

UNCORRECTED PROOF ISSUE

**Wednesday 3 December 2014 - Legislative Council - Government Businesses Scrutiny
Committee B - Port Arthur Historic Site Management Authority**

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 3 December 2014

MEMBERS

Mrs Armitage
Mr Dean
Mr Finch
Ms Rattray
Mrs Taylor (Chair)
Mr Valentine

IN ATTENDANCE

Hon. Matthew Groom MP, Minister for Environment, Parks and Heritage

Ministerial Office

Tim Baker, Chief of Staff
Sean Terry, Deputy Chief of Staff
Danielle Harris, Principal Adviser

Port Arthur Historic Site Management Authority

Professor Sharon Sullivan AO, Chair, PAHSMA Board
Mr Stephen Large, Chief Executive Officer PAHSMA
Dr Jane Harrington, Director Conservation and Infrastructure
Ms Gabrielle Woods, Corporate Services Manager

The committee resumed at 12.17 p.m.

CHAIR (Mrs Taylor) - Welcome, minister. Would you like to make an opening statement?

Mr GROOM - Historic heritage is one of the reasons visitors come to Tasmania and it has an important role to play in the economic development of the tourism sector of the state. Heritage

experience in Tasmania is intrinsically linked to contemporary and engaging tourism experiences such as going to vineyards, breweries, distilleries, shops, galleries and museums, which are frequently located in historic settings. Maintaining built heritage assets is inherently an incredibly challenging and expensive business. It is for this reason it is critically important we are able to find a way to make our heritage assets work, in a business sense, to generate income to reinvest back into maintaining, restoring and promoting those assets. If we can achieve this and find a way to promote and use our built heritage in a way that puts them on a sustainable footing, one that is independent of the cyclical nature of funding opportunity that is inherent in the public purse, then we give our heritage the very best chance of surviving well into the future for many generations to enjoy and benefit from.

I am very pleased to have this opportunity to congratulate the Port Arthur Historic Site Management Authority and the PAHSMA board for their outstanding success in the way they have managed the three iconic sites in Tasmania which they have responsibility for: the Port Arthur Historic Site, the Coal Mines Historic Site, and the Cascades Female Factory Historic Site. These three sites are recognised nationally and internationally. They represent three of only 11 Australian convict sites inscribed on the World Heritage List. Incredibly, in Tasmania we have the estates of Woolmers and Brickendon near Longford and the Darlington Probation Station on Maria Island also inscribed on the World Heritage List.

Critical to protecting our heritage is promoting, understanding, valuing, using and enjoying it. There are so many interesting and engaging places in Tasmania where heritage is at the front and centre of the experience. My strong view is that the more people who visit and enjoy heritage sites the more people will come to appreciate and love those heritage sites and that will inevitably lead to their better care and preservation. This is an important principle of the Government and a very central part of our approach. The Government is determined to protect and celebrate our iconic heritage. The State Budget for 2014-15 included \$1.95 million of investment in internationally acclaimed Brickendon and Woolmer's Estate World Heritage sites for a new visitor centre and conservation and maintenance works. This is a sizeable and important investment in our growing tourism industry, the building and construction industry and the visitor experiences that present the Australian convict story in northern Tasmania. It will also help increase the financial sustainability of these sites.

It is a significant commitment by the State Government on behalf of the Tasmanian community to recognise the importance of our convict heritage, the assignment system and the importance and value of ensuring that the convict story is presented to locals and visitors alike. The investment complements and augments the work that will continue to be undertaken at the Cascade Female Factory, the Coal Mines Historic Site, Darlington Precinct on Maria Island and at the Port Arthur Historic Site to present the Tasmanian convict story.

I believe that Tasmania's heritage is one of our greatest assets. I am very pleased that the Tasmanian community is so engaged in discussing and valuing our heritage, and we want to do more as a Government to encourage that well into the future.

The Government has a vision and a plan for this state and our wonderful heritage is key part of that. The Government supports adaptive reuse and development of our heritage assets as the best way to preserve them for future generations. I do believe that through PAHSMA we see great examples of the integration of heritage with tourism, which I think is important both from a heritage preservation perspective, but also in terms of developing opportunities for tourism in Tasmania. I also believe that over the course of the last couple of years, and in particular over the

last 12 months, PAHSMA has been showing leadership in engaging with the China opportunity. I am sure Professor Sullivan will speak to some of the extraordinary results that we have seen over the course of the last year in terms of increased numbers and increased Chinese visitation, in particular. There are some significant initiatives that PAHSMA have engaged in, in terms of making sure that we are well placed to maximise on that China visitation opportunity.

With those comments I would like to hand over to Professor Sullivan.

Prof. SULLIVAN - Thank you very much, minister. It is a great pleasure to be here and it is one of my great pleasures in life to be the Chair of the Port Arthur Historic Site. I have been associated with it for a long while. We have a really exciting and proactive board and staff, which are backed up, I must say, by the Government's support for Port Arthur, which is very forward-looking, I think.

We have spent a lot of money this year, as you would know, on conservation with the penitentiary. I might point out that the reason we are able to move so proactively on the penitentiary - this is the biggest conservation project in Australia - very cutting edge, very difficult, but it was the support of this Government and the last government in ensuring that we have a conservation budget which allows us to regularly maintain and check. We knew we had to do work on the penitentiary. We certainly did not know what we had to do. The reason we knew that we had to do work on the penitentiary was because we had that funding that enabled us to employ the experts and to look at things in a cyclical way, and not to leave things until we had a crisis. We have done a lot of work on the penitentiary.

We have done a lot of work on our new signage. We are very hopeful that the committee will be able to get down soon to see the new signage. It was very much admired by the Chinese foreign minister when he was there. We have done a lot of work with our colleagues in our sister site in China at Dunhuang, the World Heritage site on the Silk Road. Some of their senior people, including their visitor manager people and their head of personnel were here this year for five or six days looking at our stuff, and also advising us on what the Chinese visitor would like. We have been working with Dunhuang for a long while advising them on tourism and heritage, but likewise they advise us on what the Chinese visitors like. They had a good look at our infrastructure and so on and I am very pleased to say, as you would know, that in general our visitor numbers are up a lot - 18 per cent.

If you look at the annual report, you will see the figures for China. The graph says everything. Once again, I would like to say this did not come out of thin air. We have been working for a long while with our marketing people on being China-ready. We will have Chinese guides this summer. We have Chinese language. We have looked into a Chinese website, and getting people to be able to use the credit which they use in China. I cannot remember what it is called. We have done all that and food as well. Although, when the foreign minister came out, visitor services manager had the staff fired up to provide a Chinese meal if it was required, and they wanted fish and chips and hamburgers. But this was very well supplied. We are very pleased with that.

I would also say that being proactive, we have had a great increase in cruise ships. That has also been made possible by money from the Government to increase the facilities there - the jetty and so on.

We are very impressed with the staff as a board because they bring these things to us ahead of time. We do not have to discover that there is a hole in the wharf or the penitentiary is about to fall down. This is being done through a proactive approach which is very good.

At the Cascades, we have been able to get onto our Chinese visitors there. I was there the other day at one of these talks that we do, the dramatised talks and I would say about half the 20 people there would have been Asian. The people doing this were able to engage them wonderfully, so they understood. They did the Louise's Walk and it was really good to see. But we also have a Mandarin guide and more Chinese availability onsite for people. This is quite a sell, to sell to the Chinese visitors why we would be celebrating convictism generally, and particularly women convictism. It gives them an understanding of how our nation was made, which is important. They all come to Port Arthur and they rave about how beautiful it is but they are also getting an understanding of the Australian character and where we are coming from and that is really important.

CHAIR - I imagine they find that, culturally, very interesting.

Prof SULLIVAN - They do. The Chinese we are getting are more and more individual travellers who are very sophisticated. That is why they are coming to Port Arthur, because they are seeking an excellent experience and they are getting that feedback that is what they will get.

At Cascades we have done a lot of work with creative partnerships. The outstanding success over the last three or four years has been our artist-in-residence, the Roses from the Heart project. She has nearly 25 000 bonnets which have been donated from all over the world. It is a very big interest with the Irish because of the Irish women convict experience. That is a really interesting indication of the way people respond, particularly to the convict women experience. We are also using that in thinking about some fundraising because we do not want to rely on the Government for everything. We are very appreciative of the money but we think, for instance, in things like maybe building an iconic visitor centre at the Female Factory, we may be able to get some sponsorship and assistance for that. Judging by the way people respond to the Roses in the Heart project, it is probably a good way to go. We are experimenting there with that. We also have our new website going at the Cascades.

The only other thing I really wanted to say is that we are very concerned and interested to involve the local community. We are a very big presence on the Peninsula and sometimes we can be seen as the local firm and sometimes we can be blamed for everything as well as providing the main impetus for the economy. We have worked very hard to have a very good community committee down there and that is working very well, not just advising us of things that people might be concerned about but being proactive.

We did Back to Port Arthur last year, and the wood chop on Boxing Day nearly died five or six years ago from lack of interest and people getting older but now it is completely reinvigorated and the committee has been largely responsible for that. We also have a committee for Cascades which consists of the local community. We are very keen on working closely with our communities to make sure they benefit but also that they understand what we are doing and why we are doing things.

CHAIR - Your relationship with the local council, at Tasman?

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Prof SULLIVAN - Local council relationship is extremely good. The Deputy Mayor is the chair of our community - now the Mayor, so that is hot news. We have regular meetings with the council and they are very helpful. We do a lot of facility sharing but also very helpful in making sure that we look after Port Arthur in terms of development on the Peninsula. That has been working very well.

Minister, that is really all I need to say to reconfirm how pleased the board is to be associated with Port Arthur and one of the things we think is very important is that we have in Tasmania whole of government support. It is not just one party or the other, everyone recognises the value of Port Arthur to Tasmania and is very supportive.

CHAIR - You would all be pleased, I am sure, that the upper House has just set up a committee inquiring into heritage and tourism, headed by the honourable Rob Valentine here.

Mr GROOM - It is one of the reasons why I make that point because the Port Arthur Authority represents almost the gold standard in the integration of tourism into heritage. I say that not just in the Tasmania context, that would be true nationally and Professor Sullivan might be able to speak internationally. It is so important for the future of heritage that we make sure that we have ongoing use and celebration of that heritage, and tourism is very important in that context and heritage is one of the great assets we have to attract people to the state and also to encourage Tasmanians to get out and experience these extraordinary assets. Integration is key. It is a key focal point of the Government but I genuinely believe that the Port Arthur Authority, in some respects, represents the gold standard in integration of heritage and tourism.

Prof SULLIVAN - Port Arthur has been working on that for a long while. As a heritage expert from way back, we went through a stage where the heritage expert said this is a very important site but we do not really need a lot of visitors because they will be a nuisance. Rather like *Yes Minister*. You have the hospital but you don't have the patients.

We have completely changed that. It is not just that we encourage tourism, it is that tourism and telling the story is a key part of our conservation goals. That is something that the Chinese were very interested in when Australia worked with them on developing the China principles which is now their main conservation instrument. It comes out of the Australian methodology and that is one of the reasons why because the Chinese, being smart, are very forward looking and the Chinese heritage bureaucracy realised 20 years ago that they could not keep their sites locked up. They were going to have this influx of tourism and they only had skill basically in conservation. They did not have skill in tourism so that is why they were interested in the Australian model and particularly in Port Arthur.

CHAIR - Port Arthur is already doing it well and two or three others. It is more that we have so much heritage around the state which is in danger of being lost if we don't.

Prof SULLIVAN - That is right and we will be interested to be involved in that.

Mr GROOM - I would really encourage that. It is an extraordinary experience that exists through the Port Arthur model.

CHAIR - We might go to questions in the little time we have left. Kerry.

Mr FINCH - Most of my questions have been answered so that has been great. I am really impressed, particularly with the embracing of the Chinese factor as far as the tourism numbers are concerned. It is quite brilliant the way you have gone about that, particularly on the website. The Mandarin speaking tour guide and all that is just super.

The other couple of initiatives that are new since we last investigated are the cruise ships that are coming in. Also when the Three Capes Walk gets underway the visitors will come via the jetty at Port Arthur. They are initiatives that are rejuvenating, rebuilding and highlighting again Port Arthur. The question I want to get to is the use of social media. Obviously you are in that space and your website is very impressive. That social media, the Facebook, the Twitter, how is the organisation dealing with and viewing that?

Mr LARGE - It is something we recognised some time ago would be really important. Fortunately our two key marketing people are very much in that space, so that has helped very much, for Facebook, Twitter and Instagram. They are very interested in that and because they are interested they know a lot about it. Working with the Chinese, getting up our Chinese website was incredibly important and we work with the people we have had staff exchanges with from Dunhuang. They were here for some time in April and we bounced a lot of ideas off them and that has helped extraordinarily in terms of being able to get the message out much wider than Tasmania, to Australia, to the world.

Mr GROOM - One of the things I have been impressed with is that not only have they used that to communicate the message, to advertise and get the word out, but also there have been examples where they have utilised social media to understand the market. That was one of the things I found interesting in the context of the Chinese market. The Chinese are avid users of social media. They have slightly different platforms to the west, but still they utilise it. I think the comment that Professor Sullivan was making before about the connection that the Chinese market has to Australian heritage, which at first blush it is interesting that they would engage with that story, but a lot of that understanding has come through the social media platform, understanding what people are saying once they have visited the site.

It is a two-way platform and I commend, again, the authority of their proactive use of that platform and also their initiatives in seeking to properly understand the market.

Mrs ARMITAGE - The penitentiary precinct you are doing, and luckily without any external borrowings, the interpretation area that needs to be done, what is the estimated cost of that? How will that be funded because I know that was a little difficult?

Mr GROOM - I might hand over to Jane to answer the detail. I will make a few points. It is a very substantial project. Professor Sullivan made the point that it is genuinely at the cutting edge of this type of reinvestment in what is world-class heritage. It is a very sensitive project, one that has to be done very carefully. There are different components to it, which are being funded through a combination of Commonwealth funds, state funds and also there will be some internal revenue from the fundraising initiatives that will be undertaken by the authority.

Having been down there a couple of weeks ago - and Jane was making the point that it has advanced a lot in those last two weeks - and to have the experience to walk into that building without the scaffolding gives you a new appreciation of that building. It is quite extraordinary and we should get very excited about what the ultimate experience might be through that project.

Mrs ARMITAGE - The interpretation is very important as well.

Mr GROOM - It will be.

Dr HARRINGTON - I know a number of the committee members have visited the site with me and you would have seen the separate prison. What we are aiming for in terms of quality is the same outcome - and the separate prison has won interpretation awards.

As far as cost, it was the same in terms of what we looked at with the penitentiary, itself. Until we scope out the works we anticipate in the vicinity of \$1 million. We have incorporated one part of the interpretation works in the current program, which is to reinstate the muster yard at the front of the building. One of the things we are trying to do with the works is to show that this was not one structure in a park-like environment. It was actually part of a very thriving work precinct.

Probably our biggest challenge after putting the muster yard back in to show that there was this rather large space which really dominated the landscape of the structure is that there were a whole lot of works buildings out there. We haven't quite worked out the best way to interpret that yet but there is a combination, therefore, of reimposing some sort of a physical presence on the landscape. How do we tell the stories?

Following on from the comments, for example, about social media, there is this huge expectation that we will provide something that is also technologically advanced. Personally, I am a bit of a Luddite - I don't even have a Facebook page - but we need to balance something which people can look at and say, 'This reflects the world heritage status'. At the same time, it should not be too overly sophisticated so that you cannot just walk in there and get a sense of what is going on.

So we anticipate it will be a combination of technology and self-discovery. We plan to have a museum display in there. One of the things we really want to do also in telling the story of the convicts is that it is really important we tell the story about conservation activities. One of the stories we want to tell within that precinct is, 'This is what we do and this is how we do it' and to celebrate a conservation project that we have done.

Mrs ARMITAGE - How are you looking to fund the interpretation? How much is it going to cost?

Dr HARRINGTON - We have become very good at staggering our projects over financial years starting at the end of one financial, going into another. On that basis, with some of the funding that we already have, we would be able to do it. We have had a really good success rate to date with funding through Commonwealth grants and certainly that will be a target for us.

I understand that the next round of the Your Community Heritage grants will be announced early next year. Hopefully we will be able to achieve some success as we have in the past with a grant for that. It would certainly be something that the Commonwealth would be keen to support.

Mr GROOM - I can say from the State Government's perspective that we have had ongoing discussions with the Commonwealth in relation to Port Arthur. I can say Greg Hunt has taken a very significant interest in the site. I am hopeful that there will be opportunity for further positive outcomes in terms of grant funding.

The authority has indicated before that there may be some capacity for utilising internal revenue. Then also there is a separate funding raising initiative. It is a combination; it is a big and very important project but I think it is well set up to be very successful.

CHAIR - Do you have a completion for the restoration for the current project?

Mr LARGE - The restabilisation will probably be in mid-January and then we will start the interpretation phase. We figure the numbers will pan out as we think they will, and given the successful we had last summer, we should be able to fund the interpretation over the next two years from our tourism on the basis that nothing else goes wrong.

CHAIR - You expect that to be open to visitors again by mid-January?

Mr LARGE - Most of the scaffolding will be down before Christmas and visitors will have an unimpeded view of the front of the penitentiary so that that photographic shot will be there for them. There will be access to certain parts of the penitentiary but not quite all until probably, as I said, 20 January. But we are really pleased with the outcome.

Hansen Yuncken, a Tasmanian firm that were awarded the building contract, has been fantastic to work with.

Prof. SULLIVAN - They certainly are. We are very impressed with their dedication to conservation and the care they are taking. It is really good work on-site and it is very exciting.

CHAIR - It is great that it is a Tasmanian company as well.

Mrs ARMITAGE - I have a question on MONA. I know in the past that you felt that people coming to MONA has contributed to Port Arthur. Is that still happening? Are people still flowing on from MONA and coming on to Port Arthur?

Mr LARGE - Absolutely, but we are disappointed that they knocked us off the number one perch.

Laughter.

Mr LARGE - They have slightly more money than we have but it has been fantastic for Tasmania and fantastic for us. People who come to MONA who want to stay an extra couple of days certainly come to Port Arthur, particularly around some of the major events like Dark Mofo. We noticed our winter visitation increasing significantly.

Mrs ARMITAGE - So you have noticed particular times?

Mr LARGE - Absolutely. We are a beneficiary and we hope they are, too, because certain people come to Port Arthur.

Prof. SULLIVAN - We also have a really good position in the new Brooke Street Pier so that is a direct marketing place for us in the middle of Hobart. We are very pleased with that and there is a very close association because that is where MONA will be.

UNCORRECTED PROOF ISSUE

Mrs ARMITAGE - That is great, thank you.

Mr FINCH - In respect to that MONA experience that people come for and the Port Arthur experience, are there any synergies there between the two in cooperation?

Mr LARGE - Absolutely. We cottoned on fairly early that MONA was going to be successful so we have been trying to do various things with them which have been successful. There are a few plans in the future in terms of linking to some of the events that they have and incorporating Port Arthur in that. They seem keen on that.

The board met with David Walsh early on and he was keen to do some things at Port Arthur, but that has not eventuated yet.

Mr FINCH - The door has been opened.

Mr LARGE - Yes.

Mr GROOM – Also, as Professor Sullivan just mentioned, the Brooke Street Pier initiative is important because you have the opportunity to really promote the Port Arthur experience to a tourist crowd that are in and around the Hobart waterfront and probably doing the MONA thing. That is an important initiative in making sure that Port Arthur is able to leverage, and also vice versa, to be honest.

Mr LARGE - The ferry operators are the same ones that operate to Port Arthur as to MONA - the Roches.

CHAIR - MONA does the visitor technology pretty well when you are talking about the technology in terms of the hand-held. It will tell you wherever you are on the site and what there is within a couple of feet of you.

Mr LARGE - Technology is not quite as reliable on the Tasman Peninsula, as we found out.

CHAIR - So you need to speak to the providers.

Mr LARGE - We are working on that and that is certainly a good thing that came out of the bushfires. It also came out of the massacre.

CHAIR - So you have not got Wifi yet?

Mr LARGE - Yes. We have Wifi in the visitor centre and it is marvellous watching the Chinese eating their dinner at night and taking a photo of it. Then that is sent over to the other side of the world.

CHAIR - A free Wifi, I think, is a really important thing for tourism these days.

Prof. SULLIVAN - It is a bit spotty on the site, though.

CHAIR - Yes, okay.

UNCORRECTED PROOF ISSUE

Mr VALENTINE - But you could still use technology on site that does not require external communication like MONA do with hand-held devices and those sorts of things.

Mr LARGE - Port Arthur is a different site; a lot of it is outside. We are developing a Chinese app which will be launched before Christmas, we hope, and that will help get our audio tour by way of app2. That is popular with people and people are taking pictures all the time and just downloading them.

We would like to get Wifi right across the site and we are working on that. I noticed a couple of days ago that the Central Coast - Ulverstone and Penguin - have free Wifi in their main streets, the Brooke Street mall. I need to investigate that because they got external funding for that, apparently, but I do not know where from.

Mr VALENTINE - It might be important to your communication to the outside world but for local site operation of devices to actually help with interpreting the site and the like.

CHAIR - You were next for a question.

Mr VALENTINE - I was interested looking at your financial report and expenses, on page 34. It seems to be fairly heavy net actuarial gains and losses or superannuation defined benefits plans; there is almost \$1 715 000 difference between last year and this year. What has gone on there? Is that staff leaving the site and payouts?

Mr LARGE - I might have to take that on notice and get back to you. We are essentially given a figure from the actuary of what the amount is and we use that in our annual report. We do not have any input into that in being able to vary it at all. Some years it goes up and some years it comes down. It depends on all sorts of different things.

Mr VALENTINE - Obviously Port Arthur gets a lot of attention being a pre-eminent historic site in Tasmania and with federal and state funding. How much benefit are other sites getting from you? Do you have much cross-collaboration with other historic sites?

Prof. SULLIVAN - In the first place, we are very active in the committee of the sites involved in the World Heritage listing. We are about to take on the secretariat there.

Mr VALENTINE - How many sites are there?

Prof. SULLIVAN - There are 11 altogether, and they meet as a group.

Mr VALENTINE - That's not in Tasmania?

Prof. SULLIVAN - No, we also have a group in Tasmania. We have the federal one we are involved in and we also have one we work very closely with in Tasmania. We give a lot of assistance, advice and expertise to those sites. Through a combination of the Government and Jane's good officers and various other people we have persuaded the Federal Government to fund a secretariat for all the convict sites on the World Heritage list. This is very important because it needs somebody who can pull together things everybody is doing and make sure everybody is heading in the one direction in interpretation, but also that we all benefit from any programs. We are very active on the peninsula and elsewhere, but particularly on the peninsula in giving people expertise, advice and assistance with their sites.

Mr VALENTINE - In conservation of their own site?

Prof. SULLIVAN - Yes, appraisals, conservation, assistance - Jane, do you want to say anything more about that?

Dr HARRINGTON - It would be fair to say there is a lot of input from our conservation staff assisting Brickendon, Woolmers and Darlington; we take the lead very much in representation on the Australian Convict Sites Steering Committee. As much as I have suggested to some of the other sites they might like to do that for the experience, but they do not seem to want to. Within the Australian convict sites as a group, we recognise we are not the best sites in Australia, we are the most representative sites in Australia. Even some of our background work has identified what we call 'companion sites'. It is very significant that we work with all the other convict sites as much as we possibly can.

To some extent this was identified in the previous heritage tourism strategy, which we also had input into. We continue to provide advice at quite a high level to those various sites and we work very closely with the local council in assisting them and directing our responses to other owners on the peninsula. I believe it is something we do very well and quite extensively.

Prof. SULLIVAN - We are also very keen to ensure that, if you like, the places on the World Heritage list are the tip of the heritage iceberg. It is not just that we are doing that work, the interpretation and the story we are telling relates not just to Port Arthur but it relates to the penal system generally and therefore that gives other people things to kick off from who are interested in convict history.

Mr GROOM - Just a few thoughts from my perspective on this; it is a very important question you have asked. We have focused a little bit on the Port Arthur site and for good reasons. It is iconic and it has been a great success, as we have identified. Visitation has been up 18 per cent over the course of the last year to 250 000 people. That is an extraordinary result.

Of course the authority itself is more than just Port Arthur. We also have some fantastic results for the other locations. The Cascade Female Factory historic site has had the highest ever visitation over the course of the last year with 22 999 visitors. The Coal Mines historic site has shown a steady increase over the course of recent years with 11 000 visitors last year. There is some further work that needs to be done in order to maximise the potential from the Coal Mines historic site. That is also a very significant result.

In addition, as has been alluded to, there is a lot of work that is done in relation to the other World Heritage sites, that is Darlington, Woolmers and Brickendon. In addition to that, one of the things the Port Arthur authority has been doing that the Government would be very keen to encourage more of is partnering with other heritage locations around the state. As I have alluded to, I think the Port Arthur authority is the gold standard of integration of heritage and tourism. In that sense it represents a skill set and an experience and expertise that we need to make sure we are fully leveraging off. We would like to encourage the Port Arthur authority in that regard. It does that but we are very keen to encourage it, but as a government we are keen to think about what future opportunities there might be to leverage in other ways off what has been an extraordinary success at Port Arthur.

UNCORRECTED PROOF ISSUE

Mr VALENTINE - We will probably touch base on that in another committee at some time. It would be good to be able to visit.

CHAIR - As a follow-up to that, seeing that you have brought the other sites up, the Coal Mines is another very important site but there is a lot of work still to be done there. How are you thinking about future funding for that? It is a question to the minister rather than the authority I suppose. I imagine a lot of funding would need to be put into this before it can be a visitor experience that you could charge people for. Is that your intention? A joint ticket?

Mr GROOM - Certainly there is untapped potential in that site. Having been there a couple of time myself, it is extraordinary and there is some work that has been going on in terms of -

CHAIR - We have had a lot of volunteer work being done there, which is fantastic.

Mr GROOM - Yes. The conservation and the maintenance and some infrastructure. I would have to defer to Professor Sullivan on the exact thinking about how we might be packaging up future project opportunities utilising that site.

Prof. SULLIVAN - We are proceeding quite slowly because the feedback we get from our visitors is that one of the things they really like about that site is the 'as found' experience. We would not be wanting to do a lot of restoration there. We are aiming at maintenance and good interpretation. We are aiming at running specialist tours there. We have already begun that, I think, Jane? It is really quite a special experience. We are working very hard to keep the local community on side because at the moment they are our guardians of the site. They report very quickly. I think last year somebody was seen on the site with a metal detector and news reached us very quickly. We consider it to be a very subtle site. We get a lot of feedback from people who say it is good to come to Port Arthur but it is also good to have this melancholy and more low-key experience which they get at the Coal Mines.

Mr GROOM - It has a sense of discovery about it.

Prof SULLIVAN - Yes, it does and that is very important for people.

Mr VALENTINE - I have been there many times but lately, on the last trip, I could not find that path down to it, which was funny.

Mr GROOM - The kids love it. It is an adventure, that site.

CHAIR - But it at higher risk.

Prof SULLIVAN - It is at higher risk but over the years both Parks and ourselves have put a lot of work into the stabilisation of that site. While it looks like it is an 'as found' experience, it is a very well-stabilised experience. We have climate change issues there with the sea levels and a whole range of things like that.

Mr VALENTINE - How do you measure visitation there? The only people coming through the door are paying a fee. It has to be foot traffic.

Dr HARRINGTON - We have people counters which, sadly, when we first implemented it, we realised were ant counters because I could not work out why we had 30 000 in a week.

Laughter.

Dr HARRINGTON - We remedied that mistake - we were very excited. We have people counters at the entrance and people counters at the main routes. Our program of reading it has been taken over by our current program with our volunteers. It is difficult but it is giving us a much better idea. When we took over, all we were doing was counting vehicles in and vehicles out and you would guesstimate how many were in the car. That has been working really well.

It is a little bit like the quiet site in terms of the work. We are doing a considerable amount out there. Also, getting back into funding question and partnerships, our partnership with CBA out there which they received funding with us through the Your Community Heritage Grant, we had hoped to be able to extend that. Also, I am sure the committee is aware that the Commonwealth Government has a new initiative which is Green Army and I am in discussions at the moment with CBA about the potential of us continuing that program because, sadly, the funding for that runs out in January. We are discussing continuing a volunteer program out there, perhaps utilising the Green Army. It would be a good opportunity because it is not one set up to look at both natural and cultural heritage. My understanding of the history of it is that it is doing a lot of work in natural heritage. Again, we might be a bit ground-breaking with having some innovative ideas in terms of cultural heritage.

Mr GROOM - You have a very supportive minister in Greg Hunt because he genuinely has a strong interest in the area.

Prof SULLIVAN - That is right. One of the things we have been pushing at a federal level, which is particularly relevant to Tasmania - and I think your inquiry that is coming up - is that there has been a lot of emphasis on conservation volunteers for the natural environment. It is such a sitting duck to put this together, particularly in Tasmania, because the community does not think natural or cultural. Green things have been given a great deal of attention and yet involving the community with a little bit of funding to do volunteer work in the cultural environment is a really important initiative for Tasmania to get the Federal Government to move a bit in that direction.

Mr FINCH - Professor, when you mentioned climate change - and I am harking back in my own mind to that surge in 2011 which caused the restoration work to need to be done - what safeguards have been taken now to protect the site and the venue about climate change and about another sea surge?

Dr HARRINGTON - I will ask Jane to talk about that because it has been foremost in our thoughts when we are doing the work on the penitentiary.

Dr HARRINGTON - We investigated the possibility of using the wall around muster yard, for example, as a surge protector. That was an interesting exercise of engineers versus conservation outcomes and we came to an impasse on that one. It would have been something you would have to climb over to get to the penitentiary. A lot of the issues are mitigating the insurge but also creating drainage and limiting the impact when it hits the building. What we have been able to do is to implement a new drainage program as part of the muster yard works, so it will drain away quite quickly. The engineers have very cleverly come up with a design that has also created a slope in the actual land going up to the penitentiary. So instead of it coming up over the creek and going down, as water tends to flow, it will now be a slope in the opposite direction. It is very subtle. We cannot stop the surge coming in. We have a project in our

UNCORRECTED PROOF ISSUE

conservation plan to go over in the next few years, which is looking at where we can to partner with universities because it is an issue across Australia in terms of heritage sites. We have already had discussions with UTAS and with Aboriginal Heritage Tasmania and the Heritage office about looking at the impacts of water because it is something that affects all of us. It is a huge issue for Aboriginal sites.

I should comment that we have a number of Aboriginal heritage places that we have responsibility for as well. At the Coal Mines, that has a much greater impact in terms of ongoing wave action. We have been trialling some issues to do with that. We have a lot of dead logs, as you can appreciate, at the Coal Mines and we have been pushing them down onto the beach and stabilising them. The biggest thing with it too, and I know Sharon will back me up on this, is knowing what is happening. We have put in place some very sensitive and regular monitoring programs as well.

Ms RATTRAY - I have a question in relation to the inclusion of the heritage assets into the financials. They were valued at \$9.6 million in 2013-14 and I understand that remaining heritage assets, artefact collections and ruins will be considered in future years. How do you put a value on that? How are you going to do that?

Mr LARGE - It is something that will become an audit requirement and the Auditor-General wants it done within the next three years, I think. We will need to get some help. We have a meeting scheduled with the Auditor-General's office. We are best placed to do a lot of the valuation of the artefacts ourselves. We just need to put a process in place so that he is comfortable with it. We know we have to do it. The heritage buildings are a little bit different. The Valuer sought our expertise and once again that was an audit requirement, so we have done that.

Ms RATTRAY - So in the next three years we will progressively see the inclusion of these heritage assets in the financials.

Mr LARGE - It is difficult. We have so many collection items down there.

Ms RATTRAY - How do you value them? That is the issue.

Mr LARGE - We have to come up with a process that the Auditor-General agrees with and we will try to do most of it ourselves, but it is a huge job.

CHAIR - A supplementary question to that is, why on earth are we doing it apart from the fact that the Auditor wants it? Evaluation of assets is useful for depreciation, perhaps, and certainly if you ever want to sell it. There is nothing that you are ever going to want to sell, so why do you want to know how much it is worth? How much is anything ever worth unless you are going to sell it because it is the sale price, the market, actually determines what the value of it is in the long run.

Mr LARGE - I understand it is an accounting requirement.

CHAIR - I understand that, but I wonder whether the minister or the Government has had the conversation with the Auditor as to how serious -

Mr GROOM - I am not sure that we get to set the accounting standards.

CHAIR - You know what I am saying.

Mr GROOM - Yes, I do understand the point.

Ms RATTRAY - We do not sell our roads either, but we still value them.

CHAIR - We have to value them because we do depreciation and we replace them. But that is not the case with this because heritage is different.

Mr GROOM - I understand your point and I think there is some merit in the question.

CHAIR - Every dollar that you get you really want to spend on conservation and enhancement and stuff, rather than on something that is relatively unimportant, one would think.

Ms RATTRAY - Somebody's time and effort.

Mr GROOM - Yes, that is right.

Ms RATTRAY - Nothing comes for zero. Homework for you, minister.

Mr GROOM - That is a fair point. It is not the only accounting standard I have, but that does make a lot of sense.

Mr DEAN - My questions relate to the Government's position, minister, in relation to employment and employees and what will happen moving forward. Are all employees within this organisation safe or will there be expected savings there for the Government in relation to their positions?

My other question is in relation to the board. The numbers on the board. Is that reasonable today with the climate we are in? We heard this morning that in the MAIB there will be a reduction of three members on their board, and on Metro a reduction of a member on that board. What is the position in relation to staffing for this business?

Mr GROOM - In relation to the board we have done a review as part of our broader review and we are very comfortable with where the PAHSMA board sits. We are very pleased with the leadership of Professor Sullivan and this is a gold standard model of managing built heritage and cultural heritage. We are very comfortable on that front.

In terms of the staffing arrangements we have no specific proposals for adjustments but the Authority has to work within its budget. I might hand over to Stephen to comment on that.

Mr LARGE - It is a good question and it is something we have been very conscious of for the last three of four years.

There was a downturn in tourism numbers in Tasmania in 2010-11, 2011-12 and we had to make some tough decisions as an organisation then. We had to redeploy a couple of staff, we didn't replace some staff. Those we replaced we put on two year contracts. We adjusted our opening times. We looked at our expenses in terms of coming back.

UNCORRECTED PROOF ISSUE

We were getting back on our feet 2012-13 and then we were hit with the bush fires in January 2013 which cost us half a million dollars. That put us on the back seat, particularly with the Penitentiary project. With the increase in visitor numbers since then we are doing well. We don't anticipate any job losses unless tourism goes belly up and we do not expect that to happen. We have put on additional staff on a fixed term basis over the summer because most of our visitors come between Boxing Day and May. They are on fixed term contracts and that has been in place for some time. I do not think there are any issues, staffing wise, at Port Arthur and that is a decision for the minister, not us.

Mr DEAN - You will not be impacted on by the Government's position of the reduction of 500 or 700 employees over the next 12 months?

Mr LARGE - No, not as far as I know.

CHAIR - In relation to that, we did hear from a previous minister at a couple of GBEs that the GBEs have been alerted to the fact that the Government is doing cost cutting and trying to be disciplined about expenditure and that his two GBEs have been asked to look at that. Not directed, but asked. You have been doing that too?

Mr LARGE - We have been looking at it for the last four or five years. I think if you look at the socio-economic challenges facing the Tasman Peninsula, the only way we could do that would be to stop doing something from a tourism perspective.

CHAIR - Doing things that you do more efficiently doesn't necessarily affect staffing.

Mr LARGE - If we were asked to reduce staffing numbers. We look at efficiencies all the time.

CHAIR - I am not talking about reducing staffing numbers. I am talking about reducing administrative expenditure or doing things smarter.

Mr GROOM - To be clear, there is no proposal from the Government's perspective for job reductions with the Port Arthur Authority.

CHAIR - Absolutely. I was not suggesting that for a minute.

Mr GROOM - Our expectation, consistent right across the Government portfolio, is that the Authority manages its budget prudently and the task for the Authority is to understand how it can best utilise its resources. We have heard from Stephen that there are no proposed reductions. I think we have good cause to be very optimistic about the future of tourism in this state. It is a big part of the Government's agenda. We have put additional funding into increasing marketing.

We had the experience a couple of weeks ago of extraordinary exposure of Tasmania. Some have estimated the exposure through the Chinese visit to be in the order of 600 million people and anecdotal feedback from other locations, where there has been a visit by the President outside of major capital cities, is there has been a very significant upward trend in terms of visitation numbers from China. I am quite optimistic that we have a very positive future in terms of visitations to the site. I think the problem might be the other way.

UNCORRECTED PROOF ISSUE

CHAIR - The effect of the falling Australian dollar, do you expect that to have an effect on your tourism income numbers? You might have increased numbers as a result of the fact that it is going to be cheaper to get here?

Mr LARGE - I do not think so.

CHAIR - Australians do it when the dollar is high. We all rush off to Europe or America or whatever because it is cheaper than to wait.

Mr FINCH - We all?

CHAIR - When you look at it, much bigger numbers than national tourism. In years when the dollar is low we tend to go to Darwin or the Northern Territory more. It does have an effect.

Prof. SULLIVAN - The falling Australian dollar is better for tourism in Tasmania generally and for Port Arthur than a rising Australian dollar.

Mr GROOM - There is a broader point. There is a lot of attention on Tasmania right now. As a destination we are very attractive and there is a lot of attention. There has been over the course of the last 12 months quite a number of national/international awards, recognition through the course of the Chinese President's visit, and Lonely Planet identifying Tasmania in the top four regions to visit globally in 2015. The world is paying attention and Port Arthur and the other heritage sites in the broader portfolio are quality assets, they are world-class experiences from a heritage and cultural heritage and built heritage perspective, and people are going to want to come and visit them.

Mr VALENTINE - They are external accolades, aren't they? They are coming from outside.

Mr GROOM - They are. The world is watching and they want to come.

Mr VALENTINE - It was not reflected at that dinner we went to at the Grand Chancellor. Somebody got up and spoke and was saying to us that we were blowing our own trumpet and that is not the case, it was from outside.

Mr GROOM - No question about that.

Prof. SULLIVAN - That is one of the things that the board is concerned about. That is not just excellence in terms of tourism and conservation, but a reputation for excellence internationally with ICAMOS and UNESCO and so on. This is very important for Tasmania. Excellence is one of the things that we are striving for and it is as important to get senior people here for a good conference as it is to get ordinary visits.

Mr FINCH - I would make a small point. Friends from Western Australia who are very avid coffee drinkers over many years have just gone back to Western Australia for six months and I said, 'What will you miss about Tassie?' And they said our coffee. The quality of our coffee in Tasmania is excellent.

Prof. SULLIVAN - How things have changed.

UNCORRECTED PROOF ISSUE

Mr FINCH - That is an important thing because we denigrate what we do here. You think our coffee is not as good as you get in Melbourne or Sydney or whatever and here are people who are very strong drinkers giving us a big rap.

Mr GROOM - It might also be a comment of the coffee in Western Australia.

CHAIR - I think the people of Freeo would be very unhappy to hear you say that.

Laughter.

Mr VALENTINE - With respect to the fires. You mentioned \$500 000, so why was that an expensive year? Why did you have to expend that money? What part did you play?

Mr LARGE - It was essentially a loss of income because the road was closed. We also had additional expense in terms of we were set up as an evacuation centre. We were repaid that money by state Treasury. Instead of people paying to go into the site, we were feeding them and sleeping them and looking after them. If you look at the expense the state had to wear out of the bushfire it was reasonable that we covered that ourselves.

Prof. SULLIVAN - It was really the 10 days of our highest revenue.

Mr LARGE - It could not have been a worse time of year in terms of visitor numbers.

Mr GROOM - Before wrapping up, I would take the opportunity to thank Professor Sullivan, Steve, Jane and the rest of the team for their extraordinary efforts in maintaining, promoting, celebrating our magnificent heritage assets.

CHAIR - Thank you, minister and all of you for your participation today.

The committee suspended at 1.20 p.m.