

TRANSCRIPT

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Inquiry into heritage tourism and ecotourism in Victoria

Melbourne — 7 March 2014

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Mr R. Quartermain, manager, policy and tourism branch, Department of Parks and Wildlife, Western Australia.

The CHAIR — We will get under way with our public hearing in Parliament House this morning, ladies and gentlemen. We look forward to all the contributions that will be made today. This is a large reference. A lot of work has been undertaken by the committee. We have travelled extensively both internationally and interstate, and particularly within the state of Victoria. We have undertaken several public hearings across the state and we will continue to do so. We will table a report to the Parliament with our recommendations in August 2014

I welcome our first presenter Rod Quartermain from the Department of Parks and Wildlife in Western Australia. Thank you very much, Rod, for making the effort to come over and join us here; we look forward to your contribution. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and is further subject to the provisions of the Parliamentary Committees Act 2003. Any comments you make outside the hearing may not be afforded such privilege. All evidence given today is being recorded and as a witness you will be provided with a proof version of the transcript in the next couple of weeks. Thank you, Rod. We look forward to your contribution.

Mr QUARTERMAIN — Thanks very much for inviting me. I would like to give a presentation first and then I am happy to have further discussions as you may wish.

The CHAIR — Rod, are you happy to take questions on the way through or would you prefer them at the end?

Mr QUARTERMAIN — Absolutely.

The CHAIR — We have allocated 45 minutes for your presentation. That is always granted to people who come a long way.

Mr QUARTERMAIN — It makes travelling all that way worthwhile.

The CHAIR — Most presentations are for half an hour. If we could have 10 minutes or a quarter of an hour at the end of your presentation, it would be appreciated.

Mr QUARTERMAIN — Thank you. I see this as a discussion more than a presentation, because no doubt there will be questions. First of all I would like to acknowledge the traditional owners of the country that we are meeting on today, which is a custom for us. Our act was changed fairly recently to require a primacy, along with the environment, in the protection of Aboriginal heritage and values of the land, so we have a close relationship with the Aboriginal people who were the original custodians of our land.

Overheads shown.

Mr QUARTERMAIN — I will be talking mainly about and focusing today on Naturebank, which is the program started by the Western Australian government to look at where commercial development, particularly ecotourism experiences, which is what we call them — not just accommodation but experiences — can be sited in protected areas in Western Australian. Very much it is a balance of protection and use, which is basically the department's role as land managers. I have always said, and I have worked in heritage tourism as well, that if people value something either emotionally or economically, they will want to conserve it. We very much have an ethos of parks for people, which is a positioning statement that we now use, and that people discover and gain a real attachment to the land and therefore will want to protect and conserve it.

Our national parks objectives in Western Australia is:

... to fulfil so much of the demand for recreation by members of the public as is consistent with the proper maintenance and restoration of the natural environment, the protection of indigenous flora and fauna and the preservation of any feature of archaeological, historic or scientific interest ...

That is an extract from our act. It is what we are guided by, and a shortened version is the balance between protection and use. It mentions recreation, and tourism is commercial recreation. Our act allows for that sort of thing and we have done it for a long time.

Naturebank as a program was launched in 2009 jointly by the ministers for tourism and environment. It is funded through the Royalties for Regions process, which as you may know is made up of a proportion of the mining royalties that are set aside for non-core work within the regions to help regional development. It is a

partnership between Tourism WA, the government's tourism body, and parks and wildlife. There is another program called WA Landbank, which Tourism WA runs for outside the protected areas, for the hotels in the CBDs and things like that, to try to assist development. It promotes sustainable visitation to parks. It is not development at any cost. It has a high emphasis on outcomes for the department. It recognises that there is risk in remote development, not only to the developer but to the department and to the management of the parks. If you build something in the middle of a park and it does not work, it is not likely to be turned into something else. If you build a hotel in the middle of a city, it can be turned into an office block or something like that.

There are risks in remote area development. Through its funding, the government provides support to lower those risks by making sure that all those environmental and social aspects are cleared and that there is the infrastructure to support those sorts of activities. The idea is to broaden and retain experience options. It is about the experience; it is not necessarily about building things. A lot of our developments are safari tents. It is about the experience around them. We have one, which I will show you a bit later, that is on the coast in the Ningaloo area where you pay \$700 per person per night to be in a tent. It provides very personalised service; it is about the service. A couple of kilometres down the road you can pay \$10 per night to camp in the public camping areas. It is not designed to replace what is already there; it is designed to do something that is not there, because if there is already camping — and we service caravans, tents, motorhomes, all those sorts of things — you have to provide both those services. It is about broadening the experience and broadening the access for people. We very much differentiate it from existing facilities, not just in the park but in the surrounding areas. There is no point in replicating those.

Most importantly, there have to be environmental and social outcomes. We have assessment criteria based on those, and all our leases and licences for those sorts of operations have key performance indicators that are based on environmental and social outcomes.

Ms WREFORD — Are you able to provide us with examples of those indicators?

Mr QUARTERMAIN — Yes, we can. I will go through that in a little while. Just to give you an idea, that photograph on the left is Karijini Eco Retreat, which is 100 per cent owned by the local Aboriginal corporation. They came into it as any other developer would. They are creating employment and training opportunities for Aboriginal people, plus they own it.

Ms WREFORD — Who funded it?

Mr QUARTERMAIN — They have native title agreements with a lot of mining companies, so they have their own funds. There was a level of government funding that went into it, and they are just expanding the operation to develop further staff accommodation, an education centre for schools and Aboriginal hospitality training. That is being funded through a Royalties for Regions grant that they obtained themselves.

Ms WREFORD — How far out of the city is that? If it is an educational centre, how do students — —

Mr QUARTERMAIN — It is a long way from anywhere.

Ms WREFORD — How would students access — —

Mr QUARTERMAIN — They live there. They will get bussed there. When I say it is an educational facility, it is for school groups. They are particularly aiming at getting Aboriginal people there for training. Part of the deal is that they will get transported. They are about 2 hours from Tom Price, which is a major mining area. Paraburdoo airport is not far away. There is pretty good access through there. Karijini National Park is probably one of the icon tourism destinations in Western Australia. You have got fairly good access there. It is an educational facility in as much as it is not a school but a training facility. For schools that want to go there it will be dormitory-style accommodation to experience it, and the Aboriginal owners will also run cultural experiences there to teach people about Aboriginal culture.

The CHAIR — Rod, obviously there are two sets of royalties — one going to the Indigenous community by arrangement, and the other going to the benefit of Naturebank, I assume.

Mr QUARTERMAIN — Yes.

The CHAIR — Are they hypothecated, or does it go to general revenue and then come back out? What is the situation in relation to how that royalty is managed?

Mr QUARTERMAIN — Royalties for Regions is a formula that the government has allocated whereby a percentage of all royalties that are paid to the government are set aside for the Royalties for Regions scheme. People then apply to that scheme for funding under the criteria that are set around it. The Perth metropolitan area cannot apply for that; it has to be in the regions.

The CHAIR — So it is by percentage.

Mr QUARTERMAIN — Yes.

The CHAIR — That is fine.

Mr QUARTERMAIN — There is a range of things that are funded out of that, including the super-town concept of building up regional cities. A lot of the development in Karratha and Port Hedland has been funded by that. There has been funding for a whole range of projects in regional areas.

Why do we do this? Western Australia has always supported the private sector facilities and services in the park, knowing there are things that we as a park service cannot do or that those things are done better by the private sector; they are not our core business. We have got something like 340 commercial tourism operators licensed to access parks. They mostly deliver tours of some sort but also things like whale and shark interaction tours, helicopter rides in Purnululu National Park in the Bungle Bungle ranges and a whole range of things. We also have 28 tourism leases ranging from caravan parks and camping grounds through to restaurants in some of the more urban areas. There are a variety of tourism leases. We see them as operating and providing services that are consistent with management plans — plans of management, I think you call them — and also the outcomes that we want to provide visitors.

Ms WREFORD — What is the average length of a commercial lease in national parks?

Mr QUARTERMAIN — There is no average. We can grant a maximum of a 21-plus-21 lease under the current legislation. In 2006 a review of nature-based tourism occurred, and that came out with a recommendation to change that to up to 99 years. That has now been accepted by government, and we will be going through legislation to amend the act to allow for that. We have a rough formula that we quite often work out in relation to the amount of capital investment. It usually allows time enough for them to recover their investment, and then we double that to allow for a return on that investment. Then there is an X-factor, which always comes down to what environment and social outcomes that operation is going to give.

I will go into our auditing process because we audit against those KPIs. We get an independent auditor in — a sustainability auditor — and that is the accountability side of it. There is an incentive to operate to best practice so we can then extend leases against performance.

Ms WREFORD — Have you had examples of poor performance? And if so, how were they managed?

Mr QUARTERMAIN — We probably have in the early years when we had very basic non-performance-based leases, and some of those were done in the early 1990s. They are managed with some difficulty because you have already got a person in there running a business. Not only is the business at risk but other things are.

We now have a lease compliance officer who travels around and checks on those leases. The KPI system was started in 2005. We have found we have not had badly performing leases because everybody knows what is expected. It is audited externally, and that audit allows for a regular sit-down meeting virtually every 12 months. If they are performing really well, the incentive is to go two years. They pay for the audit, so they have got an incentive to get it right. That has worked extremely well. There is one particular one that does it itself because it sees it as so valuable for its operation.

If you build in those incentives for good performance, you generally get good performance because there is an incentive. We have not had to cancel or terminate a lease yet. We have usually been able to manage the situation. Sometimes it is about who is doing it; if they can sell the business to someone else who is going to do it better, that helps.

The CHAIR — Were leases in place before Naturebank came along?

Mr QUARTERMAIN — Yes.

The CHAIR — That has been a longstanding program; it is not just in the last five years.

Mr QUARTERMAIN — Yes. I would have to say that Naturebank has learnt a lot of lessons from what has gone on in probably the previous 20 years. The Department of Conservation and Land Management, which was the precursor to the current department, was formed in 1984. It started taking a proactive role in promoting tourism and recreation at that stage. There was a long learning process, and we trialled the system before it was formally adopted in Purnululu National Park and the Bungle Bungles in 2004–05, and it has worked extremely well.

The CHAIR — Are the number of leases proposed to be capped at any stage, or will they be managed from the point of view of someone making the approach? It is not capped as such? Individual business —

Mr QUARTERMAIN — It might be on a park basis. We are hoping to continue the Naturebank project. Its funding runs out at the end of June this year. We will be seeking to carry on the process and to seek more funding. We still deal with proponents coming to us, but quite frankly there are not a lot of people beating our doors down to do it. It is high risk and low return.

The CHAIR — A large investment.

Mr QUARTERMAIN — There is an old saying about tourism: if you want to make a small fortune out of tourism, start with a large one. It is not a high-returning industry.

The CHAIR — Similar to farming.

Mr QUARTERMAIN — So you could relate to that. Naturebank is about government promoting that and making it easier and less risky to do, because it can see the benefits in the regions. I will move on.

This slide shows the Karijini Eco Retreat, which was built in the early 2000s. Again, it is Aboriginal owned.

These are some examples. Kimberley Wilderness Adventures is an APT company; APT is a Victorian company, obviously one of the largest touring companies. They have two camps in Purnululu. You talked about capping. We now have four commercial camps in Purnululu and two very large public campgrounds. We did have funding to look at more commercial camps, but there was a development on a pastoral lease at the entrance to the park. That is developing its own caravan park and safari camps, so we stopped doing further development in the park because it was going to be well and truly serviced by another development outside the park that was going to create a whole new market, which was day visitation in that park, because it is generally a 5 or 6-hour drive from Kununurra or Halls Creek, which are the nearest towns, to get into the park. That changed the complex of the visitor structure. That was going to overload the park. It gets about 28 000 visitors a year. Most of those stay at least one if not two nights there. You would start to ruin the experience if you overcrowded the park. You can use those strategies to manage the impact on the park.

There are lots of national parks around the world where the ‘house full’ sign goes up on a regular basis, and that is about sustainable tourism. There is no point in ruining the experience or placing an impact on the infrastructure in the park that is going to diminish that experience or the environment. That is one of our parks that is probably getting close to its capacity on a regular basis, but then it is only open for about 100 days of the year because it is very seasonal. It is probably open a bit longer than that, but generally visitation happens over 100 days because you then move into the wet season and the roads close.

The CHAIR — In saying that, what are the typical kinds of social and environmental performance conditions placed on development within the national parks themselves?

Mr QUARTERMAIN — If you move through several different ones: the use of renewable energy; retaining the impact to a certain footprint; water usage, which particularly up north is very important because quite often water is a particular problem to get — mostly groundwater, so it is costly. They also make contributions in the way of interpretation; it is a very important part. We want to sell a conservation message and deliver that conservation message to our visitors, and they have to demonstrate that they are going to have a

high level of interpretation and explanation of the particular environment in which they are working. That is a core project that we do. We have a lot of our own interpretation, but we expect our tourism operators to also deliver that to a very high standard.

These are all interlinked. For instance, the amount of water that you use is directly proportional to the amount of waste that you have got to manage. We often have restrictions on the amount of water that they use, because then they have got to treat that water once it has been used — in black and greywater. The particular criteria for, say, black water is that it has to be a sealed system. It is not sealed in the sense that they cannot return water back into the environment, but they cannot allow any of the phosphates or the nutrients to get back in. Virtually you can almost say that the water that they are delivering back into the environment is in a better condition than it is when it comes out of the ground, because it usually has a fair few minerals in it. All of those are interlinked.

If you restrict the amount of waste that is used — because they have to take that out of the park and deliver it to a licensed facility — that impacts on roads. In those areas it is a massive expense for the department to maintain those roads because they are quite fragile. All these things are interlinked. In fact I would argue that applying those principles of sustainability is good for business. It is cheaper in the long run. If you are using solar power rather than diesel generators, you do not have to transport that diesel in, which is a major expense in those areas. Not only are you paying about \$2 a litre for the fuel, you have then got to truck it in. That damages the roads, so the less you do that, the less damage there is to the roads. Road traffic creates dust which goes over vegetation, which kills it. All those things are interlinked. Usually if it is good business for them, it is also good business for the park agency and the cost of managing those areas.

Social KPIs usually centre on things like employment of particularly Aboriginal people — employment training, ownership, part ownership of companies. KWA was an example which was 40 per cent owned by the local Aboriginal corporation and 60 per cent owned by APT — a good model, and it is building capacity in those areas.

Purchasing locally. We have a strong emphasis on making sure that where possible their supplies are purchased locally and their employment is sourced locally; so those are some of the social outcomes. The other one is a stewardship approach to the management of the park. These operations support our management, so they will look out for potholes in the road and damage to other areas. They sometimes provide a de facto management presence in areas where we do not have a presence because we do not have the staff to cover those very large areas. We work very closely with them in things like fire suppression, which is very important in those areas. It is in their interests; once again they do not want a fire running through their facilities and destroying them.

Ms WREFORD — Do they also have environmental KPIs?

Mr QUARTERMAIN — Yes. Those environmental KPIs that I talked about include the use of resources and the production of things like power, but they will also contribute to environmental programs. One of our operators contributes \$5 for every passenger they have come through to particular research programs.

Ms WREFORD — What about their own footprint in any commercial operation?

Mr QUARTERMAIN — Their footprint is designated in the lease, and as I said there are measurements of their footprint. They are restricted to a certain number of clients that they can service. They are restricted to the amount of water per client they can use. That footprint is measured, and we assess it every year with this audit.

Our sustainability audits are done by external fully qualified environmental auditors. They are not looking at the economics; they are looking at the environmental sustainability and the social sustainability. That report comes back to us, because it is also an audit on our management of the facility. All our terrestrial lands are vested in the Conservation Commission of Western Australia, which owns the management plans; and we are audited against those and use those external audits to demonstrate our compliance with the objectives of the management plans. There is a level of accountability all the way around.

The CHAIR — Have all of the leases been viable to date or has there been a changeover in the private sector operations? What is the history of that?

Mr QUARTERMAIN — The tourism industry particularly in the last five years has changed enormously. A lot of companies have merged into one another. With smaller businesses — particularly given the size of

Western Australia where you have massive tours that go from Perth to Darwin and so forth — the scale of economics has forced a change on many of those operations. But by and large, yes: conditions change; we have been through the GFC and that affected tourism greatly, particularly high-yield tourism and tourism where access is an expense.

Interestingly, we applied this system to our whale shark interaction tours operations. In the last five years the size of the industry has doubled — that is, the number of people coming in. It has probably increased sevenfold since 1997 when we first started the program.

The CHAIR — Does international visitation make up a percentage of that growth?

Mr QUARTERMAIN — It is probably a higher percentage of that growth, but it is also from interstate. Whale shark interaction tours have become a bit of a bucket list tour. In the tourism industry it is one of our icon tourism attractions, and again we apply those principles of sustainability to that down to a system of making sure that vessels are regularly serviced in accordance with the manufacturers' requirements. It creates less pollution in the marine park. Quite frankly, the type of people who go on those tours or go to Purnululu already have an affinity with the environment and so they are quite happy to think that they are contributing to the environment.

There are obviously licence charges or lease fees, and we are more than happy for the operators to make it quite clear that those fees are being going back into the management of the resources that they are enjoying. All those fees are kept locally; they do not go back to Treasury. They are kept by the local departmental office and reinvested in the management of the park — as are our entry fees and camping fees. They are all kept locally. People appreciate that and know that they are therefore contributing to the management of the park.

Sal Salis in the Ningaloo world heritage area is one of the more recent world heritage areas. This slide shows the tents I was talking about, and they provide a magnificent experience situated about 100 metres from the beach. You wake up in the morning with the waves crashing over the reef, which is unlike at the Great Barrier Reef — and I will put in a plug here for Western Australia. You do not have to get on a boat and travel 3 hours out to the reef. You can walk out to it.

Mr PANDAZOPOULOS — With that tented accommodation in terms of facilities such as toilets and showers are they at a separate site, on-site or are they in the tents?

Mr QUARTERMAIN — Each tent has ensuite facilities. They use composting toilets and have a small solar-powered electric pump that pumps water.

Mr PANDAZOPOULOS — What percentage of your tented sites would have ensuite facilities?

Mr QUARTERMAIN — Most of the commercial sites have them now. It is the service that most people want and are happy to pay for. These things are not cheap to run.

Mr PANDAZOPOULOS — Do you see that as an essential part of offering the service compared to tented accommodation facilities where you go off and then share cubicles, bathrooms and all that sort of stuff?

Mr QUARTERMAIN — They started out that way. The premise of Naturebank is that it is the commercial operators who make that decision. If they choose to have separate ablution facilities, then they are meeting their market needs. They are the experts. They are the ones that are out in the market and have to attract the customers, so we allow those decisions to be made by them. We set up the guidelines for sustainability and say, 'This is what you have got to achieve; how you achieve it is up to you as long as you achieve it'. That allows them the freedom. Why would we open it up to them and then start dictating as to how they would meet their market needs? That is the beauty of having the sustainability principles: that is what we need to achieve. If they can achieve that, then we will give them the freedom to service their market in the way they see fit. Some are more expensive than others, but what has happened in, say, Purnululu where it has actually grown the market.

In days gone by, when you had the long-drop dunny and you would walk out in the middle of the night with a torch and swipe the red-backs off the toilet seat and so forth, my wife would not do that, but she would go to one of these camps. So you pay a premium, if you are prepared to do that, but you have already paid a fair sort of a premium to get to the Kimberley anyway.

The CHAIR — To get there?

Mr QUARTERMAIN — Yes. So it is relative to the overall cost of your whole trip. That is why the cruising industry along the Kimberley coast, which has grown from about five boats 10 years ago up to about 30, is floating Naturebank developments, taking people to different areas, and the government has embarked on a scheme of creating a whole lot of new marine parks and national parks along that coastal area. So all of these requirements will come into it.

Mr PANDAZOPOULOS — So in terms of all of those boating facilities, you said there has been significant growth?

Mr QUARTERMAIN — Yes.

Mr PANDAZOPOULOS — They all need access to berthing facilities, petrol, facilities at which they can discharge effluents, or whatever. How is that managed? How much is it on park sites? One of the barriers we have been told about is, 'I can leave a certain location in town and go and dock somewhere for safety and emergency reasons, but when I go to the park I really do not have anywhere to go. Then there is a limited number of days I can then go and provide that experience for people and offer it as a commercial product'. How would you guys deal with that? Would you allow a facility to berth somewhere at a pier?

Mr QUARTERMAIN — We are dealing with those issues at the moment, because the marine parks are not in place yet, but they are being planned. I was up along the Kimberley coast last September between Broome and Wyndham with some traditional owners and looking at it, because they own the land. They have native title rights on the land, whereas there are no native title rights over the water. They are intermixed — you go on the water and then you go on the land to see the facilities. We are beginning to work through those. I am not talking about huge cruise ships. I am talking about the micro-cruise industry. You have got facilities at Broome, you have got facilities at Derby and you have got facilities at Wyndham. Some of those have been operating for 30 years, so they have worked it out. We suspect there are probably some drums of fuel stationed along some of the areas that we will find out about eventually, but those are very real issues of operating in such remote areas. That is one of the reasons why the sustainability process came into being, and I can assure you that, as I say, sustainable operations in those remote areas are actually good business and cheaper if you can move more to renewable energy, to managing your waste and all those sorts of things, because it can cost a lot to do that. So yes, those are issues and you have to build an infrastructure to service them. If you are having tours along the Victorian coast, you would have to provide that. Victoria has a much denser population than Western Australia.

Mr PANDAZOPOULOS — So in your case is it normally public infrastructure, or is there a requirement for the operator to build as part of their lease?

Mr QUARTERMAIN — In relation to public infrastructure, I will give you an example. The Rowley Shoals marine park, which is about 500 kilometres off the coast of Western Australia, is a very popular spot. We have funded all of the moorings requirements so that people do not anchor there and ruin the coral, but the operators therefore contribute on a per-passenger basis to the cost of managing those moorings. So yes, there is public infrastructure, but there is a return on that infrastructure. In this case it is lease fees, licence charges, entry fees, camping fees or whatever that are applied as a return on that investment, and quite often they are not just servicing the commercial operators; they are servicing the FIT public — the free and independent travellers. The attractions are quite often common, and the accommodation facilities are sometimes separated.

The CHAIR — I just have a couple of questions. Firstly, in relation to the cost to the tourism community, is it now being recognised as a cap on affordability, or is that still in the eyes of the beholder? The second one is, I think, importantly throughout our inquiry, the committee has been exploring best practice in heritage and ecotourism, as you are aware. What is your view on the interrelationship between these two areas of tourism?

Mr QUARTERMAIN — I think they are very interrelated, particularly with Aboriginal heritage. Aboriginal people were the first custodians. Their culture is a natural form of land management. They interacted with that. One of the things I have learnt really strongly is that the European culture tended to change its environment to suit its lifestyle, whereas the Aboriginal culture tended to change its lifestyle to suit the environment, and probably controversially farmers have been doing that for years and learning from that. It is a natural sense of how you manage land. It has to be sustainable; otherwise, economically, it cannot be sustained. So in respect of affordability, I go back to one of my earlier statements. You do not have these more extensive

facilities if you do not also have the capacity to service what they call the affordable market. The West Australian government has just invested \$21.5 million into the department to expand its campgrounds and camping facilities for low-cost, affordable camping. So you have both. One does not exclude the other. I will show you an example of where we have actually done the reverse. In the Margaret River area, which is renowned for its wineries, cheeses and food — —

The CHAIR — Caves.

Mr QUARTERMAIN — Yes, and it has caves, beautiful beaches and great surfing. It has a massive amount of high-end accommodation. One of our last Naturebank projects that has come into force is actually a low-end one, and I will show you some photographs of that. Did that answer your question?

The CHAIR — Yes, thank you.

Mr QUARTERMAIN — There are triple-bottom-line sustainable principles — environmental, social and economic. When I talk about economic principles, I do not talk just for the commercial operator, but also for the community, so there has to be community and economic benefits and benefits for the park agency to contribute to the cost of managing those facilities. The attraction that people come for is generally funded by the public purse.

We set KPIs, and there is a very robust auditing process. The government assembles the land and lowers the investor risk by doing all of that work prior to putting it out into the market for commercial development. It might take two or three years of work of doing environmental clearances, flora and fauna, heritage clearances, hydrology studies and all of those things that a developer would normally do, and it is very expensive in those areas. We do a prerelease investor attraction process — and I have a copy of one that we did for the Shark Bay project for you. We provide as much information as we can to allow investors to make an informed submission. We also provide some infrastructure support in relation to the development of water power and waste management.

The CHAIR — I also understand that there is plenty of accommodation available for private tourism versus commercial tourism; it is not a totally commercial tourism venture where they have got a monopoly of the whole show and individuals cannot have access.

Mr QUARTERMAIN — Yes, that is right; that is what I said: you do not let one suffer because of the other. Where there is commercial — again at Purnululu there are commercial camps, but there is a much greater capacity in the public camping areas.

The CHAIR — Yes.

Mr QUARTERMAIN — We provide incentives. Due diligence is completed before release. We set out very strict guidelines for proposals, without telling them what to build, because there might be two different solutions that are perfectly acceptable. We make contributions to infrastructure and we take a partnership approach about the terms and conditions that we have to make sure that it is going to work for both of us.

The CHAIR — I am just flagging that there are 7 minutes left.

Mr QUARTERMAIN — Sure, okay. This is the opposite end. Margaret River has a lot of very expensive accommodation that you can go to and get well and truly pampered. Wharncliffe Mill, which is about 5 minutes outside the township of Margaret River in the Bramley National Park, was an old timber mill that was decommissioned in the 1970s. We put it out for expressions of interest. We had used it over the years for school camps that wanted to come down and have some dormitory accommodation. It went through the Naturebank process. The applicants have invested about \$1.2 million into it. They put in some old cabins that they had transported that were timber cabins or forest cabins from elsewhere.

The slide shows the old timber mill, turned into a common area and there are barbecues, there is a camp kitchen and there is an area for school groups and community groups that can be used under cover. They have put in about 40 camp sites. That is one of the schools using it for their functions.

They have engaged with a local Aboriginal person who built the amphitheatre and who delivers Aboriginal cultural interpretation and programs for, not just the school groups, but tourists and other people. It is a product

that did not exist in that area. They have got safari tents, which they rent out to people who still want to have that camping experience but who do not own their own camping equipment. Their mountain bike tourism, as is happening just about everywhere, is a hugely growing sector of the market, and so they are starting to attract a lot of mountain bikers who come down and stay in the cheaper accommodation. They have got dormitory style, they have got the cottages, they have got camping; they have a whole range of accommodation. They have put in some powered caravan sites as well.

The CHAIR — Have you got some indication of the affordable camping and cheaper sites? What are we referring to when we say ‘cheaper’?

Mr QUARTERMAIN — They are charging somewhere around \$20 per night, or something like that.

The CHAIR — So \$20 to \$50, or that type of thing?

Mr QUARTERMAIN — Yes, depending on power and whatever.

The CHAIR — Whereas at the top end — what are you looking at for the top end?

Mr QUARTERMAIN — In here, for one of the cabins, probably about \$160 a night, and they are self-contained cabins. They have got two bedrooms with beds and a kitchen. As I said, this is 5 minutes out of Margaret River, so you can walk into town. This is an example of where they had connections to mains power and mains water, but they are now totally self-sufficient in their power. They have put in a hybrid power system and they have put in water tanks so that they do not draw on the water mains. This is one of the parts of Western Australia that actually does get some rain, in the south, and they are now virtually self-sufficient. This is one of the guides. They interpret tell that story to their customers to show that you can be sustainable, even though you have access to those things.

The CHAIR — Colleagues, as we are running to the end of our presentation from Rod, are there any further questions we would like to pose?

Mr PANDAZOPOULOS — I would not mind seeing the rest of the presentation.

Mr QUARTERMAIN — That is it.

Mr PANDAZOPOULOS — That is it? Okay.

Mr QUARTERMAIN — The last slide is really all about the experience, and that is what we are looking at.

Mr PANDAZOPOULOS — Great.

Ms WREFORD — My question is: when can I come?

Mr QUARTERMAIN — I am on a 1 o’clock flight, I think there is a seat next to me, if you like.

Mr PANDAZOPOULOS — You said that you do a rigorous auditing process. Can you run us through little bit about that?

Mr QUARTERMAIN — We have a panel of auditors that we engaged through a tender process. They all have to be qualified environmental auditors. They go on site and check out the audit, so there is a document audit and there is a site audit as well. Usually we have that pretty well organised now. Most of the documents are provided — records of water use, power use and all those sorts of things — and then we get a report from the auditor, which has recommendations. If they suggest that best practice has now changed and therefore a KPI and or a licence condition should be upgraded or amended, that can be done. We have set up our leases so that those KPIs can be amended without amending the lease itself, so it is a very simple process.

They will also make recommendations about our management and what we can contribute. It is seen very much as sitting down and having a chat. It is not a gotcha audit that tries to catch people out. We recognise that best practice will change. We are talking about 40 or 50-year leases. What will happen in 50 years will be different to what is happening now. The industry changes, the market changes and we want these things to be sustainable

and ongoing, so if it is necessary to change the KPIs while still sitting with the principles of sustainability, to be more practical and get a better outcome, why would you not change them?

Mr PANDAZOPOULOS — Government is driving this predominantly as a regional economic development issue, so it seems that having high-end sustainable businesses become icons on their own, can also be sustainably managed from an environmental point of view, but actually be a vehicle and a focus for people who come to WA.

Mr QUARTERMAIN — Yes, and it creates a point of difference. Also, quite often the rest of the local industry can run off the coat-tails of something that is high profile and relies on a high level of marketing to do it. If you look at Monkey Mia near Denham — you may have heard about Monkey Mia, where the dolphins come in. When that resort was upgraded — which is not one of our leases, by the way, but it is right in the marine park — there was a new four-star hotel built in Denham, which is the local town that services several caravan parks. The promotion and publicity about Monkey Mia dragged the rest of the industry along with it.

Mr PANDAZOPOULOS — Predominantly you are widening who you want your customer base to be so that, as you said, your wife will go and do this, whereas if it were not there, she would not. So you have to go and broaden the market — chase the market — in order to provide those economic development and environmental experiences?

Mr QUARTERMAIN — Yes. There are a whole range of people who cannot sleep in a swag on the ground for medical reasons or whatever, or age. I am getting to that point, although I love doing that. It can open it up to a much broader market.

Mr PANDAZOPOULOS — So with an ageing community, all these sites generally are much more accessible to be able to get into the site and live in it and move around.

Mr QUARTERMAIN — Yes, and some of them are different. Some of them are part of a touring component. In the Kimberley that happens, where people generally tour around it. Sal Salis is a one-stop destination; you go there and come back again, because you are right in amongst the experience. It is horses for courses as to what. Something that will work in the north will not work in the south.

The CHAIR — Rod, on behalf of committee members, we would just like to thank you very much for joining us today. Your input is most valuable. We have not had the opportunity to get over to Western Australia, but I think you have brought lots of things to our attention which will obviously be recognised, and important recommendations will be put before the Victorian Parliament. On behalf of us all, thank you very much.

Mr QUARTERMAIN — Thank you. I will also leave this just very quickly, and I know I have nearly used my time. I am chair of the tourism and protected areas forum that meets at the ecotourism conferences and which has representatives from all the protected area managers and the tourism agencies around Australia and federally. We developed through a consultant these best practice guidelines. On the memory stick are a whole range of documents, which I will leave with you, and the presentation. You can have a look at them. Thank you very much for the opportunity to talk to you.

The CHAIR — We appreciate that very much. Thanks so much, Rod.

Witness withdrew.