

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Daylesford — 28 June 2007

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Cr D. Smith, mayor, Hepburn Shire Council.

The CHAIR — This is the Regional and Rural Committee inquiry into tourism. Parliamentary privilege is afforded to you while you give your presentation, David, but if you make comments outside this hearing, parliamentary privilege will not cover you. We are willing to listen to your submission. Could you state your name and address, and whether you represent any organisation.

Cr SMITH — Thank you, Mr Chairman. My name is David Smith. I am a farmer. I am also a shire councillor, serving my third term as mayor at the moment.

The CHAIR — With which council are you a councillor?

Cr SMITH — It is Hepburn Shire Council. I did not intend doing this today, but there were some comments made here earlier that I was a bit concerned about, and I wish to try to alert you to them. I do not have the figures with me, but I can get them if you require them, but you people will be able to get them much more readily than I can. It was quoted here earlier that tourism is very nearly up to the agricultural return of the Hepburn shire. The reason for that is, probably as you are all aware, a 10-year drought is on. Water allocations have been cut severely, in my case to zero. As you would be well aware, tourism would catch me very easily when I have a zero allocation and a zero crop. The figures soon stack up very broadly against me. I do not think the industry should be using that as a figure for its advantage whilst we are in the state we are in.

In the shire, potato growing is the biggest agricultural pursuit that takes place, just to the west of here, supplying potatoes for McCain chips. The problem here — and obviously you have seen that too — is that the price we receive is around \$230 a tonne. It is roughly a \$5 or a \$10 increase in the last 10 years. It makes it easy for the tourism industry to catch the rural industry because our prices are not keeping up. We are becoming more efficient at growing the crop, probably — and these are my thoughts here — to the detriment of the land, because we are forced to get more out of it. The buzzwords are ‘get efficient’, so we have to grow more with less. There is a cost to that, and I think the environment is sharing a fair bit of the brunt of that.

The other thing, as has been mentioned here about tourism, is levies. The rural industry pays a lot of levies — and you would be well aware of this. If we sell wool, there is a levy; if we sell lamb, there is a levy; and if we sell beef, there is a levy. Even for potatoes, there is a levy on that. For everything we sell there is a levy. I do not think there is any problem in bringing in a tourism levy to help compensate their advertising or whatever it is. That is what we do. When the prime lamb levy was on — you would have seen the advertising on the TV — that was how that was funded.

People may not realise it, but when they get beyond the 60 kilometre sign, the farmers provide the scenery of the shire and of the state, and unfortunately we do it for free. In my case on the family farm, which has been in the same family ownership since the late 1800s, we have a bush paddock part of our farm. In times of drought and when things turned bad, we used to call on that paddock to sell some logs for timber to help us through those times, but unfortunately the way things are going now and because people do not like the trees being cut down, I am unable to realise that income. I have the paddock there, I pay farm rates — which are quite substantial and have doubled over the last four to five years — and I am unable to harvest a crop. We are getting into a corner. There are problems coming from the rural sector with these rate rises and the price for our produce. We are price takers, not price makers. We are working on prices from the 60s and 70s for our produce. The tourism people are getting 2007 prices for the service they provide. So there is my argument, that they are quite easily able to overtake agriculture because we are not keeping up with them.

With regard of the price of water, as I said, I have a zero allocation. Even when it does rain, I presume I will not be getting it for the price I got it for two years ago.

The CHAIR — David, if I could just break a little bit from convention and ask a question on behalf of the committee. I have no doubt that the farming sector is doing it extremely tough. As an individual — apart from the fact that property values have increased exponentially and with those property values, rates have increased — I cannot see another link that means the advancement of tourism is impacting on the decline in agriculture.

Cr SMITH — I am comparing the figure that they say is how it goes in the shire — the agricultural income and the tourism income, right.

The CHAIR — So you are saying that you would like to make sure that agriculture in normal years is given the status that it deserves.

Cr SMITH — They have grabbed a figure from 2007, with the worst drought in 100 years, and they say tourism is going to overtake agriculture.

The CHAIR — You are not in any way sitting here as mayor of Hepburn shire and saying that the advancement of tourism is in any way — —

Cr SMITH — Not at all.

The CHAIR — I just want to clarify that aspect. Thank you very much for giving up your time. I know you have been here listening to the evidence throughout the majority of the day and we appreciate your taking that time.

Witness withdrew.