

23<sup>rd</sup> April, 2004

The General Manager Adjudication Branch Australian Competition and Consumer Commission PO Box 1190 Dickson 2602 ACT

Dear Sir,

Re: Applications by the Department of Industry Tourism and Resources (A90912 and A90913).

Thank you for the opportunity to consider and respond to the applications lodged as above. Please find attached my response.

Yours faithfully,

Kate Kirkhope
Managing Director

Kiltynane Estate Pty Ltd

AUST. COMPETITION S CONSUMER COMMISSION I am a small business operator in the Yarra Valley. I have been running a highly successful niche market B & B in the cottage on the vineyard/winery property here at Tarrawarra, since 1997. I offer only two suites for private and unique accommodation. Since 1997, I have been rated on an annual basis by AAA Tourism and have maintained a 4+ star rating. I have also been an active member of my local tourism association and wine growers association. I pay membership fees to these two organizations and an annual fee to the AAA Tourism, plus an annual fee for my annual AAA rating. I have a liquor license to sell wine to guests on the property and a food registration and preparation license to prepare food under strict guidelines for the safety of my guests. I pay annual fees for food registration and liquor licensing, having passed stringent requirements for the all the above.

I have attended the presentation by Tourism Victoria to our local tourism association membership and after reading the submission to the ACCC, have the following comments in brief.

The accreditation spoken of is a limiting and bureaucratic form of forcing businesses to comply with this new "membership" initiative, through the threat of withdrawing rights previously enjoyed. Previously through Tourism Victoria, I have participated in the Regional Brochure, Regional Website, Visitvictoria.com.au website, the Travel Planner (goes to interstate and international agents and wholesalers), the Wine Regions of Victoria brochure and used the resources of my local visitor information centre.

The accreditation scheme proposed is bureaucratic in nature, requiring information and a fee for initial accreditation plus an annual renewal fee. It provides no guarantee of quality of product or service, no improved business efficiency, cannot possibly guarantee a more reliable product as stated in the submission and is not the answer for improving brand image. It is a well known fact that memberships and affiliations improve information collection, but do not guarantee an improvement in outcomes. The Arthurs Seat chair lift is a perfect example of the failings of the proposed accreditation system as it is this system that basically is proposed and this company has been part of this accreditation system for some time.

In addition, the outcomes proposed re export growth, development of import replacements, expanded employment opportunities and greater tourism yield are fanciful, and certainly do not apply to micro businesses like myself. Substantiating evidence or argument should be asked for in response to these proposals.

In this case, the proposed conduct will severely limit my small business from utilizing what have been accepted marketing avenues provided by me elected government to whom I pay taxes. The proposal is restrictive to small operators and is tailored to large chains and operations as there is no proposed sliding scale of fees based on size of business. As a small community operator, I rely on the sources of advertising offered by Tourism Victoria and the local tourist information centre in my area.

The proposal is anti competitive as it restricts small business operators in their ability to utilize the most important government supported avenues for marketing. One of the most important examples of this is the restriction proposed where non accredited businesses would no longer be able to lodge brochures or access the resources of our local visitor information centres. These have always been the hub of our business activity — we keep brochures there, maintain accommodation availability registers, and participate in volunteer programs to assist local tourism operators. All these grass roots initiatives would be restricted under the auspices of this proposal. In essence, the preferential nature of the application would benefit larger organizations by channeling visitor enquiries to those organizations able to comply with the requirements and maintain the fees involved. Up until now, small operators have flourished by the very nature of their being able to offer a personalized, private and unique experience.

In finishing, I see this proposal as anti competitive and restrictive to free market trade through preferential treatment to large organizations. The outcome will be a major impact on viability in all areas where small operators have previously flourished under a free market system. As you know, a free market system allows for the best to flourish and the others to fall by the way side. This proposal seeks to artificially manipulate, and allow those who lack in areas of true and personalized quality to improve their position through sheer clout, whilst diminishing the competitive ability of micro businesses.

Thank you once again.

Kate Kirkhope Managing Director Kiltynane Estate Pty Ltd PO Box 44 Yarra Glen 3775 Victoria



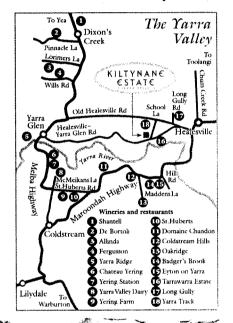
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Your host: Kate Kirkhope

**AAAT** ★★★☆

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www.wictvictoria.com.au

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Among the rolling hills and vineyards of Tarrawarra in the heart of the Yarra Valley winegrowing 'golden triangle', you can escape the rush of everyday life at Kiltynane Estate. Incorporating a vineyard and private cottage accommodation, Kiltynane invites you to indulge yourself in this little piece of 'heaven on earth'.



nside each of the cottage's two self contained suites is a harmonious mix of French provincial, selected local and original artisan crafted furniture and fittings evoking an ambience of perfect quality and maximum relaxation.



Soak up the morning sun from a wicker chair on your private north facing verandah or, from the other side, survey the magnificent 360 degree view of the Yarra Valley, River and Ranges beyond.

Or curl up in front of the open fire in your comfortable living room after a glass of champagne in the spa bath.



From the fully appointed Queen size bedroom to the kitchenette stocked with fresh local produce for a sumptuous breakfast you are totally pampered throughout your stay.

Enjoy a lazy lie in (and late checkout), or rise early on a dawn balloon flight over the Yarra Valley.

And when you're ready for wining and dining... acclaimed Yarra Valley restaurants are within ten minutes drive from Kiltynane and there are many small boutique wineries to welcome you.