

**Mr LINDEN JOHN JAGO**, CRADLE MOUNTAIN WILDERNESS VILLAGE, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Wing) - Thanks for coming to join us. The proceedings will be recorded and will be transcribed and put on our website. If at any stage there is anything you would prefer not to have published at this stage, please tell us and we can take evidence in camera. Anything you say in here is subject to parliamentary privilege but that does not apply to anything that might be said outside.

Mr Michael Gaffney and I talked to a number of your colleagues at Cradle Mountain last week and we are looking forward to hearing your views about your personal experiences and your business as well as your views generally on tourism in Tasmania.

**Mr JAGO** - Perhaps I can qualify my appearance here today because I have accepted the opportunity in the capacity of managing director of a company called Stay Tasmania. I operate six properties throughout the State, all within a four-star quality brand and depending on the time of year, we employ somewhere between 120 to 140 Tasmanians. The Cradle Mountain property is one of those properties in that portfolio.

**CHAIR** - Yes, good, thank you. Which are the others?

**Mr JAGO** - The two most recent hotels in Tasmania are the Hotel Charles in Launceston and Hotel Collins; Cradle Mountain Wilderness Village; Swansea Beach Chalets; Stewarts Bay Lodge; and another property I oversee the operation of is Swansea Holiday Park.

**CHAIR** - Good, thank you.

**Mr FINCH** - Six properties were there?

**Mr JAGO** - Yes, and there are five in the Stay Tasmania umbrella. The Hotel Charles which has 100 rooms opened in July so we have been the most recent opening property in this State, a little bit later than Saffire, and Collins was opened in December last year, which is 80 rooms in Hobart.

**CHAIR** - The Charles looks brilliant.

**Mr JAGO** - It is a credit to Joe Chromy and his crew - they have done a great development.

**CHAIR** - Also Sam Tucker.

**Mr JAGO** - Indeed. It was a terrific opening last month which, again, was a great credit to Joe.

**CHAIR** - Yes, I was sorry I had to go to a funeral and could not be at the opening.

**Mr JAGO** - I accepted the opportunity of coming along just to raise a couple of matters which are close to my thinking about tourism in Tasmania. The first would be an improvement or greater understanding of using the available resources and trying to get better about how we might do that in a strategic way. The second matter is dependent upon the first, which is access to the State airlines and boats. The second point has been partly covered with recent announcements by Jetstar increasing flights into Launceston and Hobart, which is all good news for tourism, but the driver for that I see as being point 1 and that is a cleverer way about doing our business with limited resources. To that end, I think we have a lot of structure in place to monitor, regulate and promote tourism, but there are lots of different bodies within tourism which do their own thing and with more strategic alignment, I think it could be done better.

Obviously I have read the various transcripts of people giving evidence here saying that Tourism Tasmania does a great job for Tasmania in promoting the State and, as an operator, I can't see how we could survive without a department like Tourism Tasmania. But I think their role could be modified in some ways and indeed simplified with the various developments that are going on with MONA, TMAG and obviously the TT-Line, which is an incredibly important resource to Tasmania. They are all doing their own thing and with alignment and a better spend of the money, it is my view that we could be smarter about doing business and getting it out here, which fundamentally comes back to the point that if there is a limited budget and limited resources, it is a matter of simplifying what we do to make the funds more available to market the State. The primary concern of a lot of my colleagues in the industry is that what is available should be freed up to spend more on marketing. So we need to simplify the process and get as much as we possibly can into the marketplace to promote the State. Of course the issue of access falls into place with that because when there is greater demand we will get better access provided by those businesses that deliver that.

**Mr PARKINSON** - Do you have any thoughts on what form that marketing should take in the main?

**Mr JAGO** - The surveys tell us that people are attracted to Tasmania because of our environment and I think there is a lot of strength in continuity of those marketing rationales - that we have a thread, we should stick to that thread and that is the key objective. I also think very strongly that our marketplaces are Victoria, New South Wales and Queensland and that we should be focusing on those marketplaces because that is where we will get our business and it will be delivered from those places.

I guess the agencies spend a lot of time on promoting Tasmania internationally and the like. I think the last visitor surveys are showing that our share of international tourists is down to about 2.8 per cent where historically it has been about 14 per cent but it is probably coming back down to somewhere between 12 to 10 per cent. So our spend in that area, in my view, is not productive when we know that almost two-thirds of our visitors come from Victoria so that is where I would be spending the money to ensure that the State is promoted to that -

**CHAIR** - Two-thirds? It used to be about 42 per cent a few years ago.

**Mr JAGO** - It is probably a bit inflated but it is a dominant marketplace. I think New South Wales is less than or about half of what Victoria produces and Queensland is probably about one-third or so of what Victoria produces.

**Mr FINCH** - Linden, you didn't mention South Australia. We had a previous witness, Jock Campbell, talking about the direct flights to Adelaide and lamenting their demise. Do you not include South Australia or Adelaide purposely?

**Mr JAGO** - The same could be said with Western Australia and Perth. Yes, because it does represent a percentage, but if there are limited resources then it is always best to focus on the core, in my view. The numbers from South Australia and Western Australia diminish considerably in comparison with the three bigger States. I guess the evidence at hand is that there were not sufficient numbers to keep that flight going. I guess someone would turn around and say, 'Well, if it was promoted more then the flights would be justified.' Catch 22.

**Mr PARKINSON** - Do you have any particular aspects of the environment in mind when you say 'to promote'?

**Mr JAGO** - Wilderness is obviously the core. Going forward I would specifically target to people, if I was holding the purse strings, the developments at MONA and TMAG as being world standard and the focus should be on promoting them - not forgetting obviously other parts of the State where it is absolutely critical that numbers go through for survival. The more people we get into Tasmania the better the whole State will be. The length of stay for each visitor increased under the last survey results, which is all very encouraging, but that is also on the back of probably the worst winter the State has experienced for 20 years, most people say.

**Mr PARKINSON** - I would like to hear your thoughts on this - there has been a lot of talk in recent years, probably going back to 2005, of the plight of the Tasmanian devil. People are starting to realise that it is an endangered species. It is the largest marsupial in the world, but I do not see too much promotion of the animal through tourism. Seeing Tasmania is the only place in the world that produces these animals, I wonder whether we ought to be spending more money on promoting it as a tourism icon - in a sensitive way, obviously. If it is an endangered species you do not want people trampling on them, but that is not going to happen anyway, given the nature of their habitat and so on. But to tie it in with our general wilderness advertising seems to me to be something that we have forgotten.

**Mr JAGO** - I think it is an important part, but it is part of the bigger experience. If we are achieving an average stay of nine to 10 days there is a lot to be seen around the State, and the more people who travel around the State the better the State is in economic terms. I think you are right, I think it is a very important aspect of promoting the State, but it is part of that broader picture of what Tasmania can offer.

**Mr FINCH** - You mentioned Tourism Tasmania and that their operations could be modified and simplified. Do you have an area of their operation in mind where you think that

dollars could be saved to do that extra work in marketing? Are you talking about the numbers they employ because they have had a big cut in numbers?

**Mr JAGO** - I think the number is down to about 98, but it is fair to say that a substantial drop in those numbers was associated with the Tasmanian Temptations. I think that it is probably a good opportunity to assess, and obviously that is what you gentlemen are about. I think when you start at the top and look at the structure - you have a CEO who is reporting to a minister who is also reporting to a board. You also have very active industry associations with both the THA and Tourism Industry Council, and then you get to the level of the bureaucracy. So in my view right at the start it is a complex structure, which probably would lend itself to being simplified and there is a lot of industry experience, which probably could be utilised in some capacity.

Going down from there, if you follow my matter about targeting the marketing and making more available to spend, yes I would look at Tourism Tasmania where there has been an even stronger threat of reducing the numbers. If it is a choice between making available money to spend promoting the State or supporting the bureaucracy then it is supporting the State through promotion of the State. If it was to continue to reduce - and there are many core functions where we cannot reduce - I think we would be better served by promoting the State. It starts right at the top and goes down and I think there are a lot of aspects of Tourism Tasmania which are not discussed. Given that we have a couple of new properties in the State, there is a visiting journalist program and they are very active in bringing people through the State and promoting it, you do not hear or see much about what they do as part of Tourism's activities. It is mostly about interstate campaigns but there are a lot of other things that are covered and I am not qualified to say what should stay and what should go and I am not representing that. But if it was a choice between more spent promoting the State and supporting the bureaucracy, then promoting the State is where I would be putting the money.

**Mr FINCH** - Linden, in respect of your own marketing for Stay Tasmania, how do you go about that? Do you have a percentage of your turnover that you allocate to that? Do you join in with Tourism Tasmania? Do you have partners that you join in on? Is it IT? Do you do it online?

**Mr JAGO** - Yes to all the above. The current format and the huge swing in the last five years has been to the online environment and if you are not in that space then your business is suffering - and you probably have heard that to be the case right around the State.

**Mr FINCH** - A lot are not.

**Mr JAGO** - Yes, and that is an issue in itself because if you flood the market then consumers will have very difficult buying decisions to make. But that is the modern trend and the greater use of the Internet and online environment means that the process is simplifying. Tourism Tasmania recognised that some time ago and they have been active in that marketplace but it is a very competitive marketplace so the results are very hard to achieve.

Stay Tasmania has had cooperative marketing programs with Tourism Tasmania. The major part of that was optimisation of our websites, restructure of websites and just general promotion through what they call 'industry partners'. They are currently doing two - Wotif and Expedia, which is another national site and a large international site. Totaltravel is I think the second most visited tourism site in Australia behind Wotif.

**Mr FINCH** - Are you on that?

**Mr JAGO** - Absolutely. We are in all those spaces and you have to be there. The current evidence shows that the purchasing decisions are being made later and later, hence the restructure and the withdrawal from the market of Tasmanian Temptations because it was a business which had fallen behind in terms of where the consumers were buying.

**Mr FINCH** - People are buying by impulse, do you mean, or they have more flexible work arrangements so they can take quick holidays at different times? They might say that they will have a week off and they will have a look and see what is going on in Tasmania.

**Mr JAGO** - I think a lot of the decisions are determined by virtue of the influence of Wotif - that they know that they can maximise their spend by leaving it until the last moment at most times of the year. Obviously there are critical periods where you cannot do that - particularly in Tasmania over the Christmas or Easter periods, where you have to buy in advance. I also see that the marketplace is starting to settle down a bit insofar as the traditional sources of business - the wholesalers and the like - still have a market share and are still putting the structured holidays together which in many ways is supported by the length of stay. With new properties my experience is the buying decisions are made very much at the last moment.

**Dr GOODWIN** - Wotif has expanded out its prebooking period from two weeks to about a month.

**Mr JAGO** - Originally they were 30 days and they moved a couple of years ago to 90 days and I understand they are just about to announce 12 months in the next few weeks or so.

**Dr GOODWIN** - So that might influence people's behaviour again for 12 months?

**Mr JAGO** - It is a conundrum for tourist operators as to how we place our product because the direct business is always the best business, with margins being about 10 per cent of the purchase. Traditional sources can vary from wholesalers at about 25 per cent through to aggregators which take about 50 per cent. So we quite often get visitors to our properties who are paying rack rates, full amount, but we are getting about 50 per cent of that. They have expectations because they are paying for it but it is always the poor property owner who wears it if something goes wrong. I do not know how to answer that question.

**Dr GOODWIN** - I guess we will have to wait and see what happens.

**Mr JAGO** - We will probably set up a structure whereby we roll rates forward but every business has a different approach.

**Dr GOODWIN** - In terms of your main market what sort of customers are you getting? What are they looking for?

**Mr JAGO** - With the three regional properties it is a leisure market - a very strong market. For the two properties that we have opened in the CBD it is a combination but we are very much going after a corporate market. I am pleased to say that we are succeeding in doing that because we have fresh new properties. We are getting very positive feedback that it is healthy for the State to have new product on line.

**Mr FINCH** - How long has Stay Tasmania been in operation?

**Mr JAGO** - Approaching three years.

**Mr FINCH** - So we really cannot go back in history all that far. Maybe you could give us a sense of how you feel about this current season, in the winter or quieter months, and about the global financial crisis, how you have come through that process and what the future offers for your business. Are you positive about the next stage of your operation?

**Mr JAGO** - As positive as I can be. Obviously there are many sleepless nights with a new product in the marketplace and having to meet criteria that keep everyone happy. The recent winter has been harsh, although I have had mixed results. The east coast, in my experience, has been deadly quiet, which is surprising given some of the more recent promotion of the east coast, yet at Cradle Mountain we have improved our figures from the previous year. I know that visitor numbers to the mountain are down so that means we have taken market share off someone else.

Times in Hobart have been deadly quiet too, which has been really unusual. Launceston is a much different market, which is more dependent upon the leisure market, so it has had a very quiet winter. Having new properties in the State, we wear some of the frustrations of other operators because we are coming in as new players. We need to have fairly sharp rates to pick up market share, which naturally drives market rates down and most of that is our fault. Going forward, the market will indicate we need to keep our rates sharp. I have heard some feedback today in regard to Tasmania being over-priced. Prices will fall because the market will dictate. Everyone needs certain levels of business to survive and we have to make sure we are able to achieve that, and prices dictate a lot of the purchasing decisions. I am very pleased to say that our properties rate very highly with consumers. The Launceston property went to being the most popular property in Launceston after five weeks of opening. So we were number one out of 31 Launceston properties as rated by tripadvisor, which I am sure that you have heard about in these hearings. In Hobart, our Collins property rates number four, with an expectation that it will actually get higher. So it is price-driven as well as providing a quality product, and that is the space that we were in. If we are able to, we will keep things as sharp as possible and make sure our businesses succeed.

There has been discussed fairly broadly the need to bring larger players into the State, national and international players, with a view that those players will then spend and promote the State elsewhere. I cannot work out the rationale of that notion at all because if you look at the current players in the State who are large international players, they do not spend money promoting the State. In my view it is a misnomer. If you look at Accor or Grand Chancellor and other companies like that, not very much money is spent by them promoting Tasmania as a destination. They will leverage off what the State does through Tourism Tas and anyone else. They have their own structures through which they promote their own organisations, but as a small Tasmanian operator I fail to see any benefit whatsoever in attracting or promoting and more particularly subsidising - which would cause a lot of anger in the industry - any national players.

**CHAIR** - Do you consider that Federal Hotels, in promoting their properties, are also promoting tourism in the State?

**Mr JAGO** - Absolutely.

**CHAIR** - Attracting more visitors?

**Mr JAGO** - Yes, Federal Hotels is a wonderful organisation for the State. The more promotion they do is to the benefit of the State. Most people in the industry that I talk to are very hopeful that their ventures, more particularly Saffire, will succeed because it will only benefit everyone. Yes, I strongly agree that Federal spend and promote the State very well.

**CHAIR** - So that would be an exception to the point you were making just before?

**Mr JAGO** - If you accept that they are a national player; in the tourism industry they are not.

**CHAIR** - I see.

**Mr PARKINSON** - Is there any talk in the industry as to why the east coast is down?

**Mr JAGO** - No, there is not - similarly, though, the west coast. Historically for the west coast, whenever there is a quiet period, people cut the corner and they do not go down to places like Strahan and Queenstown. East coast has always been on people's agenda, so I don't know. There was a spike when the Bay of Fires became very popular; the numbers increased up there and it was a marked increase. We could tell that there had been some activity, but I don't know without some sort of empirical research what has happened on the east coast.

I had lunch with Bill Bleathman of the TMAG. What a wonderful opportunity that is. Together with MONA it is probably the single most significant investment in the State. I would have thought that we, as Tasmanians, need to pool all the support we possibly can and promote it as much as we possibly can.

**CHAIR** - What about access to Tasmania?

**Mr JAGO** - Access has been an issue more particularly with the airlines and reducing the number of flights into Tasmania. Obviously we have seen building numbers when airfares and different airlines made access easier and cheaper. We are very much dependent upon those airlines maintaining and increasing their flights. I believe that if we are able to increase the attractiveness of the State by targeting those markets we have discussed; the airlines will come on board and increase flights as they are doing over this summer. The CEO of Jetstar said the number of flights has increased to eight daily flights now as a base, and some would wish to see an increase on that. If we are able to promote the State, attract more numbers, it goes without saying then they will open up with access. In regard to TT Line, again, promoting the State in a holistic approach by Tourism Tasmania and other agencies should include TT Line so that it is all coming for the benefit of the State. I do not know what their marketing budget is, but if there is some rational and common approach it can only do better for the State as a result. Historically I think the numbers by boat are about 17 per cent of visitors to the State, which decreased somewhat but, through clever marketing by the current CEO, is being maintained and has put a very positive spin on the boat.

**CHAIR** - Thank you.

**Mr FINCH** - Just before I ask about staff and the standards of their training, I just wondering in respect of packaging fee of marketing, do you do anything like Federal do to book around the State and do you offer a discount to come and maybe stay in two or three or four locations?

**Mr JAGO** - The State of Tasmania no, we have not grown to have the capacity to do that. Ideally that is where we would like to go. Currently, though, the answer to your question is yes, through the agencies of wholesalers. Tasmanian Vacations is a small wholesaling outfit and we have packages available through them - seven-night stays throughout the State - and they have been marketing that quite extensively for us in Queensland. We also use AOT, Australian Outback Tourism, which is a travel point, and they package up their itineraries and they do a five-day package for us. We have been and still are with the regional properties associated with Innkeepers, which is a marketing agency again and they specialise in package trips, and have strong relationships with wholesalers and retail agencies.

**Mr FINCH** - You do not come under the Innkeeper's banner?

**Mr JAGO** - We do for three of our regional properties. Currently for Hotel Charles and Collins, yes, but on 1 April, no. We parted on the basis that our market has been different from what Innkeepers can offer - and pure economics. They are one of the companies that take a pretty big chunk of the pie.

**Mr FINCH** - Okay, that hard-earned pie.

**Mr JAGO** - Indeed, and getting harder and harder.

**Mr FINCH** - I think you mentioned that you had 120 staff?

**Mr JAGO** - Yes.

**Mr FINCH** - I just wanted to ask a little bit about training people who come to you that you take on. Have they been well trained? Is there a gap there? Is there something that could be done with Skills Tasmania or Drysdale? Could you just give us a sense of how you feel about the people who apply for your jobs and who are on your staff?

**Mr JAGO** - We have formed allegiances particularly with Skills Tasmania with the staff incentives and staff training and promotions, and we are very keen for the development of our staff. Again, it is not as developed as we would like it and we will move into that area, both in Launceston and Hobart. Regionally it is much more difficult. Regionally, particularly with a place like Cradle Mountain, it is very difficult to find staff and it is not a place that attracts a lot of young people unless you are large - like Cradle Mountain Lodge, for example, that has a pooling of staff together. Our property does not and cannot do that, so our training is minimal in those areas, as are the requirements of the people who work for us in those areas, which is not a good thing. The development of every staff member would be a benefit to us as an employer, but at this stage, I cannot see how we can improve on that. But we will continue to work on it, and perhaps as we get better, with doing that in Hobart and Launceston, we can then expand. Skills Tasmania offer good schemes, good training and good contact and it is very important for us to bring young people though.

**Mr FINCH** - Do you have any thoughts on Drysdale, do you do much catering?

**Mr JAGO** - We do. We have a smaller facility in Hobart as compared to our restaurant in Launceston and we are still at the stage where it is too early to get too involved. We are still coming to understand our business and putting it altogether. Having said that, in Launceston we are running a kitchen of probably 15 people so it is something that we need to bring together very smartly. I mentioned tripadvisor, and the dominant thread of the feedback that we have on that site for our properties commend us on the quality of staff and how friendly they are.

**CHAIR** - How well known is tripadvisor to consumers, do you think?

**Mr JAGO** - It is large site and it does dictate a lot of buying patterns. Of course, while we are rated so highly we promote it too on our own sites with links and things like that. It is becoming more known because that is the increasing environment where people are making their bookings.

**Mr PARKINSON** - Is that an Australian site?

**Mr JAGO** - No, it is an international site.

**Dr GOODWIN** - So the discerning traveller knows to go to that site, do they, to work out where the best places are?

**Mr JAGO** - It can be very cruel at times but if you are buying something blind with the online environment it is easy to do your research and that is, again, the dominant site.

There are other sites but it is an open forum of providing feedback. I know Tourism Tasmania view that site very critically and highly, as it has been very important aspect and approach to going forward.

**Dr GOODWIN** - Who actually runs that site? Is it purely interactive or is there like a visiting journalist from tripadvisor that comes and reviews?

**Mr JAGO** - It is whoever wishes to enlist on the site. The site exists by way of promoting different products and different links to booking machines and the like and all sorts of other promotions for hotel chains and the like. But it is an open forum as long as you are registered as a member because we, as a property, if we get a bad review and there are certain things that ought not be in the review, we can challenge that review. So it is regulated but, other than that, it is anyone's view on their experience.

**Dr GOODWIN** - And you pay a fee to be part of it, to register?

**Mr JAGO** - No, you are actually listed as soon as someone reviews you. There is the ability to join and another income source for them to regulate your property and to promote it as well.

**Mr PARKINSON** - If I type the words tripadvisor in Google would I get to it?

**Mr JAGO** - Yes. It is the gorilla in the room - it is enormous. Therefore it is very important to be well rated.

**CHAIR** - I think you said that your Cradle Mountain property had increased. Are there any particular reasons for that?

**Mr JAGO** - The cooperative marketing approach of Stay Tasmania started towards the end of last year, and by virtue of having the larger properties I think the smaller properties have benefited from our ability to spend and promote to put those properties out there more broadly. We have spent close to \$30 000 in the last 12 months advertising in Village Cinemas, focusing upon Victoria and a little bit of New South Wales as well as Tasmania. We spend at least \$3 000 a month, if not more, on Google AdWords, the sponsored sites within the Google searches to promote the properties, and that is well researched in terms of the productivity as a result of that. Yes, a bigger spend and I think the regional properties have benefited from that.

**CHAIR** - You have mentioned the wilderness as being a big attracting factor for visitors. What sorts of things do you find that visitors like about Tasmania? What are the main things that they like in discussions you have had with them?

**Mr JAGO** - It is clearly the natural beauty of the State and when you think of particularly Victoria, having lived in Victoria for a number of years, I believe that it cannot compete. And the smallness of Tasmania - I think the fact that we have a population of half a million people is a healthy number for visitors, we are not overcrowded. There is a lot to see, particularly within a period of a week to nine days. People who are educated about

what there is down here and how to see it, rather than coming down for two days and think they can get across the State, benefit from that.

**CHAIR** - A few hours sometimes.

**Mr JAGO** - I heard a story last year of how someone was staying at Bicheno and thought they would just go across to Strahan to jump on the train.

*Laughter.*

**CHAIR** - Do you hear complaints? Are there any particular things that tourists complain about most in visiting Tasmania?

**Mr JAGO** - The attitude of our people within the industry is absolutely critical. So if we can provide a friendly experience then everyone will enjoy it, but sometimes you do not get that experience. There are complaints about that. There are complaints about the levels of expectation with product and going back to the point that a lot of people view Tasmania as being an expensive place to travel. There is probably merit in that, too. Over those critical periods where there is high demand and lower supply because everywhere is full - and that is when we make our money over those periods - people's demands are not being met. I would also say - again I obviously have a self-interest in this - that there is a lot being said about shortage of beds in Hobart but occupancy rates, particularly for people on the fringe, have been very poor over the last 12 months. If there is high demand over those peak periods, such as Christmas - particularly in Hobart - that is no different from most other places throughout Australia. When they have important things on, cities fill up, and we are no different.

**CHAIR** - Do you vary your rates on your properties, winter, and summer?

**Mr JAGO** - Daily - hourly, almost. They are dynamic rates, yes. That is going back to the online environment.

**CHAIR** - There seems to be a consensus that it has been a very difficult winter and for most people business has been down. What do you see the future in the tourism industry? What else needs to happen to overcome the current problems, some of which are beyond the control of anybody in Tasmania, of course?

**Mr JAGO** - Yes, absolutely, but we have had these experiences before- the high Australian dollar, cheaper flights internationally and matters like that. We seem to come through. We are fairly stable with our numbers and there are increases and decreases. We have never had it so good, in my opinion, as when the third boat was on line into New South Wales. Whilst it was an expensive operation for TT to run, the benefits to the State were enormous. I see going forward those external factors -

**Mr PARKINSON** - I was about to go on that when they cancelled it.

**Mr JAGO** - I would love to have gone into Sydney Harbour on it. I think that we will always have a number, which keeps our industry going and what I am suggesting today

is if we do things better and smarter, and more targeted, we can hopefully increase those numbers.

**Mr FINCH** - Linden, you mentioned earlier about a lot of structure around tourism in respect of the minister, CEO and the various bodies that are there, the Tourism Industry Council and others -

**Mr JAGO** - And the board particularly.

**Mr FINCH** - Yes, I am just wondering, where do you get involved yourself in respect of, I suppose, having your voice heard? Are you in the Tourism Industry Council?

**Mr JAGO** - I am a member, not a member of any committee, a member of the Tourism Industry Council with two companies that are members of the council and that is where we see our role. There is a cross with THA and what they provide because a lot of properties are joint members and hence my comment that there seems to be a lot of duplication and if we had a streamlined process I think it would be more productive.

**CHAIR** - Unfortunately the time has expired but thanks very much for the interest you have shown in the operations of this committee and for coming in and giving us such helpful information.

**Mr JAGO** - Thank you for the opportunity.

**THE WITNESS WITHDREW.**

**Mr ROBERT HAROLD ANNELLS**, CHAIRMAN, TOURISM TASMANIA BOARD, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Thank you very much. If Felicia wants to give any evidence, she does not have to be sworn because she has been sworn previously. So you can refer to her as you wish.

We are looking forward to hearing your views. We know that you have limited time, and thanks for sharing your time with us.

**Mr ANNELLS** - Thank you, Mr Chairman, it normally would not be a problem but I have a rather sick grandchild in Melbourne and I am fairly anxious to get there to see him. But I am on a five o'clock flight so it is fine, thank you.

**CHAIR** - I hope he picks up satisfactorily very soon.

**Mr ANNELLS** - Thank you.

**CHAIR** - If you would like to let us know, from your point of view, how tourism is functioning at the moment compared with other times and what proposals you and the board have for the future.

**Mr ANNELLS** - I have had cause to go back over the *Hansard* of your previous meetings back in November last year and a lot has happened in 12 months. Now, of course, we have certain people deserting a sinking ship -

**Ms MARIANI** - Bob, you are on *Hansard* you know.

*Laughter.*

**Mr PARKINSON** - We can go into camera you know.

**Mr ANNELLS** - It would be remiss of me if I did not say how sad we are to lose Felicia, but the reality is she has done a fantastic job for the last five years and it has been a joy to be her chairman for almost all of that period.

Things have changed a lot and yet some things do not change at all. We are sitting here, Chairman, probably 20 years after you and I sat across the table like this at another committee -

**CHAIR** - We were on different sides but similar roles.

**Mr ANNELLS** - in similar roles - and in that 20 years the industry here, as with the industry around the world, has gone up and down in cycles. It is just a given that that is what happens. The trick is for States or destinations to manage or flatten those cycles as much as possible and to extend the ups and minimise the downs by having good long-term strategies in place, having the policy settings in place and the organisational involvement in the industry from your destination marketing arm, in this case Tourism Tasmania, and to have that organisation properly resourced, with good people, good policy and a medium- to long-term outlook - even though, of course, there are more immediate concerns that need to be addressed through shorter term intervention in the market.

Basically the job of a destination-marketing organisation like ours is to try to ensure that the fundamental growth of the industry and the health of the industry over the medium- to long-term is being protected and enhanced by what you do today. That is not always understood by industry. Sometimes it is not understood by governments but in this case I must say we are very fortunate that we have a minister who absolutely understands that. When I read the *Hansard* of her presentation to you I was really taken by it how much she supports and endorses that approach.

When this was done in November last year things were on an absolute high. It had been that way for quite some time; Tasmania was broadly out-performing competitive destinations. A number of us had our breath held a bit because if you have been in the game as long as I have you know that you can't keep growing like that. Things will occur that impact on your performance and those things are often totally out of your

control. It is how you respond to it and how well your industry is established and able to respond and to weather those downturns that is really the key.

I came back here as chairman roughly five years ago. It was somewhat surprising to me that I walked back into the middle of very strong debates in the industry and within Tourism Tasmania and between Tourism Tasmania and the industry about a whole range of issues that I had just assumed, whilst I was away, would have been long resolved and put to bed. For example, we were still in retail; we still had retail travel centres. We were still in wholesale; we still had Tas Temptations. We had not really advanced very far into the digital age. These were active debates going on when I left here 16-17 years ago. I came back after being away for roughly, let us say, 15 years and the debates were still going on. This is partly because these are complex issues. It is not easy to determine the role of wholesaling and just how important it was. What we could see clearly as a new board coming in was that the wholesaling side of our business, the actual turnover, was dropping like a stone and the net cost to us of that activity was climbing above \$3 million and likely to go to \$5 million in the foreseeable future, and that only 400-plus of our operators, out of 2 500, were actually participating. As much as I and the rest of the board well understood how important wholesaling was in Tas Temptations, those numbers were irrefutable, yet still we spent a couple of years still debating and looking at alternatives. Very reluctantly we made the decision, because we knew how difficult this would be for some component of those 400 businesses that relied very heavily on our wholesaling operation. But in public policy terms, it was just unconscionable that we would continue to pour \$3 million or \$4 million out of the declining budget. I notice in the *Hansard* again at that time it was foreshadowed that, yes, we had some additional funds in 2009 but that the forward Estimate figures for tourism were going to drop dramatically. Faced with that we would have been absolutely pilloried, in my view, and failed in our duty if we had not acted. So we did, but the reason it took us so long to act was that we tried to put in place an alternative distribution strategy for our industry, based around digital.

Now I am older than most people in this business so it takes me longer to grasp these things and it was probably the hardest decision I have ever made in my public career, which spans nearly 35 years. It is incredibly difficult to find an equitable, cost-effective, understandable digital system to replace our wholesaling operation, which was just another way of distributing our product. There are a myriad of issues surrounding this, including the fact that this sector of the industry changes weekly, let alone monthly. By the time you get to make a decision you are very conscious that other alternatives have come into the market place, everybody has a vested interest, everybody is trying to tell you what you should do. In the end we went a particular way, not without reservations, not without some real technical difficulty and subsequently not without some implementation challenges but it was the right decision to take. I think we went with the right provider. Every other State and the Commonwealth have gone with the same provider. Yes, there has been less than what we would like to see as a take-up, and yes there have been other difficulties, but they are not of our making and we are trying to manage this as best we can.

So if you add a whole range of things like getting out of retail, getting out of wholesale, introducing digital, introducing zone marketing, reducing our staff from 195 or

thereabouts to less than 100 as we sit here today in order to free up overheads to be able to put more into discretionary dollars, particularly marketing and product development, they have created some real management stress within the organisation. The staff is under enormous stress, and have had the cumulative effect, in my view, of distancing us from our engagement with the industry to a distressing degree. One of the only benefits of the downturn in numbers has been the criticism that has really made us focus that perhaps we have lost our communication credibility with the industry and we have lost engagement. We have taken people out of the field. We have done a whole range of things and, without intent, the net effect has been that we have lost engagement with the industry.

So the board is seriously considering and will input a range of measures to try to redress that to some extent, but we will not be going into retail or wholesale. Those things are gone, but we have to find ways to regain some credibility with the industry because they, like us, are suffering some reform fatigue. All of us have come to the end of this and said, 'Wow, there is just such massive change here'. Of course a lot of the people in the industry who have lived through that change are perhaps fairly new to the industry and do not really understand what they can expect from Tourism Tasmania. If you combine that with the downturn in numbers, which we would maintain is across Australia, then we end up being not an easy target, but our performance is scrutinised much more closely than it otherwise is, and that's fair enough, but I think to some extent we've been found wanting. I will leave it at that.

**CHAIR** - Thank you very much for that candid assessment.

**Mr PARKINSON** - Did you go to Expo?

**Mr ANNELLS** - No.

**Mr PARKINSON** - I was over there in July.

**CHAIR** - This is in China?

**Mr PARKINSON** - Yes, and to me that was one of the biggest marketing exercises in the world at the time for the period from May through to October. I was there as a VIP, so I received the VIP treatment which was great, unlike the poor people who had to wait in the hot queues in July. It was pretty hot, 48 degrees at one stage. But what disturbed me was that I had a conversation with the lady in charge of the Australian pavilion who I think had been co-opted from Foreign Affairs for the purpose and she expressed disquiet that Tasmania, as a State, was one of the few, in fact I think of only two Australian States, who did not put money into it. I had commenced the conversation myself. I said, 'Why doesn't Tasmania figure here?', and it wasn't that we didn't figure; they'd still put us in, because as you walked around the walkway toward the amphitheatre you saw a mural which had the Tasmanian devil and the River Derwent, but not specifically labelled, so you had to know they were Tasmanian to know that we were there.

But the theatre was fantastic. I sat there amongst about 1 100 people and I was told afterwards that they were putting roughly that number through every 15 minutes and that

was over a 10- or 12-hour day, I cannot remember, but it was open for a lot of hours in the day. So that meant roughly 4 000 people an hour. In fact they said, 'We're doing 52 000 a day at the moment.' That was the day I was there and the few days prior to that they were talking about. They had this beautiful architectural visualisation with a revolving stage and all the States who had contributed, their images came up, and there was a sound and light show with pictorial presentations of the various States and children's voice-overs and beautiful animation of what was going on in the various States, but not Tasmania. I felt ashamed, but not only that, I felt, for heaven's sake, we're getting nothing out of this. So I put it to the people afterwards, 'Why?', and she said, 'Well, you didn't contribute.'

I suppose it comes back to the forward Estimates and you're going to tell me we didn't have the money, but I did want to put it to someone as to why we didn't put any money in.

**Mr ANNELLS** - Firstly, my understanding is that Tasmania would have to participate as a whole and, without trying to palm this off on anybody else, this is a matter for effectively the Department of Economic Development or the Premier's department or whatever to make a decision that the \$500 000 or \$1 million or whatever it costs is something that the -

**Mr PARKINSON** - I didn't ask what the figure was.

**Mr ANNELLS** - It is very significant, trust me. I don't know what it is but I can tell you, having been to many and having seen many requests to participate in these things, they are very big dollars.

**Mr PARKINSON** - So do you think it might have been \$1 million?

**Mr ANNELLS** - Look, I honestly don't know.

**Ms MARIANI** - There are ranges, but even the least of the range is somewhere around \$50 000 to \$100 000 and it does go up to as high as \$500 000. The other complexity with this is that it's a lot of time because it's a long event so you have to have resources on the ground as well. The sponsorship to get in is only just the beginning. You pay a bit of money to get into the event but then you have to put your own events on, you have to have someone there to manage your promotion, and it ends up costing you quite easily in the vicinity of somewhere between \$250 000 to \$400 000 all up to participate in the whole thing. But Bob is right, it does take a whole-of-State commitment to get involved in that; it's not just a tourism aspect.

**Mr PARKINSON** - I'm talking about the main visual display, which was the central theatre that enraptured people for a full 10 minutes concentrated on each State. The way it was done, I thought it was one of the best displays I've ever seen. When you add up the figures of 52 000 people a day over that period, you're probably looking at in excess of six million people.

**Mr ANNELLS** - You are but, with respect, it is six million people viewing a display with seven Australian States, so it's about your impact. The short answer is that if you had the money of course you'd be there, but with a tight budget, would I count that as a priority, as nice as it was? No.

**Mr PARKINSON** - I understand that.

**CHAIR** - I thought that was the responsibility of the Department of Economic Development. I know eight years ago when I visited China with a delegation from our Parliament a letter had been written to somebody in our Department of Economic Development offering them a free stand and they hadn't even had a reply after 12 months.

**Mr PARKINSON** - I suppose the answer is if the money is not available you can't do it, so it comes back to a policy decision.

**Mr ANNELLS** - Absolutely.

**CHAIR** - Bob, you mentioned the five zones. We've heard expressions of concern in a number of areas of the State about them. Is Tourism Tasmania committed to those zones? What is the official view now they have been in operation for some time?

**Mr ANNELLS** - I can give you a potted history as to how we got there. This started some years ago when, through our research, we were looking at perceptions of Tasmania as a holiday destination. A number of facts came out of that study. It showed us that one of the biggest problems Tasmania had was an appalling lack of understanding of the depth of what you can do and see in Tasmania. The product knowledge on the mainland and in our core markets was extremely thin. There was a bit of an understanding about some of our key product - such as Cradle Mountain, Hobart and probably Freycinet Peninsula. A few of these things people would tick, but the overwhelming majority of people said, 'There is no compelling reason for us to go to Tasmania other than for some of these 'hero' products because there is nothing that we've seen or has come to our notice that shows us any depth in the experience we're going to get'.

So given that and given that we have a very limited budget - and you can't buy that sort of knowledge in the sense that you can't buy advertising that will help to solve that problem - one of the issues we were looking at was how we provide a greater depth of understanding to people about what there is to do and see in Tasmania. The second issue was that we were confronting a change in consumer behaviour. Money-rich, time-poor type behaviour - which is happening across Australia and we are not immune to it - is leading to more and more people looking to consume Tasmania as their holiday experience in shorter chunks of time. It doesn't mean that there aren't still people who are perfectly happy to do the 10-day trip around the island, and we need to keep talking to them; I don't care if they are in a caravan or backpacking, just come - and this is where the TT-Line is tremendously important to us.

However as a percentage and in terms of our growth potential, many more people in the past did not want to commit nine or 10 days to a domestic holiday. This goes in part to the change in consumer behaviour which says 'A 10-day holiday is an overseas holiday.

If I'm going to spend 10 days, I'm off. I can go Bali for 10 days for less than it costs me to go to Tasmania for a week'. So all these factors are at play and for us to just sit there and say, 'We want to be a touring destination because it makes everybody feel comfortable', would be completely irresponsible. So we thought, 'If you put those two things together, more people wanting to come and consume the State in smaller bites, how do we convince them it's worth doing? We've got to give them more diversity and depth for them to say, 'If I'm going to come to Launceston and just spend my time in the north, then you'd better give me reasons to do that' - and the same in the north-west and the south.

We went with five zones. It's something Felicia and I had done when we were with Tourism Victoria. You try to divide the State along the lines that mean something to the consumer, not to us who live here, let alone to the political or administrative boundaries. So having north, south and north-west is just a nonsense to the consumer. What about the east coast? What about the west coast? So we split it into five zones. We established the marketing structures there, we provided some money and we did it in a way which tried to achieve several things.

One is we tried to get industry within each of those regions to take a greater level of responsibility for their own future. One of the problems in Tasmania is that Tourism Tasmania has in the past been such a dominant force that at the end of the day you end up with Tourism Tasmania being in a sense responsible in the eyes of everybody for the outcome for every single region, and that is just unhealthy. Secondly, a good growing industry is a good competitive industry. You need regions within the State competing for their share of the pie. It is about only way you get people in different regions saying we have to lift our game with visitor information, service and new product. We have a great example at the moment. The north-west is doing really well through Cradle Coast Authority; they have taken the north-west and the west zones. The other three zones are saying they are doing really well, so what do we have to do to compete with them. As a tourism body I would have to say - and I make no apologies - that you need to have some healthy competition within the State to keep lifting standards, because if the public service, through Tourism Tasmania, takes all the risks and all the competition out of the game then the place does not rise to the heights that it needs to compete with Victoria, southern New South Wales and all these other places who are all going through the same cycles and all at different times are getting more and more competitive dollars. Western Australia has just got \$9.5 million to put on a campaign in the marketplace. Queensland's budget now is \$68 million; ours is \$30 million of which about \$5 million is committed to a whole range of things which are all part of tourism but they are not marketing and product development.

The zones were absolutely a deliberate strategy to achieve all that. Did we implement it very well? No, we did not. We were so flat out trying to get the digital program and dealing with the issue of closing wholesaling, that it all came in over the top so we did not explain it properly. I think both Felicia and I, looking back now, would say we took too much resource out of helping industry. I plucked figures out of the air and said we went from 190-plus people to 94; in truth we probably should have gone from 190-plus people to 110 or who knows what. We are suffering today. A lot of the criticism we get

today is because, for all the right reasons, we made in my view the wrong choice and that was that we took too many people out of the field.

**CHAIR** - You mentioned about north and the west coast feeling a bit comfortable about that. I will let my colleagues speak for themselves but my recollection over the last few months when we visited both those regions was a fair amount of concern about the five zones not working in those areas. They felt that they were not being successful. On the west coast recently we heard of boxes of the brochures for the western part just lying idle and unopened.

**Mr ANNELLS** - Where were they lying?

**CHAIR** - I just can't remember where.

**Mr ANNELLS** - If they were lying somewhere on the west coast then that is a failure of the local committee to actually market itself.

**CHAIR** - That is probably the case because they don't have a local committee now and they are hoping that they may be able to form it.

**Dr GOODWIN** - Or were the boxes were down south somewhere? I can't quite remember.

**CHAIR** - I can't remember where they were but they weren't being utilised.

**Mr ANNELLS** - Have there been failures in implementation and are some of those the responsibly of Tourism Tasmania? Absolutely. Is there anything to stop the west coast having its own marketing committee and doing it itself? Absolutely not. They have chosen to use Cradle Coast, who have really tried to step up to the plate here. This is our third year. I have just acknowledged that we need to put more resources back into supporting these groups. But do I think this is the wrong way for Tasmania to go? No, I do not. This is absolutely the way. We just have to work our way through the difficult first five years because that is how long it takes in this business. The same issues arose when we dropped Victoria from 105 to 13. Felicia was the person given the responsibility of selling that message. The first couple of years were full of issues of bitterness - it will not work and so on. Tourism Victoria had to finetune it, put some more resources in, and people got to understand what it could do. Now, in my view and for the overwhelming number of those 13, it is working extremely well.

I have the same confidence about here but it is painful; all change of this nature is painful. People would much prefer that it just stayed the same. To stay the same is unhealthy. Tourism Tasmania would need a \$40 million or \$50 million budget to in fact keep going and do all the things. Just going out saying 'come to Tasmania' and having this blanket thing where there are pretty pictures with television or whatever, will not work. The market is saturated with this stuff and we have to deliver the product experience and the differentiation to make people say it is worth the effort and the cost, because this is not a cheap destination, particularly today compared to the overseas destinations. Again, historically, we have played in the space of the eight- to 10-day holiday and even longer but that space has now been absolutely dominated by the short-

haul international market. We saw that coming and we have dealt with it, particularly now that we are dollar-for-dollar with the US. You can go to Bali for \$2 000 for a fortnight and stay in a five-star hotel with your family, including air fares. We cannot compete on price; we have to compete by driving people to have a real demand to come here and removing as many of the barriers and obstacles to their actually coming. So we make sure our distribution is right and that our air services are as good as we can get, and then remove the sometimes bigger obstacle and make sure they have a damn good time when they are here - great service, not too expensive, and really good information when they are here to maximise their enjoyment. Tasmania speaks for itself. It does a really good job. Get people here and we have about 68 per cent or some very high percentage of return visitation. That is a big tick. It can also be a big problem but by and large it is a problem I would rather have than not have.

**Dr GOODWIN** - A comment on zone marketing was that operators felt they were being asked to contribute money but then having limited influence over the content of what was produced for the zone. That was one of their specific criticisms. They felt we are putting money in but we cannot see we are getting any direct benefit out of it for my particular business.

**Mr ANNELLS** - The issue about the extent to which Tourism Tasmania is big brother in this regard is a genuine dilemma for us. The principle of the zones is that you have zone marketing committees who, by and large, subject to some commonality between each of the five that you need to sell any overall destination, should accept responsibility for what happens in those marketing campaigns, because if you don't then the whole purpose of having these relatively independent marketing units disappears. I am confident that we have not got that right and we need to. We need to give much more independence. We need on the one hand to give more independence and on the other hand we need to give them more resources, without tying that resource to a lack of independence so that they can implement what they think is right for them.

**Dr GOODWIN** - I was pleased to hear your comments about maybe the need to get more people from Tourism Tasmania out into the regions. That is something we have been hearing tourist operators saying as well, 'We don't see people from Tourism Tasmania'. I think, particularly when times are tough, they want to have that support. When we spoke to Kim Seagram yesterday she mentioned a similar thing, that you were having discussions about the need for more industry engagement - and that is the feedback we've been getting - and also working out what the role of Tourism Tasmania is. One of the roles clearly is to market Tasmania, but is the other role around industry development and capacity building? I think some of the operators, particularly new operators coming on board, feel as though they need more support.

**Mr ANNELLS** - It is one of the three key threshold issues: what you want your destination-marketing body to do? Is it just destination marketing or is it destination development and marketing? I am an unashamed, unapologetic destination development guy. I think the old adage 'You can't sell what you don't have' is absolutely true. What you find with a body such as ours if you are not really active in the enhancement of the destination as an attractive place to be, if you're not working on everything from training and accreditation through to new product development, infrastructure assistance, sector

development plans and all those kinds of things, who is going to do it? The industry will not, cannot. For a place like Tasmania to say, 'All we've got to do is spend more and more money marketing and people will come', you will get a blip on the arrivals - there's absolutely no doubt about that. You will get a short-term blip on a descending trend line because when people get here they will say, 'Not enough to see and do. Poor quality of service or accreditation'.

There are a lot of urban myths about this. Some people in the industry would tell you that we spend far too much money on this side of our business. The reality is that in the actual totality that side of our business we probably spend less than 20 per cent of our total budget. It is more about people; it is more about thinking and what the board and the management between them is and how we intervene in getting better air services et cetera. It's not about money. We don't throw money at anyone in that regard. It's about engaging with the various airlines to find out what we have to do to improve the service they are able to give us. We have just had a 30 per cent increase in capacity into Hobart announced by Jetstar. That didn't just happen, it happened because we have been working with them weekly for at least a year, if not longer. That's not money, it's people. I make no apology for it whatsoever. This view that all you have to do is throw money at marketing and you will get more and more people here is just not right. No matter how much of our budget we throw at marketing, we are still minuscule compared to our competitors. We're never going to have share of voice that cuts through. The best form of marketing is well-known - it is positive endorsement from a visiting friend or relative who has been here, a trusted adviser. Word of mouth is by far the best marketing we have. How do you get positive word of mouth? Give them a great experience. How do you do that? Worry about information centres, worry about the quality of everything from the roads to the airports and make damn sure that when somebody wants to get here there is an aeroplane or ship they can get here on. It is a common view; it is an argument that has been going on for 20 years. It is one of the few areas of the TICT that we probably don't agree on. When I was asked to come back here as chairman, people should have known what they were getting because I have been a full service STO guy for the last 20 years.

**Mr FINCH** - Bob, you've taken me by surprise a bit with your frankness in some of the things you've said, particularly when you said that the board has been found wanting.

**Mr ANNELLS** - In some regards - not across the board.

**Mr FINCH** - Just in some regards. However, it was quite refreshing to say, you are not putting the blame here or putting the blame there, but some of it does in fact rest with the board.

I am just curious about the communication within the board. How often do you meet and what are your plans because you recognise that things could have been done better and that you do face challenging times? So what is your future for the board now, the structure that they have, the times that you meet, the way you go about your business, to perhaps ameliorate some of these issues that you have come across - and also post-Felicia Mariani?

**Mr ANNELLS** - That will be a great help of course, free up the salary budget at least. Sorry, strike that from the record please.

*Laughter.*

**Mr ANNELLS** - The board is made up of a range of people and I invite anybody who wants to look at the board composition and their backgrounds to go onto our corporate website which is [tourismtas.gov.au](http://tourismtas.gov.au). We have had a couple of changes but not much; it has been pretty consistent. What you will see if you get the bios as well - and I am not sure if they are there - is that we have a very interesting and good range of alternative skillsets on the board. That is really important. In looking at renewing the board - as we have just done, with one changeover, and we will do again - you are looking for complementary skills, not three people all with the same skills. I think, on balance, the range of skills is right.

We formally meet once every two months. From next month we will be meeting every month for the next year but that is only part of it. We have been meeting out of session, as required, often two or three times a month - either by phone or occasionally face-to-face, because a number of our members are from interstate - to deal with briefings or particular issues, such as digital. We must have had four or five one-day board meetings on digital alone. We had the same thing and probably more discussions on wholesaling.

So the board meets regularly, but we will be doing more so into the future as we really grapple with how we respond to this problem in the new year. Clearly the budget that we established early this financial year will have to be recast. To do that will require some very unpleasant decisions because we do not have a slush fund and we do not have 10 per cent sitting there waiting to be utilised on some good idea; we have everything committed. So they are going to have to be uncommitted if we are going to change our marketing strategy.

The board, in my experience - and I can say so, as I have been chairman of a number of organisations - has been a very good board, grappling with some incredibly complicated issues that have no clear, definable, 'this is clearly right' solutions. This is an industry where there is no blueprint. You cannot go and say, 'They did this in New Zealand, therefore it will work here.' It just does not work like that. So, in a sense, you are starting from scratch a lot in every big decision.

I am very happy with the composition of the board. I am very happy with the way it works. We have the benefit, I think, of a very close relationship with the industry council and the chairman of that is on our board. That is unheard of in any other State, as far as I know. So we have the benefit around the table of the Chairman of the TICT being there putting their views, but we also have a couple of smaller operators - I am thinking of one, Alison Stubbs from the east coast, who represents a small east coast operation which is at the other end of the spectrum.

I am not sure I have answered all your questions there, but the board works damned hard and has worked extremely hard over the last three years.

**Mr FINCH** - My mention of Felicia Mariani now departing leads me to ask what steps do you take now as a board to look for a replacement and will it mean a restructuring, will it be to a CEO position?

**Mr ANNELLS** - I think all of us will take a deep breath because firstly Felicia is not walking out the door straight away she has several months still here. So we are not in an urgent immediate need. We do not need to restructure - in fact, we have just restructured - in the sense only of tweaking responsibilities amongst our senior staff. I think we have a much better balance now than we had, a much fairer distribution of pressure. The organisation can run without a chief executive for a limited period of time if we came to that, but we wouldn't, we would put in an acting person. But I am looking at a range of alternatives, including having an interim arrangement perhaps for some time while we settle down in this very uncertain period we are going through.

I would be deluding myself if I said that the current criticism of Tourism Tasmania over the last three or four months had not been very unsettling for the organisation. It has been potentially very destructive because it is very difficult to take from people who work as hard as the Tourism Tasmania staff do. So is now the right time to be trying to find a long-term replacement? I do not know. I think possibly we might all just take a breather over Christmas and then look.

Partly the issue for me will be we need to resolve our actual structural position within government - and this was discussed with you by the TICT way back when they came last November; their view about the independence of Tourism Tasmania versus it being part of the Department of Economic Development. I do not have a problem with being part of the Department of Economic Development as long as the intent of the act, which clearly says the board is responsible for the operation of Tourism Tasmania, is given proper credence in the way in which we operate within the department. That fluctuates from time to time; it is not easy to do and in fairness to the secretary of the department, the way it is set up at the moment has inherent difficulties in it which make it even more difficult for us to attract the right calibre of person to come to our chief executive position, not least of which is we have the problem as well that we are so far below the salary rates for chief executives of State tourism bodies - some \$70 000 below our nearest competitor that for us to get somebody of Felicia's calibre last time - and this was before my time; it was the previous board - was pure luck. I am not a lucky guy by nature, so I suspect that we will have to deal with some of these threshold issues but in my experience, and I can absolutely assure the committee, that if Felicia leaves before we have a full-time replacement then the board generally, and me particularly, will step up and take more of a day to day hands-on role until we solve that problem.

They are terribly hard shoes to fill, I am sure you have got that as you have gone around. We have been so lucky, but life moves on and there will be someone out there, probably, a quite young up-and-comer, hungry for the task, who has the technical skills and then the board can help them through their introduction and then on they go. Then the second thing is you have to find a replacement chairman because I am sort of past my use-by date really.

**CHAIR** - Hardly.

Bob, you mentioned criticism in recent months of Tourism Tasmania. I think it is only fair to give you the opportunity to place on record any comments you wish to make about that additional to what you have already said.

**Mr ANNELLS** - Criticism is good for the soul, isn't it, and character building?

**CHAIR** - Sometimes.

**Mr ANNELLS** - I think on the positive side some of the criticism that has been levelled at Tourism Tasmania and the board - quite rightly at the board, because after all the board sets policy so there is no doubt that the board should be the target of this, and I am the chairman of the board so the buck ultimately stops with me - has been timely. I think we were all getting a bit complacent and into the detail too much and worrying about how we get these reforms bedded down.

I think that has been positive but I would have to say that a great deal of the criticism that is coming from one particular source, though aided and abetted by some fellow travellers, is almost universally driven by personal animosity. There is history here between that particular gentleman and both Felicia and me. Other people have cast aspersions that this is just a sophisticated marketing ploy for this gentleman's consulting business. I don't know and I don't want to know, but it's very destructive. It has been very destructive for Tourism Tasmania as an organisation and the morale there. It has been very destructive in the sense that the unity the industry has been able to establish now, through the TICT and the T21 accord and all those sorts of things for the last decade, has served the Tasmanian industry extremely well because it has enabled government to have confidence that the industry speaks with almost one voice. When we and TICT go to government together and say, 'We have determined that this is the appropriate path we should go down' or 'This is the resource we need', government sees that both arms of this industry are in lockstep, and we have been. It doesn't mean we don't have fights, as Simon Currant in your own *Hansard* said. Of course we have disagreements; we have disagreements all the time. I don't fight with anybody in the world more than I fight with Simon Currant, but I absolutely respect where he comes from, he does the same with me and we resolve our issues and move on in a united way.

This blizzard of criticism, much of which I would have to say is completely nonsense, has been unfortunately picked up by the media, as the media will, because it's their job. It has been given oxygen by that coverage and is leading now to a view, I am sure, in the wider community and the elected representatives, that the industry is feeding on itself; it is no longer united and no longer able to talk and deliver with a united effort and voice. That is an absolute tragedy for this industry. It is very awkward for us and we wish it wasn't happening, but the people who will suffer from this are the broad industry because governments want to see a united tourism industry and only in Tasmania do they have that. In every other State they suffer from this fragmentation and it doesn't happen here. That has been of enormous advantage in terms of resources, policy development and the quality of the minister we get. A whole range of things absolutely hangs on this industry presenting a united front and this criticism, to the extent that it is just a beat-up, is very damaging.

If you are a small operator or not doing too well in this business, human nature being what it is, you find someone out there who's a new messiah - 'I know the way, the truth and the light, follow me' - and unfortunately that's what's happened here and to some extent it is extremely counterproductive. For as long as I'm involved in this organisation there is no way we will be going back to the marketing ideas of the 1960s, which is what is being peddled, for a 2010 framework. This idea of going back to little regions all getting money and doing their own thing, no doubt each employing an individual mainland consultant to help them, that is not going to happen.

**Mr PARKINSON** - You mentioned Bill Bleathman and another witness today spoke of the importance to tourism of icons such as MONA and TMAG, and that reminded me of the projected time difference between MONA coming on line and TMAG some years down the track, mainly with the forward Estimates and so on. I presume you would agree with me that it would really help our tourism if we could bring TMAG forward in some way.

**Mr ANNELLS** - Absolutely. The opportunity for us to have a facility like that, obviously just looking at it from a tourism perspective, is fantastic. The opportunity with MONA is also fantastic. We understand that governments have priorities and they have to make judgments so all we can say is that when you deliver it Tourism Tasmania and the industry will be absolutely able to take the maximum benefit from you. When it is delivered, we are ready to go.

**CHAIR** - Thank you. Now conscious of your need to catch the aircraft, I think we will draw this to a close, but I would like to hear any further comments that you have time to make, Bob.

**Mr ANNELLS** - Mr Chairman, as you know, I've been around for a very long time in this business. I've seen far worse than we are going through today. I took over as chief executive of Tourism Tasmania 30 days before the start of the pilots' dispute.

**Mr FINCH** - Good timing.

**Mr ANNELLS** - As I said, I never was lucky. We as an organisation have not been and are not perfect, but on balance it's really interesting that if you went to Tourism Australia or the TTF, or any of these mainland-based organisations and asked them - ask Margaret Jackson who was chairman of the Jackson Report into domestic tourism - who was the best, most comprehensive and competent State tourism body in this country and they will all say Tourism Tasmania by a country mile. I can give you the documents if you want, but that's the way it is, and for people now to say that 12 months ago we were fantastic and we were doing all these things because of numbers and then suddenly there is a drop and we're useless, we can't market and we don't even have our priorities right, there is just a disconnect there that's not reasonable and it doesn't do anybody jumping on that bandwagon any credit whatsoever.

**CHAIR** - Thank you very much. Felicia is here and I'm sure I speak for my colleagues when I say we are sorry she's leaving. Thank you very much, Bob, for being here and giving us

your valued views and for being so candid, as Kerry was saying. We do hope your grandson will soon be on the way to a good recovery.

**Mr ANNELLS** - Thank you, Chair. .

**THE WITNESSES WITHDREW.**

**Ms ANNE McVILLY**, MANAGER, HOBART VISITOR INFORMATION CENTRE, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Thank you for being here.

**Ms McVILLY** - The Visitor Information Centre has been in its current location since 1993 when it was formerly run by the State Government with the tourism bureau. It was under the Midcity Hotel and it was privatised and run by a voluntary board of directors in regional tourism in 1993. It has downsized. It started off as an international travel agency and doing domestic travel for the State Government and different departments. Now it is purely Tasmanian travel and the *Spirit of Tasmania*.

We receive a grant from the Department of Tourism of \$150 000 each year, which we apply for. It is called a visitor experience assistance grant. Each year we tell them what we are going to do with that. It is not just a straight grant and it is audited and acquitted every year.

I have been at the visitor centre since 1996 and we have been on this wave of growth of tourism. Only in the last few years have we noticed a bit of a drop, but that is happening domestically across the nation. We tend to look after the last-minute visitors who have not planned or organised their holiday. That has, in the last two years, been affected by the growth of on-line bookings and people finding out their information electronically and booking on-line.

In a few years it has really changed. Probably five years ago 70 per cent of our customers came in for information and 30 per cent made a booking. Now that is about 78 per cent coming in for information and only 22 per cent make a booking.

**CHAIR** - With the bookings, what commission to you charge?

**Ms McVILLY** - 15 per cent.

**CHAIR** - Are the operators content with that?

**Ms McVILLY** - At this stage they are content with that but I think the growth in digital bookings will drive that lower because most distribution agents on-line only charge between 5 per cent and 10 per cent commission. In tough times the industry - predominantly small- to medium-businesses in Tasmania - need most of their money so they do not like paying commissions to third parties. So out of their \$100, they only get \$85 from us and they would like to get \$100.

**CHAIR** - You mentioned the drop in business in your centre. Overall, how do you think the winter period has been and how are things progressing this year?

**Ms McVILLY** - Anecdotally, and we talk to the industry daily, so we are right at the coalface between the industry and the consumer, they are feeling a drop. They normally have a drop over winter. Especially in the regional areas outside Hobart they are, for want of a better word, complaining. They do expect to set up a business and it is then everybody else's job to drive visitors to them. So they are suffering. Luckily Hobart has conferences and business travel to sustain it, but the further out you go from Hobart, to New Norfolk or Huonville, you find they are suffering. People are booking on-line and doing day trips to these regions instead of staying overnight in these regions because they can get on Wotif.com and book a hotel in Hobart. Then they come to us and say, 'What I can I do tomorrow for the day?' Go to Port Arthur or go to Huonville. So in those areas people don't stay overnight but there are lots of reasons why they are probably not staying overnight.

**CHAIR** - From the bookings made through your centre, what things do people like doing and what do you think attracts them to Tasmania?

**Ms McVILLY** - Probably the diversity that they can undertake. Within two hours from Hobart they can get into a World Heritage area, a penal settlement or one of the best beaches. It is a short break from Melbourne or Sydney, which are our largest markets, and it is the friendliness and welcome feeling they get. They feel quite refreshed from being on a short break in Hobart.

**CHAIR** - What things do you notice they don't like or what complaints are general?

**Ms McVILLY** - The biggest complaint is the weather. On the positive side they thought it was going to be much worse than it actually is. They expected it to be raining and snowing all the time, so we actually get complaints about the good weather.

**Mr PARKINSON** - They came prepared for bad weather?

**Ms McVILLY** - They did. They weren't told they may need sun block.

**CHAIR** - That perception is what keeps hundreds of thousands of people from coming to Tasmania.

**Ms McVILLY** - I think it is probably our own problem. Tasmanians who haven't travelled are quite negative about Tasmania, so they are often spreading that image.

We book the whole State, not just the Hobart region. Forty per cent of our business is for greater Hobart. Our accommodation bookings are dropping but our tour and activity and cruise bookings are growing.

**CHAIR** - Apart from the weather are there any other things people complain about?

**Ms McVILLY** - No; they are always quite surprised. A lot say, 'I wish we had longer' or 'I'll come back'. I guess that is hard for them because there are lots of destinations they would like to go to.

I am also part of the meet-and-greet committee for cruise ships into Hobart. I have just been at a three-hour meeting for that. A lot of the feedback we get from cruise ship passengers, who are usually only here for the day from 8 a.m. to 6 p.m., are complaints that shops are not open when they come on weekends but otherwise that is probably the only complaint we get. They love the quality of experiences available to them, the friendliness of the locals and the interaction with the local community. Cruise ship passengers love the fact that they are close to the city. They want to talk to the locals; every local knows when a cruise ship is in town so they feel quite special, yet in Sydney they are just another person on the day. So we are working with Tourism Tasmania to grow Hobart as a cruise destination.

**CHAIR** - What is your relationship generally with Tourism Tasmania?

**Ms McVILLY** - I work well with them in different departments probably because of the location - they are only a block away from us. Having been at the visitors centre for 14 years, I know most of the staff so I hound them and knock on their doors. They are very consultative; they do share, they want our research, want to know what visitors are doing. They share their knowledge and invite us to workshops and help us make different decisions. I find they are great to work with.

**Mr PARKINSON** - Do you find people coming in with some sort of general comment like, 'We would like a wilderness experience so where do we go?'

**Ms McVILLY** - Yes, but that has diminished over the years. They used to come in and say, 'I am in Hobart so what can I do?', but now they come in with a bit of background as to what they can do.

**Mr PARKINSON** - The reason I asked that question is that about 12 months ago some friends of ours came on short notice. They had not booked anything but they rang us and said, 'We are coming over to Tasmania; we want a wilderness experience so what do we do?'. It just so happened that my wife and I had already booked to go around to Strahan via Queenstown and do the Abt Railway and a half-day on the Gordon Cruise, booked through Federals and so on. We had booked to stay at the old mine manager's place in Queenstown, which was great.

**Ms McVILLY** - Penghana?

**Mr PARKINSON** - Yes, Penghana. Fortunately there were enough vacancies at that time of year, so they just booked and joined us and it was a fantastic trip. They thought it was great. They had done the Daintree the year before and they said going up the Gordon was even better than the Daintree and they were rapt in the whole thing. They were people in their late 50s, with family grown up and gone away, so they had done a bit of travelling around Australia and overseas. I just wonder how many people just lob in and say, 'I want a wilderness experience'.

**Ms McVILLY** - They do. A lot lob in and say, 'How long does it take to drive to Strahan?', thinking it's not far on the map, and Tasmania is a complex destination to sell because of that. It's really hard to sell it online, I think, because you can't explain that online; you still need to talk to somebody. You maybe get the inspiration online or from seeing pictures in magazines but to have the perfect holiday I think you need to talk to somebody, so our role in giving information is vital but we often don't get the immediate economic benefit from that information but it is passed on interstate. If we tell them about restaurants, wineries, bushwalks, things where we can't make money, they have a better experience and go home happy - be a bit of an ambassador for Tasmania and promote it by word of mouth - but the ability for a visitor centre to make money from that is really hard.

**Mr PARKINSON** - I read an article in one of the papers on Corinna, another destination I've got plans of going to one of these days, and they mentioned that their customers arrived about four o'clock so they give them muffins.

**Ms McVILLY** - My staff went up a couple of weeks ago and were snowed in.

**Mr PARKINSON** - Do you find yourself telling people about places like Corinna?

**Ms McVILLY** - Yes. Unfortunately, we have to be experts on the whole State. At the visitor centre in Triabunna, for example, visitor expectations are that they're not only expected to know their own region; they're also expected to know more than the Internet and the brochure on every product. We do try. We like to keep our staff for more than four or five years so they can keep learning.

**Mr PARKINSON** - If people want to go to Corinna, what route do you advise them to take?

**Ms McVILLY** - We advise them to go via Queenstown and Strahan and make it a four-day trip.

**Mr PARKINSON** - Because they're in Hobart at the time getting information, I suppose.

**Ms McVILLY** - Yes, but if we can talk to them before they come it's even better because often if they don't have four or five days spare to do that we've found that they will try to do it and not get the most out of the experience. We still get people trying to do a four- or five-day trip around the State, so they will drive and sleep, drive and sleep, and not see the best of the regions. We are trying to help them make a decision to stay in one region and really experience it, but we only get about 10 minutes with each customer.

**Mr FINCH** - How many do you have working at the business centre?

**Ms McVILLY** - We have a pool of 22 casuals. In summer, on a cruise ship day, we would have 10-12 staff rostered on and in winter we have four.

**Mr FINCH** - That's a lot of training and information to give to a lot of people so that they have the knowledge to pass on to visitors.

**Ms McVILLY** - We see about 240 000-250 000 visitors a year walk through our doors.

**Mr FINCH** - Why do you have so many casuals? Wouldn't it be easier to have six or seven full-timers?

**Ms McVILLY** - It's just availability and holidays; we have tried to keep people part-time but they leave when they don't get work over summer and over winter they leave for another job. We have a lot of students and mothers who like working a couple of days a week.

**Mr FINCH** - Is that difficult to manage?

**Ms McVILLY** - Very, especially when the Falls Festival is on over the summer.

**Mr FINCH** - And they want to go - give them a pocketful of pamphlets to hand out.

**Ms McVILLY** - But they're all very passionate. Last year we started the Hobart visitor volunteer program. We'd really like to change the name to the ambassador program because they're all proud Tasmanians wanting to share their passion and pride in Hobart. We trialled the program to meet and greet the cruise ships, so they're down on the waterfront, on the shuttle buses, outside the centre and in the mall talking to cruise ship passengers and helping them move around Hobart. That has been very successful.

**Mr FINCH** - How many volunteers?

**Ms McVILLY** - We have 65.

**Mr FINCH** - Wow - that's good, isn't it.

**Ms McVILLY** - Last year we started a small centre at Hobart Airport - I don't know if you've seen it in the Virgin Blue end. Hobart Airport is a hard building to be in because there are two arrival points, but it's been quite successful.

**Mr PARKINSON** - I was only admiring it the other day when I was waiting for someone to come in.

**Ms McVILLY** - It is a hard location and it's a bit of a dead area we're in. If we could be where people stand when they're waiting for their bags it would be better. But we're working really well with Hobart Airport and if there is any redevelopment we'd have to be in a better location.

**Mr FINCH** - That sounds good. I am just curious about the cruise ships - the numbers and the future.

**Ms McVILLY** - The numbers have dropped. Last year we dropped 16 per cent in passenger numbers to Hobart, but globally and for Australia the cruise industry is the fastest-growing tourism sector and it withstood the global financial crisis quite well compared to

other tourism sectors. 2010-11 is looking much better than 2009-10 and 2011-12 is looking like being almost double.

But we do have some issues and challenges - not really issues. The Australian dollar is making Australia not such a great destination to visit for our prime targets, the US and the UK. There are so many other destinations trying to enter this cruise sector and there are no more nights to cruise, so they will drop off some destinations. Hobart has always been in the top three passenger experiences so we're lucky that we perform well but we can't afford to rest on that so we're working together with TasPorts, Tourism Tasmania and Hobart City Council to try to make sure every aspect of the cruise ship meet-and-greet sector meets passenger and cruise ship needs so they keep coming.

**Mr FINCH** - Do you find the city and Tasmania supports the cruise ship concept?

**Mr McVILLY** - Yes, but there is a lot more education we could do. Last year they put \$19.5 million into the Tasmanian economy. In Hobart alone they created 68 full-time equivalent jobs and they are only here for one day. Their spend per person is actually nearly as high as other visitors but other visitors have the accommodation component. A lot of cruise ship passengers use this as a bit of a taste to come to Tasmania and they come back. It is a strong sector so we really can't afford to lose it. It is easier to keep it than to try to attract it, I would think.

**Mr FINCH** - Are you happy with the operation when people actually get off the boat that you're catering for them well?

**Ms McVILLY** - No, we're not. I shouldn't have said that, should I?

**Mr FINCH** - We can go in camera if you want to be really blunt and honest.

**Ms McVILLY** - There is an average of 2 000 passengers now because the ships are bigger so there are more people. In years gone by probably 80 per cent of passengers would have gone on an organised trip with the ship, so they'd be taken off the ship, put on a bus with a guide and off they'd go. But again, with the growth of online travel information, people are looking online to see what tours they can do and so now we get 50 to 60 per cent doing tours and the other 40 to 50 per cent arrive at the visitor centre, so that's 1 000 people in an hour looking for assistance. We really don't cope well.

**Mr FINCH** - You have 23 assistants.

**Ms McVILLY** - We have tour operators. If you've ever driven past on cruise ships days it is pandemonium outside the visitor centre. We work with Tasmanian Police and TasPorts and the Hobart City Council to arrange traffic.

**Mr PARKINSON** - What - you have to call the police to say the ship's in town?

*Laughter.*

**Ms McVILLY** - People on holidays can tend to disengage their brains so they sort of just wander out onto the street and move off the footpath. So we're working with the ships and Tourism Tasmania to try to get more people back doing shore excursions so they're organised and have a great time and aren't spending the first two hours at the visitor centre.

**Mr FINCH** - Do you get a sense that we do it well in comparison to maybe other cities?

**Ms McVILLY** - Yes, because we always exceed passenger expectations. So that is good, but I think we could do it much better.

**Mr FINCH** - When people come in the door what are the things - in order if you've got them - they're looking at? Port Arthur, Cradle Mountain, west coast?

**Ms McVILLY** - Definitely the icons. The number one question is, 'Where's the toilet?' We've taken research.

*Laughter.*

**Mr FINCH** - You've got toilet facilities there?

**Ms McVILLY** - No, we don't, so we have to send them back to Franklin Square.

**Mr FINCH** - They'd be handy, wouldn't they?

**Ms McVILLY** - Luckily Franklin Square has just been redeveloped. They definitely want to see the icons. They want to see Port Arthur, Cradle Mountain and Freycinet in a day. They have to tick the boxes, tick those things off their list of places. But knowing that could be dangerous; depending on how long they have in the State we try to find out what their interests are and try to target them into a better experience and often our customers are budget-driven. For example, Henry Jones customers probably would not come into the visitor centre. Ours are more budget conscious. Our average sale is \$165. So that probably indicates the type of person you are getting in. Yes, definitely - how can I get to Port Arthur, the AirWalk? Despite what the press might say, the marketing is good. People know the places they want to see - the Airwalk, Port Arthur, Freycinet, but they just do not realise that some of them are a bit far away for a day trip.

**CHAIR** - How do you feel about the suitability of the building you are operating in and the location?

**Ms McVILLY** - Love the location, being in between now both sides of Sullivans Cove between the waterfront and the city and on the busiest street in Hobart. The heritage listing gives us a lot of limits: we cannot promote ourselves very well - we cannot have lights or signs or billboards; we can only have an A-frame in the street. But the location is good. The building can be difficult; it is an L-shaped building and is not ideal. But we try to have staff out in the building, roving around talking to people rather than making them come to the counter.

**Dr GOODWIN** - With those building limitations, Anne, are tourists still able to find you okay?

**Ms McVILLY** - They seem to. When we surveyed them, most of them say they found us by walking past, which is interesting - makes you wonder why we spend \$30 000 a year trying to market. So they still find us and we have a great relationship with the tourism industry in Hobart and they often refer people onto us.

**Mr PARKINSON** - It is a pity heritage stops you from putting up a sign.

**Ms McVILLY** - We have a flag on the roof and we have an A-frame in the street but even with our windows we have to have things 40 centimetres back from the glass.

**Dr GOODWIN** - Do you have any comments on the zone marketing approach we have in Tasmania at the moment?

**Ms McVILLY** - Yes, I think it makes sense because it is backed by visitor perceptions and we find visitors do tend to think of the west coast. Some of the names the local tourism associations use are confusing to a visitor, for example, Great Western Tiers - what does that mean to a visitor? So they do see it as chunks on a map. I think Hobart and surrounds face a lot of challenges because the number of tourism products in our region is quite large and the difference in products. You have world heritage areas, you have amazing water experiences, and you have Port Arthur and the city experiences. The only thing with the zones I feel is that the poor middle of the State gets left out a bit, as in the Heritage Highway. That is still used as a highway to get between one point and another.

**Mr FINCH** - I want to ask about the cable car in just a moment. I am also a bit curious about the structure under which you work - and you might have mentioned it earlier and I perhaps missed it - but do you have a board?

**Ms McVILLY** - Yes, we did, up until 1 July 2009 when we were taken over and sold to the Hobart City Council for \$1.

**Mr FINCH** - Okay, so you fetched a pretty good price. You must have come with the deal, Anne!

*Laughter.*

**Ms McVILLY** - I was probably worth one cent. We do break even every year though. We do not run at a loss. We get \$150 000 from Tourism Tasmania. We pay all our staff and each year we break even. Our greatest income comes from the Tasmanian tourism industry in the form of commissions from our sales, which is about \$500 000 a year, and the tourism industry advertising the visitor centre, they put brochures in the centre and signs and things.

**Mr FINCH** - Why did the organisation make the move to link up with the Hobart City Council?

**Ms McVILLY** - I think to have a longer-term future and be more sustainable into the future. We live from year to year with the government grant and in most cities around Australia visitor centres are run by the local council. So we are quite the unusual capital city.

**Mr FINCH** - Are you now a council employee?

**Ms McVILLY** - Yes. I am still waiting for life to get easy, but it has not happened.

**Mr FINCH** - So do you have somebody to whom you work in the council? Is there a tourism executive?

**Ms McVILLY** - I report to a board again, which is really good. Because the council felt they did not know tourism very well, they did not want to suddenly tell us what to do. So I report to a board made up of four of the directors of the Hobart City Council and the general manager on a monthly basis.

**Mr FINCH** - When you say 'directors', are they elected councillors?

**Ms McVILLY** - No, they are paid employees. We fall under Economic Development.

**Mr FINCH** - For the \$150 000 -

**Ms McVILLY** - No, my unit.

**Mr FINCH** - Oh, in the council?

**Ms McVILLY** - Yes. Before they took us over they did a lot of due diligence and visited other cities. Some visitor centres sit under Community Service, but other cities push them to put them under Economic Development because of that flow-on recurrent benefit we provide. The Hobart Visitor Centre is quite different to other capital city visitor centres around Australia because we book the whole State. Most visitor centres, such as Melbourne and Sydney, tend to just book their city. That was a big decision for Hobart to take us on, when 60 per cent of what we do is outside of their geographical area. It was a good decision.

**Mr FINCH** - You are feeling confident that that is a good landscape, a good work environment for your future?

**Ms McVILLY** - Yes, absolutely. It gives us the resources to trial things such as the volunteer program and to work better with cruise ships. It gives us a stronger voice; people will listen to Nick Heath if he knocks on their door, but if I knock on their door they don't pay much attention.

**Mr FINCH** - We have had some discussion here today about the cable car. Do you think that would be a good addition to tourism infrastructure?

**Ms McVILLY** - My personal opinion, not that of the Hobart City Council?

**Mr FINCH** - Either.

**Ms McVILLY** - My personal opinion is I think it would be ideal. It is one of the top three most-visited attractions in Tasmania and you can only visit it when there's no snow and when there is snow it is probably at its most appealing. Having travelled the world, you see a lot of places where cable cars are done well; they are not an eyesore or an intrusion on the environment. I think it should be considered, but that is my personal view and I believe it is definitely not Hobart City Council's opinion.

**CHAIR** - Mine too.

**Mr FINCH** - It's not the council's opinion?

**Ms McVILLY** - I don't think it's the council's opinion.

**Mr PARKINSON** - My contribution was to talk about a recent visit in September to Cape Town, where their cable car goes up 1 100 metres. It starts at the 400-metre level and rises in one loop, there's not even a tower between, and it has two cars. That architectural visualisation in the *Mercury* a couple of days ago reminded me of it because of the circular gondolas. In Cape Town the gondola revolves slowly within itself, a bit like the Revolving Restaurant at Wrest Point. You can stand in one spot and you'll get the opportunity to take a photo of the whole view, without rushing from one side to the other. I am even more convinced than I ever was that it is the thing for Hobart, provided it's put in the right spot. It doesn't go over people's backyards, and in Cape Town it doesn't. It starts off closer to the mountain than people's houses are, not much closer but closer, so there's a way of doing it.

**Mr FINCH** - I will wait for that story to hit the front page of the *Mercury*.

**Mr PARKINSON** - There's no-one here so I'm right, unless you leak it.

*Laughter.*

**CHAIR** - I think that brings our session to a close? Is there anything you'd like to say in closing?

**Ms McVILLY** - I really enjoy tourism. I think these are tough times but they are tough times across Australia. The propensity to travel internationally has never been greater, with the Australian dollar so strong and cheap international flights. We have weathered worse storms and I am sure together we will weather this. I agree with Bob Annells that some of the tourism industry just need to grumble when they don't have people in their beds, so they jump onto anything they can. We have endured worse and we will get there again.

**CHAIR** - Thank you very much. Your enthusiasm is very apparent and it's good to see.

**THE WITNESS WITHDREW.**

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**LEGISLATIVE COUNCIL SELECT COMMITTEE ON TOURISM IN TASMANIA,  
HOBART, 29/10/10 (JAGO/ANNELLS/McVILLY)**



