

CORRECTED VERSION

SELECT COMMITTEE ON PUBLIC LAND DEVELOPMENT

Melbourne — 13 December 2007

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Witnesses

Mr G. Hywood, chief executive, and

Mr B. Ostermeyer, general manager, tourism investment, Tourism Victoria.

The CHAIR — If I can declare open the public hearing of the Legislative Council Select Committee on Public Land Development. Today's hearings are in relation to the Victorian government's policies relating to the sale and development of public land. I welcome Greg Hywood, chief executive of Tourism Victoria, and Brad Ostermeyer, the general manager, tourism investment. I indicate that all evidence taken at this hearing is protected by parliamentary privilege, as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders. Any comment you may make outside the hearing may not be afforded such privilege.

A few days after the hearing you will be provided with a proof copy of the Hansard transcript to make typographical and other corrections. I wonder, Greg, if you would like to open with your statement, and then we will ask some questions. I thank you both for appearing too.

Mr HYWOOD — Thank you, Mr Chair. I have a statement here which I will read into the Hansard transcript. I have distributed copies to all members of the committee and the secretariat. It is a pleasure to be here of course, and we welcome the opportunity to give evidence.

My name is Greg Hywood, the chief executive of Tourism Victoria. I am attending this hearing in my capacity as an employee of the Victorian public service and appear as a representative of the Minister for Tourism and Major Events.

Brad Ostermeyer, on my right, is the general manager, tourism investment with Tourism Victoria. Brad is also attending this hearing in his capacity as an employee of the Victorian public service and appears as a representative of the Minister for Tourism and Major Events.

I refer to a letter dated 26 November 2007 from the Select Committee on Public Land Development inviting me to attend a public hearing to discuss matters raised in submissions and hearings relevant to Tourism Victoria, particularly in relation to the proposed Apollo Bay harbour redevelopment.

I note that the Select Committee on Public Land Development was established in May 2007 to inquire into: the sale or alienation of public land for development; the sale or alienation of public open space for the purposes of private development; and the sale and development of public land and the relationship to the Melbourne 2030 policy and green wedges.

In giving evidence today, I have had regard to the following: a letter dated 11 December 2007 from the Minister for Tourism and Major Events to myself, which attached a letter dated 11 December 2007 from the Attorney-General to the Minister for Tourism and Major Events. This correspondence outlines the government's position that the committee's terms of reference are limited to the definition of public land as described in the administrative arrangements order no. 58 of 1998, and advises me to provide information to the committee in a manner which is consistent with the definitions used in the administrative arrangements order no. 58. I also have regard to the government's submission to the select committee dated 28 September 2007; and the Victorian public service code of conduct, (part 2.2), which provides that public servants may appear before parliamentary committees as representatives of the minister and are not expected to answer any questions seeking their personal views on government policy or details of matters considered in relation to a ministerial or government decision or possible decision or that would require a personal judgement on the policies or policy options of the Victorian or other governments.

Mr Ostermeyer gives his evidence on the same basis.

Having regard to the correspondence to which I refer in 5(a) of this statement, I understand that before a particular site can be said to fall within the committee's terms of reference, three separate determinations need to be considered: whether it involved public land as defined in the administrative arrangements order no. 58 of 1998; whether the public land has been sold or alienated; and whether the sale or alienation of the public land was for the purposes of private development.

On this basis, I believe that the Apollo Bay harbour project falls outside the scope of the committee's terms of reference. I cannot discuss that project at this hearing.

I can, however, provide you with information on the role of Tourism Victoria. Tourism Victoria is a Victorian state government statutory authority, established by the Tourism Act 1992. Tourism Victoria is responsible for

administering the act, and is subject to the direction and control of the minister. Tourism Victoria is the vehicle through which the government participates in the tourism and travel industries, and forms part of the Department of Innovation, Industry and Regional Development.

The act sets out Tourism Victoria's objectives as follows: to market Victoria as a tourist destination for interstate and international visitors; to increase the number of travellers to Victoria, travellers' or tourists' length of stay at destinations in Victoria and the use of tourist facilities in Victoria; to increase the amount of travel within Victoria and the use of tourist facilities by Victorians; to improve and develop tourist facilities in Victoria; to support and coordinate the provision of tourist facilities in Victoria; and to provide more efficient and effective utilisation of investment in travel and tourism in Victoria.

Tourism Victoria's overarching objective is to implement current state government policies as they relate to tourism development in Victoria and contribute to whole-of-government programs and policy implementation.

In a policy context, the state government has a vision that Victoria will be the leading tourism and events destination in the region. This is articulated in the 10-year tourism and events industry strategy and the draft nature-based tourism strategy 2008–2012, which provide the strategic basis for the supply of quality tourism infrastructure that is compatible with Victoria's natural environment. Tourism Victoria's investment strategies stem from this policy framework and the government's broader economic development objectives to grow the entire state.

The 10-year tourism and events strategy 2006 provides a strategic basis for Victoria to be a leading tourism and events destination, and focuses on four key initiatives including building upon existing strengths, developing new strengths, focusing on long-term growth opportunities, and strengthening the partnership between government and industry.

The strategy will deliver a comprehensive framework for all government action that affects tourism and events. Tourism marketing activities are to be complemented by an increased focus on investment, policy development and interaction with the community on environmental and planning issues. The strategy is designed to integrate land-use planning, industry and product improvement, visitor servicing and community engagement by all levels of government in partnership with the Victorian people and the tourism and events industry. The implementation of this strategy requires the delivery of tourism supply side — that is, infrastructure — outcomes.

Tourism Victoria, Parks Victoria and the Department of Sustainability and Environment (DSE) are jointly working on the draft nature-based tourism strategy 2008–2012, which, with industry involvement, will provide a coordinated approach to planning and development of the nature-based tourism sector. The strategy aims to capture economic yield from visitors and to ensure a viable and environmentally sustainable industry that encourages private sector investment in ecologically sustainable nature-based tourism infrastructure.

Comprehensive tourism development plans for Victoria's regions have been developed under extensive consultation with various public sector and industry stakeholders for seven campaign regions: the Great Ocean Road, the Grampians, goldfields, Gippsland, Murray, north-east Victoria, and Melbourne surrounds. The plans also outline key tourism infrastructure initiatives to be undertaken or explored over the coming years as infrastructure priorities for the state. The current plans expire at the end of 2007, and Tourism Victoria is currently involved in a planning phase with key stakeholders across all regions for a new set of plans.

Tourism Victoria has a multifaceted approach to investment attraction and facilitation. Tourism Victoria has a small team of specialists who have the responsibility to attract and facilitate new tourism investment in Victoria, with a particular focus on new projects that will be of net benefit to Victoria and which will help induce new visitation to the state.

Key project priorities are identified through a process of consultation with stakeholders and investor groups. Primarily the investment team works with tourism investors to develop and facilitate proposals that seek to capitalise on the identified key priorities and market opportunities.

Tourism Victoria's assistance includes: acting as a first point of contact for developers on business and planning development matters; coordinating government-wide assistance where applicable; providing advice to proponents on development approvals; providing access to Tourism Victoria's market research; and providing advice on key development and investment opportunities.

The following mechanisms are also utilised to assist Tourism Victoria to attract and facilitate new tourism investment. The tourism task group (TTG) was established by the secretaries of the Department of Innovation, Industry and Regional Development (DIIRD) and the Department of Sustainability and Environment. The TTG comprises senior executives — deputy secretary level — from Tourism Victoria, Regional Development Victoria, DIIRD, DSE, Department of Planning and Community Development, and Parks Victoria. The TTG's role is primarily to identify and facilitate key projects for the growth of the Victorian tourism industry, with a particular focus on public infrastructure. The TTG provides a whole-of-government forum for the consideration of key tourism infrastructure and investment projects.

Tourism Victoria recently produced *Geothermal and Natural Mineral Water Tourism Investment Opportunities*, a publication designed to provide a broad insight into the demand for services and facilities, location and characteristics of Victoria's geothermal and natural mineral water resources, the opportunities available to expand and establish new facilities, and an indication of the success of overseas developments with the potential to be replicated in Victoria. The publication has been distributed to all of Tourism Victoria's industry stakeholders and the broader investment community.

Tourism Victoria is currently working on an update of its publication, tourism investment guidelines. The guidelines are intended to encourage quality, well-researched and self-sustaining tourism projects that contribute to maximising Victoria's net tourism value. The guidelines will assist developers to navigate the business planning and statutory planning processes for project development, and also assist local government to facilitate tourism development proposals that will achieve strategic planning objectives. The publication will be distributed to all of Tourism Victoria's industry stakeholders and the broader investment community.

I now welcome the committee's questions.

The CHAIR — If I can thank you for your contribution there and indicate there are some differences that the committee has had with the government about its terms of reference. We do not accept, as outlined in our interim report, the government's nonsensical description of public land. We have certainly made it very clear that we take a broad definition of that phrase. But I am very interested in some of the points that you have made. I notice the tourism task group and your comments about nature-based tourism. I wonder if you could outline for the committee the sorts of projects that Tourism Victoria has worked with the private sector on and is considering in the near future that involve Crown land.

Mr HYWOOD — I think, with respect, Chair, I cannot go into specific proposals.

The CHAIR — Why is that?

Mr HYWOOD — Under advice from the minister in terms of the terms of reference of this.

The CHAIR — So no project that Tourism Victoria has worked with or corresponded with involves Crown land?

Mr HYWOOD — I can certainly take you through the process in which we look at the viability and feasibility of projects.

The CHAIR — The process I think is very important, and we are certainly interested to hear that, but I am interested to know what projects you may have worked with or been in correspondence with that involve Crown land.

Mr HYWOOD — We certainly work with a range of councils around the issue of feasibility of particular proposals, but I am not in a position here to talk about specific projects.

The CHAIR — You are, I think. You actually could provide us the details of those pieces of Crown land that you have worked with proponents on some development for.

Mr HYWOOD — I am under advisement from my minister that under the terms — —

The CHAIR — Did the minister talk about Crown land?

Mr HYWOOD — We have a clear issue in terms of the view of what constitutes public land.

The CHAIR — I have asked about Crown land.

Mr HYWOOD — I think our — —

The CHAIR — It is a simple question. There are a number of — —

Mr THORNLEY — I think he has given an answer.

The CHAIR — No, no. I think I would just like to get the answer if possible.

Mr HYWOOD — I could certainly go back to the minister for advice on that, but as I understand the definition of the terms of reference I cannot comment upon issues that may go into differences of opinion in the definition of what constitutes public land.

The CHAIR — I have asked about Crown land, though.

Mr THORNLEY — The witness has already indicated —

The CHAIR — Just excuse me here, I wish to — —

Mr THORNLEY — he is able to answer questions about things within the terms of reference of the committee.

The CHAIR — This is well within the terms of reference.

Mr THORNLEY — That depends on the definition.

Mr HYWOOD — It is a definitional issue. As I say, Mr Chair, I am under advice from my minister that — —

The CHAIR — Did you discuss Crown land with your minister prior to this hearing?

Mr HYWOOD — No, I have not discussed anything with my minister prior to this hearing.

The CHAIR — Who did you discuss your submission with?

Mr HYWOOD — I have had legal advice on my submission from a range of parties.

The CHAIR — Who?

Mr HYWOOD — I have spoken to the departmental legal representatives and I have spoken to the Victorian Government Solicitor and counsel assisting.

The CHAIR — Counsel assisting being who?

Mr HYWOOD — A barrister assisting the Crown.

The CHAIR — The name, please.

Mr HYWOOD — Mr Tony Thomas.

The CHAIR — Thank you. We will come back to that in a minute. On the tourism task group, which you indicate has been established by the secretaries of the various departments and comprises:

Executives —

as you outline it —

... (Deputy Secretary level) from Tourism Victoria, Regional Development Victoria, DIIRD, DSE, Department of Planning and Community Development and Parks Victoria.

I wonder if you would provide a copy of the agendas and minutes of that to the committee?

Mr HYWOOD — I will get advice from the minister on that point.

The CHAIR — You have no objection?

Mr HYWOOD — I will get advice from the minister on that point. I cannot make a decision right now until I get advice from my minister on whether or not those minutes would be available.

The CHAIR — Do you have any objection from Tourism Victoria level to providing that information?

Mr HYWOOD — I would seek advice from my minister on that issue.

The CHAIR — It is a simple question. Do you have — —

Mr THORNLEY — He has given you a simple answer three times.

Mr HYWOOD — As I said, with respect, Chair, I will take advice from my minister around whether or not that is appropriate.

Mr TEE — I have a couple of questions. In your statement you have detailed the terms of reference that Parliament has given to this committee, and you indicate there that the terms of reference deal with the sale or alienation of public land. Can I just confirm that Tourism Victoria has no responsibility for either the sale or alienation or indeed the management of public land?

Mr HYWOOD — That is absolutely correct. We are a facilitating agency when it comes to the use of tourism facilities.

The CHAIR — So you might actually facilitate the sale and alienation?

Mr HYWOOD — We are a facilitating organisation, so basically our role is to work with private investors and local councils to fulfil our responsibilities under the act, as outlined in my statement, to grow and develop tourism in this state. Growing and developing tourism in this state has a wide range of responsibilities. It can be increasing the numbers of tourists, but also to work with other agencies of government and private investors to build and develop tourist facilities around the state, which by themselves will help improve our ability to increase the number of tourists into the state.

Mr TEE — Thank you. In your statement you indicate that you believe that Apollo Bay Harbour project falls outside the terms of reference and you cannot discuss the project at this hearing, and you have also indicated that, in relation to a number of specific projects, you are unable to give evidence at this hearing. I take it that if the committee's terms of reference were amended by the Legislative Council to include those matters, then you would be able to give those answers?

Mr HYWOOD — Absolutely. I would be more than happy to give those answers.

Mr TEE — Thank you. Those are all my questions.

Mr THORNLEY — I guess I am trying to understand where you may be able to assist this committee and where you may not. It seems to me, frankly, that your responsibilities are fairly lateral, at best, to the role of this committee, so thank you for giving us your time.

In that context I am wondering, when you look at the day-to-day responsibilities that you have and Tourism Victoria has, what would be the top five or six issues that you normally come across, because I am guessing the sale or alienation of public land by definition is not one of them, and it is much to do with a whole range of other matters, so I am just wondering what those things are which in fact are the matters that take up your time and responsibility on a regular basis?

Mr HYWOOD — Primarily our organisation is best known probably for its marketing role. We work with all the regions in Victoria, including Melbourne's surrounds, to market Melbourne as a destination, but also all the regions of Victoria as destinations for tourists, because clearly Melbourne by itself cannot do the whole job in attracting tourists.

Tourism is really about trying to get yield from the market. It is one of the fastest growing industries in the world. It has been growing globally at about 4.5 per cent a year for many, many years. We are now in an extraordinarily competitive environment, with something like 200 countries around the world all with tourism agencies, so we are about positioning Melbourne and Victoria to attract a portion of that highly competitive market. Over the last decade or so people would be familiar with the Jigsaw campaign. That has been enormously successful in increasing Victoria's market share in the total Australian tourism market. We are up to something like 28 per cent where our economy is about a quarter of the national economy, so we are punching above our weight.

We also work specifically with regional areas. The ones that are well known are the Great Ocean Road, the Grampians, Mornington Peninsula and the Yarra Valley, all very much part and parcel of our focus, while outlying regions, we work with them to make sure that they develop and can participate in this market. That is a mix of campaigns which we work with regional groups to develop, but also we work with the industry itself to try to improve their business skills so that they can better participate in this market. If you look at that broad marketing responsibility, we fulfil that.

We also have a very important role in working with international airlines to get air traffic into the state. The 10-year tourism and events strategy outlined that 70 per cent of the growth in tourism into this state over the next 10 years will come from international destinations, particularly China and India. It is extremely important that we get direct flights into Melbourne so that, again, we can participate in that highly lucrative growth market.

The third area that we work in is in this very important investment facilitation area. As you have pointed out, we have absolutely no land management responsibility, but we work with proponents of projects to determine and help them, whether or not those projects have tourism merit and whether or not they are feasible. We certainly fit them into our strategic priorities in terms of the amount of focus that we put on them.

Mr THORNLEY — So that work — the investment facilitation work — it sounds like the primary focus of that is on helping people assess whether the market actually exists for that project or what might be best to capture that market, or, as I said, customer-focused stuff?

Mr HYWOOD — Absolutely. It is straightforward development of business cases, where we look at demand criteria.

Mr THORNLEY — Right.

Mr HYWOOD — Sometimes we help in terms of funding consultants to work with the local councils to determine whether or not there is feasibility. Private investors can approach us, and we can put them in touch with the relevant agencies so that they have a clear understanding of what they have to do to get their project up, but we have no power or influence over the determination of policy in relation to any land that might be available, be it public or private.

The CHAIR — I wonder, Mr Hywood, if you would outline the strategy that you have for the Great Ocean Road. I understand there is a further link down across the Mornington Peninsula. I wonder whether you could outline how that strategy is being progressed and what the Tourism Victoria attitude is to any Crown land along that route that you may find of tourism significance?

Mr HYWOOD — I am very happy to outline our Great Ocean Road strategy. The Great Ocean Road is one of the great iconic destinations of Australia. While Australia tends to be branded internationally as something of a landscape — a rock, a reef, a harbour — Victoria has not fitted easily into the Australian branding context often, but the beauty of the Great Ocean Road, with the Twelve Apostles and the great nature-based tourism experiences down there, is that we certainly do fit.

The level of international visitation we have had down there has been growing remarkably, and will benefit, certainly, from the new road access diverting around Geelong. As I outlined earlier, one of the important components in developing tourism is to make sure that we get dispersal of particularly international tourists out of Melbourne so that they do not just stay a night or two in Melbourne but they travel around the state and contribute to local regional economies.

The Great Ocean Road is an important component — an absolutely crucial component. We focus a considerable amount of our international marketing funding into the Great Ocean Road. It goes internationally via an

organisation called the Great Southern Touring Route, which goes through the Great Ocean Road, up to the Grampians, back to Ballarat and back to Melbourne — so there is a loop, a touring route, which is sold overseas to international travel distributors. Quite clearly we keep a focus on what that region needs in terms of infrastructure. We market it, but we also look at it in terms of infrastructure. We are always cognisant of the need down there to make sure that there is a level of accommodation that is commensurate with the demands of the market and that there is a level of tourist facilities in terms of the interpretation of the region which builds the visitor experience.

The CHAIR — Do you see that there is an important role for protecting these assets, and how do you see that linking with your tourism duties?

Mr HYWOOD — The protection of the nature-based tourism assets in Victoria generally, but particularly the Great Ocean Road, is absolutely at the core of our strategy for tourism in this state.

It is interesting about nature-based tourism: experiential tourism is the growth market in global tourism, and nature-based tourism is growing at the moment at something in the order of — there are various estimates — but up to 30 per cent per annum is one estimate of global nature-based tourism, and it contributes something like 15 per cent of all global tourism expenditure. One of the elements that is at the core of the nature-based tourism strategy, which is in draft form and is under completion, is the notion that Victoria has to compete much more effectively in this market. We have a high number of national parks — something like 40 national parks, 27 state parks, 20-odd marine parks, 3 wilderness parks — in this state, and we have the asset. We have to leverage that asset, and it is very important that we build that.

That nature-based tourism strategy divides our focus into three phases: the first phase is that we focus on developing the assets around the Great Ocean Road and the Grampians; the second phase is that focus on Phillip Island and Gippsland; and the third phase is the Victorian high country. That involves not just marketing, but also the development of the quality of businesses and the viability of businesses in those regions, and also making sure that we keep a focus on the infrastructure needs in those regions.

The CHAIR — What do you see may be the strengths or weaknesses in terms of the protection that is provided to some of those assets currently? It seems those Crown land assets in part are the views and the promontories — for example, the Great Ocean Road and so forth. Is there sufficient protection from development, from other pressures?

Mr HYWOOD — That is not something I feel I can go into. That is a judgement on policy, which is not my role.

The CHAIR — Does Tourism Victoria look at the importance of protecting these assets? I mean if you are marketing them, you want to — —

Mr HYWOOD — We take a strategic view that we have important tourism assets; if they are nature-based assets, they require protection and that goes without saying. But in terms of any involvement in that, that is outside our remit. What we do is that if there is to be development associated with the strategies that I have outlined, we work with the relevant agencies to get their perspective and to determine whether or not the policy perspective is conducive to development.

The CHAIR — But you would on occasion — if you thought some development or other change on, say, an important route was going to impact on the tourism values — advise government of that?

Mr HYWOOD — It is not our role to make those sorts of policy judgements. Our role is, as I outlined, to facilitate. Basically we get people to meet people, and we leave it to them. We really are, you know, bit of an introduction agency, not a policy-determination agency.

The CHAIR — But you do marketing as well, obviously?

Mr HYWOOD — We certainly do marketing — absolutely — and we take into account the attributes of the areas that we market.

The CHAIR — The desalination plant location near the coast, is that something that Tourism Victoria —

Mr HYWOOD — That is completely outside my area of authority, and I certainly would not make a judgement on that.

Mr TEE — I do not have any further questions.

The CHAIR — I have one further question around the tourism investment guidelines. You say:

The guidelines are intended to encourage quality, well-researched and self-sustaining tourism projects that contribute to maximising Victoria's net tourism value. The guidelines will assist developers to navigate the business planning and statutory planning processes ...

Have you assisted through these tourism investment guidelines any of the projects that this committee has discussed? You have no doubt seen our transcripts.

Mr HYWOOD — I certainly am not in a position to comment on that, Chair.

The CHAIR — Right. Because none of those would involve any public land?

Mr HYWOOD — I am just not in a position to comment on that.

The CHAIR — Are there any pieces of public land that have come up for discussion at Tourism Victoria?

Mr HYWOOD — I am, as I said, under advisement of the minister, not in the position to comment on that.

The CHAIR — So, no, you cannot say whether they did or did not?

Mr HYWOOD — I am just not commenting, Chair.

The CHAIR — What about pieces of land that fit within the government's definition?

Mr HYWOOD — My understanding is that the definition is that public land is not for sale, so we are not facilitating anything in relation to the land that is not for sale.

The CHAIR — What about Crown land more generally? Do you discuss Crown land at Tourism Victoria board level? Pieces of Crown land?

Mr HYWOOD — Government land is an issue that we work with other agencies to determine — whether or not government land is available. It is like private land, government land.

The CHAIR — I have no further questions. I have got to say I find the response, in a narrow sense, to be unhelpful. I think it is the case, no doubt, that the government has clamped many witnesses and may indeed have coached witnesses. But witnesses, under the public service code, have got the requirement to be frank and cooperative with parliamentary committees as well as the other sections of the code that have been referred to. So whilst, Mr Hywood, I do not direct any of this at you personally, we are disappointed that you have not been prepared to indicate activities of Tourism Victoria. I will also look forward to your coming back to the committee with respect to the tourism task group minutes.

Mr TEE — On behalf of the committee, can I just say thank you very much for your detailed overview of your role. I take on board the fact that you gave that evidence notwithstanding the fact that your activities are not relevant to this committee's terms of reference.

The CHAIR — They may well be.

Mr TEE — And I also note your evidence that, of course, if the terms of reference were clarified to incorporate the matters that are relevant to your work, you would be willing to provide that information that has been requested. I want to thank you on behalf of the committee for your evidence today.

Mr HYWOOD — Thank you, and I thank the committee for a chance to talk about tourism.

Witnesses withdrew.