

UNCORRECTED PROOF ISSUE

Thursday 30 June 2011 - Estimates Committee B (Bacon) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Thursday 30 June 2011

MEMBERS

Mr Dean
Mr Farrell
Mr Finch
Mr Gaffney
Dr Goodwin
Ms Rattray (Chair)
Mrs Taylor

SUBSTITUTE MEMBERS

IN ATTENDANCE

Hon. Scott Bacon MP, Minister for Tourism, Minister for Hospitality, Minister for Veterans' Affairs

Ministerial Office

Ruth Davidson, Head of Office

Department of Economic Development and Tourism and the Arts Tourism

Tony Mayell, Chief Executive, Tourism Tasmania
Adam Sproule, Head of Office of Chief Executive
Glen Dean, Finance Manager, DEDTA Corporate

Department of Economic Development and Tourism and the Arts Hospitality

Elizabeth Jack, Deputy Secretary, Culture, Recreation and Sport
Peter Sheldon-Collins, Liveable Places Director
Glen Dean, Finance Manager, DEDTA Corporate Support

**Department of Premier and Cabinet
Veterans Affairs**

Alex Schouten, Acting Manager, Disability Bureau Community Development Division

The committee met at 9.00 a.m.

CHAIR (Ms Rattray) - Minister, I welcome you to your first Estimates Committee with the Legislative Council, and we hope that it will be a fruitful exercise. Members have done a lot of homework in relation to their budget papers, not only for today's output groups but previously that we have dealt with. Even though it is coming to the end of the week, we are still keen to gather as much information as we can.

We have plenty of time, as you are well aware, and we would normally invite ministers to provide a fairly brief overview. We do not want to take too much of the committee's time but we are happy for you to give an overview. Especially in your capacity as a fairly new minister for this portfolio, it is important that you have an opportunity to outline your vision for the industry, an important industry as it is. You might recall that we have members on this committee who sat fairly recently on a select committee so you can imagine there is a great deal of interest in this.

Mr BACON - If it gets too long, just cut me off.

CHAIR - I will.

Mr BACON - I am very pleased to be the new Minister for Tourism. I have been in the role nearly two months and I have enjoyed it immensely. I have had the opportunity to meet with many operators, stakeholders and industry representatives to understand the issues facing the tourism industry in Tasmania.

There is no doubt the industry is facing mixed fortunes, and in particular tourism businesses in regional Tasmania are experiencing challenging times due to a range of factors. However, the Government is deeply committed to supporting the tourism industry. It is essential for the State's economy that this sector grows and develops.

The industry is well supported by Tourism Tasmania. I look forward to the opportunity today to expand on the work of Tourism Tasmania in supporting tourism in the State. I also want to say a thank you to staff at Tourism Tasmania for their work throughout the year. I know this is a challenging time for them, as we enter into a phase of reshaping the organisation. Difficult decisions have been made as a result of the budget for tourism. These are not easy decisions, and I will work closely with the department and Tourism Tasmania to ensure staff are well supported through this challenging time.

I would like to take this opportunity to highlight some significant projects undertaken by Tourism Tasmania in the past year. A key activity for Tourism Tasmania for 2010-11 has been the finalisation and implementation of the Regional Tourism Review. The Regional Tourism Review was initiated by the three regional tourism associations - the Cradle Coast Authority, Northern Tasmania Development and Tasmania's Southern Regional Tourism Association - and Tourism Tasmania with consultants KPMG undertaking an issues review. The aim of the Regional Tourism Review was to identify how Tasmania's tourism industry and stakeholder groups can work together better to create effective partnerships, develop shared goals and utilise

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resources more effectively. Tourism Tasmania will release a response to the KPMG Regional Tourism Review issues paper in the coming weeks. The document will guide tourism and stakeholder groups to more effectively allocate resources that deliver real outcomes for tourism.

Related to this is the evaluation of Tourism Tasmania's zone marketing program. As I have travelled around the State and spoken with operators, zone marketing has been raised with me on many occasions. The evaluation of zone marketing has fed into the regional review. The CEO has advised stakeholders recently that Tourism Tasmania will transition away from zone marketing. The focus will be on a more conventional approach to providing services and cooperative marketing through a strong framework of regional tourism bodies.

Tourism Tasmania is working hard to foster destination development at the local region and state-wide level. This also includes attracting visitors through our events program. Events Tasmania has supported 107 events over its whole program in 2010-11. These events attracted around 41 000 visitors, staying an average of four nights and investing into the Tasmanian economy approximately \$33 million. The priority for us is to get the best value for our investment in events for the Tasmanian economy. We will seek the best deal for Tasmanian taxpayers as each event contract is renegotiated and new event proposals are considered.

Tourism Tasmania has also identified the development of a cruise tourism strategy as a priority going forward. Cruise tourism can continue to contribute significantly to the State's economy. Cruise tourism in Tasmania has grown on average 14.5 per cent over the past 10 years. The 2010-11 season hosted 53 port visits by 17 different cruise ships, six of these were maiden visits, two in Burnie and four in Hobart. I am advised that forward bookings for Tasmania in the 2011-12 season are already looking positive with 69 visits currently scheduled to Tasmanian ports, a significant increase from 2010-11.

A critical issue for tourism is our spend on destination marketing. That is why we have quarantined it from budget cuts. This has come at a price in other areas, but it is part of our long-term strategy to support the 25 000 jobs that rely on our tourism industry. It is all part of our support for Tourism 21, which is the joint industry and Government plan to see tourism grow to a \$4.4 billion industry by 2020. To that end, at least \$1.2 million will be allocated to support regional tourism in partnership with tourism stakeholders and regional groups. We have also allocated at least \$3 million on media spend to promote Tasmania nationally through advertising, public relations and online, and at least \$3 million will be allocated to maximise international visitation.

One of the great strengths of Tasmanian tourism is its iconic destinations. Cradle Mountain is known worldwide, as are the Bay of Fires, Freycinet and Port Arthur. In the past decade we have added new attractions such as Barnbougle, Saffire and the Tahune AirWalk, and of course MONA. I am very pleased that the Government has committed to continued funding of the Three Capes Track on the Tasman Peninsula. Three Capes will enhance the reputation built by the Overland Track and other great walks in Tasmania. Three Capes will be an economic driver for all sorts of businesses in the south-east of the State.

The State and Commonwealth Governments signed the implementation plan last December and committed \$23.5 million to the project, with the State providing \$12.8 million. The projection is that the private sector will invest another \$8 million in the provision of hut-based guiding services and land-based transport. That will provide a new iconic multi-day bushwalk of around 68 kilometres along some of the most spectacular coastline in the world. This is a big

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investment by Government, but it is money that is well spent. The economic impact analysis estimates that the three years of construction for the track will create between 40 and 50 jobs and contribute almost \$8.2 million to the local economy of the Tasman Peninsula. Ongoing it is estimated that the track will generate an additional \$3.1 million a year for the Tasman Peninsula economy and create about 70 jobs. Across the State it is estimated that the track will generate \$20 million a year and create an additional 334 jobs. The great thing about this sort of strategic investment is that it will, as the Overland Track has shown, be an economic driver for many decades to come.

The other great strategic investment potential for the industry is the Tarkine Road. I am confident that over the next few years it will lay the foundations for a new era of tourism growth in the north-west of the State. The revised Tarkine project follows the western loop and will be done in two stages. Starting work on the eastern section of the revised project will build on the significant road and tourism infrastructure already in the area. It will also include upgrading tourism infrastructure at Lake Chisholm, Julius River and Sumac Lookout. I am confident that the investment in the Tarkine Road is an investment in our tourism future.

In regard to the future of Tourism Tasmania, I would also like to acknowledge the Legislative Council's select committee report. As members here are no doubt aware, it listed 31 recommendations in the report following extensive consultation with industry and stakeholders.

CHAIR - That will be music to the members' ears that you are really accepting of that report.

Mr BACON - Absolutely. I have had a good read of the report. The Government is currently reviewing all recommendations in detail and evaluating their capacity to improve our stated objectives of supporting the tourism industry to achieve its full potential. The broad nature of tourism means that around 40 per cent of the committee's recommendations are the primary responsibility of other portfolio areas, so are being reviewed and considered by responsible ministers and their agencies. This is why a whole of government response is being coordinated by the Department of Premier and Cabinet for presentations at the Legislative Council by 3 August. Tourism Tasmania is contributing to the whole of government response in regard to the recommendations that are within its specific area of responsibility. I look forward to discussing some of those recommendations today.

CHAIR - How are you going with your contribution, minister?

Mr BACON - We can finish there if you like. That is fine.

CHAIR - Are there any other key points?

Mr BACON - No, we can discuss those as we go.

CHAIR - I could see there are quite a number of pages there and I know these members are dying to get stuck straight into it. It is my pleasure to hand over to Mr Finch who is going to lead the questioning and then we will go around the table from there. We appreciate that you really have your heart in this portfolio.

Mr FINCH - It is to hear you give us some positive feedback about our Legislative Council select committee that was led by the member for Launceston. I thought it was a good briefing paper for somebody like you new to the tourism portfolio.

Mr BACON - I agree with that. It was a good opportunity for me to come in and have that already there to study up on.

Mr FINCH - Could you elaborate a bit more on how you found the committee's report and the recommendations?

Mr BACON - There were some very interesting recommendations. There are a few that have been picked up by the Liberal Party in their alternative budget. There are things like recommendation, I think it was No. 9, to have a dedicated Minister for Tourism. We got straight on the ball with that one and delivered that one straight away. It shows the power of the Legislative Council.

CHAIR - There are just 30 to go.

Mr BACON - That is right. The other one I suppose that I have had discussion on recently would be the direct flight to New Zealand which was a topical one.

CHAIR - Is anyone wanting to take those in this way at the moment?

Mr BACON - At this stage what we have done so far is we have spoken to the airport about that. They really need more data, which they are building at the moment, to build up a business case so that they can take that to the airlines and show there is demand for people to travel from particular ports in New Zealand into Tasmania. It is not something that is going to happen in a short timeframe. But if we can build up a good enough business case to take to the airlines, hopefully they can make a commercial decision that will deliver that outcome.

Another topical one is the Wellington cable car, and at the moment they are doing a review into the management of the whole area so that would be a good time to feed in any comments you have into that review.

Mr DEAN - And you have accepted recommendation 10 obviously -

Mr BACON - Which was?

Mr DEAN - 'The Tasmanian Government continues to provide financial support to Tourism Tasmania at least at the current levels in real terms.'

Mr BACON - That one - obviously in the current budget circumstances we have had to move away from that recommendation.

Mr FINCH - That is unfortunate, because one of the motivations for our investigation was the fact that \$4 million was cut from the tourism budget, which we saw as pretty disastrous and would have severe impacts on the tourism industry. We noticed that the minister reinstated that \$4 million not long after our committee was formed and we applauded that. And now here we find ourselves again with the money going again.

Mr BACON - All I can say is that the tourism budget has not been immune from the budget cuts that have been made right across the State budget. What we have essentially done is listened to the industry, and what they really wanted to see was the spend on marketing maintained. We

have managed to do that in the budget. They also wanted to see things like the Three Capes Track delivered and we have been able to maintain that in the budget as well. We have not been immune from budget cuts but we have done what we can to ensure that we get the best outcome from the money we do have.

Mr FINCH - One of the things that stood out in the committee's report was the importance of the industry to every Tasmanian and how every Tasmanian, whether in the tourism industry or not, has a role to play in promoting Tasmania. We talked about welcoming and helping visitors while they are here, just to get that into their mentality. As we observed in New Zealand they do it really well and everybody feels they are part of the tourism industry. While we are a long way along the track of getting there, we are not as far advanced as New Zealand. We in our report might have referred to every Tasmanian being a tourism ambassador. Everyone should be aware that a friendly smile and a helpful approach will enhance the visitors' experience. What ideas would you have now? Have you formulated any ideas yet for promoting that understanding amongst the Tasmanian community?

[9.15 a.m.]

Mr BACON - It is really a perception thing that we need all Tasmanians to value the industry and realise the importance of the industry to Tasmania, especially in regional areas. There are towns in Tasmania where tourism is the biggest driver of the economy in the area. If the people in that town do what they can to encourage visitors to have a good time and then return to the State ideally, anything we can do to change those perceptions of the importance of tourism I would be happy to look at.

Mr FINCH - Do you think we might do some sort of publicity campaign or an advertising campaign - a feel good sort of campaign locally?

Mr BACON - That is a possibility. If that is something that comes up as a good way to encourage people to support the tourism industry, I think that would be a good thing.

Mr FINCH - Just to bring it to the front of people's minds. We might talk about that a little bit later on. One of my concerns has always been about the downplay of the importance of tourism in Tasmania, yet in New Zealand the Prime Minister is the tourism minister. When we asked departmental people about where they place tourism in the scale of things, they said it competes with primary industry for the number one spot. So they have a sense of where tourism is in their country.

I was one of three who went to New Zealand, and one of the things that really stood out was that Tourism New Zealand is a body separated from the State bureaucracy. One of the recommendations is that it reacts much more quickly to changing circumstances especially in the budget paper with the restructuring of Tourism Tasmania, although it seems to be in the context of budget pressure. Can you outline what sort of things are being considered about a restructuring of Tourism Tasmania?

Mr BACON - Basically the whole organisation has to be restructured. It is going to define its goals and what it wants to see delivered for the tourism industry. In terms of the recommendation, now is the time for us to look at where the structure is and things like that. It has been brought on by the budget situation but I think it is an opportunity for us now to focus and to drive Tourism Tasmania to deliver what is needed by the industry.

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Mr FINCH - And try to separate Tourism Tasmania from the bureaucracy more and lean more into the marketing side of things.

Mr BACON - There is a concern - I think around 97 per cent of Tourism Tasmania's funding comes from Government so it is appropriate that we have some form of control because ultimate responsibility for the taxpayers' money does fall with the Government. It is something we can look at in the restructure, but I think we do need to maintain some form of control over that public funding.

Mr FINCH - As minuscule as possible, minister.

Mr BACON - I would not call it minuscule.

Mr FINCH - I probably hope that it devolves that way. I think we saw the perfect example in New Zealand of how it works and how they make it work - the proof is in the pudding. As we found there when we talked with them, they were quite free with their information and quite free to talk about that situation. If you drill down in our evidence that was given, that evidence is there about how it works successfully for New Zealand.

Mr BACON - What I suppose I would like to see is people come and say what outcomes they want from the new structure, and then we look at how the organisation is restructured to deliver the outcomes that industry and all Tasmanians are after.

Mr FINCH - Talking about budget pressure, and that is evident in spending on the industry, in output group 3, table 2.2, item 3.1 on page 2.6.

CHAIR - Minister, I can assure you that members know their budget papers.

Mr FINCH - Here we see \$30.5 million down to between \$24 and \$25 million for the next four fiscal years. Note 7 says that the reason for the decrease is the closure of the Tasmania Temptations Holiday Business and budget savings strategies. I am wondering whether you or the officers can separate the two.

Mr BACON - In terms of?

Mr FINCH - What part of the reduction is due to budget savings strategies and what part is being saved by the closure of Tas Temptations.

Mr BACON - There is a \$308 000 saving from closing the Launceston Contact Centre; the reshaping of the organisation is expected to save \$1.109 million; there is a reduction in the corporate budget reduction allocation of \$62 000; and there is a reduction to our events attraction program of \$800 000.

Mr FINCH - Do you feel confident that that has been a good move for Tourism Tasmania to come out of the role that Tas Temptations actually played? Do you feel that the work they did is now adequately covered by what has replaced it - sorry, or the way the landscape has changed?

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Mr BACON - It has been a change in the landscape towards more online and things like that and the whole nature of wholesaling has changed. I am confident at the moment that we are getting the best results we can for the amount of funding that we have available.

Mr FINCH - Did you get any feedback as you travelled around about Tas Temptations?

Mr BACON - Not so much about Tas Temptations. A lot of the feedback I had was around zone marketing and the real situations facing the industry at the moment. Up on the north-west coast they are finding it very difficult up there. I know the east coast has had problems with the road closure, the floods and things like that.

CHAIR - We are going to get to that later.

Mr BACON - I will look forward to that. And different things on the West Coast. The latest thing that has been raised with me is the pressure on regional areas around Tasmania.

Mr FINCH - Yes, it has been an issue for quite some time and those people in the regions are quite concerned -

CHAIR - Surviving another winter.

Mr FINCH - Surviving, that is right. It has come to that in a lot of ways because of other things like the value of the Australian dollar, people travelling overseas and those sorts of things.

Mr BACON - That is right, high interest rates and all those things.

Mr FINCH - And now budget cuts - everybody has to cop it sweet but it is also evident that these cuts to the tourism output and events spending is going to have a detrimental effect on Tasmania's economy as a whole. Has there been any estimate of the loss of revenue for the industry over the next four years because of these cuts?

Mr BACON - Not to my knowledge. I am not sure if the department has done any work.

Mr SPROULE - Not directly into that question but the events cut obviously -

Mr FINCH - We will get to that later.

CHAIR - No, we are there now.

Mr FINCH - Keep going now.

Mr DEAN - It is a separate line item.

CHAIR - I guess it is overarching a bit. We might drill down in that in the next one down, if you do not mind, because it does cut across somebody else's opportunity to begin -

Mr FINCH - I am talking about the big picture, the effect of the cuts on the economy of Tasmania and the tourism cuts specifically.

Mr SPROULE - The minister alluded to it in his opening statements in terms of the demand generation activity for Tourism Tasmania, which is generally speaking the marketing activity and the distribution activity that we do, that has where possible been quarantined within the budget cuts so that we will continue the same amount of effort in those areas going forward. They are the activities that have the most immediate impact on the economic generation. That is not to say that the other activity in the organisation does not as well, but it is a longer-term proposition. We would be hopeful over the short to medium term that the impact would not be that significant as a result of the cuts to us, but of course there is a lot of other inputs out there that impact the tourism industry. It is not just what Tourism Tasmania does.

Mr FINCH - Yes, but in this area we need to be very cautious about the effect of cutting the budget to tourism - that is why I am fearful of it and concerned about it, because it does impact back on the economy. Some of those really good things that we have been able to do to bring people here to Tasmania are under pressure to be maintained.

Mr BACON - I agree with that. That is why we have had to make those tough decisions to make the cuts to Tourism Tasmania and protect the marketing spend. As Adam said, it is to drive visitation at what is a really difficult time.

Mr FINCH - You referred in your opening to some of the opportunities from the private sector that you have established, particularly Federal Hotels and MONA. I am wondering if that is a bit of a cop-out. You say in the performance information comments:

'... the emergence of new five star boutique accommodation products and new attractions of international standing with the Museum of Old and New Art (MONA) lending weight to the sector's growth prospects.'

Is that a cop-out? Are you trying to trade off the private sector there?

Mr BACON - I would not say it is a cop-out. What I think MONA, Barnbougle, Saffire and world-class products like this that have come newly to Tasmania provide is opportunities for other businesses to feed off those products as well. When I went to Barnbougle three or four weeks ago we stopped off at a winery after that and had a chat with the people on the cellar door sales, and they said that since Barnbougle had opened their cellar door sales had gone up 30 per cent. That is a good indication that these major private investments are opportunities for other people in the area as well. The Government cannot take credit for things like MONA, but it is an opportunity for the industry, and Tourism Tasmania will work with other operators to make sure that they can garner the benefits that will flow from those major private investments.

Mr FINCH - Yes, we have been blessed with some of those new infrastructure opportunities, particularly Saffire on the east coast.

Mr SPROULE - One of the great things that this new product does, as the minister said, is that we get these flow-on impacts. Our job is to come in when these new products come online and make the most out of them in terms of promoting Tasmania as a destination nationally and to a lesser extent internationally. That is why it is important to have products like MONA and Saffire, because they feed our visiting journalist program as there is real interest in journalists who want to write, not because they are being paid to write but because they want to write about it because it really is world leading or nationally leading product. That helps us generally in our

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activity to promote Tasmania as a whole. So they are important things for us, but certainly they have been delivered on the ground by private investment and I think that is highly appropriate.

Mr FINCH - The Saffire has just won the national award in the *Gourmet Traveller* for best five star or top of the range accommodation in Australia. I want to move on to the national accreditation scheme, if I could. I have been champing at the bit to get going on this. I have plenty of questions but I think I might take a break and give others an opportunity.

CHAIR - That might be a good idea because I know that Mr Dean wants to follow a couple of lines that have been raised. We will come back to that accreditation issue at a later time.

Mr DEAN - I wanted to follow the member for Rosevears' mention of the closure of the office at Launceston. Is that office being closed purely for budgetary requirements and/or is there a lack of work coming out of that office?

Mr BACON - Certainly the nature of the work done in the office has changed over the years. Some of the work that is done there will move to people in Hobart. But with the restructure of the whole organisation there are other opportunities in the wider department, which I might get Craig to expand on, in terms of moving some things to Launceston to provide opportunities for those displaced workers.

Mr WATSON - Obviously with the decision of Tourism Tasmania to close the last remaining element Contact Centre work at the Launceston office, remembering that the far larger Tasmanian Temptations operation was closed a number of years ago.

Mr DEAN - There was 100 in the office, I think, at one stage.

Mr WATSON - That is correct. In making that decision the department has an approach to dealing with staff who are made surplus due to changes in operations to focus on internal redeployment. What we are doing in the broader department is identifying functions that can potentially be shifted from Hobart to Launceston to provide opportunities for those staff to continue to be employed by the department but undertaking different activities -

Mr DEAN - Can you run through that again - officers being transferred from Hobart to Launceston?

Mr WATSON - No, functions being transferred from Hobart to Launceston.

Mr DEAN - What functions are transferred from Hobart to Launceston?

Mr WATSON - We are identifying those at the moment. One function has been identified. We are in the middle of consultation internally at the moment with staff.

Mr DEAN - You cannot give us some idea of what they are?

Mr WATSON - The business point call centre of the economic development function is being considered for being relocated to Launceston.

Mr DEAN - How many staff will that involve?

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Mr WATSON - Three to four staff. We also have a vacant position within the economic development northern office and potentially another vacant position up there as well. We are also discussing with other Government departments vacancies that they have in Launceston into which staff may be redeployed. So we are hopeful to minimise the actual loss of employment for staff affected. Now some staff may choose to leave if they see this as an opportunity to transition into another career, and we would take that into account. But to the greatest extent possible we are looking to use redeployment of staff and therefore continue the employment of those staff in Launceston as well as obviously saving the cost of redundancy to the tourism budget.

With output 3.1, and analysing the Budget reduction in that output, the majority of that decrease is due to the completion of disbursements associated with moneys from the Tas Temptations operation. Obviously, following closure of that operation there was still money in the trust fund that had been washed through to the companies. So, of that decrease in the output of about \$5.7 million, over \$4 million relates to those moneys, and the decrease in the Government appropriation going into the output is simply those items that the minister referred to, being about \$1.5 million. So it can be read as a larger reduction than it really is in the effective operations of Tourism Tasmania, because that \$4 million may simply have been washed through from the Tas Temptations operations.

Mr FINCH - The jobs from the north being washed out to the community. We lost the economic input that we had into the community and those jobs disappeared. It might sound like a good strategy just to wash that through, but it had a big impact back in our community in the north of the State.

Mr BACON - That is why Economic Development is now looking to move funds from Hobart to Launceston - to try to provide opportunities for those workers that have been displaced from their jobs.

Mr DEAN - So we pick up three and lose 12. It does not sound like a very good deal to me, because we are losing so many Public Service officers from that area. I am not being parochial; this is looking at the Public Service, where it ought to be. I take up the honourable Don Wing's position here: there ought to be an equal distribution, or some distribution, right around this State. I suggest that those functions that are to be absorbed in Hobart when you do away with this office in Launceston could well have been continued in Launceston. Why did we not move people from Hobart to Launceston to take up those functions? What will be gained from moving it all to Hobart?

Mr BACON - It is the efficiencies that have to be gained. With the whole restructure of Tourism Tasmania, tough decisions have had to be made, and that is to maintain the marketing spend. As was pointed out earlier, the industry wants that maintained to protect 25 000 jobs in our tourism industry. The department is looking for functions that it can move from Hobart to Launceston.

Mr DEAN - Was the economic disadvantage to the Launceston area taken into account at all in making the decision to close that office?

Mr BACON - In terms of the 12 jobs?

Mr DEAN - Yes.

Mr BACON - Not to my knowledge - eight jobs, sorry.

Mr DEAN - So it was not even taken into account?

Mr BACON - How much would it cost to conduct an economic study on the loss of eight jobs?

Mr DEAN - I am not suggesting an economic study; I just asked whether the economic position was taken into account. I did not mention anything about a study. I do not think it would need a study.

Mr BACON - What has happened is that the Launceston centre has been closed, obviously, and it is a very tough decision for the Government to make.

Mr DEAN - What does it remove? What will happen with the people who were making contact with this office in Launceston? How do those people now make contact? What is the position for those who were going to the office for contact?

Mr BACON - Tony Mayell is the CEO of Tourism Tasmania.

Mr MAYELL - The two roles that were delivered by the contact centre were responding to phone and e-mail contacts and the design and booking of the visiting journalist program. Those functions will be transitioned to Hobart.

Mr DEAN - We have been told that eight will be closed, and you have mentioned that there will be some opportunities for some of them. What about those who are not absorbed into current vacancies? Where will they go? What will happen to them?

Mr WATSON - We are still in the very early stages of consulting with the staff as to what they wish to do. As we have identified, there are possibly up to four jobs due to the relocation of the Business Point call centre, and potentially one to two jobs elsewhere in the broader department. There is certainly one vacancy in Launceston, and there may be two. We have also identified one or two jobs with other departments and had discussions about those. All those options will be put to the staff affected to see whether they are interested in redeploying to those roles.

So there is the potential for all staff to continue in employment, and there would be no loss of employment for those who did. However, as I said, some staff may choose to take a career transition. They may see this as an opportunity and a time to do that, and we will take those wishes on board in our considerations. Alternatively, they may decide that they are not interested in the roles being offered, and then they will be managed through the arrangements that the Government has put in place on a whole-of-government basis and the policies to be followed there.

Mr DEAN - The Business Point call centre that you are talking about, where will that be?

Mr BACON - It falls under the Minister for Economic Development, but Craig might like to answer it for the broader department.

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Mr WATSON - The Business Point call centre is our primary interface for business industry development activities, primary contact to the department for the economic development function. They take phone calls; direct inquiries to relevant parts of the department; and provide information, now that businesses have a licence information system, about licensing requirements for business and other matters. At the moment that is delivered by Forstaff in Hobart. Because we have a number of vacancies within the Hobart office, being a much larger office, those staff can move into other opportunities, and it is because of the common skill sets for the sorts of activities carried out by the staff in Launceston that that function is identified as one that we could relocate from Hobart to Launceston to provide continued employment for officers in Launceston.

Mr DEAN - It will operate out of the Office of Economic Development in Launceston; is that it?

Mr WATSON - The Economic Development Office and the call centre are in the same building, so they will still be together.

Mrs TAYLOR - I understand the Budget difficulty that the State has and that cuts have to be taken everywhere, but we are talking about a \$6 million cut this year in the tourism budget. Are you aware of the fact that in 2007 the budget for tourism was \$40 million? It is not just the cut this time; it has gone from \$40 million in 2007 to \$28 million this year. That is a 30 per cent cut. So it is not just that tourism is suffering from a cut this year; it has dropped significantly. It seems that tourism is an easy area to cut, partly because it is mostly, as you say, funding to the industry that has been cut. That is significant; it is not just this year.

Mr BACON - I accept that. No part of the Budget has been immune to the budget cuts this year. All we could possibly do was listen to the industry, and the number one things they wanted was for the marketing budget to be maintained. We have managed to do that by making some very tough decisions.

Mrs TAYLOR - I think they asked you for a number of things to be maintained, but that was one of their priorities.

Mr BACON - That was their number one priority, yes.

Mrs TAYLOR - You have maintained the budget in destination marketing. Which measures in this Budget support that? What are you doing in terms of destination marketing?

Mr BACON - There is about \$3 million for domestic marketing and about \$3 million for international marketing.

Mrs TAYLOR - Yes. How are you spending that?

Mr BACON - How do we plan to spend that?

Mrs TAYLOR - Especially the international marketing.

Mr BACON - Tony might like to expand on that. With the restructure that is about to take place, the board is about to come up with a position about the restructure that will then be considered, and that will flow it into that as well.

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Mr MAYELL - The marketing activity is varied, and depends on particular markets. Starting with the international market, we undertake a range of activities in the various markets in which we operate. They are quite different market by market, depending on the market demographic mix and the target markets that we are pursuing. Some markets are heavily weighted in favour of very strong PR and media activity, so we generate a lot of press in those markets where we see that as a primary motivator for people that we are trying to communicate with. In other markets it is more straight-up cooperative marketing with trade partners, major distributors, wholesalers and retail chains, particularly in Germany and the UK. So we contribute to bigger campaigns and bigger activities in the marketplace, and we try to maximise through cooperative activity the opportunity to get more dollars into the pot to give us a bit more momentum.

Mrs TAYLOR - Thank you. It is a nice general answer, Minister.

Mr BACON - Things are always changing.

Mrs TAYLOR - Yes, but I suppose the industry would like to see some specifics. Can you say how much of that money in international marketing, for instance, will be spent on staff as opposed to campaigns or advertising?

Mr BACON - At this stage it would be very difficult to say what will be spent on staff in different areas until the restructure is actually done.

Mr MAYELL - In terms of our overseas presence, we do not have any personnel or staff based overseas. We work through contracted companies who do a mix of PR and trade activity for us. We have a unit based in Hobart that provides them with support. We went some time ago out of the very expensive option of having people based offshore.

Mr BACON - But you are talking about the marketing team in Hobart?

Mrs TAYLOR - Yes, absolutely. When \$3 million is available, it is easy to spend \$3 million.

CHAIR - Is it possible for the committee to have a list of the break-up of that \$3 million? I think that would be very useful.

Mr BACON - Yes, we can get that for you, no problem. We can get you an organisational structure but, as we said yesterday -

Mr SPROULE - None of that \$3 million is spent on staff in Tasmania.

Mrs TAYLOR - So what is the money spent on? That is the question.

Mr BACON - On marketing?

Mrs TAYLOR - Yes.

CHAIR - We just want a breakdown of that \$3 million.

Mr BACON - Directly to it, yes.

Mrs TAYLOR - The member for Rosevears has already asked a question relating to icon marketing but I would like to follow up on that. Of course, MONA is in my own electorate, but I take the point about Barnbougle and others. The marketing there to a large extent is already being done for us, so obviously what we would like to do is build the rest of Tasmania around the icon marketing that those private individuals are already doing. I am told - and I do not have data on this but perhaps you do - that MONA has already made a significant difference not just in the number of people coming in, which everybody expected, but in the way that people are coming in, and the very short stays they are having in MONA. They are just flying in, staying overnight - or maybe not - going to MONA for the day and going out again.

That is not good for tourism in the whole State. It is not MONA's fault; it is fantastic that MONA has done and is doing what it is doing, but I am asking how are marketing dollar is being spent to extend that so that people do not just fly in and stay - it is less than two days now, I am told, for the bulk of the MONA visitors. That does not do anything even for the greater southern region, much less the whole of the State. Do you have a plan, a target or a program that is intended to build on those kinds of things?

Mr BACON - As was said before, once these new products come into the market, the opportunity then is for Tourism Tasmania to latch onto those private investments and market them as well as they can right around Australia and internationally as well. Tourism Tasmania works with the private operators in partnership to try to drive that visitation to Tasmania, and I know that MONA is also working with Saffire to drive people to stay longer. Tourism Tasmania is working with those private operators to try to drive people to come to Tasmania but then also to stay for as long as possible.

Mrs TAYLOR - This is not new. We all knew that Saffire would come on-line and MONA would come on-line. I am asking whether you have plans or a marketing campaign to build on those things so that it is not just the destination that makes the -

Mr BACON - But it is the icons that make the destination as well, I suppose.

Mrs TAYLOR - Yes. It worries me that the State is getting very short-term visitor numbers - lots of visitors but very short-term - to MONA. That is the only one I really know about.

CHAIR - Minister, is there any identified plan to build on the MONA experience?

Mr BACON - Absolutely. Part of Tourism Tasmania's core business is to work with iconic Tasmanian destinations and try to drive visitation.

CHAIR - What about specific campaigns that will be run in the next 12 months under the marketing budget?

Mr MAYELL - The major campaign we have scheduled is what we call the spring campaign, which will be coming on-line in September. That is where we maximise peak season travel to push ourselves into the marketplace. It has to be pretty competitive, particularly the national market. MONA and a selection of other attractions around the State become a centrepiece for that. As I think the minister was just saying, we are very mindful now that that has changed people's travel patterns. The way we are approaching that is to know more about the consumer that is attracted to the MONA product and identify what else they would be interested

in, in very close proximity to MONA or around the State, and bundle that product together and work with our distribution partners - the wholesalers and the people who put these touring packages together - to get that product into the marketplace.

[9.45 a.m.]

CHAIR - I can appreciate that, Minister, but if you do research for two years, haven't you missed two years' worth of opportunity?

Mr BACON - But it's not as if the department has been sitting still for two years either; you've always got to do the research to refine your marketing and make sure that you are targeting to the right areas as well, and the research and marketing is always going on.

CHAIR - So tell me, what specific marketing program or campaign is being undertaken through the winter months, given that particularly MONA is an indoor facility, I believe. I haven't had the privilege of going there yet, but is that correct?

Mrs TAYLOR - Yes, absolutely.

CHAIR - So what campaign or program is being undertaken for the winter months when you can be inside at something like MONA - right now, July and August?

Mr BACON - Certainly the Lumina program is running at the moment but also our events program is largely targeted around getting visitors to the State in the slower months. There is also the business events incentive program which provides I think \$30 per attendee at a convention and only last week that attracted the AUSVEG convention for next year, which will bring in 1 000 vegetable growers into the State, so for \$170 000 I think that is a really cost-effective way for the Government to drive visitation in those slower months.

CHAIR - So can we have the cost for the Lumina campaign?

Mr BACON - It is \$65 000.

Mrs TAYLOR - Are you saying that the business events funding for Event Tasmania is assured?

Mr BACON - I think their allocation is \$540 000 and then there is \$170 000 given for the incentive program as well.

Mrs TAYLOR - Good, okay, so they can be certain that they are going to get that.

Dr GOODWIN - I might just touch on the Lumina campaign and ask a little more on how the \$65 000 is actually being spent, because presumably it is an intrastate campaign. I have received two of these cards in two successive days and I love to receive them, but I just wondered how it actually works.

CHAIR - What a waste of money would be my response if you have received two in two days.

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Mr BACON - Yes, that's a fair point. In terms of the distribution covered by Australia Post, which is one of the partners in the Lumina campaign, 200 000 mailboxes in Tasmania should receive a card this week. It doesn't say here whether they should receive one or two, so -

Dr GOODWIN - I might just be lucky.

Mr BACON - Yes, that's right.

CHAIR - I think they might have known it was the member for Pembroke's house.

Dr GOODWIN - I was on the tourism committee, so perhaps they thought I should have two.

Mr BACON - As I said, Tourism Tasmania's financial investment is \$65 000 and through agreements with key sponsors an additional \$300 000 in advertising has been achieved. You are right, it is to drive intrastate visitation to try to get a bit of economic activity going in the winter months.

Dr GOODWIN - So you are delivering these to letterboxes and I think I may have seen an ad in the newspaper as well - would that be right?

Mr BACON - There are ads but that coverage comes through the key sponsors for the advertising, so that is actually not part of the \$65 000. In terms of specifics of how the \$65 000 is being spent, Adam might answer that one.

Mr SPROULE - The majority of the money is being spent on the production of the postcards from our aspect. Australia Post, one of our partners in the campaign, is obviously doing the distribution and sending it out to us all, and Southern Cross is the media partner.

CHAIR - So those cards cost \$65 000?

Mr SPROULE - There is also a micro site that sits off this as well, which brings together all the events locally under one banner and is connected to product and the ability for people to (?? 49:50), so there is a range of costs associated with that.

CHAIR - So given that there is more than Australia Post and Southern Cross, how much are these other organisations identified on the back of this card contributing?

Mr BACON - \$300 000.

CHAIR - Okay, so the \$65 000 is solely for these little cards?

Mr BACON - And the website.

Mrs TAYLOR - Last year you produced a booklet - not this year?

Mr SPROULE - We produced a booklet online so people can download it - an events calendar - but you are right, last year we produced a hard copy one as well.

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CHAIR - I think, with all due respect, Minister, the people who support car racing in Tasmania might think that this is pretty lightweight when they are not getting an event.

Mr BACON - Which event are they not getting?

CHAIR - The V8 Supercars.

Mr BACON - The contract is in place for this year.

CHAIR - Yes, for one year.

Mr BACON - We are also negotiating for the next year as well.

CHAIR - I am just saying that if you asked people what they would prefer, a postcard in the mail or a significant event, I am pretty sure I know what the answer would be. Maybe you have a different view.

Mr BACON - The Government is strongly committed to keep V8s in Tasmania and my hope is that they get the postcard in the mail and also the V8s at Symmons Plains.

CHAIR - So there is an opportunity for that to be extended?

Mr BACON - Absolutely. We are currently in negotiations to finalise the next two years of the contract.

CHAIR - So all the media that has been around - and if this has stolen someone's thunder -

Mr BACON - We have been saying the same thing for two weeks.

CHAIR - So all that feedback on the radio, where people have been saying that it is completely under threat, is all wrong?

Mr BACON - The contract is in place for this year and we are trying to finalise negotiations for the next two years. The Government remains committed to keeping V8s in Tasmania.

CHAIR - What about those concerns out in the community? I just cite an instance where I was at a netball carnival on Sunday and there were a lot of dads there watching their girls play and most of the chatter was, 'What do you think about the V8s? What do you think about the chance we might lose that?'. There was a lot of chatter and it wasn't good chatter.

Mr BACON - I accept that and I have had a lot of people raise it with me. That is why the Government is committed to keeping V8s in Tasmania and is trying to finalise negotiations for the next two years.

CHAIR - So you're very confident that that will be a successful renegotiation?

Mr BACON - Well, the conditions are in place and we are working very hard to finalise those negotiations.

CHAIR - I think that would be music to most car lovers' ears, Minister.

Mr BACON - As soon as we get the contracts signed we will be letting everyone know.

CHAIR - Dr Goodwin, I have completely interjected on your line of questioning and I do apologise.

Dr GOODWIN - That's all right. I want to touch one of the recommendations in our tourism committee report, and I apologise if you have already covered this, but it concerns the recommendation around Forestry Tasmania's application for CSO funding. One of the things we were pretty concerned to hear was that Forestry Tasmania's capacity to maintain its infrastructure for its nature-based attractions is severely constrained. It is recommendation 20 of the report. I do not know if you remember seeing some news footage about an issue with some Victorian tourists trying to get to one of the attractions and access to it had been wiped out during the floods. The issue was whether Forestry Tasmania would be able to replace some of that infrastructure and they were telling us that they were severely constrained because they did not have the funding and were seeking assistance from the Government. Do you know where that is at and have you been able to put any pressure on your cabinet colleagues to assist with that process?

Mr BACON - Certainly Forestry Tasmania has some very important tourism assets around the State and the Treasurer is currently looking at that recommendation in terms of the CSO component and I would be happy to talk to her about that. The FT tourism operation have been successful, particularly the Tahune Airwalk, and I think what has happened at Maydena in the last couple of years has been really good as well. The Hollybank Treetop Adventures have been a real success as well, so I think FT has done great work to drive tourism and costs like that on their business are an important thing we look at as well.

Dr GOODWIN - Yes, it is important because with Tasmania's appeal being around wilderness and nature-based attractions, for people not to be able to get to some of our walks and falls and things like that is a real concern.

Mr BACON - It is a real concern.

Dr GOODWIN - The other question I had was around zone marketing and regional tourism structures and what your plans are in that area.

Mr BACON - In terms of the regional tourism review that has gone on last year and into this year, there will be a paper coming out about that in the coming weeks. The department is looking to move away from the zone marketing concept but maintain that strong support of regional tourism in terms of dollars and try to do it in a more effective way to make sure that we are getting the best bang for our buck in regional areas and really working with those regional tourism organisations that already have a structure in place so that the money can flow as quickly and effectively as possible.

Dr GOODWIN - I was having a look at some clippings last night and there was an article in the *Sunday Tasmanian* about the new tourism boss finding his niche and there were some comments in there about the need to take confusion out of the marketplace in relation to zones. Do you think there has been a bit of confusion?

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Mr BACON - Certainly. It has been raised with me from day one right around the State that there was confusion around zone marketing and that we needed to market the State as a whole destination and then on a regional basis, so I accept that are definite concerns out there about the zone marketing.

Mrs TAYLOR - So zone marketing's gone?

Mr BACON - Not yet, but it's on its last legs, I'd say.

Dr GOODWIN - So at this stage you don't know what might be replacing it?

Mr BACON - Well, it will be a more regional structure that is targeted at the regional organisations like the Cradle Coast Authority to work with Tourism Tasmania to drive the marketing in the regional areas.

Dr GOODWIN - Therein lies a bit of a problem in that you don't have such good structures in the south as in the north, so what are your plans in relation to that?

Mr BACON - Tony outlined plans yesterday to really try to build the organisation in the south back up again and I think that is important because the problems have definitely been raised with me. The Cradle Coast Authority has been held up as the shining light for the others to work towards.

CHAIR - So why wouldn't you replicate the one that is going really well? Why wouldn't you use some of those initiatives?

Mr BACON - There is one going on in the east coast at the moment but it is getting the two councils to work together, which Tourism Tasmania is supporting as well, but there has been some friction between the councils and unless they want to work together it is very hard to impose that on them. They are working towards that model now with the support of Tourism Tasmania.

CHAIR - But with all due respect, Minister, if you are providing funds and people do not want to work together, you take the funds away, don't you?

Mr BACON - But then we don't always get the best outcome for the people in that area, so it is a bit of a balancing act but a lot of work is going into it at the moment.

Dr GOODWIN - You might have already covered the committee's recommendation 1 about the need to improve data collection and analysis. One of the things we were concerned about was that we couldn't get a really good handle on where tourism is positioned relative to other industries in Tasmania. We believe it is a very important industry but we wanted to have more concrete data we could use to back that up. Is that something you are looking at?

Mr BACON - It is one of the things that has become apparent to me. We have the Tasmanian Visitor Survey and a lot of strong data around that but a lot of the national data that we get has very small samples from Tasmania so it is very hard to rely on. In terms of what we can do with the restructure our research part of the organisation will change a lot as well. Tony might want to add more to that.

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Mr MAYELL - Not a great deal, Minister, but I think relative to other State tourism organisations Tourism Tasmania's research capability and capacity is pretty strong, but the trick to that of course is that you have to make sure what you are collecting is of real value and part of the review of the overall functions of the organisation will be around making sure that we get the right data, so rather than spending time and resources on some of those other areas that do not give us a clear insight into the sort of information you are referring to, that would become a priority for us. But overall, we are pretty strong in that area.

[10.00 a.m.]

Dr GOODWIN - Yes, certainly your visitor data is good, but the gap for us was around economic -

Mr MAYELL - It is fair to say that one of the challenges is the way the ABS gather data on industries. Tourism splits across multiple ones because it contributes to retail, travel, accommodation - those sorts of things. It is not an industry in its own right, so you do not get that ABS data that you necessarily get for other industries.

Mr WATSON - They do have tourism satellite accounts.

Mr FINCH - I am just champing at the bit a little here because before you came, Mr Mayell, I was speaking to the minister about New Zealand and the fact that the Prime Minister is the Minister for Tourism there. When we talked about where they positioned tourism as far as the economy was concerned, in New Zealand very clearly it competes with primary industry at No. 1. In Tasmania it all depends who you talk to as to where they care to position tourism. When they feel like it, they will generally put it at about 3 or 4, and if they feel that they want to promote other industries in Tasmania for whatever reason they will put it down to about 5 or 6. I would suggest to you, Minister, that you need to get some positioning of tourism. When we talked about making people feel that tourism is part of their lives - as in New Zealand - I think we need to create the importance of tourism in their minds. If we keep allowing other industries to relegate it to where they think they might like to see it sit -

Mr BACON - I suppose you think it is for us to tell other industries -

Mr FINCH *interjecting.*

Mr BACON - I think that is what we are doing.

Mr FINCH - Push it forward so that others cannot denigrate the industry and say, 'Oh, that is airy-fairy. Our industry is more important than tourism.' They cannot get their figures together to calculate the importance of tourism in the economy.

Mr BACON - I take the point that if we had strong figures to back it up it makes our argument easier, but we do have trouble collating that data.

Mr FINCH - That is where we feel there is a problem.

Mr BACON - We can look at ways to try to garner more data to make a stronger case for when we are having that argument.

Mr GAFFNEY - Interestingly enough, recommendation 24 from the report talks about training and skills development and the needs of tourism and hospitality. We know that hospitality is a relatively new ministerial portfolio, but there is no line item for it. Talking to the president of the THA recently, I found that he was very grateful that they had \$100 000 for that training. However, there was some concern that each year they have to come back and ask for that, so within your portfolio how are you going handle that? Hospitality and tourism go hand in hand, but I think that for their sector it would be good if there could be a line allocation for that each year so that they know that they can plan four or five years ahead so they can bring on the staff and skills they need. Have you considered that?

Mr BACON - At the moment with the Skills Initiative, with the \$100 000 from last year, the THA have not as yet released that report. Where it goes from here is a little uncertain until the report comes out. Then we will look at how the \$100 000 is spent to make sure. It is an issue that has been raised with me right around the State in terms of trying to attract and retain skilled staff in the hospitality industry. We have talked about MONA before, but they have had real trouble getting chefs, and chefs seem to be right down on the impossible-to-find list. Once this report comes out, it will identify where those skills shortages are and then we will work with Skills Tasmania to make sure that the courses are provided and there are the right incentives to do the training. We need to ensure that the training we are providing matches the needs of the industry, which is what the initiative is about - it is about delivering for the industry the skilled workers they need to do the training.

Mr GAFFNEY - That was obviously the main thrust of the discussion. I think they also appreciated the chance when they could find an issue they had to deal with within their industry. It could be a matter of getting part-time workers to certain parts of the State for certain times of the year because that is what the industry needs. I am talking about the east coast. Quite a lot of young people who might be at university might go to the east coast for work, but their accommodation there is so expensive that they do not actually make any money. That is not very productive. I think the THA is hoping that they could come to you and say, 'We need \$20 000 to research this so that we can put it into our game plan.' I am interested to see whether the report highlights that.

Mr BACON - Yes, absolutely. It is a new portfolio, and I think over time things like this evolve and hopefully we can deliver some output outcomes for the hospitality sector.

Mr GAFFNEY - It is new and there is not a lot of funding there. There is also not a lot of funding for Veterans Affairs - is that right?

CHAIR - We will talk about that as we move on.

Mr FARRELL - Minister, a couple of things were covered previously by Dr Goodwin, as far as zone marketing goes. It has been an issue in areas where local government has a strong input into zone marketing. They obviously tend to promote their patch and there maybe something outside their council boundary that fits in with what they have, but because it is not theirs, they do not promote it. Are there ways that tourism can facilitate a broader view of this issue and try to get things to fit in with the theme?

Mr BACON - That comes back to what is happening on the east coast. We don't want both councils on the east coast to come out with their own tourism strategy and come to Tourism Tasmania with a request for funds to drive their strategy. We want to see them working together,

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so that we get a whole strategy for the whole east coast. Tourism Tasmania can feed the funding in and we can get cooperation across those council boundaries. That is really successful in the north-west and west coast.

Mr FARRELL - At the moment I think particularly in my patch it seems to be working very much against tourism in lots of areas. Just as an example, we have in New Norfolk a visitor information centre that is run by volunteers. It is a small organisation, but it does not cost Tourism. All they need is access to some resources and some training and are there plans in Tourism to develop basically a service that is costing nothing at the present time?

Mr BACON - I think that comes back to what Mr Finch was talking about as well. If we can upskill these people to really sell Tasmania, that is an opportunity we have to look at because tourists are in there talking to these people all the time. They are volunteers, so clearly they want to do what they can to help the tourism industry in Tasmania, so if we could provide some training or help for those sorts of areas, it would be a good way to start to change perceptions.

Mr FARRELL - I think it also would fit well with what Tasmania is - the friendly local State. People would welcome comparatively minor support.

CHAIR - Is there any opportunity in that budget for exactly what Mr Farrell talked about in his area? I expect you could replicate that all around the State. Is there any opportunity in that marketing budget to roll out programs such as that?

Mr BACON - There may not be in the marketing budget -

CHAIR - Well, in the tourism budget?

Mr BACON - There may be other areas of the budget that we can look at.

Mr MAYELL - With the industry and development area there is quite a focus on skills development. I think this really lies with the concept of putting in place strong regional tourism structures and channelling some of those positive drivers of the zone marketing concept back into those regional bodies. The discussion to date with organisations, which has taken that regional structure forward physically, is around not just cooperative marketing but also the provision of information services and we will provide support for that.

Mr FARRELL - I bring this up because a rail tourism group that I have been involved with has had some support through Tourism. Frank Hussey has been helping develop our business case, and it is very good to have someone who takes a broader picture. You see this all the time with the small tourism groups - the B&B operators will focus on how they get people into their own accommodation and not have an understanding of the whole area. This has been provided to this group by Tourism and it is working really well. I would like to see that model expanded.

While I am on rail tourism, in this very fine report from my colleagues in the Legislative Council. recommendation 21 is that the Tasmanian Government collaborates with Tasrail, the Don River Railway and the tourism industry to develop a tourist and heritage experience between Devonport and Wynyard. I imagine that, due to time constraints, this committee never had the chance to come into the Derwent Valley, but the Derwent Valley should also be considered and I would like Tourism in their future planning to look at rail tourism as a whole.

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Mr BACON - That is what they currently do. The issues that are faced by tourist railways right around the State are similar - access to mainline services, public liability, things like that. Tourism Tasmania does take a statewide view of these things and is working towards trying to solve these problems so that people like yourself, the Don River Railway, and other railways can get out there and get on with it because they are tremendous drivers of tourism.

Mr FARRELL - There is a synergy and strength there in the union of the whole lot.

CHAIR - Can I suggest that Mr Farrell is well-placed politically to drive his agenda! I think Mr Gaffney has something in line with that area.

Mr GAFFNEY - The committee did look at rail as very important potentially for areas on the north-west coast. Going back to the structural thing, that is where the Cradle Coast has the advantage, because they do get a lot of input and they do hold a lot of workshops and forums for staff and volunteers. Unfortunately that hasn't been the case in the rest of Tasmania, as we found through the report. I give credit to that structure.

Mr BACON - That is why we are looking to get to that structure right around the State. If we can do that, we can drive a lot of good outcomes.

Mr GAFFNEY - Local government does play an important role in tourism, especially within their council areas, but they also have budgetary constraints. Perhaps it is the tourism information centres that come under the greatest threat. Is there any way that Tourism Tasmania can work with local government and local councils to look at some of the issues they are facing?

Mr BACON - Certainly we can talk to local councils. I met with Mayor Legge the other day about tourism issues in his patch, and I would be happy to meet with any council about the issues they are facing.

Mr GAFFNEY - I think it would be good to go through the Local Government Association and do a presentation to them about the changing role of Tourism Tasmania so that they get the same message.

Mr BACON - I think that is a good point and we could certainly talk to the Local Government Association about issues that are being faced by them at the moment.

CHAIR - Minister, I get a real sense that there is already an area that is doing it really well. Why on earth would you need to reinvent the wheel? Mr Dean also wants to explore this area.

Mr DEAN - The north cannot be left out of this. I am not sure whether Tourism Tasmania is working with the Inveresk group, the train restoration group, which could provide significant tourism opportunities.

Mr BACON - Absolutely. That is also the case in Glenorchy.

Mr DEAN - Also the tram restoration situation in Launceston opens itself up to a lot of the tourism market, I would have thought. I do not know what promotion that is given by Tourism Tasmania, but I have never seen it mentioned. Perhaps it is there somewhere, but I would suggest that Inveresk is a site that ought to be considered seriously by TT.

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Mr BACON - I think the one in Glenorchy is also underutilised -

Mrs TAYLOR - The Tasmanian Transport Museum. They are doing a lot of stuff themselves, and I think that is the issue. Where we can do a partnership between people privately doing it and government assisting, that is the best for both of us.

[10.15 a.m.]

Mr BACON - That is always the best outcome.

Mr DEAN - Has Tourism Tasmania, the office, been there to the Inveresk site and looked at the train restoration and what is happening? Do you know what is going on?

Mr MAYELL - That was the first day of my tenure about seven weeks ago, I visited that site and did have a look around then.

Mr DEAN - Do you see the potential there for tourism?

Mr MAYELL - Sure, for tourism and also as a venue for other activity as well. It is very impressive.

CHAIR - Accreditation - Mr Finch.

Mr FINCH - We have a recommendation in our report about accreditation. I am wondering where we are placed with the TQUAL, which would be the national accreditation scheme, which of course has had a strong input from Simon Currant. In fact, he might even be overseeing TQUAL. I am wondering if I can get a report on that as to where we are placed and where we might benefit from that here in Tasmania.

Mr BACON - Tasmania is seen as a leader in terms of accreditation. We have over 1000 businesses under the State accreditation which is leading the nation. Tourism Tasmania fully supports the TQUAL initiative. Senator Sherry is very supportive of Tasmania's position in terms of TQUAL. I spoke with Simon Currant about this two weeks ago. It is how we make sure that we are not doubling up on the accreditation we already have so that people do not have to go out and get two forms of accreditation. It would be ideal if they could get it all done in one go and get the two symbols - they are things they are trying to work out at the moment. I am not sure if you want to add anything, Tony.

Mr MAYELL - We see it as a critical factor, and certainly part of the experience is to make sure that our industry is delivering to people's expectations at the minimal level. We work very closely with Simon and the Tourism Industry Council on the accreditation side of things. Tasmanian operators have had a pretty significant take-up relative to the rest of the nation in terms of the proportion of people who have entered into the accreditation scheme and gone through it.

Our view is that we need to make sure there is sufficient monitoring of people's qualities. It is all very well to have a program and be ticked off and there is no monitoring of performance after that. That is something we are addressing with the Industry Council. We see them as the peak body and we fund them to undertake that work for us on an annual basis. In my relatively short time we have had some discussions between Simon, Luke Martin and me as to how we can get some great benefit from that approach with our industry. Tourism Tasmania's perspective is

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how we support more effectively those operators that are fully committed to accreditation and give them preferential treatment over others that are not. That is strategically how we are approaching it.

Mr FINCH - We saw that working in New Zealand too with their Qualmark situation. Minister, I wanted to ask: is a trip to New Zealand on your radar? Would you think that that might be something -

Mr BACON - I would like to go to New Zealand but only two months in I think it would be -

Mr DEAN - On the direct flight from Launceston to New Zealand.

Mr BACON - I think we will have to get the direct flights in. We are going to have an argument about whether it is in Launceston or Hobart that we can all look forward to. In terms of the current budget situation, it would not be something that would be on the agenda in the short term.

Mr FINCH - We feel it would be really beneficial for you.

Mr BACON - I might take a private holiday there, if I ever get given any time off.

Mr FINCH - I think you'd feel a lot of benefit from that.

Mr BACON - I have always been keen to go to New Zealand.

Mr FINCH - While Mr Mayell is here I want to revisit that opening question in respect of separating the bureaucracy such as in Tourism New Zealand where we have the separation away from the bureaucracy into more of a marketing body. When you did your tour around talking to operators and to people involved in the industry, did you get any feedback in that particular aspect?

Mr BACON - Certainly I got feedback about Tourism Tasmania, but it was not necessarily the governance structure around Tourism Tasmania that was raised with me as a concern, it was more the priorities and how they can be best delivered by the structure we have in place at the moment. It has been raised with me by the Tourism Industry Council but not by individual operators. They are more concerned on what their relationship with Tourism Tasmania is, what the priorities are and if they are delivered through the structure that is in place. Tony might like to add to that.

Mr MAYELL - Thanks, minister. In my experience and in my view, there is no real downside to having the agency within the department in terms of an operational perspective. I believe that organisational performance is very much driven by the leadership and the management of those organisations. Generally speaking, there is no concern on my part in relation to where we sit. There are other priorities for ourselves as an organisation to focus on. We have a lot to do out in the marketplace at the moment in what are pretty tough times and our priority is to get very close to our industry. Unless the department is starting to impact on our ability to do that on a day-to-day basis, it is not something of great consequence to me.

Mr FINCH - As the minister goes through our recommendations and thinks about it a little bit more and takes a trip to New Zealand and probably reads about the evidence that we had from

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New Zealand, you might reconsider your stance on that, Mr Mayell, because I think the industry and if I could quote Luke Martin from the Tourism Industry Council of Tasmania who says:

'We agree that if Tourism Tasmania is restructured, then the Government must establish a tourism unit within the Department of Economic Development, Tourism and the Arts to provide it with tourism policy advice and research support.'

They can read that there really should be a different structure and a sense of that separation so that Tourism Tasmania becomes more of a marketing body rather than a bureaucratic monolith.

Mr BACON - That may well happen given the current restructure anyway. The focus of the whole organisation is going to have to change through necessity. In terms of what the outcomes are through that, they will become clear in the coming months.

Mr FINCH - I was a bit concerned when you were promoting the link that is there because the Government has the money and we need to keep a tight rein on it -

Mr BACON - We do need to keep a tight rein on it.

Mr FINCH - So we might not see any development or expression of growth there.

Mr BACON - There is no question there will be a development in that area, but whether or not it goes as far as the report suggests or that other people want is a matter for the future.

Mr FINCH - The strong example that we saw was New Zealand. You might say 'New Zealand is not the be-all and end-all of tourism,' no, but they are a neighbour. They are in competition with us. They are doing it better than us. I think we all agree with that. One of their reasons is because of the way they have their tourism industry structured.

Mr BACON - I think that has come across very strongly today.

Mr MAYELL - If I might add to those comments: in a previous stint with Government I actually ran the Northern Territory Tourist Commission or the equivalent of this body for just over five years, and that was a statutory body so it was outside of the departmental structure. As a model it is certainly effective. The New Zealand model is one that is seen as a pretty good one, as was the Northern Territory model. I am familiar with both, to be frank.

In terms of the focus on marketing, obviously that should be our priority. We are already in discussions with the department as to how we can tap into some of the areas where they overlap or touch on some of the research, industry development and business advice functions as well so that we ensure we do not lose that functional capacity overall but we do have the ability to refer that on so we can focus on the core game of marketing.

Mr FINCH - Thank you. In respect of zone marketing as you have mentioned to us the fact that you are going to transition away from zone marketing, little alarm bells are ringing for me for those people who have put a lot of energy, effort, heart and soul, and faith into zone marketing and now we are going to transition away - whether they did it successfully or not is beside the point. But those who believed in it and went on the journey with Tourism Tasmania, I am

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wondering if you could give me some indication as to what do you think the collateral damage will be in respect of operators and their opinion of the Tourism Tasmania initiative.

Mr BACON - The number one thing that was raised with me around the State was the zone marketing. It has had its critics but it has also had its strong supporters who have backed it up by putting in their own money to match dollar for dollar with Tourism Tasmania. It is going to be a difficult change for some people, but I know that Tony met with the zone marketing groups in Launceston about three weeks ago. Obviously he is going to work with them to move to this more regional structure. My hope is that operators, once we move to that structure, get behind it and think it is the right decision that has been made.

Mr FINCH - Thank you.

Mrs TAYLOR - Just to follow up from that: neither of you were in the positions you are in, but nevertheless it was the department - it has been a grand waste of money in a sense in that it has only been three years since we introduced zone marketing and spent a lot of money on changing from the touring routes or adding to the touring routes by doing zone marketing. It is a very short time to have turned that around. A lot of money has been pumped into that which might well have been spent in other ways.

CHAIR - My question in relation to the structural changes is: are you going to lose the smaller areas along the way; are they going to feel disenfranchised by the new big model, if you like? That is a concern.

Mr BACON - It does not necessarily have to be a big model or a one size fits all. If we come back to the east coast -

CHAIR - You get your heart from the cities and the big centres but how do you look after the people out in the regions who are really important to that tourism journey and experience, as has been indicated here. I have a lot of them in my patch. I can just see them saying, 'Here we go again, we are forgotten.' How am I going to go back and tell them that I have confidence. Tell me how.

Mr BACON - If you take the east coast as an example: in an ideal world it is going to be the two councils working together with Tourism Tasmania to develop the strategy around how they market the east coast in consultation with the local operators. My hope is that the hard work which is being done at the moment by Mayor Legge and Tourism Tasmania to bring that together really pays off for that area. I hope in other areas of Tasmania that, with Tourism Tasmania's help, they can work out a local solution to keep everyone in the area on board and they can drive tourism in regional Tasmania.

CHAIR - Can I go back and say to the North-Eastern Tourism Association: Tourism Tasmania will be on your door asking you what help you need in the very near future. Can I go back and tell them that?

Mr BACON - You can definitely tell them that.

CHAIR - Can you give me a date?

Mr BACON - I will give you 3 August.

CHAIR - Thank you, fantastic. It is really important to be able to go back with these types of expectations and make sure that those people know they are still going to be an integral part of Tourism Tasmania and the marketing experience.

Mrs TAYLOR - That will be a Wednesday.

Mr BACON - I knew it was a weekday, because it is when the Legislative Council response is due - before 3 August anyway we will get someone.

CHAIR - Sounds fantastic.

Dr GOODWIN - This is a different sort of area; is that all right?

CHAIR - Is it in tourism?

Dr GOODWIN - Yes.

CHAIR - Fantastic, that is our area.

Mrs TAYLOR - Madam Chair, can I just ask a final question on the restructure before we move on and it is only a little question. We have talked a lot about restructuring so I do want to ask: how much money do you expect the restructure to cost and what timeframe?

Mr BACON - It is expected to save \$1.109 million.

Mrs TAYLOR - I know but just doing the restructure, just doing the exercise costs money. You have been doing it for how long?

Mr BACON - It has been going on for a few months now. There is a board meeting next week. It will come under strong consideration then now that the budget has been brought down. But in terms of the costs -

Mrs TAYLOR - It costs money to do a review.

Mr BACON - My understanding is that would be factored into the savings of \$1.109 million.

Mrs TAYLOR - And the timeframe when you think the restructure will be completed?

Mr BACON - By the end of the year.

Mrs TAYLOR - Thank you.

Dr GOODWIN - This question is related to the restructure, I guess, but what I am wondering with the breakdown of your current staffing levels, do people work in discrete areas?

Mr BACON - In different units, do you mean?

Dr GOODWIN - Yes.

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Mr BACON - Yes, they do.

Dr GOODWIN - I want to ask for the breakdown of that.

Mr BACON - We can give the current structure and obviously it will be out of date shortly -

Dr GOODWIN - It would be a useful benchmark for us to know.

Mr BACON - No problem, we will get that for you.

Dr GOODWIN - Have you already made some changes within your marketing unit?

Mr BACON - There has already been one change in terms of -

[10.30 a.m.]

Mr MAYELL - Yes, we are in the market this weekend for a new director of marketing. The incumbent is finishing up with us today, so we will be going out to market to find that. That is obviously a key role for the organisation.

Dr GOODWIN - Yes, a very important role. My next question is related to that. What is Tourism Tasmania doing to exploit the potential of the market in China? As I understand it, it is a good emerging market for Tasmania. Can you elaborate a little on that?

Mr BACON - It is certainly one of the key growing markets for Australia, but one of the key things we need to do is to make sure we have good connectivity between incoming flights - many of them are coming in to Brisbane - to make sure we have enough to connect to Tasmania. Once people come over from China, and as the Chinese market matures - it can be compared to the Japanese market as it was many years ago - one of the key things will be to make sure we have the connectivity between Sydney, Melbourne and Brisbane to get as many people in as possible.

Dr GOODWIN - I was interested to read in your annual report that you leveraged off the introduction of direct flights to Melbourne by Air Asia through a fly free to Tasmania promotion in Kuala Lumpur. Is that something you are looking at doing again? It appears to have been quite successful. Is that a model that you think works?

Mr BACON - In terms of maximising the potential in these growing markets, the focus is on generating awareness and on building relationships between Tasmania and other destinations.

Mr MAYELL - Within the last fortnight I attended a sort of senior summit on Australia-China tourism. I had the opportunity there to meet with the owner and CEO of China Southern, which is one of the hugely ballooning airlines coming out of China. They have committed significant capacity to Australia already but have clear plans to do more of that. As part of those conversations I was also able to talk to Brisbane Airport about their being a recipient of much of that capacity and the strategic opportunity for us, as the minister said, to provide a connectivity with Tasmania.

The Air Asia type of experience can work and also cannot work, and it usually costs a considerable amount of money. The airline is generally looking for the Government to come up with a significant amount of money for cooperative market. In the China market we have a person operating out of Hong Kong who works in China for a significant part of their time. What

is driving the market there is the value proposition that Tasmania brings. So it is media driven more than anything, and, having been out and about in regional Tasmania in recent times, a surprising level of business is coming here. The demographics of those people are very interesting, but they are obviously the ones that this media activity is hitting. We are finding that small B&Bs in Stanley and -

Mr BACON - The lavender farm in the north-east.

Mr MAYELL - Yes. So it is an enormous market for us. The whole of Australian tourism is grappling with the issue of how to deal with that market, and the big question is: are we ready for it? I think we can get a bit bogged down in that. The fact is that people are finding their way here now through the attraction we are generating through positive PR activity. We intend to ramp that up but, as I said and as the minister said, the real key is connectivity and making sure that people are able to access our State quickly and easily.

Dr GOODWIN - Can I ask another question?

CHAIR - Yes, in relation to that. That is fine.

Dr GOODWIN - No, not specifically. It is about adventure tourism. That was another area in our report.

CHAIR - That is fine. I am looking at the time. We will have a break, so if you want to finish that go ahead.

Dr GOODWIN - I noticed going through the clippings last night that Cradle Mountain Hut has won a top award for best adventure tourism in the 2011 *Gourmet Traveller* awards, which I thought was a terrific achievement. It linked in nicely with our view on the tourism committee that Tasmania has some advantages there that we could be exploiting, like New Zealand. There are some lessons to be learned from their recent review of adventure tourism. Is this an area that we are looking at in Tasmania?

Mr BACON - Certainly in Maydena - and Mr Farrell would obviously be interested - with the adventure hub concept that Forestry Tasmania has come up with there, and in the north-east they have the Treetops Adventure tourism. In the same way as New Zealand has capitalised on adventure tourism, it is an opportunity for Tasmania, absolutely.

Dr GOODWIN - So that is an area that you will be looking at in the future for further opportunities?

Mr BACON - We have to try to attract private investors to put those things in place. Then Tourism Tasmania can look at the way they are marketed and things like that.

Dr GOODWIN - Forestry Tasmania indicated that they wanted to move to being enthusiastic landlords rather than operating any further -

Mr BACON - Yes, that is right.

Dr GOODWIN - But they obviously have the land and the facilities in some cases.

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Mr BACON - Yes, and there is a lot of Hydro land and other crown land around the State that we could use for adventure tourism, which would be a good thing.

CHAIR - Forestry Tasmania just does not have the budget to be dabbling in tourism, I believe. They have a bigger focus.

Mr FARRELL - A quick one. I know Dr Goodwin is very much into adventure tourism, and she alluded to gourmet tourism. That will certainly be a strong feature, particularly in my patch. Is this an area that Tourism Tasmania is looking at developing?

Mr BACON - I am not sure what the project was called - Short Lunches or -

CHAIR - Long lunches, I thought.

Mr BACON - Long Lunches? You flew in, had lunch and flew back out. I think it was a couple of years ago. Also DED has done Savour Tasmania and things like that. So the food bowl concept of tourism is a real focus for the State Government as well.

Mr FARRELL - We can see the success of the Agrarian Kitchen in the gourmet travel area, and that is a comparatively small tourism business.

Mr BACON - And the Agrarian Kitchen is booked out for months on end. It is amazing.

Mr SPROULE - Our upcoming campaign will include a focus on Gourmet Farmer that will tap right into that market.

CHAIR - That is, if there are any farmers left in the rural communities, if the Government keeps shutting schools. I will now suspend the sittings and invite everyone to morning tea. I ask everyone to be back at the table, ready to go, at 10.55.

The committee suspended from 10.37 a.m. to 10.55 a.m.

CHAIR - I invite Dr Goodwin to continue.

Dr GOODWIN - An issue has been brought to my attention during the break about an event called Wildside which runs every two years, a four-day staged event for mountain bikes. Do you have any involvement in that through Tourism Tasmania or is it something you have thought about being involved in? Apparently it attracts pretty good crowds.

Mr BACON - Yes, there is a new contract being completed for the biennial mountain bike adventure touring event. The contract is for \$150 000 to deliver three events, ending after the 2016 event, so we have some involvement because the event has a lot of national and international appeal.

Dr GOODWIN - Okay, very good. My other question is about cycle tours. I understand from the annual report that we have some cycle tours and you had a cycle touring guide that was distributed in Victoria through Bicycle Victoria's magazine *Ride On*. Is that something that is continuing?

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CHAIR - Minister, before you answer that question, could you introduce the new person at the table?

Mr BACON - This is Glen Dean from DEDTA Corporate.

CHAIR - Thank you - back to the question.

Dr GOODWIN - Will the Tasmanian cycle touring guide be distributed again this year?

Mr BACON - I am not sure - Adam?

Mr SPROULE - I know we do produce it - the question is whether we will continue to?

Dr GOODWIN - Yes, and where it will be distributed.

Mr BACON - We will take that one on notice.

Dr GOODWIN - Okay. Do you know much about the cycle tours we do have in Tasmania? I would be interested in some information on that.

Mr BACON - We can get that information to you.

Dr GOODWIN - Thanks.

CHAIR - So the minister has no specified knowledge?

Mr BACON - I am not much of a cyclist myself.

Dr GOODWIN - We'll have to get you on the Pollie Pedal, Minister.

Mr BACON - I'm no David Bartlett, anyway.

Mr DEAN - Moving on, I do not think we have covered the downturn in tourism to the State this year. What does it amount to in numbers of people and finances to the State?

Mr BACON - The number of visitors to Tasmania remained unchanged at 911 900.

Mr DEAN - So that's the same as previously?

Mr BACON - Yes. There has been a bit of a difference in the make-up, I suppose you would call it. The total number of nights spent by visitors to Tasmania decreased by 6 per cent to 8.24 million nights and the average length of stay declined to 9 nights from 9.6. The reduction in nights was largely due to a decline in the number of visitors recording a length of stay greater than one month during the year ending March 2011 compared to the previous year. Over this time visitor expenditure in Tasmania grew to \$1.55 billion, an increase of 1 per cent, and the average spend per night increased by 7 per cent to \$188 per night. We have figures around interstate visitors, international visitation and intrastate visitation too if you would like.

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Mr DEAN - Well, if I can, because I was going to ask another question. What impact did the tsunami in Japan have here in Tasmania?

[11.00 a.m.]

Mr BACON - It would be hard for us to work out exactly what that impact was. There could be some drop-off that becomes apparent in future numbers, but whether or not that would be directly caused by the tsunami -

Mr DEAN - I understand that tourism from Japan has decreased in any event, hasn't it?

Mr BACON - Yes, to Australia.

Mr DEAN - Where do most of our tourist comes from internationally now?

Mr BACON - The traditional markets are still strong - New Zealand, the United States, the United Kingdom.

Mr DEAN - So who is on top of the list?

Mr SPROULE - North America still continues to be our strongest market, followed by New Zealand. Those two are very close.

Mr DEAN - How strong is our marketing in areas like this? You mentioned North America, so what are our marketing strategies in that area?

Mr BACON - In our traditional markets where an awareness of Australia and Tasmania is sound, a lot of our marketing focuses on encouraging outbound travellers and strong partnerships with districts and with airlines to turn what is already a strong recognition of Tasmania into convincing people to actually travel here. The visiting journalists' program is aimed at getting real, authentic stories into those traditional markets to try to generate visitation that way as well.

Mr DEAN - Direct flights to New Zealand: it is clear on the evidence that most Australians still travel to New Zealand; that is our priority country. What is Tourism Tasmania doing relative to the attraction of a direct flight from Tasmania - whether it be Hobart or Launceston, it does not matter - to New Zealand? What are you doing to get that up and running, and what position is it at at this stage?

CHAIR - Get them back, because we used to have them - New Zealand flights from Hobart.

Mr BACON - Tourism Tasmania is really focusing on relationships with the airlines and also, in building that data behind how we can build a convincing business case that we can then take to the airlines.

Mr DEAN - That was my next question. What are the numbers of people from this State travelling to New Zealand, and what are the numbers of New Zealanders coming here?

Mr BACON - That is a very good question.

Mr SPROULE - In the year ending March 2011, 15 000 New Zealanders were inbound - an increase of 12 per cent.

Mr BACON - One of the problems is that they leave from different ports in New Zealand; they are not all coming from the one place into Hobart and that makes it a little more complicated.

Mr FINCH - There has been a fair bit of frustration from New Zealand travellers about having to come through Melbourne or Sydney. It is all in the too-hard basket, so they don't bother coming.

Mr BACON - The problem would be then if you based it in Wellington and had a flight into Hobart, people from Auckland will still have to go to Wellington, so it is still -

Mr DEAN - I think we should bite the bullet and say this is what is going to happen.

Mr BACON - From the Government's point of view, we need a commercial carrier to make that commercial decision. What we need to do is build up a case for that route to be established. If we can build up a convincing case that stacks up commercially then I am sure someone will pick it up.

CHAIR - Minister, if I, as a Tasmanian who doesn't really drive much, can drive from Auckland to Wellington, then I reckon a New Zealander can do the same.

Mr BACON - If we can build that case, then I am sure that it will happen.

Mr DEAN - So the case is being built now, is it?

Mr BACON - Definitely Hobart Airport is always building more and more data and they work with Tourism Tasmania to build up that data and establish those cases.

Mr DEAN - Can I just go back to the budget cuts again? I am not sure whether we got this answer. In Tourism Tasmania across your portfolio, how many staff cuts are likely to occur within your department in relation to the budget cuts.

Mr BACON - Twenty-four.

Mr DEAN - How many people are on the Tourism Tasmania board?

Mr BACON - Eight.

Mr DEAN - What is the remuneration of those board members?

Mr BACON - This has been raised with me already - if the organisation is going to take cuts, will there be any cut to the board?

Mr DEAN - That is why I am asking for the remuneration of those board members, and what is likely to happen with that board because of the restructuring of Tourism Tasmania?

Mr BACON - I think it is a reasonable argument to say that if the whole organisation is to be cut, the board also should be cut. In terms of the remuneration, I do not have that figure with me.

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Mr SPROULE - Are you happy with an approximate figure? It is \$49 000-plus for the chair and about \$28 000 for members. It is probably important to point out that two of those eight board members are not paid. One is the chief executive, who does not get board fees, and the secretary of the department is also a board member and he doesn't receive board fees either.

Mr DEAN - So there are eight on the board, two of whom do not receive fees. The remaining six do, and one of those is the chair who gets about \$49 000.

Mr SPROULE - It is a total of about \$180 000.

Mr DEAN - What is the staffing of your department - just full-time equivalents.

Mr BACON - Ninety-one.

Mrs TAYLOR - Is that 91 before you cut the 24?

Mr BACON - Yes.

Mr DEAN - You said earlier that you were working with the private operators to drive visitation - or words to that effect. What are you actually doing with private enterprise to drive visitation? That are nice words - a good motherhood statement - but what are you actually doing?

Mr BACON - A couple of examples of cooperative funding in the 2010-11 financial year were secured by industry: Innkeepers Tasmania, there was a \$44 000 investment; the Van Diemen Hotel Group, \$5 000; Accor Hotels, \$15 000; Pure Tasmania and the Federal Group, \$47 141 -

Mr DEAN - That is with Tourism Tasmania?

Mr BACON - Yes.

Mr DEAN - So what did that provide? What did you get, for example, for the \$47 000 that was provided to Federal.

Mr BACON - Tourism Tasmania supports partnership marketing proposals to enhance collaboration between Tourism Tasmania and those members of the travel industry. The objective of these partnerships is to promote Tasmania as a premier travel destination. So basically how Tourism Tasmania and industry operate is based on a minimum dollar-per-dollar investment between the two partners. The party puts forward a proposal and then we enter into a deed agreement.

Mr DEAN - Do you monitor your expenditure - the money you have provided to, say, Federal Hotels - does Tourism Tasmania monitor the progress there and do you determine at the end of the day whether there is value for money in the partnership?

Mr BACON - Yes, we do. Tourism Tasmania will monitor those things and make sure that the outcome we are getting is value for money.

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CHAIR - How do you measure that outcome? Is it in increased numbers? We have already heard that we haven't had increased numbers. So what are the other key performance indicators that you use to back up the spend of those dollars?

Mr BACON - A lot of it is around campaign bookings - the number of bookings that come in through the campaign to justify the Government's spending of public money.

CHAIR - Even though there has been no increase in numbers?

Mr BACON - If there is a campaign between, say, Pure Tasmania and Tourism Tasmania for \$47 141, then you look at the campaign and what booking conversions actually came in through the campaign and whether that was value for money. Hopefully it is value for money and hopefully the relationship continues.

CHAIR - But still, Minister, if I were spending that much money, I would want to see an increase in numbers. Is that what you are hoping for, or are you happy -

Mr BACON - We would like to see an increase in numbers but there are a lot of external factors beyond the Government's control, such as the high Australian dollar, high interest rates and so on. There are so many cheap packages for people to go to Bali these days that -

CHAIR - Volcanic ash.

Mr BACON - Volcanic ash is also a problem.

Mr DEAN - My last question relates to the survey that Tourism Tasmania had completed in 2010. I am just reading from the summary of that survey. In relation to the activities undertaken in Tasmania by people coming to this State, and on top of the list was visitation of historic houses and visitation of historic sites and attractions. When you add those together, you find that about 98 per cent of tourists come to Tasmania for that purpose. I then look at the area of wineries. A very low number of people come to this State to visit wineries - I think people are wined out in other countries who do it better than we do. I need to say that I am not against wines, even though I don't drink them -

CHAIR - I am all for them!

Laughter.

Mr DEAN - Have we the promotion of the activities in this State right? We seem to place a great emphasis on wines and wineries with the Wine Routes and all the other promotions, but we don't seem to have the same focus on the popular attractions of this State - that is, the historic houses and our built heritage. I see very little promotion of that in any of the Tourism Tasmania documents and pamphlets. Most of that is left up to the local governments to try to do that. Launceston and Hobart are two good examples of the historic buildings and homes that we have. Is Tourism Tasmania going to look more closely at the marketing of the built heritage in this State? Are we going to put more money into that? What programs do you have at present to promote that?

Mr BACON - Clearly the figures you talked about there show what an important factor the built heritage is in drawing people to Tasmania. That fits in with our nature-based experiences as

well. I suppose it is a bit of a dancing act in that a lot of people already know what we have on offer in heritage; but we are also trying to promote new things as well. We are trying to get a wider range of people to come to Tasmania. It is an important part of what we do in promoting that heritage tourism, but we also have to promote new things that come along such as wineries.

Mr DEAN - Sure, but although it is a while since I read the annual report from Tourism Tasmania, I saw very little in there in relation to the built heritage of this State. If I have missed something, I would like someone to point it out to me. It has been brought forward to me, too, by other people - I need to be careful here - in positions who know a lot about heritage and the heritage of this State.

[11.15 a.m.]

Mr BACON - Do they think that Tourism Tasmania is not doing enough to promote the heritage?

Mr DEAN - Absolutely, very strongly. They say there is little emphasis put on that in this State to attract tourism here. They used stronger words to identify the attitude, as they see, of Tourism Tasmania in that area.

Mr BACON - I am sure that is something that Tourism Tasmania can take on board. We would be happy to meet with anyone in terms of heritage. We obviously do not want to get into who they are but, if there are concerns out there, I would be happy to hear those concerns. If people think there is a way we can do it better, we can definitely -

Mr DEAN - People who are involved very closely with this type of activity.

Mr FINCH - If I could add on to that?

CHAIR - We are not backpacking yet.

Mr FINCH - Not yet. When we presented our report to Parliament, I talked quite a bit about the National Trust. I know Mr Dean's figures there. I think it is some 648 800 people a year will visit an historic site or historic attraction in Tasmania, so the figures are very compelling. I know, speaking with Ray Foley and Chris Tassell of the National Trust, that they feel a bit neglected. Over the past five or six years there has been a lot of rebuilding of that organisation. I would say they are well placed to take a strong partnership role with Tourism Tasmania because of the work that they have done over the years to prove themselves by rebuilding and rebuilding their membership. I think they would be a very strong partner for Tourism Tasmania going forward.

Mr BACON - There is a good opportunity now there is a new CEO, a new chair of the board and obviously I am a new minister as well - so it would be a good opportunity to re-engage -

CHAIR - A new broom sweeps clean.

Mr DEAN - It has been suggested in actual fact that they ought to have a part on the board. Do we have anybody with this background on the board? You probably have, I do not know, but it has been suggested there ought to be a position there probably for the National Trust on this board.

Mr BACON - Would they do it for no cost?

Mr DEAN - I do not know. I suspect if they are employed.

Mr FINCH - Chris Tassell is the CEO and he is paid by the National Trust. I reckon he would jump on board at the blink of an eye.

Mr DEAN - I understand there is nobody there with that background, and you will have a look at that, minister.

Mr BACON - I will be happy to talk to the National Trust about what we are doing in terms of heritage.

Mr DEAN - And consider a position on the board for them.

Mr BACON - I am not sure it would be that easy.

CHAIR - Is it in legislation - the number on the board and the skills base?

Mr BACON - Yes, it is.

Mrs TAYLOR - We are still on 2.1, aren't we?

CHAIR - We are on tourism. We have not got to events yet, albeit we have touched on a number because it seems to interact.

Mrs TAYLOR - I have two quick questions in the general: One is that \$50 000 for north-west tourism was announced just prior to the budget. What is the rationale behind that commitment and who decided that it would be spent? It seems strange to do \$50 000 just before the budget is announced.

Mr BACON - That was money that was left over in last year's budget, and obviously there are particular concerns at the moment on the north-west coast. So the decision was made by the CEO effectively on the basis of getting the money in there to the Cradle Coast Authority so it can get out as quickly as possible and try to get a result as quickly as possible. So that decision was made.

Mrs TAYLOR - For a specific purpose?

Mr BACON - For marketing on the north-west and west coasts.

Mrs TAYLOR - Thank you. My last question: There has been quite a bit of talk about China and the connection for tourism here. What are you doing or, if you are not doing anything, what will you do to look at Mandarin - at encouraging some kind of Mandarin course in Tasmania through the education system but more than that just simple stuff for tourism operators such as when the Japanese thing happened years ago, everybody suddenly learnt to say 'konnichiwa'. It is just the meet and greet and what can we do to help tourism operators.

Mr BACON - In terms of language training, a lot of the Chinese people at the moment are travelling with their own guides with language skills and things like that.

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Mrs TAYLOR - I am not asking for full Mandarin courses, I am just talking about exactly the things that the member for Rosevears was talking about in being welcoming - that initial stuff.

Mr BACON - I am not sure how Tourism Tasmania would go about something like that. I would be happy to hear if you had.

Mr GAFFNEY - Tourism Tasmania worked with Circular Head Council and have produced a DVD that has an Asian language there to help them. That was a really good partnership, and that is where it is a dollar for dollar deal. It is a terrific way of operating. That is an example of where that works out.

Mrs TAYLOR - It might be that Tourism Tasmania takes that on board and have a think about how they could do that across the population so every tourist operator, which means cafés and service stations.

Mr FINCH - There are 58 million Chinese tourists per year and it is growing at a rate of 20 per cent per year. There will be two billion middle-class tourists, new ones, from China, Brazil and India over the next two decades - outstanding figures that we should be exploring and capitalising on.

CHAIR - Minister, can I suggest you will learn more today from us than we probably would from you.

Mr BACON - You can suggest anything you like.

CHAIR - In relation to language, can I suggest that a campaign on 'hello, can I help you' might be in preference to 'are you right?'.

Mrs TAYLOR - Not 'can I help you' but 'how can I help you'.

Dr GOODWIN - Maybe the Office of Multicultural Affairs could assist with this, I would think.

CHAIR - Some very good points have been raised. We talked about a lot of five star opportunities and now we are going to talk about backpackers.

Mr FINCH - I have expressed an interest on the importance of the backpackers to our tourism industry. I would like to get some sense from the department and from you as tourism minister on what research, what marketing and what investigations into facilities have been made; or what attempts have been made or will be made to monitor and improve facilities for backpackers and especially their accommodation. Can I get some sort of sense from your ministry as to how the backpacker market is viewed in respect of Tasmanian tourism.

Mr BACON - Tourism Tasmania has facilitated the formation of a new backpacker industry sector group in the State known as the Backpackers Operator Network or BON. Tourism Tasmania is supporting BON's preparation of an annual business plan incorporating marketing to the backpacker niche market. Tourism Tasmania also supports marketing activities identified in this plan, including advertising in targeted publications, participation at backpacker and adventure travel expos in Sydney and Melbourne, and development of an industry website to act as an information portal for backpacker visitors.

Mr FINCH - Are we serious - is that just a little bit of feed for the chickens or are we going to be serious about it?

Mr BACON - I think it is a genuine way to engage the backpacker sector of the tourism operators. In terms of how we can continue to grow that market, Tourism Tasmania will continue to work hard to develop that market now that that other structure is in place.

Mr FINCH - We certainly got a sense that young people who are travelling and using their social media are talking about the opportunities where they can stay and what they can see. We might sound as if we are a bit besotted with New Zealand but, when we look at New Zealand, we are so comparable to them and in fact we probably have better built heritage and our temperate wilderness would be comparable. Yet I do not think we are in there competing for that market as effectively as they are, and the opportunities there to me seem to be boundless.

Mr BACON - That is another reason why we need to get things like Three Capes up and running so we have those new experiences as well, because the more new experiences we can get out into the market the better off to attract all different kinds of tourists, including backpackers.

Mr FINCH - We talked in the Parks and Wildlife section of our investigations this week about the South-West Coast track from Melaleuca through to Cockle Creek. We heard about the cost effectiveness of putting in a proper track there and how some of the obstacles do not make it a worthwhile proposition. However, I would probably encourage your department to investigate that even further, because that is an outstanding walk. When we get people to come for Cradle Mountain, for Freycinet and for Three Capes, they are going to be looking for other things. I think that south-west walk would be really quite an attraction to draw people back: The flight into Melaleuca and the walk out to Cockle Creek is exotic.

Mr BACON - A lot of people have done that walk and people rave about it. I would be more than happy to talk to the minister for parks about it. The key is we get the Three Capes up and running and then we look to more opportunities around the State to get more and more experiences out there to keep people coming to Tasmania and to come back as well.

Mr FINCH - I think the backpacker market and getting the word out through social media - that is something I could go on to, Madam Chair, do you mind?

CHAIR - I do not mind at all.

Mr FINCH - How is Tourism Tasmania embracing this growth in social media?

Mr BACON - It has been identified by Tourism Tasmania that it is an area that we need to focus on. We probably have not done as much in the past as we could have. As we go forward it will be a real focus for the organisation. I do not know if Tony wants to add anything.

Mr MAYELL - Thanks, minister. In terms of the potential of communicating via that forum rather than traditional means, it is something we need to put a high priority on. Accordingly, in the short time I have been there, I have brought together the resources that we have within the department that are working in this area at the moment and have put in place a request or a demand that we have proper strategy around this. It is important we do not do it in isolation from the general marketing activity as well; it needs to be part of an integrated mix of communications;

but certainly it is the way to communicate with some of our prime market segments. As the minister has just suggested, it is fair to say we have been lagging behind in that space so I have elevated it as a priority for us. It is extremely important.

Mr FINCH - If I could while on the subject of IT, and I know that Tourism Tasmania has been doing a lot of work in this area and in a lot of ways we are up to speed but there is still a way to go. There are still operators in Tasmania who are not savvy and who do not want to embrace the world of IT. What can we continue to do to bring those operators along so that we do not look - I do not want to say 'Third World' but we want to look as if we are up to speed with tourism in a modern sense.

Mr BACON - That is why the department runs the Digital Coach Program and things like that. But in reality a lot of it is going to fall to operators because the commercial reality is if they do not get online, if you cannot book online, then they are going to find it very difficult to survive. Tourism Tasmania will continue things like the Digital Coach Program but we have to have buy-in from operators as well; they have to want to get online and seize on those opportunities that are out there.

Mr FINCH - What is available to operators - let us say there is an operator out in the sticks somewhere, how does the Digital Coach Program work and how accessible is it for operators.

Mr BACON - One of the problems with the Digital Coach Program and things like that is the range of abilities that the operators will come to the program with. You have people who are quite IT savvy but then you have other people who really struggle to turn on a computer. That is one of the problems that Tourism Tasmania faces. I do not know if you want to add any detail, Adam.

Mr SPROULE - The minister is correct. We are only in the second year of our Digital Coach Program. One of the issues that we face, and it is a challenge but it is a learning delivery, is how best to teach someone to do something. We all know that sometimes it is okay to do it in a room like this with a powerpoint and get the computer out, but that is not practical with some people because they are running their business and various things like that. We are trying to deliver this program in a range of different ways. There is still the option for you to go to a centralised place and see someone. But we are also delivering it online in an online forum. Clearly you need a certain level of IT skill to be able to access that area. We are trying to cover the whole suite of learning delivery but ultimately, as the minister said, we can only do so much in that space and continue to encourage operators to get involved in our program or to get online with their product.

[11.30 a.m.]

Mr FARRELL - On the IT issue, there is tremendous scope to integrate that into some of our volunteer-operated visitor information centres to build on the volunteer base. I am sure that IT people could develop a simple form to help people with a touch screen, much like the McDonalds cash registers, where you press a button and out it comes. It is about getting the services and the information to the tourists. Is this an area into which you would look at channelling some funds?

Mr BACON - Another thing that we need to think about is that some tourists now will not go into a visitor information centre because they get everything on their phone. We need to consider how to contact those visitors and things like that. Training for people in the TVIN, or the visitor

information network, is certainly something the department could look at. Maybe the volunteers could look at training as well in conjunction the Digital Coach program.

Mr MAYELL - Perhaps I can add to that. In the context of what we are working towards with regional tourism bodies, that is very much a part of the agreements we would arrive at with each of those bodies. As I have mentioned, one of those is Visitor Information Services. If there is a way to improve the full gamut of services, we will enter into a partnership with the regional tourism body to do that.

Mr FARRELL - A while back we had the Parks minister with us and we were discussing how the most visited parks - and parks are a fairly important part of the State's tourism business - seem to line up with commercial developments on the side. I said that we are not all like the doctor up the end there, who will go into the wilderness with a pack on. Many people want the softer option. Is this an area that Tourism will actively look at developing?

Mr BACON - Absolutely. The overland track is a great example of that. When that was opened up to commercial operators we saw an increase not just on the commercial side but in the number of other walkers as well. Three Capes is another great opportunity. Once that product is in the market, Tourism Tasmania will work hard to try to drive as much visitation as we can get.

Mr FARRELL - These developments are very much in harmony with the environment too.

Mr BACON - Yes.

Dr GOODWIN - I have a question about Tas e-Connect. In your performance information on page 2.12, your 2011-12 target for online bookings reflects an increase of exactly 1 000. I wonder how you propose to achieve that. This is in the context of some of the evidence we received about some issues with Tas e-Connect, and perhaps not as good a take-up by operators as would be desirable. Can you shed a bit of light on that?

Mr BACON - Certainly I have had representations from a couple of individuals with concerns - these have probably been raised with you also - as to how the system is working. Obviously we have a contract in place at the moment but - and we discussed this yesterday - it is important to get as many businesses online as we can and to provide the right business environment to encourage as many people to come online as we can. In terms of the specifics, Adam, do you have something to add?

Mr SPROULE - The minister is absolutely correct. Our whole reason for setting up Tas e-Connect was to provide enough encouragement for people to get online and to have their businesses bookable online. Some of the feedback that the minister has referred to relates to people being bookable and online on our own site. It often causes confusion that we are only just one place on which operators can have their product showing and booked. The indicator in this target relates very much to our own role as distributor and, as with everything in the IT world, things move very quickly. We only made the decision to implement Tas e-Connect when we closed our wholesale operation in Launceston two years and two months ago, and already we have seen changes in the way consumers are purchasing and in the options available for people to get their product to market. Our board is looking right now at Tas e-Connect and our role as a distributor.

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All I can say is that initially that target was set because we were taking out of the market a wholesale program that many operators were making a lot of using of. We had 400 people in our wholesale program, and 150 of those people provided product that could be sold. We knew that we needed to do a very short-term intervention to encourage people to get online, and that was the program we were running.

Dr GOODWIN - If I could change tack slightly, I refer to a report released by the Tourism and Transport Forum in May 2011 about the impact of the carbon tax on tourism. A paragraph in the report suggests that the negative impacts of the carbon tax for tourism and travel will be concentrated in regional Australia, and Tasmania gets a specific mention. Is Tourism Tasmania doing some work on this an issue and are you conscious of its being a potential problem for Tasmania?

Mr BACON - I was due to meet with the people who put out the report a couple of times and twice they have been caught up in the ash cloud, which is unfortunate. I have not seen any work in terms of the specifics of the carbon tax and how it will affect tourism in Tasmania, but I am not sure whether the department has done any work to date.

Mr SPROULE - Tourism Tasmania certainly has not done anything specifically on that topic, but that is not to say that the broader department has not done any work. Maybe we could take that on notice.

Mr BACON - We can take that on notice. We can find out whether any work has been done by the Government.

Dr GOODWIN - Thank you. But you are certainly conscious of it. When are you meeting with the people?

Mr BACON - We are due to meet those people as soon as they can get into Tasmania.

Mr MAYELL - I might add that there is a group called the Australian Standing Committee on Tourism, headed up by each of the State bodies and Tourism Australia, which is the lead national body. This report has been fed into a broader report prepared by Frontier Economics. They have put together a similar report, and I suspect that it is a bit of a cut and paste from the TTF's report as well. So it has been brought to the attention of that group. We are due to meet within the next month or so, but we have gone back with some questions in relation to the science behind the tax to seek some clarity. Before the whole tourism industry races off in one direction, we are asking a few questions that we think are relevant.

Mr GAFFNEY - The committee has heard that many of the people coming into tourism have had wonderful ideas and terrific thoughts and understanding, and around the table this morning we have heard of lots of different initiatives. Given that we are now cutting \$6 million out of the budget, out of what we had last year, it must be very difficult to come up with an operational plan and set some priorities. My question is directed to Tony, in his short time here: you have to set your priorities, you have to set your operational plans, and you will have to cut some of what you are doing because it will become too wishy-washy if you are not putting enough into it. Have you given yourself some sort of time line after which you will say, 'This is how we will function with for our core business'? We have \$6 million less than we had last year. We cannot possibly do the raft of things that have been suggested here. How do you see that time line fitting into your work?

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Mr MAYELL - A critical point for me is our board meeting in Launceston next Wednesday, following on from the TITC conference. At that meeting I will be taking aboard -

Mr BACON - We are just happy that you are having the meeting in Launceston.

CHAIR - Launceston. We have just had one win.

Mr MAYELL - Okay. I will be taking aboard the considerable work that has been done in terms of identifying those priorities. Rather than saying, 'Let's keep doing what we're doing now, but we have to do it with less', we will say, 'What should we be doing?' and identify the resources required to deliver on that, and from there the structure will fall out. We are very well advanced in terms of where we need to end up and how we will implement the staff changes. I am confident that, within the space of a month after that board meeting next week, we will be able to clearly communicate the business that Tourism Tasmania is in and the things that will fall by the wayside. But my focus is on making sure that we invest in the areas in which we will get the best return.

Mr GAFFNEY - I think that is right. One of my concerns when we went around to all the different areas was that everybody thought Tourism Tasmania was supposed to do this for them. I thought that was quite unfair to the organisation. But perhaps it had been spread out there that we will do this and we will do that. I think you are better off saying, 'This is our core business, and as we get more funding, or as we can expand or get some runs on the board, we will go into other areas.' I am looking forward to the priorities when they come out.

Mr BACON - It will be important for Tourism Tasmania to communicate once those decisions are made.

Mr GAFFNEY - Exactly, yes.

Mr MAYELL - If have a further point on that, given some of the questions that have been asked and issues that have been raised today. One of the outcomes of this reshaping and refocusing of the organisation will be the requirement for industry to be more and more accountable. It is the only way that we can end up with a sustainable industry base within Tasmania. Whilst Tourism Tasmania has the primary role of driving demand and making sure that we contribute to standards and providing equality of experience, at the end of the day businesses themselves will have to take the lead.

The minister gave us a summary earlier of the cooperative marketing activity that has been undertaken. That is industry led. Industry is putting up dollar for dollar for that. It is very much in their interests for this stuff to work. We support them, and they are driving the proposition, based on their commercial understanding of the marketplace and their commercial understanding of the opportunity. We want more of that, and, as I said, it is about making industry more accountable. Under the regional tourism model there is no lessening of our commitment. In fact, we will probably end up with a situation in which regions have more control over the funding that we are providing on a piecemeal basis at the moment, apart from big buckets of money in zone marketing, which will continue.

The idea is that those organisations will again basically decide how that money is invested. We will have arrangements in place so that various things such as brand guidelines are respected,

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but at the end of the day they will be empowered to take their message to market, as long as there is some consistency there. That will be a great thing for industry, because it needs to step up and take the lead.

CHAIR - I think we are winding down out of tourism, but Mr Finch has a couple of questions in relation to some specific areas, and then Dr Goodwin will finish off.

Mr FINCH - I want to talk about Business Events Tasmania, because they seem to be a crucial part of our opportunities here in Tasmania. One of the core responsibilities of Tourism Tasmania is to attract more visitors to Tasmania, and Business Events Tasmania appears to be as aligned as anybody in that respect. According to the numbers, 25 000 visitors will come here this year for Business Events Tasmania and that will bring \$41.3 million into the State, taking into account what they pay to come here and the add-ons of staying longer.

I wonder if we can we talk about that. Can you tell us, minister, how you feel about that organisation and how you might partner it?

[11.45 a.m.]

Mr BACON - My initial contact with Business Events Tasmania happened last week when they announced they had secured the AUSVEG conference, which I mentioned earlier will bring in 1 000 people -

CHAIR - And you gave them \$30 a head.

Mr BACON - That's right, out of the \$170 000 for the Meet in Tasmania Incentive Scheme. I think it is a good thing for us in Tasmania because it is about attracting people to Tasmania when demand is lower and occupancy rates are down. It is a really strategic way we can target an increase in visitation through the colder and less traditional months for travelling to Tasmania. The Government supports Business Events Tasmania with \$770 000, \$540 000 of which is to support big development and convention marketing strategies and \$170 000 to the Meet in Tasmania Incentive Scheme. I am meeting with Stuart Nettlefold in the coming weeks because I think it is a crucial part of our tourism strategy.

Mr FINCH - Have you talked to them? I will sow this seed with you: they do have a perception that a convention centre is not the highest priority for their circumstance. I thought it might have been but they were talking more about the need for high-grade accommodation.

Mr BACON - In Hobart?

Mr FINCH - Well, I suppose wherever you can attract those meetings and forums.

Mr BACON - I have not spoken with them about that yet but when I meet them in the coming weeks I am sure they will discuss their priorities with me and I will be happy to hear what they are.

Mr FINCH - I am wondering whether there is a perception or understanding of the importance of international students to Tasmania and the opportunities to bring their folks, siblings and relatives to visit them while they are here studying and the long-term benefits of international students.

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Mr BACON - Absolutely. The Government as a whole is really aware of how important international students are to Tasmania. I know David O'Byrne was in China recently with a couple of schools represented who were trying to drum up more international students, and the university does a lot of work on that as well. In terms of what Tourism Tasmania is doing at the moment, perhaps Tony or Adam can expand on that.

Mr SPROULE - Within our broader department we work quite closely with (??? 48:24) who have a responsibility for working along with the international education unit in DoE on attracting people to come here for education purposes. It is in our interests to feed into that because we know that people who come here to be educated will often attract VFR - visiting friends and relatives. Although the numbers have remained static at the moment, in one of the segments within the visitation to Tasmania you will see that VFR has actually increased. I am telling you that that is as a result of education tourism .

Mr FINCH - It is interesting that the number of students has gone down nationally but gone up in Tasmania.

Mr SPROULE - I might just add that I have already instigated a meeting with the UTAS people specifically on potential and certainly China is a prime lead. Other markets that have been targeted in the past have proved very successful and Victoria had enormous success 15-20 years ago with the Asian market which is translating into actual migration as well, so it has been a double-whammy there for the State in terms of its economy. But I have had discussions with UTAS and those meetings are about to reconvene; they were bringing their people in who have just been to China, I believe, so there is every intention for us to work in a very strategic partnership with them because I see it as a great opportunity for us.

Dr GOODWIN - I am not sure that we had a recommendation around this but we had a finding, certainly, and we discussed it in the text of the report, so we had some evidence on that.

I think you mentioned the Hot Lunch program very briefly. Is that continuing; are you going to do that again?

Mr SPROULE - Hot Lunch was a program we ran last year as part of one of our major campaigns with our access partner at the time, Virgin, and through the Fairfax league of publications, including *Gourmet Traveller*, we worked out a deal whereby people could pay \$295-\$300 and fly down from Sydney to Tasmania for the day and have lunch at Peppermint Bay or somewhere like that and then fly back out. It sold out within four days of the promotion being run, , we have repeated it once since then and I know it is certainly something our marketing team are considering in their future plans.

Dr GOODWIN - So from your perspective, based on the lunches you have already held, it was quite a successful strategy.

Mr SPROULE - We didn't actually contribute money to this, only human resources and connecting the product together. I guess one of the things we would like to see out of it is that these people come down here again and perhaps maybe instead of staying a day they will stay longer next time.

Dr GOODWIN - Do you have the capacity to attract that?

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Mr SPROULE - Probably, but I don't have the answer to that.

CHAIR - Are you interested in getting those numbers, Dr Goodwin?

Dr GOODWIN - Do you know?

Mr BACON - We can see what information is available in the department and get it for you.

Dr GOODWIN - That would be great. I have one other question around the cruise ships issue and how that has been tracking in terms of numbers of visits compared to previous years.

Mr BACON - Cruise tourism has grown by 14.5 per cent over the past 10 years. In terms of this year's numbers, we have seen 53 port visits by 17 different cruise ships over 2010-11, and in terms of forward bookings we have 69 visits currently scheduled, which is another significant increase on last year. I was in Burnie about four weeks ago and it is a very important component of what they are doing up there so hopefully it will continue to grow.

CHAIR - Did the mayor greet you in his robes when you arrived in Burnie?

Mr BACON - No, I didn't get the chance to meet him.

CHAIR - Well, you need to go back and have that experience.

Dr GOODWIN - Are there any concerns around the condition of the ports impacting on visits by cruise ships?

Mr BACON - Certainly I have heard people say they are concerned, but one thing that shows up from the passenger satisfaction surveys that are done is that 83 per cent of cruise lines also rated TasPorts as a provider of high or good quality service.

Dr GOODWIN - Has TasPorts increased its fees for cruise ships?

Mr BACON - Not that I am aware of, but we can get that information from the Minister for Infrastructure if you'd like.

Dr GOODWIN - Thanks.

Mr GAFFNEY - Minister, one of the issues that came through last year when we were talking to Tourism was about the Spring Breaks campaign, I think it was called, the one that happened in springtime. A lot of tourism operators said it came very late and I am wondering if that is going to be continued this year and, if so, has contact been made with the operators already so that they can be prepared for it? I think they found last year that the campaign didn't really bring the benefits it should have but it might this year if it is done with a better time frame to it. It needs a greater lead-in time so that it is more effective. It didn't have the impact it possibly could because a lot of the operators said it was sort of on their doorstep and there and then it was gone before they had actually had a chance to build on it.

Mr BACON - We had these concerns raised yesterday as well, so in terms of how we do it differently this year, I might hand over to Tony to explain.

Mr MAYELL - From what I know of the history, I think those comments are probably warranted. We are already in contact with operators now for a September launch of the campaign. We are probably at about the third cut in creative and the board will have a quick look at it next week, but the media is pretty much in place for it. The contact has been made with industry and I think there is still about a week until deadline; we obviously have to get industry to come back to us with their offer and contribution but it should definitely be on time this year. It is a very important part of our overall function and is one of those things we need to get right, so we are very mindful of that.

Mr GAFFNEY - Just on that, with the evaluation of a campaign such as that from last year to this year, will you be able to do a comparative analysis of the two?

Mr MAYELL - Yes, there are a number of measures, although to be honest you wouldn't put your house on any of them individually but through a collective gathering of market intelligence we are able to get a fair indication of how successful those campaigns are. It is really around things like recall, awareness of campaign, and you do that for a considerable period of time after the event as well, so it is triggering people's memories of the campaign activity. We are doing some relatively new things this year, more above the line, so more visible activity in the marketplace. In the cinema we are embracing some new technology that is linked to some of those cinema ads as well, so with all those there is the technology available now to know how many people have tapped into that. Those sorts of things as well as the more traditional methods will give us an indication of how successful they are, and obviously the key one is conversion with our industry partners.

3.2 Events -

Mr DEAN - There is a significant cut in this area this year of about \$1.1 million and in the next couple of financial years we see an almost \$2 million cut in this area of events. Does that mean there will be less opportunity to promote Tasmania for up-and-coming events?

Mr BACON - A large part of that cut is from the new initiative that was announced in last year's Budget with the attractions program. That reduction that was announced in the midyear financial report of \$3.8 million, which is the \$1.5 million yearly from last year's Budget, and the events attraction program is something that we simply cannot afford in the current budget climate.

Mr DEAN - Minister, my question was what impact is that going to have on the promotion of events in the State. Will it mean less events?

Mr BACON - It will make it more difficult for us to attract new events.

Mr DEAN - How many are employed in this area?

Mr BACON - In Events Tasmania there are four people.

Mr DEAN - So what will be the outcome there? Will there be a downsizing of staff?

Mr SPROULE - Events Tasmania does a range of things. They also run two event grant programs you are probably familiar with. These are the touring programs where we get the groups of car clubs that come into the State and travel around. They have their national championships and special interests. They also do work with specific events to develop events so

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that they are offering the right things to people and, hopefully, we have the aim to make them less dependent on government intervention.

[12.00 p.m.]

Mr DEAN - So the same staff levels will be retained in that area?

Mr SPROULE- I guess that is subject to the second-phase review that we are going through at the moment. So potentially not.

Mr DEAN - So the position is Events Attraction will suffer immensely as a result of that? Does that mean that what you are really doing, is putting that back on to a lot of the local government areas? You are virtually cost-shifting that across to local government.

Mr BACON - The large proportion of the decrease is in the Events Attraction program, so the funding decisions that we will make are about prioritising funding events that have the best outcome for Tasmania socially, culturally and economically.

Mr DEAN - Madam Chair raised the issue of the V8s. How much time have you got to shelve up the deal in relation to the V8s in this State on an ongoing basis?

Mr BACON - Media comments from V8s have shown they have a lot in their program for next year. Certainly we are keen to work with them to finalise that.

Mr DEAN - You haven't answered my question. My question is: what time have you got to do that? When will the people of this State know that that event will be here in the following years? When do you have to sign off?

Mr BACON - We have a contract in place for this year and we are looking to finalise a contract for the following two years as soon as we can.

CHAIR - Can I just clarify that. Was that contract a three-year contract initially?

Mr BACON - Initial discussions were around a three-year contract. Then when the Government's financial position became clearer, a one-year contract was negotiated at that time with an option for a following two years.

CHAIR - So there was never a three-year contract signed initially?

Mr BACON - No, that is how negotiations began on a three-year contract, and then -

CHAIR - But there was never a three-year contract signed; there was only one year with a two-year option?

Mr BACON - That is right.

Mr DEAN - Is it fair to say that the State's dilly-dallying on this is putting this event in jeopardy?

Mr BACON - No, it is not.

Mr DEAN - Not at all?

Mr BACON - No.

Mr DEAN - That is different to what they say.

CHAIR - All those media reports were untruthful?

Mr DEAN - I have spoken to the organisers themselves, and they say it is. I am just wondering where the difference of position is. Have you spoken to them yourself?

Mr BACON - I have spoken with Motorsports Tasmania and put in a call to Shane Howard and V8s as well.

Mr DEAN - With great respect, Minister, as this is such a big event for Tasmania, don't you think there ought to have been somebody in the top of this Government speaking directly with Motorsports Tasmania to ensure -

Mr BACON - But I have met with Motorsports Tasmania.

Mr DEAN - You have? When did you do that?

Mr BACON - I can check the date for you, but it was probably two weeks ago. Dick Caplice, John White and Beecher Townsend of Motorsports Tasmania were there, and I spoke to Dick Caplice on the phone last Friday.

Mr DEAN - I just ask the question again to make sure I have got it right. This position that the State has adopted at this stage is not putting in jeopardy the continuation of that event in Tasmania moving forward over the next two, three, four years?

Mr BACON - Certainly we have a contract in place for this year. Hopefully we will finalise the contract for the following two years after that and then we will look at another contract as well.

Mr DEAN - I just refer to the Oprah show that we are told about, where, I understand, the State put in \$106 000 for a return of about \$2.3 million.

Mr BACON - Tourism Tasmania provided some on-ground support and \$106 539 towards the cost of the Tasmanian component of the Oprah visit. Preliminary advice from Tourism Australia suggests that Tasmania's segment, shown in the first airing of the show in the US, was valued at \$2.3 million.

Mr DEAN - Right. I don't know what the likely income is to this State in bringing that event here, but that is a one-off event.

Mr BACON - Yes.

Mr DEAN - So you are prepared to put in that amount of money and shore that deal up very quickly. I am making the comparison between that and the V8s, which is an ongoing event -

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Mr BACON - Which we have funded for six years already and we are going to fund it for another two. The Government is committed to the V8s continuing in Tasmania.

Mr DEAN - The comparison I am making is that the V8s bring in about \$5 million with 60 000 people in Tasmania attending that event. I would have thought it was certainly the equivalent of the Oprah event, and that is why -

Mr BACON - Certainly I agree in that the State Government makes five times the contribution to the V8s every year.

Mr DEAN - What new events did you attract this year? I couldn't see anything in the papers, but maybe I have missed it. The papers are all over the place. There are bits of references to these things right across the board.

Mr BACON - I suppose the other important news around Events is the continuation of the Hawthorn deal and the number of tourists that will bring into Tasmania as well - and also the North Melbourne deal as well.

Mr DEAN - I won't go into the Hawthorn deal because I think the member for Mersey will take that up in a moment - so there are no new events? The only new event will be North Melbourne.

Mr BACON - That will be new for next year. In terms of the Hawthorn deal, that does fall -

Mr DEAN - This year. What new events have you promoted and brought into the State this year?

Mr BACON - Commonwealth fly-fishing championships; the Breath of Fresh Air Festival - that was contracted for \$45 000, which is a national boutique film festival based in Launceston, and celebrates the power of moving image to exact social and cultural change; the Junction Arts Festival - that was contracted for \$200 000, Australia's collaborative arts festival, based in Launceston and established in 2010 alongside the Australian Regional Arts conference -

Mr DEAN - Is Events solely responsible for that?

Mr BACON - These are new events for this year.

Mr DEAN - Okay. I will just move across to the North Melbourne position -

Mr BACON - The terms of the North Melbourne deal - questions for that should be directed to the Premier.

Mr DEAN - Did you yourself have anything to do with that.

Mr BACON - No.

Mr DEAN - Nothing at all?

Mr BACON - No.

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Mr DEAN - So you were never consulted? I would have thought that in the Tourism area there would be likely spin-offs for -

Mr BACON - There will be spin-offs; there is no question about that. I think the tourism benefits of AFL football are well documented through the Hawthorn deal, and certainly I hope that the North Melbourne deal provides many tourists into Tasmania.

Mr DEAN - I hope you are not drawing a parallel between Hawthorn and North Melbourne in any way!

Mr BACON - I don't like Hawthorn or North Melbourne; I am an Essendon fan!

CHAIR - Order! We are not going into football teams.

Laughter.

Mr DEAN - The position is that Tourism Tasmania has a direct interest in this. What you are saying is that as minister responsible for this portfolio you were not consulted or involved in this at all?

Mr BACON - That is right. The negotiations were done by other members of the Government.

Mr DEAN - Do you find that odd - that you, as the minister, did not have a part in this and were not consulted?

Mr BACON - Certainly I think the responsibility falls to the Premier. Effectively she outranks me.

Laughter.

Mr BACON - There is no funding from Tourism for the North Melbourne deal either.

Mr DEAN - No, there is not, but there is State funding.

Mr BACON - The TT-Line.

Mr DEAN - The public of Tasmania are funding it. It is not TT-Line's money as such.

Mr BACON - It is part of their marketing budget.

Mr DEAN - It is State money.

Mr BACON - An important part of our tourism market is the Victorian market. It is a good opportunity to get our product out into the Victorian market.

Mr DEAN - So now that the deal has been done, what position is Tourism Tasmania playing?

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Mr BACON - Tourism Tasmania is looking to work with North Melbourne to develop packages for bringing people into Tasmania. At this stage they are looking to do that towards the end of the season. Obviously North Melbourne has a few things going on at the moment, but I know Tony is keen to speak to North Melbourne and see what kind of packages and other assistance that Tourism Tasmania can provide to drive tourism.

Mr DEAN - So your department has had meetings with North Melbourne, have they?

Mr MAYELL - No, not at yet.

Mr DEAN - You haven't even done that? So you don't know what you can get out of it at this stage?

Mr MAYELL - I think what we will be talking to North Melbourne about is a fairly logical step in terms of tapping into their membership base and offering them packages around next year's events.

Mr DEAN - It won't take long to tap into their membership base! About half an hour!

CHAIR - Order! Too sensitive to talk about football teams.

Mr MAYELL - My read of the situation would be that it is probably not a good use of anyone's time to be talking to them at this stage of the season. We have the period from the end of this season through until the start of next year to really work with North Melbourne to identify the opportunities going forward. We know that they are coming here. I think it would be a waste of our money to start hitting marketing to that membership base at this point in the season. Certainly the opportunity is appropriate in terms of both parties' time and priorities and I will be making contact with them through the president of that club.

Mr DEAN - I do not want to cross over the member for Mersey's position, but you have been involved in the Hawthorn situation, obviously.

Mr BACON - From the Tourism point of view, there was an involvement in that the primary responsibility for the Hawthorn deal falls under the Minister for Sport and Recreation, Michelle O'Byrne.

Mr DEAN - We have just heard there will be promotions and talks with North Melbourne in relation to what they can do for tourism in Tasmania. I take it that you had those similar discussions with Hawthorn -

Mr BACON - Absolutely. There has been a longstanding relationship between Tourism Tasmania and the Hawthorn club.

CHAIR - With the value of the sponsorship, I think they would talk regularly.

Mr BACON - They would, yes.

Dr GOODWIN - I just want to ask a quick related question. Victoria is an important market for Tasmania, so presumably in whatever marketing you do in Victoria on what is on offer in

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Tasmania during winter, for example, you would mention football in the north? Is that how it works? Does that get a mention as something you can come to Tasmania and do?

Mr BACON - You mean does it factor in part of our marketing already and will it continue with the North Melbourne deal?

Dr GOODWIN - Yes. Will you broaden it out by saying, 'Well, you can come to Tasmania and go to football in the north or the football in the south.'

Mr BACON - Yes, absolutely; we will do both.

Mrs TAYLOR - Did the TT-Line consult with Tourism Tasmania about any tourism benefits of sponsoring the North Melbourne football club to play in Hobart?

Mr BACON - Not to my knowledge.

Mrs TAYLOR - Has Tourism Tasmania undertaken any research on the potential tourism benefits of AFL in Hobart?

Mr SPROULE - We have undertaken research relating to the proposition for the games in the north of the State, and certainly that information was used in the decision making process for the games in the south.

[12.15 p.m.]

Mrs TAYLOR - Does the budget include an allocation to provide for the \$300 000 additional contractual bonus payment to the Hawthorn Football Club, should they win this year's AFL championship?

Mr BACON - That question would need to be directed towards Michelle O'Byrne.

Mrs TAYLOR - It does not come of your budget?

Mr BACON - It comes under Sport and Rec.

Mrs TAYLOR - I was a bit worried about the thought of that. An additional \$300 000 comes out of the budget so it has to come from somewhere - but not from you?

Mr BACON - All responsibility for the Hawthorn deal falls under Sport and Recreation.

Mrs TAYLOR - You may be able to handball this one as well. The Deloitte report on the economic developments of AFL in Hobart were based on Bellerive Oval having a capacity of 19 500 followed by a \$20 million upgrade. Does the budget provide for any capital expenditure in this area? Does the Government expect to have to contribute to an upgrade of the facility in the future?

Mr BACON - My understanding is that one would actually have to go to Treasurer.

CHAIR - So handballing is alive and well, minister.

Mr BACON - It will not be coming out of the tourism budget.

Mrs TAYLOR - Thank you.

CHAIR - I will now invite Mr Finch to talk about another very potentially significant event.

Mr FINCH - I want to talk about the Daniel Geale deal, the real deal, where we are with that situation, how negotiations unfolded and where we are placed at this stage.

Mr BACON - There was a request for assistance from - I think they were called Old School boxing.

Mr FINCH - Grange Old School boxing.

Mr BACON - What happened is we received a proposal from Daniel Geale's management team. Events Tasmania has considered the request from Daniel Geale's management team and has recommended the Government does not support the proposal. In the current economic climate I agree with that recommendation. I have since read reports in the press that the fight will still go ahead in Tasmania. I suppose our position was always that it should be supported by the private sector, and it looks like that is going to happen. We all glad that the fight will go ahead in Tasmania and are hoping that Daniel Geale will get a victory.

Mr FINCH - What was the quantum of the request from the Grange Old School?

Mr BACON - I do not have that detail with me. We can have a look to see what we can provide.

Mr FINCH - Would it be \$500 000?

Mr BACON - I saw those representations in the press but -

CHAIR - We do have the figure - it is highlighted.

Mr BACON - In fact we do. The request from Events Tasmania was between \$50 000 and \$100 000.

Mr FINCH - From Events Tasmania?

Mr BACON - Yes.

Mr FINCH - Did you give an indication as to support that you may give or your desirability for it to be a positive outcome for Daniel Geale fighting in Tasmania? What steps did you take to encourage the fight to come here?

Mr BACON - Our position has always been that we wanted the fight in Tasmania. In terms of the Government providing assistance the request was put in to Events Tasmania. I think what happened there was Grange Old School boxing was asked for further information, and further information was provided. They set a date that they needed a response from, and then the response was provided that the Government would not provide that assistance but that we were still hopeful that the fight would be in Tasmania.

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Mr FINCH - Do you regret that the Government was not able to assist in such an important situation? And I suppose you say budget constraints again did not allow the Government to be more encouraging of probably one of our greatest sports people.

Mr BACON - It is fair to say we are all very proud of Daniel Geale's achievements, it is just under the current financial climate we could not afford to put that money in. But it is a great result that the fight will still be in Tasmania.

Mr FINCH - Did you offer the Silver Dome on behalf of the Government as a venue for the fight?

Mr BACON - I think there was discussions around the Silver Dome but they were not done through Events Tasmania. I do not know the extent of those negotiations or if they have concluded at this stage.

Mr FINCH - So you are hopeful that the private sector will take it up.

Mr BACON - Absolutely.

Mr FINCH - Do you still have your radar up in case it starts to falter a bit or needs some extra support and input?

Mr BACON - In terms of financial support through Events Tasmania there will be no financial support. We have made that decision. The indications that we have seen publicly are that the fight will still go ahead in Tasmania. I think that is a good result.

Mr DEAN - It is a major event. It will do more than light opera has done for publicity for this State and Events Tasmania stands aside of it.

Mr BACON - We are in a financial situation where that decision has been made.

Mr DEAN - I find it abhorrent - one of the greatest events that Tasmania will have seen.

Mr BACON - And it will still go ahead.

Mr DEAN - I hope -

Mrs TAYLOR - Not being a boxing fan myself, but nevertheless -

Mr DEAN - You will have to disclose your interest.

Mrs TAYLOR - Absolutely. I am delighted that the event at least will be in Tasmania. I am concerned though about the issue that has just been raised - and you have confirmed that funding will not come from Events Tasmania - about the possibility of the Silver Dome being given for 'free', if you like. There is no such thing as a free event, so the cost will have to be met somewhere from Government if that is so. This occasion has arisen before when Aurora Stadium has been given to an event by the Government from one budget or another for free, which is in direct competition -

Mr DEAN - The council own that, not the State.

Mrs TAYLOR - Of course it was the council. If the State Government were to fund the Silver Dome for free, that is in direct competition to the venue in the south which obviously is competing. I would be very concerned if the Government were not treating -

Mr BACON - I can pass those comments on to the minister responsible.

Mrs TAYLOR - Thank you, I would appreciate that, because that is uncompetitive practice.

Mr BACON - Mr Dean may disagree.

Mr DEAN - No, I do not disagree with that at all. If you are going to make one venue free, you would have to make the other one free. I do not have an issue with that at all. It is fairness.

Dr GOODWIN - My question is about the number of events brought to Tasmania in total.

Mr BACON - It is 107, I think it is.

CHAIR - Can you table that list?

Mr BACON - We can get a list for you of the events - no problem.

Dr GOODWIN - How many visitors - is there a figure?

CHAIR - These figures were probably read out before Dr Goodwin arrived. You go ahead, Minister, and I will see if I have the right figures written down.

Mr BACON - It was 41 000 visitors and approximately \$33 million to the Tasmanian economy.

Dr GOODWIN - So it is down on the previous year; is that right?

Mr BACON - We can get the figures for the previous year for you but we do not have them with us at the moment.

Mr SPROULE - That figure is actually just for the Events Attraction Program, our national touring program. It does not count the people that have travelled here for the major events such as the AFL games we have been talking about, the Wooden Boat Festival and various other events that the State Government supports.

Dr GOODWIN - Just some clarification: with the cuts that come out of the mid-year financial report, I am not quite sure whether I picked this up correctly or not. I think you mentioned that there are four FTEs in Events Tasmania and that is going to be subject to the review as to how that changes. Has that changed since the mid-year financial report or has it just stayed?

Mr SPROULE - It hasn't changed as a result.

Dr GOODWIN - So the funding that came out in the mid-year financial report was for attracting events not the people?

Mr SPROULE - Yes.

CHAIR - There being no other questions in relation to events, we will take the opportunity now to move to grants and subsidies.

Grants and Subsidies -

Dr GOODWIN - I am not sure if there is anything covered in the grants that we have not discussed.

Mr FINCH - What is the \$1 million spent on year after year after year?

CHAIR - With no change.

Mr BACON - The \$1 million is the icon funding which goes to the TSO and to Cricket Tasmania.

Mr FINCH - So it is going to be static for the next five years?

CHAIR - And can we have a breakup of that million then - they get \$500 000 each?

Mr BACON - Yes, it is only fair.

CHAIR - Sports and arts, \$500 000 each.

Mr DEAN - This may not relate to your area but there is a grant to the State Theatre. Is that in your area because I was going to ask -

Mr BACON - No, that would be the Premier under Arts.

CHAIR - You better rush it somewhere quickly, I reckon, as the day is winding down.

Mr GAFFNEY - I would like to return to the line item about the AFL football. We have had quite a discussion on it. At times it is all consuming and all confusing. When you look at the different amount of ministers involved in part of this portfolio then you have to search through the papers, and I think that is something that might be addressed.

Table 2.1 says there is \$3 111 000 for AFL football. In table 2.11 under the Minister for Sport and Recreation it is \$1 427 000 equally split with the Minister for Tourism. So therefore there is \$257 000 not accounted for. When you read the preamble that must come down to the community development program, but I am not sure which of the ministers would answer what does that do - I think it is probably an AFL wage.

Mr BACON - All questions for that should be directed to the Minister for Sport and Recreation.

Mr GAFFNEY - Good, I will do that. Question two: What led to the funding being split across the two portfolios? Last year it came out of Tourism. This year it is split out of both, but the questions go to the Minister for Sport and Recreation.

Mr BACON - It is a decision that was made at the time of the ministerial reshuffle.

Mr GAFFNEY - The reason behind splitting the funding straight down the middle without any analysis?

Mr BACON - That question would have to be directed to Minister O'Byrne.

Mr GAFFNEY - How do you measure that \$1 427 000, what performance indicators are you going to put in or does that money next year just go straight across to the other side so you can answer the questions - what is the understanding?

Mr BACON - The questions really have to be directed to Minister O'Byrne.

Mr GAFFNEY - If you cannot answer a question about a budget line allocation in your budget, that budget line allocation should therefore go next year straight across to the Sport and Recreation. Is that the understanding?

Mr BACON - It sounds reasonable.

Mr GAFFNEY - It says it is a marketing thing but it sounds reasonable?

Mr BACON - Yes, that sounds reasonable.

Mr SPROULE - Sorry, I did not quite get that question. That is the residual of the funding available for the current Hawthorn arrangement. You are quite right: it will move over next year.

Mr BACON - So next year it will be moved over because there will be the new deal.

Mr GAFFNEY - That will make more sense and that will give you more room to bring up another football team like North Melbourne.

CHAIR - You will probably tell me that this belongs somewhere else, but the \$15 million deal has now grown to \$18 million; is that correct?

Mr BACON - Yes, that is a question for Michelle O'Byrne.

CHAIR - Are you aware that is the most subsidised AFL deal in the AFL?

Mr BACON - I will take your word for it.

Mr GAFFNEY - That is all.

CHAIR - I am just saying it is a fact that the \$15 million deal is now an \$18 million deal. Any other questions in relation to Special Capital Investment Funds? Minister, I will invite people who have a responsibility for hospitality to come to the table. If there is anyone leaving us, we would like to thank them very much for the big effort that they have contributed to putting together the information and for their assistance at the table.

[12.30 p.m.]

DIVISION 2

(Department of Economic Development, Tourism and the Arts)

Hospitality -

CHAIR - Welcome. Minister, as Mr Gaffney indicated earlier in the day, there is no budget for the Minister for Hospitality.

Mr BACON - There is a budget. There is no specific line item, but there is \$100 000 in the Budget towards a hospitality skills development initiative. There is also \$20 000 for the development of the central labour pool and the \$30 000 which was just announced on Monday. We are not continuing with the Pub Watch scheme after discussing it with the THA.

CHAIR - So there are line items but they are just not identified?

Mr BACON - They are in line items. It is part of the Liveable Places Unit within DEDTA. There is no line item specific to hospitality, but those initiatives are announced in the Budget. I think it is in the fine print.

Ms JACK - There is no output number for hospitality. The budget item sits within tourism. As the minister has pointed out, the \$100 000 for the hospitality skills development initiative is identified in the budget papers but, because there is no output number for hospitality, we have elected to sit hospitality with tourism, because for us that is the most logical place.

CHAIR - Why do we have a Minister for Hospitality if we are only half-serious about it, with all due respect to your role?

Mr BACON - I would not say we are half-serious about it. It can be acknowledged that it is a new portfolio. The hospitality industry was very keen to have a Minister for Hospitality so that someone could voice its concerns at the cabinet table and within government, so it is crucial that we represent the industry. There are 23 000 Tasmanians employed in the industry. It is a significant employer, and the portfolio will grow over time.

Mr FINCH - It is aligned with tourism, is it not?

Mr BACON - It is, and there is no question that hospitality and tourism have a lot of synergies.

CHAIR - So you could well be the Minister for Tourism and Hospitality and not have them individually separated?

Mr BACON - It has certainly been a position of the Tasmanian Hospitality Association and the hospitality sector that they want the Minister for Hospitality to represent their views where they are separate from the views of the broader tourism industry.

Mr FINCH - I am making the assumption that you will be an enthusiastic Hospitality minister, Mr Bacon.

Mr BACON - Absolutely.

Mr FINCH - How did the Pub Watch scheme work? What was that all about?

Mr BACON - What it was initially announced, the Pub Watch scheme was to assist in addressing alcohol-fuelled antisocial behaviour by developing a database to share information between publicans about poor behaviour of patrons on licensed premises.

Mr FINCH - That was an election promise?

Mr BACON - It was an election promise, and further discussions were held with the THA. We provided \$4 000 for the THA to seek legal advice about the Pub Watch scheme, which threw up a few of the industry's concerns about such a scheme. Discussions between the Government and the THA led to us pulling back on the Pub Watch scheme and concentrating more on liquor accords, which have been successful in Launceston and other areas of the State and do not have the legal complexities of a Pub Watch scheme.

Mr FINCH - What has happened with the legal process in respect of the THA and the Government?

Mr BACON - The Government gave the THA \$4 000 to seek legal advice, and the advice received indicates that, while key issues such as defamation and privacy might be addressed through the establishment of clear criteria and protocols, those would not preclude legal action being taken by aggrieved patrons.

Mr FINCH - Was the \$4 000 enough? Does the THA have any other legal costs?

Mr BACON - It is my understanding that the \$4 000 was sufficient to cover the THA's legal costs.

Mr FINCH - Are you sure of that?

Mr BACON - Yes.

Mr FINCH - Where is that now? You have just gone into another program?

Mr BACON - Yes.

Mr FINCH - And the Pub Watch scheme is scrapped, gone, done, finished?

Mr BACON - It is not scrapped so much as the THA do not want to continue down that path at the moment. They may in future years decide that a Pub Watch scheme is what they are after, and then we can look at it again. But it is certainly on hold at the moment.

Mr FINCH - How is the relationship now between the department and the THA? Has it been strained because of this issue?

Mr BACON - No, absolutely not. The THA and the Government are agreed on the Pub Watch scheme and the approach that we have taken. The THA have said to me that their relationship with the department is stronger than it has ever been, and I certainly have a good relationship with the THA. I have met with them three or four times since becoming minister.

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We have a media release that the THA put out on Monday supporting the Government's position, so it has not strained relationships.

Mr FINCH - So they will not feel let down by a broken election promise?

Mr BACON - I would not say that it was a broken election promise. The Government made a financial commitment, and circumstances have led to both the THA and the Government deciding to pull back on the Pub Watch scheme and concentrate on the liquor accords.

Ms JACK - In their discussions with the department the THA have been quite strong on the fact that they are at this point much happier to go down the track of the liquor accords, largely because of the legal implications. There will be no additional cost to the THA and, as the minister has said, they have an extremely good working relationship with the director of the Liveable Places Unit, Mr Peter Sheldon-Collins, who has the lead role in negotiating with the THA and the broader hospitality industry on behalf of the department.

CHAIR - In that case, minister, can we suggest that you do a bit of pub watching yourself? That might keep you up to date.

Mr BACON - I am more than happy to do that on behalf of the committee.

CHAIR - It has been a good overview, and we invite you to make the changes that are necessary.

Dr GOODWIN - I have a question about the central labour pool initiative. What is happening with that?

Mr BACON - The central labour pool initiative arose out of a concern by the hospitality industry that there was a shortage of experienced and qualified staff, particularly during peak times. The idea was to examine the feasibility of a system under which participating restaurants, bars and other venues could effectively share staff when there was a need. This initiative was scoped in consultation with the THA. However, during those discussions it was agreed that the scope of the project should be expanded to examine issues that affect the number of people entering and staying in the industry. Research undertaken in 2008 has shown that there is no shortage of people entering the hospitality industry in Tasmania but that a high number leave the industry within a short time. The initiative will commence in the first half of 2011-12 as a joint initiative between the department and the THA.

The Government's other election commitment was to enter into a partnership agreement with the THA. We have had initial discussions since I became the minister about how to progress that. They are very keen to get that agreement up and running as soon as possible, and it will address things such as the central labour pool, training, investment in the accommodation sector and seasonality, and other issues of concern to the industry. We will finalise that partnership agreement as soon as we can.

Dr GOODWIN - There was \$20 000 allocated to that study and that will be used?

Mr BACON - Yes.

Dr GOODWIN - Are you looking at any other potential areas of responsibility to sit under the Minister for Hospitality, such as gaming and licensing?

Mr BACON - That has been raised by the THA in the initial discussions we have had. I have not yet had any discussions about that with anyone in the Government. All I can say is that that would still be under consideration.

Mr FINCH - Is there any connection between your hospitality portfolio and the training facility at Drysdale in Launceston, at the old LGH?

Mr BACON - It falls within the responsibility of the Minister for Education and Skills, but I said yesterday that I will be meeting with Minister McKim to discuss issues that affect skills training in the hospitality and tourism sectors.

Mr FINCH - I imagine that the THA would be concerned about that, would be right across that issue and would want to promote better training.

Mr BACON - Yes, training is a massive issue for the THA, and we will work with them wherever we can to make sure we can get skilled staff for the hospitality industry.

CHAIR - Thank you very much. We appreciate your time today.

DIVISION 10

(Department of Premier and Cabinet)

Veterans Affairs

CHAIR - Do you have anyone to sit with you?

Mr BACON - Yes, we have Alex Schouten from DPAC, who is the maestro of veterans' affairs, but her title is Acting Manager of the Disability Bureau.

CHAIR - Welcome, Alex. Minister, I notice that you put out a media release. A media release might have been the most that we could find through the budget papers. We could not find anything relating to this output under your part of the portfolio. Would you like to share with the committee what is going on?

Mr BACON - There are certainly some important things in the Budget for veterans' affairs. There is the war memorial repair and maintenance grants program, which is \$50 000 for grants up to \$5 000 to repair and maintain war memorials around the State.

CHAIR - Where can that be found in the budget papers?

Mr BACON - It is under DPAC but it is output 6, I believe.

Ms SCHOUTEN - You will not find dollars attached to -

CHAIR - How are we supposed to know what we are looking for when you are a minister for a very significant portfolio - and I acknowledge that there are people in the public gallery - and

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yet we have no reference in the budget papers to what is going on; we have to be fortunate enough to read a media release? Do you acknowledge that that is not good enough?

Mr BACON - I suppose it would be preferable to have it in the Budget, but we are looking at relatively small amounts of money in the context of a \$4 billion budget. If you put in everything that was around \$50 000 it would run to pages and pages. I accept the concern.

CHAIR - Even a note somewhere in the overview as to where a committee of scrutiny would find this area would be very useful.

Mr BACON - I will take those comments on board for next year.

CHAIR - Thank you. They took my comments on board and ring-bound them, so we could well get an outcome.

Mr BACON - So that is the \$50 000 for the war memorial grants program. The State Government also puts on a reception for returning service men and women. The Government and the Tasmanian community in general acknowledge the commitment and sacrifice that Tasmanians make when they participate in overseas operations and peacekeeping activities. That is another one that has been continued in this Budget.

Mr DEAN - What was that one, sorry?

Mr BACON - The State Government reception for returning service men and women. The first of these receptions was held on 5 December 2010. It was very successful, with attendees offering positive feedback about its benefits. A lot of that, of course, is around Tasmania's recognition of the contribution they have made.

The other one is the Lieutenant Colonel Harry Murray VC scholarships offered through the university. They have continued as well. Funding for the Tasmanian Veterans' Advisory Council will also continue, as will funding for the Frank MacDonald trip.

CHAIR - But not out of these funds?

Mr BACON - That does not come out of the funds that I mentioned earlier. I think that is just funded through DPAC.

CHAIR - That is my understanding.

Mr FINCH - I can only agree with the Chair that, if we have people coming in to give evidence and to be part of our budget process, let's do them justice by having some information we can refer to and not waste their time.

[12.45 p.m.]

Mr BACON - Absolutely.

Mr DEAN - Just an index at the back of each one would help.

Mr FINCH - Yes. Minister, what preparations are going to be making for the centenary of World War I and will there be some sort of allocation to assist the DVA in partnership with the Commonwealth? What can Tasmania contribute and help with there?

Mr BACON - It is certainly an important part of the commemoration and there is a lot of work going on towards the centenary of World War I. The State Government is aware of the importance of the centenary so DPAC has been participating in meetings with the commission and is a member of the national Veterans Affairs Officers Group, of which Alex is the Tasmanian representative. In 2010 the Australian Government established the national Commission of the Commemoration of the Anzac Centenary and that membership includes former Prime Ministers Malcolm Fraser and Bob Hawke; editorial cartoonist and journalist Warren Brown; national President of the RSL Rear Admiral Ken Doolan; veterans' advocate and nurse Ms Kylie Russell; former ADF serving member and peacekeeper Major Matina Jewell. Tasmania is actively involved in the national commemoration and in terms of State funding, that would have to be looked at in next year's Budget.

Mr FINCH - As Minister for Veterans Affairs with not much to oversee here in respect of money terms, I am hoping that you will give your positive support to something that might be done in Tasmania to commemorate the commitment that Tasmanians made to World War I in a proper way and that the Government gets involved.

Mr BACON - My understanding is that there will be a range of events in Tasmania and clearly it will be important for the State Government to get behind those events.

Mr FARRELL - On the funding to repair cenotaphs, Minister, what range of work does that cover? There are several in my area, and I am sure right across the State, that have some access issues. Is it just physical repair of the actual memorial?

Mr BACON - It can be for upgrades as well. The grant round will open around November so if there is any further information you need we can get that for you on how they can apply for up to \$5 000.

Ms SCHOUTEN - At least one of the grants that was allocated this year was for an access issue at the Gretna memorial, which is a fabulous little memorial there. They have installed solar lighting and improved the step work and what-not around there, so certainly access is one of the things we would look at as part of upgrades.

Mr FARRELL - Yes, that was a good project. I think the local Lions Club did the work and the money was provided.

Ms SCHOUTEN - And the council was involved as well, I think.

Mr DEAN - Is that money voted through the RSL clubs?

Mr BACON - The information is sent out and I think there are advertisements in the three newspapers as well.

Ms SCHOUTEN - The RSLs are certainly aware of it. A number of RSLs apply for funding and I keep in touch with the State branch to make sure they are aware of when the ads are put in the paper.

Mr DEAN - We do not have that many RSL clubs or war memorials in the State so I would have thought that all the organisations and clubs would be written to and provided with that information.

Mr BACON - We could certainly look at that.

Mr DEAN - I would appreciate that, Minister, because the Launceston RSL approached me a while back in relation to the war memorial in Launceston. In fact the council undertook some of the maintenance work on that and they could have accessed money from you.

Mr BACON - Well, they will be able to access it this year if there is further work that needs to be done and we can definitely look at sending information out.

Mr DEAN - I appreciate that. Is the Frank McDonald program still going ahead?

Mr BACON - Yes, it is definitely there. There are some changes that may go on with it in terms of the itinerary, which may change more around the Western Front and travel to Anzac Cove.

Mr DEAN - Right. How are selections for that program made?

Mr BACON - It is an essay competition open to students across the State in year 9. In 2010 students were required to write an essay or prepare an audiovisual presentation in response to one of two questions. The first was, 'World War I had a devastating effect on Australian society. Why should we commemorate our participation in this conflict? How relevant is this continuing commemoration for children of the twenty-first century?', and the other was, 'Australians commemorate the Gallipoli campaign that occurred in 1915, what was essentially a military defeat. Why do you think such a commemoration has persisted 95 years later?'

Mr DEAN - With the way that competition is run, am I to accept that in fact the recipients in that situation could all come from the same area or school?

Mr BACON - No, there is a limit of three per school so you do not end up with six students from the one school. The schools do their own competitions and then put forward their three best essays.

Mr DEAN - So that provides an equal opportunity for all schools in Tasmania.

Mr BACON - Yes.

Ms SCHOUTEN - Home-schooled students are also eligible for the competition and as it has happened over the last seven years the spread of students has been across the whole State, including private schools.

Mr DEAN - And within Parliament, how is the selection made?

Mr BACON - The Premier decides.

UNCORRECTED PROOF ISSUE

Mr DEAN - The RSL in Launceston will be celebrating 100 years of its existence in two years' time and I understand it is the oldest operating RSL in the State. Have you been approached yet in relation to the activities?

Mr BACON - I haven't personally and it doesn't seem that the Government has either as yet.

Mr DEAN - Right. They have been to me and I have told them that they ought to be accessing the department to see what is available and what they can do. They need to start setting it up now because they are talking about high-profile people being brought across for that purpose, so I will take that up with them.

Mr BACON - Yes, if you want to send them our way that would be fine.

Mr DEAN - While it is two years away the ball needs to start rolling. Is there anything to assist and support some of the RSL clubs that are really doing it tough at the present time with their financial costs? There has been talk of some of those clubs going to the wall. I know of one close to me that is doing it very tough at the moment.

Mr BACON - Any conversations I have had with Bill Kaine have been around different RSLs around the State and clearly there are some that are having difficult times at the moment. There is nothing really in place to help with that but I would be happy to meet with any RSL that is experiencing difficulties and discuss their concerns and if there is anything the Government can do.

Mr DEAN - I think directional support might be good as well, not just financial support. Thank you for that, Minister, and I will pass that on.

Ms SCHOUTEN - I can let you know, Mr Dean, that some of the staff in the Community Development Division of DPAC have worked with at least one RSL in (?? 54:58) and also with other staff from DED to help them sort out their strategic planning. That is the kind of thing we can also do towards providing support because I think that is one of the things some of the ex-service organisations that are struggling would benefit from.

Mr DEAN - I think it is common knowledge that Launceston RSL has been doing it pretty tough for a period of time.

Dr GOODWIN - I have a question about vandalism of war memorials. Have you thought about whether our legislative framework for that is adequate or are you considering looking at a specific offence or penalties?

Mr BACON - When we went to Scottsdale to view the damage to the war memorial there the community was very strongly of the opinion that there should be a stronger legislative response to the desecration of war memorials. I have had a brief discussion with the Attorney-General, Brian Wightman, and I think he is going to look at what happens in other jurisdictions because I believe there are some in Australia where they do have a statute against desecration. Obviously it is something the community feels very strongly about so we would be happy to look at it.

DEPUTY CHAIR - In closing, Minister, is the Department of Veterans Affairs thinking of striking a medal for Colin Smee of Beaconsfield and the work he does looking after the memorial there?

UNCORRECTED PROOF ISSUE

Ms SCHOUTEN - Do you mean the Commonwealth department or us?

DEPUTY CHAIR - It doesn't matter where the medal comes from. Do you know of the work of Colin?

Ms SCHOUTEN - I know the name.

DEPUTY CHAIR - He is a fantastic trooper. He looks after the memorial there and he sets the Australian flag in four locations around Beaconsfield every day and it is really something to behold. As Minister for Veterans Affairs, are you held to Hobart on Anzac Day?

Mr BACON - This year I was at the Claremont dawn service, the Lenah Valley 9 a.m. service and then the Glenorchy 11 a.m. service, but next year I would be happy to go elsewhere. Gretna is one I would love to get to -

Mr FARRELL - The dawn service there is fantastic.

Mr BACON - Yes, a lot of people talk about the dawn service there, so I would be open to going somewhere else than Hobart.

DEPUTY CHAIR - In other areas like Launceston, Devonport and Burnie it might enhance those services at those locations.

Mr BACON - I would be happy to do that.

Mr GAFFNEY - I think on Monday 18 July the ABC's *7.30 Report* is showing a story about the push for Teddy Sheehan's VC if people are interested in that.

DEPUTY CHAIR - Minister, we want to thank you for being cooperative and fulsome (!!) in your answers and supporting us as much as you can in giving us the information we need. We appreciate you and your officers' help today.

Mr BACON - Thanks very much and thanks to the committee.

The committee adjourned at 12.59 p.m.