

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON TOURISM MET AT STRAHAN VILLAGE HOTEL, STRAHAN ON WEDNESDAY 20 OCTOBER 2010

Mr ANDREW DISHINGTON, WILD RIVERS JET, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wing) - Thank you very much for coming to talk to us today about tourism in Tasmania - we are looking at all aspects of that. We look forward to hearing from you about what you are doing and how you are finding the seasons, compared with other ones and any suggestions you have that might help to promote tourism - that is basically what we are about.

To start with, could you tell us about your operation?

Mr DISHINGTON - I have been involved in tourism in various activities for around 35 years. I have run the jet boat here since 1993 and have expanded the business to include electrical goods retail, fishing and camping retail, kayak hire, sand board hire, signwriting and banking services.

Dr GOODWIN - Perhaps we should ask you what you do not do!

Laughter.

CHAIR - You have let Federal Hotels buy up all these enterprises around here, which must have helped yours.

Mr DISHINGTON - Not necessarily. The word is that their staff aren't permitted to promote businesses other than their own. Some of the staff do, anyhow but, as far as I am aware, that is what they are told to do from above in the business.

Having said that, I have no problem with any of their staff. Those who work here are great people; they are only working under instructions from above as to what they can or can't do.

It makes them very hard to speak with. They have a marketing program that is probably at least as efficient, if not more efficient, than the one that Tourism Tasmania run and it is very difficult to compete.

CHAIR - And they probably spend more money marketing their enterprises and, in the process, help to market Tasmania than Tourism Tasmania is able to.

Mr DISHINGTON - Yes, that is right. They spend thousands to make hundreds. With some of their businesses here they don't even care if they don't make money. It's very difficult to compete with a business like that.

CHAIR - So in what way are you competing with them?

Mr DISHINGTON - When I started here there was no train so, all of a sudden, you are a step further down the pecking order. I run a small boat tour business. I would compete directly against their piners and miners, and the penguin tours - they are my direct competition - also their kayak tours. They are quite happy to see them just break even. If they broke even, that would be a bonus for them, so it is just difficult to compete.

CHAIR -So you have been operating the jet boat service since 1993 and that is your main tourist enterprise?

Mr DISHINGTON - That is right, yes.

CHAIR - How have things progressed since then?

Mr DISHINGTON - A steady growth. I had the new boat built in 2000. Probably the best year we ever had was after the 9/11 terrorism attacks. Since then I have had to share the market with people like the train and everything else around here so it has not been as good since then, but it was nowhere near the downturn we are experiencing at the moment.

CHAIR - How severe is that in your case and generally?

Mr DISHINGTON - My figures are probably down about 30 per cent.

CHAIR - On last year?

Mr DISHINGTON - Probably the last two years. In speaking to other people in the industry, that is pretty much across the board for what most people are experiencing. I spoke to a friend from Swansea on Sunday and he said numbers there are down 48 per cent.

CHAIR - At Swansea?

Mr DISHINGTON - Yes. I find that my figures concur fairly closely with the figures that John White from Advance Tourism put together.

CHAIR - To what do you attribute that mainly?

Mr DISHINGTON - The Australian dollar, I think, is the main thing. It is not attractive for people to come Tasmania from overseas at the moment because of the dollar - they come here and their dollar isn't worth as much - but for Tasmanians, it has never been a better time to go overseas. If you are ever going to go overseas, now is the time. Everyone I speak to is going overseas. A fellow rang me last night and he said he had just been to Fiji and he is off to America. His sister has just got from Italy, his brothers have come back from Bali - they just don't do anything in Tasmania anymore.

When that happens, tourism will suffer. There is nothing much we can do about it, apart from ride it out. But there are factors that influence how well we do - things like marketing, visitor centres and all the other things that go to make tourism work, and they all have to be firing on all cylinders just to maximise the return from what we get.

This season the Tasmanian school holidays were a non-event - you would not have even known they were on.

CHAIR - The school holidays?

Mr DISHINGTON - Yes, the ones that started in September - you would not have known they were on. That was disappointing because I had just spent about \$5 000-\$6 000 on TV advertising which was directly to the Tasmanian market and it had no effect whatsoever.

The mainland school holidays were not much better, apart from the fact that there were a couple of tournaments in Hobart - water polo and kids' basketball - and we had a lot of people travelling around after those tournaments. But if you had taken them out of the equation, it would have been really dead.

CHAIR - It is interesting that you benefit from such events. So even though they are coming for a particular event, they regard the whole State as a touring destination?

Mr DISHINGTON - They had school holidays on at the time. If they had not had those school holidays on at the time, they probably wouldn't have done. But there were quite a big proportion of them and most have just continued on and done a trip around the State. Normally there would be a big flow of people coming in from the mainland for about two or three weeks and you would be pretty well flat out. As I say, if you take those tournament people out of the equation it would have been very flat.

CHAIR - If we followed the mainland and had four school terms that is being discussed, would that have any effect on tourism here?

Mr DISHINGTON - Yes. All the school holidays would tend to be just like Christmas where everyone goes at once, the accommodation is booked solid and you cannot force anymore through, so you are creating bottlenecks.

CHAIR - So is it better for tourism that we remain with three terms?

Mr DISHINGTON - Yes. At Christmas time everything is pretty well booked solid, you cannot get rooms here anyhow. If you had all the schools going out at the same time then that would be the case, and in the September and May holidays as well, to a lesser extent; they would all be much more polarised at certain times. You would be flat out, then dead quiet, flat out, dead quiet, especially with something like the jet boat where our main market is families.

CHAIR - Families, I see, not younger people, early twenties and that age?

Mr DISHINGTON - Them too, but the busy times are mostly just families. You have probably heard all this before.

CHAIR - No, no, we have not, so do not worry about that.

Mr DISHINGTON - I might just reinforce some things that others are saying too.

CHAIR - We would like to have all the views.

Mr GAFFNEY - What has been the impact of the Abt Railway? What is the general community consensus about the railway?

Mr DISHINGTON - Last season they carried more people on the train than they took on the cruise boats. So they would have taken business away from both cruise boat companies. The World Heritage Cruises normally run about the same as Federal Hotels. I think they are just pulling people off the boats and putting more on the train. So yes, they do provide employment, yes, it is a good trip. If someone gains, someone else has to suffer. If there are no more people coming through they have no more money.

Mr GAFFNEY - Do you know offhand what the cost for the trip is on the railway?

Mr DISHINGTON - No, it varies a lot.

Mr GAFFNEY - Just during the season.

Mr DISHINGTON - They have premium seats, they have cheap seats - not cheap, there are no cheap seats; expensive and even more expensive.

Mr GAFFNEY - What about on your boat, what is the cost on the jet boat?

Mr DISHINGTON - For one adult it is \$70, for a family it is \$190.

CHAIR - For what period of time?

Mr DISHINGTON - That is a 50-minute trip. We also have an extended trip, which is an hour-and-three-quarters, that runs to the Huon Pine Forest and the Technicolour Plateau. That one is \$94 a head for adults and \$249 for a family.

CHAIR - Thank you.

Mr DISHINGTON - I have been through the different prices on all the websites right around the world and the time on the boat per dollar. I think there was only one that was cheaper. There was a fellow in America who was running a cheaper one.

Dr GOODWIN - So, Andrew, what would the average length of stay of people coming to Strahan?

Mr DISHINGTON - Probably two nights, I would say.

Dr GOODWIN - When people come, do they tend to go on the railway and come on the boat or do they just tend to pick one thing that they are going to do? Is cost a bit of an issue for people, do you think?

Mr DISHINGTON - Cost is definitely an issue, because a lot of people don't have a lot in their pockets anymore. As I say, since they have got the railway going and Federal has got the small boat trips going it has hurt our business, because they don't have the money to go around and do everything. I have only a certain amount of resources for marketing.

Federal Hotels has an incredible marketing resource and it's just very hard. I'd back my product against theirs any day, but it is very hard to pick up the customers.

Dr GOODWIN - What are your main methods of marketing?

Mr DISHINGTON - TV - I've just spent about \$5 000 on TV recently. I've got brochures in the visitor centre, on the Internet and in various publications. We've got Destination Strahan - and the tourism association here is in a bit of a hiatus because they couldn't get anyone to take up the positions. Most of the things that they come up with, we get involved with. Then there's the Travelways - and that's the way to go. A couple of times we've had a webcam down there - responsible webcams - and quite a lot of other visitors around the place.

CHAIR - So your business would appeal to people who like some excitement rather than just -

Mr DISHINGTON - I market it as a mixture. We don't try to compete with the New Zealand trip because the legislative framework in Tasmania wouldn't allow us to run like that. The insurance situation in New Zealand is completely different. When you sign a waiver over there you actually sign a waiver, whereas if you sign a waiver over here you're just signing a bit of paper that doesn't mean an awful lot. So I market it as a mixture - a lot of scenery, a bit of history, plus we have a bit of fun on the boat. It's not just a 'mad fang' trip.

CHAIR - But there's a bit of excitement in each of the tours?

Mr DISHINGTON - Oh, yes.

CHAIR - So the four-wheel drive sand dunes enterprise, there's a bit of excitement in that too. Do you do any joint advertising for that section of the market?

Mr DISHINGTON - No, he's just not the sort of person who likes to work with other people, and that's his decision. He's not a member of the local marketing association and he doesn't show any interest. He has a good product out there but he just prefers to do his own thing.

CHAIR - It seems from what you're saying that there is a lack of interest among those in the tourism industry here in working together?

Mr DISHINGTON - No, not necessarily. It's going to change. I think Destination Strahan had sort of fizzled out. The people who were doing all the work got sick of doing all the work without a lot of support. There are new things coming along and if you speak to Mike Fry, who I think is coming to see you later on, he'll be able to fill you in a little bit more about what's going on there, but it's in its formative stages at the moment and hopefully will work better.

CHAIR - In evidence given publicly at St Helens they were having difficulty working together and having an organisation. So you're not finding it to that extent here in Strahan?

Mr DISHINGTON - As I say, Destination Strahan is in a break; they couldn't fill any of the board positions. A new entity is in the process of being formed but what form it will finally take I'm not sure at this stage.

Mr GAFFNEY - What is the sustained local population - is it leaving or is it growing?

Mr DISHINGTON - Strahan is a bit of a revolving-door sort of town, especially with Federal Hotels; they bring their staff in and they'll work for the season and then they're gone again. A lot of people are living out at the fish farms.

Mr GAFFNEY - And is the school sustaining numbers, do you know?

Mr DISHINGTON - The numbers go up and down but at the moment I think they're relatively steady.

CHAIR - So apart from the Federal Hotels enterprises here and accommodation places, which are obvious driving around, what are the main tourism ventures like yours?

Mr DISHINGTON - Activities?

CHAIR - Activities, yes.

Mr DISHINGTON - The helicopter guy has seaplanes and helicopters - Dale Triffitt from Wynyard; there's Trevor Morton with his yacht; World Heritage Cruises; Gordon River Cruises - that's Federal -

CHAIR - And also the Gordon River Cruises 2? Federal have one and -

Mr DISHINGTON - It's World Heritage Cruises.

Mr GAFFNEY - Is that Troy Grining?

Mr DISHINGTON - Yes. I think he's hoping to catch up to you guys in Hobart.

CHAIR - Yes, that's right - Friday of next week I've been told.

Mr DISHINGTON - What else is there? There's Carsten with his 4WD motorbikes. We hire out kayaks and sandboards.

Mr GAFFNEY - Where do you dock your boat?

Mr DISHINGTON - Just over at Risby Cove.

Mr GAFFNEY - Any comments on what the infrastructure for the docking of boats and jetties at TasPorts is like around here?

Mr DISHINGTON - I used to dock over in the main wharf, and it was the best spot in the dock. Hobart Ports at the time did a report from a risk-management assessor for their insurers, who suggested I couldn't refuel there any more. I have to refuel probably every second trip at the most so it was impossible for me to operate there anymore and I've got

about two days to go, so Chris Short over there made that available for me and I've been running out of there ever since.

CHAIR - What effect has that had on your business?

Mr DISHINGTON - That had a lot of effect, just losing the visibility.

CHAIR - So what needs to happen for you to be able to get back to where you were operating from before?

Mr DISHINGTON - I don't think it's feasible.

CHAIR - So it's not through any lack of activity by TasPorts or any other bodies?

Mr DISHINGTON - They've sort of closed access to this end of the wharf where I was operating. I used to store fuel there in a vehicle, and it was all within the legal framework of what you're allowed to do, but it didn't meet their insurers' -

CHAIR - Is that due to any inadequacy in the wharf structure or lack of maintenance, or is it just due to safety requirements?

Mr DISHINGTON - No, they just didn't like having me there - I run on petrol too and that's more flammable than diesel. If it were diesel it would be a different matter.

CHAIR - So even if the wharf were in tip-top condition you'd still have this problem?

Mr DISHINGTON - Yes. It's just a matter of having fuel in the proximity of people.

CHAIR - Tight, yes. So you don't see a solution to that?

Mr DISHINGTON - No. The fuel tank is not that big because you can't afford to have too much weight in the fuel you're carrying up and down the river so it needs refuelling regularly. Seaplanes refuel further up the slipway there. They're not allowed to refuel down there either because they use even higher octane fuel than I use. It's a good spot to work over there as far as security goes and everything like that, it's just that it hasn't got visibility of the main street.

CHAIR - Have you been able to do anything to compensate for that, like large signs?

Mr DISHINGTON - I was told by Hobart Ports to get the sign and take it with me. I asked could they make an exception and they said no. The fellow at Hobart Ports at the time was a belligerent sort and I didn't get on with him.

CHAIR - So do they have total control of the signage and not the council?

Mr DISHINGTON - It was on their land.

CHAIR - So since TasPorts have taken over, have you approached them to see if they would agree to a sign?

Mr DISHINGTON - No.

CHAIR - Do you think it might be a good idea?

Mr DISHINGTON - Where I had my signs is where Federal Hotels' sign is now. They leased the area I was using down there.

CHAIR - The whole of it?

Mr DISHINGTON - Yes.

CHAIR - Is there no part there that could be used for your sign that is not within Federal Hotels' section?

Mr DISHINGTON - Not that I can think of. I don't reckon they'd be pleased to have one of my signs in the middle of theirs.

CHAIR - Or anywhere nearby?

Mr DISHINGTON - I have signs in my shop. I have shop access - see the 'Strahan Shack' down there on the corner?

Mr GAFFNEY - Is that yours?

Mr DISHINGTON - Yes.

Mr GAFFNEY - Oh, okay.

Mr DISHINGTON - I have signs there.

Mr GAFFNEY - Is that the lolly shop just up from there?

Mr DISHINGTON - The lolly shop's next door.

Mr GAFFNEY - Yes. Are they old seats out of the theatre or something on his verandah?

Mr DISHINGTON - I am not sure, but they do look as if they are.

Mr GAFFNEY - They do look like the old theatre seats.

Mr DISHINGTON - There used to be a theatre up near where the park shed is but I have an idea it burnt down. He is from Hobart so he may have brought them up.

CHAIR - No doubt you have thought of all possible avenues, to have signage -

Mr DISHINGTON - I have my own sign-writing machine, so I am not averse to putting the occasional sign up.

Laughter.

Mr GAFFNEY - What is local government support for tourism like in the area?

Mr DISHINGTON - Hopeless. The councillors themselves are either anti-tourism or apathetic. No-one is really pro-tourism. We are represented in Strahan by Darryl Gerrity and he hasn't got a vote on council because he is the mayor.

CHAIR - Doesn't he have a vote?

Mr GAFFNEY - Actually they do vote but not enough.

CHAIR - So you not get any support from local government?

Mr DISHINGTON - No. The council manages the visitor centre down there and that has big problems at the moment because of mismanagement. There have been some pretty horrendous problems with staff down there, which have been very poorly handled.

CHAIR - If you are going to spell out the problems perhaps we should take the next bit of evidence in camera.

Later:

CHAIR - We will now go back into the open hearing. What are your views about the operation of Tourism Tasmania?

Mr DISHINGTON - They have lost a lot of credibility because they keep on telling us how well we are going. We do not believe anything as far as the figures go. They come up with these figures and say, 'The industry is going well and everything is steady,' and you look at your own figures and you see that you are going backwards. You say to yourself, 'Why am I going backwards, my product must be faulty.' Losing market share, but not necessarily so. You work out your market share and your market share might actually be increasing. There are dangers with that: one danger is that if you are selling, you might think the business is on the decline and you will not be able to ask much for it and you might let it go at fire sale prices where the value is actually there and when the wheel does turn over, you will maintain your market share and you will be doing well again.

As far as buying infrastructure is concerned, if they tell us that we are going well, we can say, 'That's okay, I will buy a new boat.' So you have a new boat there, you borrow money for it and the business is not there so you are not getting a return on it. It creates problems if you have had to borrow money for it. And there is stock, even just in the shop. They tell us we are going well so you stock up on souvenirs, you spend a lot of money and knock the overdraft along a bit in the wintertime and the next thing you know the numbers are not there. It is just dangerous to go and tell people that they are doing well when they are not. They know that the numbers are wrong but they still give them. The politicians are given all these figures from Tourism Tasmania and the politicians have spoken to us. They just make them look silly because we know that the figures are wrong.

Mr GAFFNEY - With the heritage value down here, you do not get the emphasis on Sarah Island, for example. There does not seem to be as much promotion of this area as an historical site. I can understand people coming to the railway because you get railway

fanatics out in the world who will travel anywhere to travel on a train. Is there much effort put into the history side of Sarah Island?

Mr DISHINGTON - The cruises do promote that. I don't know whether you know Richard Davey but he's always promoting. He's written books on the subject, he does the guided tours down there and he does a wonderful job. The cruises all push him as well. Parks and Wildlife get a return from everybody who goes into the World Heritage Area and Sarah Island.

Mr GAFFNEY - How is the relationship with Parks and Wildlife? Do they have many staff down here?

Mr DISHINGTON - They've got about three or four staff I think down here. The fellow who's down here at the moment gets on with everyone. Two of them are local people and there's another young fellow that just moved in here and he's a nice fellow. There have been people who've upset the locals a bit over the years, but the guys who are here at the moment are fine.

CHAIR - How many people do you employ in the tourism section of your business?

Mr DISHINGTON - I have two girls down there who share the job, so one girl at a time, in other words.

CHAIR - And then I suppose all your businesses benefit in some way or another, as a lot of other businesses do, from tourism but indirectly. Do you have any other views that you would like to express to us that you haven't covered?

Mr DISHINGTON - Yes, the *Spirit of Tasmania*. It irks me that part of their advertising budget is used to try to encourage Tasmanians to leave the State for their holidays. I believe that if there's a certain amount of money it should all be spent trying to get mainlanders to come here. If mainlanders want Tasmanians to go to the mainland then they should be promoting it over there, but not at the expense of the Tasmanian taxpayers. There's also some conjecture in the industry that the *Spirit of Tasmania* has become so full of freight it has made it very difficult to book, especially at short notice, to get a vehicle on the *Spirit* to come over and do a cruise/drive holiday. There's plenty of cabin space available but you just can't get your car or caravan on.

CHAIR - What about the fares? Do you have any views about the cost of passenger fares?

Mr DISHINGTON - I've never heard any feedback saying it was too expensive, just difficult to book in. With the booking system, you just go online and press the buttons these days, but it doesn't really tell you how many people can't get on because the capacity is not there. How many people click on the machine and see they can't get on there and say, 'Bugger it, we'll go to Queensland'? One of the other things is that of the Tasmanian economy as a whole, the Tasmanian component of our market is supposed to be the biggest component.

CHAIR - Intrastate travel?

Mr DISHINGTON - That's right, yes. That's probably been the biggest loss of our market, the intrastate market. In probably the last five or six years we've just lost that market completely, and a lot of it is to do with the Tasmanian economy. When was the last time we had a good-news story in Tasmania about the economy? I can't remember. Incat's got no more boats to build; Austal has gone; our suppliers of electrical stuff are up in Smithton and nobody up there wants to spend a cracker because they don't know where their next dollar's coming from; and in farming, they've had Simplot pulling out.

CHAIR - And McCain's.

Mr DISHINGTON - McCain's, yes. Everything's just going backwards, and the Tasmanians that are spending are spending it on going somewhere else. The Tasmanians are just not spending.

CHAIR - Did you say that was the biggest part of your business before?

Mr DISHINGTON - That's right, absolutely.

CHAIR - More so than visitors coming?

Mr DISHINGTON - It was probably - I don't have the figures - over 50 per cent in years gone by just from Tasmania, and that market has disappeared, just dried up.

Dr GOODWIN - Andrew, there have been a couple of buses of people who have come in here while we've been here, or we've heard about them. Do any of them come to your business or are they pretty much -

Mr DISHINGTON - It depends who they are. Some of the connections, who are now Topdeck, we pick up some of those. It depends who are and what their schedule is but we do pick up a few. A lot of the bus tour business is pretty well stitched up before it gets here. That's the one thing Federal can do with the things they package - it's accommodation, cruise and train, and no-one else gets a look-in.

We get some of the Adventure Tours people. A lot of it is to do with the preferences of the driver himself because they have so much influence over what people do. He might say, 'Okay, we'll go for a pushbike ride', and some mornings you'll see a dozen or so pushbikes going past and the next driver comes in and puts them on a jet boat. The driver has a lot of influence over what people do.

Mr GAFFNEY - Do you have backpacker accommodation here?

Mr DISHINGTON - Yes, they've just changed hands apparently, or in the process of changing hands.

CHAIR - Do you get much business from that source?

Mr DISHINGTON - Not an awful lot on the jet boat. We're hoping to run canoe tours a bit later in the year and we would hope to pick up quite a bit of that market on the canoes - that will be up into the Henty River.

Mr GAFFNEY - Some of the backpackers would be more careful with their money, I suppose?

Mr DISHINGTON - They normally hang on to their money but when something really worthwhile comes along they'll spend it. They'll know what they want to spend their money on. Up in Cairns they might sleep in some \$20-a-week dungeon but they'll go out and do the cruise for a week.

Dr GOODWIN - I want to ask a question about the weather because it is very calm at the moment but is your jet boat very much weather-dependent?

Mr DISHINGTON - Yes.

Dr GOODWIN - What is the weather like? Can you get out most days?

Mr DISHINGTON - It just varies so much. I have had seasons where I've only been able to work say three or four days in a month because it's been that bad. Then the next month you might get 100 per cent of days you can run and it's beautiful. So you' just got to take pot luck. The weather here is not that different to Hobart.

Dr GOODWIN - It rains a bit more, doesn't it?

Mr DISHINGTON - Yes.

Dr GOODWIN - It has been pretty dry.

Mr DISHINGTON - Yes. Here and on the north-west coast because we're so close to sea level a lot of the rain goes over our head here. They'll forecast rain for the west coast but it doesn't rain here; we might get a shower or two but it's not persistent rain.

CHAIR - It goes to the mountains?

Mr DISHINGTON - Yes.

CHAIR - You might have some other things on your list you might feel like mentioning.

Mr DISHINGTON - The council looks at tourism as a bit of a milking cow. We are the third-largest town in the municipality but we're the only one with parking meters and the only one that pays for parking. I'd like to see them try that in Queenstown or Rosebery. They definitely would not accept it but they think we would accept it here.

This downturn will create a shake-out and some of us will not survive. Others will survive with scars. It is quite common for me to do a day's work and at the end of the day pull money out of my savings to make up the difference in what it takes to just run the business. I do not know how long I can do that for. I do not know how long you would do something like that for but you just have to do your sums and work out how long you can. There is no real light on the horizon at the moment. They are talking about the Australian dollar going even higher.

CHAIR - Apart from the Australian dollar and its effect here, what measures do you think could be taken to improve the downturn situation? Are there any likely to have a significant effect?

Mr DISHINGTON - The best thing that ever happened to Tasmanian tourism was the terrorist attacks in New York but I would not ask anyone to go and do something like that for us.

CHAIR - The SARS epidemic had a similar effect, didn't it, not quite as pronounced, but people were less inclined to travel overseas at that time. Do you feel that anything that deters people from travelling overseas in the numbers that they are doing now would help? Is there anything that could be done locally?

Mr DISHINGTON - No, I think it is a global thing. I don't hear much from the Australian Tourism Commission but I don't think they have answers either. It is just a matter of maximising the return from the people who are coming here. I don't think even the greatest marketing program ever is going to stop people from going overseas, and why wouldn't you? I have never been overseas but if I could afford it I would probably go myself. There has never been a better time, but the wheel turns. If you look back to when the Australian dollar was about 47 cents it was a great place to come. If Tasmanians travelled overseas they would lose money so they all stayed here. It is such a big factor. I don't think there is anything you can really do to turn it around but we just have to make sure that everything is in place so that we do maximise returns from what we have.

I am a supporter of John White. He has tried to point out things and get things going. I don't know whether he has come up with any solutions yet but the first thing he has done is to make Tourism Tasmania admit that there is a problem.

CHAIR - And he has been quite critical of the marketing, the standard of the advertising.

Mr DISHINGTON - He has, and I do agree with that. The last two marketing campaigns they have done - Secrets - have had no effect whatsoever but, as I say, even the best marketing campaign it is a matter of spending thousands to get hundreds.

CHAIR - Is there anything else?

Mr DISHINGTON - No, that's about it. Thank you for coming around and taking an interest in our industry. We are in trouble here. The big picture will change eventually but I don't think we can force it. It will happen when it happens. In the meantime we have to make sure that everything is working to our advantage.

CHAIR - Thank you very much for coming and giving us your time. Just before you go, did you receive an information for witness form in the mail? It was just giving you some details about what the procedure is like here.

Mr DISHINGTON - I think I got it on my e-mail.

CHAIR - I will just mention this now and to the lady and gentleman who will be giving evidence later. Anything said at this hearing is protected by parliamentary privilege.

The *Hansard* will record it and then that will be put on our website when that is available, and so anybody can access that. Perhaps I should have explained that before. I do not know if there is anything you have said that you would not want to be on the website that you would regard as being given in camera, or are you quite happy to have all the transcript on?

Mr DISHINGTON - No, I think that is fine, there are probably a couple of things people will not be happy with.

CHAIR - Did you want us to regard any of those as being in camera and not published until the report comes out?

Mr DISHINGTON - If I do not say those things nobody else will, so they need to be said. People have to stand up.

CHAIR - So you are quite content to have that. Thank you very much. Thanks for being so frank and helpful and coming down.

THE WITNESS WITHDREW.

Mr PHILIP VICKERS, EXECUTIVE DIRECTOR OF THE WEST COAST PIONEERS MUSEUM, CHAIRMAN OF THE BOARD OF DIRECTORS OF THE WEST COAST HERITAGE LTD WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wing) - Thank you very much. You have received an Information for Witnesses Form, have you? So you are familiar with that and, as you heard me explain before, the evidence is recorded and transcribed by *Hansard* and it is put on our website.

Mr GAFFNEY - So if there is something you want to say in camera you're quite able to do that too, Phil.

Mr VICKERS - Yes, thank you. I was not quite sure, Mr Chairman, whether you wanted to talk to me or I was going to sort of talk to you.

CHAIR - A bit of both, but initially if you could tell us what involvement you have had in tourism in the past and now and any views you have about how that is faring at the moment, and any suggestions about how Tourism Tasmania can be boosted.

Mr VICKERS - I actually did a brief submission for you about your points of reference.

CHAIR - Very good.

Mr VICKERS - It is very brief, and it was typed up by a young trainee so I had to correct a couple of spelling mistakes this morning, but I can give you that and speak to it if you like.

CHAIR - Thank you; that would be very helpful.

Mr VICKERS - Where do I start? I've had a pretty chequered career. I had 16 years in local government on the west coast here, 10 years in the banking industry before that, then I had a supermarket/newsagency for seven years with my wife, and since 2001 I've been chairman of West Coast Heritage, which is a not-for-profit company which operates the West Coast Pioneers Museum, Penghana Bed and Breakfast at Queenstown, and an old building called the Mt Lyell General Offices up until this year.

The West Coast Pioneers Museum was established in 1963 and it was always free entry up until around about 1998 when we had to impose door charges, so as part of the imposition of door charges we kept some accurate records as to our visitor numbers. We consider ourselves to be in the tourism industry simply because the majority of our visitors, about 99 per cent of them, are in fact tourists. The best year since 2001 that we ever had was when the third *Spirit* started and was bringing tourists from New South Wales. We had about 25 000 visitors that year and since that service stopped we've progressively slowed up a little bit each year but, in saying that, our revenue stream has been maintained for one reason or another through small increases in door charges. For the year just finished, 2009-10, we had 17 800 visitors, down 7 per cent for that financial year, probably the biggest single drop we've ever experienced in a year. We spent \$31 000 on advertising and it was a little bit disappointing, I suppose, to experience that

drop, but in talking to other operators, on the west coast especially, I think a lot of them are a bit worse off.

Tourism Tasmania reported 268 000 visitors for what they call the 'Western Wilderness' in the year 2009-10. Realistically, our market share traditionally should be about 40 per cent of those visitors, but 40 per cent or 17 800 multiplied up to 100 per cent only gets to about 50 000 visitors to the township of Zeehan, for example, so from a real local perspective we struggle because we're not actually on the tourist route. The turn-offs are at the bottom end of town, and I reckon only 50 000 people take the trouble to drive up the street. Out of those 50 000 of course we do get a good market share.

CHAIR - I did yesterday, but I didn't come in because I've been in several times before, but I understand what you mean, because the signage is there.

Mr VICKERS - Yes, we're going to try to improve the signage this year, and I came up with the proposal to build three kilometres of road which would make us part of the highway, but I'm struggling to get anyone from DIER to take it seriously. However I'll just keep pushing away at that.

Mr GAFFNEY - With your signage, Phil, do you have to go through DIER?

Mr VICKERS - Yes, basically.

Mr GAFFNEY - How are they with signage? We've had some groups who think they've been helpful and other groups think they've been a bit slow off the mark and are not really interested. How have you found them?

Mr VICKERS - I've sort of found they're not in the signage industry. They're about roads, and basically their view is that for us being a museum we can have a brown sign or a 'Historic Tasmania' badge on the sign, but that's about it. I've found they're very reluctant to allow modern advertising signs within their road reserves. In fact we've got a couple which would encroach on the road reserve but they've been there for quite some time. We'd probably be game enough to try and put some new ones up.

We did some market research about four years ago and found that 31 per cent of our business came from New South Wales, with only 15 per cent from Tasmania and about 8 per cent from overseas. Our biggest referral has always been word of mouth, believe it or not, and return visitors. As far as the tourist dollar goes, I'm a firm believer that tourism contributes to all of Tasmania; everybody benefits from it. The squeaky wheel, in my view, is the accommodation industry and that is probably driven by demand. Things such as bed prices are cheap in winter and dear in summer, and I think that sector of the industry is the one that makes the most noise. Certainly when I had a supermarket-newsagency for seven years, tourism probably provided us with 10 or 15 per cent of our business, believe it or not. It's a great thing.

I'm also a bit of the view, Mr Chairman, that perhaps Tourism Tasmania's budget would be better spent creating some really cheap alternatives for people to get to Tasmania. I honestly believe the *Spirit* is not a cruise ship, it is a ferry and it probably should run as a ferry. To get from England to Ireland you just turn up and if you don't get on the ferry that's there you get on the next one. Fair enough, the distance is not as far but it's just a

simple ferry. To go over and have a cabin it costs you about \$1 000 roughly. You can get cheap bits and pieces when they're on, but from my experience ringing up to making a booking to go on a certain date and have a cabin and take your car, you're up for a considerable amount of dollars. I think if people could come and go from Tasmania as cheaply as possible tourism would probably improve markedly. It's a bit like being on the highway, isn't it?

CHAIR - Yes, that's right, it's part of the sea section of the National Highway. What about airfares and air travel to Tasmania?

Mr VICKERS - I think that's pretty terrific these days. You can get really cheap fares, provided you can fly when they're about. I'd suggest that that industry's brought a lot more people into Tasmania and perhaps they focus a bit on Hobart and Launceston and perhaps the regional areas suffer a little bit through the fact that they're probably not travelling far away from those major centres, but that's just a bit of a hunch from my point of view.

CHAIR - It seems a fair number of New South Wales people reach here.

Mr VICKERS - Yes, that's true. We've done no market research really to say if they're in hire cars or their own cars and it's probably something you could look at.

CHAIR - The airfares are not quite as cheap for Devonport and Burnie airports. Do you have any views about that and the impact on tourism here?

Mr VICKERS - No, not really. Traditionally I think Burnie and Devonport airports are more used by business people than the tourist sector. There has never been any cheap flights out of Burnie and Wynyard to my knowledge. They just don't exist.

Mr GAFFNEY - Do most west coasters just flip over to Launceston to fly? Where do most of you guys fly out of?

Mr VICKERS - Launceston.

Mr GAFFNEY - Because there are cheaper flights.

Mr VICKERS - It's only two hours and 40 minutes over Cradle Link Road and you're there. It's three hours and 20 minutes to Burnie. It's four hours from here to Hobart.

Mr GAFFNEY - The way Tom drives it's more like five.

Laughter.

Mr VICKERS - It's interesting how things change. Just as an example, in 1994-95 at the museum we had 519 coaches visit with a total of 16 699 visitors, according to our stats, but in 2009-10 we only 55 coaches with 1 277 people on them. So coach travel has gone from being the way you toured Tasmania back in the mid-90s to basically being a very small portion of actual visitors now. Certainly this is visitors to our museum. The good news is that in September 2010, we had the best month of September for six years.

CHAIR - Why do you think that that was so?

Mr VICKERS - I honestly do not know.

Mr GAFFNEY - Did you get a few people coming through from the basketball and water polo, because one of the guys from here said that because they had the basketball and water polo championships in Hobart, they actually had some increased numbers from those sporting events?

Mr VICKERS - We may well have done but I would not really know.

Mr GAFFNEY - Has Abt railway attracted more, or have you noticed any changes since the Abt's opening?

Mr VICKERS - No, no real physical changes to our business numbers, but they promote us on the train. We are promoted as part of the tour. It should probably have more of an effect but, overall, our visitors are just reasonably steady. The average age is middle-aged.

CHAIR - So you are a member of the West Coast Council?

Mr VICKERS - Yes, I was elected last October.

CHAIR - Well done.

Mr VICKERS - I topped the poll. It is a bit interesting being on the other side. Darryl and I do not really get on so that has made it even more interesting.

CHAIR - What do you see as the council's role in the area of tourism?

Mr VICKERS - Council can only probably do the best it can to support the industry. Back in 1993 when we amalgamated and became the West Coast Council, we actually engaged Norm White to come and he developed a tourism strategy for the west coast. We formed a group called 'West Coast Tourism' of which Mike Fry, whom you will be talking to later, was the first chairman. He did an excellent job.

The group just disintegrated over a period of time and every attempt since then to get a tourism group up and running, albeit assisted by council, basically fails for one reason or another. I do not think the industry and local government are really in tandem. Councils sometimes tend to do things that the tourism industry per se would say impacts on their lifestyle or their industry. I have never found the two to really mix together too much, or they go all right for a while and then end up going their separate ways again.

CHAIR - That is a pity because tourism must form quite an important part of the economy of the west coast area generally.

Mr VICKERS - It really does; I think it is probably underrated in respect of our standing population. Our population is basically under 5 000 residents. If you add to that 267 000 visitors, they contribute probably more than we do in some respects. Rates and charges from the local government perspective, I am over them. I think it is time to change and

we should move towards some sort of user-pays basis or flat-fee rating or something like that. The rates the hotel industry pay are still based on the same formulas as they were back in the 1970s - it is ridiculous. Now we see shops putting in bottle shops. The impost of rates on the tourism industry has an effect on them, for sure. Everybody has to pay their way but I think it is time for a change in the way the local government raises its revenue.

CHAIR - Do you have much contact with Tourism Tasmania?

Mr VICKERS - Not a great deal.

CHAIR - Any views about how they are functioning?

Mr VICKERS - With regards to West Coast Heritage and the museum, we have never really had any cause to think they are not doing a reasonable job. I made a comment in the local paper recently that they have a budget to work to and it is a pretty difficult task, given x amount of dollars, to say they have to go out and bring so many people into Tassie and then, even if you get them here, that does not mean they are going to spend a lot of money. I don't think they do too bad a job.

CHAIR - The Tourism Industry Council - are you a member?

Mr VICKERS - No.

CHAIR - The museum?

Mr VICKERS - No.

CHAIR - Any other views about how tourism can be promoted here or generally throughout Tasmania?

Mr VICKERS - I go back to what I said. If the ability to get to Tasmania was as cheap as possible then I think the industry would grow itself. As you said, imagine if there was a road across Bass Strait. We would only be just south of the Mornington Peninsula and with access to millions of people. There are more people in the City of Geelong than there are in Tasmania so we suffer from these terrible economies of scale just by virtue of who we are. It makes it a good place to visit but it makes it very difficult to provide all the services in every single place.

Dr GOODWIN - Is there a visitor centre in Zeehan?

Mr VICKERS - Not per se.

Dr GOODWIN - Where do visitors or tourists get their information from? Do they get it on the way to somewhere else?

Mr VICKERS - We do a fair bit of visitor information work at the museum but we do not have the 'I' sign out or anything like. People just come in and we tell them where to go and whatever else. The only registered one here is at Strahan.

Dr GOODWIN - How do you think that is going?

Mr VICKERS - Oh well! You probably heard about that.

Dr GOODWIN - We did hear about it.

Mr VICKERS - That is to go like the tourism body, I think - either implode or explode. The council runs it for better or worse and you wonder whether the council should be in that business. It is a type of job I do not think is ever going to run smoothly. It is all about booking accommodation, who gets referred where in small places with local people. It is always going to struggle. It does not make any money. It turns over nearly \$1 million but at the end of the day it is not a profitable business. I think they have a lot of people through and I think they probably provide a lot of good information.

Mr GAFFNEY - The potential of the Tarkine; did you see that was going to benefit the west coast? Were you guys hopeful of that?

Mr VICKERS - That road!

Mr GAFFNEY - Yes.

Mr VICKERS - No, I would have thought that sort of money would have been better off upgrading the Western Explorer and perhaps trying to do away with the barge over the Pieman, or make it free, rather than doing a link road. I will not say too much about that; I could get into trouble. I would have thought the money could have been better spent. The Western Explorer exists and it is gravel all the way just about, so to make a sealed road would put the circuit in. Corinna is being developed now. That was bought by a syndicate out of Sydney and they have spent a hell of a lot of money there. They have a really good product. I think that whole area has terrific potential and is accessible.

CHAIR - You mentioned the possibility of doing away with the barge; did you mean to replace it with a bridge?

Mr VICKERS - I don't suppose a bridge would ever be really feasible but you could do a floating bridge.

CHAIR - Is it the one company that has bought all the accommodation at Corinna?

Mr VICKERS - Yes.

CHAIR - Because there are different types of accommodation available.

Mr VICKERS - Yes, they have a hotel/restaurant and have built a whole heap of new units.

CHAIR - I have heard it is very good.

Mr VICKERS - Yes.

CHAIR - What is the road like between here and Corinna - the shortest route?

Mr VICKERS - It's just being upgraded as we speak. They're about to seal another 2 kilometres. It is 12 kilometres and it's a gravel road but it's pretty easy to drive on. It's sealed for about 40 kilometres and then there's 12 kilometres of gravel and then you're at the river.

CHAIR - But it's a reasonable standard of gravel?

Mr VICKERS - Yes. We had trouble when we built that. I was mixed up with the Zeehan Commission and then the West Coast Council in conjunction with Peter Schulze.

CHAIR - Yes, Peter Schulze was very much involved.

Mr VICKERS - Me and Joe Fagan and a couple of others - Graeme Appleby and the Poulsons from Corinna - Joe brought his dozer down and it was my job to ring the Forestry people to tell them we were starting it and so we did, we started pushing it through and when we got to the reserve we had all sorts of trouble with Parks, and Poulson and myself went into hiding for a week.

Laughter.

Mr VICKERS - Anyway, it's in now.

CHAIR - So Peter Schulze didn't go into hiding? I thought he was one of the ringleaders.

Mr VICKERS - He was, but he was always up-front. I don't know what else I can tell you; that's probably where it sits.

CHAIR - That's good, and thanks very much for the written submission.

Mr VICKERS - Sorry about the spelling errors.

CHAIR - No, that is fine.

Mr GAFFNEY - You said Zeehan is 5 000?

Mr VICKERS - No, that's the whole west coast.

Mr GAFFNEY - So Zeehan has, what, about 1 000?

Mr VICKERS - No, less than that - probably 700.

Mr GAFFNEY - With some of the old buildings in Zeehan, are they still being maintained and upgraded? I know the theatre has been.

Mr VICKERS - West Coast Heritage are the titleholders of the theatre, the post office, the museum - that whole side of the street. The Crown transferred the properties to us three years ago and our collection is owned by the Tasmanian Museum and Art Gallery and would be part of that in respect of the ownership of bits and pieces.

Mr GAFFNEY - Is the primary school still working?

Mr VICKERS - Yes.

Mr GAFFNEY - So there's a community there that's making its way?

Mr VICKERS - Yes. Mining is by far still the main employer but the town's just at a very low ebb, probably the lowest ebb it's ever been. In 1960 there were only 300 people who lived in Zeehan but they still sustained a sawmill, three pubs, a school and everything little towns had then, whereas now with the population - say there is 850 living in the town - the advent of rostered shifts and 12-hour shifts has made it easier for people to live elsewhere and make those changes. There are good roads and everything to boot. I've become one myself; I commute to Launceston.

CHAIR - Really?

Mr VICKERS - Yes. I live in Zeehan during the week and commute to Launceston at weekends. Two years ago the wife said, 'I've been here all my life, the kids are grown up and live in Queenstown and I want to move', so what do you do? I bought a house in Launceston.

CHAIR - you say it is two hours and 40 minutes to travel to Launceston and that is up the Murchison Highway and across -

Mr VICKERS - Yes.

Mr GAFFNEY - So you're more a muttonbird than a seagull because you're just coming home all the time, aren't you?

Mr VICKERS - Yes, I suppose I've got two homes. My wife wants me to go up there but I tell her this is the best job I've ever had in my life and I've got too many things to achieve. It's working all right at the minute but that's just the way it is. It's interesting, I leave Launceston at, say, 5.30 on Monday morning and I reckon there are 500 vehicles I pass between 5.30 in the morning and Devonport. It's amazing - and that's excluding trucks. There are people who commute to work up and down the coast every which way, so that seagull thing is not something that's specific to the west coast, I think it's just a sign of the times.

Mr GAFFNEY - How many councillors from Zeehan on the West Coast Council?

Mr VICKERS - Three. We had this big debacle a couple of years ago where the council, in its wisdom, decided to shift the administrative headquarters back to Queenstown and it brought out all the old wounds from 1993 again. Anyway, that's why I decided to stand for council but in saying that, my votes probably came from Zeehan.

Dr GOODWIN - Where was the council chambers before?

Mr VICKERS - It was in Zeehan until 1993 and then the Government gave the council the TAFE college at Queenstown for \$1 and they decided in their wisdom to move their headquarters back there. They told us it was going to cost \$176 000 to move at a public

meeting, swore on the Bible no less, and it's cost over \$1 million to date and there's still no council meeting room, so there are some real issues.

Dr GOODWIN - The Auditor-General is looking at that, yes.

Mr VICKERS - So we made all sorts of complaints and the Auditor-General has done a report, which we haven't seen.

Mr GAFFNEY - We haven't either yet.

Mr VICKERS - I suppose we're a bit over it now; it's not going to move back, so we just have to make the best out of what is considered to be a bad thing.

Mr GAFFNEY - That would have taken away a few regular jobs from Zeehan too.

Mr VICKERS - Yes, it did have that effect. The Avery nickel mine had \$850 million worth of infrastructure, opened for six months and then closed, and 176 jobs just went overnight - and it's still on care and maintenance. I noticed today it is owned by MMG at Rosebery, because it was sold to Tourism, of course, and is about to be sold to another group, part of these Chinese metal -

CHAIR - We might draw this session to a close and have a discussion afterwards, because this is not really related to tourism.

Dr GOODWIN - It's quite interesting though.

Mr GAFFNEY - Mining and tourism go together on the west coast.

CHAIR - We can pursue the discussion, but there's no need to have it on the transcript. Any other points on tourism, Phil, that you would like to raise?

Mr VICKERS - No.

CHAIR - Any of the members?

Mr GAFFNEY - Do they have many tours at the mine?

Laughter.

CHAIR - To see what maintenance is being done?

Mr GAFFNEY - Mine tours do quite well.

Mr VICKERS - I've been on it and I reckon it's second to none.

CHAIR - Well, let us discuss that on the record certainly.

Dr GOODWIN - What sort of tour of which mine?

Mr VICKERS - He does an underground mine tour at Mt Lyell Mine. It's the only one on the west coast and it's really amazing.

Mr GAFFNEY - It's a bit scary.

Mr VICKERS - It is. It's just like being a miner basically. It takes you all down through the workings.

Mr GAFFNEY - That is an avenue I think they will go into further. Not many people know about the mine tours as such; it's not out there in the market. It actually could be another drawcard.

Mr VICKERS - It could be but he's not a great promoter. Things like the Adelaide mine, the crocoite mine at Dundas. I was just talking to one of the owners and that's really got untapped tourist potential which would be unbelievable, I reckon.

Mr GAFFNEY - Especially with what is happening in the mining industry where a lot of people do not fully appreciate what working underground means.

Dr GOODWIN - Or being trapped, for that matter.

CHAIR - Except in Chile. Anything else on tourism?

Mr VICKERS - No.

CHAIR - Thanks very much, Phil. We appreciate your written submission and giving us your time and views, particularly in view of the length of time you have been involved with the museum and tourism generally on the west coast. Thanks very much and good to see you again.

Mr VICKERS - It is very nice to be asked.

CHAIR - We will draw this session to a close, but by all means please pursue the discussion we were having about the mine and the numbers, et cetera.

THE WITNESS WITHDREW.

Mr MIKE FRY AND Mrs CAROLYN FRY, ORMISTON HOUSE ON THE HARBOUR WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Wing) - Thank you very much, please be seated. You were here when I read out the explanation about how the evidence is recorded and transcribed, and you are covered by parliamentary privilege for anything you say here but not anything you say outside this room. The transcript will be put on the parliamentary website as soon as that is prepared so that other people can see what evidence has been given.

If you had any evidence that you would like to give that you would not want to see published like that, please tell us and we can go into camera. I doubt if you will want to do that, but let us know if you do.

We appreciate your views on tourism here, what is happening, and any changes and any suggestions you might make about promoting tourism further.

Mr FRY - I am not sure if you are aware but I did send Kerry Finch some information a couple of months ago. I think it was prompted by an article in the *Advocate* where Ian Waller had mentioned that the select committee on tourism was visiting the north coast and it jogged my memory. I had forgotten you guys were in that process and then I went onto the website, read some of the transcripts that have taken place in the early part of the sessions that you had and I thought, well, I have a few things I would like to say here. I e-mailed Kerry and said, 'Look, I can't make any of the meetings up on the north coast, but Richard Morgan, our chairman of Destination Strahan, intended to go up. However, there are some matters of real concern that I have.'

We exchanged a couple of e-mails and on one of the occasions I thought he asked me if I would be prepared to do this 'in Canberra' but it was 'in camera'. I had thought, 'My goodness, this is a big session if we are going to Canberra.'

Laughter.

Mr GAFFNEY - You never know with Kerry's spelling though.

Laughter.

Mr FRY - It was a bad line. It was on the mobile phone so Kerry can be excused.

CHAIR - It is his West Launceston accent.

Mr FRY - Is that what it is? I did exchange some e-mails. I went back through my archives on my computer, and as far back as 2006 I was sending e-mails to Ian Waller at Cradle Coast Tourism, Daniel Hanna at TICT and Felicia Mariani expressing concerns that, even back in 2006, I was noticing some disturbing trends, particularly in winter. The TVS figures that were being quoted by Government and the TICT, at that stage, I felt were erroneous or certainly there were some errors, shall we say, that seemed to be creeping in - understanding, of course, that the TVS does a sample survey of about 0.9 per cent of departures. So, statistically, that is a very small measure of what is coming in and going out of Tasmania, to actually assess what is happening in the regions.

I think the major errors in the TVS occur in regional areas where it is not quite so easy, just because people are stepping onto an aeroplane or a ship, to survey 0.9 per cent of those people and find out exactly what is going on in Tasmania. A statistician may beg to differ, of course, but I feel that that is a very small sample.

At the moment we are experiencing disagreements which were highlighted by Norm White's intervention in our tourism reporting methods by Tourism Tasmania and the TICT. What we now have is a larger percentage of drop than was being noticed three or four years ago, but that downward trend has continued.

Of late, and even in the last couple weeks, we still have the minister, Michelle O'Byrne, quoting the overall visitation to the State as being close to 997 000 and that there has been a marked increase in visitation to Tasmania over the last year. In actual fact I went onto the Tourism Tasmania website and had a look at the report there, and up to the year 2009 we had 912 100 but what is disguised in all these figures is the actual people coming to Tasmania for the purpose of touring around the State and having a holiday and visiting the regional areas. In a recent discussion with Daniel Hanna we agreed that that drop in holidaymakers to the State was something like 16 per cent during 2009-10. Anecdotally there is pretty much agreement within the industry that we've had a drop of about 16 per cent; however, that includes June of this year in the annual figures and it was in June and July that we noticed the biggest drop. As I said to Daniel, I think if you took the June, July and August figures when this quarter has been disseminated we will see exactly what we're experiencing here in the region and that's about a 25 per cent to 30 per cent drop. I do not know if anybody else has quoted figures like that to you but certainly in Strahan the majority of the operators are experiencing a drop of 25 per cent to 30 per cent.

We know that this is due to a number of influences, particularly the domestic holiday pattern within Australia, and with the dollar being what it is, many people are travelling overseas, so there will always be external influences on our visitation but in the regions we are suffering particularly. For example, the Lumina campaign by Tourism Tasmania - and once again, I am noted for being a bit critical of Tourism Tasmania and do not step backwards if I have something to say - when the campaign was first launched I spoke to both Ian Waller and Daniel Hanna and said, 'Look, this might be a great campaign for Hobart but it is not going to do much for the regions'. It was a wonderful festival event for Tasmania as an intrastate campaign, but to use that as a marketing campaign for winter when we are actually marketing to our major partners in Melbourne, Sydney and Brisbane, who are very culture-rich in terms of theatre, food and wine, what Tasmania has is just a drop in the ocean compared to those major centres. Many of the acts in entertainment and theatre were already doing the rounds -

CHAIR - That's right.

Mr FRY - of those capital cities, like the Beatles Revival, Garry McDonald and his stage brother, or whatever he is called; they were available to our markets, so why would they come to Tasmania to see Garry McDonald or the Beatles Revival when they're performing in their own backyards? That was just a small part of what I saw was a fundamentally flawed campaign, spending all that money to market to people who already have those products in abundance. Whereas we have a lot of activities and

natural attractions here that are absolutely beautiful in winter and they did not even get a mention. In my view, this is part of the continuing efforts by Tourism Tasmania to not really recognise exactly what the market needs over there to be stimulated by Tasmanian product and the fact that they don't actually put product into the marketplace there.

A couple of our house guests - we own Orminston House, by the way - thought that the Lumina campaign was an ad for some electricity commission or something. It is the sort of thing that is flawed and hasn't really been thought out and I think as tourism operators we just wonder where Tourism Tasmania is going.

Mr GAFFNEY - Just on Lumina, we have had it put to us that to be fair to any sort of tourism campaign like that you need to give it one, two or three years, and I think that is their intent. They did recognise it was a Launceston- and Hobart-centric type affair this year but they are hoping to branch out into the regions. Do you think it has any potential at all?

Mrs FRY - I am on the Western Wilderness Zone Committee. As we know, the State is broken up into zones. I also was chosen to be on the Zone Review Committee, so I am sitting now with my zone hat on. Any campaign that Tourism Tasmania does, like Lumina and Spring Secrets, is done as a whole, but each zone from their marketing budget is asked for money input into that marketing frame. Just take the Western Wilderness. We were asked for a dollar input into that Lumina campaign, which means I need to be answerable to all the people in my area as to what the Lumina campaign is doing for them for their dollars, but that was not the case. At the review committee I talked about working together. My argument is from a marketing background. You all get together, all those parties interested in the outcome, and create and make sure it works for everybody. For example, somebody from our committee should be speaking to Tourism Tasmanian now about the spring campaign for next year. So say they want to do this for spring, and if the Western Wilderness feels it is not going to fit all the people in this area, then we need to say that we need to add this, take this, drop this and so forth, because you want all our money. Andrew, as he buzzes off in his boat, will say to me 'You've got some of my money but it is not bringing me any business. Why?' If I can show that we tried and it is working, then he is fine, but I cannot say that to him about Lumina. I can't say that at all. All I can say is that his component of the \$15 000 that went out has been wasted. That is the report I get back from all the people in this area because I speak to all these people so I can take that to the meeting. That is the Lumina situation.

With the Secrets, that same situation is happening. If you look at the Secrets campaign there is a personality talking about their secrets in the zone. Once again, Goodie - David Goodfellow from Gordon River Cruises - is a wonderful guy. He did a really good job in speaking and talking and being enthusiastic, but if you look at it from the point of view as to was it was showing on the web, it is strong, and then it is a strong Federal product, and not only Federal product but they are wearing their uniform - the Pure Tas and the Gordon River cruises uniform. Remember I said that out of the Western Wilderness zone goes money into every campaign. It starts at Tarraleah and finishes at Cradle/Corinna. There was no mention of anything out of Strahan. Now there is conversation amongst the rest of the wilderness operators about why this is so. Poor old Goodie was a little in the firing line because he was chosen and was told what to do, so he did it, of course. So, yes, when we are talking about Tourism Tasmania marketing,

we believe the dollars need to be across the board. It is like a family at home. When the dollars come into the house you share it amongst everybody; you don't just give it to mum and she buys a hat.

Percentages of visitor numbers have dropped. It is not only the drop of 30 per cent in visitation; it is also the drop in dollars. We needed to be more competitive with our prices to the industry. On TripAdviser there is a lovely comment about Ormiston House, saying it is lovely and for \$99 what great value, because that is all we could get up to a month ago. We are all exactly the same and we made no money on that, of course, but we had a bit of cash flow. As we see it there are still people in the house and they go out talking, so we will do that. But we own it, so we can make a decision today, this minute. Federal can't because they have to go through head office. Some of the other organisations can't because they have to go through head office and so forth.

CHAIR - What are some of your standard rates or the usual rates?

Mr FRY - I think at the moment we are floating on our shoulder rate, which at this time of the year, prior to peak season, would be \$190 up to \$230. When peak season cuts in - and each operator has a different date - but for us from 22 December to 31 March we are on peak rates and those rates are \$220 up to \$270. We have five rooms and the variation in those prices is dependent on the size of the room, but all are of the same quality.

CHAIR - That is for a double?

Mr FRY - It is for two people.

CHAIR - Any meals included?

Mr FRY - Continental breakfast and little extras. Carolyn bakes cakes. When she is not there I do as well, so we are multi-skilled.

Mrs FRY - Back to Lumina, yes, because they are going to do it anyway and they are committed to it. So if you are committed to something and you put some things in, that is fine, but there need to be changes. I have already e-mailed Felicia several times because I am on this review committee and I brought it up at the review committee, saying that we need to work together. If Lumina is happening next winter then what can work for the Western Wilderness. As a committee what can we do to drag them out of Hobart and Launceston. We tried this year. Tourism is fairly rigid and they are fairly rigid as far as the zone committee is concerned. We were fairly legless; we are getting fairly outspoken now. The goalposts change constantly, which mean the opportunities for us to make things happen are limited, but if we had this meeting today and we all sat around the table and said, 'Right, Lumina is going to happen in winter', then I have already suggested some stuff that can happen in Hobart to pull people west. We have already discussed that but it needs to be built into the campaign as well. So, yes, there is always life in things if you revisit and refocus.

At the review committee we went around and introduced ourselves from each of our regions. When they got to me I said, 'I'm Carolyn, I own Ormiston House and I am very proud to represent the west. I speak on behalf of many people because I have spoken to them,' and people looked at me. One of the questions from Tourism Tas towards the end

of it, after we discussed how we were working the review of the zone, was 'Now we have to find out what the operators really want'. I looked at him - because I am the only owner-operator sitting at the table - and said, 'I think that is really straightforward because I know that'. I said, 'We want to be as full as we can be and we want a reasonable yield'. He said, 'No, no, no, what do operators really want?' I said again, 'We want to be as full as we can be and we want a reasonable yield. It doesn't matter whether we are a hotel or a boat or a train or a plane, whatever, that is what we want'.

Mr FRY - They do not understand.

Mrs FRY - Let us go back to Lumina. It means I want everybody here to be as full as they can be, to get the best deal, so we need to address changes or things to evolve from that to bring that about.

Mr FRY - We find a fundamental problem with Tourism Tasmania in that when it is formulating these programs it does not engage with the industry until it has already made its decisions. This was evident in the autumn campaign last year, even with the Tas e-Connect program, the Lumina campaign and the Secrets campaign. Zone marketing probably gets advance warning from Tourism Tasmania that something is happening but it only reaches the ears of the operators when the decision has already been made. They say they continually engage with the industry, but they only engage with the industry when they have made their decisions. When they have made up their mind as to exactly what they are going to do then they go through what they consider to be an engagement process of getting feedback and stuff from the industry. I am sure they just screw up the pieces of paper and then just go on their merry way.

CHAIR - Have you not seen evidence of them changing after consulting?

Mr FRY - No, I don't see much in the way of change of any programs once -

Mrs FRY - Could I say one thing, when we say 'they' or we say 'Tourism Tasmania' -

Mr FRY - We're talking about the body.

Mrs FRY - There are some very good people in the organisation.

Mr FRY - There are. This is not personally about the people within Tourism Tasmania because there are some great people working in Tourism Tasmania but it is the decision-making process that comes probably from senior management and, who knows, perhaps from the board of Tourism Tasmania itself. You have to sanction these programs, I would think.

Mr GAFFNEY - That was reinforced yesterday. Don and I met with the people from Cradle Mountain and there is a new 16-page booklet just come out and Catherine Stark from the Kentish Council who chairs or does the secretarial work for that organisation was gobsmacked that in the last thing that had just come out they had only mentioned Strahan, I think, in this 'Western Wilderness' booklet. There was no mention of Cradle Mountain and they did not see a draft of it before it went to press.

Mr FRY - This is the 'Secrets' campaign?

Mr GAFFNEY - Yes. I said, 'You didn't see a draft?'

Mrs FRY - That is what I was saying about our western wilderness zone and David Goodfellow is so embarrassed -

Mr GAFFNEY - Yes - he didn't see a draft of that because otherwise you would have had input into it which would have changed that document.

Mrs FRY - Yes.

Mr FRY - Whilst Carolyn sits on the same marketing group she gets a bit of advanced warning and I don't -

Mrs FRY - Only when the thing comes out.

Mr FRY - Yes, and all of a sudden it's out there suddenly going to market, and of course this year we had a spring campaign, the 'Secrets' campaign, but it came out almost a month after spring had started. Any pragmatic marketing person would be putting things to market a couple of months beforehand and the planning process should start about 12 months before that.

Mrs FRY - Like I just said.

Mr FRY - Yes.

Mr GAFFNEY - That is a management issue.

Mr FRY - Very much so.

Mrs FRY - The zone kept talking and going backwards and forwards. With that spring campaign also there were two legs, one that went intrastate with business and only one product was allowed to be advertised in the area, so in the 'Western Wilderness' there is only one product allowed to put a sale of something or other like accommodation, a boat or a train. In the booklet that went interstate the marketing partner was Qantas Holidays. Only half the State is linked with Qantas Holidays so only half the State could get any bookings because all the bookings have to come through Escape Holidays, and through Ambassador. When the whole advertising opportunity for the 'Secrets' campaign interstate came to us right down the bottom it gave you all the opportunities and then it said - and this is from Tourism Tasmania - 'Call Qantas Holidays to talk about what advertising you want to do'.

Mr FRY - The majority of independent operators -

Mrs FRY - There are three in the 'Western Wilderness' that are with Qantas.

Mr FRY - Yes, and they're the big guys basically, so if you're not in the Qantas program -

Mrs FRY - It was useless.

Mr FRY - You might get some sort of residual effect, but -

Mrs FRY - Let's go back to the dollar thing again. Each zone put dollars in to taking this message interstate and I've got Andrew is saying to me, 'Where's my dollar input that I've got to put in?' - and I am just using this as an example because I spoke to him just recently - and what can I say to him? I take the job I have on the zone really seriously. There are a whole bunch of kids out there that rely me and I get really quite stressed about that and this is why I'm so forceful on the zone review.

Mr FRY - But they don't really take any notice.

Dr GOODWIN - What is the point of the zone groups, do you think? If you are meant to be there supporting Tourism Tasmania via the feedback, apart from giving them money what else do you think you're actually getting out of it?

Mrs FRY - I'll do the first bit and then I'll let Mike whinge. Two years ago in this room, Felicia and Jan came up with the concept of the zones. The west-coasters came around here -

Mr FRY - That is Jan Ross, the marketing manager of Tourism Tasmania.

Mrs FRY - Yes, and Felicia Mariani and a consultant sat here and gave us the result of a perception study - and this is getting to answer your question. The perception study was done predominantly in Victoria and New South Wales and it asked people, 'What do you know about Tasmania?', and they were saying, 'It's gorgeous, it's this and that'. 'What happens there?' 'Not really sure.' 'What about when you go to the west?' 'Do they serve coffee there? Do I have to wear hobnailed boots?' So they loved the idea but they were a bit unsure of what they were going to get when they got there, and if you're a little bit unsure of something and a little bit nervous,' maybe you don't do it, maybe you do something you feel more confident about first. They're not confident so you need to make the customers confident.

Tourism Tasmania were going to the world with Tasmania as a whole, because that is what they do, and that is what they should do. If we broke the State up into zones and gave the zone to the operators to put together the content, the buzz and the detail, to make it understandable for the consumer, so they know, 'God, you get great coffee here and you don't have to bring chains in case of snow,' and all the bits and pieces. I hate this word but it was to 'drill down' this sort of idea. So the zone does that, puts it under Tourism Tas, and Tourism Tas takes Tasmania and all this good stuff along with it and so forth. That is what the zone was doing. That is why we all sat in the room and went, 'This is a great idea because operators are going to get a say. They're going to be able to put forward little product and big product, and it's all going to be made gorgeous for the area.'

At our first meeting it was, 'Right, we've got some mandatories, we have to do a plan for each zone and a guide for each zone', the guide you get when you arrive in the State that says there is the coffee place, there are the toilets and there is the BP and so forth. The planner was going to be the inspiration that goes interstate and international and talks about the fantastic space we live in and what you can do and see and go and do it today. That was all good.

At our second meeting, 'We've got to do the planner. Don't think about anything else, do the planner. You've got to get advertising in the planner, so go out there and ask people for money.' 'All right, okay', but we're still running our own businesses, and remember this is now January, February, March, April, our busiest time. At the next meeting, the goalposts moved constantly, so we zone members were going, 'Oh!' We came back to report to our local tourism organisations but we couldn't because we had a different story. This went on for probably up until when the planner was produced. It wasn't doing what we wanted it to do, which was to create this lovely story that underpinned what Tourism Tas were wanting to do.

I'm passionate about the idea but, to quote Julia Gillard, we have lost our way badly and we are all trying to get together, and this is apparently what the review was about, but the review is not reviewing the guts of it, not doing what it is supposed to do, as we understand. Hence, the whole of the State is saying, 'Get rid of the zones because it is all rubbish, it doesn't work.' The original concept was great, but it is gone.

Dr GOODWIN - There's been a bit of implementation failure.

Mrs FRY - Yes, that's right, and we've been hog-tied pretty much the whole time. Because the zone is reliant on the dollars from Tourism, they say, 'You've got to do what we want you to do,' pretty much. We said, 'Yes, we will, but you've told us we can make it happen but we can't really.' At the last meeting we all got together to review our marketing plan. Jan Ross, the marketing manager for Tourism, was the facilitator. When we got to the SWOT analysis up went the threats - and this is going down for the world to see, this is great - and everybody put what their threats were and my three threats were: Tourism Tasmania, the Tourism minister and her ministry and the Tourism Council. Jan read this out and of course it had my name against it and everybody was looking and so forth, and she said, 'Oh, Carolyn!', but I had a deadpan face, because I absolutely and honestly believed that.

I said Tourism Tasmania because it is difficult because it needs to be all we are talking about; and the Tourism minister because, first of all, how could she possibly have time for Tourism when she's got Health? That's the biggest thing she has to worry about, so how could she put her full emphasis into Tourism? She can't, therefore we see it as a lack of respect in the fact that the business that employs the most number of people in Tasmania does not have a minister that looks after those people. I mentioned the Tourism Council because most of us think it is employed by Tourism Tasmania because they tend to speak Tourism Tasmania, and I do not mind the world knowing that.

Mr FRY - That was the short version.

Mrs FRY - Yes, that is the short version. I was being critical but then I said, 'These are the ways I think it can change.' Whenever I say something critical, I say, 'I thought about it and I think we could change it this way'. That is only my thoughts and input. Sorry, I am a bit -

CHAIR - No, that is very interesting. Thank you.

Mr FRY - I come from a slightly different angle, even though Carolyn and I are partners in everything we do. I, too, was part of that initial process. Almost from the onset after that, the consultant left and we started getting the correspondence through about putting your name up for being on the zone committee. Carolyn said, 'Look, I want to be a part of this because I think we can make it work', and I said, 'Hey, it's heading in the wrong direction'. I saw it as a kind of a jigsaw promotion, although scaled down, like Victoria had, and I thought to myself, 'Okay, I'll find out from Tourism Victoria'. This was in 2008, so I had a look at the Tourism Victoria figures for 2007. It was a similar-styled program. You break the States up into zones and then you have marketing committees in those zones.

I had a look at the jigsaw program which, I might add, is a pre-Internet-style program. So I considered the zone marketing concept to be pre-Internet in style in terms of marketing style and I thought, 'Hey, we are on the Internet, here and now, so why go to market with a pre-Internet campaign that is collateral-based with Internet support'. It should be the other way around, we should be going with an online marketing program with collateral support. So when I went onto the Tourism Victoria site and looked at their 2007 figures, I found that they had 17 million bed nights for 2007. Of those bed nights, 12 million were intrastate - that is, Victorians staying somewhere in Victoria. There were only five million interstate and international overnights for Victoria for 2007 - these are round figures, by the way - which was interesting. A lot of criticism has been put out there about the jigsaw campaign for Victoria.

As an intrastate marketing campaign, that sort of concept seemed to work. As an interstate or international campaign, no, it definitely was not working because you had 65 per cent of the visitation to Victoria being intrastate and only 35 per cent being interstate and international. That is with all those arterial roads - probably 12 major arterial roads, maybe more - going into Victoria from South Australia and New South Wales, you have the largest domestic airline terminal in the country in Melbourne and the second-largest international, and that involves providing Victoria with a lot of overnights associated with flights in, flights out.

If that style of campaign can only achieve a 35 per cent interstate success rate on total visitation, in my view somebody has not quite done their homework on this concept. Of course, as we know, it may not have been the fundamental reason but certainly the zone marketing concept has had an effect on the stability of the three regional tourism organisations. Cradle Coast has weathered because it has a very strong structure in the Cradle Coast Authority to support Cradle Coast tourism, which the other two regions didn't have.

So for a number of reasons, I thought to myself that this campaign was looking a bit pear-shaped. I just didn't think it was the way to go. I saw the marketing concept as, firstly, not having guaranteed local government support - which I think is pathetic in Tasmania. I think many local governments pay lip-service to tourism, particularly here on the west coast. We have five towns here and the budget for tourism promotion on the west coast is \$23 000.

Mrs FRY - It has just gone up by a thousand, from \$22 000 to \$23 000.

Mr FRY - Yes, totally pathetic when you consider the drawcards and natural attractions that we have in this municipality. Yes, they are a cash-strapped council, like many small councils. I sent a letter to the general manager not too long ago suggesting it's about time we had some sort of levy arrangement in the general rate, possibly 1 per cent of the rate from residential and 5 per cent from all businesses. If you are a business in Tasmania, the chances are you will get, if not the primary tourism dollar, a residual or tertiary effect into your business from tourism because we employ 25 000 plus in the industry, therefore probably 25 000 households get a benefit from that. That is the largest input of income into this State for any single business.

CHAIR - The pilots strike made a lot more people aware.

Mr FRY - Most definitely, in 1989. If we had another pilots strike - and God help us that we don't - everybody would realise how important tourism is, and I would say that with the downturn that we are facing at the moment, this winter downturn, which really in percentage terms hasn't finished yet, it is second only to the pilots strike. In the last few years, as I mentioned previously, since 2006 I have noticed a gradual weakening of tourism visitation to regional areas, and this is having an effect on our yield, while costs are going up. You may remember the debacle in Parliament about land tax where we were hit. There was a huge jump; they call it the adjustment factor or something like that, and suddenly that went up from something like 1.4 to 2.2, which took us into that next tier of charges. Those sorts of things are really having an effect on our yield, in that for the last four years we have had to inject money each year to maintain our lifestyle - not to keep our business solvent, but to maintain a certain lifestyle. We are running out of that cash to put into our business, so if we find this downturn at the moment, the 25 or 30 per cent, continuing for much longer - we have already heard anecdotally that there are some businesses in real strife. I speak to my bank manager on a regular basis. He won't give us any more money, he won't increase our overdraft, because tourism is regarded as too much of a risky business at the moment. They are reducing their exposure to tourism in any way they can.

We have had some purchasers trying to buy Ormiston House. We have been there for 15 years. It is time to take a bit of a rest and a back seat. We have had a number of purchasers that have been refused finance from mainland providers because it is tourism and it is in Tasmania. The banking industry believes that the effects of the GFC will continue for up to another six months in Tasmania and will affect our economy. In banking - this is from my bank manager - we haven't really felt the full residual effects of the GFC. Tasmania runs about six months behind the mainland in cause and effect. I mentioned to him that we have some purchasers who are having extreme trouble. One lender in Victoria opened the portfolio that was presented to him by the purchaser and said, 'Oh, this is in Tasmania. I am very sorry', and gave it back to them. When I approached my bank manager he said he knows four major equity lenders on the mainland that have closed their books to Tasmania.

Mrs FRY - It is all businesses. It is not just tourism.

CHAIR - Not just tourism?

Mr FRY - Oh, no, this is all investment, particularly tourism. Tourism is high risk. It was probably about 10 years ago when we had some finance with Perpetual Trustees, that a

lending officer then said - because we wanted to borrow some more money to do some more renovations and development - that they would only lend about 60 per cent, I think, on tourism businesses because they regard them as a risky business, because tourism is so affected by external influences. We have a stretch of water there, we are subject to airline problems, we are subject to maritime problems, and so the access to Tasmania presents a scenario that can make lenders uncomfortable at times when times are tough. Times are very tough at the moment so they are pulling back. I wonder where it is all going to go. I have just sold our boat so that we have that extra flexibility. I didn't really like doing that because I like trout fishing. These are the sorts of things that tourism operators are going through at the moment.

Mrs FRY - When we first came to Tasmania on holidays we went to TDR, as was the tourism thing at the time, and asked how many people come to Tasmania. 'Here are the figures'. 'Oh, they're all visitors, that's fantastic, we'll invest.' Just over a third of those were actually new dollar visitor people.

Mr FRY - Those were the figures that were given to us. We thought this was great.

Mrs FRY - Mike and I came here on a holiday in 1995.

CHAIR - A third were new -

Mrs FRY - People coming here with dollars to spend on a holiday. Not our visitors coming in for a holiday, not coming here for a day on business, but people coming in to spend dollars in tourism operations. We did some research into four-wheel drive. Yes, business is needed in Strahan in this area because people want to do this - the same with trout fishing. The figures have not rubbed up to the business that came in. The four-wheel drive went because that four wheel drive business is just not there. Once again the stats were incorrect. We invested nearly \$100 000 to do this stuff because the stats said so.

Mr FRY - And because we felt it was good for the town. There have been a number of people trying to operate four-wheel drive tours here but they all folded. I thought I can give it a go because we already have a core business we can run it as an adjunct to our business.

Mrs FRY - And statistics said that people were asking for it.

Mr FRY - Yes, but of course we were a bit naive when we first came to Tasmania because we did not realise the breakdown, because Tourism Tasmania and the TDR - Tasmanian Development and Resource in those days prior to DED - were quoting this overall figure all the time. We did not realise there was a breakdown, that the figure being quoted was not actually the holiday makers. It was just total people stepping off a plane or a boat into Tasmania.

Mrs FRY - Four hundred thousand in round figures and about 190 000 to 200 000-odd that actually -

Mr FRY - I have the figures here.

Regarding Tas e-Connect and V3, when that first came up once again Tourism Tasmania had made their decision without consultation with the industry and had chosen V3 as their marketing partner. Aside from all the preamble and the meetings, 12 months ago Felicia was here, in this building, for the regional tourism conference. She was staying at our place. I had a really long session with Felicia when she arrived. I said to her, 'Can I talk to you about this Tas e-Connect. You know I am really against V3', and she said, 'Yes, I understand that'. I said 'Okay, you have just given V3 \$100 000 to adopt their V3 on-line platform', and she said, 'Yes'. I said, 'Okay, so virtually you have gone into business with V3. They are your Internet marketing partner', and she said, 'Yes'. I said, 'Okay, what are their corporate objectives or their mission statement?', and she said, 'What do you mean?'. I said, 'Well where is V3 heading? What are their objectives with instigating this platform in Tasmania? What are its marketing objectives? If I pay \$100 000 to go into business with another business in Strahan or anywhere in Tasmania I will not go into business with them unless I know exactly what their objectives are and where they are taking their business and what their mission statement is and what is in it for me'. She said, 'I understand'. I said, 'You have tried, through Tourism Tasmania, to influence operators to take up the V3 front-desk system as much as you can. That system is based on trying to get as many operators as possible to put as much of their on-line business through their system so that they can skim off the commissions - which vary. You have not allowed any tourism operator to put a booking button on the Discover Tasmania website unless it is a V3 booking button which you have contracted and is part of this agreement that you have with V3. How is it going?'. She said, 'Well, in actual fact with most of the Internet inquiries that go onto Discover Tasmania product, the operator listings use the web link to go back to their website'. I said, 'So you are not really getting the commission that you thought you would get - up to 13 per cent - on bookings where customers actually press the 'book now' button on the Discover Tasmania site?'. She said, 'No the commissions are very slow in coming through.'

I said, 'I put this to both yourself and Rohan some time ago and I will put this proposition to you again'. This is over 12 months ago now. I said, 'If you gave operators the booking button of their choice' - bearing in mind that a great many operators have their own on-line booking systems on their own websites with a booking button and channel manager - 'on the Discover Tasmania web listing then most small operators would pay \$200 and I think Pure Tasmania would pay you \$1 000 and maybe more to have a link to their booking engine on that Discover Tasmania site. You could charge an annual fee and we would be more than happy with that. How many operators do you think could be managed online on the discovertasmania.com website?' She said, 'Well, it could potentially be up to 2 000'. I said to her, 'Well, you multiply 2 000 by \$200 and that is your income - \$400 000 for a year - and some of the larger hotel chains and what have you will pay you significantly more than that. So that is instead of paying \$100 000 to V3 for a system we don't want because it's totally commission-based. Fixed-fee systems are the way to go for online operations. If you had asked the industry before you committed yourself to V3, you would have found that out'. So she is nodding and saying, 'Well, yes'. I said, 'Wouldn't you like your Discover Tasmania site to be making \$400 000 a year instead of your paying out \$100 000 to V3 and us all paying 10, 12 or 13 per cent commissions on that business, whereas we're fighting for yield these days?'

That is why we go for fixed-cost systems where we pay a fixed amount each month and it does not matter how many hundreds of Internet bookings we get there, we only pay a small amount. To give you an example, of the number of operators that are linked in

with Tas e-Connect - and some of them have gone through the back door and not actually through the V3 system but through Discover Australia and Roamfree - out of the 177 accommodation listings in Hobart only 55 are linked with Tas e-Connect. In Strahan there are 39 listings and only seven are connected with Tas e-Connect; Launceston, 25 out of 78; Devonport, five out of 30; Burnie, six out of 24; Cradle Mountain, three out of six; New Norfolk, eight out of 20; Swansea, seven out of 20 and Coles Bay six out of 35, yet Tourism Tasmania keeps saying how successful the Tas e-Connect program is.

Mrs FRY - At the zone review meeting we all said we needed support from local government from the tourism point of view, because I said it was really up to CEO to CEO, from minister to CEO, to agree that local government has a place in tourism and then to bring that through the structure. She has planned to do that and that is our process. That, as I understand it, is a process which would help our connection with local government.

CHAIR - Any other points you would you like to make?

Mrs FRY - When you collate all this information, I am assuming it will go into some sort of finished product; what happens with that?

CHAIR - We consider it all and then we make whatever recommendations we feel are appropriate within our terms of reference. We present a report to the Legislative Council and we provide copies to the Government. It is up to the Government to decide which recommendations they implement. That is the process. We would expect to be reporting in the first quarter of next year.

Mr GAFFNEY - We would also look to make local government and other bodies and industries aware that the report is there and for them to make contact and refer to those sections that may impact on what they do in their day-to-day business with tourism.

Mr FRY - I mentioned I had spoken to the West Coast Council about having some sort of fee within the general rate structure. I think it should be a role of the Tasmanian Government - and I do not know whether legislation is required - to say to all local governments that they must make a much more significant contribution to tourism in their area. I think it should be part of the rate system. Residential at 1 per cent and businesses at 5 per cent would provide more than enough to support the zone marketing concept if that was to be successful. It needs a significant injection of marketing funds and we need more to be done for regional tourism at regional level. We cannot do that without funds. Everything that Destination Strahan has done here, they have done from our own funds. You mentioned the weather before; on strahanholidays.com.au you can see the weather on a daily basis.

CHAIR - Mike and Carolyn, thank you very much indeed for giving us your time and views.

THE WITNESSES WITHDREW.

Mr GRAEME PEAD AND Mr FRANK DeVILLIERS, TULLAH LAKESIDE LODGE WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Wing) - Thank you for coming here today. We appreciate the fact you have travelled to come and give evidence and discuss tourism with us. Your evidence is being recorded and will be put on the website of the Legislative Council when it has been transcribed. Anything you say is subject to parliamentary privilege here, but not anything you say outside. If there happens to be any evidence that you would not want publicised on the website please tell us at any stage and we will hear it in camera. We are looking forward to hearing your views about your experience in tourism and how it is travelling at the moment, and any suggestions you would like to make about how it may be further boosted in this area and in Tasmania.

Mr PEAD - I will open if I may. Our topic that we would like to raise today is to further promote tourism on the west coast, and an area that we see that would help is the promotion of the Wee Georgie Wood in Tullah. The Wee Georgie Wood is, as you may or may not know, a small steam train in Tullah. It has a lot of character and there is a lot of history there. It is currently run on a small scale with a small number of volunteers and we believe that would be something that could be promoted not only for tourism on the west coast, but also for employment for Tullah and surrounding areas.

CHAIR - I think we have probably all been on it.

Dr GOODWIN - No, I haven't.

CHAIR - I have. It seems that I am the only who has.

Mr PEAD - For Tullah it is one of our major drawcards. The other drawcard that was there was Radford Woodcraft, which has now ceased due to the passing of Royce Radford. We would like to look at increasing the scale and operation, which we believe would be quite good for tourism because we are in between two icons of Cradle Mountain and Strahan. There is a lot of passing traffic there and I think that with some promotion of the Wee Georgie Wood, it could be quite good for the whole area of the west coast and Tasmania and tourism generally. We believe there is anything up to 130 000 in passing traffic through that area on a per annum basis, so there is a lot of scope.

The issue that we have at the moment is being run by a volunteer base, who have their own other separate agendas and workload. We are now forming a working committee to look at extending the track along other lines. We believe that some feasibilities could be done. It could go along a track that is not heavily graded. In our opinion it would not take a lot of excavation work, but we could have it run along the main highway, which would just add to the focal point and to the drawing effect of the Wee Georgie Wood.

Mr DeVILLIERS - I would say there would be more than a marketing effect of the Wee Georgie Wood running next to the national road. The scenic part we would look at running next to the lake. There is already an existing footpath on the lake that is fairly wide and fairly level and it might be possible to have a study done to see whether that is at all possible. There are various property owners, such as the Hydro and the Crown and maybe a couple of private pieces of vacant land that the line will have to cross. But if it

could all be done in a study to see whether it is feasible and what numbers we are actually going to draw.

CHAIR - Yes, that would certainly make it more visible for people passing by. I drove down that way yesterday and I knew about it because I had been on it. I took notice but a lot of passing traffic could miss the significance of it. That is very good, the proposal for the extended track, including beside the road. Have you discussed this with the volunteers who are operating it now?

Mr DeVILLIERS - Yes, we have a letter from them giving us permission to take it and run with it, and we have gone with it to Minister Bryan Green. He then suggested that he would look at getting us a grant of approximately \$5 000, which we said we as private operators would match. This morning we received a letter from the post office as we left, stating that he got us \$2 000, so we can save ourselves a significant amount by him not doing his part. We will equal it.

CHAIR - From what source of funding does he mention?

Mr GAFFNEY - The Premier's sundry grants.

CHAIR - I was going to suggest that as an alternative if it is not from that.

Mr GAFFNEY - I reckon that is where it has come.

Mr PEAD - From the Premier in Cabinet. The Premier's sundry grant program.

CHAIR - Yes, that's right. I was wondering, if it were not from that, if it may be worth seeking some extra funding there. What is your budget for - investigation or for implementation?

Mr DeVILLIERS - For a feasibility study in reality. We thought that a decent feasibility study would cost slightly under \$10 000. This was a price we got from someone in this business.

CHAIR - It is probably worth your while making an application through some other source to supplement that to increase the amount, because I think that is a really worthwhile proposal that you have, and I am just wondering if we know of any other sources. I don't know whether Tourism Tasmania would have a source of funding that may be tapped into. It doesn't mean that because you have been given funds that you can't get any other government funding. It is a matter of trying to find a source.

Dr GOODWIN - What about the Feds? Don't they have some sort of regional development funding? That might be another option.

CHAIR - You would be disappointed with that response in view of the potential that you see the proposal having.

Mr DeVILLIERS - We are at the moment this morning, but I suppose we will have to try to push and see what we can do. I have raised it with Tourism, with Mr Frank Hussey, but he has not come back to me on that yet.

Dr GOODWIN - You could try writing to your local Federal member to see whether there are any Federal options as well.

CHAIR - Sid Sidebottom. That would be a good first step. Do you know him?

Mr DeVILLIERS - No, I don't know him.

CHAIR - His office is in Burnie. That would certainly be worthwhile. If that is not successful, and you would like to contact Mr Wise we can give some further consideration to other possible sources.

Mr PEAD - Would you like me to cc you a copy of the letter that I send to Mr Sidebottom?

Mr WISE - Yes.

Dr GOODWIN - Do you have any idea what distance this would be, roughly?

Mr DeVILLIERS - At the present moment they have about one kilometre of track. That would bring it very close depending on where - we just took the map from Google and drew a line where it came closest to the main road there, but a little bit further on you could pick up maybe the old main road next to the lake and come back up against that. I would say approximately six or seven kilometres at the moment. But, yes, as I said, it's all going to be up to whoever designs it as to which is going to be the easiest.

Dr GOODWIN - So the footpath that you mentioned, that goes right around.

Mr DeVILLIERS - It doesn't go as far - there's the water intake where the reservoir is and that's basically where the footpath stops. But it is very level around the rest of the lake. It's a matter of clearing the bush to get the path.

Mr GAFFNEY - Have you had discussions with the private landowners about their willingness?

Mr DeVILLIERS - Unfortunately the private landowners are the banks at the moment. We've had the situation where one private landowner actually purchased nearly all of Tullah, from the council and various other people, and he went bankrupt. So the various banks own the private land at the moment.

CHAIR - There was a proposed large subdivision, wasn't there?

Mr DeVILLIERS - Yes, on pieces of the land that he purchased.

CHAIR - How long have you been operating your establishment?

Mr PEAD - We purchased the Tullah Lakeside Lodge in December last year. Our background is that we also own and operate - or have the lease - of the Abel Tasman Caravan Park in East Devonport. Frank has been in tourism for 30-odd years, both here and in South Africa. I have been involved with it in partnership for the past 10 years and have had various tourism ventures, in Devonport, here and also Snug Caravan Park.

Frank has also had other tourism ventures on the east coast as well, so he is quite well-versed in tourism and I'm the new boy on the block but am learning.

CHAIR - Ten years is not so new. Thank you for that. It sounds to me a very good proposal and one that will help keep people on the west coast a little longer.

Mr PEAD - The other thing is that there is an understanding that the Wee Georgie Wood committee have a fair bit of track already still available that can be used to run this proposal.

Dr GOODWIN - How many passengers can the train take?

Mr DeVILLIERS - When the boilers are done and everything can run, she can run with four cars attached to her. At the present moment the boiler has been condemned, but as it was it could only pull one car. It only operated at half-measure. They have to rebuild it. I believe there are some complications but they got a grant from an American who was here who left them \$15 000, so they're getting closer to actually completing the boiler on the Wee Georgie.

Mr PEAD - Each car can take approximately 16 to 20 people.

CHAIR - It would depend on the feasibility study, but do you have any idea about what amount of capital would need to be injected?

Mr DeVILLIERS - We've had talks with various contractors but people give you a price - more or less an estimate - on what we have done in the drawing. One contractor - if I may name his name - Mr Law, reckoned he could do it for between \$4 million and \$5 million to get the whole track in.

CHAIR - How would you envisage that being financed?

Mr DeVILLIERS - I suppose we could look at some help from Federal funding as well at that stage, once we've got the feasibility study done.

CHAIR - Would you be taking the whole operation over?

Mr DeVILLIERS - No, we do not intend to, we just want to assist and make sure that the Wee Georgie continues in the future because I think the way it is going now it has the feeling of death on the doorstep waiting there. They do have problems, they only run with volunteers. If this whole proposal can go ahead I think you will get people more committed to run it than the committee. The train drivers would be more permanently employed than the volunteers so there would be staff for the upkeep of the railway track and everything else if it runs at a profit.

CHAIR - Who would you envisage owning and operating it?

Mr DeVILLIERS - I think it should stay with the people of Tullah where it is now.

Mr GAFFNEY - How many people live in Tullah at the moment, permanent residents, what is the population, a couple of hundred?

Mr PEAD - Yes.

Mr DeVILLIERS - It is actually wrong to say maybe the people of Tullah - the people of Tasmania should own it.

I would like to raise a matter about tourism. I have been in Tasmania for nearly 16 years now and we have had the problem of free camping. When I came here free camping was a problem and I saw it becoming bigger. At the present moment I think it has really become so big that it is costing every tourism operator in accommodation - caravan parks and hotels or whatever - money at the moment. The way I see it, every tourist who arrives here comes with the expectation to spend the money in their pockets. If we do not charge them for accommodation, be it for camping sites or whatever, we have lost, so the free camping already makes us losers.

The second big thing is that all these motorhome rental people now advertise to their customers and the broader tourist that if people rent a motorhome from them they can have their accommodation for free because of the free camping, so they're taking people out of the motels, hotels and whatever accommodation, into this. Everybody has to basically rent a vehicle in any case to see Tasmania, therefore the cost of the motorhome, even though more expensive than car rental, is not that excessive. The councils have now joined the bandwagon with free camping, putting in - what do you call it - black-water points and all these things and making them RV-friendly and there are a lot of campers not equipped, even to the extent of tents and stuff, where the free camping is now being promoted. They do not have toilet facilities or the capacity to hold black-water and that just gets dumped on the ground.

CHAIR - How many councils are providing free camping as far as you know?

Mr DeVILLIERS - As far as I know, I would say literally every council in Tasmania at the moment is allowing it. Where the caravan parks have really kicked up a stink and they have maybe put up parks next to a caravan park where there was a parking area on the beach or whatever, they may have put up signs saying 'no free camping here' or 'no camping allowed here' but they do provide other places. If I think about St Helens they provide camping on the wharf area with showers and camping facilities and everything else for the overnight campers, but it is not just for overnight - they stay three or four days.

I think it is harming the whole tourism industry at the moment. A lot of people are complaining at the moment because they do not fill their beds and their rooms and it is partly due to this free camping because there are people who have never in their lives rented a campervan who are now renting them in Tasmania for the first time.

Mr PEAD - A couple of points I might raise in support of that is that New Zealand had this issue and a couple of things came out of it. One was the security of people staying in free camping there was an issue where there was an assault on two ladies who are now suing the council because of that.

The other thing is pollution and degradation that the ratepayers then effectively need to pay because these free campers dump their waste and continue on to the next site and, as

a ratepayer, obviously I do not want to have to pay rates to clean up somebody else's mess. That has been highlighted in New Zealand where this issue has been addressed and seems to be getting more credence that it is a problem and they need to stay either in a caravan park or in accommodation and not be allowed just to free camp wherever they might please. That was a couple of things that came out of the latest studies in New Zealand.

Mr DeVILLIERS - From a caravan park perspective, they are paying rates and taxes, they have to pay insurance and all the other things, yet the camper maybe stops once in five days in the caravan park and the councils do not have any of the expenses yet they allow them to free camp on public land. Why should the caravan parks pay all these licensing fees, insurance and everything else?

CHAIR - I know Westbury in the Meander Valley - if my memory serves me correctly - decided to provide free camping to attract people there hoping they would spend money in the shops and other facilities in the area, and I would imagine that is the argument the councils would make, but you raise valid points.

Mr DeVILLIERS - Free camping really started with the motorhome industry and that is very strong. They have a lot of grey nomads in it and it is the very well-off grey nomads, the powerful people, because they have a lot of money. A decent motorhome can cost anything from \$400 000 to \$500 000 -

CHAIR - Really!

Mr DeVILLIERS - Yes, so it's not a cheap game, if I can put it that way. It's not those people at the moment who are the problem, it is the rental companies that are now promoting 'Come and rent a motorhome from us and you can free camp', when Joe Blow would normally have gone to a motel or other accommodation. It is like a snowball effect.

Mr PEAD - Free camping to us is a cancer on tourism, not a way of tourism.

Mr DeVILLIERS - We do not really fulfil their expectations as well to help them get the money out of their pockets and get rid of it.

CHAIR - Thank you, we take that on board. Do you wish to raise any other issue?

Mr DeVILLIERS - No, I think that is about it.

Mr PEAD - Just one thing regarding the free camping in a caravan park, with us in a caravan park, when guests come to us we promote the area. Our goal is to ensure that that particular guest stays in that area for as long as possible and we want them to stay with us, so what we promote all the tourism sites and ventures within that particular area but with free camping they are just here and then they're gone. We act as effectively pseudo tourism guides or visitor information centres and most caravan park owners do exactly the same, so that is one benefit of having guests stay in a caravan park, a motel or whatever. Our goal is to make them stay with us for as long as we can and we promote the area but with free camping that does not happen.

Mr GAFFNEY - What do you charge for an on-site fully self-contained motorhome?

Mr PEAD - A powered site is around \$25.

Mr GAFFNEY - And non-powered?

Mr PEAD - Is \$15.

Mr GAFFNEY - Recently the Cradle Coast Tourism Authority were doing an issues paper on motorhomes and caravans. Did you respond or have you had input into that, because local government is doing a survey and wanting submissions through Ian Waller at Cradle Coast on this particular issue. I am not sure whether you have had a chance -

Mr DeVILLIERS - I have spoken to Don Monks but not Ian Waller. Maybe I can make another comment on something else. If we look at the mainland and the caravan parks there, they have become resorts. If we look at the caravan parks in Tasmania, what have we got? We have got little caravan camps here, that's all.

Mr PEAD - Run-down caravan parks.

Mr DeVILLIERS - We don't have any resort-like facilities in reality in Tasmania and that is purely because of our short tourist season and the fact that we don't maximise our income because we allow this free camping. How can anybody develop a resort?

CHAIR - Yes, right. I think this is the first time we have had evidence about this, so that is a matter of interest. Is there anywhere on the mainland where free camping is banned?

Mr DeVILLIERS - In Queensland and Western Australia they have rules and regulations on free camping, especially on the main roads where they have the rest areas. You are not allowed to stay more than overnight in the rest areas. In Queensland I think there is a 30-kilometre radius from the closest caravan park where they are not allowed to camp overnight. So there is a whole host of different rules and regulations in different States. The best one to maybe answer that would be the caravan council.

Mr PEAD - The CIAT.

CHAIR - What does that stand for?

Mr DeVILLIERS - Caravan Industry Association -

Mr PEAD - Of Tasmania.

Mr DeVILLIERS - Not Tasmania, of Australia. We don't want the Tasmanian branch warning you off.

CHAIR - So it is the Caravan Industry Association.

Mr PEAD - The CIA.

Mr DeVILLIERS - Yes, there is something else, I am not sure what it stands for.

CHAIR - Where are they based?

Mr PEAD - I'll just find out through Google.

Mr DeVILLIERS - I think they're based in Sydney, or in Queensland.

CHAIR - Don't bother, we can find that out. Now, any other matters?

Mr DeVILLIERS - No, that would be all, thanks.

CHAIR - With your main business at Tullah, you have been there since last December, so you're not really able to make comparisons about previous years, but generally how are you finding the numbers?

Mr DeVILLIERS - That's very difficult because, as you said, we actually bought the business when it was bankrupt, so there was no bookkeeping, but we do own another business, Go Dive, as well in Hobart and Launceston and the tourism numbers are definitely down, there are no two ways about that. I think the zone marketing would never work because of the different zones. It should be a combined effort of what we had in the past, together with the zones - that will work.

Dr GOODWIN - What do you mean by the 'combined effort of what we had in the past.'?

Mr DeVILLIERS - You can't actually go into marketing like the zones wanted to do. Let us say we market the west coast as a zone. What happens to the rest of Tasmania? How can we just market the west coast? We should be marketing the whole of Tasmania. Get the tourists here and then we have all these tourist information centres and stuff that can direct the tourists around. They all have websites and we all have websites and that is the way to do it. How can we have one zone effectively that you are going to invest your money in and market and expect it to work?

CHAIR - In marketing the whole of Tasmania would you have any zones or do you dispense with them totally and just have the one zone for the whole State?

Mr DeVILLIERS - I would think Tasmania should be marketed to the mainland as Tasmania and not specific areas being marketed to the mainland. Once we have them then we can distribute them as we see fit.

Mr GAFFNEY - How many cabins do you have at the Lake Tullah one?

Mr DeVILLIERS - We only have rooms. We do have cabins in Abel Tasman.

Mr GAFFNEY - So you have rooms and space for caravans. Do you have any permanent residents?

Mr DeVILLIERS - In Abel Tasman, yes.

Mr GAFFNEY - But not here in Tullah.

Mr DeVILLIERS - No. Tullah is a different type of venture totally from a normal tourism venture like this. We have the mines, we have construction people and all those actually support us, because we are the only accommodation establishment in that area. We are not 100 per cent reliant on tourism, which we maybe should say thank you for at the moment.

Mr GAFFNEY - So you have permanent construction workers -

Mr DeVILLIERS - Not permanent, but they get various jobs and the workers would come and stay with us, and then the engineers would come and, say, investigate proposals and stuff like that.

Mr PEAD - Fly-in, fly-out, guys that are there for a week, two weeks, whatever the case may be.

Mr GAFFNEY - And they actually keep your business going.

Mr DeVILLIERS - Oh, yes.

Mr GAFFNEY - Without them you would be solely reliant on the tourists.

Mr DeVILLIERS - If we were solely reliant on tourism we would not exist in Tullah, that's for sure.

Mr GAFFNEY - Is the horse riding still going on there, the horse trail rides?

Mr DeVILLIERS - The lady, Vicki, is still there. She is not doing the horse riding anymore because of insurance. Insurance is a big, big problem in tourism at the moment.

CHAIR - In general, I think.

Mr DeVILLIERS - It has always been for many years, but it is really getting very expensive.

CHAIR - I didn't come into your establishment yesterday but I drove past. We stayed there on an electorate tour about two years ago, I think, and it was very nice, a nice lounge and a lovely view over the lake. The rooms were very nice, but the walls were quite thin. You could hear what was going on in the next room.

Mr DeVILLIERS - We are spending really big money. We are refurbishing another wing, and we are addressing that problem, but unfortunately I suppose the wing that you stayed in, those rooms as you said were very nice, and now to pull the walls off and do something about it.

CHAIR - So you are doing that, are you?

Mr DeVILLIERS - The oldest wing that we are refurbishing at the moment, yes, we are addressing that problem.

CHAIR - Oh, I see. It is just in the oldest one.

Mr DeVILLIERS - There are five wings. Two wings have been redone. Maybe the front wing overlooking the water has been redone at some time in the past, eight or 10 years ago. The back wing, the Murchison wing, has really been left in the original state from the Hydro, and that is the wing we are rebuilding.

CHAIR - I am not sure which one I was in, but I noticed one of them was called Plimsoll. I didn't know whether they had all been named after governors.

Mr DeVILLIERS - Yes, Plimsoll is the one that has also been revamped but before that you have the same problem.

CHAIR - But we enjoyed the stay.

Mr DeVILLIERS - You just have to be very quiet.

Laughter.

CHAIR - I was. Thank you very much for coming. You have a very interesting proposal with Wee Georgie Wood, and we take on board all that you have said about every aspect you have dealt with. So good luck, and we hope for an upsurge in tourism to make your investments even better. We do appreciate the fact that you have travelled down here to talk to us today, and thank you very much.

Mr DeVILLIERS - Thank you for seeing us.

CHAIR - It is our pleasure.

THE WITNESSES WITHDREW.

Mr CHRISTOPHER SHORT, RISBY COVE, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Wing) - Thank you very much for coming to talk with us. I had dinner at your fine establishment in February and it was very enjoyable.

Mr SHORT - Thank you very much.

CHAIR - And very generous servings.

Laughter.

Mr SHORT - That is good

CHAIR - The evidence you give today will be recorded and transcribed by *Hansard* and put on our website. If there is any evidence you want to give that you did not want publicised to any extent please tell us when you come to that and then we can go into camera. Anything you say is protected by parliamentary privilege - that is, while you are giving evidence here but not outside. We look forward to hearing your views on tourism in this area and your experience in it and any suggestions you might like to make about how tourism in Tasmania can be boosted.

Mr SHORT- I have been in small business all my life. I started off life as an engineer and then was involved in a range of things from marinas to fishing, forestry, fish farming and now tourism. Most of my businesses were based on the east coast but I have had a long association with the west coast with fishing, forestry and now with tourism.

I got into tourism by accident. Having been involved in fishing and forestry and those wonderful rape and pillage industries, I thought tourism was what you did before you became a third world country. I never thought it was a real business but I have to swallow my words and say it is a massive business and it takes a lot of hard work and is more demanding than a lot of other areas that I have worked in in my life. As a result I have had to re-educate myself.

My wife told me that when I started my tourism business I should employ only those people who could do and think about two things at once. She never mentioned that to me when I was fishing. In the 12 years I have been involved I have watched a lot of changes within tourism. I have sat quietly and been involved in tourism associations here and with the marina development in Kettering where we had the visitor centre as well. As things have unfolded I have become more and more disillusioned with some of the practices. When I say that, they are not all of the same businesses. Blame can be attached to government, and industries have to accept the responsibility for the decisions they make as well along the way.

The perception study in 2007 basically identified the areas that we struggled in. We had our main iconic destinations - Port Arthur, Cradle Mountain and Hobart - and in an attempt to say there was a lot more to the State we divided the State up into zones and we will publicise the benefits of each zone. Everyone was in favour of that, me included, and we thought what a wonderful concept that would be to improve tourism. We used to

be in phone book areas, which are wonderful for a lot of government departments, so we just adopted them; they decided we would have these zones that have similar needs and attractions so that they can make it collectively.

We embarked on that program with tourism and many speakers before me have probably alluded to various bits and pieces and problems along the way with those things. I guess it became derailed very early in the piece. It was not that things were going bad because there was a boom Australia-wide in tourism and the country was going well. We did not have the dollar situation we have now. Australia is attractive to tourists, there is terrorism going on in other parts of the world so really it didn't matter what the Government or Tourism Tasmania did, we would have visitors coming.

Then of course as the pendulum started to swing the other way we found ourselves getting more and more out on a limb. I think Tourism Tasmania struggled to readjust itself. They have locked themselves into these zones which back in 2007 were fulfilling a role, but in today's age they are not fulfilling a role.

I do not want to be critical because I know, Don, you have been involved in local government, but also it is very hard to have a government body make itself responsible and accountable because you have a big hierarchy under you, you have everyone that works under you protecting zealously their position and their roles and so forth, so to drill down to find problems in an organisation like that it is pretty hard to do internally.

CHAIR - We have an existing mayor on our committee.

Laughter.

Mr SHORT - If I had to put my finger on the main issue that has contributed to it, when they split the zones up some zones had three or four very strong councils in them and some had very few cash-strapped councils in them like the west coast wilderness area and so there was already an imbalance. Already from the word go it made people a little bit divisive because in Hobart they have councils that are booming and growing and Tas Tourism has said that dollar for dollar they will match them. The Western Wilderness went to the council here and the general manager announced a massive budget of \$20 000 for tourism and we knew we could get another \$20 000 from Tourism Tasmania on a dollar-for-dollar basis so that gives our zone \$40 000. If you go down to Hobart they have three or four councils, you have Tim Short, I think, my cousin who was involved in there and he would put \$200 000 up, bang tomorrow, just for a project let alone for a whole year's marketing budget. There was this massive imbalance in how that zone could finance itself and how it could take advantage of the tourism options that were being put out in the zones.

We were left floundering in regional areas in cash-strapped councils because of that infrastructure set up of dollar-for-dollar marketing so that was probably the biggest problem that we dealt with.

Then they set up how they were going to market and we had to promote the zones. We all thought we would be having input into that but we did not realise that the zone marketing group members were there to sell Tourism Tasmania projects to the zones and not vice versa, and I guess you have heard this from everyone else. Basically they put

out programs that said you will do *a, b, c* and *d* and once you have finished that you can join in with us in our cooperative marketing or you can pack your bag and go away as we are not interested in anything else unless you cooperate in those programs that we have. Of course a lot of us disagreed with those programs and it was not very easy for us to join in.

CHAIR - Tourism Tasmania did this, you say?

Mr SHORT - Yes.

CHAIR - Imposed the programs on the zones?

Mr SHORT - Yes. I have just picked a couple as illustrations that I can back up with hard evidence for you of where I think the failings have been. As we don't have a lot of time, I only picked a couple of issues and I picked the print media as one and you have seen these. These are the little magazines for each zone and they are done through the visitor guide. Tourism Tasmania used Vibe to publish and distribute these and to get them around the properties. These are the official guides to the industry. They are there to replace Tasmania Temptations. I do not know if you remember the old Tas Temptations organisation, that big wholesale magazine that the company did that was sort of like the Bible for the industry.

CHAIR - I remember it very well.

Mr SHORT - When that went these were going to be the reinvention of that. So that was all discussed, despite our zone and a few others saying, 'Please, Tasmania's too small for five different books and it won't work; you just need one whole-of-State approach because every punter travels through more than one zone when they're here on holiday', they said, 'No, everybody will pick up five of these books'.

The industry was not convinced and the writing is on the wall now. These are the guides - and I will take our particular location here. On the west coast we have 218 tourism businesses that advertise in the print media in either one or two of the magazines. The subscription rate for last year was 42 for 'Western Wilderness' out of 218 businesses. They printed 80 000 copies and were distributed by Vibe. Out of those 80 000 copies, they claim they distributed somewhere in the order of 60 000 and patted themselves on the back for that. Unfortunately, having had an involvement in the visitor centre myself and bringing around two other local ones, I find there are boxes and boxes of these unopened and unused guides. At the Bruny Island and Channel Visitor Centre there are eight boxes with 350 units, so there are 2 450 units of these magazines, and at a rough count only about 150 have been distributed and the rest will go into landfill. It is absolutely abysmal.

Vibe claim that because they have been sent to the visitor centre they were distributed. That's fine, so Tourism Tasmania pat themselves on the back and say, 'They're all out there - fantastic, let's make a reprint next year of 120 000'. If that was a private business they would be bankrupt, because nowhere in their structure did they make Vibe accountable. They let the contract out and said, 'You will print, you will distribute', but then they put nothing in place to make them accountable.

This year, because they said they did such a marvellous job last year, they were printing 120 000 and the 'Western Wilderness' had closed the other day, but they have now extended it - and they had 17 contributors out of 218 that advertised in the print media so that is around about 7 per cent. If you take out the seven zone members that feel as though they've got to contribute because they're a zone member, that leaves 3 per cent.

That is giving me a message that the industry has no confidence in their official publication. They're not recognising why people are not advertising and the Western Wilderness zones are not alone. The east coast have 266 people who advertise regularly in magazines and stuff, and yet only 42 that have gone into this - that is less than 15 per cent. Look at the thing - the whole east coast - six or seven pages, and most of it is editorial. It is a blight on the tourism industry that we put that out there when you have in opposition a privately-run magazine that has 10 times the circulation and has every tourism business listed. It even gives them a free listing in the back if they don't want to pay for an ad. This is supposed to be the flagship magazine of the zones so it is very disappointing that industry confidence is at a level where they will not even go into official publications.

All of what I have just told you I can back up with serious hard evidence. We have done the surveys. Recently we did secret shoppers around the gateway visitor centres. We rang up 25 of them and interviewed staff on weekends and weekdays to test their knowledge of the local area, as we do. To our distress, we found that not one of those people recommended this magazine. They were all pro-Pure because Alinta and Federal have a massive marketing budget so they can make it very easy for them to book Federal. At the Hobart Travel Centre with Anne's girls there, three separate people that we interviewed said that they keep this hidden behind the desk as their primary tool of marketing.

CHAIR - For Hansard that is *Travelways*.

Mr SHORT - Yes, that is *Travelways* because it has every business in it so they can actually go to that magazine and find what they're looking for. Here, when they find they have less than 7 per cent of the business, they are not going to use that as a marketing tool. So it's about mismanagement. Then I look at the board of Tourism Tasmania and there are some very professional people on that if you look at their experience and credentials, so I ask myself why aren't they making things accountable? Where is the breakdown? Why isn't something happening because the board should be accountable. I mean, print media is a very expensive way of getting into the market, so I can't for the life of me work out why isn't there an accountability process within this organisation when they're contracting stuff out or coming up with programs.

That is just one little example and you have probably have heard it before. Here is another example. This is *Travelways* magazine with Pure Tasmania's ad on page 3. That cost \$3 500 to put in each magazine. That's fine. It is supposed be emotive and stuff, but Tas Tourism have lost the plot because in the world of information technology the soft emotive image is not going to pull tourists. The average tourist today, because of the Web, you know yourself if you are going on a holiday you are looking at the price of products. So the first thing people are doing is saying, 'Well, I want to go to Fiji, I'm looking for a nice self-contained unit, I want to be close to the beach, I want this and I

want that,' so you have product you want to buy and they are looking for a price for that product.

You want that because you can get it at your fingertips today. Fifteen years ago you could try to stir people to come to Tasmania with emotive images and then they'd go into their travel agent and find their priced product. That sort of marketing doesn't work, it's a waste of time now. You've got to have priced product out there all the time. You know yourself that if you need to make a quick trip to Sydney or Melbourne, what is the first thing you do: you go to Wotif or whatever, see what's close to the footy ground, et cetera. We've got to market into that new age technology and unfortunately Tourism Tasmania spending money on this is not going to do it. It is not going to cut it.

They recently launched their spring campaign halfway through spring. Isn't that a wonderful scenario when I'm working on my business now at the shoulder for next year? I'm not looking at spring. Spring to me has gone because I've already had my project out there and I am taking my bookings. I am looking six months ahead and saying, 'How is my business going to survive?' I also look and identify how my business is going to perform in the marketplace and have put performance markers in place. Since I opened my business 10 years ago I have seen this marketing trend where on the first of every month I count up how many bed days I have booked for the next six months. I know because I put them into a spreadsheet and - no surprise to you guys - I find the booking trend has been more compressed. So at one stage 38 per cent of my bookings would be 90 days out plus. In this day and age that has crept into most of my forward bookings, which are 30 to 60 days out, so I can mark them in advance.

I guarantee if I asked you if you were planning your holidays most of you would say, 'I plan about a month ahead now,' because you can go online and do it. Unless you're going overseas you don't necessarily plan six months in advance. So I find my marketing area needs to be that 30 to 60 days out, so I concentrate my marketing into that area thinking maybe at Tas Tourism, if they are going to be a marketing body, they should be thinking similarly, but they're not. To my mind their marketing campaigns are a train wreck, because the spring campaign starts in spring. Well, we might get a few walk-ins from it, maybe, but to me it is a huge waste of money. They should be working on what we are going to do at the end of the season, and how we can push that shoulder out. The spring campaign you make for spring, not after spring. Last year they did this one thing called the Lumina campaign. What did it bring to the Western Wilderness? Well, from a survey amongst our businesses, zero, absolute zero. It brought 63 locals out of Queenstown. The only approach from that Lumina campaign was to Queenstown and it brought 63 locals out, so it didn't bring any visitors into the area at all. It was quite amazing. The Lumina campaign obviously had an impact in the population centres in Hobart and Launceston, but did nothing for regional tourism, yet that campaign was supposed to help us out in those areas. And once again they had no backup plan, no assessment. In fact I saw they released a press thing saying what a magnificent thing it was and that they will do it again next year. Just like the guides, 'We will do those again next year'.

I have picked just a few little things in the print media, and I know others will have talked to you on the zones. On marketing in tourism, just from my experience in other businesses, when you market a product - and the zones were fine, the concept was fine, but they made that their main marketing core; that is not the main marketing core. When

I am selling my business, the first thing I realise I have to do is drive people to my business. The second thing I realise I have to do is pull people to that area. And the third thing I realise I have to do is pull people to this State from overseas. So in my marketing budget I have this three-pronged attack: to get them to Tasmania, to get them to Strahan, to get them to Risby Cove. It is like a tunnel you are feeding them down. And so in my marketing budget I look at those three avenues to pull people in. I might go in with Australian Tourism Exchange, international markets, right down to the local market with a few radio ads - anything you like - but you have this three-tiered approach to bring people to the State.

I believe that we should scrap the zone marketing groups and we should have that three-tiered approach. We have an organisation that is split into marketing the State internally, a second prong that markets the State nationally, and then a third prong that markets internationally. They are all woven together, rather than having zones where you are too small to create this divisive little area of one zone fighting another zone for the tourism market. All it is doing is just diluting the pie when we need to make the pie bigger.

The way I see it is that we have to go back to grassroots, that wonderful 2007, and I voted for the zone marketing groups so I will take responsibility for it, but we have to start thinking in the twenty-first century era. We have to start getting more IT savvy and we have to start looking at ourselves, Tasmania, globally, and stop thinking about soft generic little marketing in magazines. Start thinking about the price product out to the world and take a lesson out of what the others do in Queensland, a classic example. We lost 20 per cent of our market share out of Victoria into Queensland because the Queensland Government backed them and the local RTOs with price product advertising and they still slayed us. This is what we were putting up, and they put up price product and we lost that market share, and we are now having to fight to get it back. I just think the zone marketing group does not lend itself to that sort of fight. We have to get back to a statewide attack. It is a statewide issue. The dollar is up, the predictions are a 15 per cent drop to overseas markets now and no-one is doing anything about it. All we are doing is working out our little spring campaign and this and that. We should be out there now. We are losing our market share overseas because of our dollar. What we have to do is present that Tasmania is a great place to come and don't mind the extra cost because we have great packages and deals. Industry will put the product out there; we have to or we will go under. We are not a government body where we are not accountable, we are accountable to our experience so don't think that the industry is going to stand still. If we have to drop our prices and put packages out there we will do it, but wouldn't it be wonderful if we had a government backing that, right behind us, saying, 'Western Wilderness and Strahan, you are pushing the cruise, the railway; do you want to do an advertising campaign? You have raked up \$80 000 or \$90 000 between you so we will put another \$100 000 to that. Let's get out there and get the numbers into the State.' That is what we need.

That is the way I view it at the moment. I have only a small business. Risby Cove employs 12 people and we turn over about \$1.5 million a year. Compared to Federal, I am just a puppy. I realise those 12 people rely on me for a living and have done for the last 10 years. In fact all my staff have been with me five or six years or longer. My chef has been with me for seven years and we are a family and we fight as a family. We talk our business up, we work hard but I feel as though I am letting them down because I can't infiltrate the market on my own. I need cooperative marketing to infiltrate the

market. I can do a lot on my own but I need the ability and a good coordinated approach from the Government.

CHAIR - You have made your point very well and backed it up with evidence. Thank you. Are there any questions?

Mr GAFFNEY - No, that was very enlightening.

Mr SHORT- If you think that it will be useful I can provide the real evidence, facts and figures that can be verified and backed up, with regards to impacts from the studies we've done.

CHAIR - That would be very helpful if you would like to do that. Just send that to Mr Wise and we could take that into evidence at a later stage.

Mr SHORT- It happens a lot, no matter what industry, that you lose touch with the grassroots. You build a bureaucracy and it grows and grows and all of a sudden you find that people on the ground with no marketing. I am only a youngster but there are three generations of tourism operators in this town and not once have I seen their knowledge pooled to market the tow, so I think that is a problem.

Don't get me wrong; there is a place for the zones but I am disappointed that they are the driver for the whole industry.

Dr GOODWIN - Chris, can I ask for some clarification? Who buys *Travelways*? Is there a market for that?

Mr SHORT- Like every magazine I advertise in, I research it very well. It is owned by Fairfax. There are 55 000 copies inserted into selected regional Fairfax newspapers in New South Wales, Victoria and the Australian Capital Territory, 35 000 copies are distributed through Tasmanian airports' visitor centres. When there are copies left over the girl who manages this collects them up and she hand distributes them, they don't go to landfill. So if we have any copies of these left over, before they issue the next copy, they pick them up and redistribute them. They ring up regularly at our visitor's centre asking, 'How are you going for copies? Have you run out? Have you got some left over?' They follow through, follow through, follow through, and that's why they are regarded as the penultimate magazine because they realise the success of this magazine depends on their ability.

When they saw the figures come out of Victoria they haven't sat on their butts, they've turned around and they are now doing a one-off glossy magazine called *Wish You Were There*, and hand-posting it out to 10 000 of their regular clients that receive *Travelways* in an effort to try to find out what the hell is going wrong. In that, a group of us have taken out eight pages and putting deals and packages in it off our own backs, because they came around and said these figures are a reflection on our market. Tourism Tasmania aren't saying that, they're actually telling themselves that they're doing a good job.

If you and I, Vanessa, were working in Tourism and I came up to you and said, 'Vanessa, you're doing a fabulous job, how do you think I'm going?', and you said, 'You're going

well', it'd be a case of, 'Well, let's send that out to everybody'. When you look at the expertise on the board of Tourism Tasmania, you think, 'God, they should be forcing some accountability in the processes'. Somewhere along the line there has been a breakdown and because the industry has been booming no-one has worried about it. But now when things are getting tough everyone is looking for someone to blame and everybody is starting to analyse everything.

I guess it's the same with any business when you're going badly, and unfortunately I have to turn around and blame myself. I have seen what was going to happen for 12 months or more, but do you think I have done anything? I could have jumped up and down, I could have got colleagues talking, so don't blame Tourism Tasmania, we are all culpable for the situation we are in at the moment. I think we've just got to reinvent ourselves and get out there and do it, and in a hurry, because there'd be a lot of small businesses going to the wall. I'm in a very lucky situation where I own my business and I haven't got debts, but there are a lot of people who have and rely heavily on being able to maintain a certain level.

I'm hoping that this inquiry might lead to some better understanding of the processes. Maybe Tourism Tasmania should look at whether it needs to be so heavily involved in private marketing practices. Maybe they should look at it more as a management and administration role and project-by-project look at what people are putting up and approve them and make the best use of public moneys and resources, rather than how many professional marketers they have with the ability to design these programs. Maybe the right people aren't doing the right thing. I don't know.

Dr GOODWIN - I suppose the thing that struck me this morning - and we have been around the State a bit but I think it has been even more evident this morning because of the concentrated people we have had, I suppose - is the amount of expertise and experience there is within the industry.

Mr SHORT - It never gets tapped.

Dr GOODWIN - No, and I think the theory from what I have heard was that it should get tapped through the zone marketing groups, but apparently it hasn't been.

Mr SHORT - We put numerous things up to our zone marketing group members and they come back to us and tell us the agenda is set. Their job is to sell Tourism Tasmania products and they are not an avenue to take stuff back the other way. Even a simple thing like saying, 'This is failing; let's put them all together as one magazine,' just got canned. The reason it got canned was obvious, because Cradle Coast and the various groups who are involved in this get separate funding for it, so they don't want to lose that. Because there is money there for Cradle Coast from Tourism Tas to do these things, they don't want to have a collective magazine because financially it is not in their interest because that is a bit of their funding that will go because there will be somebody doing a statewide magazine.

I don't know how you address those things, Vanessa, but someone has to grab this by the throat and start changing a few of these things around because we will have a laughable Tasmanian tourism industry and there has been some very negative press about Tourism Tasmania in recent times and I might say that I am really disappointed in that. I do not

like tourism in Tasmania being put out to the world as negative. Even if you are dead-set against Tourism Tasmania you don't go out and put it in the press. I think that's the last thing we need now.

What we need now is for tourism to wake up to the fact that there is an issue and get in there and fix it and not leave it for outside agitators to come and start scaremongering within the industry, which won't achieve anything. I have been in other industries where this happened and it serves no good purpose. We just need for an independent group like yourselves to be able to come through and say there are things that are wrong that we need to fix, and I don't necessarily think they're big things, I just think there has been a breakdown within the organisation that needs to be corrected. I don't think there is any one big panacea, I think it is a matter of saying we are not listening to industry or we have lost touch with industry and we need to do this and what do we need to do to fix it and put it in place. That's the way I see it.

There are people out there advocating to sack the board, and to do this and that - what a silly idea. They are experts with something to contribute. Obviously they have been kept at hand's distance from what is happening as when I go onto the website and look at their credentials I can't believe they haven't got some knowledge, I just don't think they are aware.

CHAIR - Unfortunately our time has expired. Chris, thank you very much; you have made your points very well. We appreciate your frankness and the time you have given us.

Mr SHORT - Do come to Risby Cove, the best accommodation and food in the State, Don will vouch for that - and make sure that is included on *Hansard*.

Laughter.

CHAIR - I have already told my colleagues how nice it was and how generous the servings were.

Mr SHORT - Thanks very much for listening to me.

CHAIR - Thank you for coming and giving us your valued views and good luck with all your enterprises.

THE WITNESS WITHDREW.