

TRANSCRIPT

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Inquiry into heritage tourism and ecotourism in Victoria

Tasmania — 13 February 2014

Members

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Witnesses

Mr J. Lennox, Director Visitor Services, Tasmanian Parks and Wildlife Service

The CHAIR — I declare our public hearing open, and in saying that we welcome Tasmanian Parks and Wildlife Services with Mr Stuart Lennox, Director of Business Services. Stuart, can I indicate that all evidence taken at this hearing this morning is protected by parliamentary privilege in accordance with the reciprocal provisions in defamation statutes in Australian jurisdictions, as if you were giving evidence in Victoria, and as provided by the Victorian Defamation Act 2005, section 27, the Constitution Act 1975 and the Parliamentary Committees Act 2003. Any comments you make outside the hearing may not be afforded such privilege. Any reporting of these proceedings enjoys qualified privilege for fair and accurate reporting as if the proceedings were in Victoria. 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 few weeks. Thank you very much for joining us and we look forward to your presentation.

Mr LENNOX — No worries, thanks, David. The brief I was given was probably a 15-minute presentation and then questions and answers for 15 minutes.

The CHAIR — Yes, 15.

Mr LENNOX — I do not know, I have not structured a presentation around 15 minutes. I am happy to take questions at any time. I am much more a person who likes an engaged discussion rather than bore you to tears with a whole lot of stuff you do not want to know about really.

The CHAIR — I think importantly, Stuart, some background in work and activities as undertaken by the department is something that we would certainly like to be aware of. We will pose a question on the way through or at the end if you are comfortable.

Mr LENNOX — That is fine. My guess is I will rip through this pretty quickly.

The CHAIR — Thank you.

Mr LENNOX — I did not use Powerpoint but it is in Powerpoint format so I can easily send that to Greg and you can have that as a reference point. We are a division, the Parks and Wildlife Services is a division of the Department of Primary Industry, Water and Environment. You went to the Port Arthur historic site yesterday and that is another division of the department. The vision of our organisation is to protect and present and manage in concert with the community Tasmania's unique and outstanding reserve system for all people for all time. Interestingly, given Waldheim and Cradle, the last part of that vision comes from Gustav Weindorfer who talked about Cradle being protected for all people for all time. We are carrying that vision through with our two oldest national parks, Mount Field and Freycinet National Parks, which will celebrate their 100th anniversary in two years time in 2016.

Our mission as an organisation is to create and maintain a representative world-renowned reserve system. I think that is the fundamental building block of all our business and all our organisation. We have a very large tract of land dedicated to the reserve system in Tasmania and I think that is the foundation stone of our business. We are very proud of that and I will talk to you in a bit more detail about that in a minute. Interestingly, the other part of the mission is to conserve the state's natural cultural heritage while providing for sustainable use and the economic opportunities for the Tasmanian community. To reinforce a couple of elements, it is about sustainability, and your visit to the Overland Track is a classic example of our approach to sustainability and the changes we made in 2004 and 2005 to ensure that the Overland Track, in the late Premier's description, was not being 'loved to death'. I do not know how much Nic talked in detail about those changes which are now nine years in the making, but in terms of a sustainable management system I think we are much closer now with the Overland Track than we were 10 years, and particularly where we were five years ago and even to an extent where we were only three years ago.

Ms WREFORD — What have you done to make those changes?

Mr LENNOX — The initial changes that we made in 2004 and 2005 at the direction of government, quite clearly, were the introduction of a fee, the introduction of a booking system and the introduction of a booking period, a season, which initially was six months and now it is eight months, and then during that peak season the fact that you can only walk in one direction on the Overland Track and that is north-south. They are the fundamental parts, Lorraine, of the system that were changed, but there were lots of other things that occurred as well. They are the fundamental things that have given us the basis to move forward.

Ms WREFORD — Have you done measurements on before and after and how that has improved?

Mr LENNOX — There are a lot of measurements that we have. The one that I think is the most significant, from our point of view, is prior to the introduction of the changes on the Overland Track, 27 per cent of people thought it was one of the best things they had done in their life. That is now in excess of 43 per cent. In terms of the experience that we are trying to offer people on the Overland Track that has substantially improved. Nine out of 10 people on the Overland Track say it is one of the best things they have done in their life, or one of the best things they have done in the last 12 months. We are incredibly proud of that. You will find on our website a report on sustainability. We have identified 10 criteria and we report on that. That is publicly available on our website if you want to have a look at it. It talks more than just about the experience, it talks about the economics, it talks about the social and the environmental aspects as well.

The CHAIR — In saying that, Stuart, has your international visitation been constant? Is it on the rise? I think Nic indicated the other day about nine per cent of visitation is international.

Mr LENNOX — On the Overland Track, David?

The CHAIR — Well, I assumed at Cradle.

Mr LENNOX — Yes. Visitation by international visitors to Tasmania—that is the overall visit to the state—is consistently around 16 or 17 per cent and we are fundamentally a domestic destination. The Overland Track, only about eight or nine per cent of the users or the walkers are Tasmanians, about 91, 92, 93 per cent—it varies obviously year to year, but consistently it is always in that range from interstate and overseas. The international component is consistently around 23, 24 or 25 per cent. It has been as high as 33 per cent. Australians make up about, let's say, two-thirds. Internationals make up not quite one-third. Tasmanians top that up if that makes sense. They are pretty stable, they do not vary a lot, but I think the interesting point here is that on the Overland Track the level of visitation from internationals is much higher than it is the overall visitation to Tasmania—it is definitely the hook—and 75 per cent of the people who walk the Overland Track tell us it is their primary purpose of visiting Tasmania.

The CHAIR — It speaks for itself.

Mr LENNOX — It does speak for itself. The other component of the mission is about economic opportunities. Having such a large amount of land in the reserve system it has to become, not only an environmental driver for the state but an economic driver as well as a social driver. That is within the mission. The last bit of the mission is about the community, the Tasmanian community. We are very focused on trying to manage the reserve system consistent with the community's aspirations for that reserve system. I am not going to detail the things we have done because that is not really the focus of this group.

The CHAIR — No.

Mr LENNOX — I wanted to make that point. We are very clearly focused on working with the community to deliver outcomes the community are looking for.

Ms WREFORD — Do you get much objection from the community when you put infrastructure in?

Mr LENNOX — That is really hard to be general about. My view would be that we get small pockets of resistance but the general community are supportive and we conduct a community monitor every three years. This has been a telephone based survey. It is now a web based survey of all the Tasmanian community. But certainly we have done that in 2004, 2007 and 2010, and we are doing it at the moment. In fact we get the results today. That community monitor tells us that generally, no, we do not, but you do get little hot spots, there is no doubt about that, depending on what the issue is.

The CHAIR — The new venture, the Three Capes Track, will that have an impact on visitation to Cradle or is it anticipated that people have both those experiences on the one visit?

Mr LENNOX — Our research, David, would suggest that people are looking for a complementary experience. They are looking for a coastal experience, as opposed to an alpine or a subalpine experience. The very early work we did on identifying another iconic walk for Tasmania clearly identified we are looking for something that is complementary, not competitive. The Overland Track—I forget—it has been in operation

formally for about 80-something years. I would be suggesting 84 or 85, something like that. It is a long-known experience, it has a reputation. The Overland Track is rated consistently as Australia's most iconic overnight bush walk and it is consistently rated as one of the top 10 walks in the world. It has a really established position in the market, and it is quite a challenging experience for the people who walk the Overland Track. It is basically a commitment of five nights, six days, and you are in the mountains. If you are in the mountains in Tasmania you would expect to get wet, snow and sunshine. You can get everything—cold.

Three Capes, I think, would be complementary and that is very much the approach we are adopting. In fact given the way the project is developing and shaping, my expectation is it will become the overnight entry level experience, overnight bushwalking experience for people. The Overland Track tends to be a bit like that at the moment, but we are observing there is a change in the bushwalking market and we think Three Capes will fill some of the emerging segments within the bushwalking market.

Ms WREFORD — People are wanting more challenge?

Mr LENNOX — People are looking for a softer experience. We are building a track of a class 3 standard, that is going to be a very well developed track with very little steep sections in it. We are going to be building hut infrastructure. It will be a hut based walk only because all the research we have done has shown that is what the market is looking for.

Ms WREFORD — With those huts do you place environmental design conditions on those buildings that are constructed within the park?

Mr LENNOX — There are three levels of planning. Quite obviously there is the local government planning requirements, there are our own planning requirements within the service and at a state level, and then there is the Australian government's EPBC regulations. Again I would direct you to the development plan, the environmental management plan which is on the web. Lorraine, that will detail all the constraints that we have been managing in terms of the hut and the project itself. I go back to your point though that we expect it will build a new market.

The CHAIR — It is a different market.

Mr LENNOX — It is a different experience and it will be complementary rather than competitive. Given the stature of the Overland Track I think it will stand alone. A quick overview of our reserve system, we are currently managing 483 different reserves, 2.92 million hectares of land and water.

Ms WREFORD — What is that, a percentage of Tasmania?

Mr LENNOX — It is probably around 38 to 40 per cent of the land mass.

Ms WREFORD — Wow.

Mr LENNOX — It is pretty fluid at the moment because of the Tasmanian Forestry Agreement and some of the decisions that the government made last year in terms of the forestry agreement. If all those things go ahead as proposed, it will be well in the mid-40s as a percentage.

Ms WREFORD — But that comes at a cost to government to do that.

Mr LENNOX — Admittedly it does, yes, but it goes back to the point I was making early on which is about a world-renowned, intact reserve system. The foundation is stable, the fundamentals of the experience we can offer, particularly in terms of a remote wilderness experience is very much entrenched in the fact that you have large tracts which are protected.

Ms WREFORD — If I can go back to the cost, given there is a cost to government, especially to maintain things, such as business centres, with national parks signage, tracks, whatever, how do you think that private investors could be attracted to partner with government, maybe to improving business centres and other experiences on the parks?

Mr LENNOX — We have been relatively proactive in terms of trying to mitigate the cost of our operations to government. We have a retained revenue agreement with Treasury and that is a really important agreement

for us. What that basically means is that every user that uses the Overland Track pays a \$200 fee, and that fee—as Nic would have explained—goes back into the management of the Overland Track. It is not commonly out of our core account funding any more, it is basically now being funded. As an organisation we generate in excess of 20 per cent of our income now from a range of business and commercial arrangements. That is probably consistently about twice most other Australian states. The park entry fee system, as I know you are interested in, is also front and centre of that. This year our expectation is it will generate \$11.2 million or thereabouts in income, and park entry fee will make up 40 per cent or in excess of 40 per cent of that. I think we are tracking well at the moment. We have an intent clearly to increase the amount of income that we can generate. We have about 200 commercial visitor service licences and leases and these are—the ones that you met on Monday, Cradle Huts or the Tasmania Walking Co. That is one example of those 200 business partners that we have.

The CHAIR — That would be one of your longer lease arrangements where that investment is being put in by the private sector—

Mr LENNOX — That is correct.

The CHAIR — As Heath spoke, I think, 15 by 15, in that order.

Mr LENNOX — Yes, I cannot remember, David, off the top of my head but—

The CHAIR — Where most of the other ones are more five year for—

Mr LENNOX — It depends on the nature of the business and it depends on the investment and the ability for that business to turn a profit. They are all factors we consider in terms of our lease negotiations.

Ms WREFORD — Do you have a policy around private investment in national parks?

Mr LENNOX — It is the government's policy, it is not ours.

Ms WREFORD — That is what I meant, sorry, yes.

Mr LENNOX — Yes. The current government obviously is keen to encourage the commercial element of contribution they make to the reserve system, and the presentation of the reserve system. I think that is the thing that people get often lost in this argument. Cradle Huts is bringing a client group of about 1½ thousand clients a year. These are clients that would not normally walk the Overland Track. These are clients that are of a demographic that would not normally have that experience. Whilst people see them as a commercial operator, which they are—and they need to be to generate the employment outcomes that the state needs, and the profit outcomes—the reality is they are bringing people into our reserves that would never have had that opportunity previously.

That is the approach we adopt. Our management objectives are quite clear that tourism is a legitimate use of our reserve system and that people are there to enjoy the reserves. Therefore, in terms of policy it is embedded really in the objectives of the legislation, and particularly in terms of the management objectives. That is where we go back to, both in terms of the act and in terms of the management objectives that are articulated for each of the reserve types.

Mr PANDAZOPOULOS — Stuart, you said 11½ million you raised in revenue and you have an agreement with Treasury. How essential do you think that is for you guys to be able to keep on delivering on that balance of meeting the needs of visitors whilst obtaining integrity of the site.

Mr LENNOX — There are a couple of things. One is that it gives us internally a lot more flexibility than we would otherwise, because the proposition we put back to the community is—and I will give you one that is a real outlier, John, if you do not mind, and we had a whole lot of issues to do with recreational driving in a reserve on the west coast. It is an area that is culturally really significant. It is amazing. It is one of the most rich Aboriginal archaeological sites. It is a reserve of about 100,000 hectares. We were having a lot of trouble resolving that issue with the community. We were able to say to the community, 'We've got to build a sustainable access system here. If you want to maintain access we've got to be comfortable that we're going to do it in a sustainable way. Part of that will be the introduction of a fee but remember that fee will come back to the reserve. It won't be going down to Hobart or into Treasury or whatever else.'

So we have been able to introduce a \$50 recreational driver permit at that reserve, along with the other things that occur in that reserve—camping, agistment and other things. All those things go back to the field centre. That field centre then has the flexibility to employ local people to do cleaning contracts, gravel the roads and all the basic stuff that has to happen day to day. Instead of having to go cap in hand to head office to get those resources it does create some—

Ms WREFORD — Good will?

Mr LENNOX — Good will, but it also creates an environment for our staff to know that collecting camping fees is important, because for every \$20 they collect, it is another \$20 they have got—

Mr PANDAZOPOULOS — With that revenue collection that you do, do you then create each site where you generate revenue as a cost unit?

Mr LENNOX — We do. We manage 21 business enterprises across the state. You had an experience of two of those—Cradle Mountain Visitor Centre is a business enterprise, and the Overland Track is another one. They are replicated all around the state. Some of them are big ones, like the Overland Track, some of them are small ones, like the Arthur-Pieman. We run two cave site experiences—one at Hastings and one at Mole Creek. It is the same model. As I said, the real benefit is that we can give our staff some incentive to manage that appropriately.

Mr PANDAZOPOULOS — The rule of thumb would be that where you have revenue raising at a local level they are the most trafficked sites, are they?

Mr LENNOX — No, not necessarily. The reality is yes but that is not the fundamental premise.

The CHAIR — That is not the driver.

Mr LENNOX — No. I think the other driver, John, I have probably missed out, is the fact that we say to our staff, 'We don't want you to make a profit at these sites because there's a cost of doing business. What we want you to do is provide the best service you possibly can.' In the Arthur-Pieman example, what we have done is put on some local staff to run the office on the weekends because that is where most of the users are there. It is about trying to cover our costs of delivering that service, but at the same time it is not about trying to make these centres profitable—because the costs are usually much greater than the income—it is about how we can provide a better service to the community.

The CHAIR — As a percentage of your costs versus the revenue, about 11½ per cent out of your budget.

Mr LENNOX — Yes, you can get all that off the Treasury budget papers, and our budget is very complex, it is a bit hard for me to explain simply here, and as I said we generate around 20, 21, 22 per cent of the income, because our core funding is almost mixed up with project funding. At the moment, this year, our total budget is about 45 million, but that does not really help you a great deal because there is Macquarie Island pest eradication, there is Three Capes in there. There are some big other projects which affect our day to day operational costs. It is a big hard to generalise. If you want to dig into that I would go into the Treasury papers.

The CHAIR — But generally the operational costs are greater than your revenue stream.

Mr LENNOX — Yes. There are very few places where we have set a fee where the fee would generate enough income to cover the costs of running that. The Overland Track is a classic example. We were probably about at that breakeven point on the Overland Track. The other example I have given John, we were way off. Even the \$50 fee, plus other income, we were probably 20 per cent, 25 per cent.

Mr PANDAZOPOULOS — So you are using that more to manage the site.

Mr LENNOX — Yes, and as I said, it is about providing a better service and it is also about being relevant to the community. We cannot set fees in some locations, which are outrageous, because the community will not accept them.

Mr PANDAZOPOULOS — You also said you had about 200 commercial operations.

Mr LENNOX — Yes.

Mr PANDAZOPOULOS — Most of those would be licensed tour operators, I would imagine. Their licence periods for LTO varies up to—

Mr LENNOX — Up to five years.

Mr PANDAZOPOULOS — Up to five years. That is under the act, is it?

Mr LENNOX — No, it is part of the approach that we have adopted.

Mr PANDAZOPOULOS — How many licences are there with accommodation on reserve land?

Mr LENNOX — I cannot be specific but of the 200 there are about 160 licences which are tour operator based. There are about 40 leases. My expectation is the bulk of those 40 leases would be accommodation based.

Mr PANDAZOPOULOS — That is national parks versus other Crown land?

Mr LENNOX — Hard to say, John, I cannot be specific. You have had a look at the Cradle Huts model. They are a complementary product—the Bay of Fires, that is on private land, which is adjacent to national park. Freycinet Lodge is another one within Freycinet National Park. It is a long establishment. The national park has effectively enveloped it. It was previously on Crown land—unallocated Crown land, I suspect—and then over the years as the boundaries have been increased it is now part of the reserve system. Yes, I suspect most of those 40 would be leases bases around accommodation or standing camps.

Mr PANDAZOPOULOS — Yes.

Ms WREFORD — Is there a demand for tour operators? Do tour operators come begging, knocking on your door, really desperate to have an operation in your parks?

Mr LENNOX — There is a consistent demand, but it is like the economy, if the economy is weak, demand is weak, if the economy is strong, demand is strong.

Ms WREFORD — For example, do you have a waiting list?

Mr LENNOX — No.

The CHAIR — Taking that to a further point, what is your view of accreditation schemes for ecotourism? Do you think that participation in these schemes should be mandatory for commercial operators in the parks, and have you seen an increased interest by visitors in sustainability?

Mr LENNOX — Yes. The last bit I will answer first because I do not think I am in a position to really provide you some accurate advice on that. We hear anecdotally the consumers are taking a lot more interest in terms of the business, but I have not seen any formal research to really strongly answer that with confidence, David. The first part of the question, yes, we are supportive of the accreditation systems, we have a strong relationship with the industry council here who run the accreditation system. We strongly encourage our commercial lease and licence-holders to be accredited.

Ms WREFORD — Accredited with who?

Mr LENNOX — The state government here has made a large push through Tourism Tasmania for the local industry accreditation program run by the Tourism Industry Council of Tasmania, but there is, and always has been, an element that also are accredited either separately or in conjunction with Ecotourism Australia and their accreditation programs. They are not the only ones but they would be the dominant players.

The CHAIR — There are a couple of questions I think are important to raise, and another one, if I can, Stuart, can you point out any examples outside Tasmania that you would consider as best practice in terms of balance in the environmental values of parks with tourism.

Mr LENNOX — That is a good question.

The CHAIR — You are a good man to ask, I am sure you have had a good look around.

Mr LENNOX — Yes, and I am very biased.

Ms WREFORD — You reckon you have the best. Is that right?

The CHAIR — We picked a bit of that up on the way past.

Mr LENNOX — I have had a look around and everybody has their own approach and I do not particularly want to endorse one or the other. We are all very similar legislatively in Australia, and I do not think the frameworks are that dramatically different. Maybe it is more institutional or cultural are the issues.

Ms WREFORD — I think the question was broader than Australia.

The CHAIR — Outside of Tasmania—nationally and internationally.

Mr LENNOX — Obviously we have done quite a lot of work in New Zealand and had a look at the way New Zealand operate. They do a very good job. We do keep a pretty close eye and have a good relationship with New Zealand on a whole range of levels. I have not directly—but the general manager has—been to both the US and Canada, and I think there are things we can learn from them. We have showed a great deal of interest and built a relationship with Golden Gate in San Francisco. There are things they are doing there that interest us, particularly in terms of the philanthropic component because that is an area that we would like to see further developed at an organisational level.

The CHAIR — Our committee has had the opportunity of an international visit to San Francisco, Vancouver, Hawaii mid last year, the starting point of this reference. We are very familiar with what they are doing there.

Mr LENNOX — Yes. We have been certainly keen on that as a model but understand that Australia is different culturally and economically. I have equally had a look in the UK in Britain, Scotland and Wales. Again it is very different, legislatively, and their focus is very different, like on the build environment. The general manager is also well abreast of what happens in South Africa and as an alternate system because it is a system that is not hugely funded from government but it has quite interesting business models.

Mr PANDAZOPOULOS — You touched earlier on that you are manager visitor services and you have been looking at the visitor experience and where there are gaps, and you have developed a new walk as part of that. Are there any other new areas that you have developed or are thinking of developing to meet that visitor need?

Mr LENNOX — From a strategic sense, John, no. I cannot say that it is something we have identified as a strategic priority. Fundamentally I think the industry is best placed to do that. We tend to try to work with industry and give them—

Mr PANDAZOPOULOS — Industry tends to give you feedback about where there could be an opportunity?

Mr LENNOX — That is where we think it should be driven by; rather than led by us it should really be led by industry. Having said that we have our own experiences to manage. An example yesterday—we are seeing a large influx of Asian visitors now, and it would appear to us that their needs are very different to the core market that have been traditionally coming to our parks and reserves. An example is, at Freycinet at the moment we encourage people to go to the Wineglass Bay lookout. People want to go to Wineglass Bay, they want to go and look at Wineglass Bay. We get a couple of hundred thousand people to that park, and two-thirds of them probably go to the lookout. We have done a lot of work and we have invested millions of dollars in terms of fixing up the carpark and the track to facilitate that in a safe way, in an enjoyable way. The staff on the ground are saying it has been challenging because a lot of the Asian visitors expect to be able to drive to a location. When our staff explain to them that they have to walk for an hour and a half they find that quite confronting. It is a real insight into what is happening because there are a lot of Asian men in suits and business shoes, and the women equally as dressed, quite inappropriately.

Without saying in a strategic sense, I think in an anecdotal sense at this stage we have built a lot of our experiences around the European market and the European nature of visits, and the Australians, but it would appear that certainly with the Asian market—and I am not generalising here because I think each of the Asian markets are going to be different again—we may have to restructure some of our experiences on the ground, some of the iconic sites, to better meet their needs. That is something that will be on our radar in the near future.

Ms WREFORD — Further to that, what role do you think new technologies might play in this space, not only for Asians but for anybody, I guess—iPad, iPods, QR codes on interpretation signs or whatever.

Mr LENNOX — Again, without trying to pump our tyres up too much, I think we were the first park agency to put out an app quite a number of years ago called Bird in the Hand. It is basically a little app which is about native birds. We followed it up with another one called Frog Log. We have also done another one called 60 Great Short Walks which is one of our premier—

Ms WREFORD — I think I saw it on your website.

Mr LENNOX — Yes. We have been trying to embrace—we were a very early adopter of the web 20 years ago. We have tried to be an early adopter in terms of the apps. We are about to put out signage at a number of locations in five Asian languages with QR codes.

Ms WREFORD — It is interesting that you say that because one thing I noticed when we were out and about, I did not see any different languages. I thought and I wondered about that.

Mr LENNOX — Come back in a week's time.

Ms WREFORD — Is that an invitation?

Mr LENNOX — Basically, at Cradle, Freycinet, Mount Field and Narawntapu, those four sites which we think are the main sites that we do get Chinese, Japanese, Malaysian, we are now having a welcome sign in their language with a QR code, and a QR code when they scan—because they are obviously very technology savvy—will take them to the park brochure which is a general park information brochure.

Ms WREFORD — It will be in their language?

Mr LENNOX — It has been converted to their language.

Mr PANDAZOPOULOS — Do you have guide interpreters which will complete the circle on the signage, so questions responded to by your own people?

Mr LENNOX — We employ quite a lot of visitor service officers and visit reception officers—and they are culturally diverse as a group anyway—and we do not particularly have a policy at this stage of trying to recruit a specific origin to a location because—like at Lake St Clair we have a woman from Japan, we have a bloke from France and another one from Germany, I think, off the top of my head. As an example, at each of the field centres, you probably have a mix anyway. We also run a discovery ranger program which is our major initiative to build the interpretive component of our business. Again they are quite a culturally diverse group but we do not particularly emphasis one nationality over another.

Mr PANDAZOPOULOS — Stuart, how do the Parks and Wildlife Service balance the interpretation of natural history with the need to tell stories about the human heritage of parks, such as stories about Aboriginal people, mining, logging, or the convicts?

Mr LENNOX — Yes. The first thing is it is important to note that we manage about 1½ thousand heritage sites which people do not often see. They see us managing the 19 iconic national parks and all the other reserves. For example on Maria Island we manage Darlington, the probation station, which is now part of the convict serial listing in the World Heritage area. Sarah Island, for example, which again is a convict island in Macquarie Harbour, the Gordon River cruise boats go there. We have a number of heritage sites here in Hobart. The shot tower is an example, Richmond Gaol is another one. I tried to get the group to go to a little site we manage at Ross Female Factory which again is an important part of the whole convict story here. Yes, we do manage those sites and we again work with the community and the industry where there is demand to build the interpretative component.

For example, we have upgraded the interpretive elements at Sarah Island. Why I wanted you to go to Ross was because the Female Factory site was a grant from the Tasmanian Community Fund. We have done about 250 houses—

The CHAIR — We must have been a bit time precious, were we?

Mr LENNOX — Yes. But I know some of you are heading back because I think you brought your vehicles down, but if you go into Ross on your way back out—

The CHAIR — Go and have a look at it.

Mr LENNOX — We were partners with the community. Why I wanted you to have a look at it is because there is a great little community story. It is a really nice little site now. The work that has been done over the last five years is a really great job in terms of presenting the site. In terms of the indigenous component—that is more the heritage component, the Europeans. We do okay, but there are certainly lots of opportunities to do better. In terms of the Aboriginal cultural component, again it is an area that has been slow. We have eight sites across the reserve system where we provide some interpretative components around the Aboriginal story. The most important and successful project is a recent one we have done at Melaleuca in the south-west called Needwonnee. Again I would encourage you to have a look on YouTube.

It is about an 11-minute presentation on the Needwonnee people who lived in the south-west and how we have developed an experience based on an interpretative experience that is ephemeral. What I mean by that is that with the community—this is the Aboriginal community—we have built hut structures, bark canoes, a whole range of things down there which describe their lifestyle. These things will eventually decay. For example, there are kelp basket water carriers down there which are hanging in the trees, there are necklaces. There are all these elements of their life which eventually will decay, but the idea is to bring the community back year after year and recreate new elements to the Needwonnee experience.

I think Needwonnee is a really great example of some of the recent work that we are doing in the cultural space but I think there is significant opportunity to do more and tell more about the story, and it is definitely an area we are very committed to.

The CHAIR — I was interested, Stuart, in your comments about the heritage parks. One of the things we have been looking at is where are comparable countries that have had a colonial history, indigenous communities, you know, a relatively similar development time frame. It appears that Australia is out of whack with Canada, the US and New Zealand. Their starting point was heritage. Your environment is part of heritage because that is what was there as landscape.

Mr LENNOX — Yes.

The CHAIR — Your heritage is your people have been living on this land since people have existed, and you have the more recent built form over the colonial period. They tend to not separate heritage as the built form, they tend to much more focus on everything is heritage, one with an environmental slant, one around landscape and the other one around people and their interaction with the land, including colonial development. Just your thoughts on that. It strikes you when you go and have a look at these other places. Europe has a very similar approach. We have evolved a bit differently, and whether we need to maybe tweak it a little bit.

Mr LENNOX — I think it is a really salient observation. Culturally we have developed in a certain way. If you look at Tasmania's history in terms of the development of national parks, they were all around the major scenic spots. There are those that had a great visual amenity. The first one was Russell Falls, the next one was Freycinet, the Cradles, the Gordon River. All those were identified very early on. I guess in a European context our built heritage is very young. It has not necessarily been seen as significant. I think as time progresses and we lose so much of it then the significance is increasing rapidly. Of course, Australia is battling with the Aboriginal cultural component, and until those issues are resolved, you know. I do believe, with you, that one of the challenges we have as an organisation is getting our staff to look at things in a landscape sense and see it in a more holistic sense, but clearly that is the way the indigenous community see things and that is one of the challenges we have. Yes, I really agree with you.

Mr PANDAZOPOULOS — I wanted to ask before we close about the practicality of how with the new walk—you have commercial operators on the site there. How do you go through as an agency? You put it out for tender, were you proactive about what you wanted on the site, or were you a bit flexible about what you wanted on the site to see what the market would bid?

Mr LENNOX — Yes. How much time do we have left because it depends—

The CHAIR — Our next presentation we would anticipate is probably another 10 minutes away, Stuart. If you can afford that time we would appreciate it.

Mr LENNOX — Yes. It depends how I answer this question. The question John wanted to know was about Three Capes specifically and about the commercial arrangements, or commercial partners. The origin really is the Premier approached our department and said, 'I'd like to see another iconic walk.' We then went around scoping where that would be. Again all the documents related to this process are on our website and I think provide significant insights, if somebody takes the time to go through them all, but that will take time.

The CHAIR — That is why we have researchers.

Mr LENNOX — Yes, I realise that. We identified early on that we needed at least a 'two experience' model. What I mean by that is that we provide the independent experience and that we needed somebody to provide the commercial guided experience. To me they are a fundamental component to building iconic walks. If you look at the iconic walks across Australia and New Zealand, those two elements need to be there. That is not to say you cannot just build an independent walk and make it successful but I think you get so much more leverage by having those two elements. The Overland Track is what we call a 'four experience' model—and I will not elaborate more unless you want me to, but we are building a two experience model here, the free independent and a commercial.

The government were so interested in this they asked us to, during the early phase of the project, test the commercial interest in the project. Before we ran any expression of interest we ran an identification of commercial interest; a whole separate process. The process was we did a scoping study initially to identify where this thing might be and what it might look like. The government then committed us some funds to do a feasibility study which looked at the business case and some market research around it, and then the next component of it was an identification of commercial interest. There was a fair bit of rigour applied in the early days.

What we were able to do through that process was confirm to government that there was significant commercial interest, and the nature of that commercial interest and the amount in dollar terms; what investment are they going to have to make, and what do they think in a business case will stack up. Then we went back to government and said, 'We believe the two experience model we're proposing will work and we've tested that with the industry and this is the advice that they have given back to us,' and then we went through a number of steps post that.

Where we are at the moment is we have advertised for a commercial guider company, that is a two stage expression of interest process, and we are in the middle of stage 2 negotiations at this point in time. They close on 1 March and then we will sit down in the duration of March and make a decision about our preferred proponent moving forward and then we will work with them to negotiate a contract.

The CHAIR — Because this will require some accommodation like the Overland Track—

Mr LENNOX — That is correct.

The CHAIR — Are they looking at different scales or have you specified the capacity—person capacity—of each of the sites? I would imagine there will be two or three months or something.

Mr LENNOX — On the component that we are building at the moment which is the Cape Pillar, Cape Haury section, 45 kilometres, there are three overnight nodes, and our expectation is that we will be building accommodation at those nodes, but each company has a different model. We will not know their final proposal until we get basically another four weeks down the track when they finally put in what they are proposing. We

have identified a zone for the hub infrastructure and we have done all the values research and they can build a facility within that zone if they so choose to because we have done all the background.

The CHAIR — You have not set, as part of your tender process, that, you know, your capacity is up to 20 people?

Mr LENNOX — Yes. Again those documents are on the site, but the model we are building is a free independent model of around 46 walkers and there will be about 14 people within the commercial guider component. It is about 60 all up departures a day, which is the same as the Overland Track, but we slightly changed the ratios there because the Overland Track is—I will not go into it.

The CHAIR — When we were talking to Heath on the Overland Track he told us in confidence a figure which I will not raise now but there is a figure percentage over the overall cost which is about \$3,600 for a six-day walk which works out about a 5 per cent figure on revenue. It tends to be less than the \$200 per person parks entrance fee.

Mr LENNOX — Yes.

The CHAIR — It was interesting to us that the commercial operator, for having the right to operate in the park, is in effect for every person they find giving less than the independent traveller who is giving the parks system the normal fee. I am not sure how these get weighed up. I would imagine it is also that they are there marketing the place and promoting the place and there is a quid pro quo, a cost to them that is not a cost to you.

Mr LENNOX — Also what you have to realise is that we have changed our fee. We started at \$100 and we are now \$200.

The CHAIR — When you did the arrangement it was over—

Mr LENNOX — That was well before—

Mr PANDAZOPOULOS — When the lease is reviewed it picks up—

Mr LENNOX — It will be but on balance, if you look at the length of the lease and when they started—

Mr PANDAZOPOULOS — Yes. I am not averse to it being comparable or less but the economic outcomes of the market—

Mr LENNOX — It is hard to make a comparison, John, today because you have to look at the whole commitment, and they were involved in this well before we had a fee on the Overland Track, if that makes sense to you.

Mr PANDAZOPOULOS — Yes. It is more about how we explain that.

Mr LENNOX — Yes. As I said, to look at it in a single day at a point in time, there is probably not a true reference point. You have to look at it over the whole length of the operation.

Mr PANDAZOPOULOS — The duration of the lease.

Mr LENNOX — You do, yes.

The CHAIR — So you have four iconic walks out of the seven commercial walks around Australia. You have four of them. That is something to be proud of.

Mr LENNOX — Yes.

The CHAIR — They are all dependent on those commercial activities that include accommodation.

Mr LENNOX — That is correct.

The CHAIR — You said otherwise they would not really exist as the same experience, is what you are saying.

Mr LENNOX — Exactly right, yes. Whilst, as I said, Bay of Fires has its lodge on private land, its standing camp is within the national park, Maria Island Walks has a lease over one of the heritage buildings at Darlington. It also has standing camps throughout the national park. Cradle obviously has its current arrangements in place. That partnership between us and the industry is crucial, I think. I have already talked about it. In terms of building those iconic experiences and in terms of maximising the opportunity in terms of bringing the breadth of visitors that we can to the locations, the goal here is to provide better access to a far greater part of the community.

The thing about these operations is they are well run, they have great guides, they are employing people of all ages doing the guiding and their operational support. They are based in regional areas. They are based up in the north-east, they are based on the east coast, they are based up in Cradle. I think we have a really important role in terms of the regional development capability.

Mr PANDAZOPOULOS — So you are delivering on what government wants, regional dispersal.

Mr LENNOX — Certainly I think that is a really important aspect of our business and I think it is something that we can do more. Really the whole business model around Three Capes was about—Port Arthur is known as a day visit out of Hobart. Three Capes is about trying to break the brand perception. You go to the Tasman Peninsula as a day trip and go to Port Arthur only. We needed to do something iconic around the natural component of the Tasman Peninsula to encourage people to stay longer, therefore to create the nights and therefore the flow-on effects. If you go back to the fundamentals of why we are doing Three Capes, it is really about regional development. It is about jobs in a regional economy and it is about trying to break the brand proposition that Port Arthur is a day trip out of Hobart, the Peninsula has a lot of great natural values and a lot of great cultural values. It has a lovely national park—Tasman National Park—and it is about trying to lift the profile of that park and trying to get people down there to stay overnight.

The CHAIR — The overnight stay is the goal.

Mr LENNOX — Yes.

Mr PANDAZOPOULOS — You have been looking at the Golden Gate, the US model. They have a 100 mile radius or a 70 mile radius. As part of their business activities in parks they told us that a key thing of expectation around those commercial businesses is that they are purchasing within a certain mile radius, because that is one of the ways to keep the footprint down. You can design a building to be environmentally friendly but at the end of the day you still have to run electricity and fridges, all that type of stuff. The way to keep the footprint down is buying local—services and food et cetera. They said they picked it up from a concept in Victoria—Healthy Parks, Healthy People—and asking, 'What are we delivering on that?' It is question we are thinking about as well, apart from delivering French fries and potato chips. Should we be looking at some of those models where there is a growing commercial activity in the parks system? Is it something we should all be looking at? Do you guys have anything along those lines?

Mr LENNOX — We do not have anything fixed particularly but given the fact that we are an island, and given there is a large commitment—

Mr PANDAZOPOULOS — It tends to happen.

Mr LENNOX — It happens as a natural consequence. It is a really important experience component. If you talk to most of the operators, that local component is absolutely front and centre to their business. I think most of them understand the idea and the concept, and most of them are very comfortable with that. They see it as absolutely integral to the overall experience that they are trying to—

Mr PANDAZOPOULOS — You do not think you need to specify that in contracts, simply because it is happening as an island—

Mr LENNOX — We have not felt the need at this point in time. That is not to say that we may not change our opinion but, as I said, to us that is front and centre to the Tasmania brand. Our view is most of our operators are very committed to that; most, not all.

The CHAIR — Stuart, on behalf of the committee, we thank you for making your time available to join us today.

Mr LENNOX — Pleasure.

The CHAIR — We very much appreciated the contribution you have made and the responses to our questions, and the little bit of extra time has been valuable to us as a committee, and that is not to take anything away from Tourism Tasmania. That is the way these things work. As I say, on our committee's behalf, thank you so much for joining us. We have enjoyed the opportunity, while we have been in Tasmania, to be part of your activities and appreciated very much the staff that we have met during that period.

Mr LENNOX — I wanted to table a couple of things for your benefit. There is a summary of the Three Cape Tracks project.

The CHAIR — Thank you.

Mr LENNOX — Nic asked me to bring some of these things in for you which was the little interpretive guide we have on the Overland Track, and I have also brought in a video—although it is online—which is a bit about the way we are constructing Three Capes. I can table all those for you and leave those for the committee members.

The CHAIR — Much appreciated. Again thank you very much Stuart.

Mr LENNOX — My pleasure. Good luck.

The CHAIR — Stuart, can I go further and say when our report is put together, one will be certainly forwarded to you.

Mr LENNOX — Thank you, that would be much appreciated.

Witness withdrew.