

TRANSCRIPT

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Inquiry into heritage tourism and ecotourism in Victoria

Mansfield— 21 March 2014

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Witnesses

Ms J. Dixon, deputy manager, tourism and economic development, and
Cr R. Bate, Mansfield Shire Council.

The CHAIR — Thank you, ladies and gentlemen, we will get under way with our public hearing here in Mansfield. I welcome everyone in the public gallery joining us for the hearing today. We appreciate your attendance. I also acknowledge the mayor, Cr Ray Robinson, and I thank him and his councillors, including Cr Russell Bate, who is with us, for the use of the council chamber for this hearing.

I declare this hearing of the Environment and Natural Resources Committee open. This is a narrow inquiry related to heritage and ecotourism in Victoria. The committee will furnish a report to Parliament in August 2014 and make our recommendations. I thank the witnesses not only for making submissions but also for appearing and speaking to them.

I welcome Judy Dixon, deputy manager, tourism and economic development, Mansfield Shire Council. Thank you for joining us this morning. I indicate that all evidence at this 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 made outside the hearing may not be afforded such privilege. All evidence given today is being recorded, and witnesses will be provided with a proof version of the transcript within the next two weeks.

We look forward to your presentation, thank you, Judy.

Ms DIXON — Thank you very much, David. On behalf of council, I thank you for coming to Mansfield and giving us the opportunity to have the hearing here. For the purposes of this presentation, nature-based tourism, ecotourism and heritage tourism will be treated as related and to some extent interchangeable terms.

Heritage tourism and ecotourism are established sectors of Mansfield shire's considerable tourism industry. Micro and small to medium-sized businesses populate the industry sector that has a gross value of \$322 million to the local economy. Around 1.2 million visitors spend an average of \$314 each, with some 80 per cent of them staying overnight. Over 50 per cent of our retail trade is attributed to our visitors. We are a vibrant and growing rural lifestyle shire that acts as a hub for nature-based tourism, being the gateway to Lake Eildon, Mount Buller and Mount Stirling and the Alpine National Park. A number of our businesses deliver world-class heritage and eco or nature-based tourism experiences to the domestic and international visitor, and you will hear from at least one of them today.

The vast majority of visitors to Mansfield are free, independent travellers. Most self-guide and research their trip, increasingly online. To that end it is very pleasing that funding has been announced for the digitising of much of Mansfield's high country history, and I believe Graeme Stoney will be speaking further about the importance of capturing our heritage for future generations.

Much of the non-winter tourism offer is free to low yield, with numerous opportunities in state forests and reserves and the Alpine National Park. Public land visitor infrastructure already exists to support that market in the form of tracks, roads, signs, toilets, huts and fire pits. Accommodation options abound if you are happy to rough it.

We note that Parks Victoria is moving toward user pays, and we believe the system has merit to contribute to the cost of maintaining our significant heritage and landscape public assets. Council also believes the user-pays system will provide an opportunity for promotion, capacity management and education, and that the funds raised ought to be spent back on the local public land asset.

There is no doubt we boast amazing terrain, and the committee has witnessed this first hand yesterday, but it is largely inaccessible other than to those who can do it themselves: those who carry and walk or drive or ride in and out. For those who cannot or do not want to, we have around 20 local businesses providing activity and experience-based product that value adds. The associated expert commentary and interpretation takes a nature-based activity and propels it into the realm of ecotourism and heritage tourism. Our mountain cattlemen heritage, bushranger heritage with Ned Kelly being the drawcard, Indigenous and gold heritage are authentic and the stories are told with a natural landscape stage that is unique and dominated by vast tracts of public land.

The school camp market is particularly strong in Mansfield shire, with year-round midweek programs offered above and below the snow gum line. We also boast established campuses, such as Geelong Grammar School's Timbertop and Lauriston Girls' School's Howqua campus, that over the years have instilled generations with an

appreciation of the bush and its ecosystem. We also benefit from the many past students who, in their adult lives, buy into the area and thus retain their association.

International school camps are an emerging market with schools travelling from Hong Kong and Singapore, and over the past several years we have worked hard to position product for an increasing number of international high-yield experience seekers who want to experience the wildlife, landscape and heritage much as that evoked in the *Man from Snowy River* movies. Currently the growth in this market is limited by availability of walk or ride in and out product. People essentially do not want to spend hours in a trooie bumping around at the completion of their walk or ride and before they get to relish a hot shower and a fine glass of local wine.

In relation to best practice, we should not be shy to claim that space locally. Local operator and mountain cattleman Charlie Lovick received a Churchill Fellowship in 2009 to investigate how overseas operators were tackling eco and heritage tourism, with a focus on horse trail riding. He concluded that we are very close to world best practice, especially in relation to heritage and tradition but also in regard to safety, customer satisfaction and animal welfare. Our authenticity is our strength, he concluded. The key advantage held by the overseas operators, as identified by Charlie, is in relation to the established lodges that suit a variety of markets in situ in the wilderness and park areas.

We believe numerous opportunities exist to grow the heritage and ecotourism offer for local, regional and state socioeconomic benefit with environmental and conservation outcomes. The council sees the development of environmentally appropriate, small-scale, luxury-style lodges on public land within the Alpine National Park and state forests as a priority.

Tourism North East recently conducted a gap analysis that identified and quantified demand for unique accommodation in sympathy with nature, and Sara Quon will speak further to that. We believe the high country of the Australian Alps around Mansfield and beyond can deliver on internationally renowned, iconic tourism experiences, but the high-end connections, the multiday trips in park, whether they be for bushwalking, horseriding, four-wheel driving or fishing, are missing. Michael Watson from Adventure Victoria can speak further to this point and the opportunity such development, public or privately funded or a combination of both, could offer to a business such as his. Licensed private helicopter access could also be managed to service such developments with minimal environmental or user group impacts. Helicopters could ferry not only goods but also visitors and even staff.

Council actively engaged with the recent VCEC tourism inquiry and supports the recent changes to unlock the tourism potential of Victoria's world-class natural assets and the subsequent production of principles, guidelines and a process for prospective investors, but we believe more needs to be done. To sit on our hands and wait to assess the applications from the private sector is not, in our opinion, proactive enough if we want to create the iconic product that will position Victoria in a league with other destinations such as New Zealand, Tasmania and other world-class sites around the world.

We believe further investment in public infrastructure and planning is required to deliver game-changing projects. While many tourism businesses are prepared to invest in their business future, the magnitude of significant start-up development in park is beyond the capacity of our micro, small and medium-sized owner-operated businesses. We believe that there would be solid demand on a user-pays basis from local business operators for appropriate accommodation to link tracks and trails and the associated experiences in the high country, but it is unlikely that any one of them would have the capacity to fund an investment of this type from scratch.

'Build it and they will come' may not thrill the folks in Treasury, but from a business case perspective, over time, the adage can make sense. The Great Victorian Rail Trail cost \$14.2 million of public money for a shared path rail trail from Mansfield to Tallarook, with a spur line to Alexandra. In its first year the track counters are showing steady increases in traffic and businesses are opening up along its length. The return to community and business over 10 years is estimated at \$163 million. If you accept that every additional \$99 000 spent by tourists generates an additional job, then the trail will generate 1800 jobs over the 10 years.

The EPIC mountain bike trail that traverses resort, state forest and park is another example. This project was identified in a study of non-winter nature-based tourism by the board of Alpine Resort Tourism, picked up for its significance in the Australian Alps national landscapes strategy, supported by our own destination

sustainability partnership program and has now been publicly funded and is under way thanks to the state government, the Mount Buller and Mount Stirling Alpine Resort management board, together with council and with great cooperation from DEPI and Parks Victoria. The value of additional visitor numbers generated by the trail over 10 years is estimated at around \$8 million, and it significantly demonstrates the abilities of various land managers to work together on a complex destination project.

Another project with the potential to be a game changer, as identified by the previously cited ideas generation study, is the Crosscut Saw Range wild walk. Lake Eildon, originally built for irrigation, is indisputably one of our key tourism attractions, supporting not only a plethora of small businesses but also whole communities.

A proactive approach toward unlocking Victoria's tourism potential, as it relates to investment opportunities in national parks, could take a number of forms. A master plan approach could well be useful to encourage the flow of private dollars — this approach has seen some success on Mount Buller — or it may be a business case, feasibility study or prospectus that informs an expression-of-interest approach. We believe there should be clear expression of both what is and is not desirable in terms of development locally and tick off some of the steps to encourage appropriate development without being too prescriptive or fettering the private sector. We firmly believe that our destination has the eco and heritage tourism potential with well-planned, appropriate, small-scale, high-end development to provide linkages for multiday product to rival the best in the world.

In closing, I draw the committee's attention to the recommendations council made in its submission, which were to establish or access a regional funding stream targeted toward public investment on public land to progress development of tourism investment opportunities of significance in the Alpine National Park; increase the public land management resources, both labour and capital, on the ground at the local level in recognition of the considerable ecotourism and heritage tourism values of the land; consider positive and negative tourism impacts from a whole-of-destination viewpoint when determining public land resource, access and work priorities; establish a pilot program for Mansfield local tourism operators that delivers them access to the Alpine National Park management tracks, balanced with an increased level of involvement in track planning, maintenance and visitor interpretation or education; and a commitment by state government to advocate for and, where possible, deliver on telecommunications in Mansfield shire at comparable performance levels to Melbourne and regional cities.

On behalf of council, I would like to thank you for the opportunity to address the committee and again for holding the hearing in Mansfield. I am happy to take questions and I will answer to the best of my ability.

The CHAIR — Thank you very much, Judy. Before you take some questions from my colleagues, I also indicate our thanks to yourself and Ranger Bart for assisting in giving us a guided tour yesterday, which ultimately led us to Bluff Hut. We appreciated that very much, and I think it also introduced the scope available for further heritage and also possibly ecotourism opportunities that exist in close proximity within the shire.

Ms DUNCAN — Judy, thank you for the presentation. There was loads to try to get your head around in that presentation. Can you explain a little bit more about two things. What are the benefits you see in eco accreditation in terms of anything that might be done in the future? I know you talked about a funding pool of public money to help develop some of these major infrastructure developments. How would that work? How do you see that working?

Ms DIXON — Thank you for the question. In relation to the eco accreditation, we have a couple of operators who have eco certification and we have a number of other operators who have a range of different accreditations. Some of them dovetail well with the overarching T-QUAL. Some operators make better use of their eco or equivalent accreditations than others. I think going through the process of accreditation can be a very healthy one for businesses to identify where their strengths are and where they may have some weaknesses and areas in which to work. It can be a positive tool for marketing.

It is quite confusing because of the variety of different types of certifications in the marketplace for businesses to work out which ones best suit. Some of the trail riding operators would have different certifications, different requirements, by the education department for them to run school camps than others. I think in general in terms of wanting to raise the bar for delivering on excellent experiences that it is good thing. We would certainly be very encouraging of our businesses to undergo accreditations that are relevant to their businesses and ideally the

T-QUAL tick that assists people to understand when they are booking the experience of what they ought to be getting.

In relation to the funding stream recommendation, it may well be that funds — for example, the Regional Growth Fund or others — are already able to be tapped into. I suppose it is about a belief by council that we have got to a really good stage to say that investment is possible and then it is about asking is that enough or are there some additional steps that need to be undertaken around infrastructure support or development or some of the in-principle ideas — what we do or do not want or where we think something might be a good idea — and I believe those sorts of things would take money and that it ought to be public money invested in that opportunity that would be public land. Council would certainly be very keen to be involved in assisting to help make some of that happen.

Ms DUNCAN — How would you see that operating? For example, would it be like local businesses leasing that? Would an individual business get exclusive use? How would that actually work?

Ms DIXON — Do you mean in terms of an end result of having something built in park?

Ms DUNCAN — Yes. Eco-lodges or something of that order.

Ms DIXON — Jo, I think there are two main possibilities. One is that someone would essentially come in and build something for sole use or to sublet it out, or it would be built on merit because of an argument that was mounted that it would have sufficient good down the track — the ‘build it and they will come’ type argument I suppose. Then I believe there would be sufficient interest from a number of our operators to make use of that to expand their high-end product that is already in existence but fettered by the fact that they cannot access further into the terrain because of the lack of suitability to suit that high-end market.

We have had some investigations by microbusinesses that have come to have a look at what we have got on offer, and they felt that the terrain and the possibilities for their business expansion would fit here and we are a good distance from Melbourne and a lot of the boxes were ticked, but the lack of the walk in, walk out was definitely a hindrance.

Mr PANDAZOPOULOS — Judy, could you tell us a little bit more about the Destination Sustainability project — the reasons behind it, its impetus, where it is going, positives, any difficulties?

Ms DIXON — Thank you for the question, John. With the Destination Sustainability program that we instigated back in 2009 we felt as a council that there was a lot of talk around destination sustainability, but at the time there was not a lot of guidance or information about how best to make your destination sustainable. We were very conscious that tourism was only part of that mix and that it was not just about tourism.

Inherent in that was understanding that our natural landscape was our hero and king, and it was so important that what brought people here would be retained and would be healthy into the future. We did not want tourism numbers to be at a level beyond our capacity such that they would impact negatively on our community amenity and environmentally obviously as well. We were very conscious that we are only one land manager in a destination footprint, and we felt it was critical that at a senior level we had all of the destination land managers and key stakeholders in the one room so that we could discuss how best to have a shared vision toward the future for destination sustainability.

What was really interesting back then was that not everyone actually even had met, let alone knew each other well enough to pick up the phone and discuss an issue. We had a two-day workshop out at Pinnacle Valley, and I was absolutely thrilled that at the most senior level we had representation from the resort management board from Parks Victoria, from the then Department of Sustainability and Environment, from council, from Goulburn-Murray Water and from VicForests. We also invited some private businesses — Buller Ski Lifts and Adventure Victoria were represented. We also had the Goulburn Broken Catchment Management Authority.

We all got together, we brought in a professional facilitator, and we talked about what were challenges, what did we want for the future as opposed to not want, how did we want to see our destination in the future, and again with the lens that was not just tourism. It was a really healthy dialogue, and out of that we produced a set of collective principles that everyone signed up to. We have subsequently met once or twice a year since then. The group is still ongoing, the members are still committed to the process. There has been understandably some

churn in terms of the people representing the various groups, but there has also been an amazing amount of stability. There is certainly a very common intent around that table to make sure that we are working as best we can in a cooperative way toward end goals, and that has been a real delight to be a part of.

I believe one of the projects, the EPIC mountain bike trail project, was made more possible because of the collective agreement around the room that it was a good project for the destination, and the fact that it traversed different tracts of public land management did not matter and that together we could do that. But the conversations have been very good and varying from some risk scenarios and how do we deal with those opportunity scenarios, right down to how we do and do not engage with the inquiries and various other questions that come up that have significance to the destination.

Mr PANDAZOPOULOS — Do you think it would be useful for other areas to have a look at what you have done so that they can try to get on the same page?

Ms DIXON — I think that where there is a community of interest around a destination footprint that make sense. You have got a lot of different people with all of their various corporate plans and strategic plans and policies and guiding principles, so to have an understanding of who is doing what and being on the same page is absolutely critical. What one does affects the other for both good or bad, so ideally, if you have that collaboration, I think that could only be a good thing.

The CHAIR — Just to follow on from John's question, obviously a group of you have met on several occasions. The outputs it would seem have not necessarily been arrived at today. Do you see that happening in the foreseeable future? Do you see the private sector being involved? I think initially in your presentation you were seeking some more government support for tourism in various sectors, especially with opening up the opportunity further on Crown land. Have you been out in the marketplace trying to warm up the private sector to come on board and make a contribution, not only to the shire but with joint funds from state government?

I am just going to squeeze in a couple of questions because we are running out of time. You indicated in your submission that there was a lack of equitable telecommunications throughout the region and that this was an issue. Could you tell me what equitable communications are? I believe there are probably some federal issues here. To take that further, has your local federal member been approached for support, assistance or otherwise? Where is that going?

Ms DIXON — Council has been very active in that space and has formed a telecommunications advocacy group. They have a document that very clearly maps the black spots and the other transmission problem areas throughout our footprint. Cr Russell Bate has chaired that. You can speak to that, if you would like to, Councillor.

The CHAIR — Thank you, Russell, that would be appreciated. I was not aware of the term, and I just wonder where the discussion has gone.

Cr BATE — The telecommunications advocacy group was formed a couple of years ago, so to a degree we were quick off the mark with that. The document that Judy refers to can be provided in hard copy or in electronic form to the members of the inquiry. We now take the lead role also in the Indi electorate telecommunications advocacy group. With reference to the federal government initiative of \$100 million, the essential problems are twofold. First of all, that is allocated on the basis of \$80 million being allocated throughout the telcos themselves, and \$20 million is earmarked for distribution directly to people seeking the resolution of black spots.

Areas like Mansfield, in fact much of the north-east of Victoria, are severely constrained essentially by the topography of the area — that is, telecommunications do not work well in very hilly and poorly serviced remote areas. Unfortunately it has two significant impacts which reflect directly on tourism. One is the expectation that has been formed, based largely on global experience by international travellers, that reasonable levels of telecommunications will exist, and they come here and find that they do not. In terms of both international and local tourism, there is an implication of public safety. I think most of you are aware that Victoria's bushfire warning system is predicated on texting. It is not terribly useful when a great majority of your remote tourism areas literally do not receive any form of mobile communications.

The work that we are doing currently is largely in partnership with Telstra, who are the dominant telco here and, as you will see from the material distributed, also that with the greatest coverage. It is purely and simply to work with them to try to identify those black spots that have a balance of some longer term commercial potential for them, because telcos do not habitually build facilities where there is no capacity to have traffic, but to look at the lower end of that range, the assumption being that as times go by communications improve or technology improves and the cost commensurately comes down so telcos will be able to address an increasing number of black spots.

We are looking at the lower end of that range, which would require assistance from the government. To be frank — and my background of many years is IT&T — \$100 million will solve about 5 per cent of the nation's problems. Ultimately it is going to be left to telecommunications technology progress and the capacity therefore of telcos to offer those solutions at what they see to be a reasonable investment. Critically, though, I come back to a point we face as a shire, particularly in the tourism industry, and two issues which we have to address. One is the public safety issue, which is increasingly something that tourists are aware of and therefore sometimes they are reluctant to go into remote areas; and the other is the impost on local businesses, particularly those that are in adventure tourism, of physically being out of contact and unable to run their businesses in remote areas.

The state can help tremendously in this. It can do so by effectively providing further funds but not to pay the whole lot. You will find that most of the telcos look at this commercially and consider the capacity of the local areas to make a contribution, which we can, not just in finance but in terms of availability of plant and equipment and various other things which can reduce the cost of infrastructure. But also if the state government was to potentially partner with the federal government in offering some facilities or assistance to the telcos, you would see a more rapid rollout of telecommunications and the coverage of some black spots. I think the Deputy Premier, Peter Ryan, has already been looking at that and has been canvassing the federal government in that regard.

The CHAIR — Thank you, Russell. That was a great response, and we appreciate that very much.

In closing, Judy, regarding support from the private sector, has your tourism arm been seeking that type of support, or has the private sector been coming to council seeking an opportunity of gaining their support in planning or otherwise to move forward with some of the infrastructure? I think Jo may have touched on this initially.

Ms DIXON — Via Tourism North East — and Sara will speak to that later — there has been some interest mooted with them regarding potential investment. To that end, Sara has developed a template for us to try to help identify some locations. This is not necessarily in park; this is more in general in relation to unique, high-end accommodation style. We note that other than to link the amazing experiences out there that are multi-day, it does not have to be in park. There are other opportunities for unique accommodation that might stand alone. I am not aware of any specific approach from an investor to council from a public land point of view, and we have not yet been out there in any active way. I think there are a number of pieces of work that need to be done and we need more alignment and agreement with Parks Vic and the other land managers about what they see as desirable so that we are all on the one page. That may be a better position from which to go and talk about what it is that we think does and does not fit with our local area.

The CHAIR — I hope you reach that position sooner rather than later. In saying that, Judy, thank you — —

Mr PANDAZOPOULOS — Can I just ask one more?

The CHAIR — Yes.

Mr PANDAZOPOULOS — Judy, there has been a lot of work done on all-year round tourism. You have all those assets at Buller that are reasonably busy over winter. There has been a bit of work done in the past on this. Tell us your view about some of the challenges in relation to creating all-year-round tourism, particularly focused on those assets and the impact of the inability to have all-year-round tourism. What it does in terms of the way to be able to provide certainty in the marketplace — those businesses spending money for marketing, all of those sorts of things. We are talking about sustainable businesses and the bottom line — environment, a profitable business, all those sorts of things. Tell us some of those sorts of challenges. You at least have two seasons in a year that provide you with some strength, but it still bounces around a bit.

The CHAIR — Judy, in a couple of minutes. We are into time-on. We are stealing Sara's time.

Ms DIXON — We are very fortunate in Mansfield, as you have identified, in that we have Buller, with a very strong winter. That as a destination tends to be the key draw in winter for us. Then the reverse off the hill is the key draw from which Buller can tap as well in the off-season. About 60 per cent of our GDP is tourism driven. Of that, about 60 per cent is non-winter and about 40 per cent is the Buller contribution. Buller has done a lot of work with the RMB, in particular, which has invested very heavily in that 'Build it and they will come' approach, with the mountain bike trail network that is showing some good dividends for them currently. They still have the challenges of many of the winter-based operators who do not have the confidence, the pockets or the will to open in summer. There are a number of challenges.

That said, there are a number of businesses that are now opening up there year-round, very much to service the mountain bike market. The EPIC will make a fundamental change to that, and we will see benefits off the hill with that. But the challenges of year-round tourism, as identified in the Alpine 2012 strategy, are well documented. Some resorts are better positioned to take advantage of year-round tourism than others. The advantage here is that we have really healthy numbers in summer and Buller can help to tap into that, as we do in winter, essentially in reverse. With the product continually being built around the offer year-round, from a tourism perspective that very much levels out our demand and decreases the peaks and troughs. From a business point of view, there are only a couple of months that I would even identify as being a little bit shoulder quiet.

The CHAIR — Thank you so much for the time that you have given up this morning to be part of this public hearing process and for speaking to your earlier submission. We appreciate that very much.

Ms DIXON — Thank you very much.

Witnesses withdrew.