

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into rural and regional tourism

Melbourne—18 June 2007

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Mr G. Binskin, General Manager, Tourism Wollongong.

The CHAIR—Thanks, Greg, for coming along. This is an all-party parliamentary committee, hearing evidence into rural and regional tourism. Welcome to this inquiry into regional tourism. All evidence taken at this hearing will be protected by parliamentary privilege, as is provided by the Constitution Act 1975, and further is subject to the provisions of the Parliamentary Committees Act 2003 and the Defamation Act 2005. We also wish to advise that any comments you make outside the parliament may not be afforded such privilege. Could you state your full name, address and the organisation that you represent. We will be rapt to hear your evidence, and if you leave some time at the end for a few questions, that would be great.

Mr BINSKIN—Greg Binskin. I am the General Manager of Tourism Wollongong. The address is 93 Crown Street, Wollongong, New South Wales, 2500. It is great to be able to afford to come down and discuss a product, and hopefully I can answer some of your questions prior to being asked.

Overheads shown.

Mr BINSKIN—I am representing two things: Wollongong as a local government association tourist association and also the regional body of Illawarra. I will go through what we have done in the area to give you a bit of a heads-up on where we have been, where we have been able to monitor, where we have delivered development, and then talk about some of the international business and why we have been driving business and how we have been able to successfully monitor the investment that we have put in.

I came into this job five years ago and the council, like most councils or most government agencies, was giving limited funding, given that Wollongong is a city—Wollongong, the third-largest city in New South Wales, part of the South Coast region, or Illawarra. This is some of the imagery of the way we have been able to start to portray how Wollongong is. This is the new Grand Pacific Drive. Particularly, I have put this one in, which has actually been done by the media: 'Grand to rival the Great'. There are two drives out of two major cities. We are out of Sydney, a world-class city. The Great Ocean Road is out of Melbourne. This is the way the media has portrayed it and this is where we are heading. It was a \$49 million investment by the New South Wales government, and it is an investment that we have made some stories about. It is a bridge. It is a bridge with curves in it. It is a bridge that is going to be seen on the Shell Ferrari ad when it is released in September. It is a bridge that has been able to turn our tourism around.

However, it was not always like this. Before I arrived there, we had a whole lot of issues. Remember Wollongong? Perfect—it is a great thing to market! We talk about market awareness. The perception was that it was dirty, filthy, polluted. There was heavy industry, serious big crime, industrial problems and relations. How do I get tourism going? This is what we faced when we first sat down. Unemployment was high. There was a downturn in the coal industry, which fortunately enough China has now fixed a bit, and even India is now changing it. It was at the time when BHP was going to close the steelworks. We had poor industrial relations. Crime rates were high. We had all the good things to sell!

The council and the forefathers asked, 'Well, okay, how are we going to fix this?' They decided to come up with an image campaign. We had an image issue. They invested \$500,000 over five years to physically start to change the image, change the industrial relations, fix up our poor PR. Every time there was a strike in Sydney, the media drove down to Wollongong to film somebody out in the street. We had this really bad image. And the visitor experience was, 'Let's get out of here.' Pollution was pretty bad and the community was pretty low on pride. One of the issues when changing things is visitor experiences. We cannot have visitors coming to an area that does not want to market itself through the community.

One of the reasons it worked was that we had a clear vision. We set out with a clear vision and a clear tactic for making change, and I will go through some of the monitoring processes. We had planning, and expert staff to look at ways of delivering what we required. We did sound research. We have a local research agency, Illawarra Regional Information Service, which was able to monitor and target. There was community consultation. We sat with the community and asked, 'What would help you change?' We put in some benchmarks. We benchmarked it over the period of a five-year campaign. We had a strong marketer, to work out, 'How can we make the best of it?' and we had a communication strategy. We had long-term strategies to fix up some of the issues.

We had benchmark research. We looked at the employment rate and tourism activity. House prices was another way we could look at how we were tracking. Then there was the media activity—once again, similar to what Andrew was talking about, 'a place to visit but also a place to live', because, as Sydney became busier, people would relocate and businesses would relocate, so there was a bit about that. We looked at some of the issues and, back in 1988, we had a pretty high unemployment rate. We still are high. We still are to this day even higher than the national average. We had a community pride index that we looked at. But the biggest increase that we found was with the residential property prices which went through the roof: coastal destinations. That continues to climb today.

These are the interesting parts: external images. You can all sell yourself and we all know what the benefits are locally, but when you start looking at factors like, 'Is it a healthy place to live?' back in 1999 it was pretty low. We have had a 20 per cent increase and we are about to get the final results because we update this every couple of years. The crime rate changed. 'Is it down to earth?' 'Has it improved over the last few years?' It goes through them all. But most of all we have changed the industrial orientation. We were heavy industry and we have moved that to a different direction.

The tracking continued. Remember, we were a heavy-industrial city. If you look at the top one it offers 'beautiful, unspoilt natural attractions'. It changed dramatically because we shifted the way we were perceiving ourselves. 'Is it great for a short break?' This is where we are heading into the tourism area. It offers good value for money out of Sydney. There would be 4.4 million people near us: 'Lots to see. Great for a family holiday'—once again, the industry orientation slipped down.

Given that I did not come from a local government background—I come from a commercial background—the first thing we put in place was tracking: 'How do we track what we are doing? How do we monitor it?' I am not really worried about room nights. I am more worried about, 'How can my operators be there tomorrow when I want to knock on their door to do cooperative advertising?' I need to know that they are actually making some inroads.

As you see in the top graph, that is actually revenue. The guys have been able to increase their revenue dramatically over a period of time. Room nights are slowly increasing, but I want to see the revenue increase. That means people are around there. You can 'touch their wallets' and get into the cooperative marketing. Basically we have seen some really nice climbs out of 2002 right up to 2006. To give you an example of some of the expenditure—in talks about expenditure we look at visitor nights—we have increased it by six per cent in that period, but the average length of stay started to increase with more things to see and do.

Increase development: target what we can do with attractions to make people stay longer. But the expenditure per visit jumps and we want to be able to see that. If you look at the day visitation—this is also important—we are up to nearly three million day visitors. A lot of people do not like day visitors in the regions, or local government does not, because they use the garbage bins, use the water facilities and use the toilets. But the end result is that, if I have

increased their spend by \$8 by three million, it is quite a large chunk of investment coming back into the area. It is not all about accommodation, accommodation, accommodation. If you look at the breakdown and splits of what is happening, accommodation only represents a quarter of the spend. We all go on holidays. We buy a \$999 package to Bali. How much do you spend? It is still about \$1,000 worth of expenditure in food and beverage, shopping and those facilities.

With this data we needed to try and show the other businesses that tourism was a generator of revenue for them, because we all home in on visitor stats because it is the only one that the ABS really captures, and we tried to expand them. So we are about saying, 'How do we actually increase the spend?' John, you made a point about regions. We are now getting other regions wanting to buy into our strategies because the pull-through effect for their region increases the length of stay, which is of benefit for both of us; a win-win situation.

We used a really good PR agency to drive our industry, to drive the change. We used a hell of a lot of visiting media and familiarisations. We hosted everything. If any media wanted to come down, we would host it. It was demanding on the staff but the point was that we got through the message that there was a 'wow' factor; that people had had a disproportionate view of what their actual image was. Their perception was different. When you stand at the top of Bald Hill and look down and see the coast, there is this tiny pinprick of industry, yet it was actually Wollongong that was gobbled up as being 'only industry'. If you fly into Sydney today, you fly over industry. Sydney does not focus on Port Botany with its coal, petroleum and shipping. It focuses on the Harbour Bridge and the Opera House. It still has industry. Any city has got to have industry.

We promoted new developments through the travel media. We used our local media as well to gain community pride by going out to them and saying, 'Hey, we want to change the story. How do we do that?' So by engaging our local media, that assisted with combating any negative publicity. We held trade/media familiarisations. We brought things out. I will talk about our international one, but we had one of our operators bring koalas to a point to meet our guests. We did the things that people think cost money, but they do not really. People want to meet people. Go the extra mile: overexceed and it brings rewards twofold.

In terms of the media, as I said, we used a PR agency to try and change the way things were. We capture our stories. We monitor those stories. Remember, I am not talking about money here: I am talking about, 'How do I get the value?' Here is a graph of our media values; all done by an independent agency, measuring our media skills. We did not go out and buy advertising because I had no money. I had to manipulate the story. I had to go out and get travel writers. I had to get *Getaway* and *The Great Outdoors* to come and see our product because there was a perception issue. So we looked at those areas. You can see now we are at a point where our advertising value of only \$4½ million has given us a national publicity value of about \$10 million. But look at the square metres of images. I have not bought an ad yet, but I have had to do a lot of work to build change, to give people an idea that there is more to see and do.

Motivational images were what people wanted to see: 'What are you trying to get me to come down and see?' Websites are the front door to where you want to go. We had limited tactical advertising, as I mentioned. We had wide distribution; we had a strong media strategy. We really pushed those media kits with powerful images, which is where the media and PR agency were so important. They had the links. It was one of our biggest single investments.

We also went out and said, 'How do we actually change the focus of what we look like in the big arena?' We had to boost that and support our infrastructure, so we had to look at conferences and events. I would call anything an event: from a conference, to a meeting, to a wedding, to a family gathering, to tourists that are forced to come here, it does not matter.

Forced tourism means that, if you have a conference to attend, it may not be your destination of choice but you are forced to go there, and it gave us the idea of saying to people, 'See what we look like now.' We targeted junior sporting events and started saying, 'We have the facilities.' We had what people wanted to see—the coast. We gave them all this extra business to try and change the perception. It did not cost me anything but we changed the perception, so that we could introduce a coastal holiday. It cost us staff and energy.

Where are the benefits now? In terms of driving investment, this is our new product called Grand Pacific Drive. It is all around the bridge. It was driving investment through innovations and strategic market focus. We were outcome driven. We wanted to be accountable to our investors with results and evaluations. I decided to go out after playing with online reservations—and this is Andrew's point about online reservations—and went a little bit further. I decided to go with where the strength was. We have signed an agreement with wotif.com to power our booking engine.

Why bother reinventing the wheel when all we are trying to do as operators, as business operators, is for consumers to buy product. So I went out and did a whole lot of research and found out that the hotel operators liked booking on wotif because they got lots of bookings, and the consumers liked wotif because they thought they were getting the best price. I do not really care whether it is the best price or not; it is what the consumers are wanting to do. So wotif.com drives our booking engine on Grand Pacific Drive.

I did other strategic and innovative things. The ad you see on the right-hand side of the screen says, 'See yourself driving in a new direction to Canberra?' I went out and started talking to other players and said, 'If Canberra has a problem with the Hume Highway, I'll give you a solution. Come down the coastline'—as you see there—'through Wollongong, back up through the Southern Highlands to Moss Vale and then on to Canberra.' We do it also in the New Zealand market: it goes all the way to Batemans Bay, which is not in my region but I was never going to get these guys anyway. They were going to Canberra but they have come past my end so all of a sudden we have worked it. This is an ad out of an Indian magazine, so this is in India. We also do it in New Zealand. We are fixing two things up here. We are getting exposure; they are getting the business. We might get it on the reverse.

Grand Pacific Drive is the biggest we have undertaken because of the bridge. It is cross-regional touring, and I will put some brochures in there for everyone about that. We talk about triangular routes. The research says that drive tourism, which is about 86 per cent of our market, does not want to backtrack and has to go in a forward direction. So we started building up triangular routes.

The Illawarra region is made up of Kiama, Shellharbour and Wollongong, but we are now picking up the South Coast, Canberra and the Southern Highlands, which are not even in our region, because they asking, 'How do we work together to our benefit?' Tourism has seamless borders; we all know that. No-one really cares. But what is happening is that this drive has been able to break down those barriers where we work across borders.

We were able to get the councils to financially contribute to a larger scoping study and master plan for the whole drive. That has never been done before, because they were always worried that Wollongong was going to gobble them up. This is to be launched next week. It fits in with the strategies and, after doing the research—the drive strategy for Tourism New South Wales and Tourism Australia, this whole driving route—it says about cross-regional promotion that it fits in with the federal government white paper. There was a lot of research behind it before we went out and did it. It is part of the Sydney to Melbourne coastal drive. It is the appetiser or, if you want, the dessert. It does not really matter.

It has been internationally accepted in major areas such as China, Hong Kong, Korea,

Malaysia, Europe and also in India now. It also stimulated people to reinvest in their restaurants, hotels and attractions, and the council is now starting to take pride in updating and beautifying the walkways. This is an investment from our council. This is a council, when I first got there, that only spent about a quarter of a million dollars on tourism. Now we are up to about \$660,000 this year. But they have also gone out, been creative and looked at some PPPs—public private partnerships—to address things.

This is an artist's impression of a gateway centre that is to be built, and hopefully completed by next June, on the top of our escarpment. There are 130,000 vehicle movements past this facility every week. We only want to scratch the surface. We only want the tourists. We do not need all the commuter traffic. In there we are going to have a visitor information centre, a restaurant/cafe and also—one of the closest to Sydney—an Indigenous attraction. We are working with Indigenous groups to put an Indigenous product together.

The fourth part about this whole enterprise is the view. You do not have to go anywhere to get it. People stop, and we just happen to be a facilitator when we get them to stop. As we know from the research, if you get people to stop at a visitor centre, they tend to stay longer across a region.

I talked about Grand Pacific Drive, but we also looked at some of the other issues that we faced. We are close to Sydney. What does that mean? It is a world-class city on our doorstep that is also Australia's international gateway. Why did we want to go out and look at the international business? It was pretty simple. We had a flat domestic market. The latest data is the first encouraging sign that the domestic market is starting to move again. It has been about half a per cent, minus half a per cent, fluctuating between zero per cent and one per cent for a long time.

With a flat domestic market, I said, 'Hang on a minute, I'm close to Sydney; I'm a short-break market. Where am I going to get Monday to Friday business?' So I had to look at the international market. They had no perception. They had no idea what a Wollongong was; no idea what an Illawarra was. All we could do was deliver those beautiful images. So we went after markets and, after doing the research, we started to look at what markets would buy into our area. I had limited funds. I looked at it all and asked, 'Okay, where am I going to get the best bang for my buck?' China! It had all the forecast to grow. So we went into that North Asia corridor. We went to Hong Kong—the front door or back door to China, whichever way you want to look at it—and looked at Hong Kong and southern China.

One of the things it did was to stimulate hotels to seriously look at building in our region. When I first got there, I visited hotel chains. The first question was, 'I know you have a leisure business. What's your conference and events and what's your international business?' I could not even consider those, so I was out the door as fast as I went. So we could not get any hotel development. We spun a fairly good tune, and I went up and did the door knocking using the facility of Tourism New South Wales and Tourism Australia through trade events. The result was that I created a product, the Five Islands Brewing Co., which is a small boutique brewery on the beach—an Aussie experience with a beach culture—serving fish and chips and a beer on the beach. Twenty thousand Chinese, Koreans and Malaysians have been through that property in the last 24 months. It is a \$15 product.

But the other spin-off was that we started as a day trip, got the inbound operators interested and now they are converting into overnight stays. Last February we had 850 Chinese in our city over the one week of Chinese New Year. So we are getting a huge attraction in there.

What is it doing? I can sit here and tell you now that, after 18 years of not having a hotel development, I have my next crisis coming up: I am going to have too many beds opening all at the same time. We have over 500 rooms coming online. Ibis, with 150 rooms, opened last

November; Medina, with about 65 rooms, will open next March; Peppers, with 170 rooms, is under construction and due to open in August; Best Western has 20 rooms; Quest Apartments is now open; and Crowne Plaza just signed a heads of agreement to build a 4½-star 200-room hotel. We have also encouraged, through the council, private developments on public land to improve the quality of the experience, and that is a conference centre that was built.

The CHAIR—Sorry, Greg, you just quoted the beds then, didn't you?

Mr BINSKIN—I am just quoting beds, yes. It adds up to over 500 rooms coming online. Just recently Grand Mercure has taken over the running of a hotel in Kiama, which is going to have another 70 rooms added and will be opening in September next year.

What does that really do for us? Councils are forced then to do some strong planning for foreshore developments, the CBD and the gateway. What does it do for us as a region? It does two things: investment and jobs. It also means that our attractions are seeing the opportunity. More people staying in the area means the attractions have to come up to speed, so there is reinvestment occurring straightaway in our attractions. Symbio Wildlife Gardens put \$1.2 million in. Jamberoo Action Park, which is a water based theme park, is spending \$20 million over the next five years. Skydive the Beach, the only beach skydive in New South Wales, has bought a new plane because it could not cater for the influx of people taking high-yielding product at \$330 a jump. With Harley tours, the guys are buying more bikes to cater for the drive across the bridge.

It has meant a huge increase in hospitality jobs, and one of those five-star hotels will probably employ 200 people when it opens. It means that we have a greater PR and advertising ability. It means we can actually go in and do cooperative marketing. It also means that we can start to target government and private funding.

I have given you a snapshot of some of the nice things, but it is not all rosy. We still have huge challenges. As industry changes, we are going to see Wollongong become the carport of New South Wales, so we have challenges there—whether industry grows versus tourism. We have a serious issue with the skills shortage, and we are not going to sit here and deny it. How are we going to deliver the promises of 4½-star and five-star standards; restaurants? It is easy for me to go out and sell the nice images, but that is an issue we face. People have a tendency to move into short breaks. We have to come up with cooperative advertising that facilitates that.

The flat domestic tourism market; international marketing: we have moved into India and South-East Asia, but we cannot go to the high-yielding markets of Europe and America because it is expensive. Regional funding: what happens with the state and federal funding? Resources: it is great to have human and financial resources but, as I said, the skills shortage makes it difficult. I have just lost two of my key staff, who were poached by another agency, but that is what we face all the time. There are issues with directional signage. The big three Fs: what is going to happen with fuel, flu and fighting? I do not like the word 'terrorism', but it is true. I cannot control that, but we have to monitor it.

Some of the other successes that we have had in that area are that the investment from council into growing the region is starting to pay off. It has been a long-term strategy and I cannot stress that enough. We grew seven per cent in the domestic market; way above the average. We grew 11 per cent last year in our international market. So we are heading in the right direction. We have now looked at other ways of saying, 'How can I actually increase the spend?' That is all about relationship development; whether it is between operators, whether it is between other regional bodies or other regional councils.

We have won major awards in marketing and promotion—that is, Tourism Wollongong. We

have picked it up for the last five years. In Illawarra we recently won the state award. I have been successfully able to get half a million dollars from Australian Tourism Development Program funding for Grand Pacific Drive, because it was a strategy with outcomes attached to it. It does not just have a strategy of, 'Go out and market and hope they'll come.' It has a strategy of writing dollars and cents so the operators are keen for it.

We struggled in the early years for the conference events; we were lucky to get four or five people to a meeting. At last week's meeting we had 20. We have got them lining up to be on the success train, but it does not come without its challenges, as I mentioned before. It is hard for a lot of people to sit back and say, 'Where do we get our funding from and why should I invest in these things?' but you need seed funding to kick it off. We saw the real value of the seed funding that the council did to kick it off. The return is coming back to them. A lot of people cringe when you try to seed fund things, but at the end of the day someone has to do it because the results can be there if it is targeted, well managed and well maintained. We have the Property Council of New South Wales now coming down and saying, 'Hey, we want to be part of this because there are opportunities for us.'

The VFR market is still a challenge for us. How do we target the VFR market? I still have to work through that; visiting friends and relatives. We have to be innovative. 'Where is the internet leading?' The internet is going to have its issues. We try to be ahead of the time and that is what the wotif is. We also need to know if our product is going to plateau. We have to be careful. I have seen in so many regions before that, when their product plateaus, they change the logo because that is the best thing to do. We do not want to change our logo. We are not interested in logos. We are interested in driving business. When a product plateaus—and we have seen it in other regions in New South Wales—they seem to go out and try to just market instead of fixing the core problem. My story is about fixing the core problem first. Then you can go into your marketing.

We sit back and say, 'How do we measure things?' The Sydney Surrounds campaign: we have given Tourism New South Wales the recent figures. We have just got the data back so I can let you know some of what came through. We had 184 bookings, 430 room nights and \$161,000 worth of business. That was a co-op campaign that we invest as Illawarra. We underwrote it for 19 grand. We got the operators buy in at \$1,000 each and they think it is great. So the 'runs are on the board' to continue the role.

The other thing I stress is that the international market is a tough one. Everyone thinks it is junkets, going overseas. It is a hard slog. If any of the regions are going into that, they have to go for the long haul. I had been in it for five years before China has recently opened up, and you have to continually go to the market. You cannot underestimate what happens in that market. It is a tough call and it is a long slog. If anyone thinks a short fix is throwing a few dollars at the international market, throw it up in the air and just walk away from it. If you are serious about going into the market in regions, you have to be serious. I took my big gun up there. I took my lord mayor. I know that Melbourne has got a good lord mayor.

The big gun works. I am the paid officer to do it. I took my lord mayor up there and I want to show you something about respect. They talk face to face, but it is about respect. They knew he was coming to market. You have all been to an international airport. Normally you get an A4: 'Hi, Mr Such-and-Such'. This is what we had when we were greeted on arriving in Taiwan. This is the banner we had: 'Welcome to the Lord Mayor of Wollongong, Australia. Honoured Guest.' There were 150 people to clap him through the front door. We had a synergy with our temple, and the reverends at the temple put this on because they knew he was coming to market. That is the best thing I had ever done. I had to stand up at council and fight to get him to go. It was \$15,000, seven-day, five-countries—it was like *The Amazing Race*.

Mr VOGELS—The media would have said a junket.

Mr BINSKIN—Of course. But the results now are coming back, dramatically. Yes, I had to face all that. So there you go. Thanks for allowing me to share our journey. I am open for any questions.

The CHAIR—Thanks very much, Greg. I might start with Wendy.

Ms LOVELL—Greg, can you just give us a breakdown on your staff numbers?

Mr BINSKIN—We run a visitors centre as well. For instance, in the regional body, Tourism Wollongong has six full-time and one part-time staff members. Then we actually play the secretariat role for the region, so we do not employ a CEO for the region. We take a fee for that to provide secretarial services for the RTO, which is Illawarra.

Ms LOVELL—Can you give us a breakdown of what the seven positions are.

Mr BINSKIN—Yes. We have myself as the general manager. Then we have membership services. We have a special project coordinator who does our Grand Pacific Drive. Two visitors centre full-time staff, one assistant and then one in conferencing. That is six. Then a part-time girl on weekends because we run the visitors centre seven days a week.

Ms LOVELL—Thank you.

The CHAIR—Okay. Gayle?

Ms TIERNEY—I am particularly interested in the challenges that you faced in respect to the industrial aspects of Wollongong. I am keeping in mind Geelong that is in the electorate that John and I represent. Too often the case is that people do snub that. I think there is an opportunity to work out how tourism can embrace those aspects of our communities. I would like to know a little bit more about how you have dealt with that in a bit more depth, and whether there are any developments or future thoughts about increasing the interface between the tourism market and industry. So it is not individual industries like Ford, for example, allowing the public to come through and do tours but it is a selling point; much more integrated into the way that tourism is done in a regional location.

Mr BINSKIN—It is quite interesting because Geelong council has been up to Wollongong recently to have a look at what is going on up there. It is a challenge in two senses. The perception issue for a visitor is different. We have used the university as a bit of a hook for us as well. The University of Wollongong has been a real eye-opener and a model that has been able to introduce new visitors to the area. The university has attracted people to come to study, which has attracted their friends to come and people who, once again, would never have chosen the area to start off with. The university has been a really big hook and it is growing at a dramatic rate. We now have somewhere in the vicinity of about 17,000 students at the university; about 3,000 of those are international.

The industrial side of things is that, yes, we do have tours through the steelworks, but the industry is the important part of tourism because it fills the midweek business. A corporate business is such an important part. It means that the hotels will be able to be sustainable given our close proximity to Sydney and a Short Break market. It means that the industrial side is hidden in the business/tourism area. For a region to sit here and say, 'You've got leisure and business' is quite unique because the evolution of our industrial tourism—and I put it up as a challenge; it is also a positive—is an opportunity. and the business side will be able to support the investment in our hotels. If we did not have that, I do not think that we would see our hotels being built.

It is hidden tourism. It is not 'out there'. But, for instance, QantasLink now flies from Melbourne to Wollongong, which I flew down on today. It is really running a corporate airline. It is filling a bit of visitor space but it is not actually running there as a visitor space like some of the other low-cost carriers such as Jetstar and Virgin. It is a challenge for us. The answers to it are not easy. I think we will see, with the port coming in, that new people will come in and people in the community will perceive them as new visitors to the area. Once again, most of these communities are very insular, a bit protective. When they see new visitors coming to the area they get a bit stand-offish.

But what is happening is that the business tourism is also driving wealth. It is making people wealthier, because their houses that were worth \$150,000 are now worth \$650,000 to \$1 million plus. So the community is buying visitors in now because it is making them richer. It is probably similar down in the bay area. People are pretty greedy and money talks. That has been the biggest swayer. Now what is happening is that, because they are becoming wealthy, they are becoming quite proud to show off where they live because it is worth something now. Ten to 15 years ago it probably was not worth anything. There is a bit of that pride starting to come into the balance. It is all about 'a sea change', 'times are different'. There are a lot of things in our favour, but, as I say, we have to be careful we do not plateau.

The CHAIR—Thanks. Greg, this is Kaye Darveniza, who just came in a bit late. She is the member for Northern Region.

Ms DARVENIZA—And I do apologise for coming in late and for interrupting your presentation. I was interested in what you had to say about when things are not going right in tourism in some areas, what they do is change the logo, and that that is not something that you are interested in. Maybe I missed some of your presentation and you talked about this, and I apologise if that is the case, but if there are things that have not been working for you—and you might want to mention perhaps what some of those might be—what sorts of strategies or initiatives have you taken, other than changing the logo? Mr Drum might not let me get in a second question, but I want to ask about the temple that you have in Wollongong. I have been there and it is a fantastic place. It is so unique, so very different, and I was wondering whether that is a tourist attraction. How many tourists are drawn in to the area because you have that very unique temple there?

Mr BINSKIN—The temple gets about 350,000 visitors a year and it is pulling a hell of a lot of the Chinese, and others who follow Buddhism. It is drawing a lot of day visitors out of Sydney, which is having a pull-through effect in our economy, with people spending X amount per day. Yes, it helps us. That is a unique product. It is the largest in the Southern Hemisphere. It is used on a regular basis. It was one of the first things I used to display when I was in China, because of cultural awareness. It now does not even rate on my radar. I moved. It is about taking products to market and being able to be flexible and to change, and we were flexible enough to say, 'The Chinese don't want to know about Buddhism. They want to know what Western culture is like.' We still have the backup of a Chinese meal, but basically we offer beer and fish and chips. That is totally against anything else that I took to market, but the research said they wanted an Aussie experience, and we were lucky in that we had a very good operator who was a bit Aussie—an old football player—so he became the icon. And he changed; he changed what he did. He served cold water, and he realised, 'Hang on a minute, I have to change to hot water.'

They are the issues we are facing right now as we develop the Asian markets. We still have to keep our operators up to speed. We run programs on a regular basis to keep people aware of the different cultures. We are moving into India. The question marks on that one for us are going to be tough. It is a whole different ball game. We are lucky that we have a big Hindu temple, so we can play with a little bit of cultural awareness, but it is a whole, totally new ball

game of different markets, different types of food, different habits. For instance, they eat very late. Restaurants in regional areas will not be open. These guys eat at 10.30 at night. They go out and have pre-dinner drinks and nibbles until about 10 o'clock and then they have a meal, so we have to encourage three or four restaurants to support that area—or at least the hotels. It is another challenge that we face in regional. When you are in a big city you can absorb the cost. When you are in a regional area, you cannot, unless you have a continual balance.

To answer the first part of your question about challenge, we were an ugly, dirty, steelworks city, and part of my presentation was about that. We had to be honest with ourselves: 'We have a problem. Don't just bore a little way down. Get right to the bottom, to the core of it. If it's not right, start at the bottom. Don't just try and skim over it.' Too many people try to put a bandaid on it. The bandaid eventually falls off and you have to start again. We may as well fix it right the first time and then build from there.

We know that in the future it will disappear. As anyone who is in their mid-40s will know, the steelworks was pretty horrible. It was smelly. Pollution was bellowing out. You used to wind your windows up and drive through there as fast as possible. The EPA fixed all those issues but the memory is still there. But now there are young executives coming out from Asia. They studied at our universities and are bringing their families back here—"This is where I studied.' It is blue sky, blue ocean. Those who have travelled through Asia know that it ain't no fantastic place, with all the pollution. So we are selling space, and we are adding to it a little Aussie experience, and the little Aussie experience is the beach and 'meet some locals'. And we are quite friendly.

Ms DARVENIZA—You are very friendly. I have been there a number of times.

Mr BINSKIN—Yes. They still have issues with getting the customer service right, making a latte properly and all that, but that is the evolution that we have to go through.

Mr NORTHE—Greg, I have two distinctly different questions. Throughout your presentation you mentioned trying to sway local government at different times to assist with infrastructure and the like. When you go through that process, does local government itself have employees dedicated to tourism in your particular region and, if so, how many?

Mr BINSKIN—No. I am not an employee of local government.

Mr NORTHE—I realise that.

Mr BINSKIN—I am an employee of a board.

Mr NORTHE—But I am saying does local government itself have any employees dedicated to tourism that you liaise with? How do you get your point across to local government?

Mr BINSKIN—Being from a commercial background, I went and met with the CEO of council. I have 12 board members who are from the industry and I have four ex officio officers who are councillors, so I maintain quite a good relationship with the council. My other local government areas are part of the regions Kiama and Shellharbour, and they actually have council employees, but we also liaise back up through economic development; hence why we got some funding for our scoping study through delivering economics. Councils will buy economics and return on investment, and we are currently giving them a good return on investment, so they are willing to start to implement our scoping study and master plan strategy which says, 'You have to fix some of the infrastructure up, otherwise the delivery of the promise is going to disappear and you're going to go backwards.' So it is a bit hand in hand.

Growth sometimes outweighs their vision, and sometimes you have to do a correction. It is a bit about having a long-term strategy and delivering that long-term strategy to a level where people, if they see a little bit more reinvestment—the writing is on the wall. Local government at the moment—and especially in the Department of State and Regional Development and the regional development boards—is all about jobs; and, in tourism, no-one has yet worked out how to carry the cup of coffee to the table. They have worked it out in manufacturing—that is, how to mechanise things. In tourism they have not worked out how to make a bed, either. They are having trouble with that one. At the end of the day the hotels are going to have high employment numbers quite quickly—and no-one has been able to work that out in the industry—because the industry is downturning. It used to be 33,000 people. It is now down to under 6,000, down to 5,000, and so the reliance on the industry is getting less and less. The service industry is our challenge—the delivery of that promise. Councils want to invest in it at the moment and they have to continue it. My role is to continue to get the outcomes they want.

Ms LOVELL—Greg, you made a statement that councils see the economics.

Mr BINSKIN—Yes.

Ms LOVELL—Why is it that so many councils do not see the economic development opportunity of tourism, and did you have trouble with your council, convincing them of that?

Mr BINSKIN—As I said, I come from a commercial background, so I put up a cheeky statement. I walked in and said, 'This is what you pay.' 'Fantastic.' 'I will take it to where it is pointed at and I'll give you the results, but when I come back I'm going to come back asking more. I'm not going to ask for any increases. I'll sit with what you've got, given I inherited something that had been dead, flat, going backwards.' But I said I would come back after, bigger and better. And, yes, it has worked. It does not work for a lot of other people, but being on a two-year contract you have to get results, and if you do not have your KPIs in the right area why should you be employed? We are talking public money here, and return on investment, and I think there are a lot of areas that lack some accountabilities. I have to stand up to my CEO of council and say to him, 'This is what the results are. Here they are. If you want to go further'—as I said, Wendy, I am a bit cheeky—I can't go any further. You've put me in a box here. I can't go to Europe and I can't go to America to increase business because I don't have the resources. It's your call because it's your city. It ain't mine. I'm only the soldier out there working as much as I can.'

Mr VOGELS—Thanks for an excellent presentation, Greg. You mentioned private development on public land, which I think is very important as well, and it has to be done properly. Has the council that you work for identified any land so that you can go to the state government of New South Wales and say, 'We have identified an area of land which we think would be great for public-private partnerships'? Are you doing that?

Mr BINSKIN—Yes, this one here, the business centre. It is a \$6.8 million development. This was actually crown land. The visitor centre will be part of it, and the restaurant is putting up \$1.1 million and the Indigenous attraction is putting up almost \$3 million. There is also a major conference facility that was built—this one here on the left. It was identified as an old surf club that had concrete cancer, so a private-public partnership went in here, once again on crown land. The surf club was knocked down. On the top of that are two conference rooms and a restaurant and below that is a surf club. So, yes, they are identifying them slowly. Community consultation is drawing a few of the developers back, and some of them are walking away from opportunities. We have a number of these facilities, like any other coastal area, that potentially could become public-private partnership

opportunities. The state government has recently looked at our harbour as well, and there is interest from Macquarie Bank and a few others in the harbour development. Once again, it is crown land with long leases, and does not fit the services of some 50 to 60 years ago. It is a challenge.

Mr VOGELS—It is a challenge.

Mr BINSKIN—It is a big challenge.

Mr VOGELS—Down our end of the world where the Twelve Apostles are, we built a \$6 million toilet, and people cannot even get a cup of water there because it is on crown land, or was on part of crown land. It is absolutely stupid. There is no information for the visitors. There is nothing there except a \$6 million toilet—which runs out of water, by the way. It is good that you guys are doing that. I am very interested in that.

Mr BINSKIN—We face the issue of councils being gobbled up, avoiding duplication. When we first started we had a fair few negatives. We are now rolling out this brand of Grand Pacific Drive. We are getting away from some of the issues we had: 'Do we call it Wollongong?' 'Is it Illawarra?' 'Is it the whole lot?' We are about to merge the regions. As of 1 July we are getting rid of Illawarra and we are merging with South Coast, so we are running from basically Waterfall, Heathcote—from the southern suburbs of Sydney—all the way to Eden, and we are going under one umbrella. That is going to happen on 1 July. Why? First, it gives us more marketing power. Second, it means that the drive along the South Coast is embraced further; it gets away from these borders.

This was one of the catalysts for this drive. In the north you have got Wollongong, Shellharbour LGA, Kiama and then down to Nowra, which happens to be into Shoalhaven, and so what is happening is the pull-through effect of, say, the brand of Grand Pacific Drive, which is: Sydney—which is a major town, world-class—to Wollongong, which is another major city—third-largest in New South Wales; ninth in Australia, give or take—and then it is 'beyond'. 'Beyond' is where the imagination of the tourist goes. If it is two days, three days, four days, there is this 'beyond' mentality. As you see on the map at the top, it is Sydney to Wollongong, Shellharbour, Kiama, Nowra, South Coast, Melbourne, Canberra, Southern Highlands. I really do not care, as long as I get a day or a dollar out of somebody. I am not being greedy. This has been a huge issue for the regions. They have to deliver products that the tourist wants. Most of Australian people still have a love affair with their car.

The CHAIR—We appreciate you not being greedy, Greg, because we want to leave a little bit of money in their pockets for when they get to Victoria! Obviously, this bridge was built as a traffic enhancer initially.

Mr BINSKIN—Yes.

The CHAIR—So you just jumped on the back of it. It is like Sydney Harbour Bridge; it was built for traffic reasons. You have jumped on the back of it to make it some sort of tourism attraction.

Mr BINSKIN—It was always our tourist drive. It was always our coastal drive/tourist drive 10. Basically, the road was falling down. You can see the old road hugging the headland about there. It went inside there. It just gave us another opportunity to rebrand and, realistically, we took the opportunity. You have to be creative. The drive is always there, the cities have always been there. Make a story up. It is about PR. Remember, the government gave us a \$49 million bridge. I had to do something with it. Lo and behold, the Roads and Traffic Authority said, 'Don't publicise this too much. We might have traffic jams.' That is not my problem. My problem is the businesses in this area. Remember, it was cut off between

two ends. That coastal road was two cul-de-sacs for two years.

The CHAIR—Yes.

Mr BINSKIN—So I had businesses in there, hurting. We went out, flooded it, traffic increased. We knew it would have a spike at weekends—horrendous. It has plateaued down, but there is the pull-through of Maui and Britz vans et cetera—midweek as well. Always our midweek strategy was to grow. We had five days to fix; and so, yes, we decided to create a brand, a name, and then took it to market, and visually it is appealing. And it was the media who used to say, 'Oh, this is New South Wales' Great Ocean Road.' I do not care. I will ride on the bandwagon.

The CHAIR—It is south of Wollongong?

Mr BINSKIN—North of Wollongong.

The CHAIR—It is north of Wollongong?

Mr BINSKIN—Yes, so Sydney to Wollongong.

The CHAIR—Yes.

Mr BINSKIN—So it is halfway between.

The CHAIR—But you would not go on that. Normally, going from Sydney down to Wollongong, you would not drive on it, would you?

Mr BINSKIN—Correct.

The CHAIR—You would go on the freeway.

Mr BINSKIN—Commuter traffic would, yes. We actually utilise and are working with the Royal National Park, which borders the top of it. Up in the top is the Royal, the second-oldest national park in the world, and we use that as a link, so you come through the Royal and then you drive down here. We did studies on other similar drives. We looked at the Great Ocean Road, we looked at Highway One in America, we looked in New Zealand and we looked at drive routes, and the penetration now through the Royal National Park is huge. We are about the dawdling tourist, not the commuter. The commuter will still use the F6, yes.

The CHAIR—Taking up on Gayle's point about the city makeover, for five years was it \$250,000 or \$500,000?

Mr BINSKIN—\$250,000.

The CHAIR—For five years?

Mr BINSKIN—Yes.

The CHAIR—And that was put up by the council.

Mr BINSKIN—Yes.

The CHAIR—It realised it had to do something significant.

Mr BINSKIN—Yes, and the rewards are now starting to flow.

The CHAIR—Thanks very much.

Mr BINSKIN—I will leave some brochures for you.

The CHAIR—Thanks, Greg, that would be great.

Mr BINSKIN—I will leave my annual report. I am quite happy for you to read that. I am sorry I only have a couple, but I will leave you some of the other brochures, and thanks for the opportunity to present.

The CHAIR—Thank you very much.

Witness withdrew.