

UNCORRECTED PROOF ISSUE

Thursday 6 June 2013 - Estimates Committee B (Bacon) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Thursday 6 June 2013

MEMBERS

Hon Ivan Dean
Hon Kerry Finch
Hon Mike Gaffney
Dr Vanessa Goodwin
Hon Tania Rattray (Chair)
Hon Adriana Taylor

IN ATTENDANCE

Hon. Scott Bacon MP, Minister for Finance; Minister for Tourism; Minister for Hospitality and Minister for Veterans' Affairs

Ministerial Office

Ruth Davidson, Head of Office

Department of Economic Development and Tourism and the Arts Tourism

John Fitzgerald, CEO

Adam Sproule, Director Operations and Planning, Tourism Tasmania

Kath McCann, Director of Marketing, Tourism Tasmania

Glen Dean, Managing Finance, DEDTA

Department of Economic Development and Tourism and the Arts Hospitality

Jacqui Allen, Deputy Secretary, Culture, Recreation and Sport

Charles Bracewell, Acting Director, Events Tasmania

Glen Dean, Manager Finance, DEDTA

Department of Premier and Cabinet Veterans Affairs

Alex Schouten, Manager, Programs and Services, Community Development Division DPAC

Department of Treasury and Finance

Martin Wallace, Secretary

Tony Ferrall, Deputy Secretary, Budget and Finance

Wendy Sawford, Deputy Secretary, Economic and Financial Policy

Jonathon Root, Director, Revenue, Gaming and Licensing

Richard Easther, Director, Corporate Support

David Bailey, Director, Budget Management Branch

James Craigie, Director, Intergovernment and Financial Policy

Craig Jeffery, Director, Government Finance and Accounting Branch

Paul Kingston, Director Procurement and Property Branch

Michael Gluskie, Assistant Director, Finance & Administration Branch

The committee met at 9.00 a.m.

DIVISION 1

(Department of Economic Development, Tourism and the Arts)

Minister for Tourism

Output group 3

Tourism

3.1 Tourism -

CHAIR (Ms Rattray) - Good morning and welcome.

Mr BACON - Tourism Tasmania will spend \$11 million in 2013-14 marketing Tasmania as a world-class tourist destination, with \$1 million additional allocated to work with major air and sea carriers to promote the state. Last year as part of the Tasmanian Jobs Package the state government injected an additional \$1 million into Tourism Tasmania's cooperative marketing programs with airlines. In the 2013-14 budget this will continue, with a further \$1 million allocated to Tourism Tasmania specifically for marketing activities.

The funding allocation is aimed at capitalising on the record flights to and from Tasmania over the recent peak tourist season. The Tasmanian Access Report commissioned by the Tasmanian government highlighted the need to work with airlines to ensure we can retain as many of those services as possible, which is why this funding is so important. Anecdotal feedback from the industry suggests that travel to Tasmania in the first quarter of this year remains strong, with airlines and trade partners reporting very positive outcomes from their joint marketing activities with Tourism Tasmania.

We all know tourism in Tasmania is one of our strong economic drivers and we will continue to invest millions of dollars in new and better ways to market the state and support Tasmania's important tourism sector. In challenging financial times it is essential we work to ensure we get the best value for money out of our investment and I believe there is no better example of this and the good work of Tourism Tasmania than the Tasmania - Go Behind The Scenery campaign.

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This is an innovative campaign that sets Tasmania apart from other destinations while promoting the types of experience that make our state such a great place to visit.

We are also investing in research to ensure our campaigns are well targeted to ensure that every dollar we spend on marketing gets the best possible return on investment for our state and our tourism sector. Through our innovative tourism marketing campaigns, our support for events such as Dark MOFO, the AFL, the V8 Supercars and others, and our investment in infrastructure such as the Three Capes Track, the Tarkine Drive and the Tasmanian Museum and Art Gallery upgrade, we are working to give visitors good reasons to visit our state, and not just in the peak season but all year round. Tasmania's spectacular Three Capes Track is well on track, with \$6.7 million committed to the project in this year's state budget. I believe the Three Capes Track is a great example of sensitive sustainable development that plays to Tasmania's outstanding natural strengths.

Over the past 12 months through Tourism Tasmania we have seen many highlights. One of these has been the Go Behind The Scenery campaign. We have also seen the new tourism information monitor introduced, known as TIM. It is a regular quarterly survey of travelling Australians launched in 2012 and was followed shortly after with a series of presentations around the state to inform the industry of this new research product. We believe TIM will help the industry to better understand Tasmania's performance as a holiday or leisure destination and provide insights into the views, behaviours and characteristics of travelling Australians. We have also seen the Save a Mainlander and the Tassie Afterglow tactical advertising campaigns, which worked to raise awareness and drive tourism businesses for the state during winter and spring 2012. Both campaigns were developed as short-term interstate tactical marketing programs to capitalise on the growing awareness and appeal of Tasmania amongst travelling Australians, as well as the increased air capacity being scheduled into Tasmania by all major airlines. Both campaigns were acknowledged by industry, marketing and travel trade media as being novel and effective in capturing the attention of Australian travellers while also encouraging them to provide various Tasmanian holiday deals and packages.

We have also seen the finalisation of our new regional tourism model with the four regional tourism organisation now set around the state. We have also seen a range of Tasmanian businesses being successful in accessing T-QUAL and tourism industry regional development grants from the federal government with the assistance of Tourism Tasmania, and we are looking to see this continue in 2013-14.

We have also seen a renewed push into the Asian market through Tourism Tasmania on the back of the Asian white paper that the government has put out and also with the Premier's trip to Asia last year. We have just seen Tourism Tasmania with the CEO, John Fitzgerald, lead the delegation of Tasmanian tourism businesses including the Old Woolstore Apartment Hotel, Innkeepers Group, Happy Tassie Travel, Curringa Farm, the Port Arthur Historic Site and the Bridestowe Lavender Estate. This delegation, led by John Fitzgerald, was also supported by Tourism Tasmania's Asian regional manager, Vivian Chow and her team and we have already seen some positive feedback about that campaign. I am sure John can outline more about that as the day continues.

The government will continue to invest in new initiatives, cooperative marketing events and tourism infrastructure to support our tourism and hospitality sectors and make sure that they remain strong into the future.

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Mrs TAYLOR - The first thing I want to talk to you about is the criticism there was immediately after the announcement of the budget from the Tourism Industry Council of Tasmania about the fact that there is only \$1 million extra for marketing this year. I note that you have just said that we are going to do more in terms of the new access adviser. Is that where the \$1 million is going to go?

Mr BACON - No, the \$1 million will go into marketing activity.

Mrs TAYLOR - Where are you paying the access adviser from?

Mr BACON - Some 50 per cent of the funding will come from the broader development of Economic Development, Tourism and the Arts and 50 per cent from Tourism Tasmania's budget for the access adviser role.

Mrs TAYLOR - Will that be one person or will it be a department?

Mr BACON - That will be one person.

Mrs TAYLOR - You are asking one person to do a lot of things.

Mr BACON - Yes, we are.

Mrs TAYLOR - It is going to be a very busy person. You have not appointed the person yet?

Mr BACON - We are in the process of making that appointment. We are looking to have that advertised within June and then fill that position as quickly as possible.

Mrs TAYLOR - Is there administrative support for that person?

Mr BACON - It is within an existing part of the Tourism Tasmania department so that there will already be support there within that part of the department.

Mrs TAYLOR - What is the \$1 million extra in marketing targeted at?

Mr BACON - That will go into Tourism Tasmania's marketing budget which will be around \$11 million for this year. How that money is spent will be determined by the board. We envisage that there will be two major campaigns, one in spring and one in autumn with a minimum of \$4 million spread over those two campaigns.

Mrs TAYLOR - As I was coming in this morning, I heard an interview on the radio with a travel agency that said what people are buying at the moment is weekends - fly in Friday night, fly out Sunday.

Mr BACON - Absolutely, and I think it was Gourmet Travel that just announced Hobart as the number one weekend away in Australia.

Mrs TAYLOR - That is fantastic for Hobart but it does not do anything for regional tourism weekends.

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Mr BACON - That is right and one of our major focuses is on regional dispersal. It has been a positive out of the latest campaign that the number one itinerary that has been downloaded is the 14-day, all-of-state itinerary. That has had the most downloads out of the new campaign, which we see as a real positive for regional Tasmania.

CHAIR - That is the Go Behind The Scenery Campaign?

Mr BACON - That is it.

Mrs TAYLOR - Will you tell us how the four regional tourism bodies are going?

Mr BACON - Yes, we can do that.

Mrs TAYLOR - Do they get funding from you?

[9.15 a.m.]

Mr BACON - Yes, they do. They are all funded through Tourism Tasmania. They are all at different stages in their development. They are all up and running at the moment but given the set-up that is behind the Cradle Coast Authority, they were, I suppose, ready to hit the ground running with their marketing and such things. We have seen the development of the east coast under David Reed's leadership, with those two councils coming together for the first time to work on tourism. We have seen the northern regional tourism body really start to get their feet on the ground, talking about the issues that are affecting the north. We have seen the south really hit the ground running. In terms of funding, the north receives \$260 000 and the south also \$260 000 per year. The north-west will receive \$360 000 in 2012-13 and 2013-14 and their deed for 2014-15 is for \$260 000 with an agreement for ongoing discussions to increase that to \$360 000. The east coast receives \$190 000 per year through grant deeds run through Tourism Tasmania. They focus on the key deliverables of regional marketing, destination management, digital representation through 'discovertasmania.com', brand work and industry development.

Mrs TAYLOR - That funding goes to programs; does it fund people? As I understand it, they are all run by regional boards which actually are voluntary; there is no payment to the boards. You are relying on volunteers to do the -

Mr BACON - It is not just volunteers. There are paid staff within each regional tourism organisation but we provide the funding. They also receive funding from membership and from local councils and things like that. They had more funding that just the money that comes through Tourism Tasmania.

Mrs TAYLOR - There are regional paid staff in all of those?

Mr BACON - Yes.

Mrs TAYLOR - I was not aware of that with the southern western one; however, that is good. Your total visitation predictions for next year are well up. Can you tell me what the table is?

Mr BACON - Yes, I think it is around 2.5.

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Mrs TAYLOR - Yes I was looking at table 2.5 which is on page 2.10. With total visitation to Tasmania, obviously there has been a drop this year or you expected a drop this year from 855 000 to 840 000. But next year you expect it to go to 914 000 which is your total target.

Mr BACON - Yes, and the year to date to the end of December was around 904 000, so I think that is targeted.

Mrs TAYLOR - That is why you have set your target, I presume, higher next year. That is good. What I am interested in is that your international visitation target to Tasmania is not up much at all. Considering you are doing this Asian Century white paper initiative, why is that not higher?

Mr BACON - Numbers are quite volatile in terms of individual countries but we see a real positive internationally. It does take time to grow those markets. Obviously, with the high Australian dollar -

Mrs TAYLOR - Australia-wide we are certainly seeing Chinese tourism, for instance.

Mr BACON - Yes, and I think it was 54 per cent growth in Chinese tourism at the end of March.

Mr FITZGERALD - We are seeing really good growth out of Asia but it is still off a relatively small base. Our markets traditionally have come out of the western hemisphere countries and, as you will be aware, they are all financially challenged in their home markets at the moment. So we are seeing declines out of the west into Australia and into Tasmania as well, generally speaking. They are still a big part of the market so with those kind of stagnant or in decline, the Asia growth off a small base will take some time to mature and start to accelerate that growth.

Mrs TAYLOR - You are actually counting more Asians in that and allowing for less northern hemisphere.

Mr FITZGERALD - That is correct. It is growing very slowly.

Dr GOODWIN - I am interested to hear more about the delegation the minister mentioned in his overview. What took place and what has come out of it?

Mr BACON - Given that the CEO led that delegation, I might hand over to him to give us an outline of that.

Mr FITZGERALD - Thanks, minister, and thank you for the question. It was an exciting time for Tasmania. Whilst we have had a presence in the Asian market for some years now, it was the very first time we had a travel trade mission into Asia. We visited five cities in 11 days; in China we visited Shanghai and Guangzhou, then we went to Hong Kong and Singapore and then Kuala Lumpur in Malaysia. As the minister said, we took six products with us which I think was a good first mission to Asia and certainly we had a great diverse group of operators relevant to the Asian market. We were very well received; we had a series of seminars in each city with travel trade professionals, and the whole idea was to educate the major decision-makers in the China travel trade and across Asia of what there is on offer in Tasmania. We have seen some growth and we have an opportunity to work with the key sellers in travel in Asia to accelerate that

growth for the future, as well as an opportunity for those six operators to increase the distribution of their product in Asian travel programs. We probably spoke with in excess of 150 travel professionals across Asia, right through from frontline people to product managers who determine which products go into the programs through to, myself personally, hosting meetings and luncheons with CEOs of those travel companies throughout Asia.

Mrs TAYLOR - What did you give them to eat?

Mr FITZGERALD - It's more what they gave us to eat really. We ate the Chinese cuisine but we had Tasmanian wines at many of those occasions. We certainly ate the local Asian food but we also took some abalone with us, which was a big hit. They are very excited about Tasmania in relation to our clean environment. As you know if you have travelled to Asia, particularly to a city like Shanghai of 22 million people, you are lucky to see the sun let alone blue sky, and food safety is often an issue in these countries. They have to source all of their food from outside, so our clean environment, blue sky, clean water and the fact that we have the clearest air in the world is quite novel in Asia. Our seafood, the farmgate experience, the opportunity to interact with our wildlife, our accessibility and to be able to meet the people who produce the food is our core offering in those Asian countries and that seemed to really resonate. I know the Parsons from Curringa Farm have been going into Asia for some years. It was fantastic for the other operators to see them greeted with such warmth, having already established their relationships in the market.

In many respects, whilst Asia is a very digital-savvy a part of the world - the whole time you're with Asian people they're on their digital devices which means we have to be able to talk to them both in the market and on the ground through digital technology - they are also very traditional in terms of forming relationships and developing a rapport and trust with people and from that trust, business flows. Curringa Farm have certainly been there a number of times before, the Bridestowe Estate lavender farm also has other relationships in Asia and are already exporting product and the lavender bear of course was a big hit with the Asian people, but other people were also I very excited about the opportunity. Shanghai is a market that probably is less mature, Guangzhou in the south of China perhaps were a little bit more attuned to things and mature about their knowledge of Tasmania, and in Hong Kong, Singapore and Malaysia the operators were quite excited that the people understood Tasmania so it was an opportunity to connect, refresh and increase their knowledge of what we have to offer. I think it was an exceptional result for our very first trade mission into Asia.

Dr GOODWIN - I was curious as to the level of awareness of Tasmania in its own right or whether you have to explain that it is part of Australia?

Mr FITZGERALD - You do in some parts. In Shanghai and to a lesser extent Guangzhou there is a lot of translation, so there is a language challenge as well, but I think everyone was pleasantly surprised at the degree of understanding about Tasmania. I don't want to overstate that but there were very few people who had no or little knowledge of Tasmania; some might have been on a lower base than others but we certainly felt that everyone we were talking to gave us an opportunity to work with and grow.

Dr GOODWIN - Where would the Chinese market usually be going? If we are a new area for them where are we competing with?

Mr FITZGERALD - I guess most of the growth in Australia, and it has been rapid growth, has been in capital city Australia and probably north Queensland and the Gold Coast as major regional areas beyond the major capital cities. We have also seen a real shift of the groups market out of China into what we call the FIT, the free independent traveller, or a GIT or group independent traveller, where they have more freedom or travel in smaller groups. Interestingly, the Chinese government has just legislated through the Chinese National Tourism Association that all of the people selling package travel out of Asia have to declare all of the inclusions in that travel.

Previously you would have had some operators selling very cheap travel and having a whole range of options which the guide or escort on the ground in Australia then determines based on kickbacks from the industry on the ground here, and the Chinese government is legislating to try to stop what are called subsidised shopping tours by ensuring that everyone who advertises a price around travel in China has to declare the full cost of the itinerary. There has probably been a bigger gap between the cost of including Tasmania in travel from China compared to this low-subsidised travel, so now that they have to declare that. One of the advantages for us is that if it costs 24 000 RMB to include a Tasmanian Australian travel experience, before it might have cost 12 000 in the subsidised tours in the advertised rate and now they will have to include everything so it might go up to 20 000. We are in a range now and a consideration set that is closer to the main travel proposition out of China, so that is one advantage.

Our focus is around the mature Chinese travellers who are travelling the globe in massive numbers. There will be 57 million outbound Chinese travellers by 2020 and of that we have about 15 million travelling to the Asia-Pacific region. So that is the market we are in but they are becoming global experienced travellers so some of the people we are looking at have probably been to Australia before and are now looking to extend their experiences into places like Tasmania because we are coming on to their radar representing the sorts of things they want to do. They want to interact with nature but do not want to go out into the bush six hours from anywhere and have a passive experience; they want it to be close and interactive and wildlife included and great food. I think we are on a really nice platform to launch into the Asian market in a more meaningful way.

Dr GOODWIN - Do they have restrictions on how much time they have available to come out for holidays?

Mr FITZGERALD - They do. It depends on your seniority in China, who you work for and how much leave you get, but it can be as little as eight days a year. They are hard workers and try to cram a lot into their travel. We are unlikely to be a mono destination for China; they will come to Australia and do at least two destinations. We are really well placed with great connectivity in Victoria in particular I think but they will combine destinations so we will be getting, hopefully, three- to five-day-type itineraries as part of the Australian experience.

Mrs TAYLOR - Are we talking at all about direct air links? I am not talking about a regular service because that is probably out of our range. I was recently in Denmark and there are very few Asians there. The hotel we were staying in was one of the brand-new, recently built hotels - not where I usually stay but they offered a very good deal. It is an 800-room hotel.

[9.30 a.m.]

There were several groups of Asians there and I was speaking to some of them, young people mostly. The particular group I was talking to were from Singapore. I said to them, 'Why

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Denmark? What are you doing here?' and they said, 'It's a package deal'. They had come straight from Singapore to Copenhagen and were spending their time in Denmark. It was a package deal, exactly the kind you are talking about. It was a charter flight, as I understand. Is that a possibility for us?

Mr BACON - In January this year Tourism Tasmania reviewed the potential for charter flights, particularly from China to Tasmania. This study showed that the use of charter flights met with varying levels of success. Cairns is one destination that has had a lot of success, but they have worked on it for around 20 years to develop the Chinese market. The review recommended that Tasmania should instead continue to work with Tourism Australia, international airlines and commercial partners to build awareness, connectivity and products for Tasmania in China and other Asian markets.

CHAIR - So that is a no?

Mr BACON - They looked at direct flights in January, around charter flights and things like that. We are always looking for opportunities.

Mrs TAYLOR - We had a direct link a number of years ago with Singapore. I think they were charter flights.

Mr DEAN - And New Zealand.

Mrs TAYLOR - Yes, but New Zealand was a regular service.

Mr BACON - Tourism Tasmania is always looking at business cases from airlines to see which routes stack up and looking for new routes. That is something that is always on the radar, but if the business case does not stack up it is not viable.

Mrs TAYLOR - Is this one of the things your new access -

Mr BACON - Their primary role will be to work with airlines around not only the routes we currently have but also, if there is potential for new routes, that is something the new access adviser will look at.

Mrs TAYLOR - And our airport can cater for them?

Mr BACON - There is some question around the length of the runway and the payload restrictions.

Mr FITZGERALD - There are payload restrictions. To bring an aircraft all the way from Asia to Tasmania you have to use a wide-body aircraft - a two-aisle aircraft as opposed to a narrow body one-aisle, so an A330 - because the narrow body does not have the range. As a consequence, I understand we are payload restricted in terms of, 'Yes, you can land here but you would have to restrict the take-off weight, therefore you would have to put down in another Australian port between here and Asia.' You can potentially fly in but you would have to land in another Australian port.

Mr BACON - You would be stuck here, which is not a bad result.

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Mrs TAYLOR - Has that been looked at as to economic development or whole-of-government infrastructure, to lengthen our runway so we can overcome that?

Mr BACON - I know the airport recently resurfaced the runway and the Minister for Infrastructure, David O'Byrne, went down while that was happening and had discussions with the airport about the runway.

Mrs TAYLOR - And?

Mr BACON - I have not spoken to him recently about that, but we could get that detail on notice for you.

Mrs TAYLOR - I just wonder how much longer it has to be. That seems a fairly simple infrastructure problem.

Mr BACON - We can ask the minister.

Mrs TAYLOR - If that is what is restricting the possibility -

Mr FITZGERALD - You would also want to see demand. Demand would drive supply.

Mrs TAYLOR - And marketing drives demand.

Mr FITZGERALD - That is true. It is whether we are in a position such that the market would be prepared to underwrite that sort of operation at this time. I suspect we are not.

Mr DEAN - It might be cheaper, quicker and better to do the Launceston airport.

Mr BACON - Could be.

Mrs TAYLOR - I am talking about direct into the state, Mr Dean, so I would be very happy for them to land in Launceston.

Mr FINCH - Launceston is closer to China.

Mrs TAYLOR - It is much closer - 200 kms. Could they land in Launceston or is that shorter?

Mr BACON - I am not sure. They could probably land but it is the same take-off restriction.

Mrs TAYLOR - It appears to me, minister, that if that is a growing international market and we are trying to attract internationally, surely that would be one of the avenues you would explore and see whether you can do something about it?

Mr BACON - We are always exploring those opportunities for new routes, but the key for us is connectivity, particularly out of Melbourne; with so many flights from Asia into Melbourne it is important that we have good connections to make sure that you are not sitting around in Melbourne Airport for too long and that is a disincentive to travel as well. That is a focus for us.

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Mrs TAYLOR - Cost has always been an issue, though, hasn't it, that people are having to land on the mainland, either in Sydney or Melbourne and having to transfer across? It is cost and time, as you say.

CHAIR - And wait.

Mr BACON - That is why the government sees the appointment of the access adviser as a real key, not only for tourism but also for our broader economy as well, to look at issues such as that.

Mrs TAYLOR - Do you have KPIs around your access adviser?

Mr BACON - Absolutely; we will have those in place and we can discuss those next year.

Mrs TAYLOR - Yes, I was going to say, will we get a report?

Mr BACON - We can give you a bit of feedback on that next year.

CHAIR - It will probably be on budget papers.

Mr BACON - It could be in the budget papers next year.

Mr FINCH - Minister, a couple of things I want to explore on this item. In China, how do we maintain our drive, our thrust, into China? Trade offices have been opened. You might, if you are able to, enunciate to me where they are. Would your tourism people use those offices and is there a plan in place to build the connectivity to China?

Mr BACON - Absolutely. We are well represented in China. We have Vivian Chow who was part of the delegation that the CEO has just been on. We also have the government setting up the trade office in Shanghai in the budget, which will be working with our Tourism Tasmania representatives. We are also looking to work much more closely with Tourism Australia in all our international markets and, in particular, our Asian markets. That work is all going on at the moment and I think with the establishment of the trade office in Shanghai it will be an important step forward for Tasmania - for the broader Tasmanian economy - but for tourism in particular.

Mr FINCH - Will the woman you mentioned be based there in Shanghai?

Mr BACON - Vivian Chow, I think, is based in Hong Kong.

Mr FITZGERALD - She is based in Hong Kong.

Mr BACON - There is Lyn -

Mr FITZGERALD - Lyn is based in Shanghai. We have a representative, our China manager is based there and our whole-of-Asia manager based in Hong Kong.

Mr BACON - In September of last year we appointed the first - Lyn in Shanghai was September last year, I think.

Mr FITZGERALD - That was before my time.

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Mr BACON - February. We do have that representative in Shanghai and now, with the trade office, we think that will give that a kick along as well.

Mr FINCH - What sort of money has been allocated to this drive? Are you able to nail it down?

Mr BACON - In terms of the trade office, which is a part of the Premier's responsibilities leading the Asian white paper. In funding, for China there was \$262 160 set aside, \$194 280 for Hong Kong, \$170 630 for Singapore, Malaysia was \$165 000, \$149 500 for Japan and Korea was \$134 500.

Mr FINCH - So it is a fair commitment.

Mr BACON - Absolutely.

CHAIR - But out of the Premier's budget?

Mr BACON - That is a separate issue around the Asian white paper.

CHAIR - It is not in this budget?

Mr BACON - No, it is not part of the tourism budget; it is part of the Premier's Asian white paper and the focus on the Asian century includes the trade office in Shanghai, which we envisaged will work closely with our Chinese representative in Shanghai.

CHAIR - What is the general cost of a trade delegation like the one Mr Fitzgerald talked about?

Mr FITZGERALD - We invested about \$90 000 in the trade mission to Asia.

CHAIR - Some of those participants would have paid their own costs?

Mr FITZGERALD - They contributed as well. They did, yes, so they had to pay their own costs, accommodation, flights and a participation fee, but it is fair to say that we were generous in leading the industry into the market on the very first occasion. You want a good cohort. They made a contribution and I am sure they will be very keen to participate again next year.

CHAIR - Mr Finch, do you want to continue with that line?

Mr FINCH - Yes, I still want to explore the Chinese or the Asian connection, if I might, but it is good to hear that we are looking to expand and that we are investing in that area. I hear good reports on the ground here about the number of people from the orient who are coming here and who are really enjoying the opportunity to eat our oysters and abalone. They have been well hosted but I wonder whether our businesses are really geared up to look after this delicate market. They have to feel comfortable when they come here; they are short stay, they go back and you want to build on their experience. Do we have some sort of skills development program for businesses who might be dealing with Asian visitors?

Mr BACON - That is a key focus for us. We have seen some real success stories right around Tasmania. I think the lavender farm is one of the real successes in terms of Chinese tourists, and the Mercure Hotel put on Chinese breakfasts and have a certification through their own in-house training around Asian visitors.

CHAIR - Robert and Elizabeth are doing a great job with that business.

Mr BACON - They are.

CHAIR - It is fantastic.

Mr FINCH - Is that going to be expanded on, minister? As more visitors come here and there are more opportunities for them to move into regional areas particularly, are people going to have that skills development to be able to deal with those new visitors?

Mr BACON - Absolutely. It is a real focus out of the Asian white paper. Given the make-up of our population we are probably least positioned to cater for Asian tourists of any of the states so we have to have a real focus on that as we go forward. We have the China Ready workshop, which has had around 43 participants in the last month. It has become a focus of the TICT and the THA, both industry bodies for hospitality and tourism, in not only how we engage with the Asian market but also how we make sure that when they get here they have a good time.

Mr FINCH - Are you measuring that?

Mr BACON - Absolutely. There will be a real focus on that in the next 12 months.

Mr FITZGERALD - I think you are right - we have to be ready for the market. We are going to get a more mature traveller out of Asia so that is good that language will not be as much of an issue as it is in some of the group travel perhaps. As the minister said, we are working with a range of partners to have China Ready workshops and programs because people do need to understand some of those cultural nuances. Also of great value to us is that we have a Chinese inbound tour operator who lives here in Tasmania, so you have a Chinese man who owns a business here in Tasmania who has Chinese-speaking guides et cetera already. We are going okay but, yes, more work has to be done to make sure they are ready.

Mr BACON - Also, the Premier is hosting one of the upcoming Hawthorn games in conjunction with the THA and an expert on Chinese tourism to get members of the THA to become more aware of what is happening and the needs for their organisations in terms of training.

Mrs TAYLOR - I want to know how you are linking the trade office and your representative with the education outreach with international students we do because we have a university in Shanghai now and university courses and that has been going on for some years. Are you closely linked with that? Are you co-hosting?

Mr BACON - Yes. The Asian centre at the university has been set up out of the white paper and the vice-chancellor and high school educators were on the Premier's trade mission to Asia. Through Tourism Tasmania and the Tourism Industry Council there is a big push on now to see the university work with the tourism industry around not only getting more international students but also making sure that their friends and relatives come out for a visit. There will be a renewed

focus from Tourism Tasmania not only on international students studying in Tasmanian but also international students that are already in Australia and working to harness that when their friends and relatives come to visits that they make a trip to Tasmania as well.

Mrs TAYLOR - We have been offering education at both university and high school levels for a long time now and that has been very successful. UTAS offers degrees in Shanghai, so it would make sense to build on those connections.

[9.45 a.m.]

Mr BACON - There is a real collaboration between the university and the government.

Mrs TAYLOR - So, you support the members' theory on that one?

Mr BACON - Absolutely, and that is happening.

Mrs TAYLOR - Are you co-locating your people?

Mr BACON - Absolutely, and talking to the university. With the Premier setting up the office in Shanghai the opportunity is there for Tourism Tasmania, the university and the government to work together to make sure that we can harness these opportunities.

Mrs TAYLOR - That is the question I am asking you, is that what you are going to do? It would seem to make sense to have one office in Shanghai rather than three.

Mr BACON - Absolutely. That is what the Premier's white paper really was all about: what the opportunities are and who can do what and how we can work together to make sure we harness those opportunities.

CHAIR - Minister, Mrs Taylor indicated earlier that there was some criticism from the industry about the marketing dollar spend, and was compared to one third of what is spent in the Northern Territory, I believe. What is the comparative spend? I want to get an understanding of the spend by Tasmania compared to other states. So if we are one third of the Northern Territory, what are we, compared to other states?

Mr BACON - We might have to take that on notice. I can say that this year coming up we will be spending \$11 million on marketing specifically.

CHAIR - I have that written down, yes. But I thought we just cannot put ourselves against the Northern Territory, we need to know where we sit.

Mr BACON - We can take that on notice and get that information - a comparison to what they are spending on marketing in other states.

Dr GOODWIN - Minister, in your opening statement you talked about research on campaign effectiveness and that sort of thing. Can you elaborate a bit more on what you will be doing in that space and what feedback you have on the Go Behind the Scenery campaign?

Mr BACON - We don't have the final report into the Go Behind The Scenery campaign as yet. We envisage that will be available towards the end of the month but the initial feedback that we have had in terms of hits on the website and itinerary downloads has been very promising.

There was criticism from the Auditor-General around two or three years ago of what research is done into the campaigns. Since then Tourism Tasmania has been proactive in making sure that a whole lot more research goes into the use of those public funds to make sure that we are getting the best return on investment. In terms of the Go Behind the Scenery campaign, the latest figures that we have of visits to the website are around 184 200. We are looking at around 151 773 unique visitors, 282 642 page views, average time on the site of 1 minute and 44 seconds, and there have been over 10 000 itinerary downloads, with the most popular being the all-of-state 14-day itinerary, which is a positive in terms of length of stay. With regard to regional dispersal, the south three-day itinerary is the second most popular and the north-west four-day itinerary is the third most and the north-west, west coast combined 10-day itinerary is the fourth most popular. That is the initial feedback that we have on the Go Behind the Scenery campaign. We will have further detail that will go to the board to inform them on the performance of the campaign towards the end of the month.

Dr GOODWIN - You will get figures on the actual take-up rate?

Mr BACON - Yes, there is formal campaign tracking, and then a closure report on the campaign will go to the board to help inform them on what works for the campaign. Hopefully everything will work.

MR FITZGERALD - The minister has referred to both formal campaign tracking and the web analytics; they are the two things that we get with most immediacy but obviously we are looking at a whole range of measures of success. The Tasmanian visitors survey will tell us how effective we have been. Our tourism information monitor really looks at what Australians' travel habits and patterns are, what their preference and intentions for Tasmania are and have we moved them further along that value chain. These are two short-term measures of our success but we are really overlaying those with a whole range of other more broader-based measures, including how much our industry is supporting and buying into the campaign in our regions. There are probably six or seven things we will really look at.

Dr GOODWIN - You are already getting information through the tourism information monitor process this year?

MR FITZGERALD - We are, that is correct.

CHAIR - Is that the digital strategy or is that something different?

Mr BACON - No, we have had the Tourism Visitor Survey in place for a long period of time. It provides good data in terms of people who have visited Tasmania. The tourism information monitor is a forward-looking research tool that will work in conjunction with the TVS. Tourism Tasmania, since the restructure two years ago, has become a research-driven organisation that makes all their decisions based on evidence and data, and we believe we get a much better return on our investment.

Dr GOODWIN - You already have data coming through from Tourism Tasmania?

Mr BACON - That has been up and running since January 2012. We do have data that comes in through TIM, which we put out quarterly.

Dr GOODWIN - What sort of data is coming out is what I am trying to get at?

Mr BACON - In terms of Australians looking at taking a holiday we see that the appeal for Tasmania is very strong. We need to make sure that we convert those people who are looking at taking a holiday in Tasmania and make sure they come.

Mr FITZGERALD - For instance, I think the current measure might be around 65 per cent find it appealing, around 30 per cent to 35 per cent have a preference for Tasmania and 18 per cent are intending to come in the next 12 months so how do we keep pushing that number up? That is about leading with our great brand to go behind the scenery and working with the airlines and other partners to trigger people to act on that.

Dr GOODWIN - Have you put some money into that, is it a national thing?

Mr FITZGERALD - No, it is our Tasmanian research.

Dr GOODWIN - You do surveys every quarter on it?

Mr FITZGERALD - Every month 500 online respondents are surveyed about their travel intentions.

Dr GOODWIN - These online survey respondents, how do you get them, how are they selected?

Mr BACON - We might get Adam Sproule to come to the table because TIM is his baby and he loves to talk about research so we might get him to run through the detail.

Mr SPROULE - We partner with TNS, which is a global research company, to undertake TIM and as the minister indicated it is a rolling survey 500 a month every month. It is of the Australian public and we monitor their travel habits over the next 12 months. Not only those wanting to visit Tasmania, we also know where they are wanting to visit other states as well so we can see the competitive landscape. We are looking at how appealing Tasmania is and we also want to know about their travel habits, so what sorts of things are inhibiting them from making the decision to convert. We are tracking media, so their understanding of our campaigns in the market place and just general recognition of Tasmania. In relation to your question how they are - it is a representative group that is done through TNS global, which is a global organisation.

Dr GOODWIN - Is it the same sample every month or is it a different sample?

Mr SPROULE - It is a different sample every month and within a 12-month period it is guaranteed to not be the same person asked twice.

Mrs TAYLOR - Minister, where are these quarterly reports published? Can ordinary people find them?

Mr BACON - Yes. It is an important tool not only for Tourism Tasmania to look at but for our tourism industry as well so they can inform their marketing decisions.

Mrs TAYLOR - Where is it published?

Mr BACON - On the Tourism Tasmania website.

Mrs TAYLOR - Thank you.

CHAIR - Can I, minister, now move to the digital strategy?

Mr FINCH - Chair, I did want to double back. I wanted the allocation to tourism.

CHAIR - The comparative spend.

Mr FINCH - Not so much the comparative spend, but the allocation. We have heard through Estimates that it is all about doing more with less. I realise that you have to trim and be very frugal in the way you have dealt with your budget allocation. I am interested in the industry itself, Tourism Industry Council of Tasmania, and the feedback that has come to you, minister, in respect of the allocation. It has been negative, and we always want to see more go to areas such as tourism. Can you tell me how people who are critical of the budget and the tourism spend access you? How do you get the feedback from the industry? With their suggestions, are we overlooking things because of a frugal budget? Are there things we should be doing that we are not doing?

Mr BACON - I do not believe so. I have an open-door policy for all members of the tourism industry, but in particular the Tourism Industry Council. We meet with them on a regular basis. I am going to their next board meeting next Tuesday to discuss the budget, amongst other issues. To say we are asking them to do more with less in terms of marketing is probably not correct. We have put an additional \$1 million in December last year and an additional \$1 million in this budget. As for the Tourism Industry Council, I believe their position of wanting to see more money go into marketing the state is a fair position. As a state government we have to not only fund the tourism industry but also fund such things as health, education and public safety. We have been in very difficult fiscal times but we have been able to put an additional \$2 million into marketing the state in the last 12 months. There is no doubt the results we are getting from Tourism Tasmania are fantastic. The response to the latest campaign has been overwhelmingly positive and that is a credit to everyone at Tourism Tasmania. When we reduced the allocation for tourism we prioritised marketing, reduced the size of the Tourism department and refocused it so it is a statutory body focused primarily on driving demand to Tasmania based on what is extensive research to make sure we get the best return on our investment.

Mr DEAN - Talking about visitors to our state, I want to come back to the Hawks and Kangaroos games here. What figures do we have to identify with longer-term stays that those games are attracting? What do you do, minister, to market those games here - packages, other activities and entertainments we can offer?

Mr BACON - The Hawthorn deal falls under the Minister for Sport and Recreation. Tourism Tasmania has the Tasmania game at the MCG every year. Recently we have seen the promotion of Dark MOFO. The event was run through MONA but also Tourism Tasmania put in a lot of work to promote Tasmania through that Tasmania game between Sydney and Hawthorn at the MCG, which had a huge crowd and a large reach on television. We believe that was particularly positive. There is also a lot of work done around the Hawthorn deal and how we can get the most out of that investment.

Mr DEAN - Does Tourism Tasmania have any statistical data in relation to the additional visitors coming here and staying longer than the game - in other words, not coming over that

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morning and going back that night, but those who are coming over and turning that game into a three, four- or five-day trip around Tasmania?

Mr BACON - Absolutely, if the research is available at the moment.

Mr SPROULE - We have surveyed all the AFL games in Tasmania since 2006, including the two North Melbourne games in Hobart, so we have that data available. In addition to that, we also track lengths of stay for event travel generally through the TVS. I cannot give you the exact figures.

[10.00 a.m.]

Mr BACON - We can take that on notice and give you those.

Mr DEAN - If you could it would be good.

CHAIR - Who is winning, minister, the Hawks or North Melbourne?

Mr BACON - Both deals are positive for Tasmania and we can get that research for you.

CHAIR - Now we can move to the digital strategy. I need to have a better understanding of how that is going to work and how we are going to measure that. The focus is on bringing more people to Tasmania and ensuring those visitors tell people about their experiences before, during and after their travel. I want some more detail on that.

Mr BACON - It is really about making sure that we getting the best outcome from everything that we do in the digital space. The primary tool that we have is discovertasmania.com. We have done a lot of work in the last year to make sure that -

CHAIR - There has been \$800 000 allocated in the coming budget. How are we going to spend that? Is it for IT or is it for something else?

Mr BACON - In the financial year 2012-13 it was \$470 000 that consisted of technology, \$170 000 for user testing, \$50 000 for analytics, \$50 000 for strategy development, \$100 000 for project management and \$100 000 for prototype building. Basically, in the financial year 2013-14, the \$800 000 will include the website build, the user testing, the technology, the creative design, the content development and the maintenance.

CHAIR - What was the first allocation for?

Mr BACON - That was for the implementation of the digital strategy.

CHAIR - But that did not include the build.

Mr BACON - The scoping work has been done around that and now the finalisation of the website should be finished in the coming months.

CHAIR - The initial \$400 000 or thereabouts was just for the proposal itself - it was to outline what it was going to do and get it up and running. Now the \$800 000 is to build the website and implement the program.

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Mr BACON - Yes, absolutely. Also a share of this goes into maintaining our databases and thing like that which includes the ATDW, which is the Australian Tourism Data Warehouse. There is a component of that of \$250 000 in fees.

Mrs TAYLOR - Out of the \$800 000?

Mr BACON - Yes.

Mrs TAYLOR - That is a lot.

Mr BACON - It is.

Mr FINCH - Who coordinates this on the ground for Tourism Tasmania? Do you have somebody assigned? Do you have special staff who are working in the digital space to develop and look after this and to progress it?

Mr BACON - The CEO takes the lead role in this major project.

Mr FITZGERALD - We do. It is difficult to say, do we just have digital people anymore because everything is going to jell? Historically we have had digital units identified in our business but more increasingly, in the future, it will be about building the whole marketing team's digital capability. Yes, we actively manage this. This is core to our business and that \$800 000 will yield a whole range of digital assets that we are using, both through our website, through social media, itinerary development, targeting our consumers directly through a customer relationship management system, so we will be able to assess what our potential visitors are interested in by the way they visit our website, for instance, and then we will be able to target those visitors and push out explicit information to them. It is really about developing a far more sophisticated digital engagement strategy that is more customised and tailors for potential visitors and their areas of interest - and we have people with expertise around that.

Mr FINCH - As you say, minister, it will be the CEO who has the overall responsibility for the coordination of the success and the way forward.

Mr BACON - Absolutely.

CHAIR - Minister, I take you back to the \$250 000 that we pay annually to access the Australian data.

Mr BACON - We are an equal shareholder in the Australian Tourism Data Warehouse alongside Tourism Australia and the other state tourism organisations. The annual cost of maintaining our TigerTOUR and our share in the data warehouse is \$250 000.

CHAIR - What do we get for that \$250 000 - access so that we can go in and look at what other states are doing? Is that about it?

Mr BACON - It is so that we can promote our products into the marketplace through the data warehouse.

CHAIR - Is that value for money?

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Mr BACON - I believe it is.

CHAIR - That is a lot of money when we are doing a lot of things ourselves. Are we doubling up?

Mr BACON - I do not believe it is doubling up, no.

Mrs TAYLOR - You said we spent \$400 000 this current year; has that actually set up the website? It is a bit unclear.

Mr BACON - Which is the technology around the website.

Dr GOODWIN - When will the new website go live?

Mr FITZGERALD - In August. Some of the work has been done in this financial year and there is a serious body of work in the next financial year. These things are constant; unfortunately they do not fit neatly into the financial year necessarily.

Mrs TAYLOR - But we are asking the minister how those finances are being spent.

Mr BACON - The maintenance of the website -

Mrs TAYLOR - It says in your statement, 'With the digital strategy work now complete' - so you have completed the strategy - 'in the next financial year \$800 000 will be spent delivering a new consumer-facing website'.

Mr BACON - The maintenance and the management of the consumer website is around \$260 000 per year; the hosting and delivery is \$130 000; the content generation is \$30 000; the web maintenance service is around \$60 000 and the analytics and web tools are around \$40 000, which makes up that \$260 000 to maintain the website.

Mrs TAYLOR - It does not mean setting up though, does it?

Mr BACON - No, that is what we spend on the website each year.

Mrs TAYLOR - But you are going to spend money building it in the first place?

Mr BACON - Absolutely.

Mrs TAYLOR - Has that been done or is that coming out of this \$800 000 as well?

Mr BACON - It goes across both financial years. There has been \$470 000 spent in 2012-13 on that work.

Mrs TAYLOR - A fair amount of it has obviously been spent on strategy and developing the product ready to put on the website when the website goes live. I know how expensive it is to set up and build websites. I am just asking how much has already been done because I am thinking \$800 000 is not going to go very far.

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Mr BACON - The \$470 000 has been spent in the last financial year and this financial year it will be \$800 000, which will include building the website, which is the process you are talking about, and also maintenance costs as well, which was the other figure - the \$260 000.

CHAIR - Is that included in the \$11 million?

Mr BACON - No.

CHAIR - So that is an additional \$800 000 on top of the \$11 million?

Mr BACON - That is out of the \$11 million as this is part of our marketing strategy.

CHAIR - That \$800 000 in this year's budget is included in the \$11 million spend on marketing?

Mr BACON - Yes.

Dr GOODWIN - Perhaps you could table a list of contacts and consultancies because presumably some of the spend on this new website - the digital strategy - might be contained within that list?

Mr BACON - Yes, we can table that, it is no problem.

Dr GOODWIN - There is reference in table 2.5 to the fact that the new website will have a new set of associated KPIs and targets. Have they been developed yet or will they be coming?

Mr BACON - Yes, there will be new KPIs set around the new website.

Dr GOODWIN - So they have not been developed yet?

Mr BACON - Yes, they have.

Dr GOODWIN - What will they be, then?

Mr SPROULE - I cannot list absolutely every one because I do not have them right here. Essentially, that note refers to the fact that we had online searches across availability, which is clearly a sort of measure that we have had from the past, whereby we had bookability and booking function on our consumer website. Going forward, as the minister indicated, we have done a lot of work in this financial year in developing a digital strategy, which is a consumer website - but it is a lot more. It is also how we are on the social networks and all those sorts of things. There is a whole range of new measures emerging to measure 'engagement', as they call it; it is not just clicks on a website. It is how long people stay on it, where they go to, what they download and also what they do on our social networks. In order to be able to give you a suite of proper KPIs, we have had to develop other measures, not just clicks on the website.

Dr GOODWIN - Have you developed those in-house or have you sought some professional assistance with it?

Mr SPROULE - As part of this financial year, we have contracted a digital specialist, which is a Sydney-based firm, Zuni. In addition to that, I might add that the steering committee that

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oversees this project includes one of our board directors, who is herself a digital expert. So between the expertise that we have from Zuni, our board director and our internal staff, we have developed those measures and the strategy, too.

Mrs TAYLOR - We do have a lot of IT expertise and companies in Tasmania, both within departments and also professional. I presume you went to tender for Zuni?

Mr BACON - Yes, under the general guidelines.

Mrs TAYLOR - It will be interesting to see when you take all the list of -

CHAIR - Is that not readily available, minister? I would have thought that you would have expected that question from this committee.

Mr BACON - We have lists in terms of the amounts of money paid out for consultants, but we do not have the list.

Mrs TAYLOR - You have not got the breakdown?

Mr BACON - We can get that for you; that is no problem.

Mr GAFFNEY - I suppose because you are careful with your budget, you have to go with the best price for value and look nationally and locally.

Mr BACON - Absolutely. It is such an important thing to get right. You have to get the right person to do the job. I think the director on the tourism board has been added for her expertise around the digital space and social media. I think her input has been very important as well.

Mrs TAYLOR - That particular director is a Tasmanian?

Mr BACON - No.

CHAIR - Minister, we have touched a little bit on the visitor numbers coming to the state. The exception is the intrastate visitation - that is the most promising area of growth. I am just wondering if that can that be attributed to any particular advertising or marketing campaigns?

[10.15 a.m.]

Mr BACON - The north-west in particular have had success with their My Tassie Break campaign which has been an intrastate one. In terms of where the 2013-14 target comes from, it looks to be a return that is built on the actual results for 2011-12, rather than the targeted ones. The actual results for 2011-12 are well above the 2012-13 target and seem to be in line with what has happened in 2011-12.

Mrs TAYLOR - Do we know what the 2012-13 figures are at this point?

Mr BACON - Overnight intrastate travel within Tasmania increased by one per cent to 1.1 million trips compared to the previous year. The number of overnight intrastate trips for holiday purposes in Tasmania increased by 4 per cent to 574 000 in the year ending December 2012. Day-trip travel by Tasmanians in their own state increased by 15 per cent to 4.87 million trips and

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the national trend increased by 11 per cent. These figures come from the national visitor survey. We place more reliability on our own survey, the Tas Visitor survey, than we do on those national figures because they are a smaller sample size, I suppose.

CHAIR - You think that the north-west campaign has been one of those successful ones. Can you identify any others?

Mr BACON - We ran the Tassie Comeback Tour around the bushfire-affected areas earlier this year which we believe was a particularly successful campaign. There was good work done by Tourism Tasmania but also good social responsibility from media companies that gave it wider reach. It was a fantastic result using local heroes from bushfire-affected areas.

Mr DEAN - I do not think the figures have been broken down to the targets you have set for international and interstate visitors this year. Are you pretty much on track with that target?

Mr BACON - The latest figures are around 904 000 visitors up to December last year. It is 904 800, which is up 5 per cent. The target for 2012-13 was 840 000, and if you look to December it is 904 000. The target for next year at 2013-14 is 914 000. I think given the results that we have had and the feedback on the ground, we are well placed to meet that target.

Mr DEAN - I am interested because a lot of areas are experiencing decreases in tourism and guests; it is where we were targeting.

Mr BACON - I think that has probably been the case for the last couple of years. But talking to tourism operators, there does seem to be a sense that things have turned the corner. You would have to acknowledge that that is particularly true in the Hobart area but you also hear that from people in Launceston and other areas of the state as well.

Mr DEAN - We have talked a lot about marketing in China. What about the other destinations? Malaysia is fairly high up there but I am not sure about Thailand, Vietnam and others. What is the extent of the marketing that you are doing in those areas?

Mr BACON - In terms of dollars spent last year - in the United Kingdom, we spent \$344 250; the United States and Canada, \$496 500; Europe, which includes Germany, France and Switzerland, \$254 714; New Zealand, \$192 500; Hong Kong, \$194 280; China, \$262 160; Singapore, \$170 630; Malaysia, \$165 630; Japan, \$149 500; and Korea, \$134 500.

Mr DEAN - What does the marketing include? Is it just media?

Mr BACON - It is really based on each individual market. We spoke earlier about the Chinese market and how they want to be close to nature, but it is targeted to each individual market. As we go forward, we are also looking to work more closely with Tourism Australia in all our international markets. They have just started programs such as the Great Walks of Australia, which includes some great Tasmanian walks. It has the Maria Island walk, the Overland Track, the Bay of Fires, Freycinet - the Three Capes Track is a potential one for the future. Also, Great Golf Courses of Australia include Barnbougle and Lost Farm in the north of the state.

CHAIR - They are employing 100 people in those two facilities at the moment.

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Mr BACON - I am looking forward to seeing the chair of the committee playing polo once they get their polo field up and running.

Dr GOODWIN - I want to ask a question about grey nomads. This is a growing market with an ageing population within Australia. One of the concerns that is constantly raised with me is the cost of travelling on the *Spirit* and getting to Tasmania. It is a big access issue. To what extent do you have ongoing discussions with the TT-Line around this issue? What sort of feedback are you getting about that as a barrier?

Mr BACON - This is probably the number one issue that is raised with me, not just around access on the *Spirit* but also issues around free camping around the state and issues such as that. I am in constant discussions with the minister, David O'Byrne, about the TT-Line. We see a role for the access adviser when they begin to work closely with TT-Line around access issues, and I am sure this one will come up fairly frequently. One thing we say to people is that it is important to book as early as you can on the *Spirit*, particularly if you have a motorhome or a caravan. The earlier you can book the better in terms of securing a place and getting it at the best available price.

Dr GOODWIN - It places us at a significant disadvantage.

Mr BACON - There are a lot of advantages in being an island state as well.

Dr GOODWIN - Yes, but if people are faced with the prospect of having to pay more than \$1 000 to get to Tasmania, the concern is they will keep travelling on the mainland and not come here. That is the problem.

Mr FINCH - It is not what they would pay if it were a highway, as it is meant to be - that sea highway link through to Tasmania.

Mr DEAN - On that point, has there been any study done on the money the grey nomads are bringing into the state by way of tourism, expenditure and so on? In their magazines they promote what they believe they are spending here. What is Tourism Tasmania doing on that?

Mr BACON - That forms part of the research that Tourism Tasmania does. The issue with the grey nomads that we see is that there is a lot of campfire talk or rumours that go around with the grey nomad market. When the issue of free camping came up, it spread around Australia in no time and there was a lot of misunderstanding around that issue. It becomes almost like Chinese whispers.

Mr DEAN - That was going to be my next question. The magazine that is brought out by the grey nomads, the CMCA, regularly - what is Tourism Tasmania doing to correct that? I am trying to do what I can for them so I read that magazine regularly and there is information in there at times. I wonder why there is not some comment in there from Tourism Tasmania in relation to some of these things, but there does not seem to be.

Mr BACON - I have written articles for the CMCA magazine. I meet with the CMCA frequently and we have tried to get the message out that there are still free camping options in Tasmania. It is a difficult misconception to combat.

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Mr DEAN - The figures and research you said Tourism Tasmania did on the grey nomads and the money that is paid for expenditure and time - can you share that with the committee?

Mr BACON - Yes, we will have a look at that and provide the information to the committee.

Mr FINCH - I am interested in the new program for local tourism businesses that you have in the coming year, mentioned at the top of page 2.5 under the heading of Tourism Business Support. It looks like a good idea but I am a little worried about a feeling of déjà vu and I quote from it: 'This program brings together a range of already existing support mechanisms'. What will be new in the coming year and how will it be delivered?

Mr BACON - This is the Building Opportunities for Business part of Tourism Tasmania, or BOB as they call it.

CHAIR - They have a bloke's name for everything - Tim, Bob.

Mr BACON - They do but all the people who work in BOB are women, which is a positive, I believe. This program aims to facilitate better outcomes for operators by increasing their exposure and understanding of accreditation programs and marketing opportunities and seeks to promote business growth through assistance in accessing funding from grants schemes and improving business practices through mentoring and enterprise programs. It is really about linking businesses with existing programs that they may not be aware of or not know how to get the best outcome from.

We have seen fantastic results from Tourism Tasmania working with individual operators to help them with their federal grants around things like T-QUAL and the recently introduced TIRF - the infrastructure funding for tourism businesses. We have seen a real success, and you only have to go to a tourism ministers' meeting and see the other states complaining about Tasmania getting too much money under these grant programs to see the great work that has been done by Tourism Tasmania to help people with their applications and make sure we get more than their share of that federal funding. It is around things like that, helping businesses access information that is out there, but then also to get the best results for all those government programs that are out there that they may not know about or may not know how to access in the most appropriate way.

Mr FINCH - Minister, the second part of my question was: how will that be delivered on the ground?

Mr BACON - There are 2.8 FTEs as part of the Business Opportunities for Business part of the department and those people will deliver that to individual tourism operators.

Mr FINCH - Do they visit, do they have regional meetings? How does it work?

Mr BACON - Tourism Tasmania has employees in each of the regions; they are talking all the time with operators and they will inform them about the opportunities available.

Mr FINCH - Do those operators need to be registered with Tourism Tasmania? Do you have a constant communication or link?

Mr BACON - Tourism Tasmania is constantly communicating with tourism businesses around the state.

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Mr FINCH - Do you have a link with every tourism operator in the state?

Mr BACON - There would be some tourism operators who would probably want to keep to themselves but we try to keep in contact with all the tourism businesses and provide them with information around programs and things like that, and let them know where they can receive some assistance.

Mr FINCH - With this tourism business support, that message will be delivered to every known operator?

Mr BACON - Absolutely. I encourage all members of the committee, when they are talking to tourism operators, if they need a hand, for them -

CHAIR - Just call you.

Mr BACON - To call me, particularly if they are from the Elwick electorate. I encourage Adriana to pass that on.

Mr FINCH - I do not know whether anyone is going down the T-QUAL pathway. I want to explore it a little because you mentioned the grants earlier - and you just talked about it then. Can you give us some idea of the position of T-QUAL in the scheme of things? You mentioned that it is an Australian organisation; I know that Simon Currant has been involved - he might be on the board - and helped develop that program. How is it placed in Australia and for us in Tasmania.

[10:30 a.m.]

Mr BACON - There are two programs that fall under the T-QUAL name. There is the grant program, which is administered by the federal government and there is also the accreditation program, and Simon Currant is the chair of T-QUAL accreditation nationwide. Our interaction with that is the funding that we provide to the TICT for the accreditation program that they run in Tasmania. Tasmania is seen as a leader in terms of accreditation. The number of businesses that we have accredited in terms of the size of our overall industry leads the nation, and we see it as an important tool not only for marketing business but also for business development. Going through the process of accreditation can help you make sure that you are getting the most out of your business.

Mr FINCH - So T-QUAL is the new standard?

Mr BACON - It groups together different accreditations and gives it that national badge which the federal government has promoted in terms of accreditation around that T-QUAL accreditation.

Mr FINCH - Will tourists have an understanding of what T-QUAL means?

Mr BACON - That is what the money provided by the federal government to promote that branding has been all about, to make sure that people see that as an important sign of quality for people's businesses.

Mr FINCH - Is it five-star, four-star, three-star rating program or you are either T-QUAL or not?

Mr BACON - Yes, it is a tick, effectively. It is a little Australian map with a tick.

Mr FINCH - So you meet a lot of guidelines, a lot of parameters that are set and if you come up to scratch, you get the tick?

Mr BACON - Yes.

CHAIR - Where have the stars gone, are they still there?

Mr BACON - The stars program is still there.

CHAIR - There is not as much of a focus on the stars?

Mr BACON - No. With things like TripAdvisor, there is a lot of work that people put in making sure they provide good service.

CHAIR - Otherwise it goes viral if you don't.

Mr BACON - That is right.

Mr FINCH - I am assuming from what you are saying, minister, T-QUAL is developing, growing and it is the bee's knees. It is what operators need to have and need to aspire to?

Mr BACON - We think it is important that businesses provide a quality experience to all their customers and if individuals choose to go down the accreditation path, that is a good way not only to market themselves but also to look at how they are operating their business and see if they cannot improve in different areas.

Mr FINCH - Do you have any figures on the take-up?

Mr BACON - We would have to get those from the TICT, who run accreditation in Tasmania, but there would be figures available on how many accredited businesses there are.

Mr FINCH - If you wouldn't mind, because then we can make some comparison as we go into the future.

Mr BACON - Yes, we will get those for you.

The committee suspended from 10.32 to 10.52 a.m.

Mr FINCH - Minister, some years ago, long before your time, there was an element of controversy around the cost of getting accreditation. I am wondering about the cost now and talking during the break there are many different layers of T-QUAL and I would imagine varying costs as well involved. I am wondering whether you are getting any feedback from industry members who probably feel it is quite an impost on their running costs to maintain T-QUAL and perhaps I could have some indication as to what it costs an operator to be part of it?

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Mr BACON - I'm not sure on the cost of accreditation in Tasmania for an individual business but we can get that detail for you. It is a program that is administered by the TICT. I have not had the cost of accreditation really raised with me by individual operators and it is not a compulsory accreditation model so if people see the cost as prohibitive they can make their own business decision not to seek that accreditation. From our point of view we really see value in accreditation but a lot of it is around taking a bit of time out to look at your own business and making sure you are operating in a way that is efficient.

Mr FINCH - I would be curious to know if people are not joining the T-QUAL branding because it is too expensive.

Mr BACON - My understanding is that the numbers have been quite static in recent years with new people coming on and others going off. That has not been raised with me by the TICT themselves but by other people but I can check that for you.

Mrs TAYLOR - It would be interesting to know what percentage of operators have T-QUAL. From personal experience it is not that expensive; it is in the small hundreds rather than thousands but there are pages and pages of questions to answer, so it is more the time it takes to fill in the forms to get the accreditation than the money. All tourism operators spend far more money on advertising than they do on anything else. It is a good question. I would like to know how many.

Mr GAFFNEY - I am interested in the Tasmanian trails and tracks. There was a lot of money put into the trail from Latrobe through the highlands. There was a relationship between Tourism and Sport and Recreation for the trails but it has not seemed to have taken off as it should have. I am wondering if that is on your radar to investigate why that is so because we are talking about adventure pursuits and Tasmanian being like a New Zealand atmosphere, attracting that vibe. It doesn't seem to have captured the market. I'm not sure if you have done any work on it or if Tourism is doing some work on it?

Mr BACON - This was also raised by Mr O'Halloran yesterday in estimates in the House of Assembly. It is something I think would be good to look at through the regional tourism body to make sure that if there is some additional marketing that can go into that new project, Tourism Tasmania could work in conjunction with a regional tourism body to push that more, if that is what is required.

Mrs TAYLOR - Didn't that go right from the north-west down to the south-east though, down to Grove?

Mr BACON - There is a number of different ones around the state. They are talking about ones in the north-east that Barry Jarvis is very keen on. I am not sure if you are aware of that one.

Mr FINCH - Hollybank?

Mr BACON - No.

CHAIR - Tonganah to Legerwood and then Hollybank.

Mr BACON - Along the old rail line as well. We see an opportunity for those right around the state.

Mrs TAYLOR - Do you know what it is called?

Mr GAFFNEY - It is the Tassie Trailway, which is the horseway and cycleway. There are other ones.

Mr BACON - It is a different one. In terms of the Tassie Trailway, we would be happy to have a look at that and see if there is more we can do there.

Mr GAFFNEY - The reason I bring it up is that there is \$500 000 for the next two years under trails and bikeways but I gather that is more through connectivity with four urban areas.

Mr BACON - Yes, the health and wellbeing initiative, largely, working between Michelle O'Byrne in terms of a preventive health thing but also sport and recreation.

Mr GAFFNEY - It seems to me to make sense that all three partners should be working together on that to try to get best bang for your buck. I know yesterday Mr Mooney pointed out that the Cradle Canyon Tours had looked at expanding their operation. There is interest there but I see this facility not being utilised very much and there was a lot of money put into it to start with.

Mr BACON - We can have a look at that and see if there is an issue there.

Mrs TAYLOR - I heard about this fairly recently and it seems to me that we are putting money into new areas like the Three Capes, which is fine, I do not object to that, but if we have one that already has the basis of it there. I do not know how much was put into it originally but the trail and track is there for horse riding, walking and cycling. I do not even know the condition of it, but it seems to me that if that is something we already have the basis of, it would be -

Mr BACON - That we should promote it?

Mrs TAYLOR - I would like to know the status of it, whether it is suitable now, whether all the work has been done or whether there is more work to be done.

Mr BACON - We can take that on notice and find out from the appropriate area what the latest with that is.

[11.00 a.m.]

Mr GAFFNEY - The main issue here is that, because it goes through both public and private land, it needs someone to coordinate where the sections need a bit more work or some more interaction with the landowner, so that it has identified a mark because it is not easy and it seems to me that is a place that could be profitable? I was interested in your comments regarding free camping and how you had contacted CMCA. I was wondering whether you could find some of those writings you have had for the newsletter just to see your approach. On one hand we have the Minister for Tourism letting people know there are free camping spots in Tasmania and on the other hand we have the Deputy Premier and Minister for Local Government enforcing councils to charge for camping. Unfortunately the Mersey electorate has Devonport, part of Latrobe and part of the Central Coast, and I had a very good discussion with one very nice mayor from that area, very pleasant chap -

Mr BACON - Talking in the mirror again.

Laughter.

Mr GAFFNEY - He said to me it is an issue and it is going to go further. I am aware that Central Coast, Waratah, Wynyard and Burnie are being approached by the regulator at the moment about their free camping spots. I would be interested to see how you deal with that if your comment to the CMCA is, yes, there are still free camping spots on one hand, but the other side of the government is going ha, ha, but the regulator is saying you have to charge.

Mr BACON - That is right. The government has to get the balance between encouraging people to come to Tasmania and take a holiday, and for Tasmanians to still be able to go camping in a low cost way. Also, people who have made significant investments in their own private business can make sure that they still make money on the investment they have made. I have been to various caravan parks around the state. There is the new one at Huonville, which is fascinating one with a farm and things like that, which is a great tourism experience. The one in Wynyard has a lot of problems with people parking in the council-run free camping spot at the showgrounds. They feel like they lose a lot of business to that area. What most caravan park operators say to me is that they are not really worried about free camping when it is outside of urban areas, but when it is in direct competition with them - near the local supermarket and has all the facilities that they provide. Under the competitive neutrality rules you do have to charge for those services. It is really about finding that balance between making sure there are still options for low-cost camping, but also making sure that people who invest their money in those tourism businesses can make money on those investments.

Mr GAFFNEY - There are solutions. I mean \$10 a night with the local Lions Club collecting the money and putting it back into local projects.

Mr BACON - Absolutely and those things are being looked at right around the state. It is not that you have to charge full market rates for these things, but if you do provide facilities such as toilets and showers then it is expected that there is a charge so it is not borne by the ratepayer.

CHAIR - So your policy is that as long as it is not in direct competition to a privately owned facility then it is okay to have free camping? Is that the policy?

Mr BACON - What we have seen from the economic regulator in a number of cases is that caravan park owners have put in complaints about free camping in their area and they have been upheld. There is now a policy from the local government division on how you work out what you should charge for those facilities in your local government area.

Mr GAFFNEY - It is possibly not as simplified as that because in a lot of the areas you have to be self-contained, so there is no need for showers and ablution blocks. There are a few different issues, but there is still some cost involved. Thank you for that.

I notice the weekend packages that came up earlier and the Darrel Baldock monument is not coming out of your package. If we think about the money placed into football in the state, the AFL games, which I think is terrific both north and south, to include that as a package deal would be very wise and it should be opened in March 2014. Will Tourism Tasmania look at co-ordinating weekend football packages to get more people to regional areas, not just Launceston and Hobart?

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Mr BACON - I think it would be really a job for the regional tourism organisations in terms of the Cradle Coast Authority in the north-west if you are looking to promote a package. I suppose fly into Launceston and then come to the north-west.

Mr GAFFNEY - Or across on the *Spirit* and then coming down to Hobart but it is something that should go somewhere on your AFL websites as well to show that there is this place.

Mr BACON - The opening of the Darrel Baldock monument?

Mr GAFFNEY - Yes, you are putting some money into it - a \$400 000 tourism venture - so I think it would be well worth it.

Mr BACON - It also depends on the games that the AFL give us in 2014 to make sure there is one around that time.

Mr GAFFNEY - A St Kilda one would be good.

Mr BACON - The state government could look at it in terms of their discussions with the AFL, but the AFL will listen to people but then they make the final decision on the scheduling and they are not always that kind.

Mr GAFFNEY - If there was an AFL game with St Kilda playing on the north-west coast, and they were going to open that, it would make sense but somebody has to do some legwork. With all due respect, a little organisation like the Cradle Coast Authority with a body of 1.2 people may not be able to pull that together and unless all the ducks are in a row.

Mr BACON - That is why Tourism Tasmania works in conjunction with the RTOs as well.

CHAIR - And with the support of a minister, as your good self.

Mr BACON - I think Bryan Green is the minister for Darrel Baldock.

Laughter.

CHAIR - Following on from Mr Gaffney, are there any other plans for the subsidised airfares or subsidised fares into Tasmania like there has been recently? Any more of those plans ready to go?

Mr BACON - There is a lot of work through Tourism Tasmania in terms of cooperative marketing. We have only seen recently the work with Jetstar and the work around Dark MOFO so Qantas offered free tickets to Hobart in the period when Dark MOFO was on.

CHAIR - Subsidised by the Tasmanian government.

Mr BACON - Effectively it was a promotional activity worked cooperatively between Qantas, Dark MOFO and Tourism Tasmania and it had a really good outcome and it is a good way to operate.

CHAIR - Are there any more?

Mr BACON - There is a whole range of cooperative marketing initiatives with our access partners that is going on at the moment but will continue on this year as well.

CHAIR - What is the next one?

Mr BACON - The very next one? That is a very good question.

CHAIR - Do you have a list?

Mr BACON - Yes we do have a list. There are a lot of commercial in-confidence issues around -

CHAIR - We will not tell anybody.

Mr BACON - I do not know whether there is anyone listening in.

CHAIR - You provide the list and we will be happy.

Mrs TAYLOR - It is more about events rather than what the deals are.

Mr BACON - There are some current things that we can hand around in terms of things going that are going on with Virgin. We have done a lot of work with Jetstar with a couple of campaigns only recently. We have a range; some with Qantas, some with Jetstar and some with Sharp Airlines which -

CHAIR - Flies to be beautiful Furneaux group.

Mr BACON - That is right.

Mr GAFFNEY - The Rainbow accreditation issue created some discussions throughout the state and with people involved in the industry. After the initial reaction how is that progressing and where is it at the moment?

Mr BACON - The Tourism Industry Council of Tasmania and Rainbow Communities Tasmania, through Julian Punch, initiated this to provide Rainbow accreditation as an optional add-on to your accreditation through the TICT. It had some very positive feedback initially but then there was some concern from people who had the existing Rainbow accreditation through Tourism Tasmania and whether or not that would continue. It has been raised with me by a handful of people and the same number with Tourism Tasmania. Basically it is about whether or not they can continue with the Rainbow accreditation that they had in place before this came in. We are working through that, because it is not a paid module for the accreditation until 1 January this year, to make sure the people who had that label in the past can continue to use it.

Mr GAFFNEY - The take-up of that?

Mr BACON - That would be through the TICT. We could get those figures from the TICT, but I am not sure what the take-up has been.

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Mr GAFFNEY - I am not overly fussed about the figures, but if any organisation is going to announce something it has to be promoted, followed through, evaluated and either taken off the books or have some energy put into it. Otherwise, in five months' time somebody comes up with the idea, 'Let us throw that out'. You either have to take it on board and run with it or squash it so that it takes it out of the equation, otherwise it becomes a mismatch -

Mr BACON - Effectively it is an initiative of the TICT and Rainbow Communities Tasmania together.

Mrs TAYLOR - So it is nothing you are funding?

Mr BACON - We fund accreditation but there is no additional funding for this module.

Mrs TAYLOR - I understand it is an initiative of TICT and Rainbow Communities Tasmania, that it has not come from you, but there are people saying, 'Why would you be doing that? Are we also going to do child-friendly? Are we also going to do accessible?'

Mr BACON - There is a guide put out by ParaQuad around accessibility issues and an award at the THA awards that is given out by Paraquad to recognise those establishments that put a focus on making sure there is good disability access. The guide is put out by Paraquad on a periodical basis and I believe it is a good initiative.

Mrs TAYLOR - Is it on the Tourism Tasmania website, as other accreditation things are?

Mr BACON - I am not sure it is. No, it is a separate thing.

Mrs TAYLOR - That is what I mean, either have a system that gives you all those kinds of accreditations -

Mr BACON - If an individual business wants to promote itself as child-friendly, disability-friendly or dog-friendly, which is one that comes up quite frequently, that is the choice of the individual. The TICT and Rainbow Communities took the initiative to go forward on this one.

Mr FINCH - On the first day of estimates this week the proposed Hobart light rail system was brought up with the Minister for Sustainable Transport. It was suggested that any light rail system should initially go north as far as MONA and that such a plan would be endorsed by the tourism industry and the Minister for Tourism. Do you have a comment to make on the desirability of a light rail link?

Mr BACON - If there is going to be light rail in the northern suburbs and it does not go to the biggest tourist attraction in the state, it would be a terrible shame.

Mrs TAYLOR - The other item I wanted to raise was about tourism transport. Light rail is obviously one of them. What will you do to help promote that, because it is your own opinion? There are ministers involved here who have direct responsibility for sustainable transport and infrastructure. It would be helpful to hear what you think you can do to help promote that it must go at least to MONA?

Mr BACON - I spoke to Craig Farrell this morning about the report. I have not read it as yet because we have had a busy week, but Craig Farrell has obviously read it and has some concerns

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with it. I will be discussing those concerns with not only Craig Farrell but with other members of the Labor Party caucus to make sure sensible views, such as if there is going to be a light rail and it does not go to the biggest tourist attraction in the state, it would be a little strange.

Mrs TAYLOR - Yes. I raised this in estimates with the Minister for Sustainable Transport and he seemed to think it was a matter for MONA but it is not, it is a matter for Tourism.

Mr BACON - It is a matter for all of us.

[11.15am]

Mrs TAYLOR - Cruise ship numbers?

Mr BACON - Cruise ship numbers are at record levels this year and we have a record level planned for next year. In terms of visits in the 2013-14 season, we are expecting a total of 78 visits. We will see 43 to Hobart, 16 to Burnie, 10 to Port Arthur, five to Coles Bay, two to Wine Glass Bay and two to Devonport.

CHAIR - Any to Triabunna?

Mr BACON - Not on my list there. We have also seen the redevelopment of Macquarie 2 into a dedicated Antarctic centre and cruise ship terminal, which I think will make a much better impression on people getting off the boat in Hobart into what is now a world class facility rather than what we have had in the past.

Mrs TAYLOR - When do you expect that to finish, to be open?

Mr BACON - It will be open for the new season.

Mr DEAN - I have one further question. What is Tourism Tasmania doing to attract cruise ships to here and to get extra cruise ships? Most of those, I suspect, are on a general area that they have or a general route that they travel on, so what are you doing to get other cruise ships that are not currently doing those visits to get here?

Mr BACON - Tourism Tasmania undertook a cruise ship tourism strategy in the past but we see the appointment of the access role as a real key in attracting new cruise ships and repeated visitation from cruise ships in the future. The new access adviser will be tasked with that as well working with TasPorts to make sure we can maximise the number of cruise ships coming into the state.

Mr DEAN - Minister, one of the best - or very good - marketing opportunities you have for tourism in this state is one that very seldom gets mentioned. I have mentioned it previously in these estimates hearings and that is our taxi operators. I have spoken to a number of people coming here and I have had people to say to me the greatest experience they have had, the greatest marketing of this state, has been their taxi driver who has been able to tell them a lot about Tasmania - where to go, what to do and so on. What does Tourism Tasmania do with the taxi operators to bring them up to speed, to get them to promote Tasmania and the hot spots in Tasmania? What do you do, if anything?

Mr FITZGERALD - I am not aware that we have any specific program around the education of taxi drivers, but having said that we are certainly prepared to be part of that effort but

I would see that effort lying with the industry council working with the regional tourism organisations, because I think that is a discrete responsibility of the industry to ensure that on-the-ground-advocacy is occurring with key stakeholders here. We are happy to be part of the communications effort but I would not see Tourism Tasmania - our role is to create demand for visitation to the state and I think we work with our tourism industry council and our regional tourism organisations on the ground to ensure that all the stakeholder groups are well informed about the range of products and experiences on the ground.

Mr DEAN - Surely, Tourism Tasmania would see that as a vital part of their promotion of Tasmania would be these people who are touching base with many of the tourists who come here on a daily basis. You said it would be up to the industry, so what does Tourism Tasmania do, then, with those in the industry, to get them to promote to the taxi drivers in the right way and the operators in the right way?

Mr BACON - Tourism Tasmania is primarily set up to drive demand to Tasmania and in terms of making sure we provide a quality experience once people get here it is probably a bit beyond the scope of Tourism Tasmania. We really want them to be focused on driving that demand. They have been set up in that way over the past couple of budgets and we see that as their primary focus. It is not that this is an idea we do want to push forward, that the government cannot support it. I could not see it being an area really for Tourism Tasmania; maybe through the Hospitality portfolio.

Mr BACON - Maybe if there were some programs to be set up, then maybe it can be set up through the THA and others.

Mr DEAN - Just on that, it is a state issue; they operate around the state.

Mr BACON - I agree it is a state issue and there may be a role for government, but it wouldn't be a role, necessarily, for Tourism Tasmania; it could be a role for other parts of the government.

Mr DEAN - I would argue that it would be, but anyway.

CHAIR - You would only have to train one operator in Scottsdale, minister.

Mrs TAYLOR - Just continuing on with the transport bit and I am sure there are other bits around the state. Tourism has been involved to some degree with rail, with the Abt railway, I guess with the Ida Bay Railway and Don River Railway is also tourism. Now there are things like the Tasmanian Transport Museum in Glenorchy and the Derwent Valley. Redlands is going to be possibly one of the next big tourism things in the Derwent Valley. There is an issue, as you would be aware, about use of the rail line once the heavy transport goes off there. It is not just an issue for northern suburbs light rail, but the ability for heritage train services to use that line. Is there any progress on this?

Mr BACON - This is a constant battle for tourism railways right around the state. I think the Tasmanian Association of Tourist Railways has been in discussions with TasRail about how they can resolve public liability and things like that.

Mrs TAYLOR - They have been in negotiations for a number of years and there has been no progress been made, as I understand it. Is there anything you can do to progress it?

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Mr BACON - We have had discussions with Craig Farrell, the Leader of Government Business in the upper House, who has a significant interest not only in rail but in Redlands as well, which is going to be a great tourism experience. It is already attracting people at the moment.

Mrs TAYLOR - I believe they are doing direct marketing in China as well. They have had tour groups coming.

Mr BACON - Yes, they have had trips to China and Peter Hope has been a very passionate supporter of that project. I think it is a great project. They are in discussions, through Craig Farrell, about how they can get access to the rail line for the Derwent Valley Railway. I am a very proud member of the Derwent Valley Railway Association, and it is an issue. As we have seen with the Abt railway this week, there can be quite dangerous issues around railways, so there is that concern about passenger railways and the public liability insurance is required. They haven't resolved the issue yet but they are working on it.

Mrs TAYLOR - And you would put your support and your effort behind that?

Mr BACON - Absolutely. We have some great tourism rail products around Tasmania. You have seen the government's commitment to the Abt railway on the west coast, not only in terms of money, but making sure we can get that important tourism product back up and running for the tourist season. The Don River Railway is an important one as well and we want to see the Derwent Valley Railway have more opportunities.

Mrs TAYLOR - I suppose, minister, looking back at the history and from the experience we have had, very often it is a private operator or a group like the Derwent Valley Railway group, for instance, who really push that and initiate it. Then eventually the government gives it support or whatever. It seems to me there is a proactive role here, rather than waiting for other people to do the work and then saying yes, that is a good idea, we will give it a tick.

Mr BACON - Absolutely. Given that TasRail has been back under government ownership now for a period of time, there is a role for the government to play.

Mr FINCH - I want to go to the Tasmanian Forest Agreement in respect to tourism opportunities, but that would take us a while.

CHAIR - Probably take the rest of this year.

Mr FINCH - Let us focus on the fact that my electorate is a major vineyard area, so I am interested in the vineyard and orchard expansion program that is detailed on page 2.5.

Mr BACON - That is in Economic Development.

Mr FINCH - It may not come directly under your portfolio but vineyards are an important part of tourism, especially in my electorate. This particular one mentioned here is about a pilot program, so what is the genesis, what would it grow to, what is hoped for that vineyard and orchard expansion program?

Mr BACON - That is a question that falls under the responsibility of David O'Byrne as Minister for Economic Development.

Mr FINCH - Why is it in here?

Mr BACON - They are initiatives of the whole department, the Department of Economic Development Tourism and the Arts.

Mr FINCH - Okay. Let me turn to the Tasmanian Forest Agreement. We are likely to have a large area of reserves with great tourism potentials, we have heard former Greens leader Bob Brown; he agrees that tourism projects in reserves are a good idea and he spoke about a couple specific areas. Luke Martin is also on side and they both seem to agree that time is of the essence so what is being developed there and how quickly can you move to get tourism projects approved once an application is made - what is on the drawing board, what is evolving?

Mr BACON - I met with Luke Martin from the TICT around this issue last week. He has written a letter to me on Monday of this week which will be passed on to the Minister for Environment, Parks and Heritage, Brian Wightman. We see very exciting opportunities right around the state but particularly in areas like the north-east, the north-west, down the Huon and on the east coast for tourism opportunities that will flow from the Tasmanian Forest Agreement. There is going to be money available and we need to make sure that we talk with local communities about what they see as the opportunities for tourism in their areas. There is a feasibility study into what the next big tourism product could be for the World Heritage Area, for the west coast and the north-west, which has been done through Tourism Tasmania, the TICT, Parks and Wildlife and the Cradle Coast Authority to see where the opportunities are but it is a given now that the Forest Agreement has passed. There are opportunities that will flow with that money so that we can diversify regional economies. It is a once-in-a-lifetime opportunity and now, more than ever, we need jobs in regional areas so it is important that we not only get on with the job but that we get it right.

Mr FINCH - So you will be keeping a close watching brief on development as part of that?

Mr BACON - Absolutely, we will be pushing that because we want to see more tourism opportunities in regional areas and in reserve areas as well.

3.2 Events -

Dr GOODWIN - I will start with the number of FTEs within events Tasmania.

Mr BACON - I believe there are five.

Dr GOODWIN - In terms of the budget for the year coming - we are not quite there yet - how will that money be allocated? Can you give us a bit more of a breakdown on how it will be spent?

CHAIR - How did you get an increase? Nobody else got one much.

Mr BACON - Hard work and diligence. What has really happened there is additional money was put into the budget. It was removed from the budget in the midyear report two years ago and then put back into the budget last year because the government sees opportunities for events not

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only in our winter period but the shoulder periods as well, and how we can use events to try to even out some of the seasonality that we see in our tourism industry. We have seen a real refocus within Events from the government's point of view, through things like the Festival of Voices, Dark Mofo and AFL football to make sure that we can get people here when we need them, to even out that seasonality and make sure that the record flights we have at the moment are more sustainable. It is all around that at the moment.

Dr GOODWIN - Can you give me a breakdown of the -

[11.30 a.m.]

Mr BACON - Of the events that will be funded?

Dr GOODWIN - That too. At the moment all we have is \$3.2 million for events and then some money allocated against it. Can you just elaborate on how that will be spent?

Mr BACON - Our major events program for the year, which is 17 events, includes the Australian Wooden Boat Festival, the Breath of Fresh Air Festival -

CHAIR - Would you like to table those?

Mr BACON - Yes, we can table those, no problems.

Dr GOODWIN - Could you also table the list of events for the current year that have been funded?

Mr BACON - We can table both of those.

Dr GOODWIN - There is a projected increase in funding across the forward estimates. Can you explain that?

Mr BACON - Our events budget at the moment is really focused around two major new events, Dark MOFO and the Hobart Baroque Festival. At the moment our events funding is really about making sure that we can retain as many of our existing events as possible rather than seek new events.

Dr GOODWIN - Is the money over the forward estimates to seek new events?

Mr BACON - No, the money over the forward estimates is really about making sure we retain the events we do have.

Dr GOODWIN - But there is an increase.

Mr BACON - There is an increase, but with the event funding often the events will occur in a certain year and the cash flows for the different events vary quite significantly. Some are funded in one year and held in the following year or the other way around.

Dr GOODWIN - It does look like it is set to increase quite significantly.

Mr BACON - That is around the cash flows for certain events -

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Dr GOODWIN - Then they continue on that.

Mr BACON - Yes, that is correct.

Mrs TAYLOR - Has the government made commitments long term for some of those events?

Mr BACON - Yes, and all the events are signed up for different periods, so if it is a two-year commitment they will come off contract and then another contract needs to be organised for things like that. Some of the events like the V8s are a three-year deal.

Mrs TAYLOR - Will that be in the information you will table?

Mr BACON - When it is funded?

Mrs TAYLOR - How long the funding is committed for?

Mr BACON - Yes, we can put that in there.

Dr GOODWIN - With the V8s for three years, for example, events that have a fixed term like that may not be included in the forward estimates, so does that mean that these forward estimates may be revisited at the end of the term of those? Is that how it works?

Mr BACON - The budget for events is set for the forward estimates and we have to work within that budget. We cannot sign up for events that we don't have the money available for. As we work through the different events that come off contract, there will be varying changes.

Dr GOODWIN - You have built some capacity in there.

Mr BACON - There is capacity in terms of keeping the current events we have, but there is no real capacity for new events.

Mr DEAN - Just on that, when would you commence negotiations in relation to Symmons Plains events? It is funded for three years, so when do you start because that is an event where they need to plan three to four years ahead in which to ensure they have the events places in place, so they can organise that? When would you start your negotiations again to retain that event?

Mr BACON - We are always in contact with the V8 owners to make sure everything with the deal is going well and we are always working on the new deal as soon as the last one is signed, effectively.

Mr DEAN - I would hate to think that we have to go through what we went through previously with the threat of this event leaving the state and going elsewhere because of a failure to sign up on this event quick enough.

Mr BACON - That is not the way I would phrase it. What we had last time was a media beat-up around the V8s rather than any threat that the V8s were going to leave Tasmania.

Mr DEAN - It was a pretty strong position, though, wasn't it, because they had indicated they were looking at another area and I thought the event organisers made that fairly clear.

Mr BACON - I think what they have made clear over a long period of time is their commitment to Tasmania. They want to see a race in every state around the country and the government has been strongly committed to V8s. We have spent money on the Symmons Plains track and committed recently to a three-year deal and are looking to negotiate a new deal when that one expires.

Mr DEAN - So what you're telling us, minister, is that that situation shouldn't arise again because everything will be in place well and truly before?

Mr BACON - We can't control what the media is going to run around the negotiations but we will be looking to sign a new deal with the V8 operators. We see it as very important event, not only for the north, but for the whole state.

Mr DEAN - In sufficient time for them to be able to lock themselves in?

Mr BACON - Absolutely.

Dr GOODWIN - This output includes oversight of Princes Wharf 1. How is that tracking in terms of demand?

Mr BACON - We have seen some good demand around Princes Wharf 1. There has been some fantastic events at PW1. We have seen 37 events booked for the 2012-13 financial year and of those, 17 are commercial events, 13 are community events and seven are special events. Since the \$15 million was spent by the government to redevelop the shed into what is now, I believe, a world-class venue, we have seen strong demand for the venue. As we go forward, given the long lead time for a lot of different events, we will see it used even more frequently.

CHAIR - It has hosted royalty, hasn't it?

Mr BACON - It has hosted royalty, it has hosted the Australian Tourism Awards, and it hosted the Savour Tasmania dinner only last Saturday night.

Dr GOODWIN - The forward bookings are looking good.

Mr BACON - Yes, they're looking strong.

CHAIR - Minister, does Tourism Tasmania collect any data on the effect of events like Ten Days on the Island and the AFL matches? You won't have to collect any data on international cricket this year, will you?

Mr BACON - No, the World Cup is not until 2015. Yes, they do collect data around events and there is a lot of work that goes into that. There is also work and surveys done around business events, length of stay and satisfaction with their stay, which are always very positive.

CHAIR - Do you have some figures on specific events like Ten Days on the Island, the key ones that are funded out of this line item?

Mr BACON - Ten Days on the Island is funded out of the Arts portfolio but we could that detail for you.

CHAIR - Whatever is funded out of this line item, if we could have some numbers on that it would be great.

Mr BACON - We can organise that.

CHAIR - We do not want you encroaching on other minister's areas.

Mr BACON - No, it is the Premier's area, so you have to be very careful.

CHAIR - Yes.

Mr FINCH - Events Tasmania's strategy involves contributing millions of dollars to support large events which are deemed self-sustaining in terms of their ability to raise funds via sponsorship and other partnerships. Most of these major events are located in or close to the major centres with the value to regional communities being minimal. Small to medium-sized events across the state provide economic and social returns to regional communities and these events are largely dependent on ever-decreasing government support, given that large commercial sponsors prefer to support events that attract tens of thousands of people, not thousands of people. I am wondering what strategies are in place to maybe correct this imbalance and increase support for smaller regional events that offer so much more to regional communities?

Mr BACON - Events Tasmania facilitates the Tasmanian government's grants programs and in the 2012-13 budget \$350 000 was committed to supporting these grants programs. Of that there were 40 small event projects given grants up to \$3 000 and eight new events with grants up to \$10 000. We see this as a really important way that we can support smaller events in regional areas and our commitment to that remains.

Mr FINCH - Tell me, minister, am I right in thinking that there was a change in the group that evaluated the events for Tasmania?

Mr BACON - Yes. We have set up a new events steering committee which meets to make recommendations on the events that should be funded out of our events budget.

Mr FINCH - Can you tell me the make-up of that group?

Mr BACON - Yes, I can. It has Jacqui Allen on it, who is the Deputy Secretary of Culture, Recreation and Sport; John Fitzgerald, CEO of Tourism Tasmania, and the Director of Community Development from the Department of Premier and Cabinet. They provide advice to make recommendations about major events for state government support through Events Tasmania.

Mr FINCH - Did that group have a change of focus with respect to events when they came into place. Were they a new broom moving through that area of decision-making?

Mr BACON - Not really. We thought it was a more appropriate way for government to consider the events that it funds - through this committee, which can look at those events and their value, not just in terms of visitors, but in terms of their value to the community of Tasmania, and then make recommendations to the government.

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Mr FINCH - There was an event in the north of the state - the Australian father and son golf championship, held in Launceston each year - that was funded for eight years to the tune of the magnificent sum of \$2 000. It was decided that, for next year, that money would not be available, but this is a golf tournament that could, in fact, grow exponentially. Only one person was running that event, and he had a grant of \$2 000 each year. As you know, when you are one person running an event - doing it out of your lounge room - \$2 000 can be very, very beneficial, and it was just stopped.

Mr BACON - It is a competitive round of grants, and there is a limit on how much is available. In terms of the small grants, they come out the small event project grants of up to \$3 000, which they would be welcome to apply for again for the following year.

Mr FINCH - Okay, but the loss of that \$2 000 could be a problem for him continuing, with his enthusiasm, and his input into that event. When, in fact, other elements of Tourism Tasmania have a sense that the golf opportunities for Tasmania are burgeoning and ever increasing. I was a bit surprised that occurred, and I hope that if he does continue, favourable consideration can be given to that event.

Mr BACON - If there is a tourism benefit, I would encourage him to contact Tourism Tasmania to possibly seek some assistance with his grant for next year.

Mr FINCH - There are 40 teams of two - most of them come from the mainland, and most of them will go to Barnbougle and Lost Farm and travel the state.

Mr BACON - It is important for him to make those arguments in the grant application.

CHAIR - We might have to help him write it.

Mr BACON - That is another option.

Mr GAFFNEY - It would only be a \$25 fee for each person. If there were 80 of them, that would be \$2 000.

Mr BACON - That is another option.

CHAIR - It was pleasing to see in the budget papers that Veterans' Affairs has a line item now, and Aboriginal Affairs has a line item now. What happened to hospitality?

Mr BACON - Hospitality does not have its own separate line item but it is an important part of the government's focus - supporting the hospitality industry and its 20 000 employees.

CHAIR - We could not agree more, so why does it not have its own line item? Are you still working on that?

Mr BACON - We will continue to work on it, but there are more important things, in terms of the hospitality industry in Tasmania, than whether there is an individual line item in the budget. Receiving funding is the key. It has been pleasing that the government has been able to continue on with a commitment of \$100 000 per year for the hospitality industry.

CHAIR - We do not disagree.

Mr GAFFNEY - Minister, I think the hospitality industry is quite comfortable with this arrangement, aren't they? As long as they are still recognised by a minister for hospitality, they do not really care where the funding comes from?

Mr BACON - No, that is right.

[11.45 a.m.]

CHAIR - Can I ask for some break-up of what has been provided in the hospitality area?

Mr BACON - What we have done with the \$100 000 for the hospitality industry, is recognise the importance of the industry, not only to the state's economy with thousands of Tasmanians it employs, but how much it contributed to our lifestyle in Tasmania.

In the 2012-13 program, out of the \$100 000 funding allocation, there was a range of initiatives that focused largely on workforce development, which was identified as a priority area in the Tasmanian Hospitality Industry Strategic Plan and identified through industry workshops. These initiatives were informed by the recommendations in the Central Labour Pool and Workforce Retention Initiative, which was undertaken by the Tasmanian Hospitality Association and it is addressing issues around encouraging people to see a career in hospitality as a career choice rather than a temporary filler in their career, or while they are a student. Also it is addressing the high level of attrition in our hospitality industry, working on strategies to improve job satisfaction. Another initiatives is working with TasTAFE around reinvigorating Drysdale as a centre of excellence in hospitality so that Tasmanian hospitality graduates have a reputation for quality, which we see as important. We will be working with the Hospitality Association on possibly developing accreditation for hospitality businesses in Tasmania. The THA wants to push forward with accreditation.

Mrs TAYLOR - Can we ask the minister to explain about accreditation.

Mr BACON - The THA are keen to look at the feasibility of having a hospitality industry accreditation program, so the THA will promote and highlight this program in the south of the state. It is about them working on improving the quality of hospitality experiences in Tasmania.

Mrs TAYLOR - It is a bit like T-QUAL for restaurants and stuff?

Mr BACON - A little different, more about working with the businesses to raise their standards.

Mr FINCH - I want to explore aspects of Drysdale, where that has gone to and why we have trainers now in the hospitality industry coming from the mainland to do that training in Tasmania? Give me your impression of what is occurring in that space, please, minister?

Mr BACON - The issue that is raised by not only the THA, but also individual hospitality operators, is making sure that the training we provide as a state, and the funding that we provide, focuses on the needs of the hospitality industry. We have seen concerns in the past that people get a certain level of training, but then they come into the workplace and they are not ready to work. It is matching up the needs of the industry with the money that we spend, largely through the education portfolio.

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Mr FINCH - So Drysdale, that is out the back door?

Mr BACON - Drysdale is coming back. It is the reinvigorating of that Drysdale brand and making sure that through TasTAFE, the Hospitality Association, working closely with TasTAFE, is a quality training experience and it is promoted as that.

Mr FINCH - It was an industry leader in Australia, was it not?

Mr BACON - This is the thing that is raised with me on countless occasions, that it was an industry leader, and it has probably lost its way a little. Under the new TasTAFE leadership, they have recognised the importance of Drysdale as we go forward.

Mr FINCH - You recognise that?

Mr BACON - Absolutely, we do.

Mr FINCH - You will be enunciating that and supporting that and the rebuild of that TasTAFE opportunity for our young people to develop in the hospitality industry?

Mr BACON - Drysdale still has a strong brand and we want to see that pushed even more and we want to see more young people getting careers in hospitality and we think Drysdale is the way for them to do that.

Mr FINCH - We will never get away from the fact that students are going to need to work in the hospitality industry, but a lot of it is about the employers having them function at that good standard, where they are developing their skills and learning. Then if they choose to make hospitality a career, then they have had a good grounding. Some of the onus should come back on employers too to make sure there is proper training for university students or people who need to supplement their income.

Mr BACON - That is right and the THA are working with individual employers and the department to make sure that there are surveys done of the training needs of individual businesses and making sure that those businesses can then improve on their training as well.

Mr FINCH - I want to touch on the complaint from the hospitality sector on the employer side in respect of penalty rates. That, of course, is an ongoing issue and it must concern you as tourism minister that businesses cannot afford to open at important times to cater for tourists because of penalty rates.

Mr BACON - This is a real concern not only for the hospitality industry but more broadly it is a concern for the government and for individual operators whom I have met with time and time again. They say that if they open on a Sunday or a public holiday they will actually lose money. What we want to see is a system in place where people can open, employ people and provide that quality experience but to make sure that workers can also receive a fair day's pay for working unsociable hours. It is not an easy issue to resolve. It is obviously a federal matter in terms of penalty rates. There are discussions that have taken place with the hospitality association and the union that represents hospitality workers in Tasmania, United Voice, around whether or not there are different ways that can make it easier for businesses to open on Sundays and public holidays.

Mr FINCH - Is there a compromise emerging?

Mr BACON - To be honest at the moment it does not actually look like there is any movement there. I do not think we will see any movement on a federal level until after whatever happens in September. I think it is a difficult one to get the balance right.

Mr FINCH - I think we are going to be hamstrung to a certain extent in the tourism industry if employers have not got confidence in the industry because of that debilitating factor of trying to provide the proper staff with exorbitant imposts on their bottom line when they try to do that.

Mr BACON - Also it is an issue for workers who are seeking to work those hours as well. They cannot work if the business is not open. There are people who are keen to work those hours but we have to make sure they do get paid a fair rate of pay as well. It is not an easy issue. It is an issue for the federal government more than the state government in terms of any changes that can be made but it is a concern for us as a tourism and hospitality industry.

Mr FINCH - Yes, it must be something you hear about quite constantly.

Dr GOODWIN - Minister, I think you said there is \$100 000 a year allocated to hospitality. Can you break that down a bit more for me?

Mr BACON - In terms of the 2012-13 program there were initiatives in terms of the THA actively working with the Vocational Education and Training teachers in secondary schools and colleges to promote training pathways. The THA also established a network of industry ambassadors who promote hospitality careers in schools. They are collaborating with TasTAFE in re-invigorating Drysdale as a centre of excellence in hospitality. There was the hospitality scholarship program which has proved very successful and continues to encourage and support students in considering a career in the industry or those who wish to advance their existing career.

Dr GOODWIN - Is there money allocated to each of these initiatives?

Mr BACON - We fund the THA and we have agreed strategies on what that money will help them do because also -

Dr GOODWIN - They get the full \$100 000, do they?

Mr BACON - Yes.

Dr GOODWIN - In terms of the coming year, is the focus going to be on those things identified in the budget papers? You mentioned Drysdale House and various other things.

Mr BACON - It is a continuation on what programs have been put in place last year. We will work with the THA to make sure we can get good value for money out of those strategies. We do get a good return on it for what is a relatively small amount of money.

Dr GOODWIN - A couple of years ago there was talk of a pubwatch. That has died, has it?

Mr BACON - The government actually provided money to the THA to seek legal advice around Pubwatch. There were some complex legal problems, so the focuses are returned to Liquor Accords around the state to address problems related to antisocial behaviour.

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Mrs TAYLOR - I want to follow up little bit in Drysdale. That, for me, was one of the absolute losses when Tasmania Tomorrow decided to put that under the Polytechnic system and close TAFE down. What do you see that you can do? Because it was absolutely an icon and very well respected around Australia. Will the Drysdale certificate or accreditation will come back? It was under a Certificate I in something-or-other and the name, Drysdale, has gone.

Mr BACON - These are largely responsibilities for the Minister for Education and Skills. The department is working with the THA to make sure that the industry sees Drysdale as delivering on their needs. They would like to be proud of the students that come out of Drysdale and I think there will be a renewed focus from TasTAFE on that.

Mrs TAYLOR - A lot of the initiatives in hospitality are associated with education and education would be funding a whole lot of those, which is great. I could not suggest to you strongly enough that the education minister, or whoever, be encouraged to get that status back for Drysdale. Drysdale continued but it was not the same Drysdale. There was not the same independence; it was a totally different system. It became part of general hospitality education rather than a centre of excellence, which I think is a good term for it.

Mr BACON - That is why I think it is good that the industry is on board now to work with TasTAFE to reinvigorate that.

Mr FINCH - Is that the reference here? The centre of excellence is actually Drysdale?

Mr BACON - Yes.

Mr FINCH - There were some changes to the icons program, weren't there?

Mr BACON - The icons funding is a payment that is administered through Tourism Tasmania to Cricket Tasmania and to the TSO - \$500 000 goes through the Tourism Tasmania.

CHAIR - It is \$1 million they still hold?

Mr BACON - They do.

Mr FINCH - Are they the only two that are in the icons program?

Mr BACON - They are the ones that are funded through Tourism Tasmania.

Mr FINCH - I think there are some other things that happen in that space.

Mr BACON - Not that I am aware of. There was a move to where they are displayed in the budget. They came out of the tourism budget to a different line but they are still funded to the same amount as they were in the past.

Mr FINCH - Does that get reviewed, minister?

Mr BACON - They always ask for more money; if that is a review, then they do get reviewed. But in the tight fiscal environment at the moment, given the cuts in the past, there was no cut to the funding. Relatively, they are better off than most other areas of the government who have faced cuts since the global financial crisis.

Mr FINCH - That does not roll out because they are good people at these organisations. They have to prove up their standard of operation and the quality of the result that they bring back to the state and those things.

Mr BACON - With the Tasmanian Tigers, you could not argue with the quality of the product that has been put out in terms of Cricket Tasmania. If you go to any TSO concert, I do not think you could argue with the quality of product that they are putting out either.

Mrs TAYLOR - However, the TSO has had an unfortunate year financially.

Mr BACON - I have not seen the figures for the TSO.

[12.00 p.m.]

DIVISION 9

(Department of Premier and Cabinet)

Minister for Veterans' Affairs

Output group 6

Community development

6.3 Office of Veterans' Affairs -

CHAIR - Minister, I congratulate you on being able to convince Treasury that this area has its own line item, and hence my previous question in relation to hospitality. Would you give us a breakdown of what has been provided, particularly grants for this important area of veterans' affairs across the state?

Mr BACON - Funding in the budget contains \$50 000 for the war memorial repair and maintenance grants program, \$10 000 for the Lieutenant-Colonel Harry Murray VC scholarships and \$5 000 for the state government reception for serving men and women. There is no funding, but also part of the portfolio, is the Tasmanian Veterans' Advisory Council; \$100 000 goes to the RSL Tasmania State Branch; \$23 000 for the Anzac Day Trust; and \$143 000 for staffing and office costs within the department.

There is also \$120 000, which is not under the Veterans' Affairs line item, for the Frank MacDonald MM Memorial Prize, which is held in output group 6.1 of community development. That is the total.

CHAIR - How many of those through the repair and maintenance grants program did you award around the state?

Mr BACON - There were 14 applications and 13 were successful.

CHAIR - The line item also includes policy advice and support to the minister, can you give an update on what policy advice has been provided through this output group?

Mr BACON - A lot of advice comes from the Veterans' Advisory Council. They speak with a lot of veterans and are very concerned about veterans' issues. That then flows through the

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department to myself as minister. Advice about a whole range of issues is always coming through when any issue is raised.

CHAIR - Is there anything on the radar at the moment where that body is looking for support from the government?

Mr BACON - No so much support from the government. One of the key things coming up is the centenary of World War I, known as the Centenary of the Anzac. A steering committee has been established -

CHAIR - I know Mr Dean is going to talk to you about that.

Mr BACON - Okay, I will wait for that then. We see that as a good opportunity for the government to engage with local communities to see how they want to commemorate what are very significant events in Australian history.

CHAIR - I do not think that will be too hard, minister, the way the support has been across the whole of the state for Anzac Day in this last probably 10 years.

Mr BACON - Absolutely.

Mr FINCH - You might need to get moving on that though, minister, because 2015 is going to be here in the blink of an eye.

Mr BACON - That is why we have recently established the committee and appointed a project officer within the department to work on that Centenary of Anzac. We want to hear not just about commemorative opportunities that people want to seek for their local communities but also to hear stories about people's families and their local communities that were affected, particularly by World War I.

CHAIR - Are they going to be documented? Is that something that you are looking to do?

Mr BACON - They will be published on the website that is going to be established for the centenary in Tasmania through DPAC.

Mrs TAYLOR - So that is funding through DPAC, not through Veterans' Affairs?

Mr BACON - Veterans' Affairs is part of DPAC.

CHAIR - Will it be part of this \$331 000?

Mr BACON - There is \$143 000 for Veterans' Affairs staffing and office costs in our budget.

Mrs TAYLOR - How many staff?

Mr BACON - One project officer has been appointed specifically for that.

Mrs TAYLOR - For?

Mr BACON - For the Centenary of Anzac.

Mrs TAYLOR - Is that the only staffer?

Mr BACON - It is effectively 0.6 of an FTE for that. The work is done largely by Alex Schouten within the department but it is not the only thing that Alex works on.

Mrs TAYLOR - So it is part?

Mr BACON - It is part of their role.

Ms SCHOUTEN - There are other people in the division, and in my branch, who work on veterans' affairs.

Mr BACON - It effectively is the funding of one equivalent FTE but it is not only one person who does the entirety of the role.

CHAIR - Mr Dean, any questions that you want to expand on in relation to that centenary?

Mr DEAN - As a veteran, I have a special interest in this area. What are the plans at this stage that you can foresee for the centenary commemorations? It was suggested to me by the RSL at Launceston some time ago - and they were going to write to you at that stage - in relation to special guests who would targeted to come to Tasmania and pick a representative of the Queen. Have we progressed in that area?

Mr BACON - At the moment we are going out to local communities and asking, 'What do you think is the most appropriate way for your community to commemorate the centenary of Anzac?'. We have also reallocated the funding in the budget for those years that cover the centenary. The \$50 000 for the war memorial in the repair and maintenance grants program will be set aside during the period of the centenary for people who apply for grants to specifically commemorate the Anzac centenary.

Mr DEAN - I notice in the budget you have the similar amount identified for the next three to four financial years. It is only the one next year that will be there for the commemoration. That is light on for what will need to be done.

Mr BACON - There is a lot of money at a federal level; \$100 000 has been set aside for each federal electorate for the centenary of Anzac. Through the department we will working with those representatives around that federal money to make sure it is used in the way the community sees as appropriate.

Mr DEAN - What is going to be the likely support given to each individual RSL in the state? The Launceston RSL has asked me to pursue this matter for them, so is there a breakdown on what they may get to assist them with funding for their events?

Mr BACON - They can apply for grants up to \$5 000 from that funding.

Mr DEAN - When you say \$5 000, I suspect for some of the larger RSLs it may not be sufficient and the smaller RSLs may not need as much. So there is no breakdown, simply a \$5 000 limit for any RSL in the state?

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Mr BACON - Yes, that is right. At this stage we are encouraging people to engage with the steering committee and the project officer within DPAC about their ideas and the sooner they come forward with those - it is not only a significant historical event, it is spread over a significant amount of time. There is a range of different events people will want to commemorate and we want to make sure they get the opportunity.

Mr DEAN - Will the project officer, the person employed full-time, be going around the RSL clubs and talking with them, or will it be up to the clubs to approach the project officer?

Mr BACON - It is probably a little difficult for them to travel right around the state and talk to the RSLs, but there is an email address and they can telephone in as well. That is probably the easiest and I would encourage members who are in RSL clubs and other organisations that are looking to engage with the community to make contact as soon as they can.

Mrs TAYLOR - The state RSL may help with that.

Mr BACON - The state RSL as well, but every different RSL club I speak to has different expectations on what they want to do and now is the time for them to engage. Time is going to run out fairly quickly.

Mr DEAN - I think you said \$100 000 is proved to the state RSL, and I take it that is just for administrative salaries and those costs. It is not for any other special reason?

Mr BACON - It is for general funding so they can deliver on their core areas such as veterans' welfare and things like that. It is a grant that is made to the RSL rather than each individual RSL having to fight for funding from the state government.

CHAIR - Chris Munday has just stepped down as the state president.

Mr BACON - Yes, Robert Dick is now president and the deputy is Terry Roe. Chris Munday did a fantastic job as head of the RSL. I recently saw him at the state congress and wished him all the best for the future.

CHAIR - Given that all RSL branches will need to have their application in this budgetary period, why would there have not been a little bit extra given that the 2015 commemoration will need to take place before the next budget allocation.

Mr BACON - Yes, and there is some flexibility around the \$50 000 per year. It is \$250 000 across the five years and it does not have to all be spent in the one year.

CHAIR - There will be opportunities.

Mr BACON - Absolutely, and that comes back again to the sooner they engage with the process -

CHAIR - The sooner you will know how much they are looking for.

Mr BACON - Absolutely.

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Mr DEAN - I think you would be aware that some of the RSLs around the state are struggling.

Mr BACON - It is not just a Tasmanian problem, it is really a national problem.

Mrs TAYLOR - Except for Queensland.

Mr BACON - Queensland is unique. They provide funding to other RSLs -

Mrs TAYLOR - Including Tasmania.

Mr BACON - Yes, right around the country. They are in a unique position where they are -

CHAIR - They are cashed up.

Mr BACON - 'Rolling in dough' was the phrase I was going to use.

Mr DEAN - There is nothing in your area at all to assist them with, even talking with them to try and suggest ideas?

Mr BACON - I meet with RSLs all the time. I am happy to meet with any RSL but we provide the \$100 000 to the state branch so they can assist the sub-branches in a way that they see as appropriate.

CHAIR - The minister has got an open-door policy.

Mr DEAN - What is the criteria for the selection of parliamentary officers, students, anybody in relation to the Frank MacDonald visits?

Mr BACON - The Premier makes the decision in terms of the parliamentary officer but given the timing around the state election next year if there is a legislative councillor who is not up for election then it will be a smaller field than normal. I cannot imagine sending anyone from the lower house next year given the timing of the trip and the state election. I could write to the Premier and suggest someone if there was someone -

CHAIR - I will just write it down now and send it across.

Mr BACON - I did undertake to speak to the Premier about the trip last year and it was awarded to another legislative councillor, but I would be happy to write to the Premier on your behalf.

Mr FINCH - I would put my name forward but I have an election next year.

Mr DEAN - There are no criteria?

Mr BACON - It is a decision by the Premier.

CHAIR - I suggest somebody get their name in quickly.

Mr DEAN - What is the situation with a student?

Mr BACON - It is a prize; it is an essay competition.

Mr DEAN - I think others go too.

Mr BACON - Yes, the RSL would have a delegate.

Mr DEAN - RSL head office identify their delegate.

Mr BACON - And teachers go along with the students as well.

Mr FINCH - Just curious, minister, whether you are aware of the work of Rod Stone from my electorate in the inauguration of a memorial for the 2/40th Infantry Battalion?

Mr BACON - Yes.

Mr FINCH - The Sparrow Force that was in Launceston earlier this year.

Mr BACON - Yes.

Mr FINCH - I wanted mention that because it was a fantastic recognition of the work of Sparrow Force in West Timor in 1942. Are there other commemorations or events or things that are forgotten or have been overlooked over the years that might come to the Department of Veterans' Affairs or the RSL?

Mr BACON - We have seen a range of different dates that people want to commemorate. An important one is peace keepers, which may have been a little forgotten in the past but the recognition we can give to people who served their country in those peace keeping situations is a very important one.

Mr FINCH - That was Mr Dean's role in Malaysia.

Mr BACON - Absolutely.

Mr FINCH - As a peacekeeper in Malaysia

Mr DEAN - No I was a peacekeeper in Cyprus. I was a veteran in Malaysia and Borneo.

CHAIR - A worthy Frank MacDonald recipient I would expect.

[12.15 p.m.]

Mr BACON - I was at the Cenotaph a few weeks ago for the commemoration of the Battle of Crete and it was a fantastic event, not only for the local veterans, but also for the Greek community.

Mrs TAYLOR - I want to broaden the discussion a little. What connection is there between our Veterans' Affairs department and the national? You have already said, for instance, that the federal government is going to give \$100 000 - that is national. In relation to veterans who are now returning from Afghanistan and Iraq, in particular, as they are returning they have the same needs as our military forces have always had when they return from battlefields. We know

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Afghanistan and Iraq are particularly difficult war zones and I am aware a lot of trauma claims are being made. How many do we have in the state and do we have some responsibility or is it all handled nationally? Do you get funding for that?

Mr BACON - We don't get funding and it is a national responsibility, but we put on a state reception for serving personnel each year. Jan Hyde from the Department of Veterans' Affairs comes along to a lot of the Tasmanian Veterans Advisory Council meetings to make sure that if issues come up that affect the federal department that they can be addressed as efficiently as possible. It has been an issue recognised by the RSL at a national level about how they engage with modern day veterans. It is a very difficult thing to do. A lot of strategies have been put in place, or are looking to be put in place by the RSL, about how they can assist modern day veterans as they come home.

Mrs TAYLOR - It has certainly been an issue for the RSL, quite apart from vet affairs that their numbers are dropping, mostly because even Vietnam veterans many of them are not engaging with the RSL. Certainly since then that is not happening too. Are you aware of how many veterans from the current conflicts are Tasmanians and are returning to Tasmania, and are we doing anything to assist them, even if it is through contact?

Mr BACON - Yes, largely through TVAC, which hold a lot of their meetings in regional parts of Tasmania. They hold an open morning tea or an afternoon tea before or after meeting to try to attract local veterans and then they can put them in contact with the federal department. It is more of a communication-type thing for us. The most recent one I went to was on the Tasman Peninsula. TVAC is very proactive in trying to reach out to those local communities.

Mrs TAYLOR - Are they informed when a veteran comes home? How do we know?

Mr BACON - It is the federal department that would know rather than the state government.

Mrs TAYLOR - You don't have a connection with them that then informs you?

Mr BACON - We put on the state reception, so there is information on that level, but in terms of providing welfare and those kinds of things it really is federal government.

Mrs TAYLOR - I understand it is a responsibility, but they are our local people.

Mr FINCH - Coming back to our community.

Mr BACON - That is why we have local -

Mrs TAYLOR - I am concerned that some of them, because of their experiences, tend to - as many of our Vietnam veterans did, for instance - not come out publicly and say anything or do anything. We as a community need to give them whatever assistance we can. I am not talking necessarily about money.

Mr BACON - That has been a key role of the RSL in the past and it is how they adapt to modern day technologies and modern day veterans about how they can engage. There is a lot of work that they are doing at the moment to make sure that they engage in a way that is appropriate for modern day veterans as well.

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Mrs TAYLOR - Do they have the information? I am really asking about an information channel because, as I understood it, RSL members are people who choose to connect with others.

Mr BACON - That is right.

Mrs TAYLOR - I am talking about the opposite; the capacity to outreach to them because you know they are there.

Mr BACON - There is a lot of outreach by the federal department and there are DVA staff based in Tasmania as well.

Mrs TAYLOR - Okay.

Dr GOODWIN - Minister, I want to ask about the vandalism of war memorials. Last year you mentioned that the Attorney-General was going to do some work on that and bring a paper to cabinet. Is that progressing?

Mr BACON - That work is still ongoing between the Minister for Police, the Attorney-General and me. Obviously it causes a lot of distress in the community when these things happen; it is quite shocking. Because they are quite rare occurrences there is concern in some sectors that if you bring in a new offence you will highlight this or stir up interest in it for some reason. Desecrating a war memorial is already an offence and action can be taken. The process is still continuing but it is a difficult issue, particularly given that in the past it has largely been minors that have committed such offences in Tasmania. There was the incident in Scottsdale that was quite shocking for the local community so we want to address the issue but we do not want to do it in a knee-jerk way.

Dr GOODWIN - So you are still working on it?

Mr BACON - We are still working on it.

Mrs TAYLOR - A year is probably not knee-jerk.

Mr BACON - Yes, but we have not seen any in that time. It has been raised frequently by the member for Bass, Mr Booth, that it could put a focus on these kind of events, which we have to recognise are very rare, even though they are quite shocking.

CHAIR - Minister, to follow on from that I can advise that one of the young youths that was involved in the Scottsdale incident spoke at the Anzac Day service as a healing process for the community and talked about Simpson's donkey and the role that it played. I think it did heal, in some respects. There seems to be a bit more acceptance of those boys back in the community and hopefully they learnt something too.

Dr GOODWIN - It sounds like a good restorative process.

CHAIR - It certainly was. The RSL club in Scottsdale was packed and it must have been very difficult for that young fellow to do it. There should have been three other mates standing with him, but I will not go there.

Mr FINCH - We all make mistakes.

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CHAIR - Yes, but they should all have stood beside him. However, one of them did get up and speak and it was commendable on that Anzac Day service - not this year but last year.

Mrs TAYLOR - Minister, what is the progress with the new Claremont war memorial?

Mr BACON - There has been no progress as such, it is still a funding issue. There may be possibilities in the upcoming federal election to secure that funding. I have had discussions with my office about that and you will be the first person to know.

Mrs TAYLOR - Thank you.

Mr BACON - Or maybe the second.

Mr FINCH - What has been running through my mind is 2015 and the commemoration and I was just wondering whether you would be going to something like the commemoration in Albany in Western Australia but of course you would need to be re-elected so it is really out of your control.

Mr BACON - That is right.

Mr FINCH - I am wondering whether something might be initiated with the RSL with the Department of Veterans' Affairs because so many Tasmanians went on what would be re-enacted with the 37 vessels that will sail out of King George Sound to head across to Gallipoli. On board those vessels there must have been at least hundreds and possibly thousands of Tasmanians, 15 000 troops and 5 000 horses. They were trained in the Midlands just near Ross. They then left from here, went across on the train to Perth and then went on that voyage. I am wondering whether there might be some Tasmanian representation.

Mr BACON - That is what is important about the steering committee that has been set up; it is good to take the politics out of it, not only because of the election, but also we do not want to politicise these issues. It is an important thing for the Tasmanian community to look at whether they want the premier of the day or some other figure to travel to Albany. It would be important to get that feedback.

CHAIR - Minister, thank you very much. Before we suspend for lunch, I acknowledge Mr Roger Menadue in the gallery.

The committee suspended from 12.27 p.m. to 2 p.m.