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THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 3 OCTOBER 2012.

Mr KIM EVANS, SECRETARY, **Mr ANDREW ROBERTS**, DIRECTOR, COMMERCIAL AND BUSINESS SERVICES, **Mr COLIN SHEPHERD**, PROJECT MANAGER (THREE CAPES TRACK), TASMANIAN PARKS AND WILDLIFE SERVICE, DEPARTMENT OF PRIMARY INDUSTRIES, PARKS, WATER AND ENVIRONMENT, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

THREE CAPES TRACK

CHAIR - Thank you gentlemen. We have your submission and also the DPMP which was provided to us on CD. We appreciate that. We would like to hear your evidence. Our usual process is to let you build your case and we will try and hold our questions because it helps us when we are formulating our report at a later date. Kim, are you going to lead?

Mr EVANS - I will lead off. Firstly, thank you very much for the opportunity Mr Chairman and committee members. On my left is Colin Shepherd who is the project manager for the Three Capes project and is across all of the detail. On my right is Andrew Roberts who is the Acting General Manager of the Parks and Wildlife Service. Peter Mooney is away on long service leave at the moment and Andrew is acting in that role.

We have made our written submission and obviously that stands. I am aware that you visited the site last Friday and you were able to view the first piece of work to commence the project in terms of its capital development. That relates to the upgrade of the existing Cape Hauy track, some 4.8 kilometres of track.

Just by way of background, and a point that is not well developed in our submission, is some history. This is not a new idea that has been thought up in a couple of years and it is not simply someone's brain wave. It comes about because in the early 2000s the government and tourism industry identified the need to develop a new multi-day bush walk in Tasmania to compliment the success of the Overland track. In 2005 the government requested the Parks and Wildlife Service to look at all the possibilities of developing a new multi-day bush walk. The Parks and Wildlife Service at the time contracted Planning For People to undertake what we call the great bush walk scoping study. Their work included interviewing leading travel journalists, existing commercial walking operators within Australia and New Zealand, and others to get a strong sense of what the market was wanting.

The final report by Planning For People was produced in 2006. It assessed some 18 potential sites across Tasmania for a new multi-day bush walk and short-listed four of those. The Tasman Peninsula was identified as having the combination of attributes that provided the greatest opportunity to develop a new iconic bush walk in Tasmania. In

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2007 the then Premier, Paul Lennon, engaged us to do a more comprehensive feasibility study which was released in May 2007.

It is fair to say that model that was developed got a broad range of support and, fast-forwarding to today, we were successful in getting the support of both the state and the federal governments to invest in this project a couple of years ago. Hence we have been working up the detailed project and going through the approval processes since then.

We have in place now all of the required regulatory approvals. We had a decision notice from the commonwealth under the EPBC act on 16 January of this year that they did not consider this to be a controlled action. The state reserve activity assessment was provided on 9 February and the Tasman Council planning approval was granted on 25 July 2012. So we have all of the planning approvals in place.

You have seen the Cape Hauy upgrade. Separate to the broader project we took an early decision that we would seek planning approval to upgrade that existing section of the track. We did so so that we could, firstly, bring a product quickly to market but more importantly to get the opportunity to assess in a bit more detail some of the logistical and costing issues around this broader project, because the budget at the time it was first conceived was based around our estimates but we did not have a lot of practical experience. So the upgrade of Cape Hauy track has proved really beneficial. Firstly, we now have a first-class walking track out to Cape Hauy, but more importantly we have been able to fine-tune the project as a consequence of that practical experience.

Following your consideration and hopefully agreement we will then proceed to go to tender for the remaining section of what we call the eastern side of the Three Capes walk. In the first instance we will be concentrating on the walk from Denmans Cove out to Cape Pillar, around to Cape Hauy and to Fortescue Bay. That will encapsulate a three-night, four-day walking experience and we plan to have that part of the Three Capes walk completed and to market by 2015.

The one thing that I did neglect to mention earlier but is a really key feature of this walk and is consistent with all of the market research that we have done is that it will accommodate two different products. It will accommodate a guided walking product, a commercial walk a bit similar to that which operates at Bay of Fires and on the Overland Track, and it will allow for free walkers as well - unguided walkers. The business model for this project has everyone booking and paying a fee as part of the experience, particularly around the free walking. The broader walk encapsulates a ferry leg as well as an eastern and western component of the walk. Once fully completed the walk would start in the west at White Beach-Nubeena area, and move eastwards to Safety Cove, a ferry trip across to Denmans Cove, and then around to Fortescue Bay. The first product that will go to market will be the eastern side of the walk. That is where we are concentrating our efforts at the moment within the budget that we have and with the more detailed costings we have been able to do as a consequence of the other experience.

Mr HALL - So basically from Fortescue Bay down to Cape Pillar.

Mr SHEPHERD - From Denmans Cove right through to Cape Pillar and then back out and round.

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Mr HALL - So all of that.

Mr SHEPHERD - Yes. That is 35 kilometres.

Mr EVANS - Interestingly, we suspect that is the part of the walk that the commercial operators will be most interested in.

Mr SHEPHERD - When it is completed for the two streams of walkers that Kim has mentioned - independent or free walkers, and the commercial walkers - they would have a slightly different starting point and therefore period within the park. In its entirety for Three Capes, the independent walkers would come in at White Beach; that is the majority of walkers. That has always been 80 per cent-plus of the walks we expect. They would come in with the first night at Tunnel Bay hut and then walk through via Cape Raoul to the Maingon Creek hut site and then through, take the ferry across and then out on the eastern side through Surveyors Cove, Lunchtime Creek and Retakunna Creek hut sites. Theirs would be in total a five-night, six-day experience. For the commercial sector we would see them coming in at a different start which is at the end of Stormlea Road which corresponds to where the existing track to Cape Raoul and Shipstern Bluff leads from and they would have their first night at the area around Maingon Creek for the boat journey and then out on the eastern side. Their experience would be one night less, so four nights and five days.

For the walk that we are wanting to develop as stage 1, if you like, on the eastern peninsula the only note that I would make is that it would involve a jetty construction at Denmans Cove. We would envisage that people would be taken across to that jetty from existing marine infrastructure which is already in the area. So there are plenty of existing jetties from which a ferry could operate to take people across.

Mr HALL - From Port Arthur do you mean?

Mr SHEPHERD - From that area. It would be a very short trip across but there is certainly plenty of scope and already existing commercial operators down there who would be interested in providing that service.

Mr BOOTH - How do you propose that that would work, Colin, with regard to the ferry? How would you know that somebody wanted to get across? How would they tell the ferry operator?

Mr SHEPHERD - With the Overland Track there is a fee and booking system. We would expect to implement the same systems for this, so people would book the walk. This walk is designed to guarantee an individual bed in each hut on each night and to that end we would have hut wardens who are administering those arrangements. When you make your booking you would, we envisage, have a couple of options as to what time you might want to depart. It might be 12, 2 or 4 o'clock.

Mr BOOTH - On the boat?

Mr SHEPHERD - On the boat leg and you would make that booking at the time that you book for everything else. That way the ferry operator would understand that at 12 noon he would have x number, at 2.00 p.m. y number et cetera.

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Mr BOOTH - And free walkers the same thing? They would not book the hut but they would book the boat?

Mr SHEPHERD - I am talking about independent walkers because that is whom Parks are really going to be responsible for. I am talking about 86 per cent of the walkers. The commercial operators could potentially use the same ferry service, but if you take Maria Island walk as an example they have their own boat arrangements. So they have their own vessel that they transport people over and then they can arrange at exactly what time they want to go. From our perspective we would envisage that there would be the option of multiple trips. It's not going to be 10 trips a day but it would be two or three, and when you book you would book a passage on that ferry and you'd arrive and be taken across and dropped off and then you walk through. Each night you have that guaranteed bed in the hut, and then you have to move through. It's very similar to the system that works in New Zealand.

Mr BOOTH - You said there would be hut wardens; how many would there be?

Mr SHEPHERD - There would be a hut warden per hut. On the Overland Track at the moment there are effectively hut wardens who operate during the walking season but they move between the huts. It's a hybrid of what's working on the Overland Track but what works in New Zealand on some of their more famous walks.

Mr BOOTH - How many full-time equivalents would you have on the whole package - the complete Three Capes and the boat et cetera?

Mr SHEPHERD - If it's the complete package it is about 11; if it's the eastern side only, as is stage 1, I think it is 9.75 or 10. It doesn't make a huge difference because realistically the business manager, the visitor reception officers and track rangers would all need to be employed regardless of whether it's the total or the staged approach. The only difference is you'd only need to have three hut wardens as opposed to five.

The other point I would emphasise, that Kim made and so everyone is clear, whilst it's a fee-for-service arrangement during the walking season, we're still very committed to allowing people to use the facilities outside of that walking season free of charge. It's the same as what happens now on the Overland Track outside the walking season, which up there until this year was nominally 1 November to 30 April, but that is extending out by a month either side. Outside of that walking season, as long as people have paid a normal parks entry fee they are entitled to use the facilities.

Mr BOOTH - Will the entry cost, or the walking cost, be cost-reflective in that sense? You're talking about \$200 to walk the track?

Mr SHEPHERD - In the feasibility work that was done, the model suggested that \$40 or \$50 a night seemed to be the value people were quite happy to pay, so that's where the five-nights at \$200 or three nights at \$120 has come from.

Mr BOOTH - Do you have a business case that shows you get sufficient income from the number of walkers? I think you were talking about 6 000 walkers a year.

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Mr SHEPHERD - The business case is built on the premise that we would get up to 10 000 walkers a year through the walking season, and it depends on how long that walking season is as to how they disperse over the 6-8 month period. We don't need 10 000 people to generate sufficient income to have a recurrent stream that would allow for the operation. We probably need to get approximately 6 000 walkers a year.

Mr BOOTH - And that would pay for the upkeep of everything - 11 full-time equivalents et cetera?

Mr SHEPHERD - I'm talking about 6 000 walkers on the eastern side alone. If you extrapolate across on both sides, it would give us a sufficient revenue stream to employ those staff and have a bit of money left over to pay for some of the operational costs such as the toilet cleaning and those sorts of things. At 6 000 walkers we probably don't have an enormous pool of money to bank, but we'd still have some. Inevitably, even though we're building such a high standard track that involves very low maintenance, 10 or 20 years down the track we'd have to do some re-gravelling, so we need a bit of money that can be put aside into a trust so when we get to that point we have the money. At 6 000 walkers we would be able to do that, but obviously if we can get 7 000 or 8 000 it increases that opportunity. One of the things I would stress is that this project is about intergenerational infrastructure. We are going to an enormous expense at the front end to build a very high standard of track so I think the 10 000 walkers is a conservative figure. We are likely to get more than 10 000.

Mr BOOTH - What's the track traffic on Cradle Mountain?

Mr SHEPHERD - It runs at about 8 000 people.

Mr ROBERTS - It's a bit less than 8 000 at the moment. People had trouble seeing the difference with this track - the Overland Track versus our normal track work. Normally when you build a track you build it and struggle to get back to it regularly enough to keep it well maintained, so they tend to go in bursts of work. With this track, because there are staff out on the track all the time, part of their task is to do the daily maintenance, keep the water bars clear so the erosion doesn't build up et cetera. The end fix is lower because it is being constantly maintained through its life, whereas the traditional approach is to build it, come back 10 years later and do what has to be done. That is the key difference and that's why you can get away with the different construction styles. Normally you wouldn't have enough staff who could go and spend time on that track, but in this case you have hut wardens walking between huts so they are doing those small adjustments all the time.

Mr BOOTH - I've had experience walking on a track for probably 57 years now; I was about three when I started walking down it. It has never had any of the sort of work that has been done on this track. There are a few run-offs cut to take off a bit of water but with that track - and I would be completely guessing, so I don't want to record that that is the case - I would imagine it would be well more than 6 000 people walking on that track. I am surprised at the extravagance of the construction, albeit it's been beautifully done. I have walked on it and appreciated the day there, but it seems to me it is an extremely extravagant construction and I'm not quite sure who you would construct that for. I'm not sure that bushwalkers generally need something almost like a superhighway.

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Mr SHEPHERD - I have been walking for a long time as well, and without knowing which track you reference -

Mr BOOTH - It's in New South Wales.

Mr SHEPHERD - my experience of most tracks in Tasmania is that if they have reasonable numbers of people across them they often suffer from erosion and those sorts of issues. Most of the tracks that spring to my mind - Frenchmans Cap, South Coast Track, Overland Track - would clearly benefit from having a very well constructed track with very good drainage in place. It's the drainage that is the issue. If you get the drainage right, the track will last for a long time and will also withstand the passage of time and thousands of feet tramping over it. That is one of the reasons we have gone to such an expense there. We also have built what some people would term the 'superhighway' because we have a number of environmental approvals we need to be able to demonstrate we can keep to. We need to be able to demonstrate we will be able to keep to them through a long period of time with minimal maintenance. Because of the *Phytophthora* issues down there we need to have a dry-boot standard of track and we need a track width which is sufficient so people can pass each other without stepping off the track. That's one of the reasons it may appear to some people to be a little unusual, and I think that's because it is. There are very few tracks of this standard in Tasmania so for a long of people who are going down there and seeing it they are all quite appreciative of the work but it can be a bit confronting. I think it's more about the fact it's an unusual standard, it is a very high standard, but it needs to be that standard to deliver on the environmental outcomes we have committed to through our approvals.

Mr HALL - Colin, you mentioned people wouldn't need to step off the track. Obviously that does happen; people have to step off the track for a convenience stop or to take photos. I have walked, as you have, across most countries and all continents and it's a fact that you do that. You talked about the *Phytophthora cinnamomi* and everything else but there still is that risk, even with a well very constructed tack, that people will step off that track and get mud on their boots.

Mr SHEPHERD - That is true, but I think it is based on a risk-assessment approach. We think that there are plenty of viewing opportunities along the track and you would have seen that yourselves when you were out last Friday. That increases exponentially as you go onto the Three Capes Track. We think there are enough viewing opportunities on the track or at formed viewing platforms that we would take people to that would minimise the need for people to step off the track. It is quite right. People will step off the track to go to the toilet and to do those sorts of things. That is not something we control but I think in terms of minimising it by having this standard of track it will be a lot less of a risk than if it had not been of the same standard.

Mr HALL - With this eastern section, what was the capex?

Mr SHEPHERD - \$23.3 million.

Mr HALL - And the balance if the western component was done? How many bucks are we looking at there?

Mr SHEPHERD - On our current estimates it would cost us \$16.5 million.

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Mr HALL - You are looking at a similar distance, are you not?

Mr SHEPHERD - You are. I probably should clarify that - probably around \$18 million with built-in project management costs. The way that the budget has been produced is we use the figures from Cape Haury and it is about \$400 a metre to build the track there. There is 60 kilometres of track remaining, 30 kilometres give or take a little bit on either side, and the huts as you can see are costed at a couple of million dollars each, and half a million dollars for the jetties and half a million for the car park. We made the point in the submission that we are treating our costs with a degree of caution because having to upgrade an existing track where you could not avoid some of the existing issues and build on a surface which already had some problems we think is going to be more expensive than building on a greenfield site. I think that the \$400 a metre is likely to come down. We also, as Kim said, got a lot of invaluable information from the work we did on Cape Haury so we have adjusted some of our thinking to include the use of more timber over the rest of the track and that is probably the cheapest form of track construction - to use timber. I would be fairly confident that the cost of the remaining track would be less than \$400 a metre.

Mr HALL - If I go back to that walking season, that was mandated?

Mr SHEPHERD - I do not think mandated; I think we said nominally. At the moment we have modelled it on the Overland Track experience, which is 1 November to 30 April.

Mr HALL - I suppose you could argue that this being a much lower level walk, you are not exposed to the alpine conditions that you are on the Overland Track so then you could extend that walking season.

Mr SHEPHERD - Definitely. As I said before, for the first time from this season onwards on the Overland Track they will now have the walking season from 1 September to 30 May.

Mr ROBERTS - We adjusted the Overland Track on the basis that it was becoming a false load on the change of seasons and people we felt were not safely walking; they were trying to do too much in days too short of light. It is free in winter but we have the group booking running year round so we keep talking to the schools and things year round rather than them all turn up on the same day when the booking system stops and try to take kids, with six or seven hours of daylight, and try to do things that are not appropriate. It is almost like half a shoulder that softens that through. At this particular site it is not as harsh in alpine, snow et cetera, but still the winter is wind and rain and harsh, so we are imagining that would keep the demand down. That's why there will be a winter segment.

Mr HALL - Unfortunately it would seem that over the past couple of years national park visitation has dropped off.

Mr EVANS - I don't have the figures on me now, but it has been a bit light. That is consistent with tourism numbers reducing.

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Mr HALL - Extrapolating that out a bit forward, any projections there? Are we looking at increases? I know a few years ago when we looked at some infrastructure at Cradle Mountain there were some projections for some dramatic increases in visitation but that hasn't transpired. In fact it has gone the other way, unfortunately.

Mr ROBERTS - The Cradle information probably came out of the sewerage treatment plant. They did a 25-year window based on the time when it was projecting up and things have plateaued. It's hard to predict, but at the moment we are seeing a plateauing.

Mr HALL - It depends what the dollar does and a lot of other external influences.

Mr ROBERTS - It's volume versus type of user as well. There hasn't been a huge drop in the overnight guided walk groups. They haven't had the same drop that other areas have. The raw number of whole visits to all the parks is different to the different user groups and different types of [inaudible].

Mr EVANS - I was talking to Simon Currant and Luke Martin this morning at the opening of the Cape Haug upgrade and they made the point that investment in this sort of product is absolutely critical to making Tasmania an attractive place to visit. In fact they would see this as their number 1 priority as a tourism industry because it will attract visitors to the state in its own right.

Mr BOOTH - But the business case isn't built on the visitation numbers using the commercial huts.

Mr ROBERTS - They're added into it.

Mr BOOTH - Greg was making a fair point that the park use numbers have declined, not gone up, which is a worry. If you have a business case based on declining numbers but you're justifying it on the basis that the commercial overnight stay numbers haven't dropped, what percentage of the projected 9 000 or 10 000 you are anticipating, how many of them are commercial?

Mr SHEPHERD - If you look at the Overland Track as a model, there hasn't been a drop in free independent walkers and the commercials. People who stay in these huts and pay for a feed, like the Overland Track and this walk, there hasn't been the drop in those numbers compared to the general visitor to parks numbers.

Mr BOOTH - So out of the 10 000 you're anticipating in the business case -

Mr SHEPHERD - 1 200-1 400 commercial.

Mr BOOTH - Just to clarify, I understood the numbers of those people weren't dropping but the other walkers were.

Mr ROBERTS - General day visit numbers are down. The Overland Track's revenue is on a slight increase for the last three years. There was one dip and then it has slightly been increasing ever since.

Mr BOOTH - Because of the slight increase in walker numbers or an increase in fees?

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Mr ROBERTS - We had a dip in numbers two years ago but in the last year it has come back up into the trend that was there before - the gradual increase.

Mr BOOTH - Can you advise the committee of the current numbers who are walking annually?

Mr ROBERTS - I don't have those in front of me, but it is around 7 000. We thought it would be at 8 000 but it's not quite there.

Mr BOOTH - Kim, you mentioned earlier on in your overview that you had done a bushwalking scoping study. Is that a formal document?

Mr EVANS - In 2005 a Planning for People study was done into the great bushwalk scoping study.

Mr SHEPHERD - It is a formal document that's available on the web. I'm fairly sure it's on our Three Capes web page.

Mr EVANS - If it is not we can make it available.

Mr BOOTH - Also, Kim, you said that in early 2000 government and the tourism industry got together and came up with some ideas.

Mr EVANS - Sorry, in the first part of the 2000s. I would not like to be held to a year. In the first part of the decade we started to look at what we needed to do around tourism development and this idea of a new, multi-day iconic walk gained momentum. Then the Premier of the day in 2005 got us to do this scoping study about all the options, which produced this study.

Mr ROBERTS - Preceding the 60 great short walks. In that same study there were also identified great bushwalks - that was the tag - and they were put back to say we will look at that after 60 great short walks. Then the Overland Track was implemented as a model and the idea was to see how that would go to see whether that model then could be replicated in other sites. That is where this genesis started to build from there.

Mr BOOTH - Have you got the source documentation that builds the justification for this, and then the business plan.

Mr EVANS - I guess the starting point in that is this study.

Mr SHEPHERD - Yes, we can give you that.

Mr EVANS - This was finalised in March 2006.

Mr SHEPHERD - The scoping study looked at the 18 potential sites and narrowed that down to four and Tasman came out ranked as the highest. Then the feasibility study in 2007, which is a formal document, has the business case in it and has the discrete choice model that also informed how this proposal then evolved in terms of having huts and in terms of

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the distances between the huts and having the boat journey and all that sort of stuff. We can provide you with that supporting documentation.

Mr BOOTH - Have you got something in it that can give some indication of how you got the 10 000 walkers per annum?

Mr SHEPHERD - Yes.

Mr BOOTH - It does seem odd that Cradle Mountain is only getting 7 000 at the moment and it has been icon for many, many years and that this thing that is anticipated to get 10 000. Would that be in the first year or over a 10-year period?

Mr SHEPHERD - No, it is building up to it. I think it builds up to it in year 10 to year 12, we have anticipated based on the model, that we would start to get towards those numbers. Obviously there is the start-up period where we will have less.

Mr BOOTH - What are you anticipating in year 1? Is that something that would be in those figures?

Mr SHEPHERD - It has some figures in it, as I understand. I think in the first few years it predicts that we will probably have 2 000-3 000 walkers on it. Again that comes down to how aggressively it is going to be marketed and branded, how well the message has got out. I guess one of the advantages of having something like Cape Hauy done in advance and doing the staged development is that people will get a taste of what is to come and that will allow us to have a product which is building that brand and starting to attract the numbers that we want to see.,

Mr BOOTH - You still would need roughly your 9.9 full time equivalents on that part of the track?

Mr SHEPHERD - On the eastern part; that is correct.

Mr BOOTH - Whether there is one walker effectively or 10 000?

Mr SHEPHERD - I think if we only had one walker we probably could go slightly less. I think if we get the 2 000-3 000 walkers we need to be close to the 9.75 equivalent. We might be able to drop a position in terms of a track ranger because we have allowed for two, but we would not move very far away from that. We would still need to be employing six or seven or eight FTEs.

Mr BOOTH - When do you get to a break-even point in the business case for covering the costs of track maintenance and staff that are put in place for that?

Mr SHEPHERD - I would have to take the question on notice and come back to you because I would have to look at what the model predicts as to when we get to that 5 000-6 000 figure that we would need.

Mr BOOTH - That would be good. Getting back to the comments that I made about the track that I have been walking on for 57 years, I did not mean to say that it looked like a brand new track put in yesterday. Those are tracks through the bush that people used to

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use to get to fishing villages and shacks and so forth. Those tracks are organic; they move as they get rutted out. I am not saying it would be appropriate to do nothing there but I am still stunned. The quality of the work is terrific. It is very well built and there are some issues in terms of the width and the clearance that I had some concerns about, but I'm not in any way criticising the work that has been done or the vision you have to do it, but it seems to me such an extravagant and expensive way to construct a walking track. As well as that, there must be some diminution of the natural experience for people who are wanting to go for a bushwalk. It's almost like walking on top of the Great Wall of China; it is such a monolith going through the park.

Mr SHEPHERD - As I said to you when we were there on Friday, at the moment it's still a construction site. We are still within the 12-month post-construction defects liability period.

Mr BOOTH - I accept it will look good if you come back in 20 years or 50 years.

Mr SHEPHERD - That is what the vision for this is. That's one of the reasons we have built a track of such high standard, so it lasts for decades. As the vegetation comes back and it softens, we think it will take away some of that artificial element that some people are criticising at the moment. I always encourage people to give it a bit more time to settle. Even in the four months since it has been finished - it was only completed in May of this year - it has already starting to soften quite nicely; that is a personal observation. In terms of the diminished experience, I think that is a subjective view.

Mr BOOTH - Yes, it is, but there would be a cohort that would say, 'I would never walk on that without this beautiful track. If it hadn't been for this expenditure I would never have been to Cape Haug and done this magical walk'. There is no doubt it will attract a cohort but there is also a cohort that does not use that style of pathway.

Mr SHEPHERD - I agree with that. From Parks' perspective, there is a view that there are a lot of walks in Tasmania that offer the experience you talk about in terms of the cohort that may not be attracted to the track we have now built. There are very few tracks in Tasmania that would attract the cohort that would now be attracted to Cape Haug. The business case and the feasibility model suggest that is our target market; it is that cohort that still wants to get out into the bush but doesn't want to carry a heavy pack and slog through mud. That is the group we are aiming for. We are hoping other people would want to come and walk it but some people may be put off and say they don't want to come because it is too artificial for them.

Mr BOOTH - Is there a half-way point? When we got to the top of that walk you could walk off to the right down to -

Mr SHEPHERD - That's the track that takes you over Mt Fortescue and connects up to the Cape Pillar track.

Mr BOOTH - You pointed out that because of various issues - Aboriginal heritage in particular - you were not going to construct that part of the track.

Mr SHEPHERD - No, that was the traverse where the orchids are.

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Mr BOOTH - So that other part we walked on will be constructed to the same standard?

Mr SHEPHERD - Yes.

Mr BOOTH - That part of the track seemed to be in reasonably good condition so far as a walking track goes, that part we did walk. What sort of visitor numbers would that have had on it? How many years has that been there?

Mr SHEPHERD - The data I've seen from Parks suggest that overnight walkers going out to Cape Pillar, and some of those will just go to Cape Pillar and return on the same track but some will go over Mt Fortescue, is approximately 1 200 a year. Not a huge number of people are using it. I don't think we have had a counter at that junction to be able to say with much confidence whether or not people use that as an alternative to having to go out to Cape Hauy and go down and up. If you continue on that track I took you on, within 400-500 metres you will come out onto a flat viewing platform which gives quite dramatic views. I don't think it's a very well known walk for that. I think most people who walk on the Cape Hauy track walk out to Cape Hauy. If they don't they are either going to go over Mount Fortescue and out to Cape Pillar. If that is the case, there are only about 1 200 people a year walking up. That is what our data said.

Mr BOOTH - This is a very subjective view because I walked 200 metres of that old bit of the track. That was only bits that we walked on that have been reconstructed. In my experience and the way I feel about bush walking, that did seem to be quite a solid, reasonable, normal sort of track that you would expect on a walk through the bush.

Mr SHEPHERD - If I took you a bit further I could have taken you to some sections where we got off the rock and into exposed soils. Those areas were quite muddy and were suffering from erosion. There are plenty of those sorts of areas on the existing walking network. The longer the existing network stays in its current form it will continue to suffer and there are issues with that type of track around environmental and heritage values. As I have pointed to you on the Cape Hauy track, there are two sections where there were identified heritage values and those values were being impacted by the existing track.

Mr HALL - As you say, once you get off the rock you could have taken us into areas which get into soil. I suppose, being the devil's advocate, you could duck-board some of those areas relatively cheaply, much less than \$400 per metre.

Mr SHEPHERD - That is what we intend to do. That is what I was trying to say before. The cost estimates that we have provided are based on the work that was done at Cape Hauy, but we have realised that on Cape Hauy it was a more expensive exercise than had been originally estimated. We have been looking for ways to save on the money and one of the ways that we realised we could save is to use timber a lot more extensively. Through those wet sections we have decided to put down duck board as opposed to building gravel track, but the actual impetus for that decision was not completely about cost but also around drainage. What we found is when you go through really flat country, if you build a gravel track, because it raises the surface of the track - only marginally by 100 millimetres - occasionally under heavy rainfall events that will cause some drainage problems. Whereas if you have duck board it runs through and you don't have any issues.

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By way of example, we expect to put in quite a few kilometres of duck board on the eastern section.

Mr HALL - Of course where you have done the existing bit that we walked in, probably that will not need much maintenance for decades, whereas the duck boarding will of course. Over time you have are going to have recurrent repairs. Using pine you obviously have got to eventually -

Mr SHEPHERD - It is probably a 20-25 year cycle, as opposed to gravel and rock which would probably be there for 100 years.

Mr HALL - With regard to policing people getting in there; you have talked about day walkers in the brochure. Sometimes day walkers come in but they spend more than a day in there. They slither in from the side like they do on the Cradle Mountain track. I am not talking about anybody else here, because they do. You can do that of course, and there are options there, I would suggest just by looking at the map how you would be able to probably facilitate that. Then they go and chuck a tent up pretty well anywhere they want to. You would be prosecuted if you did not have a national parks pass.

Mr SHEPHERD - We have, through discussions with Bushwalking Tasmania, allowed for three camp sites in recognition of traditional use out to Cape Pillar and over Mount Fortescue. They have nominated three camp sites. One around Retakunna Creek. One half way out on Cape Pillar and one right out on the end near the blade. If people did want to come in and camp that opportunity is there and we are comfortable for them to do that. There will be no other camping opportunities for people. It is a hut-based system and Parks certainly possesses through the regulations the capacity to enforce that if it chooses to.

Mr HALL - Will those camp sites have platforms or will they just be designated camp sites?

Mr SHEPHERD - In discussions with Bushwalking Tasmania, it requested that we left the camp sites in their existing state. We have a project reference group and we have a letter from them where they nominated the three sites, and we have accepted that. They nominated that they are left as they have been and we have accepted that as well. We will monitor those sites to make sure future use is not impacting on the values on the national park. If we decided we were unhappy with the impact, we may make some arrangements. We had discussions to improve those sorts of things, but that wasn't what they suggested they or their members would want. In recognition of that we've agreed to move forward with those three sites.

Mr BOOTH - Colin, getting back to the track standard, and following on from what Greg has asked in regard to the duckboarding and so forth - that track we walked on the other day had some section that was duckboarded - I didn't see those soft-soil bits you were talking about, but I know exactly what you mean - you do have to do some treatment of those things once you've got a certain amount of track numbers up or you have tracks everywhere. Why can't you put the duckboarding only when you need it and stonework where you might need it, say going up a steep rise that is eroding, but not do the arterial highway all the time? That bit I talked to you about where we walked along, I thought it was going to be left as it was. There have been people walking on that for a long time -

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and we don't know the full numbers - but in my view I think there would be an argument, and a [inaudible] would say, 'just leave the track as it is, do the duckboarding and stone steps where you need to, but don't modify the park'. You talk about campers potentially eroding values of the national park, but no camper could erode the value of the national park to the degree that that arterial highway does. It's a subjective judgement, but I think you'd have to say it is a vast modification of the park.

Mr ROBERTS - One of the things to keep in mind when you are looking at track work. There's a scale of interference, from do nothing through to a full hardening. In a lot of cases track work is done for environmental protection - 'priority erosion control' are the words that have been used.

Mr BOOTH - It's not just for the comfort of the walker?

Mr ROBERTS - This facility is built for user comfort and there's no hiding from that. There is a difference in the thinking. It's not just control, it is providing a particular experience. The challenge of all this is providing that consistent experience so these relatively unskilled people, new to the overnight walking experience, know what to expect for the length of their experience.

Mr BOOTH - Have you done an analysis on the different numbers? You could make it wheelchair accessible as well and you'd attract an addition cohort, but you couldn't justify extra expenditure on a track just to make it accessible to absolutely everybody on the planet. Have you done any work on the difference in numbers of who would use, that based on the current usage, based on a track constructed at the midway point - as I am suggesting there, that you leave the bits that are okay and just fix the others - as opposed to the current projection of 10 000 walkers? I am interested to know because that's an important part of the business case, to determine whether you're going to get added bang for your buck. You spent \$23 million and if you get 10 000 walkers you may spend \$5 million and get 8 000 walkers.

Mr SHEPHERD - The feasibility study explores that. The discrete choice modelling showed there were preferences from the walkers who were interviewed, both independents and commercials, as to what their expectations were. What came out was that people didn't want to walk through mud. They did want to walk on low gradient sorts of tracks. It is that information which has informed the track standard that has been put in place for this. As I tried to point out to you the other day when we walked out there, I agree with you that some people much prefer the lower standard of track, but there are a series of trip hazards associated with that and there are patches, even on that short section that we walked, where you get mud and therefore you have got greater chance of environmental harm.

Mr BOOTH - *Phytophthora* or something like that?

Mr SHEPHERD - Yes, those sorts of issues. Realistically it comes back to the target market and the type of people that we are trying to attract to this walk are people who definitely want to get out in the national park but do not have an enormous amount of experience and they are looking for some creature comforts.

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Mr BOOTH - I do understand that, but I suppose I am trying to drill down to - and the information you provide will give us that in it - the business case. How much extra money are you spending to attract a few extra per cent on top of the visitor numbers that would come to that track anyway (a) without any work, or (b) with a reasonable amount of work, as opposed to the Rolls Royce model. It is a lot of money. \$400 a metre is a lot of money.

Mr SHEPHERD - It is an average, and I think that if you look at the work that has been done, and where it is been done, then given that it is intergenerational infrastructure I think it is a good investment and the economic analysis certainly stacks to support that case.

Mr BOOTH - You haven't yet answered the question. Have you got the figures that show how many wouldn't use the track - you are saying that 10 000 people will use it in the Rolls Royce model, but how many will use it in the model that I proposed, as an example? Would it be 8 000 or 6 000?

Mr SHEPHERD - I don't think we have those figures. I think we have figures that say in the current form it is 1 200 people. We think that if we improve it and make it the Rolls Royce - using your choice of words - that we will get 10 000. At the end of the day I would come back to the point that it is certainly a Rolls Royce, but I think it will soften over time and it will fit much better into the park if people think that it is too artificial. Again, for me, that is a very subjective opinion. I think, over time it will certainly look different to what it is today. Because it is built to such a high standard, it is going to last for a very long time. The model certainly suggests that it needs to be that standard to bring the numbers that we want and the target market.

CHAIR - Can I intervene there for a moment? We are going over and over. Colin has stated the intergenerational component at least three times now, but I respect the fact that you are only answering questions. It may be an opportune time for the committee to consider parking the matter for the moment. We have two other witnesses who are here. We are a bit time-constrained today with the commitments of members and it would be easier to get the three gentlemen at the table back again to continue this. It may be appropriate for us to hear from the other two witnesses now and then by all means stay to hear what is said because that may raise some questions for the committee to revisit or test with you at a later time.

Mr EVANS - Mr Chairman, we would be more than happy to do that. That would also give an opportunity to present the scoping study and the business case.

Mr BOOTH - A good suggestion, Chair. The next question I was going to ask was whether they knew how much of the visitation to the park will be because of the track, not simply because of the associated promotion of this as being an iconic walk and all that sort of stuff. Could you generate 6 000 walkers by just promoting rather than building a track?

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Ms ANNE McCONNELL, VICE PRESIDENT, TASMANIAN NATIONAL PARKS ASSOCIATION, AND Mr PETER McGLONE, TASMANIAN CONSERVATION TRUST INC., WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Harriss) - We have your submission and also some other documentation that Peter in particular has written to both the Tasman Council and the Premier and also copied to other people. We would ask you to speak to the documents you've provided to us.

Ms McCONNELL - What I'd like to say first is that the Tasmanian National Parks Association has had concerns about the proposed Three Capes walk since the feasibility study came out in 2007. We have tried to raise these concerns with the Parks Service and DPIWE and we feel that a lot of our key concerns have not been listened to. Our concerns relate to a number of areas including environmental impacts, the economics of the whole proposal and the processes. I won't go into the environmental impacts here because they are dealt with in our written submission and I understand this committee is mostly concerned with expenditure.

I would like to go through some points which I hope will clarify some of our concerns about the economics. There are a number of streams here which have been used for arguments to promote the Three Capes walk; to justify it and the costs. One of those is the benefits to Tasmania, the others are the benefits to the Tasman Peninsula and the focus on the cost of the development of a proposal. The other stream, which I think is getting less attention than it deserves is the ongoing cost of running and maintaining this infrastructure, which as well as tracks will include huts.

Mr BOOTH - Anne, you mentioned that we wouldn't necessarily be concerned about environmental things and that we are more interested in the costs, but we can look at the project being fit for purpose. That is our role and you should be free to comment on anything we should know.

Ms McCONNELL - In terms of considering the costs on all levels, there are some basic premises that in our view are being ignored and which we believe are flawed. The most important one which is being ignored to a certain degree is that this development is in a national park. The primary objective for management under the legislation for a national park is the conservation of the natural and cultural values. The provision of tourism, recreational use and enjoyment must be consistent with the conservation of the park's natural and cultural values. On that basis, we have concerns there will be environmental impacts. In the development proposal, the environmental management plan, it is clear there will be some impacts to geoheritage sites. We believe there will be impacts to wilderness values, although that is not mentioned in the DPEMP, we believe there are potential impacts to the landscape and visual values of Port Arthur. Although they are not formally assessed in the DPEMP, there are very high risks to sea eagles and the spread of *Phytophthora* which will then impact on a number of rare and threatened species.

The other premise being used which we believe is flawed is that the Three Capes Track can be regarded as an iconic walk at the same level as the Overland Track. You have

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heard today that that is very much modelled on the Overland Track. In our view while the Three Capes Track is scenic, it does not have the this established iconic status of the Overland Track. It is arguable that it has the same level of values and therefore it will probably never have the same status as the Overland Track. This is all relevant to the numbers you might expect. It will always be a second iconic walk after the Overland Track and so it is in competition with the Overland Track. That has not really been picked in the assessment of the number who are going to be using the track in our view.

Mr BOOTH - What you are suggesting then is that it could end up with a discount against Cradle Mountain because it will attract some walkers who won't go to Cradle but will go to this one instead.

Ms McCONNELL - That is a possibility. In our view, by assuming the numbers that will go to the Three Capes Track are the same that will go to the Overland Track, it is discounting the fact that the Overland Track is an established iconic track. Because of its environment and its scenic quality it will probably still remain the priority for walkers and that Three Capes Track will be a second one, the one that you come back to you after you have done the Overland Track unless there is, I guess, a time of the year or weather conditions that might change that.

Mr BOOTH - Do you have an informed view on whether it would decrease the current numbers who walk on the Overland Track or do you think it will add to the numbers? If there are 6 000 who walk the Overland Track now and if this is put in does that mean there will be 6 000 still walking the Overland Track plus the 10 000 on this one, if we accept the figures?

Ms McCONNELL - It is very difficult to get informed opinion without doing a statistical analysis which we are not in a position to do. It is our view, having considered the matter, that it probably will not detract substantially from the number of walkers on the Overland Track. However, given that the Overland Track is only receiving between 7 000 and 8 000 walkers a year and given its established iconic status we believe very strongly that the Three Capes Track will not attract as many walkers as the Overland Track. It will take longer to kick in because people will be doing the Overland Track and they will come to the Three Capes Track as a second walk. It is our view that whatever the numbers of walkers are on the Overland Track, the Three Capes Track will have somewhat less because it is not as important, not an iconic track.

There are issues such as where the route goes that will affect that because a large part of the actual walking does not have scenic views. The first day of the five-night walk will be through bushland with no views to the coast until you get to the overnight accommodation. One of our issues has been that we believe that one of the most spectacular bits of the Tasman Peninsula in terms of the coastal scenery is the Pirates Bay to Fortescue Bay section and yet that has been not included. We still do not understand why that is.

Mr HALL - You are talking about not having the views starting from the western side, on the White Beach, side until you get down to Tunnel Bay. That is the first time that you strike the coast.

Ms McCONNELL - Yes, that is right.

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Mr BOOTH - So the Pirates Bay to Fortescue Bay is still on crown land but presumably that current track -

Ms McCONNELL - That is park and then it becomes state forest next to that.

Mr BOOTH - Yes, but it is a current walk that bushwalkers do and it is not included in this at all.

Ms McCONNELL - Yes, that is right. The other aspect to the fact that it is not quite the Overland Track is that in our view the Overland Track model is inherently different because it is a different origin, so it has evolved to manage walker numbers and impacts in an extremely sensitive environment, whereas the Three Capes Track is a new track that has been imposed.

The other think I should have said at the introduction is that TNPA is not opposed to a new long distance walk. We are also not opposed to something on the Tasman Peninsula. We are just concerned about this particular proposal or this particular model. I will just outline those. One of the premises is that the Three Capes Track as currently proposed is the preferred model for the segment of the market that it is aimed at. In our view this is not correct. Our understanding is that the current preferred model is for shorter walks, three to four days, and not the longer walks, with a strong preference for accommodation outside the park. This appears to be strongly the case with the Victoria Great Ocean walk. Also, with the market analysis that was done for the Three Capes walk, a large number of respondents said they preferred to walk in small groups and wanted a natural experience.

Mr BOOTH - When you say they wanted a natural experience, can you elaborate on that?

Ms McCONNELL - No, the market modelling is fairly general.

The other premise is that the Overland Track model is the best model for all parks. Again, we would argue this isn't the case. In our view the Three Capes Track as currently proposed doesn't recognise the special opportunities provided by the Tasman Peninsula. This is not a remote park; it is accessible at a number of points in different parts of the peninsula. It has a number of existing day walks and existing tourism opportunities such as the boat trips around the peninsula, sea kayaking opportunities and Port Arthur. We don't believe the model that is being proposed here, which is a five-night, six-day walk, is taking advantage of these sorts of things. You could have accommodation outside the park, but they are putting accommodation inside the park and keeping people from having anything to do with the rest of the peninsula or spending money on the peninsula.

It has been of interest to us that this Overland Track model has been so heavily promoted and the Parks Service has not been prepared to look at alternatives. In fact in the 2006 scoping study that was mentioned earlier the recommendation is for a short walk, a 3-4 day walk that integrates with other opportunities on the Tasman Peninsula. This is the model we would be promoting, rather than the one that is being promoted in the current proposal. The scoping study also suggests that in the longer term, if the shorter walk is successful, you could then build on that and have other segments that then could

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be linked. In the end it may look like the current model but our view is that you really want to test this by starting off with something that seems to be what people want, seeing how it works and then build that. In our view that is a much more environmentally and fiscally responsible approach.

One of the other concerns we have is that there doesn't seem to be a lot of hard data about this proposal and it seems to be quite flexible. Although the model that was originally proposed in the feasibility study is essentially still there, it will be a long-distance, five-night, six-day walk; the direction has reversed. Other than that it is still holding true to all its elements and will still have boat legs and things such as that. There seem to have been changes such as since it was approved under the RAA it appears now Parks is considering building it as a two-stage model. We have seen no information as to how that track will be managed as a two-stage track. We have seen no revised financial implications or analysis. We are not convinced you need to put three huts in on the eastern part of the peninsula or that Denmans Cove is necessary if you are running it initially as an eastern stage walk. Having to take a boat across Port Arthur when there is already a track in from Fortescue Bay Road would add cost to the walkers. We feel there are a lot of elements that haven't been fully considered. I guess this applies generally to some of the costings. The only costing we are aware of is the costing in the feasibility study in 2007. We were quite happy with the costing in relation to what Parks felt it would cost to operate the track and maintain it in the long term but we had concerns at that stage about the cost of the track, which was then \$15 million. At that point in 2008 we said we believed that the track would cost more like \$30 million to put in, which has proved to be the case and it now seems to be more expensive.

To get on to the economics, our general view is that the benefits have been over-estimated. Our view is that the costs are unnecessarily high and in our view there is consequent exposure to high financial costs and risks that certainly we not part of the initial proposal.

In terms of the dubious benefits, in our view the Three Capes Track has not been costed against alternatives that might be cheaper and have as good or better outcomes, including day walks only or a day walk plus shorter walk options. The economic benefits are not specific to the Three Capes Track. The main economic benefits that have been claimed are due to incidental spending by people coming to Tasmania to walk and this spending could be achieved on any other walk and possibly more spending on a different model. We think that this particular model of track where people are within the national park and not spending outside the national park for a week provides a poor economic outcome for the Tasman Peninsula. A more integrated track with accommodation or options for accommodation outside the park would work better.

We believe the economic analysis is flawed as it assumes the exact Overland Track expenditure model and we do not believe this is valid, particularly if people are coming for a second trip. In the Overland Track model they spend four to five days extra in Tasmania getting to the track and afterwards but if people are using the Three Capes as their second visit to Tasmania it is unlikely they would spend that extra money, in our view.

There is no fee certainty for walkers. There seems to be ongoing fee increases and I guess the question is just how much people will pay to walk the track. The Overland

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Track fee has just gone up from \$160 to \$200 and the proposed fee for this track has gone from \$150 to \$200. In the items of interest to us now, there is a staged process so how much will Parks charge for a three-night or a two-night walk option compared to the five-night walk option. Again, we have not seen the financial implications of that.

For us as an association we are concerned for the general management of national parks. There is a question of equity. We believe with increased costs and increasing the permitted walk period, more walkers are going to be denied access to an area that is public estate and it will impact on the day-use experience.

Then a question of where the costs lie. In our view there is a very high cost with the proposed Three Capes Track because of over-design of track and other infrastructure, particularly the buildings. We had not seen any building designs until the development application was put into the Tasman Council. We are extremely concerned that the buildings are very large, they are very spaced out and the design is such that not only do they provide very big visual impacts but also in our view we do not think they are particularly cost-conservative designs. In our view they are neither appropriate for being in a national park nor do they consider the cost imperative. There is no real great cost consideration there. I draw to your attention the construction of Windy Ridge hut which cost \$1.2 million to increase the bed nights by about 16 beds. I am not sure of those figures but in our view the Windy Ridge hut could have been a lot more cheaply. With a different design it could have had a better outcome. It was not considered a great new design by bushwalkers and it was built by bringing all the materials in in pieces and flying in constructors and building on site, whereas there could have been, in our view, considerable cost savings by prefabricating. We are concerned that there are issues like this that have not been fully thought through and fully costed in relationship to the Three Capes Track.

Mr BOOTH - Unless you are going to go to the standard of the track, because you are talking about the cost of it, and you heard the evidence given in response to the questions I raised about the standard of the track and the expenditure, can you give us some comments for the Parks Association with regard to that.

Ms McCONNELL - It is our view that the upgrade of the Cape Hauy track, particularly the first section, the first one-third where the extensive rock work is, is inappropriate for a national park. It is overdesigned in an aesthetic sense and if you have seen it you will note there are beautifully neat squared edges and beautifully shaped rock. It is the sort of thing that is beautiful in an urban park, in a hotel with exquisite gardens or on a short walk to a major lookout point, but in our view it is highly inappropriate for a national park. We don't believe it is necessary for the amount of track hardening. We believe you can do something a lot less expensive, a bit more natural, and still achieve the same environmental gains.

Mr BOOTH - Can you draw us a picture, from the Parks Association point of view, of what that track would have looked like if you did it according to the standard you think would be appropriate as a bushwalking track?

Ms McCONNELL - In our view, while the stone arch bridge is very beautiful, we don't believe it is necessary. The track is not too wide, but we are concerned about the width of clearing. We understand that is partly to allow for mechanical construction, but we

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don't believe that. There are mechanical excavators that can work in a much narrower corridor. The gravelling may be necessary in areas, although it is preferable to use local earth if you can. We don't believe in nearly the extent of rock work that is being done and you certainly don't need the neat paving inserts and the stone-lined water bars. There are areas further on the track where they are much more subdued and less extensive and look as though they do the job quite well, whereas the ones on the earlier part of the track are far more extensive than it seems they need to be. We think all that rock work could be pulled back. One of the issues with the whole track and the cost is it that it all has to be supplied for construction and will have to be serviced during operation by helicopters. That adds a very large cost to the whole build. If you are going to do it that way, there are not a lot of cost reductions, but by reducing the amount of stone and material you're bringing in that would presumably reduce your costs somewhat.

Mr BOOTH - Width-wise, you think that's fine?

Ms McCONNELL - I take the point that you will have a lot of people on the track and you want them to be able to pass comfortably. We understand 1-1.2 metres is the track width that is proposed and we don't have a problem with that.

Mr McGLONE - There seems to be an assumption there'll be a lot of people on the track, but only 60 people per day are allowed to start the track. They all go in the same direction and there will be very little chance across the full length of the track of people ever meeting anyone. They won't meet anyone head on and they are highly unlikely to meet many other groups of people.

Ms McCONNELL - The other thing in relation to the current costs, while generally good rock work and the standard of work that has been achieved there will last for a long time, we believe that a slightly lesser standard of work will also last for a long time. In this particular case the Cape Haury upgrade has been on the original line and we've been given advice by track workers that it will not have the length of life that the track would have had if it been built to that standard on the preferred alignment that was originally laid out. Basically because it is quite a steep track they have been forced into working on that steep alignment and it's going to have issues with gravel erosion and things such as that. It is just unavoidable because of the slope. In our view, there will be some additional costs for maintenance for that particular section, until it can be rerouted.

Mr BOOTH - Why wouldn't it be rerouted now?

Ms McCONNELL - For the Cape Haury upgrade that's been undertaken, for the Three Capes Track there was an alternative alignment that was the preferred alignment for grade and track design reasons, but because the upgrade was taken before the Three Capes approval was given they have had to keep to the original line, which creates difficulties for creating a good track that will last.

Mr BOOTH - So the TNPA would prefer the original proposed alignment for that track?

Ms McCONNELL - We think it would have made more sense, yes, probably from an environmental management point of view.

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One of the cost areas we see and which we think has probably been under-budgeted is cost for ongoing monitoring of condition and compliance. In our view there will be a relatively high need for a fair amount of monitoring of these because there are quite high environmental risks and complex impact mitigation requirements related to sea eagles and *Phytophthora* in particular.

Other costs are the potential cost of repairing and mitigating environmental impacts that might happen - for example, *Phytophthora* spread. We think there are unassessed costs of potentially having to close the track due to issues such as unacceptable phytophthora spread or in the event that the track becomes financially unviable. Another unassessed cost in our view is that of rehabilitating the track in the event that it becomes financially unviable and needs to be closed. In the costing Parks have done we think some of these costs are either underestimated or have not been included and we believe they should be.

Also in terms of the economics, it is our view that there are some potential issues with I guess what you could call poor financial planning. As an example of that I have mentioned that the very low initial costings turned out to be extremely low compared to the current costings, and that indicated loose costings. That is indicated also in the blow-out of costs for the Cape Haury track. I think there has been other infrastructures by Parks which have shown that there has been similar initial underestimates. What looked like infrastructure developments have really have not been concerned with costs and I mentioned the Windy Ridge hut upgrade at \$1.2 million, which we think was excessively expensive. The Wine Glass Bay lookout track had a major cost blow-out. Again it is a wonderful track but we would argue that it probably did not need to have quite that much money spent on it.

In our view in recent years Parks seem to have been spending money unnecessarily on infrastructure, whereas in our view they could have been a little more careful. We raise this because this potentially can happen with the Three Capes Track. Again, an example is the Windy Ridge hut and, as I said before, savings could have been made in design and prefabrication. One of the things that has happened recently is the replacement of the brown Parks timber signs in the state by new blue signs, which seems like excessive spending when Parks is struggling financially.

Our core concern has been a concern since the feasibility study was released as we have not seen a proper business plan for this proposal. We have mentioned this a number of times and have never been given a business plan or have been led to believe that there is a formal business plan. We are also concerned that there is no clear revised proposal or business plan for the new staged approach and we think that has significant economic implications in building it by staging it.

All in all we have had a number of concerns over the last five years since the feasibility study came out. One of the things that is of concern to us and which I think creates or allows for the potential for a less rigorous approach to the development of this track is the fact that the Parks Service is the proponents for this development. They are the assessor or approver of the development and will be the regulator. There is no independent scrutiny or external scrutiny for this whole project. The only external scrutiny could be considered to be the referral to the federal government under the EPBC act for the environmental aspects and the review by this committee in terms of the economics.

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We've been particularly concerned that the only opportunity for public input to this whole development proposal has been the draft development plan and environmental management plan. It is a concern to us that we have seen no finalised DPEMP on the basis of that public comment. Even though we have asked for a copy of a finalised DPEMP, it has not been supplied to us by Parks. It suggests to us, particularly given that the DPEMP that was submitted with the development application to the Tasman Council is the 2011 draft DPEMP, the one that was put out for public comment, is that the Parks internal RAA approval has been given on the basis of the draft DPEMP and that public comment has not been taken into account. When the feasibility study was released we asked if there would be an opportunity for public comment and we were told to wait until the DPEMP. The only other opportunity there has been for public comment was when the draft management plan was modified to allow for the Three Capes track, to enable it. That plan clearly said we were not allowed to comment on the Three Capes proposal. In our view, this whole development proposal has had very little scrutiny. What we would like to see happen, given all the issues with it, is that there should be independent scrutiny of the proposal, which would look at some of the other options which we believe are better suited to the Tasman Peninsula, less costly and would provide better economic benefit to the peninsula. As part of that, we believe the whole proposal needs rigorous financial analysis.

Mr HALL - Who would you propose as independent scrutiny?

Ms McCONNELL - The TCT and the TNPA jointly have approached the Premier and asked that the whole proposal be regarded as a project of state significance, with the review that goes along with that. In this case, because it has not been scrutinised outside the department and the Parks Service, we would like to see it scrutinised by a group of people who have a capacity to understand the economics and the environmental capacity and to be independent in making a recommendation.

Mr McGLONE - If it was made a project of state significance, the Planning Commission takes over the role of looking at it and providing recommendations to the government. They also have a very clearly stated mandate to look at financial viability, whereas under the assessment process Three Capes has gone through, neither the federal government nor the Tasman Council is required to look at that.

Mr BOOTH - The TNPA submission, which will be an attachment to the published documents, is not something that people would necessarily read in *Hansard*; it is not going to come out in this evidence. It is important to some degree you highlight these facts if you want to put them in the report. The economics is something I am very concerned to see in the submission you made - The Three Cape Track: flaws in the economic case. The KPMG analysis and you talk about Daniel Hanna, CEO of the Tourism Industry Council of Tasmania who is quoted as follows:

The research recently conducted on our behalf by KPMG highlighted that the Three Capes track would deliver between \$90 million to \$190 million in additional visitor expenditure each year for Tasmania. There is a substantial proportion of this on the Tasman Peninsula.

You go on to say that the tourism council made two fundamental mistakes in reading its own commissioner report. The first one is that the economic benefits stated in the report

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are for the whole seven-year period to 2017 - not annual benefits. This is clearly stated on page 7 of the KPMG report which says the modelling is projecting whole-period impacts that may need apportionment over time. Have you had any feedback from the government from that apparent contradiction?

Ms McCONNELL - Once this was brought to the government and the Tourism Industry Council's attention they reduced the figure that they said they believed would be derived from the Three Capes track, but I think they were still arguing it would bring in more in the realm of \$20 million a year and not the \$6 million to \$13 million.

Mr McGLONE - It is \$19.3 million in the introduction to DPMP the overall benefit to the Tasmanian economy annually. One of the reasons both our submissions have focused on the need for a proper business case to test the market demand - the number of walkers who will actually walk it - is that is where all the direct income comes from; there is no other form of direct income. All the indirect income is a factor of how many walkers walk it. The multiplying effect is dependent upon how many people start the walk. The estimates of financial benefit therefore can be called greatly into question. I think the government's figures are only about \$20 million, but they also can be called into question. The important question is why four different studies have been done over the last four or five years and none of them have addressed the issue of quantitative demand - that is, how many people will be likely to walk this track. It is something that was addressed earlier by Colin Shepherd - and I thought it was a glib comment - that it is about multigenerational infrastructure. I don't think any private business is ever going to invest its own money on that basis, that sometime maybe in the next generation it will earn money. This is meant to be an investment into a commercial enterprise and they claim that some time in the distant future it may make money.

The other question that no-one has asked the department is, 'Why on God's earth haven't they done the study to verify the number?' They have simply looked at the maximum number that are permitted by law to walk the Overland Track every year and said, 'We're aiming for that, so we will build the Three Capes Track and see what happens'. There are a lot of reasons why Three Capes may not be as popular as the Overland Track, apart from the fact it has been around for 50 years and is justifiably world renowned and is very well promoted. It is also a six-day, five-night walk. Most people with competent fitness can walk the Overland Track in four days if you don't do many extensions. There is a lot of discussion about the quality of the track and why people like huts. I haven't done a counter study to determine market demand, but I have heard from people within the parks service that it is the case that throughout the world that walkers are demanding shorter walks. The demand for the Overland Track has plateaued and that is probably an indication of it. This is longer than the Overland Track in terms of numbers of days and nights and arguably a lesser attraction and in competition with the Overland Track. I would have thought all those things would have shrieked out, 'let's do a quantitative market analysis'. There are a number of ways you could do that. There are a lot of assessments that haven't been done or haven't been done properly, including the business case, that justify why we should have a [inaudible] project of state significance. If you don't go down that path and -. We're only concerned about whether this project would justify the investment of taxpayer money and would start to pay for itself and hopefully earn income. You could go to Treasury and it could collaborate with a private enterprise partner and have a look at this.

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Mr BOOTH - It could do some real modelling on it.

Mr McGLONE - Yes. For the life of me, there is only one reason I can come up with as to why they didn't do that market analysis, and that is that this thing got such a political head of steam they didn't dare go back and test it. They have become fixated with exactly the same project they started with. As Anne said, they have never budged one bit with any detail of this since they put it out for public comment in November last year. They refused to alter one iota of the track. They don't dare put it up for independent testing.

Mr BOOTH - When did you first hear about it? I think Paul Lennon made an announcement that they were going to build the Three Capes Track.

Mr McGLONE - I think it was 2006. This study said some track on the Tasman Peninsula would be the preferred next big multi-day walk. The precise dimensions and route of the track only came to light in November last year.

Ms McCONNELL - I think it's quite instructive to look at the recommendation in the 'Planning for People' 2006 report as to what it recommends for the Tasman Peninsula and see what has been put up instead and how little has been attempted to meet the recommendations in the scoping study. It seems there has been a vision: we have a scoping study that recommends one thing and then there has been a vision taken from the Overland Track - I'm not sure - which has been imposed on the Tasman Peninsula and they don't meet. In our view it is going to put the economic viability of the Three Capes Track, as it is proposed at the moment, at risk.

Mr BOOTH - Even though that is the same scoping study the proponents have used to justify it, your reading of it is that it recommends something quite different?

Ms McCONNELL - Yes.

Mr HALL - I can see the taking of evidence on this may go on for some time, but setting aside the economic imperatives you have pointed out, there are a couple of questions I would like to put to you at this stage. With regard to your submission, it would seem you have a philosophical objection to having infrastructure within national parks?

Ms McCONNELL - The TNPA believes that, in most cases, accommodation infrastructure can be located outside parks quite successfully.

Mr HALL - I put it to you, as we already have the Overland Track model - we have existing infrastructure right through that national park for some time, apart from the bit up the northern end which is just outside the park boundary, but on the southern end, down around Lake St Clair, you have all the public and private huts that are already there and they do attract the ecotourists to Tasmania. Not only in Tasmania, but in New Zealand in particular - and I have walked some of those tracks - I have walked in Nepal several times - most other jurisdictions do have infrastructure in the form of huts in their national parks. If they are sympathetically done, what is the problem?

Ms McCONNELL - One of the questions is whether it can be sympathetically done. I think a lot of walks have associated infrastructure. The Tasmanian experience has been that a

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lot of this infrastructure becomes insensitive; not properly sited or monitored and it becomes larger and larger. Cynthia Bay is an example of the thin edge of the wedge where some accommodation huts that were initially put in by the Scenery Preservation Board has turned into a much larger complex. We would argue that you would still have as many people enjoying Lake St Clair National Park if the accommodation were at Derwent Bridge and not inside the national park. The other part is it costs a lot of money for parks to monitor that accommodation and make sure people are complying with all the regulations. Accommodation does create impacts on the natural and cultural values of the parks. They are some of the reasons we would like to see infrastructure, where possible, located outside the parks.

Mr McGLONE - Could I answer that question before we move on? I have got no problem whatsoever with the Three Capes-style track. Also I would like to see, where possible, major new accommodation outside of national parks. The issue is not whether we support or do not support this type of infrastructure, it is why is it that the Parks service has never provided any alternative for anyone like ourselves to look at. It has always been an immutable project. It has to be this route with this number of accommodation nodes and a track of this standard. The TNPA has put up a proposal which involves, as I understand it, no new track building, much less cost and arguably with the same track distance for the same number of people. The case of make a comparison with other possible developments and let us see whether we can come up with something that attracts maybe the same number of people at far less cost to the environment as well as to the taxpayers. That is what the community has never been given an opportunity to comment on.

Part of the reason for all of these flaws is that commonwealth never actually assessed this project at all. They looked at it, did a preliminary assessment and said, 'we do not think it is a controlled action'. Therefore they did not assess it. The Tasman Council did a very preliminary assessment based upon a very old, inadequate planning scheme. Again, it is all left up to the parks service to do these assessments, and they have just said, 'there is no need to look at any alternative', so the public does not get an alternative.

Mr HALL - I will turn to one other subject that you mentioned and that was the issue of *Phytophthora*. Surely if a track is constructed to a better standard, as proposed by the parks service, then it would mitigate the spread of *a*?

Mr McGLONE - Existing yes, but they are talking about 40 kilometres of new tracks, mostly in areas that are currently quite inaccessible, and therefore no potential for *Phytophthora* spread.

Mr HALL - On the existing tracks.

Mr McGLONE - Where they are proposing new tracks. There is currently very little opportunity -

Mr HALL - Obviously there would be existing tracks, Peter, with the fact that they are not duck boarded or stoned and then is still plenty of potential for the spread of *Phytophthora* right at the moment.

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Mr McGLONE - I imagine there is. I cannot tell you what the quantum is and what the relative benefit would be of an upgraded track.

Ms McCONNELL - If I could interrupt. Where there is existing track there is some risk of *Phytophthora* and there are wash-down stations in a couple of locations, but as Peter pointed out, a lot of the Three Capes track will be in areas that are currently untracked and some of that area has the highest sensitivity to *Phytophthora*. While you can try and prevent *Phytophthora* spread by building a good quality track, as you mentioned earlier, you cannot stop people going off-track for various reasons and so there is the risk of spread. There is also the risk of *Phytophthora* spread through the construction and changed drainage. Issues like that and if you read the *Phytophthora* management plan it calls for quite complex prevention measures and it is our view that it will be very difficult to make sure that people abide by those measures. We think it is a very high risk and by opening the track up into new areas, west of Cape Pillar and the section between Remarkable Cave and Cape Raoul which are some of the most sensitive areas, it is taking a high risk which you cannot really mitigate.

We are just really concerned that the measures proposed will be effective.

Mr BOOTH - With regard to the philosophical position about private development in national parks and you felt that those developments could be built outside of the park. Do you want to expand on that for the committee - like where those developments would be to match effectively what they have got.

Ms McCONNELL - You make a choice between whether you want to have your commercial accommodation all within the park and strung out along the track as in the Overland Track case, or whether you have some sort of integrated model where you have an existing track perhaps with some accommodation for commercial and some accommodation outside the park that is also commercial accommodation, which would then provide you access to the day walks. Some segments you wouldn't need to do within the park, walks you could do as day walks and would then give you access to other tourist opportunities such as the boat trips and the sea kayaking. It is of interest to us that all the huts will be in areas that are currently undeveloped areas. At the moment Fortescue Bay is a visitor services area and would be a logical place to put a hut. You could put it somewhere secluded and use that, but there is no proposal to do that. We think there is a way of modifying the current proposal so you get the best of both worlds: You produce a shorter walk that is what people appear to prefer, and you take advantage of other commercial opportunities on the peninsula.

Mr BOOTH - You would also have some commercial huts built within the park itself?

Ms McCONNELL - It is probably hard to avoid some huts.

Mr BOOTH - You're saying you can locate them off the park and that would be the preference?

Ms McCONNELL - Yes, or in visitor services zones that currently exist.

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Mr BOOTH - Obviously people are going to walk for a certain period and then sleep, so if you needed a hut somewhere within the park because that is where you were at the end of the first day's walk, you would accept a commercial development on that basis?

Ms McCONNELL - We'd prefer not to see the commercial developments. We would still prefer to see this as a walk that -. We are happy with the permitted system, but we would prefer to see one that has tent platforms. One of the reasons the huts are being proposed is to create water catchment off the roofs to supply drinking water, because water is an issue. We would prefer to see tent-based camping with shelter that would collect enough water for drinking water, not for ablutions and things like that, as they do in South Australia.

CHAIR - We are out of time today, and Greg has indicated to me he thinks there is a lot more that we need to investigate about this. If that is the common view, we will need to reconvene.

Mr BOOTH - I think that be fine, Chair. There are matters we have looked at today that need to be explored.

Mr McGLONE - I only heard for the first time this afternoon Colin Shepherd quote the revised cost figures for constructing the track of \$23.3 million for the eastern part and \$16.5 million for the western part. That is just a tad under \$40 million. We were told in all the documentation that went out for public comment that it was \$33 million, that was up from previous estimates. We now found out for the first time this afternoon that 6 000 walkers need to walk the six-day track in order to get to break-even - that is, to pay, as the Parks Services has committed, to cover the costs of maintaining the infrastructure and the environment. Until we reach 6 000 walkers, the annual cost of maintaining the track will be filled, presumably, by a demand to Treasury for more funding for the parks service.

Mr BOOTH - Is that 6 000, six-day walkers or 6 000 day walkers?

Mr McGLONE - There is no fee income from people doing day walks. The income for the Three Capes is based on people walking the six-day track. We also did not hear a nominated date at which they expect to get to the point of 6 000 walkers, let alone 10 000 walkers. I am envisaging that when I am at retirement age maybe they will get close to those figures.

Mr BOOTH - You must be planning on living a long time.

Mr McGLONE - Yes, I don't think I am going to run out of work in a hurry. The other cost - and I think it is worthy thinking of it as a human cost as well as a financial cost - is the latest information submitted to the Tasman Council. As Anne said, there was still a lot of information missing, including one very interesting omission. We still haven't heard whether viewing platforms and all the associated safety barriers are going to be a requirement. People walking the track at the moment expect to walk to a cape - spectacular ocean views - and there is a massive risk to people. Currently most people who walk it tend to be of the hardier type who understand the risks and know how to deal with it and what to expect. We are going to, apparently, have 10 000 people, a massive increase, walkers who by the very design of the Three Capes track are less into

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adventure and arduous walks. One of the things people do is explore and in some cases with some of these walks you can walk virtually down to the ocean, if you know the way. Other inexperienced walkers will probably witness experienced walkers doing this. As I understand, parks has not made a call yet as to whether they are going to attempt to cordon people into a viewing platform. I am trying to imagine what would happen if you didn't do that to humans, but also if you did that the visual impact and the cost would be immense. If you go some of these areas now, people just take off along the ridge line and they can go for hundreds and hundreds of metres to get a spot to take a photograph or have a picnic on their own. Will we need hundreds and hundreds of metres either side of viewing platforms of chest-height barriers, such as we have at the Wineglass Bay lookout. That is the thing I am imagining. We haven't had a chance to comment on the likely environmental and visual impact and we haven't had a chance to consider what the cost is. I think that will be another request of Treasury next year.

CHAIR - Thank you both. We will identify a date and communicate with everybody and reconvene.

THE WITNESSES WITHDREW.