

UNCORRECTED PROOF ISSUE

Thursday 31 May 2012 - Estimates Committee B (Bacon) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Thursday 31 May 2012

MEMBERS

Mr Dean
Mr Finch
Mr Gaffney
Ms Goodwin
Ms Rattray (Chair)
Mrs Taylor

IN ATTENDANCE

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

Ministerial Office

Ruth Davidson, Head of Office

Department of Economic Development and Tourism and the Arts Tourism

Tony Mayell, Chief Executive, Tourism Tasmania
Adam Sproule, Director Operations and Planning, Tourism Tasmania
Craig Watson, DEDTA Corporate Support

Department of Economic Development and Tourism and the Arts Hospitality

Elizabeth Jack, Deputy Secretary, DEDTA
Peter Sheldon Collins, Liveable Places Director, DEDTA
Craig Watson, Corporate Support, DEDTA

Department of Premier and Cabinet Veterans Affairs

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

CHAIR (Mrs Rattray) - Good morning, minister, and welcome. This is the committee's last day and possibly your last day as well.

Mr BACON - Thank you, I have four estimates hearings for this year.

Laughter.

CHAIR - That is exactly what I thought. I would welcome everyone here this morning and we will get down to some serious business of scrutiny of the budget in relation to Veterans' Affairs, Hospitality and then Tourism.

We will see how we are going by lunchtime and if we have not got too much left to do, we will plough on if that is the most efficient way to manage the proceedings. Do you want to provide a brief overview in relation to Veterans' Affairs?

Mr BACON - Yes. This is Ruth Davidson, from head office and Alex Schouten from the Department of Premier and Cabinet.

DIVISION 9

(Department of Premier and Cabinet)

Output group 6 Veterans' Affairs

6.1 Veterans' Affairs

Mr BACON - In the budget papers Veterans' Affairs sits within budget paper 2, volume 2 in the community development output group, and it is specifically within output 6.1. The Veterans' Affairs policy and program management is handled through DPAC through the program and services branch and the grants and community engagement branch.

Regarding the funding I will give you now, the war memorial repair and maintenance grants program is funded with \$50 000 in recurrent funding and administered by the grants and community engagement branch. The Lieutenant Colonel Harry Murray VC scholarships are funded with \$10 000 of recurrent funding administered by the programs and services branch. The state government reception is funded for \$5 000 and administered by the programs and services branch. The Frank McDonald Memorial prize in partnership with the RSL and the Department of Education has recurrent funding of \$120 000 and it was transferred this year to the community development division from the executive division and is administered by the programs and services branch. The Tasmanian Veterans Advisory Council does not have any funding set aside in the budget; its costs are absorbed by the department. It does not pay any sitting fees but it does reimburse for any relevant costs. The RSL Tasmania State Branch has \$100 000 in a four year commitment and is administered by the grants and community engagement branch, and the Anzac Day Trust has recurrent funding of \$20 000 which has been transferred to the Department of Premier and Cabinet from the Department of Treasury and Finance. It is administered by the grants and community engagement branch and is established under the Anzac Day Observance Day Act 1929. There is \$305 000 in funding for the portfolio.

CHAIR - Thank you, minister. I will invite Mr Dean to open with the questioning.

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Mr DEAN - Thank you. We talked about the fact that there is no actual line item for this area last year. It is still not there as a specific line item. The answer that you gave last year was that you cannot come down to amounts of \$50 000; if you did, you would have a voluminous budget paper. However, you did say last year that it was a concern and you said that you would address it.

Mr BACON - It has not been addressed. One of the problems that we have is that it goes across the two branches - the programs and service branch and also the grants and community engagement branch. There is a difficulty in where it would fit into the budget papers. From my point of view, the programs have all been delivered in a successful way and a lot of that thanks does go to Alex Schouten from the department who does a wonderful job on Veterans' Affairs and takes a real commitment to veterans' issues. However, it does still spread across those two branches which makes it difficult to set it out as clearly as it possibly could be in the budget papers.

Mr DEAN - Others might want to take that further. In last year's budget there was \$50 000 in the kitty for grants to be taken up for repairs for memorials and cenotaphs around the state. Was all that money expended? Did you, as you said you would, get out to all of the RSLs and so on to advise them that this money was there and available for repairs and maintenance?

Mr BACON - We certainly advertise each round that goes out. All the money was expended in the last financial year. I can give some detail of the successful applications, if you would like?

Mr DEAN - If you would - that was going to be my next question.

Mr BACON - The Avoca Museum and Information Centre project to clean the Avoca cenotaph and memorial gates was approved for the amount of \$2 600. The Circular Head Council restoration of the war memorial at Marrawah was funded for \$1 943.50. The Collinsvale RSL war memorial restoration program was funded for \$5 000. The Huon Valley Council restoration of the World War II memorial gates was funded for \$5 000. The King Island RSL restoration of the carriage cenotaph phase 1 was funded for \$700. The Legerwood Hall and reserves committee memorial carvings and park was funded for \$5 000. The Scottsdale RSL sub branch was funded for the honouring their service memorial for \$1 327.26. The Zeehan RSL sub branch was funded for a memorial upgrade of \$2 850. The Devonport City Council was funded for the Vietnam Veterans' memorial wall for \$5 000. The George Town RSL sub branch for their project remembering them was funded for \$4 575. The Huon Valley Council for the project for the reinstatement of the Lady Smith Boer War statue was funded for \$4 886. The Queenstown RSL sub branch Lone Pine memorial project was funded for \$2 500. The Spring Bay RSL sub branch memorial field gun restoration was funded for \$4 553 and the Tasman Council cenotaph upgrade was funded for \$4 070.

Mr DEAN - Were all grants met, minister? Or were there some that you could not accept?

Mr BACON - There was one, I think, for the Wynyard project that did not fit really within the guidelines. We have gone back to that project to have a further discussion with them to see if there is anything we can do to assist them with what they are looking at doing in Wynyard.

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Ms SCHOUTEN - I believe everyone who applied, apart from the Wynyard RSL sub branch, received the funding that they asked for. We have not had an over commitment for an over ask, so it has been quite neat in that way and it has worked quite well.

To go back to your earlier question about getting information out, we send an e mail through a grants alert list to a range of different organisations including the RSL state branch and they feed it out to all the RSL sub branches. Where I know that an ex serving organisation might want to know about these things, I will send them an e mail as well, so it goes out in quite a wide way.

Mr DEAN - Does any information go out to the local government areas where memorials are?

Ms SCHOUTEN - I send an e mail to the local government association and ask them to distribute it to local councils - which they do - and we have had some local councils that have received funding.

Mr DEAN - My next question is

Mrs TAYLOR - Chair, can I ask a subsequent question while we are still on war memorials?

CHAIR - Absolutely, Mrs Taylor.

Mrs TAYLOR - Sorry, Mr Dean. You are moving on, are you, from war memorials?

Mr DEAN - No, that is all I wanted on that.

Mrs TAYLOR - Regarding the Claremont war memorial - and I know that they probably have not asked for a grant yet because the amount they need is much bigger - what is the progress on that, minister?

Mr BACON - Yes, the concern with the memorial

Mrs TAYLOR - It is a relocation as well.

Mr BACON - Yes, it is a relocation but also it is more a new memorial rather than the restoration or maintenance of an existing memorial, so it does not fit within the guidelines. I personally have had - not in my capacity as minister but as local member - a number of conversations with the Claremont RSL about how we move forward. I know you have had the same conversations. It will not fit within the guidelines of this but we are exploring funding avenues for the memorial through federal programs and looking at other options for them to fund it because it is a significant amount of money

Mrs TAYLOR - It is.

Mr BACON - that they need and it would not fit within the guidelines of this program.

Mrs TAYLOR - I understand it does not fit within the guidelines. Well, they might get a small amount but it is certainly a much bigger amount that they need for that. As Minister for Veterans' Affairs, I am asking you on war memorials and not necessarily out of this grants program because that has been on the books now for - they have been trying to do that for at least

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two, if not three, years. I know they have had discussions with the council about using council land for that and they had a donation of a big rock which I think is going to be the base but their difficulty is that they need funding from somewhere. I suppose it does fall within your portfolio as to how that might be progressed.

[9.15 p.m.]

Mr BACON - It does. There is really no way for us to progress it through the state budget at the moment but we will engage with that issue.

Mrs TAYLOR - Good.

Mr BACON - I am happy to talk to you in the future as well about what we can do to make sure. If you go to any of the memorial services at Claremont it is not a fitting memorial they have in place at the moment with people having to stand on the road and car parks

Mrs TAYLOR - Correct. The area is too small.

Mr BACON - Even from a safety point of view, yes.

Mrs TAYLOR - The other thing is that next year is the centenary and you will remember of course, other members might not, but I am sure the minister knows that the training camp for the World War 1 soldiers was at Claremont. Claremont RSL is very keen to celebrate that centenary next year and I suppose they would be very keen to try to have that finished by next ANZAC Day.

Mr BACON - Yes, absolutely.

Mrs TAYLOR - It has been two or three years that they have been working on it and it has now become a matter of some urgency that it gets completed before next ANZAC Day.

Mr BACON - It is unlikely, from our point of view; there may be small grants available through the state government. Nothing has really been decided yet in how we commemorate the centenary of ANZAC. There should be some federal money available that hopefully the Claremont RSL can access. None of that detail has actually been finalised yet. I met with the Premier and Air Chief Marshall Angus Houston who is, from the federal government's point of view, organising everything for the centenary of ANZAC. As that goes forward it may provide opportunities which I will pass on to your office and also to the Claremont RSL directly to make sure that they know about every opportunity.

Mrs TAYLOR - Thank you. That would be really good because as you would understand you have the capacity to help with that.

CHAIR - To drive an agenda.

Mrs TAYLOR - Yes. The RSL is all volunteers so the ability to access grants and programs is much more limited than yours, so I would really grateful, and they would be really grateful, if you take a personal interest in this one.

Mr BACON - Yes, and from my point of view we have given the commitment to Graham Morris from the RSL who is really driving the project that my office in Glenorchy can help them with their grant applications as well.

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Mrs TAYLOR - Thank you.

Mr BACON - It is definitely an issue that, as a local member, I am keen to progress.

CHAIR - You might be on a winner there, Mrs Taylor.

Mr DEAN - I should have probably prefaced my questions on this by identifying my personal interest as a veteran of course. I believe you are aware of that.

Mr BACON - Yes, it is well known.

CHAIR - I had to declare an interest yesterday, minister, when I talked about women's representation on boards so it is totally appropriate that the member does that as well.

Mr BACON - Mr Brooks downstairs is a veteran as well.

CHAIR - And Mr Hall.

Mr DEAN - Minister, I believe you would be well and truly aware of the hardship that a number of RSLs around this state are feeling at the present time. We know of one that closed in the member for Rosevears' area and there are others that are going down that track as well of looking at their future as to where they can go and what they can do. What has the state done in that regard? What interest have you demonstrated in that with those RSLs around the state? Have you visited all the RSLs in this state yourself?

Mr BACON - No, I have not.

Mr DEAN - Have you talked to them and what is in place, if there is anything in place, to try and help them?

Mr BACON - I have not been to every single RSL in the state. I am not sure how many I have been to. I was recently at the RSL congress in Ulverstone where many of these issues were discussed. The state government provides \$100 000 to the RSL Tasmania branch which is important funding for them. As they go forward there are many concerns about how they can make sure that all the RSL clubs are on a sustainable financial footing at a time when things are particularly tough for a lot of organisations around the state. We are happy to work with the RSLs to make sure

Mr DEAN - Some of the RSLs have mentioned to me, one in particular, that if the state could even talk with, say, local government in relation to rates - water, sewerage, the water authorities that some assistance and support could be provided through those areas and that would give them, perhaps, the extra funding that they would need to exist and provide the service that they do for the public and the community. Many of these RSLs are, as you would know, minister, the hub of the areas in which they are located.

All the activity occurs in and around the RSLs. Could the state talk with local government? I know of one RSL that tried to negotiate with a local government body and they met a brick wall. There could be some support there.

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Mr BACON - I would be happy to speak with - I think that Chris Mundy is the new president of the RSL - I would be happy to talk to Chris about that. The Speaker of the House of Assembly has organised a meeting with Mr Mundy and himself and he has asked me to attend in the next couple of weeks. I would be happy to talk to the RSL about what assistance the state government could give, and I would be happy to talk to the minister for local government on those issues.

Mr DEAN - Excellent, minister. Many of people working in those clubs are volunteers, and they give an enormous amount of time to ensure that they continue to exist, that they are financial and that they connect with their communities.

My next question is about the centenary of World War 1 which is looming. You were asked this question last year also and I guess you will get it again next year. What is the state doing, or what have they done, for our plans for the centenary and what involvement is there with the RSL? I figure it is Australia wide.

Mr BACON - Yes, it is. There is coordination with the federal government about how we commemorate the Anzac Centenary. That is the name given to it by the federal government. This is one of the real chances for one of the most significant events for us to commemorate for another 100 years. There will be many significant dates in the four years that we will have to commemorate. The Premier and I met with Air Chief Marshal Angus Houston three weeks ago and the state government has committed to taking a leading role in preparing and delivering a range of commemorative activities and events. It is an issue that has captured a lot of people's minds in the ex service community; many RSLs and community groups are very keen to mark the occasion.

From the state government's point of view we want to work with the federal government on what they are doing but also work with local community members to make sure that communities right across the state commemorate the centenary in a way that they find meaningful. And we want to assist that wherever we can.

Mr DEAN - Are you targeting some highly noteworthy personages in the world to be part of that? For instance, the Launceston RSL raised with me the opportunity to have a member of the Queen's family attend in this country and in this state part of that centenary commemoration.

Mr BACON - I have not heard that idea yet. I have had many people approach me with different ideas and I would be happy to talk to the Launceston RSL about that.

Mr DEAN - I advised them to write to you, minister, and 12 months ago when they first raised it with me I asked them to write to me with their view and their position. I will take it up again with them.

Mr BACON - We can contact them as well and visit them for a discussion. There are going to be ideas, there have already been ideas before we have sought input from the public - many people with different ideas about different ways to commemorate the series of dates that are significant dates in our history.

Mr GAFFNEY - Perhaps a letter to Pippa would be appropriate.

Mr DEAN - I have no more questions on that.

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Mr BACON - I thought it was an acronym for some government department and I was trying to think what.

CHAIR - I do not think that she is a member of the royal family. Not officially. I do not think that there would be a lot of interest in Pippa Middleton in Tasmania at this time.

Mr DEAN - Minister, I do not know what part you play in this. The Gallipoli Anzac Day service situation, how are the students and members of parliament and other people in the state selected to attend?

Mr BACON - My understanding is that the member of parliament on the Frank MacDonald Memorial Prize is chosen by the Premier and students from grade 9 are chosen from an essay competition.

Mr DEAN - I am interested in that because when I was at school we had exactly the same thing, and you probably did when you were there. The prize was a library book and I won it two years running. I did not get a trip to Gallipoli but I got the library books.

Mr BACON - Now that you have been elected to parliament we might be able to get you on the trip and you might get that long overdue reward.

Dr GOODWIN - That would be very appropriate, I think.

Mr BACON - I can put your name forward for next year.

Mr DEAN - I would appreciate that.

Mr BACON - No problem at all.

CHAIR - Especially as a veteran.

Mr FINCH - I was a cadet at Hobart High School.

Mr BACON - I am not putting your name forward. I think it would be very fitting to have a veteran as the parliamentary representative on that committee.

Mr FINCH - He is a good decision maker. He just went straight to the chase.

Mr BACON - The winning essays are selected by

Ms SCHOUTEN - All students in grade 9 in state schools, in private schools and those being home schooled are invited to participate. A maximum of three students can be put forward by each school so it is not dominated by one school. It would not be fair if one school put forward 27 students against one for another school so a maximum of three students per school.

The History Teachers Association does a first cull and they short list the top 12 or 15 essays. Two essay questions are set each year. The students can write an essay or do an audiovisual presentation, or they could do something online if they wanted to; it is up to them to be creative. A selection panel made up of teachers, someone from Premier and Cabinet, and the History

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Teachers Association does the last selection process and interviews the students as well. It is not just based on their essay. They also are interviewed to make sure that they are ready and able to go on an overseas trip because it is a big gig and they are away from home possibly for the first time and possibly travelling overseas for the first time. Teachers apply to participate as well because we need two teachers, a male and a female teacher because we usually have male and female students, and the teachers go through a selection process as well.

Mr BACON - I have been to the last two functions when they announced the recipients of the prize and all the teachers who go on the trip. Everyone who goes on the trip talks about how fantastic the opportunity is for young people to really grow as people and the transformation they see across the trip in terms of their maturity and things like that is

Mr DEAN - Amazing.

Mr BACON - Yes, well respected by everyone. When they come back from the trip they then present to Rotary clubs and other things like that as well. It is a fantastic thing not just for the students but also for the community to see young people so engaged in commemorating our history.

CHAIR - The 2010 recipient in one of the areas that I represent, minister, spoke at an Anzac Day service this year and it was an amazing address. I just think how lucky we are to have young people like that.

Mr BACON - There are stories like that right around the state. It is a fantastic thing that has the support of all 40 members of parliament in Tasmania, which is a rare thing.

CHAIR - Michael Willis was the name of the young lad who was the recipient in 2010.

Ms SCHOUTEN - Mr Dean, the travel does not go to Turkey any more; it is to the Western Front, Belgium and France. Gallipoli is not part of the itinerary anymore.

Mr DEAN - When did that end?

Ms SCHOUTEN Last year. Just so you know, if you are indeed put forward, you can go to Gallipoli but you might need to organise that for yourself.

CHAIR - Minister, can I ask why the change; was it the expense?

Mr BACON - It is really a cost thing. We could have taken fewer students, but also there have been logistical issues around Gallipoli in that the crowds are so big that it was thought there was more value in going to the Western Front.

[9.30 a.m.]

Mr DEAN - It is probably not a bad decision.

CHAIR - Will that remain like that?

Mr BACON - For the foreseeable future. In the future the decision may be, if there is more funding available, to go back to doing both but at the moment it is a question of if you want to take that many students then

CHAIR - Has there been some thought given to reducing the number of students?

Mr BACON - It came down to either reducing the number of students or really focusing on the Western Front and not going to Gallipoli as well. We thought it was better to send the same number of students but to focus more on the Western Front.

Mr DEAN - I believe the state supports returned servicemen and women to the state from the fronts. Have we had any this year? Have there been any receptions that the state has put on to recognise veterans returning?

Mr BACON - The state reception was held at Parliament House around 5 December and it was fairly well attended. Not everyone lives in Hobart, I suppose, so it is not

Mrs TAYLOR - Don't they?

Mr BACON - or Collinsvale.

Laughter.

Mr BACON - We have had discussions with TVAC about how we can make it more of a state wide opportunity for people. We are not sure how we are doing at the moment but through discussions with the Veterans' Advisory Council we are talking about the time of year to have it and things like that.

Mr DEAN - Is that an open invitation to politicians as well? I have never been invited to one and I suspect others might not have been.

Mr BACON - In the past we have not done that but not for any particular reason that I can think of.

Ms SCHOUTEN - The focus has been on the serving men and women who have been deployed and so they are all invited. It is not very easy to identify everyone because sometimes people are travelling with mainland units. To this stage we have kept the numbers of MPs to a minimum because you need to invite the senior officers from all the different forces and all the different units so there is a danger of the VIPs and senior officers outnumbering the number of serving men and women who can come, and that is not what we want. We want the focus to be on the serving men and women who have been away.

Mr DEAN - Thank you very much.

Dr GOODWIN - I am following up something I asked last year, minister, around the question of vandalism of war memorials. I think you indicated last year that you had a brief discussion with the Attorney General on this issue and that you might be looking into it. I am wondering if you could update us on whether anything further has happened.

Mr BACON - The RSL wrote to the Premier and copied the Attorney General and myself into that letter. Since then we have had discussions with the Premier and with the Attorney General about the best way to approach this issue. From my point of view, personally, it is a question of education and how we can make sure that the legislation we bring in does not beat up

any kind of sensationalism or anything like that. We really want to educate people about war memorials and their significance to the community. The Attorney General at the moment is working on a paper to take to cabinet to address the issue but we are hoping to have that issue brought to cabinet in the future.

Dr GOODWIN - Thank you.

Mr GAFFNEY - Minister, in your discussions with returned service leaders, has connecting people currently serving in the military forces with the returned soldiers, and how to get them involved or included been discussed? It is a different time and place but it is mainly an awareness issue. I know in our area the numbers are diminishing and they are getting older. There tends to be a big gap between the current ones and there is a group coming along that may be 20 to 30 years of age. Have there been any discussions about what the government's role might be in trying to improve those numbers or that situation?

Mr BACON - Certainly we would be keen to work through the Veterans Advisory Council. I know it has been an issue for them - they always talk about the serving and ex service personnel to try to bring both communities closer together. They have many similar issues and that is how we can deal with those together. There have been initiatives, I know, around Facebook and things like that about how to get younger veterans involved in ex service or serving organisations as they go forward. I know it is a real focal point for the RSLs right around the states as to how to get the younger people involved.

It is definitely on our agenda but the way forward, I suppose, is not all that clear. I would be happy to have any conversations with the Veterans Advisory Council and then also with the RSL about how we can make sure that all people are involved.

Mr GAFFNEY - You would have observed the growth in numbers of people attending Anzac Day events over the last 15 years.

Mr BACON - Yes, absolutely.

Mr GAFFNEY - It has really grown because there is a much more positive spin on what they do. Yet, when we were kids, it was not well supported; it was not spoken about or publicised. So that group of 60 to 70 year olds or 40 to 60 year olds who were involved in war service do not feel valued.

Mr BACON - Yes, absolutely, and we have seen that the primary schools around the state have done a fantastic job in talking more about veterans, past conflicts and things like that. Around Anzac Day, you see a lot of primary school involvement now, and a lot of scout groups and girl guides can be involved as well. The more we can encourage young people to engage in that, is fantastic.

Mr GAFFNEY - Was the government involved at all with the nomination of a VC for Teddy Sheehan? Were they involved in that process at all or asked for any support?

Mr BACON - I am not aware of any government involvement.

Ms SCOUTEN - No, the committee that was investigating - I suppose is the best word - the process for awarding the VC was in Tasmania earlier this year and called for people to come

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forward to give submissions. The government did not provide a submission but a member of the Veterans Advisory Council went along to those hearings and reported back. Those hearings really need to have evidence about what happened, and members of family were certainly there and federal politicians were supportive of the nomination, I suppose, but the state government has not done anything.

Mr GAFFNEY - For information, on 1 December this year, it is the 70th anniversary of Teddy Sheehan's passing so there will be a celebration of that at the memorial and the council is coordinating and/or helping that; so that is the 70th with the family.

Mr FINCH - Some advice from you, if I could please, minister - I mentioned last year towards the end of our session on veterans' affairs about Colin Smee at the Beaconsfield RSL, who does a great job with the memorial there - looking after it, developing it, refurbishing it, organising

CHAIR - Raising the flag.

Mr FINCH - He flies about five flags around the town every day.

Mr BACON - Yes, right.

Mr FINCH - He puts them up and takes them down every day - that is patriotism for you. But the main focus in his life is the memorial. He has secured, I think, it is a Tiger tank - much to the chagrin, I imagine, of other people who have memorials around Australia. He has managed to purloin one and he has it set up at the memorial. The council has given him money to put a fence up, which is inadequate. It looks like a construction site. Although good money has been spent on it, it is not as it should be. There are other examples where the tanks are on display and they look fantastic; they have been done with really nice fences. He is looking to secure about \$4 500 to just present this really well. Can you give me some advice as to where that sort of funding might be secured?

Mr BACON - It may fit into the criteria of the war memorial maintenance and grants program, possibly. We would have to get in contact with Mr Smee and see if it does fit the criteria. Their grants are up to \$5 000, so it is a possibility if it does fit the criteria and there will be another grant round shortly.

Ms SCHOUTEN - We will be calling for applications probably in October, or something like that, so it is coming up.

Mr BACON - We should have a conversation with him for that.

Ms SCHOUTEN - There is also funding from the Commonwealth through the Department of Veterans Affairs. They have a grants program called Saluting Their Service and they provide small grants for new memorials and also for repair and maintenance of memorials. The commonwealth government through DVA is another source.

Mr FINCH - Some support came for the first fence. It went up. He worked closely with the West Tamar Council. They might have even provided half of the funding and that is the suggestion this time. He did source some money before but he is looking for the best possible result in respect of presenting the war memorial in the best light.

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Mr BACON - We can talk to you about that as we go forward, no problem at all.

Mr FINCH - Would you mind? I would appreciate that.

CHAIR - Minister, I want to take you to how this output group is reflected in the budget and request that there are some notes provided to explain what is funded through this. It is very difficult - though I know you pointed us to output group 6, Community Development. The only reference for the money is the Frank MacDonald prize in note 3, and then the money is allocated with a note from 12 but it says nothing that reflects what you have told us this morning.

As the committee chair, I would respectfully request that this is something that Treasury needs to look at. I am sure that, at your request, there could be a better reflection of the funds that are expended and how they are put. It would only take a couple of notes under this section for the committee to be able to really scrutinise what we are looking at and then we can do a bit of research beforehand.

It is very difficult to know - we probably have had more information today than we have had before, so thank you for that. But generally, for people to read, it would be a really useful thing, particularly when there are ongoing programs and we are talking about the sustainability of the RSL and the clubs and the organisations around the state. I believe it deserves its own line item.

Mr BACON - Absolutely, we can take that forward. I think that is the same commitment I gave last year but I know it has not been rectified to the committee's satisfaction as yet and I will take that on board.

CHAIR - Treasury should acknowledge that this is significant enough to have a line item or at least some better explanatory notes.

Ms SCHOUTEN - In the scheme of time, this is a young portfolio and the programs that the minister outlined in his overview have only this year come together in one division. The ANZAC Day trust was in Treasury, the Frank MacDonald prize was in the Executive Division, funding for the RSL was in another division; so we have been able now to at least bring all the Veterans Affairs programs into one division in one department. That is a big step forward from where we were last year.

Mr BACON - You would rather see that being displayed and we take that on board. That is right, yes.

Mrs TAYLOR - That would be good. Let us have it then in the budget papers as that department.

Ms SCHOUTEN - There is a better opportunity now to be able to show that as a consolidated group.

CHAIR - It would be really useful for anyone else who reads these papers - and believe it or not, minister, people do ask us for a copy of the budget papers. Amazing! There are people who are interested in how the state's finances are expended, particularly in that very significant and worthwhile area of the RSL and Veterans' Affairs. Thank you, and we will look forward to seeing that in next year's budget papers.

Mr BACON - We will do our best.

CHAIR - I know you will, minister, and I feel sure that you will have some contacts in Treasury to get some traction with. I do not believe there is anything else the committee wants to discuss there so we will thank very much, Alex, for your time today. I feel after the comments that have come from the table that you are probably going to be getting a number of contacts from members in relation to particular issues specific to their areas and their people.

We are going to move to hospitality and Ruth is going to be the main adviser.

The committee suspended from 9.45 a.m. to 10.04 a.m.

DIVISION 1

(Department of Economic Development, Tourism and the Arts)

Output group 3

Tourism

3.1 Tourism

CHAIR - Welcome back, and that was a nice early morning tea break, very civilised.

Minister, hospitality and another area where it is buried, if you like, and I know we talked last year about being the Minister for Tourism and Hospitality and we put that to you and obviously that has not happened because you still had two different titles. Do you want to enlighten the committee on why maybe that has not transpired?

Mr BACON - I will just introduce Peter Sheldon Collins, the director at the Liveable Places Unit of the Department of Economic Development, Tourism and the Arts, and who heads up most of our hospitality work for us and does a fantastic job. Hospitality is in the budget paper 2, volume 1 under output 3.1, page 2.11, and there is a bit of further detail under major initiatives in budget paper 2, volume 1, page 2.2.

CHAIR - There is \$100 000.

Mr BACON - That's right and I can give you a run down on what that \$100 000 goes toward, if you like.

CHAIR - That would be much appreciated, thank you.

Mr BACON - There is \$25 000 for the hospitality industry's strategic plan and this is for 2011 12. There's the registered training organisation workshop, \$5 000; the feasibility study into schools of excellence, \$10 000; the liquor accord promotional campaign, \$10 000; \$25 000 for the second series that we ran of free introductory workshops; the scholarship seed fund of \$5 000; the website employment portal of \$5 000, and the events program to raise the profile of the hospitality industry, \$15 000. That is a breakdown of the \$100 000.

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CHAIR - Is that the whole amount? I did not scribble those down as I went. Have you anything left over?

Mr BACON - I am fairly certain that adds up to \$100 000.

CHAIR - It also indicated that this was an area where you were going to use some funds to improve skills and assist industry to meet the needs of emerging markets such as China. Can you inform the committee how that has been rolling out and what has been achieved there?

Mr BACON - Certainly. In terms of the skills initiative, there was an election commitment from the Labor Party to look at a pooled resource of hospitality workers and then there was a feasibility study into that. Then that morphed into more of a workforce retention type document where the feasibility around the workplace pool of hospitality workers was seen not really to be feasible. It really has changed more into workforce retention and how the government can work with the industry to not only make sure that we attract the right people in the industry who are going to stick with it but also retain those skilled staff as well. No matter where you go in Tasmania there is a shortage of hospitality staff but, in particular, there is a big shortage of chefs; there are many businesses that just cannot hold onto their skilled staff.

Work on the emerging markets such as China has really come about from some instances that we have seen with the Mercure hotel and a few other businesses around Tasmania having real success in attracting Chinese tourists and putting on Chinese breakfasts and things like that to be able to meet the expectations of Chinese visitors so that they go back and talk positively about their experience in Tasmania.

CHAIR - Does that \$100 000 - and it is pretty tokenistic, if you don't mind me saying, minister, in relation to hospitality, and I know I said that last year

Mr BACON - There is a lot of money that goes into hospitality training through the education and skills portfolio. Much of this money is about how we can align the money that we are already spending on training with the needs of the industry because what we hear from the industry is a lot of graduates are turned out and they may not meet the needs of what the industry actually needs.

CHAIR - They cannot do a Chinese banquet, is that what you are saying?

Mr BACON - No, they may go to Drysdale and study and come out and they may not have the knife skills they need or something like that.

CHAIR - When you are talking about meeting particularly the Chinese market because that is what has been flagged here, is there an opportunity to expand some of those cooking skills or the number of chefs into areas where they might - I said a Chinese banquet in jest - but seriously if that is what the Chinese market is looking for when it comes to Tasmania, we have one in Launceston, Scottsdale, Hobart and on the north west coast, so it is going to be a long way between meals, isn't it?

Mr BACON - Absolutely, but from our point of view we see China as an exciting opportunity for Tasmania. It has grown to become Australia's largest market of inbound tourists by value. That is why the initiatives that the government has undertaken through the hospitality portfolio to really link the needs of the industry who see before the government will, the needs

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around the changing demographic of visitors. Then if we communicate that through to the registered training organisations and to the skills department of the government then we can get a better result.

CHAIR - You had one failed program last year and you will not repeat that again, obviously. What is planned for this year? Are we just extending the programs that you have already rolled out for this \$100 000, or are you looking at new initiatives as well?

Mr BACON - There is a range of workforce initiatives around strengthening the relationships across the industry, promoting careers in the hospitality industry, facilitating workforce development plans, working on training for individuals entering the hospitality industry, and trying to re establish our international reputation as a place that puts out quality hospitality graduates.

Dr GOODWIN - When you say 're establish', what do you mean by that?

Mr BACON - There has been a lot of criticism in the past that we had a strong reputation for putting out really strong hospitality graduates and they could go anywhere

Dr GOODWIN - This is the Drysdale House reputation that we had and then lost somewhere along the way.

Mr BACON - It is a criticism that we hear a lot that that reputation is gone. From our point of view we still turn out very good graduates but we have to rebuild that reputation.

Mr FINCH - In respect to China, I remember years ago when I lived on the Gold Coast they had a focus towards Japan. They had a lot of signage that was in Japanese and many people were talking Japanese. I am wondering if in Tasmania we were to have a China focus in respect to tourism, whether we couldn't have that same China friendly approach and then market it in China through the hospitality industry and through the airports. If they want an Australian experience it might be that they could come to Tasmania, as we are friendly towards Chinese tourists.

Mr BACON - That is a possibility. We know that many Chinese tourists are looking for wilderness experiences but not necessarily hiking for five days through the wilderness to have that accessible wilderness experience that we have here in Tasmania. They also have a lot of interest in our heritage; particularly towns like Richmond and places like that appeal to the Chinese visitor.

CHAIR - Weldborough, Trail of the Tin Dragon.

Mr BACON - Yes, that's a fantastic tourism product.

Mr FINCH - Food and wine in the Tamar Valley, particularly on the western side.

Mr BACON - We have many great products here in Tasmania and the committee should really try to stay as a team and not argue amongst themselves as to where is the best.

The former Mayor of Glenorchy is a big MONA fan, which is the foremost tourism attraction in Australia, almost. I think that Glenorchy gets the big nod.

Mrs TAYLOR - Thank you.

CHAIR - That is what happens when you have a bunch of independents.

Mr FINCH - All pushing their own barrows.

Mr BACON - China is the opportunity not just for Tasmanian tourism but also for right around Australia. The Premier's trade mission to China is a real opportunity for us with the Vice Chancellor of the university going along to try to attract as many Chinese students as possible and then trying to draw their family and relatives out to have holidays in Tasmania also. That trade mission is going to provide many opportunities for tourism operators in Tasmania to be involved and see what China has to offer.

Mr FINCH - If there was stronger focus it could be a good marketing strategy to make sure that people in China who are looking at that Australian experience have an understanding that Tasmania is China friendly.

CHAIR - And it has that heritage and that relationship already.

Mr FINCH - The things they want to see.

CHAIR - We might be telling the minister how to suck eggs; I think he has it under control.

Mr BACON - That is always welcome. We have seen that with the Mercure hotel that has a special accreditation for welcoming Chinese visitors and ticks off a whole range of criteria that you need to meet the accreditation, and now they use that to market themselves to the Chinese visitors. It is happening with individual businesses

[10 15 a.m.]

Mrs TAYLOR - Who is the accreditation from?

Mr BACON - I cannot recall at the moment, sorry, I can find out

Mrs TAYLOR - That would be interesting.

Mr BACON - It has slipped my mind.

Mrs TAYLOR - There may well be other businesses.

Mr BACON - They were the first Tasmanian company to get the accreditation it was about four or five months ago.

Mrs TAYLOR - As a follow up question to that, I suppose on a slightly different tack. Having just mentioned the trade mission for a start, minister, and UTAS, I am presuming there are people representing higher school education as well, are there, because there is a market also for

Mr BACON - Absolutely.

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Mrs TAYLOR - and I know in the past that UTAS has said the students who come to UTAS are better prepared if they have managed to have a year or two at college because their English is better before they get into the university courses.

Mr BACON - There will be expressions of interest offered around the trade mission and details will be finalised. There is a real tourism focus on the mission but also the education as well so I am sure

Mrs TAYLOR - As you say, they partner really well so I would be really pleased if you would think about the education department not just the independent schools being represented. It is an opportunity for our own state education system as well.

Mr BACON - Absolutely.

Mrs TAYLOR - I really wanted to talk about the airport in terms of do we have the capacity now for international flights?

CHAIR - Are we still in hospitality?

Mrs TAYLOR - Yes. Exactly, because it is related to visitors. We used to have direct flights to New Zealand and Singapore at one stage. When international flights were happening we had a better opportunity to have a share of the market than we currently do. So if we are looking at a China focus, is there an opportunity even if it is charter flights rather than a direct permanent air link which is difficult, obviously, because of numbers. There could well be charter opportunities but that also means that the airport has to have the capacity to take international flights and therefore the size of planes? Do you know anything about that?

Mr BACON - The government established an access working group in December of last year which is working on a whole access strategy for the state. Regarding the airports there is capacity for more flights into Hobart and Launceston airports but in terms of discussions I know the new Lord Mayor of Hobart is particularly keen on Korean flights. In discussions with, I think, the Hobart Airport about seeing what we can do there is the Consul General of the Republic of Korea as well. So there is a lot of talk about it and it is always something that Tourism Tasmania is in conversations with the airports and the airlines about. It really is about commercial decisions made by the airlines and whether or not they stack up commercially.

Mrs TAYLOR - Yes, that is if you have a regular flight schedule but I am saying with Singapore we had charter flights, I think, coming from Singapore which is not necessarily a regular route.

Mr BACON - With Hobart Airport there is concern about the length of the runway.

Mrs TAYLOR - We did upgrade that, didn't we, some years ago for that purpose?

Mr BACON - Yes, over the summer period the surface has been redone at the Hobart Airport but we can ask the access working group to consider whether it is now long enough to take the bigger jets they use on international flights.

Mrs TAYLOR - I would be interested to know that.

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CHAIR - We can probably have more of that conversation when we have tourism people at the table - that would probably be better.

Mrs TAYLOR - I see it is tourism rather than hospitality.

CHAIR - I think so.

Mr BACON - Can I make one point?

Mrs TAYLOR - I did have a hospitality question, never mind.

Mr BACON - Our real focus is on connectivity with Sydney and Melbourne, in particular, to make sure we have enough domestic flights that tie in well with the timing for international flights so if you fly from China into Sydney you do not have to wait eight or nine hours to get a flight to Tasmania. That is our real focus at the moment - to make sure that it is as seamless as possible to come from wherever you are internationally and then get to Tasmania after that.

CHAIR - It would be nice if you could find one from Melbourne, minister, sometimes.

Mr BACON - You missed the news on Monday.

CHAIR - Jetstar out of Hobart? Fantastic.

Mr BACON - And Launceston.

CHAIR - Fantastic.

Mr FINCH - It is a question of going down the gurgler.

Mrs TAYLOR - Can we just finish that conversation off because otherwise we will have to do it again? We can do it again in tourism.

CHAIR - We need to keep it in one output group.

Mrs TAYLOR - Okay.

Another question about hospitality then: one of the things that we often see and I do not have personal experience of this but it is in the media all the time - is how many hospitality places are not open at weekends because they cannot afford to, they say. It is what I hear in the media, I am not personally involved in one of those businesses, but they talk about weekend rates being the reason why many places do not open. That must be a real concern in terms of hospitality with visitors.

Mr BACON - It is an absolute concern for us if you cannot get a coffee anywhere in Hobart or Launceston, or anywhere else in Tasmania on a Sunday because nowhere is open. This has been raised with me by individual hospitality businesses and by the Hospitality Association.

From the government point of view it is really an issue for the Minister for Workplace Relations. I have had conversations with him about it. We want to make sure that not only the business can open but also the people are properly remunerated for the work they do and also for

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the leisure hours they give up. It is a concern at the moment but we have to make sure we get that balance right between making sure people can open and making sure people are properly paid.

Mrs TAYLOR - I suppose much of the conversation you hear is about the fact that work/life balance has changed. Once upon a time everyone worked Monday to Friday 9 to 5, and weekends were free, and Sundays you went to church. Our society is not like that now. There are many people who probably would be happy to work Wednesday to Sunday, if you like, rather than Monday to Friday. Maybe we need to think about a change in balance.

Mr BACON – Yes, and that is an issue that has come up repeatedly from individual businesses and from the Hospitality Association. It is on our radar.

Mr FINCH - And in reports.

Mr BACON - And in reports.

CHAIR - Is there any progress, though? You say it keeps coming up but is there any progress on resolving the issue with the likes of the hospitality industry? Have they been able to offer any suggestions?

Mr BACON - There have been no real suggestions offered at the moment.

Dr GOODWIN - One of the issues is around the penalty rates matter; and to some degree that is a federal issue I suppose.

Mr BACON - Yes, that is right.

Dr GOODWIN - I know it was something we raised in our tourism report because it applies across the board to tourism and hospitality businesses as well.

CHAIR - It is as one almost, isn't it?

Dr GOODWIN - Minister, you mentioned a couple of things in the overview of what the \$100 000 will be spent on. One of them was the Liquor Accord promotional campaign, and the other one was the strategic plan for the hospitality industry. Can you elaborate a bit on those two for me please.

Mr BACON - Yes. We have seen that the Liquor Accord has come about in response to alcohol fuelled antisocial behaviour, particularly with the Launceston Accord which is really where it all started. It has been a real success up there in cutting down on those issues as well.

Mr DEAN - It has gone very well.

Mr BACON - There has recently been a meeting held in Campbell Town, I think it was, between all the liquor accords. We now have six accords in Tasmania. That meeting was about how they can share information and learn from each other about what has worked successfully, but also this \$10 000 has been set aside and now we are working with the liquor accords to establish what the best way to spend that money is. Across six accords it is

Dr GOODWIN - When you say promotional campaign?

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Mr BACON - to promote responsible service of alcohol and promote the liquor accord across the six accords.

Dr GOODWIN - Are we talking about promoting that to the community or promoting it to the industry or both?

Mr BACON - Promoting it to the industry but then also promoting it to consumers as well. There was one proposal put forward for a card system where you have a yellow card and then a red card. If you have a red card then you would be out of the venue. It is working with the accords now to see how we spend that \$10 000 to make sure that we get the maximum benefit.

Dr GOODWIN - It is not a lot of money, is it? Is there an expectation that there might be more down the track or that industry will chip in?

Mr BACON - The experience we have seen in New South Wales is that the government starts these liquor accords and then over time the industry takes over because I suppose it is a benefit to the industry too. If people feel safe for a night out they are more likely to go out and spend money in your venue as well. We think the \$10 000 can go a long way if we work with all the six accords around the state.

Dr GOODWIN - Essentially it is seed funding to get them to take it up, and then, hopefully, they will take it on board themselves and self fund it if needed.

Mr BACON - Yes, if it seemed to be worthwhile. The Launceston liquor accord particularly has been a shining light and it has been those venue owners in Launceston who are really working together to benefit the industry but also public safety as well.

Mr DEAN - The police have a part in it as well.

Mr BACON - Yes, the police and the local council.

Dr GOODWIN - The other matter was this strategic plan for the hospitality industry. There isn't a strategic plan at the moment and so this is about developing it. Who will be involved in that and when will it be finished?

Mr BACON - Once drafted, the strategic plan will be distributed to the industry and key stakeholders for a period of comment and feedback and this is expected to occur in the first quarter of 2012 13.

Dr GOODWIN - Is that being done internally and then put out as a draft or is there some involvement with industry straight up?

Mr BACON - Certainly, there is involvement with the THA but the consultants are from

Mr SHELDON COLLINS - A consulting firm called Creating Preferred Futures; they are an economist based consultancy but essentially they have a representative who works in the industry as well as part of their consulting team. They spend a fair bit of time going out and talking to the industry more directly about the issues that are impacting upon them.

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The real focus is profitability. The more we can make those industries more profitable, the more they are going to be a sustainable employment base. It goes to the heart of some of the questions you were raising before about weekend penalty rates. If we can make those operations more profitable in terms of all their operating costs, then the issue of penalty rates is not such a big impost, but it is still a significant issue.

That would certainly be the focus of the strategic plan which we intend to have to the minister by the end of June. He will go back out to the industry once it is drafted to get their feedback and comment.

Dr GOODWIN - Are they a local crowd or are they from interstate?

Mr SHELDON COLLINS - Definitely local.

Dr GOODWIN - Was a strategic plan something the industry wanted because essentially there is not one at the moment?

Mr SHELDON COLLINS - It was recognised when the memorandum of understanding was put together. Obviously, we have put a lot of effort into the industry with bits and pieces but what was lacking - as with Tourism Tasmania, though not as comprehensively - was a strategic plan for the industry that sets them some objectives that government and the THA can effectively work towards.

Dr GOODWIN - So do you think that coming out of that there might be a need to look at some additional funding down the track? Obviously, you cannot pre-empt what might be in it but do you think there is a need for some investment in the industry from the government?

Mr SHELDON COLLINS - There are some initiatives under way which the minister has already mentioned and what will come in the next 12 months. The strategic plan will look beyond that and say, 'If we do want to have a sustainable industry, if we do want to make it a very sustainable employment base, what are those things that we need to do to support the enterprises themselves?'

Much of Tasmania's hospitality enterprises are mum and dad type businesses; there is only a handful at the big end of town. To some extent, their ability to run their businesses takes up all their time, let alone the business of hiring people in terms of managing all they have. So, the more we can actually support them, the better - and it does not require big licks of money at the end of the day. We have a series of free industry workshops which we are still trying to grow and develop but they are well patronised, although in some of the more remote areas you only get one or two who come along. The more we can work with the mum and dad type operators to give them the capabilities, then the more sustainable their operations and the more sustainable the employment base.

Dr GOODWIN - So it is more about capacity building for the existing players within the industry. Then there is also the capacity to encourage more people into the industry and give them the support they need to make a success out of their business.

Mr SHELDON COLLINS - The Chair raised at the very beginning the number of people who seem to come into the industry with businesses and fall by the wayside. The more that we can keep them in business and not have this churn, the more sustainable the industry will be.

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So, really, I do not know if the hospitality industry will grow significantly larger but we want to make sure that it is a sustainable base.

[10.30 a.m.]

Dr GOODWIN - It is important when you talk more broadly about tourism; if we want to attract people to Tasmania we have to have facilities in place for them to use while they are here in getting access to coffee or whatever it is.

Mr BACON - The research shows that word of mouth channels are really important for Tasmania. If people come and have a bad experience then they go back and tell everyone and it is not good for the state that way; so you are right about that.

CHAIR – Recently, I was made aware that you could not get a cup of coffee in Bridport on a long weekend before 10 o'clock and you have Barnbogle and Lost Farm on the door step. Not everyone wants to go to their facilities for a cup of coffee if you want to get them in the town. It is a significant issue. I do not know how you resolve it but I was hoping that there would have been more talks with the hospitality industry about what they see as an opportunity. Is there a way of getting them engaged more, minister, do you think?

Mr BACON - In terms of the industry?

CHAIR - In terms of the industry dealing with some of those. It might seem like a very small issue in the big picture but, seriously, if you need a cup of coffee, you need one. People have become coffee yuppies.

Dr GOODWIN - Absolutely. We are a coffee culture now.

Mr BACON - We are in constant conversation, not just with the THA but with individual operators as well. There are opportunities that do come about from things like Barnbogle in the north east and the opportunity that that has provided for the vineyards in the area where they have seen their sales at the cellar door go through the roof. Those opportunities are also there for other people to establish cafes, restaurants and things like that.

CHAIR - The issue is that many of those places do not open early, if you like. I am not talking about 6 o'clock in the morning; I am probably talking about between 8 and 10 when you really are looking for that first morning coffee.

Dr GOODWIN - Some more desperately than others.

Laughter.

CHAIR - I consider that it continues to be an issue for the hospitality industry and hence you have this mega amount of money, with all due respect - \$100 000 - and it is supposed to train and identify issues.

Mr BACON - It is less about the training rather than identifying the issues. It is more like that; then the training is delivered through the education and skills portfolio. From our point of view, what we really want to do is build that link between what the industry needs and what the

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government and other registered training organisations provide to make sure that you can get a cup of coffee to your standards.

CHAIR - Anywhere, and not just in Bridport or Derby or Triabunna, or anywhere around the state. It has to be somewhere.

Mrs TAYLOR - Can I just make a little added note to that discussion? One of the things that I find is that businesses are very specific. You are talking about opening cafes for coffee and stuff, which is fine, but it is very difficult to get a cup of coffee that is not in a café. Have we thought about encouraging RSL clubs, for instance, who are open anyway for other reasons to put coffee machines in, or wineries? You can go to wineries and do cellar door stuff but you cannot get a cup of coffee in most of them. Certainly, when you travel internationally, you can go to hotels and even bars and things and they will always serve you coffee as well. People go for coffee even if they do not go for alcohol kind of stuff.

Mr DEAN - What about a cup of tea?

CHAIR - Mr Dean would like a tea.

Mrs TAYLOR - Tea or coffee - tea machines. It is about cross businessing rather than saying, 'I'm a winery therefore I just serve cellar door wines'.

CHAIR - There is certainly a number of issues. Members, are there any other questions in relation to hospitality?

Mr FINCH - I am wondering, minister, what numbers you would put on it if you were talking about the hospitality industry. We know the tourism industry is, say, 24 500 but if you were going to hone in on the hospitality industry, what would you say the figure is?

Mr BACON - The latest figure I saw was 23 000 employed in the hospitality industry.

Mr SHELDON COLLINS - Essentially, over time a figure of 23 000 has been used as the best estimate of what numbers were in the hospitality industry.

Mr BACON - Don't say it is wrong now that I have just said it.

Mr SHELDON - COLLINS - It is very hard for delegates because it all comes down to codes in terms of what constitutes hospitality and what constitutes other operations. The strategic plan is we are doing a profile of the industry, a very in depth profile, to validate all that. Certainly from the hospitality point of view it is somewhere between the 20 000 to 23 000 employees. One of the confusing points, and it is quite right, hospitality and tourism have similar operations in businesses that they both count. It is very hard to distinguish between the two but we are reasonably confident that 20 000 to 23 000 people are employed in hospitality.

Mr FINCH - Is the strategic plan that you just referred to then, a review?

Mr SHELDON - COLLINS - It will certainly provide a profile of the industry. It will not just be the numbers employed but also the nature and scale of the businesses and their level of profitability. It will go into a lot of depth about what the industry is. We felt that was important because without that sort of basic understanding of the industry it would be almost impossible to

say we are here now, where do we want to be in five years' time. This is probably the first time we have done a comprehensive review of what the hospitality industry is made up of.

Mr FINCH - Minister, could you run through some of the things that are coming up in the plan that we might read about in the future.

Mr BACON - A lot of it is building towards how we spend the money for next year and getting a profile on what the industry is and then how we can make the whole industry a lot more profitable from the individual business up through the industry so that the businesses that make up the industry are sustainable.

Mr FINCH - We tend to train up many people in Tasmania through the Drysdale process and through the hospitality skills and off they go to Melbourne and Sydney and places beyond. Is there a way we could attract mainlanders to come to Tasmania to continue their careers or develop their careers?

Mr BACON - We have seen a lot of Tasmanians get their training in Tasmania then go away and get further skills and come back and set up in Tasmania. It is a common thing for Tasmanians to go away for five or six years interstate or overseas and the training that they pick up while they are away helps them when they come back to be really strong leaders within the industry. It is difficult in that there are skills shortages right around the country, not just in Tasmania, so it is not a situation that we face on our own.

CHAIR - Minister, before we leave this output group, there is such a close connection between tourism and hospitality. While you are having those conversations with Treasury around Veterans Affairs and how that is reflected in the budget, I respectfully ask that you have the same conversation around hospitality. I have already pencilled in here on my papers '3.3 hospitality - \$100 000'. Hopefully next year, minister, it will be \$200 000. The economics of our state might turn themselves right around and we might be raring the go. It would fit so nicely under this output group and would make it so much more streamlined for not only people who help us put our information together but also for everyone who reads these papers.

Mr BACON - I can accept that people do want to see it the budget papers. In terms of the staff that the department has available we do have a dedicated unit for hospitality and liveability. It has four staff with the specific skills that are dedicated to supporting our hospitality initiatives and also making sure that Tasmania is a liveable place to be. It is very well led by Mr Sheldon Collins. It has fantastic staff who do a tremendous job promoting the initiatives.

CHAIR - Before now, have any budget savings strategies been put across that agency? Did you have five last year?

Mr BACON - We will invite Ms Jack to the table.

CHAIR - We invite Elizabeth Jack to the table. Welcome.

Ms JACK - In terms of budget saving strategies, yes, the entire department, like most other departments, has to face budget saving strategies. However, because the unit that Mr Sheldon Collins is responsible for is quite small already it is highly unlikely that there will be any major impost, particularly in the area of hospitality. As the minister said, those staff work on hospitality matters as well as liveability and we see a really strong link between the two. They all have

different complementary skills so rather than having one or two people focusing purely on hospitality we thought it was much more effective to have the four of them dedicating their skills and knowledge to the two areas. Whilst it sits within the Economic Development portfolio, they link very well together.

Mr GAFFNEY - Minister, I know that some years ago we asked for a Minister for Tourism portfolio. That is great and I think it was in the pipeline anyway. I look at Hon. David O'Byrne who is the Minister for Innovation, Science and Technology. Today we have heard how closely tourism and hospitality are linked. Has there been any thought or suggestion of having you being Minister for Tourism and Hospitality so that the funding pool could be then managed? I suppose you would have a close relationship anyway but it seems to me to be a

Mr BACON - It is in the same output group in the budget. The hospitality industry is trying to raise the profile of the industry as much as they can and they see having a Minister for Hospitality is a key plank in promoting the industry, particularly around the rest of Australia. They are very keen to say that we have a dedicated Minister for Hospitality in Tasmania. So from the industry's point of view they like it the way it is, but in the future

Mr GAFFNEY - I often see you in the paper being acknowledged as the Minister for Tourism but very rarely do I see Minister for Hospitality. If they wrote Minister for Tourism and Hospitality you would get more exposure for that industry.

Mr BACON - Yes, and I suppose that is the counter argument to it.

Mr GAFFNEY - I suppose it is up to the industry to talk about it but they do not get the as much exposure through just that single title.

Mr BACON - Yes, that is a good point.

CHAIR - Minister, I am available to go to Treasury with you if you need support.

Mrs TAYLOR - I thought you were going to say you were available to go to China.

CHAIR - If we can get Treasury sorted first then I am happy to take on China, and it is probably a big a job I suspect.

Mr BACON - I would say, yes.

CHAIR - Members if there are no other questions in this area of hospitality, I invite your tourism support team and thank very much Mr Sheldon Collins for his time today.

DIVISION 1

(Department of Economic Development, Tourism and the Arts)

Output group 3

Tourism

3.1 Tourism

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CHAIR - Minister, there are 30 children from the Forest Primary School who might be wandering through.

Mr BACON - That is fine with me.

CHAIR - If they happen to stay longer than a minute I will acknowledge them.

Mr BACON - That is fine; I think you should acknowledge them.

CHAIR - And we think they might all sit next to you.

Mr BACON - We have Tony Mayell, the chief executive officer of Tourism Tasmania.

CHAIR - Welcome. You were very new in the role last year if I recall.

Mr MAYELL - Very new.

CHAIR - So there are probably many things you are going to be able to tell the committee this year - through the minister of course and his invitation.

CHAIR - Minister, on tourism. Some would say and some do say it is the panacea and it is the be all and end all of turning Tasmania's economy around. You might like to convince this committee of that.

Mr BACON - From a government point of view we see tourism as a very important part of the economy but what we want to see in Tasmania is a diverse and strong economy. We want to see the tourism sector go from strength to strength but we also want to see other sectors do well as well.

CHAIR - So you agree that it will take more than tourism to sustain the Tasmanian economy?

[10.45 a.m.]

Mr BACON - We have seen good announcements recently around mining, aquaculture and irrigation. We have a lot of bright things in Tasmania. We have seen the dairy expansion in the north west. Tourism has its part to play but we want to see a diverse economy.

Mr FINCH - Minister, \$24.7 million for this year, a decline year by year to 2014 15 when the figure is \$22.367 million. Would you agree that this does not inspire much confidence in the Tasmanian tourism industry?

Mr BACON - There is still confidence in the Tasmanian tourism industry. From a government point of view what we have really done with this year's budget is prioritise health, education and public safety while still maintaining a strong focus on areas like tourism that can deliver real jobs for Tasmanians. What we have done over the last two years, after talking with the industry, is really quarantine the marketing budget, and we have also undergone a significant restructure led by Tony Mayell as the CEO of Tourism Tasmania over the last 12 months to refocus the organisation to become primarily demand driven and focus on marketing focus. All our conversations with the industry are around quarantining that marketing budget that we have been able to do over the last two years.

Mr FINCH - The number of employees in Tourism Tasmania have diminished. Can we get a run down on where we used to be and where we are now?

Mr BACON - We had 98 FTEs before the restructure and after the restructure we now have 60 FTEs.

Dr GOODWIN - Do you have an organisational chart or anything?

Mr BACON - There is one on the website.

Dr GOODWIN – That is for the new structure?

Mr BACON - Yes, the new structure.

Mr FINCH - From which areas were those 38 that were lost to Tourism Tasmania? Which areas were discarded and which ones were strengthened or retained?

Mr BACON – Basically, it was a total restructure of the organisation in reviewing all aspects of the business with a view to reduce costs and become more efficient and effective. Management recommended that many of the programs and activities that had been delivered over recent years needed to either cease or to change. In addition, during this period we sought to provide some broader direction on future priority areas for Tourism Tasmania. That really is about realigning the future priorities. The authority is seeking to quarantine that demand creation activity from the budget cuts that have been applied and again have been reapplied this year with the efficiency dividend.

The authority reviewed previous annual operating plans and the current strategic plan and held sessions with all of the business units within Tourism Tasmania. They had numerous meetings with industry and other stakeholders associated with Tourism Tasmania and as a result revised its role to become that marketing led organisation with a specific focus on research driven marketing and distribution programs. We really see its role is to deliver programs that create demand for tourism in Tasmania, and to support a strong, regional tourism network and really to drive benefits for the broader Tasmanian economy. To support this new strategic direction, Tourism Tasmania has been restructured into three business units: the marketing unit; industry support; and operations and planning. During this process, Tourism Tasmania reduced its staff numbers from approximately 98 FTEs down to 60 FTEs and now with the restructure complete and with the new business teams in place we believe we are well set up to concentrate on that demand driven activity around marketing but also to support the regional tourism organisations.

Dr GOODWIN - Do staff work across those areas, or are they discrete areas where staff are allocated to those specific units? Are you able to tell us how many are in each unit?

Mr BACON – They are discrete areas.

Mr SHELDON COLLINS - There are about 40 in marketing, so about two thirds of the organisation is in marketing, and the rest is made up of a relatively small team now in industry support; and then in the operations and planning area which provides support to the board, policy matters, research and also supports the minister's office as well.

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Dr GOODWIN - Can you give us a break up on those two units?

CHAIR - We might need Adam to come to the table, thank you. Don't be shy.

Mr BACON - Adam Sproule.

Mr SPROULE - I am shy.

CHAIR - You are in the wrong job then if you are shy.

Mr SPROULE - You want the break down by units?

Dr GOODWIN - Yes, please.

Mr SPROULE - It is 40 in marketing, 14 in operations and planning, and the residual is in industry support. There is an organisational chart on the website.

Dr GOODWIN - Yes. I just had a look at that, thanks.

CHAIR - Thank you, Adam. Feel free to stay there. The seats are probably a little more comfortable.

Mr SPROULE - It is more comfortable.

Mr FINCH - Is this a model that has been copied or brought to the state, perhaps with Mr Mayell, or has it been developed through investigation?

Mr BACON - We have seen a new chairman for Tourism Tasmania in Grant Hunt come on board and we have had a new CEO. In terms of quarantining the marketing budget and then having to find those savings, there was a need to restructure the organisation not only due to the budget savings but also because we really wanted to refocus Tourism Tasmania to be a demand driven organisation. I will get Tony to add a bit of detail about the restructure. I take this opportunity to thank him for his work over the last 12 months to restructure the organisation. It has been a particularly difficult time for staff and I have to say it has been well handled by Tony.

Mr MAYELL - Thank you, minister. The model has not been transported into Tasmania. It is essentially a philosophical and strategic shift from an organisation that was previously called a full service organisation. We provided every aspect of tourism through industries and product development - that sort of thing. As the minister indicated, my view when I came in here, and certainly with the support of the board and the chair as well, was that we needed to focus more on driving demand for the state. Funnily enough, our model is probably going to be replicated now in other states as other state tourism bodies' budgets are being reduced so they are starting to look at the way we are doing business down here as well.

CHAIR - We have some staffing questions, Mr Finch.

Mr FINCH - If anyone wants to jump in.

CHAIR - We might finish off the staffing issue.

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Mr DEAN - Thank you, chairman. The Launceston office ceased last year. Minister, you said to us last year that you were going to create some further opportunities for staff in Launceston. Did that happen? How many staff are now employed in tourism in Launceston? What is the position there?

Mr BACON - There are two staff in Launceston at the moment.

Mr SPROULE - Are you talking about the people who work from the call centre?

Mr DEAN - That is right.

Mr BACON - What we talked about last year was opportunities in the broader Department of Economic Development in Launceston.

Mr DEAN - Minister, we were talking about the closing of the office in Launceston and you were talking about the restructure. You ended up talking about moving some things to Launceston to provide opportunities for those displaced workers.

Mr BACON - Yes, they were opportunities in the broader Department of Economic Development around the Business Point program run through DED. I can check that for you through Economic Development, and get that detail for you if you like.

Mr DEAN - If you would because I think it is fairly significant. With those staff in Launceston when you closed the centre there, how many were made redundant, or what actually happened to them?

Mr MAYELL - One staff member elected to take voluntary redundancy, which we accommodated; the rest of the staff were redeployed within broader government. One of the employees relocated here to Hobart and is working in a higher duties position as we speak, so it is a good result in that respect.

Mr DEAN - There was also something about a call centre. Something was said about functions transferred from Hobart to Launceston and identifying those. One function has been identified. We are in the middle of consultation internally at the moment with staff. The business point call centre.

Mr BACON - My understanding is that it is not actually part of Tourism. It is part of Economic Development but they have talked about moving that to Launceston at that stage and I am not sure if that has occurred.

CHAIR - We are getting the nod that that has happened.

Mr DEAN - It has happened. How many in that centre?

Mr BACON - We will get that detail for you.

Mr FINCH - Minister, we are receiving mixed messages on the state of tourism in Tasmania. We have two examples: hotel occupancy rates in Tasmania are down 8.24 per cent in April compared to last year; average occupancy for the 12 months to April was just under 70 per cent.

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To me that does not look good. On the other hand, we have the recent announcement by Jetstar of an extra 14 flights per week and double that in the peak season. Can you reconcile those two?

Mr BACON - There is no doubt that there are challenges for the tourism industry not just in Tasmania but right around Australia. We have seen with the high Australian dollar and the cheap overseas holiday deals people can get in Sydney and Melbourne - who are still our key markets - that those factors are making it difficult for our industry at the moment. What we have seen from Jetstar, Tiger and Virgin putting on more flights shows that there is definitely a sense of the future being positive for tourism in Tasmania. From the government's point of view, there is a positive future for us in tourism.

Mr FINCH - When we were talking about hospitality, you touched upon the Access group activities and your hope that they would create some optimism about the industry, and how they might be used to explore ways of getting people into Tasmania more efficiently. We talked about China not having the eight hour break at Sydney airport and things like that. I am wondering if you might talk about that - the Access group meeting earlier this year.

Mr BACON - Certainly. We had the initial meeting earlier in the year for the Access group and last week they met with the consultants that have been appointed, Airbiz Aviation Strategies. Reports of that meeting, from the chair and the Tourism Industry Council, are that it was a very positive meeting. I met with the consultants on Wednesday of last week. The Access Working Group involves the CEO of the Tourism Industry Council, Luke Martin; Steve Old from the Tasmanian Hospitality Association; Charles Griplas from the Spirit of Tasmania; Pamela Graham from Launceston Airport; Rod Parry from Hobart Airport; Roger Jaensch from the Cradle Coast Authority; Stuart Nettlefold from Business Events Tasmania; Tony Mayell, CEO of Tourism Tasmania; and Mark Kelleher, secretary of the Department of Economic Development as chair.

Mr FINCH - Strong group.

Mr BACON - Yes. From our point of view, it is important that Access is seen not just as a tourism issue but one also for the broader community and for Tasmanians looking to get affordable flights as well. From our point of view, we have appointed Airbiz Aviation Strategies and their initial brief is to create a situational analysis about where we are at the moment and then come to government with recommendations about how we can sustainably improve access over the longer term.

Mr FINCH - Do you know if New Zealand was discussed? In our Tourism in Tasmania report, one of our recommendations was that the government, through Tourism Tasmania 'substantially increases its efforts to drag more visitors from the Asia Pacific region - especially New Zealand which is a market of almost 4.5 million people only three and a half hours away'. I will just make the point that when you talked earlier about Korea and trying to get that -

Mr BACON - That was more the Lord Mayor. Tony just gave me a look then - that was the Lord Mayor who has been suggesting that; it was not my idea.

[11.00 a.m.]

Mr FINCH - But we heard in New Zealand from quite a few sources that the stopover in Melbourne was a hindrance to planning a trip to Tasmania and that if they are coming to Melbourne, they are more likely to head north than they are to come south. That was a strong recommendation from us, and I think last year we were trying to get you a trip to New Zealand by

strongly suggesting that that is where you should go to carry out some investigations. So can you apprise the committee of your thoughts now about that New Zealand link?

Mr BACON - One of the issues with the link with New Zealand is that there is not just a single point in New Zealand that people want to travel to or from. There are multiple ports or airports in New Zealand where people come to Tasmania from. If we had a service from Wellington to Hobart and you were in Auckland, you still have to fly to Wellington to get to Hobart anyway. That is some of the concern around whether, commercially, that route stacks up.

From Tourism Tasmania's point of view - and I might get Tony to add a bit more detail - they do a fantastic work with all the airlines. They are in constant conversation with the airports in Tasmania and the airports are always looking at other routes as well. So in terms of New Zealand, I might get Tony to add a bit of detail about that.

Mr MAYELL - Thanks, minister. Coming back to the Access working group, part of the brief there with the consultant is to look at all those factors including inbound opportunities - that is for all international markets - and the potential impediments to people coming on to Tasmania. It is around the connectivity over the major gateways like Melbourne, Sydney and Brisbane. An understanding of this will also give us a bit of an insight into the true scope and potential for some of those inbound markets and the way we service them at the moment through those inter line flights; or it may give us a pretty clear picture about the viability of direct flights as well. The group will get to that at the end of the report when those sorts of considerations will be given.

In relation to New Zealand, we are currently getting about 14 000 visitors a year which equates to probably about 80 aircraft loads of, say, a Boeing 737 800 - would that be right, Kath?

Mr FINCH - About 14 000.

Mr MAYELL - Yes, that is right. We need to get significantly more than that to even make an airline consider it. The fact that Air New Zealand did operate the service for the period that they did, and now no longer do - and other carriers obviously watch each other on these routes - that the whole question of viability is probably one that is always paramount in a carrier's mind. I would suggest, just with my intuitive feelings, that there is probably limited potential for that service in the eyes of the airlines. Certainly, if we could demonstrate that we were able to grow the market considerably more than that, then it would be something we would revisit if we felt there was scope for that. That would be the sort of discussion we would have, not just with Air New Zealand, but with Virgin and other carrier services in the trans Tasman.

Mr FINCH - Thanks, Mr Mayell. Did you see the letter by Mr John Livermore in the *Mercury* on 22 May, minister?

Mr BACON - I think I did.

Mr FINCH - He made some interesting points about the fact that with the flights both ways, it was 80 per cent capacity.

Mr BACON - At the time.

Mr FINCH - Yes, and that in fact the flights ended in 1996 because of a financial problem with Air New Zealand, not because of the lack of desire of people wanting to use the flights.

Mr BACON - That comes back to Tony's point as well that if it does stack up, commercially, then I would be happy to talk to the airlines about it if we did have that data available that showed that there was demand there for those seats.

Mr MAYELL - Minister, further to that, another example is the Adelaide service to Hobart which always operated at very high load factors - in excess of 80 per cent, in fact. Virgin persevered with that for almost a year but they could never get the route to work profitably, hence their withdrawal from that service. So there are many factors that a carrier looks at, including the type of equipment on the route, the operating costs of that equipment, crewing costs, and all those other factors that come into play. It is interesting that carriers operate at extremely high load factors but the margin is very tight and, of course, they make decisions based on where they are going to get that extra cent per seat per kilometre by aircraft type on other competitive routes as well. Then there is the risk factor of having aircraft offshore, as Tasmania is a little bit. So everything within our radius - say, in Melbourne - they look at where they are going to get the best return on allocating that particular air frame; so it is a very complex situation.

Mr FINCH - As an observer, it always looks so easy.

Laughter.

CHAIR - I think that goes for most things.

Mr FINCH - On our trip we were excited about the feedback and the sense of optimism we were getting.

Mr BACON - There is some talk going on at a national level too about how they can break down the travel barriers between Australia and New Zealand as well so if that takes place then that may make it more viable as well, but we will have to wait and see if that progresses.

Dr GOODWIN - Is that around customs and those things?

Mr BACON - Yes.

CHAIR - Paying to get out, you mean?

Mr FINCH - I applaud the establishment of the access group and these learned people getting their heads together to do the investigation. That must be a great support to you.

Mr BACON - I think it is. The feedback on the consultants is that they are real experts in this field and that, between the group that is made up of a broad range of Tasmanians with different skills in different areas, and the consultants' expertise on top of that, we will get a good result from the working group.

Mr FINCH - You recently announced, minister, the four industry bodies.

Mrs TAYLOR - Are you going on to a different topic now about the airlines now?

Mr FINCH - Yes.

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Mrs TAYLOR - Could I just ask an additional question?

CHAIR - Absolutely. I think we might as well get straight into the Hobart Airport.

Mr FINCH - Glenorchy airport.

Mrs TAYLOR - No, no; helicopter pad.

As a follow up to the earlier conversation in hospitality, what about charter flights that are not regular? The airport was upgraded a number of years ago to take bigger aircraft. Are the aircrafts bigger now than the capacity of the airport? Can the airport handle charter flights and what is the possibility of that?

Mr MAYELL - I will have a go at that one, minister, if that is okay.

Mr BACON - Absolutely.

Mr MAYELL - Kath McCann who has joined us on the benches has just recently moved from Hobart International Airport

Mrs TAYLOR - A red velvet couch.

Laughter.

Mr MAYELL - The airport does have some constraints in the type of aircraft it can cater for, particularly larger aircraft, and that is around the maximum take off of the aircraft so there are issues around runway length and that sort of thing.

Mrs TAYLOR - So what size can we take?

Mr MAYELL - They can land but they can't take off.

Mrs TAYLOR - That is good; we could get more citizens that way.

CHAIR - Kath, would you like to come to the table and would you like to give us your name and your title, thank you.

Mr BACON - Kath McCann is the director of marketing.

CHAIR - Thank you.

Ms McCANN - Could you repeat the question, please.

Mrs TAYLOR - What is the size of aircraft that we can take at Hobart Airport, and maybe at Launceston as well.

Ms McCANN - The size of the aircraft is one element but also the length of the sector in terms of where the aircraft is actually coming from is particularly important. For example, we could get an aircraft direct from Auckland to Hobart but we are probably pushing it if we go anywhere further beyond South East Asia.

Mrs TAYLOR - Like China?

Ms McCANN - China yes, Singapore yes, but when we start getting further afield then the ability of that aircraft to perform the function is quite different.

Mrs TAYLOR - We have been talking earlier today about the growing connection between China and ourselves and the attempt to encourage Chinese tourists and children and families to come.

Ms McCANN - As you probably are aware, Hobart Airport has facilitated movements of fairly significant size aircraft. Most recently the C130, so the Hercules aircraft, which I am sure many of you know. There are not prohibitive limiting factors but there are potentially limiting factors - as Tony mentioned, the takeoff weight capacity of those aircraft. That could mean that on the way out of Hobart, for example, it may need to stop in Melbourne to refuel in order to get back to the market where it has come from - so China, for example.

Mrs TAYLOR - So it is all right to fly to here but not to fly out?

Ms McCANN - It is the takeoff weight capacity. The aircraft needs a different length of runway on arrival and departure.

Mrs TAYLOR - Depending on how much fuel it carries?

Ms McCANN - Yes, indeed, and luggage and weight. In terms of charter capacity currently, I think the capacity should be adequate for the aircraft that we are talking about, out of China, to facilitate those movements. The current runway is 2 251 metres in length. The Gold Coast, for example, is one that carries really significant aircraft particularly out of that Asian market, and has about an extra 600 to 800 metres in length.

Mrs TAYLOR - We are obviously not going to be able to do that except at significant cost.

Mr DEAN - Across the road and out into the bay.

Mrs TAYLOR - It is a bit chicken and egg. In a sense you don't know what the demand is because people take what they can take. There are people who say, 'I must go to Tasmania and it doesn't matter how difficult it is', but there are many other people who will come to Australia. When Japanese tourists were flying into Sydney and Queensland but not so much Melbourne, I think, we got very few of those as a result because their time limit is very small. They get five days a year holidays – something like that - and they want to see as much as they can of Australia in five days.

Mr BACON - Particularly in the short term it is around that connectivity with the major airports, and the better we can get that then the easier it is. People can often book now with a single airline, even if it is two flights, and you can book from wherever to Hobart or Launceston. From our point of view, it is really about getting that connectivity right in the short term to make sure that it is as easy possible for people to get to Tasmania from wherever they are.

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Mrs TAYLOR - As Dr Goodwin mentioned, although you can book all the way across, you still have to go through customs at the major airport and then get on a different plane to come here. Can we do customs here?

Mr BACON - Certainly, we have in the past but that adds an additional cost. The access working group is the best vehicle for us to deal with all these issues. Hopefully we will continue to work on that in the coming months and then we will have the report come to the government with some serious recommendations.

Mrs TAYLOR - If there were charter flights would they have to do the custom thing here?

Mr BACON - Yes, but that is something else that can be looked at as well.

Mr MAYELL - Minister, the costs involved with a charter operation are extraordinarily high and that will be one of the things that the access working group looks at. We have recently had discussions with the Lord Mayor about the Korean idea and that sort of thing, and we were able to give them some insight as to what it would cost for an aircraft cycle, if you like. If it came to Tasmania for five days you could not leave it sitting on the ground - so where does it go from here? Then the operational considerations start to come in around the take off weight. A jumbo, for example, is 360 tonnes when it takes off from Singapore so it takes a fair length of runway. Then there are all the ground equipment costs and everything else that go with that. I don't think the airport is properly equipped for regular large aircraft type in terms of the ground equipment and, as you say, with the requirement for customs and immigration that loads a significant cost on top of already a very high cost.

Mrs TAYLOR - It doesn't sound like you are thinking of that anytime in the near future.

Mr MAYELL - If it stacked up, and I think that is the thing. Normally, though, you are looking at a pretty huge underwriting commitment to make that happen. That is another question altogether.

Mrs TAYLOR - One would imagine that they would not sit on the ground here for five days. It would give us the opportunity as well to take direct flights to wherever it comes from.

Mr MAYELL - Yes, and then they look at the size of this source market and relative to that what is the potential for them to get some return revenue on what would normally be empty sectors.

There is just one other thing, minister, that you may not be aware of yet because it has just been advised to us. Qantas is changing a few of their schedules now and that is through discussions with us around this whole issue of connectivity. Some of the services now they have adjusted by about half an hour or so, and that is providing far better connectivity for some of these international flights to Sydney and Melbourne. So those things are starting to come into play as well.

[11.15 a.m.]

CHAIR - It is good when the minister finds out things from these estimate processes also, isn't it.

Mr BACON - I have had a conversation with Steve Farquhar from Qantas.

CHAIR - Just checking.

Mr DEAN - Was it raised - the extra flights coming into the state with Jetstar and that?

Mr BACON - Yes.

CHAIR - It has been touched on by the minister.

Mr DEAN - Where are those flights coming in from?

Mr BACON - Sydney and Melbourne.

Mr DEAN - No more direct flights from the Gold Coast?

Mr BACON - No. The routes that were announced on Monday are initially between Hobart and Sydney, and between Launceston and Melbourne; then in November between Hobart and Melbourne, and Launceston and Sydney. For each route it is seven additional flights per week.

Dr GOODWIN - Are they still our largest domestic markets?

Mr MAYELL - New South Wales and Victoria.

Mr DEAN - Virgin has also identified further flights, haven't they?

Mr BACON - Yes, they announced when John Borghetti was down in February that they had put on additional flights as well.

Mr DEAN - Tiger will be back on again in Hobart shortly and probably looking at Launceston again, I would think.

Mr BACON - We have had discussions with Tiger about Launceston as well and what they are really looking to do is expand their routes in a sustainable way to ensure that they do not have the same issues that they had last time. They are trying to build their brand up again.

Mr DEAN - There is plenty of space in Launceston to extend the runways, minister, no problems there at all.

Mr BACON - It might become our international airport.

CHAIR - Minister, while we are talking about airports and the transport of people in and out, what about the Devonport, Burnie situation? Does that reference group that we have talked about have some work in relation to that?

Mr BACON - Yes, Roger Jaensch from the Cradle Coast Authority which covers Devonport and Wynyard airports. That is why he has been invited to be a part of that working group also so that it is not just a focus on Hobart and Launceston. It has the *Spirits* involved in terms of Devonport and the port and also the two airports as well.

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CHAIR - That is an expensive but convenient way of accessing the coast, the north west coast particularly, but I know that if you have two people it is cheaper to go to Launceston and fly in and out and leave your car parked. Do you have conversations with aircraft carriers in those areas yourself?

Mr BACON - Yes, I flew to King Island on one of those. -

CHAIR - Through Rex.

Mr BACON - Yes, they offer a fantastic service and that is why they have been included on the working group to make sure that they are not left off the map. We have seen TasPorts put in a significant amount of money to redevelop Devonport airport also. It is a good step forward for the north west coast.

CHAIR - What about any potential increase in the market or marketing opportunities for the Furneaux Group in relation to Whitemark? Is there anything happening that you are aware of there?

Mr BACON - Not that I am aware of but Tony may have a bit of detail on that.

Mr MAYELL - Yes, I was up in Flinders towards the end of last year and we have committed to working with their tourism group. They have recently had some changes in their group and they continue to change - there is a little bit of instability locally there.

CHAIR - I read that in the local newsletter.

Mr MAYELL - But we have committed to work with them and with specific product on the island. We have cooperative marketing funds allocated for what would be appropriate activity which we will work through with the industry there as well. It is interesting because Flinders in particular and King have challenges with them working with what they see as the mainland, being Tasmania, the big island's local tourism bodies also. We are trying to give them scope and guidance to drive some local activity.

CHAIR - I will get onto the four region part a little later in my contribution.

Mr FINCH - I want to stay on this airline situation if I may. Do Virgin, Tiger, Jetstar and Qantas deal with Tourism Tasmania, with you, minister - they do not throw you any surprises when they are negotiating extra flights, et cetera? Do they come through the department?

Mr BACON - Yes, absolutely. Tourism Tasmania is in constant contact with the airlines. I have met with all the airlines now and we meet regularly with Steve Farquhar from Qantas. The government, through Tourism Tasmania, is in constant contact with all the airlines.

Mr FINCH - No surprises all of a sudden. They do things and then you think, 'Why didn't they consult with us or have a chat with us?'

Mr BACON - No, and talking to David Koczka from Jetstar on Monday he was very complimentary about the work done by Tourism Tasmania in terms of the engagement there, and he was also very complimentary about Hobart and Launceston airports. His comment about Tasmania was that it is good that everyone is really pulling in the same direction and you do not

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see that in many other states. He had very high praise for their relationship with Tourism Tasmania but also the way that Tourism Tasmania works with both the airports as well. I thought that was a really good sign for the industry in Tasmania.

Mr FINCH - And, of course, the way those two airports that you mentioned have upgraded facilities to cater for the increased traffic.

Mr BACON - Yes, absolutely.

Mr DEAN - One more question on that, if I could - you have consultation with the set up of the aircraft and so on, what about the airports themselves? One of the main concerns - and it has to reflect on tourism and on people to a degree - because you will hear them now say that it is not the flight costs that are concerning them, it is the parking costs which are far greater than the cost of flying to the mainland and back. What consultation has Tourism Tasmania had with the airports in relation to the other ancillary costs and so on?

Mr BACON - Tourism Tasmania is in constant contact with the airports. Regarding the parking, I have not had it raised with me but I am not sure if the department has.

Mr MAYELL - Car parking has come up in conversations with us. I parked a vehicle the other day at Melbourne airport around the Tiger launch and I was forced to use one of the parks relatively close to the Tiger terminal. I think the vehicle was there for seven hours and it cost me \$72. At the same time, I had left my vehicle at the Hobart airport for four hours, because I went over on a very early flight, and it cost me \$12. We do get that feedback. We pick up some of this information and feedback from people and mainly from the tourists that we talk to through the Tasmanian Visitor Survey but it has not appeared to us as being an absolute deterrent to travel. It is probably more an issue for the Tasmanian community travelling outbound.

Mr FINCH - Unfortunately, it is a good money spinner.

CHAIR - Before we leave the airport, can I ask what is done with the airports to promote some of the icons around Tasmania? Do they all have information bays there? I do not fly very much, I am too busy driving around my place.

Mr BACON - They have big bays with brochures about fantastic Tasmanian products from right around the state and there are billboards and things like that as well so I think it is well catered for.

CHAIR - There is no gap there, you think that is working well enough?

Mr BACON - No, not that I have noticed or that has been raised with me at all. It seems to be working well at the moment.

CHAIR - Do we still - and I am not sure if you are going to ask this question, I hope you have not got it on your list - do exit surveys?

Mr BACON - Yes, absolutely.

CHAIR - Do we have some data?

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Mr BACON - Yes, we certainly have. What we could do is provide the latest Tasmanian Visitor Survey for you, if you like. We could get you a copy of that.

CHAIR - That would be very much appreciated, thank you.

Mr FINCH - The budget allocation for marketing has dropped from \$17 million in 2005 06 to \$10.5 million this year. I know we have had the global financial crisis but so has the Northern Territory and they are going to spend \$22 million on marketing. That is their allocation. Can we justify that diminution when we have hotel occupancy at under 70 per cent?

Mr BACON - I am not sure how that figure from 2005 06 was arrived at - there was an amount of money - and it was a long time before my time in parliament - from the sale of the *Spirit of Tasmania III* that came between Sydney and Devonport. I am not sure on the detail, we can get that for you, but I believe some of that money had come from the sale of that ship so it was not recurrent funding in the budget. I can check that detail. What we have done with the marketing budget is we have quarantined it from any cuts over the last two years when we have seen cuts across the public service in last year's and this year's budget. They have not affected the marketing budget at all.

Mr FINCH - A comment I had was that although marketing is quarantined, it is not sufficient to cut through in this highly competitive environment.

Mr BACON - Yes. Certainly from our point of view as a government, what we have done with the budget is prioritised health, education and public safety, while all other departments have been requested to take a cut. Through Tourism Tasmania, we have not only taken that cut but we have maintained the marketing budget at the same time, which has come at a particular cost to the department in terms of staffing levels and things like that. What we have done is to focus the department on demand led activity around marketing and made sure that we have not seen any cut to that. From our point of view, being able to maintain that marketing budget has been a very important thing that we have been able to achieve.

Mr FINCH - Will you, as minister in your cabinet discussions, be driving this situation where marketing is going to be paramount to Tasmania in the future and whenever there is largesse involved, when we get back to that situation - lovely word, is it not?

Mr BACON - We call it public money.

Mr FINCH - But whenever there is public money extra that is able to go into marketing because this industry is so important to the economy of Tasmania -

Mr BACON - Yes, absolutely. That is why the government is such a strong supporter of the industry, not only in marketing but we think with the restructure of the organisation, which is now much more efficient, that any additional money that goes into tourism can go into marketing.

We have also seen in the budget an increase in the events budget of \$5.2 million which is also important in getting people to come to Tasmania, particularly in some of the slower months. We can see that events are going to attract people here when they may not necessarily have thought about travelling to Tasmania. For us, marketing is our number one focus.

Mr FINCH - Did you suggest that was an increase for events?

Mr BACON - \$5.2 million to \$18.3 million over the forward estimates.

Dr GOODWIN - To some extent, was that not restoring a previous cut to events funding?

Mr BACON - There was a cut to the events budget in last year's mid year financial report, yes.

CHAIR - We will not head to events yet. We will wait.

Mr FINCH - No.

Mr BACON - That was my fault. Sorry about that.

Mr FINCH - No, that is quite okay.

CHAIR - That is why I am here - to keep you in line.

Mr FINCH - If I could come to the four industry led bodies to promote Tasmania's regions saying, 'Give local operators a greater say in their region's tourism strategies'. This is an acknowledgment that zone marketing, although it was tried and a lot of energy and effort and money went into it, has not crystallised; it has not worked as far as the regions are concerned. The Tourism Industry Council supports the need, saying that Tourism Tasmania could then concentrate on marketing Tasmania as a whole - the focus can go there. Yet, apparently, for these four tourism bodies, there is only \$300 000 to support them.

Mr BACON - I might clarify that. There is \$260 000 for the northern organisation; there is \$260 000 for the southern organisation; \$360 000 for the north west and west organisation; and \$190 000 for the east coast.

Mr FINCH - It sounds much better than my figures.

Mr BACON - That is right. Local government is a significant contributor to regional tourism as well. We look for that funding to continue but also to see funding from the industry as well so that we can all work in cooperation to drive regional tourism.

Mr FINCH - Are you suggesting that it might be on that dollar for dollar basis, as tourism used to work many years ago - that you look for the industry to match the government dollars?

Mr BACON - Certainly, we would look to see the industry put in as much money as they can so we can market their region in collaboration with expertise from Tourism Tasmania feeding into that.

Mr FINCH - Minister, tell us something about the regional bodies. How are they set up? Who makes up the numbers? How does it work? How do they report back to you? How do you get messages through to them?

[11.30 a.m.]

Mr BACON - I can give you a breakdown on each region, if you like, on how they are

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Mr FINCH - Some are set up and some are not.

Mr BACON - We are looking at them all being fully operational by 1 July this year.

CHAIR - Is that going to happen?

Mr BACON - We are well on track to have that done, Madam Chair.

We might start with the east coast - I think that would be where you would like to start, Madam Chair?

CHAIR - I have my foot in about three different areas, really, but I am happy to start on the east coast.

Mr BACON - All right. So the east coast working group and councils have received and accepted a proposed model from their consultant, Bill Fox, which covers the proposed structure, the model's rules, the board charter, the business plan, and there is good support for this model. The question of funding is now being considered by both local councils which will consider their budget allocations in May and June council meetings. An industry forum was held on 30 April 2012 when 52 industry participants discussed the proposed model. I am advised they were highly supportive and excited for the future. I know Tony travelled to the east coast to discuss the organisation further. I am not sure whether you want to add any detail now?

Mr MAYELL - A very quick comment. Regarding the two councils there, as the minister has alluded, we see the local government as being extremely important partners in this, and eventually as part of the team. Recently, I travelled to St Helens and met with the Break O'Day Council and went through some of the items they had raised with us. We are expecting a very positive outcome from when it goes to their council meeting.

CHAIR - Minister, can I put it to you that they are at a disadvantage because there are only two councils to support that region? I raised the concern at the very first forum and I still have that concern that all the other areas have a much larger base to gather their funds from.

Mr BACON - I suppose with zone marketing and with the east coast split into the two different zones - in terms of being split between the two councils - there was a lot of talk on the east coast whenever I was there about it was not working together. They would rather have the east coast on its own rather than be part of a broader organisation. I think that they may be smaller but we can get some good outcomes with that \$190 000, I think it was, that has been provided to the east coast. Then with both councils and the businesses on the east coast, I believe there is an opportunity there for them to really aggressively market the region.

CHAIR - I know it has to have time to bed down, get the structure in place and get supported, and I know you do not have support from both councils yet so that in itself is causing some sort of concern

Mr BACON - Personally, from my point of view, we want to see both the councils on the east coast working together.

CHAIR - It cannot work if it does not.

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Mr BACON - Absolutely.

CHAIR - Would that be your decision?

Mr BACON - Oh no, we want to see them work together; that is what we have wanted to see for some time now.

CHAIR - Will you consider that next financial year there may be a need for a higher allocation because that particular east coast region only has the two councils to try to generate those funds that are going to be needed to market that huge - it is one third of Tasmania almost

Mr BACON - In terms of the businesses, though, it is not one third of the number of businesses that are involved in the tourism industry. In terms of the numbers of businesses involved in total we have on the east coast 224 businesses, in the northern region 493 business, in the north west 476 businesses, and in the south 822 businesses. So for relative funding for the industry, it is probably not the same picture as just saying because they only have two councils they have access to less money.

CHAIR - You would have to admit that a lot of those are relatively small businesses.

Mr BACON - Right across the state, the majority of our businesses are smaller businesses.

CHAIR - Our whole state is small business, particularly.

Mr BACON - Absolutely.

CHAIR - We are small to medium businesses; we do not have too many big businesses. Can you provide to the committee a cost for setting up this new structure?

Mr BACON - For the east coast?

CHAIR - No, for setting up the whole structure? I would be interested to know what this new structure has cost the department. We are talking about Bill Fox and his time and all the other aspects of it that have gone with it, and you will not find anyone more supportive and wanting it to work.

Mr BACON - I might run through the other three regions and then we will go to that.

Destination Southern Tasmania was registered under the Corporations Act as a company and limited by a guarantee. It held its inaugural board meeting on 4 April 2012. The board appointed Mr Vin Barron as interim chairman until a special general meeting can be held, which will be within the next three months. Mr Ben Targett commenced as CEO on 18 May and is working with the board to secure council industry membership subscriptions in the new financial year. To do this they are engaging with industry and council groups, establishing a membership website and collateral and will hold a one day industry launch in early July.

For the northern group, which will be another one of interest to you, Chair, the working group has received and accepted a proposed model from its consultant - again, Bill Fox - which covers roles, model rules, a business plan, and proposed structure. The model was presented to the mayors and general managers of the seven northern councils. There is broad acceptance of the

model, with five councils having confirmed their funding support, whilst two councils will make this consideration over May and June. I believe that is the Northern Midlands and West Tamar councils. When all seven local governments have responded to the funding request, a call for expressions of interest against the skills criteria for a board of directors will be published. On 20 April, 74 industry participants attended a forum and presentation of the proposed regional tourism model in Launceston, and I am advised that it was very well received.

For the north west and west coast, an urban enterprises state of the region report and regional tourism organisation discussion paper were presented to industry at a number of forums. An industry working group met on 9 March 2012 to consider the recommendations and confirm a preferred model. The group's views reflected the broader industry consultation and confirmed the Cradle Coast Authority as the basis for the regional tourism organisation, with a new industry board formed to guide the tourism operations.

Expressions of interest for a board of directors was advertised and considered by a selection panel in mid May 2012 with Grant Hunt, the chairman of Tourism Tasmania, sitting on the selection panel. Mr Richard Dax has been subsequently appointed as chairperson for the north west/west coast regional tourism organisation. Mr Dax and nine other directors will hold their first meeting on 12 June. Tourism Tasmania will work with each regional tourism organisation over June and July to develop a service level agreement for the funding that is provided that will cover development of a cooperative marketing plan, a state aligned regional branding, development of a regional destination strategy and an agreement on key collateral.

In terms of cost to the department to set up the regional tourism organisations

Mr MAYELL - The cost of Bill Fox we can provide. I am not sure how far you wish to go with staff costs. We have people whose job function is to provide regional industry communication. They have been driving this at a grassroots level. You would put that as part of their duty statement. We could have a crack at allocated costs.

Mr BACON - We can try to get some detail around that for you if you like.

CHAIR - Thank you.

Dr GOODWIN - Can I ask a question on the board of directors? How are they selected? You mentioned expression of interest but who makes that selection?

Mr BACON - For the north west/west coast the panel was put together by -

Mr MAYELL - An independent chair, Rod was the chair of that group, and a couple of industry people. Most of these are evolving from what we formed early on, which was working groups that were working with us to get some evolution of the model. A number of those are going through to the board level as well. We also advertised in the newspapers. We feel the consultation process and the involvement of industry all the way through has been pretty significant. Identifying appropriate people for the board has been very much driven by industry itself. We have stayed very much at arm's length from the selection process. Grant was on there for his expertise, not so much as chair of Tourism Tasmania. As I said, Rod, an independent person, chaired that panel up there.

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Dr GOODWIN - So the idea is that there will be a fair degree of autonomy for those new bodies.

Mr BACON - Yes, the funding will be provided by Tourism Tasmania and then, I suppose, the service level agreement will be agreed between both parties on what is going to be delivered for that money.

Dr GOODWIN - So with the four models, will they have some key similarities, or have they really been tailored to each of the four areas?

Mr BACON - They will all be tailored, I suppose, to their specific region but we really want to see state aligned regional branding. In terms of Tourism Tasmania with the work they do to market the state, some of the criticism of the zone marketing was how confusing it was for consumers about what Tasmania had to offer. We want Tourism Tasmania to promote Tasmania, and then each region to promote its region and what it has to offer as well to make it clearer for the consumer.

Dr GOODWIN - So it will be the overarching Tasmanian branding, I suppose, and then, as you say, they will be focusing on promoting their region but it has to be consistent with whatever that overarching brand is.

Mr BACON - Yes, absolutely.

CHAIR - What is the cost for the independent chair per annum?

Mr BACON - It would vary across the different organisations based on the boards that are set up.

CHAIR - What is it expected to be? Is it a normal \$12 000 board position?

Mr BACON - That will be set according to board decisions and things like that. Some of the boards are not even in place so it is difficult to gauge.

Mr MAYELL - Minister, each board is setting the remuneration for those chairs. I understand it is in the order of between \$20 000 and \$30 000, depending on the region. I should stress that our funding is not being used for that. That is a decision the board makes, particularly in relation to the selection of that person and then how they remunerate them. We were at arm's length from that but the funding we provide through the summary that the minister just provided is not put towards the cost of a chair.

CHAIR - At the end of the day, it does not matter where the funds come from. These organisations are going to be given a level of funding through the public purse - through your department - and whatever they generate outside of that then they will use to fund their organisation, so it goes into one pool.

Mr BACON - Certainly we will have the service level agreement with the organisation that will stipulate what the public money can be spent on and then beyond that.

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CHAIR - So effectively industry itself, or councils, will be funding the paid position. Then that flags in my mind that most councils have a tourism type focus position so they could see that they are funding two roles here. Is that a concern?

Mr BACON - That is a decision for the individual council, I suppose.

Mr GAFFNEY - Madam Chair, through the minister, the north west one is probably further advanced and I have been involved in that. There is no concern there from councils that it is not a proper and a really cost effective way of managing the north west tourism, and they are all supportive of it. The people they have in place have all been accepted by industry and local government on those boards so, from that region's perspective, it has been a terrific model and so we have jumped on it and are running with it. Much of the funding for it will come from industry and be industry focused and driven and councils will play a role, but mainly supportive.

It takes away a lot of that angst that has been there in the past about the success of zone marketing. I am pleased to see that the meeting is on 12 June because I know that people want to get it up and get it going. It has been well received from our area.

CHAIR - Thank you, Mr Gaffney. My concern is around industry's ability to pay. Obviously it will go on what any industry can afford to pay but it probably will be left up to the same ones because, as we know, there are many people involved in tourism but do not actually believe that they should be supporting it in any financial way so they get the benefit.

It comes back to the same old problem about there are some doing a lot of work and paying, but others are able to get benefits off the back of what other people do. I don't know that any new structure is going to change that. Would that be your view?

[11.45 a.m.]

Mr BACON - I think it's just a fact of life that there are free riders, I suppose, that are going to benefit from not only the work that Tourism Tasmania does but also what the regional tourism organisations do.

CHAIR - I am sure we can have this discussion and I look forward to seeing the results of this new structure next year. Any other questions in relation to the new structure for the regional areas?

Mrs TAYLOR - Mr Mayell said that industry development is now a role that you are not doing anymore and it has never been a role that has been very clear, I think. But we constantly talk about - and with the new alignment, too - industry operators and the industry helping to pay, which is great. There has always been a bit of a disconnect between industry paying, which is right because it is their own business and their marketing, but what about potential industries? It has never been very clear about industry development. The east coast is probably one of the examples where there might well be potential businesses that could grow the tourism industry but they do not yet have businesses and so they do not yet have money to put into it and, in fact, they are not connected even very easily.

Mr BACON - Certainly, and I think through the broader Department of Economic Development and through the economic development plan that has identified tourism as a key sector for the government, we have seen things like the jetty for Maria Island announced.

Mrs TAYLOR - And a jetty at Wilkinsons Point.

Mr BACON - Absolutely, and there is a feasibility study that goes with that federal money to look at what opportunities there are on the east coast.

Mrs TAYLOR - The industry development is being picked up, you think, by Economic Development?

Mr BACON - Yes, and definitely identifying tourism in the economic development plan is important for us as well.

CHAIR - I did suggest, minister, that Dr Sirolli went to Triabunna and weaved his magic but I see I was out gunned by Huon.

Mr BACON - Dr Sirolli has had his program extended to the Huon Valley as well, which I think is a good thing.

CHAIR - It might have been at the member for Apsley's suggestion that George Town and Dorset get rolled into one as they are so closely related, and that they spread it further south. I was hoping for the Triabunna Orford east coast area.

Mr BACON - Yes, and that is why the feasibility study into the east coast is an important one and to get that jetty upgrade as well.

CHAIR - Are there any discussions with that particular community given its significant challenges right at this point in time when we do not have this structure firmly in place for them to be able to perhaps get off the ground straightaway?

Mr BACON - We envisage this structure being in place by 1 July.

CHAIR - Yes, but now. Are there any discussions by your organisation with that particular area?

Mr BACON - The CEO has recently been on the east coast discussing tourism issues with the local councils and with operators. That is always going on.

CHAIR - Is there any feedback that you can share with the committee about the results of those conversations?

Mr BACON - The CEO can add some detail.

Mr MAYELL - The council related ones were specifically focused on the formation of the RTOs and addressing some of the items that they wanted further clarification on and where we, as partners, how these things would actually operate. They were very constructive and I know Glamorgan has been very positive from day one in relation to this and the mayor there has made that very clear to his counterpart.

I am confident that council discussions are on track. With industry communication, we have had people travelling up to the east coast mainly focusing on working with the councils but also with the whole industry and, as the minister alluded, at the end of April we had those 50 odd

people attending another workshop and a forum to talk further about the RTOs specifically. During the course of those excursions into that area we meet with individual operators, and I meet with them quite regularly but not formally. It is just a matter of me being there and I drop in and see people. There is a great deal of positivity around the RTOs - the regional tourism organisations - because industry sees that as a vehicle for them to realise some of the marketing opportunities they do have as a collective rather than as individuals with relatively small voices. A number of the operators up there are very proactive and they are the ones we have a lot to do with. My reading of the signs up there is that it is in pretty good shape, and very good shape for going forward.

CHAIR - You must have different mail than I have.

Mr MAYELL - These are the ones who are proactive. There are a number of others who need to take some lessons for those who are doing quite well in that market and that is fairly typical across the whole state.

CHAIR - Minister, this is obviously a question for you, not for Mr Mayell. The issue around Triabunna itself is the general street population, if you like, and it is getting that cup of coffee, it is getting into the businesses. There are some who have had to shut their door and are only opening three days a week. Are you aware of some of those issues?

Mr BACON - Yes, there is no doubt it is very challenging times and the east coast in particular is at a very challenging time, particularly Triabunna. That is why there is a lot of work being done through the economic development department around Triabunna at the moment. I believe it is in the next week a promotion is being done focusing on the east coast of Tasmania by Tourism Australia. We have also seen the promotion of the east coast in the *Weekend Australian* newspaper as a successful marketing campaign that we have run over many weeks. The east coast is a real focus for us; it has so many great tourism products and so much natural beauty, so much of what Tasmania has to offer.

Dr GOODWIN - Just on that, you said that it was a successful campaign. How do you know the success you have had?

Mr BACON - Have a look at the brochure.

Dr GOODWIN - I know it looks wonderful but what do we have that is concrete?

CHAIR - Is this last Saturday's?

Mr BACON - No, it was done in February.

Mr FINCH - We understand about heritage, we understand about wilderness, and we understand about the variety in the climate. In something that came through from Tourism Tasmania there was a reference to 'coastal nature', something I haven't heard before. We are told that the appeal of Tasmania, ranked in order, of wilderness, coastal nature and heritage consistently is raised as the highest. So it seems to me that there is a bit of a focus coming onto this coastal nature opportunity for Tasmania.

Mr BACON - Coastal nature really fits in with wilderness as well but if you look at what is going on with Three Capes track on the Tasman Peninsula and the opportunities that is going to

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provide, we envisage that is going to be Australia's foremost coastal walk and a real driver of people to come to Tasmania and to go down to the Tasman Peninsula. We see a real opportunity in promoting the coastal nature of Tasmania. The east coast is well recognised as a spectacular place but the west coast has much to offer in terms of spectacular scenery of that really wild kind of frontier.

CHAIR - One of the real pluses I guess for Triabunna and Orford is that they are so close to the City of Hobart.

Mr BACON - Yes, that is absolutely right. I notice that Ruth agrees with me wholeheartedly.

Ms DAVIDSON - You should not be able to read my writing upside down.

CHAIR - I can read everything; I have really good eyes and ears.

Minister, it is such an easy living place that it should be going gangbusters, and I am sure it will again. I want to know if you have your focus on that particular area; that is what I need to know and I know your colleague, Rebecca White, has her focus on it

Mr BACON - Absolutely she does.

CHAIR - and we will continue to work closely on that.

Dr GOODWIN - Can I go back to that question I had about the success of that particular marketing campaign because it is important to have concrete data around it. I am wondering what sort of feedback you have had.

Mr BACON - I have had feedback around the *Weekend Australian Magazine*. It has probably been informal but I have had it raised with me by 30 or 40 people saying what a good campaign it was. What we do with our campaigns is we set objectives before we undertake the campaign and then as we run through it, there is a closure report at the end that goes to the board of Tourism Tasmania to inform future campaigns. We work out what has worked and what has not. It is a path of continual improvement I suppose. You always want to do better.

Dr GOODWIN - What is the time period around evaluating the success of that campaign? When will you

Mr BACON - There has been some initial feedback so far. I do not think the final report has been in yet but that will go to the board once it is completed. We have some feedback around not so much this campaign but the campaign before that - we called it phase two of the There is a Place campaign where research indicated that 56 per cent of people who were aware of the campaign were more likely to speak to friends and family about Tasmania after seeing the advertising. Future intention to travel to Tasmania increased from 7 per cent to 23 per cent after that campaign.

Dr GOODWIN - One of the things that struck me just briefly looking at that was that there was a special code to quote, I think, for Pure Tasmania bookings. That ought to be a really concrete way of getting feedback on how successful it has been. It looks fantastic and it is a great

way to showcase Tasmania, but obviously we want to see concrete results from any investment in a campaign like that.

Mr BACON - Yes, that is right. With the closure of ports, because it is a competitive market and we are dealing with other states and other destinations, it is difficult for us to publicly release that information.

Dr GOODWIN - Sure.

Mr BACON - We could always provide a confidential briefing to anyone on the committee who would like to see a bit of that information.

Dr GOODWIN - That would be useful for us to get a feel for how the marketing is going and how successful it is.

Mr DEAN - I do not say this flippantly, but I just look at the back page with St Kilda football club there. Would not Hawthorne and North Melbourne have been better there?

Mr BACON - That is the front page of the magazine and then on the reverse is the advertising.

Mr DEAN - There are AFL clubs in North Melbourne and Hawthorne and I just wondered why we go

Mr BACON - Yes, we will have to speak to the editors of the newspaper.

Mr DEAN - Yes. I would have loved to have seen Richmond in it.

Mr DEPUTY CHAIR - Observed like a true Richmond supporter. Well done.

Mr BACON - Yes. We would love to see a lot more from Richmond but I do not think we are going to see it any time soon.

Mr DEPUTY CHAIR - Just while I am Acting Chair, minister, I would again like to dominate the questioning.

Mr BACON - No problem at all.

Mr DEPUTY CHAIR - I might say too that I have a photographer friend who over many years has been filming the coastline of Tasmania anticlockwise and has been hiking in to all of those inaccessible areas. It is something I might pursue because there might be some photos that he has taken, as we develop this concept of coastal nature, that could exemplify what we are talking about in Tasmania. Are there any other questions along that line of thinking? No.

Another major initiative that is on page 2.4 of the budget papers, and I will quote - 'Refresh the tourism brand for Tasmania'. Part of the argument for a new brand is, and I will quote from that - 'To ensure that Tasmania is not forced to compete like so many other destinations in a commodity based travel marketplace'. My tourism jargon is a little bit rusty, minister. Can you give that to us in simple terms?

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Mr BACON - Yes. We have had that criticism from the Auditor General in the past too I think about tourism jargon so it is well received criticism. From our point of view, this brand development project that has been undertaken by Tourism Tasmania is really about making sure we have a clear competitive position that we get across in all our marketing because we are not really a mass market destination. We are really a niche destination. We need to really capture the essence of what makes Tasmania special and then be able to communicate that to consumers.

[12.00 p.m.]

This has been about reviewing our brand to make sure it is really authentic and we are honest with consumers about what is tremendous about Tasmania. We have such wonderful heritage in Tasmania but also much of our history has a bit of a dark past to it and we can communicate that in a way that is not only honest but is going to convince people to travel to Tasmania. This campaign has been focused on capturing that truthful essence and then, rather than coming up with a new tag line or a new campaign out of it, to use it to inform all our marketing campaigns going forward.

Mr FINCH - This is being investigated at the moment and you are in the throes of that?

Mr BACON - Yes. We have had a review of the brand positioning of Tasmania that will determine our competitive position to really drive our marketing for the next five years. It has been undertaken in conjunction with 33 industry partners in Tasmania and interstate, and feedback has also been sought from a variety of industry groups and individuals throughout the development process. Anyone I have talked to in the industry who has been involved is really excited about this whole project. The completion of the project will see us start on a new journey in how we market Tasmania to clearly articulate to consumers the benefits of visiting Tasmania.

Mrs TAYLOR - Back into the jargon, minister. It is better when you talk rather than reading it.

Laughter.

Mr BACON - I know, but if you do not read it out then people who have spent all their time working on these things do not feel valued.

CHAIR - Yes, the last two weeks preparing.

Mr BACON - That is right. From our point of view, it is really about finding that competitive position for Tasmania and then communicating that in our marketing.

Mr FINCH - Of course, that problem we have with marketing is at winter time when we are trying to capitalise on lower numbers and trying to build those numbers to get a message out there that it is a good time to come to Tassie.

Mr BACON - Yes, that is right.

CHAIR - Buy a nice scarf.

Mr BACON - That is right, and there are still fantastic things to do in Tasmania in the middle of winter and we have to be honest about that as well.

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Mr FINCH - It is the challenge for our marketing people.

Dr GOODWIN - Is that an internal exercise? Is it being driven internally, or you have an external consultant working on that?

Mr BACON - There has been \$32 000 spent on stage 1 of the brand project, but it is really an internal thing to guide what we do in our marketing. I had a brief with Adam and Tony, I think it was last week, around this and some of the things that they are coming up with are really exciting for the future of the marketing that we do.

CHAIR - Like what, for example?

Mr BACON - Really about those contrasts that you can often see in Tasmania; it can be brutal but it is a very beautiful place as well, and it is just that authenticity and the honesty behind that. They showed some schematics of what different people think about Tasmania and they are all so different but there is a common theme that runs through

CHAIR - Cold.

Mr BACON - In a good way.

Dr GOODWIN - When you say what different people think about Tasmania, is this tourists or locals, or both?

Mr BACON - There were locals but in terms of the industry partners there have been Tasmanians and interstate people involved in that as well. I know Tony participated in one of the sessions and I cannot remember, but there was a thing if you thought of a celebrity to be Tasmanian who would it have been and I think Tony came up with Doug Mulray.

Mr MAYELL - No - through you, minister.

Mr BACON - Sorry, I misheard that.

Mr MAYELL - Doug Mulray was involved. He is on the reference panel actually but

CHAIR - I was going to say, if he is a celebrity, I am sorry but I do not know about him.

Mr MAYELL - No, he was involved. He spends a lot of money in Tasmania. He is a very regular visitor. For a good collective approach to this we actually tapped a number of people on the shoulder who we thought really had a good perspective on this. Then also worked with a number of our major interstate partners and stakeholders in Tourism Tasmania and a bit of the broader community as well because it is important to get their perspective also. The things that have come through it we presented to our board only two weeks ago and we are refining that. We are also, in parallel, looking for a new creative agency at the moment. It is all happening at once, if you like. We will be in a better position to take that to industry and the broader community. Our tack is to make sure that this does not just become confined to tourism. We see some real value in it and possibly being picked across broader brand opportunities for the whole of the state.

The minister is exactly right around honesty and authenticity and it is really around how you actually can use that juxtaposition - those contrasts and conflicts have come out of this process in

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a very positive way in terms of how we present the state. There are many brands out there and we were one of those and we are one of those currently which is good, strong and well recognised and people have gravitated towards it. However, we really need to move out of that because that is where all the clutter is, that is where all the noise is, and we need to move into another space which still leaves us that good feeling but really differentiates ourselves. Through this process, through all that input and knowing what our raw product is, we know that we are in a very strong position to be able to differentiate ourselves and that is going to give us a significant marketing edge.

Dr GOODWIN - Can I just tease this out a little bit more? I am trying to get my head around exactly what will be the outcome of it. We have a current branding that is used loosely. Will that be changed? There will be something new when you talk about creating an agency

Mr BACON - In terms of our tourism brand or our broader brand?

Dr GOODWIN - Whatever we use as our overarching tourism brand, will we end up with something that is different creatively? Something that will be used as the overarching thing going forward, and then underneath that there are the hooks that we use to get people to Tasmania that defines what Tasmania is and what the visitor experience to Tasmania will be. Is that something that is going to come out of this new process?

Mr BACON - In terms of the hooks it comes back what the member for Rosevears said earlier about us knowing what attracts people to come to Tasmania but how do we communicate to them to encourage them to come. Those hooks are still going to be the same.

Dr GOODWIN - Well are they, because when you are talking about the dark side and the

Mr BACON - People still want to come for the wilderness.

Dr GOODWIN - And the heritage and all of those things.

Mr BACON - That is right, but it is maybe how we talk about that heritage; we also talk about the dark past as well. The hooks are still the same but it is more about how we communicate that to people.

Dr GOODWIN - Okay.

CHAIR - Has this area been involved in the budget initiatives around the phasing out of sow stalls and battery hen situation? That is part of the brand of Tasmania, isn't it? Have you been involved in that, saying "This is the path that we want to take, so they have to be gone because they affect our path"?

Mr BACON - Brand Tasmania has been involved in this process from the start but this is more around the tourism brand rather than the broader brand that people talk about.

CHAIR - So you do not think that there will be any leverage?

Mr BACON - In selling Tasmanian products I think that is a good story for us and for Tasmanian producers.

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CHAIR - But we will still bring in those things from other places that do all those things but we will not have them here.

Mr BACON - An announcement was made recently around the canola crop and its value from selling it to Japan, given that we have the GMO free status. That is something that can happen with pigs and chickens.

CHAIR - Tourism Tasmania is more than likely to use that aspect to further enhance the brand.

Mr BACON - If there is an opportunity to market to free range, pig eating chicken lovers then we will give it a go.

Laughter.

Mr FINCH - This comes under the hospitality area with bacon and eggs.

Mr BACON - It is a bacon and egg budget.

CHAIR - It is very much the lowest price cereal you can have. Particularly in hospitality, minister.

Mr FINCH - I am ready to link what we have been talking about with the tourist info monitor - TIM - which is going to become a catchword for the tourism industry. It is going to be introduced this year, as mentioned on page 2.5. I note the explanation, that the industry needs the updated information. You have the Tasmanian Visitor Survey, which you use, that has been very beneficial to us, but can we elaborate on how TIM will work and tell us what it is going to cost.

Mr BACON - It is going to cost \$150 000. The Tourism Info Monitor is really to complement the Tasmanian Visitor Survey. We will be using it in conjunction with other external data sources. The objective of the survey is to provide a detailed understanding of Tasmania's performance as a holiday destination against other domestic locations. It will also help us to determine how well our marketing campaigns are tracking and understand the changing perceptions and motivations of domestic travellers and any risk to Tasmania as a destination. The Tourism Info Monitor will be produced by Tourism Tasmania in partnership with research firm T&S Australia using results from an online survey. It will also be shared widely with stakeholders and will be available for public view on our website. Consultation with Tourism Tasmania's key stakeholders both internally and externally has been conducted to ensure the study provides relevant insights.

It is an online survey through MyOpinions, one of the largest research only online consumer and business panels in Australia, so from the 370 000 respondents that there are Australia wide, 500 respondents will be accessed per month and I believe they can only do it once every six months and then selected for screening questions to answer a 20 minute questionnaire. Twelve surveys will be conducted per year to produce a monthly rolling market profile.

To be included in the study the respondents will be screened to meet the following criteria: that they are non Tasmanians; they are over the age of 18 years; that they have taken a holiday or break in the last 12 months or are considering taking one in the next 12 months. A holiday break consists of a stay of one or more nights for leisure purposes where personal finances are used and

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a quota will be set on those who have travelled to Tasmania in the last 12 months or are considering travelling to Tasmania in the next 12 months.

Data collection for the first quarter of the year is complete and preliminary analysis is available to Tourism Tasmania at the moment, at which time Tourism Tasmania is developing a delivery method to suit internal and external stakeholders.

CHAIR - Thank you, minister. Minister, while we have a break I will take the opportunity to welcome members of the Forest Primary School into the Legislative Council Chamber. Good morning, students, and good morning, teachers and support staff. This is an estimates committee and we have with us today the Minister for Tourism, Hospitality and Veterans' Affairs, Hon. Scott Bacon. On this side of the table we have Legislative Council members, but we do not have our member, Hon. Ruth Forrest, who is in another committee. I am not sure if you will get to see her or not. We hope you enjoy your stay and learn something in the Tasmanian Parliament.

MEMBERS - Hear, hear.

Mr FINCH - She changed her name to match up with the school.

Mr GAFFNEY - I was going to say it was a present for her.

CHAIR - We hope you enjoy your time and we will get back to questioning, which is what budget estimates is all about.

Mr FINCH - When is that survey going to be conducted, minister?

Mr BACON - We have already started collecting the data for the first quarter and that is available. The launch of TIM will ideally be at the tourism conference between 16 July and 17 July.

Mr FINCH - That is going to be very helpful to tell you whether you have nailed it as far as your new brand is concerned.

Mr BACON - Absolutely, and over time that will give us some feedback. It is also good being able to share that data with the industry to help them when they conduct their marketing as well. One of the additional things that Adam pointed out to us yesterday is that you can also add questions in, so if you have a specific question relevant to your own business, that can be added in, which can't really be done with the TDS due to the long series of data that sits behind it.

Dr GOODWIN - Is that added in at a cost to the particular business? You have here that under this \$150 000 there is capacity to add in questions whenever you want to

Mr BACON - Yes.

Dr GOODWIN - Is that going to be \$150 000 each year?

Mr BACON - Yes.

Dr GOODWIN - So it is an ongoing cost.

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CHAIR - Minister, before we leave the marketing area although tourism is all about marketing, what exposure does the Tasmanian brand get through the federal tourism body? Tell us how that works.

Mr BACON - Tourism Tasmania works particularly closely with Tourism Australia and international markets. We have seen Tourism Australia announce a real push into China, which Tony has spoken about

CHAIR - So going into China was not our idea?

Mr BACON - No, I think everyone is doing it; that is why we have to get our brand right to make sure that we can compete in that crowded market. We have also seen Tourism Tasmania work with Tourism Australia to promote the great golf courses of Australia. We have two of the top 100 in the world in Tasmania. There have been some initial talks about the great walks of Australia that ideally will come to fruition soon but working with them.

CHAIR - Are you talking about the Three Capes walk as well? And Cradle.

Mr BACON - Ideally Three Capes, but also we have the Bay of Fires, and Maria Island that has recently won another national award for adventure tourism. We have some great walks in Tasmania and we see that as an advantage to market internationally.

CHAIR - So you feel that we are getting enough leverage being part of that organisation?

Mr BACON - Yes, absolutely.

CHAIR - How much does that cost us? What do we have to pay to be part of Tourism Australia?

Mr MAYELL - There is no cost to the agency, as such. How we expend any resources with Tourism Australia is through cooperative marketing activities. Again, we select those. We sit down in a collaborative approach and identify where the best opportunities are and that always comes back to exponential product-type offerings. The minister referred to the great golf courses of Australia and we became part of that, as a cornerstone funder of that, because of the fact that we have two of those golf courses here and we understand the importance of that market. So there is no cost, per se, but we do work very closely with it in terms of setting strategy for taking our industry offshore.

CHAIR - But how much funds would we have put into those?

Mr BACON - In terms of what? Say, the golf course one, for example.

CHAIR - That one and any others that were used.

Mr BACON - We might have to check that detail.

Mr MAYELL - I have it. In that example, Tourism Australia put in \$100 000, we put in \$25 000, the golf courses that participated also collectively put in another \$100 000, and a couple of the other states like Victoria, with Royal Melbourne and their peak golf courses, contributed to

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it equally as well. That is really a seed-funding exercise to get the Australian golf product into the world marketplace, where it has never been before.

CHAIR - Did the golf courses put dollars in?

Mr MAYELL - Yes.

CHAIR - And not just in-kind? You know, turn up and play around the golf. Most of the ones I know only want to give dollars by, 'Come and play for nothing', type of thing.

Mr MAYELL - No, it is cash.

Mr DEAN - Last year you were saying that North America was probably our top market area. What has happened with that? You are now concentrating on China.

Mr BACON - In terms of North America last year we spent \$619 000 in the United States and Canada.

Mr DEAN - So is that still a focus?

Mr BACON - Yes, it is still a focus.

Mr DEAN - Are we getting a lot of people from that area coming into Tasmania?

Mr BACON - In terms of numbers for North America it is 18 000. So compared to China we had 8 000 and that was an increase of 11 per cent. With the US we had, I suppose, a trial and it was pretty much even.

Mr DEAN - Minister, can that document be tabled?

Mr BACON - We can get you a full copy of that, yes, absolutely.

Mr DEAN - Yes, thank you.

CHAIR - Can I clarify that that includes the cruise ships? Are they included in those numbers as well or are they a separate number that we would get through TasPorts?

Mr MAYELL - They are not included in the TBS.

CHAIR - They are not included in that 18 000 or the 8 000?

Mr BACON - No.

Mr FINCH - Did we get a spike from Oprah?

Mr BACON - It is hard to tell.

CHAIR - I think we had three people.

Laughter.

Mr BACON - We had Gayle, didn't we? She had Gayle.

CHAIR - I think she sent three for Tasmania, didn't she?

Mr MAYELL - She sent her three, yes.

Mr BACON - Gayle came down.

Mr MAYELL - Her best friend.

Mr BACON - With a group of Oprah's viewers.

Mr FINCH - Great publicity for Australia.

Mr BACON - Yes, it certainly was and the bulk of that in terms of a lot of money was spent by Tourism Australia and then there was a small amount of money spent by Tourism Tasmania trying to leverage off that as well.

Dr GOODWIN - I have a couple that are marketing-related.

CHAIR - Anything on tourism if we have finished on marketing?

Mr FINCH - I have finished on marketing.

CHAIR - Yes, we have finished on marketing so do we want to head into some other area?

Mr FINCH - Yes. Minister, the digital coach program, I would suggest, has been a great innovation and very much a success and timely, and much needed. But now, I believe, it is being rolled out to the wider retail and business community. Can you tell us about that please?

Mr BACON - From our point of view it has been a real success. We have seen 420 operators go through the first two rounds and we have 161 now to go through round 3. Round 4 and beyond will be run now through the Department of Economic Development and Tourism and the Arts and be available to all industry sectors of the economy. From our point of view, we believe it has been a real success for the tourism industry and now we want to see that spread out to other sectors as well.

Mr FINCH - Minister, you might just elaborate a little bit for us, please, on the digital coach program, how it works and how it benefits the tourism industry.

Mr BACON - It is a customised program around the needs of the individual business. Some typical outcomes that we have seen over the first two rounds include the development of new and/or updated fully optimised websites; the introduction of online booking capability which is very important; improved search engine optimisation and website listings; the integration and use of social media into operator websites; business names claimed on Google places; creation of Facebook and other social media strategy and activities on operator websites; greater online interaction with customers through its social media tools; inclusion of virtual tours, videos, digital stories and applications to enhance offerings; and increased confidence in using web tools and dealing with web professionals for operators.

Really what it does is we have a coordinator within Tourism Tasmania and then we have individual digital coaches who offer one-on-one and small group support by phone by a digital coach Facebook page and things like that. We have seen some real success around that and I think it has been universally accepted as a good program. We have seen some good testimonials from many operators as well.

Mr FINCH - Minister, how far has it to go? We were in a situation where not enough of the operators in the tourism industry were online and it was lacking, and that is the way of the tourism world. You have 420 who are on board or in the latest tranche?

Mr BACON - Plus 161 into the latest tranche but this is not the end of the road.

Mr FINCH - How far do we need to go?

Mr BACON - From our point of view, the more businesses that are online the better, but some of that responsibility does fall to the individual operator to engage with the online community and really see the benefits in it for their own business, and if they do need more skills to undertake the program it is still available to tourism operators through the broader department.

Mr FINCH - What does it cost an operator?

Mr SPROULE - There is no cost involved. We do an information session after the expression of interest goes out and try to impart to people the importance of - if you are going to continue with the program - sticking with it because sometimes there is not as much incentive to stick with things when you do not pay for it but there is no cost to people accessing the program.

Mr FINCH - I have one question - and I have let people in my electorate know that I was going to be asking questions. This one came from the chairman of the Greater Legana Business Group. You may be able to help me, minister, with an answer to this: what level of spending in real money in relation to advertising has delivered Tasmania the best number of visitors?

Mr BACON - In terms of dollars spent for best result?

Mr FINCH - Yes.

Mr BACON - It is difficult to say in some ways because the PR activity that we undertake in our visiting journalist program that we spend money on is really around maximising the value from the advertising money that we have spent. So it is not all that easy to answer in definitive way.

Mr FINCH - I am wondering, minister, if Mr Sproule with his vast experience over many years in Tourism Tasmania might be able to recollect something that really hit the mark - albeit it may have only been a fleeting moment?

Mr BACON - I will let him answer but it would be better if it happened in the last 12 months.

Laughter.

CHAIR - We had 'Yes, minister' at the table yesterday so feel free.

Mr BACON - No, I am only kidding.

Mr SPROULE - Of course, a courageous decision. The answer to that question - and I just want to clarify it - you want to know one activity that directly related to visitation?

Mr FINCH - Yes. Some advertising that might have taken place. That is what I make of the question.

Mr SPROULE - It is not quite that simple. We do a lot of activity which is about creating awareness, consideration, intention, and then finally there is the conversion aspect of it. Probably the best tactical thing we have done that has driven actual conversion is the relationships with the wholesale and retail partners because they actually provide the retail opportunities on the back of our campaigns that people can purchase and drive conversion and they can book.

It is important to say that that is not the complete picture because awareness, of course, is about creating Tasmania on the shopping list, if you like, so that they will choose it. It might not come tomorrow, it might not come next week, but it might come next year and so on.

TIM, which we spoke about before, has four key things from my perspective and one of them is understanding the Australian public and knowing who, out of that public, is actually interested in travel generally. The good news from the preliminary data is that Tasmania does enjoy a relatively high appeal - which would not come as a surprise.

The more interesting thing below that is understanding the motivations and the things that they do in deciding on travel products. These days those sorts of things are very different. Once, it was going to a travel agent and booking your travel, but now people use a whole range of different things to make their travel decisions. We are very much using that data to try to inform ourselves and also inform the industry about how people make a decision about their travel needs.

You asked me to single out a specific thing and, if it is all right with you minister, Cath might want to add something to that.

Ms McCANN - The other really important thing to consider is that what our current research is telling us; it is that word-of-mouth advocacy is particularly important for converting Tasmania. I am sure that does not come as a surprise to the committee either.

The role we play in direct, above-the-line advertising versus getting advocates and key influences to talk about Tasmania has to be a balance. When Adam talks about actual conversion and measurement and, as Dr Goodwin pointed out, having specific codes for call-to-action in our activity - within that case with Pure Tasmania as the partner - we can certainly measure that. But really the ones that show the biggest uplift in conversion - so, bums on seats, if you like - are the distribution partner activities. They will be with a traditional wholesale partner, for example, so it might be Flight Centre or an airline. We undertake cooperative marketing activity with Virgin Australia and we can very quickly and clearly measure the effectiveness of the money that has been spent and the net seats that have been sold as a result of that, and obviously they are quantifiable bookings.

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I am sorry it is not a straightforward answer but in the next 12 months something we are working on with the minister is the proportion of our effort that goes to awareness, intention and conversion. Then, as importantly for us, comes what people are saying about us whilst they are here and also what they say when they get home and how that influences people to come back to Tasmania.

CHAIR - That will be a pretty good answer to send to your constituents.

Mr FINCH - Yes.

Mr BACON - We might also ask for the -

Mrs TAYLOR - You really wanted something like the wooden boat festival.

Mr SPROULE - Everyone wants the one thing.

Mr FINCH - What comes to my mind was the promotion - and I do not know if it is still continuing - to bring that group of business people from Sydney for the day down -

Mr BACON - The hot lunches.

Mr FINCH - The hot lunches - just fabulous because you have responses straight away. Are they continuing?

Mr BACON - I do not think they are continuing at the moment.

Ms McCANN - Virgin Australia is particularly keen to continue that type of activity. The beauty of that activity was those consumers actually paid for their tickets.

Mr BACON - They sold out in no time at all. They were extremely popular. I do not know if this is the right time but we might ask the committee's assistance in a program we are launching tomorrow. If everyone would be happy to receive an e-mail tomorrow, we can arrange that around - I am not sure if we have any MasterChef fans on the committee at all but it looks to be pretty lukewarm, to be honest. I thought it was going to be a lot more exciting. This is your chance to help out. I thought you would be a lot more enthusiastic.

Mr FINCH - That is the nickname for our money man because we accuse him of cooking the books.

Laughter

Dr GOODWIN - We could become MasterChef then.

Mrs TAYLOR - Tell us, give us the invites.

Mr BACON - Not even one MasterChef fan?

CHAIR - If we had time to cook.

Mrs TAYLOR - Who has time to watch television?

CHAIR - I do not even have time to go home some days, let alone cook.

[12.30 p.m.]

Mr BACON - You are going to have to watch the episodes on 3, 4, 5, 6 June where Tasmania will feature prominently in the program. What we have done is to spend \$150 000 on developing a multimedia campaign targeting the 'visiting friends and relatives' market which is designed to leverage awareness raised during the week that MasterChef is on Tasmanian television. What we thought was that if the committee had shown a little more enthusiasm, we would arrange for you to receive an e-mail so you could help out tomorrow when we launch the campaign to try to encourage people to come to Tasmania - and you can pass it on to your constituents as well. You will find it quite interesting.

Mr SPROULE - You will notice it; it will not go unnoticed.

CHAIR - I thought we were going to get invited out for a meal; that was what I was looking forward to.

Mr BACON - I have never been so underwhelmed.

Mr FINCH - I wondered what I was going to do on 3, 4, 5, 6 June. I will put that in my diary.

Mr BACON - Stand by for the e-mail and then be watching on 3, 4, 5, and 6 June.

Mr FINCH - Thank you, minister. They are the initiatives we like to see coming from Tourism Tasmania - the creative things, the different things. It is not hard visually to excite mainland people about Tasmania and ignite their desire to come here. They are the opportunities that I imagine that constituents like my people from the Legana business group want to see Tourism Tasmania initiate.

Mr BACON - We could get Tony or some of the representatives from Tourism Tasmania to go to the Legana business group and talk to them about what we are doing in marketing and have some discussion, if you would like to suggest that to your constituents.

Mr FINCH - Thanks for that response.

Dr GOODWIN - On the TIM again, it measures people's aspirations to travel to Tasmania but does it also try to identify what the possible barriers are? Cost has been one that has been raised before, particularly with the strong Australian dollar, but is it measuring that sort of thing?

Mr SPROULE - It is. It does, as we briefly brushed over there, but the decision-making component of the survey definitely deals with the sorts of things that you want to help make your decision but also barriers. The other thing that is important to say in that it is a competitive analysis as well. We are actually getting that against what it is with other destinations in Australia. That is the power of this tool. I am a little bit excited by it. It is going to give us a very strong and powerful tool ongoing, and at the moment we are only into the third wave which is 1 500 people. But within 12 months, as you will appreciate, we will have 6 000 and real-time ability to test some of these things that we want to know about.

CHAIR - Mr Sproule is not shy when he is talking about TIM.

Mr BACON - It keeps him up at night, I think.

Mr MAYELL - The thing around it as well is that it is research in tourism traditionally across the whole industry has been historical - looking back and trying to learn from that. This tool gives us the opportunity to look forward, the opportunity for industry to get this information and start to position their own product accordingly relative to what the market is telling them today rather than trying to react to what may have happened in the past. The market is moving so swiftly that it is a challenge to keep pace with it. That is going to be an incredibly valuable tool for us.

Dr GOODWIN - Referring to page 2.11 table 2.5, concerning the online bookings by Tassie Connect, there appears to have been a change there. In our tourism committee report, we identified some issues regarding the booking system on the Discover Tasmania website. I am wondering if you could elaborate on what is going on there.

Mr MAYELL - In the past there was concern about the booking system through Discover Tasmania but there have been changes made to that system so that people can now decide on their own booking channel. We are also undertaking a redevelopment of the tourism website: discovertasmania.com this year as well. The booking problem caused a lot of concern among different operators. I think it was in November last year that it was switched off so it is no longer a concern.

Dr GOODWIN - That was all as a result of our committee.

CHAIR - The Legislative Council committee.

Mr BACON - Yes, thank you very much to the committee.

Dr GOODWIN - We will pass that on to Mr Wing.

CHAIR - The former member for Launceston will be very pleased that someone has taken notice of that report.

Mr BACON - It was a case of waiting for the contract to expire before the issue could be resolved.

Mr DEAN - I don't think we mentioned the Tourism Tasmania Board. We had eight members on that last year and you indicated then, minister, that because you were downsizing the organisation there was no reason why the board would not be downsized as well, and I can quote you if you want me to. Is there a need to?

Mr BACON - No, I will take your word for it.

Mr DEAN - Has it downsized? What is the current constitution of the board?

Mr BACON - There are still eight people on the board. There has been a changeover. Two members have left the board and we have appointed two new board members, Ms Karen Scott Davie and Mr Dallas Newton to the board of directors since last year.

CHAIR - And their background, please?

Mr BACON - Ms Scott Davie is a director of the CIO Advisory Board of Australia and a former chief information officer of the New South Wales Business Chamber. She has been sought out due to her strong background in online activity and particularly with social media and things like that.

CHAIR - She is a non-Tasmanian?

Mr BACON - Yes, she is a non-Tasmanian. Mr Dallas Newton is the owner and managing director of APT Day Tours in Sydney and Melbourne. He has a strong relationship with international travel wholesalers and inbound tour operators from all parts of the world. We think they have been asked -

CHAIR - And non-Tasmanian?

Mr BACON - And non-Tasmanian as well, but we think in terms of expertise we could not have found two people better qualified for what Tourism Tasmania will be doing over the next number of years.

CHAIR - Can we have the quantum of the board?

Mr BACON - There are eight members of the board.

Mr DEAN - I would like to know how many times they have met, say, this year and the costs.

Mr BACON - The fees are \$28 000 per member and \$50 000 for the chair. Of course, Mr Mayell and Mr Kelleher do not receive sitting fees due to their positions.

Mr DEAN - Five board members would be receiving \$28 000 and one would receive \$50 000?

Mr BACON - Yes, that is correct.

Mr DEAN - How many times have the board sat this year?

Mr BACON - In this financial year or this calendar year?

Mr DEAN - This calendar year to date, and this financial year to date.

Mr BACON - Four times.

Mr DEAN - Minister, is there a need for eight members on the Tourism Tasmania Board? When we are looking at the downsizing that has occurred and the cost of those positions, is there a reason why you would have an eight-person board for Tourism Tasmania that has met four times so far this year?

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Mr BACON - We believe that the board that is in place at the moment is highly qualified and extremely well positioned to drive the organisation. The tourism sector in Tasmania is a vital part of the economy and we think the set-up at the moment with the eight-member board is the right way to go forward.

Mr DEAN - Have you addressed that position that you identified last year where you would look at decreasing the board?

Mr BACON - Yes, certainly. There have been calls on us to change the structure at Tourism Tasmania. We have had a close look at it and from a government point of view we are pleased with the way it is at the moment.

Mr DEAN - Minister, I know this is not your area and that it crosses over to minister O'Byrne's area, but there has been a lot in the press of late, and over a long period of time, about the grey nomads who are a big part of tourists to this state and doing a lot for this state. What discussions have you had with minister O'Byrne relative to TT-Line and its ability to move these peoples backwards and forwards as they would like and within a reasonable period of time?

Mr BACON - Certainly there has been an issue identified at the moment, particularly with cars that take caravans above a certain height. There is some backlog there for the *Spirits*. They are working through that backlog. At the moment there are still available spots for June for motorhomes and caravans below that height. What we suggest to people is that they book as early as they possibly can, not only to secure a place but also so they can get the best and most affordable prices. It is definitely an issue. I have met with the caravanner associations on a number of occasions and we have another meeting in the next couple of weeks. It is certainly a key part of the industry from our point of view because we know that they tend to stay in Tasmania for longer than someone who flies in and flies out. It has been an issue that is very topical and raised by many people, and I have discussed it with minister O'Byrne who is well aware of the issues as well.

Mr DEAN - You would be aware that there have been comments in some of the magazines that if you come to Tasmania you will not get back. The current chairman or president of the CMCA, I think, has been in contact with me on this, and I suspect he has probably been in contact with other members as well saying something has to be done about it as it is impacting on tourism to this state. What is happening there?

Mr BACON - One of the key problems around this is the rumour mill that exists with the grey nomads. Word does get around the community very rapidly if there is a problem or a perceived problem. We had the same issue with a rumour that we were going to ban free camping in Tasmania. It has been very hard for us to dispel that rumour. There are still spaces available in June on the *Spirit*, it is only really those caravans above a certain height. We really need to get the word out there that there are still places available.

Mr DEAN - Minister, should Tourism Tasmania consider going to the CMCA and simply put what you see is the correct position to try to dampen some of the issues that are being raised?

Mr BACON - It certainly would be good if the *Spirit of Tasmania* or minister O'Byrne set that out in the magazine. Last year I wrote an article in the magazine about the free camping, trying to correct the record. It would be good if TT-Line did try to communicate to those people what the facts are. I can suggest that to minister O'Byrne.

Mr DEAN - Thank you for that.

CHAIR - It might be a recommendation from this committee, minister.

Mr GAFFNEY - I am wondering what role or input Tourism Tasmania has had in the paper that has been out with local government areas. I know it falls under Deputy Premier Bryan Green's role. It must be a very difficult one because on one hand you have tourism park owners who have a position, and you have a huge swag of people over here who want to access it for free. What role did you play, and did you submit a paper to local government?

[12.45 p.m.]

Mr BACON - Tourism Tasmania has a staff member who works in niche markets like the caravan market and they organised meetings for the Campervan and Motorhome Club of Australia that I attended in Launceston just before Christmas. It is a very good issue to get involved in because all the grey nomads hate the government, and all the caravan park owners hate the government too. It is a really good issue.

Regarding the discussion paper, the word from Tourism Tasmania around that - I might ask Tony to add a bit of detail to that because they have a staff member who works very closely with one of the caravan park owners as well; he has just retired at the end of last year, I believe.

Mr MAYELL - Frank Hussey. We were involved in a series of meetings that government set up to address the issue and I think it was driven from DPAC. We had a person consistently involved with that, even following Frank's departure from the agency. We tried to bring that balanced perspective to the table but from our perspective it was all around the importance of that particular sector and how we needed to minimise any disruption to the continuing growth of that sector as far as Tasmania goes. We took a very straight line on that.

Mr GAFFNEY - While you mention niche markets, there is one group, I am not sure if it is the Wild Mob project, and Kings Run conservation in the Tarkine. Wild Mob is a very interesting group and it has some origins with Graeme Wood, from memory. They did approach me a couple of years ago and I passed the information on to the then Tourism minister. Basically, if groups of conservation-minded people want to go on a holiday, they can go on a working holiday volunteering their time, and they do that down the Tarkine. I know that Farm School has gone to Grantham Island and has that part of their curriculum for the week or two weeks. There was interest at Narawntapu National Park, near Port Sorell, but it fell away because Parks and Wildlife did not have the capacity to follow through with it as it was not their cup of tea. I am wondering if Tourism Tasmania has had any conversations with them because if you are thinking about what Tasmania has to offer and about that new place to go to, it seems to fit nicely within the niche marketing area. They took some of them out and showed them the area and they were fairly excited about the possibilities but it sort of fell off the radar.

Mr BACON - There is a program called Green Conservation Australia; I am not sure of the name, but I think that it is run through Parks and Wildlife.

Mr GAFFNEY - There was an enthusiasm from that organisation to have further input. They offer the Kings Run Conservation Project between September and April in the Tarkine and there is a maximum of 11 and a minimum of six participants at \$650 per person. They take you down, they feed you whatever devils they can find, or whatever they can pick off the road, and

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that sort of thing. I think they felt as though they did not know how to navigate the Tourism and Parks bureaucracy.

Mr BACON - They could contact Tourism Tasmania about that, or my office, and we could put them in contact with the right person.

Mr GAFFNEY - With all due respect, I think it might be a case of contacting Wild Mob and saying, 'Is there something that you are still thinking about it?' I think they put it into the too-hard basket.

Mr BACON - We can have a look at this because I know that there is a program, although I cannot think of the name, through the Parks and Wildlife Service. If you can give us the contact details, we will be happy to take that forward.

Mr GAFFNEY - I am not getting into the whole forestry thing here because this is not what this is about, but it could or it may impact on tourism. It is about the Browns Creek road which connects the West Tamar to Narawntapu. It has traditionally been maintained by Forestry. If it is not taken over by council, it will degrade itself from the road that it is at the moment to a lower level road. The impact will be that some bus companies that come from the mainland and connect the park to the West Tamar cannot then access those areas. It is going to have some indirect impacts on tourism. You are probably in that space already.

Mr BACON - It has been an issue that has been raised and it is going to become a bigger and bigger issue because there are thousands of kilometres of roads around the state that are maintained by Forestry Tasmania. So it has been raised with me; it has also been raised with the CEO as well. It is an issue as we go forward.

CHAIR - Have you put in any strategies to address it though, minister?

Mr BACON - Not at this stage.

CHAIR - So it is still an unknown, even though we know there is legislation coming on 30 June?

Mr BACON - It is an issue that is becoming more and more apparent at the moment.

Mr GAFFNEY - But it is something that needs to be on your radar.

Mr BACON - Yes, it is absolutely on our radar.

Mr FINCH - Minister, our report 'Tourism Tasmania' by the Legislative Council - I am assuming you did read that.

Mr BACON - Yes, absolutely.

Mr FINCH - Could you revisit it?

Mr BACON - Not word-for-word.

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Mr FINCH - No, but could you revisit it at some time to have a look because we do not perceive that there was much action taken on our report, even though I think you agreed last time that it was a good report.

Mr BACON - Yes, we are really grateful to the committee for the work that went into the report. Out of 21 of the recommendations, there are 10 that fall outside the tourism portfolio. From our point of view, yes, we have had a good look at the report and there is a range of different issues raised, and a range of different recommendations - some of which have subsequently been addressed, and others which fall outside the tourism portfolio.

Mr FINCH - There was one in particular that we suggested - that the government collaborate with Tasmanian Railway Pty Ltd and the Don Railway and the tourism industry to develop, as a priority, a tourism heritage railway experience between Devonport and Wynyard. Any progress made on that? Any thoughts on that, minister?

Mr BACON - Yes, we have had a lot of discussions around rail tourism over the last 12 months. The key issue for us at the moment is public liability and access to the main line which is owned by TasRail. There are conversations going on between the Association of Tourist Railways and TasRail at the moment, trying to resolve those issues. It is a real issue, not just in the north-west of the state but for the Derwent Valley, the Glenorchy Transport Museum, and even on the west coast with the Federals-operated railway, and the Ida Bay Railway down in the south. What we are trying to do at the moment is find a solution to the public liability and the access to the main line issues for the whole state before we can move forward in any meaningful way.

Mr FINCH - Yes, with the public liability blockage, it was prevalent some years ago and I remember Treasurer David Crean put a process in place whereby that could be alleviated. There may need to be something considered again, because if you have a stumbling block like that - and I also am cognisant of what has occurred in New Zealand where they have, what can I say, a system whereby people sort of sign a waiver to allow them to take part in some of the adventure sports that have had, in some cases, catastrophic results. But for Tasmania, if we keep throwing up this thing, 'Oh, public liability, public liability!', well, that is just going to shut down virtually every conversation on any development that we want to consider in respect of tourism.

Mr BACON - That is right, and particularly with rail tourism at the moment. If we do not find a solution to those two issues, then there is no way we can move forward at all. So they are the real priority for the government at the moment; it is to resolve those two issues and then we can look at each railway in isolation, and how we get the most benefit from each one.

Mrs TAYLOR - What you are saying, minister, is that you are looking at this as a holistic across-the-rail system in Tasmania.

Mr BACON - TasRail are trying to work through those two issues at the moment.

Mrs TAYLOR - I know that the transport museum in Glenorchy certainly has been trying to have that conversation with TasRail but it keeps blocking at the point where there is an astronomical amount of money just for that one bit of line. So if we could do something statewide obviously with TasRail, so that all the train societies are covered, that would be a more possible solution because at the moment there is not.

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The other thing is that we had a report come out from TasRail just recently that says that they will maintain only the lines that the freight trains go on and that maintenance and upgrading and whatever is needed on lines that are not freight lines so that is involving all these tourist possibilities will not be maintained or upgraded. Where will the money come from to do that?

Mr BACON - There is also a concern around the standard that the rail has to be to take passengers as well. In terms of TasRail and what they are doing -

Mrs TAYLOR - But it is our company now.

Mr BACON - Absolutely, but there is a lot of financial pressure on TasRail without adding on these other situations as well. This is why it has taken so long to resolve because there is no easy answer to it. We do know that people do want to travel and experience rail tourism so it is a real problem that you cannot get access to the rail or you cannot run.

Mrs TAYLOR - Is that not perhaps a cross department or a whole-of-government approach that needs to be taken rather than saying that is TasRail and they cannot afford it.

Mr BACON - I think that is a fair point. It is broader than just TasRail.

Mrs TAYLOR - It needs to be resolved on a broader basis than that. Are you working on that?

Mr BACON - The Minister for Infrastructure is working on it but I have had conversations with him and I have been to the Derwent Valley railway. I think the real shame up there is that you have so many volunteers putting in so many hours of work to keep everything -

Mrs TAYLOR - It is the same with TT.

Mr BACON - Yes, it is real shame that they cannot get access.

Mr GAFFNEY - On the rail topic, minister, I am fairly certain that the first group meeting on 12 June have been approached by some people up there who are very interested because that rail is coastline and it would be one of the most scenic coastlines in the world from a tourism perspective. The north-west coast has so many great little things but no single iconic spot. Cradle Mountain, I think, is more central. The proposed railway would be a drawcard for the north-west coast. With all due respect, I have heard lots of discussion with Hobart and Launceston - that is fair enough, they are the big population centres - but for regional and the north-west coast we believe that the rail line could be the draw factor. It could be that one big entity that they need to get people from Tasmania to go there as well.

Mr BACON - There has also been talk about turning it into a walking track as well which is a competing use for it.

Mrs TAYLOR - What - taking the rail line out?

Mr BACON - I think the Circular Head Council has real concerns about that because in the future they may want to extend the rail to Smithton and then if you take the rail out in between - I think that is the Burnie City Council -

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Mrs TAYLOR - It is a bit like having ripped up the tramways and everyone years later is saying, 'Why did we do that?' Taking infrastructure like that out is a really serious decision.

CHAIR - Minister, before we leave Tourism, can you just give me a heads up on what staff reductions - I know you had significant staff reductions because of redundancies and whatever - cross-agency saving strategies?

Mr BACON - In terms of the efficiency dividend?

CHAIR - Yes, what have you done?

Mr BACON - Most of the savings that will be required for the efficiency dividend through Tourism Tasmania have already been achieved through the restructure that was undertaken last year and any additional savings will be -

CHAIR - So you did not have to make any savings this year?

Mr BACON - No, we do have to make savings but due to the restructure last year -

CHAIR - You have saved more than your fair share.

Mr BACON - Because now this year it will be in place for the full budget year rather than last year where the new structure was not in place until December, the majority of those savings will come from that restructure and any additional savings will be decided as we go forward with conversations with the board and the CEO and the secretary of the broader department.

CHAIR - Just let me get this clear: your agency is not expected to make any cost savings in this financial year?

Mr BACON - No, we are expected to find the efficiency dividend that is 2 per cent.

CHAIR - Two per cent?

Mr BACON - But the bulk of that will come from the restructure that has already taken place last year.

[1.00 p.m.]

Mr DEAN - I did not quite follow the board right through and I think it said there was \$168 000 for the board membership so the chairman gets -

Mr BACON - \$50 000 for the chairman.

Mr DEAN - Yes, and it is \$12 500 for each meeting, and the other members have received \$7 000 for each meeting that they have attended.

Mr BACON - There are more meetings to go during the year - it is a bit unfair to - because it is only half a year.

Mr DEAN - I was hoping that the number of board meetings was the end of last financial year through to date -

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Mr BACON - No, no, to round the figures we have 10 scheduled meetings a year.

Mr DEAN - My question then is what are the costs associated? Travel on top of that I take it or is not travel on top of it? Other costs? Lodgings?

CHAIR - Is there a total?

Mr BACON - We can get you a breakdown of all the costs of the board if you like, no problem at all.

Mr DEAN - Thank you.

CHAIR - That will make it clearer for the member pertaining to his information

Mr BACON - No worries at all.

Mrs TAYLOR - A couple of small items I think. Hobart Visitor Centre - is it all now Hobart City Council or do you still contribute to that?

Mr BACON - We contribute but they are owned and operated by the councils.

Mrs TAYLOR - My question is about its viability because we are all aware of increased online bookings rather than people going in and booking, so how is it travelling?

Mr BACON - I am not sure about that one in particular but in terms of the visitor information networks around the state we really see the Regional Tourism organisation is taking a key role in what happens with those centres as we go forward. As more people access applications on their phone to find information and things like that then maybe the job they do does need to change a little bit. I know Anne McVilly from the Hobart Visitor Centre does a fantastic job at that centre and you never hear anything but really high praise from people who go to the centre. There is probably still a place for them but the role may need to change a little bit as we go forward.

Mrs TAYLOR - I have heard some silly things like when the cruise boats come for instance it is really important to have there but I want to know what the effect of it is because they must have it down as every travel agent is finding for instance because people are doing their own online bookings.

Mr BACON - As we go forward it is going to happen more and more and they will have to evolve.

Mrs TAYLOR - How much are you contributing to the Hobart Visitor Centre?

Mr BACON - To the Hobart one?

Mrs TAYLOR - Yes, more in relation to proportion of their funding - whether you are increasing or decreasing.

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Mr BACON - The combined total which is provided to the visitor information network is \$380 000 which is a grant made to the statewide network and then there is an additional grant made to the Gateway visitor centres.

CHAIR - For the Gateway?

Mr BACON - We can get that breakdown for you; the total figure is \$380 000.

Mrs TAYLOR - So the total figure is \$380 000? Okay. And is that more or less?

Mr BACON - More or less? We can get that figure for you as well if you would like and break it down for a couple of years.

Mrs TAYLOR - My second question is about the conventions. I am aware that the Grand Chancellor for instance has back-to-back conventions. It is obviously doing very well -

Mr BACON - The business events market has been a real strength for us over the last couple of years and we see it in the future as being another really important industry.

Mrs TAYLOR - There is some very good work being done there - is your department involved in that?

CHAIR - We are moving into events, are we?

Mrs TAYLOR - No, I do not think so. The convention market is conferences - it is not events at all.

Mr BACON - Business events are funded through the Tourism output rather than the Events output.

CHAIR - You are the minister.

Mr BACON - We know now that the business events market is worth well over \$100 million to the Tasmanian economy so we have seen over the last couple of years even though there has been a cut in funding to the tourism department we still continue to fund Business Events Tasmania to the same amount so we provide them with \$540 000 plus \$170 000 to run the Meet in Tasmania incentive scheme, an incentive scheme to get people to hold their conferences in Tasmania in what are traditionally slower months and they pay an amount per head for each delegate.

Mrs TAYLOR - That seems to be working really well.

Mr BACON - It is.

Mrs TAYLOR - It benefits the whole of the state and there is a good flow-on, as I remember from having run one years ago. People stay in the state and then go regionally afterwards.

Mr BACON - They tend to stay for 5.56 days and spend around \$535 per day. Total average expenditure runs to nearly \$3 000.

Mrs TAYLOR - Do you have figures about flow-on? I know that a number of those people after the five days of the conference stay in the state for another few days.

Mr BACON - There is a survey that has been conducted, a satisfaction research survey that was done by EMRS in 2011. The pleasing thing for us really was around satisfaction. Ninety per cent of delegates were impressed by the friendliness of the Tasmanian people, closely followed by the standards of Tasmanian service, which is a good thing to see. Also with regard to their food and wine experiences, nearly all delegates, 95 per cent, said that they would recommend Tasmania as a place to visit, and 60 per cent say that they will return within the next three years. One thing that we are going to focus on going forward is how we can encourage the 60 per cent of delegates to come back to holiday here.

Dr GOODWIN - You haven't done that in the past though, special deals in conference satchels or anything like that.

Mr BACON - No, but it is going to be a real focus for us in the future because we have that captured market. If we can get that detail and really target them with some marketing it is going to be a positive for us.

Mr GAFFNEY - It is not really a question, it is a comment because the question has been asked but it should be recorded. The question has been asked in the House about the 31 recommendations from the report and I have been pleased that the minister has let me know that they are working through those - it is quite lengthy. For the record, that will come back to the Chamber when it is completed so I am fine with it.

Mr BACON - For the benefit of the Tourism Tasmania people in the room, it is more around the 10 recommendations that fall outside Tourism Tasmania that we are still chasing up.

Mr GAFFNEY - I was aware of that. It is good to see that they are following through with that.

CHAIR - Minister, in light of that last comment we will move on to 3.2 which is events.

The committee suspended from 1.08 p.m. to 1.11 p.m.

3.2 Events -

CHAIR - Events, minister, and I will ask Dr Goodwin, the member for Pembroke to commence.

Dr GOODWIN - Do you want to do an overview?

Mr BACON - I can if you like. I would like to please the committee.

CHAIR - Probably just pick out your highlights. We are probably not that interested in reading the whole thing, thank you.

Mr BACON - All right then. We will just go straight into it then.

Dr GOODWIN - Minister, obviously there has been a restoration or some increase in the events funding for this year's budget and for the forward estimates. I am a little bit puzzled by the rollout of this events funding and why it starts off fairly modestly and then grows by 2015-16 to \$2 million. Can you explain the logic behind that rollout?

Mr BACON - There is a range of events we are already committed to. Basically the increase in the events funding is about not only retaining the events that we have but also seeking new events. Because all the different events are at different stages of their contract life they fall off at different points and things like that. When an event is due to come up for renegotiation or something like that we then enter into negotiations and try to get the best deal we possibly can for taxpayers' money. It is difficult to explain it without going into each individual contract and when it expires and those kinds of things. It is because there are always events that are coming up for renewal that we have to renew.

Dr GOODWIN - So you are expecting quite a few to come up for renewal in 2014-15 and starting.

Mrs TAYLOR - And to be more expensive.

Mr BACON - No, but also there is the opportunity there to sign new events. It is not any indication that there will be more money provided to any particular event but we will try to re-sign all the events we can and get a good deal for the amount of money but then also look for new events as well.

Dr GOODWIN - What is the process regarding deciding which events to provide financial support to? Obviously Falls is the classic example of where the government decided not to provide funding. Luckily Mr Wood came along and provided some private funding to help that. It is a major event for Tasmania and provides a big boost in tourism numbers.

Mr BACON - Yes, absolutely.

Dr GOODWIN - Can you take us through that decision-making process?

CHAIR - Is Falls the biggest event, minister?

Mr BACON - The biggest music event, I would assume.

CHAIR - But is it Tasmania's biggest event?

Mr BACON - There is some conversation that it is.

Dr GOODWIN - I would suggest that is the case.

Mr BACON - Yes, as the most visitors attend.

Mr DEAN - I think Targa has one of the biggest viewing audiences.

Dr GOODWIN - According to the Tourism Industry Council's CEO it generates more visitor numbers to the state than any other single event with about 7 500 coming to the state.

Mr BACON - Yes, that is right. There is no doubt that visitors attend the Falls event. We met with the organisers of the Falls event on a number of occasions last year. Subsequently, the Premier wrote to the event seeking further detail that was not provided by the organisers.

CHAIR - So the budget was set without their information.

[1.15 p.m.]

Mr BACON - The deputy secretary of the department wrote to the Falls to say that the event would not be funded and, subsequently, they have sought private backing and received that sponsorship and we are very pleased that it is going to go ahead. We have been strong supporters of the Falls Festival in the past, particularly around infrastructure at the Marion Bay site, so we are really pleased it is going ahead, not only for the tourism industry but also for young Tasmanians who want to see good bands in Tasmania.

Dr GOODWIN - You were going to take us through the decision-making process.

Mr BACON - What has happened last year is that Events has moved from the Tourism department into the broader Department of Economic Development, Tourism and the Arts and we have established a major events steering group to replace the Tourism Tasmania board's events committee that they had the past. The group consists of the deputy secretary of DEDTA; the chief executive of Tourism Tasmania; and the director of community development from the Department of Premier and Cabinet. The committee provides advice and recommends major events for state government support through Events Tasmania so that is a newly-established committee, I suppose, with that move from Tourism Tasmania into economic development.

Dr GOODWIN - So what is the rationale behind that?

Mr BACON - Events, from the government's point of view, are not just about attracting visitors; there are also broader cultural benefits for the Tasmanian community and flow-on effects to other sectors of the economy as well. We believe it is a better fit within the broader department but still keeping that tourism focus with the CEO on the steering committee.

Dr GOODWIN - So in terms of the actual on-the-ground process and how a decision is made whether to fund a particular event, what do they do? Do they set out some sort of plan for the year of what is going to be funded? Is there some flexibility if a new event comes out of the woodwork to support that? How does it work on the ground?

Mr BACON - There is an assessment framework for all grants that will commence in the 2012-13 year, and the criteria which have been recommended by the committee I just spoke about are: the impact, the quality, the feasibility, the reach and the strategy. How these apply to the major event will be assessed through the committee and then recommendations will be made.

Dr GOODWIN - How many staff are working in this area?

Mr BACON - There are five FTEs within Events Tasmania.

Dr GOODWIN - What do they actually do? If it is predominantly a grants-type program -

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Mr BACON - Apart from major events in terms of negotiations with people about contracts and things like that, there is also the grants program for smaller events which in the 2011-12 budget had \$350 000 which supported 65 events to be held in Tasmania. It is not only the major events that they do, but they also administer the grants program as well.

Dr GOODWIN - Will that be at a similar level for the coming financial year?

Mr BACON - I can get those figures for you; I do not have them with me at the moment. I have the 2011-12 figures but not the 2012-13 figures. There has been an increase in funding, effectively.

Dr GOODWIN - So that smaller grants program, is that administered by those five people? Do they make the decisions on who gets that funding?

Mr BACON - Yes, absolutely. They go through the events steering committee as well.

Dr GOODWIN - All right, that is probably enough for me to start with.

Mrs TAYLOR - I am confused about why everyone is saying there is an increase in events funding this year when it looks like there is a decrease.

Mr BACON - Because there was a reduction in the midyear financial report. I am trying to think - that was done in February of last year.

Mrs TAYLOR - Okay, right.

CHAIR - No, the query was around why there was such a big increase in 2014-15, 2015-16.

Mrs TAYLOR - Okay, right. That is part of my question too, I suppose. Are you going to ask that?

CHAIR - I was going to try to see if the minister would like to expand on the question, 'Are there some events on the radar that you have factored into this fairly big increase?'. I think you would have to agree it is fairly substantial.

Mr BACON - We are certainly looking at retaining the events we have but we are also looking to attract new events as we go forward but there are none -

Mr DEAN - Such as?

CHAIR - But you said you are not going to give them any more money.

Mrs TAYLOR - Why in two years' time rather than next year, for instance?

Mr BACON - It is just the way the cash flows have been done for the budget. All the events we have at the moment are contracted for this period; there may be increases sought after that -

CHAIR - So you are expecting them to want an increase?

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Mr BACON - I think no-one has ever come back and asked for the same amount of money. To be honest, the government always takes a hard line with these negotiations.

Dr GOODWIN - Princes Wharf No. 1 - I think there was some mention of that -

Mr BACON - Yes.

Dr GOODWIN - - coming out of this as well.

Dr GOODWIN - Yes, that fits into the events portfolio.

CHAIR - The oversight, you said.

Mr BACON - Yes, the oversight.

Dr GOODWIN - Does that mean a person?

Mr BACON - Because the contract has gone out to venue managers, VMS, to manage the site, the oversight is done through the department but the day-to-day management is done by VMS.

Dr GOODWIN - So when you say 'oversight' do you mean that is contract management again, essentially?

Mr BACON - Yes.

Mrs TAYLOR - It is interesting because we know that there was a fair amount of money spent on upgrading.

Mr BACON - \$15 million was spent on it.

Mrs TAYLOR - That is a lot of money.

Mr BACON - Yes, it is a lot of money.

Mrs TAYLOR - When it first became available for bookings, there was a lot of talk around the town about how we would never be able to afford to go there because it was going to be so expensive. I notice that there are quite a lot of events held there now -

Mr BACON - Absolutely.

Mrs TAYLOR - and I also know the people who are now booking it are saying that it is affordable now. So what has been the change?

Mr BACON - Initially, there is a process you go through whenever you have a change. There is a lot of uncertainty around it and the new high fees really only became effective from 1 February -

Mrs TAYLOR - This year?

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Mr BACON - Yes. There are different rates for commercial events, special events and community events, and we have seen -

Mrs TAYLOR - A number of community events.

Mr BACON - Yes, you are right; \$15 million is a lot of money. So having spent that money, the government really wants to see the shed used as much as possible, even though you are not supposed to call it 'the shed' any more.

CHAIR - Is it being subsidised?

Mrs TAYLOR - It must be.

Mr BACON - It is aimed to run at a sustainable level in the long term but given that it has been moved from the Department of Treasury over into the Department of Economic Development -

CHAIR - It is in your line item so can you tell me how much is being subsidised for it?

Mr BACON - It is going to be dependent upon how many times the shed is used. I can give you some figures on how often it is due to be used over the next 12 months. One of the key problems is that we have found that the lag in organising really significantly large events is quite a long time. You may book the venue two or three years before you want to hold your event, so we think as we go forward there will be more and more events in the shed. Over the next 12 months we expect to see 17 commercial events, 12 community events and five events at the special rate and three events are just in the forecourt where you can book now, where they have that little red thing as well.

Mrs TAYLOR - What is the difference between special and community events?

Mr BACON - Community events are \$1 500 a day; the special events are \$2 200 a day and the commercial events are \$7 000 a day.

Mrs TAYLOR - So when it is a community event at \$1 500 a day, the government is subsidising that then to the tune of \$5 500?

Mr BACON - Not really; because it is a public asset, we do not want to just see commercial events. We want to see things go on in there that have benefit for the community as well. So it is trying to get that balance between commercial events and community events.

Mrs TAYLOR - I am not arguing; I think it is a good thing because I do believe there should be a special rate.

CHAIR - I am not arguing either; I am just asking for the figure of what it costs to subsidise that.

Mr BACON - It is going to depend on how many events are actually held in the shed.

CHAIR - It has been in operation for 12 months -

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Mr BACON - Yes, but the new fee structure has only been in place since 1 February.

CHAIR - How much has been subsidised by the department? Is that figure available?

Mr BACON - There is not really a figure there. In the next budget year we will be able to give a figure on how much money has come in through the shed and how much has been spent on it, but it is hard to come up with that figure at the moment given that is 1 February.

CHAIR - But there is a definite subsidy to that facility?

Mr GAFFNEY - It is not a subsidy. I see what you are getting at.

Mr BACON - We want the shed to stand on its own two feet.

CHAIR - I will ask the question again next year.

Mr BACON - By then it will have been running over a year under the new fee structure and there would be more time to book the events.

CHAIR - If it is not a subsidy then it would be a CSO, if you like.

Mr BACON - You are being very pessimistic; we might make money.

CHAIR - I hope it does.

Dr GOODWIN - There was an upfront cost of -

Mr BACON - The infrastructure was around \$15 million.

Dr GOODWIN - Then there will be some maintenance and operating costs and then there will be whatever income you get.

Mr BACON - We can provide those figures but it is hard to get them to all match, given the fees have only been in since 1 February.

Mr GAFFNEY - It would be a subsidy if it cost \$500 a day to run the power, cleaning or whatever, and you gave it to an organisation for \$300. Then you are subsidising the \$200. But you are still thinking that the \$1 500 is going to cover the cost of that event for that day. It is not a subsidy; it is just a decreased charge.

Mr BACON - Yes, that is right. Over the year there may be a subsidy or there may be a bit of money that is in profit but we will not know that until there has been a year of the fee structure we have in place -

CHAIR - How much is the management contract then?

Mr BACON - We can get that for you; I am sure that it was in a press release we put out.

Dr GOODWIN - Wouldn't you be able to give us the figures for the income so far, even though you said it has only been since February?

Mr BACON - We could get that detail for you. Even that will not give a real indication.

Dr GOODWIN - But it will be a start, won't it.

Mr BACON - In 12 months we can work it out. Thirty-seven events have been booked for the 12 months May to May, with 17 commercial, 12 community, five special, and three in the forecourt. You could work out a rough figure but then we don't have the figures there on how many days they run for either.

Dr GOODWIN - Do they pay a booking fee?

Mr BACON - What they pay is a bump-in and bump-out fee which is \$2 500 for the commercial events, \$1 100 for the special events, and \$500 for the community events.

Dr GOODWIN - What is a 'bump-in and bump-out' fee?

Mr BACON - It is for the set-up and for removing the set-up after the event.

CHAIR - You need it the day before your \$7 000 event to get ready for your \$7 000 event.

Mr BACON - Yes.

Mr GAFFNEY - Did you have any noticeable increase of bookings once the new fee structure was put out into the community? Initially they would have been reticent, so have you any idea what happened when the new fee structure was put out?

Mr BACON - Generally there was a lot of concern but in the meantime they were working out individual fees for individual events on an ad hoc basis as it came up so it was not a very suitable way to deal with it. We have had the HIA expo and because they raise money for charity, are they a commercial event or are they a community event. Some compromise needed to be made there. It is really about finding consistency so people know what they are expected to be charged and they know that everyone is going to pay the same if they are a commercial event.

Mr GAFFNEY - What about the Taste of Tasmania?

[1.30 p.m.]

Mr BACON - The Taste is a special event. There are five special events at the moment - the Taste, MONA FOMA, and I can't recall the others but I will get that detail for you as well.

Mr GAFFNEY - Who controls the Taste?

Mr BACON - Hobart City Council. They fund the majority of the Taste.

Mr GAFFNEY - If they make a profit from that event, why is it a special event? Where do those profits go? I can understand community organisations and I am just interested to know where the profits go. If they go back to the council then why is that any different to any other commercial entity?

UNCORRECTED PROOF ISSUE

Mr BACON – It is about the value to the whole state that the Taste provides. It is not comparable to any other event that is held in the shed -

Mr DEAN - Festivale?

Mr BACON - We can move that to the shed if that is your proposal.

CHAIR - I think the Taste makes a loss. My understanding is the Taste makes a loss and Festivale makes a profit.

Mr GAFFNEY - Because they don't charge an entrance fee.

Mr BACON - Yes, that is right. There is always that conversation every year about whether they should.

CHAIR - Whereas with Festivale you pay to get into the park.

Mr GAFFNEY - I have to say that for the Taste the extensions and improvements they have done were just fantastic.

Mr BACON - Yes. It is a world-class venue now, which it was not before.

Mr GAFFNEY - You could charge a dollar or two to get in and no-one would care.

Mrs TAYLOR - Can I just ask a final question about the shed, about commercial competition? The shed is actually now in competition with the Derwent Entertainment Centre because they are the same sort of venue. When you offer government subsidies like the special rate how does that fit with the DEC, which is a commercial operation?

Mr BACON - In terms of community events and the special events?

Mrs TAYLOR - Yes.

Mr BACON - That is a good question.

Mrs TAYLOR - The DEC also obviously does it but on its own commercial basis, not with government money.

Mr BACON - Yes, but I suppose the DEC would be subsidised by the council in a similar -

Mrs TAYLOR - Only if it makes a loss and, in fact, it is not supposed to make a loss and has not for the last few years because they have had to be commercial. The government is subsidising one venue and not subsidising the other venue.

Mr BACON - It may not be subsidising. It comes back to the question from the Chair about whether or not it will be subsidised.

Mrs TAYLOR - In terms of commercial competition, if you offer a lower rate for community events, which both venues do, then one venue has to do that out of its own budget, the other does it with government money.

Mr BACON - Yes, but the council does it with council money.

Dr GOODWIN - Ratepayers' money.

Mr BACON - Ratepayers' money.

Mrs TAYLOR - Exactly. Ratepayers also contribute to taxes, so they are paying for -

CHAIR - Double-dipping.

Mrs TAYLOR - Yes. It does not seem like -

Mr BACON - This is based on the proviso that it is going to make a loss as well.

Mrs TAYLOR - What?

Mr BACON - The shed, because you do not charge everyone that has an event at the Derwent Entertainment Centre the same price.

Mrs TAYLOR - That is right.

Mr BACON - This is, I suppose, based on the same principle.

Mrs TAYLOR - But we don't get a government subsidy to not charge them that sort of rate.

Mr BACON - They don't necessarily get a government subsidy either.

Mrs TAYLOR - Well, you will because it is not going to make a profit - none of those kinds of events. It is very difficult to make any kind of public venue - whether it is the Aquatic Centre or the shed or the DEC; all of those are public, community facilities that you have to have.

Mr BACON - Yes. I suppose it comes back to the point that -

Mrs TAYLOR - They are never going to make a profit.

Mr BACON - Yes, but it comes back to the point that the government wants to see the shed used -

Mrs TAYLOR - Yes, yes.

Mr BACON - and wants to see community organisations get the opportunity to use the shed for their events.

Mrs TAYLOR - I can just see that the DEC might say to the government -

CHAIR - 'Where is ours?'

UNCORRECTED PROOF ISSUE

Mrs TAYLOR - 'This event could be held at the DEC or it could be held at the shed' but people are going to hold it at the shed because it is cheaper so the DEC ends up losing out on events, which commercially I would think is a concern.

Mr BACON - From our point of view we really want to see it used.

Mrs TAYLOR - Of course.

Mr BACON - If we just came out and said we are going to charge everyone \$7 000 then we would see -

Mrs TAYLOR - No, I am not suggesting that you do that. I am thinking that if it was a private enterprise it would be arguing with the government about you being able to charge.

Mr BACON - Yes, absolutely. It is a good point.

CHAIR - Obviously, I think this one will generate some more discussion at a later time.

Mr DEAN - The V8 car races, minister; we are now locked in for what period of time?

Mr BACON - It is locked in for two more events.

Mr DEAN - So in two more years?

Mr BACON - Two more events.

Mr DEAN - So it is up to 2014.

Mr BACON - 2014.

CHAIR - That is where the big increase is.

Mr DEAN - Yes, so we have it for next year and we have it for 2014.

Mr BACON - Yes.

Mr DEAN - Then obviously that will come back for further discussion in your area. Targa - is that a safe event in Tasmania?

Mr BACON - Absolutely.

Mr DEAN - Locked in?

Mr BACON - We have a contract with Octagon Australia which covers Targa Tasmania, the Targa Wrest Point Event and the Longford Revival. That contract is locked in for three years which are 2011, 2012 and 2013, so it will need to be renegotiated as well. The government remains committed to Targa, absolutely.

Mr DEAN - That is excellent because I believe Targa has been the biggest viewing activity in Tasmania over a period of time.

Minister, what is Events doing to bring events, say, to Blundstone Oval and to Aurora Stadium? What are they doing in that area? Are they working with those who have been used to bringing events here?

Dr GOODWIN - Answer this carefully.

Mr BACON - Thanks, Dr Goodwin, for that advice - I think that was well-timed.

Dr GOODWIN - This north/south thing again.

Laughter.

Mr BACON - From Events Tasmania, what we want to do is to get the events in Tasmania, whether they are at Blundstone -

Mr DEAN - I am saying, do you work with the councils and the owners of those able to help them get entertainment and activity there? That is what I am talking about.

Mr BACON - Yes, absolutely.

Dr GOODWIN - In a balanced way.

CHAIR - I think the north/south divide is on this side of the table, minister.

Mr BACON - We are Tasmanians on this side.

Mr DEAN - Yes, that is right; and we are Tasmanians on this side, and that is why I mentioned both ovals.

Dr GOODWIN - And you mentioned Blundstone first which was very impressive.

Mr DEAN - I did; I mentioned Blundstone first.

Mr BACON - Yes, that is right. Our focus is on getting events to Tasmania and then we want to get a regional spread of events as well.

Mr DEAN - That was my next question, and I know that the member for Pembroke asked a question on the new events that you are looking at. Surely, minister, you must have some idea of some those events that you are looking at trying to attract to Tasmania.

Mr BACON - What we want to do is to attract events that are going to make a difference in the shoulder seasons or in the winter time when it is more difficult to attract people to Tasmania. So we want to make sure we retain all the events that we have. Then, when we are looking at new events, we want to make sure that they are in either the shoulder season or in the winter to try and get people to come in those slower periods. We have seen success with the Festival of the Voices, and hopefully we are going to see the same success that we have seen in Launceston with the football down here at Blundstone Arena as well.

UNCORRECTED PROOF ISSUE

Mr DEAN - I am not being very successful at this present time but, minister, you must be able to identify one event, for instance, that you are trying to attract at the present time. What negotiations have you had to attract a new event or an additional event to Tasmania?

Mr BACON - We are in constant conversations with different parties who are trying to get up events but it would be premature for us to discuss that without agreement of the parties or any of those kinds of things.

Mr DEAN - Okay, I accept that, but you are in negotiations?

Mr BACON - We are in constant negotiations and we are looking to fill out our events calendar with things.

Mr DEAN - That was more what I was looking for - if you are currently in negotiations with whoever it is to attract some further events here in Tasmania?

Mr BACON - Yes, absolutely.

CHAIR - If there is no more in the events area, I will move onto grants and subsidies.

Grants and subsidies -

CHAIR - Minister, you might provide a break-up of the \$1 million. Is grants and subsidies a repeat of last year?

Mr BACON - I do not have the budget papers with me at the moment.

Mrs TAYLOR - There was \$1 million in last year's - it was \$500 000 for the TSO and \$500 000 for -

Mr BACON - You are talking about Icons funding?

Mrs TAYLOR - Yes.

Mr BACON - Yes, it is \$500 000 for the TSO and \$500 000 for Cricket Tasmania.

Dr GOODWIN - The TSO came in under budget this year, so what happens with that amount that they are under? Do they get to carry that over?

Mr BACON - In terms of the TSO, what we do is we provide \$500 000 each year through that Icons program and that is the extent of our involvement.

CHAIR - They do not have to negotiate with Treasury to hang onto it?

Mr BACON - They may have to but they do not have to negotiate with us.

CHAIR - Treasury is going to have a lot of negotiations, I think, after the last four days.

Mr GAFFNEY - The TSO actually gets two lots of funding, does it not?

UNCORRECTED PROOF ISSUE

Mr BACON - Yes.

Mr GAFFNEY - Through the Icon program, also through contributions to the orchestra anyway. It is interesting; if you are going to give \$500 000 to the TSO as part of the icon program, why don't they just lump it into the government contribution to the TSO anyway? If they are doing it every year, why not? It does not seem to make sense.

Mr BACON - I am not 100 per cent sure of the origin of this but I think that it was around trying to make sure that we could retain a chamber orchestra in Tasmania. I am not sure how long but it goes back a long time.

Mrs TAYLOR - It does not make sense to have two different lots.

Mr GAFFNEY - Unless the Icon programs allows it then to get some of the funding from federal sources or something like that. It does not seem to make sense to me.

Mr BACON - To have the funding done in this way?

Mr GAFFNEY - It says, 'government contribution Tasmanian Symphony Orchestra' is so much, and then straight underneath, 'Tasmanian Icon Program' -

Mr BACON - From our point of view, it is a historical thing that has worked out that way.

Mrs TAYLOR - And we would not want to change it.

Mr BACON - We can look at changing it but -

Mr GAFFNEY - I was just wondering -

Mrs TAYLOR - There might be a reason.

CHAIR - There are a couple of more important areas that the committee would like to see changed rather than that one - and the opportunity to discuss with Treasury a couple of those areas.

Mr BACON - I will take those on board and get better explanations which would be much appreciated.

Mr GAFFNEY - Why is the state cricket team an icon? Why is that any different to any other sporting organisation? Why isn't the netball? We get more Olympic hockey players; or in rowing, we have so many people going to the Olympics.

Mr BACON - We have half the test team at the moment, haven't we? We do well in cricket. That is another historical thing that money has been provided for that program in the past. I think the TSO and the Tassie Tigers are both -

Mr GAFFNEY - We will leave the TSO separate. The cricket?

Mr BACON - I think that culturally sports are as important as arts.

UNCORRECTED PROOF ISSUE

Mr GAFFNEY - I think sports are important.

Mrs TAYLOR - So why not in the Sport and Rec budget, as all the others are?

Mr BACON - This is the same answer.

Dr GOODWIN - Isn't it split? Or is that something else? The football gets split between Sport and Rec and Tourism, doesn't it?

CHAIR - Football is in another output group.

Mr BACON - Football is in Sport and Rec.

CHAIR - Minister, we will leave that one for you to get an answer before next year.

Mr BACON - I do not want to front up next year and have to explain that again.

CHAIR - On behalf of the committee, we would like to thank you very much for your contribution today to our scrutiny process. It is appreciated, as are all the efforts of all departments for what they contribute to this very long and arduous week. I want to say thank you very much to the members and particularly to acknowledge the secretary who has been a great support - Stuart Wright, thank you; and Sue McLeod who also gives us great support alongside Stuart. We would also like to thank Majella Tilyard who looks after us exemplarily well. Thank you Majella, it is always a delight. Thank you, minister, and your very fine staff.

Mr BACON - Thank you very much.

The committee adjourned at 1.44 p.m.