

# TRANSCRIPT

## ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

### **Inquiry into heritage tourism and ecotourism in Victoria**

Melbourne — 7 March 2014

#### Members

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#### Witnesses

Mr P. Kulich, economic development coordinator, Baw Baw Shire Council; and

Mr M. Leaney, president, Walhalla and Mountain Rivers Tourism Association.

**The DEPUTY CHAIR** — Welcome, Peter and Michael. All evidence taken at the hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and 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 today is being recorded, and transcripts will be forwarded to you with instructions in the next couple of weeks. Thanks for joining us, and thanks also to the Baw Baw council for its written submission. I will hand over to you guys.

**Mr KULICH** — Thanks for the opportunity to talk to you today. As background, the Baw Baw shire is the local government region just to the east of Melbourne. We have a mixture of rolling green hills, state and national parks, and heritage and historical destinations. Our main built attractions, in no particular order, are Yarragon village, which is basically shopping; Walhalla, which is history and heritage; Noojee, which is history, heritage and ecotourism; and Mount Baw Baw Alpine Resort, which technically is not part of council but you have to get there through our bits. Although we are close to Melbourne, our yield from tourism is lower than the state average and the majority of our visitors are fairly low-yielding daytrippers, so the challenges for our region are basically to attract more visitors, increase length of stay and convert daytrippers into overnight stays.

To address these issues it is felt that there is a need to change the current emphasis of government and departments. To go to the main points of the inquiry, firstly to examining the current scope of ecotourism and heritage tourism in Victoria, there appears to be an overemphasis on the promotion and further development of what already exists in Victoria rather than on assistance for the development of new attractions. State and national parks and reserves within the shire cover approximately 239 000 hectares. With the exception of Mount Baw Baw Alpine Resort, basically the rest of it is totally undeveloped or underdeveloped from a tourism perspective.

As stated earlier, it is felt that currently much of the emphasis placed on heritage tourism and ecotourism is and has been for many years directed at well-established iconic attractions. Whilst these attractions are significant, their maintenance should not necessarily be at the expense of new attractions. It would seem that there is a severe lack of desire or understanding of the potential for further development of both ecotourism and heritage developments, other than the well-known icons. To give you an example, prior to being in Baw Baw I worked in Loddon shire, which is in central Victoria. We had Tourism Victoria come up to discuss growth in the region and everything else, and their comment was, 'It's nice, but it needs development'. Within 12 months we were having busloads of visitors. Within two years they were staying two nights, and within three years they were staying up to three days and three nights, and that was without any real development. It was just that there was a lack of understanding or willingness from departments to necessarily work outside the icons they knew.

While some programs have been developed to address ecotourism and heritage projects in the past, these have been short-lived and have lacked results. Where programs do exist, the ability of smaller councils to go dollar for dollar, even taking into account in-kind contributions, can be limited and therefore opportunities are lost. Lots of times we just do not have the ability to take up grant programs.

Further investigation needs to be undertaken into second-tier heritage attractions and how these can be developed. In Baw Baw shire's case this would apply to the historic Walhalla township and the Walhalla Goldfields Railway, both of which have great potential for expansion but require significant investment in infrastructure and promotion. With funding, these areas could become major domestic and international tourism attractions.

Investment in infrastructure includes mobile and internet coverage as well. The Walhalla township would receive over 100 000 visitors per annum. It has no real mobile coverage and no real internet, even though it has fibre running down the main street. A review of VicRoads activities and how they impact on tourism — —

**Ms WREFORD** — If it has fibre, why would it not have — —

**Mr LEANEY** — In 1998, when electricity was connected at Walhalla, when they re-laid the electricity cables they totally laid fibre-optic cables into the township. We have the cable, but there is no plug on the end of it. They installed the cable, but there was no money allocated by Telstra to install the exchange.

**Ms WREFORD** — So this is really up to Telstra to do; is that right?

**Mr LEANEY** — Well, I suppose so. I mean, it was in the ground because that was the technology that was laid at the time, but there was no allocation of an exchange. So it is a bit like you have an extension lead, but you have no plug to put into the wall.

**Mr KULICH** — It is an easy fix — or it should be an easy fix — but it has been years. Also a review of VicRoads activities and how they impact on tourism should be undertaken. Whilst VicRoads's goal of reduction in signage clutter is supported, in effect this signage rationalisation is often at the cost of tourism promotion. Currently Baw Baw Shire Council and the Yarragon community are in dispute, and have been for considerable time, with VicRoads over tourism gateway signage. Within the Baw Baw shire there is a requirement for sealing of South Face Road. This important piece of infrastructure is required both for access to Mount Baw Baw alpine village and as a vital link in a tourism route through the Baw Baw shire and through to adjoining municipalities.

I will now go on to roughly section 3, which is the examination of the potential for development of ecotourism. As stated earlier, attention needs to be focused on the underdeveloped areas of Victoria to assist those areas to develop both public and private opportunities in ecotourism and heritage tourism. This development cannot be just dependent on local government or private financial contribution. Enabling infrastructure needs to be developed — even things like, as we just spoke about, the ability to have mobile access. One of the things the council wants to do is an application with a touring drive. If various areas of the route are not covered by modern telecommunications, it falls in a hole.

In conjunction with infrastructure development, the issue of staffing of parks needs to be investigated. The structured use of park rangers as assistance to tourists adds to the attraction of an area through a perception of advice, safety and assistance if anything should go wrong. There are virtually no park rangers within Baw Baw shire who have a similar role to those at Wilsons Promontory or the Grampians. A comparison of the Baw Baw shire region from Noojee through to Walhalla with the Grampians region is an interesting exercise. Geographically the regions are very similar: rolling green hills, mountains, views, heritage, history, forests. However, even though the Baw Baw shire region is closer to Melbourne than the Grampians, it is far less developed for ecotourism. Millions of dollars have been put into the Grampians to make it a tourism icon, and we could have another one on the east side.

Likewise, a comparison of the Walhalla region with other areas of Victoria will show a relative lack of public investment, despite great potential for development. Walhalla has significant gold heritage and is probably one of the best — if not the best — intact gold towns in Victoria. Over and above its gold history, it also has a community-run tourist railway. Walhalla is the only tourism town in Victoria that actually earns most of its income, if not all of its income, from tourism. Despite a number of plans for the preservation and development of Walhalla, funding has been piecemeal. The fact that it is one of Victoria's smallest towns also limits its potential to access grants, in that there just is not the dollar for dollar. Consideration of funding for the expansion of the Walhalla Goldfields Railway and new rolling stock needs to be a priority to assist tourism in the region to grow. Public infrastructure within the township and maintenance of Crown land also requires additional resources.

Regarding the ability for the industry to manage increased tourism and any obstacles, the hospitality and accommodation sectors within Baw Baw shire have spare capacity, and they can expand to meet increased visitation. It is felt, though, that what is lacking is an in-depth regional development plan for tourism. The developments of the past have resulted in a two-stage economy for the tourism sectors — those who are in established tourism icon areas and those in areas that have high potential but are languishing due to lack of recognition development. Adding to that, too, is the ability of the local tourism associations to resource growth. A lot of our tourism groups obviously come from volunteers; they are very small townships. Their ability to keep functioning year after year is strained.

The issue is to determine how to create the growth, so individual development plans need to be undertaken for each local government region to identify what the opportunities are. Until you know what the opportunities are, it is very difficult to grow a region. These plans need to identify the potential and how that is to be achieved. Significant funding needs to be invested by the state and federal governments to undertake the necessary on-the-ground projects to regenerate and grow the relatively underdeveloped parts of Victoria. I have had my spiel!

**Ms WREFORD** — Just on that point, has your council done any strategic development work on what would be the opportunities in terms of tourism in and around your council area?

**Mr KULICH** — Over a number of years we did an ecotourism impact assessment, so we looked at what our opportunities were in ecotourism. Unfortunately none of those have really developed — well, some parts have developed, but most of them have not. We have also undertaken with our tourism community a draft tourism strategy. At this present moment we are undergoing a total rebranding strategy, and out of that come a number of initiatives, a lot of which we will find difficult to meet. The ability to actually promote into Melbourne is very costly, and for a small council and the tourism sector, which is run by small-scale businesses rather than large-scale businesses, we just do not have the dollars.

**Ms WREFORD** — What sort of relationship do you have with Tourism Victoria then?

**Mr KULICH** — Our relationships are fine both with VTIC and Tourism Victoria, so we do have ongoing discussions. We are currently discussing with Tourism Vic the development of tourism groups and things like that.

**The DEPUTY CHAIR** — I will get Michael to maybe do his presentation, and then we will go into a bit more detail.

**Mr LEANEY** — Thank you for the opportunity. Just to explain, I live in Walhalla. Walhalla is a town of 15 permanent residents. I hold numerous hats. I am the president of the tourism association and I am the president of the railway. I am also product manager for the Great Walhalla Alpine Trail and I run Walhalla's Star Hotel. When you are in a town of 15 people you have to be multiskilled. In some ways Walhalla sums up the perfect storm of echo and heritage tourism by being a destination that has both in spades, yet has a limited ability to actually pull off both.

There are some examples I just want to run through. It has been interesting to listen to some of the other people talk. On the ground — as I said, we have 15 permanent residents in Walhalla — we have a working population of about 50 people who commute into town to operate the businesses during the day, and we have a community of interest, of people who have an interest in Walhalla, of in the thousands. Walhalla is one of those unusual places that hits well above its weight, and that is the reason why it has survived and is the reason why it actually ticks. We have some key tourism products, heritage-based tourism products, like the Walhalla Goldfields Railway, the Long Tunnel Extended Gold Mine, the ghost tours et cetera.

The interesting thing about all those is they are all run for not-for-profit, community-based organisations that run the key tourist attractions in the town and for Gippsland and Victoria. For instance, the railway carries 30 000 passengers a year and is the third-biggest tourist and heritage railway in the state, yet it is entirely run by volunteers. So we have a huge community of interest, but it does mean that the town has suffered over a very long time. I suppose in the 1970s, when there became a greater influence on heritage in Australia, lots of people started volunteering to do the work. It has meant that in some ways we have created a rod for our own backs, because it has meant that the things that have happened in town have been done in a way where — we have had a lot of people go out there to achieve things — funding has always been on an absolute shoestring.

To give you an example, there was a discussion earlier about signage and heritage interpretation. Walhalla has what I would describe as an excellent heritage interpretation signage scheme throughout the village, incorporating enamel signs. We cannot use anything whizzbang because there is no mobile phone service or electronics to run it. I am a strong believer, to be honest with you, that signage and brochures are king, simply because they work at all times. There was an excellent signage scheme that was developed by the Walhalla Heritage and Development League in the late 1990s. That was funded, finally, by the Federation Fund, and about 30 signs were installed in Walhalla. It has been extremely successful. Since that time the tourism association has developed a town map that complements and explains those signs.

I will give you an example of where things fall apart. Obviously when it was installed there was limited funding as to what could be done. Most of the work was done by volunteers to install and create those signs, and there are some obvious missing teeth. After the Aberfeldy bushfire in January 2013 we made an approach to RDV for funding to increase our signage scheme by eight signs. Eight thousand dollars was the funding scheme. To be honest with you, it has all basically ground to a halt. Anyone would think we were applying for \$800 000. It is

completely onerous on a small group of volunteers to be able to even get through the process to get funding to create the signs in the first place.

Walhalla is surrounded by excellent walking tracks. We are the start of the Australian Alps Walking Track from Walhalla to Canberra; it is known internationally. We have brilliant walks all around us, but we are loath to recommend them to people; we are loath to advise people. The council has actually given us funding. The tourism association has given us funding to produce a booklet to promote the outdoor activities, which we are very reluctant to produce. The reason why is that our region is about the same size as metropolitan Melbourne. We have one ranger for the entire region. Current occupational health and safety laws mean that that ranger is not able to go out to even cut a tree on his own because he is not allowed to use a chainsaw without another person being with him. As a consequence trees fall on tracks, and so many of them are now totally impassable because the rangers are not able to do this.

There is another irony. We have a group of 20 people sitting about 15 kilometres away from us — a summer crew — who are employed by DEPI. New OHS rules mean that the summer crew which used to go out in the summer period to clear tracks and maintain facilities is not allowed to do that anymore. So we have people who are basically paid to stay at home and wait by the phone while they are on call for a fire. When there is a total fire ban day they will go into the office and play cards. They are being paid, but they are not allowed to go out into the bush and do basic maintenance. We have a track, the Poverty Point track, to an amazing heritage bridge, which is an 1890s iron bridge imported from the UK. It is in the middle of nowhere. It combines ecotourism with a walk and with a great heritage aspect. I would not send anyone down that track at the moment simply because it is impassable, and it has been for over two years. Yet all our calls to have any work done for that do not happen.

As to brochures, we are getting to the point where we are very reluctant to produce brochures or do any work on them. Why? Because they are generally unsustainable. We do not get any form of ongoing funding to print them, so once we print our 10 000 brochures, that is it; it is all over. A classic example of this is a brilliant heritage and ecotourism product developed to the north of Walhalla called the Aberfeldy trail. It is linking together a whole range of heritage sites within the mountains to the north of us by four-wheel drive, including cemeteries, chimneys et cetera. But there was only enough funding to produce 5000 brochures. Once the 5000 brochures have gone, that is it. There is no point in us promoting that product anymore because there is no possibility of us getting people out there.

From a heritage point of view, in a town like Walhalla a major issue we are facing is bushfire management overlays. They are completely at odds with the heritage environment, and we have the potential to ruin one of the best preserved streetscapes in Australia, in terms of heritage, by bushfire management overlays that are totally unsympathetic to the needs of a heritage environment. That is another major issue that we face.

Overall — —

**The DEPUTY CHAIR** — Do you want to add a little bit more to that, Mike, about what that actually practically means? How can it wreck that heritage landscape?

**Mr LEANEY** — The problem is, for instance, Walhalla has a very unique building style. It was a frontier town during the gold era, so therefore you are talking very simple timber buildings. We did not have grand Victorian architecture or anything like that. We have a planning scheme that was developed in the mid-1990s which is very strict. If you are to build in Walhalla, you are to build in the gold era style, and the gold era style of Walhalla. You are not allowed to build a three-fronted brick veneer; that would not be allowable. The problem is now, though, that under the BMO, if you are to have double-hung windows, the double-hung windows must be aluminium, and that totally goes against the heritage look of the village. We can get around some of the issues in relation to weatherboards, and there are now products available, but it is limited.

What actually makes Walhalla as a town great is the juxtaposition of the built environment — the Wild West kind of frontier-style buildings — mixed with a very steep, narrow valley, mixed with the European trees and the Australian bush right on top of it. That is why it has the wow factor. But that is totally at odds with the bushfire management overlays, which take into account slope, take into account your distance from roads et cetera. So we have the unique situation under the proposed planning amendments for Walhalla where because a block of land happens to be at a 30 or 40 degree angle, you cannot build on it, or if you do, you have to build basically a bunker, which is out of context with the town. Yet there is no context put into that that the block of

land actually fronts onto a creek bed and a running creek. The context is lost in the planning scheme. This is a major issue the town has been very concerned about and basically we are fighting very hard.

Walhalla is in a special use zone and it has its own historic area, and we are calling for an exemption to be made for Walhalla. The reason for that is, just say a bushfire did go through the township tomorrow, you would rebuild Walhalla. It is a bit irrelevant forcing people to build things that are out of context, that do not fit in with the streetscape, because if you actually destroyed it, you would rebuild that building anyway. If the rotunda burnt down to the ground tomorrow, you would rebuild the rotunda. So it is a bit of a circular argument. I suppose one of the important things for Walhalla and our region that we find with heritage and ecotourism is every government department, every agency likes to have their finger in the pie until the pie gets hot, and that is when they do not want to do anything.

We have crazy situations in Walhalla where I can stand in the main street, take one step forward and the agency that looks after that piece of land is VicRoads; take one step to the right, it is DEPI; one step back, it is the Baw Baw shire; another step backwards and it is West Gippsland Catchment Management Authority. They will then argue between themselves as to who is responsible. Lots of our infrastructure within the township — basic tourism infrastructure, fencing, bridges, et cetera — is literally falling into the ground, rotting into the ground through sheer neglect, simply because the various different government departments cannot come up with a conclusion as to who is responsible. There is a bridge, for example, directly across the road from the Star Hotel which is at a precarious angle today. It is a pedestrian bridge. It was condemned by an engineer in May 2012. The bridge is still standing there, people are still walking across it. There have been no repairs, nothing done with it. Why? It is because nobody actually admits to owning it.

There needs to be an overall look at how things are actually handled, and I think in terms of heritage and ecotourism a lot of the stuff that is done with both of those subjects can often be a bit of a mantra. We need to do big picture stuff, but a lot of it comes down to, with ecotourism, if we cleared the tracks, we would have a lot of ecotourism because we could actually encourage people to use them. With heritage tourism, if we were able to install the signs without us having to go through ridiculous hoops to actually get them created and then installed, it would be so much easier. Certainly in both eco and heritage there is a large propensity of people who are volunteers, who are providing their time to either be volunteers for conservation or volunteers for heritage. They want to get on with the conservation, they want to get on with restoring a building. They do not want to be bogged down by paperwork, and at the moment it is very difficult to do that.

**The DEPUTY CHAIR** — Just for the benefit of the committee, Michael, if you can, tell us in an overall year how it is that you promote your business and therefore get visitation to your business that benefits the township. You have touched on brochures. Just so that we really understand the logistics around different ways you operate and the different networks you need to utilise to actually get bums on seats.

**Mr LEANEY** — I suppose the key thing that makes Walhalla very different to so many other places is that we have a core group of very passionate people who will literally go to the other end of the earth to make sure that we push forward and we get things to happen. So while we have no funds, we use our networks and we use our resources to get our word out there. A town like Walhalla has a wow factor about it. For instance, a few years ago the tourism association did some research to understand why people came to Walhalla. We all thought they came to Walhalla because of the heritage, we all thought they came there because of the environment et cetera and the buildings. That was the impression we had, and we were totally wrong. The major motivator, why people came to Walhalla, was that it is pretty. That is it: it is pretty.

When people are making their decisions to go on a holiday or making a decision to go on a day trip, quite often they having their Weeties at breakfast and they go, ‘Oh, what are we going to do today?’, and someone says, ‘Well, I don’t know. I have heard Walhalla is nice, let’s go there’. That is where we pick up that business. As a consequence, over the last 10 or 15 years we have made a concerted effort to make the town prettier. For instance, a few years ago the heritage league conducted a tree planting program where we actively went out and planted European trees, Japanese maples, Canadian maples, elms, cherries et cetera, so in autumn the town is absolutely spectacular and in spring it is full of cherry blossom.

As a tourism association we then said, ‘The key thing we’re going to do is concentrate on images’. So every year, even though we are only an association of about 15 members representing about 25 businesses, our organisation spends \$2000, which is nearly all of our membership fees, on photography. We employ

professional photographers to come up to Walhalla to take lots of photographs when the autumn leaves and cherry blossoms are good. Once we have those photographs, we do not leave them sitting on a DVD in someone's drawer; we push them out. For instance, we have images on our Walhalla Facebook page. Every day, or every second day, our Facebook page has nearly 5000 people looking at it. We use those people to spread the word about what is going on in Walhalla on a daily basis. It is not a hard sell; it is basically about spreading the love, I suppose you would put it.

That very strong community of interest has made it much easier. We also have a very defined area we promote. It may get boring to us because we go out and promote 'Walhalla, Walhalla, Walhalla' and when we are bored with that we go and promote 'Walhalla' again because we only need them to remember one thing, and that is that one word — Walhalla. We back that up by having good images, good words and quirky stories that we put into the marketplace. We work very closely with organisations such as Tourism Victoria to get that quirky, cute character out there about the township.

I will be the first to admit we are in a very unique position. We have a very focused community. Peter said that Walhalla is virtually entirely reliant on tourism. It is 100 per cent reliant on tourism. I suppose in some ways that makes us a bit of a canary to the tourism industry. When things go wrong we start coughing first because if there is a bushfire, there is bushfire messaging and people start not coming to us. A good example is what is going on with the fires in Morwell at the moment. We are noticing the impact of the Morwell fires because we are tourism based, whereas the motels in Morwell will currently tell you, 'We're doing really well' because they have fire crews and people there. Ninety per cent of their trade is corporate, it is not tourists, so they do not see it, whereas 100 per cent of our trade is tourists so we are beginning to see the effects of being close. Even the fires in the far east of Gippsland have an effect because we are associated with the word 'Gippsland'.

One of the things that we have really focused on over the last few years as community members is to be very focused about what we do, such as good images pushing out what Walhalla is about in order to get people into town; we are very much focused on that. The other thing we need to do — and I will be the first to admit we are not always good at it — is to make the businesses in town more customer and tourism-focused. You might be surprised to know that even though Walhalla is a town that is 100 per cent tourism revenue based, some of the tourism businesses are not very tourism friendly, which is just bizarre. That is an underlying thing that we need to work on. We take a softly, softly approach. One of the biggest challenges we face and one of the biggest things we do is that there is a small number of people keeping the town going, backed up by a big community of interest.

**Mr KULICH** — Just to add to what Michael was saying, there is also a group there involved in international marketing which attends international trade expos. They advertise in places like the Sydney and Melbourne touring groups, they take part in Tourism Victoria's Villages campaign and print materials as well. Probably out of all of our groups they would be the most savvy as far as marketing is concerned.

**Mr LEANEY** — We always love a freebie because we do not have any money. For instance, when journalists visit we latch hold of them and we put it on with a trowel. They go away and the next thing you know we convert the story from being about a drive through Gippsland to — people complain about this — two-thirds of the story being about Walhalla, because we really lap it on. When that journalist drives away, they have a DVD full of images and story ideas so they do not need to think about it.

With the Morwell fires as an example, as a PR thing and also as a community benefit thing, we put out into the marketplace \$5 tickets for the railway for residents from Morwell. We have had about 30 or 40 people take up that offer — and it will continue for months — but what is actually really important about that is the feedback that we have got, 'There's Walhalla. You're doing a great thing. You're really supporting a community'. We use those opportunities through social media et cetera to really push our name out in front of people.

**The DEPUTY CHAIR** — We might leave it there as we have gone for about 35 minutes. Thank you very much, Peter and Mike, for your contributions. We very much appreciate you coming into town to talk to us.

**Mr KULICH** — Thank you very much for the opportunity.

**Mr LEANEY** — Thank you.

**Witnesses withdrew.**