

**THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON TOURISM MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY 16 JULY 2010.**

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**Mr STEVEN OLD AND Mr JOHN DABNER**, AUSTRALIAN HOTELS ASSOCIATION WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Mr Wing) - Welcome, gentlemen, we are looking forward to hearing from you.

**Mr OLD** - Thank you very much for giving us the opportunity to come along. My name is Steve Old, for those who don't know me, and I am the CEO of the Tasmanian Hospitality Association. With me is John Dabner, who is one of my senior board members on the Tasmanian Hospitality Association. John runs the Tall Timbers Hotel at Smithton and he can tell you about his involvement in the north-west coast. From our point of view, particularly when we are talking about hospitality tourism, I thought it important to have John here as one of our board members who is a regional operator in order to give a different slant from that of the bigger end of town. The capital cities get looked after in a lot of the tourism talks generally but the regional areas are the ones that miss out a bit, so we thought John would give a good perspective in that area.

**Mr DABNER** - I have been at Tall Timbers for 20 years. I am the general manager of property. We are looking at another major investment, which hopefully I can fill you in on when you visit us next week. I am also a member of the north-west zone group and have been chair of Circular Head Tourism for six years. I stood down last year and am now deputy chair. I have been very vocal in regard to the Tarkine Road issue and I am from the Tarkine discussion group with the Cradle Coast Authority. I have recently been involved with the progress group in Circular Head as well.

**CHAIR** - And on the Tarkine, the point of view you are espousing?

**Mr DABNER** - My point of view on the Tarkine?

**CHAIR** - Yes.

**Mr DABNER** - The Tarkine discussion group had a meeting on Wednesday and the consensus around the room from all the stakeholders was that the South Arthur drive loop was to be completed as stage 1. Within that, we also want to ensure that the road between Arthur River and the Coota Rocks will consider the devil and quoll populations, and enhance some of the tourism product in that region, which is a must. If you're going to put in a link or a loop, you need to ensure that you are enhancing the tourism product. That was the consensus around the room that was portrayed to the minister after that meeting and we are hoping it will go to Cabinet in the next four weeks result in a favourable outcome. I am hoping the Tarkine Road moves forward now and that it will be a major benefit not just for tourism in the north-west but also for the economy in the north-west.

**Mr FINCH** - Steve, you said you were from the Tasmanian Hospitality Association. I am not aware of that organisation, could you give me a brief overview?

**Mr OLD** - The THA is basically a membership-based organisation and is a merger of the Australian Hotels Association and the Restaurant Catering Association in Tasmania. In other States they are still two separate organisations, so there is an AHA branch and a restaurant catering branch and there is still a national body of both organisations that is a powerful lobby group in the Federal scene. We were the first State - and the only State - to merge the two together to form a hospitality association. In a lot of the other States the two organisations are very fierce rivals in many ways but we looked at it from the perspective that we are all in the hospitality industry. For many years both the organisations in Tasmania have butted heads on a lot of issues such as smoking, but basically they were coming from the same angle. So we said that in theory it was better to merge as one entity and be a stronger force et cetera. As a brand, we represent the whole of the hospitality industry and the employers within that industry, and the official name change and merger and rule changes were made earlier this year.

**Mr GAFFNEY** - So it has only been a recent innovation?

**Mr OLD** - It has been an unofficial merger, Mike, for about five years. It has been a long-winded process - but it has only officially changed its name, rules and officials et cetera earlier this year.

**CHAIR** - So we have you on our agenda as Australian Hotels Association. That is now incorrect?

**Mr OLD** - We should be referred to as the Tasmanian Hospitality Association, yes. But probably when we would have put that in, Don, last year, we were still not officially the Tasmanian Hospitality Association.

**Mr GAFFNEY** - I suppose it is on your website - but can we get a copy of your constitution or guidelines, that sort of thing. It would be handy for us to have a copy of that.

**Mr OLD** - Yes, no problem.

**Mr GAFFNEY** - That is great, thanks.

**Mr OLD** - So basically our board is made up of owners, licensees and general managers of venues around the State, both big and small. Our board is split, based on membership numbers in each region, so the board is representative of the whole State. Our membership is made up of venues that are hotels, pubs, accommodation venues, restaurants, cafes, caterers and the like.

A bit about the hospitality industry that a lot of people are unaware of: the hospitality industry in Tasmania employs directly more than 23 000 people. That doesn't include all the indirect jobs created, and that in itself could be thousands. It delivers \$1.29 billion in wages to the Tasmanian economy. It delivers a further \$80 million in taxes. It supports almost every community sporting organisation, club and group in Tasmania through sponsorship and other assistance, especially in regional and remote areas. Our members collectively would see more people on a week-to-week basis than any other industry. The industry offers people careers full-time, part-time and casual. They are life-long careers that can take you interstate or anywhere around the world.

As people here would be aware, Tasmania was the first State to have a Minister for Hospitality last year, which was Michelle O'Byrne, and now obviously her brother, David, is in that role. It is also great to see the Opposition now also has a shadow hospitality minister, and we have had some great meetings with Adam Brooks from the Liberal Party. We are excited about having Adam in that role. I think governments and the public in general are only just starting to understand and appreciate the importance of the hospitality industry for our State and country. For many years hospitality was lumped in under the tourism banner and we certainly do have a cross-over. In many ways we support and work closely with tourism, but we are still uniquely different. Hospitality services the tourism industry and market, and we are extremely proud of that, but we also service Tasmanians. We serve locals on a day-to-day basis. We feed them, accommodate them, entertain them, and we are a focal point of every community in town. Only last year the Federal Tourism Minister, Martin Ferguson, said, 'Hospitality is the engine-room of the tourism industry'. That shows how important we are to tourism, but we are equally important to the day-to-day lives of all Tasmanians. If the hospitality industry does not feed, accommodate and entertain tourists to the standard that they expect and that we promote as our Tasmanian brand, then our industry will bring down the tourism industry very quickly.

**Mr GAFFNEY** - Steve, just on that, how many people do you have who sit on the Tas Tourism Board?

**Mr OLD** - Not on the Tourism Tasmania Board. We have a seat on the Tourism Industry Council Board, which I have, and when I don't go John generally represents me.

**Mr GAFFNEY** - How big is that council?

**Mr DABNER** - We are one of about 16.

**Mr OLD** - Yes, or even a couple more.

**Mr GAFFNEY** - So do you think you are adequately represented at that level?

**Mr OLD** - We are comfortable on our numbers. We don't think we need any more. At our association we are quite happy to have one representative on the council. We speak fairly loudly and we are quite happy to go to that and speak on our own terms too.

**Mr GAFFNEY** - And you get good access to the ministers at that level or anybody you want to?

**Mr DABNER** - You must remember some of those members that sit on that board are also members of the THA, so we get a little cross-over and we get some assistance in that way.

**CHAIR** - So Federal Hotels would be one example?

**Mr DABNER** - Yes, exactly.

**Mr OLD** - Hospitality is a strong industry that we believe deserves the same ministry and title, but we still have a strong bond and working relationship with the tourism industry. THA, represented by myself, has a position on the TICT board. I chat regularly with Daniel Hanna and converse on like issues. I also have regular meetings with Felicia Mariani from Tourism Tasmania and we share a great relationship with her and her staff. I read with interest the transcript from the presentation by the TICT in November last year to this committee, and we just want to say we fully support many of the things they had to say, and we will touch on a couple of them now.

We would like to point out that we have the same view as the TICT: tourism is extremely important and funding to Tourism Tasmania should never be questioned but promoted and increased where possible. We do not believe Treasury's view on the value of tourism. They do not value tourism as they should. We agree with the comments made by Mr Hanna and Mr Currant on the value of the TT-Line and how they are sometimes unfairly judged. They are, as I think Mr Currant said on the day, not a GBE. They are a State-owned company and they make an outstanding contribution to our State and we should never question that in terms of the profit they make on the balance sheet.

We will also talk about the Tarkine loop. The Three Capes walk and developments such as TMAG and of course MONA should always be supported by government. The value to our State from these developments and investments is outstanding.

There were questions raised at the time regarding the new Hospitality minister and whether that would take money from Tourism Tasmania. That was never the intention of our seeking a minister and nor was it the outcome. We believe hospitality is its own portfolio and deserves its own budget and minister. We have the minister and in the recent Budget we saw for the first time some funding; although small at this stage we hope with success that will grow. By success we mean showing the Government that the industry can achieve good outcomes through training and other things if the funding and support is there.

I also read a question from Mr Finch in relation to how Tasmania was placed in respect to standards in hospitality, compared to other States. Tasmania always has been renowned for our wonderful food, wine and produce. What we need to do, though, is have more of a focus on careers in the industry and education in schools so our young people coming through see hospitality as a career, not just a job you do while you are looking for a career. The hospitality industry can take people all around the world, and the skills you gain in Tasmania can take you anywhere.

**Mr GAFFNEY** - I think there has been a better emphasis on hospitality enterprise in secondary schools. For example, with Devonport High School I have heard some businesses say they think it is too much into marketing because they may be in competition with some of their little businesses that provide afternoon teas and whatever, so the schools are getting a lot of these. Is that a good thing or a bad thing or do you think it has improved?

**Mr OLD** - We think it is a good thing. The more we can educate the young about the career side especially of our industry the better. There are regions of Tasmania that are better than others, but from a whole regional and centre focus we think there still is a lot of work to be done. I also saw comments made last year where they think Tasmania stacks

up very favourably against New Zealand. I have chatted to some people from the mainland who have been engulfed in tourism and stuff for 40 and 50 years and they believe it is actually the opposite, that New Zealand is a long way ahead of Tasmania in service standards. I think Tasmania can be a little bit hit and miss in relation to hospitality and service we provide. There are some areas that we are really good in and there are some where we are not so good. The top levels are very good but there is still some bottom level where we have to bring them closer together. I could name probably 50 or more per cent of my members who could say to you now, 'If I could find a person who had these skills then I have a job for them tomorrow', but they still cannot find them. Our biggest issue is finding skilled staff and people to fill those roles that can adequately do what they need to do.

**Mr GAFFNEY** - Do you suggest a way forward? I often hear people say that it is not good enough. If it is not good enough do you guys have a list of suggestions for a Skills Institute qualification, a Certificate I or whatever to improve things?

**Mr OLD** - As an industry we have tried to work with the Skills Institute and polytechnics or whatever their names were before they changed. To be honest, for 12 or 18 months we butted our heads against the wall and got nowhere. We have actually, as an association, now gone into partnership with a firm that is setting up offices in Tasmania - called Franklyn Scholar. We are using them as our RTO. They are the biggest private RTO in the country but what they are about is working with our association and our members to improve the industry in upskilling et cetera. Through them and working with other providers we have done a bit of work over the last six to 12 months with the Beacon Foundation. Beacon Foundation, as some people might know, have very good relationships with, I think, 11 schools around the State, trying to get the young kids who have maybe fallen off the side to look at hospitality as an industry and teach them et cetera. As an association, we are doing some work with Beacon to try to promote that even more.

We are also trying to do some work with Campbell Page, an employment provider that is funded by the Federal Government to fill vacancies. They do not charge industry but they get Federal funding when they fill the job by putting an eligible job seeker into that job. We are doing some work in a triangle between us, them and Franklyn Scholar as the training provider where Campbell Page will identify 10 to 15 people who are interested in doing hospitality work. They will pay for the training through Franklyn Scholar. Franklyn Scholar will train them up to what our members are asking for and then our members will basically give them work. We started the first pilot of that earlier this year. In the first week after they finished their job, about 75 per cent of participants were into full-time work. Two people had dropped out of the course and two others we hope were going to find work from that. So basically out of the 12 people who did the course we are nearly going to get 100 per cent completion into jobs.

**Mr GAFFNEY** - Where was that run out of?

**Mr OLD** - It was run at the Shoreline Hotel. One of our board members, Darren Brown, offered their venue to do the training. So we have gone down the stage of forming these partnerships with some of these outside organisation to try to lift the standard of hospitality.

For a number of years, Mike, our members were saying we need people who are skilled up to the level that we need so they are ready to work. We are now able to deliver that training through Franklyn Scholar. We have said to the Government that we have tried to work with the Skills Institute and Polytechnic and have butted heads with them for two years. I have done speeches at the old Drysdale TAFE in Collins Street and said, 'You need to listen to what our members want. The students don't come here to be told this is what you are going to teach and then you are going to send them out and employers just have to take them as you send them out. Employers say this is what we want and you need to train them to that standard'. We could never get to that standard from those discussions. So that is why we have moved onto a private provider that will deliver the service that our members are requiring.

**Mr DABNER** - I think part of the issue too, from a business point of view, is that there is another change at the moment where the Polytechnic is coming under the Education department. So the industry is out there, but it is so confusing that they are not sure where to go and they do not have the results. Hence the THA are moving with a private company and we see that we will be able to get benefit out of that.

Yes, the Skills Institute, I think, are set in their ways. You can talk to any hospitality person, and on our board we constantly talk about it all the time. There needs to be change.

**CHAIR** - Do you know how the numbers are at Drysdale House for their course, compared to what they were before?

**Mr OLD** - No, I am not sure. As I say, we promote Franklyn Scholar as our preferred supplier for training but we also advertise the State Government-owned Polytechnic et cetera because we believe that is a service we should offer to our members. We still advise them of those. It is still a choice for our members which way they choose. We promote the work we are doing with Franklyn Scholar and we are going to continue to do that because they want to tailor the training to what our industry needs to start to fill some of our skill gaps.

At one of my first board meetings I copped it from my board - 'We are sick of TAFE Drysdale and they cannot deliver what we want'. I tried to form a relationship over my first 12 to 18 months. Unfortunately it can be the nature, as we know, of State government departments that people come and go; they move jobs et cetera. I think in my first 12 months I met four people who were the head of the hospitality management area. I said them, 'This is what we want; this is what we have had over the years and we cannot have this anymore.' They said, 'Leave it with me, Steve, we are go away and fix this.' I am waiting and so two months later I ring up and say, 'Where has Tom gone?'. They said, 'Tom actually left, sorry; it is now Jim.' I said, 'Okay, can you get Jim to come and meet me?'. Jim would come and meet me and two months later Jim was gone.

In the end we cannot run an industry like this. Our industry was going backwards in relation to skills and hospitality. We took it upon ourselves to fix it. It is only the first time this year that we have received a little bit of funding towards being able to do some work in relation to upskilling in hospitality. The Government has been great to give that to us, but even as of yesterday - and I have a meeting with the minister this afternoon - Education has their hands on that money and are now trying to tell us that they do not

want to work with us on how it is going to work and be spent. So that is going to be a further debate.

As an industry and association, we are very forthright in saying we will work the way we believe will be the best for our members and our industry, and if government wants to move with us, then we will happily move with them. If they want to tell us to go down a different path then we politely tell them -

**Mr DABNER** - The key thing that you need to remember is that 70 per cent of the staff employed in hospitality are casual and if you are a casual staff member you cannot obtain funding. I know the Government has given \$100 000 for this pilot project at the moment, but there needs to be a change in the training regime to enable property owners and properties to upskill those people and obtain some funding from State or Federal level to skill them to a level which will fix some of the problems. There are properties out there doing that and trying to do that on a part-time basis.

**Mr PARKINSON** - On the skills training area, I must admit I have been out of touch with this for a while, but 10, maybe 12 years ago, as far as I was aware Drysdale had a very good reputation for the skills levels of the people it was putting out, and I can think of two examples of women who trained at Drysdale who were snapped up like that in New Zealand, and are still in New Zealand to this day, having formulated and developed big careers. One of them is quite wealthy - I know them personally - and the other is doing very well in hotel management. They both went into hotel management and progressed. One of them is into full-time training herself these days and trains hospitality people who are employed internationally. I am wondering if the Drysdale output of skills levels has changed, and are there differences in requirements in, say, New Zealand and Tasmania? Is that because of casualisation? That is the sort of area I am looking at.

**Mr OLD** - Without a great knowledge of New Zealand in that respect, Doug, I do not know how different the standards are. Obviously they still differ from State to State in Australia, so there are different requirements as such. I understand what you're saying. Don't get me wrong, you will always get a couple out of the pack that will come from anywhere and be good, so to name two examples out of 23 000 who went through Drysdale is -

**Mr PARKINSON** - Yes.

**Mr OLD** - But in saying that, yes, it has changed over time. The issue that Drysdale and TAFE have, as I understand from talking to my board over a number of years, is that the one thing they haven't done is move with the times. Times have changed. Employers demand more and more training on the job. They want to say, 'This is what I need my employees to do,' and they need a provider to go away and say, 'Okay, I understand what your business is about and what your requirements are. I am now going to tailor the training to what you need.' Unfortunately, the message we get back is that Drysdale is still saying, 'They come into our classroom, this is the course and this is how we run it and that's how they're going to be sent out.' They do a 9 a.m. to 4 p.m. course; it has this and this and this. Can they be flexible on that? No, they can't be flexible - 'This is our course' - it's that sort of mentality and we are trying to say to them that they have to change. They have to work with what the industry needs now.

Probably 10 or 12 years ago it might have worked, Doug, but unfortunately now the more and more time you have your apprentices and trainees off the job, the harder it is to run. Like as we have it now, Franklyn Scholar come in with our members now and do 24/7 training. So if John had talked to them and said, 'Look, the only time you're going to train my apprentices is from midnight to three in the morning,' Franklyn Scholar will say, 'We'll be there at midnight and train them from midnight to three, if that's what you want.' Whether we like it or not, that's the way the industry is going. It is a 24/7 industry and if we're going to promote training within the industry, for many years we have been and still are trying to encourage members to say that you need to train your staff if you're going to get better output. Phil Capon, one of our board members, has always said, the mentality is that people say if you train them they might leave, and Phil has always said, 'If you don't train them they might stay.'

*Laughter.*

**Mr OLD** - That always rings in my ears. It's something he told me earlier and I guess that is the issue. But not all our members still see training as they should and that's where we sometimes need governments to help out a bit to encourage people in the industry to train. One of the things we're hoping to do with the \$100 000 that we have - and this is one of the initiatives Skills Tasmania had at one of their conferences the other week - is to get a person employed to go into venues and basically do a skills audit of the venue. It is very big in Victoria. They basically go into a business like John's and say, 'Right, give us all the names of your staff, their dates of birth and we'll have a look at them.' So they will go through it all and say, 'Okay, this staff member is at this level. If they do this and this, they could go to that level. This is the training we provide for them. They would be eligible for this funding. That one would not be eligible for funding, but the career choice is for them is so and so.' It basically gives the employer a - for want of a better word - report on all their staff, what eligibility they have for training, what their options are, et cetera, so it sets out for the venue a real picture about their staff and what their options are for training and how they can take it forward. It's big in Victoria and something we're trying to get piloted here through this \$100 000. I am having a meeting with the minister this afternoon and we're hoping we can kick that off because it is really about getting people to identify training options and what the benefits of training are et cetera.

**Mr FINCH** - What was that program called?

**Mr OLD** - I'll have to get you the name of it; it's in Victoria, but I'll come back to you on that, Kerry.

**Dr GOODWIN** - John, you mentioned that 70 per cent of the staff in hospitality are casual staff members. Could I get some clarification of that? Is that because of the nature of the work or because of a deficiency in skill levels or some combination of both?

**Mr DABNER** - I don't think it is deficiency in the skill levels, it's just the nature of the work and the nature of the industry because of flexibility. You need to remember that Tasmania is a small State and is spread out into regions and it is the flexibility that you need in the regional areas. We're going to talk shortly about numbers because you have so much fluctuation you need to have that ability to be flexible with your staff.



**Dr GOODWIN** - Does that make it difficult to retain staff or does it suit a lot of people to be casual?

**Mr DABNER** - No, I was very surprised at Tall Timbers this year when I looked at the end of the financial year at my turnover of staff. I have had a turnover as high as 50 per cent in the past, but it was only 28 per cent in the last 12 months, so I have retained staff this year, but that's an industry thing. We employ a lot of junior staff; they do a season with you, they think they know everything in the industry and they want to go across the creek to the big wide world, and then they come back. That's just the nature of tourism and hospitality.

**Mr OLD** - And we're also an industry that employs a lot of students.

**Dr GOODWIN** - Yes, I know; I used to work in the industry.

**Mr OLD** - As you know, because you used to work at the AHA. We put a lot of students through university, as they work in our industry. We also employ a lot of single mothers or mothers who are returning to work. Hospitality is that sort of industry and that's why we say that unfortunately the Federal Government's situation in relation to casual staff means you can't access funding for them, and what makes it very difficult is that you have these sorts of people coming into the industry and a lot of them, such as mothers returning to work, who want to do the training to get their skills up but there is no funding so the employer will say, 'If we're not getting any funding for it, we're not going to be able to do the training'. We need to change that mantra somehow.

One of the other issues we have fought for a long time in the association about is fringe benefits tax, which we have always talked to different politicians about. We want to get the Federal Government to change fringe benefits tax to allow the old business lunch, without the roasting, to happen again, because it allows the industry to stop doing split shifts. What happens at the moment, and John can tell you, is that his cooks will come in at 11 o'clock, prepare, cook, and finish at three o'clock, then they have to return at five o'clock, prepare, and cook again. So they work eight hours but they work it over 12-14 hours. If we can get people back into our dining rooms more through the old business lunches and these sorts of things what it allows them to do -

**CHAIR** - For the whole of Friday afternoon.

**Mr OLD** - Yes, and even weekdays and whatever. There is a concept paper that has been out for a long time which is about giving a 1 per cent benefit to businesses of their turnover up to \$2.5 million, so they can claim \$25 000 on fringe benefits tax and go through the system. Fringe benefits tax is very difficult for small businesses to go through because of the casualisation of staff and split shifts and all those sorts of things, which makes it a tough industry to work in.

**Mr GAFFNEY** - You mentioned your turnover of 28 per cent, which is very low, but Circular Head is relatively isolated. I would suspect that in cities the turnover of staff would be much higher than that because there are different places for people to go. In your area they will stay there because they really love it but also there's not a lot of other opportunities to branch out into. It means moving their whole business or family and lifestyle somewhere else.

**Mr DABNER** - Yes, and you need to remember I mentioned the age. You have a lot of juniors coming in, so they may be 18-, 19-year-olds who do one season with you and then shift out of the region because they want to get away from mum and dad. So they move to Hobart, Launceston or the mainland. I encourage young ones to do that because they need to get out and have a look. We've had some who have left our area who have gone to work at Crown Casino and larger establishments on the mainland. That's good for us that we have trained them to that level and they have gone on and trained further and gone to another level. That's what happens in regional areas. I do have a high turnover some years. I would assume now, with the demise of McCains, hopefully that level may drop again because there won't be the employment in the region.

**Mr GAFFNEY** - And that is difficult, isn't it, because sometimes you become a breeding ground for getting the kids to a certain level, which is terrific, and then when you want that experience there, they go. I think that happens in a lot of industries in Tasmania.

**Mr DABNER** - It does, yes.

**Mr GAFFNEY** - My question to Steve is that you said you are meeting with the minister - that's Michelle -

**Mr OLD** - No, David, sorry.

**Mr GAFFNEY** - David. I am just wondering whether you have had the opportunity to flag some of your issues with the Minister for Education, Lin Thorp. Perhaps that is one thing you might talk to David about, because I think in this change of what is happening at the moment - and that is not going to happen now, but I think it will be really important for you guys to put your cards on the table so that the Minister of Education is very aware of how you are feeling with this RTO coming in, and why it has happened. I think that would be a really good thing for you to do.

**Mr OLD** - We are going to do that this afternoon, Mike. We have never held back in relation to telling those who will listen what our agenda is, and we have made that quite clear for 12 or 18 months. One of the reasons we have been really happy that the Government has given us a Minister for Hospitality is that one of the concerns we have always had is how we get messages through to government ministers about our issues. The hospitality industry nearly crosses over every minister in some way - police ministers, local government ministers, education ministers, tourism ministers, whatever - so when you talk to them about specific issues, you are not their primary focus. They will listen to you but they say 'I understand what you say, but you're not my responsibility'. That is why we have said hospitality is a big employer, a bit investor et cetera. Now that we have a minister we have full faith in David and we have Adam on the other side as well. We have had some great meetings with both of them to date. But we think that by having our own minister, we can convey those messages through to the Government. I understand that we are meeting with David today and he is meeting with Education next Tuesday, and that is what part of this meeting is about. But, don't worry, we are never shy on putting ourselves out there, Mike, and we won't be.

**CHAIR** - What is the duration of the Franklyn Scholar course, and what qualifications -

**Mr OLD** - They do all courses, Don. They run any course in hospitality that we want them to, and courses that they do. It ranges from certificates in hospitality to training apprentices and trainees, through to courses like Ban the Crim courses, which are about dealing with armed robberies in your venues and all those sorts of things. They cover all those courses, and the courses they run are Responsible Service of Alcohol courses. They are about to start doing Responsible Service to Gaming courses for our association, so they are basically just a provider that runs all hospitality courses.

**CHAIR** - And at the end do the students receive a diploma or certificate?

**Mr OLD** - Yes, whatever course they are doing they get the same certification they do if they go through the Polytechnic or the Skills Institutes.

**CHAIR** - Right. I have a question about Drysdale House. It has come to my attention that certainly in the last couple of years the students who toil in cooking for functions for which Drysdale House receives payment, and those who wait on tables and cook and prepare and work long hours, are seldom allowed to have any food. Would that be a normal thing? Even though there is usually a surplus of food, the students, having worked long hours, are not given any food at meal time.

**Mr OLD** - I couldn't comment what they are doing in Franklyn Scholar training. I wouldn't like to say something that I am not sure of. I was not aware of that either.

**CHAIR** - Right. I raised it with the minister during budget Estimates and he is taking it up with the Department of Education.

**Mr OLD** - Sorry, I am not sure, to be honest.

**CHAIR** - One other matter. You have referred to the attitude of Treasury. Without referring to any individual or individuals from Treasury, would you mind expanding about the attitude of Treasury that you have been critical of?

**Mr OLD** - I just know that from my experience that Treasury's view on tourism is that they don't believe tourism brings in the benefits that we and the industry certainly believe it does generate. I think it is reasonably common knowledge that about 10 or 15 years ago there was a push from within Treasury to close down Tourism Tasmania, or whatever it might have been. Luckily the Government has not seen it the same way, but I think tourism does struggle to get money, budget-to-budget, and it has to prove its worth to the economy, yet we continually call ourselves a tourism State. It seems amazing to me that we have to continually try to push for tourism to get more money et cetera.

We have a couple of other points that we want to cover but things such as what Events Tasmania does for Tasmania is unbelievable. We all know what AFL football does for Launceston and I am sure with a push it might happen at Bellerive or whatever.

**Dr GOODWIN** - Don't mention that.

**Mr PARKINSON** - Don't mention the war.

*Laughter.*

**Mr OLD** - When I consider the investment and attraction of tourists that Events Tasmania and the conference business bring in, I am really staggered that the Government do not put more money into these sorts of things. John can tell you the benefits they bring, especially in winter. In Tasmania winter is the time our members really struggle. I have some occupancy statistics here that show you that. There has been a push for a long time for more accommodation in Hobart during the busy period - and we certainly need it. In the busy period there is a shortage of accommodation, but the issue you get from that is the fact that the only way you are going to get investors to invest is if they can see a 12-month return. At the moment, although we are starting to narrow the winter gap, there is still a gap there in winter that shows you that accommodation providers are not doing all that well. We do the occupancy stats once a month. We send them out to our accommodation members and we get over 70 000 room nights for the month and we collate the stats into regions - north-west, north and south - and when you go through May, June and July, the north-west occupancy can be around 33 per cent as an average; the north can be around the mid 40s and Hobart can be around 50 to 55 per cent. When you start looking at those numbers and trying to run a business, trying to keep your staff happy and not let them go as we talked about a while ago, when you are talking those statistics and you are only filling one out of three rooms on the north-west coast, if you are an investor and you are looking at that, you are going to say, 'Okay, I can see that period where it is really busy, but I need to make sure that we can cut that gap down in the quieter periods'. We do need more investment in these areas. The winter needs to be cut shorter -

**CHAIR** - That sounds good!

*Laughter.*

**Mr OLD** - Yes - and the way we believe it can happen is through more of these events and conferences and stuff.

**Mr DABNER** - Regional dispersal is a major issue. Tourism Tasmania's Lumina campaign, which came out this year, is Hobart-Launceston based at the moment. This is its first year and hopefully that will continue, but they have a real budget issue in regard to funding for that for the next year and -

**CHAIR** - Who is this, John?

**Mr DABNER** - Tourism Tasmania. They are obviously looking at how they are going to fund that for the next two years. They are committed to it but obviously their funding is so tight that it will be interesting to see what happens with that.

**Mr PARKINSON** - You have mentioned the events and business conferences, Steve, are there any others specifically that you would advocate receive funding for the same purpose?

**Mr OLD** - Are you talking specific events or -

**Mr PARKINSON** - No, just areas - funding to promote events and business conferences and I thought you were going to say something else.

**Mr OLD** - No, sorry, they are the two areas we see. If we focus on those two areas, Doug, especially in the winter period. Tasmania looks after itself in the summer as we all know. There is an over-flux of events and it is a fantastic place. In its own way it is also fantastic in winter but, as I said, when you look at the occupancy numbers - and we can talk about restaurant numbers and all those sorts of things - the winter period is the time we struggle.

Things such as the MONA, the TMAG developments and the Three Capes walk are things that have to be supported and they have to be supported sooner. We can keep having them on the drawing board for years and years and being talked about, but we actually have to get them funded and get them started. When you are talking about 250 000 to 300 000 people coming in a year to look at TMAG or whatever, that is staggering for Hobart and then we have to look at the regional areas. But we have to look at these sorts of developments and make them happen.

We have some great opportunities out there with investments at the moment. You talk about events like AFL football, but there are other sports as well. There is basketball that I am involved in and there is a push for a soccer side although that is summer based. There are all these other events, the Lumina festivals and stuff, we have to get behind these things and make them happen, make them work and be yearly events. Then you will get the investment, you will get the jobs and you will get all these things flowing if we can cut down that winter bracket.

Do not get me wrong, the Government has done a good job with assistance over the last few years, but the problem is still there, it still has to be fixed and I think we all have to work together to try to cut that down as best we can.

**Mr PARKINSON** - I have not heard much lobbying going on from industry in relation to TMAG. MONA obviously has been going along quite well and will look after itself because of the background money involved there. What are your thoughts on TMAG? Is there much push from industry, lobbying of government for TMAG? That is a fantastic concept and I agree with you that, once it did get under way, it would complement MONA in a big way with the arts tourism community?

**Mr OLD** - Talking to my members in southern Tasmania, yes, it is a big issue. It is not one that as an association we have pushed heavily because we have about 30 other things that all stack up in relation to some of the things we want to fix before we get to that level. This committee was a great opportunity for us to say that it is something we support.

We support developments and events in other areas too. We talked about AFL football; AFL football for my members in Launceston is fantastic. They will all say to me that the four games in Launceston make the winter bearable for them up in the north and I think it flows onto the north-west coast a bit.

What TT-Line does for the north-west coast and the whole State is just fantastic. I do not think we should just target it and say, 'What money does TT-Line return to us?'. We have to look at the bigger picture; what they deliver to Tasmania in relation to tourists into regional areas is phenomenal.

**CHAIR** - It is a road, isn't it?

**Mr OLD** - Yes.

**CHAIR** - You don't expect to get money back from roads.

**Mr OLD** - That is exactly right, Don. We have to get people to this State. Having the TT-Line puts pressure on the airlines to reduce their prices and make them competitive and all those things. We have to support those things and we have to support things that bring people into regional areas. When you have 33 per cent off in winter in the north-west coast, from Mike's area as well, then we have to do something to get more people to those areas. I am not saying we have all the answers but we are certainly willing to sit down with Government and Opposition and others to find ways we can fix it.

**Mr FINCH** - Franklyn Scholar is a State program or national program?

**Mr OLD** - They are an RTO based in every State now. They have an office in every State.

**Mr FINCH** - Yes, it sounds very good. In respect of the kids you train, you know they are going away and you lose a certain percentage of them, so how do you, as an employer, deal with that and how does the industry deal with that? Is that something that you not so much encourage but accept is going to happen and are those young people supported in that attitude? I am wondering whether we encourage young people to think of this as building not so much a career but a job opportunity that they can transport but then come back to Tasmania? So you go away, get your experience and come back to Tasmania with it. Is there encouragement for that attitude or do employers tend not to want it or try to be negative about that attitude?

**Mr DABNER** - I think different employers have different attitudes towards it. In the industry itself, we have two intakes of staff a year. We work closely with a couple of the regional RTOs up our way which run courses at our property. They do 10-week training and five-week training and I obtain my intake through the people in that course. So they do the pre-training.

For the people moving away and then coming back, there is that opportunity for them to gain more experience in other areas. It is part of hospitality. It will always be there. I do not think it is ever going to change. The major issue I have at the moment is trying to get middle management. I really struggle for middle management and chefs.

**CHAIR** - I hope they are on good form next Wednesday night.

*Laughter.*

**Mr FINCH** - Do you get a sense that there has been, in the last 12 to 18 months, a different attitude in respect of TT-Line?

**Mr DABNER** - Definitely. There is definitely a focus now on passengers instead of freight. There has always been that argument there. I do not think that argument is sound. I have spoken to several people on the TT-Line and there is only a certain amount of

freight they can put on the ship anyway. They have run extra sailings, which is great for the region. You will find in the north-west region that the numbers increase when there are double sailings.

**Mr FINCH** - Because of passengers or because of freight?

**Mr DABNER** - Because of passengers. There are more passengers and more opportunities. I think TT-Line has some statistics that the majority of people travelling with it spend nine or 10 days or more in the State. As soon as you get numbers such as that, it filters into the regional areas. Circular Head did a survey some two years ago and 50 per cent of the travellers coming to our region were coming through TT-Line. That just shows you that TT-Line is bringing the regional dispersal - one of the key things we need to focus on. Steve mentioned annual occupancy statistics in the south of 79 per cent, but in the north-west they are 52 per cent - some 24 percentage points lower. The north is 67 per cent; 12 percentage points lower than the south. You need to get this dispersal around the State. It is great to say that we need more accommodation in Hobart - and through peak times we do - but just remember I am from the regions and I want regional dispersal.

**Mr FINCH** - Where do you find criticism of TT-Line in recent times?

**Mr OLD** - That's just politics, Kerry. Wherever money is spent you have to be accountable for what is done. I think TT-Line needs to be removed from being a target for political hits. Everyone is guilty of it because when you're going through a budget process you have to look at where the money is spent, and if there's an opportunity to have a crack at a government - and this goes back many a year; I am not talking about now - then you are going to do it. However, we have to put TT-Line to the side a bit and say, 'It is a necessary thing that needs to be funded. The money is well spent and we do get the return for what we spend'. TT-Line over the years have done a fantastic job under a lot of pressure. It is political and media speculation to say what is their return to government or the State. We have to look at the bigger picture of what they do and I think it has been undervalued. It is slowly starting to change but it is one of those areas we have to support 100 per cent. What TT-Line does for regional areas in bringing tourists to Tasmania is untold and I think we need to lay off them a bit and support them.

**Mr FINCH** - Have you read our most recent Legislative Council report on the TT-Line? I think you should read that and see that we were quite positive.

**Mr OLD** - Yes. I'm probably not talking about the Legislative Council and I am not having a go at either party in relation to this because TT-Line has been a long-winded argument.

**Mr FINCH** - I think if you need some positive elements in the kit bag that report might help.

**CHAIR** - We deal with issues, not personalities.

*Laughter.*

**Mr GAFFNEY** - In the winter it is hard on the north-west because of 33 per cent occupancy. In the summer you can get extra staff, part-time kids who want to work, but in the winter where you have to maintain your regular staff that is the issue. We have a mass exodus

from the north-west coast for the warmth. They go away for 10-12 weeks in cars, motor homes and caravans. Are there any initiatives or anything you could suggest that might help - say freight equalisation or rebates - people to come to Tasmania for the winter? Lumina is a good start. Have you spoken with TT-Line about how they work their rebates? You may not have the answer today but it would be handy to have some solutions or initiatives that might help.

**Mr DABNER** - TT-Line have been assisting. They have their twenty-fifth birthday at the moment and that is great. They have had discounted fares and have given opportunity for properties such as ours to run a discounted fare as well and to look at some cooperative opportunities. One of the key things in regional areas that a lot of operators need to do is get online. Online is the way to go for bookings now; you need to be online. I was very alarmed at the conference where Felicia stated that 700-750 operators do not even have a website. I was staggered at that. There are only approximately 450 who have bookable product in the State online. That was staggering to me because that is the way of the world: you have to be online and you have to be able to take bookings online. With the lack of funds that Tourism Tas are having and I mentioned earlier about the events like Lumina and how that's going to continue and that will help with the regional dispersal and get more events happening in regional areas. The shortage of funds means they can't look at the online bookable product, let alone the events. It's spread too thin. Steve mentioned earlier that they struggle every year to get their funds. I just think they need to probably have more funds to be able to grow that and assist with that regional dispersal over those winter months. I think Cradle Coast are working very closely to try to get some events up that way. They've got the Chocolate Winterfest which has just happened at Latrobe, which is great, but there need to be more things like that happening in our region.

**Mr OLD** - The TT-Line, in fairness to them too, can advertise until the cows come home, but it won't help if there are not the events and conferences and stuff to get the people here. They can provide the service to get them down here, but we need the events and all those sorts of things for them to actually come down to attend. The Luminas and these sorts of things have to be yearly things on the calendar and we have to find the niche for the north-west coast, and they have to be given guarantees that they will be funded for three or five years, so people know it is on the map - it's on the north-west coast and it's the first two weeks of May or whatever, and it's always going to be. Year by year we see an event happen and then they have to go through six months of trying to get the funding again. Then when it's finally re-funded and they can advertise it again, they've missed the boat because you're cutting down your marketing period and all those sorts of things.

**Mr GAFFNEY** - You will be pleased to note that on Sunday at the Chocolate Winterfest, there was a crew from the Lumina group with their TVs and photographers for next year, so they are looking at -

**Mr DABNER** - That is good.

**Mr GAFFNEY** - I was really impressed by that and they will be there for the Jazz Festival, too, in Devonport. I think they are preparing for that, so that was very good.

**Mr DABNER** - I think it comes back to some of the other regions where local government in regard to the councils are looking at some type of events as well. I think there is



opportunity to grow, but as Steve said, it needs to be three to five years, not just a flash in the pan this year and forget about next year and then we're back to the drawing board again. We need to continue with it.

**CHAIR** - Unfortunately we have run out of time, but I would like to give you the opportunity, Steve, to finish your notes, the ones you have not covered.

**Mr OLD** - I think we have covered most things, but I will quickly just go through it. As I said, in general I think visitation is going well and stuff, and I guess from our point of view we fully support Tourism Tasmania and what Felicia and her crew are doing. We think they do a fantastic job and compared to other States, they are doing fantastically in relation to our tourist numbers. We haven't touched on national parks but we think that they always need to be funded and looked after. I know there has been an increase given not long ago, so that is fantastic, but that needs to continue.

We sort of touched on it, but there needs to be an intrastate focus as much as an interstate one. We need to get all our tourists in, but as a separate thing we need to do on the side, and I don't mean take money away from what we promote to get tourists in. We need to keep people intrastate moving about, for my industry especially. That is why AFL footy in Launceston is fantastic, because it's in the middle of the State, people come from the north-west coast, west coast, whatever, to get there. You talk to our café proprietors around the State and they love it, because people are stopping at Campbell Town or wherever and checking out places they've never seen. It's events like that around the State that get people out of their homes and visiting other parts of our State, rather than just staying in their own little area.

Regarding zone marketing, we think it needs to stay. It is an issue of regional dispersal, but we think Tourism Tas needs to maintain the zone marketing stuff and they need to be supported in that. John has talked about the Tarkine Road. We have mentioned the Three Capes Walk, that we believe it needs to be supported and was supported, but there still needs to be more investment like that in regional areas. We mentioned TT-Line.

As we said, labour and skills is a massive issue for our industry in Tasmania, and I guess select committees like this present a good opportunity for us to put the hospitality message out there, as much as anything, to say we are a massive employer, a massive investor and we are massively part of the State. We are a massive part of tourism and if we let tourism down because people don't come here and have the experience they expect, the tourism industry can go on the downhill slide. Hospitality is seen as a lesser brother, or whatever, but it is actually a very important part to the tourism industry and it has its own unique brand.

We talked about the fact that more than 70 per cent of our staff are casuals and cannot access training incentives, yet it's an area where if you want to start in the industry and you're a mother who has two kids and is returning to the work force, to work in a pub she still has to get a Responsible Service of Alcohol and sometimes a Responsible Service of Gaming certificate before she starts, which she has to pay for, and when it comes down to other training needs she's not eligible for funding. That's just not right and it's something that needs to be looked at.

There is an issue about unlicensed accommodation venues, things such as renting of shacks and so on, which is no good for industry standards, and John will briefly mention that when I finish but, as I understand, it's about the fact that it's been handed back to the councils to do and they just don't have the resources to monitor those sorts of things but it does mean that our standards of accommodation drop and things like that.

We have issues in relation to liquor licensing legislation - we've thrown this around with government for a long time - about the proliferation of off-licences, which is bottle shops, in Tasmania and what it does to our industry. It really makes a lot of venues start to say, 'What is our future in this industry?' and that really stops investment in areas such as accommodation, which is what we've touched on before.

If we're going to have investment and all these sorts of things, then government needs to work with our industry and association to look at all these issues and come up with solutions. As Mike said, we're not an association that's about throwing crap out there and saying, 'Can someone else fix it?'. We've gone on the self-help thing and we're trying to help our industry, and we will do it ourselves, but it would be nice if we could get governments and other people to work with us on that because by having governments onside, we think we can get there quicker and we can really get some wings.

That's all from me; I appreciate being able to come. John will just touch on the unlicensed sites.

**CHAIR** - Thanks, Steve.

**Mr DABNER** - I will just touch on the unlicensed accommodation venues, which is becoming a thorn in the operator's side in the larger accommodation properties who have to comply with all the regulations for fire, et cetera, to ensure they are up to standard to be able to offer the service. But then you have the shackowners who have their shack free for six months of the year so they book it out for two weeks here and two weeks there, but they don't have the fire standards. It has been taken away from Licensing and handed back to local government but local government do not have the resources to even do that. Latrobe is probably a prime area in regard to Port Sorell, Hawley and around there, and I bet it is rife around that area - people renting their shacks out for a week here and a week there. I know it is rife in our region. I know one operator who has three houses in that area and they wouldn't be to the required standards, but who is there policing? No-one is policing it, and that becomes a real issue.

The only other thing I would like to touch on is the Tarkine Road, and I hope we'll be talking a lot more about it when you come up to our region next week, but I see that as one of the major icon attractions that is going to boost the north-west, or assist with the north-west. I am fully supportive of any type of development in the area with regard to the road and for tourism but also from a community point of view, because of the economy up there at the moment with the loss of jobs. Something must happen up that way and support to ensure that it does happen is probably one of the key things.

**CHAIR** - Thank you very much. Two quick matters. You mentioned the problem with the chefs. Briefly, what is the main problem and what do you think the solution is?

**Mr DABNER** - I think we've been looking for solutions for years.

**Mr OLD** - There is just a shortage, Don.

**CHAIR** - Shortage is the main thing?

**Mr OLD** - Yes, as we were saying before, we need young kids coming through the industry, doing apprenticeships and building up their qualifications. They need to see the future in the industry as well, and that is why I talked about the education side. We have to promote that more because eventually, if you are not getting the apprentices coming through, you stop the qualified chefs.

The other issue on that which doesn't help our industry is that recently the Federal Government took chefs and cooks off the skilled occupation list. That means it's going to be even harder around Australia, and Tasmania is not out of this picture, to then get places. A classic example comes from one of our board members, Stephen Tso from Me Wah. He will say that if he can't get in enough chefs with the very high standards he needs, his business is then in jeopardy. The two Me Wah restaurants are very well known in the north and south but it's a massive issue when you can't get chefs in to the standard you need for that standard venue.

There is no quick fix but there are ways we can do it. But again, if chefs aren't on the skilled occupation list, if we're not getting apprentices through, if we're not putting subsidies in to get apprentices on board, if we're not educating students - all those things have flow-on effects and they all need to be looked at together. All we are saying in the industry is that we hope we can start doing that with David, who is only in his early days, and with Adam, and we think we can really get somewhere.

**CHAIR** - That is good. Who pays the fees for the Franklyn Scholar course and what sort of level are they?

**Mr DABNER** - Members do. Their fees are about the same but if they're members of our association they are slightly less, generally, than, say, what a polytechnic is. But every private provider out there - and I can't remember exactly what the final total of RTOs is in Tasmania - has their own pricing scheme. Franklyn Scholar is the same; venue operators pay for the courses for their staff or the staff pay for themselves.

**CHAIR** - Thank you both very much. We appreciate your help. We could have spent quite a lot more time. We are conscious of that, but we packed quite a lot into that limited time.

**Mr OLD** - Thanks for allowing us to come along.

**Mr GAFFNEY** - I have a question on notice for John for next Wednesday: just some reflections on the Dismal Swamp issues. I would like to hear from the community's point of view next week where you think that went wrong, where it is right and where it needs improvements - that sort of thing.

**Mr DABNER** - I think it is about to be leased.

**Mr GAFFNEY** - Okay, so could you fill us in on that next week? That would be great.

**Mr DABNER - Yes.**

**THE WITNESSES WITHDREW.**

**Mr STUART NETTLEFOLD AND Mr TONY HART**, BUSINESS EVENTS TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Gentlemen, welcome and thank you very much for coming to talk to us. We are looking forward to hearing what you have to say.

**Mr HART** - I am chairman of Business Events Tasmania, which is a relatively new name for the Tasmanian Convention Bureau. We would like to thank the committee for the opportunity to present on its inquiry into tourism. Today we will demonstrate how Business Events Tasmania plays an extremely important role in attracting major conferences, conventions and meetings to Tasmania. These business events generate broad direct and indirect benefits to the Tasmanian economy and, very importantly, attract visitors to Tasmania in the off-season. Government funding has been pivotal for Business Events Tasmania to achieve its very successful outcomes for the Tasmanian economy. This funding is currently through Tourism Tasmania, but today we would like to advocate separate line funding for Business Events going forward. Once again thank you, and I hand over to Stuart, our CEO, to go through our submission.

**Mr NETTLEFOLD** - Thanks, Tony. I will start off by just giving a quick update as to who we are as Business Events Tasmania. Effectively we are the peak marketing body for business events. We are an incorporated non-profit organisation with a board of directors, and we are funded in part by State Government, local government and members. Our primary role is to attract national and international business events here to Tasmania, so we actually bid for events, and then our obvious focus is on converting those into a win which brings delegates to Tasmania.

**CHAIR** - Just business events?

**Mr NETTLEFOLD** - Business events are fairly broad. They can involve anywhere from 20 people up to 1 000 people for the market we attract.

**CHAIR** - What about Rotary Club conventions or Lions?

**Mr NETTLEFOLD** - Correct.

**CHAIR** - They are regarded as a business?

**Mr NETTLEFOLD** - Yes.

**CHAIR** - I see.

**Mr NETTLEFOLD** - And we also have the Lions conference coming to Launceston next year, which will certainly be a big event for the city.

**CHAIR** - As it was in 1985.

**Mr NETTLEFOLD** - Oh, okay. Our mission is to successfully market Tasmania as a destination of choice for business events in both national and international markets, and our vision is to develop and market a vibrant, competitive, sustainable business events

industry in Tasmania which creates economic and social wealth for business events members and across the Tasmanian community. Our key objectives are to secure events through targets and sales and marketing activities, also to increase the awareness of Tasmania nationally and internationally as a business events destination of choice, to achieve increased investment from membership and industry stakeholders in the business events industry, to advocate the business events industry's position, and address the relevant issues and obviously to be an effective organisation, which is our internal abler.

Based on our figures this year, we have attracted more than 100 business events to Tasmania, which we estimate will generate around \$42 million directly to the Tasmanian economy. It can range anywhere from up to 15 to, in some cases, 10 000 people. We have venues in the mainland cities that can attract international conferences of more than 7 000 people, but we are not targeting that event because we don't have the infrastructure here in Tasmania. We more or less cut off at about 1 000 packs. A business event can range from a conference to a meeting, a symposium, incentive groups, trade exhibitions, so it does cover a broad cross-section of business events. Our main target markets are the association segments, which has traditionally been Tasmania's strongest market where we attract conferences up to 1 000 people. Some good examples of recent associations that have come here are: the Australian Aquaculture 2010 International Conference, which was here in May and attracted 800 delegates; the Australian Medical Association National Conference, which attracted around 700 delegates and that was on last week. It was also interesting to note that as that conference was here in Hobart the *Mercury* published an article where it offered incentives for doctors to relocate here to Tasmania. That is a good indication of the broader benefits that a conference can have for the Tasmanian economy.

One area that we are looking at targeting more is the corporate and incentive market. We have some great product, such as Bruny Island Cruises or Hollybank in Launceston, the Tamar Valley wine route. We are working at getting people to come here to experience not just sitting in a conference hall having a meeting but also getting out and experiencing some of Tasmania's good tourist attractions. This is also particularly high-yield business, which is very attractive to the industry. In terms of international business events, it is only a small part of our make-up but it's something that we're looking at ongoing to attract more delegates in this area.

In relation to the response to the inquiry, we have gone through and looked at the five points. In terms of impact of business events on the Tasmanian economy, there are both direct and indirect benefits. As indicated before, for this year we've won 106 bids, which will bring in 25 000 delegates, which we estimate at a direct worth of \$31.3 million. Also, based on some research done by EMRS, we estimate that a lot of these delegates will spend an extra 1.4 days doing pre and post touring into the tourist zones of Tasmania. We estimate that is another worth of around \$11 million, which brings it up to that figure of \$42.3 million.

**Mr GAFFNEY** - Stuart, do you have a breakdown of where those events are held, in which regions?

**Mr NETTLEFOLD** - We do.

**Mr GAFFNEY** - Could you provide that at some stage, please?

**Mr NETTLEFOLD** - Yes. I will just give you a quick snapshot in terms of the bids won. Of those, 75 per cent of those have been won into Hobart and the south and 15 per cent into Launceston and the north; the remaining 10 per cent is dispersed amongst the other tourist zones, including the west, north-west, central highlands and east coast.

It should also be noted that there are some tremendous indirect economic benefits such as social and educational, which is the transfer of knowledge, innovation, sharing of new ideas and skills and the economic spin-offs, which are investment and trade opportunities. I think the aquaculture conference is a good example of what trade investment opportunities that sort of conference can bring to Tasmania in the longer term.

We also have the Meet in Tasmania Incentive Scheme, which is an incentive where we give a rebate of up to \$15 000 to associations. That is purely to attract business events to Tasmania in the winter months in the off-season.

**Mr HART** - It is useful to say that that fills up and would now be committed for two-and-a-half years. There is an amount of money there but not the flexibility to use it for short term because the limitation on it is that people make an application. The application is then granted but it is two or three years ahead all the time.

**Mr GAFFNEY** - If you had more money you could attract more conferences in the winter?

**Mr HART** - Yes.

**Mr NETTLEFOLD** - It is fully subscribed for this financial year and we have a waiting list. If there is a cancellation or change we then slot another one in.

**Mr PARKINSON** - The hospitality industry indicated the following occupancy rates in the winter: the north-west down around 33 per cent in the off season, the north 40 per cent and the south 55 per cent. They felt the Government was not putting in anywhere near enough promotional funding for events. They had the two categories - events and business conferences - which probably do not align strictly with your thinking but are down the same track. So just what sort of relationship do you have with that industry in particular to address this problem? It really means, to put it crudely, bums on seats or people in beds. We seem to be able to fill them over the busy season, which is our summer, with all the events and things that are going on, but something has to be done to fill them in that off-season and expand the industry in that way to bring tourists in. Can you address this argument that Government is not putting enough money in and how much more is needed?

**Mr HART** - We only provide an incentive for winter through the Meet in Tasmania Incentive Scheme, which I think has been \$170 000 for eight or nine years now. We compete against other destinations that have a significantly bigger budget than that, and have much more flexibility in how they use that money. We have limited flexibility. I think we have a cap per person. The way in which we pay it is through the event organiser, so it is a fairly limited amount per conference. There was a conference recently that we lost because the destination paid a significant amount, something like tens of thousands of dollars, simply to get the conference.

In answer to your question, you might need an unlimited amount to attract big conferences during the winter season. We would prefer to be in the market in attracting conferences for other reasons, getting them down here because they want to come here. We get more pre- and post-touring if they want to come here, as opposed to coming here just for the specific conference, staying and being incentivised for those few days. We will address the funding issue on that, yes.

**CHAIR** - About 20 years ago there used to be some funding available on a per-delegate basis for conferences to be held during the winter. The Federal Labor Party had several annual winter conferences here.

**Mr HART** - I think when they had them here it took the whole funds for that year because of the number of delegates.

**Mr NETTLEFOLD** - The conference that Tony mentioned, that we missed out on because another destination threw in a lot of money, was the cruise ship conference, which has obviously been a big part of growth in tourism for Tasmania.

**Mr PARKINSON** - How much money was involved in attracting that conference to the other venue?

**Mr NETTLEFOLD** - We are not aware of the exact amount but we worked with the City Council and Tourism Tasmania to put in a bid, an incentive, to get them here, but we were still out-bid. I am not sure even of the winning destination, but they saw the broader spin-offs in getting that conference to their town or city because cruise ships was obviously an area they wanted to grow. It also interesting to note that cruise ship numbers have declined in the last 12 months to Tasmania.

**CHAIR** - Because of the global financial crisis?

**Mr NETTLEFOLD** - I would say that has a fair bit to do with it, yes.

**CHAIR** - We were doing very well, weren't we?

**Mr NETTLEFOLD** - We were. In terms of factors influencing the development and growth of business events in Tasmania, it is probably important to highlight that we do have some really good assets that we can use to attract business events here. We are an island; we are unique; we have some cosmopolitan cities, diverse regions and friendly, innovative people. In Hobart we have a tremendous waterfront which delegates love and which they often do not have in other cities in terms of it being accessible. In Launceston we have a city in close proximity to the Tamar Valley wine region, which is rated Australia-wide as a premium region.

Our strength is in attracting delegates of between 50 to 1 000 people. We are a really good alternative to big city venues. Often Tasmania does exceed expectations, based on surveys we have done. One hundred per cent of organisers reported that perceptions of Tasmania had been changed in a positive way once they came here, touched it, saw it and so on. So a key part of our marketing strategy is to get those decision-makers here to the State.



In terms of our many strengths, we believe that ongoing infrastructure development is needed. Certainly it is great to see new products like Princes Wharf No. 1 coming online, and MONA, and Saffire on the east coast, particularly for the incentive market. However, there is a need for high-end accommodation, particularly five-star accommodation, here in Hobart for us to remain competitive and expand into the international market - ideally on the waterfront.

**Mr HART** - On infrastructure, we do not advocate that Tasmania should go down the route of a convention centre. One of the strengths of having a conference in Tasmania is that you are not locked away in a concrete building for three or four days; you have the opportunity to experience the strengths of Tasmania. If you are in Hobart it is the waterfront, and in Launceston and so on. The cost of a stand-alone convention centre here would be in the vicinity of \$70 million to \$80 million in terms of infrastructure. Your ongoing marketing costs and costs of running it would take most of your tourism budget, therefore we saw at the time that it would not be a practical way for Tasmania to develop business events.

**CHAIR** - It would need to be part of hotel complex to be at all viable?

**Mr HART** - Part of a hotel complex, yes. That is why you have not heard us in the marketplace advocating what a lot of other destinations in and around Australia have done, and that is build - or encourage governments to build - convention centres.

**CHAIR** - Doesn't Wrest Point come within the category of a convention centre?

**Mr HART** - A small one. It has the capacity to seat 650 for a dinner. If you have a conference of 600 or 700 and you have a need for a display area, it does struggle in terms of those sorts of numbers. The same applies to the Grand Chancellor. Once you get a conference with a need for exhibition space and break-out rooms and so on, it struggles too at more than about 800 to 850.

**Mr PARKINSON** - So, Tony, the convention centre in Darwin I think is the most recent new one that I looked at a couple of years ago. What is its capacity?

**Mr HART** - I think it is 1 200. It is in that small end of around 1 000 to 1 200.

**Mr PARKINSON** - That's a small city, smaller than Hobart probably and certainly a lot smaller than Hobart and suburbs. If they regarded that as a valuable investment for that end of the Northern Territory, why wouldn't Tasmania be thinking of something along those lines?

**Mr HART** - Duplication. At that medium end of conferences we have now duplication of resource as to what is at Wrest Point and the Hotel Grand Chancellor, and the fact that we wouldn't get enough use out of it to make it viable. If you look at the Northern Territory, you will see that Alice Springs has one too which is about the same size.

**Mr PARKINSON** - But surely use is governed by promotion?

**Mr HART** - Yes.

**Mr PARKINSON** - You need a promotion budget, obviously, to do that.

**Mr HART** - Yes, and in those centres you are looking at a marketing promotion budget of \$8 to \$10 million a year.

**Mr PARKINSON** - What you are saying is that it could be done if government was prepared to put the money in, and that means the whole box and dice - promotion and everything else.

**Mr HART** - And probably another 300 to 400 five-star hotel rooms, because if you are going to attract many more than we do now in terms of big conferences, you need the hotel rooms as well.

**Mr PARKINSON** - So are you telling me that as a government we are not planning for the future in that area? I have heard talk of people spending money to build the five-star rooms - Ali Sultan and the others - and I think there is something planned for the Myer site, so industry appears to have these plans for satisfying what they see as a projected demand for accommodation. Is government not joining in with that sort of forward-looking planning process for the future?

**Mr HART** - We would like to see the hotel rooms, and even with an additional 300 to 400 -

**Mr PARKINSON** - I am not criticising you, by the way.

**Mr HART** - No, I am just saying that our position is that 300 to 400 hotel rooms would give us additional capacity for people so that we could utilise the existing infrastructure that is there at the Hotel Grand Chancellor and Wrest Point, and certainly with the use of the Princes Wharf and the redevelopment of that, and the tidying up of some of the infrastructure around the waterfront here, particularly getting rid of parking, making movement around the waterfront better, using the waterways in terms of moving large numbers of delegates down to Wrest Point, up to MONA and places like that, will be much more important in the short to medium term. We have a unique environment in Hobart as a convention centre, where you can go out and you can get the views over the water, and that is to us is much more beneficial than a big concrete building where you lock people up for up to three or four days.

**Mr GAFFNEY** - So your strength is in the medium-sized conference because of what Hobart has to offer instead of the four or five major conferences of 1 200 that you might get, because that is already catered for in other areas?

**Mr HART** - Yes. You give us another 800 hotel rooms and we might think otherwise, but that is unrealistic.

**Mr GAFFNEY** - Yes, and the impacts that would have on other centres around the place would make it not viable.

**Mr PARKINSON** - Tony, this locking people up for three or four days sounds a bit oppressive, but I have been to conventions in a number of countries, some of them involving a couple of thousand delegates and you do not get locked up for any number of

days at all. Okay, you are in a big centre, but you leave for your accommodation, you go off on a guided excursion, maybe connected with the convention, maybe not. It is all part of an experience as well.

**CHAIR** - You travel to and from the hotels, usually, for a convention of that size.

**Mr PARKINSON** - I am intrigued by your encapsulation of the idea of a convention centre into a place where people get locked up for two or three days. If you are in a small convention at Wrest Point you will be locked up for a couple of days as well, in the sense that you will be attending the conference for a few days. But what happens in a small convention, as far as I can see, compared with the large ones, is not much different in terms of what people do. I guess I keep coming back to what I see as the need for long-term planning to fix occupancy rates in the off-season. If government is only thinking small, as compared with big, I can see it will take us a long time to solve the problem.

**Mr HART** - I think, Doug, you are looking much further forward than what we have the capacity to do.

**Mr PARKINSON** - Yes, because of your budget.

**Mr HART** - Yes. I think our immediate need for Hobart is hotel rooms. When I say 'immediate' I am talking about the short to medium term. I think our immediate need for Launceston, for instance, is a place where you can sit 200-300 people down for a meal. If we could look at what is achievable in terms of those sorts of infrastructure, as opposed to putting all of our eggs into one large convention centre, we think that we can do better in terms of numbers and we think the regional dispersion will be much better.

**Mr NETTLEFOLD** - It is probably also important just to highlight Princes Wharf No. 1 will give us new capacity, particularly in terms of cases such as Tony mentioned, when the Grand Chancellor needs to exhibit and have a major dinner, and they are confined in terms of space. So that facility will give us the opportunity to have off-site dinners of up to 1 000 people, which we have never had before and there is obviously also opportunity to do trade exhibitions in a stand-alone site. Obviously, we are certainly excited that now something is happening with that piece of real estate.

**Mr PARKINSON** - The old shed.

**Mr NETTLEFOLD** - Yes. And we will be certainly marketing that as a new addition to the Business Events marketplace.

**Mr FINCH** - I apologise I did not get a chance to read this yesterday and part of my questioning is contained here in respect of the funding. I just want to find out a bit about your funding. You have changed from being the Convention Bureau to being Business Events.

**Mr HART** - The legal situation is that we are still the Tasmanian Convention Bureau Limited and Business Events Tasmania is a business name that we are operating under.

**Mr NETTLEFOLD** - So we trade as Business Events Tasmania.

**Mr FINCH** - I like it.

**Mr HART** - It is to fall into line with what is happening elsewhere.

**Mr FINCH** - Yes, I think it sounds really good - Business Events. We get an understanding straight away what you are on about, when you walk in the door on the mainland or whatever. That brings me to the point that I want to ask. First of all funding, past or present, how does it compare with when you were under that other name, the Tasmanian Convention Bureau? Has your funding decreased? Are you not getting as much as you used to? Have you increased your funding? What is your working budget now?

**Mr HART** - As an organisation we have operated with a total cash flow of somewhere around about \$1.1 million to \$1.2 million a year. In the previous financial year to the one that just finished we received \$600 000 from the State Government through Tourism Tasmania, as well as \$170 000 for the Meet in Tasmania incentive program, but that money, as we indicated earlier, is very conditional in terms of how we use it.

**Mr NETTLEFOLD** - Yes, it's fully committed.

**Mr HART** - Members provide the rest through membership, through commissions they pay us for us giving them business and through participation with us in marketing activities, as well as a significant contribution of in-kind product for when we bring in people for familiarisations when they come and have a look at the product. Funding that year was predominantly 50 per cent from government and 50 per cent from members. Last year, when Tourism's budget was cut, they cut our funding by 10 per cent and we entered into an agreement with them at that stage to get some continuity for the next couple of years. The agreement was for the provision of \$540 000 a year for three years. In the financial year just finished, you might recall Tourism received a boost of funding in December and from that they gave us \$60 000, which meant that the \$600 000 we had the previous year was matched. The year we are about to go into, we had \$540 000 and we are in discussions at the moment with the minister, the minister's office and Tourism, because we will need more funding. If that funding is not found, we will have to become probably a bit more reactive than proactive.

**Mr FINCH** - This brings me to the point of staffing numbers and how you go about your business. How do you market? How do you promote? Do you have people who travel to capital cities?

**Mr NETTLEFOLD** - We have seven people, including myself. Our main focus as an organisation is to win bids for the destination. We have four people in sales or business development roles who are travelling regularly in-market to Sydney and Melbourne in particular. They conduct familiarisations, where we bring people here to Tasmania and show them what we have to offer and, importantly, where we know we're about to get a bit over the line - we might be competing with, say, Darwin or Adelaide - we then bring that decision-maker here to Tasmania for a site inspection and show them around. Once we get them here, it's pretty much a sure thing that we'll win that bid. We have a huge success rate once they get here and see what we have. We have a tremendous conversion rate.

In terms of the rest of our structure, we have one person who is focused on marketing and lifting the profile of our organisation locally, nationally and internationally. That person also looks after our members in terms of communicating with members. We regularly hold seminars which might of an educational nature to try to lift the competency of the industry so people can do their job better so that when a visitor arrives here we deliver on the ground, and they go back and spread the word and we get that organic word-of-mouth spread in the market. We have one other person who's in an administration assistant role to me. Having just joined the organisation, we have a very flat structure. It's a dynamic structure and we have to work very closely together to make sure that essentially we are winning bids and bringing people into Tasmania.

We also do a lot of trade shows nationally where we go in-market and exhibit at specific business events expos where you have professional conference organisers, association chairpeople, committee members and people who are looking at holding business events. We do a number of those annually and obviously they take a lot of money and resources to go offshore into market and make sure that we have the right displays, collateral et cetera to do the job.

One of the appendices is this booklet, which is our MIPG, which is one of our key marketing tools. That is a good example of cooperative marketing where the industry more or less buys into this publication. It's broken into the tourism zones and, as you can see, it really gives a good idea of the broad representation that we have within the business events industry.

In terms of funding, as Tony said, we have gone backwards and based on the business plans I am doing at the moment we now find ourselves already in the new financial year where we don't know exactly how much money we have at this point. As Tony said, we are currently in discussions with the minister to obtain more funding so we can do the job properly. We are competing in an incredibly competitive environment. We are competing against 16 bureaus nationally and to give an example, six of those are in Queensland alone, so we're not just competing against Brisbane but also against Townsville, Cairns, the Sunshine Coast and the Gold Coast. So it is an extremely competitive market and, as we've said before, we're seeing a lot of incentive-based bidding where those bureaus are throwing a lot of money to attract events and -

**Mr PARKINSON** - That is your \$170 000, is it?

**Mr NETTLEFOLD** - Correct.

**Mr PARKINSON** - And you are fully committed now?

**Mr HART** - For this next year and probably most of the year after.

**Mr NETTLEFOLD** - We're fully committed for 2010-11 financial year and for the following financial year I think we're already up to about 60 per cent, so that's showing that that incentive is really working and it's a good carrot to get people here in winter and that funding -

**Mr PARKINSON** - But it's not enough, obviously.

**Mr NETTLEFOLD** - Well, there's been no increase I think for -

**Mr HART** - I think it would be about 10 years that there has been no increase.

**Mr FINCH** - Just a couple of quick questions. How many members do you have?

**Mr NETTLEFOLD** - We have 140 members statewide. They provide an income of around about \$250 000 in terms of membership income and, as Tony mentioned, we have a commission for accommodation that we also charge industry as well to gain some extra funding.

**Mr FINCH** - Do you get help from the airlines? When you are bringing these people down to have a look and you say that if you get them here you can generally win the bid, do the airlines help and are they supportive? That would help keep your costs down -

**Mr HART** - Yes. Qantas has been fantastic for years and I think this year we're talking to Virgin Blue as well.

**Mr NETTLEFOLD** - I met with Virgin last week and for the first time ever it look as though we'll have a contract in place with Virgin who again see that as being a really good area for them in terms of where their brand is going long term.

**Mr HART** - There's one other area of activity we would like to put some more investment into and that's what we call 'delegate boosting'. If we win a conference, say, for 2011 for a particular organisation, we'd like to send someone to their 2010 conference and have a display there to increase the number of people and increase the desire to come to Tasmania next year. That's the area we have invested limited resources in in the past, to great success, but we don't have the resources to do that going forward.

**CHAIR** - Could you at a later stage give us details of just for how long that \$170 000 has been static and the situation in relation to that figure being set on? With the change in the value of the dollar as time goes on and CPI, that would be of less value every year.

**Mr PARKINSON** - As well as that, I would like to see more information on how it is spent, where it goes and the value of the return from it. Obviously there is a return in terms of accommodation spend and whatever else people spend money on, and that's why we are doing this committee, so figures of that nature would be good.

**Mr GAFFNEY** - One last one while we're doing some stats and figures - regarding bringing groups to have a look, you said once you get them here you get a lot of them to come back and you gain a conference -

**Mr NETTLEFOLD** - Convert the business.

**Mr GAFFNEY** - I think to help in my understanding of your business case it would be really helpful if I had that information - for example, that you brought 30 people from here to come down and you got this conference and this conference but you missed out on that one, so I'd have an actual number of the successes of that, an evaluation of it. Perhaps over the last three years if that's possible.

**Mr HART** - We should be able to do that.

**Mr GAFFNEY** - So we can see a trend or what the advantages have been.

**Mr NETTLEFOLD** - It is also probably a good time to highlight that we have actually successfully won the Professional Convention or Conference Organiser convention here in December this year, so we are going to have all the key decision-makers here in Hobart. We are currently setting up some pre and post famils, but this is a tremendous opportunity for us to woo our key target market, and we have set up for meals statewide to disperse them into the regions, and at the moment we do not really have much money to throw at that event, and this is probably the best opportunity we have had, I would say, in a number of years, isn't it.

**Mr HART** - We have won that, but right now we will probably have to make some decisions in the next couple of months to seriously curtail that activity because of funding.

**Mr FINCH** - That is something you can discuss with the minister a bit higher on the agenda.

**Mr HART** - Yes.

**Mr NETTLEFOLD** - I think we have covered the funding issue and just in terms of how we maximise our business through the types of activities we do. In terms of listings of high-profile Tasmanians to promote business events, this is an opportune time just to update you on our Catalyst program - there is a copy of this in the back of your document there, Don. Essentially it is an ambassador program, and it is a way for us to use local knowledge and networks within Tasmania to identify leads and opportunities to whole business events here in Tasmania, and we have three levels. We have a patron. We have secured as our patron Charles Wooley, who has an incredibly high national profile. We would have all seen him in Saturday's *Mercury*. So Charles is our patron. We are then identifying 12 Catalyst ambassadors, so these are 12 people in our key industries such as education, finance, aquaculture, primary industry, forestry and innovation. I am currently talking to 12 high-profile business people around the world, locally, nationally and internationally, and I can also say that last night I secured our first Catalyst ambassador. I can't say who it is, but he is a senior economist for one of our banks based in London and Sydney.

**CHAIR** - At a cost, will it be?

**Mr NETTLEFOLD** - No, not at a cost, because he is passionate about Tasmania and he really wants to give something back to the place where he went to school and grew up. And we also have Catalyst champions, which is where we want to really spread the tentacles and find lots of business people who might be at UTAS, who might own a franchise, who might be on an association committee, that will really give us an opportunity again to help win a bid here to Tasmania. We are actually launching it on Monday. The minister is launching it with Charles Wooley and obviously our chairman, Tony, so that is happening this Monday at the Hobart Function Centre.

**Mr FINCH** - Chair, that is part of our brief with our tourism review, and I am wondering if at another time they might be able to have Stuart make a submission to us about

ambassadors, because that is part of our brief. We are looking at that opportunity to see whether that is as relevant as you are making it sound or whether it is not.

**Mr NETTLEFOLD** - I think it is incredibly relevant.

**Mr FINCH** - Yes, so I would be interested to hear Stuart on that specific topic for a session.

**CHAIR** - We have a number of people who have high profiles internationally, Tasmanians and former Tasmanians, and we have never used them generally to advantage. Successive governments have been urged to do that.

**Mr GAFFNEY** - That they are free of charge is very good.

**CHAIR** - Free of charge is a coup.

*Laughter.*

**Mr NETTLEFOLD** - I would say free of charge but, just to give you an idea on our current business plan, we have managed to get the collateral through a delegate boosting grant we got through Tourism Australia. I don't really have any funds to get this to the next step, so I am doing it off an oily rag, and if we want to be serious about this and look at what we are competing against we need more funds. That is the bottom line.

**CHAIR** - His bank may be able to help.

*Laughter.*

**Mr FINCH** - We would like to explore that, too, and we may be of assistance or make some recommendations that might support the ideas you have in place.

**Mr NETTLEFOLD** - In terms of other relevant issues, we strongly advocate separate line funding from the Tasmanian Government and I might just hand over to Tony to give you some background on what we are proposing there.

**Mr HART** - Ever since I have been involved - and I have been chairman now for six years - funding has always come through Tourism Tasmania. It is a question of having to negotiate and deal with them and cajole them on an ongoing basis, every year. Certainly we would like to get line funding - that is, funding that is specifically referred to in the Budget; we do not care which department it comes through, it can still come through the Department of Tourism. If it was allocated, a bit like the Icons funding, which goes to the cricket and to the TSO, and so on, it would be a great step forward. We would seriously ask that you consider a recommendation that we have line funding similar to that.

**CHAIR** - And you do not mind which budget?

**Mr HART** - Not at all.

**CHAIR** - A lot of the funding is spread over departments, which we would never find.

**Mr HART** - Exactly.



**Mr FINCH** - Sundry grants are you thinking?

**CHAIR** - No, I was thinking of siltation funding.

*Laughter.*

**Mr GAFFNEY** - We will take it out of silt funding.

**Mr NETTLEFOLD** - On that point, there was a bipartisan pledge of an extra \$1.2 million over four years, which was at \$300K per annum that was pledged to Business Events. That has not been delivered as part of the last Budget. As Tony has indicated, we are currently in discussions with the minister over that issue and we have certainly identified that that money is needed. Again, I have come in with a very fresh eye; I am new to the organisation. I have had a close look at the numbers and really for us to be effective and be proactive, not reactive, we do need extra funding. Even though the Government has said that it will be forthcoming next budget, which is this time next year, we are still, as I said, in discussions with the minister. We are certainly advocating that the current commitment which is \$540K is certainly committed through until 2012, but we are looking at that extra commitment of around \$300K ongoing and that takes our total budget, excluding the winter rebate, up to \$840 000.

It is probably also an appropriate time to update. Part of my really key focus in the first few months has been to work with Tony and the board and the team to write and deliver our new strategic plan. That plan will be 2010 to 2013. We have the draft. We have had one session with the board and next Tuesday I will meet again with the board, and we hope to have that ratified and then be able to deliver that strategic plan to our members, to the industry and certainly to the minister. I would certainly be happy to forward you a copy as well, just to give you a look at our plan over the next three years.

**CHAIR** - Thank you very much. The time has come to an end, but are there any further questions?

**Mr FINCH** - No, that was very good. Thank you.

**CHAIR** - Any comments you would like to make?

**Mr HART** - No. Thank you very much and we will provide the information you have asked, and if you have any further questions feel free to ask.

**CHAIR** - Good. Thank you very much. It was very interesting and we appreciate your help. Good luck.

**THE WITNESSES WITHDREW.**

**Mr PETER SMITH**, DIRECTOR, HERITAGE TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Wing) - Welcome, Mr Smith. Thank you very much for coming to talk with us.

**Mr SMITH** - I am the Director of Heritage Tasmania, which is part of the Department of Primary Industries, Parks, Water and Environment. Heritage Tasmania has a multiple set of roles: supporting the work of the minister in regard to strategy and activity in relation to historic heritage and the historic environment, supporting the work of the Heritage Council in implementing their heritage legislation, proactively working with developers on major projects and also with government in relation to the management of unlisted heritage sites, and also the support and coordination of the historic heritage sector in Tasmania - for example, work with the National Trust.

**CHAIR** - Where is Heritage in that overall department?

**Mr SMITH** - The rationale is that Heritage is seen as part of the wider environment in Tasmania, so with the EPA division, Parks and Wildlife, Aboriginal Heritage Tasmania and also Heritage Tasmania it is part of the Government's response to ensuring that the environment of Tasmania is managed in a consistent and integrated fashion. Heritage Tasmania, Aboriginal Heritage Tasmania, the Royal Tasmanian Botanical Gardens and the Parks and Wildlife Service all report to a common deputy secretary - Peter Mooney, the current general manager of Parks. He also has a broader role in relation to those other three portfolio areas.

One of the things that I thought might be useful for the committee's information is that quite recently Tourism Tasmania and ourselves sponsored some forums to start to create an opportunity for the tourism and heritage sectors to get together. A number of speakers were brought forward from Tasmania and one from interstate. Part of the intention is to foster greater recognition of the importance of working together more into the future. That work does happen in a range of ways but we are both recognising that there is a lot more opportunity in working together further in the future. We also have an intention to work together in relation to developing an historic heritage tourism strategy for the State as part of Tourism Tasmania's approach in looking at cultural tourism more widely. As part of that I prepared a brief PowerPoint presentation,

**CHAIR** - Thank you; we'll take one copy into evidence.

**Mr SMITH** - This is a very brief snapshot of some of the impressions that I have in my role about where we are and where we're heading. Strategically I think we're in a really important position in regard where we are going with cultural heritage tourism generally. There are a number of things on the radar that are fundamental in terms of ensuring that locals are increasingly aware of the value and importance of heritage. Also, from a marketing perspective in terms of national and international appeal, there are some other things happening that I think are quite timely for us. The World Heritage nomination is due to be considered by the World Heritage Committee at the end of this month. There is currently a nomination for Tasmania as a whole to be considered as part of the National Landscapes Program, which is run by Tourism Australia and Parks Australia and which is used in terms of overseas and international marketing. As I said a moment

ago, there is an opportunity to look at where we are going in relation to strategy in Tasmania.

For me, part of the emphasis on the work that we are trying to do is to balance the fact that we have, first and foremost, a statutory role in the protection of the historic environment through the Historic Cultural Heritage Act and our work with local government in relation to protection of local places, precincts and State-listed places. We also have some responsibility in relation to the National Heritage system in coordinating the State Government's engagement with that process and we are supporting the State Government's directions in relation to the World Heritage nomination. So that is our statutory work.

In terms of our non-statutory work, there are a number of things that we are doing, like our work with tourism, or supporting the National Trust, or encouraging and supporting local communities to recognise the importance local heritage and the opportunities it presents both to local communities and to visitors as part of the visitor experience.

So for me, programs like our Open Doors program, which is offered in the south of the State, are an opportunity to have people engage with heritage in a way that maybe they have not previously done. The work we do in relation to the National Trust in supporting them to run the Heritage Festival - which is much more, I think, a community-based event but it does have some tourism potential as well - is a very important way of having local communities present who they are and what they do and what is important to themselves and to other people.

Part of the work in tourism that I think would be desirable for us to explore further is what are those themes that are particularly unique and important about Tasmania? Some of them are suggested in the paper I have tabled there. Tasmania had something like 18 European voyages of exploration that were associated with Tasmania before European settlement. From the period of European settlement, it was very obvious that the story of convicts and the story of forced migration is a very unique story to Tasmania.

**CHAIR** - That is a nice expression, 'forced migration.' That was available only for those who were carefully hand-picked by British judges.

*Laughter.*

**Mr SMITH** - Yes, it is an interesting notion because when the World Heritage Committee had done some work in relation to gaps in the World Heritage list, the story of slavery and the story of convictism internationally were two areas identified as being major gaps in the recognition of the stories of peoples and lands. So it is interesting to see how that is being conveyed now.

One of the things we have a lot more potential to do is that we are starting to notice that people are coming to Tasmania as visitors, but they are coming as informed visitors. They have a sense of who their relatives were and what their connection was to Tasmania. We are increasingly trying to create opportunities to assist them to make linkages with the real places that their ancestors came to. For instance, someone might have come in on a ship to Hobart. As a female, they might have spent some at the Cascade's Female Factory in South Hobart. They may have been subsequently assigned

to a particular farm or property in the Midlands. Then they may have obtained free settlement and their passage into that process and then settled in, say, Oatlands.

**Mr PARKINSON** - Married the landlord.

**Mr SMITH** - Very much so. So there are informed visitors and we are keen to do some more work in relation to helping them not only engage with their own personal past, but do it through stories of place as well. I think that is a really interesting development for Tasmania. The records of the Old Bailey are now online and I understand Australians, particularly, are really engaged in finding out the history of their family through that process.

**Mr FINCH** - We have had some discussion recently about the State Archives and its diminution of funding or restriction of activities. I am wondering how the State Archives would sit in the scheme of things in respect of heritage and people coming here to explore their past and their families and their genealogy? I remember years ago that Helen Reddy used to sneak back into Tasmania from America so that she could do an investigation about her family. I am wondering whether that is a regular activity now and whether there are opportunities for that to perhaps be enhanced?

**Mr SMITH** - I think there is always the opportunity to enhance. I cannot comment for the State Archives as to their own situation but what I can say is that one of the things we are noticing with groups like the Female Factory research group and the group associated with the Friends of the Orphan School - and these are particularly Hobart examples that I am familiar with but also the research capacity that Port Arthur has - is that there is increased engagement with those different services, so one of the things I am keen for us to explore further is how we ensure that those resources are known to people so that they have the capacity to link into what is there but by the same token working at another level to ensure there is better linkages.

Some of the groundbreaking work being done by Dr Hamish Maxwell-Stewart from the University of Tasmania is quite interesting in this regard because one of the things he is doing as part of an international collaboration is that there is certain information that can be derived from convict records and we have an incredible collection of very early records that relate to convict settlement. It was a very organised bureaucracy and their record-keeping was very tight, it would seem. That gives very personal information on those convicts and one of the things Hamish is doing is then doing a comparison of the lives of people whose ancestors can then be traced back - or rather up - to WWI enlistments, so there's a means of doing some tabulation between generations and certain information that can be gleaned from that. So we're also watching that development because we think that will be particularly interesting in relation to genealogy and people making those connections.

**Mr FINCH** - Thanks.

**Mr SMITH** - It is things like the fact that we're an island State of some 360 islands, there are 1 100 shipwrecks in the waters surrounding Tasmania and there are some incredible stories associated with that. We have iconic lighthouses on very isolated headlands and people are drawn to those sorts of places and spaces, but we also have very attractive precincts, whether they're broader landscapes such as the Cataract Gorge, the streetscape

of Latrobe, or the opportunity to wander around and explore Battery Point or Salamanca on a Saturday morning.

For me, part of the recognition of what heritage is about in Tasmania is yes, there are some icons that people visit as a must-see on the must-do list, like Port Arthur, Cataract Gorge or Sullivans Cove, but there might be more obscure places that are just as important. For example, there is the work being done in Campbell Town around the red-brick bridge, a very early convict-built bridge. A viewing bridge has been installed quite recently to give people the opportunity to view it from the side and there are some other things happening in that space. But for me it is the mountaintop experiences that people come to have in Tasmania as much as those simple pleasures of having a wander around Ross and then getting a pastie, or having the opportunity to wander into an antique shop in Latrobe and pick up something that maybe symbolises people's experience and connection with Tasmania.

One of the things I think is interesting is that the recognition given to the experience of Tasmania is one that I think we are increasingly becoming aware of and for me there is a sense of needing to ensure that the proper protection and management from a statutory sense is there whilst at the same time working with local communities to assist them to understand that importance so that they value it themselves and we are not reliant so much on the statutory control. It's about trying to get that balance right between the two.

Part of the work we are doing at the moment from a statutory sense, as I mentioned a moment ago, is moving in terms of legislative reform to a position where we recognise increasingly places of World Heritage significance, and in Tasmania Macquarie Island and 20 per cent of the State in the Tasmanian wilderness World Heritage Area are very much recognised in terms of natural values. There is the convict story and the potential for World Heritage nomination to get up with five to six sites in Tasmania included in that mix - and I say five to six because Brickenden and Woolmers are perceived in the nomination as one combined site - then since 2004 with the introduction of the National Heritage List, we have important sites like the north-east peninsula of Recherche Bay, the Richmond Bridge or Port Arthur identified as places that are important to the whole of Australia, and then more locally those places that are listed and recognised at a State or local level. So in the same way I spoke a moment ago about the appeal of heritage in Tasmania being across that diversity of sites, I still think there is increasing effort that we are pursuing and need to do in relation to the statutory side of that work as well as the benefits of promoting the values of each of those different layers of historic heritage.

In the last financial year before this, our stats show that in 2008-09, 98 per cent of works applications received by the Heritage Council were approved, a number of them certainly with conditions, but one of the things that we are trying to debunk is the myth out there that heritage listing is a bad thing, and that it automatically means no. In relation to tourism product and the experience of Tasmania and the things that are important for locals, the work that the Heritage Council has done in relation to developments at, say, Port Arthur, the Henry Jones Art Hotel, Islington, and any number of other sites around the State such as the former Inveresk Railway Yards, QVMAG, the proposal for TMAG; there are a number of things where we, through Heritage Tasmania, or with the support of the Heritage Council, have been able to engage with sites to ensure that we have an understanding of what they want to achieve, they have an understanding of the values

that we see as important, and we are able to work together to ensure those values are protected.

The reason I highlight that is that one of the appeals, I think, for people coming to Tasmania is that we are a real place. Our heritage is used on a daily basis. It is a place where people go to get their mail, or go to the local pub, as well as being attractions, so in some ways I think as locals we very much undervalue our heritage, yet visitors coming from the mainland or overseas have this sense of really intact precincts. They have this sense of awe when they drive along the road and come across this amazing rural landscape, whether it be trees or a rural property or something quirky as a feature on the landscape. So for me, part of the work we are doing is about ensuring that that appeal is recognised, but we are also doing something that is valuable for heritage that is hopefully authentic in terms of reinforcing the uniqueness of Tasmania without taking away from it. It is not that we are anti-development. It is not that our work aims to achieve that end, because the best thing for heritage is for it to continue to be used, but there are certain ways of approaching development that mean that heritage and contemporary development can go hand in hand, and I think we are finding that there is very good success in that regard in a number of areas of work that we do.

For me, one of the things I think would be desirable for us to do more on is in relation to some of those understated attractions, the places that people go to, in great numbers often, but are not perceived as heritage sites or heritage precincts. Some of the areas where we have done some work, for instance, is Sullivans Cove in terms of our engagement with the State Architect in relation to the master plan. It is the site of the earliest permanent European settlement in Tasmania. It is also a collection of amazing and very early convict and colonial buildings, but it's a space that is also very much loved by Tasmanians and visitors as well. You could say the same for the Cataract Gorge or the experience of exploring the Heritage Highway as you go off the main highway and explore the towns and villages along the way.

Part of the work we are doing at the moment is that if we don't have a mechanism to support protection and management ourselves, we are increasingly working in conjunction with, say, local government or with Tourism or with other stakeholders like the State Architect, to try to ensure that the things we hold dear and which are important and worthy of protection in the future but also worthy of attention now, are able to be recognised and protected and those values preserved. So part of what we are hoping in the work we are doing is that through our engagement with Tourism Tasmania and with the support of government we can start to pull some of these threads together, because at the moment there is a lot of activity in a lot of different areas, and that is really positive. We note that of the 30 planning authorities across the State, a large number of them are increasingly engaging in heritage in a different way. Part of our interest is to develop a consistent framework for statutory management because at the moment those 30 planning authorities do quite different things at different times. But the approach that we are taking is to work within each local council where we can on things that are of interest to them. For instance, there is a lot of activity in Southern Midlands at the moment associated with, firstly, the enhancement of the High Street and through the main streets program where power lines have been put underground and the enhancements to the northern side of that streetscape are impressive.

**CHAIR** - Which High Street are you talking about?

**Mr SMITH** - High Street in Oatlands, but there are a number of other areas where government has pursued that work. I think Stanley is another one that quite recently has been done. But the work with the Callington Mill and then the military precinct is really incredibly important and I think Southern Midlands in some ways is leading the way - as a local council engaging with a core asset for its community and for visitors. The appeal of areas such as Latrobe, with which I am familiar, or Evandale - is that both are places where local people live and engage, but also as being on the tourist trail is really part of that mix.

So there are numerous opportunities I think to pull the work that is happening across the State together in a strategic way. We have started to do that work. We will not capture everything but I do not think that is the intent and I think it is also important to make sure that we tick off on some of the bigger ticket items rather than spreading our expectations too far and wide because it is a new area of work for us. But cross-industry and cross-sector collaboration and the sort of collaboration we are trying to pursue with local government is something that has not been tried in our area at the level that we are working on at the moment and I think we are starting to see some really positive outcomes as a result of that effort.

**CHAIR** - Good.

**Mr SMITH** - So a fairly broad sweep.

**CHAIR** - That is good to hear.

**Dr GOODWIN** - I wanted to pursue something that you said about people being increasingly interested in their history and perhaps coming to Tasmania to try to trace that. There are a couple of programs on TV - one is 'Where Do I Come From' - and I wonder whether those sorts of programs are contributing to this interest people have in their backgrounds and is there some way of leveraging off that?

**Mr SMITH** - I think there are always opportunities to look for leverage. One of the things that we have done in recent years is have some engagement with the Family History Society across the State. For instance, we have run some seminars in each of the major centres of the State, the most recent being on the north-west coast, and it is amazing the number of people who are into their family history or genealogy. One of the things that we find is that production companies often come to us because of the interest in restoration and renovation of houses, saying, 'Do you have some good examples that you know are coming up so that we can potentially contact the owners and maybe do some filming in Tassie.' We have been able to assist some of those in that regard and I think that whole notion of finding out who a celebrity is and their links to Tasmania is one of those things that is on the radar. If we are successful with the World Heritage nomination, there is some leverage that we can apply there and I have already had some discussions with the Federal Department of Environment, Water, Heritage and the Arts, in relation to where we might go in terms of PR associated with that milestone which I think would, again, give opportunity for that to be pursued.

**Dr GOODWIN** - You are certainly right about the huge number of people and the networks worldwide of people who are interested in tracing their family history and I think that is

really growing. It is nice to see your passion for Tasmania because I have a great passion for it too and I think the more that we can market our cultural heritage, the better because we have so much to offer.

**CHAIR** - More per capita than anywhere in Australia and more than New Zealand which is the thing that distinguishes us from New Zealand in the eyes of tourists because there are so many similarities which have often prevented New Zealanders from coming here. But when they come here, they notice that we have much more heritage than they do.

**Mr SMITH** - It is an interesting point, Mr Chair, in the sense that often people are interested in knowing how Tasmania's heritage compares to other places, and my usual answer to that is that we have a significantly higher proportion of pre-1830 heritage than other places in Australia or New Zealand. That is why I think that convict story and that colonial story, in terms of the collections, the properties, the stories, the records, et cetera, is incredibly important and anything we can do to tie that theme together more, so that those people who have an interest in it can better engage with it, the better.

**CHAIR** - We certainly have much more heritage prior to 1830 than Melbourne, because we hadn't even established it then.

*Laughter.*

**Mr SMITH** - We do like to point that out to our colleagues in Heritage Victoria on a semi-regular basis.

**CHAIR** - I do to citizens of Victoria regularly.

**Mr FINCH** - Peter, you spoke earlier about heritage and contemporary development being able to go hand in hand. No doubt there is that negative view that might come through from developers particularly, I would imagine, and people who want to be more contemporary with what they're trying to achieve when they're dealing with this heritage that is now in focus. I just want to explore a little bit about that negativity and how you overcome that. That must be the big challenge for you, Peter, in respect of getting that message through to people about the value of what we're dealing with and what it means for our future. Can you tell us something about that challenge?

**Mr SMITH** - I have a background in social work and worked for Health and Human Services for a number of years, so in coming to this role six and a half years ago, one of the things I brought with me was an understanding and appreciation of client focus and community-minded focus. One of my first impressions of working in a statutory body, or supporting the work of a statutory body like the Heritage Council, was that there were a number of things we needed to look at in terms of enhancing the system and the models we were using, because I didn't feel they were sufficiently user- or client-friendly. They didn't necessarily always focus on trying to establish a mutually-agreed understanding and outcome, and it also led to not only contention but also expensive matters at hearing before the tribunal, or potentially court.

Some of the things we have done in non-legislative reforms in recent years have aimed to try to address that scenario by being more engaging with the clients we have and recognising them as clients rather than victims of the system, so to speak. First and



foremost, regardless of whatever processes we put in place in a statutory sense, if we're not working proactively with an owner and trying to support them to do what they're trying to do themselves, we've lost it, because an owner will end up doing what they want to do at the end of the day and then deal with the consequences of that. For example, it used to be that if Tom were to receive notification of a heritage listing, he may have got that letter out of the blue which said, 'Hey, guess what? Your place is now heritage-listed. Isn't that great?' That is not a great way for starting off our relationship, so one of the things that we do now is proactively engage with owners well before the statutory process, as part of a pre-assessment, pre-statutory process. We want to be able to say, 'We have received this nomination. This is what our thinking is. What is your response to this? Can we talk through this with you? Do you have any insights? Do you have any information you would like to contribute to that process?'

In a similar vein, with major developments especially, but also with general works applications, we are trying to encourage people to talk to us in a pre-lodgement sense. So before a works or a development application is lodged, as I said a moment ago, one of the things we are keen to do is to say, 'What is it that you want to achieve? These are the things that we consider are really important in terms of heritage values. How do they marry?' So before people engage heavily in the design process that is often expensive, they do that in a way that means they are considering the issue upfront, because we can help to provide solutions that they have not previously thought of.

In terms of major development, we developed pre-development assessment guidelines last year because we were conscious in our work with DIER in relation to Parliament Square and the like that there are certain things that should be done as part of feasibility studies and business cases for major projects. That's had some real benefits because people are really clear about what the expectations are then. If those measures are then followed, it helps to mitigate the risk of issues arising further down the track because you're dealing with the known as much as you can. There have been some really positive outcomes in that regard and also our approach is now more community-minded in terms of our own engagement directly with things such as the Heritage Festival, running seminars when we can across the State.

It is a very limited program but we're doing things such as a monthly e-newsletter which we send out. One of the reasons we started that in the first place is that we found that the heritage sector at times was a bit of a closed shop. If there was information available on grant programs it wasn't being widely disseminated. If there was a professional development opportunity that volunteers might be interested in engaging in they weren't necessarily having the opportunity to publicise that or find out about it themselves. So that's one of the reasons we have selectively done some of the things in our comms program, to make sure that people feel supported and have access to information when they want it. We have also tried to boost things such as our website resources, so there is a Heritage Services directory on there. It doesn't aim to recommend particular tradespeople or professionals but rather it aims to give people an idea of the options that are available in their local area and what services and skills particular professionals or tradespeople are offering. Often people are phoning us up and saying, 'We have this question, can you help us?' and we have to be very careful about the sort of advice we give in that regard.

**Mr GAFFNEY** - This might sound like a different sort of question, but I want to ask about the future for contemporary heritage and the role you have with that. For example, the Wesley Vale mill closed, so the local National Trust group went out to the mill and got some of the records and photos, so that is a snapshot of 30 years in Latrobe's history that is really important and that is in our museum. What sort of role, or is there any role that you guys play with that art deco movement or whatever; the different trails around the place that show not our convict or colonial heritage but more so the contemporary that will be heritage and needed or valued in years to come?

**Mr SMITH** - There are a couple of things I'd say about that. Firstly, unlike the term 'antiques', historic heritage doesn't have a time line that says, 'At this point in time this place is classified as being heritage'. Heritage is what people perceive it to be, and I don't mean to be too cryptic in that, but there isn't a time line. Heritage can be many things. In relation to contemporary heritage, one of the things we're doing at the moment and have done for the last couple of years is jointly-funded heritage surveys with local government across the State. Some councils have done this of their own volition. Part of the intent of that is to identify those places that might be deemed to be of local significance and therefore should be listed and recognised in the planning scheme and managed at a local level; those places that might be deemed to be precincts that could also be managed through a planning scheme; and those places of State significance.

As recently as the last six months, a survey of the City of Burnie has been conducted and the former ANM mill on the Bass Highway was recognised as being fundamental to the economy, history and development of Burnie for a whole lot of reasons. It has social and community significance given the number of generations that have worked at that site, so one of the things we'll be doing over future years is having discussions with Burnie City Council about the best way of recognising the values of that place. Given the way development is going in Burnie, it's one of those areas where you would want to ensure that certain heritage values are protected but you also wouldn't want to preclude a level of appropriate development at that site because it's such a well-positioned site.

I think there will always be debates about what heritage is. I think contemporary heritage is one of those areas that is most at risk and there are a number of examples from the last 10 or 20 years that each of us can think of where that's been the case. As a government official rather than someone representing the Heritage Council, part of the position of government, I think, is also being mindful of social good in that sometimes there may be decisions that need to be taken in a political sense that mean that heritage values may be lost in the interests of achieving a better outcome. That is one of the areas where there is often contention. The future of this building is part of that, but part of the vision, I believe, that Government have in relation to this site is to activate a site that is very under-utilised and to people the space in a way that is much more appropriate and that creates stronger linkages between the CBD of Hobart and Sullivans Cove. Whether 10 Murray Street has heritage values or not is something that different people will have different views on. If the demolition goes ahead then I think that is an unfortunate thing, but by the same token I think we need to be very focused on what the outcomes are.

The Heritage Festival this year had a focus on contemporary heritage - Deco to digital - and part of our push in recent years in our work with the National Trust has been to encourage them and the community to recognise that heritage in Tasmania is more than sandstone Georgian buildings. We have an amazing collection of them but it is wrong to

presume that sandstone is the only form of heritage we have in Tasmania. It is a special and unique one and it is one that we need to watch out for, but part of our work in terms of Deco to digital was about reinforcing the fact that art deco through to brutalist architecture has a place. Even though brutalist architecture is not particularly favoured by people it is important in recognising that it is another layer of the story of architecture and the story of the development of this State.

**CHAIR** - Mr Smith, thank you very much.

**THE WITNESS WITHDREW.**

**Mr GRAEME WOOD, FOUNDER OF WOTIF, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.**

**CHAIR** (Mr Wing) - Mr Wood, thank you very much for coming and welcome.

**Mr WOOD** - Okay. I thought perhaps I should give a brief update on my involvement in the tourism industry and other activities that relate to this. My day-to-day involvement in Wotif has ceased, which was a relief for everybody.

*Laughter.*

**Mr WOOD** - I am involved in strategic work and I sit on the board, so I still have a fairly good handle on what is going on. Part of the growth of Wotif has seen us expand overseas quite considerably, so we have quite a footprint in Asia in particular. We are operating in 50-odd countries now. We have expanded our offering, not just through the Wotif brand but also through other brands that we have acquired, into air travel, into activities and attractions. We have just launched a Wotiflights website that does domestic air travel, so we have expanded beyond accommodation into those broader aspects of travel. One of my private little not-for-profit businesses that started up is called Wild Mob, which takes groups of volunteers out into wilderness areas to do conservation work. That is operating both nationally and internationally. We have our first group of British tourists coming out. They are paying about \$1 500 or \$2 000 a week to go to Brampton Island to pull weeds out. So I am still involved in the tourism industry in that very specialised end and I have other technology interests in Internet businesses, so hopefully I am still in touch with the Internet generally.

I thought to approach this by discussing the demand side of the tourism game first, and then the supply side, as Tasmanian supply issues constrain what you can do here, and then look at how all that perhaps can be boiled down into some kind of broad strategy that would make sense.

On the demand side - that is, the customers out there - there is still obviously a fairly strong drift towards online business. Conventional ways of marketing are becoming harder and harder to develop results. In that online business, the niche markets I see constantly are the easiest to address. Now Tasmania is a very small player if you look at the international market. I am aware of the numbers of international visitors that you have here versus domestic. I am also aware of the high yield out of international tourists. Having read through some of the transcripts that have been presented here, the question of how to address those international markets is a big question.

So let me explain why I think niche markets make more sense, especially if we are talking about penetrating those markets online. The advantage of the online business is that people with special interests tend to cluster together online and can be found therefore. So if you want to talk to Scottish fly fishermen you will find websites, blogs, newsletters and online journals where they all congregate, so you can therefore find ways to - I wouldn't use the word 'infiltrate' - get to know them. You could run off a list of hundreds of niche markets that could be of interest to Tasmania. The more I talk through this or think through it the more obvious it becomes that you need to become very strategic about where you are investing. I have just spoken about Scottish fly fishermen.

If you look at all the things that people can do in Tasmania, the things that stand out - and I heard the end of the heritage talk; that is an obvious one - the culture and heritage parts of the market are both large and can be tapped. Anything to do with nature-based tourism and natural areas remains one of the great growth areas in international tourism. Recently I was at a wilderness camp and there was a German family there. They were on a two-week holiday; they'd come to Australia for two weeks and they spent most of that time in remote areas. They reminded me that there are, I think, 80 million Germans and, for any of them interested in things such as forests, there aren't any real forests left in Germany. They struggle to find places to go, so they come to Australia and South Africa to see wilderness areas. They paid a lot of money for that trip and they stayed in some nice places and some not-so-nice places, but I think that is typical of the market that can be attracted here. If you dissect the nature-based bit, it gets into trekking, kayaking and all the things people do in the great outdoors.

On the cultural and heritage side, a great example of a success recently was at the National Gallery - the French Impressionists. They were running midnight tours because the demand was so great. Perhaps Tasmania isn't equipped to run something of that magnitude, but within French Impressionists, Italian Impressionists or whatever there will be niche markets that can fit into a smaller gallery but will have the same drawing power as that example.

Outside the obvious niche markets there are very special interest groups that can be attracted if there is something very special going on. For example, if you had the biggest sale of stamps in the Southern Hemisphere you'd probably attract stamp collectors from all over the world. There is definitely pent-up demand in the world in general and there are certainly emerging markets with a lot of money - think of China and India. Each one of those markets is very special and different and needs to be understood at great depth to become effective.

Let me now go to the supply side because here we are in Tasmania with a finite number of hotel rooms, a finite number of aeroplane seats coming into the State, seasonal factors, a certain limit on how much capital is available to be invested in these things, and possibly limitations on the skills of people in this State to develop new tourism opportunity - skills at all levels. Let us take the Scottish fly fisherman, who pay a lot of money to stand on a riverbank in Scotland and maybe catch a trout or two. If he also likes the bagpipes, or if his wife does, and if you had the world's biggest bagpipe festival in Tasmania, you might snaffle both of them. Through the online connection you can talk to them individually; you can convey messages to them through videos and stories. They might like Scotch whisky as well and I believe there are a few nice whiskies being brewed here now. The cost of doing that is relatively low; it doesn't involve any mass market appeal or television advertising. It can be done at low cost and if it is done effectively it certainly works. We are finding that in the Wild Mob business. We are setting up some camps in the Tarkine and on the west coast with a bird-watching theme. There are very serious bird watchers who will fly across the world to see a new species, but there are a lot of bird-watching curious people, I suppose, who like the idea and would gladly spend a week going and looking at orange bellied parrots, as a threatened species, and the habitat that they live in and will help look after that habitat and feel good about the experience.

These sorts of groups are low impact because they are conservation-oriented. They are not going to drive four-wheel drives over the dunes and all those sorts of things, but they will pay the money. We are evidence that that does work. Birdwatchers are also an easily identified group and we target them online.

**Mr PARKINSON** - I was just thinking of whale-watchers because one is in the Derwent.

**Mr WOOD** - It is interesting. What is the value to the local operators of that whale being spotted in the Derwent? I bet those boats are full today. Whale-watching is a classic. How you coerce whales up the Derwent, I am not sure.

**Mr FINCH** - Do not let that one out.

*Laughter.*

**Mr GAFFNEY** - There are other places in the world where whale-watching is very good as well, but something like the platypus tours is only on the north-west coast. The Asian people who come cannot believe they can see it in the river. That is the experience and they will come back just because of that. We will have repeat visits because they do not believe that they are in the wild, in the rivers. The whale is great but it is the uniqueness of the devil that I think is your niche market.

**Mr WOOD** - I think it is easy to underestimate the power of those furry, cuddly things - wombats. They might be pretty common here but to a Japanese tourist they are amazing.

**CHAIR** - They are deified in Japan. They have badges and so on. The chairman of the wombat society is in Launceston's sister city of Ikeda in Japan. It is a big thing.

**Mr WOOD** - The koala is a bit of a cliché, but on Brampton Island, where we run a lot of our camps, there are a couple of koalas and we know where they are. When we go on bushwalks we happen to stumble across them.

**Mr FINCH** - Tied to a tree.

*Laughter.*

**Mr WOOD** - We know how lazy they are and how little distance they travel. They are easy to find. A lot of what we do is science-based and we work with a group of researchers into koalas from the University of Queensland. There is another island not far away with a unique colony of koalas, and our volunteers will go and work with those koala researchers, tagging and tracking them. There are many great examples there.

Here we are in Tasmania with those restrictions or limitations. One of the advantages of the nature-based thing is that people are not looking for hotel rooms; they are staying out in the bush and good on them. A lot of those camps can be set up as exotically or as basically as you wish, and removed in the bad season and moved around in the good season. So there is not a lot of capital involved in a lot of these nature-based things. The chap up on the north west coast who does the devil feeding - Geoff King - that's a great little business and we're working with him as part of his project to see devils eating. Would I have paid good money to see a devil being fed 10 years ago? Probably not, but

given all of the problems there and all the effort going on the conserve that species, it's a great story and if it's told appropriately to the right target markets then there's certainly money there.

As for some suggestions to get rid of some of these blockages, I suppose, I would see the airline who fly into Tasmania as very potent partners because the tourism industry here and the airlines have exactly the same problems and challenges. I'll come to who should be talking to them when I look at the role of Tourism Tasmania but certainly there needs to be some coordination of all of these things. First of all, there needs to be a strategy developed about which of these niche markets would be worth pursuing, where the low-hanging fruit is, assuming it's out there, but you can't do everything. All of these would need to be prioritised around available capacity. For example, it's no use having a great art exhibition on over New Year because the place is booked out with yacht races and things, so the timing of these events is an important consideration.

But back to the airlines. If you had the ability to work with the airlines to fill pretty much every empty seat that's flying into Tasmania now - and there are empty seats - and if you're working close enough with the airlines to invite them to add more capacity, if it can be filled, for short-term events projects I see great opportunity to say to Tiger Airlines flying from Adelaide - and airlines pretty much know a week or two weeks out what their capacity is looking like - to run promotions with them and say, 'We will target a promotion in Adelaide based on this demographic and we will work with you to fill those empty seats.' There is no great science in that; it is a marketing project, but if you can develop good working relationships with airlines and prove that you can help them fill the empty seats, you will get a lot of cooperation from them. They're in business to make money; they want to fly with full aeroplanes. So that's one aspect of it, and probably if they are flying here with empty seats it means there are empty hotel rooms.

I have read about the hot lunch thing which was quite a success here for people flying down for the day. But if you think about the Melbourne market, for a weekend and places like Quamby or up-market places, if there were flights coming into Launceston that had spare capacity to run a promotion online that said, 'Come to Quamby and have all the wonderful things you can have at Quamby', and that includes transfers from Launceston and a stay overnight, even small numbers, eight or 10 people, might be all it needs to take. This could be done through partnerships and I'm not promoting Wotif here but, as an example, we have about 400 000 people on our newsletter list and we often run these sorts of promotions with hotels and airlines et cetera. We can target people who we know are interested in this sort of thing very quickly and effectively, book them online and off they go. That is airlines.

Some of these ideas are not in any particular order. Let's look at the skills issue. If you take a big-picture look at that problem, I am not really aware of what hospitality training facilities there are in Tasmania.

**CHAIR** - We have heard some evidence this morning from the Tasmanian Hospitality Association who are very concerned about the standard of training at Drysdale House and they are using a body called Franklyn Scholar, a private enterprise company operating in other States. They were quite critical of the Tasmanian Drysdale House.

**Mr WOOD** - Yes, there has been a report come out just recently that says hospitality service in Australia is pretty lousy generally. Rather than just try to bring it up 10 notches, I'd go right over the top and try to set up a world-class training college here with a big name from overseas and aim it at international students as well as locals. The international student market is a lucrative one if it's well done, and this would require significant investment obviously but think about the potential not only from the student income but the impact on the local industry here to have a world-class hospitality training institute in Hobart or wherever where international students come and pay the rates that they do, which would probably subsidise local people attending that school. My wish list would be business training for those people as well, a look into the sorts of entrepreneurial skills they would need - so this is not just to teach you how to cook sausages, this is how to teach you to start and manage tourism businesses. You would need of course to teach them about online marketing and marketing generally. That is not impossible and it could be one way to address a whole lot of problems.

Let me talk about Tourism Tasmania and some of the questions that have been raised about having people with high profiles. Tourism Tasmania I think has a budget around \$30 million?

**CHAIR** - I cannot recall the actual amount.

**Mr WOOD** - The things I observe them do include surveys, coordinating and accrediting operators and marketing. The marketing they do is slightly targeted to the right demographics; I see some really good advertising in the Sydney press that comes out of Tasmania. It is broad-brush stuff, playing on the obvious attributes that Tasmania has, but I would not call it niche or targeted in particular, and that's where the tension arises between investing in that sort of marketing and investing in much more targeted marketing. It's difficult to evaluate the effectiveness of that expenditure. I think about 600 000 leisure travellers come to Tasmania in a year and that means if they come in family groups of two or three, that means about 250 000 decisions were made by someone to come to Tasmania. How many of those 250 000 decisions were made because of or reinforced by that advertising, how much did that advertising cost and how much is the cost of acquisition of each one of those new customers. They're the sums that happen in the business world; I'm not sure if that has really been examined in the case of either this tourism body or any other State tourism body.

A good example is the publicity that came out of the Hamilton Island Greatest Job in the World campaign. There were claims made about the value of that advertising - 'We ran this program. It cost us \$100 000 and we got \$400 million worth of publicity'. The real question is, based on the number of people who then visited the Whitsundays or Hamilton Island in the following three or six months, would you have invested \$400 million to run that again? The evidence I have seen is that, yes, there was an uplift but nothing like a return on that kind of investment. There could be an argument to say that some of the things Tourism Tasmania does could be outsourced. Running surveys: there is not much mystery about it. Again, if I was working closely with airlines, or the TT-Line itself, it strikes me that a great time to capture people's attention is when they are flying into or out of Tasmania. Perhaps some airlines might want to hand out a questionnaire when people are sitting there bored and wondering what to do. You have a much better chance of getting a response perhaps flying in and flying out for them to reflect on why they're coming here or what their reaction was while they were here.



There is certainly a need for coordination, and if this strategic review was done which said, 'We're after stamp-collectors, choirs, bagpipe players and trekkers', then somebody has to coordinate that, and I think that is obviously a valid role for this central body. There is also an ongoing role for being creative and coming up with clever ideas for events to fit in with the niche markets and the strategies that have come up and to fit it in to the right time of year. So let's say you offered a quite outstanding prize for a running race that went from the bottom of Mt Wellington to the top, and you can get lots of runners who are keen enough to do that sort of thing -

**Dr GOODWIN** - That's the Point to Pinnacle.

**Mr WOOD** - Is there a prize?

**Mr GAFFNEY** - Not of any magnitude.

**Dr GOODWIN** - There ought to be because it's very hard!

**Mr WOOD** - Say you offered \$100 000. There would be a lot of people who'd consider themselves in with a chance there. Do the sums. How many people would you attract and what time of year would you do it? What publicity would you get out of it in free media? If a lot of those people were first-timers to Hobart for that weekend, and you have a high return rate, if you looked at that sort of investment, that's the sort of thing that I think needs to be thought about. Germans love shooting things, and they've shot just about everything over there -

**CHAIR** - You're not thinking of 1939-45, are you?

*Laughter.*

**Mr WOOD** - And there are allegedly foxes in Tasmania, so why not put \$100 000 on the scalp of the first fox shot?

**CHAIR** - One of our members would be happy about that.

**Mr PARKINSON** - No, they'd just bring all the foxes over from the mainland and shoot them here.

**Mr WOOD** - You'd have to do some DNA testing, I think.

**Mr FINCH** - I don't think I'd be going out there with a gun!

*Laughter.*

**Mr WOOD** - There is certainly a role for clever thinking. There is the ambassador idea, if we are focusing on niche markets. If done well, niche markets may supply the bulk of the increase that you want if the people who come are great advocates for the place; the word-of-mouth multiplier effect always works well with niche markets when they go home and go to the next meeting and say, 'We had a fabulous time', and then their mates come over. If it was fly fishing and the target is Eastern Europe, I would be looking at a

person who resonates with that market, probably not a famous Tasmanian but a fairly well-known fly fisherman who is the face of that campaign. If it is running races or cycling through the bush, find people appropriate to that market, an ex-Olympian or whoever, who personalises the message; he is the one who signs off on the e-mails that go out. That's a nice touch; if I'm a keen cyclist and I'm communicating with apparently an ex-Olympian then I'm interested. The idea of having a Ricky Ponting type I think is too general. I think you need multiples of these targeting those individual markets.

There is a possibility here also to pay for performance. I'm getting back to the effectiveness of marketing campaigns run by Tourism Tasmania and I'm not saying that they aren't working, but it would be nice to know how effectively they are working compared to the alternatives. I believe there would be organisations out there who would take it on as a challenge, say in the fly fishing example, to be remunerated on performance - so much per head for every person who comes here. If you compare the effectiveness of that, if you can, with the effectiveness of the mainstream marketing campaigns, you can then make a choice. My suspicion is that the broad-brush general media campaigns will struggle increasingly compared to the targeted, clever, one-on-one kind of campaign.

There is also an opportunity for new services generally, a concierge-type of service. Even if the fly fishing family come over here they will want to eat in restaurants, they will want to go theatres and do other things. Part of that market, I think, is a concierge service that ties other things together and personalises it. It's a meet-and-greet thing, advising them on which sort of car they should hire and where from, dropping them off at one end of the trek and picking them up at the other end. Not everyone is going to pay a lot of money for that, but if that increases the value of the experience that will increase the potential for word-of-mouth and repeat visitation.

I've been talking for a while. I think I've explained the general thrust of my theories so perhaps I should ask for questions.

**CHAIR** - Thanks very much. That is fascinating what you've been saying. We have a lot of varying interesting and helpful material.

**Mr FINCH** - Graeme, I am really interested to hear about your online service, and we're probably not exploring that as much as we perhaps could do or the potential you are highlighting here. We heard some evidence earlier today, I think from the hospitality people and Steve Old, that they were quite shocked or concerned about the fact that tourism operators are just not online. Do you have evidence of that or do you get a sense of that?

**Mr WOOD** - I would support that. I think it is a weakness in the whole supply-side issue here. It is not difficult. It would need some investment in training, but it is not a difficult thing to learn. Most or all of us here, I guess, are online.

**Mr PARKINSON** - You are right, it really works. The Pure Tasmania brand, or the way Federal Hotels operate, is really slick.

**Mr WOOD** - Federal Hotels is a good example of a well thought-out brand. They have positioned themselves in the market where they want to. I am not sure how effective their

own online presence is. They are quite broad-brush, I suppose. I guess Strahan is getting a bit more down the niche end of it, but they are a fairly big company. If you are talking about small tour operators and the pressure of running the tour and being online at the same time, then at the smaller end of the scale I am sure it is challenging, but it can be solved and those who do it well reap the benefits.

**Mr FINCH** - It is the barrier, it seems to me, that is there in respect of IT. People do have a fear and they are not as willing to embrace it as perhaps you would like.

**Mr WOOD** - That is an education process; examples of success are the best way to convince people to listen. That should be a role for Tourism Tasmania.

**Mr PARKINSON** - To have a Tasmania online program.

**Mr GAFFNEY** - A lot of our small businesses hesitate to come into that space because they only have two or three people. It is the maintenance and upkeep, but if there was something like that to incentivise it.

**Mr PARKINSON** - Yes, an educational program that helps people to go online.

**Mr WOOD** - Yes.

**CHAIR** - Thinking of creative ideas, and I am thinking of one that probably would not be seen as appropriate to Tasmania. At Port Arthur, for example, what would you think of the idea of attendants showing visitors around being dressed in colonial army uniforms.

**Mr WOOD** - It would add a bit of colour to the whole thing. Port Arthur is a great example of some of the heritage potential, but there are others. There was a great influx of Chinese miners here some time ago.

**CHAIR** - Up in the north-east.

**Mr WOOD** - There are a lot of people in China, I imagine, who are somehow related to those people. A Chinese heritage push - and there are lots of wealthy Chinese emerging - is another niche market. The Dutch sunk a lot of ships on the west coast, not deliberately, but there are a lot of Dutch people related to those sailors. Where the ships foundered, bits and pieces have been washed up on the beach. There is bound to be a Dutch Naval Historical Society somewhere that could exploit that.

**CHAIR** - Yes, Abel Tasman probably could be used more.

**Mr WOOD** - The indigenous heritage potential in the Tarkine area is huge. We noticed with Wild Mob camps that as soon as the indigenous element is raised people are hungry for information about it. We are working with some indigenous groups in Queensland to come along and interpret those experiences and that knowledge. It is not easy but there is a great deal of interest in that. I have been surprised; international students we worked with were very interested in it, perhaps a little more than Australians. But we do a lot of high school groups and young people are fascinated. They learn some at school but when they are standing on a sand dune looking at a midden or at bits of stone tools, it

just really drives home the reality of it to them. There is incredible demand for that if it can be addressed.

**CHAIR** - At Narranda, just outside Cairns, there is an Aboriginal performance centre. I was there quite some years ago. It was very effective. They had Aboriginal dancers explaining their culture and customs and in the end a lot of the audience members went up on the platform and were photographed with them. It was a very good experience from the point of reconciliation as well as being a tourist attraction.

**Mr WOOD** - Aboriginal art is another one. That is a growth market internationally. Why not have Australia's biggest Aboriginal art market here for a week in the middle of winter when people do not care if it is cold outside?

**Mr GAFFNEY** - I am interested Wild Mob; what camps are you running in Tasmania?

**Mr WOOD** - We have one coming up in November on the north-west coast. That will be around pulling weeds from the sand dunes, counting birds and doing whatever else seems like a good thing.

**Mr GAFFNEY** - As the local mayor, I have a few projects in fact.

*Laughter.*

**Mr GAFFNEY** - Narauntapu has been described as the Serengeti of the south because there are just thousands of wombats and kangaroos and things there, but then you have migratory birds from Point Sorell all the way down to Robbins Island. Robbins Island, with the Hammond brothers, staying in some of the old huts, has potential.

**Mr WOOD** - Oh, it does. Two of my people are coming down next week. One of them is a bird person and the other one is our operations manager. They are going to set up all that sort of thing up.

**Mr GAFFNEY** - There are so many shearwaters and people do not even know they are there. It is just amazing.

**Mr WOOD** - I am not touting for business.

**Mr GAFFNEY** - No, but I am.

*Laughter.*

**CHAIR** - Do you have any views about backpackers and their significance for tourism?

**Mr WOOD** - Backpackers tend to want to earn money as well as spend it. Viable backpacker employment is the first thing. Again, getting back to the niche thing, backpackers tend to go where other backpackers go. There is a trail they tend to follow and they form groups along the way. Do you have labour shortages here?

**CHAIR** - There is seasonal work available with raspberries and cherries.

**Mr WOOD** - Do you struggle to fill those positions?

**Mr PARKINSON** - Fruit pickers is a growing one. It used to be prolific.

**CHAIR** - I do not think we are struggling to fill them because there are enough backpackers and others to take those positions that are available. That is my impression.

**Mr GAFFNEY** - Backpackers find it difficult to get to places in Tasmania because of our transport. That is one of the things that they find difficult.

**CHAIR** - Yes, that is right.

**Mr GAFFNEY** - It is not as good as on the mainland or in other places.

**Mr WOOD** - Yes. What you need are - I'm not sure what they're called - the little things that you put on railway lines and pedal.

*Laughter.*

**Dr GOODWIN** - Maybe if we get that Hobart to Smithton bike track.

**Mr WOOD** - A bike track is an obvious one. Cycling in Tasmania should be at the top of the list.

**Mr GAFFNEY** - Especially Richard Porte, the young Tasmanian fellow who did so well in Italy. They are nuts over there about cyclists and they treat them like gods and yet he is a person who is struggling to get any finances from the Institute of Sport or whatever. They should jump on him straightaway and say, 'This is the guy that we need to promote Tasmania.' His parents are proud Tasmanians and he is flavour of the month.

**CHAIR** - Have you heard of him, Graeme?

**Mr WOOD** - No, I haven't.

**CHAIR** - He is a young Tasmanian boy and he won the -

**Mr GAFFNEY** - He was the best young rider in the Italian tour and at one stage had the yellow jersey but I don't think we've heard hardly anything from him other than he said he was really pleased. I would have thought Tourism Tasmania would have jumped on that opportunity.

**Mr WOOD** - Mountain biking I think is a classic here and I know there are events on that. It keeps people off the roads and sends them through all the unused forestry tracks, they camp out, and getting bikes here is relatively straightforward because you can stick them on airplanes, so biking should be a classic here, I think.

**CHAIR** - In Quebec they have the changing of the guard outside one of their historic buildings and I understand that they used to have university students coming in for about an hour a day, getting into costumes and performing this, getting paid for it and then going back to study. We've talked about that in past years here but I have the feeling that

it would seem a bit out of place here whereas it's not in Quebec. I have seen it done in Quebec.

**Mr WOOD** - It could be but it would have to be done very well. Where would you think - change the guard outside Parliament House?

**CHAIR** - Probably - or the Town Hall.

**Mr WOOD** - I wouldn't give them live ammunition.

*Laughter.*

**CHAIR** - Yes, as a matter of self-preservation we'll forget that idea.

**Mr FINCH** - Graeme, there was an idea you talked about before and I just did not quite get the figures you were talking about and the example you were giving. I think it was the Hamilton Island fun run or something. You suggested you invested \$100 000 in -

**Mr WOOD** - No, I was suggesting that as something to do here on Mount Wellington.

**Mr FINCH** - Yes, but did something happen at Hamilton Island?

**Mr WOOD** - No. I was questioning the real delivered value of that fabulous campaign and how that translated to more people visiting Hamilton Island.

**Mr FINCH** - Yes, but did that occur?

**Mr WOOD** - There was certainly an uplift but not to that extent, so if you really had to go and invest that money it would not have made sense.

**CHAIR** - But I think Kerry does not remember what happened there. They were offered a vast amount of money for the best job in the world.

**Mr FINCH** - Yes, \$100 000.

**Mr WOOD** - No, it was more than that. I think that is what they invested.

**Mr FINCH** - And you were suggesting that they got \$400 million worth of advertising.

**Mr WOOD** - Yes, they got a great return on the investment they made but the advertising industry and Tourism Queensland and everybody went a bit overboard and said, 'Well, we spent \$100 000 and we got \$4 million worth of free publicity'.

**Mr FINCH** - But it did not translate back.

**Mr WOOD** - There would not have been a return on the \$4 million, if that was the figure, but they got a great return on the \$100 000. That is just a classic example of clever thinking and good execution.

**CHAIR** - So it really worked?

**Mr WOOD** - That certainly worked, but you can only do that once. Next time they'll have to come up with another idea.

**Mr FINCH** - Talking about mountain biking and that sort of thing, I went recently to Whistler and saw how they use the off-season there on their ski slopes with people taking the ski tows up to view the spectacular scenery and they have a lot of mountain biking in the off-season. So your suggestion is that people would come to Tasmania to do that sort of mountain bike-riding experience?

**Mr WOOD** - They go everywhere else. Having the right facilities is important. I think Victoria does this well. Part of their strategy I believe is around mountain biking, to have safe, off-road trails that people can both walk and ride. They don't have to be too exotic, and there are some crazy mountain-bikers around who like riding over rocks and all the rest of it, but if you could establish, like the Tour de France, the Tour of Tasmania for mountain-bikers and stick a big prize on it, they will come.

**Mr FINCH** - Yes, because I often reflect on Ben Lomond, where the whole system and the way it is done up there it is a struggle every year with the lack of snow. The facilities are there and the scenery is just out of this world.

**CHAIR** - It is a bit rocky for skiers, isn't it? Too many rocks.

**Mr FINCH** - In summer, particularly.

*Laughter.*

**CHAIR** - In winter it is a problem.

**Mr FINCH** - As well, yes.

**Mr PARKINSON** - I notice they have finally started to talk about making snow up there, but they have had trouble over the years because Parks and Wildlife haven't permitted it.

**Mr FINCH** - Yes, I remember that being a debate about 25 years ago, the snow-making machine. But I am just wondering about that venue. I am curious about that and I would be interested to see that if we get a chance to visit there, and what limitations there might be from Parks to have it developed as a mountain bike venue.

**Mr WOOD** - I guess that would be a question for Parks, but the other advantage of having picturesque routes to ride is that the publicity opportunity grows and grows. Somebody riding up or down a hill with beautiful scenery in the background -

**CHAIR** - We get that with Targa Tasmania. That is one of the best features of the Tour de France, to see the beautiful villages.

**Mr PARKINSON** - It is very popular, Targa.

**Dr GOODWIN** - What I am getting out of what you have been saying, Graeme, is that there are opportunities out there if we think a little bit laterally, particularly about the niche

market idea and using the Internet and targeting those particular groups. You obviously don't see much evidence of that happening at the moment and it is an area where we need to do some more work.

**Mr WOOD** - I am not aware of any tourism authority in Australia that does it well, if at all. Most are focused on the mass market. Queensland is a mass-market destination with the Gold Coast and the Great Barrier Reef, and you can understand that. Melbourne is pretty much the same, although they have strategies. You can look on their website for backpackers, for heritage, cultural events et cetera.

**CHAIR** - And events? They concentrate on events quite a lot, don't they?

**Mr WOOD** - Yes, but they seem to go for the big events because you can absorb a lot of people in the city of Melbourne. That leaves the perfect gap for the small events for Tasmania. You can't have 20 000 people arrive in Hobart; they can't all fit in. So the small event is a market waiting to be exploited, I think, especially when it is timed to take advantage of spare capacity, both with airlines and accommodation.

**Dr GOODWIN** - I guess with the other markets you are talking about - like the Scottish fly fishermen - there would be many potential markets out there or groups of people who have particular interests that Tasmania can cater to. If we can think about what those groups might be and what our particular advantages are, then it is really not going to cost us much at all to send out e-mails or contact via the internet their associations or whatever group it is. Even if we do not have a specific event we are just marketing to them purely what Tasmania has to offer. It has very low costs, potentially quite a reasonable return, particularly if we can encourage them to come in off-peak times. So is that part of what you are saying as well?

**Mr WOOD** - Definitely.

**Mr FINCH** - In respect of the way we deal with Wotif in Tasmania, how have we embraced it and are we lucrative or a good operator?

**Mr WOOD** - The stats for Tasmania are something like this. A bit over one million people visit the Tasmanian section of the Wotif website in a year. That ends up in about 100 000 bookings per year. I have not seen much evidence, so far, of any cooperative marketing between Tourism Tasmania and Wotif, or with any segments of the market here, but those opportunities are always there. We push our Australian inventory out to all of our associated websites in Asia. Those offerings can include air travel, accommodation, attractions, the whole thing. We are not the only one who can do that, by the way; there are other travel websites around. So there is potential there that is not being exploited.

**Mr FINCH** - Who would normally instigate that?

**Mr WOOD** - We would have somebody who looks after Tasmania. Maybe they have not come down here and been proactive enough, or maybe they have tried and been knocked back. There could be an element of competitive tension between us and the Discover Tasmania website and the people promoting that - Tourism Tasmania, presumably. They



want to make that work and they may see a better return on their investment there than cooperating more fully with Wotif. I could be wrong, but that is a possibility.

**Mr FINCH** - Do you get that sort of cooperation from other States?

**Mr WOOD** - We have had good cooperation from regional operators, like the Great Ocean Walk in Victoria. There are examples where we can work very productively with regional tourist organisations. We tend not to work very well with State-based tourism organisations because they are too general and bureaucratic and you never get anything done.

**Mr FINCH** - The Wild Mob conservation movement; they pay good dollars and are overseas visitors?

**Mr WOOD** - Yes. It is a not-for-profit business and the goal is that it breaks even within about three years. We try and charge more for people who can pay so we can do school groups at cost. Anything left over goes into just keeping the business going. It is at the bottom end of the conservation, nature-based tour thing.

**Mr FINCH** - So it is not like a commercial operation?

**Mr WOOD** - No, it is not. The goal is that it be financially sustainable after three years.

**Mr FINCH** - Are there many operators in Tasmania who are catering for those niche markets for tourists who want to come and have a Tasmanian experience, maybe in the outdoors, in the wilderness areas, but when they come out of the bush they want to stay in good accommodation? They are prepared to pay big dollars to come and they want to be well fed when they are out in the scrub. Do we have many operators covering that market and are there possibilities for that market?

**Mr WOOD** - Most definitely. Tarkine Trails is one organisation that comes to mind. They are small organisations, and busy most of the time. I think the missing link there, perhaps, is the concierge service that says, 'We will drive you out there and drop you off and then when you come out of the wilderness all smelly and looking for a clean bed, we will take you there.'

**Mr FINCH** - After we hose you down.

*Laughter*

**Mr WOOD** - Then perhaps on the second night there are some tickets for the theatre because there is a symphony orchestra playing.

**CHAIR** - Would you like to make any closing comments?

**Mr WOOD** - I think there is great potential here. It just requires a different mindset and some determination not to leap into it immediately, but to start trying it. You will never know unless you pilot some of these things. It is a relatively low-cost, low-risk way to go. Once you see something working then you can put more effort into the next market. Perhaps it is the cycling thing; pick something that is not too difficult to start off with.

Success breeds success and the only way some people will be convinced is to see it work as a pilot.

**CHAIR** - Thank you very much indeed, Mr Wood.

**Mr DANIEL HANNA**, TOURISM INDUSTRY COUNCIL; **Mr SIMON CURRANT**, CHAIRMAN, TOURISM INDUSTRY COUNCIL OF TASMANIA; AND **Mr BERNARD DWYER**, DIRECTOR, FEDERAL GROUP, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Mr Wing) - Welcome, gentlemen.

**Mr HANNA** - We provided a submission last year which by and large formed our presentation to the committee and I don't propose to go over that again. I would like to give you an update on what has happened since that time. It has been seven or eight months and an election, a budget and a few other things of interest in between. I will finally present the research that I mentioned at the last committee hearing, which I think is what you are interested in hearing more about. It is research we had commissioned by BDA. It particularly looked at the impact of destination marketing and how that drives people's preference intention and actual visitation to Tasmania. I also propose to update on a couple of things, Saffire being one of them. We have a few new products, either in the market or about to enter the market, which we hope will have a positive impact on tourism.

In terms of trading conditions, I have included for you a snapshot to the end of March. The original submission that I prepared was, I think, as at the end of June 2009. There hasn't been a huge change in trading conditions since then. If you were to ask me to provide a summary, it would be 'slow but steady growth'. The industry is certainly not going gangbusters, nor have we been as negatively impacted as most other destinations around the country and indeed around the world given the economic turmoil that has occurred in the last two years. The industry is valued at around \$2.3 billion a year in visitor expenditure. We continue to find that interstate markets are our key market, our core market, particularly out of Victoria and to a lesser extent New South Wales and Queensland. The international market is flat but it is flat for a lot of places in Australia. In fact some destinations, for example north Queensland, have been going backwards at a pretty fast pace, so just holding our position probably is not too bad an achievement in that kind of market.

In saying that, we still have the same challenges that I flagged in the original submission. We do get some feedback that there are destinations around the State that are not doing as well as others, so while the macro position is probably slow growth we recognise that is not shared by all destinations around the State; some are flat and some are probably going slightly backwards. Sometimes that is just how markets work, how a tourism industry works; customers will make the decision about what they prefer or do not prefer. Naturally we would like to see the benefits dispersed as widely as we possibly can and that is a challenge that we still have to face.

A couple of other things have happened since we last presented. I did make a lot of reference to the National Tourism Accreditation Program and how Tasmania had really taken a lead in trying to ensure quality and standards. The Federal Government has now got on board with that. They have developed a national tourism accreditation framework and they propose that all States and all sectors pretty much go down the road that Tasmania has been down now for many years. I guess that is some vindication for the strategy that the Tasmanian industry, in partnership with government, has taken over

many years. Reflecting Tasmania's leadership, Simon has agreed to be chair of the new organisation nationally - the Tourism Quality Council of Australia.

**CHAIR** - That is good.

**Mr CURRANT** - The minister, Martin Ferguson, has been very keen on a national accreditation scheme for some time and he has provided funding for the scheme to be marketed and delivered. That is a huge change from what has been happening for the last four or five years. There had been a lot of push from various ministers that we would have a national scheme but nobody put any resources behind it. The essence of the scheme has to be that it is consumer-oriented. In that regard the consumer has to be told what it is so that when they come to buy a domestic product, whether they be an interstate or international visitor, as a quality-accredited product you know there are standards they have had to comply with. The other key part of it is that he has agreed that the Australian Tourism Data Warehouse, which is essentially the repository for all products in Australia, obviously ours included, is not going to promote products that do not get the tick. In other words, if you decide you are not going to go along with it and have some minimum standards then you will not be sold. That is also the case with the States and various States have adopted this. It has been tested by their CCC and they have said, 'Yes, you can do this and you can exclude people'.

The change in this is that, firstly, we got dollars to market it; secondly, there are dollars to actually put the inspectorate et cetera together. What I am doing as chair is trying to herd a whole lot of cats into one scheme that has some minimum standards. I am not sure if it is a poison chalice yet but it is certainly challenging. The will is there in the Government. We need to have exactly the same commitment here and we are almost equal to every other State in terms of excluding those that do not get the quality tick. We have just one step to go.

**CHAIR** - Simon, will it just be a matter of accreditation or will there be gradings?

**Mr CURRANT** - There will be gradings. An initial step is to have a level that the consumer can trust such that at least you have conformed to the basic things: you have insurance, an HR policy, are not poisoning people and you have a culture and a commitment to delivering an experience. That is the difficult thing now. There are a lot of bed schemes about and a lot of those have their own standards. Some of them need to embrace a few more, some of them have more than we would envisage. In this State I have championed for years that we need to ramp ours up further. In New Zealand, the best example is Qualmark and that is a very rigorous process for anyone to be involved in and it is a scheme which we are looking at as, at this stage, it has taken a bit for the New Zealand people to take it on board because it is very onerous on the operators. There are a lot of examples out there; we do not need to reinvent the wheel. This State can embrace it all too and Tasmanian tourism is working with the other States. Probably the standout in Australia is Western Australia and it is only a half a step for Tourism Tasmania to embrace at that level.

**CHAIR** - That is interesting. Thank you.

**Mr FINCH** - Simon, why Western Australia?

**Mr CURRANT** - Obviously there was a bit of political will there for it to be adopted fairly quickly. Dan might know a bit more of the history of why they have committed to it. Exclusion is the issue. If you're not ticked off, you don't get sold, and that's the carrot and the stick.

**Mr HANNA** - Tourism Western Australia, through the Western Australian Government, has decided - and they did have a phase-in over a two or three-year period - if you are not accredited, the State tourism organisation will not work with you as a tourism operator. So in other words you won't get access to programs and you won't get sold in any of their marketing programs either. You can still trade; there is not a complete stop on opening your doors, but the State tourism organisation simply won't work with you. So that's a pretty strong incentive for most operators to be a part of that scheme. I have talked to my colleagues in Western Australia and that has largely been pretty much embraced by the industry.

As you probably picked up, the tourism industry is not frightened of quality standards. Good operators all think that there has to be some minimum level of requirement on anyone who is selling their product to visitors and that is from a consumer's perspective, just because visitors find it very hard to enforce their rights versus locals. That is the simple reason why you need to have a higher level of standard when it comes to servicing tourists rather than locals.

**Mr FINCH** - Thanks.

**Mr HANNA** - Just one other thing that has happened in the months since we last presented, I did talk to you about Tourism 21, which is the joint government and industry partnership. It is something that has worked extremely well since 1997, so it has been through different flavours of government and has worked extremely well. At a national level they are now going to introduce the same thing. So there is going to be a national partnership between the Federal Government, the Federal tourism industry representatives as well and there is going to be stretching targets and goals and a strategy to get there. That is something that is music to our ears and, again, it's nice to hear that they are following Tasmania's lead. It is good that's on the record, isn't it.

I am going to talk a little bit about demand stimulation and research, so I just want to cover a couple of supply issues in tourism that have cropped up since. Access remains absolutely critical as a number-one issue. If you haven't heard, Tiger has just announced that they are withdrawing from Launceston entirely today.

**CHAIR** - When did they announce that?

**Mr HANNA** - Today; I think just an hour or two ago, and they are also cutting the Adelaide-Hobart flight entirely as well. Tiger is a much smaller player than the other airlines, but it is going to have an impact and as an island destination it just demonstrates how susceptible we can be.

**CHAIR** - And how vulnerable.

**Mr PARKINSON** - Does that mean they are out of Tasmania altogether?

**Mr HANNA** - No, they will retain their Hobart-Melbourne double daily, but that is going to be half their capacity withdrawn, and particularly right out of the Launceston market it will be quite damaging. It also points to how important strong sea access remains. That is something where government and the industry have some level of control. Airlines are always going to operate dependent on commercial reality. If routes do not work, they will move their planes to another route. We are lucky the State has ownership of the key assets, being *Spirits of Tasmania, I* and *II* and the company and, of course, the Federal Government helps significantly too with the Bass Strait Passenger Vehicle Equalisation Scheme. We are just putting forward a Federal election platform for the Tasmanian tourism industry and it is no surprise that the number-one issue is retention of the Bass Strait Passenger Vehicle Equalisation Scheme. That is simply vital for the Tasmanian tourism industry, particularly in regional areas.

**Mr FINCH** - It's not under threat, is it, Daniel?

**Mr HANNA** - No, we don't believe it is. I think there is strong political will from both major political parties to retain that scheme but it is something you can never take off the radar. It is such an important program and has delivered so many benefits that we want to make sure it is always top of mind politically for all Federal representatives, particularly those from Tasmania - and by and large it is.

**Mr CURRANT** - The political will is there. The threats that have come to us over the last few years have come out of Federal Treasury looking for dollars, looking for cuts et cetera, and they slipped through the one on *Spirit III* which was a capping of the vehicle subsidy and the minister at the time did not pick it up and so on. So the Tourism Industry Council is very alert to that, and part of our role is to keep an eye out that the bureaucrats aren't singling us out and looking at us. So it's not just talking to the minister, it's talking to them, the departments and so on.

**CHAIR** - It would be nice to have it secured as a permanent line item rather than depending on the Budget every year.

**Mr HANNA** - I believe it is.

**CHAIR** - Is it?

**Mr HANNA** - Thankfully, the scheme is administered very well too, in that it is a rebate and not a grant-based program, so it is driven by demand, if you like. We think that is a really good model and thankfully we don't have to go back each election or each budget to have it secured but you always want to make sure you have strong political will and support for the program because we never want it to be under threat.

**Mr GAFFNEY** - How is that rebate assessed each year?

**Mr CURRANT** - It is not. It is assessed on the basis that, essentially it is a national highway. In this case, different to every other State, this State paid for the highway, this State maintains the highway and this State looks after the highway itself. This is a key point for us whenever we are discussing this and if you get the opportunity, never let it go that we actually provide the highway. The equivalent cost of driving a car across

Bass Strait, that distance, on a national highway, is how the original amount was determined.

The TT-Line have a great deal of difficulty, obviously, politically trying to push their boat, so to speak. It is hard for them to lobby for an increase in a subsidy for the company but it is very easy for us and that is a role we fill all the time. We got that increased by 20 per cent because it had not been increased for some years and then attached to the CPI. So now, going forward, we're not going to have to go in there and start screaming unless the costs get really out of hand. If fuel went to \$200 a barrel or something, then it may be an issue but, at the moment, the way it is delivered, the quantum of it and so on, it is a massive help to TT-Line and to the State. As you know, to be able to bring your car over for \$79 is pretty cheap.

**Mr HANNA** - We know that people who arrive by sea, on average, will stay longer, visit more regions but, importantly, spend about \$1 000 a head more than people who arrive by air. So the more people we can push into sea visitation the greater the benefits we will see right across the industry. Really the only weakness in the existing scheme was that it did not have an automated indexation and, thankfully, at the last election, we had that commitment and that was delivered on, which was fantastic.

One other issue I just wanted to briefly mention today is capacity constraints - again, more on the supply side. I guess one pleasing problem to have as an industry while you've been continuing to grow is that you start to run into supply-side problems where people aren't able to access the destination. A key one for us is the number of available rooms in the major ports, particularly Hobart. Launceston is not so much of an issue but there are certain times of the year in Hobart where we're finding there simply aren't any more beds available, so it doesn't matter how much marketing activity we put in there, it would be wasted because people couldn't get here anyway. So there needs to be a strategy to try to facilitate more investment. Admittedly, that is a long-term issue but various levels of research have been done to show that, depending on where we might move over the next little while, somewhere between 150-250 rooms each year will need to be added to the stock in Hobart just to keep pace with where we think demand will go.

We have had a little bit of investment in recent years but unfortunately there is not a lot coming in Hobart. Clearly the Hobart waterfront is going to be an important part of that future. It is the most visited site in Tasmania; roughly 70 per cent of all visitors to the State will go to the Hobart waterfront at some stage and a lot of them want to stay on the waterfront as well.

**Mr GAFFNEY** - I have heard that before. When you talk 'Hobart', with me being from the north, are you talking about greater Hobart including Clarence and Glenorchy, or are you talking about Hobart City? How many times a year is accommodation full so that you can't get a bed? I am interested in that.

**Mr HANNA** - In terms of requirement for extra rooms, I think it is going to be greater Hobart that will have to deliver those extra rooms. We're not saying they all need to be within Hobart City; in fact, you simply couldn't support that number of extra rooms in Hobart City so other municipalities and areas in the greater Hobart region will need to do that. It is true that if you want to come to Hobart at a busy time chances are you'll be able to find a room somewhere - Sorell, Huonville and outer areas - but the trouble is a

lot of visitors will just turn off and say, 'That's too hard. I don't want that. I want to have the room of my choice at the time I want to come and if you can't deliver it for me I'll go somewhere else' - and there are plenty of other choices.

**Mr GAFFNEY** - So how does the industry balance it when it's a down period and there's not a lot going on and they find that instead of 50 per cent or 70 per cent occupancy they have only 30 per cent? This is happening on the north-west coast all the time. I understand about increasing the amount of accommodation for peak periods.

**Mr CURRANT** - I might answer that as an operator, and Bernard also has the same issues. In essence, you look at your business across the year and you take a loss in the winter and try to make it up in the higher season. That's the simplistic answer to it. In terms of the opportunity in winter, it is limited but that's where there are gaps, and for Hobart as well. However, it is what is happening outside of that. We now have a period - our peak seasons, our shoulders, have moved right out now and we're talking eight months of the year as being pretty high in Hobart.

**Mr HANNA** - From the data we've seen average occupancy now in Hobart across the year is running at around 83-84 per cent, and that is very strong. If you look at other capital cities around the nation, they're not delivering that. In fact, I don't think any of them would be delivering that right now, even the major business hubs such as Melbourne and Sydney simply can't deliver that. It's a good problem to have, it means demand has been strong. We're one of the few destinations to have grown.

I think the Hobart waterfront is going to play an important part in future development. What we are a little bit concerned about is the way that development on the waterfront has progressed over recent years. Clearly there's a lot of investors looking at the moment with great interest at Hobart. The trouble is there aren't very many sites and those sites that are either being put into the market or being talked about are having other uses attached to them without any public, open and transparent process. As an example, Princes Wharf No. 2 would be potentially a fantastic site for a range of uses that could benefit tourism. What we are led to believe, and we haven't had any official announcement on this yet, is that that is not going to be the subject of an open process.

That is all we ask for, if there are other uses. For example, I know the University of Tasmania has eyes on that site and that is fine, but let us open it to a process where everyone can bid, people can determine what the best use is, the best economic return for the State and best financial return for government and probably the best social and environmental return as well. We are more than a bit worried that tourism is not going to get a look-in on the best and most in-demand piece of real estate in Tasmania because other uses seem to have got the jump and there is no openness or transparency.

**CHAIR** - Kerry would like to ask a question.

**Mr FINCH** - It might be a leading question but I am wondering about the Sullivans Cove Waterfront Authority, what your opinion of that operation is and whether there might be an alternative that might better suit fairness and equity in respect of these opportunities?

**Mr HANNA** - Simon and Bernard can jump in there but my view on the waterfront authority is that it has been a great disappointment and largely an ineffective organisation. I think



that is probably because the original vision for it simply has not been delivered on. There are a number of sites at the moment and in recent years that have been the subject of processes - tenders, some public and some not public. The problem is there has not been any inconsistency; every single asset has been divested in a different way by a different agency being responsible for it with different levels of openness. I guess what we are asking for is the mechanism to bring consistency, to have it well known to the investment community as to how it will work, how the assets will be released into the market and that there will be a level playing field and everyone will have the opportunity to bid.

**Mr CURRANT** - If I could be very blunt about it, this process with that particular site is totally flawed. We were told 18 months ago by the Premier here on Elizabeth Street Pier that there would be an open and transparent delivery of this whole precinct and they would consider the best benefit and allow anyone to put their best foot forward. What has not been considered here - and Dan has used very soft language compared to me - is the fact is that the university have already spent many thousands of dollars on architectural drawings for that building. In addition to that they have an expectation on the railyard now that seems to be coming over the top. This is not being delivered out there for what is essentially the State's jewels in a space that says, 'All right, here are several uses that we might consider for this site'; it is being prescribed. The State Architect was told to take his hands off it, it was to be given to IMAS - and if you look at his plan it says 'IMAS'. It is not the best benefit for this State and for the community as a whole to have something that already exists at the university and a whole lot of university people sitting down here having offices. To me, it is a nonsense and it's very difficult because we can't get information. They're just not telling us what is going on in spite of the fact that they said it would be a process that everyone could have a go at. That is an issue of that site but the lack of leadership on this waterfront and the whole thing is still the same as it ever was.

**Mr FINCH** - Simon, does the vision need to be revisited or does it need to come back to the Hobart City Council?

**Mr CURRANT** - No, don't put it near the council. If you want to bog it forever put in the council because it will become purely political and then it will just be like everything else, it will collapse every time it comes up. I think the model was very good to have a waterfront authority that had some statutory powers, but they had the wrong guy driving it and no-one overseeing what they were doing, so he wasted millions on designs and competitions and so on to no end. and now we have the State Architect who has been told prescriptively what is going to happen and by whom. Who? By some people who think that the academic world is the only thing that should happen around this precinct.

**Mr HANNA** - The rhetoric has been good, but the reality has been a great disappointment.

**CHAIR** - That is the university?

**Mr CURRANT** - Yes, and Professor Le Grew's vision for this whole area is to turn into tens of thousands of students.

**CHAIR** - Apparently that was not necessarily the council's view.

**Mr CURRANT** - No, I understand that, but in the end we do not have any evidence that says the government are going to consider uses that might or might not be of more benefit. Let them put their hat in the ring with anyone else. We have various hotel developers that would love to have a go at that site and pay money to be there. Bernard already operates here, of course, but is a supporter of this, even though it might be a competitor for you.

**Mr DWYER** - I do not mind competition. It really is the master plan for that waterfront area. If the master plan was clearly articulated and had a very transparent process over the top of that, then fine. It is a level playing field and then at least you know what you are dealing with.

**Mr GAFFNEY** - I agree with a level playing field. If the university goes up against developers for a site and developers have seen that it is the best spot in Tasmania for a site, then the university is not going to be able to compete on a level playing field because of the funds. I am not making a judgment here. If there is an impression that there is a desire for intellectual capacity that the university can bring to the town and to have more of a focus in the city centre, how do you marry the two? If you say, 'Let us put on it on a level playing field, then you are actually saying, 'Here is a big business; you come and take the spot because the university will not be able to cope.' I do not think what is happening now is right either, but how do you marry the two entities so you do not lose the flavour that the university is trying to bring in?

**Mr CURRANT** - You would need to consider it once you get a submission. If you allow people to come in and say, 'Here is a use for this site and here is why I think it would give the best benefit to the community et cetera,' then at least that would give you something. Someone has to judge in the end what is the best use, but at least allow the process to consider it. That is the thing that is missing here. I am not going to say whether that is a better or worse use, though obviously from a tourism point of view I have a view.

**Mr HANNA** - We do not blame the university. Who would not want the best piece of real estate in Hobart to have for themselves. Everyone wants it. But they are trying to secure it through a means that is not really open and transparent; that is the issue here. We are not doubting that the university can produce a lot of good things. The key question is why do they need to be that on that site, probably the best piece of real estate, potentially locking it up for that use for generations.

**Mr CURRANT** - They have an argument with which they have already persuaded a few people, including our lord mayor, that IMAS is some wonderful cure-all. It is going to be a great thing even for tourism. So tell me what that is about? Well, for the ships coming in and out. To put that in its right context, these ships are ocean-going international ships. You are not allowed near them. They lock them up. You are not allowed to get near those ships. It is like a cruise liner; you cannot go near them, so that is not opening up anything for anyone from a tourism point of view.

The ships, if they are going to come here, are actually coming to do what? To unload and load up again and go to sea. They are of no use tied up against the wharf. It is a working port situation and we totally support that, but not for that little patch up there to service Antarctic ships. Another argument says, 'We have got to be next to CSIRO

because of our research. It is good for us to be able to walk from one café to the next, so to speak, or talk to each other by walking across the road.' That is another furphy, definitely not necessary, but it is the one they will use and have used with me. We have raised this in quite plain terms such as I have been using.

**Mr FINCH** - What does IMAS stand for?

**Mr HANNA** - Institute of Marine and Antarctic Studies.

**Mr FINCH** - Under the University of Tasmania?

**Mr HANNA** - Yes.

**Mr PARKINSON** - Have you had a chance to talk to the new minister about this?

**Mr CURRANT** - No, not directly.

**Mr HANNA** - We have had a few discussions in the Premier's office on this. There is still no clarity yet. We would hope there is going to be an announcement on this at some stage and that it is going to be what we are asking for, which is to let us have it open and not have anything done behind closed doors without a process in place.

**Mr FINCH** - Is there Federal money involved in establishing this?

**Mr CURRANT** - Yes, there is because the university have \$40 million to \$50 million which they can get from the Feds. That was tied to shovel-ready sites so they picked that, but that is no reason to hand-off this site. That particular work can be done elsewhere. Hotels on the waterfront are very difficult to locate anywhere else, as a comparison. The process is what we really are talking about, the fact that what they are doing can be done elsewhere if it is valid research et cetera. They already have a facility, by the way, up in the university. They could add another 10 storeys to that as far as I am concerned.

**Mr HANNA** - We might just move along to new investment. The global financial crisis and resulting economic crisis has put a bit of a stop on a lot of new investment in a range of industries, tourism being one. While we are not feeling that in Tasmania now, in probably two to three years there is going to be a bit of a flat spot where we are not going to have an awful lot of new investments hitting the market. That is why it is going to be absolutely vital that we leverage investments that are happening, that are either just opened or about to open. The three that I would probably refer to are Saffire on the east coast, which has just opened; the new golf course at Barnbougle, Lost Farm, will open later this year; and then of course MONA, the Museum of Old and New Art, will open January. Bernard, do you want to give a quick rundown on Saffire?

**Mr DWYER** - We have our own visiting journalists program that we fund ourselves. We have had about 30 journalist through the property now. They are from the United Kingdom and North America, and about 95 per cent of A-list publications in Australia have now been through.

**CHAIR** - Are there views from all the rooms, Bernard?

**Mr DWYER** - Yes.

**Mr GAFFNEY** - The rooms are beautiful but the main building itself, the architecture, is just sensational. I think it will put Tasmania in a different status on the international market.

**Mr DWYER** - We have appointed our own PR firm based in New York. They are looking after the North American market and are assisting in the United Kingdom market as well. Our first North American journalists are coming in two weeks to have a look at the site, and that includes journalists who write for the *New York Times* et cetera. So the push for Saffire is definitely in the international market and it has already been received very well by Tourism Australia and Tourism Tasmania. It is another reason for them to talk about Australia and international tourism. The feedback that we have already had from the majority of journalists is that this is a luxury retreat for which people, internationally and domestically, will go to Tasmania. Tasmania has never before been an attraction to this market.

**Mr GAFFNEY** - When you get journalists here, do you double-dip them and bring them to Hobart?

**Mr DWYER** - Absolutely, we tend to put them in Henry Jones and Saffire, funnily enough.

*Laughter.*

**Mr DWYER** - Certainly some of the journalists will be coming through from Tourism Tasmania as well so they will obviously look at other parts of the State as well as Hobart and the Freycinet region. The response has also been, which is probably the most pleasing to us, that a lot of these journalists go to resort openings and this is probably one of the only ones they have been to where the journalists who were there in the first week said that all the boxes had been ticked with Saffire in that first week, so there are really no issues to speak of. The chef we have is Hugh Whitehouse from Lilianfels in the Blue Mountains. He started with us in about November of last year and has spent a lot of time travelling the State, talking to producers and looking at vineyards, so there is a one-to-one relationship with our Tasmanian producers and that property in particular itself and he has hit the ground running and the food is absolutely outstanding.

I think about three weeks ago in his show on the ABC on Sunday Roger McShane described Hugh Whitehouse as cooking 'like an angel', so it is absolutely showcasing the best Tasmanian produce and it is in one of the best locations in the world. The building is fantastic - the Tasmanian architecture, the design and the build - but the experiences around there are just outstanding. You will see one of the pictures is of the boat that was custom-built for Saffire so it is a signature experience and we will take you out around and you can land on Schouten Island and circumnavigate it so you can see the whales not only in the River Derwent, as we saw yesterday, but out on the east coast as well.

**CHAIR** - 'A view with a room' - that's a good expression.

**Mr DWYER** - Yes, that's right.

**Mr FINCH** - This bloke who cooks like an angel, don't let him fly away, will you?

*Laughter.*

**Mr DWYER** - Fortunately for us this is the first new kitchen he has ever had to cook in because all his previous jobs around the world have been in pre-existing establishments, so to actually have a brand-new kitchen and setting up his own brigade in that kitchen he is finding absolutely amazing. He is a front-of-house chef so he would much prefer to be out at the tables talking to our guests about what they are doing and it is part of the experiences that are included if you stay at Saffire that you can have cooking lessons with the chef. That is all included. It is those type of experiences and the quality produce.

Our big thing in relation to Saffire is we are putting an awful lot of money into the promotion of Saffire - Pure Tasmania, domestically and internationally. This is a great vehicle internationally for Tasmania and Tourism Australia, as I have said, and that is where we need to keep the funding through Tourism Tasmania, especially for the international push of Tasmania and what it has of the best to offer.

There is a new organisation that has been set up in Australia called Luxury Lodges of Australia and that is the likes of Qualia, Longitude 131, Wolgan Valley, the new Emirates in the Blue Mountains, and the Southern Ocean Lodge on Kangaroo Island in South Australia. It is a collection of luxury lodges in Australia that has been formed so that in the international markets base people are aware that they can come to Australia and have a luxury experience and do not have to go back through New Zealand or Asia. In this region of the world that is available. We have applied to become members of that and in fact the inspection is next week from Luxury Lodges to give us the tick to actually be part of the Luxury Lodges Association. That is another great marketing vehicle internationally for Australia and, more importantly, Tasmania can be part of that as well.

**CHAIR** - How are the forward bookings?

**Mr DWYER** - The forward bookings are doing very nicely. We are in that period at the moment where the visiting journalists are writing their stories and you have seen some of the stories in the handouts and then they will start generating stories and bookings definitely themselves. Interestingly enough, I think it was about five weeks ago we had a journalist from a blogger off the Internet, the Cool Hunter website. I think some of you may have seen material from the Cool Hunter website, and that went internationally in 24 to 48 hours so it actually impacted on our website traffic on the Monday after he had posted his story on the Sunday night; out of Los Angeles and New York the traffic spiked on Monday from those regions. So the spread and the marketing that can be done electronically is quite amazing.

**CHAIR** - Very good.

**Mr FINCH** - Bernard, where do you think your markets are?

**Mr DWYER** - Certainly our market for Saffire is very strong domestically, but certainly North America and the UK, and through Europe, with Germany in particular. Italy is probably a good market we are starting to look at and we are just starting to develop a push potentially into the high-end Indian and Chinese markets as well. That is something that is a bit different from them and a totally different environment for them

to come and look at, and we believe there is a lot of high potential, and I think Tourism Tasmania is now starting to see that as well, in the Indian and the Chinese markets as they come here.

**Mr GAFFNEY** - You are obviously the only Tasmanian one that would be in that luxury -

**Mr DWYER** - The luxury lodges, yes. It is only early days.

**Mr GAFFNEY** - If somebody comes to have three days at Saffire, and that is the sort of clientele who can afford that, what else is in Tasmania that would satisfy them? Perhaps the Islington would.

**Mr DWYER** - We would say Henry Jones, not necessarily the Islington.

**Mr GAFFNEY** - You have a range though, don't you?

**Mr DWYER** - We have a range, yes, that is right. Certainly the Pure Tasmania tourism is looking at the iconic locations around the state, so we are represented in Hobart with Henry Jones, Strahan Village on the west coast with Gordon River Cruises and the railway, Cradle Mountain Chateau, Freycinet Lodge as well as Saffire and our new development that we are planning for Port Arthur as well.

So for a high-end tour of Tasmania we would see people coming particularly in to Hobart and the main reason for that is that business class seats only come into Hobart. There are no business class seats going into Launceston, and the people travelling to these types of properties are really your business class travellers. So they come into Hobart, potentially either straight to Saffire, in our view, or to Henry Jones, and you need to spend a couple of days experiencing Saffire, and then in the longer term with us coming back out through Port Arthur to our development there before they leave.

**Dr GOODWIN** - Is Qantas the only one that has business class seats or are they in JetStar?

**Mr DWYER** - JetStar don't, Virgin has premium economy, but they don't have business class, so Qantas is the only business class.

**Dr GOODWIN** - So you're pretty dependent on Qantas to maintain their level of service.

**Mr DWYER** - Absolutely, and the scheduling as well is very important, with the scheduling of business class seats, not only for this market, but also for the corporate market of Tasmania.

**Dr GOODWIN** - Do you engage with Qantas quite regularly then to make sure?

**Mr DWYER** - Qantas and the airports, yes, absolutely; Qantas mainly. This will also bring a different clientele to the State that will fly themselves, so they'll be bringing in their own jets and their own helicopters as well, landing mostly at Hobart Airport. We do have a facility where helicopters can land as well, but not on the Saffire site.

**Mr FINCH** - So they can helicopter over?

**Mr DWYER** - They can helicopter to the Coles Bay area and also light aircraft is allowed into Friendly Beaches, which is only nine or 10 kilometres away from the site itself.

**CHAIR** - What is the progress with the Port Arthur development by Federal Hotels?

**Mr DWYER** - There are solid plans for that and, in fact, we have already built the prototype rooms for that development down there.

**CHAIR** - On site?

**Mr DWYER** - It is on the bush mill site that we have down there.

**CHAIR** - Not on the site of the former motel?

**Mr DWYER** - No, the former motel is still operating.

**CHAIR** - I thought that was being demolished and replaced?

**Mr DWYER** - That is right, we have bought that from the Laycock family but Marcus Laycock is still operating that until we actually start the development. We couldn't afford to take that room stock out of the peninsula.

**CHAIR** - When is that likely to be replaced?

**Mr DWYER** - We are still developing up the plans for Port Arthur itself, and we are also taking a little bit of a breath with Saffire now into the market and actually prove the concept, make sure we have that concept and access and everything correct for that

**CHAIR** - So Federal Hotels is doing another development on the bush mill site?

**Mr DWYER** - We have the land there and that is where we built the prototype.

**CHAIR** - I see.

**Mr DWYER** - The prototype room itself is quite amazing. We are looking at a very sustainable building down there and that prototype room has weather stations connected to it. We are monitoring the temperature of the different slabs in the room. We have lamps that turn on and off, simulating people there through all seasons in the room. There is a lot of investment into making sure we have that right because it is an absolutely magnificent area down there and we have to put the right product into there. So has been a very strong focus for us.

**CHAIR** - That is good.

**Mr DWYER** - We are drawing breath and making sure we have absolutely everything squared away with the Saffire site at Coles Bay. The value of Saffire is quite amazing as well. For what is included in the tariffs, Saffire is on the lower end of rates for luxury lodges in Australia and New Zealand. So it is pitched low into the market itself. So when people get to see it and stay there, we are already getting the feedback that it is not as expensive as they thought.

**Mr CURRANT** - Yes, it is fantastic, I am waiting for a

**Mr PARKINSON** - That bay off the bush mill; I have done a bit of fishing down there. Isn't that called Stinking Bay?

**Mr DWYER** - I am not sure.

*Laughter.*

**Mr CURRANT** - Have you been leaving your fish heads.

**Mr GAFFNEY** - I have heard some great stuff about the potential of Port Arthur and the research with the plants and the food and things there. I just think it is amazing.

**Mr DWYER** - We already have a market garden down there and we are already using the berry fruit from that market garden. We are producing jam out of IXL Hotel again, so the Henry Jones is being redeveloped. It is what Tasmania is renowned for.

**Mr FINCH** - My mum and dad used to work in the jam factory years ago.

**Mr GAFFNEY** - I was reading about it and they have gone back and taken the seeds that were first brought to that area and they are regenerating some of the most unusual fruits and vegies.

**Mr DWYER** - It will create some great cottage industries down there and they are really complementing the Three Capes development planned for there as well.

**Mr HANNA** - Absolutely and that is why we were very pleased, through the election process, at both Federal and State Government commitments to Three Capes. The Tasman Peninsula has been crying out for that iconic experience, something in addition to the Port Arthur Historic Site, which has borne most of the load down in that area.

The other important point with regard to Saffire is that it is going to generate a lot of activity and excitement. People may not go and stay at Saffire, but they will see the iconic images of this area, they will see the quality of the products and want to go there. They may not quite be looking at a budget that could stretch to Saffire but it is going to generate a lot of other activity.

**Mr DWYER** - Then they will stay at Freycinet Lodge.

*Laughter.*

**CHAIR** - Which is also very nice.

**Mr DWYER** - You see that promo and you have to go there.

**Mr HANNA** - Then we have some other very exciting things happening too. Obviously Barnbogle's second course is going stimulate a lot more activity. We know what the first Barnbogle course did. Then MONA is starting up in January in the arts and culture



market, probably not an area in which we have been particularly strong in the past, but I think MONA will drive that. The TMAG redevelopment would be an ideal complementary activity.

**Mr PARKINSON** - In complementing MONA, when do think TMAG ought to click in?

**Mr HANNA** - We have that in our submission to the Gillard Labor Government and to the Abbott Liberal Opposition. An ideal part of the Tasmanian package for the Federal election would be to include the redevelopment of TMAG. The timing would be great. They are pretty much at the end of their planning processes now with the funding they have already received. TMAG has a fantastic collection. It has one of the best collections in Australia but can only display a very small percentage of it. They are not able to attract touring exhibitions at the moment. One practical reason is that they cannot get insurance cover because you have to unload in Argyle Street these works of art worth millions and millions of dollars. While it is an impressive site, with some of the best colonial buildings still standing in Australia, it is not shown off to anywhere near its potential. So I think the timing would be perfect, given that MONA will be starting in January next year. That is going to really start to put Tasmania on the map for arts and culture visitors. That group are quite high yield and not necessarily seasonally based. This is going to be the sort of visitor who will be prepared to come here in shoulder and off season. It would be a great stimulus, not just for Hobart but also for the rest of the State.

I want to quickly give you a snapshot of what has happened since we presented last time. I have included a document which I think really reflects what I presented late last year. This was our election platform which we put to all three parties. Essentially two of the three tourism policy commitments were that tourism, being an important part of government, continue to have the partnership with industry. As I presented late last year, there were real concerns around funding. If something was not done with regard to tourism funding, we would really not be able to promote much at all. We would lose market share. We would lose voice. So we were looking for a commitment to back over \$30 million a year again, just returning it really to historical levels. Then we put in two other commitments we were seeking around infrastructure: the Three Capes Track and TMAG redevelopment. All three political parties, I thought, came up with pretty good tourism policies that largely reflected what we were seeking. We obviously worked very closely with all three parties in the lead-up. All three spokespeople presented to our board.

We have just had a State budget. The Labor Government largely delivered on those commitments they made in the election process. In terms of funding, they probably delivered on 90 to 95 per cent of the tourism commitments. The most important ones that we were really happy with were the commit to tourism resources, back up above \$30 million a year again, to allow the destination to be adequately promoted in key markets, and also the commitment to the Three Capes Track. We think we are not too far from work starting on that. It should be able to get into the market in two to two and a half years.

**Mr PARKINSON** - Is the promotion adequate? If you talk to people like the Hospitality Association, they are saying it is not.

**Mr HANNA** - There are always questions over how effectively we are promoting our destination and I guess operators in Tasmania are always going to question that.

**Mr PARKINSON** - I am talking about, for example, meeting incentive.

**Mr HANNA** - Two election commitments were not covered in the Budget. One was business events. It was a pretty small commitment, I think \$1.2 million over four years, but that would have enabled Business Events Tasmania to do a lot more and be more aggressive in attracting conferences and meetings and events business here. That, of course, has other spin-offs because it is not seasonal as well. In fact, quite often it is overloaded towards the winter period. It was certainly unfortunate that that was not committed to.

The second one was the Winter of Festivals; \$1.6 million over four years was an election commitment but that was not delivered on in the Budget. So while we were broadly very happy with what was committed, those two were clear omissions and we hope they could be delivered on pretty quickly and would particularly help with some of those seasonal issues.

On the broader question, I think in national terms we are very lucky we have a very effective State tourism organisation. Is it perfect? No. It is clearly not perfect and I do not think any tourism organisation or marketing body ever will be, but it does a pretty good job. It is important that it operated on a pretty skinny budget for many years in national and global terms - around \$30 million. When you look at what other destinations around the world have to spend on promotion I think Tasmania does a pretty effective job.

It is important to remember that it is not all government that is doing the heavy lifting. We have companies like Federal, TT-Line and a range of other organisations that are in the market doing a lot of the heavy lifting as well, so it is genuinely a partnership. I think Tourism Tasmania is increasingly moving towards an experience-based focus and that is something clearly the Tourism Industry Council has supported. I will soon get onto the research which shows that that is actually the right way to go. We have done a pretty good job in building brand, and people understanding that brand in our key markets, so now they want to know more about the products - what can I do, what can I experience, what can I buy - and that is going to be the trigger to get conversion.

Those two issues I would say are things we would be looking to have delivered in the next budget - Business Events Tasmania funding and Winter of Festivals.

**Mr FINCH** - Is that Lumina?

**Mr HANNA** - Yes, that is Lumina and that election commitment was for ongoing funding to it to build that into a high-profile national event. It is a little bit disappointing that we will have to go and have this battle again, I am sure, come next election because the commitments are only made for a four-year life of the Parliament. Come year 4 it is going to look like all the funding falls off a cliff again and we have to have another battle and try to secure it again. It looks like we have had a huge win but all we have really done is stay where we were. I do not know if structurally and institutionally there is something we can do to resolve that issue. Long term it would be much better for the

State tourism organisation to have that certainty. They know what the funding is going to be. They can invest in longer-term campaigns and they do not have to get caught up in the political cycle each time.

**Mr GAFFNEY** - Perhaps the only discussion they have is whether they can actually up that for a particular event, so the baseline funding should always be there and then you go into battle for other things you might need to have because a special event is coming up.

**Mr HANNA** - Yes, that would be exactly the model. If the baseline funding was enough to do the key things that we need to do in those markets and that are important to us, then you are right. We have one-off events or markets that we want to enter so then you can supplement it for either a short period or a longer period.

The other issue that we will be looking at is obviously the State Government will need to be a partner in the TMAG redevelopment. I do not know if the Feds would come up with all the funds so we would hope that the State Government will continue to be a partner. We also recognise they have already put \$30 million into that as well.

**Mr PARKINSON** - To what do we attribute the big percentage increase in China visitations?

**Mr HANNA** - As we know, Australia's tourism sector has increasingly started to look to China, probably in the last two to three years, and recognised what has happened to their economy and also their propensity to travel. China is coming off a very low base for Tasmania but it is already our number five international market; 12 months ago I do not think it was in the top 10. We have had rapid growth. The base is still very low. If it goes anything like the Japanese market went then Tasmania was probably not in the first wave. Visitors as they discovered Australia tended to travel in a certain way, usually in organised tours to high-profile locations around the country.

**CHAIR** - Sydney Harbour Bridge, Ayers Rock and the Great Barrier Reef.

**Mr HANNA** - You could probably pick them, but as that group got more comfortable with the country and understood it more and were looking to come back a second time, that is when places like Tasmania start to get onto their radar. I assume that with China and probably to a lesser extent the Indian market that is what may happen with us as well. It is certainly where we have to focus some energy and attention. Is the product right for that market? Some of it probably is and some of it is not. The experience they are looking for is probably a little bit different from our key international market. North America, UK and Germany, for example, are very heavily looking for a certain nature-based experience. We know a lot of the Chinese market at the moment is looking for something a little bit different to that.

**Mr GAFFNEY** - The Circular Head Council, when they did their DVD, actually had Chinese language on the screen as well.

**Mr DWYER** - Subtitles.

**Mr GAFFNEY** - Yes, which was exceptionally smart thinking, and they sent that over there. The group that I went to knew about Circular Head because of that DVD.

**Mr HANNA** - That is good. I think as an industry we are a lot happier now about where the national tourism body, Tourism Australia, is heading. They have probably been a disappointment for a lot of people in recent years, but I think they have really got their act together now with a new CEO. They are moving away from chopping and changing campaigns every year or two. It is well known that campaigns like, 'Where the bloody hell are you?' simply fell flat in a lot of Asian markets.

**CHAIR** - Predictably.

**Mr HANNA** - Yes, quite predictably for a lot of people. I think now we might see a lot more stability. Clearly that sort of model has worked well for New Zealand. They worked hard on a brand and they have been consistent with their messaging over many years. Hopefully Australia is going to start to perform again. If we have more visitors coming to Australia out of those markets, then Tasmania will get a trickle down. We will get some benefits from that. We simply cannot as a State, though, enter a huge market like China because we just do not have the resources. We have to piggyback on other things that are happening.

**Mr PARKINSON** - On that vein, did we see any avenues for promoting Tasmania through Shanghai Expo?

**Mr CURRANT** - The cost of doing that is astronomical and I know because I am on the Tourism Tas Board. Obviously they considered the returns for us. We're off brand for Australia, as you know. There is nothing wrong with that because I personally think that contributes a lot to our present ability to hold our market. A push into China is a bit like saying we are going to the States; it is a very, very expensive exercise. You have got to target it. They looked at it and decided that the amount of money needed was not there. There are different ways of doing these things now. The electronic media is just growing astronomically and that is where a lot of the effort is going. It is not about having a whole-body presence in a lot of these things.

**Mr PARKINSON** - So you did not set up a stand for Saffire at Expo?

**Mr DWYER** - Not at expo, but we have been into the North American market twice now with Hotbodies. In fact at the last new product workshop in London, which I think was in February this year, we worked in Australia House in London for two days talking to many of the wholesalers - so it was a wholesaler show, not a consumer show. That was where we started seeding the Saffire and the Pure Tasmania brand. That coincided with ATE, the Australian Tourism Exchange expo, that was in Adelaide only a couple of months back. So then all of these wholesalers from around the world came into Australia and then you follow up once they are here. Then they do a lot of State visitation after that, before and after that particular conference as well.

As Simon says, there are different avenues and channels that you need to cover and you have really got to pick the best, and the best timing, so you get the best bang for buck.

**Mr HANNA** - This is the result of some research that we had commissioned a little over 12 months ago by a company called BDA, who are very well known and have a great understanding of the Tasmanian market. In fact, a lot of key organisations like Tourism

Tas use them. They have built up substantial expertise in understanding the tourism market in Tasmania.

Page 4 gives you the background. We essentially approached BDA with a key question: what is the link between investment in advertising, particularly government advertising or marketing, and demand for people to travel to Tasmania? What is that link? Is it a strong link. What about awareness of the best Tasmanian experiences at the moment? We obviously think the Barnbouglies, the Port Arthurs are very well known in our key markets. Are they in fact well-known and if people were made more aware of them, would they be more likely to travel here?

Page 5 is just a summary. They used a lot of sources.

Page 6 is probably the key one. This is what does not often get done. These guys went in and did a survey of 440 people in our key markets of Melbourne and Sydney. These are our two major source markets. They did surveys with each of them and they provided them a range of stimulus material. What I mean there is some nice images of great products and the 11 that we tested are in there, ranging from Port Arthur Historic Site to Salamanca Market, to Bruny Island cruise. Essentially they were all experience and attraction based, not really accommodation based. We also had a range of information there about their demographics. But basically these are people who have the potential to travel to Tasmania. They have been identified as being in the right demographic fit for us.

I will give a quick snapshot of some of the results of this. BDA did a lot of background work, and I will let you read quite a bit of this at your leisure. Page 8 is really just indicating what a lot of people have known. Australians are loving travel. There is no decline in their capacity to travel, it is just where the growth is; they are heading off-shore. They are not travelling domestically anywhere near as much as they were. It is not exciting them, for whatever reason. But despite that, Tasmania has continued to punch well above its weight. We have continued to grow our market share at the expense of others. So while more Australians are heading off-shore and not travelling domestically, if they are travelling domestically they are seeing Tasmania as the option they want.

**Mr FINCH** - There is the strong dollar. A lot of travellers in Australia are so savvy to value for dollar. They know that now is the time to take the overseas trip. Hang on, whoops, now is the time to have your domestic holiday.

**Mr HANNA** - Certainly a lot of those factors are important and clearly, the state of the Australian economy is vital as well and people are feeling comfortable and they will increasingly travel. When the dollar is strong they will look to head off-shore. When aviation competition is really strong and fares are down that is another stimulus. A lot of those things have been working against Australia because we have had a strong dollar. We have had significant aviation competition. We have had also, importantly, a lot of investment in the region. Look at the amount of money being spent in Dubai, Singapore and Macau, and in a range of other places in our region that are now increasingly easy to get to, and then markets are opening up like Vietnam as well.

On page 10 is the Tasmanian picture. It is nice always having graphs that point upwards, and by and large that has been the experience of Tasmania. That is over the last 10 years and shows that visitor nights, share of travel, spending and average spend per trip have all been increasing. That is the background, the context, if you like.

This is over a year old now, so I will not go through the economic outlook. A lot of it is borne out and what they were predicting has been proven to be right.

On page 12 is a key graph. The current Tourism 21, which is being renegotiated right now, sets a target of us growing to about a \$4.3 billion-a-year industry by 2017. On page 12 the red line shows the sort of growth that we have to experience. It is pretty challenging. What is even more worrying is the green line that shows the trend. If we were to just hold our market share - admittedly we have been growing market share so we have grown stronger than this - which of course you have to work hard to do in some areas, we are going to get nowhere near that. In fact by the time we hit 2017 we will be \$1.6 billion a year short so we will have very, very slow growth if we do not pick up market share and that is because of all those trends that I have talked about. Australians are travelling but they are heading off-shore. Domestic holidays are not exciting them anywhere near as much.

**Mr GAFFNEY** - Daniel, you are also suggesting that things like Saffire and MONA will be the spike that could get us to that red line?

**Mr HANNA** - That is right and in fact later in this research it shows pretty clearly that once people are aware of them, exciting products are more likely to get people here.

Page 13 is, if you like, awareness of tourism advertising. As you can see, Queensland has always been the leader. Nearly 50 per cent of people who are asked are aware of Queensland tourism advertising and that is because of big investments over many years. It is a pretty tight pack below that but Tasmania does not rate too badly. We have had a bit of growth and we are now stuck into third and I think we have just got ahead of the Northern Territory.

On page 14 is another really interesting graph. The blue line is a reflection of that previous graph so this is the population of Australia and it is done through Morgan Research and their awareness of Tasmanian advertising. As you can see, it has by and large been growing but the red line was the Tourism Tasmania marketing spend that has been available. It is interesting just how easily those two lines correspond, probably you would say with a lag of maybe 12 to 18 months so particularly when you look at 2005 and 2006 when Tourism Tasmania's marketing spend was going up, about 18 months later awareness of Tasmania's advertising really spiked as well. It showed that there is a clear relationship between the two of them and, as we had hoped, if you invest more in advertising you will make people more aware of that advertising. Slide 15 then shows why that is important.

Those who have seen ads for Tasmania - and this was again research with those key markets - are then twice as likely to intend to visit the State so if they are aware of advertising it is twice as likely that they are going to say, 'Yes, I would like to go to Tasmania'. Regarding those who are interested who visited Tasmania in the last 12 months, again that was double, so it leads to people being interested in travelling and

having an intention to travel to Tasmania and then actually travelling to Tasmania. So it does make a difference. That was the important thing.

Again slide 16 shows that for New South Wales and Victoria the relationship is particularly strong in Victoria and not quite as strong in New South Wales but of course there are other factors in New South Wales, for example, getting easy access to the State is not as simple as it is from Victoria.

The summary there I think is about right. The travel pie is getting smaller in Australia, Tasmania is performing well but it is heavily linked to a growth in advertising awareness.

Slide 19 shows the primary research that was done through this survey. This is around consideration for Tasmania, so the people that we surveyed. The average there was 39 per cent of people who would consider travelling to Tasmania and some of those have been to the State in the last two years. We have taken out the names of each of the products to protect them. That is the awareness of product. When you look back at where the slide was and what some of those products were, they are pretty high profile - things like Port Arthur Historic Site, Salamanca Market. We tested those 11 and only two of them had 40 per cent or higher awareness. It is quite interesting, you would think that people in our key markets who have already been identified as likely to travel potentially to Tasmania would know about Barnbougle Dunes, Port Arthur, Salamanca Market, Tamar Valley Wine Route, Maria Island walk and other iconic products within the State when in fact the truth was no, a lot of them are not aware of those products.

**Mr FINCH** - Did they visit them while they were here, though?

**Mr HANNA** - No. They were given the stimulus material and asked, 'Were you aware of this product?', and by and large they said, 'No'. Then on the right-hand side it said, 'How appealing do you find that product?'. One thing that BDA commented on was that this was incredible, almost off the scale, just how high these appeal ratings are for these products. So people haven't heard of them but when they have seen some material regarding those products, they find them extremely appealing. So that is good in terms showing a real opportunity. The profile was pretty similar across Victoria and New South Wales on slides 21 and 22, again similar for people who have and haven't visited, because some of those surveyed had visited. It is really interesting to know that of people who have been here, an amazing proportion of them still have not heard of iconic tourism products and they are people who have been here in the last two years.

So slide 23 is pretty much right - a massive lack of awareness was identified, despite all our good work. In our market there is still this massive opportunity because there is really strong appeal for our product. So what we asked BDA to then do was quantify that potential. What could that mean in a perfect scenario if we were able to make people aware of the best Tasmanian experiences - say, for example, just those 11 iconic things.

Slide 24 goes back over that gap between T21, the trend. Then if you apply the survey results, what BDA found was this. Prior to the stimulus, 39 per cent of respondents were considering coming here. After the stimulus, it doubled to nearly 80 per cent. That would mean a huge increase in trips, in nights, in spend. Then on page 27, that is where it shows what you could do. If we could achieve perfect awareness, which we will never do, you could achieve up to an extra \$1.5 billion a year in visitor expenditure. That is

just through awareness, not through building huge numbers of hotels or new products into the market. It is with our existing product that there is this massive opportunity. When you go back and think there was a heavy link between awareness of advertising and intention to visit it shows it is going through the chain. You invest in advertising, so you are going to make people aware of your product, so they will intend to come here and then they will come here.

However, as BDA pointed out, there is also plenty to lose. If you lose market share, and other destinations are trying to grab it off us, we could go below trend. We could actually start to go into negative territory. On page 28 they tried to quantify that. Where do we want that blue line to be in the future - potential awareness of Tasmania? It is heavily linked to Tourism Tasmania's real marketing spend. Before the Budget last year that was in free-fall and it would not have taken long for awareness to follow. Thankfully that has largely, not completely, been reversed.

So that is really the summary of that research we conducted. It was really quite incredible just how clear the link is between investment by governments in advertising and marketing into our key markets and to key people who want to travel here. Once they are made aware of the great things, they will want to travel here and then they will actually travel. There is potentially up to \$1.5 billion a year worth of extra business in that. It depends on how aggressive we want to be in the market as to how much of that we want to grab.

**Mr FINCH** - Yes, it comes back to dollars.

**Dr GOODWIN** - I presume you shared this with Tourism Tasmania. Do they know which products scored what?

**Mr HANNA** - They do.

**Dr GOODWIN** - There is some variation in terms of the appeal of products and obviously there would be some advantage, if you want to be a bit strategic about how you spend your dollars, in marketing those products which seem to have the most appeal.

**Mr HANNA** - That is a very good point because it is not always a popular or democratic thing to do, but sometimes you have to pick winners. You have to pick the most appealing product to get people's interest and make them travel here and lead with that. You lead with your iconic products, the things that have very high levels of appeal. Then, when people do travel to Tasmania they do not come just to experience one thing; they come to travel, they expect a tour and they want to go to multiple destinations. So just because you lead with a product on the east coast, it is not just the east coast that is going to benefit, but also all regions around the State.

**Dr GOODWIN** - It is the hook to get them here.

**Mr FINCH** - So they have come for one of the icons, and then they look around and they say, 'Wow, look at all this other stuff that is here.' I suppose that is where we have a good advantage, because we have so much else to offer.



**Mr HANNA** - That is right. We do very well when we get people here. Two-thirds of our current visitors have been to Tasmania before. So once we get them they are very likely to want to come back.

**CHAIR** - I thought it was a bit higher than that.

**Mr CURRANT** - Yes, it is.

**Mr HANNA** - Two-thirds was the conservative estimate. That means there is still a huge market of people who have not been to Tasmania before that we still need to talk to. We often think we have saturated ourselves in the Melbourne and Sydney market. The reality is we are nowhere near that point yet.

**Mr PARKINSON** - The new visitors are extremely impressed. I took some friends last year around to the west coast, to the railway and Gordon River, and they reckon that trip was better than the Daintree. They had done the Daintree the year before.

**Mr FINCH** - You talked about the New South Wales market and the Victorian market, what about South Australia, Queensland and Western Australia? What is the potential there for us to do more.

**Mr HANNA** - There is potential in a lot of Australian markets. You are picking winners with your products, and you have to pick winners with the markets you target as well. For Melbourne, or Victoria generally, because it is so easy to travel here, access is so good, it is very affordable to get here and they are a market that probably understands Tasmania anyway - there are a lot of cultural and family links - are good to focus on. New South Wales is probably number two. Having direct flights is very important. Queensland has a direct air link now. It is limited and it could grow. I think there is real opportunity there. Now that Tiger has withdrawn we do not have a direct air link anymore with South Australia. We started to see some decent growth out of the South Australian market. Of course for Western Australia we have no direct access either. So opening up new routes is probably not going to be all the answer, but if you work to open up new routes and then you have government and other advertising behind it to support it and to build awareness, you can make some of those routes be long term.

**Mr FINCH** - I have never flown Tiger. I am from Launceston and I do a certain amount of travel but they have never marketed to me and I have never felt their presence in Launceston. It is as if they put a toe in the water, but were not really serious.

**CHAIR** - I have had regular emails, but I have never flown with them.

**Mr HANNA** - I have flown with them and it is quite comfortable. The planes are new. The service is fine. But you are right, they do operate as an ultra low cost carrier so there is not a lot of money in there for marketing. They use e-mail and other ways to get people to know about them, but they do not invest in mainstream advertising or marketing.

**CHAIR** - As a State, do you think we are doing enough to promote Tasmania as a destination during the summer in southern Queensland, where people are complaining about the humidity and the heat, even locals who have lived there all their lives? It seems to me

we have great potential to let them know what a sublime summer we usually have here, 23-25 degrees day after day.

**Mr CURRANT** - Again, you have to look at what happens here in the summer. Where should we spend it? To my mind Queensland represents a much better chance of selling them winter than selling them summer. Put something on, snuggle up, is something they do not get.

**CHAIR** - Do you think we are pretty full here in summer anyway?

**Mr CURRANT** - Yes.

**Mr HANNA** - It has been reflected in what Tourism Tasmania do. If we focus heavily on the shoulders where there still is some capacity, as in you get people interested, who want to come here and they are going to be able to get flights and find rooms, that is where the investment should be. If we have other things to do over winter - and I think having a winter festival and an events concept is quite a good idea - you have something to promote in winter and you can start to knock down some of those stereotypes, 'Don't go to Tassie in winter, there's nothing to do and nothing is open'. In fact with the winter festival you say, 'There's this huge calendar of events and there is going to be something on that will interest you at some stage'.

**Mr FINCH** - You mentioned earlier, Simon, it is eight months of the year we have come into now in respect to the narrowing of the shoulders. Is that good enough? Is there something to be worked on there? I think that is what you might have been saying, Daniel.

**Mr CURRANT** - No, it is never enough. The opportunities that are going to arise for us are leveraging on MONA because people are going to come to do something that does not rely on weather at all so it is a big bonus to have that happening and to leverage on that, and Tourism Tasmania are doing that. They have made commitments to the cultural tourism market and there was something in the Budget -

**Mr HANNA** - Arts and culture events.

**Mr CURRANT** - for arts and culture events from the Government, so the opportunities are still there and it is a pity that the funding for that was knocked back at this stage because that is where the biggest benefits are going to come from. The events area includes Lumina and a great range of events from V8 cars to cultural things. The push there is to support and promote events outside the mainstream time. It is absolutely stupid having Ten Days On The Island at the time of the year that they do from the point of view that that is a time we are full anyway.

**CHAIR** - I see. Have you made representations to them about changing it?

**Mr CURRANT** - You have to look at who is running the show there. It is a government thing. It is not run by Tourism Tasmania or Events, it is outside that and they resist it heavily. On the Events side of it, anyone who comes forward with an idea for an event outside our busy periods is going to get a much better hearing and we are pushing towards that happening.

**Mr FINCH** - Are we not able to capitalise on our snow any more than we do?

**Mr CURRANT** - No, forget it.

**Mr FINCH** - The infrastructure is unreliable?

**Mr CURRANT** - It is not that, the bloody snow does not come, so forget it. It is a non-event.

**CHAIR** - It helps. To ski you have to have a bit of snow.

*Laughter.*

**Mr CURRANT** - But you can capitalise on a nice crisp frosty morning.

**CHAIR** - There is nothing like them.

**Mr CURRANT** - No, and I never apologise for the weather in the winter and never will, and there are people who want to come and rug up - particularly Queenslanders, I think.

**CHAIR** - And they are surprised that the winter is not as severe as they understood it to be.

**Mr HANNA** - It is much nicer than in Canberra or a lot of inland New South Wales, for example.

**CHAIR** - Yes, and Ballarat, Canberra and Ballarat being the two coldest places in Australia.

**Mr DWYER** - These photos were taken in the middle of winter. They were taken at the end of May.

**Mr FINCH** - Simon, there is one particular event that I do not have a great deal of knowledge about but I heard about it and I was very excited - Peppermint Bay bringing a plane load of business people down from Sydney.

**Mr CURRANT** - That was initiated by Fairfax and they did it through a publication - I cannot remember -

**Mr FINCH** - *Gourmet Travel?*

**Mr CURRANT** - Something like that. They teamed up. Tourism Tasmania had a hand in it, Peppermint Bay and the airline. That has been repeated and repeated again to have more events like that.

**Mr HANNA** - It is called hot lunches.

**Mr CURRANT** - Yes.

**Mr FINCH** - So that has been done three time are you saying?

**Mr CURRANT** - Yes. It has definitely been done twice -

**Mr HANNA** - There is one at Moorilla as well, I think.

**Mr CURRANT** - Yes, and one has been done in the north, hasn't it?

**Mr HANNA** - There is one in Launceston as well, I think. There has been, I believe.

**Mr CURRANT** - If there has not been, it is going to be with Still Water.

**Mr FINCH** - It's a fabulous idea.

**Mr CURRANT** - It is and it works well. But you have to understand, airlines run and you have to book the whole aircraft out and you have to do that beforehand and know that you can sell it. With Fairfax that is pretty easy and you have an audience.

**Mr FINCH** - There is an opportunity there to have presumably good spenders come down and have that look and then be exposed to what else we might have or with that residual opportunity to come back with their family.

**Mr CURRANT** - That is what it is really about. That is the big benefit. What they spend in their trip down for a few hours is not huge dollars but it is great exposure. We also will benefit from the fact that it is close.

**CHAIR** - I hope they come to Still Water when the tide is in after the Government gets rid of the silt.

*Laughter.*

**Mr FINCH** - It doesn't take long, does it?

**Mr HANNA** - It seems to break down some of the stereotypes about Tasmania. These are people who maybe have not been here before or have not been for many years and they had an idea about what Tasmania was like. But very high-end food and produce in a cutting-edge building really does break down a lot of those preconceived ideas people have about Tasmania, and that is something that products like MONA and products like Saffire are going to do too. People have an idea of quaint old Tassie but in fact we are very much at the leading edge with some of our tourism products.

**Mr FINCH** - I thought it was very special, a very good idea.

**Mr GAFFNEY** - I am not getting parochial because I have heard enough about Aurora and Bellerive and I know we are going to hear more of it.

*Laughter.*

**Mr GAFFNEY** - But when I looked at the 11 key Tas Tourism offerings, there is not one on the north-west coast. Some people say that the Overland Track end up somewhere there and I am not having a crack at this but I am highlighting that we do not have one that would be considered to go into this. I think that is a real issue for the north-west coast and the one that we did have failed dismally. That was probably foretold, I think.

*Laughter.*

**Mr GAFFNEY** - We have to sit down and at least try to get an iconic - the Nut -

**Mr CURRANT** - You have something up there called Cradle Mountain. I started there and I have to tell you, I pushed and pushed that you kept on referring to it whether you were in Burnie, Smithton or in Scottsdale.

**Mr GAFFNEY** - Yes, I know it is cradle country and that is great and I appreciate that but 95 per cent of the people who come to Cradle Mountain would go from Launceston to Cradle Mountain and back to Launceston.

**Mr CURRANT** - All right, but -

**Mr GAFFNEY** - What I am saying is, there is nothing on the north-west coast.

**Mr CURRANT** - it is the chicken and the egg. How do you get the investment? Here is someone who invests their money. I cannot see any opportunity up there, I am not interested. Those are the cold, hard facts about the attraction.

**Mr GAFFNEY** - That is right, and this is the Tourism Industry Council of Tasmania and in that survey there is not one of those 11 that is on the north-west coast.

**Mr CURRANT** - Which attraction, that is what I am trying to say to you?

**Mr GAFFNEY** - And I am trying to say to you that the Tourism Council in doing this have verified that there is not one attraction on the north-west coast. So I am just highlighting the fact that we need to work together to try to at least find something on the north-west coast further than Cradle Mountain. That is wonderful but we need to get them to the whisky distillery. I think the Nut at Stanley is great.

**Mr CURRANT** - I have to say that was probably my responsibility. We looked at a range of products to put into this research and we tried to find something on the north-west -

**Mr GAFFNEY** - And we cannot find something.

**Mr HANNA** - We almost put Stanley in there, the township of Stanley, but in the end we had to keep the numbers down. That is probably the one we would put in but your are right, it needs an iconic product to attract people.

**Mr GAFFNEY** - So this is a kick in the butt for us on the north-west coast to try to find something now, hopefully to hang a coat on.

**Mr PARKINSON** - A casino at Cape Grim?

*Laughter.*

**Mr HANNA** - I do not want to get into another debate but the Tarkine region - I am not going to talk about the drive or anything like that; plenty has been said about that - but

the Tarkine has some capacity. At the moment it is really a blank canvas. There is not a product in the Tarkine that you could say is anywhere near strong enough to attract people, though maybe Corinna is doing a little bit of early work. I know Parks and Wildlife are looking around for products there. I think Wild Coast has potential. It depends on what people want. It has to be tested very strongly in some of those key markets as to whether it would be a winner or not.

**Mr GAFFNEY** - The only other one that is perhaps a potential attraction is the Whitewater Classic or the surfing on the far north-east coast.

**Mr HANNA** - Marrawah.

**Mr GAFFNEY** - Yes, that has been getting a lot of international exposure. The last speaker spoke about niche markets; there is potential there for a niche market to get that exposure as a place for cold-water surfing. We could look at that as a natural asset as well.

**Dr GOODWIN** - I really want to see the Hobart to Smithton bike track developed.

**CHAIR** - The north-west coast is really lacking in good standard accommodation. I have tried to persuade Greg Farrell to have a really nice complex there, but he of course is more interested in the atmospheric areas. Is anybody considering some investment there in really good standard hotel accommodation?

**Mr CURRANT** - People do not go to places just for the beds; it is about what is around them. So find the reason to go there, then people will come and stay - and some people are going to want better beds. So that is the issue.

**CHAIR** - In Burnie, for example, there is not a really good standard place. There are average ones. That applies to Ulverstone and Devonport as well.

**Mr CURRANT** - Putting a five-star bedroom in there will not make any difference to their travel desires; it is about the attractions around there.

**Mr FINCH** - Experiences.

**CHAIR** - Yes, but some people could be put off - 'I will go somewhere else because it has a better standard of accommodation.' There seems to be a lack up in the north-west coast.

**Mr HANNA** - There are some developments but they are small in scale. Eagles Nest is very good, and there are one or two in Stanley - like Beachside Retreat.

**CHAIR** - And the one at Boat Harbour - Azzures.

**Mr HANNA** - Then you have Corinna as well, which I think has about 15 to 20 now.

**CHAIR** - I have heard good reports there.

**Mr HANNA** - Simon is right - it is about finding the reason. As a visitor, why would I go to the north-west coast? What is there to do that is so great that I should change my itinerary and not go somewhere else? Finding that thing is the real challenge.

**Mr GAFFNEY** - And it is not going to be the one thing. It is going to be the trail of raspberries, cheese, fish, cherries, chocolate or whisky. That trail may then be the market we are going to explore and which would be the attraction. There could be half a dozen things which would make a terrific destination in itself.

**CHAIR** - Cradle Mountain has a really good range in choice of accommodation, but the towns on the north-west generally do not.

**Mr HANNA** - That does not necessarily need to be a barrier. For example, the Tarkine has good brand recognition right now. It just has not the product to back it up. If you developed a couple of really good things to do in the Tarkine - and I am not talking about a road because a road is not an experience; you are talking about something that draws people there - you could still use the towns on the coast for where people will stay because it is not far away. They can come in and out from there.

**Mr FINCH** - I did a couple of shows in Corinna for the ABC about 20 or 25 years ago and the theme music of *Deliverance* comes to mind every time I think of Corinna. It was a wild and woolly old spot.

*Laughter*

**Mr CURRANT** - It still has that character, and that is the appeal.

**Mr FINCH** - You might have mentioned the coastline at Arthur River and the opportunity to go up the river. What do they call it?

**Mr HANNA** - Edge of the World.

**Mr FINCH** - And Marrawah is just down the road, and Woolnorth, and Doughboys up to the north.

**Mr HANNA** - Once Three Capes gets developed you have a second iconic multi-day walk. If you trawled around the State to find the next iconic product, that might well be the location. It would take quite an investment but it has some possibilities.

**CHAIR** - Gentlemen, any closing remarks?

**Mr HANNA** - We fully support scrutiny of tourism. The more parliamentary and public scrutiny of the value of tourism for the economy, the better.

**CHAIR** - Thank you very much for giving up your time.

**THE WITNESSES WITHDREW.**