

TRANSCRIPT

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Inquiry into heritage tourism and ecotourism in Victoria

Ballarat — 8 October 2013

Members

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Mr J. Johnson, chief executive officer, Sovereign Hill.

The CHAIR — We will now have our presentation from Jeremy Johnson, chief executive officer at Sovereign Hill. I indicate that all evidence taken at this 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 given today is being recorded, and as a witness you will be provided with a proof version of the transcript, hopefully within the next couple of weeks.

Jeremy, thank you very much for your time in joining us today. We also record our thanks for our site visit at Sovereign Hill yesterday afternoon, together with your briefing, and for the hospitality, which was much appreciated. We also returned in the evening to participate in the sound and light show. We appreciated the magic of Sovereign Hill in the dark. We believe very strongly that what was presented last night gave us a good understanding of what takes place at Sovereign Hill and that part of its further success. Again, on behalf of the committee I thank you very much. The time allocated for your presentation is 30 minutes, and we look forward to it. Thanks Jeremy.

Mr JOHNSON — Thanks, Chair. At the outset I commend you and your committee for meeting in regional Victoria. It shows a great commitment to regional tourism and to the significance that it plays in the very important industry of tourism, which thankfully in our state has great bipartisan support. Certainly in my experience it leads the way for Australia. That is a very good start, Chair, thank you.

My submission to the committee made on behalf of Sovereign Hill addresses the terms of reference and is on the record. I would like to speak to it directly in the sense that I believe Tourism Victoria has done an exceptionally good job in pursuing its marketing campaign since the Jigsaw strategy was first invoked and built on by successive governments. It has been a great strength to our state.

The element that has missed out, however, is heritage tourism. I think probably that is a blind spot in the strategy in the sense that everything that Victoria has been built on is based around the gold rush period, which was the greatest mining boom the world has ever seen. I will give you a couple of statistics today that will help you to see that the basis of what I am saying has good fact behind it. I think heritage tourism has been undersold as a strategic advantage to Victoria. We are a very compact state, and when you look within a 2-hour radius or thereabouts of Melbourne a lot of what Australia has to offer as a tourism destination can be found. There are wineries, heritage and surf, and obviously Melbourne is a huge attracting city with its arts and culture. There is environmental tourism and ecotourism at Phillip Island and the Great Ocean Road. Everything is in that 2-hour radius, and I will come to the point later where I think internationally Melbourne needs to be marketed as not just Melbourne the metropolitan area or the metropolis but as a 2-hour radius and the things you can do in that space. It is not to exclude the rest of Victoria; it is just simply stating a fact that in international markets I think Melbourne is a bigger product than what is currently on offer, and heritage is a very important part of that.

From my perspective recent statistics show that 57 per cent of international visitors to Australia go to a museum. That was a surprise to Tourism Australia. The managing director said they had better do a bit more looking into that. It is not a surprise to those of us who travel overseas, because if you go to Paris, Athens, London, New York or wherever, you go because of the heritage drawcard that is there, and primarily that is expressed through arts, culture and in museums. I think we undersell the resource that we have in Victoria in terms of its marketability.

In our particular case at Sovereign Hill, China has been the obvious destination that we have grown. We have been in the market probably since the late 1880s — sorry, 1980s, my apologies; it feels like the 1880s sometimes.

The CHAIR — We have just come back from that.

Mr JOHNSON — At the moment, one in three visitors to Victoria from mainland China go to Sovereign Hill, so 80 000 of the 250 000 visitors who come from mainland China to Victoria come to Sovereign Hill. That is a fantastic statistic, which just flies under the radar in terms of how Victoria is portrayed in market by Tourism Victoria. Sovereign Hill and the heritage tourism we represent are not seen as a huge drawcard, whereas, quite rightly, the resource of the Crown Casino or the wonderful environmental tourism at Phillip Island and on the Surf Coast and so on are right there in market, as are the wine, food and alleyways that showcase Melbourne's sophistication. I think that is a blind spot in the marketing campaign. We currently

employ five staff in China. We have an office there. We sell Australia up against a huge range of competitors in market. Our staff visit set areas — and I will table some information for the committee later — selling Australia and in particular Victoria, and in coming to Victoria they obviously sell Sovereign Hill. But we are the only major tourist attraction in Australia that does that and we are at the forefront of that promotion.

The 1850s gold rush was the biggest mining boom the world has ever seen. To give you an indication of its impact on Melbourne, in 1852 a resident, Archibald Michie, remembered Melbourne as being little more than an inferior English town. By 1860 he was astounded by Melbourne's transformation into a great city as comfortable, elegant and luxurious as any place. That was within nine years of the gold rush occurring. In a single day in January 1852 nearly half Melbourne's police force resigned; they were off to the diggings. The impact is obvious. In 1851 Melbourne had a population of 20 000 people; in a decade that grew to 125 000 people, a sixfold increase in that time. Bearing in mind that everyone was distributed around the state, to give you an indication Victoria's population in two years in the 1850s grew from 77 000 people to 540 000 people, which is a sevenfold increase. Imagine if that took place today in Australia; we would be saying what a mining boom this was. This took place in the area we are sitting in today and within a 200 to 300-kilometre radius of Melbourne, so that gives you an indication of the fabulous growth.

In that decade, the first gasworks opened in 1852, the University of Melbourne was founded, Flinders Street station or the Melbourne terminus was completed, the first steam train ran and the Melbourne exhibition was held — not at the exhibition buildings; this was the first exhibition in 1854. In 1854 the state library was founded, the telegraph commenced, the town hall was built, the Melbourne Museum was founded, stonemasons won the 8-hour day, our first reservoir at Yan Yean was tapped, the Queen Victoria market opened and gas lighting came to Melbourne. In 1858 the first game of football was played and the Melbourne Football Club was constituted. Spencer Street station was built, the GPO was built, the first trades hall building was opened, the art gallery was opened and the first Melbourne Cup was run. All these things took place in that decade, and what I am saying to you is that this is heritage tourism. At the moment this is what we base our state's amenity on, to international visitors in particular. It is a fabulous story and it flies just under the radar.

I think the sorts of things I have shared with you will assist you perhaps in turning your minds to saying, 'We're doing a great job. We can do it better, and the better parts are particularly in heritage tourism'. I make the point, as I did earlier, that when those of us who travel overseas are overseas, we head to things like museums, and Sovereign Hill is a museum. It tells the story of that period of time. I have deliberately not included Indigenous tourism as part of heritage tourism, but heritage tourism is a subset of Indigenous tourism. We share 60 000 years of history with Indigenous culture — that is a subject in itself.

We have moved through European settlement and our gold rushes through to what we have today, and I think across that prism heritage tourism needs to be seen. It can draw places like the Grampians into the Melbourne story, and areas that we have not even thought of like Lake Tyers and the different Indigenous tourism sites in that part of the state, right up around the north-west. It is a fabulous history. It is a long history of Indigenous Culture, moving it through the heritage tourism of European settlement and development, which, as I have demonstrated, was on a fabulous scale that as a nation we had never seen before.

From Sovereign Hill's perspective, 25 per cent of our visitation comes from international markets. We have been a very strong brand. We have been in market for 43 years, so we know what our product is and we know what our strengths are. We know that we can value-add to the Tourism Victoria message, and we can take a lion's share of that heritage tourism marketing message out to the world, and that is what we have done.

We focus on yield management. Sovereign Hill is a very expensive attraction to visit, but we do not ask government for operational money; we try to make our own ends meet. We have had great assistance in a capital sense from the government. About a third of our capital over the years has come from government funding, a third from our profits and the other third from our fundraising. To build Sovereign Hill we have had very strong partnerships with the state government in particular and the federal government as well.

The educational programs we deliver are totally tied into what were the Victorian essential learning standards, the VELs, which are now the Australian standards. We actually present to the 100 000 schoolchildren who visit Sovereign Hill their component of the curriculum. We have 10 teachers on staff. We employ 360 staff in total and a further 250 volunteers to make sure that we have a quality product.

The sound and light show at night drives between 1300 and 1400 bed nights a week into Ballarat, so we cannot just shut it down if we ever want to upgrade it. We have to work our way through the show and then start our upgrades at midnight and do whatever maintenance and things are needed at that time. We have had very strong support from government on developing Blood on the Southern Cross, but it is at the end of its current capital cycle. It is 10 years since we have put enhancements into it, and the things you would have seen last night that were wonderful to us 10 years ago are now commonplace in presentations such as the sound and light shows overseas. We are at the point where our next lot of capital has to be invested, and we will be coming to government with a plan to say, 'We will be prepared to invest if we can get some support'. Again that is driving the overnight destination market into regional Victoria.

I listened to the previous witness answer your question about world heritage listing for the goldfields. I think that is important. It will give us a basis on which to do something, but it will not go anywhere unless it is resourced by municipalities or by the opportunity of identifying potentially successful private enterprise activities that can value-add to make it something that is a yield product and not just a visitation and free entry product. The focus on world heritage needs to have with it business opportunities that can emerge. The recommendations of the recent VCEC inquiry give the private sector in particular space to come forward with quality proposals that need rigorous examination from an environmental aspect but also need to be looked at through a commercial prism as well. How can they value-add? For example, if you had a world heritage listing, what other resources and activities could you put with it to make it work? That is important.

The things that hold us back in regional Victoria are a lack of qualified and skilled guides, which is true for heritage tourism in general, and probably a lack of accommodation outside of the main capital cities. From Ballarat's perspective, it would be nice to have an international reach 4-star or 4½-star hotel of substantial size. We have accommodation, but not at the scale that would attract, for example, large international groups to stay overnight as distinct from staying in Melbourne. Our market in China has been impacted on strongly. For example, when the Australian Open tennis is on, China cannot get into Melbourne so Chinese visitors go elsewhere. That is a big risk for Victorian tourism. We need to look at ways of accommodating particularly the China market at times when there are heavy loads on our accommodation in Melbourne — grand prix time, tennis time, AFL finals time, racing time. There are some real peaks there that we have to deal with to ensure that we do not lose market share in China to other Australian states.

I think I have probably given you enough information; it certainly enthuses me. Sovereign Hill's vision is that we want to be where we are — at the forefront, internationally recognised. Twice we have won the Australian Tourism Award for the major tourist attraction. Our aim is to get up there again and win a third time, and that seems like a bridge too far with the competition there is at the moment, but we always aim high. We are very proud to be associated with the work Tourism Victoria does and the state government does in this space. We encourage you and your committee to find ways of encouraging the private sector particularly to feel confident to invest in the hinterland and regional Victoria, particularly in heritage product.

The CHAIR — Thank you very much, Jeremy. We really appreciate your input here today and your knowledge and skills in relation to tourism. It is an important submission that we have received from Sovereign Hill as the lead player in tourism in Victoria. There are a couple of things that you have raised that I would just like to run past you. I guess the first question I would pose is: what do you view as the key elements in increasing the visitation to Victoria by Chinese tourists, and how does Sovereign Hill adapt in its management of staffing to cater for the Chinese?

I guess there are two questions that sit within that. The first is: what does Sovereign Hill do that others do not do in skilling guides? You run a program there. The second question relates to private sector participation. I understand it is very limited in Sovereign Hill, and it is more historic probably than is currently being introduced. Do you see that private sector involvement in heritage tourism is not being utilised today and that we should be doing more with it? There are a few questions there. I apologise, but I have just picked up on a couple of your comments.

Mr JOHNSON — Okay. I will take it in two parts. I seek leave to table the graphs that indicate the extent of Chinese tourism to Sovereign Hill and Asian tourism for the 1991–2012 period and also the major markets that we service. I will leave that information for you. It may well be in the submission that I have already presented. We currently employ 20 Mandarin-speaking guides. We have a very strong working relationship with the University of Ballarat, which will soon become Federation University.

The CHAIR — Are they Chinese nationals?

Mr JOHNSON — Yes, Chinese nationals. One is a European who speaks fluent Mandarin. In 1993 we employed our first Mandarin-speaking guides, and since then, we have constantly had Mandarin-speaking guides. It is a necessary commitment if we are serious in Victoria about addressing what that market needs. We have to provide the wherewithal for smaller operators to upskill in that space, even in the most basic of communications. I do not think we are doing that well enough at the moment. There are not enough opportunities for smaller operators to access, for example, resources that might allow them to produce their brochures, constantly review them, upgrade them and ensure that they are not saying the wrong things when they are translated into Mandarin.

Our relationships with the University of Ballarat, and also with Monash University, with Sam Ham and Betty Weiler, have given us a background in a program of training on cultural awareness for our volunteers and our staff, so all of our staff undertake that training. Each month at our CEO staff meeting we have an update of what is happening in the market.

We may present, for example, at Chinese New Year a complete rundown of what the Year of the Horse is, what that means and culturally how the Chinese are going to react to being in the Year of the Horse. We celebrate all of the major events. Chinese New Year is a huge celebration at Sovereign Hill, and that includes the dragon and lion parade. The wishing tree has huge significance from a religious perspective, where you put your wish or your prayer onto the wishing tree, and the higher up the tree you are with your wish, the nearer to the gods you are and the more likelihood of success you may have.

There is a huge focus on things that relate to Chinese culture. I think perhaps we have not been good in a general sense as a tourism industry in Victoria at doing those simple things. It would be good if we all did them and made people feel welcome. If there was a giant wishing tree in Federation Square, for example, it would be a huge drawcard, or if that was seen at Chinese New Year time, the opportunities to participate in cultural events would be a huge drawcard.

The CHAIR — Private sector participation?

Mr JOHNSON — Regarding private sector participation, if I start with Sovereign Hill first, we would like and we have been seeking expressions of interest for a private hotel development at Sovereign Hill. We would hope for 100 rooms; we have done the feasibility studies on 80, 100 and 120 rooms. With an international reach brand, that is the size you need to attract a reasonable scale of tourism, particularly from China. We hit the global financial crisis; that prevented us from going ahead last time. We are back in market now with that offering.

In terms of private sector involvement in the rest of our area, the central highlands area of Victoria, I mentioned the VCEC inquiry. I think we need to open up quick avenues for that to materialise. The issues along the Great Ocean Road, for example, just have to be addressed. We cannot keep putting it off and into the too-hard basket. Accommodation and the opportunities for the private sector to develop on private land or to utilise the opportunities that may come up with long-term leases need to be encouraged and enhanced. I am sure the same occurs on the eastern side of the state, from Phillip Island and beyond.

The CHAIR — Thanks, Jeremy.

Mr BULL — I am interested in the five staff that you have in China. That sounds like a great initiative from a single entity like yours. Are they Chinese nationals that you have brought over here and trained who have gone back, or are they people who have gone over there from here? Where are they stationed, what do they do and how do they go about promoting your business? If you can elaborate on that a little bit, I think that would be beneficial.

Mr JOHNSON — In 1993 we appointed a Chinese national as our first international marketing manager, so we have had a long history of selecting a Chinese national as our marketing manager for that market. We currently have a person, who is a dual citizen of Australia and China. She is an employee based at Sovereign Hill who spends a good proportion of her time in our Shanghai office, which is where the office is, and she supervises the staff. We have five staff there now. They are Chinese residents. They live in Shanghai. They come from different parts of China, and each of those staff members is assigned one part of the market.

We have a staff member who is doing the new provinces that have opened up within Chongqing and Chengdu, and Sichuan Airlines is just flying down into Melbourne now. We have one staff member who handles those markets, one doing Beijing and Nanjing, one doing Shanghai and eastern Shenzhen, and one doing Guangzhou, which is Canton. They do not transact the sale in China. All that business is done here. They market Australia, Victoria and Sovereign Hill basically to inbound operators and wholesalers. They do constant site visits and constant training of agents in market in China.

If you have ever been into China you will know it is the most remarkable place. Chinese citizens use a lot of web-based inquiry, but they still revert back to the old ticketed system, and that is done by a quaint means of delivering paper from one office to another by bicycle or whatever. There is huge behind-the-scenes activity that takes place. Our staff train those people and constantly go around updating on product knowledge. They will be travelling out shortly to visit all the Victorian tourism products. We bring them over here to see the Phillip Island experience, the Great Ocean Road and so forth so that they are able to answer questions. If they are asked, 'I am not spending the entire time at Sovereign Hill, what else am I doing?', our staff are well versed in what else is here to do.

Mr BULL — Obviously you feel that has played a massive role in the data you have produced of one in three Chinese visitors to Victoria coming to Sovereign Hill.

Mr JOHNSON — Yes. We participate in all the trade missions, and I will be participating in the super trade mission that is coming up with the Premier. Our staff will be assisting. They will be a resource for that trade mission. We provide them in market to supplement the work that Tourism Victoria is doing with its office. At times it is frustrating because we have to be product and yield focused and often there will be a competition. For example, the Chinese will do things in groups. One of the misunderstandings is that we think they are all a cohesive group when they are travelling. They are not. They are probably people who have never met each other; they have just been put together in a group. They are not all friends or relatives, so a lot of work has to go into ensuring that you get the right people choosing Australia and Victoria as a destination and then product delivery in return.

The issue with the China market is that they will look at a fulsome agenda of a lot of things to do, but a lot of them are zero yield. For example, going to the Victoria Market, visiting Federation Square and walking through the botanical gardens are wonderful experiences, but they do not deliver a yield.

Mr BULL — As a result of that thirst for that wider experience, a lot of your promotion over there is much wider than Sovereign Hill.

Mr JOHNSON — It is, and by definition we have to do that; you have to sell them. I mean, the fact is that 580 000 Chinese people visit Australia. I think 78 million went out of China last year. We get less than 1 per cent of the outbound market. We like to think Australia is the no. 1 destination for tourism in the world. It is not, and it is certainly not out of China. We are fighting hard for about that 1 per cent of the market — that is, visitors into Australia. Into Victoria it is 260 000, so about half of the number that come into Australia come into Victoria, and then they have to distribute. It is a constant challenge.

People ask me whether Bendigo and Geelong are competitors of Sovereign Hill. The answer is never, never ever. Our competitors are San Francisco, Disneyland, Edinburgh and places like Bali. Those are Victoria's competitors. You have to take that view of tourism. I want a successful Great Ocean Road, I want a successful penguin parade, and I want a successful Bendigo with its exhibitions. It is just fantastic because that puts critical mass into Victorian tourism and helps us compete against all those other things I mentioned — you know, Hawaii, Disneyland or whatever — as an alternative.

Mr BULL — That is good.

Ms WREFORD — I want to ask you a question about the use of technology in your displays. We have noticed some of the new museums use things like iPhones to deliver messages around the interpretation of history, enable people to take walking tours using that kind of technology or provide QR codes to enable people to scan their phone and go straight to a website to get extra information. I am just wondering what plans Sovereign Hill has and if it is looking at — I know you have embraced it a little bit — doing any more in that space going into the future?

Mr JOHNSON — Yes, we are working closely with the University of Ballarat in development, and the games technology is the best way into that. For Luddites like me it is hard enough to look up a contact on my phone, but for my children and my grandchildren the games technology is the driver of that. We have developed games with the University of Ballarat, like finding the golden nugget, that will drive discovery along the way. That is the first way into it.

Ms WREFORD — Is that a game people can use once they get there and actually do an interactive tour?

Mr JOHNSON — Both. It is a game that can be played as an entertainment off site, but also it can be used on site to go into more depth, so if you have gone to the poppet head, you have to make the call or choice as to what you are going to do next. They are interactive games based around the museum experience itself, but also they can be played elsewhere. That is where we have started. Our website has a huge amount of information. Certainly from an education perspective you would need a semitrailer to cart around the information that is on the website. We are making huge use of that and drawing out blogs and things of that nature from an educational perspective.

The challenge for us in an outdoor museum that is based around trying to recreate a realistic look at what was here in the gold rushes is that if you fill it with technology, it can spoil the presentation. That has been a challenge for us. At night you do not have a problem. You can fool the human mind: what the eye does not see the heart does not grieve. You may be aware that last night in the sound and light show you were only focused on what your eye visually picked up, so at night and down in the mine we can get away with a lot more special effects. Out in the museum and presenting in a raw sense a building that is a museum collection item, it is a bit hard.

Ms WREFORD — I was not thinking about special effects so much as things you see sometimes where people can plug into their iPhone or any phone —

Mr PANDAZOPOULOS — Interpretation technology.

Ms WREFORD — Yes, the interpretation technology — that is exactly right.

Mr JOHNSON — We do have some of that available, but we have not gone the full distance. We are still exploring opportunities in that space. It is getting easier and easier with the way apps are being designed, so we are in that space.

Mr PANDAZOPOULOS — Just to kick off from interpretive technology, I think you are right in saying that the sort of missing link in tourism policy is that we take it as a given rather than as a focus and strength for marketing and visitation as a driver on its own. Is there a need to somehow try to get a stronger focus by our state on interpretive technologies? When you visit all these museums around the world you can pick up information in many different languages and through different interpretive sources. It is something that as a multicultural country we still have not done. Is there a need for the state to try to guide that? It is a big investment for you and any other interpretive facilities and museums to access that. Would that give us a boost in our ability to deliver a better service, that we can build off that to then build better visitation? Do you think there is a need for that?

Mr JOHNSON — I do think that. You are right onto something in that comment. We are a multicultural state. Looking at my own education, I cannot speak a language other than English. It is a shameful thing to have to admit that, having gone through the education system that I did — at a very fortunate level. I think we are ignoring the resources that are in the community that can be used in institutions and museums.

It may well be, to use the Vietnamese community as an example, that they have just hidden themselves. The Vietnamese just came in the 1970s, and many of them got here through tragic circumstances, yet they have worked hard and are now generationally embedded in our economy. I know that I have never asked them for their advice and input into how we could better present to that community. Using the resources of interpretation or storytelling and all of that and trying to compile or construct a resource base that people can tap into from the tourism sector is a missing element. It would be very helpful if there was some initiated structure that helped in our response to servicing that international market and multicultural communities.

Mr PANDAZOPOULOS — It is an important point that you make when you keep focusing on yield, whereas a lot of times we confuse numbers per year and ignore yield. For the benefit of laypeople, just how important is that yield focus, and why should we be focusing on yield rather than numbers?

Mr JOHNSON — Okay. It is absolutely critical. I could double Sovereign Hill's attendances tomorrow and make it all free, and in two years time I would be knocking on the state government's door saying, 'Can you give us some money to run this place?'. It is fundamental. If you are running a farm or any other business, you know that you have to have the right product into the right markets with the right profit margin, and you have to have a sufficient profit margin to be able to reinvest in your product. It is a cradle-to-grave yield management thing.

Often we can get diverted by saying we want numbers and it is great to have all these numbers. It is not. You want paid and paying product. In the China market in particular that can be challenging. I have just returned from speaking at a conference in Germany, and I visited museums in Switzerland. They do not muck around with yield over there: you just pay. They value things.

When you put a price of zero on something you are valuing it at nothing, and that is the issue for me. Working at a place like Sovereign Hill I get frustrated at times by the desire to jump in and say, 'We will provide this for free', because you can never go away from free. As soon as you then try to put a price on it, it gets canned. I think this is critical when we look at the Victorian Competition and Efficiency Commission recommendations. If we are going to allow development and environmental tourism in particular, of course people will pay to have those experiences. I have seen it time and again when I have travelled overseas, whether it is cultural or other tourism. If you go to the Louvre in Paris, they do not let you in for free. You willingly pay, as millions do, and queue up for hours for the privilege.

It is critical to value what it is that you are presenting. If governments wish to subsidise things through other social mechanisms, I completely understand and accept that. But that is a different mechanism so as to provide the access; it is not saying, 'Make it free'. I think yield management is what we often take our eyes off. If I did that at Sovereign Hill, we would be broke.

Mr PANDAZOPOULOS — How important is a correct yield strategy in leaving a lot more resources behind for the local community? One of the criticisms is that a lot of tourists come but do not leave stuff. When they come to Ballarat they come to Sovereign Hill and do not see anything else. I refer to that holistic view of yield. You said that gap in accommodation does not help increase visitation. There is that whole yield story about how a proper yield strategy leaves those resources and shares the benefit around and increases the benefit over time.

Mr JOHNSON — Our conservative multiplier at three would give Sovereign Hill a \$75 million impact in our local community, and the 360 jobs that we have are all based here, primarily — if you drew a line around them, I do not think we have anyone coming from more than 60 kilometres away. I might be wrong; I think there is one chap who comes from down at Geelong, one of our coach drivers. Most of our jobs are local. Eighty per cent of our expenditure is in local goods and products, and 62 per cent of our expenditure is on wages, so that is staying locally. I often hear someone say, 'Bus loads will come up to Sovereign Hill, turn around and go back and leave nothing'. There is nothing further from the truth. The coaches we use — or that are in use — are local operators, and the products we source for our catering and so forth are all from local operators. That multiplier, as I said, even conservatively is at \$75 million in the community. Without Sovereign Hill being here, I cannot see the critical mass of tourism in Ballarat being big enough to say, 'We could get over not having a Sovereign Hill'. There is that yield management and making sure that we are delivering a clear profit that is going back into the local community.

Mr PANDAZOPOULOS — The final one, because of your years of experience in the tourism industry, is about how you view government, particularly government agencies, and their understanding of tourism to help as part of an economic driver for regions. Are we where we need to be? Are there still barriers? Are there still misunderstandings? Tourism has to compete with all other sorts of resources.

Mr JOHNSON — If I can get on my high horse for a moment, one of the difficulties we have is probably in overcoming a focus by the bureaucracy on what happens in Melbourne. If I was proposing to build a Guggenheim museum in Melbourne and we needed \$500 million, those who sit in Arts Victoria or in

government in Treasury would say, 'Fair enough; that's okay'. If I was proposing that in Geelong, it would be like, 'You've got to be joking', or if I was proposing a \$100 million development at Sovereign Hill and saying, 'We think the state should pick up that tab' — I might as well try to fly to the moon as try to get a project like that onto the serious agenda in Treasury and the upper echelons of government. It is just how it is. It is frustrating.

I would support 100 per cent, say for example, looking at Geelong and saying, 'That needs something like the Guggenheim'. That would be fantastic. It needs to be treated credibly. If I was Premier for a day and had one wish, I would try to distribute that thought pattern that there is the opportunity for major development. Mildura's riverbank is another one — saying, 'Look, that has to happen. What can make it happen?'. If it is X dollars, that has to be treated just as seriously as a project as doing a Fed Square or an art gallery renovation — which are all wonderful things and which I support. It is just overcoming that not having something regional taken seriously.

The CHAIR — Thanks, Jeremy. We are just running against the clock a little bit, but Jo has a question before we close.

Ms DUNCAN — Has the opening of the Museum of Australian Democracy improved visitation at Sovereign Hill? And what is your relationship with them?

Mr JOHNSON — It is a bit early to say, although we did find that a couple of our schools took that option, as distinct from coming to Sovereign Hill to learn about the Eureka element. That has been open for only a short time, so I will have to reserve judgement a little. We do work closely in the ticketing sense; it is providing the opportunity for a regional pass. We work in that space with them. We were also involved early in the piece in helping them with some of their design. It is finding its feet. It is a difficult subject matter because there is already a museum of Australian democracy in Canberra. Some schools do visit and will have done that experience in Canberra and do not then relate back to coming locally. We have a good working relationship with the staff and the director, and with the space we play in with *Blood on the Southern Cross* I do not see there being any competition arising out of that operation. They are not looking to do a sound and light show, for example.

The CHAIR — Jeremy, on behalf of the committee I thank you very much for yesterday and also for giving your time today and adding to the submission you made earlier, which I might add was I think no. 4 in our listing of a little over 80.

Mr JOHNSON — Thank you.

The CHAIR — We appreciate that and your contribution to the report we will be tabling in the middle of next year. Again from the committee, thank you very much.

Ms JOHNSON — Thank you, Chair; thank you, committee members.

Witness withdrew.