



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Port Arthur Historic Site Management Authority

Wednesday 4 December 2024

MEMBERS

Hon Tania Rattray MLC (Chair);
Hon Rosemary Armitage MLC;
Hon Luke Edmunds MLC;
Hon Mike Gaffney MLC; and
Hon Meg Webb MLC

WITNESSES IN ATTENDANCE

Hon. Madeleine Ogilvie MP, Minister for Innovation, Science, and the Digital Economy,
Minister for Corrections and Rehabilitation, Minister for the Environment, Minister for the
Arts and Heritage

Grant O'Brien, Chair

Will Flamsteed, CEO

Sarah Jane Brazil, Director Conservation and Infrastructure

David Nelan, CFO

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The committee resumed at 3.50 p.m.

CHAIR - Minister, welcome, in your capacity as the minister responsible for the Port Arthur Historic Site Management Authority. We're very pleased to welcome you here today to Government Administration Committee B Scrutiny.

To my left I have Mike Gaffney, Meg Webb, myself - Tania Rattray. Very soon there will be Rosemary Armitage and Luke Edmunds, and we have committee secretariat support of Simon Scott, and we also have, from Hansard this afternoon, Lesley.

Thank you, minister. Again, pleased do a brief overview and then we will launch straight into questions.

Minister, will you introduce your people?

Ms OGILVIE - Yes, thank you, I was getting the names spelt correctly.

Chair, as Minister for the Arts and Heritage, I'm really pleased to hold these portfolios again and to have the Port Arthur Historic Site Management Authority as part of my responsibilities in those portfolios.

Today at the table, I'm joined by the Port Arthur Historic Site Management Authority Chair, Grant O'Brien; the CEO, Will Flamsteed, David Nelan, CFO. In the room I have Sarah Jane Brazil, Director Conservation and Infrastructure; Fiona Bridges, Director Interpretation and Experiences; Steve McLean, HR; and Anne Mcvilly, Director Tourism Operations.

It might be that some of the questions you asked are best referred to them, and I'll call them to the table as and when we need to.

CHAIR - Thank you.

Ms OGILVIE - Recognising you would like a short statement, I'll try to compress it just to give you the highlights.

We are very proud of our Port Arthur Historic Site. The site and PAHSMA manages three World Heritage aspects: The Port Arthur Historic Site, the Coal Mines Historic Site and the Cascades Female Factory Historic Site. The primary purpose, of course, is to conserve these sites and to activate those sites so generations of Tasmanians can continue to enjoy them.

We know that the work done there is underpinned by world-class professional knowledge and in addition to fulfilling those responsibilities in 2023-24, PAHSMA was able to generate 79 per cent of its own income. It's very much a well-run financial operation.

We had 333,068 people visit in 2023-24, which is a 3 per cent increase. Cruise ships arrived - 26 compared to 18 in the previous years. We invest in conservation infrastructure, education, interpretation and operating expenditure that totalled \$9.98 million.

This one is important. I believe that notable achievements are things that we've been working on and that you may wish to ask questions about. These included:

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- The completion of the re-shingling of the junior medical officer's quarters at the Port Arthur Historic Site.
- The completion and launching of the refurbished Port Arthur site scale model which is really interesting. We could talk bit about that.
- The Cascades Female Factory which I know everybody is familiar with which now runs the Notorious Strumpets and Dangerous Girls tour daily after it was successfully tested as an offseason tour. Seen some of the advertising on the buses around town, I believe and other places.

A core focus of the board over the past 12 months has been the commencement of the foundation stage of the strategic plan. We have some copies of the plan here. We can share those with you if you haven't seen them already.

That stage 1 will be followed by the Re-Imagine and Strengthen stage and then the Aspire and Innovation stage 3.

Importantly, PAHSMA is an employer down the peninsula way. It is a key employer. We take that role very seriously. It is a major employer for the region and as visitation increased, so did employment growth. The authority employed 199 people in June 2024, compared with 180 in the previous year.

It's contributed a \$10.386 million to the Tasmanian economy and, where possible, PAHSMA uses local contractors to supply local services. They take that 'buy local' aspect very seriously - we can show you some figures on that; purchasing Tasmanian products for retail, food and beverage outlets and 87 per cent of purchases being from Tasmanian or national businesses.

Our education programs are going well. They're really popular both with Port Arthur and the Cascades Female Factory sites and we've had approximately 6445 students through and 819 teachers. That's a sizeable amount of visitation taking the education piece very seriously.

We supported PAHSMA's ongoing contribution to the regional economy post-COVID through the provision of \$1 million as part of a \$2 million, grant deed. The Tasmanian government also recently granted, importantly, \$16 million to PAHSMA to support water and sewerage infrastructure reform as part of the state budget. And for those who've been watching this space, you'll understand that PAHSMA has that water service on its site. It's a legacy issue, and we've improved its position by granting funds for that which, hopefully, also allows PAHSMA to divert much-needed resources in its operating budget to the work that it needs to do in relation to conservation. Finally, most importantly, they have been winning gold for the Cascades Female Factory at the Tasmanian Tourism Awards and again, gold for the Port Arthur Historic Site as a major tourist attraction at the 2024 Tasmanian Tourism Awards. That's it, in summary.

CHAIR - Thank you very much, Minister.

Ms OGILVIE - My pleasure.

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CHAIR - You've done a really good job in making that as brief as possible.

Ms OGILVIE - I have tried.

Ms WEBB - Thank you, Chair, and thank you for that, that was a good brief summary.

Ms OGILVIE - Sure.

Ms WEBB - I note that visitor numbers are trending upwards - but not yet to pre-COVID, I think was the understanding I got from the annual report. The government assistance that was provided across COVID has now dropped away, I believe. What I'm interested in is how that's impacting two things - staffing and also visitor experience services and things that are being provided. Can we start with staffing? You mentioned you are now up to 199 employees, building on 108, I think you said from the previous year. Is that FTE or is that raw numbers?

Ms OGILVIE - I might actually ask my executive here to respond to that. You know the details.

Mr FLAMSTEED - There are 199 total employees. We have a mix of both permanent full-time and part-time employees, as well as casual employees.

Ms WEBB - Are you able to give a breakdown of the 199 into those various categories?

Mr FLAMSTEED - Yes, I could.

CHAIR - We're happy to take it on notice.

Mr O'BRIEN - I can give you a percentage. It is 92 per cent fixed term and permanent, and 8 per cent casual. I don't have the raw numbers, but you can probably work it out.

Ms OGILVIE - I have a little detail here, if you'd like it.

Ms WEBB - If you think it adds to that. I can keep asking questions and we might cover some of it in the questions.

Ms OGILVIE - Sure, okay. That's fine.

Ms WEBB - Is it expected that the number will continue to grow, or have we hit what we think is a full complement of staff now, based on where visitor numbers are going?

Mr FLAMSTEED - I can answer that. We do our budget planning and workforce planning on an annual basis. We recognise the priorities of the organisation and then we staff accordingly. We see seasonal influx in staff. We make decisions around seasonal impact of staff and we employ casuals for those periods. To say 'Has it hit its level?' - I think it's at a satisfactory level. I would like to make that decision when we do our budget planning for the next budget period.

Ms WEBB - Right. It's just it seems a big jump, 108 to 199.

Mr FLAMSTEED - It is 180.

Ms WEBB - Oh, 180. That's where I was confused, then, thinking it was 108, thinking goodness gracious, what's happened.

Ms OGILVIE - It's an increase of 19.

Ms WEBB - I appreciate that.

Mr O'BRIEN - I think probably a modest increase would be the answer to the point you're making. We're 7 per cent down on pre-COVID visitor numbers. We would expect that hopefully returns - and the main difference in that number is international visitors. That's where the void is. Domestic visitors are actually over-delivering compared to pre-COVID.

Ms WEBB - I know there were some issues around, or some challenges in recruiting some key roles in recent years. You did some recruiting in from interstate and had some people who were in fact-based interstate and working into the site on a part-time basis by the sound of it. Is that still the case? I think that was your people-and-culture lead role, that particular one that was discussed previously. Is that the situation that's still there? Is that an arrangement that remains?

Mr FLAMSTEED - What I'd like to start answering that question with is when we employed the manager of people and culture, he and his wife moved to the Tasman Peninsula and lived on the Tasman Peninsula. Some personal impact on his family life made him make a decision. We sat down, we reviewed that impact on his output and we made a decision to actually have him working both in Canberra and in Tasmania. What I'd like to really recognise is when we engaged the manager for people and culture, he was the most suitable and most employable person within our recruitment process. He's doing an excellent job.

We're going through a really unique time post-COVID. We need a high level of expertise within the people-and-culture space. We interviewed both people from Tasmania and not from Tasmania. We had an independent recruitment process with external agents within that process as well. I'm satisfied that we met those requirements. I'm very much satisfied that he's right person for the job.

Ms WEBB - Given that's a pretty crucial role - people and culture lead. How are you ensuring that your workforce is appropriately supported in that area? And can most readily access support they need in that area, flowing down from that lead role, given somebody who's not there all the time?

Ms OGILVIE - There's two parts to that. Firstly, the operational aspects, which I'll ask you to speak to, and then I might speak more broadly about the work we're doing at government level.

Mr FLAMSTEED - Minister, I'd firstly like to recognise that workforce and recruitment is a really challenging environment at the moment, especially in people and culture. We have throughout the process of my time being here in the two years, had to make decisions on how we actually recruit for that area.

One thing that's come out of COVID is our ability or any organisations ability to manage communication both digitally and in person. We have a key executive like myself and other

executives that live within Tasmania or Port Arthur that I do, that have the ability to monitor staff where appropriate. But specifically, for the people and culture role, there is a consistent level of communication that I've witnessed between staff members on the Tasman Peninsula within Hobart and the manager of people and culture when he is not in Hobart or on the Tasman Peninsula.

He's here for a minimum of one week per month and generally, two weeks per month.

Mr O'BRIEN - Can I add to that just from a board point of view. The board has oversight of that arrangement and monitor it pretty closely. And I think to answer your question about how do you be sure that it's effective. We've KPI set against that area that range from delivery of technology that is transitioning us to be a self-service. Employees can go into a system and change their own address, bank or all those sorts of things which was not being necessarily a person to person thing is really important for us to move forward within the authority.

There're those aspects of it and also aspects of WHS which comes under Steve's purview. We've seen a halving of the injury rates, which aren't high, but we've seen a halving of it and he's overseen, I think it's 140 odd training sessions for Workplace Health and Safety. There're the things that we get visibility over the board area, supports what Will said, in terms of Steve as an outstanding people and culture manager and that's important for us.

Ms WEBB - Do State Sector Survey results sort of bear that out? Is that something that questioning in that survey can identify whether people feel appropriately supported and that's working well?

Mr FLAMSTEED - Just prior to that, I want to recognise a few things about that. The State Service Survey is data generated on an annual basis, and it's a unique bit of data in itself.

To recognise whether you think people feel they are supported in that process, there's some great numbers out of this Tasmanian State Service State survey. There were 81 per cent of staff reported they're aware the agency has policies in place to report improper behaviour, small reduction of staff, in the number of survey participants recognise we're engaging with our staff really well.

We've put into place some really good feedback on our staff access to flexible working arrangements, that's really been taken up well. They recognise we're a good place to work. They've recommended through that. They are proud to tell others they work for PAHSMA and they recognise that PAHSMA motivates them as a worker to achieve their objectives.

Ms WEBB - When you're reading those out, because you're not associating any particular percentages with them. We just take that you're in the positive end of the spectrum in terms of your results in those against those criteria.

Mr FLAMSTEED - Yes. We do recognise that culturally we're evolving as an organisation and not something that will change overnight. That's something that we are and the board has invested a lot of time and energy into doing that.

We're in the process of rolling out a culture road map to enable us to do that. Some of the key parts to that is the ability a staff-led process of reviewing the values of our organisation, built up from the start. We have a number of - we've engaged a group called Steeple Tasmania

to understand how we can engage better with the staff and how they're feeling. That's led through a lot of one-on-one interviews and group sessions. We're engaging our leadership team, which is more than just the executive, but our middle managers as well, to understand how they can best support their staff. We're implementing another number of things, recognising that we are on a journey as an organisation.

Ms WEBB - What's prompted that suite of measures that you just described? They sound really positive. Is that something that's come about in recent times because of a piece of planning or is that part of an ongoing suite of arrangements?

Mr FLAMSTEED - You can start because it's before my time.

Mr O'BRIEN - Back in 2018, the survey prompted the then board, which was in the months before I joined, to undertake what's called an organisational transformation review, which was to look at the survey results and set a path for improving them in key areas. The authority invested in a provider to help us with that. There are a range of things that were put in place, such as pulse surveys, so we weren't relying on the once a year TSS survey to give us an indication as to where things are going. If you look back historically at the TSS survey, you'll see the difference between 2018 and 2020 was a significant improvement in virtually all of those numbers. So, the investment that was made at that time was seen as being positive. We then had COVID land on us and we had the site shut for a period of time. Then we had three years of, I think it was 25 per cent visitation, 48 per cent visitation, so the site was effectively shut or fractured. You look at the results in 2023 and they were back to where they were in 2018. We've recommenced that process, if you like, with a different provider, but we're seeing the same early results. It's all about people feeling supported and part of a team. COVID ripped that apart for us, the momentum that we had. The evidence of that is in the surveys, if you look back at the years.

Ms OGILVIE - If I could wrap up all of that, from a government perspective we are really aware that we're dealing with an organisation that could be seen as a bit remote from Hobart, but also has a number of sites, so that digital communications piece is essential. This hybrid or flexible working model is something that I think we're all dealing with in our offices, across organisations. This is an example of what is a legacy organisation that's gone through a number of challenges, including pandemic, and keeping that team together - is a good example of how to do it.

For the record, I also want to say the information I have is that Mr McLean is required to be present at Port Arthur for one week per month. Yet, with a review of those arrangements, he recognises he is spending up to two weeks per month in Port Arthur and Cascades Female Factory. The current working arrangement is viewed as being suitable to the organisation's output. Currently, we're of the view that the teams and the digital communications work is working effectively.

Ms ARMITAGE - Minister, on page 4 of the annual report it states that monitoring of the Port Arthur site identified it is deteriorating at a faster rate than anticipated, with some elements now being at critical point of failure. Can you elaborate on this more? What exactly is deteriorating and what has become critical?

Ms OGILVIE - I think that one would be for the chair.

Ms ARMITAGE - I have some other parts. Unless you want me to go through the whole lot. Are the elements in critical need of remediation going to cost more than they would have if they had been identified earlier? What's being done to make sure deteriorating elements are picked up on and actioned before they reach critical levels? Do any of these deteriorating elements pose a risk of harm to PAHSMA staff or the public? On a different slant about the same area, how far do you go, as every time you improve something you take away from part of its original history? I guess it's a bit of a difficult situation there.

Mr FLAMSTEED - What a wonderful way to finish that question. Before I start to answer the question, I want to recognise the approach that we're on at the moment. Strategically, we're evolving as an organisation and part of our strategic plan is putting in place foundation projects and foundation policy and strategy that will enable us to make really clear evidence-based decisions. One of those pieces, or one of those documents is our Draft Heritage Management Plan, which is the plan that we use or the strategy that guides us to make decisions and how we conserve our sites. So, when you say, how are we going to make that decision or whether or not it is degrading at a rate that's greater than not, I think we need to recognise that we are managing historic buildings that were built 200 years ago -

Ms ARMITAGE - And it needs to remain historic rather than look -

Mr FLAMSTEED - Yeah. So, we have an annual maintenance program that we deal with and an annual monitoring program that we do for all of our sites. Specifically, when you look at - and one thing that I'd like to just recognise is, one of our major heritage assets is the penitentiary, which you see on the front of our strategic plan. In the past 12 months, part of the fabric of the clock tower was loose and fell to the ground. We found that in a timely manner. We recognised a couple of things, the safety of our staff and our people, and also the safety and management and maintenance of that asset. We cordoned off the area. We then spent time analysing what the problem was and really understanding what we needed to do to be able to ensure that we would conserve that site and that asset as best as possible. It doesn't help that we have Tasmanian sandstone that isn't of the level of quality that we would normally have. It doesn't help that the bricks that were made by our convicts back then were probably not kilned to the right level, or that the mortar that they used didn't have the right level of grit in it, all of that sort of stuff, so -

Ms ARMITAGE - That's all soft.

CHAIR - They did a pretty good job without -

Mr FLAMSTEED - But again, I was going to say -

CHAIR - I wish I had a house that lasts 200 years.

Mr FLAMSTEED - It's still standing - 200 years later, it's still standing and that's one of those things that we're really proud of. How we manage it, is guided by evidence and by how we make those decisions. If we, - our review and understanding of that site, you would also note that every 10 years an asset like that needs a level of support that's greater than its annual support and maintenance that we do. Ten years ago we had some geotechnical work done on the same building that enables it to actually stand after climatic impact through flood damage. That's going to be ongoing. We're going to need to continue to do that into the future.

Mr O'BRIEN- Can I -

Ms ARMITAGE - Yeah.

Mr O'BRIEN- Can I from a board point of view answer you?

Ms ARMITAGE - And budget's always an interesting - yes, yeah, absolutely.

Mr O'BRIEN- That's where I was going to go. So, I think that Will's proudly holding up the heritage management plan. The second part is the -

Ms ARMITAGE - But there's the cost associated.

Mr O'BRIEN - That's the appendix, the second part - very technical and the experts have done that. The thing to note is that is the first time that's been updated since 2008, so - and it's required an enormous amount of work both from in-house specialists and external resources as well, so there's a cost to that. The other document that William referred to is an asset management plan and that, I think, is where you were going because that asset management plan identifies all of the assets, the buildings -

Ms ARMITAGE - The critical elements of the remediation, yep.

Mr O'BRIEN - The critical elements, and it projects the cost and the level of maintenance that needs to be applied to those. So, it's absolute visibility for the next kind of five to 10 years on what we're going to need to do to preserve. The other question that was touched on is the extent to which you try to keep them in their current form or you allow them to deteriorate because both are kind of part of the World Heritage listing. It doesn't say that you have to keep it exactly the way it is or make it the way that it was. Managing it through its age is another way of doing that. That's not our preferred option, obviously, but from a board point of view, visibility on upcoming costs and the priorities within the assets are laid out in the development of the asset management plan. I'm really proud of the team for their development of the asset management plan and the heritage management plan because, from a board point of view, it gives us sight moving forward as to what we need to prioritise and what we need in terms of funding.

Ms ARMITAGE - It probably does lead on to another question if that's all right, chair, with when you're talking funding. My understanding is, is there \$1 million left from the previous government money?

Mr O'BRIEN - Yes.

Ms ARMITAGE - So, what is likely - obviously, are government likely to provide more or will fees be going up? Because I guess it's really difficult. We know cost of living's not easy and something like people going to Port Arthur. I took my family there last year from Western Australia. You do take tourists there or people that are coming over, but is it harder for locals to actually go? What is the likelihood? Will the government or have discussions been had obviously with the government about extra funding, particularly with remediation and the money that's going to cost or will it be putting fees up? It's all a bit counterproductive isn't it? You put fees up, you have less people coming in.

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Mr O'BRIEN - The key to that of these that I've just spoken about, the heritage management plan, the asset management plan, because it tells us what we're going to need.

Ms ARMITAGE - And the minister, obviously with money.

Ms OGILVIE - I don't have all the money.

Mr O'BRIEN - We get just over \$4 million from government and we are greatly appreciative of that, of course. We spend just over \$10 million on conservation and infrastructure projects. The funding for that comes from visitors and those sorts of things. There is a tipping point where visitation becomes impacted by increasing entry fees, but that's one of the things we're staring into at the moment.

One of the things that's really helped us has been the money that's come for the water and sewerage, that's going to be a positive material impact on our bottom line. The numbers that are currently in the corporate plan are changed materially by that.

Ms ARMITAGE - Isn't that nearing the end, the water and sewerage?

Mr O'BRIEN - No, we just started.

Ms WEBB - Is this the \$16 million?

Mr O'BRIEN - Yes, the 16 will be spent over the coming years as we upgrade the water and sewage treatment plant.

Ms ARMITAGE - Yes.

CHAIR - All that money won't all come at once though.

Mr O'BRIEN - It's spread over two or three years?

Mr NELAN - Over three years. We get it in two payments over two years, but the project ends in 2027-28.

Ms ARMITAGE - Do you get any federal funding? Particularly with remediation for the building? I just think with election coming up next year.

Ms OGILVIE - That's the gap, right? I can speak to that if you like.

Ms ARMITAGE - Yes, do you actually seek federal funding?

Ms OGILVIE - There is a plan to seek federal funding and I think it's a World Heritage listed site. It's incumbent upon federal government. Tanya Plibersek happens to hold the relevant portfolio. We really do need to see the federal government step up for this site. It's essential we put in.

Ms ARMITAGE - It's a national treasure, isn't it?

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Ms OGILVIE - Absolutely, its core to who we are as Tasmanians, New South Wales and settlement and all that whole history of Australia. It's really important. In November, we worked with PAHSMA to develop an advocacy strategy and in particular to develop a position in which they approached both us and the federal governments for funding. We've gone down the path of the \$16 million to fix the water and sewerage, which helps on site, of course, for people who are visiting the peninsula and staying over and it is such a key asset. Theory being of course if we can alleviate some of that cost, there's more in consolidated revenues.

CHAIR - Through TasWater? Are they putting anything in.

Ms OGILVIE - They don't own it. We're getting it ready and shipshape, because I would like to see that asset go across to TasWater. I think it's fair for me to say that. It needs to be in a good state for that to be transitioned, but that's where it should sit. Those conversations need to be had. That's a strategic investment in that area. In relation to the federal government funding where we do need and want that, we have been and PAHSMA has been with our support seeking \$22.9 million from the federal government to future proof particularly the Penitentiary.

Ms ARMITAGE - Remediation work.

Ms OGILVIE - Which you've heard is in some fairly serious need of assistance. There's climate risk mitigation at \$5.8 million, essential conservation and maintenance works of fabric and structure, \$15.1 million and improved access to an interpretation of the Penitentiary of 2.72. We've written to minister Plibersek seeking that funding of \$22.9 million. I'm not sure whether we've had a response as yet, but again, federal election coming up, One voice. Let's see if we can get that money.

CHAIR - I had a supplementary from Ms Webb and then Mr Edmunds.

Ms WEBB - To clarify the \$16 million a little bit more, two payments over the period of time, it's going to be a project. Is that going to be enough to complete that project? Is it also in some sense alleviating other financial matters at the same time and if so, how?

Mr FLAMSTEED - Your first question, is it enough? I suppose we want to recognise the work that TasWater did on the analysis of our water and sewerage and also some independent work that we had on our water and sewerage. \$16 million will get our water and sewerage treatment and servicing to a satisfactory level. That satisfactory level would be at a level that would be interesting for TasWater to take over. Is it top line? No, it's not, but it will get it to a level that is ensuring that it will be maintained into the future.

Ms WEBB - It will get it to that level and then the idea was it potentially transfers to TasWater who then presumably come back and charge PAHSMA for ongoing maintenance, use and whatnot.

Mr O'BRIEN - Correct.

Ms WEBB - And that's an arrangement that will come out positively for PAHSMA, is it?

Mr O'BRIEN That's the plan.

PUBLIC

Mr FLAMSTEED - That's the plan. If I can recognise too that we are a unique GBE, and that's key to any government business enterprise. We are specialists in the management of heritage sites and the interpretation of those sites.

CHAIR - Not water and sewerage infrastructure.

Mr FLAMSTEED - We are not water and sewerage managers. That's the key to this. We do our job. I'm proud of our team and what we do on a daily basis with that.

Ms OGILVIE - Absolutely.

Mr FLAMSTEED - To enable us to do that better, to have that weight on our shoulders of water and sewerage taken off would be a great result.

CHAIR - How did it happen that it was left out of the original transfer?

Ms OGILVIE - I don't know the history of that. I do have quite a lot of information.

CHAIR - I should know because I was here, but I'm not sure. I don't represent that area. Somebody overlooked that one.

Ms OGILVIE - I think I can help with that. I have some details here. Following the 2007 - does that sound like the right era - state government decision to transfer all local government water and sewerage services to four new regional corporations, it was understood by PAHSMA this would include the Port Arthur infrastructure. The transfer did not occur despite continued discussions with Southern Water, with attention being given to the establishment of an acceptable service agreement. In July 2013 discussions recommenced with TasWater following its establishment. In 2015 have progressed to an agreement to undertake a due diligence study. The TasWater board then imposed a five-year moratorium on takeovers of any additional infrastructure from private water and sewerage operators.

Since the moratorium, PAHSMA has made substantial investment into upgrades that we've spoken about, both water and sewerage plants, to ensure they meet all environmental - thank you, Minister for the Environment as well - and human health requirements under existing agreements and permits. An audit consultant engaged confirmed that the STP had a limited lifespan up to 10 years, a matter of concern for both the Tasman Council and state government for obvious reasons, given its importance to the region. In February 2020, the TasWater moratorium was removed. Tasmanian Government budgeted \$500,000 for TasWater to progress feasibility to upgrade the site. Feasibility was completed and it was determined upgrades were required. That's why we're now at the point of bringing the plant up to an acceptable standard.

CHAIR - TasWater already knew that, so they shouldn't have taken that \$500,000. They should have put it into the works. That's my comment.

Ms OGILVIE - That's a personal view. I'll take that as a comment.

Mr EDMUNDS - My question's in a similar vein. When I hear about a heritage GBE trying to build a water plant, it sounds a bit too much to me like a transport business building a port.

Ms OGILVIE - Oh please, no. We're in a different realm.

Mr EDMUNDS - What was the engagement with TasWater around this? Is there anywhere we can find a role for them to have done it, or does it have to be done through you guys?

Mr O'BRIEN - I think because we're the owner of the asset at the moment and there is an immediate need - is it 3000, and the capacity of the plant butts out at that level? We would have to close the site if we get more than x number of people on the site. There is an immediate need to all of this for us to upgrade and to be absolutely confident about the quality of the water that's available onsite, and to the handful of other sites, like the hotel and campsite that also take the water. There's an immediate need for that.

Our strategy has been to get it into the hands of TasWater as soon as we can, but recognising the cost to them. As the minister said, there has been a moratorium on those sorts of things. The strategy is to get it up to a level that is not necessarily at TasWater level - they'll need to come in and put their bells and whistles on it - but I think it is substantially more appealing, I would think, to them to take that on than it was previously. The cost benefit that was alluded to before is also helpful to us. At the moment there's a risk. That risk is now being managed through the granting of the \$16 million.

Mr EDMUNDS - Has TasWater shown any interest in any oversight of making sure that what you might hand over to them is fit for purpose?

Mr O'BRIEN - Yes. They did their study. We've been using a local contractor, pitt&sherry, who have been guiding us to create something that in their expert view is something that TasWater would be able to easily take on.

Mr EDMUNDS - They do work for TasWater as well, so there's some comfort in that practice?

CHAIR - Is it pitt&sherry who will undertake the works or TasWater? Who's going to undertake the works?

Mr O'BRIEN - It will be pitt&sherry directing contractors to undertake this initial work for the \$16 million.

Mr FLAMSTEED - To add to that, any level of procurement or contract management like that would go out to public tender because of the size of the contract under what we do. Pitt&sherry are great advisers for us. They're certainly giving us some really strong direction in that area.

Ms OGILVIE - I can add a little bit too about how the project is going to roll out. I think it leads to the point that you were making which is I believe everybody agrees and accepts that -

CHAIR - We might come back to that if we have time, minister, if there's an urgency and it's clear that it's under control.

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Ms OGILVIE - Sure, that's fine, minister. It leads to TasWater. We are on it. I was going to say something nice about you.

Mr EDMUNDS - I want to ask you about the penitentiary as well, if that's alright? What's the time line on that work in terms of when it will be open again?

Mr FLAMSTEED - It's open.

Mr EDMUNDS - Is it fixed?

Mr FLAMSTEED - No, it's not fixed. What we've done is identified the size of the problem and now we have to work out a way to fund the problem; how to fix the problem.

Mr EDMUNDS - Oh, right, so you need -

Mr O'BRIEN - The area around the clock towers still has got -

Mr FLAMSTEED - It's partitioned off. It has a level of interpretation. Again, one of the really interesting things of our space - a partition is as much an interpretive piece on a historic site as the ability to walk through it. It can tell a story about why we are conserving or having to close off that area.

Mr EDMUNDS - So, there's no real time line on when that would come off?

Mr FLAMSTEED - It's not greatly impacting visitor access to the penitentiary. We still have raised walkways and areas that they can visit around the site.

What I want to really focus on is our need for that \$22 plus million to ensure that we can get the work done. Part of that is the advocacy that we're talking about. For it to happen as soon as reasonably possible, yes.

Mr EDMUNDS - But you need the money.

Mr FLAMSTEED - If we don't get the \$22 million, we need to consider then as an organisation in business, how do we manage that? We've got the cost of doing business going up on a monthly basis. We need to then make different decisions as an organisation in our future.

Mr O'BRIEN - I think the thing to recognise about the \$22 million is that that's not that's all required on day one. There's a staging over number of years.

Mr FLAMSTEED - It's a staging.

CHAIR - I suggest you get a commitment straight after. Don't ask for bits and pieces.

Ms WEBB - Just to clarify in the first instance, are we still in stage 1 of your strategic planning, initiate and enable phase? You've just mentioned and ticked off some projects from that phase. You mentioned earlier organisational things around your digital strategy and workforce; the Heritage Management Plan you've shown us there; the Asset Management Plan. The Interpretation and Experience Plan and the Financial Sustainability Piece Plan which is

linked to a commercial plan - are they still in train and are we still in stage 1 or have we moved to stage 2 yet?

Mr FLAMSTEED - We're still in stage 1. As you might imagine with the strategic plan, it's a five-year road map of projects. Stage 1, we expect to take a few years to do that. When we presented the plan, it wasn't a straight line, it was a squiggly road map because we're always going to run into things that might change how we deliver.

We've delivered six to seven projects, depending on the timing, how you look at it with this scrutiny, that are complete. Grant mentioned before about projects we're doing to enhance the satisfactory workplace for our workers around digital systems for a payroll and rosters and things like that.

Ms WEBB - Sure.

Mr FLAMSTEED - They're just as part of our strategic plan, and just a part of our cultural revolution.

Ms WEBB - As well as building the tangible, practical systems for that, the digital systems, do you also have to build capacity in your staff to operate those systems?

Mr FLAMSTEED - Yes, absolutely.

Ms WEBB - Is that a piece that you do alongside - actually installing those systems?

Mr FLAMSTEED - Yes, it is. I touched on this before - we have change leaders within our organisation and values leaders within our organisation. There are staff members that enable our staff to look in the way that we want them, to evolve, to enable them to succeed at their work. We have change leaders that are helping people within the organisation with that digital transition.

Ms WEBB - Thank you. In relation to the Heritage Management Plan and the Asset Management Plan, the questions I have probably relate to what's in there.

I'm interested in whether, I know in times past there's been discussion about building a collection store on site, and I'm also interested in digitisation of your collection. Can you give me an update on those elements and how that's going?

Mr O'BRIEN - I'll do the collection one. It was more than 12 months ago, I think, when the board considered building a new collection store. We have a collection store, but there was an opportunity to build a larger one and bring the collection together. We're not a big organisation, so we have to be really careful and choosy about where we put our capital and where we spend our money. At the time, that wasn't seen as the top priority for us. It's not slipped off the drawing board, it's just not -

Ms WEBB - Is it in one of your plans?

Mr O'BRIEN - Yes.

Ms WEBB - What's the expected time line then - acknowledging it's not your top priority - but where have you got it pegged?

Mr O'BRIEN - Yeah. I couldn't tell you off the top of my head where it is, but it's part of what's in that book. It's not imminent. It's not in the next year or two.

Mr FLAMSTEED - Can I just add to that? It's something from an organisation that is focused on the preservation of our sites. We generate, as I said before, around 70 per cent of our own revenue. We have to make decisions annually about what we prioritise as an organisation, and with the cost of conservation increasing greatly post-COVID, we have to make decisions in different ways.

Our collections are safe. There's no question whether or not our collections are being impacted. Whether or not we need a new building put in, that's the question I think we need to look at.

Just to add on that, with the digitisation of our collection, yes, it is a current project, and it takes time. Where possible, we work with Tasmanian Archives to enable that process even further, but it does take time.

Ms WEBB - It is actually in train right now?

Mr FLAMSTEED - Absolutely. Happening on a daily, weekly basis.

Ms WEBB - Okay. Noting again, it's unlikely to be your top priority, but it's really positive to hear that it's in progress. What is the time line, going ahead, to completing that project?

Mr NELAN - Well, the resource centre sits under my department. There is a very small team of two there and one of those, who's a volunteer, has just completed digitising a lot of the CDs. He's now going on to VHS, if anyone can remember that technology, digitising that.

We actually have an online database where you can access these digitised records.

The digitisation of the convict records was a major project - thousands and thousands of convict records being digitised. That work is ongoing. Is there a time frame for completion? No, because it's very difficult to predict how long something is going to take - to digitise a wall of VHS tapes.

Ms WEBB - Noting in stage 1 of the strategic plan, you have point 5 - Financial Sustainability, and it refers to your commercial plan. Across in Current Projects, the commercial plan seems to be focused on reviewing and upgrading food and beverage offerings. As you said, you need to generate a great portion of your income. Presumably, this is an area that you're anticipating you can improve how much you're generating in that space.

What are the initiatives that you're looking at to improve in that space?

Mr FLAMSTEED - As part of the strategic plan, we engaged external industry specialists to understand what our food and beverage offer is currently, or was currently at the time, and then what we needed to do to enable it moving forward.

It's an interesting site, Port Arthur. We have peak periods and then low periods. It does tend to go up and down. What our food and beverage expert looked at was, how do we manage volume, how do we manage visitor flow, and are we presenting a food and beverage experience to the consumer that's meeting their expectations?

We've invested - prior to Christmas, to our peak period last year, we implemented an upgrade of our main cafe area, which enabled visitors to better move through that area, for us to manage volume better. We looked at efficiencies in our back of house - practically, how do we make sandwiches? Are we making sandwiches in a way that actually meets the volume output that enables us to make a profit on this?

Ms OGILVIE - Well-run business.

Mr FLAMSTEED - Results are good. Our yield increased in that peak period. The things that we are doing active - it's not finishing. We're still looking at further ways that we can better commercialise our site. We need to make decisions. You might notice in the strategic plan, one of our key decision-making criteria lenses is, 'Is it commercial?' Does it have a commercial nature to it? We say not everything needs to make money, but we can't lose money. We don't have enough money to lose. We're making different decisions around that.

Other works that we're doing in there is also looking at our future sustainability and financial sustainability - understanding what that full cost of conservation is. We're using a heritage management plan, or asset management plan, to really understand what funding we need for the future so we can then better budget and understand what - those minimal levers, that we can pull in things like food and beverage that enable us to make more money.

CHAIR - The question around the lease arrangements for the ferry for the Isle of the Dead: they're firmly in place. Is that something -

Mr O'BRIEN - It's a long-term lease. David, you're probably best to -

CHAIR - No issue around that? It's a key part of the experience.

Mr NELAN - Yes, the relationship with Port Arthur Cruises extends 40 years with the site. There is a lease in place that has options for extension based on whether a new vessel is presented. The details of that are probably commercial. The agreement exists at least until 10 June 2027.

CHAIR - Right, thank you. You did already - or somebody has touched on the fact that there has been an increase in cruise ships. I'm wondering - the Hong Kong, the Chinese market, are there any numbers of increase in there? I know that Tourism Tasmania has put some effort into heading over there. I'm interested in whether we're getting any return for their effort.

Mr O'BRIEN - It's slow. The return of the Chinese market is slow. We've seen US and UK markets step up to take some of that slack, if you like. It's envisaged that it will be back, and back as strong as it was, but it's not yet. That's not something that's unique to Tassie or to Australia. That's a worldwide effect of the Chinese view on outbound tourism at the moment.

Ms ARMITAGE - I noticed on page 24 in the report it mentions the visitation to the Port Arthur site is 2 per cent below budget, which is not too bad. The Cascades Female Factory is 12 per cent below expectations. I'm wondering what's being done to improve this in coming years. I note the report states that rebranding initiatives were deferred. Can these be brought forward? What are you looking to do to bring the Cascades Female Factory visitation up? I mean, 12 per cent is considerable when you think - 2 per cent is okay, it's cost of living, but 12 per cent is a little higher.

Mr O'BRIEN - For all tourism-based businesses it's been a bit of a lottery to predict budgeted visitor numbers. Now that it's getting back to normal, I would agree with your comment. We probably should have been closer to that number. Some of the things we're doing - and I'll get Will to talk to them, but so far this year we've seen a real increase in the number of cruise ship visitors who have been making their way to the Cascades Female Factory. That's something that wasn't done to its fullest extent previously and has been an initiative - Will mentioned the - I always get the name wrong - a new and improved experience for visitors as well for there. We have a new manager in there as well who I think is making a very positive contribution. So add whatever you need to.

Mr FLAMSTEED - I think you've covered it pretty well. We're now actively marketing to the cruise market, which we didn't do before. We're actively advertising into the South Hobart and Hobart community through our community advisory committee, of which we have one at Port Arthur and one at Cascades. We're actively engaging in ways that we can engage with our community on that site. A great example is during Histories Month, a few months ago, we had a community event there that brought together 200 to 300 people to sites that enabled them to understand their connection to that site and their convict background. It was a real success.

Ms ARMITAGE - That was great. I remember that.

Mr FLAMSTEED - It was great fun, but we're trying different things. It's not just a tourism site, the Female Factory. As is with the Port Arthur site, they're community sites as well, and our engagement with the community is just as important, or more important, than the visitor who comes. The visitor generates the funds - that's great, but our engagement with community is important.

Ms ARMITAGE - Parking is always difficult, I find, at the Female Factory, whereas I guess if they've got tourists, they're coming on a bus. Is that how it works? You actually have them 'delivered' there?

Mr FLAMSTEED - I'll ask you next time you're driving around Hobart and you see one of the Red Decker buses, the advertising on the back of the Red Decker buses is for our 'Notorious Strumpets and Dangerous Girls' experience. That is a great example of how we can bring people to the site in a different way.

Ms ARMITAGE - The bus could actually -

Mr FLAMSTEED - They do already.

Ms ARMITAGE - Oh, right - because I found trying to park there is not easy.

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CHAIR - The last time we visited.

Ms ARMITAGE - Yes, it was difficult.

CHAIR - My question is about - there's no current borrowings, but I did note that the borrowing limit's being reduced from \$12 million to \$5 million. Can we have some indication of your suggestion? The minister's suggestion? Somebody's suggestion?

Mr O'BRIEN - Dave, do you want to take that? You had the conversation.

Ms ARMITAGE - Your suggestion, Dave?

Mr NELAN - Yes. The capacity for PAHSMA to borrow is dependent upon the capacity for PAHSMA to be able to meet the interest and repayments of that borrowing.

CHAIR - Doesn't always happen with other GBEs, but anyway, keep going.

Mr NELAN - No, we're a good GBE. We are very responsible in that.

CHAIR - We don't know about ourselves.

Mr NELAN - The Board of TASCORP look at our requirements every year and they move our level borrowings based on what they think our capital projects might be where we may need funding. They have concluded, prior to the announcement of the water and sewerage, which we would not want to fund through debt, that we didn't need a \$12 million facility. We're not going to use it. So they've adjusted it to \$5 million.

CHAIR - You don't get a lot for \$5 million these days, though. Anyway, if that's what you and TASCORP have decided, who am I to question that? Thank you.

Ms WEBB - I'm sure you rely on a lot of visitation from self-drive people visiting the state, coming over on the ferries. Given the delay in the new ferries, have you had to readjust any forward projections because of now understanding those delays?

Mr FLAMSTEED - Yes.

CHAIR - The answer is yes.

Ms WEBB - Can you give me some detail around that? What impact have you had to quantify that having and then readjust to?

Mr FLAMSTEED - If we just put it in the context of time, we're in our early stages of developing a 2025-26 budget. We now understand that there's a reduction of self-drive, like you said. That will enable us to adjust our 2025-26 budget and future budgets to do that because I think we've said it was 2028 before we get those boats. It does have an impact. It means that we will also need to consider our workforce, how we invest in conservation, the ability to generate revenue when we recognise that we've got a cost of conservation going up on an annual basis. They're the sorts of things that we need to make decisions on. Yes, it does impact.

Ms WEBB - Can you put a material figure on the 2025-26 difference?

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Mr FLAMSTEED - No. I can't, because -

Ms WEBB - You hadn't done a forward projection based on expecting them to be in place and now adjusting?

Mr FLAMSTEED - No, not yet. I think it would be challenging to do that at this point in time, because we are at that point in our budget cycle - we are making decisions about key levers or key projects.

Ms WEBB - Sure, but you're recognising that it's material -

Mr FLAMSTEED - We expect it will be material, yes.

Ms WEBB - It's something you'll need to adjust your thinking on and planning on.

Mr FLAMSTEED - Yes. We expect visitation to be lower than what we might have budgeted in that same period.

CHAIR - I might just do a supplementary. Operating costs of your budget, they were 48 per cent in the previous financial year, they are up to 50 per cent. Is that part of that answer that you just provided to the member for Nelson around your numbers and, effectively, that might even be more next financial year because you might not have as many visitors to the site?

Mr FLAMSTEED - Quite possibly. David, I am happy for you to expand on that.

Mr NELAN - Yes, operating costs, particularly in the conservation space, materials, all those sorts of things that go into projects -

CHAIR - It is everything.

Mr NELAN - And wages go up 3 per cent plus.

CHAIR - Do they? Wow.

Mr NELAN - Yes. Under the State Service Award -

CHAIR - Not ours. You don't have to worry about that, David.

Mr FLAMSTEED - and general cost of living. General cost of living is going up right across. We have a number of different external impacts that we do not have the ability to manage. We have to make decisions on those as best as we can.

Ms OGILVIE - Chair, I want to check in on time. There is a just a little thank you I would like to make to the team.

CHAIR - We have one more question and then you can do your thank you.

Ms OGILVIE - Just lead me in, thank you. It is just a minute.

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Ms WEBB - Sure. It will just be a little one and this is a really practical one about the offering on site. Has there been there been a change in what you get for your entry fee? I am asking specifically - I have been given to understand it used to include a walking tour and that now it doesn't include a walking tour. Have we made adjustments like that and has that been a result of having to constrain our offering to help meet costs?

CHAIR - There is a picture of a walking site.

Mr FLAMSTEED - We have many tours. Guided tours is a key experience that you can do at both of our sites. We talked about notorious strumpets at the Female Factory, but we have a number of different tours, whether it is to the Isle of the Dead, the Commandant Stuart, et cetera, et cetera. They are a great way for us to engage with our audience and our visitors, where they are paying. We had a free tour. We analysed the impact of that free tour, then understood - looked at what our visitor was experiencing and wanting. We did a review of that and recognised that those guided tours or the guide doing those tours might be better positioned either doing paid tours or what we call on-site talks - site talks, sorry, excuse my memory. Where there are at specific areas around the site and they give small encapsulated 15 to 20-minute talks about the penitentiary or the commandant's house.

CHAIR - Rather than a two-hour one.

Mr FLAMSTEED - Rather than, let's take you for a 45-minute tour or a two-hour tour and do this. It has done a couple of things. It has stopped congestion at that point of entry to the historic site. The feedback that we are getting from our visitors is that they are having a far more fulsome experience and it enables them to self-guide and enables -

CHAIR - More options.

Mr FLAMSTEED - More options to do -

Mr O'BRIEN - And research-based decisions. We heat-mapped the site so we could see where people were going before and after. As Will said, what's been the result is people getting a wider experience.

Ms WEBB - Thanks for the explanation, I appreciate it.

CHAIR - Yes, thank you. A good practical question. You have a thank you, minister.

Ms OGILVIE - I do have a little thank you.

CHAIR - For the committee?

Ms OGILVIE - Of course, start with the committee. I sense that that was a cheeky question.

CHAIR - No, no.

Ms OGILVIE - However, I do. I want to put it on record and this is the appropriate moment to do it. I give my thanks to the entire PAHSMA team. I have visited many times and

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it is incredibly well run and I think the success of the organisation is down to the people who we have running it. In particular, Grant O'Brien who has shown such leadership and good steerage at the helm for so long of this really iconic Tasmanian venture. We are very grateful and we wanted to say thank you for your efforts and to have that on the record. Thank you, so much.

CHAIR - He is not leaving the position, I hope.

Mr O'BRIEN - Yes, I am.

Ms ARMITAGE - The term is up, I noticed.

CHAIR - Oh, the term is up?

Ms ARMITAGE - I didn't know if you were reapplying.

Ms OGILVIE - I tried.

CHAIR - On behalf of the committee, we certainly extend our thanks and acknowledgement as well, of your leadership. To all the team at PAHSMA, it is a really important, iconic feature in the Tasmanian landscape. We are certainly aware of that and acknowledge that.

We would also like to place on the record our public thanks to our esteemed secretary, Simon Scott, who is going to be moving. He is not moving from the Legislative Council, just moving from this committee secretary role. We are going to welcome a new secretary in the new year. This committee has been ably supported by Simon and we are very appreciative of the work he does. I want to acknowledge that publicly.

Ms ARMITAGE - I'm sure he's going to miss us.

CHAIR - Again, thank you all. We wish you all a happy and safe Christmas and extend our best wishes into the new year. The committee always has an opportunity to invite you back sometime.

Ms OGILVIE - Always happy to come.

CHAIR - Thank you, Lesley, for your work this afternoon. We will conclude today's broadcast.

The witnesses withdrew.

The Committee adjourned at 4.52 p.m.