

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON TOURISM IN TASMANIA MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON FRIDAY 28 MAY 2010.

Mr GRAEME LYNCH AND Ms SHERALEE DAVIES, WINE INDUSTRY ASSOCIATION (SOUTHERN REGION), WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Wing) - Thank you for being here and thank you for the written submission.

Mr LYNCH - Sheralee had been with the Wine Industry Tasmania now for about four weeks but she has written most of the content of this report.

Ms DAVIES - We are really pleased to have the opportunity to talk to you about winery tourism today. Tourism is particularly important to the wine industry and some of the points I will make in this introduction will probably clarify that for the committee.

Wine Industry Tasmania is the State body that represents our grape growers and wine makers. We are company limited by guarantee with seven directors, including three independent directors, one of whom is Graeme. Our role is really to assist grape growers and wine makers in sustainable growth; we are also here to represent them on issues of State relevance. We have a particular focus on marketing and promotion of the Tasmanian wine brand and also research and development.

Around the State we have 160 licensed producers and we have more than 230 individual vineyards. Not all of them have a public face but we have around 80 cellar doors, which are obviously the critical part of the industry in terms of winery tourism. Our annual production is only around 6 000-8 000 tons. By comparison to the rest of the country it is quite small and we estimate that around 85 per cent of that wine is sold within the State. Therefore the importance of winery tourism cannot be overstated. In fact many of our producers, because they are so small and predominantly sell out of the cellar door, are perhaps more in the business of tourism than wine, so it is particularly important.

It is worth looking at Tasmania in comparison to our mainland counterparts. Whilst we are small we are in a unique position. I am sure many of you have heard about the Australian wine oversupply or wine glut. Within Tasmania we are in a privileged position where demand currently well outstrips supply of Tasmanian wine. So we are a little insulated from some of the problems the mainland is facing.

CHAIR - For how long has that been the case?

Ms DAVIES - Tasmania has not ever been in oversupply.

Mr LYNCH - The Tasmanian wine industry has grown very sustainably and so the industry has aimed to keep supply and demand even. That is how it has been for the last 10 years since the industry really started to become commercial. It is critically important that we maintain that. This is where tourism is a very important part of our industry because it is

not just about volume; it is about increased margin and all the value-adds that come from winery tourism.

Ms DAVIES - Part of that is also that Tasmania has an increasing reputation here and around the world for its premium cool-climate wines. Around the world people are recognising Tasmania as somewhat distinct from the rest of Australia when it comes to its wines. To give you an example, whilst our exports are only very small the value per litre of Tasmanian wine exported to key markets around the world for the last 12 months was \$11.09. Compare that to the rest of Australia's wine, whereby the value per litre of wine exported was just \$3.24, so Tasmania is well and truly at the top. In fact that was the highest value per litre.

We are the only Australian wine region where 100 per cent of our production is in the premium or ultra-premium category, so we are well positioned to build a winery tourism offering at the premium level. We obviously do not operate in isolation when it comes to winery tourism. We have strong links with the Tourism Industry Council of Tasmania and also with Tourism Tasmania, and have recently signed a memorandum of understanding with Tourism Tasmania to make sure that we are working collaboratively together going forward. We also have links with the Tamar Valley Wine Route and Wine South; they are our regional groups looking after winery activities within their relevant regions. We also link into the national bodies - the Winemakers Federation of Australia and the Australian Wine and Brandy Corporation.

Wine Industry Tasmania has a strategic plan and there are a couple of goals in there that are relevant to winery tourism. The first is to commercialise our Tasmanian wine brand and the second is to build the wine tourism experience. Our strategies are aligned to strategies that are already in existence, including Tasmania Together, Tourism 21, the Tasmanian Brand project and also strategies of the Winemakers Federation and the Australian Wine and Brandy Corporation.

Let us have a look at where we are today. We know that some 17 per cent of all visitors will actually visit a cellar door. We have a maturing wine tourism industry; our wineries and our cellar door operators are diversifying their offering. So they have food, accommodation, art and museums, and Moorilla is perhaps the closest and one of the best examples of that diversification. We have strengthening regional groups. The Tamar Valley Wine Route is a really good example of a region getting together to recognise and fully pursue the opportunities that winery tourism offers.

We have a number of growing initiatives that Wine Industry Tasmania is picking up to drive tourism, including our annual road show which visits Melbourne, Sydney and Brisbane with an aim to promoting and driving brand awareness of Tasmanian wines but also increasing visitation back into the State. We have brochures about wine routes so that people can find their way to our cellar doors. We have a program that is in the works for an annual wine festival.

In terms of future opportunities, there are seven points listed for the committee's consideration.

CHAIR - And these are in the document?

Ms DAVIES - They are right at the start under point (a) on the second page. They are not in any particular order but we do see them all as important in making sure we fully realise our winery tourism potential. The first relates to support of ongoing investment in destination marketing. That is particularly important, like the Tasmanian wine brand commercialisation. With our visiting journalist program, or at least an expanded visiting journalist program, there is already an annual program in place but we see great opportunities to expand that.

When I was going through this process it did not take me long to realise that there is not enough data around winery tourism. The last major survey undertaken was in 2007. If we are able to really track, monitor, leverage and improve our winery tourism offer then we need to have a more rigorous and more regular data collection process.

We see an opportunity for rounding out the winery tourism offering through increasing support from local restaurants and dining outlets to see that Tasmanian wine is more represented. Last but certainly not least we have called for the reinstatement of the Tasmanian cellar door rebate.

Mr LYNCH - I might briefly outline our vision for the future of the Tasmanian wine industry, particularly around an annual festival that we have been working on now for two-and-a-half years and which is gathering some momentum. It is relevant to the investment that must continue to be made in the wine industry, alongside the investment in tourism and economic development generally in Tasmania.

When Wine Industry Tasmania was established we had an opportunity to avail ourselves of nearly \$1 million worth of Federal government funding, matched dollar for dollar by the industry. This was around cool-climate wine research, particularly sparkling wine production, one of the niche areas for Tasmanian wine where we can lead the world, and also pinot noir red wine production. This research program is a \$2 million investment over three years in the industry and it is now halfway through. As a result it has centred Australian research on Tasmania. We now have a node from the Australian Wine Research Institute, one of the world's leading wine research institutes and which is now based at TIAR at the University of Tasmania - a joint project between the Department of Primary Industry, Parks, Water and Environment and the university. As a result we have about half a dozen PhD students working on this project. That is also attracting other researchers to get involved in viticulture, wine-making science and research.

One of the deliverables of that project was a conference at the end of 2012. The WIT board saw, when this opportunity came along, that not only was it going to value-add research and attract economic development in Tasmania through development of this centre of research excellence, it also provided a unique marketing and positioning opportunity for the Tasmanian wine industry. We could go to the world and say we have this concentration of research activity in Tasmania, which ipso facto shows Tasmania as a pre-eminent producer in pinot noirs and sparkling wines.

So the board has developed over the last couple of years a concept of anchoring in Tasmania a central wine festival in May-June, which would be along the lines of Ten Days on the Island. We would have some core events and then build around that a whole range of wine-based activities. It would become part of the international calendar and be ongoing year by year. To this end we have identified an opportunity through the

International Cool Climate Symposium, which meets every couple of years. It is meeting this year in Seattle. In partnership with the Department of Economic Development and Tourism we are sending a delegation to pitch for that conference in 2012. We see that as being the most efficient way of delivering this wine conference, building the festival around it as an inaugural event, which we would then migrate into our annual wine festival. For that we have Mark Kelleher, who is the secretary of the department, going together with Felicia Mariani and a number of officers from Tourism, along with some of our board members - Dr Andrew Pirie, Andrew Hood and Dr Richard Smart who has been working with us on the research project.

That is a very exciting development for the Tasmanian wine industry and for tourism to Tasmania generally. One of our recommendations is a commitment to funding in the longer term to scope out that festival, and we have already prepared an initial discussion paper, to fund it to the extent that we can deliver the conference and the first festival in 2012 with the aim of that becoming totally sustainable from that point on and self-funding through the wine industry.

CHAIR - Annually?

Mr LYNCH - Annually, and we see this as being an all-of-Tasmania event so there would be events developed over time that would encompass all of Tasmania with some core activities at the heart of it. This has been part of our vision to really establish Tasmania on the world stage, not only on the national stage but to create an international event that will draw people to Tasmania very strongly aligned with the development of the arts and culture that I am sure that this committee has heard about with proposed developments at TMAG, what is happening at Moorilla Estate, what is happening with Saffire on the east coast and our smoothing up into this market segment which wine and the high value of our wine very clearly services. We see that people who come to Tasmania for the Saffire-type experience, for the wilderness experience, for the arts/culture experience are people who are also in the demographic that has the capacity to enjoy premium Tasmanian wine.

CHAIR - Thank you very much.

Mr FINCH - What time of the year would that symposium be?

Mr LYNCH - The initial one will be in February 2012 and that is governed by the fact that we are anticipating we will have 500 to 600 international people coming specifically for the wine conference and to attract people from the Northern Hemisphere in the wine industry it has to be held in the summer months in Australia but our strategy is to migrate that festival into May and the very sound reasoning for that of course is that is when there is capacity within the tourism market when we are trying to level out the offerings. We think the offering of vineyards in our cool temperate climate in winter is a very positive thing.

Mr FINCH - Yes, autumn is a great time.

Mr LYNCH - We see it linking in with the Lumina promotion which has been started with Tourism Tasmania. This would fit within that umbrella as one of the major events and attractions of that broadening out the tourism season.

Mr GAFFNEY - Regarding the integrity of the wine industry in Tasmania, and the initial \$11-something per litre compared to \$3.50 for the rest of the Australian industry, what processes are in place to stop Tasmanian growers importing wines/grapes from the mainland and having them bottled here and then selling them back? Is there anything in place that stops that? In France they have the same sort of thing where they can stop the cheaper grape variety coming over and making use of their name.

Mr LYNCH - It is a very good question and we did have a problem 25 years ago with someone doing exactly that at Chateau Lorraine in the Huon Valley, some of you may recall. The protection nowadays is provided through the Trade Practices Act firstly but also through the Australian Wine and Brandy Corporation, the Federal legislation, which sets limits - and Sheralee can correct me if I am not right here - it has to be 80 per cent true to vintage and true to origin to proclaim that on the label.

Ms DAVIES - Eighty-five, I think.

Mr LYNCH - It might be 85, so that provides the basic protection. Twenty-five years ago through the Liquor Licensing Act a system of appellation was introduced in Tasmania which is similar to what you may be referring to in Europe where to call your wine Tasmanian it would have to fit very specific criteria. We have a Tasmanian GI, which is a geographical indicator which is under the control of the act, which provides that protection. One of the unique things about Tasmania is at the moment there is very little wine being imported into Tasmania to be blended, in fact we are not really aware of any, but we do send wine offshore to be blended and sold and marketed as Tasmanian wine and the best examples of that are our premium sparkling wine brands, a number of which are value-added and cellared interstate.

CHAIR - Then that is not made and sold as Tasmanian wine?

Mr LYNCH - If the origin is Tasmanian and if the grapes are crushed here yes, it can be because it is true to origin but that is a small proportion in that sparkling wine.

CHAIR - Which mainland companies are doing that?

Mr LYNCH - Constellation are the main company, which is Hardys.

CHAIR - Yes, I thought Hardys were buying quite large quantities. They produce some and label it Tasmanian wine, do they?

Ms DAVIES - Correct.

Mr LYNCH - Yes, and that is allowed under the legislation because the wine is true to origin. They are Tasmanian grapes vintaged in Tasmania; it is just part of the manufacturing process. We don't generally talk about wine as manufacturing; it is more an art. It is a batch-processing industry, which is a very important distinguish between, say, the whisky industry, the beer industry or other beverages. With the Methode Champenoise process, the sparkling wine process, there is a manufacturing process that is gone through because the wine has to be aged and then disgorged, topped up and then it's ready for sale.

CHAIR - Just as a matter of interest, how does Hardys label the Tasmanian wine then? Is it Hardys?

Ms DAVIES - No. Constellation owns two Tasmanian labels. One is Bay of Fires in the north of the State. Constellation overall sources grapes for the Bay of Fires range and it is labelled as 'Bay of Fires'. Also there is Arras which is a sparkling wine brand. It is owned by Constellation but it is sourced from Tasmanian grapes. The other wine that I can think of is the Eileen Hardy Chardonnay which usually includes Tasmanian fruit so it will usually be identified as multiregional, so it will be a blend of Tasmania and Yarra Valley, for example. But it is all premium product. I don't think at the price per tonne that we have for Tasmanian grapes there is any opportunity to blend it into inferior wine.

Mr PARKINSON - From what you are saying, unless I have misinterpreted what you said, it doesn't have to be 100 per cent Tasmanian sourced. I think you mentioned 85 per cent, so 15 per cent is someone else's. Are you sure between you whether it is 85 per cent or 80 per cent?

Ms DAVIES - I'm pretty certain it is 85 per cent.

Mr LYNCH - I would defer to Sheralee because she is day to day involved in the wine industry.

Mr PARKINSON - So 15 per cent can be added from outside the State and it can still be labelled Tasmanian wine?

Ms DAVIES - Yes, that is right.

Mr PARKINSON - Why do they sell on something like that?

Ms DAVIES - I think it mainly comes back to export. Australia is in a situation where we have a lot more flexibility than wine producers in other parts of the world and that is a positive thing. We don't want to be too prescriptive to take away that flexibility for Australian wine. That amount has increased over the years but there still wanted to be a level of flexibility so that ultimately producers that were playing in large amounts and were exporting had the opportunity to have some flexible arrangements in terms of their cost structure.

Mr PARKINSON - Will the label somehow indicate that there is 15 per cent blended from elsewhere or not?

Ms DAVIES - No, this requirement specifically relates to the label integrity, so this permits labelling as 100 per cent Tasmanian, or Tasmanian without identifying any other region.

Mr PARKINSON - I see brand as being very important in the Tasmanian context. I am thinking as I speak of the dispute over King Island meat, for example, where they valued their brand so completely that I think there have been court cases already over King Island-labelled beef being sold in Victoria when either some or all of it wasn't. The wine industry apparently has this level of tolerance.

Mr LYNCH - This is a national thing. I referred earlier to the guarantee situation that existed 20 to 25 years ago which was an opt-in system. It was a voluntary system where you got a seal issued by the Department of Agriculture that you placed on the bottle and which guaranteed 100 per cent Tasmanian authenticity for that wine. That scheme ran for some 10 to 15 years. The problem with it was the stage of maturity of the Tasmanian wine industry at that time. We had the seal and the guarantee of authenticity but we didn't market it so nobody knew what it meant. There has been some discussion in industry circles about addressing particularly the point that this committee is homing in on, that there may be in the future the opportunity for Tasmania again to distinguish itself by having that government seal of authenticity. The industry has now matured with the work that Wine Industry Tasmania does. This isn't on the table but if that were to be there then it would be marketed, promoted and mean something, because it is no good having controls that really are about encouraging the consumer to feel confident with a product if the consumer is not aware of what it means.

CHAIR - Speaking of King Island brand, about 20 years ago a delicatessen in Sydney was selling King Island rabbit. The only problem was there were no rabbits on King Island, such is the strength of brand names.

Laughter.

Mr FINCH - Would you talk a little about point 7 - the reinstatement of the government cellar door rebate? I find it interesting, particularly in Tasmania, that if you go to a cellar door of course we are not as advanced as some States - Margaret River and areas like that in South Australia. Some of our cellar doors are okay but not really of that high standard. I find it bemusing that you pay nearly the same price for your wine as you would at a bottle shop or hotel. It is interesting that there is no real attraction other than a drive in the countryside and going to a winery to sample and buy some wine. I would have thought - and this is probably where this rebate might play a part - that you want to go to a winery because you are going to get 25 per cent off what you would normally pay at the bottleshop. I am wondering about the implications of being generous to the travellers.

Ms DAVIES - I think it is a good point. I remember going back maybe six or eight years that you would go to a cellar door because you knew - and I am talking about other parts of the country - you would get a better price at cellar door than you would in a bottle shop. The thing is that it is difficult for producers to control the ultimate retail price point of their wines. In Tasmania there is a very high cost-of-goods structure which makes it particularly difficult for them to get a decent margin on their sales of wine. We certainly have seen that margin between what you can pay at cellar door and what you pay at retail getting thinner. I guess that comes back to the cost structure more than anything.

Mr LYNCH - It is also a brand question as well. Winery tourism is about getting the best return on the investment in a vineyard to producers. There are a number of producers in Tasmania who are very successful and who try to channel most of their sales through the cellar door because they can get a far higher return on investment than they can if they were to sell wholesale.

Mr FINCH - Cut out the middleman.

Mr LYNCH - Yes, exactly. To sell a bottle of wine for \$30 retail in Melbourne, Sydney or Hobart, the winery gets about \$10 a bottle by the time you add the taxes, some of which are paid, but under the rebate come back to a smaller producer, so the wholesale margin is the resale margin. The grower gets a return of \$10 and the wine often sells for \$30. For our industry, on its small scale, to develop and grow and get an adequate return on investment it is in the interests of wineries to have a strong tourism industry and cellar door sales. It is also really important for them to deal with their brands in other markets where there is strong tourism. With French wine, for example, which has been so successful internationally over many years, a lot of that success has been built on the hospitality shown in the regions. When people travel overseas and they go to Champagne, Burgundy, Bordeaux or Alsace or wherever, when they go back to New York, Sydney or Melbourne they have had that experience and they buy the wine.

The sort of tourism that we are trying to attract to Tasmania for the wine industry is not about discount or getting a good deal; it is about interfacing with the grower, understanding the culture of the grower and the wine maker, how the wine is made and seeing it in situ. We do not get feedback that there is a barrier to visitors who want to buy cheaply; it is about building a brand reliance.

Picking up on Sheralee's point, I have had a lot of experience as a retailer many years ago. Retailers for all sorts of reasons will cut margins quite significantly. We do not see it quite so much here in Tasmania, but it is certainly in the other States where the large retail chains dominate liquor sales. They work very hard at extracting the best price they can from growers. So Tasmanian growers, to have a significant representation with Coles or Woolworths, would have to be giving significant discounts. So they would not even be getting their \$10. Then if those retailers see a competitive advantage in loss-leading and so on, then they will do it. So there is a whole range of factors in that mix. It is easy to be critical of the Tasmanian cellar door industry but the wine industry is about sustainability, building in a cost structure that gives a good rate of return. We encourage the industry to focus on a good rate of return, and from that will be investment quality, investment in the tourism experience and a stronger industry.

CHAIR - In most cases in Tasmania the wine producers would not benefit from economy of scale because they are smaller. In the Barossa Valley, Hunter Valley and other places there would be larger vineyards and that would make it easier discount?

Mr LYNCH - There are two factors in that as well. Tasmania is at the top end of the quality spectrum, so it is about economies of scale in the overhead sense. But also in Tasmania there is very heavy investment, particularly in our chardonnay and pinot noir table wines, which are our leading wines, in storage vessels. To bring the best out of high-quality pinot noir and chardonnay you need to age those wines in small oak vessels. They are around \$1 500 to \$2 000 for really high-quality French oak, which is the optimum oak. Because we are at the top end of production we have high investment in producing our wines in the general sense - in terms of administration and land and those things - and also in the inputs that go into the production of Tasmanian wine. So the future of the Tasmanian wine industry is in a very strong brand at premium price points. One of the things we need to do a lot more work on in Tasmania is to lift our price points above where they are now. You can buy pinot noir in Tasmania at the local bottle shop for \$30 but which in the international market, if our wine was properly marketed and branded, it is probably worth more like \$50 or \$60 a bottle. So a lot of our work is around building

that margin into the wine and price point, moving it up. The tourism strategy is a very important part in doing that because we need to reach out into those high-quintile markets to sell our wine, but we are not going to do all of that in Tasmania. We need a strong Tasmanian market and Tasmanian tourism, but inbound tourism is a very critical part of getting that wine message out so we can achieve those price points.

Mr FINCH - So what about that rebate? Is that State government support to try to develop the venue or to try to get the price down on the wine? What is the rebate about? What help are you looking for there?

Ms DAVIES - The State cellar door rebate is a subsidy system that used to be in place prior to introduction of the GST and a nationally collected wine equalisation tax on all sales of wine. So a system used to be in place that was a subsidy of the liquor licensing fees.

Mr LYNCH - Yes, before GST there were effectively two taxes on wine. There was the Commonwealth sales tax and there was the State government licence fee. So it was a tax licence fee collected by the State government, like tobacco tax used to be. When GST came in there was also the Federal court case around States not being able to collect taxes; the licence fee was regarded as a tax so it could no longer be collected. This was the same all around Australia. So when GST came in the Federal Government at the same time introduced the WET tax - wine equalisation tax - which picked up the sales tax and the licence fee, so the same amount of tax was being paid. Before GST, not all of the State governments charged a licence fee on cellar door sales. The reason for that was the reason you mentioned - to encourage cellar door sales and for wineries to bring people to regions because the wine industry around Australia is mostly regionally based; it is not in capital cities. So that was the history. When GST and the WET rebate came in there was a lot of debate and the wine industry was very involved in this as to whether the tax on wine should be based on volume - in other words, on the litreage - or on the value. It was decided to tax on value and it was then recognised that that was a disincentive for higher-priced wines such as Tasmanian wines, so the Commonwealth Government decided to rebate the WET tax, which was 29 per cent, up to a sales level of \$1.7 million on wholesale sales. That is enjoyed by most of the producers in Tasmania. At the time the WET rebate came in we probably only had one or two producers who were selling more than \$1.7 million worth of sales direct to the public. What has happened recently, though, is there are now a dozen producers who are at that \$1.7 million level or above it. Once they hit that point they no longer get the WET rebate but they are still paying the 15 per cent that is rebated to similar producers in other States and Territories. What we are calling for is for the State Government to recognise that anomaly and to provide the same incentive to cellar door sales in Tasmania that is extended to producers in other States.

Mr PARKINSON - I can remember a wine tour I went on to the Barossa; I still remember it vividly so I couldn't have consumed too much.

Laughter.

Mr PARKINSON - We went by train so there was some incentive. On your point, Kerry, I remember not buying some wine at a cellar door where I had sampled some because I knew I could get it at at least the same price back here through BWS. I ended up buying a niche-type sweeter product that they produced that I couldn't get back here. It was just

something to take back that was exclusive to them. I am just thinking that it is not exclusive to Tasmania that cellar door prices are reasonably high because, as you say, the retailers will do their own deals and have their own discounts. I don't think we can be critical of Tasmania for not discounting at the cellar door. Margaret River may be different.

Mr FINCH - I don't think it is going to boom. I don't think there's going to be strong progress unless you can show a good price to give people an incentive, particularly locals, to go to the cellar door to visit and to buy wine and to maybe be influenced into having food there, buying some trinkets or taking advantage of whatever retail opportunities might exist. While you're trying to maintain that high-level price for your wine I think you are going to be holding back the cellar-door operation. I don't fully understand all the implications and the conundrum of trying to run a cellar door profitably.

Mr LYNCH - The other thing about that of course, and we can't lose sight of it, is that it is not a matter for an industry association or Wine Industry Tasmania to dictate to individual operators as to how they should structure their pricing and so on. Our interest is in winery tours into Tasmania and the Tasmanian brand and building that. It might well be that you have somebody in the Tamar Valley or in the Coal River Valley who says, 'Yes, part of my offering to the public is to offer a very significant discount to retail price'. If that person were just a cellar-door operator then he wouldn't have a retail price to compare with. Again, I can speak from experience from when I used to be in the retail industry. If you were buying from a supplier who had his winery 10 kilometres away and was undercutting you, he is probably going to lose his restaurant and the retail trade. There are all of these commercial decisions that producers have to bring into account as to how they are going to set their prices and margins.

Dr GOODWIN - How competitive do you think Tasmania is in the wine tourism market and what are our main competitors - the Tamar Valley, Barossa Valley? Do you think there are some unique aspects of Tasmania's wine and tourism that we can capitalise on? I am thinking now of the size of the State and all the other things that we have to offer and the fact that you can potentially drive around the State and access a range of different vineyards in a shortish period of time.

Ms DAVIES - Absolutely. I can speak from a relative outsider's point of view given that I have only been in the State just a little over a month and certainly have worked with a lot of other wine regions. I think coming into Tasmania we are in a very, very strong position in that there is great collaboration across industry. So people don't only come to Tasmania for the wine but they do come with that being one of the motivations. What then we see here in Tasmania is that the wine producers have gotten together with food producers or with other sorts of experiences to offer far more of a broad experience to visitors coming into the State so there is great collaboration within this State that is not common across all wine regions.

I think in terms of the showcase regions where things are really coming together very well. Margaret River, you mentioned before, they are firing on all fronts in terms of having their food offering right and their accommodation offering right. I think the biggest criticism of wine regions is usually the accommodation, that often the food comes along not far behind the wine offering but accommodation can be of a pretty

inferior standard, and the Hunter and Yarra valleys I think would probably be two other good examples of where it is really happening very strongly. That leads into your point of the benefit that Tasmania has in terms of its travel distances. Most of those regions are obviously very close to capital cities so it is very easy for people to travel and that is proving to be a reason for them getting higher visitation than some of the other more spread-out regions.

In terms of Tasmania we do have the opportunity to really exploit those linkages and that collaboration we have across many industries and one of the things that we are looking to do is to really work with Tourism Tasmania and the Tourism Industry Council to make sure that we can really develop and promote wine-touring routes so that we are really taking people on a logical process dependent on how much time they have to get around to as many of our cellar doors as they can.

Mr PARKINSON - I was wondering what your thoughts were on how our wine can be used to promote tourism in Tasmania from elsewhere, I would think other countries. Do our growers want to export to other countries or not? I read that the Denmark wedding, the famous wedding, resulted in a number of cases of wine going into Denmark for the occasion. Has that been ongoing or not? As we do have such good wine or a number of our labels are very good I am wondering what other avenues we can go down to use that to bring people here.

Mr LYNCH - That is very tied up in the strategy that we have been talking about that I outlined to you about the wine festival and using the research. Clearly for us to lift the price board of Tasmanian wine and really get the returns on investment that our quality deserves we have to be looking at national and international markets. It is all chicken-and-egg stuff because our production is minuscule, 6 000 tonnes does not relate to huge volumes of wine, and we do not have the budgets in Tasmania to go to large markets. Even if we did and one of the major chains in Hong Kong said, 'We own 30 restaurants and we like your pinot noir. We'd like to buy 10 containers of your brand', no-one could fill the order. So it is about that sustainable growth and this is, again, where tourism is very much a part of the longer-term strategy and particularly the strategy around the wine festival, to have an event that has a lead-up to it which is international promotion around what is happening in Tasmania and then, of course, after that with the longer lead time, journals follow up, so we see that as then identifying the niche markets that we can take Tasmanian wine to.

Sheralee spoke about the connections we have with Economic Development to work on those niche markets and we work very closely both with Economic Development and Wine Australia, which is the national export body. We have a limited number of producers in Tasmania who are members of the national export body, but we see that growing through vehicles like the wine festival that we propose in 2012 and beyond which will create international interest.

It is very important in that sustainability model for us to have a lot of markets, not just to be concentrating, as the Australian wine industry has, on the UK and the US as core markets. If something happens in those markets, particularly around exchange rates, then you are very vulnerable.

Mr PARKINSON - I attended G'Day USA in 2008 in LA and New York. I remember seeing a number of Tasmanian products at different outlets both in LA and New York; King Island cheese comes to mind vividly. There was Tasmanian Rain bottled water being promoted heavily at that time, Australian honey - not Tasmanian - and Wagyu beef. I think Greg Norman was heavily into that in Queensland. I cannot remember seeing Tasmanian wine. There was some Australian wine. There were some other products; Cripps had some biscuits over there for the occasion. That was at a deli-type outlet in New York. The other avenue I am wondering about were opportunities at Shanghai Expo, the world trade expo that is currently on until October. Was there any opportunity to exploit that?

Mr LYNCH - When you talk about seeing wine are you talking about those products being at the actual promotions for G'Day USA?

Mr PARKINSON - Yes.

Mr LYNCH - Okay. We were aware of G'Day USA but Tourism Tasmania came to us very late in the piece, just weeks before the wine had to be sent off, but quite a bit of wine was sent. If you attended the Northern Territory event - I was not there but Felicia Mariani told me about this - Tasmania took over the whole event and Tasmanian wine was served exclusively at that. Tasmania really became the centre point of the Northern Territory's presentation. That was an example of being really smart and leveraging something from nothing. We did not have to pay anything of the thousands of dollars that the Northern Territory Tourism Commission had to pay and so on.

We are involved selectively through partnerships with Economic Development and the Wine and Brandy Corporation with events like Shanghai. I am not very familiar with that one but we were very successful with a showing at Hong Kong about four or five months ago. Again, Tasmania upstaged the other States there - Western Australia, Victoria and New South Wales. We went in collaboration with Tourism and we planned and scripted what our presentation was going to be. Everybody had an opportunity of 10-15 minutes to present a talk. I understand from those who attended, particularly Andrew Pirie, who was one of the speakers, that because we were tightly scripted with Economic Development we really became the talk of that particular event. We recently had 15 sommeliers from Hong Kong touring Tasmania. It was the first official function that Sheralee went to four weeks ago.

We are very mindful of those opportunities. Things like G'Day USA are not our market. We are a niche market so we are far better doing what Tourism is doing in the bid for this conference, where the trade mission, Tourism and Economic Development are going to the north-west of America where the population base is more attuned to the wines we are marketing. We are certainly going to make a very loud noise in Seattle, which will reach beyond the conference because of the international wine press that will follow it.

We are not like Western Australia or South Australia and have huge volumes of wine to sell. We have to be very selective and smart and use our brand and our unique positioning to achieve that. Page 5 of our submission probably sums up the opportunity for Tasmania. Halfway down page 5 there are some quotes about Tasmania's growing wine reputation. The first quote there is from Paul Henry, who is the market development manager for the Australian Wine and Brandy Corporation. He travels the

world selling Australian wine. That quote came from a visit he made to Tasmania. He was here for a week with one of their market development officers. The Australian Wine and Brandy Corporation spent a week in Tasmania fact-finding about how Tasmania has been so successful compared with the rest of Australia in terms of matching supply to demand, getting a premium price and having all of our wine sold in that premium wine sector. Subsequent to that the Australian Wine Board had a board meeting here. They came for a couple of days and had a board meeting in Launceston. The WIT board had dinner with them. They were here to see what they could learn about what we are doing so well in Tasmania. They want to use Tasmanian wine as a regional hero, as an iconic region in Australia to shift the perception in the world from the generic view of Australian wine, which is the reputation we now have, into a special regionally diverse offering.

CHAIR - Is the whole of Tasmania the area in this quote?

Mr LYNCH - Yes.

Ms DAVIES - We are one of just 12 regions. There are more than 60 wine regions around Australia and Tasmania has been selected as one of just 12 that is going to really form the national focus through that Wine Australia group in terms of promotion and marketing. It is probably the best opportunity we have in terms of really growing our export reputation, unhindered, if you like, by the limitations we have around resources.

CHAIR - It was suggested to me by a mainlander three or four years ago that it would be good if Tasmania had separate regions and, say, promoted the Coal River area or the Tamar Valley, but you find it is better to regard to the whole of Tasmania as a region?

Mr LYNCH - Very much so.

Ms DAVIES - From a tourism point of view we certainly talk about separate areas, but we represent less than 1 per cent of Australia's total wine production. To try to break that down even further and obtain international awareness and understanding, when we are still trying to educate them on the fact that Australia has different wine regions, is probably too much to take on right now. However, it is a great opportunity in terms of winery tourism to really talk about the differences between our wine growing areas and to take people around the State.

Mr GAFFNEY - You have a sentence here, 'The Tasmanian Government currently retains funds that other States pass on to their wine producers'. Do you have a dollar figure for that?

Ms DAVIES - No, but we can chase that up for you. This relates to the cellar door rebate whereby the Commonwealth refunds back to the State that portion of the State licensing fee that is not already passed on direct to the producers through the wine equalisation tax. As Graeme was saying before, there are probably only six or eight wineries that currently sit above that wine equalisation tax rebate threshold, so I do not think we are talking big dollars at all, but we can find that out for you.

Mr GAFFNEY - I would be interested because it sounds like the State government here is very proactive through Economic Development, Tourism Tasmania and whatever in

putting a lot of financial support into assisting the wine industry. I am not certain, therefore, that in other States when you go to make presentations and their presentations are not as good, whether the other States actually help out the industry as much as Tasmania may be doing. If the rebate is, say, \$400 000 then in the scheme of what they are putting in it may not make any sense to pursue this as a recommendation.

Ms DAVIES - We completely understand that and agree. We can find out the dollar figure. The difference is that this is returned direct to the individual producers, so whereas we understand and certainly acknowledge that the Tasmanian Government offers great support to the wine sector, this is a rebate that goes directly to those producers that currently have sales above that wine equalisation tax threshold, so it is an incentive back directly to them to grow their businesses.

Mr LYNCH - Specifically to grow them at cellar door, that cellar-door component - that regional component. We don't have the data but my gut feeling is that that is not a lot of money.

Mr GAFFNEY - That's what I was thinking.

Mr LYNCH - When you are dealing with companies such as Constellation, Smith and Sons which is Yalumba who own Jansz, and Dalrymple Vineyard, Taltarni who own Clover Hill, these are companies that operate in a number of States so they are aware -

CHAIR - And in the case of Clover Hill, overseas.

Mr LYNCH - Of course, yes. You have these companies operating in a number of States that are aware that in those other States there is that incentive for cellar-door sales that is not available in Tasmania. When they are looking at investing in Tasmania and they do their first appraisal and run down the chart and see 15 per cent in Victoria, Queensland, South Australia, Western Australia and nothing for Tasmania, whether that conveys the message to them that Tasmania isn't proactively supported I think is more the issue. It's not the dollars, it is the perception of 'we know'. We are giving very strong evidence here about how the Tasmanian Government through a whole range of initiatives is supporting the wine industry but for investment potential sometimes there may be a lost opportunity for people who just do their first run through and think, 'On the face of it there is something that is happening in every other State that is not happening in Tasmania. On a cursory look we will forget about Tasmania and go to Western Australia or explore things in other States'. I think that is what we need to be careful about.

Mr GAFFNEY - I am not firmly convinced that I have enough information here for recommendation 7 to say that that is a recommendation that I would support unless there was more information to say what the applications are, is this rebate going to be passed on to the small grower at the cellar door, is it going to be passed on to the public or is this just a way of bigger companies saying, 'No rebate there. Not sure if we should invest if the Tasmanian Government is not supportive'. I would like a bit more information on that before I could be comfortable that that is a recommendation that we should support.

Ms DAVIES - We can chase that up for you.

Mr FINCH - I am really interested in this symposium that you're going to have in 2012. I think it is a great opportunity to build something in Tasmania on the back of that, as you are suggesting. We had the Batman Bridge festival last Sunday and I would suggest that 2 500 people came. It was about food and wine generally, with a band and out in the open air. It was beautiful autumn weather and the most spectacular event. I wanted to make the point that that would fit in nicely with what you are planning. The atmosphere was exotic in respect of representing Tasmania. We took a boatload of people from Seaport. That was a fantastic Tasmanian experience building on those around Tasmania. I wanted to highlight to you that in an investigation a couple of years ago, talking to tourism people in Melbourne about TT-Line and the people coming through Melbourne, they said they are coming for the food and wine in the Tamar Valley. That is what stood out in those tourist operators' minds. Let us say people know about the Tamar Valley food and wine and they come for that, how do we then encourage them to come back to Tasmania to go to the Coal River Valley, the Huon Valley, the east coast or another experience? How do we cross-promote each of the areas so that we get them over for one experience but encourage them to come back for another experience? Is that the thinking that you people are heading down with your marketing?

Ms DAVIES - Yes, absolutely; repeat visitations are a great opportunity.

Mr LYNCH - This information that we will be handing out to you is exactly addressing what you are talking about. It is about tying the whole Tasmanian wine experience into one brochure that captures all of the wine routes. Our web site development does exactly the same thing so it is very much about cross-promoting. The vision for this wine festival to occur in May from 2013 onwards after being launched in 2012 is about that particular event you spoke about and could well be one of the iconic events that are attached to this festival. So we see there being a range of opportunities during this two-week, 10-day, whatever it is, festival, that there would be events right around Tasmania and it would have a national and an international focus for people.

Mr FINCH - There would be a local focus as well. The locals are an intrinsic part of it.

Mr LYNCH - Absolutely.

Ms DAVIES - In fact in terms of order, local, interstate and then international.

Mr LYNCH - The vision about this is that this event would become iconic just as we can see MONA is going to become iconic. I believe and the Tourism Industry Council believes that people will come not to Australia, not to Tasmania, they will come for MONA and that is one of the unique opportunities they have. Saffire could well be the same thing where people will not come to Australia or Tasmania, they will come to Saffire. With this wine festival, because of the intrinsic value in our wine brand and the quality of it internationally, we see that people will come to have the Tasmanian wine and food experience. They will not come to Australia, they will come for the Tasmanian wine and food experience. So we see our strategy very closely aligned with things like Saffire and that six-star accommodation that has been established around Tasmania. We see it very closely related to the development of our cuisine and we see it very closely related to our national parks and heritage and to TMAG and MONA and those sorts of things.

But to concentrate in the middle of the year on an event that is all around the State is going to encourage people to come and travel and if they have come once, they will go back to wherever they are around the world or nationally and encourage their friends to come or come again to do another bit of it. That is very much where we are aiming at and that is market segment that we are looking at.

Dr GOODWIN - Graeme, I wanted to come back to your point earlier about how currently Tasmanian wines are retailing for about \$30 but really they should be retailing for more like \$50. What is that about? Is it that the person who buys a premium product expects to pay \$50 for a bottle of wine or what are you getting at there?

Mr LYNCH - What I am getting at is that it costs more to make premium wine, it costs more to market premium wine and the market in any particular area is much smaller. So what we are getting at there is sustainability of producers. At the moment, many producers in Tasmania producing their excellent pinot noir at \$30 are really barely sustainable and they are not investing enough in either the quality of their wine or in marketing. For us to take this next step we have to have profitability to reinvest in the brand, to build the brand. When you look at the quality, if you line up those \$30 pinot noirs against what is produced in some of the premier areas in America or in France or in New Zealand or in the Yarra Valley or other places, they are undervalued. It is about investing in the brand.

Dr GOODWIN - But I guess the risk is that if you put the price up perhaps the local market, the Tasmanians, may be less willing to purchase local wine. Is that a risk, do you think?

Mr LYNCH - There is a strategy around that. A lot of this research that I spoke to you about, the research project that is under way, is around producing, particularly pinot noir, at a price point that is economic that might be around \$20. So there is a niche there in Tasmania to fill that through research. But that wine is going to be a different wine to the premium wine that we are selling for \$60. When you go to a major function and drink Tasmanian wine, you generally drink brands such as Ninth Island or Devil's Corner. There is the opportunity through research to sustainably produce those wines at a price point around \$20 that will still deliver a unique Tasmanian flavour. A lot of the research is around delivering that but the really big gains are going to be made at that top end. So, yes, we are mindful of the local market. I have talked a lot about the success stories overseas and all of those strong brands in France and so on had very strong local markets as well. We need to have that and, again, that is where tourism is such an important part of it all.

Dr GOODWIN - I think more and more locals are wanting to support Tasmania and Tasmanian products, so I think it is important that those products are affordable and that they can continue to do that.

CHAIR - I just want to raise two matters. This may no longer apply but when budget airlines first came into Tasmania, a wine producer said to me that there was a different type of visitor. The average visitor coming in on budget airlines four or five years ago would visit a winery and buy one or two bottles, whereas previously the visitors would buy one or two cases. Now most people are coming into Tasmania on budget airlines so there might not be that distinction, but I wonder if there is any element of that still existing?

Mr LYNCH - One of our recommendations is funding for better data collection. There was a survey that Sheralee referred to three or four years ago that gave us a bit of an insight through sampling 700 cellar door transactions or surveys. I think about four or five bottles were being purchased per cellar door, but that was including locals as well as visitors. So we do not actually have the data. The way the Tasmanian wine industry needs to service that market is through people being able to order at the cellar door and having the wine delivered back to their home. It is a difficulty for us in Tasmania because of Bass Strait, so wine is always more expensive to deliver to and send out of Tasmania, so that is a barrier. With high-value wine, the freight component is less per bottle than it is for cheaper wine.

CHAIR - On a percentage basis?

Mr LYNCH - Yes. The answer to that really is for us to be a lot smarter about the offerings we make and to deliver it to people's home within Australia. Also there is a move with a number of cellar doors - and we mentioned it in our paper - who actually will offer wines from the district. You might go to a particular winery but he might have his neighbour's wine available as well, so there is the opportunity for people to put together a mixed case and send them off.

CHAIR - In selling Tasmanian wine for use in restaurants around Australia, I was told by one winemaker that although the wine he produced was very popular, usually the restaurants did not want to buy several cases. They would probably buy one case at a time and it was expensive to send one case every so often to Sydney. He thought it would be very advantageous if there could be some central depot for Tasmanian wine, say in Sydney and Melbourne, so that if restaurateurs wanted a small quantity of Tasmanian wine they could go to this place. Is there such a facility now?

Mr LYNCH - No, there isn't. I have often talked about using the European example. You can travel around places like Burgundy and they will often only sell you half a dozen or a dozen bottles. What they offer is a consolidation service, so they will ship all their wine off to a particular warehouse and combine it into a container with someone else's wine and then send it to you in Australia. One of the problems we have in Tasmania is that you establish a wine on a wine list at Tetsuya's, and all of a sudden, three months later, he has sold out and cannot supply it, or the vintage changes.

CHAIR - Yes, that was part of the problem that was put to me.

Mr LYNCH - This is the chicken-and-egg problem that we have in Tasmania and it is the same when we are talking about export markets. You can go into an export market, get the listing, can't supply the wine, the listing goes, so you have to get it back again. This is about sustainable growth.

The idea of having a centralised warehouse is a commercial decision for individual growers. Most of them, if they have agents in the various States - and a lot of Tasmanian wineries do - have stock that sits in the warehouse that can be distributed out, but for the very small producer it is a real problem. That is probably the type of producer that you are speaking about.

CHAIR - Yes.

Mr LYNCH - They just want to send a couple of cases every couple of months to someone.

CHAIR - And it is very good quality.

Mr LYNCH - Yes. One of the other things that I hope we do in Tasmania, and we are seeing it now with developments like Saffire, is that part of Federal Hotels' approach is investing in their wine cellar. When you go to New York or Chicago or London you will go to restaurants that have as part of their business plan an investment in holding stock. Mures used to do this 20-odd years ago. They would go to Moorilla, for example, when George Mure was alive and buy a couple of hundred cases of riesling. They would buy it, pay for it, warehouse it and then they could guarantee they could sell Moorilla riesling through the year because they invested in it themselves. This is what really good restaurants do. Unfortunately in Tasmania we do not have those financial resources or restaurants to make that investment but we are starting to see it in some of these six-star operations. In Saffire, for example, we want to be able to serve the local wines - Freycinet, Apsley Gorge. The only way we can secure that is by buying the stock up-front and investing in it. That is why prices in restaurants should be high, if restaurants are doing that, because it reflects holding of stock.

Mr GAFFNEY - The success of Ten Days on the Island has been largely through every one of the 29 councils coming on board. With the festival you are looking what you are doing seems like a terrific presentation for a LGAT general meeting. There is potential there because with a lot of the smaller vineyards like Ghost Rock and those in my area there is a good relationship between council and the vineyard to promote their product. Therefore would you be looking at taking on board local councils to assist you with this because it sounds like a festival that could be supported by the three councils in the Tamar region through their promotion and media, which would give you a bigger bang for your buck. Quite a lot of councils would say this is a big part of what we are trying to promote. There could be linking with other events. Cherry Shed wine, for example, would not be on your radar but it is on local council radar.

Ms DAVIES - Most definitely. We already have a relationship with wine events such as the Red Wine Weekend that has the support of local council, so those events would form part of our broader festival. So there is an element of involvement that is already in place and we would certainly be looking to pursue that a bit further.

Mr LYNCH - One of our recommendations is support for scoping of this wine festival to get it because you need the up-front investment to scope it out and run it. Then it is our intention that it does become sustainable. We have identified in the scoping process a whole range of stakeholders and they certainly include local government and the regional local government authorities. Two or three years ago we had a very strong relationship with Northern Tasmanian Development. That is in a state of flux at the moment but certainly they are key stakeholders. Our memorandum of understanding with Tourism supports the zone marketing activities they are undertaking, which also involve local councils. Certainly we would welcome the opportunity to talk to local government about it.

Mr GAFFNEY - It is really important to put it on the board early because councils come to do their budgets in February for 2011-12. That is in 2012 so they would need to have

those understandings and discussions so it becomes an event they can do. The sooner you can do that presentation the better.

Mr LYNCH - Thanks for that.

Mr PARKINSON - I was going to suggest, along Mike Gaffney's theme, that if you worked through LGAT you might save them.

Laughter.

Mr LYNCH - We are following that pretty closely from another interest I have.

CHAIR - It has been a very interesting session. Are there any concluding remarks that either of you would like to make?

Mr LYNCH - We think this is a great initiative of the Legislative Council to look at tourism. It is good to have a look at tourism divorced from the budget process. We were certainly very keen to be involved. As I said, we support the Tourism Industry Council and have a close relationship with them but we feel the wine sector is one that reaches across the whole economy. The reason that we have the government support that we do have: I have talked about research, we touch on the university and we are certainly very heavily involved in agriculture and development in agriculture, very much involved with Economic Development for Tasmania to be a place to come and live. The wine and cellar door offering is all part of that economic strategy of Economic Development to bring people to Tasmania, as well as the value of our wine sales as an export from Tasmania. We also see the wine industry as very linked with this whole idea of innovation and the brand of Tasmania, being a place of clever, smart people who want to live and work here. Wine is a very good example of innovation at work. We are really pleased to have the opportunity to talk to you as the wine industry as a subset of the broader tourism industry in this inquiry. It is also a great opportunity for us to introduce Sheralee who has had 10 to 15 years of experience working with the Winemakers Federation, which is the national body representing winemakers around Australia, but more recently with Constellation. We look forward to her making a contribution not just to the wine industry but also to the broader economic development of Tasmania, including tourism. We thank you for the time you have given us this morning.

CHAIR - It has been a pleasure as well as being very interesting. We thank you for your interest in what we are doing as a committee. It is a very clean, high-grade industry which has added not only to the economic benefits but also to the culture of our State. It looks to be a good industry. I think I speak for everybody on the committee when I say we enjoy your products very much.

Laughter.

THE WITNESSES WITHDREW.

Mr RICHARD DAX, ANGLERS ALLIANCE TASMANIA INC., WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wing) - Welcome, Mr Dax. Would you outline some of your views.

Mr DAX - My original letter was in October, which is really quite some time ago now. You would have to think that in some ways things have got better since then, not the least of which is an extra \$4 million from the previous Government to Tourism which made us all a bit happy and which through the Tourism Industry Council we pushed pretty hard for. It is gratifying in general terms to see that all political parties have made a commitment to tourism funding for the next few years which we can operate with rather than squeezing it down as has been the case in the last few years.

More specifically I was talking about the fishery that we have here which has perhaps been always looked at as something of a recreational pursuit as opposed to an asset which this State has and is owned by all the people of this State. A wild fishery is a diminishing asset all around the world. Over the 20-odd years that I have been involved, I have seen that governments of no particular persuasion have really looked on the fishery as just something that licensed anglers can pay for and those fees go towards running the fishery through the Inland Fisheries Service. The attitude has been that it can hang out there and we will not worry about it, it will be self-funding and so on. But the fishery does not belong to the anglers; it belongs to the people of the State.

The wild brown trout of Tasmania also populated mainland Australia and New Zealand and it is a strain of fish that has never been altered in any way. It is disease free and it is fast becoming a very rare commodity in the world. The figures might sound a bit strange but we sell, in round figures, about 30 000 licences a year which enables the Inland Fisheries to survive. Government pay to them a community service amount and that amounts to \$1.4 million or so, the licence fees that go there. The people who come to the State and fish spend around about \$60 million in trout and about another \$60 million in seawater fishing so you would have to say that the advantages given to the Inland Fisheries are out of sync with the influence that they have on the overall tourism spend. I am not suggesting for one moment that that organisation or any other should be given carte blanche in terms of money. They have in fact improved their performance significantly of late and have been able to squeeze a small profit rather than incur a large loss in recent times.

I made a submission to the previous Premier and the present Premier as well quite some time ago and I have been assured of an answer but it has never come. We as an organisation were formed out of the frustration really of another angler and myself that if government were not going to do anything about writing a recreational fishing development plan then we would. We were lucky enough to get some funding from the Commonwealth for that to the tune of \$100 000- odd. I might hasten to add that we did not get all that, it went to a number of consultants and research and so on.

The planning proved to be very successful and what was obvious as we went through was that the licensed angler as such had very little say in how the fishery was managed and how it would be managed into the future.

CHAIR - Excuse me, you said, 'we did not get all of that'. For the purpose of the transcript would you mind explaining who 'we' are?

Mr DAX - 'We' are a gentleman called Neil Morrow, who is a compatriot in the tourism industry, and myself. It was really out of frustration that we did this. That plan proved to be extremely successful and since then we have raised another \$700 000 or \$800 000-odd which has converted into probably \$3.5 million worth of infrastructure in the Inland Fisheries Service. I feel personally frustrated in that it is actually private industry that has done all this. Government has never really got hold of the tourism potential of the fishery and done something with it.

Again, since October things have changed somewhat and tourism has taken a slightly different view of it. The view in this State has always been that trout fishing here was king, that there should be high-end guided trout fishing at \$1 000 a day or whatever and that was where the marketing push should go, but in fact the fishery is much larger than that. There are all sorts of different methods of fishing and all sorts of different fish to fish for. Tasmania has a very wide range, so we really need to be marketing to the people who come here 'and fish' rather than 'to fish'. The 'to fish' market is quite small but the 'and fish' market is something that can be increased enormously. From the UK and the States we get something like 1.1 million people each year going to mainland Australia and we attract here about 6 000 licences in total sales from outside the State. Out of those, the international ones are fewer than 500, so there is a huge market out there that can be picked up, marketing to people who come for three, four, five weeks or whatever to the mainland. Obviously there is an opportunity to explain that there is a world-class fishery here and they ought to be allowing two or three days within their itineraries to come over here.

Inland Fisheries cannot do that because to some extent they are a bit archaic. They have not been interfered with and have done their own thing and I am not coming here to criticise Inland Fisheries. They are a small organisation that has had to reduce and reduce and they really do not have the ability to do anything other than organise the fish, the water and the fishing and so on. They cannot market. They really cannot be in touch with people and their customers, the licensed anglers and so on, and they really need some help. In my view the only way they will get that is by changing the way in which they operate and are set up. At the present time they are a statutory body and the Director of Inland Fisheries is responsible to no-one except the minister. There is no board of management that directs the Inland Fisheries Service and I would have to say that most of them in there do not really want one. I do not think it is a popular way to go but in order to make best use of the fishery and have it best managed that needs to be what happens into the future. I have made a submission to the Premier based on that.

The other interesting figure is that, out of the 30 000 licences, 6 000-odd, without being exact, come from outside the State. The Tasmanian visitor survey, which is known as the most accurate tourism survey in Australia - obviously we have some advantages in being an island - shows that somewhere around 20 000-23 000 people actually fish for trout while they are here so there is an enormous difference from those that buy a licence.

Laughter.

Mr DAX - It would look as if a lot of people did not buy a licence, and doubtless there are some, but there are private fisheries where a licence is not required and undoubtedly some people cheat the system a bit and so on. So you can see there is an enormous ability to expand the fishery, expand the spend all around the State in unpopulated areas and expand the number of people employed in it and so on without any harm to the environment and with very little outlay of money. It is something that the State can be proud of and the benefits flow back into the community as a whole. The plan that we have is very thick and the research for it, through BDA, is even thicker than that. It identifies that for a very small increase in numbers the increase in spend in the State comes to \$35 million-plus. You are only talking about attracting another five or six thousand people, which the infrastructure of the State can very satisfactorily handle and which the fishery itself can very satisfactorily handle. That would totally change the ways of the Inland Fishery Service. In the marketing the plan also allows for all sorts of things in the future, such as completely redoing the licensing system and marketing the number 1 licence for life to somebody. There are plenty of anglers around who would -

Mr PARKINSON - They did that with boat licences once.

Mr DAX - Did they?

Mr PARKINSON - Then took them off us.

Mr DAX - I had never heard that. How long ago was that?

Mr PARKINSON - I first received my boat licence, a licence to drive a motorboat for life, in the 1960s. I lost it - in fact I was on the subordinate legislation committee - when the regulations came through four or five years ago.

Laughter

Mr DAX - I did not realise that. The sort of thing I am thinking of is \$20 000 or \$30 000 and then another 100 licences of \$3 000 each for life. You share some out to the clubs to sell and make some money from them. You would completely re-do the thing and you would kick the thing off with \$100 000 to \$150 000 or thereabouts.

Mr PARKINSON - It is a good idea, though it seems to me they can be legislated away.

Mr DAX - It seems to me that anything in the world can be legislated away if necessary. Hopefully that can all be overcome; that is out of my hands but there is the opportunity to do that. Fishermen do not want to pay a tax. They do not want an impost. Fishermen want to be able to fish in a good fishery in good surroundings and they also want to protect the environment. Big companies, as you would know, also want to protect the environment or at least be seen to do so.

The focus groups we did showed that some people did not buy a licence, other people avoided it and some other people bought a licence at all times. It varied a bit but universally, if they could see a licence tied to the environment and if they could see the

transparency through communication on a permanent basis, they would all buy a licence. What is more, they would be prepared to spend more than the licence as long as they could see where that money went to. That is a pretty simple task if you have a communication and marketing set up to do it. At the present time, the Inland Fisheries Service cannot do that. They do not have either the ability or the set-up to do so. Again, it gets back to reorganising the way they work. We have discussed all this with the Director of Inland Fisheries and with the new minister earlier on this week, and he did not kick me out of the office or anything. The previous minister, Mr Llewellyn, nearly did a couple of times.

CHAIR - The new minister is Bryan Green.

Mr DAX - Yes, and of course he is a dedicated fisherman.

Mr PARKINSON - So you had a lot in common.

Mr DAX - It will help our cause a bit I am sure. So things have moved and are moving. We are just about to complete the marketing section of the plan. It is in three sections. There is access, and through that access we have gained public risk insurance for every person that buys an inland fishing licence. We put stiles over fences and signed agreements with land-holders. We have completely redone the signage on roads and bridges and in each place where there is a stile and so on. An enormous amount of money and trouble gone into that, with the help of many partnerships. We ran a very good partnership with DIER, who helped us with that, with Hydro, Inland Fisheries and Tourism Tasmania and that plan is the glue that sticks these partnerships together. We have established a market in Britain and I am going to the United States the week after next to establish a market and a sales mission with Tourism Tasmania, and we will go into Asia in, I think, February or March next year. We are starting to market two clubs in New South Wales and Victoria and these are all done with very professional PowerPoint presentations.

I have enough footage now to make half a dozen television-length feature films which we are at the present time investigating doing on Pay television throughout the world. I am going to Sydney to see Lion Nathan who are interested in teaming up with us with fishing things into the future. They are playing me a bit hard-ball, as big companies do, but something will come out of it, I feel sure, and with Land Rover and so on.

All these partnerships are a reality but you have to be able to manage them. The way the Inland Fisheries' statutory body is set up, the habits they have got into over many years, their real difficulties with some of the staff are that they are just not able to move on, which is a public service phenomenon of which we are all aware. It is difficult to do, although I think more could have been done. It really needs change to carry all these things out. It has taken Neil and me five years, I suppose. I am now at the end of it; I have spent the last of the money of the marketing plan - I still have a bit of work to do there. So we are now at a situation where we have Anglers Alliance, which is basically the peak body for licensed anglers, and the Inland Fisheries. Anglers Alliance really does not understand marketing. I chair that and I guess you could say that I have used that organisation to some extent to push this plan, but as the plan ends that will revert very much to being a membership organisation that represents the needs of anglers themselves.

Inland Fisheries cannot do much more than manage the fisheries that they are doing and there is this marketing plan that has the opportunity to attract significant funds and really do some marketing and communication. My problem now is how to marry that organisation with the Inland Fisheries Service and the only way that I can see is to have a really good board of perhaps seven or so people, or a committee or trust, call it what you will, that has a connection through the Inland Fisheries Service, and I think the only way that connection can be made is for the director to be responsible to that particular body, and also sit on it. Nobody has tried to take away what they do or to replace them. What we really need to do is get an organisation that can gather all the things that the fishery here has and make the best use of them for Tasmania, and that is really what I have been about for the last five years. Retirement is the least successful thing I have ever done in my life.

Laughter.

Mr DAX - It needs that horrible expression 'whole of government' which I think is basically unattainable. We talk about it but in practice that organisation needs to be able to hold together those partnerships we have created. Blowing our own bags, we have been very successful at that within government and have built a good rapport with all those people. They trust us. You may or may not be aware, but I was well known for arguing with particularly the Parks and Wildlife arm of government when I had a tourism development on the Central Plateau. That really has set up a remarkable network, I guess, and we still talk to each other, despite the vehement arguments that we have had in the past at one time or another in order to get a development up. Those friendships, networks and trust, I suppose, have endured. I think if you tell the truth you can't get into too much trouble in the long run. You might in the short term. But it really needs a whole-of-government approach to it. It needs an acceptance that it is not just a recreational pursuit, it is a very real asset, and elsewhere in the world they are becoming short of those sorts of assets. We have wonderful assets here. We can wander around, we can fish where we like, we can fish pretty much when we like, things are close, we have an inordinately beautiful State and it is just set to do better but you only need fewer than 10 000 extra people. It is not big numbers, 5 000 or 6 000 would change the face of the fishery, but it needs a bit of push and it needs a bit of help and it shouldn't be blokes like me who are the only ones who push it. It really needs some coordinated things. I don't know if the Premier will get back to me with the submission that I have given him in the past. It was promised that he would before the last election and he may still, I am casting no aspersions, but -

Mr PARKINSON - Keep onto your new minister.

Mr DAX - Yes. We made a start on Tuesday, I think it was, and I will do that, you can be sure. I have a whole lot of stuff to present to him and I have told him of that and hopefully he will go back and get that stuff, but it is all laid out, as I see it, and I am not suggesting that I know everything - far from it.

So that is where I stand. It is just a branch of tourism that can go a great deal better and it is a good talking part of tourism as well. I do not know whether that explains it. I have also put in Sullivans Cove as a member of the Tourism Industry Council. I don't know whether anybody is coming to see you from -

CHAIR - They have already.

Mr DAX - Daniel Hanna has been before he went away?

CHAIR - He and several other members together and they are coming back.

Mr DAX - Okay. I sit on that board so I will only tell you what they will tell you too and no doubt they will do it a good deal better. I am a passionate and still new Tasmanian, I suppose, of only 25 years' standing but I am a passionate person for all those things.

Irrigation is the only other thing that anglers kick up about, sometimes a bit reasonably and sometimes a bit unreasonably. Nobody sees farmers or irrigation as a threat but it also needs a fairly close watch on it. There isn't any question that without our ruminants the levels of Arthurs Lake would have been fixed for the Midland scheme and would probably have been the death knell of Arthurs Lake as far as fishing is concerned, and that is our number one fishery - or has been. There are plenty of things that you can look back on. You can look at the Clyde River, Sorell and Crescent. There are two Interlaken lakes and I do not care what anybody says, it's bad management of that water resource that has resulted in the lakes' conditions and the ruination of those lakes. Sorell may come back one day but that was the number one fishery in Australia and it no longer is and it is because of bad management of those waters. The Clyde River as such is lost for recreation.

Mr PARKINSON - Are you talking about the water levels?

Mr DAX - Yes, predominantly that is the thing that gets suspension into the lakes and it is that more than anything else. There is a certain amount of the carp problem there and the draw-down of water but there are other users there that haven't cut their cloth as to what is available and they continue not to.

Mr PARKINSON - Such as?

Mr DAX - All the farmers down the Clyde Valley and there are some very major ones with a fair amount of political clout too who have been there for years. You have untapped water rates down the Ouse, you have untapped water rates around the Lake River and the Macquarie to some extent. Things have changed. Climate or the weather has changed however one may see it and you have this continuing draw on water. Changing the way that rivers flow and water levels go has not been very successful anywhere in the world. There are plenty of examples of how harmful they have been. As far as Anglers Alliance and Tourism are concerned, it is levels and environmental flows and they have to be fixed. As long as those sorts of things are in place then nobody is going to have any concerns at all.

Mr PARKINSON - I presume that some of the problems that you allude to there would be from a long drought when lake levels went down heaps.

Mr DAX - Sure, but then surely everybody has to cut their cloth; they cannot expect to maintain the sort of usage that they have had and in previous years. They cannot expect to do that. It is not one sector of the community that owns the water; it is Tasmania. We

have done a lot of work on that. I went up to a meeting at Derby yesterday. I have no doubt that eventually it will work out okay, but it is a hard row and they should have pushed fisheries aside and so on. It is not about fish; it is about the environment. If we lose the environment we lose everything in this State in terms of tourism. The environment is king and you need environmental flows and environmental water levels in order to maintain that. That is what we are after with it. We fight pretty hard if we need to do so.

Mr GAFFNEY - Anglers Alliance Tasmania: what is the relationship with other fishing groups, who do you speak for and who don't you speak for? If a board were to be set up how would you envisage that being inclusive, to make certain that all fisherman were included, so that there was some ownership of the whole problem?

Mr DAX - It is absolutely essential that that happen. At the present time Anglers Alliance is made up of the Track Guides Association, the Tackle Dealers Association, the northern clubs, the north-west clubs - although they drop out a bit and run their own race - the Southern Tasmanian Licensed Angling Association and three independent anglers that sit on a committee. There is an executive committee for day-to-day running, and Anglers Alliance meets six to eight times a year depending on how things go.

If that were to change that organisation would become purely a membership-based organisation which would encompass all the clubs and also have independent angler representation on it as well. That would sit and look after the day-to-day things. An everyday angler might want another style and they may feel that the fisheries have gone off there for some reason and so on. They become a peak body so that the minister and the Inland Fisheries Service are not belted up all the time. Those decisions can be made at that sort of level. The board would have a member of Anglers Alliance sitting on it and a member of the Inland Fisheries Service. It needs to be a business-based board that can represent not only anglers but also ensure that the things outside management of the fishery are done.

I do not have a set idea of how many and so on. I have had this conversation with the Department of Economic Development and their CEO. I originally thought you would probably need a board of about 12 because of the width of representation that you might need, but he felt that it ought to be seven. I do not have any fixed idea. I am not looking for a job on it. I am just looking to get the thing set up to handle what is being created.

Mr GAFFNEY - The professional side of it is also to do with estuarine health and river health, which is one of your main concerns. Would they have a presence on the board?

Mr DAX - I would not think so.

Mr GAFFNEY - I would have thought that if it is to do with estuary health and river health for the production of fish, and because they are such a big player in some of the foods they use and that sort of thing -

Mr DAX - They are also one of the greatest destroyers of the rivers.

Mr GAFFNEY - Yes, that may be the case, but if you want to manage it you have to manage with them. Do you see that as an inclusion or completely separate?

Mr DAX - They can look after their own lives as far as that is concerned and deal with government themselves. I would not have seen that as being part of the Inland Fisheries Service at all.

Mr GAFFNEY - So you do not see that as an angling problem?

Mr DAX - It certainly becomes a problem if they set up hatcheries in small mountain streams and spoil the balance of the stream, and if they ever wanted to start fattening fish in lakes and so on you would have an absolute outcry. Regarding the Inland Fisheries Service, other than the environment itself for which they are responsible, and the Department of Primary Industry and so on, we do not have a connection with them other than when those sorts of situations arise. On the Russell River down in the Huon, for instance, we certainly have had a connection there. I know they are the growth industry and everybody loves them and thinks it is wonderful but there are potential problems in it. We do not want to become involved in that unless it is something that affects us. They are a professional body. Anglers Alliance sees itself very much as an amateur body. We are a non-profit organisation and we look to make things better but I do not think we really want to get into territory of that nature. I do not honestly see a lot of connection with it at the present time.

Mr PARKINSON - Richard, the wild fishery is the jewel, and I can understand that as an ocean fisherman; I am not a freshwater fisherman. From the tourism perspective we want people to come here to experience this beautiful fishery, so in what countries can this fishery be promoted to enhance the tourism experience?

Mr DAX - Fishing is a worldwide phenomenon. I actually have not covered it and you bring out a good point. The wild brown fish is our king - our poster boy, if you like - and then the black bream of the estuaries is second and it is a developing fishery. We run five tournaments - two trout and three bream - through AAT and we assist the Australian bream tournament people from Queensland that run another two. The bream fishery has some enormous potential in Asia in particular, fishing with hard-bodied and soft-bodied lures and so on - and trout as well. We are not just about fly-fishing. We are about all sorts of fishing, including sea-fishing. The poster boy of that is tuna but there are some forthcoming problems with tuna in terms of allocations and how things are looked after and so on.

You cannot market the State as a fishery without taking those things in and we have done that within our marketing. I will take a film overseas, to the United States, and that will have bream and big game on it, so it is really marketing the whole fishery and the destination as a fishery, as opposed to just freshwater fishing.

Mr PARKINSON - You mention the United States, and I presume you are also talking about Europe, but what parts of Asia?

Mr DAX - It has not been decided, but to ex-pats in Hong Kong, and Japan is very strong, and Singapore and Malaysia.

Mr PARKINSON - Are the Chinese into angling?

Mr DAX - I do not honestly know and I do not know how much India is either. We keep talking about India, China and so on but in my view that is a long way off for Tasmania. That might be okay in mainland Australia and it may well be something here too but I reckon those sorts of markets are a long way off for us, particularly for fishing. I am sure you are right; I do not think you would find many fly fishermen in China or even the lure fishermen. But it will come eventually. I certainly hope that I am having nothing to do with it when it does come.

Mr PARKINSON - There is a trade expo at the moment in Shanghai but obviously tourism is intricately aligned with trade. Was your organisation contacted in any way in the lead-up to that?

Mr DAX - No, I also touched on it in the letter. The question was asked about champions of Tasmania and so on. We have seen a few of them come and go and in terms of fishing I have seen a lot come and go, the Mike Lawsons, the Gary Borgers; we had a whole series of them. They come out and they have a very nice time and they go back and not that much happens, and you know how much they talk. We had a guy on \$3 000 a year, 15 years ago, Jack Dennis, who is one of the best-known fishermen in the world, but it was just that small market. We have to get bigger and wider than that. In the first bid for the international market into the UK that I did last year, Tourism Tasmania did not have any direct involvement but they now have a three-year program of going to Asia, the US and the UK. I do not know how we are going to get through it all but it is pretty high power for about seven days. They picked what I would hope to be the very top agents that can do something. There are only six organisations going of which I am one and I think that is a much better format than trying to get champions to get in there and do it. There is nothing like staring somebody in the face and talking to them and then being confident that you are going to be there in another 12 months' time saying what has changed and so on. It is a minimum of three years before you will even get that trust in the international market and I think Tourism Tasmania are doing a good job in doing that.

What we have to do to the fishery here is not to say, 'Oh, we have a wonderful fishery, come here and fish', we have to say to them, 'When you go there for four weeks put two nights and three days into your itinerary. Be aware that that fishery is here. It's only an hour from Melbourne, it's only two hours from Sydney'. We are talking about nearly two million people going to the mainland and here we are getting less than 20 000. It is crazy.

Dr GOODWIN - I guess that leads into my question, which is about the distinction between the people who come here 'to fish' and the people who come here 'and fish'. I am wondering how the people who come to Tasmania for various reasons - they want to have a nice holiday here - find out what is available in terms of fishing.

Mr DAX - It is pretty extensive and apart from anything else and the access part of the plan, we have produced brochures that tell you where, when and how, on 31 different waters in the State, 31 leading waters. They are on a number of web sites and they are downloadable for nothing. We have distributed those brochures throughout the world, I might add. We have an inland fisheries booklet that we write that goes around the world. It is publicised through the Guides Association and so on. There is very wide distribution on four or five web sites. So it is increasing all the time. But you are right,

it is a hard thing to get. I went to the World Tourism Expo in London last year and you go into those places and talk about Tasmania. We are so small and you feel so insignificant when you have to stand there. That has cost somebody probably \$10 million or \$12 million and it is four stories and has a waterfall coming down the front of it. But you can do it if you just keep plugging away and you make it very targeted and so on. That is one of the things that the Inland Fisheries needs to be able to do and it cannot do it itself. I said exactly this to the minister the other day with John Diggle there, he knows all this, the Director of Inland Fisheries. There is no secret to it, it is very open. But they can't do it; they can't communicate and they can't market. They need to take that on board and say, 'You're right, we can't'. We need to get either that connected body or board with a good CEO who can do it and give them that arm or they need to outsource it and in effect, that is what they have done since we wrote the plan, the difference being I do it on behalf of the State through Fishing Tasmania and Anglers Alliance because I got \$332 000 to do it with, but there is no way I was going to get \$330 000 and give it to the IFS because they would not have done anything with it. We are getting to the end of that program now so we have to make those other arrangements, but we are getting there.

CHAIR - Thank you very much. Would you like to make any concluding remarks?

Mr DAX - No, not at all, but if anybody would like more information, all the things that we have spoken about are on the AAT and Fishing Tasmania web sites. I am very happy to be a sounding board and if anybody wishes to sound me out, life is an open book.

THE WITNESS WITHDREW.

Dr MARTIN GRIMMER AND Dr ROBERT HECKER, UNIVERSITY OF TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Wing) - Welcome.

Dr GRIMMER - I am the acting dean of the Faculty of Business at the university and Rob Hecker is the acting deputy head of the School of Management and the director of coursework postgraduate programs within the Faculty of Business so we cover a range of issues associated with the delivery of tourism education.

When I saw the announcement of the select committee last year I thought it might be an opportune time for someone from the university to come and speak just loosely about issues associated with tourism education. It is probably most germane to term of reference 5 - the most effective means of maximising of Tasmania's tourism potential - and probably item 7 - other matters.

At the university we offer a range of different programs that are related to tourism education. We have a Bachelor of Business which has a tourism major in it. We have a Bachelor of Tourism program. We have a Bachelor of Business Administration (Tourism Management), a Bachelor of Business Administration (Hospitality Management) that are offered variously across the Hobart and Launceston campuses of the university at the moment.

We in the faculty have been involved over the last year-and-a-half with the Launceston Chamber of Commerce, Tourism Tasmania and the Tourism Industry Council of Tasmania to try to work out between us the best way or potentially the best way to educate those people who want to work in the industry. We face a number of challenges in doing this. After a very productive meeting that we held with the Launceston Chamber of Commerce and some peak-body representatives in early June last year we decided that tourism education really needs to be viewed as a whole-of-industry approach in which we consider not just the university sector but also the VET sector, the RTOs and so forth. So if we looked at all post-compulsory education we see tourism education as perhaps an articulated sequence of programs that variously meet the needs of different people. That has led to a survey, which is currently live, of tourism industry members about what we might be able to do at a university level to suit the needs of the industry.

Mr FINCH - The survey is out in the industry now?

Dr GRIMMER - Yes. It was released to its members early this week through the Tourism Industry Council and then on an additional database that both Tourism Tasmania and the university provided, so we will hopefully get feedback on that by the end of June.

Possibly one of the main issues we face in trying to work out where to position tourism education is the type of career that people want to get into when they undertake the education. You had testimony from Daniel Hanna in November last year. He mentioned that 85 per cent of tourism businesses have five or fewer employees and 75 per cent have a turnover of about \$250 000. That presents a challenge for those of us who are involved in education because we have to be able to sell a career. We have to be able to say that if

you do this sort of degree or diploma it will lead to a certain type of job. In a State where we have so many people employed in these very small businesses, at a university level we have a bit of a challenge because by and large microbusinesses don't employ university graduates. We are trying to adopt a whole-of-sector approach to work out the best way to deliver different levels of education so that people are most suited, when they graduate, and whatever they do, to the type of work they want to get into.

CHAIR - I heard that none of the graduates who started in the first year of the tourism course had been able to gain employment in tourism businesses in Tasmania. I understand that you are looking at making the course more vocationally oriented so that graduates will be equipped to fill positions that are available, rather than being equipped for positions that are not available and training far beyond skills that are needed.

Dr GRIMMER - That is a bit of an issue. If, for example, we find visitor numbers increasing in Tasmania, that does not automatically translate to more jobs suitable for graduates with university degrees. It may translate to people who have certificate or diploma-level qualifications, not necessarily degree-level qualifications. Trying to judge where best to pitch our training is a bit of an issue for us.

CHAIR - Do you have any statistics, over the years that the tourism course has been available at the university, as to how many graduates have been able to get employment in tourism-related industries?

Dr GRIMMER - It relies on graduate destination survey data at the university, which I am slightly ashamed to admit is patchy because it relies on people returning surveys.

Dr HECKER - Six months after they have graduated, addresses change and they have often moved beyond us.

Dr GRIMMER - We get very low response rates. I had a look and that information could only be based on the return rate for the latest one, which was 2007, and only four people returned the survey, so I wouldn't like to make any statements on the basis of only four people.

Mr FINCH - So 25 per cent were employed in the industry.

Laughter.

Dr GRIMMER - I think one of the four people was employed as a shop assistant. It is very hard to find out where they are employed.

Dr HECKER - That is one of the things that feed back to getting students into the course. If there is no feedback that the course leads to careers or jobs then we are in that cycle.

Dr GRIMMER - I have spoken with Claire Ellis from Tourism Tasmania a number of times about these issues and she indicated to me last year that in their graduate employment they did not employ anyone from tourism; they wanted people that had public relations and copywriting skills that year. Our peak body was not employing any tourism graduates.

CHAIR - Do you know how many graduates there have been? Do you have records?

Dr GRIMMER - Yes, indeed. I can tell you how many were enrolled in the B.Tourism degree itself over the last few years. At the moment - and these are bodies so this is not effective full time, it is a count of the number of people enrolled and so it includes part time and full time - in Hobart there are 46 and in Launceston there are eight.

CHAIR - That is now?

Dr GRIMMER - Currently.

Mr PARKINSON - What are you calling the course again, something Tourism?

Dr GRIMMER - B.Tourism. Last year in Launceston there were 17 and in Hobart there were 47. The year before that, in Launceston there were 19 and in Hobart, 48. That balance maintains at a reasonably stable level. We are only one of two universities in Australia that offer a B.Tourism. Most of them have moved out of that degree title.

CHAIR - Do you know how many of these would have come to Tasmania to do that course, if any?

Dr GRIMMER - I would suspect very few, but that is not just a characteristic of the tourism program, that is the university generally. We do not attract a lot of mainland students.

CHAIR - Are you able to say how many of these have graduated in the three-year course?

Dr GRIMMER - I do not have that data to hand but I can supply that to you at a later time, if you like.

CHAIR - Just some indication. There were 67 enrolled three years ago, what would you think, half?

Dr HECKER - Probably 80 per cent of those mentioned would have been full time.

Dr GRIMMER - You would find that when students enrol in a degree there is some attrition as it goes across the years. It would probably drop to between 50 and 70 per cent. But I would prefer to confirm that before answering.

CHAIR - Yes, thank you.

Dr HECKER - Part of that is just straight attrition; they are leaving because a lot of students will pick an introductory to tourism unit up as an elective as part of something else so the attrition is planned on the part of the students. It is not that they don't like the course and leave.

Mr FINCH - Given those figures that are slowly diminishing, are they healthy numbers in respect of other faculties and what you are trying to achieve with the course and what is the future of the course?

Dr GRIMMER - In terms of the numbers overall, they are viable in Hobart; they are not in Launceston. At the moment the tourism units that are offered in Launceston have an average of 3.8 students per subject. To be viable, a unit - or a subject rather; we call subjects units at the university - would need to have at least 16 students to be viable.

Mr FINCH - Why the disparity? Why are there more in Hobart than there are in Launceston?

Dr GRIMMER - Partly it is demographic, partly it is the population.

Mr FINCH - But there is 52 per cent of the population in the north of the State.

Dr GRIMMER - Yes, but Hobart versus Launceston. It is partly that. It is partly, I think, perception of where jobs are and, as Rob alluded to, I do not think there is a lot of confidence that a degree in this area will lead to a job in the area. The other factor is that we no longer have an advanced diploma offered at VET level in Launceston.

Dr HECKER - Yes. That was one of our great contributions, the advanced diploma in either tourism management or hospitality management, from VET. It got a good deal going into a Bachelor of Business Administration in tourism. So they did a summer school one year and then they graduated with a degree. I am not suggesting they would do the VET because it was cheaper than university but it was. So it was a good way to get into the university system and it was a good degree.

Dr GRIMMER - It was a major pathway for them.

Dr HECKER - A major pathway, and once that comes out of Launceston there is not that articulation from VET into university. So we are fighting against a feeder suddenly disappearing.

Dr GRIMMER - Which is why I said earlier that we needed, within the industry, to think of tourism education as not just university but also VET sector and RTO, because we really do have to have these pathways available for students to come into these programs.

Dr HECKER - You can leave years 11 and 12 doing economics and think that an economics degree is good but you are unlikely to leave years 11 and 12 - tourism, what?

Dr GRIMMER - So it is viable in that the degree is viable in one location at the moment, that a specialist tourism degree is viable in one location. But the future of not just tourism education at a university level but a lot of business education does not necessarily lie at the undergraduate degree level, it relies on the postgraduate degree level or a postgraduate certificate or diploma level. In our faculty we are looking at a lot of development in terms of graduate certificates and graduate diplomas and MBAs with specialisations and we are looking at developing a graduate certificate of tourism management or a tourism management specialisation as part of an MBA.

Dr HECKER - Or generalised business degree that has a tourism focus, and that is more likely to appeal to people in the industry, late twenties, thirties onwards, rather than directly out of schooling too. So if we cannot capture them out of school then we have

some chance of capturing them when they have gone out into industry and seen that there are opportunities and we may be able to capture them then as an education.

Dr GRIMMER - We are getting a lot. We have done an amount of market research for our faculty generally. Last year we did a statewide random survey of about 860 people about what they are interested in, in business education broadly, but also things like what duration of course are you interested in, what study mode are you interested in and so forth. There is a lot of interest in shorter programs versus longer programs. Undergraduate degree programs that go to three years are now becoming less popular than, say, graduate certificate programs that can be done full time in six months. In terms of educational product they are becoming more saleable and in our faculty we rely increasingly on those types of programs rather than undergraduate programs.

Mr FINCH - Martin, will that opportunity be shared again? Will that develop so that you have that opportunity for people at the Launceston campus and the Hobart campus?

Dr GRIMMER - Yes.

Mr FINCH - I see a little bit of a threat here of perhaps the door shifting back down to Hobart and then we miss the opportunity for people who might want to stay closer to home or in a northern location. You do not see that happening, that it might all transfer to Hobart?

CHAIR - I think it probably has this year, hasn't it?

Dr GRIMMER - For the undergraduate level but not the postgraduate level.

CHAIR - No.

Dr HECKER - We are currently running an MBA program in Launceston on weekends, so it is predominantly for people in business who are looking to move into education that way. Also I think we are going to spend the time and money to develop the graduate certificate in tourism management both as a face-to-face and a flexible distance unit. Our problem is we cannot be in Strahan and we cannot be in Riverside and St Helens at the same time but we can provide a product that is available for students in more flexible ways if they are in town or in Launceston; we can do some face-to-face there. I think in the end, with the unusual population spread that Tasmania has, that is the way we are going to have to provide more and more of our education assets.

Mr FINCH - Yes. If you look at our big employer, Federal Hotels, with their operations at Saffire and Strahan -

Dr HECKER - Just about to open Saffire tomorrow.

Mr FINCH - Is that right?

Dr HECKER - If you have \$1 250 a night for a minimum room you are quite welcome!

Mr PARKINSON - I was going to say, Rob, have you booked in yet.

Dr HECKER - No. I was talking to Brendan who is the Finance Director of Federals this morning and even he does not get to be invited either.

Mr FINCH - My wife would have torn the invitation up then.

Dr GRIMMER - As Rob was saying, someone can now do an MBA fully flexibly, they do not have to come onto campus.

Mr FINCH - That would appeal to Federal Hotels, wouldn't it? If they are trying to attract staff to go to places like Strahan and Saffire they can say, 'Here's an opportunity to continue your education and your development'.

Dr GRIMMER - Just following that train of thought about MBA qualifications there is an international move in business to reduce the number of degree titles and to go back to what are considered the more venerable titles - Bachelor of Economics, Bachelor of Commerce or Bachelor of Business and MBAs. We are now preferring to keep those titles because they have a lot more portability. Instead of saying Bachelor of Tourism if we can say Bachelor of Business with a tourism major or if we can say MBA with tourism management specialisation or something like that, that qualification has more kudos to be honest than a Bachelor of Tourism does.

Dr HECKER - It seen by students as being more flexible too that you are not locked into one stream and only one stream and they are smart enough to work out whether they get the bang for the bucks.

Mr FINCH - Yes, and it might help them too in respect of perhaps some issue with the fact that in the past the tourism students have not been able to go on and secure employment; it is specifically around that sector.

Dr HECKER - Yes.

Mr FINCH - Could I just ask about the survey that you are doing and it is wonderful that you are doing that because it will give you that industry feedback. What are you hoping to get from it? What do you get a sense of? What would be your expectation from the survey that might help your planning?

Dr GRIMMER - My expectation is that, because we have asked questions about the number of degree graduates that are employed in different tourism businesses - and obviously this survey is university focused - we will find people reporting that there are not actually that many degree graduates employed. What we are also expecting to find is that a wider range of topic areas reported than just simply tourism generally. In discussions with people from Tourism Tasmania and with the Launceston Chamber of Commerce in particular when we delve into what they are actually interested in we find that they are not just interested in something with the name 'tourism' in it, they also are interested in things like marketing, consumer behaviour, accounting and the types of general business enterprise areas that we do generally in the faculty. Even though it may not have the title 'tourism' in it, a lot of these are generic business skills that can be used in any industry.

Dr HECKER - Federal is more likely to employ someone with a human resource management qualification or a marketing qualification than a tourism qualification

because across their business there is more demand for that - HR and marketing. We have that problem again and again where the concept of tourism as a degree is limited for employers, let alone potential employees.

Dr GRIMMER - Yes. Because of the high focus in the north of the State on smaller businesses we have a plan to increase the focus on enterprise development in the north. With support from the university, we have appointed a professor of Enterprise Development to be based in Launceston who will start hopefully early next year. That candidate comes from Georgia in the US and is very well known. He is the first person I have heard say 'Y'all'.

Laughter.

Dr HECKER - Just as part of the conversation.

Dr GRIMMER - When he came out for interview he was feted by the Chamber of Commerce in Launceston and made some very good links there with people like John Dingemane and Darren Alexander who are influential in that community. They got on very well and they are quite interested in things like venture capital and entrepreneurship and small business and so forth. Our expectation is that that will become a focus that will be useful for smaller tourism businesses and other small businesses.

Mr PARKINSON - That brings me on to the area I am interested in - the more general area of overseas students or tourists -

Dr GRIMMER - We prefer the term 'students'.

Mr PARKINSON - and their families. Approximately how many overseas students do we have in Tasmania? I do not expect you to come here with the exact number.

Dr GRIMMER - If I start with my faculty and the faculty of business at an undergraduate level, we currently have effectively 235 full-time - that consists of part-time and full-time so there are actually more bodies in place.

At postgraduate level we have currently effective 297 full-time in our faculty alone. If I look across the university -

Mr PARKINSON - Is your faculty the commerce faculty?

Dr HECKER - Faculty of business.

Dr GRIMMER - We have the largest proportion of international students in the university. Across the university currently there are 520 effective full-time postgraduate international students and 1 212 undergraduates. That is effective full-time, so that means that you can divide that by 0.75 and that will give you a better idea of the actual number.

Dr HECKER - Those students are not taking the full load in any semester. I guess I have about 500 students postgraduate in the faculty of business doing postgraduate course

qualifications, predominantly masters, which grew from a base of four or five years ago of about 70 maybe 60?

Dr GRIMMER - A very small base if I look at following the postgraduate numbers in 2005 and these are indicative. These are enrolment numbers, not effective full-time, but the number of bums on chairs. In 2005 we had 697; by the end of 2009 we had 1 354. So basically it has doubled.

CHAIR - And as we have discussed in our committee before, those students when they graduate often have a number of members of their family coming from their home country to attend the graduation and stay here and travel around.

Dr HECKER - They do, they attract all the time. One of the concerns you have is whether they will graduate - 'Mum and dad have booked their tickets already, so I have to graduate'. The pressure is on at lots of levels.

Mr PARKINSON - Do you have a country of origin distribution?

Dr GRIMMER - Not with me but I can provide that to you if you would like?

Mr PARKINSON - I would appreciate that.

Dr HECKER - You could start with China I think that might be the number one. China, Malaysia, Thailand.

CHAIR - Vietnam with engineering?

Dr HECKER - When we start to talk about engineering you are right, we run a combined course. They do the first few years in Thailand and then come across to us. A lot of them come across to do PhDs as well.

CHAIR - And they do the same in Vietnam?

Dr HECKER - Vietnam has been a growth area for us across the board. So has China. In our faculty we also run a major degree program in Shanghai, where currently 219 students have just sat an exam for one unit.

Mr PARKINSON - In Shanghai?

Dr HECKER - In Shanghai. We have about 1 200 alumni from the faculty of business in Shanghai now.

Dr GRIMMER - We currently have about 600 students in our faculty in Shanghai.

CHAIR - Will the advent of broadband help in that respect and within the State?

Dr GRIMMER - It will help enormously. In terms of the ability to provide flexible programs we are hampered by Internet speed and also bandwidth - so the amount of data that can be transmitted. It will make a very big difference. We can then start to seriously consider doing things like live broadcasting of lectures to people's own computers, but at

the moment it would be too unreliable to do that. Even within the university, video-conferencing, as the chair has found out, can be unreliable as well at the moment. If we increased the size of our optical fibres, or whatever one has to do to for improving it -

CHAIR - It is not too bad, is it?

Dr GRIMMER - It has been a lot worse.

Mr PARKINSON - I went to a graduation ceremony for TAFE or VET last year and they mentioned a number of people studying in Shanghai.

Dr HECKER - That is another lot on top of that again. Tasmania punches hugely above its weight when it comes to education in places like China. I have been teaching overseas since 2000. I walked into the job and within two months I was teaching in Singapore and Kuala Lumpur. We ended up being there; that is what we do.

Dr GRIMMER - UTas has a very good reputation in Asia. We get more offers for partnership programs than we can entertain.

Mr PARKINSON - What they might learn about Tasmania through their courses, or is it just a straight academic approach?

Dr GRIMMER - The curriculum itself is academic but the UTas experience is designed to be more than just that. International students are provided with a range of information at orientation and when they come, and there is a lot of support from the university's international services.

Mr PARKINSON - That is the ones who come here?

Dr GRIMMER - Yes, that is correct. The university also, as the Chair knows, runs a community friends and networks programs in which international students and other students new to town may choose to be involved and can be a partnered with a host, a Tasmanian family or individual who in essence act like a big brother.

Dr HECKER - Because we teach in China we are now getting a lot of masters students who do an undergraduate degree in China and come here to do masters degrees. I have a new PhD coming down in the next month who recently graduated. A whole lot of connections will be felt over the years because we have only been in that for three or four years. As these people move into more senior positions in business we would hope that from what we have done they will send more people to us, and vice versa.

Mr PARKINSON - Regarding the ones in Shanghai, I take it we are only talking about the business course numbers; there are others as well?

Dr GRIMMER - Yes. There are approximately another 600 through the Faculty of Science, Engineering and Technology. University-wide there are about 1200 students in Shanghai. There is another program in Hangzhou, near Shanghai, that has a smaller number of people - about 80-100 students.

Mr PARKINSON - How are the courses administered?

Dr GRIMMER - We have two models running at the moment. In Shanghai, because of the large number of students there, we have a mix of what are called 'auspiced units' - units that we quality-assure and local hired lecturing staff teach - and 'visit units', where teaching staff from Tasmania go to Shanghai and teach.

Dr HECKER - Block teach for a week at a time.

Dr GRIMMER - In the program in Shanghai we offer 18 units in our faculty, and accept credit for prior study and so forth. For half of those we visit and the other half are quality-assured.

A program that we began last year in Hong Kong is a fully auspiced program. Local staff teach it; we quality-assure, so we approve the staff who teach. We moderate and provide the assessment, the course content and so forth. The other program we have - in Kuwait of all places - also follows that model.

Mr FINCH - In relation to overseas students, does the tourism course here have appeal internationally? Could we attract students from overseas to do the tourism course?

Dr GRIMMER - Potentially. We are predicting difficulties with international student numbers over the next two years because of changes to permanent residency requirements that have come through DIaC, and because of things such as the strength of the dollar and the explicit decoupling by the Federal Government of education from immigration. To gain permanent residency, a university graduate now has to be tested for their English language ability, whereas previously graduation from the degree was taken as equivalent to the English standard required. Approximately 40 per cent of international students would express an interest in permanent residency. Even though perhaps only 20 per cent of them take up the option of permanent residency, closing off that option makes the whole deal of studying in Australia less attractive than what it has been. It is a matter of serious concern for us at the moment because, in the way universities are funded federally, we rely quite a lot on income from international students.

Mr PARKINSON - So what is the thinking behind closing that off?

Dr GRIMMER - Without having any particular insight into how the different Federal Government departments work, my suspicion is that the interests of the people who work in immigration are different from the interests of those who work in education or Treasury. Treasury counts education as the third highest and sometimes second highest export earner in Australia. The changes to permanent residency potentially may devastate those numbers. At the moment the number of student applications from India this year are only 10 per cent of what they were last year. That is Australia-wide. In Tasmania we have far fewer students coming from India so we are less exposed to that problem.

Dr HECKER - We have been mightily exposed to Chinese students here.

Dr GRIMMER - The other issue is the strength of the dollar. At the moment for a student coming from China, if you convert the Australian dollar to Chinese renminbi, studying a program in Tasmania is twice as expensive as it was at this time last year.

Mr PARKINSON - What is the rate?

Dr HECKER - I have had it as low as 3.9 and as high as 6.4 in a six-month period. Trying to keep control of any program that has that range of variation is difficult. Parents save to send their children but by the time it comes up they simply cannot afford to send them. It is a very large expenditure. Fees for postgraduate courses are about \$2 150 a unit. If you are doing eight units that is about \$21 000 a year, and that is just fees without living expenses. So a student coming here contributes something like \$35 000 to \$36 000 a year into Tasmania. So international students are important across the board.

CHAIR - Six or eight years ago students and their families needed to have actual cash in the bank to cover their first year here. Is that still the same?

Dr GRIMMER - It depends on the classification of the country of origin of the student.

CHAIR - That was for China. That would be very difficult for most Australian families. They could not come with real estate or shares; it had to be actual cash in the bank.

Dr GOODWIN - It is probably a requirement, going the other way, for Australian students wishing to study overseas. At some universities they would probably have to pay up front or show they have the capacity to pay.

CHAIR - It is limiting either way, isn't it?

Dr GOODWIN - I want to go back to the point you just made about the Indian students. What do you think the reasons are that they are not coming?

Dr GRIMMER - There is a number of reasons. You would be aware of the negative press Australia has gained in India as a result of attacks and so forth in predominantly Melbourne and Sydney. That is one of the reasons. The other reason is that India has been classified as a category 4 country for visa purposes which means that students have to have up-front the entire cost of the study program that they are doing.

CHAIR - Not just one year in advance, the entire cost?

Dr GRIMMER - The entire cost. What that means, of course, is that Indian students have tended by default to take cheaper and shorter programs and so we have had a proliferation of the private colleges in Melbourne and Sydney, some of which have a questionable reputation, and it has subsequently collapsed and these stories have been brought back to India and the cycle has created a very negative impression of education in Australia.

Dr HECKER - Which is a pity because if you look at an Indian undergraduate degree, you can't differentiate them from ours and they are more likely to be successful in seeking permanent residency because in general English is a cradle language for them. In terms

of all those things Indian students are more likely to become permanent residents and citizens of Australia.

Dr GRIMMER - And from a personal point of view, Indian students are very good to teach.

Dr HECKER - Yes.

Dr GRIMMER - They are very interested and they ask a lot of questions. It is a delight having Indian students in the class.

Mr PARKINSON - I remember the ones I studied with were great people. In fact some of them are still friends.

CHAIR - They must be very tolerant.

Mr PARKINSON - They must be, you mean?

CHAIR - That's what I said.

Mr GAFFNEY - Tourism in Tasmania is fairly in its infancy. We only have one or two big players, Federal or whatever, and so I have to put out there that a Bachelor of Tourism seems a bit flaky because there is no career path, there are no aspirations and it doesn't reflect in their monetary aspirations, yet in other places in other countries a bachelor degree of that standing would help them up the ladder. When you say most of Tasmania is a lot of small businesses and you have a Bachelor of Business, does that have small business sections and tourism and that sort of thing? You just can't sell the Bachelor of Tourism around the place. I think you are doing the right thing by steering away from it, if that is what you are eventually going to do and have it under another umbrella. I think it just does not have the credibility in the tourism sector on the north-west coast or in other places.

Mr PARKINSON - How about a bachelor of parks and wildlife?

Mr GAFFNEY - The interesting thing here is what is your industry involvement? Federal will have the Saffires and whatever; there are some bigger businesses in Tasmania that are starting to come to the fore, whether it is aquaculture or mining or whatever. What is the role of industry in promoting a bachelor degree linked with tourism and marketing? Have you a lot of support from the industries?

Dr GRIMMER - We tend to work through the peak bodies so we have, for instance, an adjunct professor in our School of Management where the tourism program is run, Malcolm Wells who is ex-deputy director of Tourism Tasmania, so he was involved in realigning the degree when he joined us. I should have pointed out that the degree began in the School of Sociology and Social Work when it first started and it moved to the Faculty of Business in 2005. We then realigned it as a business degree rather than a sociology degree which was what it was at the time. So either through Tourism Tasmania or the Tourism Industry Council or the chambers of commerce we have tended to work through that way.

To return to your original point, I agree; I think the more established degree titles have more portability and more creditability.

Mr GAFFNEY - Do you have a business of agriculture? What is your agriculture marketing? Do you have a business degree? If there is a degree in agriculture, I see agriculture tourism or ecotourism or that sort of thing to be an adjunct to that that hasn't been thought about in the past. So therefore on the north-west coast where you have a lot of red soils and different crops coming on - wasabi and that sort of thing - it is the tourism marketing aspects of those that the farmers perhaps have not in the past had, so I can see some synergies between that and way forward with marketing and tourism.

Dr HECKER - We have just been dealing with the School of Agricultural Science because traditionally you did agricultural science because you are either going to have a pair of gum boots and do research in the field or you were going to be in a lab somewhere. But just in the last four or five weeks we have been working towards having an undergraduate AgSci degree that has a business line through it as well as agricultural science. Agricultural science, as you see now, is paddock-to-plate, which is important and paddock-to-plate includes visitors to the farm as well as those guys not working in gum boots but working within that supply chain. So we will be up to faculty teaching and learning in the next couple of weeks with a master of business administration in agribusiness. Agribusiness will grab a wider range. I think there are a whole lot of kids who start who do not necessarily want to be agricultural scientists but want to work in those things associated with agriculture.

Mr GAFFNEY - And the legitimacy of having a tourism aspect within that will then make that person more attracted to getting a better career path because they have an understanding that they would not have that career path with just tourism.

Dr HECKER - Absolutely.

Dr GRIMMER - And you do tend to find that in tourism matters a number of the skills taught are not quite generic anyway so marketing and tourism is not that different from an area that we call services marketing which we teach - it is tourism with a service.

Dr HECKER - Tourism research or marketing research - I think they are interchangeable.

Dr GRIMMER - They are not very different so because in some cases some of these areas are very specialised what we can do is offer a more genericised subject that allows the students to vary their own assessment to apply to their own particular context.

CHAIR - Do we have a course in hotel management or is that TAFE and Skills Tasmania?

Dr GRIMMER - We have a bachelor of administration and hospitality management which is articulated from TAFE, so the students taking that degree do two years at TAFE and then do 10 units with us to gain that degree.

Dr HECKER - It is a really good because the VET side of it gives them all the practical experience of hands-on and what we find is a lot of people would not come to university to do that but if you give them an opportunity to do the hands-on stuff then they are

happy for us to put the theory and the other stuff on top of it. So it has turned out to be a really excellent way for the students who don't want to come to us first of all.

Dr GRIMMER - It is a very good pathway.

CHAIR - Of the eight students at Launceston this year, they would all be in second or third year wouldn't they because there is no first-year course due to the lack of numbers this year?

Dr GRIMMER - That is correct. The first-year units have been suspended under review, so we are going to be looking at the survey we alluded to earlier.

CHAIR - It sounds very good, bachelor of tourism, but it has no practical benefit in the main.

Dr HECKER - I think it is a leave over as much as Martin alluded to the fact that we came from sociology to business and we tinkered around the edges, but I think it carried very much a sociology perspective for it is a sociological view of tourism. I am not sure that in the end it came across well and it was perceived in that way. It was an interpretive view of tourism. We tend to be very much more down to earth.

Dr GRIMMER - I would agree with Mr Gaffney's comment I think that the degree title itself has had a shelf life and that shelf life has expired. That is normal in education; we do find that sort of thing occurring. With information systems and computing, we all thought they would skyrocket in terms of student numbers and they did for a while but they have now plummeted because students are learning most of what they need at a secondary school level and by and large when they come to university they know much more about it than most of us do.

Dr GOODWIN - I guess degrees come and out of vogue as well don't they?

Dr GRIMMER - Yes, pretty much.

Mr GAFFNEY - Master of Facebook!

Laughter.

Dr HECKER - Which is why the move to try and get back to some basic terminology so that over a longer period we have a terminology that has longevity.

CHAIR - Dr Richard Herr has advocated at some time - and you may be aware of it - that Tasmania has the potential to have a degree for people living on islands, which would appeal particularly to people living in Pacific island countries. It would draw more people here for various matters that interest people living on islands rather than on larger landmasses.

Dr GRIMMER - I am not specifically aware of Dr Herr's comments but the Vice-Chancellor, Professor Le Grew, has talked over a number of years about having what he might have called 'Tasmanian experience' units that can perhaps be put together into some major or line of study and that focuses on aspects of life in Tasmania. That might mean a wilderness experience or something to do with aquaculture, forestry, aspects of

tourism and so forth. It is not much further than conceptual at this stage. It is being talked about as a nice idea. A former MBA student tried to involve surf lifesaving in that process - there are more surf lifesavers in Tasmania than I would have thought.

Dr HECKER - Professor David Adams is part of our school and David is the inclusion commissioner. So, in a sense, part of the school is going that way because inclusiveness, in an island State like ours with a spread population like ours, opens up areas that a traditional university would not go into. That would be another area where we may progress somewhere because David is really enthusiastic about the concept of microbusinesses, and islands and diverse populations tend to end up being driven by small and microbusinesses. We know there is Federal Hotels out there and a couple of others but in fact it is the micro and small businesses that really provide opportunities.

Mr FINCH - Regarding the university experience and what is going on with your tourism course, I am wondering about the communication you have had over the years with Tourism Tasmania and the dialogue that might exist between the State Government and the university. Is there dialogue on a regular basis? Do you communicate? Are they interested in what you are doing? Are you interested in what they are up to and how they are developing their work for the betterment of Tasmania?

Dr GRIMMER - I think it would be fair to say that currently the dialogue is quite good. I have had a number of meetings this year with Claire Ellis from Tourism Tasmania and Daniel Hanna from the Tourism Industry Council of Tasmania on a number of matters. It would also be fair to say it has waxed and waned. One of the criticisms we can take and which would be fair is that the people in charge of the program probably have not maintained as strong a link with Tourism Tasmania as they perhaps could have. I think we have relied, to some extent, on having Professor Malcolm Wells involved in the program; as an ex-deputy director of Tourism Tasmania we have assumed that all will be well if he is involved. However, we are now more in communication than we have been in the past. I think that is a fair comment.

Dr HECKER - I think it helped that the school ran a conference in January on tourism hospitality education. That brought together about 240 academics from around Australia who teach in tourism hospitality, plus we had people from overseas - Hong Kong, China - and also from Tourism Tasmania and the Tourism Advisory Board. It was one those happy timings that further engendered some life in dialogue between us all.

Dr GRIMMER - We also invested some of the profit from that conference into research and program development in tourism.

Dr HECKER - We actually made a profit out of a conference.

Mr FINCH - There is an opportunity for the industry to use the university and its students to come up with some research opportunities and to get more of an understanding of what is going on.

Dr GRIMMER - Yes. Tourism Tasmania does offer things like scholarships for honours students but they are not specifically business-oriented. They may be taken up by business students but they are often taken up by students from the School of Geography

and Environmental Studies - ecologically oriented studies, alternative studies and so forth. So while the university is taking up opportunities, it is not always with our faculty.

Mr PARKINSON - Yesterday I neglected to ask the Launceston City Council what the memorandum of understanding with the University of Tasmania was all about.

Dr GRIMMER - We have an MOU with the Launceston City Council and the Hobart City Council.

Mr PARKINSON - To achieve what?

CHAIR - Amalgamation.

Laughter.

Dr GRIMMER - It covers a range of educational and infrastructure-related issues. Without speaking about the Launceston ones specifically, I attended a meeting of senior management from the university and from Hobart City Council. We discussed things such as student safety in Sandy Bay, traffic through the campus, lighting and so forth - practical infrastructure issues - all the way through to educational programs that we might be able to offer Hobart City Council staff. It is in the same vein with Launceston. Our faculty, for example, through that MOU has this year offered a discount for Launceston City Council staff to study in the MBA as an introductory offer for that unit.

CHAIR - Thank you very much; we appreciate your interest and active involvement.

THE WITNESSES WITHDREW.