

TRANSCRIPT

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Inquiry into heritage tourism and ecotourism in Victoria

Melbourne — 7 November 2013

Members

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Witnesses

Ms K. Storey, general manager, Destination Phillip Island, and

Dr R. Jessop, environment manager, Phillip Island Nature Parks.

The CHAIR — I welcome Kim Storey, general manager, Destination Phillip Island, and her colleague Dr Rosalind Jessop, environment manager of Phillip Island Nature Parks. All evidence being taken at the hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and is further subject to the provisions of the Parliamentary Committees Act 2003. Any comments you make outside the hearing may not be afforded such privilege. All evidence is being recorded, and as witnesses you will be provided with proof versions of the transcript in the next couple of weeks.

We look forward to your presentation. As with our earlier presentations we have allowed half an hour for each. I ask that you limit your presentation to 10 minutes so we can then use the remaining 20 minutes for questions. I see a little bit of a grimace. I was of the understanding that everyone had been advised of the time frame.

Dr JESSOP — I am not sure I will take 10 minutes.

The CHAIR — That is okay. Who is leading?

Ms STOREY — I will get Roz to start.

The CHAIR — Thank you very much.

Dr JESSOP — I am Dr Roz Jessop, and I am the environment manager at Phillip Island Nature Parks. What I am going to do is just make comments under the four headings. Phillip Island Nature Parks is one of the biggest ecotourism destinations in Australia. We believe that best practice in ecotourism requires a holistic approach, addressing long-term issues such as environmental asset protection, visitor carrying capacity, quality of visitor experience, infrastructure needs and climate variability issues.

Experiences offered to visitors should have ecotourism certification by an external body, such as Ecotourism Australia, to identify genuine nature and ecotourism operators, high-quality nature-based products and that the supplier is committed to sustainable practices.

We also recognise that our reliance on the natural environment, in particular little penguins, which generate 85 per cent of our income, requires investment and risk management. With the assistance of the Penguin Foundation we have invested over \$1 million in a wildlife clinic and developed training programs for our staff, state government personnel and volunteers so we are prepared to assist with wildlife response in case of marine pollution or wildfire events. We have partnered with Victoria University to develop award-winning new technologies for cleaning oiled wildlife, which was the Banksia award winner this year.

We have found that the demands of tourists are changing. The focus for the future needs to be on developing authentic immersive, nature-based experiences. This shift demands that the state modifies or changes its priorities to encourage more high-yielding individualised tours and events. State investment in infrastructure such as iconic visitor centres like the Penguin Parade needs to be on a regular cycle. For example, the Penguin Parade visitor centre was constructed in 1987 and no longer meets the needs of today's international and domestic visitors. It is often commented on in our surveys that the visitor centre is out of date. New visitor centres need to embrace and become centres for new communication technologies like Facebook, and we have been developing a lot of apps to assist us.

An increase in recreational use and visitor numbers has generated conflicts between the expectations and needs of local landowners and visitors to the island, and they need to be handled with sensitivity. Investment in cultural assessments, geological site management and vegetation and fire management plans needs to come before infrastructure development and new tours. More investment in understanding the different user groups of Crown land is urgently needed. The Department of Environment and Primary Industries recommends that committees of management obtain professional independent advice in the preparation and management process for competitive allocation of tour operator licences. However, many committees of management would be unable to afford such a study. In fact most of these activities occur in the intertidal zone or on the water, which is under the management of the department.

For sustainable ecotourism to be developed, the needs of water management and land-based users on Crown land would include beach safety for the recommended activities and infrastructure development, minimisation of conflict between beach users, environmental sustainability assessment of financial returns, good business and ecotourism practice, fair trading and having regulations for all areas. Having multiple land managers in the same

coastal area requires a cooperative approach, but different managers operate on different scales and have different financial resources. For example, there might be small or large committees of management, local government might be the committee of management or the department also might be involved in the management of one particular beach area. This makes the synchronisation of on-ground management and the issuing of permits difficult.

Regarding maintenance, infrastructure in coastal areas, such as walkways, boardwalks and staircases, has been subject to wave action and erosion over the last year, and some method of assessing long-term need and the best places for putting the structures needs to be put in place in a more cohesive manner. Visitor expectations are changing. Visitors expect a lot of infrastructure, but, as I said before, committees of management may not be able to afford the upkeep of things like car parks, toilet blocks and staircases. Also, we are finding within the Penguin Parade visitor centre in particular — within that part of the business — that there is a lack of multicultural staff in our local area and in the tourism area in general.

I would like to make a few comments about our new boat tour, as requested. As part of looking at broadening our offer of tourism experiences, we are developing a new boat-based tour. The tour will go around the island. It is like those long ones in Tasmania where you get all wet. It will have educational stops along the way. It will look at the seals, then come around and have a look at where the penguins are and then talk about the geological features and animals that are on the island and the Aboriginal people. It is about developing a package, because we are very dependent on the penguins, to try to make sure that we expand.

Ms DUNCAN — They are little shoulders for such a burden.

The CHAIR — Thank you very much. Kim, do you want to make a contribution?

Overheads shown.

Ms STOREY — Following on from what ecotourism and heritage tourism mean on Phillip Island, I have put together some slides. What we are talking about is getting up close and personal with these little penguins, the smallest penguins in the world. What is the attraction of seeing these penguins to our international audience? It is about the fact that you are seeing them in their own home. They are quite surprised that we have around 32 000 living on Phillip Island, which has a permanent population of 10 000 people. That is our point of difference. We are not a theme park or a zoo; we are a real environment in which our international and domestic visitors can see the wildlife interacting.

The experiences include the standard boardwalk offerings that the general population experiences through to a lot of new products that the nature park has developed, where they are working with a ranger or doing behind-the-scenes tours and going to alternative beaches with night-vision goggles. These are the very special experiences that people are now paying premium prices for. Upgrading the penguin viewing areas and making the experience as natural as possible is obviously the aim of the future development of the parade.

People in international markets are still really surprised when we talk about the fantastic population of Australian fur seals just off the coast and how you can go and experience that on a 2-hour cruise from Cowes. This is the existing operator, and the nature park is looking at taking this to the next step where you are in a smaller boat up close and having more education and interpretation. This is a fantastic experience. I always talk about it as being like a National Geographic documentary, because it is so real for you sitting on the boat and seeing what they are doing and their interaction. It is a permanent population; they are here all year round. It is a very special opportunity.

Going into our heritage, Churchill Island Heritage Farm, which is managed under the nature park, is now a significant part of the interpretation of our history and farming life. It is a beautiful location that allows visitors to immerse themselves in the experiences on the island. The Koala Conservation Centre offers a unique experience where you can actually walk among the treetops and see the koalas. We explain to our international operators and agents about the fact that this is not a zoo. It is not about patting the koala. This is what Victoria is about. We have been very protective of our koalas, and the nature park manages the experience to that standard, and that is widely recognised by the travel industry. Interpretation means it is not just about seeing the animals but about learning about them in a friendly environment.

The associated structures that are maintained on the island, from bird-watching boardwalks and places you can observe nature, are the things that people expect when they come to Phillip Island. Some of the evidence I have included in our submission is that over 88 per cent of people expect nature-based experiences on the island. They expect to have wildlife experiences.

On the heritage side, the National Vietnam Veterans Museum, which is a dedicated museum to the Vietnam War, is now providing an interpretive experience as well as a fantastic collection from that time. The challenge for the museum that I have referred to is that these people who have returned from Vietnam do a lot of volunteer work, and now they are setting up a business plan for the next 20 years. I believe there was a state government grant. That will see them creating a business plan for the future, because what are they going to do when the volunteers and that history are lost? They have a great opportunity to talk with our youth, who can actually feel and see all the memorabilia they have there. The State Coal Mine was not included in my submission, but obviously it is only half an hour away from Phillip Island.

Once again, this is a way you can have immersive experiences in our heritage. These pictures show that children can get involved in heritage and understand more where they can participate in it. Then we have small volunteer groups that are creating history and historical displays. This is the Phillip Island and District Historical Society. Once again, it is run fully by volunteers. The illustrations are of history from the motorcycle grand prix circuit.

Obviously the main opportunity we have in Victoria is to play on our point of difference. Obviously ecotourism and experiences with wildlife and nature are our key. We are not Queensland and we are not a zoo, and that is what we have got to remember and that is what is attracting these visitors.

Heritage is an opportunity for immersion and participation and for our youth to understand where we have come from. Although you can use technology to help that, at the end of the day we are trying to get them to feel it themselves without the use of technology.

There are always opportunities to create travelling displays to regional areas, which can also maintain and boost tourism in low and shoulder seasons.

The CHAIR — Kim and Roz, thank you very much for your presentation. We might raise a couple of questions.

Ms DUNCAN — You talked about the Penguin Parade. Have you determined its carrying capacity?

Dr JESSOP — Yes.

Ms DUNCAN — If so, how do you manage the numbers there to not kill the goose that lays the golden egg?

Dr JESSOP — The carrying capacity is determined by the number of people who can get a good experience. It depends a little bit on the tide, but it is somewhere between 3800 and 4000 per night. We have over 500 000 visitors per year. It is close to fully booked for about 10 days a year. We have our online booking service, and we also sell tickets at the information centre just as you come onto Phillip Island. We also have phone booking, although it is moving more towards internet-based booking. In the ticketing system there is a ceiling, and once that ceiling is reached you do not sell any more tickets.

We have a roundabout as you come into the Penguin Parade, and we have night staff who stop every car and ask them for their tickets. They cannot come on if they have not got a ticket. That is how we keep the numbers from going over the top.

Mr PANDAZOPOULOS — Kim, you are responsible for working with product and marketing the destination.

Ms STOREY — Yes.

Mr PANDAZOPOULOS — How many ecotourism operators would you have?

Ms STOREY — Through the ecotourism accreditation process it is the Phillip Island Nature Parks and the Wildlife Coast Cruises. We are the only two that I could find qualified through that program.

Mr PANDAZOPOULOS — I was there just the other day, and so was Joanne — separately. I know the area well. It seems to me that Phillip Island particularly and the nature parks created that product brand. If there is anywhere in Victoria, it is the place people think of — it is a pre-eminent spot — yet you are telling me that there are basically two products that are ecotourism accredited. It seems to me that the destination could be in a holistic way an ecotourism destination — the local food and wine and all that sort of stuff. Where are the community and the council at in that? Do you see that as a possible competitive advantage to be in that holistic sort of ecotourism approach on the island as part of the island's offering and economic development strategy?

Ms STOREY — There are certainly a lot of restaurants and food areas that are jumping onto local produce and things like that. However, I think the word 'ecotourism' and the accreditation process is only reserved for operators working with nature and the cruises. We do not have any products that are operating right now that would work through that process.

Dr JESSOP — I hope it would be a sustainable badge rather than an ecotourism badge.

Ms STOREY — Maybe the terminology that we are using for accreditation there. Certainly there are a lot of operators who work through the sustainability models, but it is probably not the word 'eco'. Certainly we encourage the use of local produce and local wine and thinking about using local suppliers but, as I said, it probably just does not come under 'eco' because it has sort of been reserved for operator-based activity rather than mainstream businesses.

Mr PANDAZOPOULOS — Other destinations focus on eco-focused destinations, and eco-focused businesses, and ecotourism accreditation and sustainability are a part of that. I am wondering about the mix. One of the things we want to see is Victoria having a competitive advantage. Can we do more? Our destinations are a great product, and can we give more to that product? You are offering the boat experience, which I think is essential to try to diversify from the penguins. Do we sell down that experience in other things that a visitor sees on the island? Is there a confusion in the marketplace? How do we get more business people in that sustainability or eco-focused environment, assuming that is what we want to do?

Ms STOREY — Definitely. That is right. We definitely promote any of the sustainability programs that the state and federal governments bring down. We often run those on the island, but I do not think they come with accreditation or anything that we can brag about. Of course Phillip Island has a number of personalities, as you well know. We have a grand prix circuit sitting on Phillip Island as well. They have strived to look at their model as well — and look at their water and waste et cetera — and strive to meet the best guidelines they can. We have promoted sustainability, but the eco is probably — —

Dr JESSOP — Eco is a very valuable tool for us. From our point of view the ecotours are based on being in the wild with wild animals. The accreditation model that we are party to, that is what they base it on. The Penguin Parade itself would never be in the highest class of the eco classification because it has got so much infrastructure, whereas the tour where you are going and looking with the night-vision goggles, that is a very high class one, because it is very immersive.

Mr PANDAZOPOULOS — How many people can participate with the night vision one at any point in time?

Dr JESSOP — A maximum of 10 people with one ranger.

Mr PANDAZOPOULOS — Per night?

Dr JESSOP — Per night, so that is a premium product, and obviously they pay a lot more for that.

The CHAIR — Roz, what does that premium amount to for those who wish to participate?

Dr JESSOP — I think it is \$80.

Ms STOREY — No, I think it is about \$120.

The CHAIR — That is fine. It is just an indicator, only a yardstick.

Dr JESSOP — General admission is about \$24 — somewhere around there.

Ms STOREY — About \$24. There are a few layers. There is a viewing area — the Penguins Plus viewing area.

Dr JESSOP — That is a bit more, because more penguins come in there and that is restricted. They have their own ranger who talks to them. Also in the main stands now we have ranger-guided tours. They all have headsets, and the ranger talks to them through a microphone. They have them for the whole of the session. It starts with the general viewing, which is all the people. Then there is the upgrade to viewing in the most populous penguin place. Then there is viewing with a ranger to help them. Then there is viewing in the commentary box. They have wine and cheese, and then they are taken by a ranger down, so that is another one that is 10 people.

The CHAIR — Duration of a session, Roz? A couple of hours?

Dr JESSOP — It is probably about 50 minutes or up to an hour and a half. It is all centred around the bus tourism. Some 50 per cent of our tourists — or 50 to 55 — are international tourists who come on buses. One of our goals has been trying to get those groups to stay longer on the island to benefit the local economy. A lot of them have meals and things in Cowes, so that is helping the local economy. Getting them to stay longer is pretty difficult. We have not got the right types of hotels for them to stay in. They are mostly Chinese; over 70 per cent of the market is Chinese. They drive a very hard bargain. We do not really have a hotel on Phillip Island where they would want to stay for the price they want to pay. One, we do not have the class of hotel, and two, they like to drive a hard bargain.

Mr PANDAZOPOULOS — Their price point is quite low compared to others for accommodation?

Dr JESSOP — Yes, compared to others. Looking ahead, as that market matures people tend to move from the mass market down to the independent travel market, so we are trying to target those. Our focus is moving from China — we still have people in China; we have our own people in China, booking people and going around to the travel agents and still getting those people to come. But we are ramping up in India to try to look at that market and in Asia. We are just trying to keep ahead of the wave, I suppose. There are a lot of people in China. The market has moved away from the Japanese; it used to be 70 per cent Japanese in the late 80s. Now it is 70 per cent Chinese. As those markets mature, that proportion seems to go down. The Japanese economy did not help.

Mr PANDAZOPOULOS — Just a last one, Kim. Does Phillip Island have a destination management plan as part of your ongoing planning, like some other regions do?

Ms STOREY — No. The regional tourism board was set up six months ago. We are currently finalising our strategy for the next five years, and a destination management plan will be the next step.

Mr PANDAZOPOULOS — Okay. Thanks.

The CHAIR — Thanks, Kim.

Ms WREFORD — The committee has heard from stakeholders around the need to highlight Indigenous heritage within Victorian parks. Do you have a view on this, and is there anything happening around Phillip Island?

Dr JESSOP — Yes. One of the big problems is that there is very little information. A lot of the information on Indigenous heritage was gathered a long time ago, and there is not much accurate information on exactly where it is. On Phillip Island there are hundreds of middens — or thousands — and sites, but you do not know where they are within 100 metres. That is just a side issue.

We are looking at, on the Summerland Peninsula, which is near the penguins, developing a tour. That has advanced a fairly long way, so the tour content has been worked out. We had a survey done, and we know where the middens are now and what is in them, so we have all that sort of background information. Now we have developed the tour, and it has been sent to the local Aboriginal groups and they have approved it. That will be coming on-stream later in the year, so, yes, we are moving slowly into that area.

Ms WREFORD — What kind of capacity would that tour have?

Dr JESSOP — That will be another high-class tour, between 10 and 20 people. That is trying to have that value without too many people, so you have use of a particular area.

Ms WREFORD — Taking from that, do you believe there are other opportunities on Phillip Island around Aboriginal heritage?

Dr JESSOP — Yes, I think so. There are a lot of sites, especially at Cape Woolamai. That is a very important site. Summer interpretation programmes exist around Aboriginal food and things like that. We run those sorts of things in the summer for our summer program, which is very low entry. It is only about \$5 to come along to those sorts of ranger-based tours, but that could be further developed later on.

Ms WREFORD — Is it only \$5 because people do not like eating the grubs?

Ms STOREY — Also the Rhyll Trout and Bush Tucker Farm has a dedicated Indigenous trail of bush tucker. They have a major plantation there, and they do a self-guided tour, which is the information about the foodstuffs there. Then they use a lot of that foodstuff in their cafes as well.

The CHAIR — Ladies, a final question: the committee is aware that Phillip Island is a key destination for overseas tourists, along with Sovereign Hill and the Great Ocean Road. Are you involved in collaborative marketing with other Victorian attractions, such as Sovereign Hill and the Great Ocean Road? I pose that question, because as a committee we are looking at statewide opportunity, not individual opportunities. Phillip Island features very strongly as an individual one, and we do not take away from that for a second, but we are also conscious of what you mentioned a minute ago, Kim, in relation to local economies. Outside the 2-hour circle, for want of a better term, for tourism, there are marvellous opportunities if we could create an overnight stay, be it in the west of the state or the east of the state. Do you see the time coming when the tourists you receive would be prepared for an overnight stay, be it in conjunction with Phillip Island in eastern Victoria or in relation to the Grampians, the Great Ocean Road and Sovereign Hill in Western Victoria? Do you see that the tourists you receive who, I think, are more time poor than pocket poor, would actually have the capacity to participate in an overnight stay in Victoria?

Ms STOREY — In the international markets, we are involved in a product called the South East Touring Triangle, which is Yarra Valley, Mornington Peninsula and Phillip Island. We market that to the Singaporean and Malaysian markets in particular — so, the self-drive market. These markets are what we call more advanced — so, where Roz was talking about them coming from coach tours, they then go to self-drive. These markets do a lot of their planning themselves, and we promote a stay in each of the regions and then a ferry ride from the Mornington Peninsula and do the Great Ocean Road and then the Great Southern Touring Route loop back to Melbourne. That would be a seven to eight-day itinerary we would promote. We do that in conjunction with Tourism Victoria, obviously, when we attend trade events, most recently the south-east Asia trade event. A lot of the travel agents have that self-drive package available to their clients. They can pre-book their accommodation and the car hire component. That is how they would package it. That is already happening now.

We are also part of the Sydney Melbourne Coastal Drive. That is a seven-day drive from Sydney to Melbourne. That is staying in Gippsland, staying in Phillip Island, staying in the Mornington Peninsula and coming to Melbourne. The time-poor one at the top of the heap at the moment is China. Chinese agents are telling us that they have one to two nights max in Melbourne. We have been able to secure overnight stay for what they call Chinese New Year, which would be at the end of January–early February, or their spring festival. This is when the Chinese population will travel overseas. They take the majority of their holidays, and they will commit to overseas destinations. Because Melbourne will be so busy in January as well, we have been able to achieve quite a good price point with the Ramada Resort on Phillip Island. We have at last count probably about 150 room nights confirmed, and this tour is doing product like Churchill Island, A Maze 'N Things, the chocolate factory, the penguin parade and then returning to Melbourne.

The nature park have staff in China, which has been of great benefit, and then a few of us attended the China mission, where we were able to then finalise a lot of that buying from the agencies. It is a matter of evolving the product. I think the nature park has changed its focus. Where it was very focused on the penguin parade only, now they are multitickets. The three-park pass is a big product seller in the Singaporean and Malaysian markets. Suddenly the consumer sees that there is more than one thing to do on Phillip Island; they can see these three things to do. We have the Silverwater and Ramada resorts, which are meeting the needs of the

Singaporean-Malaysian market, and the Waves apartments are very busy with their group tours, so it is evolving. The multiday itineraries are definitely something we work with the state agencies and ourselves on doing this.

Mr PANDAZOPOULOS — One of the disadvantages — and maybe you want to comment on where we are and why we have not got there — is the issue about a car ferry from Stony Point to do that peninsula connection.

Ms STOREY — Yes, of course, and this is the board's big-ticket number. There has been a change of council, you will be glad to know, at Bass Coast Shire Council. We hope to have a new CEO in March. We have done a lot of local media about the possibility of a car ferry to get it reignited with the community.

Mr PANDAZOPOULOS — There has been a lot of work done over a decade on this. A lot of the planning work has been done. Why did it not get off the ground?

Ms STOREY — Lack of community consultation positioning, and the overall infrastructure requirement that was put to the community was — —

Mr PANDAZOPOULOS — Meaning? How big it was going to be?

Dr JESSOP — Where to go basically, and where they were going to park.

Ms STOREY — How big. It was a multistorey underground car park taking up the whole Cowes Jetty triangle. It was very poorly managed. It was very poorly put to the community. I remember seeing the map they published with one-way access up and down the main street, with no consultation with anybody about the process. The regional tourism board and the key stakeholders want to go into partnership with the council to lead the project. They are looking at two other sites. Tourism Victoria has still highlighted it in its priorities from a state point of view and other regional plans. Given a couple of the issues that have happened more recently on the island with access, I think the community will be more open to the scenario, but it will have to be managed a lot better as far as consultation is concerned.

Mr PANDAZOPOULOS — Just a final one while we still have a little time.

The CHAIR — Two minutes.

Mr PANDAZOPOULOS — You mentioned quite a bit about your infrastructure needs, and we agree it is dated. You are not eligible for regional development funding. You are competing with funding from DEPI that is now funding parks and a lot of other areas. Do you think you are disadvantaged in accessing that funding because you are, in effect, a government agency? You tend to be forgotten and that is why your infrastructure is deteriorating?

Dr JESSOP — I think there needs to be a long-term vision not, 'We will just give you money now and you do your business centre'. That is fine. It is the most important natural attraction in Victoria, and there needs to be an alternate recognition of that — that it is not going to last forever.

Mr PANDAZOPOULOS — You are very dependent on the department that you report to doing your bidding.

Dr JESSOP — To help us, yes, through that government process.

Mr PANDAZOPOULOS — It has a whole lot of other areas of responsibility as well.

Dr JESSOP — We have been talking to a lot of people. Our CEO has been very busy.

Mr PANDAZOPOULOS — Okay. I know it is what you have to do, but it would be nice if we had the regional development grants available for government product if there was a good economic return on the investment, but that is an argument to have with Regional Development Victoria.

Dr JESSOP — Yes. We see it as very important for extending our use of the centre for walking and day trips, which in turn will make it more attractive for people to stay on the island.

The CHAIR — Thank you, ladies. The committee very much appreciates you giving your time to present to us today. I have learnt a little bit more about Phillip Island and possibly some of the others have too. It is certainly a destination in Victoria that is well respected from a tourism point of view. Many people want to be involved in it, so congratulations on the way you manage it.

Witnesses withdrew.