

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Melbourne — 4 June 2007

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Witnesses

Mr N. Hunt, chief executive, and

Ms J. Blackwood, information and research analyst, Tourism Alliance Victoria.

The CHAIR — Thank you. I am sorry we are running a bit late.

The committee is an all-party parliamentary committee and is hearing evidence today into rural and regional tourism. Each witness is obviously very welcome to give their evidence to the committee. All evidence taken at this hearing is protected by parliamentary privilege, as is provided under the Constitution Act 1975, and further, subject to the provisions of the Parliamentary Committees Act 2003, the Defamation Act 2005 and, where applicable, the provisions of reciprocal legislation in other Australian states and territories. We also wish to advise any witnesses that any comments they make outside the hearing may not be afforded the parliamentary privilege. On that note I again welcome you. Prior to the commencement of evidence, could you please state your names and titles.

Mr HUNT — I am Nicholas Hunt, the chief executive of Tourism Alliance Victoria.

Ms BLACKWOOD — I am Jacqueline Blackwood, information and research analyst with Tourism Alliance Victoria.

The CHAIR — Thank you very much. If you could present to us for 10 or 15 minutes, then we will have some questions.

Mr HUNT — I planned for a little bit longer than that, Chairman. Thank you, anyway, for the opportunity to talk to you this afternoon as part of the submission. Given that submissions to the inquiry closed last Friday you probably have not had a chance to look through our submission. We have brought some summary documents with dot points, which can be passed around. We will talk through them today.

Essentially we thought it would be useful to provide the top-line line areas of interest for us in relation to our submission to you and then give you an opportunity to drill down a bit deeper if you wanted to.

By way of context, Tourism Alliance Victoria as an industry association is essentially a reasonably new beast on the industry association landscape. It was founded out of a couple of quite well-known and highly regarded tourism industry groups, being the Country Victoria Tourism Council, which was founded in 1993, and the Victorian Tourism Operators Association, which was founded in 1989.

The point of making the committee aware of that is that both those organisations were founded within a regional tourism context. Our membership is currently geographically based in that 50 per cent of postcodes are in regional Victoria, but when you take into account the number of businesses in metropolitan Melbourne who are conducting their businesses in regional Victoria, it probably tips it towards around the 70 per cent mark.

As an organisation we seek to really push and drive our members with a commitment to professionalism and standards development. That is really the focus of what we are on about as an association, as well as representing members' interests. We thought the value for the inquiry relates to a lot of the work that we have been doing in regional Victoria. I guess one of the things that has come out of it in recent times is that tourism is becoming an important and growing economic driver for regional Victoria. You could say its importance in regional economies is really growing as a result of the recent state of adverse natural events, particularly with the 2002–03 alpine fires. Around Bright the value of tourism became very clear to the local community there.

In terms of tourism growth, we see as another key area that the potential for tourism in regional Victoria could be improved with longer term planning. Tourism development is dependent on effective industry partnerships with government at all levels. That is a unique feature of this industry. It means that for tourism growth, particularly regional growth, is absolutely critical to have the support of local government, the state government and federal government.

Our fourth point in the key summary is that tourism structures are currently not all conducive to a professional and sustainable industry. Victoria has a great network of industry structures. We have strong cooperation between industry groups across the various different sectors, and locally on the ground there are some fantastic people working in the field. But what we would say to you, as a committee looking into regional and rural tourism, is that to be effective going forward we need to be able to look at those structures and functions and really make sure they are professional and efficient in the way they do business. There is plenty of room for improvement, and we will touch on that a little bit further in our submission to you today.

As I have mentioned, we have three tiers of government heavily involved in tourism, but local government is absolutely critical because it is where the rubber hits the road in relation to regional and rural tourism development. There is a huge responsibility on local government in relation to infrastructure, roads, sewerage and all those other bits and pieces in planning.

As tourism is a seamless system through which individuals and visitors purchase experiences and other activities, they utilise all those facilities within the local government context. We would put to you today that local government's knowledge and understanding for tourism across planning, infrastructure, business development, business services and visitor services is critical for the future of regional tourism in this state. Tourism Alliance has done a bit of work on that area about sustainable indicators for local government's management in relation to tourism. But in the main local government in Victoria is quite supportive of tourism, but again there is an opportunity perhaps to do things better.

The last point there in our key summary is that tourism growth requires best quality international ready assets and services in regional areas. You have probably heard already today from Tourism Victoria in relation to where the growth is for tourism in this state, and that 7 out of every 10 growth dollars are going to come from the international player. That is equally true in relation to where is the planning and the opportunity for regional tourism in this state. Proximity is a key market strength. Great nature-based experiences are there. In terms of being able to access international markets, if we have best quality international ready assets and services in regional areas then will be able to take advantage of that growth through visitor dispersal. That is something that we would certainly see.

Chair, they are our top-line things. What I would like to do, if is appropriate, is to just touch on a few points in relation to the terms of reference as outlined by you. I think it probably sets a bit of a tone for some questions from the committee. In terms of economic benefit we listed a couple of dot points there. One of tourism's challenges is because tourism is a system. Tourism is more a system than an industry. It is a system through which money goes, as opposed to a manufacturing plant in which shift workers come in and out, and people can count heads, count salaries and count investment in a very simplified way. Tourism is a labour-intensive industry for Australia. It is an export industry for Australia. If you look at some of the shifts in relation to manufacturing and agribusiness that have been going on in the last 15 years in this country, the actual purchase of the visitor service happens right here in Australia. We cannot move offshore to take advantage of labour costs for all those other bits and pieces because the service is delivered here. That puts some specific logistics in front of business proprietors about how to actually be cost-competitive in the global market, because tourism is one of those products and services that you can purchase anywhere in the world, by default.

As a system we know a little bit about it, but we do not know all that much about it. We need to know more. We need to get better from an industry point of view. We would suggest that we know about the flow-on effects for tourism, we know about the benefit in relation to events. We know about how money moves through economies, but it is more, as I said at the outset, about where it stops flowing and people start putting their hand up and say, 'Hey, hang on a minute. I am the service station guy, and I am not filling 100 tanks a week here,' or whatever it might be. In order to take the regional tourism industry forward in Victoria, more data to support the planning of the industry is really critical.

There is an awareness of the value and role of sustainable tourism in terms of meeting the triple bottom line. There is awareness, particularly within local government, about the benefits to local government, local communities as part of economic development strategies or regional growth strategies or even conservation strategies in relation to tourism. Once you start drilling down and you start looking at different ways to assess the industry relative to the other industry areas, our data level probably could be improved quite a bit. We see that as something of an opportunity.

A case in point is, as we know, very little about the business and confidence incentives market for regional Victoria. Wendy Lovell would be aware of this in relation to material that was articulated as part of our election position about undertaking more research so we can actually understand if we are losing business to other states in confidence markets where we have this competitive advantage in relation to proximity and quality business venues. More data is pretty important.

Ms BLACKWOOD — There are many impediments to regional tourism. They are an impediment, but they are also an opportunity which falls under reference 6 under the terms of reference. There is a lack of quality infrastructure to support our natural attractions in areas such as luxury accommodation. This opportunity can be harnessed through better planning and a framework that supports key infrastructure for the sustainability of the industry.

An example of this regulatory framework to support regional tourism is reforming public land licensing terms. The current short-term licences for tourism operators do not inspire sustained growth. Business operators do not have the incentive to invest in their businesses in infrastructure, in international marketing. Ten-year year public land licensing provides the security necessary for long-term sustainability.

There is the cutting of energy and communication black spots in regional areas. Reliable electricity supply, mobile phone coverage and broadband access are all essential services that we have in metropolitan areas but they do not have in all regional areas. These simple yet vital infrastructures enable business viability as well as quality tourism product experiences. These services need to be aligned to the services we receive in metropolitan areas.

We need to address skills shortages. This skills shortage issue has been on the tourism radar for some time. Businesses in rural and regional areas experience greater skills shortages as well as labour shortages than in the metropolitan areas. We can help this by providing solutions like identifying skill career paths, generating awareness of solutions that really work, supporting programs which encourage business excellence and professionalism. By encouraging older people into the workforce and women with families back into the workforce, we can increase funding for industry training in line with industry service needs. We can continue programs for skilling in e-commerce for businesses to be able to adopt and invest in drivers for their business in e-commerce.

Growing international air access is an important solution to moving forward. I am sure Tourism Victoria would have spoken about the fact that in the next 10 years 70 per cent market growth will come from the international market. Direct international flights to Melbourne are critical for this to happen. We need to continue support for actively seeking international air access and aligning tourism with government policies, which moves on to the effectiveness of current programs.

Mr HUNT — Thanks, Jacque; I think it was quite interesting for the inquiry that you actually were looking at the effectiveness of national, state and local programs to enhance tourism. I think it was a great recognition of the way in which the tourism industry works. It is important, and it was pleasing to note that the federal government in their last budget actually committed to the continuation of the white paper. I am sure committee members are all aware of the importance of that document but, more importantly, of the funding for that document.

In terms of our view in relation to current national programs, obviously the continuation of the white paper in its current form is there in terms of review, as well as the Australian tourism

development program, because it is one of those unique programs which offers not only opportunity for marketing development but also opportunity for product development as well. It has been reasonably well pursued through businesses and groups within Victoria.

In relation to state programs, one of the things that has been, if you like, in our bailiwick over the last couple of years is seeking to encourage state government to take a longer term view in relation to some of these programs. By way of example, the Regional Partnerships program conducted by Tourism Victoria, which looks to grow the cooperative marketing money through the campaign committees — which is great for them — has only recently been moved to a two-year program. It has predominantly been on a one-year basis.

We would put to you that, if we had the opportunity of a three-year program and you had the opportunity to outline in advance to businesses who are being asked to participate in a cooperative program, three years for business planning is not a long period of time. Three years enables you to align your budgetary cycles along with your financial year cycles, along with your local government cooperative support cycle, along with your state government cycle to maximise the leverage. There is a huge elasticity of demand in cooperative marketing. When money was put on the table in relation to responding to regional tourism support after the Ansett collapse, if my memory serves me right, about \$1 million was offered there in addition in relation to cooperative marketing money. Within a week \$1 million was provided from the industry within regional tourism businesses in response to that.

I guess what that shows you is that where there is a need there is a capacity to actually harness that, and from a tourism point of view there is obviously the capacity to double. Sure, there is a need for more money in the system, but if we are looking at the programs and we are looking at perhaps thinking about time lines and those other sorts of things, we would say that within the framework of government you could look to a three-year time line within that particular program and it would probably demonstrate that there is a huge opportunity to increase the leverage out of that.

It also enables greater support and planning. Within this industry there are a number of players that do not participate that should. There are those who are always participating, always first on, always early adopting, always saying, 'Look, our money is on the table. We are happy to work with you in that process'. The way it works well in regional Victoria is where regional groups will pull together a marketing prospectus, they will put up a list or menu of options and businesses will buy in according to their business market sector need, where their key markets need to be, how much they have got to spend. The main point is participation, and the second point is trying to participate in relation to where that spend is. With a much longer planning time frame you have got the capacity to in fact see people. 'Okay, I stood back and said no, I won't go out this year. I will just sort of see how everybody else does'. With a second-year commitment there is the capacity to really leverage those people into the program and then generate their support. So certainly a longer term view in terms of planning is there.

In relation to other state programs Jacqueline identified things like skill shortages and, basically, business skills. What I would say to the committee is there seems to be greater recognition of the tourism industry within some other areas of government, which is encouraging from our point of view, whether it be through DIIRD or through the Office of Training and Tertiary Education.

Ms DARVENIZA — Sorry, can you just say that again? I did not catch what you said.

Mr HUNT — There is a greater level of recognition of tourism within DIIRD and within programs being funded by those departments. Tourism is being seen on the radar, and the service industries are there, and that, I think, is a good thing.

The second area in relation to programs, which is where we put it in the context of our submission, was really the structure and function to promote and enhance regional tourism. Local government

is a key player. In many areas of this state, local government is doing a great lot of good for tourism. It is very well organised, it is very focused, it understands its role in the landscape, it understands where it is going to get best return for its dollar, for why it is investing in tourism, but in other parts of the state it is not as consistent or as maintained, and it chops and changes. Where it chops and changes is where you run into problems or where you run into challenges for businesses which are trying to sustain and maintain some momentum, because when you drop out of the market it takes an awful lot more to get back in there.

It is critical that there is a maintained awareness and a maintained program addressing local government, because local government councillors change and a lot of key people change within there, about the value of tourism in terms of regional and rural value. It is not about saying you have to take tourism regardless of any science at all; it is about making sure that tourism is presented in the right way and that local government understands its role relative to where it is in relation to tourism. So, in other words, we are not trying to create a tourism mecca in a place which is going to struggle, on any method, but may actually be able to offer some very quality visitor services which are targeted to their place, but, on the other hand, where tourism growth and their participation could perhaps be critical from a planning or from an infrastructure point of view, that they actually take their role seriously and look at where the broader value is to the businesses and the community there.

Regional local tourism organisations, as I said at the outset, are a key part of that, and one of the things within regional tourism, as you would all be aware, is small business, and small business comes together under these structures. If you were doing a review of regional tourism operations across this state, you would have a huge bandwidth of skill. You have got some people sitting in a chair who have got a limited level of skill capacity and some people sitting in the same chair, but in a different part of the state, who have got an exceptional skill capacity. To be competitive, even in a national market going forward, we need to reduce that bandwidth.

We need to work — and this is one of the areas where we work, and I see you have got our structures there — with tourism managers about how to actually get more effective. But within our submission, Chair, we talk about looking at some of the changes that are happening in other places in relation to tourism organisation structures, about shifting away from representative structures to more skills-based structures, shifting to a commercial orientation, understanding that tourism and tourism organisations are about generating business for the region, for the town, for the participating businesses and not just representative for the sake of representation and sitting there. There is an old adage that the world is ruled by those who turn up. Sometimes those who turn up do not have the best interests of the tourism industry in a particular area at mind. Our submission talks about some of those sorts of things.

As well within that is a need to bring the community along in terms of a community of licence for tourism. I talk about it in terms of a community of licence because it is important that tourism does have that licence, that it is not all about development for development's sake, that it is actually growing the community in a way that the community who are interested in creating employment, interested in creating job opportunities, interested in creating activity which is consistent with their neighbourhood and with their regional area are part of the process and it is not directed to them from other places, because if we do that, when you match that up with what the visitor is looking for from an experiential point of view, if the visitor is looking for the real person and the real experience in the street, then there is a mismatch there, and it does not resonate truly.

We have touched a little bit on international and domestic visitor nights. Certainly one of the things that is there is regional events. Regional events are a great part of and are becoming more and more prominent in relation to where regional tourism is going. The problem that the regions have got is probably working through and getting a bit of an event hierarchy in order so they can work out which is going to be their champion event and which are going to be their leading events, so that we do not end up with 10 leading events in the month of February all in the same weekend, or try to defray the benefit.

I just think, lastly, in terms of investment you will see on the paper there in front of you the phrase 'death by cottages'. There seems to be a reluctance to really think about the opportunity that investment leverage delivers for regional tourism in this state. As an organisation with our experience we have had a number of investors that have been frustrated with the planning process who have gone away and found other places that were more amenable to what they were planning to do.

We would put to the committee that if we were looking at one thing in this area, it is the need for quality infrastructure, the need for infrastructure that supports quality experiences and infrastructure that supports those businesses that are currently on the ground, and many investors bring that to the table when they come here. What they are interested in, though, seems to be some certainty about where the goals are that they are actually trying to shoot for and some commitment that they are not going to be locked into an endless planning process that consumes an inordinate amount of money before they actually start doing anything.

So the response seems to be that when strong, bold ideas are put on the table, because there is an element of risk they do not seem to be entertained as strongly as a quiet approach to a few more cottages being built. There is nothing wrong with cottages, there is nothing wrong with self-contained accommodation. We work quite closely with those areas, but of itself you are not going to get signature development which is going to actually provide the opportunity for really taking our industry forward and delivering, I think, what we are looking for from the tourism industry as part of the economic mix for this state of Victoria.

Jacqueline touched on longer term licensing needs in relation to public land. That is part of it, and whether it is within public land or next to public land, it is all about really demonstrating that there are opportunities within regional Victoria. There are fantastic opportunities within regional Victoria so long as there is a commitment to long-term planning and sustainability.

Ms BLACKWOOD — If we look at the impact on regional tourism of natural events, I think adverse natural events have demonstrated the value of tourism in regional areas — for example, the recent north-east bushfires. When you take that away, that impact is really massive, so there is a need for recognising and implementing effective measures. There needs to be a rapid response, such as to the bushfires: fast-tracking assessment of national parks, of clearing, of reopening the parks is really important.

We need to recognise the need for business support — for direct non-asset business support — and understand that additional marketing dollars is a good way to boost returns in regions, but there is also the issue of business continuity and business sustainability. We need to recognise the importance of planning through a crisis. There is a greater opportunity for working with industry in aiding communication and public confidence as well as assisting in public land management.

A good mechanism that worked in the bushfires in the past was involving licensed tour operators in site assessments of national parks. This was a fantastic program that saw operators as tools and assets in public land management in the recovery process and generated an understanding between public land managers and licensed tour operators. With the drought, again it is about business continuity and business sustainability. There is the value of mentoring programs and assistance to trade through adverse natural disasters.

There is a need for water reduction strategies for tourism businesses and also for a community awareness program. We all know that we often leave our sustainability hats at home when we go on holidays. We use up to three times as much water when we are on holidays. It is a multifaceted approach to business support as well as community awareness.

The issue of climate change is not going away. There is the need for the awareness and the adaptation of triple bottom line sustainability — that is, sustainability in environmental terms and protecting the very assets we utilise and promote; in economic terms, it is reducing our bottom

line through reduced resource usage; but also the social responsibility in terms of corporate social responsibility. So it is a changing industry in a changing world, and it all comes down to best practices and the ability to adapt in a changing market.

Mr HUNT — We recently had an industry conference called The Certainty is Change. We asked Bruce Esplin, the emergency services commissioner, to come along to talk about messages and community recovery. One of the things in relation to adverse natural events is that basically we can do better in understanding the commercial interests and what they need, so making suggestions and comments when the north-east of Victoria is on fire, or whatever it might be, and saying you should probably come. We need to get the balance right with visitor safety and public safety, and more could be done in terms of communication messages. Bruce went down very, very well in relation to the industry he was speaking to and certainly came across as recognising and understanding from the industry side of it that we could probably do more. The door is open there in terms of making those suggestions.

Chair, that probably concludes our presentation. There is quite a bit in our submission. We have included a range of different documentation from previous submissions that we have had. We think the material is relevant. We have endeavoured to try to provide some solutions or some thoughts in relation to what it should probably be rather than just a litany of problems in relation to the industry. It is all bad news. I think there are some great things going on out there in rural and regional tourism in Victoria, but there is certainly some area where there is some attainable work. I am happy to take any questions.

Ms DARVENIZA — I want to pick up a point that you made about the significant development and some of the problems with promoting and supporting another cottage, whereas there were some signature developments that would be worthwhile and beneficial in terms of attracting tourists. Can you give me any examples of where this has worked well — where local governments, communities, your organisation or businesses have worked in well to make that happen?

Mr HUNT — To make investment possible?

Ms DARVENIZA — To make one of those signature developments happen.

Mr HUNT — A good example of where the benefit can be delivered to an area as a result of a signature — people often use the word ‘icon’. I just probably toned it down a bit and talked about a signature investment and the benefits that come with that sort of investment. We would be looking at the Otway Fly and where it is in terms of proximity, what it has done to visitation patterns and what it has done in relation to building another asset which is not on the coast there; it is in the hinterland, and it has had the impact of getting visitors to think about where they spend their time. It has added to the journey time, which has added to the accommodation benefit, added to the expenditure benefit. It is showcasing yet another asset from that region, which everybody thought was just a beach, and it has created employment.

As an investment on private land it is next to public land — the investment went in before the Otway National Park was declared, so obviously they took a bit of a punt in relation to that, but the investment and proximity, next to Triplet Falls, has meant that you can get both public land and private commercial experience. They are complementary in relation to how visitors do both.

It has also been a way, because of the product that it is — when you start looking at what has happened in terms of marketing and putting a centre of gravity around marketing dollars — it has had the capacity to drag some of those marketing dollars to showcase some things which are part of that Cape Otway experience, which is not necessarily a Twelve Apostles or a Lorne or Apollo Bay beach experience. There are quite a lot of facets to it. In terms of looking at when a simple investment in itself is a significant investment — where it has actually looked at some of those

things in relation to affecting visitor behaviour, encouraging greater visitation and revealing other aspects of the community there.

Ms DARVENIZA — Yes, I have visited the Otway Fly; it is pretty impressive.

Ms LOVELL — Nick, if we were to make you Minister for Tourism tomorrow, what would be the first three things that you would do to benefit tourism in regional Victoria?

Mr HUNT — I would certainly like to see some money behind the 10-year tourism events strategy.

Ms DARVENIZA — And throw your pitch at the Treasurer!

Mr HUNT — Because the strategy is there, but it is not articulated as clearly as it could be. We have mentioned a little bit about partnerships in relation to other areas of government. I think that is probably one of the things where often tourism misses out because government says, 'Hey, you've got a creature called Tourism Victoria that should be doing that for you'. It has limitations around what it is charged to do in relation to its act, and there is often a lot more support, whether it be in education, training or skills development. It could be actually garnered out of other agencies.

Ms DARVENIZA — Some more whole-of-government — —

Mr HUNT — Certainly they are more from a whole-of-government point of view. From my experience Queensland has done that quite well in terms of looking at where tourism fits in and really understanding that there is an agency there that is dedicated to tourism, but it has some boundaries around what it should do. So that is the second thing.

In terms of the third thing, it would be really making sure that we are working hand-in-glove with our key partners on the ground from a Team Victoria point of view. One of the things where Victoria has been leading the way for many years is the team approach to promoting the state in a national or international context through the notion of the Team Victoria approach. We could probably revisit that with some longer lead times through some of these cooperative marketing programs; we could probably get a bit more mileage out of those.

Mr VOGELS — One of the messages that I am getting is that you need longer term tenures and leases. I can understand if you are a private enterprise and you are going to put some money into some business, you would want more than three, four or five years and, of course, millions of dollars. It is interesting that you mentioned the Otway Fly; it was actually built by my cousin. It would never have happened if it was going to be built on public land. That is where I get so frustrated.

The government of the day, the state, owns probably a third of the state. The Crown land is probably a third of the state, maybe even more. Often that is where the tourist icons would be. Even though the government of the day is supposed to be helping tourism and getting people into rural and regional Victoria, if you try to do something on a bit of public land, you might as well bash your head against a brick wall.

I think that is one of the things we need to also look at: how to get the government on board — I am not talking politically here, any government, whatever it is, of the day — to make sure that if there is something that is a fantastic icon out there we help public-private partnerships to get the thing off the ground. The Otway Fly is a great example — it is not on the beach. And if you want to see the worst example go to Port Campbell. That would be the worst example of where you cannot actually do anything because of issues such as public-private, Crown land et cetera. There is nothing happening there a lot of the time because of this. Nobody is going to put up the millions of dollars required because it is too difficult.

Mr HUNT — I would agree. In terms of operator licence, it can be three years or more to get your business onto the international landscape, and if we take as read the numbers that are suggesting that 70 per cent of the growth is going to come from the international market, then for regional players who are offering that nature-based experience, which is what that market is looking for, then you have got three years there to actually get yourself up and running.

When you are talking to someone in the international market that is going to brand you, or brochure you or do that sort of thing, and you are saying, 'I have got a three-year licence', they say, 'Yes, we will be ready to go with you in three years, so come back'. It is a bit of a stiff proposition. If you go to a bank manager and you say, 'I am trying to gear up in relation to whatever facilities and equipment I need', and they say, 'Yes, okay, I will give you the loan over 10 years. How long is your licence? What have you got?' — 'I am sort of stuck as well, but don't worry, we will be able to renew it'. The finance community is not necessarily au fait with public land licences and terms and conditions in relation to that sort of thing.

So it is certainly something that we have been pushing for some time. I think the days when the tourism industry commercial operators, back perhaps in the early 80s, were seen as cowboys operating out there on public land have well and truly long gone. In fact they are probably some of the leading stewards in relation to looking at care and looking at putting in care and Landcare programs as part of a lot of their educational experiences for the community that has been involved with them. Anything that we can do, and we put it on the record here again, in relation to that opportunity for Victoria in terms of longer term public land licensing is critical in terms of taking the next step forward.

Mr NORTHE — On your key summary point 4 you have got:

Tourism structures are currently not all conducive to a professional and sustainable industry.

Mr HUNT — Yes.

Mr NORTHE — I would be interested in your thoughts and comments on what you perceive as possibly the best structure for the tourism industry.

Mr HUNT — There is a desire for the best structure. Often, in terms of structures, when we are talking in this regional and rural context, what is critical is that you have a professionally oriented structure. The geography and the landscape generally have an influence in relation to structure in terms of stakeholders, and your tourism product generally has an influence in relation to who the bigger players are, or if there is a cluster of groups in a particular area, which outplays others. And I guess I skimmed over it in my opening remarks, but traditionally those structures have been representative-based in a similar way perhaps to local government — we have got someone from the north riding, someone from the west riding and someone from the east riding.

It is about shifting those to a skills base, but a skills base where they are not removed from the stakeholders so they are actually there working for the participants that are there. In doing that you have to ensure that you have got skills-based people who not only know what they are doing but also understand about running it as essentially a voluntary group. All of those groups in regional Victoria — there are 38 regional tourism organisations and 140-plus local tourism associations — are run by volunteers. They are all people that come there at 6 o'clock for the meeting at the end of the day, and they are all thinking about other things and they are trying to get on with their business. Giving them the skills and capacity to actually manage that business is a key part of that.

But then it is also looking at the professionalism and resourcing, and if you have not got the resources together to actually do the job, to actually do the things that you are doing, maybe you should be looking at teaming up with another party to actually do it. There are probably too many in the state. There are probably ways and means of looking at what business they are in and what business they are not in. Part the work that we do is actually working through those groups and

saying, 'Why are you doing it?'. It challenges them basically. It is about, 'Okay, there is a problem there, but that is not what you are set up to do. That is not what your charter is'.

Really from that top end, if you are looking to move towards skills, you ensure they are actually focused on the task that they are doing. Generally it is about regional marketing, and it is generally about encouraging business development in terms of improving the quality of a product that is there. From there we have to move on. It is not taking six months to make decisions about stuff, it is about really efficient decision making and an effective plan to profit.

The CHAIR — We have got to try to finish, so can you quickly tell me about the data that we might need to collect? You mentioned that we are short on data, and I am sure all of us have been trying to do a bit of background work on this and we are running a bit short in the data, so what specific areas would we be looking at for greater data collection.

Mr HUNT — As an industry we are quite good at collecting data about where visitors come from and where their intention is to travel — those sorts of, if you like, demand-related aspects of the industry. When you move across us as an industry — and we work around in a lot of the supply side of stuff about infrastructure development or about economic benefit in relation to tourism or other benefits in relation to that — we are weak in the level and depth of data that is there.

Can I tell a business conferencing facility investor about what the quantum or activity is and all those sorts of things that he might be interested in, in terms of him running the numbers through an investment in eastern Victoria? No. Can we give him a rough estimate of some of the activity? Yes. But in terms of those sorts of numbers and the stuff that is there; in terms of understanding about the value of re-engineering some of the assets around regional and rural Victoria — there is an awful lot of accommodation, and some of it was built in the 50s and 60s — and what we need to do to refresh that and bring it up to international-ready status: is it possible to do that?

The agricultural sector was fairly shrewd in its way about future family farming, about re-engineering farming practices and looking at where the agricultural markets were going over the next 20 years and encouraging farmers to shift away from a lot of their farming practices from the 60s and 70s and look at what they are doing now. That was a journey that combined both the industry and government in terms of providing not just handouts but some effective re-engineering of practice.

We would say there is opportunity for that sort of stuff, but you need some information and you need to also, from an industry point of view, do a little bit more than just understand the economic and the value — it is what the industry really means. We have got some broad stuff in relation to employment, but I am involved in sitting on a joint industry-government committee at the federal level looking at really drilling down under the ABS levels because the tourism classifications are non-existent. Most of the occupations in the tourism industry are not there. It is underquoted for.

We are still learning a lot more about the industry in that context, and the information that we get fed up is structured around a lot those classifications and takes time to change. What we are, I guess, putting to you is: we have got some good top-level data, but do we actually know enough underneath?

The CHAIR — Thanks very much, Nicholas; thanks very much, Jacqueline. As witnesses, you will receive a copy of the evidence you have given, in the next fortnight approximately, and obviously you can make any typographical changes that you wish to any errors; however, the substance must stay the same. Thank you very much for giving your evidence. It has been great to have you on board.

Mr HUNT — We also have a CD of our submission here, in the interests of saving paper.

The CHAIR — Fantastic, and I hope you do not mind me using your ‘The world is ruled by those who turn up’. Do you mind if I use that every now and again?

Mr HUNT — You are welcome to it.

The CHAIR — Thanks very much. I had never heard that one before.

Witnesses withdrew.