

**THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON TOURISM IN
TASMANIA MET IN STRAHAN VILLAGE HOTEL, STRAHAN, ON THURSDAY,
21 OCTOBER 2010**

Mr BERNARD DWYER, FEDERAL HOTELS, AND **Mr RODNEY STENDRUP** WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Wing) - Welcome, thank you very much for being with us and making the time available. As you know, the session will be recorded, transcribed and put on our website. If there happens to be anything that you do not want published on the website please tell us when we come to that and we can take the evidence in camera. The proceedings here are protected by parliamentary privilege, but the is not the case outside. We welcome your views about tourism in this area and as far as your company is concerned, beyond, statewide, if you are able to cover that, Bernard, and any suggestions you have about how tourism can be further boosted in Tasmania.

Mr DWYER - Okay. I will just cover basically what we operate on the west coast as an outline for you.

CHAIR - It would probably be much quicker if you covered what you do not operate on the west coast but please go ahead though.

Mr DWYER - I wouldn't mind a dollar for every time I have heard that.

Laughter.

Mr DWYER - We operate Gordon River Cruises and *Lady Jane II*, the white boat that hopefully you saw coming in and out yesterday very full with passengers. We also operate the West Coast Wilderness Railway, which starts off on Regatta Point and goes all the way through to Queenstown. We have the Strahan Village, which incorporates 142 rooms, and we also operate the Hamers Hotel bar and restaurant, the fish café on the waterfront, Banjos and View 42 restaurant as well. The Gordon River Cruises attract just over 40 000 visitors a year, the railway about 40 000 visitors a year, and we play host to more than 60 000 guests a year in the Strahan Village, so they are very strong and quite surprising numbers. So that is what we operate in the State.

As you have probably heard, it has been a tough winter in the State and certainly looking at tourism trends in Tasmania the leisure market interstate is less than it was last year so it's suboptimal to what we'd like to see and the State conference and corporate visitation is also down. We don't get a lot of conference and corporate visitation at Strahan. We would love more conferences in Strahan but that market has plateaued and the conference and corporate market in the country is in structural decline countrywide as well. Structural decline means that people aren't travelling a lot for conferences now because we have video-conferencing so structurally there are some differences in the way people transact their business. That is it in a nutshell of what we do on the west coast.

I think you caught up with Mark Whitnell from the Cradle Mountain Chateau the other day as well.

CHAIR - Yes.

Mr DWYER - That is the other property we have in this region, which has 60 rooms and incorporates a photographic gallery. I don't know whether you had a chance to see that but that is 10 exhibition rooms of wildlife photographs and the only one of its type in Australia. We are about to open the Tasmanian Tiger exhibition at Cradle Mountain Chateau as well which is the only one of its type in the world and that is officially opening on 3 December.

CHAIR - Will that be a permanent one?

Mr DWYER - Yes, a permanent display of thylacine rugs, quoll rugs, platypus rugs and some of the other thylacine exhibits that we have as well, really to showcase endangered and extinct species and then talking about endangered species like the Tasmanian devil, so it's quite a significant installation internationally - but I've jumped out of the west coast.

CHAIR - That is all right.

Mr DWYER - From our perspective it has been a tougher winter but the numbers are starting to bounce back and, as you saw here yesterday, the boats, helicopters and planes are buzzing in and out and we're now noticing a lot more people in Strahan really kicking off from this week. A very important market for us is the group market so that is the APTs, the AAT King groups and we do a lot of work with them nationally to tie in those groups tours through the west coast and Tasmania in general. Obviously they take advantage of the TT-Line to get their coaches over and the TT-Line is absolutely crucial to tourism on the west coast and the north-west coast as well. Over the years the success of the numbers on the TT-Line has almost been a direct comparison to the numbers that come down to the west coast as well. It is very crucial for this part of the State and the north-west of the State as to how successful the TT-Line is in bringing passengers and tourists through which has increased, as you are probably aware, over the last two years. There was a change in focus on the TT-Line in January 2009, I think - I might be a year out - where they really started pushing the passenger numbers and the numbers have increased significantly since then. It has been the right time for feeding into what we now know as the GFC.

Mr STENDRUP - You are quite right, the *Spirit of Tasmania* is vital to this part of the world and the north-west. We are a fair way away from Hobart and Launceston and if people fly into those cities and pick up a car and are on a relatively short stay, we tend to fall by the wayside. They tend to go to the east coast more than come this way, whereas the people who bring their own vehicles on the vessel are more likely to come west. We are a lot easier access for them than coming from Launceston or Hobart.

Mr GAFFNEY - Motorhomes obviously have their own accommodation, but do you get many of them taking the cruises? Even though there are a few motorhomes coming down you still get some spin-offs from that with the cruises, the dining and whatever?

Mr DWYER - Definitely, and we have an arrangement with the local operators that they are paid a commission for selling our activities as well; it's another way of spreading it.

Mr GAFFNEY - On this facility, what are your staffing numbers, FTEs, and is that seasonal or how do you do that?

Mr STENDRUP - It is seasonal. In winter clearly the numbers are down. In summer we build up to around 200.

Mr DWYER - It was 232 in January of this year for all of the west coast and that was split 41 on the Gordon River cruises, 65 on the railway and 126 staff in the village proper. It is a significant number of people.

Mr GAFFNEY - Are they locals or do you have to get some of the chefs from elsewhere?

Mr DWYER - Mostly local. A lot of people have been attracted to the west coast so there is a large infrastructure we have to supply in Strahan for housing. It is a mix, but we love having local people. Certainly on our experiences our guests love talking to local people on the boat and the train, and hearing about their grandfathers and how they interacted with the history of this place. We cover a lot of local people, but there are not enough on the west coast, obviously, to feed that number of people that we require to run the operations.

Mr GAFFNEY - Last question. Initially there would have been quite an interest in the railway. Has that sustained its interest and numbers?

Mr DWYER - Probably the first year was high numbers and we have probably maintained that and are starting to increase again. It dropped off after the first year. That is our hardest business to run in all of our tourism assets within this State. That is a hard business. There is a lot of investment and maintenance required on the railway. We are dealing with equipment you cannot buy spare parts for, so we have to have people on staff that can make things from scratch basically as replacements, so the workshops in Queenstown are amazing places and the skills that we have attracted there and what they actually do is really fantastic. A lot of Tasmanians can see them and that is a really good story from that railway perspective. It is tough trying to build the numbers there. Recently the Wilderness Railway was featured on Australia Post Stamps of Australia, so it certainly has national recognition and it has international recognition because it is an Abt railway. It is that special mechanism on the locos.

Mr GAFFNEY - You don't have a presence in Queenstown, as in accommodation?

Mr DWYER - No we don't. It is a food and beverage outlet near the railway and the station itself in Queenstown.

CHAIR - Out the window there is a white vessel. Do you know what that is? Is that a fishing boat?

Mr DWYER - That is the barge for feeding the fish. They take the food out to the pens and that is where they feed the fish.

CHAIR - Would it be owned by -

Mr DWYER - I am not quite sure, Don.

Mr GAFFNEY - It would either be Tassal -

Mr DWYER - It would be private, it would be Tassal.

CHAIR - Getting back to the *Spirit of Tasmania*, we have heard evidence about the charges in some cases appearing to be quite excessive. Do you have any views about the charges for private vehicles and also commercial vehicles to be used in business, not for resale in the used car market?

Mr DWYER - Certainly passenger dollars and fees have come down and it is certainly in the campaigns that they are running. They pretty much run a campaign every month to attract. I thought car charges were pretty reasonable. People might be talking about campervans and I am not quite sure what the charges are for campervans. I think it would always be really hard for them to manage the mix between commercial and tourist traffic. I am sure you have been on the vessel where they have their commercial vehicle business in a separate area to the tourism vehicles, so once the passenger vehicles fill up, I am assuming there would, hopefully, be some demand there that they cannot fill.

CHAIR - We heard of one instance, and I gather it wasn't very long ago, where a couple were wanting to buy a vehicle in Victoria and bring it back for their business for use in the business. Was it a campervan?

Dr GOODWIN - A small truck.

CHAIR - They were told that it would be \$1 400 and they could not accompany it, so they gave up the idea. That evidence and other evidence we have had suggests that there is still some emphasis on freight at the expense of passenger numbers. You mentioned the change in emphasis in about 2009. Are you aware of undue emphasis on freight at the expense of passengers?

Mr DWYER - From what I have seen since early 2009, the numbers and the fares really match the market in attracting tourism numbers. I think TT-Line figures themselves would show the increase in those tourism numbers as well. Again, I am not an expert on the freight and the mix between freight and passenger numbers and how they manage that.

CHAIR - There was another example given of two people travelling with a sedan car with a twin-berth cabin - about \$780 - was that return or one way? I had a feeling it was one way. Does that sound excessive?

Mr DWYER - I am not sure.

Laughter.

Mr STENDRUP - I would be surprised if that was one way. I think it would be more likely to be return.

CHAIR - I think it was one way.

Dr GOODWIN - Yes, hadn't they been travelling on the mainland or something, and they were coming back?

CHAIR - We have had evidence that people want to sail at fairly short notice, even if they are on the mainland, and it is not easy to get bookings. They are told that the ferry is booked out and they see plenty of spaces in a private vehicle section.

Mr GAFFNEY - But they are some questions we can ask the TT-Line next week.

CHAIR - Yes, that is right. I just wondered whether any of your customers have had experiences such as that.

Mr DWYER - Certainly I have not heard any comments in relation to not being able to get on and seeing spaces. There are obviously peak periods where you cannot get on with the number of trips that they are running.

CHAIR - With the coach tours, how long do they generally stay in Strahan?

Mr DWYER - I think we are averaging 1.6 nights.

Mr STENDRUP - There are one-night series and two-nights series, so depending on the type of tour - the different tours. There is a mix of one and two nights but, basically, not more than two nights.

Dr GOODWIN - Do coach tours travel around Tasmania? Do they stay at your other venues as well?

Mr DWYER - We have contracts that have them stay at most of our properties. They go through the Cradle Mountain Chateau at Cradle Mountain. We used not to have a lot at Freycinet Lodge but we are now having more and more stay at Freycinet Lodge and the coaches are quite big at Wrest Point in Hobart.

Dr GOODWIN - Is that a growing market?

Mr DWYER - It is probably a steady market. We have certainly had more what we call 'wash' out of some of the series so when we deal with our contracts with coach companies, we will block out rooms for their series 12 months out, and as we get closer to the time they will tell us how many people they have on the series so then we need to 'wash' those rooms back into the general as well. We have probably had a little more 'wash' over the last 12-18 months but this season is looking pretty strong for the coach market so far.

Mr GAFFNEY - You would be aware of some of the media comments that have been coming through about Tourism Tasmania. What is your relationship like with Tourism Tasmania? How do you find them as an organisation to work with from Federal's perspective?

Mr DWYER - We have a very good working relationship with Tourism Tasmania. They were under a lot of pressure, as you would all be aware, late last year with funding that was being cut from the State Government and we, as part of the TICT, were very concerned. Our view is that Tourism Tasmania needs to be marketing this State as heavily and in the most far-flung places possible. They are in a very difficult position, obviously, with the funding that they are getting and how effective they can be with their marketing. We work very closely, we do a lot of cooperative marketing campaigns with Tourism Tasmania so we are invited, as other operators in the State, for upcoming campaigns and we participate wherever we can and wherever we see the benefit.

I think every operator coming out of the last season would say we could all be doing more, I suppose, in relation to marketing. But we have a very good relationship with them.

CHAIR - Do you receive regular e-mails from Mr Norm White of Advance Tourism?

Mr DWYER - I have seen Norm's e-mails. I think you subscribe to his site or his newsletter and that is how those e-mails are distributed. He certainly has a certain view.

CHAIR - Do you have any comment about his view? Is there any merit in any of the views he has made, in your opinion?

Mr DWYER - Probably similar views in relation to the amount of marketing that we believe needs to be done for tourism in the State going forward, but probably not as focused as Norm White is on some particular areas. He certainly has some strong views but I'm not sure if it is representative of the majority of tourism operators in the State. It will be interesting to see who he is actually talking with and who he does meet for that but I am not aware of who they are.

CHAIR - He has been quite critical of the form of the advertising Tourism Tasmania has done and comparing it with advertising, for example, in the ACT and Queensland, suggesting their format is more effective and brighter and that Tourism Tasmania's looks rather dull colour-wise and is not effective in attracting tourists. Do you have any views on that?

Mr DWYER - Yes, probably a personal view but I think he may be referring to the Lumina campaign.

CHAIR - That was one.

Mr DWYER - Normally all the campaigns and marketing that we see show the best of the State and the vibrant spring and summer colours. Probably Lumina was the one that sticks out in my mind in that it was darker and had more light bulbs in it. I'm not sure what the effectiveness of that campaign was, but it wouldn't be the normal look and feel, I suppose, if you want to put it that way, of Tasmania. But that would be the only campaign I could think of off the top of my head that had that sort of theme to it.

CHAIR - What effect has the Lumina project had on your investments in the Strahan area, if any?

Mr DWYER - I'm not sure if we could say it has had any effect, either positive or negative.

CHAIR - Has it had any effect on your company's facilities, say, in Hobart or other parts of the State?

Mr DWYER - Probably not. Our occupancies for Wrest Point and Henry Jones in Hobart, for example, have been consistent with last year, so it has not brought more. Mixed up with the amount of marketing that we do for our properties as well, it would be very hard to say if one is down or if another has picked up. Because I look after sales and marketing I prefer to say that ours brought the business to our properties. Certainly I do not think there has been anything detrimental in the Lumina campaign. You could have the view that if the Lumina campaign and their own marketing wasn't there, what would the numbers be that we are getting through our properties without that or our own.

CHAIR - We heard from people here in Strahan in the tourism industry that it has really had little or no effect on businesses here and they feel it is targeted to Hobart and Launceston in particular and the regional areas have not had any benefit from it. Do you have any comment, either of you, on that?

Mr DWYER - I am thinking about Freycinet Lodge's example. We recently had the Freycinet Lodge Challenge on the east coast and that has brought really good numbers to the State. That is an annual event and has been building with very solid numbers. From an events point of view, I am not sure that Lumina has generated any new events, so it is more promoting the events that are already happening in the State.

CHAIR - That seems to be the case.

Mr DWYER - It seems to be more wrapping up all the events in the State and promoting that as something to do over that winter period. It hasn't been a catalyst for the regions to do new events, so I couldn't see how that would necessarily drive more business into the regions.

Mr GAFFNEY - As a big group you guys obviously do a lot of evaluation on your offices and your accommodation. It would be really handy for us to have a look at some of the comments that people are making about tourism, both positive and negative, about tourism in Tasmania, for example, when they travelled around they found that was good but there was not good service there. Is there any way you could provide this committee - I am not wanting to know what they say about Federal or issues there -

Mr DWYER - Sure - but that's only good.

Laughter.

Mr GAFFNEY - It would be very helpful for us I think as a group if we had some comment from people who are coming here. We talk to our operators about how they see it but from the committee's point of view it would be helpful if you had any sort of data or information that you could provide to us at a later date about comments that people have been giving to you about some things, because of all the companies you guys probably do the biggest lot of evaluation or the most thorough job.

Mr DWYER - We certainly track our guest comment cards in relation to each particular property and we don't necessarily track what people talk about because they don't necessarily tell us what they talk about but, as an example, we recently had a visiting journalist and the visiting journalists are really interesting when you bring them into the State because they understand tourism worldwide and I think there was one - and I am pretty sure we can supply the transcript - who was talking on a radio station in Sydney about coming into the State. They stayed in Strahan with us and thought it was fantastic and the service was fantastic. They stayed at Henry Jones and were amazed that our property would have its own historian, because when you stay there the historian looks up your family name and will provide anybody who came out with the first settlers in the list and have that on your bed.

CHAIR - Voluntarily?

Mr DWYER - Both sides of the ship - so that was fantastic. They also stayed at Saffire and it just blew them away. They went out through Launceston and their comment was that they had the worst hospitality experience as they went through a cellar door establishment on the way out of the State. So you hear the good and the bad, but it's always the bad you remember, isn't it?

Mr GAFFNEY - If you could provide that it would be helpful to us and when you are winging it to London next week - sorry, and New York and LA -

Mr DWYER - These are actually media launches for Saffire in those three cities.

Mr GAFFNEY - Any information like that would be good and perhaps now that Saffire has been going for a short time now any information you could update us with on that would be useful. You were talking earlier about how that has been going and it would be good for this committee to be aware of.

Mr DWYER - Now?

Mr GAFFNEY - We went through it earlier in February and some of us went to the launch so it would be interesting to see how you are finding it.

Mr DWYER - Sure. We are seeing the numbers building significantly week on week now so obviously we are tracking that pretty well. There will be very high occupancy, as you would imagine, over the Christmas-New Year period. The feedback has been nothing short of exceptional. Well over 50 per cent of guests who stay there are rebooking before they leave so there is no better KPI, I suppose, that you can look at for a property when that is happening and again, it's around the experience. It's not around the suites that you see, it's not necessarily around the building, it's the experience, which has surprised us a little bit. We include a lot of experiences in the room rates at Saffire and one of them is the marine farm experience, where our guides will take you to the marine farm and then you put waders on and you go out and they explain about how oysters are grown. There is a table in the middle of the water where the champagne comes out so you are drinking champagne and eating oysters, and all of the visiting journalists and the national and international press have mentioned that particular experience. It is a very simple experience but it is an experience.

Mr GAFFNEY - I think as a committee we need to go and investigate this further.

Laughter.

Mr DWYER - The feedback from Saffire is consistently at that level. We have had international guests who are ex-Australian who now live internationally who have come back and said that they did not think Australia could have this sort of guest experience and hospitality. They are saying to us that they are now reassured that Australia is back on the map in relation to hospitality and what you can do here. So it is that significant it is quite amazing.

Mr GAFFNEY - We would be interested to know through the feedback you get how many people who have booked to stay at Saffire are first-timers to Tasmania and are looking at that experience and then they are going, 'Wow! We did not know about this island before; we need to come back'. It would be interesting to see what the flow-on to other -

Mr DWYER - It is a high percentage and we know that now. What Saffire has done is put Tasmania on that five-and-a-half to six-star touring route in Australia. We were never there before. As you may know, we have now been accepted as members of the Luxury Lodges Association of Australia so all of the luxury lodges in Australia have come together and that is now a domestic national and international marketing brand of these luxury lodges. We knew when we first started planning Saffire that it would create a spotlight on Tasmania and the spotlight falls over a larger area, not just that property itself. We are already seeing that even with Freycinet Lodge. Some people are staying at Freycinet Lodge because they have heard of Saffire in the Freycinet area. They do not necessarily want to stay at Saffire but that is bringing business into the lodge itself. So it will spill everywhere. Once people are here and they experience the food, the wine, the Tasmanian people - so engaging with people on the island with stories to tell - they will come back, there is no doubt about that.

Dr GOODWIN - Are they mostly national or international guests?

Mr DWYER - At the moment it is a fair percentage of intrastate, so people in Tasmania are trying it themselves. A lot of people are doing that. We have a lot of domestic and national guests coming in at the moment and we have a lot of forward bookings for international guests who are coming through our wholesale links. We have different wholesalers around the world. It is very exciting.

CHAIR - So guests are coming from outside Tasmania. How do they usually travel to Saffire? Do they come into Hobart airport or by car?

Mr DWYER - In the majority of cases it is into Hobart airport at this stage. There is still a large percentage that self-drive from Hobart airport. We provide a limousine service or a chauffeur service from Hobart airport and we can also arrange helicopter and light aircraft transfers into that area as well -

CHAIR - From the airport or Wrest Point?

Mr DWYER - From the airport. That will build from word of mouth. This is an unusual property to market for us. It really is word of mouth, visiting journalist programs and

articles that are written are driving a lot of it and driving a lot of people to the website. A lot of people book in direct on the website, which is what we like, obviously. Then there is a lot of conversation between our reservation lady at Saffire and the guests themselves to talk about it. There is a lot of interaction before you come into Tasmania. A lot of information is sent to you about Tasmania before you get here as well.

As an example, when you walk into your room at Saffire your favourite music is playing through the iPod in the room so that is the sort of conversation that they have.

Mr GAFFNEY - It is amazing, with the strength of the Australian dollar, to still have that input. You could not have picked a worse time, really, to open a five star - I suppose some do not really care about money - but from the domestic market that has been handy.

Mr DWYER - Yes, definitely.

Mr GAFFNEY - Over the next four or five years do you see there are any challenges or threats to the success or where it needs to go now? Ten or 15 years ago it was very depressed and then there has been this big jump and so now you are here. Is there another jump that needs to be had to take it to that next experience?

Mr STENDRUP - I think Tasmania itself is the destination for our interstate people and our international people. Whilst some people may choose to come to Strahan and some will go to Freycinet and some will go to Cradle Mountain directly and only to those products, most people will come to Tasmania. I think it is really vital that we keep that access and availability there for people at all times. I think that is where the TT-Line is really critical. As we said before, the more people who come to Tassie, the more people who bring their own cars, they will stay longer and they will travel. Different areas will be pushing very strongly their own barrow - the bed and breakfasts, the resort or whatever - but in real terms the more people who come here the better everyone will do. There is absolutely no doubt in my mind about that. That is where I think the TT-Line has such a critical role to play because it is an area that we as a State have some control over. It is not a Jetstar or a Virgin or a Tiger or something that if the numbers aren't there they just pick up stumps and just go away. I think their contribution is absolutely vital. Strahan, particularly so, because people will hire cars, but they need to be here for a length of time to include Strahan on their itinerary. If they are here for a short stay then that will be the major cities and maybe the east coast. If they are here for bit longer they will probably sneak up to Cradle Mountain and the north-west. We are just about the last cab off the rank because of the relative remoteness and the length of time it is if you are coming from Hobart.

CHAIR - It is a beautifully scenic drive, particularly coming down the Murchison. There are lovely trees.

Mr STENDRUP - Yes, it is lovely.

CHAIR - A good road. It is really narrow and winding, but a good surface. The TT-Line is a government business enterprise and therefore it is required to have policies that bring in commercial profits. Do you feel that that is appropriate or do you feel that it is more in the nature of a highway and a road, that they do not bring in profits, and it is a means

of getting people here and that the board should not be bound with the profit goal in the main?

Mr DWYER - Probably a personal view is that they need to generate profits, I believe, to repay back the capital required for the purchase of the vessels themselves, but over and above that to return profit to the State. I am sure that that should be the main driver. Certainly it needs to repay that capital and potentially raise funds for the upgrade of those vessels. They only have a certain life.

CHAIR - So you perhaps favour self-funding, but without any requirement to make a profit, just to cover costs.

Mr DWYER - Yes, that is right. It really is an extension of the highway and really having that open access for our guests and commercial to use it.

CHAIR - Highways are not self-funding either unless there is a toll and you would not go that far.

Mr DWYER - I am not sure on which part of Bass Strait you would put the toll.

CHAIR - By charging fees, that is the toll, but we do not have it on roads. It is part of the National Highway really, but it just happens to be over sea and the roads linking that on each side of Bass Strait do not make profits, do not generate funding. But you believe that it ought to be generating at least sufficient funding to pay for the cost of replacement and operation?

Mr DWYER - Absolutely, otherwise the State would have to keep funding the capital for the new vessels, and the vessels have a shelf life and to keep changing in our market as well. Whether they are the right vessels for the next 10 to 15 years, I am not quite sure, and that will certainly have to be taken into account.

CHAIR - With your operations here, which are extensive and very important to tourism in Tasmania, what is your relationship with the other operators? It has been suggested to us that your staff are told not to promote any other facilities here, but only those operated by Federal Hotels.

Mr DWYER - I do not think we have ever and would ever give that direction. In fact, most of our operations will use third party services that we do not provide. As I said before, I think just about every operator in Strahan is paid a commission by us for business that they obviously push onto the boat and train for activities. No, we have never instructed the staff to do that - that is not our ethos.

CHAIR - No, I have never been aware of that or experienced it, but I have experienced the contrary where the staff have said, 'This is worth seeing'.

Mr STENDRUP - We spend quite a deal of time getting across to the staff the need to try to make the guest experience as good as it can be, so if that means pointing out other things that are available to them that we don't control, we are more than happy to do that, and that is part of the overall process. We are part of the visitor information centre and we get involved with that so there is that communication around. I guess there is always

going to be comment in that regard against a big operator but if it has happened, I would very surprised. It would be very limited.

Mr DWYER - In fact, on our Pure Tasmania website for Strahan you can buy other operators' experiences like quad-bikes and jet boats that we do not operate. So that is not the way we operate.

CHAIR - Have you done the quad-bike experience?

Mr DWYER - I have done the quad-bike experience.

CHAIR - You're very courageous.

Laughter.

CHAIR - I do not want to intrude into matters that are commercial-in-confidence but it has been my view for many years now that Federal Hotels have provided more funds in marketing their own facilities, to the benefit of all Tasmanian tourism in the process, than Tourism Tasmania and the State Government have. Would that be a fair summary in talking about actual figures?

Mr DWYER - I think the overall funding for Tourism Tasmania is about \$30 million.

CHAIR - I am thinking of just marketing.

Mr DWYER - I am not quite sure of the dollar-for-dollar comparison but certainly effort and the passion; as we talked about earlier, we put a lot of effort into that and there is the overall benefit for the State. The Pure Tasmania brand has a very high brand recognition nationally and internationally now as well, so whenever you see Pure Tasmania it is the Tasmanian people you are seeing.

Dr GOODWIN - To what do you attribute the success of that Pure Tasmania brand in marketing? Did you do a fair amount of market research in the first place to come up with something that you thought was really effective?

Mr DWYER - Yes, definitely, and this brand has been in the market now for about four or five years. We are very conscious of the brand equity that all of our brands have in our group. We had the Federal Hotels Resorts brand at one stage and we had Wrest Point, the Country Club and all our tourism properties within that. We noticed that we were potentially smothering the Wrest Point and Country Club brand and that is why we developed a separate brand for the tourism portfolio and left Wrest Point and Country Club out of that marketing in certain areas. In fact, from our studies and research, the recognition of Wrest Point is second behind Ayers Rock in Australia as a tourism icon. It has always been consistently Ayers Rock, the Sydney Opera House and Wrest Point, so that is very high brand recognition and equity. There was a lot of work and research done on that Pure Tasmania brand and it is similar to what you talked about before; it is the vibrancy, the culture, the heritage and the natural wonders of Tasmania which are really all embodied in that Pure Tasmania brand with experiences. We do not lead with hotel rooms, it is the experiences that you enjoy and the experiences that you have in Tasmania.

Dr GOODWIN - The ads certainly stand out. If you're reading through a magazine or something, it is very noticeable - they jump out at you, I think.

Mr DWYER - It's a relief to hear you say that. That's exactly what we want.

Dr GOODWIN - How important is the price information, because sometimes you have a special deal or whatever - is that important to people, do you think?

Mr DWYER - Even more so now; price sensitivity is really crucial in the current market. We obviously look at our pricing for our properties and day-by-day we are looking at our room rates and a \$5 difference in room rate can generate a lot of traffic through the likes of the Wotif sites - purely by \$5, so it is really price sensitive. In your marketing to actually have a reason to buy is definitely important, depending on what you are trying to give the message for. In some areas we have ads that are really driving people to the brand of Pure Tasmania and Wrest Point and the Country Club and then pushing people to the websites for more information, and other times we have those special offers and the dollars on those. It is a bit of a mix depending on what type of market you are trying to pull into the State.

Dr GOODWIN - Do you market within Tasmania, nationally and internationally? What is your reach?

Mr DWYER - Internationally, and all the way back through. We do a lot of work with international wholesalers and it is a way of getting our brand and our properties known internationally by having it listed in their brochures. A lot of people will pick brochures up internationally and then come straight to your site and not necessarily book through the wholesalers as well, but the wholesalers are very important to us in the international market especially. Again, the international brands that are well-known are Wrest Point, the Henry Jones has a great international brand and Saffire is gaining significant momentum in that international brand and we are using the signature of the Pure Tasmania brand with those and it gives them that coverage as well.

CHAIR - What are the main countries in which you market?

Mr DWYER - Europe - Germany and the UK - and North America are still the major markets for us. There is still a very strong demand out of all of those markets for the likes of Saffire and the rest of the State. We are starting to look at the Asian market -

CHAIR - I was wondering about that.

Mr DWYER - It is not one we have traditionally been in but because of the low number of international visitors that come to Tasmania we only need a 2, 3 or 4 per cent lift in that potentially out of the Asian market to make a significant impact on Tasmania as well, so that is definitely a new market that we are starting to look at.

CHAIR - The European and North American people are to be pitied because they're so remote from us, aren't they?

Mr DWYER - Qantas likes it.

Laughter.

Mr GAFFNEY - Just very quickly, because you have given us a lot of information, could you tell us about your relationships with TasPorts here and how it goes with local council and perhaps how you see or view the zone marketing's success or otherwise?

Mr DWYER - TasPorts has been working very well. Daryl Gerrity is the local man for TasPorts here and our visitor centre on the wharf is part of the TasPorts building that we lease from them. It is a relationship that works very well.

Mr GAFFNEY - We have on another occasion in another place had a discussion about the maintenance of the whole structure of the wharf area here and we have heard some concerns that they do not believe that TasPorts have done much for the business area here. Do you have any comment? This does not cross your border, I suppose.

Mr DWYER - There have been some issues on the jetty in the last 12 months that they have fixed rather effectively so I would not say we have any issues from that perspective but, again, we are not experts on wharf structures so other businesses could very well have more of an insight into that.

Mr GAFFNEY - And your local council?

Mr DWYER - Yes, we have a very strong relationship with local council. We partner with them for events in Strahan and Queenstown.

Mr STENDRUP - I think it is a good association, very strong and positive.

Mr GAFFNEY - The last one is on zone marketing. Does that impact on your business at all because you guys have your own sort of zones because you have your own places that you promote?

Mr STENDRUP - Again, it gets back to Tasmania being a destination. On a priority basis I guess it is Tasmania and then you come down a step to the zones. I think if we reverse those I think we are going to confuse the market considerably. We need the information from a zonal point of view to try to attract people and get them in here, but the first thing we have to do is get them to Tasmania. I think that is the really critical issue. Over a number of years we have been doing the touring route programs and more recently there is the global marketing, so I think it is important that we do not lose focus. I believe Tasmania is the destination. It is not the north-west coast or the West Coast Wilderness zone or whatever.

Mr DWYER - As Rod is saying, and as you said Mike, we do have our own zones within the State. So if we look at the Pure Tasmania model marketing again and, as Vanessa said, we market strongly with Pure Tasmania interstate, when people come to the Pure Tasmania website there is a map on the front of that. The first thing you see is the different regions within the State and then you can select each region and see what we have in each part of that.

Mr GAFFNEY - When you said 'regions' do you guys on your website have the five zones?

Mr DWYER - No, Tasmania regions, where our properties are.

Mr GAFFNEY - Where your properties are.

Mr DWYER - That is right. We have it listed as Hobart, Launceston, the East Coast, Cradle and Strahan, so they are the areas we have there. So in parallel we are saying we attract people to Tasmania and then once they have the information on Tasmania then they see what is within the zones.

CHAIR - Has any thought been given to including the north-west coast in such facilities?

Mr DWYER - Once we are promoting other businesses in the north-west you would see that as part of that area on the website.

CHAIR - I was thinking in terms of the possibility of establishing a good standard hotel with very good accommodation in the north-west.

Mr DWYER - We never say never, but there are no plans at this stage.

Dr GOODWIN - You still have Port Arthur.

Mr DWYER - Port Arthur development, that is right.

Dr GOODWIN - That is the next one.

Mr DWYER - That is our next development. That is very exciting.

CHAIR - Do the visitors coming here mainly by coach usually stop at the mining museum at Zeehan? Do the coach tours usually stop there?

Mr STENDRUP - I am not sure. When we are dealing with the coach operators we don't get involved with what they do. They come to us and most of it is handled at the head offices and they say they want two nights' accommodation or one night accommodation, or these nights and this many stays, so what they do with the rest of it we don't get involved in.

Mr DWYER - Other than leveraging the boat and the train.

Mr STENDRUP - When they are here, of course, we talk about that, but not on their way to here, what they are doing or where they are going. Sometimes their whole tour around the State will be focused on something like wanting to be back in Salamanca for the market, so that will dictate the timings that they run. There may be some influences like that, but other than that we really don't get involved.

CHAIR - If there were even more attractions - there are many here now - even more around the west coast area generally, not specifically all Strahan, would that help tourism here generally, do you think?

Mr DWYER - I think the more good quality experiences the better. There are not a lot of experiences, as you see here in the likes of Queenstown and Zeehan on the way through. Whether those would stand up in their own right as an individual business, obviously that has to be looked at, but certainly for the whole region, yes. That is an example of the railway. As I said before, that is a very hard business for us, but extremely important for the west coast. That draws 40 000 people to the west coast every year.

CHAIR - That is right and I think it is a great attraction. We have heard evidence that there are people in the volunteer sense who would like to promote the Wee Georgie Wood Railway and extend its operations. It travels about a kilometre now and I think the proposal was for 3 or 4 kilometres around the lake and beside the road, which would keep people in the area for about an hour and a half - I think that was the estimate. Would it be an advantage for tourism in the area generally if that could occur, do you think?

Mr DWYER - Possibly, to break that trip up. There are a lot of hours in the vehicle so if there is something like the wall just past Derwent Bridge that is a fantastic experience to go through.

CHAIR - Yes.

Mr DWYER - To have more like that to break the trip up, and again it comes back to the marketing and how it is packaged together.

CHAIR - If it ever interested Federal Hotels we could put you in touch with the people who are looking at it.

Mr DWYER - I have one railway at the moment!

Laughter.

Dr GOODWIN - What about the mine tour? You mentioned that.

Mr GAFFNEY - I reckon that is really untapped. There would be people who would come - I think there would be a domestic market here in Tasmania -

Dr GOODWIN - I would come definitely.

Mr GAFFNEY - People know it is out there but it is just not being marketed and handled very well, as we have heard. I think that tour would be sensational for Queenstown itself and the west coast. People would come. I would do it but you just don't hear about it or know about it and it doesn't run regularly enough.

Mr DWYER - That is the crucial thing for your experiences. It has to be of a national standard but it has to have the surety that it is running regularly as well.

Mr GAFFNEY - Unfortunately, with all due respects to my friends in Queenstown, I think the accommodation in Queenstown is not at the standard that it should be for some visitors who come. Except for Penghana, I suppose. Most of it would be three-star to three-and-a-half stars at the most, so that is an issue. If you had something like the mine

tour going I think any accommodation place would go out of its way to upgrade because it would bring in a lot of people.

Mr DWYER - What is the amount of time required for the mine tour?

Mr GAFFNEY - I don't know. I was thinking two hours, I was thinking an afternoon or a morning or afternoon sort of thing but it seems as if the person who owns it would rather be a mechanic and does not spend a lot of time on the touring side.

Dr GOODWIN - But someone else may be looking at it.

Mr GAFFNEY - So, here we go back to you again; you have a railway so you might as well have a mine -

Laughter.

Mr GAFFNEY - Don't get me wrong but when you come here, two nights is as much as you can do. You have your cruise and your plane trip but there are not a thousand things to do here. To add a mine tour to that experience would be another feather in the cap. It is half an hour away. So when you are leaving here and going to Hobart you go through Queenstown. You can do a mine tour and you can book it here, but I am just not sure whether they have the acumen to market that where they could very easily with somebody else behind them. I think that would be a huge one.

Dr GOODWIN - So do I.

Mr STENDRUP - One of the difficulties with products like that is that you have to get them into the marketplace and they have to be able to be sustainable in the marketplace whilst they are growing. Some people will tour Tasmania on an ad hoc basis and ring up today to book for here but most people will pretty much have an itinerary. If they come in on the boat with their own car they will be here for a week or 10 days or whatever and then they will be gone so all of a sudden to arrive here where they have booked for two nights to do the boat and the train, for example, then their next stay might be already booked in Hobart or Cradle Mountain or somewhere and they do not physically then have the time to rearrange their itinerary to plug into the mine tour or whatever. But, long term yes, the more experiences people can partake in or that are out there in the marketplace, they can then say they can stay overnight and they can do this from there, but it needs to be developed in there well and truly.

Mr DWYER - It still comes back to the educating people about touring and accommodation in this State. You can't average 100 kph around Tasmania so there are still a lot of people who are caught short on the hour in the car that they were not aware of.

Mr GAFFNEY - And you need a range of tours, like you could have the short stay of the mine tour at Beaconsfield or the Chile tour. You can have a whole range of -

CHAIR - Yes, two months.

Laughter.

Mr GAFFNEY - Let's keep them in the area. But there is so much history there, too, like the mine disaster that happened and the loss of the miners there.

Mr STENDRUP - Wonderful history. The museum is a fabulous facility, it is just getting the people. Every time we say to people, 'If you've got time go into Zeehan,' and they say, 'What?' We say, 'Go and have a look at the museum, you won't be disappointed,' and they aren't.

CHAIR - Last month was the best month they have had for quite some time and they're not quite sure why.

Mr GAFFNEY - Regarding the events and conferences you mentioned earlier, one of the firms suggested that because there were water polo and basketball championships in Hobart which coincided with school holidays on the mainland, people actually toured after that. There was some suggestion that Tourism Tasmania could look more at the events, because it is that big group of people, the 200 or 300 mums and dads and grandparents, who come to Tasmania and do the whole bit.

Mr DWYER - Definitely. Those gateways out of Launceston and Hobart are extremely important, and it is still the balance of having large conferences in Hobart with the amount of room stock we have in Hobart. If they get large conferences there it actually stops people coming into Hobart to then go to the regional areas, so it really is an interesting mix that we need to still gather as a State, those gateways of Hobart and Launceston.

CHAIR - Any other comments you would like to make before we close the session? We have covered quite a deal.

Mr DWYER - I think we have covered everything we wanted. Sorry I have been here for the third time.

Laughter.

CHAIR - No, you are welcome back any time. If there is anything else that you want to submit please drop us a line.

Mr DWYER - We will follow up, Mike, on that information that you wanted.

Mr GAFFNEY - That would be helpful.

CHAIR - Bernard and Rod, thank you very much for giving us your time and the benefit of the expertise that you each have in this area that we are interested in.

Mr STENDRUP - Thank you.

CHAIR - I have said many times that we are very fortunate to have Federal Hotels in Tasmania; they are a very good corporate citizen and are reinvesting so much back into the State. Thank you very much.

THE WITNESSES WITHDREW.