills are going down. Destination Daylesford is a vision and strategy that we have just started to formulate using the whole of the community. We are even going to use citizens juries to make sure that the ownership of this vision, the 10-year plan, is with the whole community — not Tourism Victoria, not the shire, but the whole lot of us. In that a number of the issues that we have identified are that — with the amount of chef hats in the area and all that — there is no reason why the industry and the government cannot formulate their own faculty of hospitality in Daylesford.

The big issue that Noel raised is that the young ones cannot get enough work mid-week; they have to go elsewhere. They cannot get trained here; they have to go elsewhere for travel with the lack of public transport. If we had a faculty for a hospitality service in Daylesford, we could keep the kids here.

The housing shortage problem in relation to the costing and all that would be reduced, and we would have our own people on a work and skills base. That is one of the parts that we are looking at in this Destination Daylesford package. We only used the name Destination Daylesford because of the branding by the Jigsaw Committee. I think here I would like to say that we are so happy with Tourism Victoria for its assistance. I would like to publicly thank Bill Fox, who has just resigned as our regional manager for Tourism Victoria. He has done such a fantastic job in looking after the regions. I would love to thank him publicly. I would also endorse what Geoff Ryan said about Jigsaw. We see it working, and that is where the HRTA course comes in. We have to back up Jigsaw with other marketing plans, especially for the dispersal range.

I see signage has come up. We have had such problems with signage and VicRoads over the bathhouse that they have actually taken the mineral springs signs down. We have not got them. We used to have two down there, but now we have not got any. We had a plan, and we gave it to them to do some gateway signage et cetera. We have been knocked back for the last 12 months just trying to promote Hepburn Springs. With the bathhouse closing a lot of people just think, 'Hepburn Springs; that is where the springs are. Daylesford; that is where the shops are'.

So we wanted a bit of a gateway sign to say that there is a village down there, and it is a quirky, quaint village with all the individuality that you can get, and it is totally different to Daylesford. We have failed and failed and failed. We just got Stuart Toplis to come in from Tourism Victoria to try to help us. If that fails, we will have to start lobbying Parliament. But to get stymied on signage for 12 months and then to hear how Zig Zag has gone and all that — it is a common trait around this area, which is unfortunate. We do not want too many signs; in fact we have got three Hepburn Springs signs in Vincent Street, so we do not need them.

**Ms LEWIS** — Can I just add on that point about signage — we have been battling in the area so long that at a couple of meetings I have gone to I have actually been told, 'Chris, you know that VicRoads is not going to play ball. Forget it'. I live in Hepburn Springs, and there are a lot of people, the smaller cafe operators, who are feeling pained because when they set up their businesses there was a resort and now it is not there. We are trying being told, 'Just accept it. The signs ain't going to happen. Go and commission a painting on the wall with a map or whatever at your own expense'.

It is so ridiculous that that is what we are being asked to deal with. It just does not make sense at all. With Hepburn Springs there is a perception that it is just a spring, but, as Nigel said, it is another little village. We just cannot seem to make any headway.

**Mr EREN** — You mentioned before that there are 200 people who are on the HRTA in terms of members?

**Ms LEWIS** — That is a round figure.

**Mr EREN** — And in terms of the percentage of those memberships, how many would be within the broader business community and have involvement within that community?

**Ms LEWIS** — When you say 'broader', please explain?

**Mr EREN** — In terms of how many people on that committee run businesses locally? Are they farmers, are they in industry, are they just B&B, are they just related to hospitality, or is it a broader sort of base?

**Mr DEMPSTER** — Although we are a tourism body, we have one electrician I know of because I spoke to him one day and asked, ‘How much does tourism affect your business?’, and he said, ‘Without it I would not have two apprentices’, which made us think and we changed our articles to incorporate tradespersons because that is when we realised that tourism hits so many people. ‘Tourism’ is a word, we are all business. We have a solicitor on board and those sorts of people. We have a diverse mix. Also there are the local tourism associations. There is the Daylesford business group, which has about 30 or 40 members. It sits in with us, and the Clunes business group, the Trentham business group sits in with us as well. If they are not members, we still work with them as a group.

**Mr EREN** — You also mentioned that basically tourism is the only industry that is left here?

**Mr DEMPSTER** — And farming.

**Mr EREN** — And farming. Is farming reducing — ‘downsizing’ I think was the word used?

**Mr DEMPSTER** — The drought was causing trouble.

**Ms LEWIS** — It is my understanding that farming is not as it once was in the past. It is not something that I can comment on as far as to the size of it, but certainly in comparison to what is the main industry, I do not think you could say that farming is a main industry.

**Mr DEMPSTER** — But I think if you have a look at all the little potato boxes that are now going up on the side of the roads et cetera, that has to be an indicator that they are not going well. It could be the drought and all that, but there are a lot of those red potato boxes, white potato boxes, cabbages and all that outside nearly every farm that you go past from Trentham right through to Clunes and Smeaton, so it has to be an indicator.

**Mr NORTHE** — Nigel, I am just interested in your thoughts. I notice you gave some praise to Tourism Victoria. I am interested in your thoughts in relation to the structure. Obviously Tourism Victoria is at the top and tourism operators are at the bottom, but there is obviously a mishmash of different bodies, authorities and the like such as local government, Tourism Alliance and the like in between. Have we got the structure right? If you are a tourism operator, is it too complex?

**Mr DEMPSTER** — It is complex, if you do not know. It is an education issue, because if you look at it, once you know how it works it is pretty good. You have Tourism Victoria, you have a regional tourist association and you have your local tourist associations. The local tourist associations can tell the regional group what they want and where they want to go, and together they can do things. But it is difficult getting everyone to understand how it goes — and remember that we are dealing with people here.

In Clunes last year they had three business groups, and there are only 800 people in Clunes! There are those issues, but I think education is the thing. I see the structure as being this simple, but you have got to tell the operators how it works.

**Ms TIERNEY** — I am interested in the point you raised that I think we all know of but again probably do not have the hard data on, and that is that point about having the need for people to deliver services on the weekend but not midweek, when things are a bit dodgy. I am just wondering whether you have some further information on that. What is required to try to get more stable, permanent, seven-day-a-week employment here in the surrounding areas instead of people having to go outside of the area midweek?

**Mr DEMPSTER** — Anecdotally — and I think it is pretty close, because we have asked most of our members — midweek trade is down and weekend trade is at full blossom. Therefore

all the young ones who are working at weekends on a casual basis et cetera have no income midweek, which is what we looked at. I think Hepburn Regional Tourism Association has got to bite the bullet as well. We have to start looking at proper marketing for a different group of people, because midweek is for people of my age who want to come up and get the pampering and the packages and all that. That is how we should be doing it.

If we can increase the midweek trade by 50 per cent, we will have the ability to know that the young workers within the industry will have jobs, and that will spin off more to the apprenticeships and stuff like that. I think the industry itself has to bite the bullet and do something on that.

**Ms LEWIS** — Can I just make a comment, Gayle, on the midweek point. Marketing to Melbourne and other areas is the big thing. A lot of small businesses in the area cannot afford to run the marketing and media campaigns that are necessary. I specialise in doing packages and midweek promotions for my guests, and as an exercise I hit the Melbourne market pretty hard in the last eight weeks — at a lot of expense, but just to test the market — and straightaway, guess who is booked out all of the midweek.

I have applied it as an exercise, and it is the marketing to the cities that is important. The problem is that there is also a message out in Melbourne and the other areas that we have a couple of iconic places to see — the Convent Gallery and all the big names that you will be familiar with — but there are a whole lot of others doing really fabulous jobs here that do not have the budget to put out a marketing release. If there was any way that we could have access to some media infrastructure — I know that we have campaign committees and there are things happening, but as a small business operator it is really hard to find out how to do it. There must be something out there that we could go to, to push things, but there is a little lack of information and understanding. If there was any information that we could get on media packs and all and how to get media up here — for the little guys, not the big flashy ones who can afford it — it would be good.

**Mr DEMPSTER** — Turn left at Tullamarine!

**Ms TIERNEY** — What did you actually do, Christine?

**Ms LEWIS** — I actually negotiated with the *Age* and gave them 12 really good packages as giveaways, and in turn they gave me \$7000 of publication press. Then I ran around and grabbed six mates we do packages with and we ran a midweek special, hitting the travel pages and *Epicure*, leveraging off this as being a foodie destination. Since that, my phone has not stopped ringing.

It is just a matter of letting the marketplace know that midweek you get good deals during the week on your accommodation. Each day of the week here there is a restaurant that does a meal deal, so at restaurants where you would normally pay \$60 per person, you can have a meal, a glass of wine and bread for \$20 a person. Each day of the week there is something happening, but the general marketplace will not know about it. That is what my message has been to Melbourne, and it has been successful.

**Ms LOVELL** — If we were to make each of you tourism minister for a day, what would be the first thing you would do that would benefit tourism, not only in Daylesford but tourism statewide? What would you change?

**Mr DEMPSTER** — With tourism, I would probably change the planning regulations straight off so we can get development, if I could.

**Ms LOVELL** — I didn't say planning 'minister'!

**Ms DARVENIZA** — Go and see the planning minister.

**Mr DEMPSTER** — I would go and see the planning minister and try to use some influence, because that is probably the biggest hurdle we have got. That is why Destination Daylesford is so important to me, because if we can get a proper policy that is a vision for the whole of the region for 10 years and the council will accept it as the overlay policy, so that when it does planning et cetera it has to look at the tourism policy or whatever name it is called, then we would have a much better way of ensuring that we maintain the funkiness — using the British term — of the area, and we would also get the developers in rather than having them run away, because that is what we need for tourism. Dispersal, of course, is the biggest issue to us, too.

**Ms LEWIS** — Wendy, if I were tourism minister for a day, I would actually would do a study on the area and I would send in some facilitators to help the community work out where the barriers are and to communicate. I would actually love someone who has the skills to come in and say to the community, ‘Okay, all you people who don’t like tourism and all you people who love tourism, let’s come in and have a workshop, and let’s find out why you don’t like tourism and why you do and try to work out ways that we could balance each others needs’.

I think in this town — probably any town — you have this opposition, and I would like to find out what are the fears and concerns and then educate both parties and see if we could actually work together. I have visited towns like Beechworth, and they seem to have done a wonderful job of embracing the whole community and the council, all working together with a common vision and purpose. I would bang on to get a vision that everybody in the community could work towards and start to embrace instead of using whatever skill they have to block one another. I think it would make a fabulous town or state to live in and that there would be a lot of benefits that would come of that.

**Ms DARVENIZA** — I have just a quick question. This area has obviously been very successful in building tourism, making it work and bringing people here. You have been able to grow and expand. In that success — and you are successful — how important has it been that people have been able to work together cooperatively with a similar vision? How has that contributed to the success that you have had?

**Ms LEWIS** — It has been a great thing for those who do work together and make it happen. It has also been a very frustrating thing because it could get so much better, but either people are worn out because of regulation or they are told that council will not allow that, or whatever. Yes, people are doing it, but they are going through a lot of emotional and financial anguish to get there, and that is a high cost.

People forget that they not business operators that should be gunned down; they are just average people who are working really hard to make a living, just like everybody else. It is really hard to get things done, and it takes a lot of your own personal assets. You sacrifice a lot of your personal wealth to make it happen. As Alla Wolf-Tasker said when she spoke earlier, if she looks at it as a business plan it makes no sense, and she is an absolute lunatic for doing the things she is doing. A lot of business operators go through too much pain to get that success. And there is complacency. People are just worn out in areas. I am doing my best not to get worn out and to try to encourage it.

**The CHAIR** — Well done, Christine and Nigel. Thank you very much for giving evidence. Your evidence has been recorded by Hansard staff and will be made available to you within a few weeks, and you can feel free to make any typographical corrections that are necessary. Thank you again for coming down today and giving us your time.

**Witnesses withdrew.**