

Chairman; Mrs Michelle Roberts; Dr Kim Hames; Dr Graham Jacobs; Mrs Carol Martin; Mr Albert Jacob; Mr Peter Abetz; Mr David Templeman

Division 9: Western Australian Tourism Commission, \$65 712 000 —

Ms A.R. Mitchell, Chairman.

Dr K.D. Hames, Minister for Tourism.

Ms S. Buckland, Chief Executive Officer.

Mr D. Lowe, Executive Director, Corporate and Business Services.

Ms D. Belford, Acting Manager, Executive and Strategic Services.

Ms L. Follows, Chief Financial Officer.

Mr D. Van Ooran, Executive Director, Eventscorp.

Mr I. Wight-Pickin, Chief of Staff, Office of the Minister for Tourism.

Mr C. Allier, Principal Adviser, Office of the Minister for Tourism.

Ms M. Hayes, Principal Policy Officer, Office of the Minister for Tourism.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. This is the prime focus of the committee. Although there is scope for members to examine many matters, questions need to be clearly related to a page number, item, program, or amount within the volumes. For example, members are free to pursue performance indicators that are included in the *Budget Statements* while there remains a clear link between the questions and the estimates.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he/she agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 10 June 2011, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers, and accordingly I ask the minister to cooperate with those requirements. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information that the minister agrees to provide will be sought by Friday, 10 June 2011.

It will greatly assist Hansard if, when referring to the program statements volumes or the consolidated account estimates, members give the page number, items, program and amount in preface to their question.

[Witnesses introduced.]

The CHAIRMAN: The member for Midland.

Mrs M.H. ROBERTS: Thank you, Madam Chair. I refer to page 157 of the *Budget Statements*, the heading "Major Spending Changes" and the amount of \$15 million for event tourism. I note that \$10 million of that amount will be for regional events and will come from royalties for regions. Will all of the remaining \$5 million be spent on events in the metropolitan area; and, if not, what will that money be spent on? How, and through what agencies, will the royalties for regions events funding be distributed? Will it be distributed through the regional development commissions, the Department of Regional Development and Lands, or the Minister for Regional Development, or will it be distributed through the Western Australian Tourism Commission?

Dr K.D. HAMES: As the member mentioned, the funding will be \$15 million a year—\$10 million from royalties for regions, and \$5 million for metropolitan-based major events tourism. I will deal with the \$10 million first. That funding comes under royalties for regions funding. However, we have in our office an Eventscorp section, which is headed by David Van Ooran, and David and his team do estimates of all events and look at events that are approved and events that are proposed. There are different components to that. We already fund \$300 000 a year for a regional events program. Some of the events that are funded through that are the beach polo in Broome and the Gamex fishing tournament—smaller regional events. We have increased that funding to \$600 000. That increase of \$300 000 came out of royalties for regions, with cabinet approval. That

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extra funding will enable some of those events to be significantly improved. It will also enable some new events to be added. That was announced in a press release just recently. Some of the events that were formerly funded under that smaller funding package, such as the Kimberley Muster, Gamex and the beach polo in Broome, have been taken out of that, and they will now be funded to a much greater extent, along with a range of other events, such as the Kalgoorlie Cup and the Boulder Cup. It has not been decided yet where those additional funds will be spent—we are doing those business cases now—to make them major regional events.

A significant component of that \$10 million will be used for new events that may come forward, and we will be looking at the proposals that are put forward and what events we can support. Recommendations on funding for smaller events will be made by Tourism WA. However, recommendations on funding for major events will go to cabinet for approval. Not any of the \$5 million of funding has been officially allocated through the cabinet process. That is because individual events will come through, perhaps with some component of existing funding, and some of that \$5 million may be added to that funding to enable those events to be bigger and better. That money may also be used for new projects. A new project is in the wind. I cannot talk about it yet, because it still has to go to cabinet. But that project will have a variety of sources of funding. Some of it will come from royalties for regions, some of it will come from that \$5 million and some of it will come from sponsorship and from the promoter of that event. Most of the larger events go to cabinet, but smaller events are determined by Tourism WA.

Mrs M.H. ROBERTS: Just to be clear, will that \$5 million be quarantined to be spent in the metropolitan area, or will some of that potentially be spent in regional areas? I have deduced from what the minister has said so far—I want to check that it is correct—that all major spending decisions will be made by cabinet. When we talk about major spending decisions, what amount of money are we talking about? Are we talking about an amount over \$100 000 or an amount over \$500 000? Is there a figure for that?

Dr K.D. HAMES: That figure has not been determined yet. We will determine that as part of the cabinet process. Now that those funds have been allocated, I will take a submission to cabinet about what amount we should choose. I do not think that every small allocation of funding should have to go to cabinet for approval. For example, some funding will be going to the Celtic international soccer game.

Mrs M.H. ROBERTS: How much will that be?

Ms S. Buckland: It is Perth Glory versus Celtic Football Club, and the funding will be \$75 000.

Dr K.D. HAMES: For small amounts of funding like that, that is quite reasonable. The Tourism WA board was created as an offset from government to act semi-independently, as were the Rottnest Island Authority and similar organisations. A lot of these decisions can be made by Tourism WA, but, for all the major decisions, we will take to cabinet a cut-off point to determine how those decisions will be made. The \$5 million is not nominated specifically for the metropolitan area, but chances are that that is where it will be spent. We have that \$10 million for regional funding; we do not want to take away from that \$5 million when we have so much to spend in the bush. Chances are it will be used for a big event like some of the ones we have had. We have a separate allocation for the golf but if we did not, we might use that funding in combination with sponsorship and the like to sponsor the golf event. It will be something like that—a major state event that will be funded.

[9.10 am]

The CHAIRMAN: Minister, before the next question is asked, I remind you that if you wish your adviser to give an answer to the committee, you need to direct her to answer.

Dr K.D. HAMES: Yes, I know that.

Dr G.G. JACOBS: I note on page 157 of the *Budget Statements* under “Major Spending Changes” the allocation of \$1.3 million for “Aviation and Market Development in China”. This is pretty exciting for Western Australia. Can the minister indicate what this funding will be used for?

Dr K.D. HAMES: The \$1.3 million is for marketing to promote Western Australia to China. A significant component of that will be used as part of the arrangement we have reached with China Southern Airlines for marketing, particularly in conjunction with it. It will also be putting in significant funds to ensure that we get good exposure of that direct air route. As the member knows, earlier this year we went to China specifically to talk to the airlines. We did not just meet with China Southern; we met with representatives from four airlines in China to talk about the possibilities of getting a direct flight to Western Australia.

Mrs C.A. MARTIN: Broome—do not worry about Western Australia!

Dr K.D. HAMES: No, we did not meet them in China to get a direct flight to Broome, but we did meet with Singapore Airlines—I will come to that later—to try to get a direct flight.

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Dr G.G. JACOBS: The minister can send it to Esperance if he likes.

Dr K.D. HAMES: We met Singapore Airlines to get a direct flight to Broome. I will talk to the member about that in a minute. In fact, she could ask that question.

Mrs C.A. MARTIN: I am going to.

Dr K.D. HAMES: We met with the different airlines. We went to Hangzhou, Beijing, Shanghai and Guangzhou, which is the capital of Guangdong province. We had been involved in some heavy negotiations prior to that. The commonwealth had increased the number of flights that were able to be exchanged between Australia and China. That was a great opportunity for us. We leapt in. There was competition between the Gold Coast, South Australia and Western Australia to get the next flight because China Southern had been flying to Brisbane, Melbourne and Sydney. We wanted China Southern to fly here. We lobbied and negotiated very heavily. The chief executive officer met the head of China Southern at the tourism expo that was on recently in Sydney. We reached agreement to some extent before we went, so by the time we got there, we had signed a memorandum of understanding. We had Brad Geatches from the Perth Airport with us. It had also made a commitment, as had Tourism Australia, to the funding package that we were able to put forward. This is part of that.

I am going back to China in September, provided the Premier lets me because I have not asked yet! I will be taking a group of tourist operators. About 20 have put their hands up so far, which is probably a bit too many. We will take a group to meet tourist operators in China and to meet with China Southern Airlines to try to develop a strategy of what we can best do. The plan is to start those flights later this year, provided China Southern gets all its sign-offs from the central government—that has not yet happened—and we get a proper marketing plan and everybody is happy. I think it will be a great step forward.

There was a big increase—about 32 per cent—in China’s tourists coming to Western Australia last year. We get three per cent of tourists from China. Yet they want to come here. They are excited about Western Australia, with its blue skies, beaches, peace and quiet, and particularly some of the more adventurous opportunities. We will be developing packages and marketing those packages heavily, and making sure that we get as many people as we can. We want to make sure that this is successful. The last thing we need is to start it off and it not be successful—it does not have the loads—and it shuts down. We will be working very hard. That \$1.3 million a year is specifically designed to make sure that happens.

Mrs C.A. MARTIN: Under major spending changes on page 157 of the *Budget Statements* is the line item “Royalties for Regions—Kimberley Science and Conservation Strategy”. Could the minister give me a bit more information about that? There is \$10 million in royalties for regions funding. How much is going to the Kimberley science and conservation strategy?

Dr K.D. HAMES: As the member knows, work has been done on this for a long period. Chris Ellison and his team have been looking at developing a Kimberley science and conservation strategy. That has been going very well. It has developed plans. It specifically looks at Aboriginal tourism opportunities. We have not released this document yet but I will table it today. It is entitled “Making a Difference: Aboriginal Tourism Strategy for Western Australia, 2011–15”. It has comments in it from Neville Poelina, whom the member knows, talking about the plan in Indigenous opportunities.

Mrs C.A. MARTIN: Is the minister going to table that now?

The CHAIRMAN: Minister, you cannot table a document during estimates.

Dr K.D. HAMES: I will just give it to the member then.

Mrs C.A. MARTIN: I thank the minister.

Dr K.D. HAMES: I will ask Stephanie Buckland to make further comments about the specific funding under that Kimberley strategy.

Ms S. Buckland: Tourism WA has been allocated \$4.7 million over four years for the Kimberley science and conservation strategy. We will be responsible for delivering four key projects. We will be working in very close partnership with the Western Australian Indigenous Tourism Operators Council, the Department of Environment and Conservation and the Small Business Development Corporation to deliver those. Specifically, the first one is working on developing Aboriginal tourism products—that is, working with those operators to develop their products to make them export ready, which means that they are prepared to accept national and international visitors. We will also be working very closely with the Department of Environment and Conservation on developing and promoting new tourism corridors. Gibb River Road is a very well known tourism corridor. We are hoping that we will be able to develop and promote new tourism corridors. That would include a range of initiatives, things like signage and making sure there are appropriate rest stops along the way, as well as the

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promotion of those corridors eventually. The third thing is the aerial highway concept. This is an idea that has been around for quite some time.

Mrs C.A. MARTIN: We already have Ibis.

Ms S. Buckland: Yes, that is right. Basically, it is working on the Ibis aerial highway and further developing that, whether that is infrastructure that may need to occur at the various runways along the highway or whether it is promoting that and working very closely with national and international tour operators to package that up.

The fourth project relates to four-wheel-drive trails. That is separate from the tourism corridors. There are tracks and trails that can be accessed only by four-wheel-drive vehicles. Again, it is about identifying those and making sure that they are safe and signed. Those are the four things that we will be working on over the four years. A detailed project plan will go to cabinet very shortly and then we will be able to share more information about that.

Dr K.D. HAMES: Can the member ask me a supplementary question about direct flights to Broome?

Mrs C.A. MARTIN: Yes, I wish to ask for supplementary information about other international flights.

Dr K.D. HAMES: Tourists from Singapore is our second biggest market behind the United Kingdom. There is a lot of potential to increase the number of visitors from Singapore. People from Singapore speak good English. They see Perth almost as a second home and want to come. The trouble with getting them to the Kimberley is that they have to fly all the way over the Kimberley and all the way back again. There were direct flights before the global financial crisis. One of the airlines did some charter flights into the region. Singapore Airlines is not particularly interested but we might be able to get some traction with SilkAir—its smaller subsidiary. Silk Air has told us that the best time to get Singaporeans to travel is during the two long school holiday breaks. One is in the middle of the year during June and July and the other is during October and November, just before our school holidays. As the member knows, it is hot and sticky in the Kimberley in October and November. The best time to tour the Kimberley would be during the dry season in June and July.

[9.20 am]

Mrs C.A. MARTIN: The green season is okay.

Dr K.D. HAMES: Yes, but that is not when the school holidays are. During the last tourism campaign we concentrated on attracting adults from Singapore. I want to concentrate on the types of attractions that Singaporeans can take their kids to because, as the member knows, it is a fantastic and perfectly safe place to go, provided the children are looked after. We can use that angle as a way to get the children's parents to visit Western Australia. We are talking to tourism operators in Singapore about how to develop better packages and about linking those packages with SilkAir. Although the flights will be charter flights because they will come at only certain times of the year, we want to increase the number of flights that travel directly from Singapore at the best times of the year. We will also continue to talk to Garuda Indonesia, which I did when I visited Indonesia recently. I believe that it is very important to get direct flights from there.

I have been talking to the Chinese about travelling to the Kimberley. The lower end of the tourism market—those people who have enough money to go on a holiday but who are not in the high-end income group—want to get to Perth and visit Margaret River, the Pinnacles, Mandurah or some other place around Perth and then go back. I have shown people from the high end of the market some of my fishing pictures from the Kimberley and they are blown away. They want to experience those sorts of outback places. I am looking at putting together a package that allows people to spend a couple of days in Broome to go camel riding, a couple of days outside of Broome to experience Aboriginal culture and then to Kununurra, the Bungle Bungles, the Argyle diamond mine, and on to Warmun to look at the Aboriginal art before coming back to Kununurra to go to the diamond and outback-style shops. That package could even include a helicopter flight down the Ord, which is just amazing.

Mrs C.A. MARTIN: It is also the best barra fishing experience in the country.

Dr K.D. HAMES: Yes, there are options for people to go fishing in Kununurra if they have a couple of free days and want to do that. They could do their own thing, such as go on a boat cruise up the Ord River with Triple J Tours or go to El Questro, or wherever. They could pick their own little package. We are looking at developing that sort of package and selling it to the better-off Chinese tourists who have been to Sydney and Melbourne and are looking for something new and different. That is the sort of package that I believe would blow them away.

Mrs C.A. MARTIN: We already have the international airport down south.

The CHAIRMAN: Is the member for Kimberley asking a further question?

Mrs C.A. MARTIN: No, I am just bragging!

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Mr A.P. JACOB: I refer to the line item for event tourism on page 157 of the *Budget Statements*. Can the minister outline what is happening specifically to increase the number of events in regional areas, particularly following the renewal of the regional air services?

Dr K.D. HAMES: There are a number of opportunities. A lot of the money has not yet been allocated. We are looking at different things, and some events may come out of the woodwork. A good example of that is when we were talking to tourism operators in Singapore about what Western Australia could do to attract tourists, we were made aware that the Singaporean government has been a big promoter of holding marathon events in particular and also cycling events. Singaporeans want to get out of little Singapore and go places and see things while competing in those events. An increasing number of Singaporeans want to run marathons. Hundreds and hundreds of families and friends get together and run a marathon. We may look for an operator to hold a marathon event in which a sequence of marathons is held around different parts of Western Australia. One could be held at Esperance, another in the Kimberley and yet another in the Pilbara. Each leg could be held over three or four days and the competitors could run through totally different countryside before going back home. That is an example of the sort of event that we are looking for. As I said earlier, there has been a big increase in funding for some specific events to attract tourists, including Gamex, the Kimberley Ord muster, Marilynne Paspaley's Paspaley Beach Polo in Broome and the Shinju Matsuri Festival. We have given certain events that should be major regional events more than the little amounts of funding that they had received in the past. I do not know if they even know about it yet, but we will be negotiating with those groups. They might even read about it from these estimates hearings. The opportunities we have are very exciting. Through the regional events funding, we are able to fund events that we were unable to fund previously or were able to fund only to a small extent. The Dwellingup 100 MTB Classic bicycle race is a good example of that. We did not fund that event last year. It started out small but has become a very popular event. The Mandurah Crab Fest got extra funding last year to hold some water events that were very popular and attracted a big turnout. We want to make sure that events like that can continue to grow.

Mrs M.H. ROBERTS: I refer to the service summary on page 158 and the seventh dot point on page 159 of the *Budget Statements*. The regional events scheme is to be bolstered, but from what the minister said earlier, clearly not all the \$10 million in royalties for regions funding is going into the RES. How much money will go into the RES in 2011–12 and how much money went into the RES in each of the last three financial years?

Dr K.D. HAMES: I have already answered that, but I will go through it again because obviously I did not make myself clear enough. Previously \$300 000 in funding was provided. People would bid for that event and get the money. The Mandurah Crab Fest, for example, got \$10 000 a few years ago, which built up to \$20 000 a year, and I think it might have got \$30 000 this year. A lot of events received \$10 000 or \$20 000 to support the events. I said earlier that cabinet had agreed recently to double the total amount of RES funding from \$300 000 to \$600 000 a year, which has allowed us to add some new events and increase funding for a lot of existing events. We announced that last week and I put out a press release showing which events would receive funding and the amount they will receive. That extra \$300 000 will come out of the \$10 million.

Mrs M.H. ROBERTS: That is what I was trying to get at.

Dr K.D. HAMES: The rest of the \$10 million is for some existing events, but we pulled out of some of the regional events schemes because they were too big. This funding is for the smaller events that we want to keep.

Mrs M.H. ROBERTS: The service summary table on page 158 accompanies the dot points on page 159. I am trying to clarify the figures. In 2010–11 event tourism was allocated \$24.395 million, although I note the slight underspend, and in 2011–12 event tourism has been allocated \$36.697 million. That is a difference of \$12.3 million. If \$10 million of that amount is royalties for regions money, how does the minister explain those figures? How does that relate to the minister's claim of allocating an additional \$5 million? Can the minister deconstruct those figures?

[9.30 am]

Dr K.D. HAMES: To do that we need to go back to page 157 because that shows where the funding comes from. The member will note that under major spending changes is the \$15 million for events tourism as well as money for international golf. That amount includes money that is no longer allocated to previous events. The table on page 157 does not make it as clear as it could be, so I will go through it in more detail. There are two ways of getting money for events. In the past, every major event that Tourism WA supported has gone to cabinet to get additional funding. Funding for an event was provided over five years. Some of those events fall over, like the rally, and that money goes back to Treasury, so that we lose money in some areas; however, I am still able to go back to cabinet with a new event. I have that \$10 million for regional events and \$5 million for metropolitan events, but that will be chewed up very quickly on events. If I have another big event come forward that I need additional money for, I take it back to cabinet; and, if I get approval, those numbers change. That drop in the

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numbers reflects that \$15 million, but the allocation does not go up by \$15 million because some money comes off.

Mrs M.H. ROBERTS: The point I am getting at is: is it really additional money? The minister has referred to a few events, so I will ask what has happened to the \$15 million for the Red Bull Air Race?

Dr K.D. HAMES: That money goes back to Treasury; it was \$2 million-odd so that is why the net increase is only \$12 million.

Mrs M.H. ROBERTS: So, it is not fair to say that is an additional \$15 million.

Dr K.D. HAMES: It is, in the sense that it was never a line item in events tourism. The actual spend last year on events tourism was \$17 million. The actual spend available this year is just under double that. The member will see that it goes from \$17 million up to about \$32 million, so it is additional spending. In some instances, we get funded for an event. If we get funded for the Red Bull Air Race and that falls over, those funds go back to Treasury. But I may have another event that we strongly support and I will go back to cabinet seeking additional funds. The member might see that, rather than its being only \$12 million at present, during the course of the year an extra \$2 million or \$3 million a year will be provided to fund that additional event. That has always been the way with Treasury budgets, which can be up and down like a yo-yo. We might have an event that is funded for four years or a specific one-off event like a swimming championship. We would get the funding for that for two years and at the end it is gone, so the budget looks as though nothing is happening, but then we might win another event. For example, if we had won the Rugby World Cup Sevens event there would have been an amount added on top of that, and it would have been \$17 million a year, not \$15 million, because of the extra funds we had for that. That \$15 million is additional specific funding.

Treasury has said that instead of Tourism WA having to beat on its door for each event year after year, which tends to happen when the figures are very volatile, this time it is allocating \$15 million for events, which doubles our budget. The member will notice in the forward years some significant drops, and I will be fighting as Minister for Tourism because I see it as my job to get those numbers back up before we get there so that we can make sure we have new events to replace those that have gone.

Mrs M.H. ROBERTS: How much money went back into Treasury from the Red Bull Air Race?

Dr K.D. HAMES: I will ask the chief executive officer to answer that.

Ms S. Buckland: I will refer that to David.

Mr D. Lowe: I do not have the answer on that. We have our own money plus the supplementary.

Ms S. Buckland: A little over \$2 million of supplementary funding specifically for the Red Bull Air Race went back into Treasury. We can provide the specific number as a follow-up.

Dr K.D. HAMES: We agree to provide as supplementary information the exact figures for funding returned to Treasury for the Red Bull Air Race, which was allocated in the budget over three years. As I indicated, for this year it was just over \$2 million.

[*Supplementary Information No A21.*]

Mrs M.H. ROBERTS: I deduce from that, that while the minister has security of funding for this \$5 million, it is fair to call it additional money because the minister has said that in past years bids would have been made for some of that money in any event and cabinet would have made it available, and if we go back over previous budget papers we can see that that occurred.

Dr K.D. HAMES: All the member has to do is look at our total budget figures, and she would have to admit they are reasonably impressive when we compare the total allocation for tourism this year with previous years. I refer the member to page 157 of the *Budget Statements* showing an allocation of \$81.69 million. That is a significant increase over recent years.

Mr P. ABETZ: I refer to the first dot point on page 158 of the *Budget Statements*, which states that WA tourism generates substantial employment in the regions. Does the minister support the findings in the recently released report of the Economics and Industry Standing Committee, chaired by Dr Mike Nahan, on the review of caravans and camping in WA? Are there any budgetary flow-ons from that report?

Dr K.D. HAMES: I would very much like to answer that question, but I have just thought of something relating to the previous question that I should have pointed out. The member for Midland will notice that under the \$15 million of new funding we announced, there is funding for a golf event that, in effect, replaces the funding we had for the Red Bull Air Race. That means that \$15 million is in addition.

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Mrs M.H. ROBERTS: Hopefully next year, there will be another \$15 million by the time you get here!

Dr K.D. HAMES: I intend to get more money, not less as the years go on.

Mrs M.H. ROBERTS: Excellent! That is what we like to hear.

Dr K.D. HAMES: As members know, the member for Riverton chaired a committee looking into caravans and camping and recommended changes that the government should make. That was about a year ago. The member for Mandurah was a part of that committee. That committee made a number of recommendations, which were supported by government, and I have to say that I am a strong supporter of just about all of the recommendations. We all worry that tourists are taking off to Bali, and with the strong Australian dollar that is inevitable, but there are lots of other opportunities to attract tourists to Western Australia. People come to Perth, but our hotels are 85 per cent-plus full. Although we want people to continue coming to Perth, we need to look at where else to promote tourism in WA. We want to get people into the rural areas and the regions. They do not have to be all overseas people; they can be our own people. Instead of people sitting at home watching television, I want to get them out to the regions. About 20 per cent of Western Australians are retired. In my electorate, the figure is 25 or 26 per cent, and most of Mandurah's residents disappear to Broome during the middle of winter as people get into their caravans and go to the northern electorates. I want to make sure that the facilities throughout Western Australia are excellent.

I had a meeting yesterday with the caravan and recreational motor vehicle association, which also manages caravans, which is very keen on what we want to do to improve facilities. There are two areas that we need to improve. At my request, a committee will look at all the recommendations of the Economics and Industry Standing Committee and bash on the door of the departments to make sure they are doing what was supported by cabinet. The member for Mandurah has been seconded to that committee. I also want the committee to deal with issues that are particularly important in Mandurah; that is, all the caravan parks closing down and people having nowhere to go. I want the committee to identify land and find alternatives to make caravanning and camping facilities available, both long-stay and short-stay, with government involvement in developing those. Broome gets chock-a-block and we need a big new area to cater for the huge demand in overflow caravan parking. We also need places for the recreational motor vehicles, the owners of which do not want to stay in the caravan parks but just need some dump points for their waste.

[9.40 am]

So it is a matter of finding spots for them to go where they do not have to pay for all those extra costly facilities. I want to get the connections right. Most elderly drivers towing a caravan will do only 85 to 90 kilometres an hour for only four or five hours, so we need places within a radius of only about 350 kays where they can stop. I think that, as a government, we need to spend the money to put in dump points, water sources and perhaps even toilets, so that people can stop along the way and get out into the bush, perhaps on the pastoral leases as well, and make sure we have a total network plan for Western Australia to get people out there. Most retired people these days have more money than they used to have; they have an affordability, particularly if they get \$500 in fuel vouchers in those regions. That is, sadly, outside most of our electorates, but certainly in the member's electorate, they have \$500 in their pockets to spend on fuel and get out into the bush. We want to make towns that are capable of looking after tourist-friendly towns, and fill the gaps in the more remote areas so that people will get out there and go four-wheel-driving, caravanning and camping and driving their mobile homes. I want to make that a big focus during our next couple of years in government. I see that being as important as the work in getting overseas tourists here.

Mr P. ABETZ: Is there specific funding for those purposes in the budget?

The CHAIRMAN: Member for Southern River, that is a further question.

Dr K.D. HAMES: Members have to say the words "further question".

No, there is not, although we have some capacity in our existing tourism budget to do some things. Some people who have responsibility for that will do a lot of the legwork. Some of the clubs themselves are going to put in a lot of effort to help show us where the gaps are. We had agreement yesterday that they will come back and show us what all their people think are the gaps in our service. After that I intend to put in a submission, hopefully in conjunction with the Minister for Regional Development, to seek regional development funds because I think that we as a government need to put in money to fund the dump points. Queensland has just spent \$500 000 on dump points throughout Queensland to make it easier for people. We have to be doing those same sorts of things. When I talk to caravanners and ask where they think is the best, they say, "WA is okay; Queensland is the best; and Victoria has the best facilities, with swimming pools and tennis courts, but we have to pay for them." That is not what they want; they do not want all that stuff. They are happy just camping there looking after their hard-earned dollars, relaxing and enjoying themselves. But they spend money. For example, Wongan Hills, I think it

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is, has become an RV-friendly town. The number of tourists who go into the town of Wongan Hills has gone up from around 2 000 a year to more than 10 000 a year since it has been advertised among the tourists that it is a friendly town and that there are special places for them to camp. They stay there and then buy their food at the local deli and go to the pub and have a meal there. They want normal facilities that they can access in the town. If they know of somewhere that is friendly and looks after them, they will go there and use that as a stopping point along the way. We have to make sure we have a network of those throughout Western Australia.

Mr D.A. TEMPLEMAN: The member for Southern River stole my thunder. I had a number of questions about caravan parks. In light of what the minister said about the caravan park priority, I expect that in the minister's soon-to-be-released tourism strategy, which I understand will be released in the second half of 2011, a significant element will focus on caravan parks and camping. I am referring to the first dot point on page 159.

Dr K.D. HAMES: Thank you, member. That is true. Tourism WA has had some good discussions about this. We have reached agreement that this will be a significant component of the Tourism WA strategy in the future. Ms Buckland will talk about the document.

Ms S. Buckland: As the member noted, we are working on a new five-year strategy following the restructure of the organisation and the new direction set by the government last year. As the minister indicated, one of the things that will be incorporated into that strategy is the caravan and camping sector. This year we will conduct all the research necessary to create a road map that identifies the key spots across the state where we need to improve the facilities. That will eventually flow into a business case that will support a submission that the minister is planning to make.

Mr D.A. TEMPLEMAN: Thank you. My substantive question relates to the Extraordinary Taxi Ride referred to in the second dot point on page 159 in which mention is made of a return on investment ratio of 13 to one. I am interested in knowing what measures were used to arrive at that figure.

Dr K.D. HAMES: I will need to hand over to Ms Buckland for an answer to that question, but before I do I want to make a point on the return on investment, as I discussed last week with the member for Rockingham. He made a statement when the member for Mandurah and he were in government about an event not being scheduled because the return on investment was not adequate. I am not too fussed about return on investment. Therefore, a lot of the things we will look at funding through Tourism WA are events that are exciting for Western Australians. I want to make WA a more exciting place to be so that we can all get out and enjoy ourselves. I think that will generate its own interest for tourists and rellies when they see what events will be on. A good example is the Dwellingup bike ride. We have funding for that for next year. I do not know that lots of tourists come to watch the Dwellingup bike ride—there are probably some—but it is a fantastic local event and great for people to be able to participate in. It will generate some tourism, even if only local. I do not want us to spend too much time chasing up what the actual return on the investment dollar is. I want to make sure we have events that are exciting and interesting. The Extraordinary Taxi Ride is a little different because it was a marketing strategy, and it is always worth working out the effect of a marketing strategy. I use that as an opportunity to say those things. I will hand over to the director.

Ms S. Buckland: We measure the return on investment for marketing campaigns in a couple of different ways. I will speak specifically first about how the 13 to one ratio is calculated and then I will talk about the other way we look at it. For the Extraordinary Taxi Ride campaign, we conduct market research on an ongoing basis in the Sydney, Melbourne and Perth marketplaces. We continuously ask people whether they are aware of the campaigns we are conducting and whether they have booked a holiday in WA. We looked at the people who were aware of the Extraordinary Taxi Ride campaign and had booked a holiday to WA versus people who were not aware of the campaign and booked a holiday—we looked at the differential between the two. We basically attributed the booking of a holiday to WA to the people who were aware of the campaign and calculated that based on average visitor spend, and calculated that that generated about \$72 million in direct visitor spend from those people who had booked a holiday in WA and were aware of the campaign.

Mr D.A. TEMPLEMAN: What was the total spend on the Extraordinary Taxi Ride campaign and what was the specific marketing aspect of it?

[9.50 am]

Ms S. Buckland: Tourism WA's investment in the Extraordinary Taxi Ride campaign was \$4.7 million. In addition, a number of tourism industry partners were involved in the campaign, and they invested in total \$1.5 million. Therefore, the total cost of the campaign was \$6.2 million. We estimate that the visitor spend generated as a result of the campaign was \$72 million; therefore, a return of \$13 for every \$1 spent on the campaign.

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Mr D.A. TEMPLEMAN: I have a further question. How many visitors to Western Australia can be attributed to the Extraordinary Taxi Ride campaign?

Dr K.D. HAMES: I ask Ms Belford to answer the question.

Ms D. Belford: Part of our calculations for getting the \$13 to \$1 ratio was, as we said, how many people had seen the campaign and how many people had booked, and we attributed a portion to that. Therefore, the attributed portion from the intrastate market was just over 21 000 visitors, and from the interstate market just over 65 000 visitors. These are people who have booked a trip. They might not have come to Western Australia in the two or three months around the campaign, but they told us that they booked the trip, and we have attributed that in the population. Those are the figures that we have in our calculations.

Mrs M.H. ROBERTS: I refer to the eighth dot point on page 159 of the *Budget Statements* and to the figures on page 161 underneath the heading “3: Tourism Investment and Infrastructure”. The eighth dot point refers to activities that will enhance tourism infrastructure and indicates that a key focus of the agency is to facilitate the investment required for tourism infrastructure. The eighth and ninth dot points advocate for new hotels, the progressing of new Naturebank sites, the development of tourism corridors, four-wheel-drive trails and the like. This area will be a key focus. However, when I turn to the table on page 161, I am curious to find out how this will be a key focus, given that the staffing level in that unit responsible will go from 47 full-time equivalent employees to only 21 FTEs. How will Tourism WA make it a key focus with fewer than half the staff?

Dr K.D. HAMES: Yes, this will be a key focus, but it will focus not on government spend on infrastructure, but on achieving certain components. Hotels are a good example. As I am sure the member knows, and as tourism ministers before me have been saying over and over again, we lack hotel infrastructure in this state. In fact, we could provide an additional 300 beds a year for 10 years and still not get the total number of beds that Perth needs for tourism. Therefore, this government intends to concentrate very heavily on what we can do to promote hotel development, particularly in Perth. One of the problems with developing hotels is that they are just not economically viable; the return that people get from commercial or residential construction in the city is far greater than that for tourism. For the capital outlay needed, the returns are simply not great. We intend to do what Sydney did before the Olympic Games; namely, look at what the government can do to make land more readily available for hotels and look at incentives that we can build into packages. That may be, for example, using government land and a long-term lease for hotel sites rather than requiring companies to purchase land and to designate certain sites as hotel sites. A good example is that, in my view, we will need a major 300-bed five-star hotel within the Perth foreshore development. The government can work hard to ensure that that infrastructure is built. Although the infrastructure that we talked about for caravans and camping is only minor, I will seek additional funds for that as we go through the process. However, all these things need not be specifically done by staff in our office; these are things that the government, and I as the minister, can be involved in. In China, I met with the former chair of CITIC Pacific, who is now the chair of the entire CITIC Group, and he expressed a very strong interest in building a hotel in Western Australia. Remember, that group has CITIC Pacific Mining and it has a construction arm. In fact, CITIC built the Beijing National Stadium—the bird’s nest stadium—for the Olympic Games. Therefore, we have lots of opportunities to promote for people who want to invest in infrastructure in Western Australia; the Singaporeans are also very interested. With regard to the specific FTE numbers, I will hand over to the chief executive.

Ms S. Buckland: As the member is probably aware, Tourism WA went through quite a significant restructure last year. With regard to the infrastructure and investment division, the purpose of the restructure was to focus that division of the organisation on developing significant infrastructure projects. Therefore, rather than work on very small projects across the state, which took lots of people, even though each individual project did not amount to much, we now have a smaller group of people who are very focused on the types of issues that the minister pointed out—such as Perth hotels. For example, they will research the caravan and camping roadmap for the state or do an analysis of the cruise shipping industry and all our ports across the state and how we might improve our infrastructure in that regard. Therefore, it is a very small team focused on doing a lot of research on specific projects.

Dr K.D. HAMES: I think that previously—I was not involved in the restructure, as the member knows—there was a lot of duplication of effort, particularly with the regional development commissions. A lot of the work that I do with our local development commission is focused on infrastructure, particularly tourism infrastructure. I know that a lot of the applications we get from areas such as Karratha are for tourism infrastructure, such as a foreshore development, boat ramps and the like—things that significantly improve tourism. I was not involved, but the methodology behind the restructure was to leave more for the regional development commissions, which have access to considerably more funding than we do through tourism, and to help deal with those major issues.

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Mrs M.H. ROBERTS: I have a further question on that aspect. With 26 FTEs gone, what is the annual saving in dollar terms? What is the cost of those 26 FTEs?

Dr K.D. HAMES: I hand that question to Mr Lowe.

Mr D. Lowe: Those 26 FTEs would equate to in the order of \$2.5 million to \$3 million per annum in terms of salaries and associated overheads.

Dr G.G. JACOBS: I will ask a local question. My home town was voted last year as having the best beaches in Western Australia. I refer to the second dot point under “Significant Issues Impacting the Agency”.

The CHAIRMAN: Which page are you on, member for Eyre?

Dr G.G. JACOBS: It is page 158, which refers to a greater effort in making holidays in WA more accessible. What efforts did the Western Australian Tourism Commission make in the regional air services review? What means are there to address the greatest impediment, essentially, to holidaying in Esperance—namely, that it is a 720-kilometre drive from Perth, and that the normal return airfare is \$720? Of course, until recently, the service provided no holiday packages or cheap fares. I obviously have a bias towards Esperance as my home town, but if we are to make these places more accessible, one of the major impediments —

The CHAIRMAN: Member for Eyre, there is only one minute left for this division. Do you want a quick answer?

Dr G.G. JACOBS: Yes, if I may; there is another minute to go.

The CHAIRMAN: I will be stopping at 9.59 am; therefore, does the member want a quick answer?

[10.00 am]

Dr G.G. JACOBS: What efforts will be made to make it more accessible?

Dr K.D. HAMES: The Minister for Transport is responsible for that review regarding airports. It is a concern that they are still charging such fees. The member will see, in some of the changes up north, that although there has been criticism of the change up there, people are now getting cheaper fares. But in the end it is a matter of us working on the numbers to improve tourism so we get the competition that allows that. The alternative way to get to Esperance is to drive. By making better routes for people, better stop points and better caravan spots, we can get lots of people down to Esperance because it is such a beautiful place. We can attract people who do not necessarily want to drive. Most families in fact do not want to fly.

The appropriation was recommended.