

Mayor DARRYL GERRITY, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wing) - Welcome Mayor Gerrity. We look forward to your comments on tourism in your area.

Mr GERRITY - It has been a stop-start industry on the west coast and that is why council has taken a lead role in instigating a lot of tourism projects throughout the west coast. We run the visitor centre down in Strahan - that is a total west coast visitor centre - and we still market what we call a destinational philosophy. A destinational philosophy is to put in tourists' minds coming to the west coast destination that you have to stay. So it is an end-of-day trip rather than through here, out and back again. So we market that philosophy and everybody now, when they are coming to the west coast, expects to stay here. They have not in their brain, and thank god for our speed laws, that they can leave Hobart in a day come through here, go up to Burnie and up to Launceston, even though some tourism agents on the mainland tell them that they can. They are very unwise in telling them travelling distances in Tasmania. They tell them that it is a 100 kph road. Well it is but you cannot sit on 100 kph. You go down to 40 or 50 kph on occasions. Every time you educate these people on the east coast and in these tourism agencies, they change and so you get another new one. It is a re-educational program all over again, especially when they come here on what they call 'famils'. So it is quite difficult to maintain the message that we are trying to get out there.

The visitor information centre has substantial industry support. Last month we were down 21 per cent in the door count and 17.5 per cent on revenue, but up until then we had been holding our own. Down 21 per cent on door count through the visitor information centre and 17.5 per cent in revenue is probably systematic of what is going on presently on the west coast. Don't forget we are just coming through a lean winter and I think last month, September, we had 3 500 people through the door. That is just through the door, not phone contacts.

Council is also instigating some main street programs. We are doing Strahan now. We have done Zeehan. We have three-quarters finished Rosebery and we are about to spend \$1.5 million on the Queenstown main street and still preserve its historic integrity. We are very active in assisting with attractions. The council owns a wharf in Strahan that we have done up. We have done up the Iron Blow, which is at the top of Linda near Gormanston. We have just spent \$200 000 on that. The Spray Tunnel in Zeehan and the cycle tracks are all free activities, along with Hogarth Falls. They are all free activities for people who come to the west coast. They get charged enough as it is so we just want to give them some value for money.

We are progressing really well now with motorhome parking around west coast. We are now getting a lot of motorhomes here but we need some common signage.

CHAIR - Are you charging for motorhomes?

Mr GERRITY - No. We do get some screams from caravan parks in Strahan in particular, but in most of the caravan park sites in Strahan they have put cabins, so you could probably only fit 15 to 20 motorhomes in Strahan in a caravan or camping environment.

Most of them choose, for three out of the four nights they are here, to 'free' it and for the other night they will go into a caravan park to do their washing, laundry, watch the television, go shopping and go for a meal, but their income into the community is a far better tourism income than the traditional tourists. It goes further into our economy. They get fuel, gas, fishing gear and they buy a lot of stuff at the supermarkets, so it is a different economy from a traditional tourist. They will still go on the cruises, flights, jet boats and train. We are catering for them in the best way we can but they are still limited. That is why I am suggesting that with the *Spirit of Tasmania* the Government really should appreciate the economic multiplier effect of those visitors to Tasmania. There is no appreciation of it in the fares.

What I would like to suggest for these people coming to the region, particularly the poorer ones, is that if a motorhome was getting on the *Spirit*, if they are going to be here for two months then why not give them a 5 per cent discount. If they are going to be here for three months, why not give them a 10 per cent discount, because that would be a pittance compared with the multiplier effect of those people in Tasmania for three months. A discount for a longer stay in a motorhome should be considered to make Tasmania one of the touring States for motorhomes.

We have some problems with tourism bodies, as you are probably aware, around Tasmania. I do not believe there is a tourism association in Hobart or Launceston now. I have heard there is not. Also our own home-grown one, Destination Strahan, has just gone into a holding pattern. Everybody is tired and burnt out - the same old people. Ten years ago, Destination Strahan - or West Coast Tourism as we were then - were very innovative in tourism but we never got the support from Tourism Tasmania in a lot of the areas, unfortunately.

We do have the Cradle Coast Authority, which are probably leaders not only among the three authorities in the State but also in tourism. The Cradle Coast Authority is doing a lot for tourism and I think they are leaders in their field, along with the economic stimuli that they put into our nine member councils. They are not fragmented. They are consolidated. There is no real infighting I am aware of and I am the chief representative of that organisation. I use the word 'harmonious'; I do not know if that would be the word, but it does seem harmonious in working in the best interests of all the member councils.

Internationally, I think we are 10 per cent down at the moment - that is what I'm hearing - and I would like to see Tourism Tasmania start promoting regional areas. Being politicians, you will recognise the Russ Hinze philosophy that if you give someone - a politician - a block of land at the end of the street, it will be paved, it will be asphalted, it will have lots. If you promote areas regionally, they still have to go through Hobart or Launceston, either coming through or coming back, so attractions away from the main centres often encourage people into the regional areas but the main centres will still get a benefit. So is the carrot or the Russ Hinze philosophy of attracting people to regional areas and they should be better promoted.

There is a bit of confusion at the moment with the zone marketing philosophy. That is confusing, along with the touring routes. I don't know where they breed these tourism people who think these things up but obviously it is not in Tasmania. They have a poor recognition of the real issues facing regional tourism. Zone marketing, in my view, has

fragmented the industry and it's not along the traditional lines of tourism that have been marketed in the past and that have worked.

One of the problems of being in an isolated area is putting all these views forward to government and not having them heard. It is really difficult. I will give you a few instances. We recently acquired \$4.5 million of Federal Government money to put the railway line between Melba Flats and Zeehan. The idea of that is to keep the trucks off the road with the ore going out on a longer section between here and Burnie, but more importantly, it was to give the Don River Railway and the Burnie Railcars a destination. They could come straight into Zeehan and that had enormous tourism potential. The Feds took that money off us, God knows where it was, and unfortunately never had the courtesy to tell us they were taking it off us.

We had \$10 million to remediate the Mt Lyell mine site and the Queen and King rivers and that was going to remediate the rivers and extract the copper, iron and aluminium that was in solution coming down the river. They were actually mining the river. One of the problems in Queenstown is that the tourist centre says to us, 'How can you put up with a river like that?' The idea of spending this money was to also make the remediation project a tourism attraction so people could actually go there and see how this was working and then we could have sold the technology overseas. Mines overseas are screaming out for this remediation technology and Tasmania could have sold the technology and been leaders in the field, but the Government gave the money to the fox taskforce without consultation, as you probably know.

I am not saying that the fox taskforce did not deserve it - in my view it doesn't - but, again, there was no consultation. We have a salmon industry. They are meeting here now on the west coast - probably 20 of them, government officials and farmers. They want to substantially expand - we are talking \$200, \$300, \$400 million - but the King River problem will hamper that expansion.

So pollution is an issue we face here but it did have side benefits for tourism that people now are interested in. They want to see and do everything you do in the community. When I slip a boat for TasPorts, I will have 200 people watching me during summer. They like to see people working, they like to see things happening and they're interested in stuff that may affect their home, whether it be in Australia or overseas, and we're not providing that educational experience in tourism that people are looking for.

We tried to get a geopark up - you probably heard about that - in an area around Queenstown where you go and look at all the landscapes and how they evolved, with the glacial moraines through the volcanic period, through the Pleistocene period and all that. The mining industry was under the impression that this was going to kill mining on the west coast, even though the West Coast Council said it would not promote a geopark if there was a detriment to mining. The mining lobbyists - and we all know who they were - had it canned. It was an iconic branding signature for Queenstown. We could have had a geopark where people could come and look at these glacial moraines, the extinct volcanoes, the landscapes that were shaped millions of years ago, and then adjacent to it is a beautiful World Heritage Area.

Other things we have tried include abalone. Off the west coast here there are a lot of abalone, really big ones, not market size. Have any of you ever had a feed of abalone in

a restaurant in Tasmania? We're famous for them, so why can't you get them? Because they're too dear. They go to China in cans. There is a market out here of oversized abalone that is not being utilised. I tried to get Sea Fisheries to give a quota of 300 or 400 kilo so that we can bring them onto the restaurant market in Tasmania, or at least in Strahan, to promote the product. They're just going to waste. We eat them but they're too big to put in cans. It should be explored because if this product is not being used they will just get oversized and die.

CHAIR - They don't get tough as they get bigger?

Mr GERRITY - No.

CHAIR - Same quality?

Mr GERRITY - Same quality, but they just won't fit into a can. I think we should be looking at that market and saying, 'All right, if we get 300 or 400 kilo and we can put them on the restaurant table at a better price,' obviously then we could, but the Abalone Divers Association - none of them dive now; I think they're all retired and lease out their licences - are not interested.

We're talking of taking the mining industry, the aquaculture industry and the fishing industry into the tourism arena. They've been flat out making a quid at the moment but are now starting to look at industrial tourism and the aquaculture industry is now starting to look at promoting its image from the place of where it is grown primarily, and that is the west coast; that is, Strahan. So we're cultivating that, but a lot of the people you talk to in Tourism don't understand what we're talking about. They have no vision. They have blinkers on. There must be a pill, but since we lost our control over our water and sewerage we can't put anything in the water to make them think our way, which is unfortunate.

We are trying everything. Of particular note, what you are going to have to do in your lifetime is go out to Lake Margaret. I don't know if you are aware of Lake Margaret.

CHAIR - Yes. We had a visit there on Ruth Forrest's electorate tour about two years ago and went up the hill.

Mr GERRITY - The pipeline.

CHAIR - Magnificent views.

Mr GERRITY - Yes. Well, that was going to be 'dozed until we acted on that and had it declared Heritage and made them do it. The future for that is very bright and what we want to do with the particular village itself is make the village a wilderness school. There is nowhere on the west coast that kids can come from anywhere and stay. There is no camp apart from that god-awful Camp Clayton. We thought if we could get children to the west coast to stay at this wilderness school at Lake Margaret and explore the area because there is so much to do there of an educational value, we could send them away as potential future tourism ambassadors, and that was the idea of the wilderness school.

CHAIR - Where would they stay?

Mr GERRITY - In the houses there, and there is a hall. It is such an interesting place of history and sociology and industrial engineering. The first migrants came there, for instance, the Maltese people came there. The original stonemasons came there. It is such a place of history that has substantial educational values that we think it's worthwhile to pursue as a wilderness school and to let kids have a good look, because it is in the middle of the west coast, at everything that we have on the west coast. Hopefully they will come back in the future. Nobody has ever thought of the kids before, so we saw a wilderness school as, firstly, of great educational value and, secondly, of tourism potential. That is it, thank you very much, see you later.

CHAIR - Talking about projects that might have tourist potential, we heard some evidence this morning suggesting that expansion of the Wee Georgie Wood rail track going around the lake and beside the road, although it would cost a lot of money, if it could be funded would be a tourist attraction. Have you heard of any suggestions on that?

Mr GERRITY - Yes, there have been suggestions around for a long time, but unfortunately it is a volunteer railway. It runs once a month, I think, in summer. Young Fred who runs it is 72, and it is very difficult to get the volunteers here to run it on what would be a commercial basis. The boiler in the engine is stuffed now, and that is going to cost \$60 000 to do up, so it is non-operational at present. They have about \$5 000 towards restoration of the boiler. A benevolent English tourist sent them \$25 000 from England as a contribution.

Tullah is very important to us because it is the first town you hit in coming to the west coast. We need a statement from Tullah that you are entering the west coast, so welcome and all that sort of stuff. Next year in our council budget we will be looking at a substantial spend in Tullah, but I do not think it would include the railway. It might be a contribution to the boiler, but I don't think we would do the railway.

CHAIR - If you were asked to make some contribution to a feasibility study, would the council entertain that - without giving any commitment?

Mr GERRITY - I would have to go back to the council. I think there have been studies done. In one study they recommended that if it wanted to be viable then they should move it to Strahan. All hell broke loose, as you can imagine, but that study showed they didn't have the critical mass or the people to run it in Tullah that would ensure its viability and longevity. If the economic basket of goodies from the Feds comes this way, and they are throwing money about, yes, but it is a difficult one. Tullah has some great advantages that have been under-utilised, like fishing. We have tried to talk to the Department of Inland Fisheries about the lakes around Tullah. We have one for quinet salmon, one for rainbow, one for brown salmon, one for another type of fish, and we had the different fisheries in each lake. We also have a lake available that pensioners and children can fish for free. With the Inland Fisheries department, every other lake in Tassie gets stock free - the big stuff. We have to pay freight to get the fingerlings into the Tullah lake. We are not in a populated area. We don't have votes; that is what it's all about. We have to pay the freight. Thanks a lot.

Mr GAFFNEY - What have been some of the good things about the Abt railway? One person said that people have a finite amount of money, so they will pay for the railway

and then not travel on the cruise boat or whatever, and because Federal have put a lot of money into it they tend to have captured the market. There has not been animosity but there are a few undertones. Most of the advertising goes through Federals. They are the big boys, they can get out there and we don't really get a look in as much as we think we probably should with advertising.

Mr GERRITY - Sour grapes! Federal are good. Their corporate structure is good from the top. Once you get in the middle management they are ruthless. That's how it works. That's life. They have been good for the west coast. We could not collectively match within Tasmania their power of advertising. They can't accommodate all the spin-offs we get from Federal; they can't do it. For example, World Heritage Cruises is in opposition to Federal, but they are both about equal market share. A lot of it is sour grapes and found to be unjustified when I have looked into it. I would count it as fortunate that we do have Federals here otherwise we just could not compete. The spin-offs are everywhere. People don't come to town with a red dot if they have heard of Federal and they do not come with a yellow dot if they booked through *Travelways*. You cannot determine what brought them here but talking to people a lot, as I do, I find that they have heard about Strahan and the west coast through Federal. So they remember Strahan, the Gordon River, Huon pines, fish, food and lots of things to do after dark.

CHAIR - Scenic beauty.

Mr GERRITY - Yes, so they come. It is not the Federal brand that gets them here; it is the Federal marketing of the generic place that brings them here.

Mr GAFFNEY - And the railway? How do you think that has been travelling?

Mr GERRITY - It has been going well but do not forget that running a 100-year-old train on a 100-year-old line is difficult. It is working well and there are starting to be more and more people come on it. When it was first done it was supposed to attract a certain select market of railway buffs - that was what they envisaged when Roger Smith had it. They thought they would get all the engineering buffs from all over the world but it is now a bit more than that. It is now the scenic trip rather than the engineering trip and the railway is complementary to Lake Margaret - the same company that built Mount Oliver built Lake Margaret and built the railway - so those two tend to fit in.

We even had Federal interested in Lake Margaret as a tourism potential and we talked about the walk between Lake Margaret and Cradle Mountain - a new track and then down through the Overland Track. We have now decided that we will put a track through from Lake St Clair to Lake Margaret and that has been featured. We will probably send some intrepid explorers through over Christmas. We have told Parks we are going to use the traditional track cutting methods, which are identified in old books, such as setting fire to the landscape and eating the burnt animals on the way. Parks got nervous about that methodology!

Laughter.

Mr GERRITY - That was the original route through to the west coast. It is about 20 kilometres north of the existing highway. We have \$250 000 to look at the feasibility of Lake Margaret through our partnership agreement with the State Government. We are

pushing the wilderness school, we are pushing the walking track from Lake St Clair through to Lake Margaret and we are talking about the educational values of the site. Christine Milne wants to put one of those French gondoliers up the haulage - do you know the haulage there?

CHAIR - No.

Mr GERRITY - The haulage where you go up? You know you went up by road?

CHAIR - Yes.

Mr GERRITY - Well adjacent to that is a railway line.

CHAIR - Oh, I see.

Mr GERRITY - And there is a haulage there. It is still working and it is legal, but instead of the old trolley that they pull up and down she wanted to put one of those swish gondoliers on it and tow that up.

CHAIR - I was thinking of water when you said gondoliers.

Dr GOODWIN - Yes.

Mr GERRITY - I'm learning.

CHAIR - Venice.

Mr GERRITY - No, no it one of those gondolas they use to take people up in the Alps - those aerial ropeways. Do you know what I am talking about?

Dr GOODWIN - I think so.

Mr GERRITY - You just pull that up the railway tracks and that is what they are looking at. University of Tasmania is also looking at it as an annex to do some of their work out there. So it is very exciting but it is just a matter of knocking down the doors and getting the reception from the other side. So fortunately the Feds should have some regional development money coming out so we will be looking at that. The educational value was there.

Mr GAFFNEY - Earlier we talked about the west coast mining tours. Are they really an untapped market - a lot of people do not know about the mining tours?

Mr GERRITY - It is because of the pathetic operators.

Mr GAFFNEY - We heard that too.

Mr GERRITY - The bloke is a panel beater. If you have a car and need a panel beater you would rather him do that than take the people underground. He is about to leave. We have finally got him to sell the business to a bloke in Queenstown, we hope, who will

develop it and market it. It is a unique experience and we are trying to get that up again. At the moment it is suffering.

We have a positive outlook and we just need a positive reception from the Tourism Tasmania people. Also, if they are not going to deal direct with us or cannot deal direct or are incompetent, let us go through the Cradle Coast Authority who have more expertise and runs on the board than they will ever have.

Mr GAFFNEY - How do you find the relationship with Tourism Tasmania? We have had a range of comments: some have been that they understand; others think they are not really in touch with what is happening on the ground -

Mr GERRITY - I would say they are not in touch with what is on the ground and the reality of it all and they should talk more to people and encourage ideas. If the idea is stupid that is okay - but discuss it, look at it or get someone who is competent to look at it and discuss it with you.

They make only fleeting visits here. I do not think anybody has been here for as long as two or three days. They do not experience anything. They do not talk to the operators. They probably feel that they could be questioned or be vulnerable in their questioning. They are not open and frank and easy going. They are guarded - I think that probably would be more the word.

Mr GAFFNEY - Your visitor information centre, is that a white or a yellow 'i'? Do you get any funding?

Mr GERRITY - No. We are the third most visited centre in Tasmania yet we get no funding.

Mr GAFFNEY - I think that is a real issue because the smaller centres we look after our own visitor information centre and the bigger communities - Hobart, Devonport and Launceston - who do have a lot more industry and businesses, get funding to run theirs. I think that is a real issue for Tasmania.

Mr GERRITY - We are the third highest in the State and we get no funding whatsoever. It is all back on to council. It is quite farcical.

CHAIR - Who are the two ahead of you, Port Arthur and Freycinet?

Mr GERRITY - Hobart and Devonport, I think. Devonport or Launceston?

Mr GAFFNEY - Launceston. There are three that get funded. I think Burnie gets funded.

Mr GERRITY - There are four that get funded, but we are the third highest visitation and get no money.

Port Arthur, Hobart and probably Launceston are the ones that get funded. Port Arthur can get as much money as it wants - it is criminal what goes down there.

Mr GAFFNEY - Over the Heads there, is there any tourism potential?

Mr GERRITY - There is potential. There is some private land over there and there is some leased land. We have just done up this side of the Heads, the Macquarie Heads camping area. We have just spent a fair amount of money there for permanent sites and also for the influx of campervans this year. We have just spent a lot of money and there has been a lot of angst in getting some of the people out of the buildings they had built over the years. It was fiery. Now they are all happy and we have applications for another 25 sites but we have separated the tourists - the grey nomads and the campervans - from the locals because intertwined there was conflict. Everybody has a big buffer zone there now and they should be a lot happier this year.

Mr GAFFNEY - What have they done with the old theatre in Queenstown?

Mr GERRITY - The Paragon?

Mr GAFFNEY - Yes. Is that starting to provide some benefits for the town now?

Mr GERRITY - Yes, it is. But there are a few things we would like to do with it. We have got Geoffrey Blainey, who wrote *The Peaks of Lyell*, coming through to do some readings and we are trying to attract funding to film that, and have him do it at the theatre.

CHAIR - Good. He is a fantastic person.

Mr GAFFNEY - I can remember when it was used as a theatre back in the late 1970s and they had that very sad film, *Elephant Man*, showing. But they only had one reel working. So instead of just being able to go onto the next one, there was a big pause and all you heard were these young kids doing elephant noises all through the theatre, which sort of took away from the moment.

Mr GERRITY - Queenstown Films.

Anyway, look, it is coming back. I think the *Nutcracker Suite* is on tonight in the theatre in Zeehan. I think the ballet is there tonight.

Mr GAFFNEY - That is the cultural mecca of the west coast!

Mr GERRITY - As the principal dancer I must leave!

Laughter.

CHAIR - Thank you very much Mr Mayor.

THE WITNESS WITHDREW.

Ms CALLY KENT, MARKETING MANAGER, STRAHAN SEAPLANES AND HELICOPTERS, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wing) - Thank you. Your evidence and what we say will be recorded and transcribed by Hansard and put on our website when it is prepared. If there is anything you want to say that you do not want published on the website, please tell us at the time and we can take that in camera, and anything you say is protected by parliamentary privilege while you are here, but not anything you say outside. We would like to hear your views about tourism.

Ms KENT - I thought you were going to ask me questions.

CHAIR - We would like to do that as well.

Ms KENT - Tourism in Strahan - I am not sure if you are wanting an overall Tasmanian opinion or just a general -

CHAIR - We would like to know about your business and how that is faring and tourism generally.

Ms KENT - Probably the starting point would be our business because that is the area that we are familiar with.

CHAIR - Yes, that is appropriate.

Ms KENT - On last year's figures we are down at least 18 to 20 per cent on visitor numbers and flights that we've done. It's sometimes hard to gauge but overall even our Internet site was down, people generally looking and searching. Prior to that we were through Tas Temptations, but unfortunately they were getting less and less as well, so there were very few bookings coming through Tas Tempts. As I say, we are down, and even more so this year - at this stage it would be 40 to 50 per cent since starting in September. But we are affected by the weather.

CHAIR - Forty to 50 per cent on last year and last year was down 20 per cent?

Ms KENT - No, 18 to 20 per cent.

CHAIR - Right, 40 to 50 per cent on last year.

Ms KENT - Yes.

CHAIR - That's a lot.

Ms KENT - It is, but we are weather-orientated and so if the weather's not good we would be affected more so than accommodations or anything else.

Dr GOODWIN - Has the weather been bad? It's great to watch, isn't it.

Ms KENT - The weather has been more severe this year and there are certainly fewer people.

CHAIR - To what extent do you attribute that large decline to the weather and to what extent do you attribute it to other factors?

Ms KENT - Tourism Tas put a lot of effort into a strategy for marketing. It's often hard to validate from our point of view. We've been part of the VJP; I guess you are familiar with the VJP - Visiting Journalist Program - as well. The VJP is through Tourism Tas and they ask you to either do free product delivery or a concession and we generally do a concession, but one of the things you request all the time is, 'Can you give us feedback or can you show us the article?' - things like that, but there is never any feedback on anything that we do for the VJP program in particular. You get figures about people in Tasmania but I think overall Tourism focuses more on the bigger picture, the bigger players in the system, than it does on the small ones. It seems to be repetitive in focusing on the major dollar.

I think the *Spirit* is a problem at the moment, and I say that because in three instances in the last couple of months we've been told that a booking wasn't available. In one instance we were trying to come back with a vehicle and in the conversation it was determined that we were actually going to an auction to buy a commercial vehicle and we were told to ring the freight department. We rang the freight department of the *Spirit* and they said, 'Yes, no problems, that will cost you \$1 400 for that vehicle.'

CHAIR - Really? What was the outcome?

Ms KENT - We didn't choose to do it, but they said that the *Spirit* is full of freight. That's what we were told by the people we spoke to and probably the freight is subsidising it and so there are fewer options available for people to come and go, when it's actually a passenger vehicle, not a freight vehicle. We have a number of freighters coming in and out of the State so that certainly shouldn't be the case.

CHAIR - And how much did you have to pay?

Ms KENT - Well, we didn't. We were told \$1 400 to bring the vehicle in so we didn't choose to do that.

CHAIR - Even though you were proposing to accompany it?

Ms KENT - Yes. They advised us to ring Searoad or one of the commercials, Brambles, and they quoted us half the figure but we couldn't accompany the vehicle, which was not what we wanted to do. There are other people who have spoken to us of the same circumstances. Within Strahan itself, I guess, it's probably got a little bit harder when you have larger corporations that have the ability and the marketing power - and it's not a complaint, it's a fact that they have the ability to secure the market, the people who visit, and it leaves very little for what is left.

CHAIR - Do you have any other information from your clients about the *Spirit of Tasmania*, any feedback?

Ms KENT - No, it's not so much our clients, it's actually people we have spoken to. There were two instances for us and two instances were from friends we know who have been trying to do that.

CHAIR - So you have told us about one instance, what was the other one?

Ms KENT - One of the other ones was people trying to get a camper coming back into the State. They were Tasmanian and they were trying to get their camper on and they were told that the vehicle was full, and it wasn't actually full. They told them to try to just get it on freight but they couldn't accompany it.

Dr GOODWIN - Was this a vehicle that they had purchased on the mainland?

Ms KENT - No, they had been travelling.

Dr GOODWIN - They had been travelling around mainland Australia and wanted to get back home?

CHAIR - They were told it was full and to contact freight, and it wasn't full? What was the outcome of that?

Ms KENT - We actually haven't been back to check with the people as to what the outcome was.

Dr GOODWIN - What would the expectation be there if they were told to contact freight? Would they put the vehicle on and then have to fly down or something? That seems extraordinary.

Ms KENT - Yes, and if you can do it by freight, the space is obviously there to start with. I mean, we weren't aware of this until a couple of months ago when we tried to do it ourselves and Dale said, 'Is there something not right here? Why are they referring me to freight?' and then we were advised of the other instances as well in conversation with other people who said the same thing. It opened a door, I guess, that things were probably not quite right.

CHAIR - So the people with the campervan were told it would come back as freight but they could not accompany it. What happened?

Ms KENT - That I cannot tell you.

CHAIR - You do not know the outcome of that?

Ms KENT - No.

CHAIR - And you had two experiences and you have told us about one of those?

Ms KENT - Yes, the other one was very similar, just bringing our vehicles back.

CHAIR - At a similar sort of price?

Ms KENT - With the second one when Dale was told there was no space available and to contact freight he did not go down that track again, he just left it.

CHAIR - And you were buying it commercially?

Ms KENT - Yes.

CHAIR - So you did not go across and get it?

Ms KENT - We would have flown across and brought the vehicle back for our business.

CHAIR - But in neither case did you go and buy a vehicle and bring it back because of what they had told you?

Ms KENT - No. If it is happening with us and it has happened with this campervan we do not know the big picture. Are there other people out there who are having similar experiences? I guess it needs researching as to whether it is a problem that we are having or were these just isolated instances. I do not know.

Dr GOODWIN - These commercial vehicles you were intending to purchase, were they large vehicles?

Ms KENT - No, the same size as a camper. It was a very small truck. We should not really be discriminated against because it was a commercial vehicle. We wanted to book a cabin and vehicle space and it should be irrelevant as to what we are doing but no, it was not a truck.

CHAIR - That may well be designed to cover people who trade in vehicles who go to the mainland and buy them in the used car yard and then sell them.

Ms KENT - I know there are stories where people try to put a vehicle on without accompanying it but that was not what we were trying to do.

Mr GAFFNEY - Cally, do you have a relationship with the Visitor Information Centre here with brochures or do you choose not to or is the option there?

Ms KENT - The option is there. We had a small disagreement with one of the managers at one stage about the product and so we chose not to. We also find quite a few complaints come back about the hours that they operate, their lunchtime closure, the changes that are constantly in place. There is not a lot of confidence in the local visitor centre and that is an industry thing. I can't name anything there, it is just that people talk.

Dr GOODWIN - How do your customers find out about you?

Ms KENT - We are in the zone marketing and we have our own website. We are in *Travelways*. We are about to embark on a bigger project as well but we are in the TVINs.

Mr GAFFNEY - Do you ask your clients where they heard about you? Do you have a feedback form?

Ms KENT - We did a two-year survey. We don't have it in place this year but for two years we ran a survey asking people how they found out about us and it was interesting. There were magazines on the mainland but most of our customers were walk-ins - 80 per cent of our visitors knew about us but it was a visual thing. They saw the office, they saw the seaplane and it kind of prompted them. We realised that some of the areas that we were spending a lot of dollars in were not doing as well as we had hoped. We believe *Travelways* to be a very good thing but, once again, people just come in and tick that they have seen it in a magazine. They do not always tell you and they do not always remember. It is a hard one to nail but, as I say, our website is down as well so we are looking at redoing that as well - just looking at all areas that we can.

Mr GAFFNEY - What would be your budget for advertising?

Ms KENT - Because we have the two businesses, around \$10 000 to \$15 000, which is really small, but we have expensive equipment and it takes a lot of money.

CHAIR - When you say 'two businesses', the one here and the one in Cradle Mountain?

Ms KENT - Yes. Most of our marketing is combined.

Dr GOODWIN - Would you get much repeat business?

Ms KENT - We get a lot of word-of-mouth and we had four people fly at Cradle yesterday and they flew with us at Strahan today as well.

We are fortunate that we are the only flying business in both locations as well. We are finding that people who walk the town come in and say, 'How much is it?', which is fine, 'How long does it take?', and often one of the deciding factors is, 'Oh, I can't fit it in, do you have something shorter?', so we have had to look at trying to do a flight that is shorter.

We have a coach group down there at the moment and they are doing a 15-20 minute flight. They are not landing on the Gordon or anything, they are just going out around the area but that is because the market is a little bit different so we have had to do that a lot more this year and last year as well - we had to redesign the flight.

Mr GAFFNEY - You are fortunate that both your businesses are in the same zone.

Ms KENT - Yes.

Mr GAFFNEY - How do you find the zone marketing as a concept? Do you have positive feedback? How do you find it?

Ms KENT - You don't get a great deal of feedback on it. We close for probably four to five months of the year and so you tend to lose touch - we can't fly in either location. I know they are struggling to get the zone marketing happening and I am not sure that it is overly successful. We did a trip to America this year where they have all different regions, and I don't know how else you could do it, but every time you crossed a border, you had to have a different magazine that was relative to that area and it was really confusing. You

didn't ever know when you were in a different region. You didn't ever really have the boundaries. I know these little magazines are much more descriptive and they are good but we had some people in the office today and they had all these magazines but they were also very confused. They didn't like having so much paperwork, having to wade through different books all the time. They said that they would prefer just the one edition.

CHAIR - When you close down for four to six months, how do you survive? Do you have other businesses?

Ms KENT - I work elsewhere.

CHAIR - And your partner has some other job?

Ms KENT - We have a maintenance business as well at Wynyard which supports both companies but we also do maintenance on light aircraft within the region so that is our saving grace.

CHAIR - Yes, good.

Mr GAFFNEY - How do you get rated? Just as a business? How does council rate you or do you get charged by the Marine Authority for the use of the ports?

Ms KENT - We pay TasPorts. We also pay the lands department. The cement helipad is on TasPorts' land but where you walk out to the helipad is the Department of Infrastructure.

We pay TasPorts for our office site.

Mr GAFFNEY - Yes, and at Cradle it would be Parks?

Ms KENT - Yes, Parks, and we pay a fee for every passenger that lands in both locations.

Mr GAFFNEY - And that goes to whom?

Ms KENT - Parks.

Dr GOODWIN - What is the cost of a flight?

Ms KENT - Per passenger?

Dr GOODWIN - Yes.

Ms KENT - It is \$190 and we think it is pretty comparable when we have looked at flights across Australia and internationally. We generally do the flights ourselves so you can compare what you are offering, so you know what you can improve on with what you are doing. But we think in both locations we've got pretty good products and it's just at the moment people seem to be thinking, 'Will I wait? Have I got the time?', and of course there are fewer people.

CHAIR - That's for 90 minutes, isn't it?

Ms KENT - Yes.

Dr GOODWIN - When people are in seaplanes, are they more likely to get sick? I haven't been on one and I'm just trying to get a feel for it.

Ms KENT - Some people do, but the majority don't. If you do it's generally that you have that travel sickness bug anyway, but the majority don't. On a really windy day I have seen some people come back and feel woozy.

Dr GOODWIN - It must be amazing because this scenery is just incredible.

Ms KENT - It is. The helicopters are very different. The dynamics of that are different and you do not get as much - people rarely feel ill in a helicopter. We land out at Teepookana, which is a Huon pine forest on Forestry land. We pay the lease to them for that and we've just started a new tour to Mt Dukes, which is just amazing. Mt Dukes is out near Queenstown and that's through Parks as well. But in the seaplane you are actually weaving down the Gordon River and doing all those things.

Mr GAFFNEY - I've done the helicopter one out at Latrobe and gone over Ulverstone and stuff; it's just beautiful and you don't feel worried in a helicopter. Well, I didn't; it didn't even cross my mind. You're more involved in looking at what is going on.

Ms KENT - You have so much view, don't you?

Mr GAFFNEY - Yes, it's sensational. How many passengers are in your plane?

Ms KENT - We take four on the big yellow one.

Mr GAFFNEY - That is the helicopter or the plane?

Ms KENT - Sorry, on the plane we take five, four on this helicopter and three on the little one.

Mr GAFFNEY - What is the life expectancy of a seaplane, because they'd be expensive?

Ms KENT - Yes. We're about to change the engine in the big yellow helicopter and that's going to cost us \$120 000. They only have so many hours on them; depending on how many hours you fly in a year, and that's determined by scenics and charter work we do, it might last you four years.

Dr GOODWIN - It's a huge investment, isn't it?

Ms KENT - The seaplane could go for five years - again, depending.

Mr GAFFNEY - Hansard note - Cally crying now.

Laughter.

Ms KENT - We had to fly an engineer in for the helicopter at Cradle, the little Robinson, that we only bought in '09. It developed a little oil leak in one of the seals, but there is no helicopter engineer in Tassie and we had to fly one in from the Gold Coast. We overnighed him. We took four staff up to Cradle to lift the blade off to fix it and then we got the bill and it was \$2 800 to fix that little oil leak, so it's an expensive business.

Mr GAFFNEY - Are there any other issues you might like to talk to us about in closing?

Ms KENT - Someone asked me about tourism awards at one stage, but the amount of work that you need to do for those is phenomenal and there's never been a strong belief that they truly represent anything. I am not sure whether people don't do it because the workload you have to submit is so immense or because there's a perception that it's controlled in that they choose who they want to win. So we've never been part of that.

Mr GAFFNEY - Do you have a seaplane or helicopter fraternity?

Ms KENT - We are part of the Seaplane Pilots Association.

Mr GAFFNEY - I imagine you'd find that a lot of people who do seaplanes or helicopters in one year would probably like to do it again, because they are that sort of person, if they can afford it. So you do have an association?

Ms KENT - Yes. There is a seaplane association mostly based around the Hobart area - they land at Meadowbank out near Ouse somewhere. We've been trying to get access to a lot of Hydro lakes and it has just come through, because a lot of seaplanes do really well on Hydro lakes. So we are a member of that association, Australia-wide as well.

CHAIR - Probably about eight or 10 years ago there was an accident at Meadowbank where a light aircraft flew into power lines, but they would have been removed from Meadowbank now, I think, because two or three people were killed.

Ms KENT - Were they? I am not familiar with the area. We haven't actually landed at Meadowbank but I know a lot do.

CHAIR - I think that would have been rectified by now.

Ms KENT - Hopefully.

CHAIR - Do you have much contact with Tourism Tasmania?

Ms KENT - Only when there's marketing to be done, basically. A lot of information comes from them via e-mail that you could read if you had the time, but only when there's marketing to be done and you've been offered space in a magazine somewhere.

CHAIR - Do you have any views about how Tourism Tasmania is performing, particularly in relation to your own business?

Ms KENT - I'd like to say I have a personal view but overall it's hard, as I said earlier, to gauge what anything does for you unless you can put a figure on it. You do your surveys and if you could get people to validate the magazine they saw or read it would be much

easier but it's difficult when you get a broad spectrum. You know that Tourism Tasmania is out there working very hard and doing all they can so I truly respect that and there's a lot we can never know that they're doing or achieving. But in depth I don't because I've been out of it for a while, so I can't personally comment.

CHAIR - Is your company a member of the Tourism Industry Council?

Ms KENT - No. We're an accredited business.

Mr GAFFNEY - What about insurance? Are your insurance fees exorbitant?

Ms KENT - Our public liability?

Mr GAFFNEY - Yes. Is that expensive?

Ms KENT - Even to insure an aircraft it's expensive. We have to have a lot of insurances and not just on that - hangar keepers, for instance. I couldn't tell you off the top of my head but we pay \$10 000 or \$15 000 just for each seaplane for insurance and then we have all the liabilities on top of that.

Mr GAFFNEY - That is a lot of flying hours just to cover your costs before your machines and before wages?

Ms KENT - Yes, it's not the cheapest industry. Sometimes you wonder why you're still here but you are. We must make some money.

CHAIR - Particularly with the 40 to 50 per cent decrease in business.

Ms KENT - Yes, and that's just September and October for us because that's when our season starts. We open the doors at the beginning of September at both locations and when I look at the figures for this time last year against this time now, they're ugly.

CHAIR - Do you have any views about the effectiveness or otherwise of the five zones that Tourism has in Tasmania?

Ms KENT - I can't say that I have great knowledge, only personally knowing how difficult it can be to have all these books. A lot of people who do come in are carrying, say, the *Travelways*, which is complete. We have the zone book and I don't know whether they're overproduced or not but we don't give away very many in our office. We don't see many people take them.

CHAIR - No, you covered that point earlier, didn't you, about the people coming in with so many books and that is a problem. Do you see any other problems with the promotion within zones?

Ms KENT - Not really. I'd have to say I don't know enough about it to comment any further.

CHAIR - Thank you very much for coming and tell Dale that we have enjoyed watching him come and go. We wish you well in your business and appreciate the time you have given us.

Ms KENT - That is fine. Thank you.

THE WITNESS WITHDREW.

Mr ROGER JAENSCH, EXECUTIVE CHAIRMAN, CRADLE COAST AUTHORITY, WAS CALLED, MADE THE STATURORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wing) - Thanks very much for coming along today. As you can see the evidence you give will be recorded and transcribed by *Hansard* and then published on our website, so if there is anything that you did not want published in that way and you would like to say in camera, please tell us at that time. You are protected by parliamentary privilege for anything you say here, but not beyond here. We know you are very much involved in the tourism industry and we are looking forward to hearing your views and discussing matters with you.

Mr JAENSCH - Thank you for the invitation to come and speak with you. Today I am speaking on behalf of our organisation, the Cradle Coast Authority and particularly our tourism development manager, Ian Waller, who wasn't able to be here for this hearing today because he is on leave and I want him to have leave from time to time because he works extremely hard for us.

I want to touch on two of your terms of reference, in particular, numbers 2 and 5: factors influencing development and growth and effective means of maximising potential. I think these are the areas that I have most to say on. In doing that I would like to touch on some challenges facing tourism in our region. I would like to explain to you a few of the things that the Cradle Coast Authority is doing in response to those challenges.

We have an idea, a proposal, for a new way that the State could perhaps make a difference, so a new initiative there and then I would like to comment on State and regional cooperation in the future and how it might assist.

CHAIR - Very good.

Mr JAENSCH - So unless a bell rings at some stage I will make my way through those points.

CHAIR - No, I think we have whatever time you have.

Mr JAENSCH - Splendid.

CHAIR - We don't have anybody scheduled after you, so you take whatever time, within reason.

Mr JAENSCH - Within reason, fair enough. It must have been a long time ago that we spoke last time.

Firstly, as you have no doubt been hearing, things are not strong at the moment, tourism-wise, and the way we observe it - and you have had presentations and I have read through a lot of the other evidence that has been available on your website as well. You have had evidence from a lot of other people who have better data than I have and better insights into the way the industry works. But it would appear that Tasmania is feeling now some effects that have been felt in other parts of Australia for a little bit longer. We recognise within Tasmania that our region, our north-west and west, this third of Tasmania that we work in, has probably been performing less strongly than Tasmania as

a whole and for a little longer. Because we are made up of a relatively small number and great diversity of operators, the messages and the experience of tourism performance have been patchy, different, uncertain, and hard to put a pattern to across our region for the last couple of years. So it hasn't been easily mapped and it hasn't been something that we can easily draw cause and effect from.

However, when we step back and look at the bigger picture, factors such as the global financial crisis, the strength of the dollar now, the buying and spending behaviours of families and the other things that are competing for their disposable income, they are not things that we can affect. To some extent they are no-one's fault. We have to work out how we weather this uncertain dip and how we position ourselves to be stronger, coming out the other side.

CHAIR - It is partly Freddie Mac's fault.

Mr JAENSCH - Yes, exactly, but there is nobody within our reach to throttle or to call to account.

So we have focused, pretty much, on the things that we can affect in our region and what we can do about that. That is being informed also by the approach that the authority takes to tourism development in our region.

When the authority was created 10 years ago, the councils that owned it and created it previously owned a regional tourism marketing body. We took the decision when the authority was formed to continue with the marketing that we do have but to put a lot more energy behind creating more things to be able to market in our region because one of our competitive disadvantages here is that we do not have the density - the critical mass - of products and experiences to sell that some other destinations do. At the end of the day, people have to want to come here for good reasons. We need to create more reasons for people to come here. From discussions over the years, airlines and TT-Line, and all sorts of other people have said, if people want to come, we will provide seats for them to travel in. The more seats we sell, the better deals we can do.

At end of the day, you have to make more people want to come to your place. It is partly about selling but it is partly about growing the pie and the market as well.

CHAIR - But the air fares to Devonport and Burnie do not help, do they?

Mr JAENSCH - No, they do not. I'd like to treat that slightly separately.

CHAIR - Sure.

Mr JAENSCH - There are two or three factors that are at the core of the challenge of tourism growth in a region like ours, and they include access, seasonality and demand, and demand being linked to the availability of attractive products and the critical mass of attractive products. Then there is this chicken and egg. Unless there is a market, there is not a case to invest, and unless there is investment, there is not a product to draw the market. Caught up in that is the issue that the north-west is not, compared to, say, Launceston and Hobart, easy to get to.

However, it depends on whether we are looking at the same. In terms of that access question, we have seen the beginnings of recognition of the fact that the tourism growth in Tasmania is unevenly distributed, that the big growth over the last while has been in the low-cost airlines flying into Hobart and Launceston for people who are spending less on their travel for a shorter stay.

How that is being recognised though in the statewide context is that we need to put greater emphasis on dispersion of people to the regions. We are developing an opinion on that that says if people have come for three days to Launceston or Hobart, how much effort do we put in trying to then change their mind and spend a day travelling to Stanley then come back. It might be a different group of people we are looking for and our target again is to make our region into a destination that people decide to come to for a holiday and, if they want that badly enough, they will find a way of getting here quickly.

So when we did some research on the potential for the Tarkine, one of the things that came back very strongly was that the particular markets that we needed to go for were people for whom getting to an arrival point as close as possible to the thing they really wanted to do was the important thing. They would find the airport at Burnie if it got them to the Tarkine quicker. They did not want to fly somewhere else and travel for half a day to get to the thing they wanted to do. They wanted to land in their walking boots and get straight into the experience.

At the moment there is a lot of argy-bargy, there is a bit of vitriol and angst. I am not a tourism business owner, this doesn't hurt me as directly as it hurts a lot of other people that we work with but, as an organisation, we're not looking around for who is to blame for tourism not performing strongly in our region right now; we're looking more at what can be done. That is our focus right now and certainly when you look at the number, size and profile of the properties and attractions that we have in our region it's not strong and competitive compared to the places that are bringing in lots and lots of people. We need to grow that so there is more to sell, more to see and do and experience in this part of the world, and certainly let people know about it.

I would like to just show you some of the things that have been going on in this region. Over the last 10 years the Cradle Coast Authority has had lots of different roles in trying to grow tourism in our region. Early on in our first year of operation 10 years ago, you will recall, there wasn't a whole lot going on economically, particularly in the north-west. Strahan, where we're sitting now, was one of the places where there was demand banking up for tourism investment to happen with places like this one, but the council had a moratorium on development applications because the sewerage system wasn't up to taking any more toilets - beds, houses, rooms, et cetera. One of the things we were able to negotiate with the State Government and local government was an investment in an upgrade of the sewerage scheme in this part of the world so that where there was demand it wasn't held up because of inadequate infrastructure, and similarly at Cradle Mountain and a couple of other parts of our region where there were some infrastructure barriers to get things going.

As we matured and worked into some longer-term thinking and had some different sorts of funding opportunities, we started work on developing new destinations and products for our region. I've made a little bundle for each of you and for the other members of the committee who aren't here today and I will leave them with you.

CHAIR - Thank you very much for doing that.

Mr JAENSCH - There are six copies of that.

CHAIR - We will take one copy into evidence.

Mr JAENSCH - I will just use this one for a demo, and this is just to show growing tourism as opposed to marketing tourism - there are two parts to this game. Recently we've been working on the development strategies for the Tarkine area over the last three years and for Indigenous tourism in our region, building off the Tarkine in particular. We have worked hard on things like this strategy for tourism based on the mining heritage of the west coast where we're sitting now and various products throughout the west coast.

This one is a strategy around the development of food- and beverage-based tourism in the north-west. Each of these strategies has been developed as a project which has positioned us to take advantage of grants and funding opportunities and election promises and things like that, so each one of them has 50 or 100 recommendations of things we can do so that when an opportunity comes around we can present one of these strategies and say, 'This is where we need to go and this is the thought behind it'.

Whilst some of these have been completed for two or three years now as strategies, in each one of them there are projects underway right now and certainly proposals for things that haven't been funded yet that we will progressively work our way through. This is where we are trying to grow critical mass - other attractions, products and experience - in areas where our region has particular assets to show, experiences to offer and stories to tell. That's the sort of work we're doing a lot of to grow tourism for our region so that there is more to market and we can claim a greater part in the market for our local area.

At times like this, when there is not a lot of private investment happening for a range of different reasons and not a hugely buoyant visitor market to work in, this is when we need to go into this work so that when we come out of the slump there are more products to sell and we're in a better position to take advantage of the upswing when it does come. We've got a food connections group of farmers, other food producers, restaurateurs and hospitality industry people networking and working in our region, getting themselves onto the telly and talking to each other and having little trade fairs to make sure that every menu in our region that sells local beef knows which farm it comes from and can tell a story about it.

CHAIR - Japanese people love that.

Mr JAENSCH - Yes, they do. So we have discussions with Tetsuya and those sorts of guys who are selling produce from our region. He's selling our story in Sydney. We're not selling it well enough in Burnie and so we need to do more of that. Each of these has got activities underway, so we are working hard at growing tourism and selling it.

Your last witness spoke about the zone marketing. The Cradle Coast Authority has the contract at the moment to provide the marketing support work for two of the zone marketing groups, the western wilderness and the north-west zone. What I've given you here in your little pack is the marketing prospectus that our team has developed for the

north-west zone. There is one very similarly structured for the western wilderness. These are the only two zones of the five around Tasmania where there is a prospectus approach to packaging the promotional opportunities for our local operators, partly because so many of our operators are small businesses who have very limited budgets.

What we try to do through this prospectus is give them a way of investing and leveraging their budget to greatest effect, particularly to get them into publications and media that they would never have a shot at alone, but where we can package them as a basket of products going into a magazine or promotion in an airline magazine, et cetera, that's what we're able to do. This is the sort of work that our team does for the industry and I believe that others are trying to emulate in some of the other regions. That's the sort of work that we're involved with, doing something about having more tourism for our region. That is growing that critical mass: things to come and see and do.

The other question is around access. The concept we would like to promote where the State certainly has a role is to do with the TT-Line and the *Spirit of Tasmania* services coming into our region. We have no problem with the TT-Line board and management and what they're doing. We've found that the current CEO and his team are more adventurous and more prepared to experiment and tweak this business to make it work than some of their predecessors have been.

CHAIR - Sorry, who was that?

Mr JAENSCH - Charles Griplas, the CEO. He's been doing a lot of very interesting work with sales and discounts and special promotions throughout the year, which have extended the shoulder season quite strongly, and we've been impressed that they're taking that approach. However, those ferries bring around 120 000 visitors to Tasmania each year and those visitors spend about \$300 million. When you look at these ships they are very full for the busy part of the year and rather less full for the quiet season. In terms of their overall capacity they're running at about half capacity on an all-year average. We own that business and it can carry twice as many people as it does right now. It can bring another \$300 million into our State. Tasmania owns the TT-Line as a commercial business; it's a government-owned business. We don't own it because Tasmania needs the revenue from ticket sales on those ships to contribute to its budget. We own it because it is important Tasmania has some ownership and control over a surface transport link to mainland Australia.

We would be really interested to see what happened if this business, its performance and its mandate were driven by how many passengers it could carry, not how profitable it could be. Its profitability should be measured in terms of the overall benefit to Tasmania of the cargo it brings here, and people in particular. At the moment, it is balance sheet, it is annual report, report on its profitability as a commercial enterprise selling tickets to people to travel. That actually does not matter as much as whether it is doing its job in bringing as many people as possible and facilitating a linkage.

CHAIR - And serving as a highway rather than a business.

Mr JAENSCH - When Minister Giddings spoke at the recent birthday party for the TT-Line, on five occasions she referred to it as essential infrastructure but never once as a business. We are not advocating that this thing becomes a black hole for us to just pour

money into unchecked but we have a group of people in there who are running a tight ship. They are being quite innovative in a business sense. If we could unleash that innovation and say the challenge is now to be as full as you can be for as much of the year as possible -

CHAIR - With passengers.

Mr JAENSCH - with passengers, if that was the performance measure that was built into the constitution or whatever the articles of incorporation this enterprise are, it would be very interesting to see what it could achieve for Tasmania and it would also potentially take it out of the political exchange that occurs at GBE hearings time whereby opposition parties in particular are bound to scrutinise the profitability or otherwise and the loss-making enterprise, et cetera -

CHAIR - And the directors have the obligation to make it commercially profitable rather than regard it as a sea highway because roads do not make profits.

Mr JAENSCH - Exactly, and we do not sit down and look at the Bass Highway or the Bridgewater Bridge or something every year and say, 'We don't know if that's earning its keep anymore'. We do not ask about its profitability. We try to maximise its benefit. We protect it because it is important critical infrastructure and we need to approach these ships in the same way. The passengers they bring - and Daniel Hanna gave you statistics in his evidence - they spend on average \$1 000 more per head than travellers who come by other means. They tend to explore and spend more time in the sorts of places that we care about.

There does not seem to be a lot of transferability between the air and sea-travelling market. They are quite different groups of people. So again rather than chase the dispersal of people from Hobart and Launceston, we are saying let us grow the market that particularly wants to be here. Let us make more happen for Tasmania rather than try to spread what we have a bit thinly around the place.

We raised this in the context of election ideas that we have thrown into the mix from time to time. We have not had a very strong response and certainly we do not want to tell the TT-Line how to run their business because they know ships better than we do. We are not saying people should not have to pay to travel on the *Spirits* and certainly we are not criticising the way that they are constituted right now. What we are saying is that we need to ask again why we have these things, what we want them to achieve and then design the business so that it achieves those things as effectively as possible. We are going to keep on at that for some time and see what can be done with it because it will make a big difference in our region first and we care a lot about that.

CHAIR - It makes a lot of sense generally.

Mr JAENSCH - Yes, and I would be grateful for any advice you could give on how we prosecute that case. Certainly, we are making representations to the shareholder ministers but it seems that there is a bit of time for review of the way we do things at the moment in Tasmania and this might be a good one.

CHAIR - It should be removed from the list of GBEs on the basis of what you are saying.

Mr JAENSCH - Yes, indeed. That is something that the State can do. We have talked a bit about marketing and the zones and things like that, but when it comes down to these issues and the challenges facing tourism in Tasmania at the moment, what we find is that our region's challenges of our remoteness, our relatively small number of attractions and commercial offerings and those sorts of things, are quite different to Hobart and its surrounds and their challenges. There are not enough beds in Hobart - that is not our problem. We do not experience that problem - that is a different problem for a different region. The north has other problems. It is going to have to continue to grow its wine region around a pulp mill. That is another challenge for them.

The point is that statewide is good for things that are the same everywhere. In terms of the challenges of growing tourism well, you need to have different tools for different jobs around the place. At the moment in Tasmania, the Cradle Coast Authority's regional tourism operation is the only one operating. This is a problem for us because the default way of working for governments is one size fits all. If they cannot work with regional bodies everywhere, they might not work with regional bodies anywhere and this is a risk, I think, for a region like ours and for tourism development in Tasmania.

If we are going to see these sorts of new unique destinations and products emerge, you have to be working on the ground with the people involved with them. You can do that through an organisation like ours and we need there to be similar organisations working in the other regions of Tasmania.

We do not agree that they should be set up by the Government, but the Government should show a willingness to co-invest and partner with regions where they can step up and take on those responsibilities too. There should be incentives. Government should be clear that it intends to work with regions on regional issues in the future and perhaps create some more of the momentum that regions need to reinvest in these things, themselves.

We certainly have a good relationship with Tourism Tasmania but they could be stronger when it comes to delivering these sorts of things. There has been the release of the Tasmanian Forest Statement of Principles in the last day or so, which has big chunks of it that refer to the importance of tourism as part of the new mix in former timber communities and regions. They will need to zoom in on places like the Tarkine and they will need to work with bodies like ours that can start to pull together the players and who have these sorts of plans in their top drawers.

We believe that Tasmania-wide works for some things but for others you need to get right down into communities of people and to local areas to do it well. I think we are doing it well in our region, in our circumstances, but it needs to be, I think, a bigger part of how Tasmania's blueprint for how it is going to invest in tourism goes in the future.

CHAIR - Good. Thank you very much. It was very thoughtful and very interesting. You say that the relationship with Tourism Tasmania is good but it could be greater. Would you like to expand on that?

Mr JAENSCH - There is always more. We are not fixed yet so we have lots of work to do. We have a good day-to-day relationship with the people we work with in Tourism

Tasmania. We find that they are a bit stretched from time to time and a bit stressed a lot of the time. They cop a lot of flak from people whose businesses are not going well, who are struggling in uncertain times. I think that Tourism Tasmania spends too much time justifying and explaining things rather than getting out and doing good things. It has some very competent people and I think we're burning them up in the politics of whose fault it is that tourism isn't going fairly well.

Dr GOODWIN - Often that is the nature of bureaucracy; they spend too much time doing briefing notes for ministers instead of getting out there.

Mr JAENSCH - Exactly. I think that the zone marketing is an interesting concept. I think we're giving it as good a go as we can and we're getting a pretty good response in our region. I don't know if it's going to last. We have a proposal into a process that Tourism Tasmania has been running, a bit of a review of how regional tourism is done. It's become a fairly academic process since two of the three regional tourism bodies have folded, really, since the thing started, so we've put a proposal back in about what the future could look like. It involves rolling the zone marketing into the regional tourism structures, pretty much what it looks like in this region right now, but just consolidating, losing some of the overheads you have by running several different separate activities, and having a regional tourism board structure in each of the three regions with an MOU with Tourism Tasmania. I think that could work well.

It does require Tourism Tas to reprioritise some of the destination development needs, particularly in regions like ours. Again, it doesn't have to be the same everywhere. The north-west has different needs to Hobart and its surrounds. You have to be prepared to work differently in different areas and take your lead from people who are working in those regions. Then you can apply resources across the top of it, but you can't just apply a template and trust that it fits everybody. I think Tourism Tas needs to get its mojo back a little bit, believe in its ideas and then have the confidence to delegate and partner out to people who are also competent on the ground. When it has tough times an organisation can go into siege and it stops talking and trusting people. I think there's a little bit of that going on at the moment and it's a real shame because we need people like Felicia Mariani to be giving us the benefit of her incredible experience rather than defending things all the time. It's an absolute tragedy.

CHAIR - We have heard evidence, particularly from this area recently, that people in the industry feel they are not consulted enough or not sufficiently involved in the marketing and the choice of what is marketed in the zone. Do you have any comment, and perhaps in responding to that, could you indicate whether you feel your authority has been able to have as much input into matters like marketing as you would wish?

Mr JAENSCH - The way that the zone marketing structure works is that the zone groups, which are appointed by Tourism Tasmania, have access to funding. An organisation, in our case, is contracted to provide marketing and administration services to that group at their direction. So we are given a certain set of templates to work from and we are as innovative as we can be on the ground in how we apply those and generate opportunities from them. There is an industry-led group which sits around the zone groups. All the members are from the tourism industry and they have a lot of forums and chats around the regions. There are lots of opportunities to be involved.

That being said, when things are tough and tight, there's not a lot of money to spend and there's not a lot of time to go to meetings. Sometimes if the market is slow and unresponsive there doesn't look like a lot of value coming back and you question everything like whether it was the right market, the right dollar, the right timing et cetera. If we were in high season and everything was going swimmingly everyone would be happy and not necessarily scrutinising everything but now it's a low point people are inclined to be a bit more negative and a bit more searching.

I'm not involved in the day-to-day marketing side of things and that is where Ian would have been able to give you a bit better insight but, yes, everything can improve on all fronts and there will always be things that can be done better or more, but when things are tight we can't expect people to be happy. What we have to do is try to buffer ourselves as an industry and an economy in a region so that we are progressively more resilient to these sorts of downturns in the future. That's what we need to be able to do to grow tourism and make us a stronger destination.

CHAIR - When we were in the north-west region we heard evidence that Tourism Tasmania required the funding provided to the marketing regions to be used only for interstate and international marketing and none was to be spent, as I recall, on marketing intrastate tourism. Have you experienced that and what are your views on that?

Mr JAENSCH - I don't know much about that so I won't challenge that assertion. I just don't know as much about it, Don, sorry.

Mr GAFFNEY - I think one of the things that has been quite apparent through the discussions we've had is that there is a real identity on the north-west coast as a region and I think that's because of the strength and the longevity of the Cradle Coast Authority, whereas I think down south that's not so obvious because in the Hobart zone there's a bit more wariness about who is doing it and who is getting the benefits from it. I think the north-west coast seems to be a little bit more settled in understanding the roles of the people and the players. That has been quite obvious to me and I think that has come up today. We even had comment about how the tourism awards on the north-west coast were so much better than the State awards. We have had some people cast a bit of flak about the Tasmanian Tourism Awards and about where they are going. I think Tasmanian Tourism needs to get rid of that event to a certain extent if it's just going to be for the big players. That is the feedback.

Dr GOODWIN - Is that part of the national stuff when the Federal minister comes down -

Mr JAENSCH - It feeds through.

Mr GAFFNEY - It does feed through but there is a bit of cynicism around the tourism operators that the only ones who get to the State finals are those who have the big companies that can afford the big markets.

Dr GOODWIN - And we heard it is a lot of work.

Mr GAFFNEY - Yes, so that's why there were more people at the north-west coast awards - 160-170 people - than there were at the State awards because people felt they were going

to get a better hearing when nominating for those local awards. I think it tended to be a bit more 'This is our region'.

Mr JAENSCH - The strategy for us there on that one - and this is all Ian Waller, so it is just me speaking in admiration of his recognising those factors and that our region's operators have been under-represented in the State awards and therefore in the national process for some time. We set up the regional awards with the same structure as the State awards application but we made it simpler and cheaper to get in. We really pushed it hard and we had excellent subscription to the awards and entries. For those who won their categories we sponsored and assisted them with taking their regional award nomination and bumping it up to meet the requirements for the State, so this year we have twice as many north-west entries in the State awards. We are hiring a bus to go down to the awards to make a big noise and to be a presence there. Rather than write letters to the State organisers to say this is what is wrong, we are trying to create a different front end so that we work with the things that we can change in our region, so that we get a better experience of those State awards, and that has worked so far. That is all Ian Waller's work. That is why there needs to be the ability to work with a region of operators to make sure that we create some equity for them, in being able to take advantage of what the State's programs are offering.

Mr GAFFNEY - I think that is the strength. When you go back to the regional thing, that has been one of the issues with the zone marketing. The five zones overlapping, structurally, three regions, has not been an easy fit - other than the north-west and west coasts which has been an easier fit because you have worked on it. One day somebody said that Port Sorell was in the north of the State and I had so many people ring me from Port Sorell saying, 'No, we are not, we are in the north-west.' And that was the whole Braddon-Lyons thing as well, but they were quite territorial about the fact that Meander is in the north, Port Sorell or Latrobe is north-west and we don't want to lose that connection. It was quite amazing.

Mr JAENSCH - We have the north-west and west coasts, so we are complying with the breakdown of the zones, but by sort of running them side by side, it looks like a region we are familiar with and comfortable with and it seems to work okay: one chairman for two zone groups; one office that things come out of; we build a prospectus once and we tweak it to suit the needs of the different regions. The overheads of operating that way are much better.

Yes, we believe that the regional level is critical for getting tourism development right, even in a little place like Tasmania, and I do not believe that is parochial. Structurally at the moment we feel quite vulnerable. Cradle Coast Authority's regional tourism operations are going strongly, but there is not a strong history of one region model working, surviving. It is hard for Tasmania to work differently place to place. The operating structure of Tourism Tasmania will not logically be designed to work with just one region that has this capability, and the others with whom they have to work differently. They will work to a different denominator. We think that would be a shame. We need to get them in step to say, 'Look, we want to make it attractive for you other regions to organise regionally. The incentive is this sort of investment, support and assistance with doing things,' and if that motivates them to get their act together, good, that is terrific. That lifts the game everywhere, I think, and there are the people out there to do that, to help to make it work.

CHAIR - On the question of accommodation on the north-west coast, you have Tall Timbers; Gateway at Devonport has been upgraded; and there are some very nice bed and breakfast high-class establishments, especially in the Stanley-Smithton area and others. But it seems that the north-west is lacking a major really good standard hotel, centrally, around the -west coast. Do you think that this is the case or that there is some lack of perceived sufficiently good, sound accommodation?

Mr JAENSCH - Yes, there is and I am trying to think of a reference or some numbers on this, but they are eluding me. There isn't at the centre, right. That is the nature of our region. What we do have is properties like this one here and good strong properties at Cradle as well.

CHAIR - I am thinking of the north-west.

Mr JAENSCH - What we have there at the moment is probably a range of products of stock that has grown up with the markets that they have had - travelling business people, coaches and others - but what we do not have yet is capacity in the upper-end markets. They really need to be associated with some attractions and Lemonthyme Lodge, et cetera, is probably not north-west coast but is reachable from there - those sorts of places. This is one of those chicken and egg questions; are we getting the markets, what do we need to support them? I would think that, hopefully, the sorts of developments that are underway in Burnie and Devonport at the moment -

CHAIR - One being Steve Kons's, which is very impressive.

Mr JAENSCH - Yes, indeed. I am thinking about the surf club-type developments as well at both Burnie and Devonport - those cities are starting to turn around and face the sea a little bit more and make use of their setting to offer a more modern, youthful, cosmopolitan, dining and entertainment experience. They are being very well supported. There is a cafe strip setting up in Burnie - it is like little Carlton there - and with Steve Kons down the other end of it, too, so there is a link there. I would expect that somewhere along the line accommodation follows. It is a bigger single investment but I think those things are heading in the right direction.

The question is: which of the markets are we aiming for? Certainly, there has been the classy, smaller B&Bs, the boutique places. The retreats up around Sheffield are particularly exciting and then you have these super boutique outfits like up on Table Cape with The Winged House and those sorts of places which are very exclusive. At Stanley there are some as well.

CHAIR - And at Boat Harbour.

Mr JAENSCH - Yes.

Mr GAFFNEY - And that is the difference. Logically, you could put a really beautiful accommodation place in Ulverstone and people could go there and they could do the whole area in day trips but the way the north-west coast is set up, it is a day here, it is a day there, it is a day elsewhere and they like to go to three different places. There is not a

really big drawcard at any of those places but there are beautiful things all the way through.

Mr JAENSCH - I think that we are evolving a bit of a new mode identity brand of our own in our part of the world, which has happened a lot even in the last 10 years that I have been around. There is now a choice of places to dine where you can buy local produce off the menu in a number of very good places particularly along the north-west coast. There is a greater association between the productive landscapes, the harbours and the eating and entertainment. It is not resort-style and it is not city; it is quieter, it is lower-key, slightly more personal and authentic but not folkie anymore maybe. Certainly there is still a lot of folkie charm and there is a lot of fairly unsophisticated stuff as well but I think that the region is growing into a slightly new aesthetic and with that will come maybe, hopefully, a new way of providing accommodation for larger numbers of higher-end visitors - not necessarily transplanting the model that we have seen elsewhere, but new ways. And I think it will be interesting to see how we get into the Tarkine. The strategy that you have here suggests that we have the opportunity to get that one right because it's not developed yet. When we look back at the history of places like Strahan and Cradle Mountain and how we got to a point of runaway demand and development we had to stop and take stock and redesign the place so that we didn't destroy it. Now the Tarkine is potentially somewhere we can start with a bit of a blank sheet and say, 'How do we maybe keep the development at the periphery within the footprint of what has already been disturbed and developed and grow the attraction of the place in terms of what you can go in and do and then come back out again?'. That might attract a different sort of entrepreneur who can create some iconic signature experience or an enterprise like a Saffire or a Bay of Fires, or something that can associate with that new brand.

Mr GAFFNEY - Hobart has the Taste and the Government put a lot of money into that, which is fine, because that is its major festival for that region. Then you look at the north-west coast and the major festivals for those regions - Burnie Shines, Devonport Taste the Harvest - but that is their region. I am sure all of those, as a region, could do with that \$300 000 or \$400 000 that goes to Hobart for that regional event, because we don't get people who come from a long way away accommodation-wise, because we can't expose it that much - do you know what I mean?

Hobart gets that exposure so everybody goes there for four or five days. These others need just a little bit of support. For a long time the Devonport Triathlon was the best event and then that got transferred to Hobart and it didn't work down there as well because all the knowledge and experience for running that event came from the community and it was a retrograde step for it to go elsewhere. Now it will come back because it is the heart of it but we only have a few industries on the north-west coast that can afford to sponsor events. We have smaller councils that can only afford so much and that's where we work more collaboratively.

Mr JAENSCH - Yes. Again, we don't have to be same as other places. A feature of our region is the distinctive communities and histories of different areas. Strahan is different to Queenstown, to Stanley, to Latrobe.

CHAIR - And to Rosebery.

Mr JAENSCH - There are completely different stories, identities and histories there. An option that we have in our region is rather than aim to have a competing Taste event somewhere - a big-ticket item to attract all of the State's support etcetera - this might be a region where there's something on every weekend or every month there is some sort of celebration of something quite unique and local somewhere in our region that is part of the itinerary of anyone who travels through here - 'You've to go to the Chocolate Winterfest and you've to go -

CHAIR - The Tulip Festival is on now.

Mr JAENSCH - to the Tulip Festival or you've got to come down here for the Piners and Miners and those sorts of things. This place doesn't have a built MONA or a Port Arthur that you can just point people to and they go, are enthralled and tied up for a whole day and they spend all their money. Here, the thing that we have in spades is the people, the characters and the living culture of our local areas, which is still quite intact and is treasured by the people who live here locally. Now maybe, and this is where we have in the past tried to develop a marketing vehicle for our region, our distinctiveness may be in our stories and they live through events and festivals and celebrations of these local things.

Mr GAFFNEY - There is weekend with the Steam Fest, the historical farm machinery at Sassafras, and Devonport have their Taste that whole weekend, and I would think that 90 per cent of Tasmanians wouldn't even know that those three events are on the same weekend and yet that is huge. They just happen every two years but they don't get anything.

CHAIR - There is one feature that has not been mentioned and that is the absolute scenic beauty of the north west coast. I mean it is really state-wide in different ways, but to drive along the north-west coast with the seacoast, the beaches, the rich chocolate soil and the green pasture, that in itself is a great attraction. On that basis are you aware of any suggestion that it would be good to have a passenger rail service between Devonport and perhaps Wynyard - coinciding with the arrival in some cases of cruise ships and in other cases some of the sailings of the *Spirits of Tasmania* - with a dining car with curtains?

Mr JAENSCH - It sounds like you've given it a fair bit of thought, Don. We'd be happy to entertain your proposal.

CHAIR - We discussed it with the Mayor, Alwyn Boyd, and visited the train with him, I think it was -

Mr JAENSCH - The Burnie Railcar?

CHAIR - Yes, that's right. There are about three carriages there and if there was sufficient funding available that could be made very attractive, and I think that would be a great feature for the north west coast if that could happen.

Mr JAENSCH - It would be. I believe that the State Government established a rail tourism project to look into some of the issues that heritage railways and tourist railways around Tasmania all have in common, which largely have to do with the fact that they're

volunteer-based enthusiast groups who struggle with costs of public liability insurance and for a period, some fairly complicated arrangements for access to the railway line, which is now back in State ownership, so that has recently changed again. Some of those circumstances may have shifted along a little bit.

CHAIR - They have. The question of insurance has because we visited the Don Railway after seeing the coach with Mayor Alwyn Boyd on our visit to the north-west coast and the main problem the Don Railway had in the past was the cost of insurance, \$186 000 a year, to the best of my recollection. Now if they come under the umbrella of TasRail it goes down to about \$18 000 and the Don Railway people are interested in this. We think it would be good if those carriages could be donated for this purpose and for the Don Railway to be involved in restoring it and getting it on the line.

Mr JAENSCH - We have these discussions on a regular basis. We note that the most visible successful rail tourism product in this State at the moment is part of a family of products down here that is run by a fairly large concern. It works as part of a package of products and as an attraction that fills a day of activity, amongst other things. They are very tricky things to run well and very, very expensive. Where I think our discussions have got to in the past is that there is certainly a lot of interest in these sorts of operations existing. At the moment the expertise to run the stock and the things like the Don Railway are run by enthusiasts volunteering in their own time. The transition from that to a business that is running every day to a standard providing a commercial, viable experience that pays for itself and is able to keep running. That is a big difference from an enthusiast group who run tourism as a sideline to their core passion.

CHAIR - I am not suggesting it is the only service.

Mr JAENSCH - No, but that is the work that needs to be done and we have laid out our willingness to work with the Don group, the various councils along the coast, the rail operators, the State Government and other rail groups in Tasmania to go that distance, but it is not a small undertaking.

CHAIR - No, that is right.

Mr JAENSCH - I think that it took the Federal Hotels group here to really provide the basis for the West Coast Wilderness Railway to be successful over as many years as it has. It is worth looking into what are the success factors partly being associated with a very big outfit like this which has some capacity to keep investing as part of it and that is a very different set-up to the Don Railway.

CHAIR - Yes, that is right.

Mr JAENSCH - Interestingly, I think that the Don Railway does a fair bit of work for these guys in terms of some of the restoration and maintenance of some of their equipment. The expertise is here. With the investment and acumen for running the enterprises over here, maybe it is a new deal to be brokered rather than someone becoming something that they are not. That is the challenge, I think.

CHAIR - I have just one more question and that relates to access, one of your three major points. With the TT-Line do you think there is too much emphasis placed on accommodating freight at the expense of passengers and private vehicles?

Mr JAENSCH - I have heard, as you have, a number of anecdotes and circumstances where people believe that freight has displaced passenger capacity. I have also been in a room where people involved in the management of the TT-Line have categorically dismissed that that is the case and that there is no transfer between decks, if you like, of that capacity. I do not have a way of knowing what is real and what has been the product of a particular circumstance of somebody on a day with their car or whatever, so I do not know. What I do know, and the point that I made earlier in my evidence, is that we do not own that shipping service because we need another freight operator. There are others who are operating in that space. If there is conflict between those different parts of the business and if that is there because it is required to make that business's books balance because that is what its job is as a commercial entity that the Government owns, that is the thing we need to look into and to change what is important to the management so that the passenger capacity is maximised at all times.

That might mean that we give the thing permission to run at a loss for part of the year and pick up in other parts of the year, I do not know, and again I do not want to try to prescribe how a business should be run. What I would like to do is just get back to a set of principles that the Government, the shareholders can give as a direction to the company to say that this is what we are going to measure your performance by. This benefit to Tasmania overrides all other considerations and within that, balance the mix of your cargo, play with your yield management, muck around with fares, specials, promotions or whatever you need to do to maximise this objective which is the benefit to Tasmania particularly associated with leisure visitors.

One of the things that can spin off from that is if the *Spirit* service starts to behave and be used more like a highway. Another thing for our region in particular which is then linked to a market of several million people on the other side of Bass Strait, is our ability to transact, commute even, across Bass Strait, trade, sell things and have people who live in their village travel to the big city and back again. I think there are a whole lot of other opportunities that come to us which address some of those other critical mass issues that we have as a region with no big centre in the middle of it. If we were able to look to the market just across the water there and be able to get to it more frequently, more cheaply, conveniently and it to us then that would be a game change.

CHAIR - Thank you.

Roger, anything you would like to say to round off the session?

Mr JAENSCH - I don't think so.

CHAIR - Thank you very much for coming and travelling down here to meet with us and for the trouble you have gone to in preparing these handouts and we look forward to reading those. We value the evidence you have given and thank you very much. It is has been very interesting.

Mr JAENSCH - Thank you very much and thank you for the opportunity.

CHAIR - And good luck to your authority in continuing the good work you are doing.

Mr JAENSCH - Thank you.

THE WITNESS WITHDREW.