



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

Three Capes Track

*Presented to His Excellency the Governor pursuant to the provisions of the
Public Works Committee Act 1914.*

MEMBERS OF THE COMMITTEE

Legislative Council

Mr Harriss (Chairman)
Mr Hall

House of Assembly

Mr Booth
Mr Brooks
Ms White

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INTRODUCTION

To His Excellency the Honourable Peter Underwood, AC, Governor in and over the State of Tasmania and its Dependencies in the Commonwealth of Australia.

MAY IT PLEASE YOUR EXCELLENCY

The Committee has investigated the following proposal: -

Three Capes Track

and now has the honour to present the Report to Your Excellency in accordance with the Public Works Committee Act 1914.

BACKGROUND

The Three Capes Track is a proposal to establish a multi-day iconic bushwalking experience, including a water based journey, featuring Cape Raoul, Cape Pillar and Cape Hauy on the Tasman Peninsula in south-eastern Tasmania. Implementation of the proposal is the responsibility of the Parks and Wildlife Service (PWS), a division of the Department of Primary Industry, Parks, Water and Environment (DPIPWE).

The project entails the construction of five overnight hut nodes and completion of the track itself through both the upgrading of existing tracks and the development of new track. It is proposed that walkers on the Three Capes Track will walk from west to east commencing at White Beach and finishing at Fortescue Bay with a boat journey across Port Arthur Bay.

The development is almost entirely within the Tasman National Park with some minor components on Crown Land and private land that the PWS has negotiated long-term leases across.

The submissions and documents received into evidence in relation to this reference are published on the website of the Committee at:

<http://www.parliament.tas.gov.au/ctee/Joint/works.htm>

PROJECT COSTS

The Table below shows the cost estimates for the construction of the eastern side of the route (excluding the private sector investment) and remaining planning for western route.

Cost Item	Budget (\$)	
Design and Planning	750 000	
Gateway Infrastructure	500 000	
Walking track construction/upgrade (35km)	13 750 000	
Accommodation infrastructure (3 nodes)	6 500 000	
Water transport infrastructure	500 000	EVIDENCE
Establish operation	800 000	
Project management	2 500 000	The
Total	25 300 000	Committee commenced

its inquiry on Friday, 28 September last when it undertook the Fortescue Bay to Cape Hauy walk. On Friday, 16 November last, the Committee undertook an aerial inspection of the route of the proposed walk and set down at the proposed sites of the huts at Surveyor's Cove and Retakunna Creek. The Committee conducted public hearings of evidence on 3; 16; and 19 October. During the course of the inquiry, the following witnesses appeared, made the Statutory Declaration and were examined by the Committee in public:-

Department of Primary Industries, Parks Water and Environment

- Kim Evans, Secretary
- Andrew Roberts, Director, Commercial & Business Services
Parks and Wildlife Service
- Colin Shepherd, Project Manager (Three Capes Track),
Tasmanian Parks and Wildlife Service
- Peter Mooney, General Manager, Tasmanian Parks and Wildlife
Service

Tasmanian National Parks Association

- Anne McConnell, Vice President, Tasmanian National Parks
Association

Tasmanian Conservation Trust Inc.

- Peter McGlone, Director, Tasmanian Conservation Trust Inc.

Overview

Mr Evans provided the following overview of the works:-

... It comes about because in the early 2000s the government and tourism industry identified the need to develop a new multi-day bush walk in Tasmania to compliment the success of the Overland track. In 2005 the government requested the Parks and Wildlife Service to look at all the possibilities of developing a new multi-day bush walk. The Parks and Wildlife Service at the time contracted Planning For People to undertake what we call the great bush walk scoping study. Their work included interviewing leading travel journalists, existing commercial walking operators within Australia and New Zealand, and others to get a strong sense of what the market was wanting.

The final report by Planning For People was produced in 2006. It assessed some 18 potential sites across Tasmania for a new multi-day bush walk and short-listed four of those. The Tasman Peninsula was identified as having the combination of attributes that provided the greatest opportunity to develop a new iconic bush walk in Tasmania. In 2007 the then Premier, Paul Lennon, engaged us to do a more comprehensive feasibility study which was released in May 2007.

It is fair to say that model that was developed got a broad range of support and, fast-forwarding to today, we were successful in getting the support of both the state and the federal governments to invest in this project a couple of years ago. Hence we have been working up the detailed project and going through the approval processes since then.

We have in place now all of the required regulatory approvals. We had a decision notice from the commonwealth under the EPBC act on 16 January of this year that they did not consider this to be a controlled action. The state reserve activity assessment was provided on 9 February and the Tasman Council planning approval was granted on 25 July 2012. So we have all of the planning approvals in place.

Mr Shepherd added:-

When it is completed for the two streams of walkers that Kim has mentioned - independent or free walkers, and the commercial walkers - they would have a slightly different starting point and therefore period within the park. In its entirety for Three Capes, the independent walkers would come in at White Beach; that is the majority of walkers. That has always been 80 per cent-plus of the walks we expect. They would come in with the first night at Tunnel Bay hut and then walk through via Cape Raoul to the Maingon Creek hut site and then through, take the ferry across and then out on the eastern side through Surveyors Cove, Lunchtime Creek and Retakunna Creek hut sites. Theirs would be in total a five-night, six-day experience. For the commercial sector we would see them coming in at a different start which is at the end of Stormlea Road which corresponds to where the existing track to Cape Raoul and Shipstern Bluff leads from and they would have their first night at the area around Maingon Creek for the boat journey and then out on the eastern side. Their experience would be one night less, so four nights and five days.

Tasmanian National Parks Association

Ms McConnell provided the following overview of the proposal on behalf of the Tasmanian National Parks Association:-

What I'd like to say first is that the Tasmanian National Parks Association has had concerns about the proposed Three Capes walk since the feasibility study came out in 2007. We have tried to raise these concerns with the Parks Service and DPIPW and we feel that a lot of our key concerns have not been listened to. Our concerns relate to a number of areas including environmental impacts, the economics of the whole proposal and the processes. I won't go into the environmental impacts here because they are dealt with in our written submission and I understand this committee is mostly concerned with expenditure.

I would like to go through some points which I hope will clarify some of our concerns about the economics. There are a number of streams here which have been used for arguments to promote the Three Capes walk; to justify it and the costs. One of those is the benefits to Tasmania, the others are the benefits to the Tasman Peninsula and the focus on the cost of the development of a proposal. The other

stream, which I think is getting less attention than it deserves is the ongoing cost of running and maintaining this infrastructure, which as well as tracks will include huts.

In terms of considering the costs on all levels, there are some basic premises that in our view are being ignored and which we believe are flawed. The most important one which is being ignored to a certain degree is that this development is in a national park. The primary objective for management under the legislation for a national park is the conservation of the natural and cultural values. The provision of tourism, recreational use and enjoyment must be consistent with the conservation of the park's natural and cultural values. On that basis, we have concerns there will be environmental impacts. In the development proposal, the environmental management plan, it is clear there will be some impacts to geoheritage sites. We believe there will be impacts to wilderness values, although that is not mentioned in the DPEMP, we believe there are potential impacts to the landscape and visual values of Port Arthur. Although they are not formally assessed in the DPEMP, there are very high risks to sea eagles and the spread of *Phytophthora* which will then impact on a number of rare and threatened species.

The other premise being used which we believe is flawed is that the Three Capes Track can be regarded as an iconic walk at the same level as the Overland Track. You have heard today that that is very much modelled on the Overland Track. In our view while the Three Capes Track is scenic, it does not have the this established iconic status of the Overland Track. It is arguable that it has the same level of values and therefore it will probably never have the same status as the Overland Track. This is all relevant to the numbers you might expect. It will always be a second iconic walk after the Overland Track and so it is in competition with the Overland Track. That has not really been picked in the assessment of the number who are going to be using the track in our view.

... In our view, by assuming the numbers that will go to the Three Capes Track are the same that will go to the Overland Track, it is discounting the fact that the Overland Track is an established iconic track. Because of its environment and its scenic quality it will probably still remain the priority for walkers and that Three Capes Track will be a second one, the one that you come back to you after you have done the Overland Track unless there is, I guess, a time of the year or weather conditions that might change that.

The Committee questioned the witnesses as to whether the proposed works would detract from the number of walkers undertaking the Overland Track walk. Ms McConnell responded:-

It is very difficult to get informed opinion without doing a statistical analysis which we are not in a position to do. It is our view, having considered the matter, that it probably will not detract substantially from the number of walkers on the Overland Track. However, given that the Overland Track is only receiving between 7 000 and 8 000 walkers a year and given its established iconic status we believe very strongly that the Three Capes Track will not attract as many walkers as the Overland Track. It will take longer to kick in because people will be doing the Overland Track and they will come to the Three Capes Track as a second walk. It is our view that whatever the numbers of walkers are on the Overland Track, the Three Capes Track will have somewhat less because it is not as important, not an iconic track.

There are issues such as where the route goes that will affect that because a large part of the actual walking does not have scenic views. The first day of the five-night walk will be through bushland with no views to the coast until you get to the overnight accommodation. One of our issues has been that we believe that one of

the most spectacular bits of the Tasman Peninsula in terms of the coastal scenery is the Pirates Bay to Fortescue Bay section and yet that has been not included. We still do not understand why that is.

... The other aspect to the fact that it is not quite the Overland Track is that in our view the Overland Track model is inherently different because it is a different origin, so it has evolved to manage walker numbers and impacts in an extremely sensitive environment, whereas the Three Capes Track is a new track that has been imposed.

Ms McConnell continued her submission:-

... TNPA is not opposed to a new long distance walk. We are also not opposed to something on the Tasman Peninsula. We are just concerned about this particular proposal or this particular model. I will just outline those. One of the premises is that the Three Capes Track as currently proposed is the preferred model for the segment of the market that it is aimed at. In our view this is not correct. Our understanding is that the current preferred model is for shorter walks, three to four days, and not the longer walks, with a strong preference for accommodation outside the park. This appears to be strongly the case with the Victoria Great Ocean walk. Also, with the market analysis that was done for the Three Capes walk, a large number of respondents said they preferred to walk in small groups and wanted a natural experience.

The other premise is that the Overland Track model is the best model for all parks. Again, we would argue this isn't the case. In our view the Three Capes Track as currently proposed doesn't recognise the special opportunities provided by the Tasman Peninsula. This is not a remote park; it is accessible at a number of points in different parts of the peninsula. It has a number of existing day walks and existing tourism opportunities such as the boat trips around the peninsula, sea kayaking opportunities and Port Arthur. We don't believe the model that is being proposed here, which is a five-night, six-day walk, is taking advantage of these sorts of things. You could have accommodation outside the park, but they are putting accommodation inside the park and keeping people from having anything to do with the rest of the peninsula or spending money on the peninsula.

It has been of interest to us that this Overland Track model has been so heavily promoted and the Parks Service has not been prepared to look at alternatives. In fact in the 2006 scoping study that was mentioned earlier the recommendation is for a short walk, a 3-4 day walk that integrates with other opportunities on the Tasman Peninsula. This is the model we would be promoting, rather than the one that is being promoted in the current proposal. The scoping study also suggests that in the longer term, if the shorter walk is successful, you could then build on that and have other segments that then could be linked. In the end it may look like the current model but our view is that you really want to test this by starting off with something that seems to be what people want, seeing how it works and then build that. In our view that is a much more environmentally and fiscally responsible approach.

One of the other concerns we have is that there doesn't seem to be a lot of hard data about this proposal and it seems to be quite flexible. Although the model that was originally proposed in the feasibility study is essentially still there, it will be a long-distance, five-night, six-day walk; the direction has reversed. Other than that it is still holding true to all its elements and will still have boat legs and things such as that. There seem to have been changes such as since it was approved under the RAA it appears now Parks is considering building it as a two-stage model. We have seen no information as to how that track will be managed as a two-stage track. We have seen

no revised financial implications or analysis. We are not convinced you need to put three huts in on the eastern part of the peninsula or that Denmans Cove is necessary if you are running it initially as an eastern stage walk. Having to take a boat across Port Arthur when there is already a track in from Fortescue Bay Road would add cost to the walkers. We feel there are a lot of elements that haven't been fully considered. I guess this applies generally to some of the costings. The only costing we are aware of is the costing in the feasibility study in 2007. We were quite happy with the costing in relation to what Parks felt it would cost to operate the track and maintain it in the long term but we had concerns at that stage about the cost of the track, which was then \$15 million. At that point in 2008 we said we believed that the track would cost more like \$30 million to put in, which has proved to be the case and it now seems to be more expensive.

Staging of the works

Mr Evans described the staging management of the proposed works:-

Separate to the broader project we took an early decision that we would seek planning approval to upgrade that existing section of the track. We did so so that we could, firstly, bring a product quickly to market but more importantly to get the opportunity to assess in a bit more detail some of the logistical and costing issues around this broader project, because the budget at the time it was first conceived was based around our estimates but we did not have a lot of practical experience. So the upgrade of Cape Hauy track has proved really beneficial. Firstly, we now have a first-class walking track out to Cape Hauy, but more importantly we have been able to fine-tune the project as a consequence of that practical experience.

Following your consideration and hopefully agreement we will then proceed to go to tender for the remaining section of what we call the eastern side of the Three Capes walk. In the first instance we will be concentrating on the walk from Denmans Cove out to Cape Pillar, around to Cape Hauy and to Fortescue Bay. That will encapsulate a three-night, four-day walking experience and we plan to have that part of the Three Capes walk completed and to market by 2015.

Market focus

Mr Evans described the marketing 'products' to be offered by the track:-

... a really key feature of this walk and is consistent with all of the market research that we have done is that it will accommodate two different products. It will accommodate a guided walking product, a commercial walk a bit similar to that which operates at Bay of Fires and on the Overland Track, and it will allow for free walkers as well - unguided walkers. The business model for this project has everyone booking and paying a fee as part of the experience, particularly around the free walking. The broader walk encapsulates a ferry leg as well as an eastern and western component of the walk. Once fully completed the walk would start in the west at White Beach-Nubeena area, and move eastwards to Safety Cove, a ferry trip across to Denmans Cove, and then around to Fortescue Bay. The first product that will go to market will be the eastern side of the walk. That is where we are concentrating our efforts at the moment within the budget that we have and with the more detailed costings we have been able to do as a consequence of the other experience.

...Interestingly, we suspect that is the part of the walk that the commercial operators will be most interested in.

Ferry operation

The Committee questioned the witnesses as to how the ferry operation was proposed to be managed. Mr Shepherd responded:-

With the Overland Track there is a fee and booking system. We would expect to implement the same systems for this, so people would book the walk. This walk is designed to guarantee an individual bed in each hut on each night and to that end we would have hut wardens who are administering those arrangements. When you make your booking you would, we envisage, have a couple of options as to what time you might want to depart. It might be 12, 2 or 4 o'clock.

... On the boat leg and you would make that booking at the time that you book for everything else. That way the ferry operator would understand that at 12 noon he would have x number, at 2.00 p.m. y number et cetera.

... I am talking about independent walkers because that is whom Parks are really going to be responsible for. I am talking about 86 per cent of the walkers. The commercial operators could potentially use the same ferry service, but if you take Maria Island walk as an example they have their own boat arrangements. So they have their own vessel that they transport people over and then they can arrange at exactly what time they want to go. From our perspective we would envisage that there would be the option of multiple trips. It's not going to be 10 trips a day but it would be two or three, and when you book you would book a passage on that ferry and you'd arrive and be taken across and dropped off and then you walk through. Each night you have that guaranteed bed in the hut, and then you have to move through. It's very similar to the system that works in New Zealand.

Construction standard

The Committee questioned the witnesses as to whether the standard of the track construction needed to be as high as that established on the Cape Hauy track. Mr Shepherd responded:-

... my experience of most tracks in Tasmania is that if they have reasonable numbers of people across them they often suffer from erosion and those sorts of issues. Most of the tracks that spring to my mind - Frenchmans Cap, South Coast Track, Overland Track - would clearly benefit from having a very well constructed track with very good drainage in place. It's the drainage that is the issue. If you get the drainage right, the track will last for a long time and will also withstand the passage of time and thousands of feet tramping over it. That is one of the reasons we have gone to such an expense there. We also have built what some people would term the 'superhighway' because we have a number of environmental approvals we need to be able to demonstrate we can keep to. We need to be able to demonstrate we will be able to keep to them through a long period of time with minimal maintenance. Because of the Phytophthora issues down there we need to have a dry-boot standard of track and we need a track width which is sufficient so people can pass each other without stepping off the track. That's one of the reasons it may appear to some people to be a little unusual, and I think that's because it is. There are very few tracks of this standard in Tasmania so for a long of people who are going down there and seeing it they are all quite appreciative of the work but it can be a bit confronting. I think it's more about the fact it's an unusual standard, it is a very high standard, but it needs to be that standard to deliver on the environmental outcomes we have committed to through our approvals.

The Committee sought clarification as to the need for a 'dry-boot' track when, inevitably, walkers would step off the track, get mud on their boots and potentially expose themselves to *Phytophthora*. Mr Shepherd responded:-

That is true, but I think it is based on a risk-assessment approach. We think that there are plenty of viewing opportunities along the track and you would have seen that yourselves when you were out last Friday. That increases exponentially as you go onto the Three Capes Track. We think there are enough viewing opportunities on the track or at formed viewing platforms that we would take people to that would minimise the need for people to step off the track. It is quite right. People will step off the track to go to the toilet and to do those sorts of things. That is not something we control but I think in terms of minimising it by having this standard of track it will be a lot less of a risk than if it had not been of the same standard.

The Committee returned to the matter of the justification of the standard of construction. The Committee proposed to the witnesses that the construction standard was extravagant and expensive and that there will inevitably be a cohort of walkers who would not use that style of pathway. Mr Shepherd responded:-

As I said to you when we were there on Friday, at the moment it's still a construction site. We are still within the 12-month post-construction defects liability period.

... one of the reasons we have built a track of such high standard, (is) so it lasts for decades. As the vegetation comes back and it softens, we think it will take away some of that artificial element that some people are criticising at the moment. I always encourage people to give it a bit more time to settle. Even in the four months since it has been finished - it was only completed in May of this year - it has already starting to soften quite nicely; that is a personal observation. In terms of the diminished experience, I think that is a subjective view.

... From Parks' perspective, there is a view that there are a lot of walks in Tasmania that offer the experience you talk about in terms of the cohort that may not be attracted to the track we have now built. There are very few tracks in Tasmania that would attract the cohort that would now be attracted to Cape Hauy. The business case and the feasibility model suggest that is our target market; it is that cohort that still wants to get out into the bush but doesn't want to carry a heavy pack and slog through mud. That is the group we are aiming for. We are hoping other people would want to come and walk it but some people may be put off and say they don't want to come because it is too artificial for them.

Mr Roberts added:-

One of the things to keep in mind when you are looking at track work. There's a scale of interference, from do nothing through to a full hardening. In a lot of cases track work is done for environmental protection - 'priority erosion control' are the words that have been used.

This facility is built for user comfort and there's no hiding from that. There is a difference in the thinking. It's not just control, it is providing a particular experience. The challenge of all this is providing that consistent experience so these relatively unskilled people, new to the overnight walking experience, know what to expect for the length of their experience.

Ms McConnell made the following submission in relation to the standard:-

It is our view that the upgrade of the Cape Haug track, particularly the first section, the first one-third where the extensive rock work is, is inappropriate for a national park. It is overdesigned in an aesthetic sense and if you have seen it you will note there are beautifully neat squared edges and beautifully shaped rock. It is the sort of thing that is beautiful in an urban park, in a hotel with exquisite gardens or on a short walk to a major lookout point, but in our view it is highly inappropriate for a national park. We don't believe it is necessary for the amount of track hardening. We believe you can do something a lot less expensive, a bit more natural, and still achieve the same environmental gains.

In our view, while the stone arch bridge is very beautiful, we don't believe it is necessary. The track is not too wide, but we are concerned about the width of clearing. We understand that is partly to allow for mechanical construction, but we don't believe that. There are mechanical excavators that can work in a much narrower corridor. The gravelling may be necessary in areas, although it is preferable to use local earth if you can. We don't believe in nearly the extent of rock work that is being done and you certainly don't need the neat paving inserts and the stone-lined water bars. There are areas further on the track where they are much more subdued and less extensive and look as though they do the job quite well, whereas the ones on the earlier part of the track are far more extensive than it seems they need to be. We think all that rock work could be pulled back. One of the issues with the whole track and the cost is it that it all has to be supplied for construction and will have to be serviced during operation by helicopters. That adds a very large cost to the whole build. If you are going to do it that way, there are not a lot of cost reductions, but by reducing the amount of stone and material you're bringing in that would presumably reduce your costs somewhat.

I take the point that you will have a lot of people on the track and you want them to be able to pass comfortably. We understand 1-1.2 metres is the track width that is proposed and we don't have a problem with that.

Mr McGlone of the Tasmanian Conservation Trust added:-

There seems to be an assumption there'll be a lot of people on the track, but only 60 people per day are allowed to start the track. They all go in the same direction and there will be very little chance across the full length of the track of people ever meeting anyone. They won't meet anyone head on and they are highly unlikely to meet many other groups of people.

Ms McConnell concluded the point:-

The other thing in relation to the current costs, while generally good rock work and the standard of work that has been achieved there will last for a long time, we believe that a slightly lesser standard of work will also last for a long time. In this particular case the Cape Haug upgrade has been on the original line and we've been given advice by track workers that it will not have the length of life that the track would have had if it been built to that standard on the preferred alignment that was originally laid out. Basically because it is quite a steep track they have been forced into working on that steep alignment and it's going to have issues with gravel erosion and things such as that. It is just unavoidable because of the slope. In our view, there will be some additional costs for maintenance for that particular section, until it can be rerouted.

Capital cost

The Committee questioned the witnesses as to what was the capital expenditure on the: eastern and western sections and if there was a cost difference, what was the explanation for such difference. Mr Shepherd responded:-

\$23.3 million ... (and) on our current estimates it would cost us \$16.5 million (respectively).

...probably around \$18 million with built-in project management costs. The way that the budget has been produced is we use the figures from Cape Hauy and it is about \$400 a metre to build the track there. There is 60 kilometres of track remaining, 30 kilometres give or take a little bit on either side, and the huts as you can see are costed at a couple of million dollars each, and half a million dollars for the jetties and half a million for the car park. We made the point in the submission that we are treating our costs with a degree of caution because having to upgrade an existing track where you could not avoid some of the existing issues and build on a surface which already had some problems we think is going to be more expensive than building on a greenfield site. I think that the \$400 a metre is likely to come down. We also, as Kim said, got a lot of invaluable information from the work we did on Cape Hauy so we have adjusted some of our thinking to include the use of more timber over the rest of the track and that is probably the cheapest form of track construction - to use timber. I would be fairly confident that the cost of the remaining track would be less than \$400 a metre.

Business case

The Committee questioned the witnesses regarding the business case of the project. Mr Shepherd submitted:-

... whilst it's a fee-for-service arrangement during the walking season, we're still very committed to allowing people to use the facilities outside of that walking season free of charge. It's the same as what happens now on the Overland Track outside the walking season, which up there until this year was nominally 1 November to 30 April, but that is extending out by a month either side. Outside of that walking season, as long as people have paid a normal parks entry fee they are entitled to use the facilities.

... In the feasibility work that was done, the model suggested that \$40 or \$50 a night seemed to be the value people were quite happy to pay, so that's where the five-nights at \$200 or three nights at \$120 has come from.

The business case is built on the premise that we would get up to 10,000 walkers a year through the walking season, and it depends on how long that walking season is as to how they disperse over the 6-8 month period. We don't need 10,000 people to generate sufficient income to have a recurrent stream that would allow for the operation. We probably need to get approximately 6,000 walkers a year.

... I'm talking about 6 000 walkers on the eastern side alone. If you extrapolate across on both sides, it would give us a sufficient revenue stream to employ those staff and have a bit of money left over to pay for some of the operational costs such as the toilet cleaning and those sorts of things. At 6 000 walkers we probably don't have an enormous pool of money to bank, but we'd still have some. Inevitably, even though we're building such a high standard track that involves very low maintenance, 10 or 20 years down the track we'd have to do some re-gravelling, so

we need a bit of money that can be put aside into a trust so when we get to that point we have the money. At 6 000 walkers we would be able to do that, but obviously if we can get 7 000 or 8 000 it increases that opportunity. One of the things I would stress is that this project is about intergenerational infrastructure . We are going to an enormous expense at the front end to build a very high standard of track so I think the 10 000 walkers is a conservative figure. We are likely to get more than 10 000.

The Committee questioned the witnesses as to whether, given the relative lower altitude of the Three Capes Walk to the Overland Track, the walking season could be extended. Mr Shepherd responded:-

At the moment we have modelled it on the Overland Track experience, which is 1 November to 30 April.

Definitely (it could be extended). As I said before, for the first time from this season onwards on the Overland Track they will now have the walking season from 1 September to 30 May.

Mr Roberts added:-

We adjusted the Overland Track on the basis that it was becoming a false load on the change of seasons and people we felt were not safely walking; they were trying to do too much in days too short of light. It is free in winter but we have the group booking running year round so we keep talking to the schools and things year round rather than them all turn up on the same day when the booking system stops and try to take kids, with six or seven hours of daylight, and try to do things that are not appropriate. It is almost like half a shoulder that softens that through. At this particular site it is not as harsh in alpine, snow et cetera, but still the winter is wind and rain and harsh, so we are imagining that would keep the demand down. That's why there will be a winter segment.

The Committee noted that national park visitations numbers had been in decline in recent years. The Committee enquired as to what visitor number assumptions had been made in respect of the proposed works. Mr Evans responded:-

I don't have the figures on me now, but it has been a bit light. That is consistent with tourism numbers reducing.

... I was talking to Simon Currant and Luke Martin this morning at the opening of the Cape Hauy upgrade and they made the point that investment in this sort of product is absolutely critical to making Tasmania an attractive place to visit. In fact they would see this as their number 1 priority as a tourism industry because it will attract visitors to the state in its own right.

Mr Roberts added:-

It's hard to predict (numbers), but at the moment we are seeing a plateauing.

... It's volume versus type of user as well. There hasn't been a huge drop in the overnight guided walk groups. They haven't had the same drop that other areas have...

The following exchange then ensued:-

Mr BOOTH - But the business case isn't built on the visitation numbers using the commercial huts.

Mr ROBERTS - They're added into it.

Mr BOOTH - Greg was making a fair point that the park use numbers have declined, not gone up, which is a worry. If you have a business case based on declining numbers but you're justifying it on the basis that the commercial overnight stay numbers haven't dropped, what percentage of the projected 9 000 or 10 000 you are anticipating, how many of them are commercial?

Mr SHEPHERD - If you look at the Overland Track as a model, there hasn't been a drop in free independent walkers and the commercials. People who stay in these huts and pay for a feed, like the Overland Track and this walk, there hasn't been the drop in those numbers compared to the general visitor to parks numbers.

Mr BOOTH - So out of the 10 000 you're anticipating in the business case -

Mr SHEPHERD - 1 200-1 400 commercial.

Mr BOOTH - Just to clarify, I understood the numbers of those people weren't dropping but the other walkers were.

Mr ROBERTS - General day visit numbers are down. The Overland Track's revenue is on a slight increase for the last three years. There was one dip and then it has slightly been increasing ever since.

Mr BOOTH - Because of the slight increase in walker numbers or an increase in fees?

Mr ROBERTS - We had a dip in numbers two years ago but in the last year it has come back up into the trend that was there before - the gradual increase.

Ms McConnell made the following submission regarding the economics of the proposal:-

... our general view is that the benefits have been over-estimated. Our view is that the costs are unnecessarily high and in our view there is consequent exposure to high financial costs and risks that certainly we not part of the initial proposal.

In terms of the dubious benefits, in our view the Three Capes Track has not been costed against alternatives that might be cheaper and have as good or better outcomes, including day walks only or a day walk plus shorter walk options. The economic benefits are not specific to the Three Capes Track. The main economic benefits that have been claimed are due to incidental spending by people coming to Tasmania to walk and this spending could be achieved on any other walk and possibly more spending on a different model. We think that this particular model of track where people are within the national park and not spending outside the national park for a week provides a poor economic outcome for the Tasman Peninsula. A more integrated track with accommodation or options for accommodation outside the park would work better.

We believe the economic analysis is flawed as it assumes the exact Overland Track expenditure model and we do not believe this is valid, particularly if people are coming for a second trip. In the Overland Track model they spend four to five days extra in Tasmania getting to the track and afterwards but if people are using the Three Capes as their second visit to Tasmania it is unlikely they would spend that extra money, in our view.

There is no fee certainty for walkers. There seems to be ongoing fee increases and I guess the question is just how much people will pay to walk the track. The Overland Track fee has just gone up from \$160 to \$200 and the proposed fee for this track has gone from \$150 to \$200. In the items of interest to us now, there is a staged process so how much will Parks charge for a three-night or a two-night walk option compared to the five-night walk option. Again, we have not seen the financial implications of that.

For us as an association we are concerned for the general management of national parks. There is a question of equity. We believe with increased costs and increasing the permitted walk period, more walkers are going to be denied access to an area that is public estate and it will impact on the day-use experience.

Then a question of where the costs lie. In our view there is a very high cost with the proposed Three Capes Track because of over-design of track and other infrastructure, particularly the buildings. We had not seen any building designs until the development application was put into the Tasman Council. We are extremely concerned that the buildings are very large, they are very spaced out and the design is such that not only do they provide very big visual impacts but also in our view we do not think they are particularly cost-conservative designs. In our view they are neither appropriate for being in a national park nor do they consider the cost imperative. There is no real great cost consideration there. I draw to your attention the construction of Windy Ridge hut which cost \$1.2 million to increase the bed nights by about 16 beds. I am not sure of those figures but in our view the Windy Ridge hut could have been a lot more cheaply. With a different design it could have had a better outcome. It was not considered a great new design by bushwalkers and it was built by bringing all the materials in in pieces and flying in constructors and building on site, whereas there could have been, in our view, considerable cost savings by prefabricating. We are concerned that there are issues like this that have not been fully thought through and fully costed in relationship to the Three Capes Track.

...Also in terms of the economics, it is our view that there are some potential issues with I guess what you could call poor financial planning. As an example of that I have mentioned that the very low initial costings turned out to be extremely low compared to the current costings, and that indicated loose costings. That is indicated also in the blow-out of costs for the Cape Hauy track. I think there has been other infrastructures by Parks which have shown that there has been similar initial underestimates. What looked like infrastructure developments have really have not been concerned with costs and I mentioned the Windy Ridge hut upgrade at \$1.2 million, which we think was excessively expensive. The Wine Glass Bay lookout track had a major cost blow-out. Again it is a wonderful track but we would argue that it probably did not need to have quite that much money spent on it.

In our view in recent years Parks seem to have been spending money unnecessarily on infrastructure, whereas in our view they could have been a little more careful. We raise this because this potentially can happen with the Three Capes Track. Again, an example is the Windy Ridge hut and, as I said before, savings could have been made in design and prefabrication. One of the things that has happened recently is

the replacement of the brown Parks timber signs in the state by new blue signs, which seems like excessive spending when Parks is struggling financially.

Our core concern has been a concern since the feasibility study was released as we have not seen a proper business plan for this proposal. We have mentioned this a number of times and have never been given a business plan or have been led to believe that there is a formal business plan. We are also concerned that there is no clear revised proposal or business plan for the new staged approach and we think that has significant economic implications in building it by staging it.

Mr Shepherd responded:-

Contrary to the evidence you heard from the TCT and the TMK, we have done a quantitative demand analysis. It is in the back of the feasibility study. It was undertaken for us by Instinct and Reason and, contrary to the evidence that was put forward by the TMPA, it shows that the demand from independent walkers, noting that they are the vast majority - in excess of 80 per cent - of the people that the track is being built for, was a preference for a five night / six day walk. That was followed fairly closely by a three night / four day walk. By building only on the eastern side we still very clearly meet the demand from the independent market even though there was a lesser preference for a slightly shorter walk. As Kim said, for the commercial market - and I agree with the evidence that has been put up by the TMPA - the preference was always for a three night / four day walk.

In terms of the demand it is quite clear that a three night / four day walk is still very strongly supported by the commercial and independent walkers that were interviewed as part of the assessment that Instinct and Reason did for us.

The Committee questioned the witnesses as to what measures had been undertaken to ascertain any commercial interest in the project. Mr Evans responded:-

The work we have done in the initial expression of interest process and the work subsequent to that with commercial interests shows that there is very significant commercial interest in this walk. We don't envisage that when we finally go to tender we are not going to have a very significant level of interest from commercial operators certainly with Tasmania and Australia and maybe even New Zealand.

Mr Shepherd added:-

We have had a number of commercial operators who, in the last two years, have shown considerable interest in this and have been following its development. We fully anticipate that we will be signing someone up once we go to tender.

The Committee questioned the witnesses as to whether it was considered that the project will be a profitable venture in terms of the track and that the commercial contracts will yield a proper return, given the state investment in it. Mr Roberts responded:-

If we go back to the start of this project, for one of the original funding streams for this project the government asked us to check for commercial interest. That was before we received federal and state commitments to funding the project. We have already been out to three or four of the biggest players and trawled through their

ideas. In fact, we paid them for the ideas, so there was no concept of a leg-up or conflict of interest. There were a couple of them that stood out and said they wanted to keep their powder dry and keep their ideas for later on. It appears to be a sought-after opportunity for businesses to get involved with. When the tender processes go out, a part of that will be getting the best market return we can for that offering because it will be competitively offered. The best that the market is able to provide will come through the tendering process.

Day walkers

The Committee questioned the witnesses as to how day walkers to the area would be accommodated. Mr Shepherd responded:-

We have, through discussions with Bushwalking Tasmania, allowed for three camp sites in recognition of traditional use out to Cape Pillar and over Mount Fortescue. They have nominated three camp sites. One around Retakunna Creek. One half way out on Cape Pillar and one right out on the end near the blade. If people did want to come in and camp that opportunity is there and we are comfortable for them to do that. There will be no other camping opportunities for people. It is a hut-based system and Parks certainly possesses through the regulations the capacity to enforce that if it chooses to.

In discussions with Bushwalking Tasmania, it requested that we left the camp sites in their existing state. We have a project reference group and we have a letter from them where they nominated the three sites, and we have accepted that. They nominated that they are left as they have been and we have accepted that as well. We will monitor those sites to make sure future use is not impacting on the values on the national park. If we decided we were unhappy with the impact, we may make some arrangements. We had discussions to improve those sorts of things, but that wasn't what they suggested they or their members would want. In recognition of that we've agreed to move forward with those three sites.

The Committee questioned the witnesses as to whether the project would prevent people from day-walking. Mr Shepherd responded:-

No, we are very loudly on the record as saying, as a result of the Three Capes Track, there will be no impact to people's day use in the Tasman National Park. That is why, for us, there are quite a number of tracks in the national park, both on the eastern and western sides - I can show you a map where there are currently a number of existing day walks, so the red represents places where there are currently day walks and where we expect it to be strongly multi-directional, the green represents existing tracks that are in the national park and the blue represents the new track that we are building.

Contrary to the evidence that was given by Mr McGlone, who said that we were building a track that was too wide and would only ever be used in one direction by all walkers, you can see from that map that there is actually quite a large percentage of the national park which has day walks in it and where we have made a commitment that we will not affect that. So people will be able to walk in either direction and, hence, we need to have a track which is wide enough for people to be able to go past each other without stepping off the track.

By our estimates about 70 per cent of the track on the eastern side is strongly multi-directional and about 60 per cent across the whole national park. There is very clearly a need, in our mind, to have track which is wide enough for people to be able

to pass each other without having to step off the track because we are committed to protecting the values for which the park was declared in the first place.

Independent scrutiny

Ms McConnell made the following submission in relation to the need for independent scrutiny of the project:-

All in all we have had a number of concerns over the last five years since the feasibility study came out. One of the things that is of concern to us and which I think creates or allows for the potential for a less rigorous approach to the development of this track is the fact that the Parks Service is the proponents for this development. They are the assessor or approver of the development and will be the regulator. There is no independent scrutiny or external scrutiny for this whole project. The only external scrutiny could be considered to be the referral to the federal government under the EPBC act for the environmental aspects and the review by this committee in terms of the economics.

We've been particularly concerned that the only opportunity for public input to this whole development proposal has been the draft development plan and environmental management plan. It is a concern to us that we have seen no finalised DPEMP on the basis of that public comment. Even though we have asked for a copy of a finalised DPEMP, it has not been supplied to us by Parks. It suggests to us, particularly given that the DPEMP that was submitted with the development application to the Tasman Council is the 2011 draft DPEMP, the one that was put out for public comment, is that the Parks internal RAA approval has been given on the basis of the draft DPEMP and that public comment has not been taken into account. When the feasibility study was released we asked if there would be an opportunity for public comment and we were told to wait until the DPEMP. The only other opportunity there has been for public comment was when the draft management plan was modified to allow for the Three Capes track, to enable it. That plan clearly said we were not allowed to comment on the Three Capes proposal. In our view, this whole development proposal has had very little scrutiny. What we would like to see happen, given all the issues with it, is that there should be independent scrutiny of the proposal, which would look at some of the other options which we believe are better suited to the Tasman Peninsula, less costly and would provide better economic benefit to the peninsula. As part of that, we believe the whole proposal needs rigorous financial analysis.

... The TCT and the TNPA jointly have approached the Premier and asked that the whole proposal be regarded as a project of state significance, with the review that goes along with that. In this case, because it has not been scrutinised outside the department and the Parks Service, we would like to see it scrutinised by a group of people who have a capacity to understand the economics and the environmental capacity and to be independent in making a recommendation.

Mr McGlone added:-

If it was made a project of state significance, the Planning Commission takes over the role of looking at it and providing recommendations to the government. They also have a very clearly stated mandate to look at financial viability, whereas under the assessment process Three Capes has gone through, neither the federal government nor the Tasman Council is required to look at that.

... It is \$19.3 million in the introduction to DPEMP the overall benefit to the Tasmanian economy annually. One of the reasons both our submissions have focused on the need for a proper business case to test the market demand - the number of walkers

who will actually walk it - is that is where all the direct income comes from; there is no other form of direct income. All the indirect income is a factor of how many walkers walk it. The multiplying effect is dependent upon how many people start the walk. The estimates of financial benefit therefore can be called greatly into question. I think the government's figures are only about \$20 million, but they also can be called into question. The important question is why four different studies have been done over the last four or five years and none of them have addressed the issue of quantitative demand - that is, how many people will be likely to walk this track. It is something that was addressed earlier by Colin Shepherd - and I thought it was a glib comment - that it is about multigenerational infrastructure. I don't think any private business is ever going to invest its own money on that basis, that sometime maybe in the next generation it will earn money. This is meant to be an investment into a commercial enterprise and they claim that some time in the distant future it may make money.

The other question that no-one has asked the department is, 'Why on God's earth haven't they done the study to verify the number?' They have simply looked at the maximum number that are permitted by law to walk the Overland Track every year and said, 'We're aiming for that, so we will build the Three Capes Track and see what happens'. There are a lot of reasons why Three Capes may not be as popular as the Overland Track, apart from the fact it has been around for 50 years and is justifiably world renowned and is very well promoted. It is also a six-day, five-night walk. Most people with competent fitness can walk the Overland Track in four days if you don't do many extensions. There is a lot of discussion about the quality of the track and why people like huts. I haven't done a counter study to determine market demand, but I have heard from people within the parks service that it is the case that throughout the world that walkers are demanding shorter walks. The demand for the Overland Track has plateaued and that is probably an indication of it. This is longer than the Overland Track in terms of numbers of days and nights and arguably a lesser attraction and in competition with the Overland Track. I would have thought all those things would have shrieked out, 'let's do a quantitative market analysis'. There are a number of ways you could do that. There are a lot of assessments that haven't been done or haven't been done properly, including the business case, that justify why we should have a [inaudible] project of state significance. If you don't go down that path and -. We're only concerned about whether this project would justify the investment of taxpayer money and would start to pay for itself and hopefully earn income. You could go to Treasury and it could collaborate with a private enterprise partner and have a look at this.

For the life of me, there is only one reason I can come up with as to why they didn't do that market analysis, and that is that this thing got such a political head of steam they didn't dare go back and test it. They have become fixated with exactly the same project they started with. As Anne said, they have never budged one bit with any detail of this since they put it out for public comment in November last year. They refused to alter one iota of the track. They don't dare put it up for independent testing.

... I think one of the key attributes of the POSS process is that it is very integrated. It looks at economic issues as well as environmental and social issues.

One of the things we were trying to emphasise last time with the criticisms about the failure to do a proper demand study is that really it is an issue for the community to decide, if they have all the facts, whether they think that the cost in terms of taxpayer investment plus the cost of local environmental impacts, if properly assessed, are outweighed by economic and social benefits. I can't think of too many environmental benefits.

That is really all we are asking for - whether it is through POSS or another process - that the community of Tasmania gets to see a proper integrated assessment that in effect does a cost benefit analysis that looks at social, economic and environmental impacts.

Without going back into failure of the environmental assessments, last time we discussed in some detail the lack of the demand study, which is crucial because you can't attempt to determine the likely income if you do not know how many people will walk it. Every bit of income that flows follows the number of walkers that actually decide to walk it, indirect and direct.

What we discovered last time with evidence from the project manager was that not only had the cost of the investment gone from \$33 million to \$40 million, and that they confirmed that that demand study had not been done, but we also found out that they estimate now that 6 000 walkers a year would be required before the project started to break even. That is important because the government from day one has promised that all the maintenance costs of all of the infrastructure would be paid out of walkers' fees. I certainly find it hard to believe that 6 000 will walk this track in the first year and maybe for many years afterwards. That means Treasury would have to start handing out more money to the Parks service to maintain this infrastructure. Maybe we will never get to 6 000.

Mr Shepherd made the following submission in relation to Federal Government oversight of the project:-

On a couple of occasions Mr McGlone said that he did not believe that the commonwealth had done any assessment or, at best, a preliminary assessment under the EPBC act and that they decided, because it was such a poor-level or preliminary form of assessment, that it was not a controlled action. That is not true. The decision from the commonwealth was that it is not a controlled action particular matter - two very important words which Mr McGlone either conveniently left out or possibly didn't realise were part of the decision. The difference is that we put up a series of commitments through management controls and mitigation strategies that say, if we follow these then there will be no significant impact on EPBC-listed matters. That was the decision that the commonwealth made.

I have a document here from the commonwealth which is on their web page. It is a document that they put up as a result of a submission from an organisation on our referral where they requested the statement of reasons from the commonwealth as to why they made the decision that this project was not a controlled action particular matter and I would like to table it. It also has within it the evidence and material upon which the findings were based by the delegate of the commonwealth minister, where that delegate talks about all of the information that they considered in making their decision.

So I want to be very clear that the decision from the commonwealth was not that it was not a controlled action, but that it was not a controlled action particular matter, and there is a very big difference between that. The commonwealth did, as is their norm, a very thorough assessment, I think you will find, of the referral we put up. They have a document that lists the statement of reasons for deciding that, subject to us doing our proposal in accordance with all of those commitments that we made, it would not have a significant impact on any matters listed under their act.

Staged approach

Ms McConnell made the following submission in relation to the 'staged approach to the walk:-

With the new staged approach there are a couple of issues the TMPA are concerned about. I think that I mentioned that we felt that there was not a lot of information about how the staged approach was going to work. One of our concerns was that the proposal was that people start by ferry across the bay to Denman's Cove, and there was a proposal to put the hut in at Surveyors Cove.

We are interested in this proposal because in our view it is a very short walk from Denmans Cove to Surveyors Cove and we question the necessity to put that hut in at Surveyors Cove. In the interests of limiting the infrastructure in the national park we suggest that probably is not needed and that it is not really a three-night walk but a two-night or three-day walk.

The other issue related to that is that the government in talking about the advantages of the Three Capes Track has said that it will be blended with day-walk opportunities so part of the proposal is to promote the day-walk opportunities.

One of our concerns - if it is staged - is that the Cape Hauy track has been upgraded as a day walk, so that's a better day walk and we've been happy with doing that. However, we are unhappy about the degree of work that's being done on it - we think it's too much. One of our concerns is that, if the Three Capes Track doesn't proceed beyond stage one and it's only the eastern half - a two capes track - then the Cape Raoul day walk won't be upgraded. We've been saying we believe the best economic opportunity for walks down on the Tasman Peninsula is through promoters of day walks. Even with a staged approach and even if only the eastern stage gets built initially, we would like to see a commitment to upgrading the Cape Raoul walk as well, so that shorter overnight walk, plus all the good day walks, can be promoted as a bundle.

Aboriginal heritage assessment

Mr McGlone made the following submission in relation to the aboriginal heritage assessment.

... Quite a lot of the assessments have either not been done or they have been done really poorly. ... For example, one thing to emphasise is that the Aboriginal assessment was done by a non-Aboriginal organisation which recommended to the Parks service that, prior to construction, the Aboriginal community had to look at every site of significance and decide what they believed ought to happen. That never happened. Certainly we have seen no public acknowledgement of it.

...I don't think there has been any involvement of the Tasmanian Aboriginal community at all, even though the consultant's report recommended it.

The Committee questioned such evidence and the following exchange ensued:-

Ms WHITE - *I don't believe that to be correct because we had a site visit to Cape Hauy. We were all there and we were informed at that stage that before the ban was in place, the Aboriginal heritage officers did go out and thoroughly assess that part of the track.*

Mr McGLONE - It was incomplete. That is what I have been told. They literally had to put tools down when the order came out from their own organisation.

Ms WHITE - I don't think that is accurate.

Ms McCONNELL - Our understanding is that the final report and final conclusions have not been subject to community consultation.

Ms WHITE - We can ask that again of the department. But I don't believe that is entirely accurate.

Mr McGLONE - You are right, there was some Aboriginal assessment. Then again, the non-Aboriginal consultant's report said that where there were concerns, regarding the whole range of sites, those sites ought to be looked at by the Aboriginal community.

Ms WHITE - Remember, too, there was a ban on Aboriginal heritage officers conducting that work, so that may have also been a factor.

Ms McCONNELL - That is the reason why it wasn't completed in the normal way but it still means that the community haven't been consulted on the proposal and the final recommendations, which is the normal process, and it is because of the ban.

Mr Shepherd responded:-

We engaged Entura as our archaeologists and they were accompanied by an Aboriginal Heritage Officer and we were able to engage them prior to the ban being put in place. Before the ban was put in place they surveyed approximately 60 per cent of the whole track and they were surveying over an eight metre wide corridor based on their opinion that if they tried to assess over a wider corridor than that they would struggle. They did that work for us. The ban was put in place and although we wanted a full ground survey to be undertaken, as is best practice with the industry, we weren't able to do that because the ban was in place.

We spoke with the AHO, who had accompanied Entura, and the early feedback we received, both from the archaeologist and from the AHO, was that in most places ground visibility was very poor as soon as you left the established tracks. As has been pointed out by Mr McGlone and Ms McConnell, 40 kilometres is new track and 20 kilometres, or thereabouts, is existing track, so a large proportion of it was new track where the ground visibility was extremely poor. We are talking zero to 10 per cent or less. They said it was a difficult exercise at the best of times and even where they were trying to survey the eight metre wide corridor where there was existing track, ground visibility was poor once you got off the one or two metres of track that you could see. Their suggestion was that we should use an unanticipated discovery protocol to deal with Aboriginal heritage issues if and when they arose. We used that protocol out on Cape Hauy. As part of the work we discovered two additional heritage artefacts and they were both assessed by an AHO and an archaeologist.

In all of the work that we have done we have the correspondence where we can clearly show that we approached both Tasmanian Aboriginal Centre and the Tasmanian Aboriginal Land and Sea Council. We provided them with copies of all of the reports that were done and we asked them if they would like to engage with us and provide us with a community position on the work we were doing and, because there was a ban in place, they declined.

The following exchange ensued:-

Mr BOOTH - So it hasn't been done then?

Mr SHEPHERD - It hasn't been done. No, a heritage assessment with community involvement has not been done.

Mr EVANS - But a heritage assessment has been done.

Mr SHEPHERD - That's right. You need to understand, and I am sure you probably do, but you can do an archaeological assessment and then you can do a heritage assessment. The only people who are qualified to do the assessment of Aboriginal values are the Aboriginal community and whilst we were able to get some preliminary work done until the ban was put in place, not through want of trying, we have asked them on numerous occasions if they would like to engage and because there is a ban in place they have declined to do that and we respect that.

Mr BOOTH - After the ban has been lifted would you contemplate -

Mr EVANS - The ban is still technically in place. There are some AHOs who are back at work, but that is contrary to the Aboriginal community's view of the ban.

Mr BOOTH - Sorry, I was repeating something from prior evidence -

Mr SHEPHERD - As I have said in discussion with the AHO because the ground visibility was so poor he has provided me with advice where he says the use of an unanticipated discovery protocol, he thinks, is the correct way for us to move forward.

And later:-

CHAIR - Flowing from that, do you anticipate, in the event that the project is approved, any intervention by the Aboriginal community?

Mr SHEPHERD - I don't anticipate any intervention, no. We've been able to demonstrate that we upgraded Cape Hauy and we are able to build quite sensitively over two heritage sites, which with the existing track in place were being impacted by walkers on the existing track. By building sensitively over the top of that we are able to protect those values that were identified and we have done it in such a way that the community seems comfortable, and they are aware of what we have done and they haven't raised any issues with us about the work that we have done today.

CHAIR - Colin, while you mention protection of values by an infrastructure process, is it a legislative requirement to support that?

Mr SHEPHERD - Under the Aboriginal Relics Act if you interfere with a relic you need to have a permit to do so. With the Cape Hauy section of the track we needed to have a permit to do the work that we wanted to do.

With the approach that we took, where we laid the geotextile fabric over the top of the existing track, thereby covering the surface artefacts that had been exposed, and then built over that using only hand labour, that permit allowed for us to do that and we've been able to protect those values that were there. That was the approach that we took based on the recommendations from the archaeologist and the AHO.

Under the legislative requirements, interference would usually mean something like 'disturb' so relocate or, potentially, destroy. We had two options based on their recommendations, we could pick the artefact up and move it to the side, or we could leave the artefact in situ and we could build over the top of it using the construction description that I have given you.

Risk assessment

Ms McConnell made the following submission in relation to risk assessment:-

The other aspect that has not been assessed in all of this is that it is highly likely, given the proximity of the track to the cliffs, that to maintain OH&S requirements there may need to be barriers along the cliff top.

There is no design for those, there is no specification of where those go, but given that a lot of tourists go to the Tasman Peninsula and take those fantastic boat trips down to Tasman Island and back and they come either from Port Arthur or Fortescue Bay means there is potential for railings to be visible on the top of some of those cliffs and things like that, so you are removing some of the natural values of the area in creating a visual impact and that has not been assessed either.

Mr McGlone added:-

With the issue of safety, there's no confirmation of whether they want viewing platforms with rail systems. There would probably be hundreds of metres where you could argue they ought to put in a rail system, if they decide to do that. If you put one stretch in and it's not sufficient, they will be liable because it is very easy for people to walk beyond that. In some of these areas such as Cape Raoul, which is one I am a bit more familiar with, you might need hundreds of metres.

... The people being attracted are people who don't want the most arduous walk. These are tracks that are going to be made quite easy to walk on, so you are attracting people who probably don't really know what to expect.

I know from a lifetime of experience it can be extremely windy, for example, and you can be blown off your feet. You know that if you're an experienced bushwalker in Tasmania. People who have just got off the boat from the mainland with a pair of sneakers and a daypack probably don't expect that sort of thing.

The Committee examined Mr Mooney in relation to the matter of risk. Mr Mooney submitted:-

This track is no different from many other tracks we have in the state. We look after over 1 000 kilometres of walking track in Tasmania and we have very few barriers on most of those tracks. This track is not a track that we want to design for a lot of intrusive facilities and infrastructure like pool fencing. You go to Marion, lookout at Cradle Mountain, one of the most popular tracks, there is not one barrier on top of that landscape. (Mr Hall) knows the Walls of Jerusalem really well, Cradle Mountain park. There are no barriers at all in most of that park. There are in the very high day-use areas that are within two to three hundred metres of a car park, but we are talking about a completely different track here.

There is no expectation that there will be. We do risk assessments - we have on the Cape Hauy track. We have very relevant brand new safety signs in place. They are very bold strategically placed that give very clear instructions and warnings to people about the potential difficulties further ahead, with high winds or sudden drop-offs, et

cetera. We acknowledge that some of the people doing this track will be people that may be on their first two-hour venture. Hopefully there will be people on their first two-hour venture who get out there and enjoy it.

We have no record of anyone falling off any cliffs on the Tasman Peninsula. How long have people been walking on the Tasman Peninsula? Two hundred years.

... You do a risk assessment which uses a whole heap of material and criteria to come to a resolution. And you can't compare the blowhole or Devil's Kitchen with Cape Hauy for example, because they have car parks within three metres of the facility.

So you would expect babies and strollers and elderly people to come right to the edge there.

... You can't compare those two so you compare the actual situation for what it is, and in the risk assessment of Cape Hauy and further along the track we are extremely conscious, and there is new harmonising legislation next year that will give us further consideration. It's an ongoing exercise; we don't do it once and forget about it, we are continually doing that. It's a consideration we have in the back of our minds all the time.

We haven't got a risk assessment done for the whole track because it hasn't been built yet ...

We've done parts of it so far at Cape Hauy. Further on we haven't done it because the track hasn't been completed. There is a track in place now that will be upgraded and there is a brand new track that will be completed. So as it's been constructed we will do that assessment.

Part of the track placement you do do your risk assessment. In your final track location you will do that risk assessment. Obviously, you'll avoid some very potentially dangerous locations in that track location itself. With Cape Hauy, we followed a current track location. There were a few little re-routes done on Cape Hauy but that's all whereas as we go further into the future, we'll be building brand new tracks. That's where the risk assessment will be significantly important.

The Committee further questioned the witnesses as to what safety measures would be considered given the highly dangerous sites the track would provide access to the anticipated increase in numbers and types of visitors. Mr Mooney responded:-

It's a consideration we have on all our walking tracks, as I explained last session. It's something we continually review and update. With the Cape Hauy track, being a track that has been in place for many years, it is very different from a brand-new track. It will probably bring in a different type of walker than used to do it and that is part of our consideration. We have done a risk assessment and items such as barriers, signs, and the location of the walking track itself have been considered. It is fair to say that it's an issue we are extremely concerned about and are continually considering. I can't give a black and white answer for every part of that track at the moment.

... You are getting to the type of use of school groups and similar ages: youths and children. There is no doubt that there will be a high use by youths, hopefully. We will encourage that. That has all sorts of considerations with it. I am certainly not saying that we are not considering it. We are certainly considering it, but what the final result of that consideration will be, I cannot explain now for every section of the track.

I think I said that if barriers were considered we would certainly be reasonable and sensible in how they would be placed. We would not put them right on the edge of a cliff because you could see them from the ocean, for example.

There are sensible ways to put barriers up. For example, if you walk the Wineglass Bay lookout track now, there are barriers along that track where you have quite steep drop-offs on the track edge. The consideration of the type of barrier was quite a process and what we have ended up with is just three horizontal metal bars. They are built in a manner which will rust naturally, and they will tend to blend into the environment. We have had no negative feedback about that. We could just as easily have put up pool-type fencing which would have been quite ugly and intrusive. As well as what you do, it is how you do it. We would be really conscious about that on this track as well.

... I must admit that, compared to 20 years ago, we are in a new world of being a lot more open and inviting to visitors to our reserves. Twenty years ago we were not very inviting. We provided the facilities, resources and services for the visitors that came. Now it is a new era and that is a recognition that we are a really important part of the future economy of the state with tourism. We are not only the biggest conservation manager in the state, we are the biggest tourism operator. We have more day visits and overnight visits now as a tourism operator in the state. We have to balance that process. There is a lot of sensibility and wisdom in how you make your decisions. What we are very conscious of is that we don't want to wrap everyone up in cotton wool with everything that we do, but certainly we need to make things safe and keep them safe. The best way to do that is to continually review how we build things and how they are used and what types of people are using them. This would be the type of track that we would have regular reviews of the safety aspects and the use of it because it might all of a sudden get a real interest from a particular user group that don't even think about using it now.

... In our risk assessment we will certainly come up with a whole range of ways to put in mitigation measures. Where there are end points and points of assembly for large numbers of people, you would certainly have to safety - what you would see as a fit and proper arrangement for a large number of people to be assembling in that location.

Hut infrastructure

The Committee questioned the witnesses as to whether the proposed hut design met the building and planning requirements of the Tasman Council. Mr Shepherd responded:-

By virtue of the DA being approved by the Tasman Council, the huts have met all of those requirements. Ms McConnell has given some evidence to say she had concerns about colour.

One of the conditions of the development application approval is that the colour has to be approved by the general manager of the Tasman Council. My understanding of the DA approval ... is that once the approval is given, obviously what we have submitted to council meets with their approval and therefore the project is able to proceed. The answer to your question is yes.

... I have listened to (Ms McConnell's and Mr McGlone's) evidence and I have heard them say on a number of occasions that there was very limited scrutiny of this project, which I have to say I refute because through the EPBC approval we had to wait until

we had the conditions that came with that before we could move towards working out what the design of the huts would be, otherwise we could have designed huts which when we received the approvals would have been effectively useless because there were conditions with the approval.

Through EPBC we gained approval about how we would deal with potential collisions from swift parrots and therefore that influenced what the designs of the huts would be. Similarly, we didn't want to start designing the huts until we gained approval from the general manager of Parks through the reserve activities assessment because again that would influence the design of the huts.

Through the RAA process it is not just Parks that does the assessment - there are a number of divisions within the Department of Primary Industries, Parks, Water and Environment who do the assessment, including the threatened species section experts and the resource management conservation division. As, hopefully, you can see, until we had the approval from EPBC and the RAA we couldn't really progress the final design of the huts because we were well aware that we were likely to get conditions about how the hut design had to end up looking, so we could deal with the values that needed to be protected within the park.

... At Surveyors Cove, which is the site where there was contention about the potential visual impact from Port Arthur, we have deliberately split the huts into smaller units so we can hide them amongst the existing vegetation. That was part of our consideration to ensure there would be no unacceptable visual impact.

(the ranger's hut) would be occupied 24/7 for the period of the walking season, which is nominally six months, but in line with what is happening on the Overland Track this year, I suspect it is likely to be at least eight months and, because the climate is a little more favourable on the peninsula than the Overland Track, it might even be nine months. So for that period it would be occupied and then for the three months outside that it would be available for park staff when they are doing routine works.

...The independent huts which Parks will be managing will accommodate 48 people plus up to four staff in the ranger's accommodation.

(that is) 48 in total, in three groups of 16. We have split the sleeping huts into two units and each of them can sleep eight people. There are four bunks in each of those split units and there are 16 beds provided per building.

Deliberately, as part of the brief with the architects, we requested that it be done as a modular design, which is behind this thinking. These modules are replicated across the other hut sites and are effectively distributed in a different configuration.

The total area for the huts is around 300 square metres, so they are not small. We have to be able to accommodate 48 people. By way of comparison, that is a similar size as you would find at the New Pelion hut on the Overland Track and slightly larger than the Bert Nicholls / Windy Ridge hut - whichever name you want to give it - which is about 250 square metres.

We also compared them to some of the huts in New Zealand which are able to accommodate similar numbers of people; one of the huts we looked at was the Routeburn Falls hut which is about 350 square metres.

DOCUMENTS TAKEN INTO EVIDENCE

The following documents were taken into evidence and considered by the Committee:

- Parliamentary Standing Committee on Public Works – Three Capes Track – September 2012, Department of Primary Industries, Parks Water and Environment
- Draft Development Proposal and Environmental Management Plan – Three Capes Track, Department of Primary Industries, Parks Water and Environment
- Hobart Walking Club – Submission undated
- Tasmanian National Parks Association – Submission dated 21 September 2012
- Tasmanian Conservation Trust Inc. – Submission dated 21 September 2012
- “Economic Impact Analysis for Three Capes Track, Tasman National Park – revisited 2012”: Prepared for Tasmanian Parks and Wildlife Service by Syneca Consulting Pty Ltd
- Statement of Reasons for a Decision on a Non Controlled Action (Particular Manner) under the Environment Protection and Biodiversity Conservation Act 1999: Department of Sustainability, Environment, Water, Population and Communities
- Plans and Elevations of proposed huts at Maingon Creek and Retakunna Creek
- Cape Haug Track Visitor Risk Assessment – August 2012

CONCLUSION AND RECOMMENDATION

This referral was for the construction of a walking track on the Tasman Peninsula in south-eastern Tasmania to facilitate what is described as a ‘multi-day iconic bushwalking experience, including a water based journey’, featuring Capes Raoul; Pillar; and Haug.

The project entails the construction of five overnight hut nodes and completion of the track itself through both the upgrading of existing tracks and the development of new track.

The development is almost entirely within the Tasman National Park with some minor components on Crown Land and private land that the PWS has negotiated long-term leases across.

The Committee's invitation for public submissions elicited responses from the: Tasmanian National Parks Association; Tasmanian Conservation Trust; and the Hobart Walking Club.

The Hobart Walking Club was generally supportive of the project provided all year access was maintained at no extra cost to users.

The first two-mentioned organisations were not supportive of the proposed works proceeding. In summary, such opposition was that the project: was a fundamentally flawed concept which attempted inappropriately to impose an 'Overland Track' style model on the Tasman Peninsula; had not been subjected to independent assessment; would cause unacceptable environmental and heritage impacts which, in any event, had not been properly assessed; and had not been subject to a business case analysis and the production of a business case.

The Committee received counter-evidence from the proponents, the Department of Primary Industries, Parks, Water and Environment. Amongst other documents, the Committee received into evidence and considered: the "Statement of Reasons for a Decision on a Non Controlled Action (Particular Manner) under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999", the "Economic Impact Analysis for Three Capes Track, Tasman National Park – revisited 2012" and the Cape Hauy Track Visitor Risk Assessment.

The Committee gave very careful consideration to the propositions given by both proponents of the works and by those who opposed it. Arguments were well made and the Committee considered its statutory obligations under the *Public Works Committee Act*.

The stated purpose of the works is to "establish a 'world class' iconic hut based bushwalking experience by linking the outstanding natural features of the Tasman Peninsula in a coherent multi day experience with a high standard of infrastructure and operational support".

The Committee is satisfied that the proposed works will provide a Class 3 standard walking track. In the view of the Committee, such 'dry boot' standard consequently will provide the opportunity of a walking experience which is attractive to a wide cross section of walkers.

The extended nature of the walk together with the provision of the hut accommodation and overnight 'nodes' will deliver a unique walking experience.

The Committee is satisfied that the plans and specifications of the proposed works will enable the delivery of the stated purpose of such works.

The Committee is satisfied that on the balance of evidence received, the proposed works will provide significant positive economic deliveries: during the construction phase with the delivery of 264 jobs (worker years) and a contribution to Tasmanian GSP of \$13.5 million. Longer term economic benefits respectively for the State and the Tasman Peninsula include: 278 (State) and 44 jobs (Tasman Peninsula); contribution to State GSP \$14.1 million (walk only) and \$14.2 million (walk plus ferry); and contribution to Gross Regional Product of the Tasman Peninsula of \$1.6 million (walk only) and \$1.7 million (walk plus ferry).

The Commonwealth and State Governments have respectively contributed \$12.5 million and \$12.8 million to the works. It was submitted that an additional \$8 million was expected from private investment for the provision of water and land based transport and a guided (commercial) walking experience.

The Committee accepts that, on the balance of the evidence received, the works, both in the construction and operational phases, will be managed in such a way as to limit the impact on the natural values of the subject area. The Committee notes the statutory obligations of the proponents prescribed by the *National Parks and Reserves Management Act 2002*.

The Committee notes the prescribed assessments that have been completed at Commonwealth, State and Local Government levels.

The need for the works was established for the reasons outlined above.

The Committee was however, particularly concerned that the new track will provide easy access for a much larger number of visitors to extremely dangerous cliff faces. The full transcript of evidence demonstrates that the Committee pursued this matter at some length with the General Manager of the Tasmanian Parks and Wildlife Service, Peter Mooney. Mr Mooney submitted in evidence that the recently completed Cape Hauy track had been subjected to risk assessment (a copy of which was sought and provided to the Committee) and had consequently had installed 'relevant, brand new, bold and strategically placed' safety signs. He submitted that such signage gives 'very clear instructions and warnings to people about the potential difficulties further ahead, with high winds or sudden drop-offs, et cetera'.

Mr Mooney assured the Committee that the PWS were "extremely conscious" of the risks and that some of the people walking this track will be "people that may be on their first two-hour venture". He submitted that risk assessment is 'an ongoing exercise; we don't do it once and forget about it, we are continually review how we build things and how they are used and what types of people are using them doing'. He submitted that risk analysis has been undertaken in the routing of the new parts of the track but a complete risk assessment can only be completed once the track

had been built. He further submitted that any placement of barriers would be sensitive so as not to derogate from the natural values of the area.

The Committee acknowledges the authority and expertise with which Mr Mooney has given such evidence. The Committee accepts the assurances Mr Mooney has made in relation to both the risk assessment strategy and subsequent safety installations.

The Committee accordingly recommends the project, in accordance with the documentation submitted.

**Parliament House
Hobart
7 December 2012**

**Hon. A. P. Harriss M.L.C.
Chairman**